

DOING IT DIFFERENTLY

LIFE & WORK AFTER 50

GEOFF PEARMAN



STEELE ROBERTS
A O T E A R O A

Contents

ACKNOWLEDGMENTS	6
GETTING THE MOST FROM THIS BOOK	7
PREFACE	8
INTRODUCTION	11
1 Doing it differently	15
2 The world's population is ageing, so what does this mean for me?	24
3 I am not middle-aged and not old, so what am I?	33
4 Do I have to stop working?	42
5 How do I manage the transition?	57
6 Is it true what they say about ageing and work?	66
7 What happens to work/life balance when I no longer work?	82
8 So how much money is enough?	89
9 Where can I get good advice?	99
10 Creating my future	105
11 Final word	112
ENDNOTES	114
INDEX	117

Introduction

A triumph in public health is taking place — we are living longer. Life expectancy at the beginning of the 20th century was around 58 years. By 2000 it was closer to 80, and it's projected that, all things being equal, by 2050 the average life expectancy will have climbed past 85.

Given the increasing number of people turning 65 over the next 15 years, it had been expected that we would be seeing a mass exodus from workplaces as people collected their superannuation and entered retirement. For a variety of reasons, this is not happening.

If you haven't reached 60 yet, just think, when you achieve that milestone you could still have another 25 to 30 years of productive living ahead of you. Work could well be part of that. At 60 you may have only lived two-thirds of your life.

The potential to live a longer and healthier life has thus created new opportunities and challenges for people in their 50s and 60s. It has created a new life stage.

Little in our upbringing has prepared us for the life stage we are now entering. It is largely uncharted territory, so how are we to navigate it? It will be the life skills we have acquired and how we think about ourselves and the world around us that will provide the necessary frameworks and insights we need to navigate the next stage. Our capacity to be resilient, flexible and adaptable, along with the investment we have made in our health and wellbeing, will largely determine the quality of our lives.

The reality is that the traditional retirement party is fast

DOING IT DIFFERENTLY

becoming a relic. Older workers are staying on at work in greater numbers. For some this is by choice, others stay on out of financial necessity, and still others because they haven't planned or dared even contemplate a future beyond work.

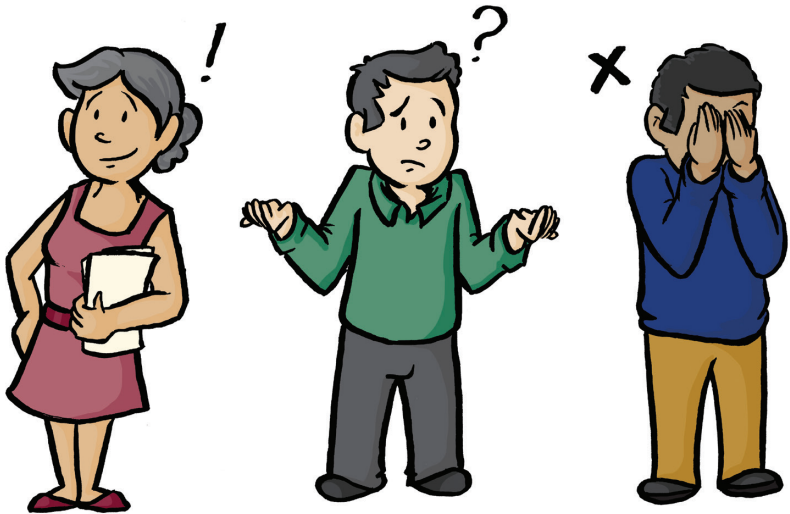
At a point in your life when you can access superannuation and do the expected thing and retire, you may be conflicted between what people expect and what you know you want to do, stay on.

That doesn't mean that everyone wants to extend their working life. For some, retirement at 65, or even 60, is what they want and maybe need to do. In my experience, people staying on at work do so for one of three reasons, what I call the three 'Fs'. Many stay on for *fulfilment* — they still have something to contribute. They may want to work more flexibly, but still see work as part of who they are. The second group stay on through *fear* of what life after work might mean. They are frightened of the prospect, having seen others withdraw and even die. Others stay on at work due to *financial necessity*. We will explore all three reasons in more depth throughout this book.

Many people enter this new and emerging life stage after 50 with a sense of unease. It's not necessarily the process of ageing that worries them, but rather the very idea of retirement. The widely propagated view that we will quietly withdraw from the world of work to enjoy a comfortable standard of living, indulge in a life of leisure and be fulfilled is frightening. It's not what they want or can afford. Yes, I do talk to those who can't wait, yet often when I dig a little deeper some have unsatisfactory work environments and see retirement as a means of escape.

In 20 years time I predict that commentators will look back and write articles about 'retirement' as a short-lived historical anomaly.²

Through working with organisations and individuals I have identified three broad groups of mature-aged people. These are



based on patterns that have emerged from talking with large numbers of people about life and work after 50, 55, 60 and 65.

The first group have given serious thought to the next stage in their lives and started to put things in place. We will call this broad group the **Planners**. They constitute at most 20% of the population aged over 50, and have well-formed plans about what they would like to be doing, if and when they decide to transition from work. They have a good understanding of their financial situation. Some have already made a deliberate decision not to retire, at least not yet. Their plan could be to transition to another form of work, possibly with greater flexibility, or even to a different a career.

Those who are better prepared also tend to be people who are financially more literate. This doesn't mean they have more money, just that they understand how things work and are maximising their wealth-creating opportunities.

Governments around the world are now recognising the importance of building financial capability as a component of wellbeing. Yes Planners are likely to be financially literate, but the caution I would give is that there is more to life than money. The

DOING IT DIFFERENTLY

concept of 'retirement planning' has been captured by the financial services industry. A recent google search on 'retirement planning' turned up over 20 million hits. Reviewing the first hundred, I was deluged by financial planning publications and advice.

Financial literacy and professional advice are critical. Misinformation can give rise to the second and third groups, the Perplexed and the Procrastinators.

The **Perplexed** have given some thought to the next stage in their lives, although not too much as it can be scary, confusing and it may not affect them just yet. Periodically the Perplexed will think about the next stage, when they receive their annual superannuation or KiwiSaver balances, contemplate their nest egg and despair as to whether they will ever be able to retire. Or maybe after a bad week at work they dream of retirement and doing something different, yet feel trapped as they don't know where to start. The Perplexed will have dreams and maybe tentative plans, but on the whole have not turned these into actions.

The third broad group, the **Procrastinators**, don't even know where to start, or if they even want to. So they don't. Procrastinators face probably the biggest challenges if for some reason they find themselves facing a change in their work or life circumstances over which they have little control. This could be brought on by a redundancy, forced medical retirement or a change in their ability to hold down a full-time job, whether due to their own health or that of a family member. Procrastinators, when they do talk about the future, usually do so with trepidation, anxiety and fear. Like the Perplexed, they don't know where to start, but unlike them, they dare not even dream.

The big question so many are asking is, 'How do I navigate this next stage in my life when the old maps are unreliable, the route uncertain, and there are new challenges, hurdles and opportunities?'