

A photograph of an elderly couple sitting at a wooden table in a kitchen. The man, on the left, is balding with a grey beard and is wearing a light blue button-down shirt. He is smiling and holding a glass of orange juice. The woman, on the right, has grey hair and is wearing glasses and a pink button-down shirt. She is also smiling and holding a glass of orange juice. They are both looking at each other. In the background, there is a kitchen counter with various items. On the right side of the image, there are several large, overlapping orange abstract shapes that look like stylized leaves or petals.

# Retirement Reimagined

Retirement as we know it is barely 150 years old. Otto von Bismarck introduced the world's first state pension in Germany in 1889, setting the retirement age at 70, an age that only a minority of the population actually reached.

The concept was simple: work until you could no longer physically do so, and then society would care for you in your final years.

That world no longer exists. The forces reshaping how we live and work are so fundamental that the retirement of the future is unlikely to resemble the retirement of the past. The question isn't whether retirement will change, but how quickly we can adapt our thinking to match this new reality.

For the first time in history, we have the tools and longevity to completely reimagine what the later decades of life could look like.

## The Forces Reshaping Everything

Several powerful trends are making traditional retirement planning obsolete.

- **Longevity has exploded.** Today's 65-year-old couple has a 50% chance that at least one spouse will live to 92. Today's retirees are looking at 25 to 30-year retirements, not the 10-year periods our grandparents planned for.

- **Health spans are extending.** People aren't just living longer, they're staying active much deeper into their lives. Many 70-year-olds today have the energy that 50-year-olds had a generation ago.

- **The workplace has been revolutionised.** People change jobs every 4-5 years and switch careers multiple times. Remote work has made location independence possible for millions, and the gig economy enables flexible arrangements that were previously unimaginable.

- **Technology has eliminated barriers.** You can work from anywhere, manage your life from your phone, and stay connected regardless of geography. The infrastructure that once tied us to specific locations has largely disappeared.

These changes are unlikely to be temporary. It's more likely that they are permanent shifts requiring us to rethink how we structure our lives fundamentally.

## What the Future of Retirement Could Look Like

The forces explored above mean that life no longer needs to follow the patterns of the past. Instead of working until 65 and then stopping completely, consider a more flexible approach that leverages these new realities.



While these possibilities were not an option for the previous generation, they will be options that future retirees will have the luxury to consider.

- **Periodic sabbaticals throughout your career.** Take 3-6 month breaks every few years to recharge, pursue passions, or spend concentrated time with family. Remote work makes this increasingly feasible.
- **Strategic family time.** Rather than missing your children's childhood, consider taking a year off when they're young to travel together or be fully present in their daily lives. Those memories can't be recaptured later.
- **Extended exploration periods.** Take that year abroad at 45 when you have the energy to embrace the adventure. Test whether your retirement dreams match reality.
- **Shorter traditional retirement.** By taking breaks throughout your life, you stay energised and can potentially work longer. Instead of 30 years of full retirement, work until 75 with a much shorter final retirement, having already lived many dreams along the way.

Those who take periodic breaks throughout their career may arrive at retirement with a much clearer vision of how they want to spend their later years than someone who worked nonstop for 40 years.

### Planning for Multiple Possibilities

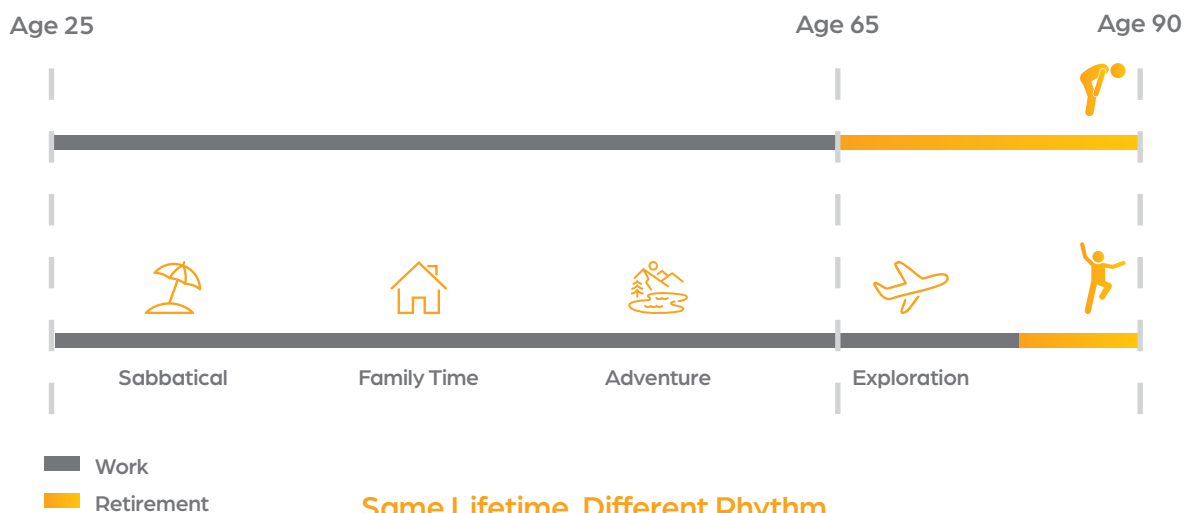
Research shows that we're not very good at knowing what our future selves will want. The only way to see how you'll feel about unstructured time, different locations, or various lifestyle arrangements is to test them.

For those who want to embrace the changing forces shaping our world, we have the following suggestions: Start small. Plan a two-month sabbatical. Try working remotely from a different city for a month. Experiment with part-time consulting in a field you're curious about.

More importantly, start building these possibilities into your financial planning. Instead of just saving for one big retirement, consider creating separate funds for periodic sabbaticals, location experiments, and extended family time. The monetary cost of these experiments is often much less than the lifetime value they provide.

If the future of retirement is expected to be more flexible, health-conscious, and globally connected, your financial plan should reflect these possibilities. We're here to help you align your investment strategy with whatever vision of the future most excites you.

## Retirement Reimagined



### Perspective (DJH)

DJH Office: 01782 345100

[pfgl.co.uk/djh](http://pfgl.co.uk/djh)