What Retirement Means for Baby Boomers
AND FOR THE U.S.
76 MILLION EXITS
by JOHN CRAWFORD
They fought in Vietnam, and they fought in America for civil rights. They lived through assassinations and protests, and they witnessed Woodstock and the moon landings.

And now the 76 million members of the baby boomer generation, born between the years 1946 and 1964, are making their way toward another landmark: retirement. The oldest boomers turn 65 starting this coming January, and the generation’s impending exit from the work force raises many questions, not only about what retirement will look like for boomers, but also about what their aging will mean for the U.S. “When [boomers] start retiring, there will be a substantial vacuum,” says Babson’s John Marthinsen, professor of economics and international business and Distinguished Chair in Swiss Economics.

The baby boomers are a huge group. Statistically speaking, they look like a “cantaloupe sliding down an ostrich’s neck,” Marthinsen says, with the next generation in line, Generation X, having about 30 million fewer members. Think about the plain truth of those numbers, of how a much smaller generation will have to support a larger one, and one can envision all sorts of problems. “What’s brewing is an intergenerational war in the future,” Marthinsen says.

That being said, the aging of boomers also can bring opportunities.

Big or Little R

Boomer retirements may have a significant impact on the country, but one must first understand the effect retirement will have on boomers themselves. Peruse the accompanying profiles of 60 something Babson alumni (all boomers or just slightly older), and one is struck by a glaring fact: They’re all still working to some degree.

While emphasizing that generalizing an entire generation can be difficult, David DeLong, author of the book Lost Knowledge: Confronting the Threat of an Aging Workforce, says that baby boomers typically expect to work longer than their parents.

There are various reasons for that. Boomers are living longer and healthier lives, for starters, and they don’t view themselves as old. Not content to dither away the days, they want to push themselves. “They are determined to stay young,” says Allan Cohen, professor of management and the Edward A. Madden Distinguished Professor of Global Leadership. “They feel like they’re just gearing up.”

Additionally, boomers are facing daunting economic realities, from the cost of health care to the recession cutting into savings, says DeLong, who has taught management classes at Babson and is the president of David DeLong & Associates, a Concord, Mass., consulting firm that deals with the management challenges of changing workplace demographics.

As a result, many boomers may not retire fully. Instead, they may just scale back, settling for a “Little R” instead of “Big R” retirement, Marthinsen says. They may go part-time at their current job, or they may quit and find other

**Finding Structure | David Escher ’72**

**AGE:** 64  
**RESIDENCE:** Southampton, Mass.  
**EMPLOYMENT STATUS:** Escher retired about three years ago from a career services agency. When he left, his job there was morphing into more of a sales position, which was not his forte. Also, his wife was experiencing health problems, so retirement seemed the right move. “I was ready,” he says. “The timing was right. I didn’t have a struggle with [the decision].”

**THE TRANSITION:** While deciding to retire was easy, deciding what to do in retirement wasn’t. “That was a bit of a challenge,” he says. “I didn’t know what I wanted to do. I’m the kind of person who needs structure.” Escher took about a year to figure out the new structure to his days. “It’s a journey. It’s a definite new stage in life.”

**FILLING THE DAYS:** Escher’s life in retirement encompasses a bit of everything, including trying out a career that always interested him: elementary school teacher. That job frequently scored high on the vocation tests he took when he was younger, and now twice a week, he volunteers as an elementary school reading tutor. “There is a great freedom in retirement to experiment and do what you want to do,” Escher says. He also offers a resume-writing service, assists his wife with her bookkeeping business, and participates in his church’s vestry and choir. Then there’s his five-month-old grandchild, whom he sees often. “She’s a real joy,” he says.
work that offers friendships or lower stress. They may consult or volunteer. “I think a small percentage will think of [retirement] as ‘playing golf whenever I want,’” Cohen says.

Impact on Companies
Boomer retirements, whatever form they take, could have a big impact on American companies. DeLong believes that industries full of highly skilled employees, particularly health care, manufacturing, education, utilities, and government, will have difficulty replacing their retiring workers.

“Businesses are worried about their ability to train a new generation,” he says.

Those businesses need to identify the older workers who are crucial to the future. “Not all retiring workers are created equal,” DeLong says. “Some people you want to retire.” Once those valuable employees are identified, a business needs to keep them around. Make them consultants or offer perks such as flexible scheduling or phased retirement, and then aggressively transfer their knowledge to younger colleagues.

Just be careful, DeLong says, to make sure those older associates perform. As employees move through their 60s, their motivations for work often change. Salary may no longer be as important as camaraderie and the need to do meaningful work, and managers must be aware of this. “Organizations are lean today,” DeLong says. “Nobody can afford deadwood.”

For his part, Marthinsen doesn’t think the effect of boomer retirements will be that harsh on business. Well-run companies already are thinking about potential problems, and advances in automation and technology may help to lessen the work force shortfall. Besides, remember that 76 million people aren’t suddenly walking out the door, he says. The baby boomer generation stretches over nearly two decades, and many of its members still have substantial working years left. “My feeling is, if the market is allowed to function, there will be a gradual adjustment,” Marthinsen says.

Here Comes the Judge | Joel T. Lazarus ’64, P’94

AGE: 67
RESIDENCE: Davie, Fla.
EMPLOYMENT STATUS: Lazarus is still sitting on the bench as a Broward County Court Judge, but faced with Florida’s mandatory retirement requirements for judges, he’s stepping down in June. Not that he’s slowing down. He teaches at a community college and is looking for a full-time faculty position at a preparatory high school. He also will continue working as a senior judge, a flexible position that will allow him to work as much, or as little, as he wants in places where judges are needed.

REASONS FOR WORKING: “Until I win the lottery, I can’t afford to retire with my two women in college.” Lazarus’ wife just started a master’s of social work program, and his youngest child is a junior in high school and soon will attend college. But even if retirement were a financial possibility, he would want to work. “The thought of staying home sends chills up my spine,” he says. “I need something to do. I can’t sit around in a bathrobe. If I stop being busy, I’ll be miserable.”

CAREER MEMORIES: “I’m starting the fourth phase of my life,” Lazarus says. The first phase was as an investment analyst and adviser, though such a career wasn’t meant for him. Searching for something new, he went to law school and fell in love with the drama of the courtroom. So began the second phase of his life as a prosecutor. “Law has been very good to me,” Lazarus says. In 1993 came the third phase, when Lazarus was appointed to the bench, where he has presided over nearly 900 jury trials.

MOMENTS OF RELAXATION: When not working, Lazarus spends time at his cabin in Maggie Valley, N.C. Located near the Great Smoky Mountains, the cabin sits at 3,500 feet and overlooks a valley. “It’s gorgeous,” Lazarus says.
Ask him about the effect of boomer retirements on society at large, however, and he has a different opinion.

**Issues and Opportunities**

Beyond the workplace, the aging of the boomers will serve to heighten complicated issues, such as health care costs and end-of-life concerns, we confront as a society, Marthinsen says. Questions about immigration policy, already a loaded matter in the U.S., aren’t going away, as pressure to allow immigrants may increase with the demand for labor.

Then there’s Social Security funding, which will become strained as the number of people paying into it diminishes. Marthinsen admits that, in his own retirement planning, he hasn’t counted on Social Security. He thinks that the government eventually may decide that only those who truly need Social Security will receive it.

Going forward without the boomers in the workforce, the country must emphasize long-term growth to sustain its budget. “Keep an eye on the horizon,” Marthinsen warns. Otherwise, tough choices are ahead. “What kind of country do we want to endow our children with?” Marthinsen says. “We have to make sure we elect people who take us in the right direction.”

Such is the far-reaching impact of baby boomer retirements. “This issue is not going away,” DeLong says. “In fact, it is going to become much more challenging for managers and society.” That’s not to say boomer retirements will raise only perplexing and alarming questions. Entrepreneurs take note, because the boomers represent a vast population who will go through similar problems as they age. Business opportunities abound.

“Money is there,” Marthinsen says. “Their buying power is great.”

**Helping Nonprofits | Carlton E. Meier ’67**

**AGE:** 64  
**RESIDENCE:** Glen Rock, N.J.  
**EMPLOYMENT STATUS:** Meier (center, with family) labels himself “semiretired,” which means he can come home for lunch, make himself a sandwich, and take a nap if he wants. But don’t get the impression that Meier is sleeping away the hours. Since retiring in 2001 from Lutheran Social Services in New York, Meier has devoted himself to helping nonprofits. He offers financial and management consulting to them, and every day until noon, he works as CFO at a mental health facility. He also serves on the board of a community bank and as treasurer and board member at the Association for Refugee Service Professionals and the Institute for Social and Economic Development.  
**REASONS FOR WORKING:** Secure financially, Meier feels free to offer his expertise to nonprofits, helping them to run more efficiently and realize the biggest bang for their buck. “It’s a payback,” he says. Besides, he’s not the stay-at-home type. “I’m the kind of person who wants to keep active,” he says. “It’s nice to get out of the house in the morning.”
A Global Asset | Cassell R. Meyers ’65

AGE: 68
RESIDENCE: Singapore (formerly of Paterson, N.J.)
EMPLOYMENT STATUS: “I’m quite far from retirement,” says Meyers, who goes by “Casey.” Starting with a Peace Corps stint in Nepal right after graduating from Babson, Meyers has spent about 25 years working in Asia. He has lived in Thailand, Hong Kong, Malaysia, and Singapore. After retiring from Delta Airlines in 2002, he realized that his cultural experience made him an asset. He decided to remain in Asia and now represents a U.S.-based aviation company. He spends his days dealing with the repair, sale, and purchase of aircraft and aircraft parts. “Many U.S. companies were looking for linguistically qualified people with knowledge of local customs and traditions,” he says.

FILLING THE DAYS: For his job, Meyers communicates with countries across many time zones. “I work with aircraft operators in Australia, New Zealand, and the Pacific Island nations during the mornings on conference calls and then the Asian operators in the afternoons due to the time changes,” he says. He travels a lot, for business and pleasure, and receives free airline tickets from Delta for having worked there for 10 years. “It’s a nice perk,” he says. He and his wife Sieubong also enjoy exploring Singapore. “We love the local foods here and are out almost every evening for Indian, Malay, Chinese, or Korean food. It’s a lot of fun and cheap. We have a circle of local and expat friends, all of whom have been in Asia for many years.”

A Calling, Not a Job | Daniel Harris ’64

AGE: 68
RESIDENCE: Hampton Bays, N.Y.
EMPLOYMENT STATUS: An Episcopal priest, Harris stepped down as a full-time pastor from his South Weymouth, Mass., church in 2004. Leaving was hard, but the decision was right. His family was moving to Long Island so his wife could take a job as a university librarian. For Harris, the transition was difficult at first. He filled in as a pastor on Sundays, but after six months of “looking at four walls” the rest of the time, he now works as an interim pastor for a church in need of an experienced leader. He’s in the church office three days a week, plus Sundays, and he conducts plenty of visitations, meetings, funerals, and classes to keep himself busy.

REASONS FOR WORKING: Retiring fully isn’t an option for Harris. He has twin 13-year-olds, a 15-year-old, and a 21-year-old. The Episcopal Church may provide a nice pension, but the financial support it provides, along with Social Security, isn’t enough for his family. Besides, being a priest isn’t just a job. It’s a calling. “Most clergy I know can’t just flat-out go from working to doing nothing,” Harris says. “Most of us go with our boots on.”

CAREER MEMORIES: Harris thinks about all the families he’s known during his 36 years as a priest. He thinks about all the baptisms and funerals, all the sick he visited and the couples he married. “You become part of the family,” he says. “You’re invited into their most private moments. You walk with people through every aspect of their lives, from beginning to end.”