

Planned Giving Tip
August 2007
The "New" Retirement

I wanted to send you something a little different this month. I have included below an article from a publication I receive called *Modern Donor*. Interesting - it's NOT about MONEY! The article is about *Baby Boomers* and who is volunteering their services (and why) to nonprofits. Some are calling these patterns the "new" retirement. And it probably won't surprise you that happy people give more – more of everything, including their hard earned money.

Keep Planting Seeds!

Greg

"To be a Christian disciple is a rewarding way of life, a way of companionship with Jesus, and the practice of stewardship as a part of it is itself a source of deep joy." US Bishops' Pastoral Letter: Stewardship -- A Disciple's Response, p. 21

THE "NEW" RETIREMENT

Aging baby boomers constitute this decade's fastest growing age group, expanding nearly 50 percent in size from 2000 to 2010. This group - more highly educated, with more professional women, and more diverse than its predecessors - will add new stresses to suburban and Sun Belt locations where they are predominantly "retiring in place" with demands for health, transportation, and other services. Find out more by reading: ***Mapping the Growth of Older America***, William Frey, Brookings Institute. Download free at <http://www3.brookings.edu/views/articles/200705frey.pdf>

The lifestyles of tomorrow's retirees - specifically those of baby boomers - are not likely to be similar to those of today's retirees, according to **George Moschis**, PhD whose Center for Mature Consumer Research at the University of Georgia has been studying mature consumers for 20 years. Based on years of surveys, ***Baby Boomers and Their Parents: Surprising Findings about their Lifestyles, Mindsets, and Well-Being (Paramount 2007)*** includes comparisons on everything from health, to retirement living, to spending habits and charitable giving.

Some of the surprising findings:

- In general Baby Boomers have worse health than their parents and are less likely to choose nutrition over good taste in their food, even though they are better informed about nutrition.
- Both generations are under a great deal of stress and the number one cause of acute stress is major conflict with a family member. Life-changing events such as retirement and death of loved ones contributes to stress and marketers who understand the emotional consequences of life-changing events are likely to gain a stronger base of loyal customers.
- Parents are just as willing to use their credit cards as baby boomers. However, their lifestyles do not include as many opportunities for credit card use.
- Many Baby Boomers are deeply in debt and unable to pay off their credit cards every month. These boomers are not well situated for retirement.

- In comparison with baby boomers, older consumers prefer products that minimize problems rather than maximize benefits.
- Older people relate better to spokespeople that are chronologically 10 to 15 years younger than the target audience.
- More than a quarter of baby boomers are caregivers for their parents; nearly 30 percent of their parents are caregivers to their own elderly parents.
- The greater number of years spent in retirement increases the need for a wider array of financial strategies that will help retirees stretch their savings over a longer period of time.

Indeed, a study released by **Los Angeles-based Korn/Ferry International in April 2007, titled "The Executive Recruiter Index"** reports that traditional retirement may be gone forever. According to this report, many Baby Boomers are putting off retiring, choosing instead to stay in the workforce and pursue other opportunities. The good news is most Baby Boomers simply don't want to retire, at least not in the traditional sense. They are much more interested in re-careering. Re-careering executives are choosing entrepreneurship, consulting, volunteering, or some combination of pursuits.

Here's why:

- 22 percent are bored with the mere thought of retirement. They don't want to sit on the front porch in the rocking chair and wait for the "Grim Reaper."
- 21 percent have a need to be productive. Their parents taught them, "You must be a contributing member of society."
- 20 percent reported needing to have an intellectual challenge.
- 13 percent have insufficient savings. We actually expected this figure to be much higher, many are reluctant to admit their poor financial judgment, or perhaps it is because this study focuses on executives who planned their financial futures more carefully.
- 13 percent find they need the personal interaction.

This may be a boon to volunteerism, especially as we now have research that suggests that volunteering leads to longer and healthier lives, accounting to a report, ***The Health Benefits of Volunteering: A Review of Recent Research***, written by the Corporation for National and Community Service, and available free online at: <http://www.nationalservice.org>.

In fact, Baby Boomers have the highest volunteer rate of any age group and volunteer in greater numbers than past generations did during their senior years, according to a new study from the Corporation for National and Community Service. However, the study also found that 30 percent of boomer volunteers leave their organizations each year. Based on data from the **U.S. Census Bureau and Bureau of Labor Statistics, *Keeping Baby Boomers Volunteering*** (www.nationalservice.gov/pdf/07_0307_boomer_report.pdf) the study urges nonprofits to improve their retention of boomer volunteers by developing opportunities that appeal to boomers' interests, skills, and experience.

At the same time, the days of envelope stuffing may be numbered. According to **Daniel Kadler, quoted in "The Right Way to Volunteer", *Time Magazine*, September 4, 2006**, nearly thirty-eight million Americans who volunteered with a nonprofit in the past, didn't show up the following year (2005). Established nonprofits cling to "their old ways of asking volunteers to do little more than stuff envelopes and make fund-raising calls...That is a waste of talent and desire."

So nonprofits need to rethink their volunteer jobs and marketing to take advantage of the unprecedented health, longevity, educational status and financial security offered by Baby Boomers.

According to a report from the **Corporation for National & Community Service** at the annual conference of the National Council on Aging and the American Society on Aging in Chicago, Boomers are motivated by higher-skilled, higher-ordered volunteer activities.

The type of volunteer work boomers do has a big impact on whether they stay with it over time. Retention from the first year of volunteering to the second year is highest when they're involved in professional or management activities, such as strategic planning, marketing or volunteer coordination. Nearly three-quarters of boomers performing those typically white-collar duties returned the following year, as did 71% of those who volunteered in music or other performance activities. Seven out of 10 who tutor, mentor or coach also stick with it into a second year. But those involved in general labor and rote tasks such as driving, construction and meal preparation were least likely to continue volunteering the following year, with only 56% persisting, the report said. <http://www.marketwatch.com/news/story/baby-boomers-demanding-higher-level-volunteer/story.aspx?quid=%7BB94A5269-C84A-4483-AA06-D96C727F4B12%7D>

And finally, Boomers, ages 41-59, have different priorities when it comes to volunteering. ***While the previous (Silent) generation volunteered mostly at religious organizations, then civic, political, business and international. Boomers, in contrast, volunteer mostly at religious organizations, than youth and educational organizations.*** To make your organizations attractive to volunteer organizations: Challenge them and show them the results of their contributions. ***BoomerMarketing News, April 2007, www.boomerproject.com***