

NANCY GUNNING, THE SINGLE, 50-SOMETHING PRESIDENT OF CHESAPEAKE RESOURCES reflected on her future: "I came from a humble background and thought I would have to work until I dropped dead. Now I have a choice. I know I'm going to do something, but I just don't know what I want to do when I grow up." In the next five years she plans to leave her current job, but she's not retiring. She sees a future full of opportunity, meaningful work, flexibility, travel, and a spacious no-maintenance condo.

Working
for a

Life (Not a Living!)



PHOTO COURTESY OF DIGITAL VISION

HOW PEOPLE WHO Refuse to Retire ARE CHANGING 55+ COMMUNITIES

Builders and developers would be wise to pay attention to Nancy. Research shows that she is more typical of future buyers than the traditional couples who have retired and moved across the country to active adult communities. Monster.com recently surveyed people age 50+ and discovered that 70 percent say that they plan to work past age 65. Half expect to be working into their 70s, and 18 percent see themselves working into their 80s.

One thing is clear. It isn't business as usual. While the old-style, heavily amenitized communities in resort locations will continue to have some appeal, even they will have to adapt. The good news is that niche communities that are narrowly targeted to the highly desirable mature worker bees will thrive.

The trend toward active adults working longer is already in full swing. In many communities, more than half of the residents work full-time jobs. This is a significant change from only a few years ago when only a small minority even held part-time jobs.

A common misconception is that people are working because they need the money. Many studies, including AARP's (see inset), show that money ranks at the bottom of the list of motivators.

The maintenance-free aspect of active adult communities often attracts those who are planning to start their own business.

Staying Alive

"My mom ended up with dementia," said Sandi Manelski. "I saw her just sitting in front of the TV wasting away. I don't want that to happen to me." After a 32-year career in telecommunications, Sandy is now retired and works 50 to 70 hours a week as a REALTOR®. "I could stop right now if I wanted to," Sandy said, "but I'm having too much fun helping people and staying active."

When asked why she chose The Parke at Ocean Pines, Sandy smiled. "I chose the community because of the indoor pool, but I've been too busy to use it," she says.

Like many others, Sandy is working for the challenge and excitement it offers. Some find this through work, some through volunteering, and others within the community. It is critical to recognize that people are more concerned about losing their mental capabilities than anything else. Debbie Donaway, the lifestyle director at The Parke at Ocean Pines, keeps a full and exciting range of activities, excursions, and events going at all times. There really is something for everyone at all hours of the day. Debbie rattled off the schedule for the week. She said, "It's the fountain of youth here. I can't keep up with them!"

I Did it My Way

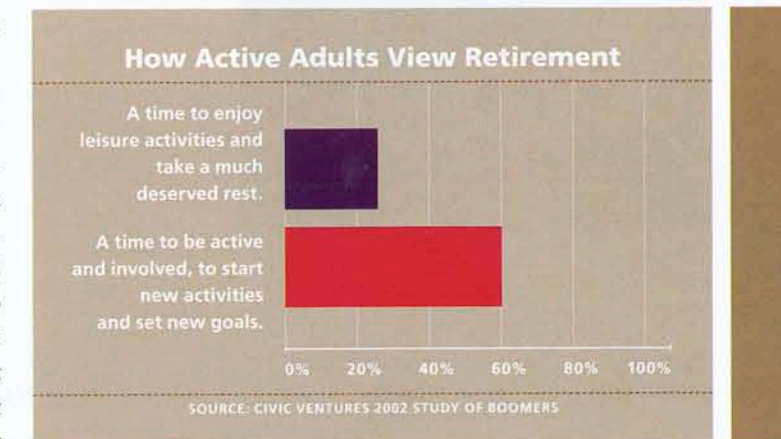
In 1992 Larry Kalbfleisch retired from the Navy as a Captain. Now he delivers flowers. He works six to seven days a week helping his wife manage the florist business she started in 1990. Of course he has a full pension, but that's not the point. Asked what's next, Larry replied, "I don't think that I'll ever stop doing something until my health or mind stops me." Larry and Carol were the eighth household to move into Four Seasons at Historic Virginia. They liked the idea of the master on the first floor and maintenance-free living. Considering how hard they work, it's no surprise.

The fastest growing group of entrepreneurs is comprised of people age 50+. According to a *USA TODAY* study there are now 5.6 million entrepreneurs who are at least 50 years old. This is up 23 percent in the last ten years.

James Challenger, president of Challenger, Gray & Christmas, the renowned H.R. consulting firm, observed, "Aging baby boomers will lead a surge in start-ups." They have the financial security, the experience, and difficulty finding employment that provides them with the freedom that they desire.

Monster.com's survey of people 50+ found that 15 percent are planning to start their own business. The previous generation, who grew up during the depression, was less inclined to take such risk.

This means that the messaging in the advertising and the program in the clubhouses need to recognize that many people are looking for a launching pad for their new ventures. They will love the maintenance-free aspect of active adult communities. But realize that these busy entrepreneurs probably won't have time to be too involved in activities. Think about programs on starting your own business, networking, and support groups for business owners.



Is There a Doctor in the House?

While the idea of taking early retirement often tempts people in their 50's, the painful reality of paying for health insurance often stops their daydream. People who have worked for organizations with generous benefits programs are often shocked and disappointed to discover just how expensive health insurance is for healthy active adults. Those with existing medical problems often have no choice but to stay employed. Even when someone turns 65, they discover that Medicare does not cover everything.



PHOTO COURTESY OF TODD HARFF, CREATING RESULTS, LLC

Lifestyle amenities at Central Parke at Victoria Falls still attract working active adults. They only want more time to use them. **INSET:** This national award-winning community is convenient to major employment centers.

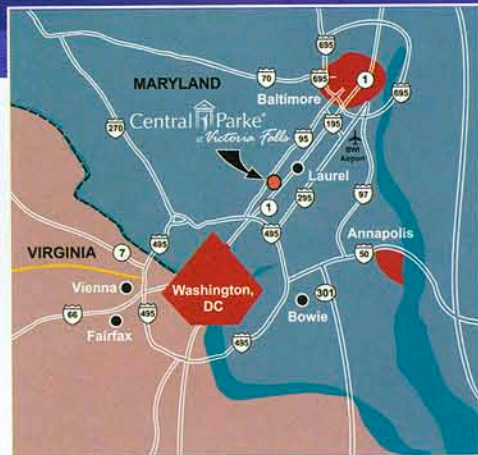


IMAGE COURTESY OF TODD HARFF, CREATING RESULTS, LLC

Unfortunately, a number of people we interviewed expressed disappointment that they were still working for insurance. Either they or a family member had health problems that prevented them from retiring.

For builders there is an opportunity amongst all the disappointment. These reluctant workers very much want to enjoy life even though they feel trapped in a job. They have more income and a greater desire to spoil themselves than their peers who retired early. Because they have delayed retirement, they typically buy more expensive homes and spend more on upgrades. The key, of course, is that the communities need to be convenient to their workplace.

“What man needs is not a tensionless state, but rather the striving and struggling for some goal worthy of him.”

Man’s Search for Meaning

The most common and prevailing reason that active adults are working is best described by Marc Freedman in his new book, *Encore: How Baby Boomers Are Inventing the Next Stage of Work*. “As they age, they are looking for more work, not less — more flexibility, yes, but also more meaning and, just as important, more impact. If the old dream was freedom from work, they are after the freedom to work, in new ways and to new ends.”

*Today’s buyers are looking for something to care about!
Take time to learn about their passions, then help ignite them.*

Resident after resident echoed this sentiment. In 1963 Viktor E. Frankl published *Man’s Search for Meaning*. In it he observed, “What man actually needs is not a tensionless state, but rather the striving and struggling for some goal worthy of him.” Many boomers are searching for their “goal,” and successful builders and developers will encourage and facilitate their efforts.

Jackie Martin, a resident of Central Parke at Victoria Falls, “retired” from practicing dentistry to become a professor at Howard University School of Dentistry. She then “retired” again, going back to school to become an Occupational Therapist for children with disabilities. Nine years later she is still going strong. When asked why, Jackie’s passion and excitement for her job was inspiring: “It’s the impact I have on families. I help them adjust their lives and find joy.”

Ronit Monzon, a recently retired CEO of a federal credit union, is starting a community supported agricultural cooperative and an online jewelry business. Her fitness center is her 3 1/2-acre backyard. “I’d rather be weeding my vegetable garden than going to a gym,” said Ronit. Her ideal home is “a sustainable, not so big home. We’re baby boomers. We want to do it our own way! We’ve lived grand. Now I want a simpler life and a home that I can feel good about.” She expects high quality. She expects to get all the details she wants, and she is willing to pay.

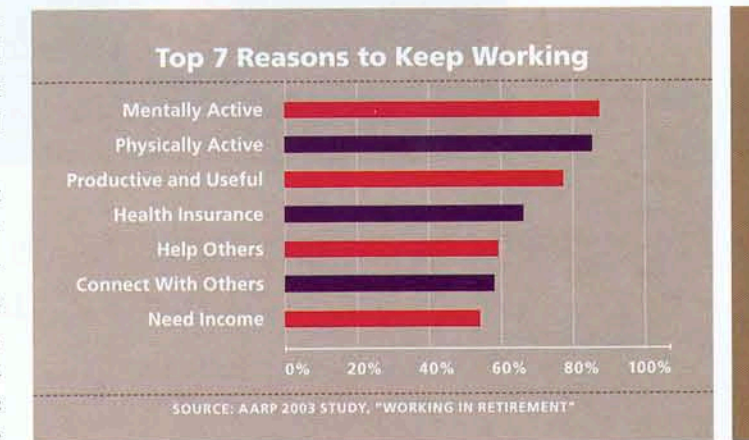
Forget the images and copy promoting carefree living. *Today’s buyers are looking for something to care about!* Take the time to learn what their passions are and help ignite them.

Don’t Leave Me Now!

Another factor that is increasing the number of 50+ workers is that companies don’t want them to retire. What a change! For years, companies actively culled their most expensive workers.

Many people took attractive buyout options and enjoyed early retirement. Today, three factors are dramatically changing this trend.

First, equal employment opportunity laws have made companies go out of their way to avoid any appearance of age discrimination. Second, the transition to a service economy means that today’s jobs are not as physically demanding as they were in the past. The reality is that a more experienced and more expensive employee is often the most productive employee.



Third and most important, companies need their experienced workers. From now to 2030, the 19 to 55 age population will increase by only 1 percent. In order for companies and the economy to grow, the 55+ workforce will need to grow. In 2012, workers over the age of 55 will represent 20 percent of the workforce, up from 13 percent in 2006. This is a huge change in only six years.

According to a survey by careerbuilder.com, over 20 percent of employers have active programs to recruit back retired



PHOTO COURTESY OF DIGITAL VISION ©

For a variety of reasons, active adults will have the opportunity, desire, and sometimes the need to work longer than ever before.

employees. Today there are dozens of Web sites devoted to recruiting 50+ workers like www.seniors4hire.com and www.retirementjobs.com. Companies have embraced flextime programs, mentoring programs, and other means of keeping older employees happy.

Dennis Escher ended a 35-year career owning and managing environmental engineering firms. He looked forward to a relaxing retirement at The Parke at Ocean Pines in 2001. So why is he working full time as a Worcester County employee? "They needed me." During his "retirement" Escher has been offered a number of jobs by private companies, local govern-

ments, and NASA. His only frustration with his "retirement" is that he's "paying all these fees and doesn't have any time to go to the clubhouse."

To capture these workers, the communities need to be close to the places where they work or be positioned as second homes where workers can take a well-deserved break. The programming in the clubhouses also needs to take work schedules into consideration and plan more activities in the evenings and on weekends. Some communities are considering fee structures that vary based on usage.

Will My Well Run Dry?

Boomers, as a whole, are not financially prepared for retirement. Massachusetts Institute of Technology's Age Lab reported that on average, boomer women will need to work until they are 74. However, it is important to remember that the target market for active adult communities is not *all* or even *average* baby boomers.

The poorest boomers will have to work just to survive and won't purchase market-rate homes. Builders need to target the more affluent boomers, but even among the more affluent, there are some clouds on the horizon. Higher debt levels, added expenses, and increased longevity mean living on a fixed income is becoming increasingly difficult.

The majority of previous retirees enjoyed the security of generous pension plans. These plans were designed with the assumption of a lower life expectancy, and companies paid out handsomely. But they also got wise and have mostly changed to defined contribution programs. These place the burden on the employee. As a whole, and particularly with younger boomers, these programs are significantly under funded. Congress' Pension Protection Act of 2006 provides some significant incentives for boomers to keep working.

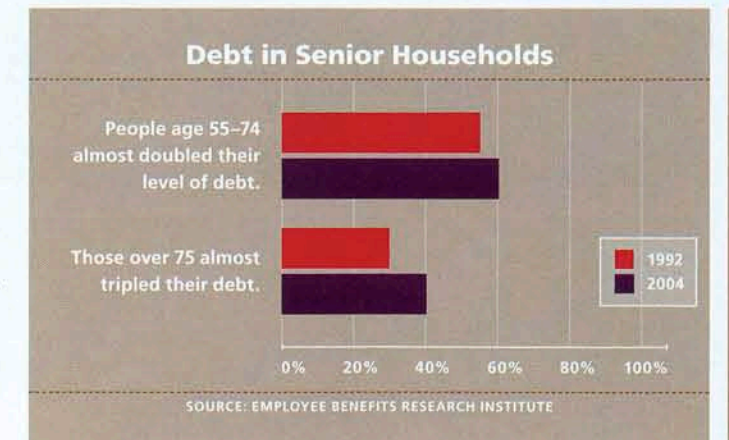
All of these financial pressures provide developers with two basic choices. First, design and develop communities that are affordable to help people stretch their money. Price the new

homes less than purchasers' previous homes, and provide them with cash to pay down debts and build their retirement funds.

The second alternative is to design communities that are close to employment centers so that residents can enjoy an improved quality of life *and* continue to work. The added incomes will allow these communities to charge prices that are significantly higher than the first choice.

Prospering in the Future

All of these trends mean that retirement is being reinvented. There is no longer a standard, predictable path. For a variety of reasons, active adults will have the opportunity, desire, and sometimes the need to work longer than ever before. Communities will need to be planned and marketed to address the working active adult.



Debbie Stiller is the lifestyle director at Central Parke at Victoria Falls, where more than half of the residents are still working. She observed, "People are looking for something meaningful to do. For many people, their job defines who they are. Our job is to help them live the life they want . . . and they want everything!" **50+**