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# MARKET MATTERS: Retirement? Not so fast

By Valerie B. Dugan

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Photo: Contributed Valerie Dugan

For decades, American baby boomers prepared for retirement age by establishing investment portfolios, saving their money and building equity in their homes, and now that they are at or nearing that magic number, it is disappearing in the wind.

Many baby boomers are not retiring for several reasons, bringing a major dose of uncertainty not only to themselves, but all the way down to those who are just entering the workforce.

As the largest generation until the Millennials arrived on the scene, any workplace movement, or lack of it, among the baby boomers will impact those still working their

way up the career ladder. A major shift to retirement in the boomer generation would open job and advancement opportunities for those who are blocked by the boomers' decisions to stay on the job.

So, why are people who themselves are the offspring of a generation that couldn't wait to get to retirement age, now so reluctant to head off into the sunset?

Many baby boomers are working, or are planning to work, for the foreseeable future.

While research shows that baby boomer representation in the workforce is decreasing, with a 10 percent reduction estimated to occur in roughly the next decade, a significant segment reports a markedly different trend.

Research shows that 26 percent of boomers plan to work until age 70, with another six percent noting that they will never be able to retire on account of financial reasons.

For the first quarter of 2017, the 55-and-older age group experienced 4.8 percent job growth, more than any other age group, signaling continued growth in this demographic. Some analysts say this is because of financial concerns stemming from the recession, and because this group also has a strong work ethic. In some cases, boomers expect to continue working until at least age 73.

And what are they doing while staying at work? Don't expect these senior employees to idle away the hours producing little to nothing as they wait for a better time to retire.

First, they still need to work so they aren't likely to risk firing or layoffs, and they have enviable skill sets after decades on the job. Highly skilled boomers are in demand and savvy employers will see their continued presence in the work place as an excellent opportunity for them to mentor incoming Millennials who aren't likely to have the skills or expertise possessed by their elders. This can be a win-win situation across the board.

By staying on the job, older workers are also providing themselves with the opportunity to continue building retirement accounts. If they have a 401(k) or other workplace plan, then they can continue to contribute to build up their account, keeping in mind to invest sufficient amounts to qualify for workplace matching funds if applicable.

If their 401(k) has been maxed out or their employer doesn't support a retirement plan, then they may want to consider an IRA. Remember there are several types of IRAs including those for the self-employed or for small business owners.

While the current employment picture may not be optimal or normal for the typical American workforce, it's worth realizing that these are not typical times, with one large generation reaching retirement age, another larger generation just entering the workforce, and a smaller generation sandwiched in between.

Nonetheless, baby boomers have a unique opportunity to make their retirement years even better for themselves, while providing an ocean of information to up and coming replacements who will give the newcomers a better shot at success, for themselves and their employers.

The key for workers and employers is to be aware of all the possibilities that exist and invest in them wisely, whether it is better finances down the road for retirees, or better workers in the coming years for employers.

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