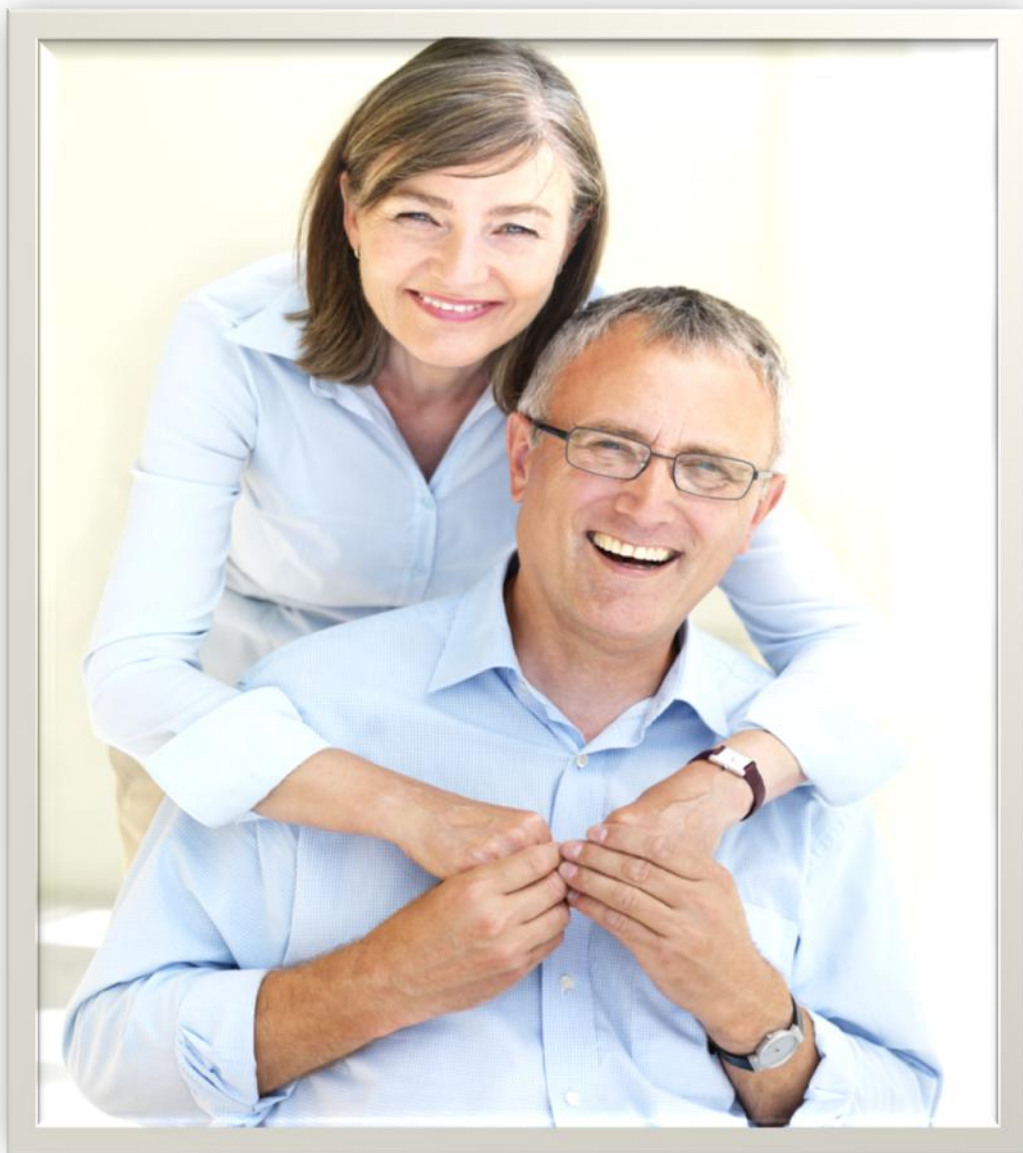


# Ready for Un-Retirement?

*Your Future in the New Economy*



**A Client White Paper, Part of an Occasional Series on Life and Living  
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If you are fortunate enough to live to be 83, did you know that you will have lived **30,000** days on the earth?

The first 10,000, you are dependent on your parents, working hard for good grades, trying to stay out of detention, doing your chores, hanging out with friends, going to college or not.

The second 10,000 days, you get married, raise a family, build your career, pay bills, deal with the IRS, get laid off, get divorced, struggle to find a new career and, if you are lucky, take an occasional vacation. **The third 10,000 days are about YOU.**

Few of us rarely think of our lives in days. Yet our measurement of time surrounds the 24-hour clock. Hours in a day, days of the week, days of our lives. When you count your life in actual number of days , it can have a profound impact.

People used to count on certain principles. Work hard for 30 years, get promoted, retire with dignity. Or save your money, retire with dignity. Or invest your money, buy and hold stocks, diversify, and retire with dignity. Our parents and grandparents—the greatest generation— followed these principles and, for the most part, did fine.



*Then, everything began to change.*

Macroeconomics aside, life moves forward in cycles. The cycle we're in now is so disruptive, it has unhinged much of what we once thought true. Consider these common beliefs:

***"I am going to retire at 62 and collect my pension, and just relax."***

***"When I retire, I'll help my grandkids go to college, then travel the world."***

***"I won't outlive my money; I'll have enough to live on when I retire."***

***"I can always get a job doing something for extra money."***

But we live longer than ever today. Average life expectancy is 77.8 years, according to the National Center for Health Statistics. Four million people have been laid off since December 2007, millions more forced into early retirement. Unemployment figures hover at 7.6 percent nationally. And who could have dreamt of the demise of Lehman Brothers and the rise of Bernie Madoff.

Worse still, the Federal Reserve estimates that the net worth of American households fell by 11.2 trillion dollars in 2008, according to an msnbc.com news report

We are all worn out by the negative news. We know what we need to do. Stretch our cash. Cut expenses. Save what we can. Maybe even go back to work. But we may not know how to do it.

### **What's Un-Retirement?**

Every seven seconds, a Baby Boomer turns 50<sup>1</sup>. That famous headline-grabbing age group from 44 to 63. Think Brad Pitt to Mick Jagger. Most boomers are just too active to retire. And for those of us who don't lead paparazzi-crazed lives, our financial situation may not let us retire anyway.

Actually, Sphere Trending calls this group "Zoomers," baby boomers "zooming through life with gusto and energy." Boomers total 78 million people, those born between 1946 and 1964, and nearly 20 percent of those have already hit 55, a time traditionally thought of as retirement. What's happening instead is **un-retirement**— a balancing of work and play in a way that sustains us, if we are fortunate enough to live to be 83.

Find the un-retired in the former corporate V.P. on a pension who takes a part-time job as a clerk at Home Depot because he loves building things. Or the retired schoolteacher who works part-time in a dress shop to supplement social security. Or a retired nurse who



volunteers for a local free clinic to give back. Or the retired couple who hopes to build a second nest egg and opens a smoothie shop in a sun-drenched burb of Florida.

<sup>1</sup>smallbiztrends.com

Whatever you do, don't call Zoomers "seniors." More than 60 percent actively engage online in blogs, videos, podcasts and social networks. And they are active at the gym, in home projects, on walking paths. They pride themselves in all things *au courant*.

Louis Harris & Associates recently surveyed 1,555 adults 45 and over for *Business Week* and learned that 75 percent plan to continue working after retirement.



"Baby boomers fundamentally will reinvent retirement," said James P. Gorman, president of the Merrill Lynch Global Private Client Group. . . [they are] living longer and remaining engaged and employed beyond age 65, many of the traditional financial assumptions regarding retirement need to be reexamined." He goes on to say, "On average

they expect to retire from their current job/career at around age 64, and then launch into an entirely new job and career."

### **Prime-Timers, Too**

It's not just Zoomers who are redefining retirement. Prime Timers, age 64-plus, are in the prime of their lives—that last 10,000 days—when they can finally enjoy retirement and spending family time, seeing friends and being social. But they, too, have needs in retirement. They are launching second and third-career businesses, sending grandkids to college, and financing charitable endeavors.



### **Pensions into Possibilities**

How do Zoomers or Prime Timers transform their dreams? At a time of diminishing wealth, retirees are asked to think differently about their lives. How

do they fund a coveted safari to Kenya, open a Quizno's, or go back to college for a long-wished-for master's degree.

Perhaps, the needs are more life-pressing. To finance a bypass surgery. To get out of debt. To pay for add-on room for your 85-year-old mother with Alzheimer's. To settle a very costly divorce so that you can move forward in your life.

In the United States, there are six million retired civil servants who receive an average benefit of \$17,640 a year.<sup>2</sup> About 11 million private sector retirees earn pensions at \$7,500 a year. If you are fortunate enough to have a pension, as these Americans do, you can actually sell a portion of that pension to a reputable buyer and use the cash to fund a dream or an imperative.



You could get an advance from your pension. For example, you could collect \$55,000 in lump-sum cash today by selling roughly \$96,000 in future pension payments. Is it worth it? Let's compare it to typical credit card borrowings.

If you charged \$55,000 in credit card debt, you'd likely pay 12 to 28 percent in interest fees annually, and will not pay it down in your lifetime, unless you pay far more than the monthly balance. Most important, banks, if lending at all, do not recognize your pension as collateral for a loan.

So many Americans today are going back to work, reinventing themselves, and discovering new ways to look at their lives. It may take a little bold thinking to tap into your pension to fulfill a dream. But if you do, you may just be able to *un-retire*.

**In the meantime, here are some humble suggestions  
on how to enjoy your next 10,000 days.**

## 10 Ways to Love the Rest of Your Life

1. Learn to live in the now (remember your 10,000 days)
2. Make at least one dream happen.
3. Find gratitude in something every day.
4. Give back. Volunteer. Donate.
5. Accept and practice the Power of Less.
6. Be open-minded and seek out new ideas.
7. Move and then move again. Your body craves it.
8. End your day with laughter, a hug or simple silence.
9. Acquire the taste for joy.
10. Read *The Last Lecture* by Randy Pausch

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### Great Resources for Work and Dream Fulfillment

[www.YourEncore.com](http://www.YourEncore.com)

[www.SeniorJobBank.com](http://www.SeniorJobBank.com)

[www.Seniors4Hire.org](http://www.Seniors4Hire.org)

[www.Dinosaur-Exchange.com](http://www.Dinosaur-Exchange.com)

[www.lifeafter50.com](http://www.lifeafter50.com)

[www.uspensionfunding.com](http://www.uspensionfunding.com)

<sup>2</sup>[Congressional Research Service] 2009

For more information on U.S. Pension Funding, call **800.586.1325** or if you have a comment about this white paper, please contact Carolyn Smith via email: [carolyn@magnusco.com](mailto:carolyn@magnusco.com)