

First wave of baby boomers are eager to retire

by Michael_Kinsman

All this talk about working later in life these days seems to be a lot of hooey to the oldest baby boomers.

A majority of the 2.9 million Americans who turn 62 this year say they will be fully retired by the age of 65, according to a new survey released by MetLife.

That's in direct conflict with what previously has been forecast. Economic uncertainties, poor retirement planning, collapsing pension plans and longer worker lives were all considered reasons that many people would continue working past the age of 65. But if that's going to happen, it will happen somewhere down the line. Right now, the majority of the first boomers - those born in 1946 - is ready to slide into retirement.

"Contrary to what most of us have believed about the baby boomers who came of age in the turbulent 1960s, the group is very much like the 'Silent Generation' that preceded them," says Sandra Timmermann, director of the MetLife Mature Market Institute.

"These leading-edge boomers have established very traditional lifestyle characteristics.

They really are more like Ward and June Cleaver than we may have thought and they might be classified as 'conventional.'"

Does this mean economists were mistaken when they spotted a trend toward working later in life?

Not necessarily.

It just seems that the trend of remaining in the job market will happen a couple of years later than they expected.

The U.S. Bureau of Labor Statistics estimates that 19.7 percent of workers over the age of 65 will still be working in 2014.

That's twice as many as worked in 1984. And, the percent of workers ages 55-64 in 2014 is estimated to hit 65.2 percent, compared to 54 percent in 1984.

That the first baby boomers will be bucking this trend seems to point to some specific financial conditions of these workers.

The leading-edge boomers have reaped benefits that younger workers never had the chance to. For the most part, they were able to purchase homes before home prices escalated into the stratosphere.

People who turn 62 this year were in the prime home-buying age in the mid 1970s to early 1980s, when prices were far below today's levels.

Many of those boomers have traded up, but they have been major beneficiaries of the run-up in housing prices over the past three decades. The median price of a U.S. home in 1978 was \$55,700 compared to about \$220,000 today, according to the National Association of Realtors.

MetLife's survey also showed that about 47 percent of those turning 62 this year have defined-benefit pension plans, which will pay them a fixed monthly amount upon their retirement. The Bureau of Labor Statistics reports that only about 21 percent of workers in today's work force are covered by defined-benefit plans.

Fifty percent of age-62 workers say they have an Individual Retirement Account or 401(k) plan while 38 percent say they have investments in stock or mutual funds.

The oldest of the baby boomers don't share the concerns of 20- and 30-something workers today that the nation's Social Security system will still be afloat when they retire.

In short, these are mighty lucky individuals who won't face the turmoil of increased downsizing, health care benefit loss or elimination of defined-benefit pensions that will become increasingly common in the years ahead.

As a block, workers turning 62 this year have a far more stable financial future than workers even five or 10 years younger than they are.

Not everyone was lucky to have enjoyed in the prosperity of the generation born in 1946.

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