

6 Alternatives to Traditional Retirement

Workers are increasingly pursuing creative retirement solutions.

Only about a quarter of workers plan to completely leave the workforce upon retirement.

By [Emily Brandon](#) Aug. 29, 2014 | 4:19 p.m. EDT + More

A retirement of leisure is no longer the goal of most Americans. While over half (58 percent) of retirees report they followed the traditional model of working full time until they left the workforce altogether, only about a quarter of workers (26 percent) who have thought about retirement plan to pursue the same type of retirement, according to a report published by the Federal Reserve and conducted by GfK, an online consumer research company.

It's primarily younger workers in their 20s and 30s who think they will follow this traditional path into retirement. Only 15 percent of people in their 60s or older plan to jump from a full-time job into a retirement in which they no longer work for pay. "The expectations for one's path to retirement vary considerably with age, with the expectation of traditional retirement shrinking as people approach traditional retirement ages," according to the Federal Reserve report. Here are some of the alternative paths to retirement workers now plan to follow:

Keep working as long as possible. Many adults (21 percent) now plan to stay on the job for as long as they are able to. This option is especially popular with people age 60 and older, with 28 percent planning to stay on the job indefinitely.

Switch to a part-time job. Some workers (16 percent) want to retire from their current career, but then find a different part-time job. This idea is especially popular with people in their late 40s and 50s (18 percent). "Older respondents were more likely to have reported that they will either gradually reduce the hours they work as they approach retirement, or that they will retire from their current career and then find a part-time job," the Federal Reserve found. "It is not possible to know whether these differences reflect a change in desired outcome over time, with older adults perhaps realizing that they want to stay in the workforce longer than younger adults believe they will, an increased understanding of the financial challenges of full retirement or simply intergenerational differences in attitude about retirement."

Work for yourself. Another 10 percent of workers would prefer to retire from their current career, and then work for themselves. Becoming an entrepreneur is equally popular among all age groups under 60, but only 6 percent of those age 60 and older continue to find the idea of working for themselves attractive. And 8 percent of people who retired from a previous career later pursued self-employment.

Cut back your hours. Some employees (10 percent) would like to work fewer hours as they get closer to retirement. People age 60 and older and those in their 20s (both 14 percent) are the most likely to want to gradually transition into retirement by working less over time. And 15 percent of current retirees say they eased into retirement by working fewer hours in the years leading up to their retirement date.

Never retire. Only 6 percent of workers, and just 3 percent of people in their 60s, say they do not plan to retire.

Start a new career. About 4 percent of workers plan to retire from their current career and then find a new full-time job. But less than 1 percent of people in their 60s say they want to start over in a new full-time job. However, 6 percent of people who retired from a previous career later worked a full-time job again.