

## Revvng Up for the Power Years



*For 30 years, psychologist, gerontologist, and demographer Ken Dychtwald has studied the effect aging has on individuals and society. He is the author of several books, including Age Wave, Age Power: How the 21st Century Will be Ruled by the New Old, and his upcoming book, The Power Years: A User's Guide to the Rest of Your Life.*

**The Motley Fool: Your message could be summarized by these two lines from *The Power Years*: “It’s not your obligation to go away just because you’re getting older. Nor is it your birthright to cede all responsibility to your community and mankind so that you may lead a life of leisure in retirement.” How have people reacted to that message?**

**Ken Dychtwald:** It’s like a wake-up call. There’s been this hypnotic spell cast over society where people believe they’re not worth anything anymore when they reach their 55th or 60th birthday or beyond. I think we have to realize that retirement is an experiment, and our moms and dads are the guinea pigs. Throughout most of history, people did not retire. Retirement was created not for the purpose of producing the leisure class, but because we had a 25% unemployment level, and there was a need to move older people out of the workforce to make room for the young.

I’ve studied how happy these people are, how comfortable they are to never be earning again. About half of today’s retirees are jittery. And you’re beginning to see boomers saying they’d like to keep working, but a whole new model. They’re saying, “Maybe I can play a useful role. Maybe my best years are ahead of me.”

**TMF: You talk about an unprecedented labor shortage on the horizon. What’s the cause, and how can people factor this into their planning?**

**KD:** When I was born, the fertility rate was about four kids per woman. Today, that number is around two. So the birthrate has been cut in half. There is going to be a growing number of 50- and 60- and 70-year-olds, and there’s going to be a shortage of workers to keep up with demand. So it’s projected that there may be between 5 million and 10 million jobs without the capacity to be filled by younger workers over the next decade.

Let’s say you have millions of boomers saying, “I’d like

to keep working, but I’d like to do it on my own terms. I’d like to work six months a year.” Or, “I’d like to work two years on and one year off.” That desire to continue work but on more flexible terms would not be favorably responded to if there was a surplus of available workers. But that’s not what’s coming. As boomers step out of the workforce, there’s going to be a brain drain. Employers are already beginning to say, “Where are we going to find honest, hard-working, reliable men and women to get these jobs done?” There’s going to be a shortage of workers and, more important, a shortage of talent.

**TMF: Do you have an opinion of the theory that the market will crash as the boomers sell the assets in their 401(k)s and IRAs?**

**KD:** Retirement is bad for the economy. When people retire, they grow more frugal. They grow more conservative in their investment portfolios. So if we were to imagine the largest generation in history — who have spent the past few decades buying cars and toothpaste and watches and stereos and luxury vacations at a voracious level — retiring on their 64th birthday and never working again, then the equity markets and the consumer markets would go into a death spiral. ... If retirement persists under the current model, not only will corporations and governments be strained, but the marketplace will suffer. Ultimately, the equity markets will cave.

However, I don’t think that’s going to happen. Just under 80% of boomers expect to keep working. If people work longer, if they continue to spend, then you’ll see a surge for decades in the economy as a result of people reaching their power years. There’s plenty of time. Some boomers are 59 but an equal number are 43. If we have a more productive maturity, if we give more, if we earn a bit longer, then the story turns out quite spectacular. Then this becomes a time of awakening, not a time of collapse.

**TMF: Tell us about how you and your wife decided to get re-married every year.**

**KD:** The night we got married, I said to her, “You know, this was really fun. Let’s get married every year, in a different location with a different religion.” It’s become a sort of punctuation point. In our busy lives, it becomes really easy for your marriage to get lost. 🐦

*To read the unabridged interview transcript, including advice on how to get married by a Navajo chief, on a ski slope, or while naked, visit the RYR website.*

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