

When purpose is front and center

An essay by Marc Freedman and Phyllis N. Segal

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We hear constantly that boomers are reinventing retirement. But the real story is about invention, not reinvention. Men and women in midlife and beyond are crafting a new phase of work that offers not only continued income but the promise of greater meaning and the chance to do work that means something beyond themselves.

Three years ago, the *MetLife Foundation/Civic Ventures New Face of Work Survey* found widespread interest in this idea. At that time, half of Americans age 50 to 70 said they were interested in work that would improve the quality of life in their communities. And individuals on the younger end were the most interested, with one fifth of those 50 to 59 identifying good work as a top priority.

Since then, we at Civic Ventures have attached a name to the pursuit of purpose-driven work in the second half of life—we call it the “encore career.” With the help of Peter D. Hart Research Associates, Inc., we set out to count—and question—those who are now in encore careers, those who are interested in encore careers, and those who express little interest. The numbers, depth, and richness of what we found surprised us.

The 2008 *MetLife Foundation/Civic Ventures Encore Career Survey* is the first national study to reveal that the encore career is more than an appealing idea. It’s a livelihood and a lifestyle for an unexpectedly large group of people who, without abundant pathways or much help from policy makers, have found a way to do work that matters in the second half of life, work that they want to do and that society needs doing.

This research further confirms that half of those 44 to 70 who are not yet in encore careers want to be. The tens of millions of people in this group hope to use their midlife experience to help solve the problems only human talent can solve. They want to work in fields now facing severe labor shortages, such as education, public service, health care, and a diverse range of nonprofit jobs, all deeply dependent on talent to be effective. As a society, it behooves us to help them find a way to get there.

In analyzing this research, we see a number of critical trends.

The encore career is a reality for millions of Americans who, as it turns out, are doing the work that needs to be done.

Despite all the obstacles and the absence of a whole-hearted embrace by organizations and policy makers, millions have already found their own encore careers. They're not the odd anecdotes either. This group amounts to somewhere between 6 and 9.5 percent of those 44 to 70 years old. In real numbers, that's between 5.3 and 8.4 million trailblazers. They are public employees, helping to ease the shortage of qualified teachers and classroom assistants. They are social entrepreneurs, starting nonprofits and businesses to improve local education efforts, clean up the environment, or provide health care to the uninsured. They are nurses and hospital workers and nonprofit leaders and homeless outreach workers. And all of them are using their experience to help improve the quality of life in their communities and across the country. In an era of emerging labor shortages in critical areas, they are truly the beginnings of a new workforce for social change.

People in encore careers have much in common.

Most of those in encore careers come from professional and white-collar jobs (88%), have at least a college education (67%), and tend to live in cities and their surrounding suburbs (72%). Most (60%) are leading-edge boomers between the ages of 51 and 62. Most (56%) are women. But the research also reveals diversity in the ranks. Of those in encore careers, three in 10 never graduated from college, three in 10 live in small towns and rural areas, and nearly two in 10 (18%) worked in a blue-collar job before making the switch to an encore career.

The encore career workforce could become much larger very quickly.

A larger, more diverse, and younger group of baby boomers is standing in the wings, expressing interest in encore careers of their own. Of those between 44 and 70 not already in encore careers, half say they are interested. This group is more equally divided by gender, less well-educated, and slightly more blue-collar. Those most interested in encore careers are the youngest: 50 percent of trailing-edge boomers, ages 44 to 50, say they want encore careers. All this bodes well for an encore movement that embraces the diversity of America to help meet our country's needs.

The prospect of an encore career may entice those who have already retired back to the workforce.

The pull toward work for the greater good is strongest among those who are already retired and would likely consider going back to work for a job with meaning and social purpose. This provides evidence that the meaning of retirement is changing—from destination to prelude, from a dead stop to simply a pause for rest, rejuvenation and possibly retraining. In past eras, the pull to leisure encouraged people to leave the workforce as early as they could. In the future, the pull to meaningful work, with reasonable salary and benefits, may encourage people to retool for new chapters promising significance.

Those in encore careers are having a good experience. Their message is that the encore career is, on balance, fulfilling and worth pursuing. More than eight in 10 of those in encore careers (84%) say they either get a “tremendous amount” of satisfaction (38%) or “quite a bit” of satisfaction (46%) from their encore careers. A similar percentage (94%) of those in encore careers say that it is “definitely true” (54%) or “somewhat true” (40%) that they have seen the positive results of their work and know they are making a difference. The vast majority indicate they have the income, benefits, and flexibility they say they need. That’s encouraging news for those who are considering making the jump.

Income and benefits are important now but will become even more important to boomers in the years ahead. Younger boomers (79%) are more likely to say they plan to work longer because they need the income and benefits than pre-boomers (64%). Given the disappearance of traditional pensions, the escalating costs of health benefits, and the lack of adequate retirement savings, it’s easy to understand why. As boomers age and economic need forces people to work longer, many programs that have successfully engaged boomers in volunteer or part-time good work with modest stipends may become less appealing. Instead, younger boomers may be more interested in using their modest savings to subsidize 10- to 15-year encore careers that pay nonprofit market rates, so they can earn while doing something they’ve always wanted to do or would find more rewarding than their midlife careers. There is good news in recent research findings that nonprofits are more likely to provide health care and economic security benefits than other employers.

Commitment is compatible with flexibility. Some nonprofit employers expressed concern that older employees might not be committed—in other words, that they wouldn’t stick around long enough, that they would require too much time off or too much flexibility, and that they would press for part-time work. But most people (59%) currently in encore careers are working 40 hours a week or more. Despite the hours, most say that their work gives them the flexibility they need to attend to the other things that are important to them. Of those interested in encore careers, half say they will seek part-time jobs. It’s possible that those currently in encore careers also went looking for part-time work—and couldn’t find it, settling instead for greater flexibility. But it’s also possible that the people who tend to seek out meaningful work in the second half of life aren’t looking to slow down but to accelerate, to rededicate themselves to something they believe in, so long as they receive some additional flexibility. Their experience certainly shows that there’s no contradiction between the desire for flexibility and the ability to commit.

Boomers interested in encore careers have real, but not insurmountable, concerns. Corroborating what we learned from our 2005 survey, many boomers expect that it will be difficult to find good work. In 2008, fully 60 percent of those interested in encore careers see this as a “very serious” or “somewhat serious” concern. However, most already in encore careers say they didn’t have a difficult time finding their current jobs. Their satisfied results may obscure recollections about the journey (think childbirth and parenthood!), but those now waiting in the wings can certainly conclude that finding an encore career, if not exactly easy, can be done. Other worries from those interested in encore careers—about

flexibility, income and benefits, and age discrimination—were not rated as significant problems by those already in encore careers. But those concerned about retraining and about the difficulty of getting used to less status and seniority may be grounding their fears in the right place—about one-third of those in encore careers say they’ve encountered these challenges.

Policy changes could help those interested in encore careers join those already engaged. When asked what would help ease the transition to encore careers, affordable health care is the most desired—and most complex issue to solve. Somewhat easier to solve: ending financial penalties for continuing to work while receiving a pension, providing more access to retraining and education programs, and creating online resources to help people find encore careers. All were strongly supported by those surveyed. Several key legislators are already moving on policies that could make a difference. Individuals and employers would get tax credits and other incentives to save money for the training and education needed to launch their encore careers under the Lifelong Learning Accounts Act of 2008, introduced by U.S. Reps. Rahm Emanuel and Jim Ramstad. And U.S. Senators Herbert Kohl, Gordon Smith, and Kent Conrad have introduced The Incentives for Older Workers Act, which would extend the Social Security bonus for recipients who postpone claiming their benefits beyond the “normal” retirement age. The change could mean bigger monthly checks—for life—for those who choose to keep working.

Those who have chosen encore careers often tell us that they feel on their own, isolated, even out of step. But by choosing the encore career path, these pioneers are electing to be at the vanguard of something we now know is happening. It’s big and could soon be much bigger.

What if, over time, 100,000 people interested in encore careers were persuaded to launch 10-year encore careers? That would mean one million years of service dedicated to areas like education, poverty, and the environment. What if we could persuade a million more to do so? What if just 5 percent of the boomers—a small percentage of those who express strong interest—chose to take the plunge? Given that there are nearly 80 million boomers, that would amount to almost 40 million years of human talent applied to the leading problems of the world over the coming decades.

Applying this human talent and experience to the big challenges of our time could be as profound a contribution as those made possible by new technologies or even massive infusions of philanthropic dollars. We are buoyed by the extraordinary potential payoff and by the results of this survey. The time has come for concerted action aimed at realizing this great opportunity for individual fulfillment and social renewal. ■