



Will You Retire?

New Economic Realities Keep More Americans In the Workforce Longer

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Jan Fitzsimmons had the luxury of being able to retire at 47 after 22 years of service with the [U.S. Navy](#).

But retirement turned out to be not so luxurious.

Now 52 and renting an Arlington townhouse, she is looking for part-time work because life has become too expensive. Her grocery bills have gone up. So have her telephone and cable bills. Health insurance, too, is getting costlier.

"Oh yeah, I'm feeling the pinch," she said. "I'm seeing all my investments go down and the cost of living go up."

Many retirees and soon-to-be retirees are reckoning with a new reality: It's just too difficult to live on a fixed income when the price of everything is edging up. At a time when they need more money because of longer life expectancies, many are facing a retirement with less because the wildly fluctuating stock market has depleted 401(k) plans and individual retirement accounts. Meanwhile, more and more employers are moving away from defined benefit plans, such as pensions, in which they guarantee workers a certain amount of money for retirement.

As a result, Americans are increasingly postponing retirement or getting part-time or even full-time work in other fields after retiring.

"Clearly there's a lot of angst around the notion that the economy is making people's 401(k) portfolios be less than what they anticipated, and therefore, the need to postpone retirement is more imminent than before," said Deborah Russell, director of workforce issues at [AARP](#), the nonprofit organization that represents the interests of people 50 and over.

The percentage of older people in the workforce has been rising steadily since the late 1990s after hitting historic lows through the 1980s and early 1990s, according to the [U.S. Bureau of Labor Statistics](#), which is expecting that trend to accelerate. By 2016, the bureau predicts that the number of workers age 65 and over will soar by more than 80 percent, accounting for 6.1 percent of the total labor force. In 2006, they made up just 3.6 percent of active workers.

Older workers are increasingly more comfortable with the notion that traditional retirement might not be in store for them, the AARP has found. According to a survey released by the organization in September, seven in 10 older workers expect to be employed in retirement, mainly part-time. Sixty-four percent of those workers cited current financial needs, such as health care costs, as the primary reason for working, while another 11 percent said future financial security is what's driving them. Another AARP survey released in April showed that 27 percent of older workers had postponed plans to retire because of the economic downturn.

"If we had \$2-a-gallon gas and there were no foreclosures and life was good, I think people would probably favor traditional retirement," said Bob Skladany, a human resources consultant and vice president of research and certification for RetirementJobs.com. "I think we've hit a turning point. Expenses won't change. People don't hope to die sooner, so people will work past retirement."

Although many employers are scaling back on hiring because of the anemic economy, others in thriving fields such as health care are recognizing that a brain drain could happen if baby boomers eligible for retirement actually settle into lives on golf courses. Fearful that they wouldn't have enough younger workers to replace them, the prospect of being able to hold on to their trained workforce is appealing, so much so that they don't mind the potentially high health care costs that come with an aging population.

"They're dependable, they're committed, they bring a stabilization to our environment," said R. Virginia Smith, [Wal-Mart's](#) senior

manager of diversity relations for mature markets. She said the company employs more than 355,000 workers over 50, and even as old as 103, in its stores. The company has about 1.2 million employees.

There are now so many retirees expecting to work longer that a new term has been coined for what they are doing: They are "rewiring," not retiring.

Businesses and local governments are actively urging older workers to rewire. Web sites such as RetirementJobs.com have sprung up. The jobs range from the kind that teenagers do in the summer, such as retail, to those requiring advanced skills and education levels. The web site YourEncore.com, for instance, recruits mature workers trained to be engineers, scientists, and product developers.

Many state and local offices for the aging and nonprofit service organizations now hold job fairs for older workers. Operation A.B.L.E. (Ability Based on Long Experience) of Greater Boston organized mature worker career fairs for job seekers 45 and older. Meanwhile, many community colleges, such as Central Florida Community College, offer training programs for older workers.

Recognizing the need to match older workers with employers, AARP created a national employer team of more than two dozen employers who actively court mature workers. Last year, the [Internal Revenue Service](#), the U.S. Small Business Administration Office of Disaster Assistance and the [Peace Corps](#) became the first federal agencies to join the team. In August, the organization partnered with RetirementJobs.com to expand its online offerings of job search advice.

Often, Skladany said, older workers are surprised at how the process of finding a job has changed so much in recent years. For one thing, so much is done electronically. Skladany often comes across job seekers who don't even have e-mail accounts, much less know how to use the Internet. He advises them to get a computer with a high-speed Internet connection, learn how to use a search engine such as [Google](#), and get an e-mail address and a cell phone.

"Older workers are stunned by this because they still remember the pen-and-pencil days," he said.

Last month, AARP held its second annual job fair at its convention in the District to guide older workers through the process. Organizers said attendance by both job seekers and employers was much higher than last year.

In the middle of the sprawling [Washington Convention Center](#) floor were tables with computers where soon-to-be retirees and retirees were looking up job postings in AARP's database. On a nearby stage, consultants gave tips on putting together a résumé and mastering interviews. To the left and right of the stage were booths where potential employers such as Wal-Mart and the IRS were handing out information and interviewing job candidates.

Many of the job seekers were retired and looking for ways to make extra cash. Others had not yet retired but had been laid off or lost contract work due to the weak economy.

Cynthia Thompson-Scott, of Hyattsville, had a contract as an office manager at a private school, but it was not renewed because of downsizing. "I'm 50 years old and I have to look for another job," she said while sitting at a computer. "It's the pits."

Others were simply bored with the slower pace of retirement and eager to find part-time work to keep them occupied. "Retirement for boomers is not the retirement of our grandparents, who played golf," Russell said. "Boomers want to stay engaged, live in metro areas, interact with different generations."

Mary McLean, a 66-year-old Northeast resident, retired earlier this year from her job in the accounting department of Ocean Conservancy, an environmental group.

"I've been home for about six months. I've straightened out the house. I go to the gym every day, so I just needed something to do," she said.

She also wouldn't mind having more spending money. "I have to watch my spending more," she said. "Just going to the gym every day, I have to buy a lot more gas for the car."

Fitzsimmons, the Arlington resident, is not only watching her spending. She's cutting back.

Although she retired from the Navy in 2003, she continued to work on a contract in the defense industry. She gave that up in January and has since been living off her military pension, which amounts to about half of what she earned while working. She has an IRA, mutual funds, money market accounts and a certificate of deposit as her back up.

The lack of extra income from the contract has been noticeable, especially in recent weeks as the economy has deteriorated. She has suspended shopping. She hardly dines out. Her car could use new tires, but she's holding off for now. She recently bundled her phone and cable service to shave off a few dollars from the monthly tab.

"I didn't notice those things as much as I do now that I don't have an extra paycheck," she said. "I'm nervous. I'm very, very nervous."

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