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Retirees flood job market to make ends meet

Over the last year, Americans over 55 have been hitting the market in force, nabbing positions once filled by immigrants and young, unskilled workers.

By Ron Scherer, Christian Science Monitor

When he worked as a wholesaler in New York, Jack Baum was known for his strong work ethic. But when he retired 20 years ago to south Florida, he expected to enjoy the relaxing coastal life with his wife.

Now in his 80s, he claims to be the oldest employee at the Hallandale Beach Wal-Mart. "We've got to scrimp and save and work, work, work," he says while stocking needles and threads in the sewing aisle.

Baum is one of a record number of Americans -- 21 million -- age 55 or older in the workforce. Last month, nearly another 1 million older Americans were searching for work.

While seniors also were hired in large numbers during the booming late 1990s because of labor shortages, the trend has continued during faltering economic times as cautious employers turn to those they see as reliable, as well as inexpensive.

Employment experts believe the surge in senior workers is likely to have a spillover effect on the labor force as a whole, since they are competing with younger workers for available positions. "They have, in essence, taken the jobs that usually go to immigrants and young people," says Mark Zandi of Economy.com.

In fact, over the past year, individuals 55 and over are the only age group that has been able to find work.

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Compensating for reduced retirement income

For many seniors, the stimulus to go back to work is a sharp drop in income, in large part because of the steep decline in interest rates. According to the Bureau of Economic Statistics, interest income has fallen about \$26 billion in the past two years. "Most of this income accrues to older, wealthier persons," says Zandi.

Peter Cosovich, a retired airline executive, knows how that feels. Over the past three years, he estimates the income from his mutual funds is down 30% or more. This was a catalyst for him to start work at San Francisco's Moscone Center handing out badges, checking IDs, arranging plaques and doing other jobs he describes as "not terribly challenging."

Cosovich says his base pay of \$10 per hour helps him maintain his lifestyle, such as having a personal trainer. "I'm not necessarily suffering, but if I want to spend that kind of money, I need to have some money coming in," he says.

Yet others are finding that their retirement income is not sufficient for meeting more basic needs. Take Tony Bambara, who works three days a week stocking shelves at Winn-Dixie in Hallandale Beach, Fla. "In this economy, no one can live comfortably on a retirement check," says Bambara as he stocks shrimp cocktail in the seafood department. "You work hard to live day to day."

Poor retirement planning

This spring, the Gallup Organization found that retirement income is the biggest financial worry for Americans. The poll also found that 7 out of 10 Americans expect to work part time after they retire. Of the 1 million active seniors looking for work, 20% are reentrants.

Joe Corn of Springfield, Mo., knows what that feels like. He retired a year ago from Ozarks Technical Community College, where he worked for 32 years. But this summer, he's back doing "disability resource counseling" at satellite schools in Branson and Lebanon. "You don't get rich in education," says Corn. "I'd rather just hunt and fish all the time, if I had the money to do it."

One reason many retirees have had to go back to work is because of poor financial planning, says John Challenger of Challenger, Gray & Christmas, a Chicago-based outplacement firm. "Among workers 40 to 59, which includes the leading edge of the baby boomers, more than half -- 53% -- have saved less than \$100,000 for retirement, a far cry from the \$1 million most financial planners say is the minimum needed to live comfortably in retirement," says Challenger.

Still, many working seniors say they just like the activity. "The notion of retirement and being home all day is not of interest, especially to the boomers," says Deborah Russell, manager of economic security and work at AARP. "People largely want to balance periods of no work and having one foot in the door."

Seniors are in demand

Some companies are actively hiring retirees. That's the case with Guardian Examination Service, which advertises for retired commercial-bank lenders. "I need that kind of experience to do a decent job," says Jerry McHaley, the company owner. "I need people who have eyes, ears and a nose, and you don't find that in young people," says McHaley, whose company examines the books and records of people who borrow from banks.

One of the largest employers of seniors is Wal-Mart, where 22% of its 1.1 million workers are over the age of 55. There are no age limits at the company, which estimates it has more than 3,000 employees 80 and over. "The older Americans are very good workers. They turn out to do what you expect. They are very reliable with a work ethic from a different era," says Tom Williams, a spokesman for the Bentonville, Ark., company.

That's the case with Baum in Hallandale Beach. He dons a back brace, Coke-bottle glasses and a Wal-Mart baseball cap, then works eight to 10 hours a day. "There is nothing wrong with work," he says. "The extra income allows me to take my wife out to dinner now and again."

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