

Baby Boomers See Red

The 2010 movie RED stars Helen Mirren, Bruce Willis and Morgan Freeman as retired spies who don't want to retire quietly. The rapid ageing of the population, expanding longevity and improving health care mean that the adjustment to retirement of these three retired spies is being reflected throughout the world in burgeoning numbers.

Of course, adjusting to retirement may be particularly testing for one-time spies.

A recent personal finance feature, [Never call a baby boomer 'old'](#) - published in MarketWatch, the Wall Street Journal's online financial magazine - uses a still photo from the movie RED to illustrate its point.

By the way, RED stands for "**retired, extremely dangerous**", which is intended to reflect the attitude of many retirees who don't treat retirement or nearing traditional retirement ages as a signal to slow down.

MarketWatch journalist Amy Hoak reports that research by AARP, a non-profit body in the US that pursues the interests of older people, found that the only age-related term that baby boomers aren't repelled by is "grown-ups".

AARP was formerly known as the American Association of Retired Persons. But one of the problems with the previous name was that many of its members these days are still in the workforce.

Hoak writes: "Ten thousand baby boomers [in the US] reach the age of 65 each day. Yet many boomers don't have plans to stop working any time soon..." And many who leave the workforce have no intention to slow down in retirement, she emphasises.

Consider the latest-available statistics of older Australians still in the workforce.

ABS labour-force participation statistics document the change that has been occurring in this country over the past three decades or so regarding the greying of the workforce. (See [Labour Force, Australia, May 2013](#))

In June 1979, 55 per cent of the population aged 55-59 was in the workforce against 73.4 per cent today. And 35.3 per cent of those aged 60-64 were then in the workforce against 33.3 per cent today.

Thirty four years ago, the workforce participation of those aged 65-69 was just 8.9per cent. In May this year, 12.9 per cent of the workforce was aged 65-plus. (Keep in mind that latest statistics apply to a much larger age group. The percentage of workers aged 65-69 would be much higher than in June 1979.)

Other ABS figures indicate that many Australians never intend to retire while many are yet to decide whether retirement is for them.

The [Retirement and Retirement Intentions, Australia, July 2010 to June 2011](#) report shows that of the 4.9 million people in the workforce aged 45 years and over when the survey was conducted, 79 per cent intend to retire in the future.

However, of the remaining workers, 399,000 did not know whether they intend to retire while 653,000 never intend to retire.

From a personal finance perspective, postponing retirement means that you have longer to save more for retirement and your retirement savings will finance your retirement over a shorter period. **Rick Maggi**

Written by Robin Bowerman, Vanguard Australia