

Baby Boomers challenging stereotypes of retirement

The Baby Boomer generation, most of today's grandparents, are challenging the stereotypes of retirement, grand-parenting, and what type of home they are likely to live in as they age, says Bill Rawson, chairman of the Rawson Property Group.



Image source: www.pixabay.com

Born between 1946 and 1964, these are the people who were responsible for rock 'n' roll, pop, disco, heavy metal and hip-hop music; space exploration, PCs, Pac-Man and the internet; peace protests, environmentalism, the civil rights movement and the fall of the Berlin Wall – all while raising their own families and often, also caring for their ageing parents.

Breaking the mould

“So it is perhaps not surprising,” he says, “that they are also the generation who are set to break the mould when it comes to retirement. For a start, they not only tend to stay healthier and live much longer, on average, than any of their forebears, but are seemingly determined to enjoy a much more active lifestyle and become ‘re-fired’ rather than retired after 60 or 65.

“Indeed, although the oldest of the ‘Boomers’ are 70 this year, you won’t find most of them pruning the roses, baking cookies or rocking the days away on the verandah of a cute country cottage. You are much more likely to encounter them still running businesses or starting new ones, taking classes to get a new qualification or setting out on a ‘second career’ as a consultant, freelancer or teleworker.”

Not enough savings

One reason for this, says Rawson, is that many Baby Boomers need to keep working and earning an income for as long as they can, because they don’t have nearly enough saved to live on for the next 20, 30 or even 40 years. This is true even in affluent countries like the US, where the latest statistics released by the Insured Retirement Institute (IRI) indicate that 45% of Boomers actually have no specific retirement savings, and that more than a quarter now plan to retire “sometime after 70”, compared to 17% just five years ago.

“What is more, a recent Urban Institute study found that the percentage of men aged 62 to 64 who are working or looking for work has increased from 45% in 1994 to 56% now, and that workforce participation for women of the same age has increased to from 33% to 45%.”

Downsizing

This need to work, he says, is also keeping many Baby Boomers in cities and big towns where it is easier to find employment, although downsizing from their large family houses to smaller homes has become a major trend in recent years, and continues to drive up demand for well-located apartments and townhouses in secure complexes. “For those who can afford them, retirement villages are also in demand, especially if they have on-site healthcare and frail care facilities for later in life.”

However, Rawson says, another trend also seems to be emerging now, and that is for Boomers who are grandparents to put aside their retirement plans, at least for a few years, because one or more of their working children has asked for help to raise their grandchildren – or in some cases has actually moved back into the family home with the grandchildren.

Extended family lifestyle

“This trend is being fuelled by the soaring cost of child-care, as well as the high incidence of divorce and single-parenthood, and we see an increasing number of grandparents now living in a cottage on the same property, or even in the same house as their children and grandchildren, in a return to the extended family lifestyle that was commonplace before the 1940s and can be beneficial to everyone in terms of shared expenses, better security and additional social and emotional support.

“For example, a recent [University of Oxford study](#) found that teenagers who spend more quality time with at least one grandparent are happier and have far fewer emotional and behavioural problems than their peers. They are also better at dealing with adverse events such as a divorce, a death in the family or a school bullying incident. And the study has been now replicated in Israel, Malaysia and South Africa with similar results.”

But it can be hard, he says, for extended families to find properties that will accommodate everyone comfortably while still giving them privacy when needed, especially if grandparents are still working too. “This may be something that home developers and designers need to start addressing. Alternatively, we see a great opportunity now for investors to start redeveloping some of the large older homes in established suburbs into ‘family estates’ with more than one dwelling on the same stand.”