



IN SIGHT for Oregon Lawyers

IMPROVING THE QUALITY OF YOUR PERSONAL AND PROFESSIONAL LIFE

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SPEAKING OF RETIREMENT!

In June the OAAP sent a broadcast e-mail to 6,000 active and inactive members of the Oregon State Bar (OSB) age 50 and older inviting them to complete a retirement survey. In early August, we expanded the survey to include almost 1,900 active and inactive OSB members who were born between 1957 and 1964 – the younger baby boomers. We appreciate the time that almost 1,100 of these lawyers spent completing the survey. We regret that some of you who attempted to participate in the survey were unable to complete it due to technological difficulties and lost the opportunity to share your responses with us.

We drew the following observations from the responses to the June survey and the preliminary responses to the August survey:

- 13% of the lawyers surveyed are 40-49 years old; 62% are 50-59; almost 78% are 50-64; and 10% are 65 or older.
- A majority are practicing full-time as sole practitioners or in small firms. About 25% are working in the public sector as judges, government lawyers, or in government positions.
- 70% of the lawyers surveyed are male. However, the following breakdown by age reflects the increasing representation of women lawyers in the OSB:

Age	<u>% Women Lawyers</u>
70+	0%
60-69	14%
50-59	32%
40-49	55%

ENVISIONING RETIREMENT

- 11% to 12% of the Oregon lawyers surveyed do not plan to ever retire. They plan to continue to practice full-time or part-time until they die or are no longer capable of practicing.
- 30% plan to continue practicing law part-time after age 65 mainly for the stimulation, sense of purpose, and satisfaction it provides.
- 11% plan to continue practicing law part-time after age 65 primarily for the income it will provide.
- 18% plan to retire completely and no longer work for pay by age 65; almost 60% plan to do so by age 70; over 40% of the Oregon lawyers surveyed plan to continue to practice law or work after age 70.
- 71% of the lawyers envision retirement as a time to begin a new chapter in life by being active and involved, starting new activities, and setting new goals, compared with 29% who envision retirement as a time to take it easy, take care of themselves, enjoy leisure activities, and take a much-deserved rest from work and daily responsibilities.

HOPES AND DREAMS

Almost half of the Oregon lawyers surveyed age 50 and older are very optimistic about retirement and are very much looking forward to their retirement years. Another 39% report feeling somewhat optimistic about their retirement years and are looking forward to them for the most part. About 15% of the lawyers are not feeling too optimistic about their retire-

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ment years and are either not looking forward to them or looking forward to them with mixed feelings.

The younger lawyers surveyed in August report less optimism toward retirement. Only 36% are very optimistic about their retirement years and almost 25% feel not too optimistic about their retirement years and are either not looking forward to them or looking forward to them with mixed feelings.

Lawyers over 50 who have not yet retired are most looking forward to the following opportunities in retirement:

- More time and opportunity to travel (81%)
- Time for community service, volunteering, hobbies, recreation, or new educational opportunities (79%)
- More time for family and friends (72%)
- More time for exercising and fitness (64%)
- A slower pace (61%)

Lawyers over 50 who have already retired report that they are actually most enjoying the following opportunities:

- More time and opportunity to travel (71%)
- Increased control over their schedule (71%)
- Time for community service, volunteering, hobbies, recreation, or new educational opportunities (65%)
- More time for family and friends (64%)
- A slower pace (64%)
- More time for exercising and fitness (60%)
- The decrease in adversarial relationships (59%)

PRIMARY CONCERNS

The two most significant financial concerns lawyers hold as they look toward their retirement years are:

- Projecting their long-term financial needs (69%)
- Concerns regarding Medicare, health insurance, and long-term care insurance (62%)

The preliminary responses from the younger baby boomers (age 42-49) reflect a higher level of financial anxiety as they look ahead to retirement,

compared with lawyers 50 and older. Over half identify their most significant financial concern as not being able to afford to retire. Forty-one percent are concerned about the continued existence and availability of Social Security. This age group specifically commented on the burden of their student debt load and its impact on their ability to save for retirement.

The personal retirement concerns most frequently cited by lawyers over 50 are:

- Loss of intellectual stimulation (38%)
- Loss of professional camaraderie and affiliations (35%)
- Loss of social interactions and social isolation (32%)
- Loss of opportunities to use professional skills and experience (31%)

The most significant personal concern cited most frequently by the younger baby boomers is maintaining health and independence.

NEST EGG SIZE

The amount of wealth lawyers believe they will need to accumulate to retire may depend on the size of firm they practice in.

- About 30% of lawyers practicing as sole practitioners or in two-lawyer firms believe they will need to accumulate over \$1.5 million, and another 20% believe they will need to accumulate over \$1 million. About 20% of lawyers practicing as sole practitioners or with one partner believe they will need to accumulate between \$750,000 and \$1,000,000.
- Almost 80% of lawyers practicing in firms with 50 or more lawyers believe they will need to accumulate over \$1.5 million, and another 11% believe they will need over \$1 million in accumulated wealth to retire. Less than 4% of lawyers practicing in large firms believe that accumulated wealth of less than \$1 million will be sufficient in retirement.
- Almost 60% of male lawyers believe they will need more than \$1 million in accumulated wealth. About 40% of women lawyers believe they will need more than \$1 million in accumulated wealth.
- At the time of the survey, almost 40% of male

lawyers over 50 report accumulated wealth of over \$1 million; 25% report accumulated wealth between \$500,000 and \$1,000,000; and 29% report accumulated wealth between \$0 and \$500,000.

- At the time of the survey, 20% of women lawyers over 50 report accumulated wealth of over \$1 million; 25% report accumulated wealth between \$500,000 and \$1,000,000; and 38% report accumulated wealth between \$0 and \$500,000.
- Male lawyers over 50 are almost three times more likely to have accumulated wealth of over \$1.5 million (25%) than women lawyers (9%).

Only 25% of lawyers report that they have retained the services of a financial planner or advisor to help them develop a financial plan for retirement. About 40% of lawyers report that they have developed a financial plan that includes specific goals for retirement.

STAYING HEALTHY

The lawyers surveyed give themselves a pretty good report card regarding their health status and their efforts to maintain their health.

- About 75% rate their health as very good or excellent; another 19% rate their health as good.
- About 60% report exercising three or more times per week.
- 93% report never smoking.

PROTECTING CLIENTS' INTERESTS IN CASE OF DISABILITY

About 80% of sole practitioners report that they have not made any arrangements with another attorney to cover their practice if they are temporarily unable to practice due to disability or extended absence or to close their practice due to permanent disability or death.

SUMMARY

The OAAP will be using responses from this survey to further refine the lawyer retirement planning workshops it offers in the future and to create additional presentations or workshops to address the concerns and informational needs reported in the survey. We sincerely appreciate your participation in this survey.

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