



# Retire Your Way -- or Don't

By Robert Brokamp  
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Won't retirement be great? No more need to update your knowledge and improve your skills. No more colleagues to interact with. No more contributing to the nation's gross domestic product. No more reason to get out of bed in the morning... for two decades! Then you die.

OK, so I'm exaggerating. Millions of people have sworn off work and live very fulfilling lives. In my [Rule Your Retirement](#) newsletter, I regularly profile people who have retired and live enviable lives (some as young as 38!). One fellow left his job as an engineer and now travels four months a year and maintains a website about early retirement. Two others are a couple from California who sold their restaurant and now literally live around the world.

But studies have shown that many people actually plan to work until they permanently retire (i.e., die). One such study is "Staying Ahead of the Curve: The AARP Working in Retirement Study," which found that seven of 10 workers between the ages of 50 and 70 expect to keep working beyond age 65, and half expect to work well into their 70s. Fifteen percent of those surveyed had already retired from one job but had rejoined the workforce.

When respondents were asked to specify the factors that influenced their decision to keep working, the three biggest reasons were "desire to stay mentally active," "desire to stay physically active," and "desire to remain productive or useful." The fact is, many retirees find retirement, well, boring. After all, if you retire at 65, you can expect to live another 20 years. That's a long time. Twenty years ago, Ronald Reagan was just starting his second term as president, Howard Cosell was announcing *Monday Night Football*, and only geeks had personal computers. For many people, golf, shuffleboard, and driving the RV won't be enough to fill two decades' worth of free time.

I particularly enjoyed a *Newsweek* from last summer that provides an example of the real-life consequences of going from full-time work to full-time leisure. It was a "My Turn" column written by Jan Zeh, a woman whose husband recently retired... and he's driving her nuts. Why? Because he doesn't know what to do with himself. She writes: "Yesterday my husband decided to take the dog out for some fresh air. They stood in the driveway while he counted the leaves falling from the ash tree. Aloud. Another meaningful retirement activity."

## Retirement is *sooo* 20th century

The idea of spending your last 10 to 30 years lounging on the beach is relatively new. Pensions have been around for only about a century, and IRAs and 401(k)s less than 30 years. When Social Security was created in 1935, most people weren't expected to get decades' worth of benefits since the life expectancy of the average American was just 63 years.

However, life expectancies are now pushing 80 (and beyond, if you make it to 65). Plus, workers in their 60s can still be productive -- perhaps even more so than younger workers because of experience. This wasn't necessarily so when America was making the transition from an agrarian society to an industrial powerhouse. But nowadays, more Americans work in offices than on farms or in factories.

### **What would you do?**

Each month in [Rule Your Retirement](#), I interview an expert in financial independence (which is really what retirement is all about). A few months ago, I spoke with Mitch Anthony, the founder of the Financial Life Planning Institute and author of *The New Retirementality*. According to Anthony:

Disillusionment rates are sky-high for retirees. According to one survey, 41% say retirement was the most difficult adjustment of their life and most still struggle with the monotony, boredom, lack of purpose, and lack of intellectual stimulation that traditional retirement offers. There is a good reason these retirees are not happy -- *retirement is an unnatural idea*. The concept runs contrary to the preservation of the human spirit.

Of course, some people can apply that description of retirement -- monotonous, purposeless, boring -- to their jobs. Which is also part of Anthony's message. Finding the right kind of employment, doing what you enjoy, and living according to your priorities is the way to avoid spending 50 years in the 9-to-5 grind, longing for retirement -- which Anthony calls "a virtual transplant to the fringes of society."

So ask yourself: Would you really enjoy spending the last decade or two of your life not engaged in *meaningful* employment? Do you feel locked into your current job? Is there something else you'd rather do but feel you can't because of the pay cut? If so, it might be possible -- with some careful financial rearrangements -- to do what you want to do, especially if you don't have to worry so much about stuffing your 401(k).

### **It still comes down to the money**

I know, it's not that easy. Giving up a manager's salary to become a teacher -- the most popular profession of the formerly retired, according to AARP -- could have severe monetary consequences. (By the way, the fourth-most popular profession for the self-employed "working retired" is private investigator -- and you thought that codger who trails your car and hides in your bushes was just lonely.)

And when the AARP survey asked participants to choose just one major reason for working beyond age 65, the most common response was "need money." For many workers, retirement may not be an option, given pension troubles, the rising cost of health care, and lack of savings. So the first step is to determine the status of your retirement savings plan. Not only will you discover whether you can retire, but also you can weigh various scenarios (e.g., if you worked part-time in retirement and made \$1,000 a month, how would that affect the amount you should be saving now?). We have some online [retirement calculators](#) that can give you a rough idea. And you'll increase the chances that your later-life work as a **Wal-Mart** ([NYSE: WMT](#)) greeter will be a choice, not a necessity.

Even if you think you'll breathe your last while sitting at your desk -- keeling over on expense reports -- that doesn't mean you shouldn't be saving enough to get the employer match in your retirement plan at work, then maxing out your IRA. And you'll have retirement-related benefits to manage -- such as Social Security, Medicare, pensions, and IRA withdrawals -- which can be reduced or enhanced by earning a paycheck in your 60s and 70s.

Those are all the practical matters, and they're important. But ask yourself this question right now: "How do I want to spend, on a day-to-day basis, the rest of my life?" Your answer should be the foundation for all your retirement planning.

*This column was originally published in July 2004. It has been updated.*

*Robert Brokamp is the editor of the Rule Your Retirement newsletter service. Sign up for a [free 30-day trial](#), and receive the "8 Ways to Supercharge Your Retirement" special report. The Motley Fool has a [disclosure policy](#).*