



# Is there a Future for Retirement

**Working Longer: What are the Consequences**

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# Gen X: The “Prince Charles Generation”



# The Growing Aging Workforce: Possible Consequences

- Block promotions for younger workers
- Higher health and disability costs
- Skill obsolescence
- More unemployment among young

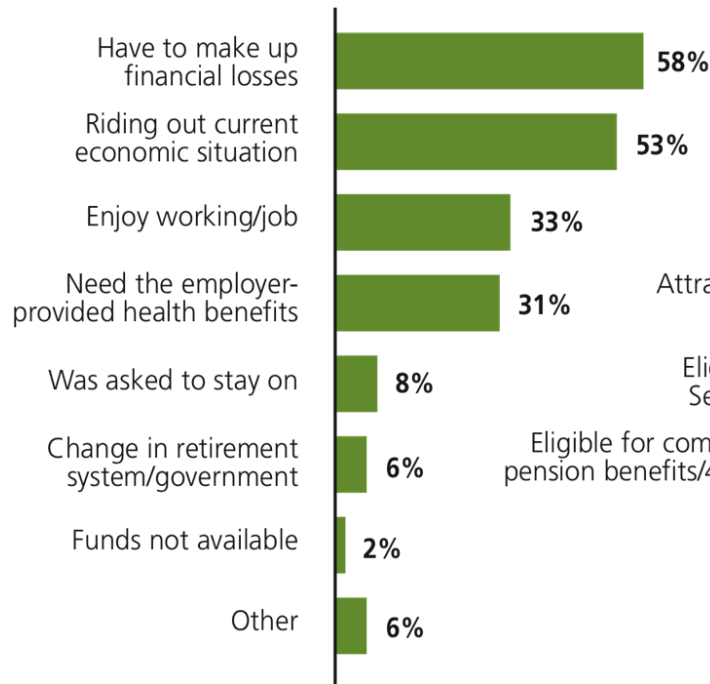


- More engaged and loyal workers
- Stimulate new job configurations
- Greater opportunity to save for retirement
- More money into government programs

# Workers Say they will Work Longer...but Life is Full of Surprises (Twice as Many Retire Early Rather Than Later)

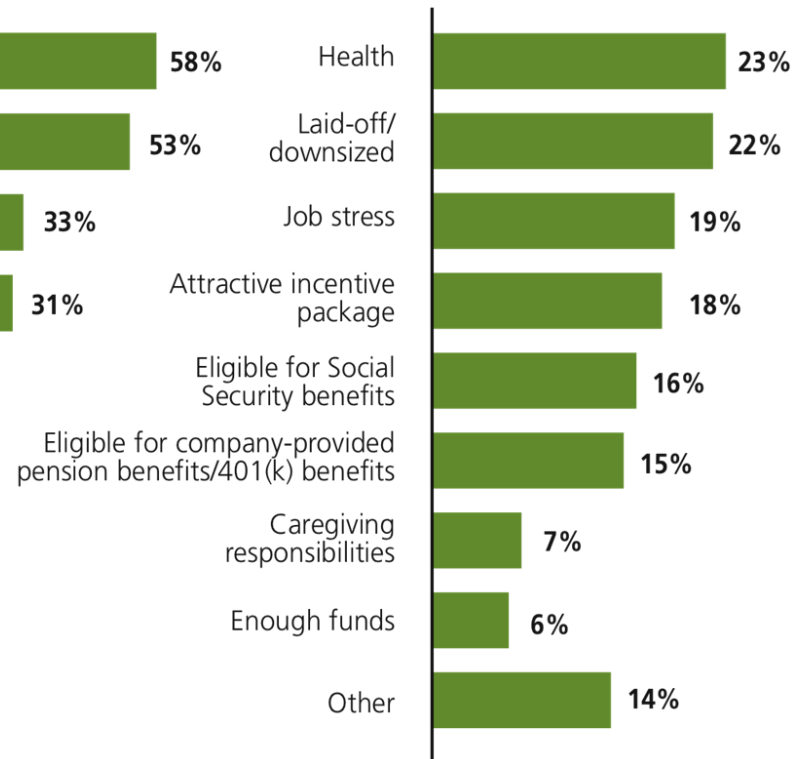
## Reasons for Retiring Later

Base: Among those who anticipate retiring later than expected



## Reasons for Retiring Early

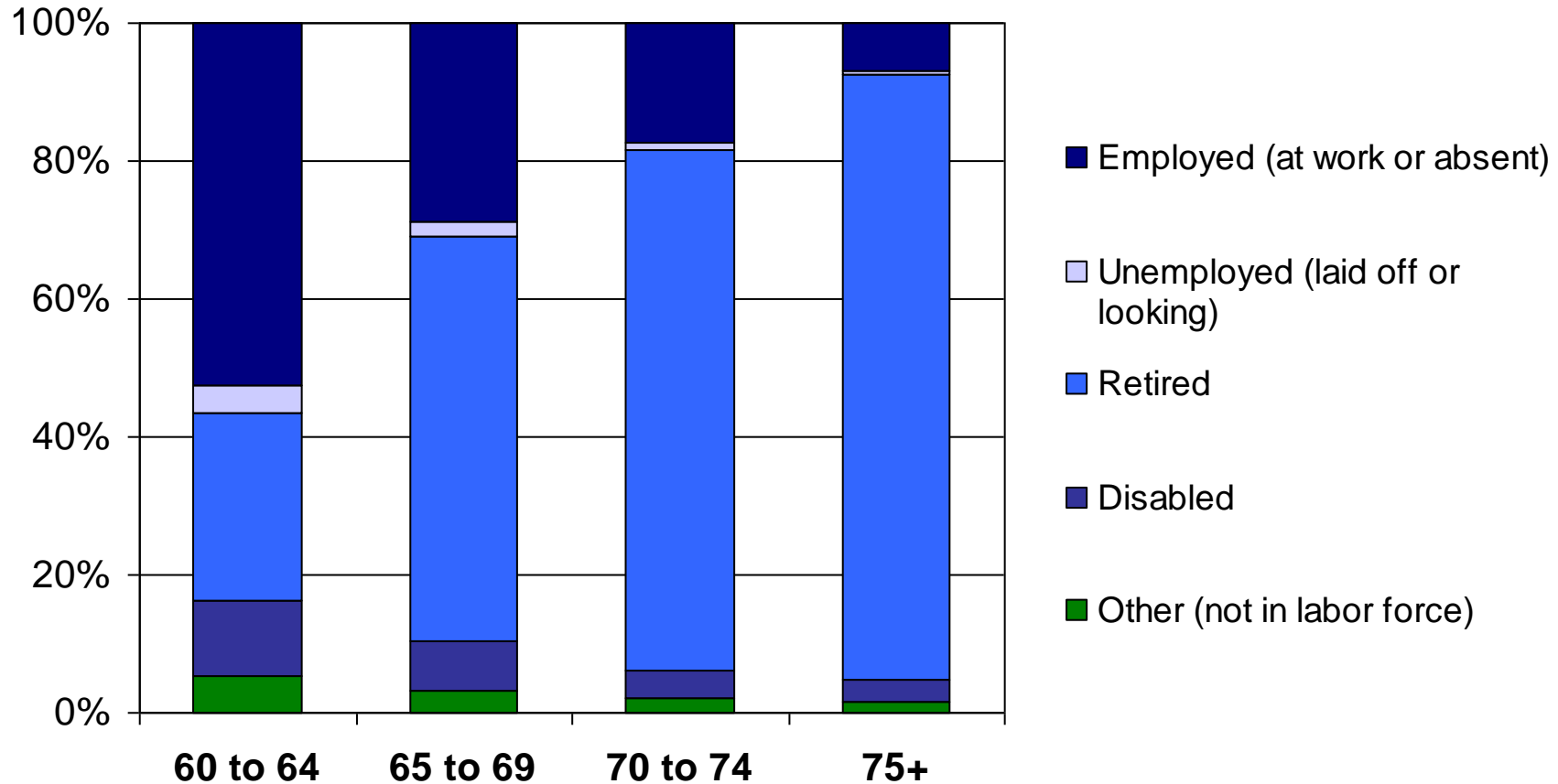
Base: Among those who anticipate retiring earlier than expected



Source: *Best-Case Strategies for a Flexible Retirement*, MetLife Mature Market Institute, 2011

# What is a Realistic Working Life?

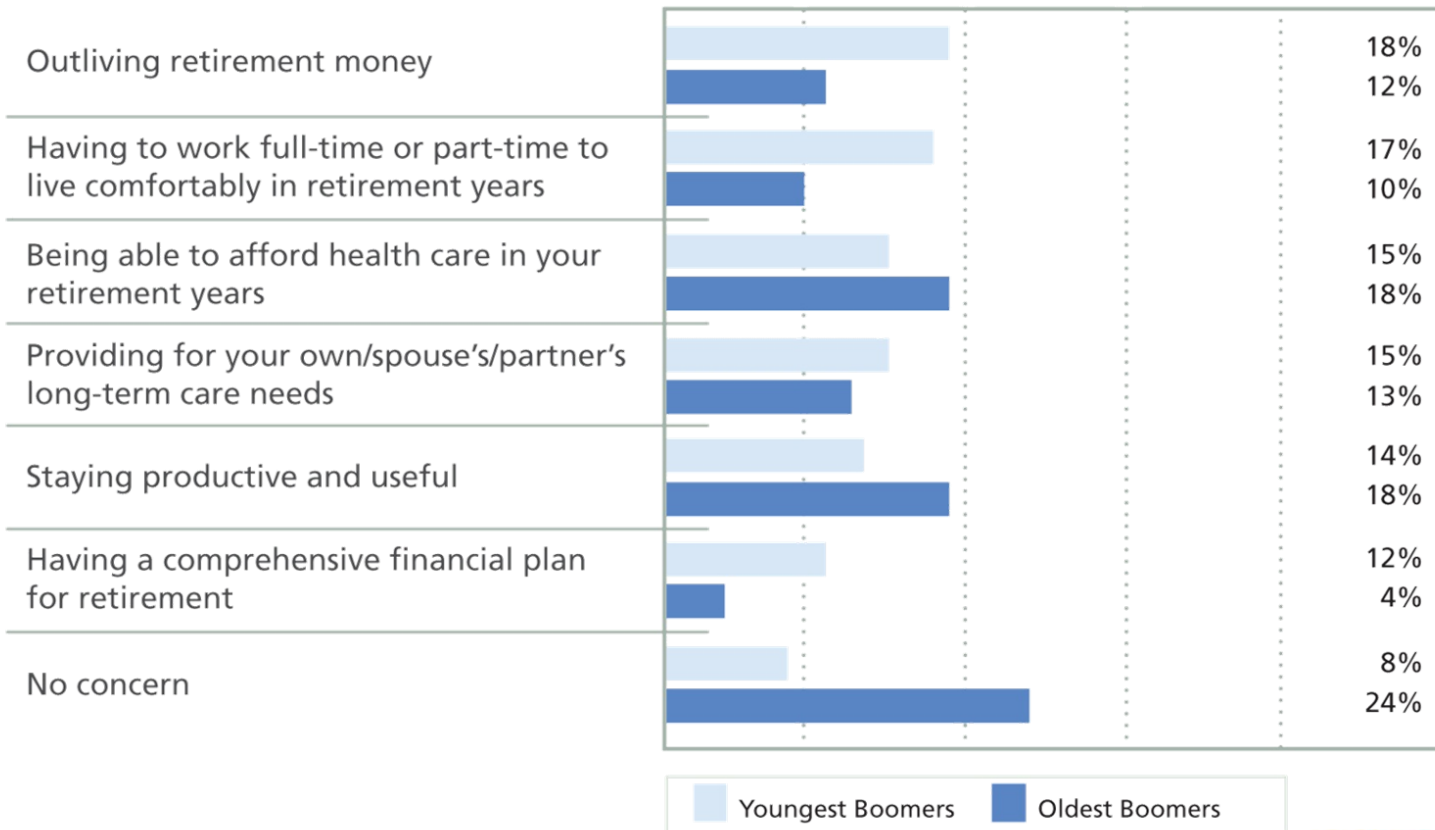
## Current Work Status of the 60+ Population



Source: U.S. Census Bureau, DataFerrett, Current Population Survey, 2010 March Supplement

# Older or Younger Boomers – Different Strategies Needed

## Biggest Concern Regarding Retirement\*



\*Asked of both re-contacted and new respondents.

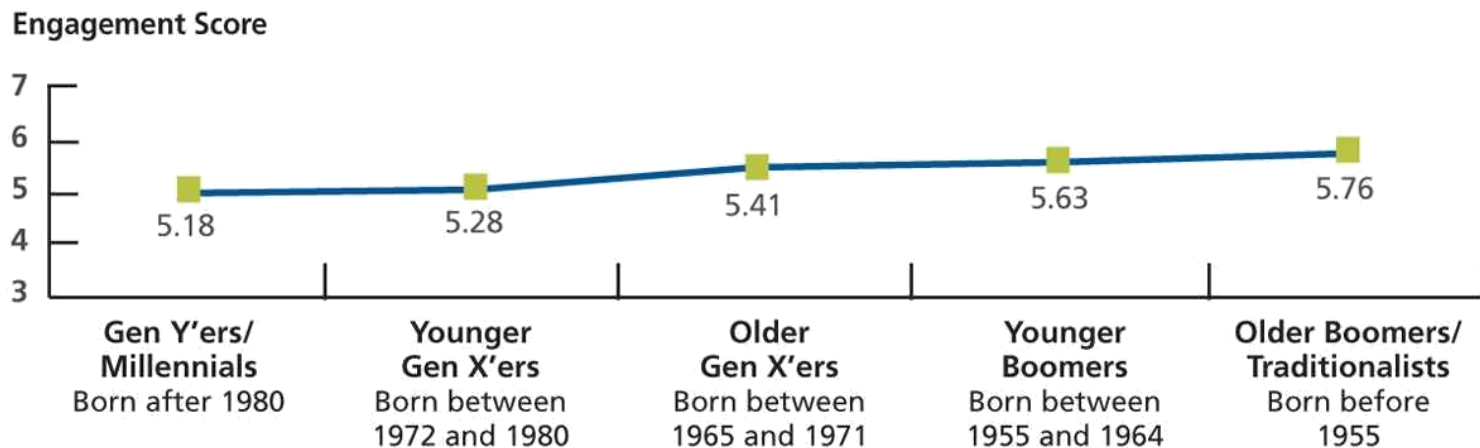
# How Much is Enough?



- Do the more affluent workers stay on even if they have enough?
- Do workers know what is “enough”?
- If workers leave the workforce involuntarily, can they survive?
- Can people scale back and still have a good retirement?
- Do higher education and white collar jobs enable workers to stay on?
- Will better health habits impact workforce longevity?

# If Older Workers Stay on, How do we Keep the Generations Engaged?

Average Engagement Score by Generation



*Note: There was a statistically significant difference at the .95 level between Younger Boomers' scores on engagement when compared to Gen Y'ers/Millennials', Younger Gen X'ers', and Older Gen X'ers' scores. Likewise, there was a statistically significant difference between Older Boomers/Traditionalists' scores when compared to these three groups. In other words, these differences would occur by chance less than 5 in 100 times.*

*There was no statistically significant difference between Younger Boomers' scores and Older Boomers/Traditionalists' scores or between Gen Y'ers/Millennials', Younger Gen X'ers', and Older Gen X'ers' scores.*



# What are Engagement Factors for Gen X and the Boomers?

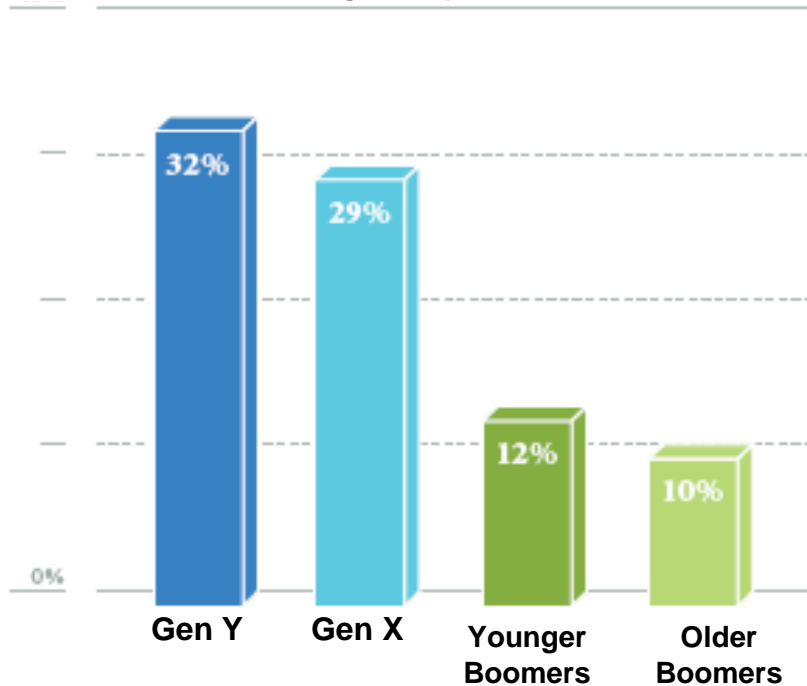
	Gen Y'ers/ Millennials	Younger Gen X'ers	Older Gen X'ers	Younger Boomers	Older Boomers/ Traditionalists
	Born after 1980	Born 1972–1980	Born 1965–1971	Born 1955–64	Born before 1955
Gender (female)	✓				
Physical Health	✓			✓	
Mental Health		✓	✓	✓	✓
Core Self-Evaluation	✓	✓	✓	✓	✓
Status as a Supervisor		✓	✓	✓	
Number of Work Hours					✓
Satisfaction with Training and Development		✓			
Access to Flexibility Needed	✓				
Supervisor Support					✓
Work Overload				✓	
Inclusion				✓	
Job Security		✓	✓		

Source: *Engaging the 21<sup>st</sup> Century Workforce*, MetLife Mature Market Institute, 2009

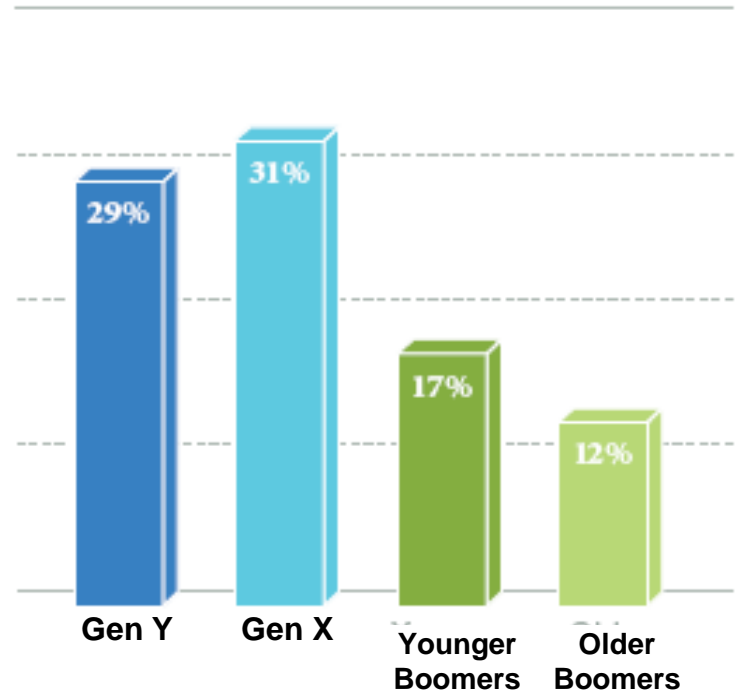
# Using Benefits as a Tool

Participation in flexible arrangements varies by generation

Telecommuting all or part of the workweek



Flex Time



Source: *Study of Employee Benefits Trends*, MetLife, 2011

# Tuning into Employee Life Stages Can Impact Employee Health and the Bottom Line

## Caring for Aging Parents – An Example

- Average additional health cost to employers is 8% more for those with eldercare responsibilities (\$13.4 billion a year)<sup>1</sup>
- Lost productivity of caregivers costs employers \$2,110 per employee per year (\$33.6 billion)<sup>2</sup>

Sources: <sup>(1)</sup> The MetLife Study of Working Caregivers and Employer Health Care Costs, MetLife Mature Market Institute, 2010; <sup>(2)</sup> The MetLife Caregiving Cost Study: Productivity Losses to Business, MetLife Mature Market Institute, 2006

# Creating Generational Harmony While Maintaining Engagement and Productivity

- Make sure mid-career workers have training to prevent obsolescence and maintain engagement
- Follow the “waves” in the life cycle to meet needs of young mothers, empty nesters, older workers
- Develop policies so older workers can phase into retirement
- Consider lateral moves for younger workers so they can gain skills to use later
- Provide help with life’s stressors – including financial stress

# Employees Need Help

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*“If we take a late retirement and an early death, we’ll just squeak by.”*

**“If we take a late retirement and an early death,  
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# Financial Stress and What to Do About It

- Three-fourths (78%) of employers say employees are less productive when worried about finances
- Three-fourths (73%) interested in financial and retirement planning
- Three-fourths (78%) of employees interested in statements calculating their retirement income

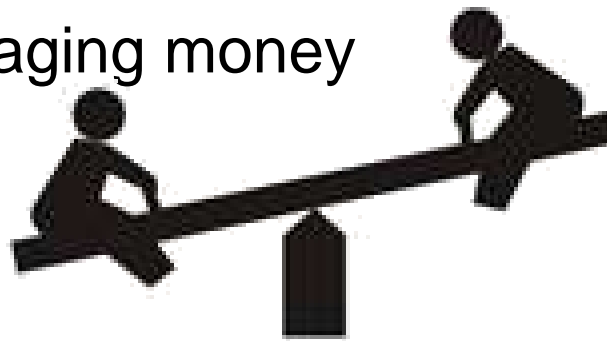
# Retirement Income Planning is Key to Alleviating Fear of Running Out of Money

- Decrease in risk tolerance is accompanied by increased preference for income guarantees in retirement. <sup>1</sup>
- Confidence in retirement security most strongly related to the sufficiency of a guaranteed income stream (68%) and adequacy of savings (57%).<sup>2</sup>
- Having a contingency financial plan creates confidence about outliving income. <sup>3</sup>

Source: (1) *The MetLife Study of Finances and Female Executives*, MetLife Mature Market Institute, 2010; (2 and 3) *Best-Case Strategies for a Flexible Retirement*, MetLife Mature Market Institute, 2011

# Put a Focus on Women – Even those Who are Managers and Professionals

- Better education
- More resources
- Confident in managing money

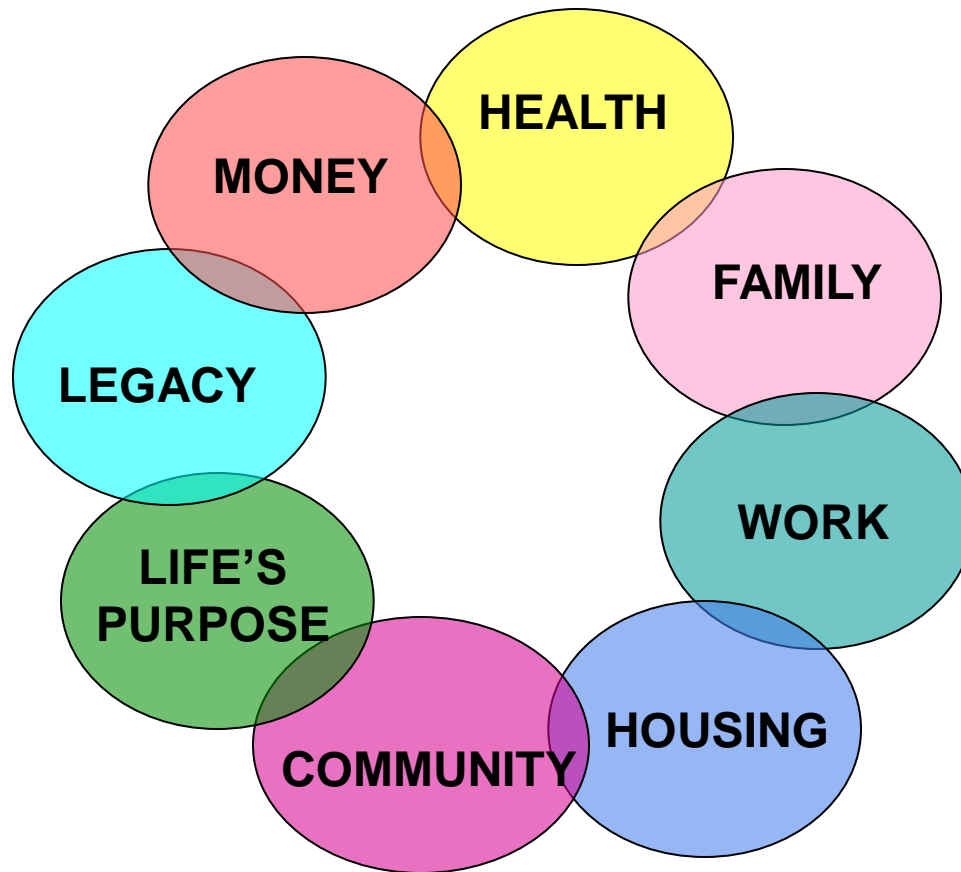


- Still “sitting on the sidelines” in terms of investments
- Significant concerns about retirement finances
- Many are heads of households



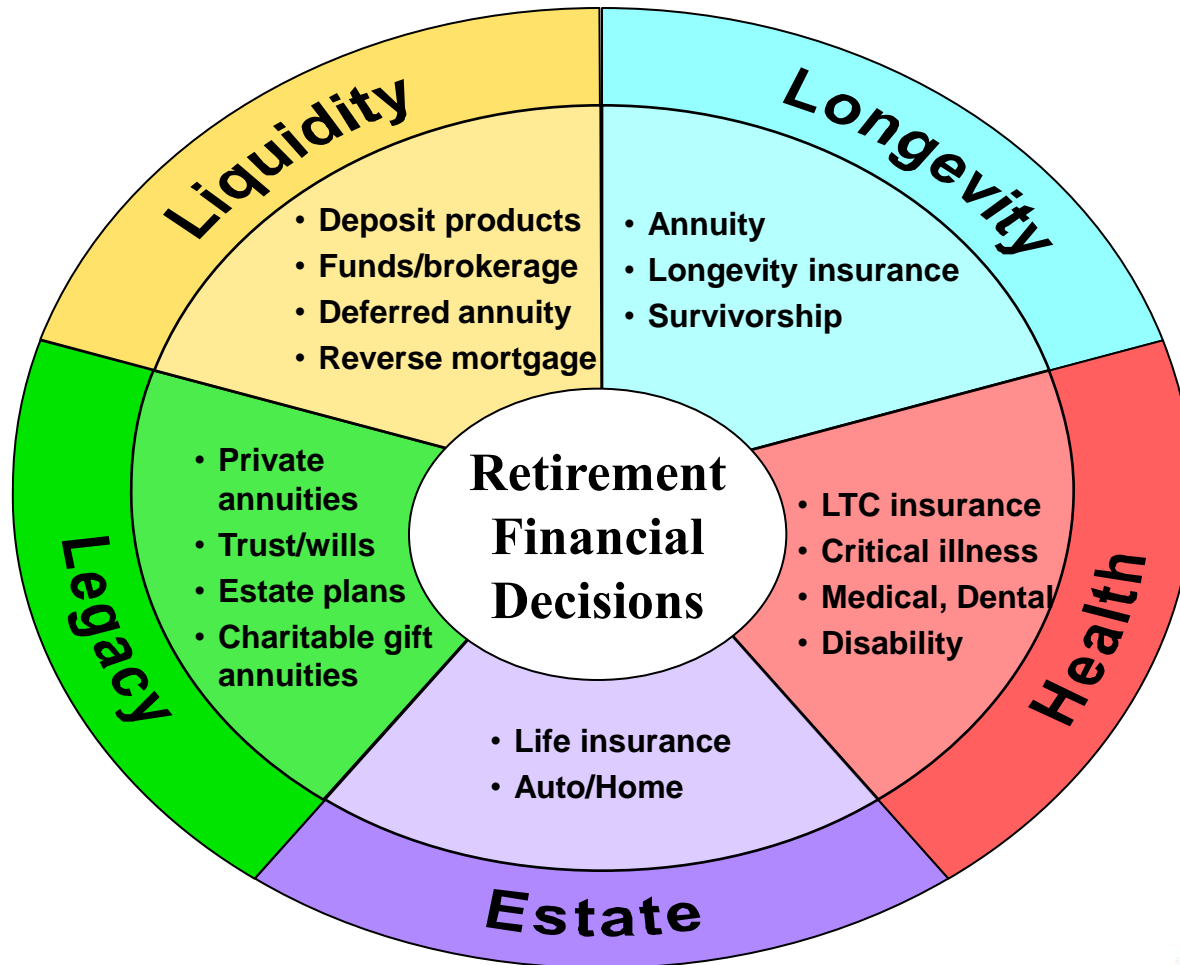
Like Life --

# Retirement is Holistic



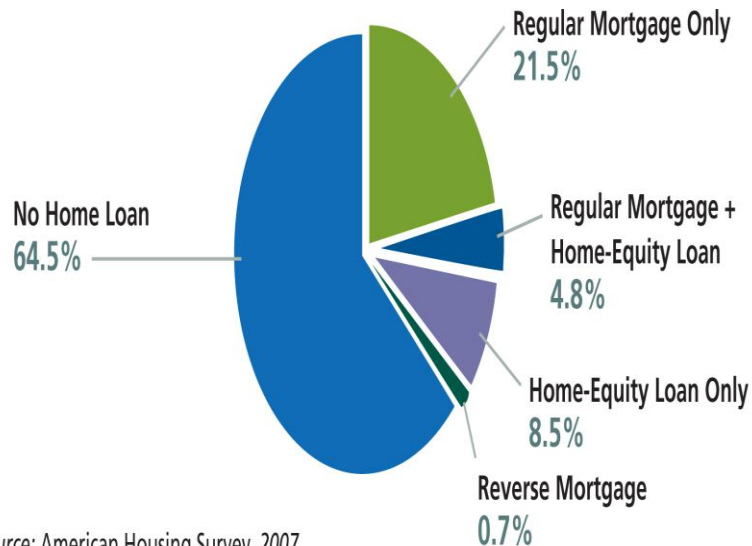
Source: MetLife Mature Market Institute Analysis, 2008

# Financial Elements of a Successful Retirement Plan



# Tapping Home Equity – a Boomer Solution?

## Mortgage Status Among Homeowner Households Age 62 and Older



## Boomers (Age 62-64) Are Becoming Interested in Reverse Mortgages

Age Group	FIT Review 2010	AARP Survey 2006	HUD Borrowers 1999
62-64	21%	6%	6%
65-69	25%	17%	17%
70-74	21%	24%	28%
75-79	16%	26%	24%
80-84	9%	17%	14%
85 and older	7%	8%	11%
<b>Total</b>	<b>99%</b>	<b>98%</b>	<b>100%</b>
Missing	1%	2%	0%
N	21,240	1,509	30,226

Source: MetLife Mature Market Institute, *Tapping Home Equity in Retirement*; MetLife Mature Market Institute, *Changing Attitudes, Changing Motives: The MetLife Study of How Aging Homeowners Use Reverse Mortgages*, MetLife Mature Market Institute, 2011

# Boomers and Retirement = What's Really Important?

Money



Medicine (Health)



Meaning



Place



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