

4 Ways to Do a Slow Retirement, and Why You'll Probably Want To

By: Kathryn Tuggle

NEW YORK (MainStreet) – If you're thinking of retiring but don't want to make a complete break from the workforce, you're not alone. More Americans are transitioning slowly into retirement by working part time, volunteering and more. According to the Merrill Lynch *Work in Retirement: Myths and Motivations* study, nearly half (47%) of today's retirees say they either have worked or plan to work during retirement. A whopping 72% of pre-retirees over 50 say they actually want to keep working after they retire.

Here's a look at some of the ways and reasons workers choose to remain actively employed well into their golden years.

Why are people opting for a "slow" retirement? They're looking for a "mission-driven life."

A lot of people who spent their entire lives focused on creating wealth have decided in their retirement to work for a mission-driven organization, says Jason Hanold, managing

partner at executive search firm Hanold Associates.

"While the job market may not be booming for seniors, there are more opportunities than ever before for part-time and consulting work to ease the retirement transition."

– Kurt Fillmore

partner at executive search firm Hanold Associates.

"They want to do something meaningful," Hanold says. "Some of them say, 'I have been doing well with this company, but the work isn't resonating with me. I'm going to do something in retirement that speaks to my core.'"

Today's retirees are "looking more holistically at life," Hanold says, making the decision

that they want to love what they do. "There are top CEOs and COOs who have gone to work for charities they support. They still have income, they still have a job, and they're doing what they love," he says. "At a certain point in your life, your work becomes less about providing for your family and more about finding meaning in the every day."

They aren't financially able to retire

A lot of people retiring now either lost a good bit in 2008 or haven't been able to save enough over the course of their lifetime to retire at 65, Hanold says.

"There are a lot of mitigating factors. Some people don't have the right portfolio, and they may have already extended their ideal retirement ages. They don't have a choice but to keep working," he says.

Unfortunately, too many retirees fail to realize how much money they'll need for retirement until the time is upon them, says

Jayne Mattson, senior vice president of Keystone Associates.

"Too many people who retire underestimate not only the financial impact on their lives, but the emotional aspect as well," she says.

Another factor in financial dependency is the cost of healthcare, but that calculation has changed in recent years, according to



Kurt and his team at Wealth Trac Financial Group work with clients to ensure that they ask the right questions and understand the financial implications of a "slow" retirement, that way they can make the best long-term decisions. Call 888-519-9614 to learn more.

Kurt Fillmore, President of Wealth Trac Financial Group.

"The Affordable Care Act has made it easier for seniors to choose semi-retirement before age 65, as non-employer health insurance has become more affordable," says Fillmore. "For those who want to retire early, this provides more flexibility as to how much and when they want work."

They want to try something different

"Some people who retire early go to work in a completely different field," Hanold says. "They don't call it retirement, but it is definitely a retirement from their current vocation."

When people hit 50, they may look around at their current job and say, "I don't want to do this for another 20 years." When that happens, instead of retirement, they find themselves in a "next chapter."

"The stories of the general counsel deciding he wants to be a florist or the CMO deciding she wants to become a ski instructor are not uncommon," he says. "They're earning

money, and it works for them. It's a second career."

There's a generational shift

In the past 15 years, the goal of "doing nothing in retirement" has changed drastically, says Peter Eckerline, managing director of wealth management at Merrill Lynch.

"There's not a real cookie-cutter approach anymore," he says. "I have a lot of clients working in retirement, doing some work in retirement or taking classes. The health and vitality of older people has increased dramatically. I know some 70-year-olds running marathons. They don't get to be a certain age and say, 'Hey I'm ready to check out.'"

Today, more retirees see the benefits in staying active mentally and physically, Harold says.

"With your brain, it's use it or lose it. Some people are driven by a sense of self preservation. They know they need to be intellectually engaged if they're going to be mentally agile as they grow older."

What are they doing?

They're working with nonprofits

"Years ago people only thought about going to sit on the beach and play golf, but I don't see that with many of my clients," Eckerline says. "More want to work than don't, and a lot of them are staying involved with nonprofits, churches and charities. I talk to

them and they say, 'I am busier now than I ever have been.'"

For some, their nonprofit work is unpaid, but for others a small paycheck may be involved.

"It's different for everyone. Some people feel more secure if they are doing something that allows them to not dip into their savings as much. They may be making just enough to cover a little splurging or some trips," he says.

They're starting their own ventures

"I hear about it now more than ever," Eckerline says of retirees starting their own businesses. "People love it because it's not as much of a grind."

Many entrepreneurial retirees choose to start a business they're passionate about, such as a restaurant or yoga studio, he says.

They're cutting back hours, but staying in industries they know and love

"Making a 180-degree change is harder for some people than others. Many people choose to stay in an industry that they know and understand, where they have experience and skills they can pass on," Eckerline says.

Once people look at their complete financial picture, they can determine how much they're able to scale back their hours.

"Everyone has different ideas of how retirement goes," he says. "For a lot of them, part-time work will be a part of it."

They're becoming consultants

Consulting can be a great choice for retirees who still want to work at something they enjoy, with a freedom of schedule they've never had before, describes Kurt Fillmore.

"They can pretty much be their own boss and create value for a company in a different way. A lot of times, it's really rewarding for people to do this if they have the type of career where they can make the transition," he says.

Most retirees will opt to do something "where they at least know the road map." "People want to do something that still challenges them. With consulting they can say, 'I'm in the same field, but now I have new responsibilities where I am in charge,'" Fillmore says. ■

About Wealth Trac

Wealth Trac Financial Group is a full-service retirement planning firm based in Southfield, Michigan, serving clients throughout the Detroit area. Led by principals Josh Alpert and Kurt Fillmore, the team at Wealth Trac uses a wide variety of strategies to create truly customized and individualized plans for each of their clients, ensuring financial security in retirement. To learn more or schedule a free consultation, please call us at 888-519-9614 or visit www.wealthtracfinancial.com.
