



*Americans head off to their jobs each day  
as much for daily meaning as for daily bread.*

—STUDS TERKEL



# Encore Careers: The New Paradigm of Work for Older Adults

Retirement today isn't what it used to be. More and more older adults, including boomers, are choosing to work longer because they enjoy it, or are creating new careers and businesses during retirement.

BY ERIKA T. WALKER, MBA, MSED, CSA

**R**etirement as we know it is changing. Gone are the days when individuals worked for one organization for forty years until they were sixty-five years old, received a pension and a gold watch, had a retirement party, and then went off to the golf course. With the increased numbers of educated and experienced professionals retiring, both male and female, we are looking for new ways to use our skills and talents. Sarah's scenario is just one example of how the working world is shifting to a new paradigm.

There was a time when Sarah Fields thought she would stop working after turning sixty-five. Having spent her career in the corporate world, she envisioned herself in retirement getting closer to her grandchildren, spending more time with her husband, and giving back to the community through civic involvement.

Now that she is retired, Sarah has found the need to continue to use her skills and build her knowledge. She misses the feeling of accomplishment that came with her job and wants to find ways to challenge herself without spending forty to eighty hours a week working as she did during her climb up the corporate ladder. Sarah wants balance in her life and a connection with "meaningful work." Is this possible for someone her age?

According to the U.S. Bureau of Labor Statistics, 17.4 percent of people sixty-five and older were in the labor force in 2010, up from 12.9 percent in 2000. By 2020, the agency predicts, 22.6 percent of Americans over sixty-five will be working. Every day, ten thousand baby boomers turn sixty-five. As an aging industry professional, you know this statistic well! But do

you know what is happening to older adults transitioning to retirement? A major shift in how they use their skills and talents is upon us.

### **The Paradigm Shift: What Is Happening With Work?**

According to a 2010 study, “Working in Retirement: A 21<sup>st</sup> Century Phenomenon (Brown et al.),” working in retirement means different things to different people. Key findings from this study show aging workforce trends as follows:

- One in five workers fifty and older has a retirement job today; 75 percent of workers aged fifty and older expect to have retirement jobs in the future.
- People work in retirement for a variety of reasons, including the opportunity to earn more money for a comfortable retirement, and because they would be bored if they weren't working.
- Those working in retirement are highly satisfied and engaged in what they do.
- Using a number of critical indicators of workplace effectiveness, those working in retirement rate their workplaces more positively than those who are not retired.
- A significant number of employees transition to self-employment for their retirement jobs.
- While those who are retired work fewer hours, on average, than those not yet retired, the majority of working retirees report working full time and wanting to work the same or more hours.

Although the majority of these findings may reflect traditional work, there are many retirees seeking new kinds of employment and fostering a career paradigm shift. Encore.org (formerly Civic Ventures, a respected resource for older adult career trends and methods), states as many as nine million Americans have moved into second or third acts and are inventing a *new stage of work*. They are moving beyond midlife careers, yet refusing to fade out or fade away. They are searching for a calling in the second half of life, crafting encore careers that combine not only continued income but the chance to do work that means something. Encore.org defines encore careers as those that combine “continued income, personal meaning, and social impact.” (<http://www.encore.org/learn>). Older workers are shifting their goals from maximizing their income in

the for-profit world to building a strong legacy in the nonprofit world.

“Many older adults are seeking more meaningful occupations later in life,” says career/life coach Margaret Newhouse, M.A.T., a pioneer in the field of “third-age life crafting,” and founder of the Life Planning Network. At a time when life's traditional goals have been reached—children are grown, mortgages are paid, career duties have lessened, and the pressures of worldly accomplishment have receded—there is more flexibility for people to explore what else life has to offer, and what they can offer of themselves. “You have more freedom in an actual sense,” Newhouse adds. “But more importantly, I think, is a psychological freedom that comes with age—having a greater perspective on what's important in life and a willingness to just be that person—without regard to what other people think. For many, there is a newfound spiritual element involved. You're likely to be much less egotistic.” (Brown 2011).

Most encore career job opportunities seem to fall into five categories: education, health care, the environment, government, and the nonprofit world. While the job market is still very tight, there are jobs in these fields now, and new research shows that there will be millions of encore job opportunities in these fields in the near future ([www.encore.org/work/top5](http://www.encore.org/work/top5)).

### **Why is this Paradigm Shift Happening?**

Research suggests the decision to continue working may not be exclusively about financial need. Well-educated workers are more likely to delay retirement than less-educated workers, and labor force participation rates have risen primarily for older Americans who are college educated and in the highest income groups. While some of these people are undoubtedly working for financial reasons, for others the decision to continue seems to be voluntary.

There are many social, emotional, and psychological benefits that come from work. Although these benefits have always existed, they are more relevant to today's senior workers. As people live longer and stay healthier, many are now able to choose when to retire. In addition, as the number of boomers living farther apart from each other in the suburbs increases, many are turning to work to find the social connection that their small, tight-knit communities previously provided. Stanford Center on Longevity Senior Research Fellow, Martha Deevy, defines the following five factors as attractive to older adults considering working longer (Deevy 2013):



*“Have you given much thought to what kind of job you want after you retire?”*

- 1. Working helps avoid social isolation and keeps them connected to their communities.** This is particularly beneficial for people who live far from their friends and families and would otherwise spend a lot of time alone.
- 2. Working gives meaning to their lives.** Staying employed gives seniors the opportunity to make and achieve goals, receive recognition for their efforts, and work as part of a team.
- 3. Working allows them to use their knowledge and experience.** Many older people have spent years developing their talents and honing their skills, making them well-positioned to meet the needs of employers.
- 4. Working helps older people stay physically and mentally healthy.** Although it's true that healthy people are more likely to work longer, working

longer also can lead to better health. A study from the Center for Retirement Research at Boston College ([www.crr.bc.edu](http://www.crr.bc.edu)) found that working longer actually reduces a person's chances of reporting fair or poor health. This may be because working gives older people a reason to take care of themselves.

- 5. Working is a source of pleasure.** One recent study noted that 89 percent of older workers said they enjoyed their jobs. Understandably, they do not want to give up this source of contentment.

### **Finding Meaningful Work: Methods and Resources**

If you were Sarah, how would you go about finding meaningful work at this time in your life? The first line of action in looking for work often includes going to the unemployment office, interviewing with an employment agency, or perhaps

building a network of professionals to help explore opportunities.

However, before heading out to find new opportunities, individuals should start with some self-analysis. Marc Freedman, author of *Encore: Finding Work That Matters in the Second Half of Life* (2007), tells people like Sarah to first ask themselves some basic questions:

- How would you like to spend the next five, ten, or twenty years?
- What community, national, or global problems motivate you to act?
- How much income do you need to earn?
- Do you want to stay in the same field or explore something new?
- Do you want to start your own organization or work for an existing one?
- Are you willing and able to go back to school or get other training?

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Freedman continues by guiding older adults through the process of identifying themselves as either a *Career Recycler*, where they build on their expertise, a *Career Changer*, where they thrive on the uncertainty and excitement of trying something fresh, or a *Career Maker*, where they take a lifelong interest and parlay it into a job that helps others. Further self-analysis may include thinking about their own motivation and what makes them happy or what experience they have that makes them an asset.

Rather than committing to a new career, older adults should consider part-time work or internships as they explore this new world. Often one of the advantages of finding a new career is having more time and financial freedom to explore. To get started, they

should speak with people in their target field, and volunteer for a place they admire before they make the leap. Marc Freedman states, “Experimenting in your fifties prepares you psychologically for a new chapter rather than being blindsided if your career ends suddenly or you’re too consumed to think about it.”

There are many national models supporting the transition of older adults into new careers. Encore fellowship programs can now be found in fifteen states and the District of Columbia. Last year, for example, Intel began underwriting a \$25,000 stipend for its soon-to- retire employees who wanted to transition into social service. Some cities are gaining encore-friendly reputations. San Francisco, Phoenix, Denver, Philadelphia, Portland, Oregon, Minneapolis, and Boston have partnered with local businesses and organizations to explore how to employ retiring boomers ([www.encore.org](http://www.encore.org)).

Should training be necessary to enter a new career as an older adult, communities, universities, and community colleges are providing training and retraining for paid and volunteer work. Eighty-eight schools that are part of the American Association of Community Colleges’ *Plus 50 Initiative* offer six-month to two-year certificates and degree programs for older students. One successful community model defined in the *Plus 50 Initiative*, “*Boomers Leading Change in Health*” (BLCIH), in the Denver area, helps those age fifty-plus test drive the health care field. Since the program launched in 2010, more than four hundred boomers have taken some training (<http://blcih.org>).

Additional resources include examples such as *Life Reimagined*, a new AARP initiative designed to help people explore what’s next in their lives. Created in collaboration with experts in personal development, aging and social change, the program features resources, tools, coaching services and ways to connect with like-minded people. In addition, *Second-Act Careers: 50+ Ways to Profit From Your Passions During Semi-Retirement*, offers more than fifty different career pointers for the semi-retired worker who might want to become anything from an adult education instructor to an executive recruiter to a mediator to a franchisee (Collamer 2013).

## Older Entrepreneurs Growing in Numbers

As adult professionals seek new work opportunities, many are finding a desire to become entrepreneurs. The tough employment market is facilitating this direction for millions of Americans in their forties, fifties, and sixties.

A study funded by MetLife Foundation and conducted in collaboration with Civic Ventures, finds the

following results from a telephone survey conducted with one thousand Americans ages forty-four to seventy, and a follow-up online survey of four hundred potential entrepreneurs (Berland 2011).

- Approximately twenty-five million people—one in four Americans forty-four to seventy—are interested in starting businesses or nonprofit ventures in the next five to ten years.
- More than twelve million of these aspiring entrepreneurs (48 percent) want to be encore entrepreneurs, making a positive social impact as well as a living.
- Most potential encore entrepreneurs (72 percent) expect to create local, small organizations employing up to ten people.
- Research shows that potential encore entrepreneurs are daunted by the economic risk in starting ventures now, but half are still eager to move forward.
- Nearly six in ten (58 percent) say the current economic crisis makes them more likely to start their own businesses or nonprofit ventures.
- More than half (54 percent) say they are “very likely” to start their ventures within the next five to ten years.
- Just under half (47 percent) of encore entrepreneurs believe they would not be able to obtain adequate financing. The same percentage (47 percent) expect to tap their personal savings to launch their ventures.
- About half (52 percent) say they have delayed launching their ventures because they do not feel secure enough financially right now.

The findings reinforce consistent research from the Kauffman Foundation ([www.kauffman.org](http://www.kauffman.org)), which shows that for eleven of the fifteen years between 1996 and 2010, Americans between the ages of fifty-five and sixty-four had the highest rate of entrepreneurial activity of any age group.

What makes these older entrepreneurs unique in comparison with their younger counterparts? There appears to be multiple contributing factors. One factor is defined by University of Chicago economist, David Galenson, Ph.D. Galenson recently conducted a quantitative study of artistic greatness. His findings appear in his *Old Masters and Young Geniuses:*

*The Two Life Cycles of Artistic Creativity*, where the results show that genius clusters into two categories. Conceptual geniuses tend to do their best work while young, producing breakthrough ideas early in their careers. However, experimental geniuses need a long period of time to reach their peak, moving forward by trial and error, slowly accumulating the elements that will be integrated into their fully realized work. Thus, experimental geniuses blossom much older (Galenson 2007).

Another factor, previously discussed, focuses on the older adult’s desire to give back. Later entrepreneurship often crosses paths with the later-life trend. Research shows that half of those who want to become midlife entrepreneurs—more than twelve million people ages forty-four to seventy—also want to meet community needs or solve a critical social problem at the same time (Freedman 2012).

Barbara Sadick, on *Senior Planet: Aging with Attitude*, an online information and resource center developed in New York City, defines the following list of resources for older adult entrepreneurs (Sadick 2012).

- **50+ Entrepreneurs:** Launched in spring 2012, this AARP-SBA partnership offers a host of resources and tools for people considering starting a business including a self-evaluation test and courses such as “Introduction to Starting Your Own Business.”
- **Entrepreneurship Works:** The nonprofit organization’s site is designed to help people fifty and up build sustainable businesses.
- **Take Command:** This nonprofit’s financial advice is for anyone who’s thinking about starting a new business specifically for older workers—including an article on the risks involved in second-career startups.
- **Second Act Entrepreneur:** This site for older workers has a section devoted to entrepreneurship. Articles include topics such as some of the newer models for starting a business, including crowdfunding.
- **“Senior Entrepreneurship: How to Tap a Lifetime of Experience into Business Success.”** (Sadick 2012). This Small Business Administration article discusses five things you should consider as you start a business later in life.
- **The Older Entrepreneur’s Guide to Success:** Entrepreneur.com has four big tips for success in this article.

## New Paradigm Equals New Expectations

As a result of this shift to the new “meaningful work” paradigm, those who are transitioning in the workforce have a variety of exciting directions to choose from for their next career. They should start by doing a self-evaluation to determine what motivates them, how much they need to earn, and are they willing and able to start their own business or go back to school for additional training. Once completed, they should seek out resources to help them explore further. If they get the “entrepreneurial bug,” they have a variety of guides and sources to help them move forward.

In addition, as a society we have a tremendous opportunity to tap into these professionals looking to give back to our communities. Consider the benefits if we would mine the mountains of expertise found in our older population, as business owners, contractors, volunteers, or advocates for their peers! There are a growing number of programs across the country facilitating methods to utilize the tremendous expertise of retirees in order to strengthen communities as well as address resource limits and societal challenges. The new expectation of older adults is in its infancy. Helping these individuals find meaningful work is a valuable first step. •CSA



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