

IN SIGHT for Oregon Lawyers and Judges

IMPROVING THE QUALITY OF YOUR PERSONAL AND PROFESSIONAL LIFE

2016 OREGON LAWYER RETIREMENT SURVEY

In June 2006, the OAAP became one of the first, if not the first, Bar-related organizations to conduct a retirement survey of its lawyer members. An email containing a link to the survey was sent to approximately 6,000 active and inactive members of the Oregon State Bar ages 50 and older, inviting them to complete the survey. Nine hundred and thirty of these members completed the 2006 survey (“Speaking of Retirement,” *In Sight*, September 2006).

This past June, the OAAP conducted a similar retirement survey. Some of the questions from the 2006 survey were revised or eliminated and new questions were included; however, a majority of the questions remained the same. A broadcast email containing a link to the updated survey was sent to all active, active pro bono, and inactive members of the Oregon State Bar ages 50 and older (approximately 6,000), inviting them to complete the survey. We appreciate the 1,067 Bar members who took the time to complete this survey. Of the 2016 survey participants, 2.6% were active pro bono members of the Bar – a Bar membership category that was not included in the 2006 survey.

Demographics

Gender: The response options to the gender identification question contained in the 2006 survey were limited to male/female. The 2016 survey provided four response options: male, female, trans-

gender, or nonbinary. In 2016, 63% of participants identified as male, 37% as female, two participants as transgender (.12%), and two as nonbinary (.12%).

	2016	2006
Male	63%.....	74%
Female	37%.....	26%
Transgender	(2) .12%	
Nonbinary	(2) .12%	

The following breakdown of male/female survey participants by age demonstrates the increasing representation of women lawyers in the OSB.

Age	% of females	
	2016	2006
70+	12%	0%
60-69	35%	14%
50-59	52%	32%

Age of survey participants: In the 2006 survey, 72% of the survey participants were in their fifties, compared with 28% who were 60 or older. In the 2016 survey, the percentages almost flipped, with 31% of the 2016 survey participants in their fifties and 69% ages 60 and older. Bar members ages 60 through 69 represented over half (53%) of survey participants.

Bar membership status: Of the 2016 survey participants, 79% are active members, 3% active pro bono members, and 18% inactive members of the Bar.

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Employment status: Of the 2016 survey participants, 63% are employed full-time, including both law and non-law jobs; 13% work part-time; and 17% are retired.

Employment setting: Of the 2016 survey participants, 52% work in private practice, 5% in-house, 26% in government or as judges or hearings officers, and 7% either work in a nonprofit or the private sector or own a business.

Firm size: The most striking change since 2006 is the significant increase in participants working as sole practitioners, from 27% in 2006 to 44% in 2016. Perhaps this change represents late-career transitions of lawyers who previously practiced in larger firms. The survey also identifies a 10% decrease in survey participants working at the largest firms, from 15% in 2006 to 5% in 2016.

Survey participants were asked whether they were planning to retire from practice or their primary career in the next five years. Of the 840 lawyers who answered this question, half responded yes. The increased age of participants in 2016 compared with 2006, and the significant percentage of 2016 respondents who plan to retire in the next five years, suggest that the anticipated transition from practice of the baby boomers (and the experience and expertise drain that will result from their exodus) is underway.

Retirement Plans

At 65: Almost two-thirds of the 2016 participants reported that they expected to continue to be working full- or part-time at age 65.

Age participants plan to retire: Participants of the 2016 survey are planning to work longer than the participants of the 2006 survey. Approximately 47% of the 2016 survey participants plan to retire completely prior to age 70, compared with 58% in 2006. Of the 2016 survey participants, 49% plan to retire completely in their 70s, compared with 31% of the 2006 participants. Of the 2016 survey participants, 17% plan to retire completely after age 75, compared with 9% of 2006 participants.

Age of retirement: Of the retired 2016 survey participants, 30% reported that they had retired before age 60; another 33% between ages 60 and 64; 25% between 65 and 69; 8% between 70 and 74; and only 4% after age 75.

Retirement planning: A greater percentage of 2016 participants reported taking active steps in preparing financially for retirement, such as retaining a financial planner, developing a retirement financial plan, and discussing retirement issues with their spouse or life partner.

Primary concerns: Consistent with 2006 participants, the two most significant financial concerns 2016 participants reported as they look ahead toward their retirement needs are:

- Projecting their long-term financial needs (67%)
- Concern regarding Medicare, health insurance, long-term care insurance, and unreimbursed medical expenses (53%)

2016 survey participants were asked: Do you anticipate your health care coverage during your retirement years will adequately meet your needs? Fifty-three percent answered yes; 11% answered no; and 36% indicated they were not sure.

Also consistent with 2006 participants, the most prevalent personal concerns about retirement reported by the 2016 participants are:

- Loss of intellectual stimulation (42%)
- Loss of professional camaraderie and affiliations (40%)
- Loss of social interactions and social isolation (36%)
- Loss of opportunities to use professional skills and experience (32%)
- Loss of professional identity (31%)

The Perceived Price to Retire

The accumulated wealth that survey participants estimated they will need to retire has crept up since 2006. In 2016, 62% of survey participants believed they would need over \$1 million, compared with 55% in 2006; 42% believed they would need over \$1.5 million, compared with 36% in 2006; and 25% believed they

would need over \$2 million. The primary sources of income Oregon lawyers are expecting to draw from in retirement are Social Security (96%), retirement savings accounts (87%), income from after-tax savings and investments (52%), and pensions from employment or military service (42%).

In 2016, over a third of survey participants reported they were completely satisfied with the amount of money they were putting aside for retirement; almost half (47%) reported being somewhat satisfied with the amount of money they were putting aside for retirement; and almost one fifth (19%) were either not very satisfied or not satisfied at all with the amount of money they were putting aside for retirement.

Retirement Realities

The 2016 survey asked retired participants if they retired when they had planned, earlier than planned, or later than planned. Of the 292 participants who responded to this question, 47% reported that they had retired when they had planned, 42% retired earlier, and 11% retired later than planned.

Of the lawyers who reported retiring earlier than planned, one-third indicated they had achieved sufficient financial independence. Another third retired early due to health challenges or limitations, or the loss of their job or economic opportunities to continue to practice. Of the other third, a majority retired early in response to negative stressors or life events (death or illness of spouse or aging parents, dissatisfaction with practice or position or burnout, economic stressors or setbacks, etc.).

Approximately half of the 2016 survey participants who reported retiring earlier than planned did so because of unforeseen health or economic setbacks. This finding reinforces that we must proactively plan for potential negative life events that could temporarily or permanently render us unable to practice.

As in 2006, the 2016 survey asked sole practitioners whether they had taken any steps to protect their clients in the event of death, disability, impairment, or incapacity, such as making arrangements with another attorney to cover or close their practice.

In 1999, the PLF was the first Bar-related organization in the country to publish a guide to assist

lawyers to plan for death and disability, *Planning Ahead: A Guide to Protecting Your Clients' Interests in the Event of Your Disability or Death* (2015). This guide has been educating and encouraging lawyers to take the steps necessary to protect their clients since its publication. Unfortunately, the percentage of solos who actually make these necessary arrangements remains stuck at under 25%.

Of the 50 lawyers who retired later than planned, 28% postponed retirement because they continued to enjoy their practice or work; 20% reported they needed the earned income; and 11% reported they needed to save more for retirement. Forty-two percent delayed retirement for other reasons.

The 2016 survey also asked participants who have not yet retired whether the economy over the past 10 to 15 years has impacted their retirement plans. Across all age groups, approximately two-thirds of participants reported that the economy (and great recession) had not impacted their retirement plans; approximately one-third reported that it had caused them to decide to postpone retirement and work longer; and 1% reported that it had caused them to decide to retire sooner.

The retired participants of the 2016 survey provided a glimpse of what they were enjoying most about retirement:

- A slower, less stressful pace.....74%
- More opportunity to travel65%
- More time for hobbies, recreation,62%
or new educational opportunities
- More time for family and friends.....62%
- More time for exercising and fitness61%
- Increased control over one's schedule60%
- More time for community service46%
and volunteering

Staying Healthy

A significant percentage of 2016 participants are remaining active and perceive themselves as in good health. In a positive trend, greater percentages of 2016 participants report exercising three to seven times a week.

Looking Ahead

As in 2006, 2016 survey participants were asked about their level of optimism as they look forward to their retirement years. Eighty-five percent feel optimistic and are looking forward to their retirement years; however, lawyers in their fifties reported feeling less optimistic about their retirement years.

The OAAP will be using the responses to this survey to further refine the lawyer retirement planning workshops it offers in the future. The PLF will be publishing a guide for planning for retirement and transitioning from the practice of law.

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