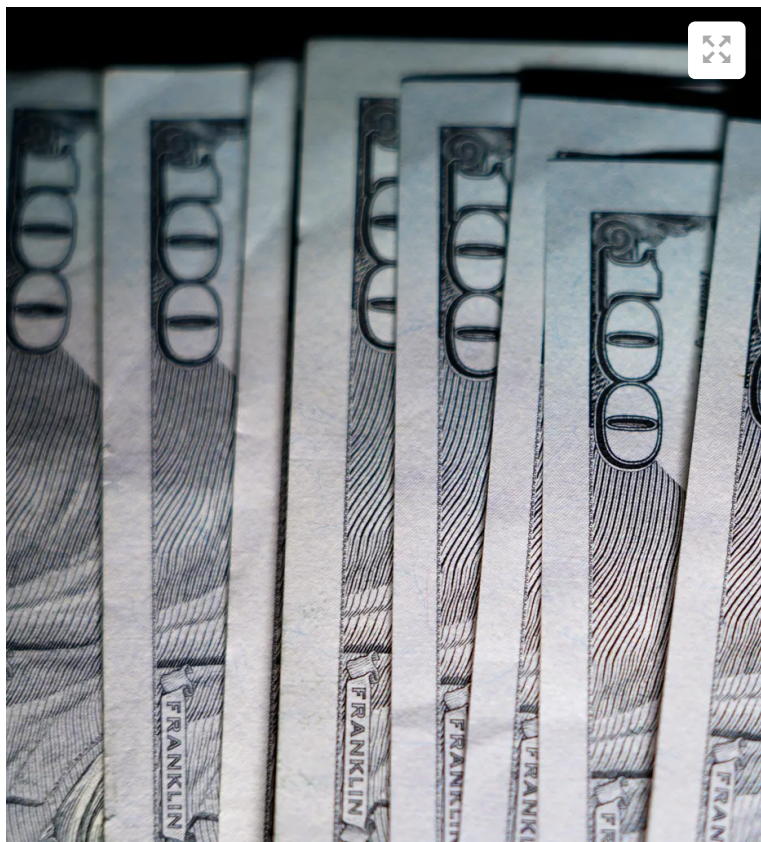


## Millennial Money: The evolution of retirement — and what it might mean for you

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FILE — U.S. \$100 bills are seen, Thursday, July 14, 2022, in Marple Township, Pa. Now that retirement spans more years than ever, you might need to rethink how you're envisioning that stage of your life. It's not a blip on the life radar — it's a significant chunk of time. (AP Photo/Matt Slocum, File) [Less](#) ^

By [KATE ASHFORD](#) of NerdWallet

*The Associated Press*

Now that retirement spans more years than ever, you might need to rethink how you're envisioning that stage of your life. Although Americans are retiring a little later than they did 30 years ago, they're also living longer. Retirement isn't a blip on the life radar — it's a significant chunk of time.

While your parents may have retired and never worked another day in their lives, you may find that part-time work when you get older fulfills your mental needs and helps your retirement savings last. You may have to be more aggressive with your investments than you expected. And staying healthy is crucial.

“The questions I'm being asked are different, and the conversations clients are bringing to me are different,” says John McGlothlin III, a certified financial planner in Austin, Texas.

Here are the ways retirement might be shaping up for you.

YOU'LL KEEP MORE MONEY IN STOCKS

People used to enter retirement with a conservative-leaning portfolio that held a solid chunk in bonds and cash alternatives. Although advisers aren't suggesting clients throw caution to the wind, they're tweaking the investing plan at this life stage.

"We may just stay a little more aggressive, because the day you retire, you don't need all this money," says Jonathan Swanburg, a CFP in Houston. "Some of this money is for 30 years from now, some of it is for your kids and grandkids because you're never going to touch it."

McGlothlin encourages his clients to exit target date funds at retirement because he thinks they get too conservative. "The moment you hit that retirement date, they all of a sudden go to 50% bonds, and within a few years you're at 60% and 70% bonds," he says. "While bond yields are much better than they were a few years ago, I don't necessarily think I can get clients 20 to 30 years of sustainable withdrawals if I'm that bond heavy."

#### YOU MAY CHOOSE TO KEEP WORKING

The number of adults age 65 and older who are working is almost twice the number who were working 35 years ago, according to a 2023 Pew Research report. Consulting or part-time work in retirement allows you to withdraw less from your savings and potentially delay taking Social Security, and your investments have more time to grow.

"It gives us flexibility in our asset spend-down picture," says Catherine Valega, a CFP in Winchester, Massachusetts. "The thought of moving to no more income coming in — that's really stress provoking."

Valega also encourages clients to pursue work and other activities so they don't go stir-crazy. "You're going to have 10 hours in the day that you didn't have before," she says. "You can exercise, and that's great and you should, but beyond that you need some amount of mental stimulation."

#### YOU MAY WANT TO SAVE FOR IN-HOME CARE

Most adults age 55 and older want to age in place, according to a 2023 survey from the McKinsey Health Institute. Eighty percent wish to live in their own home, and 71% of older adults who aren't living in their own home wish they could.

With home health aides having a national median cost of \$27 an hour, according to Genworth's 2021 Cost of Care data, planning for in-home care may require working longer to build the nest egg to pay for it, or even relocating to a city where home services are cheaper. Renovations to make a home more accessible or single-story livable are also helpful.

"I think the generation that's retiring right now, they've seen their parents or their family members go into nursing facilities or assisted living facilities and are pretty much unanimously like, 'I really don't want that,'" McGlothlin says.

#### YOU'LL (REALLY) WANT TO STAY HEALTHY

The average 35-year-old woman today can expect to live to about age 81 — which means many will live even longer. David Foster, a CFP in St. Louis, now includes articles related to physical fitness and health alongside financial tidbits in his email newsletters to clients.

"That probably just wouldn't have been on top of people's minds 30 or 40 years ago because they weren't likely to live until they were 90," Foster says. "Exercise is good for avoiding cognitive decline and helping with your heart."

Although it may feel a long way off, safeguarding your health now can lower medical costs later, plus help ensure you can work (and play) as long as you're able. That means exercising regularly, eating reasonably healthy foods and getting enough sleep, among other things.

"You can't do anything else if you don't have your health," Foster says.

This column was provided to The Associated Press by the personal finance website NerdWallet. The content is for educational and informational purposes and does not constitute investment advice.

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## METHODOLOGY

Pew Research Center's report on older workers derived its analysis from the Current Population Survey, or CPS, which is administered jointly by the U.S. Census Bureau and the Bureau of Labor Statistics. Each month, 60,000 occupied households are surveyed, resulting in interviews of about 50,000 households. It is explicitly designed to survey the labor force.

Pew Research Center. (December 2023.) "Older workers are growing in number and earning higher wages." <https://www.pewresearch.org/social-trends/2023/12/14/older-workers-are-growing-in-number-and-earning-higher-wages/>

The McKinsey Health Institute survey canvassed more than 21,000 adults age 55 and older across 21 countries. The survey was conducted online between late December 2022 and February 2023.

McKinsey Health Institute. (May 2023.) "Age is just a number: How older adults view healthy aging." <https://www.mckinsey.com/mhi/our-insights/age-is-just-a-number-how-older-adults-view-healthy-aging>

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