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## Vanguard study: Work in retirement can be fun or necessity

**By Eileen Alt Powell**  
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NEW YORK – A lot of people envision retirement as an abrupt change from work to play, but a new study by The Vanguard Group has found that it's more likely to take the form of a gradual transition from a full-time job to full-time leisure.

A study released Thursday by the Valley Forge, Pa., mutual funds company found that about six in 10 Americans say that their retirement plans include part-time or full-time work.

The survey of some 2,500 adults age 40 to 69 also found that “a common strategy for making the transition from work to retirement is downshifting.” That is, older workers shift to less stressful or simpler jobs before stopping work entirely.

Nearly 25 percent of respondents age 55 and older have “downshifted” at least once, the study found, and 40 percent expect to do so in the future.

Steve Utkus, director of the Vanguard Center for Retirement Research, which commissioned the study, said it has important implications for employers and workers alike.

“We all talk about how people set a date sometime when they're 68 or 62 or 65,” he said. “The thinking is, it's Friday at 5 p.m. You stop work and call Social Security and sign up for your pension and on Monday, you're retired.”

Instead, it seems, “many people are using work in transitional arrangements,” he said.

That means employers who are interested in attracting or retaining older workers need to be able to offer part-time schedules or flexible work hours, Utkus said. At the same time, retirees may have to hunt for jobs but should be able to find something that fits their needs, he said.

The key determinant to whether someone works in retirement – and how much – is tied to how much pension the workers have accumulated and how much they've saved.

The study found that there were basically six paths to retirement among Americans 55 and older:

- **Early retirees:** 29 percent retired early. In most cases, this group had pensions and high savings balances.
- **Work and play:** 12 percent left full-time work in their 50s, but immediately set up their own companies or took on high-level, part-time jobs. They largely enjoy their work and want to stay active.
- **Still Working:** 35 percent of workers moved to part-time or self-employment in their 60s. They tend to have lower financial resources, and often lack a pension.
- **Returnees:** 5 percent stop working, typically in their 50s, and then are forced to return to the work force, sometimes because of a financial shock like the death of a spouse.
- **Spouse's retirement:** 9 percent. Often married women in excellent health, they follow their husband into

retirement in their 40s and 50s.

- Never retire: 10 percent. The majority say they do it to meet basic living expenses.

Utkus said that money – whether in the form of a pension or savings – gives workers flexibility.

“You can choose to do what you want in your 50s and 60s, especially if you've saved more or had better benefits packages or both,” he said.

He also said that workers who haven't saved enough should find hope in the study, because it suggests that “people are finding flexible work opportunities in their 60s.”


The survey of 2,500 adults was conducted by Harris Interactive Inc. The sampling error was plus or minus 2 percent.

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