them to become cheapskates and penny pinchers. Instead, frugality and thrift reflects mindfulness about relationships and the social good, the result of thinking through the question, "What really matters to me?"

Several years ago I picked up a book published in 1920 by Simon Wilson Straus, president of the American Society for Thrift. His description of the popular image of thrift in *History of the Thrift Movement in America* still rings true nearly a century later. "Penny-counting, cheese-paring, money-hoarding practices were looked upon by the public as the ideals sought by those who tried to encourage thrift," wrote Straus. "The man who practiced this virtue, it was felt, was he who hoarded his earnings to such an extent that he thrust aside every other consideration in order to keep from spending his pennies, his dimes, and his dollars."

Who wants to live a "cheese-paring" life? Sounds bad, doesn't it?

An emphasis on thrift doesn't mean living cheaply—far from it. Thrift or frugality is really shorthand for an approach grounded in matching our money with our values. Straus defines thrift this way: "It is the thrift that recognizes that the finer things of life must be encouraged," he writes. "The skilled workman, the artist, the musician, the landscape gardener, the designer of beautiful furniture, the members of the professions—all those, in fact, who, through the devotion of their abilities, contribute to the real betterment of mankind, must be given support through our judicious expenditures."

David Starr Jordan, founding president of Stanford University, similarly defined thrift at the 1915 International Congress for Thrift in San Francisco. He told the assembled audience that thrift "does not involve stinginess, which is an abuse of thrift, nor does it require that each item of savings should be financial investments; the money that is spent on the education of one's self or of one's family, in travel, in music, in art, or in helpfulness to others, if it brings real returns in personal development or in a better understanding of the world we live in, is in accordance with the spirit of thrift."

Who didn't have a moment during the great recession of looking around their home or apartment, opening closets and drawers, gazing into a garage and storage bins, and wondered, "Why did I buy that? Is this how I want to live? I'm paying off credit card debt for that?" Modern marketers have done a bang-up job equating the good life with owning lots of stuff, much of it paid for on the installment plan. The financial services industry stokes the fear of not having enough by depicting the American Dream during the traditional retirement years as an expensive moment, time spent paying big bucks for homes, the golf course, cruises, and exotic travel. Didn't we always know this image wasn't quite right, at least in the back of our minds? Thrift is really a mindset for trying to match spending and values. "In some ways, that's what financial independence is. You don't have to answer to anyone because you have enough," says certified financial planner Ross Levin. "When I am working with clients as they get older or near the end of life, they talk about the things they wish they had done. They talk about their regrets, and the regrets always focus on experiences. It's always something like 'I wish I had done more with the kids when they were younger.' It's never 'I wish I had bought a Mercedes.'"

By thinking through "What do I value?" the unretired will come up with far more sensible and fiscally prudent answers to the question "How much do I really need?" Harry West, the former CEO of Continuum and current senior partner at Prophet, hit on the thrift mindset. In our conversation he remarked on the flexibility and options that come with minimal expenses and debts. "When you talk to boomers, what you find is that freedom is really, really important. And you think about that because they grew up in the sixties or were born in the sixties, which was a time of freedom," says West. "Freedom is a low overhead." That expression should be a mantra for young and old workers alike. (West's wisdom reminds me of a joke a former colleague loved to tell. A fisherman lives on an island. He makes a living taking people out on his boat to fish. He loves the water, the rhythm of his days, the simplicity and beauty of everyday life. Life is good. One day he takes a multimillionaire out to fish. The multimillionaire chatters on about how beautiful is the sea. This is what life is all about, he pronounces. He proceeds to tell the fisherman that he should borrow lots of money and buy a fleet of fishing boats. "Why should I do that?"

asks the fisherman. "Well, you would work hard but eventually you would make so much money that you could take a vacation and enjoy the water and fishing! Like me!" As a Shaker hymn beautifully says, "It's a gift to be simple and a gift to be free.")

Frugality has implications for thinking about the replacement rate, a workhorse concept in financial planning for retirement. The basic rule of thumb is that replacement rates should be in the 70 to 85 percent range. I know you have to start from some kind of baseline, but this is a classic example where averages are highly misleading. The percentage of income that could work for me might be very different from your target range. More important, with frugality the desired replacement rate may be much less than figures routinely touted by the financial services industry.

The frugal mindset is spreading from society's tributaries into the mainstream, largely thanks to growing awareness of sustainability. The catchphrase "sustainability" has many shades of meaning, but several themes have emerged. Concerns over global warming. Fears of environmental degradation. The desire to cut down on waste. Worries over the health of communities. My favorite definition of sustainability comes from the late actor and nonprofit entrepreneur Paul Newman: "We are such spendthrifts with our lives," said Newman. "The trick of living is to slip on and off the planet with the least fuss you can muster. I'm not running for sainthood. I just happen to think that in life we need to be a little like the farmer, who puts back into the soil what he takes out." For many people, frugal is green and green is frugal.

The urban scholar Richard Florida, in his book *The Great Reset*, looked at potential economic and social changes coming in the United States following the great recession. Despite the undeniable traumas of the downturn and its immediate aftermath, Florida saw some welcome changes unfolding in future years. His bottom-line forecast could have been addressed to the personal finances of aging workers and the future unretired. "The promise of the current Reset is the opportunity for a life made better not by ownership of real estate, appliances, cars, and all manner of material goods, but by greater flexibility and lower levels of debt, more time with family and friends, greater promise of personal development, and access to more and better experiences." Florida has captured the promise that lies in the unretirement movement, particularly for younger generations that will learn from an older generation's example.

Unretirement will reshape how we think about retirement planning. Over the past three decades the baby boom generation has been taught to equate preparing for retirement with investing in the markets. In essence, the retirement planning mantra has been stocks for the long haul, asset allocation, and picking mutual funds. The equation has always been somewhat wrong and, deep down, we've always known we shouldn't rely on Wall Street's lush return promises. Our doubts were largely kept at bay through the persuasive genius of the Wall Street marketing machine. It took two bear markets and two recessions in less than a decade for boomers to realize what many had sensed all along: The core of retirement planning isn't investing, it's jobs.

The new retirement planning mantra: Encore jobs, networking, and delay filing for Social Security benefits. My advice is to put down yearend retirement portfolio results. Set aside market predictions and mutual fund performance charts. Turn off your computer and tablet. Instead, focus on what kind of job and career you'd like to do as you get older. Invest in your human capital, maintain your skills, and add to your education. Investigate your options by picking up a book like Marci Alboher's *The Encore Career Handbook: How to Make a Living and a Difference in the Second Half of Life* or Kerry Hannon's *Great Jobs for Everyone 50+: Finding Work That Keeps You Happy and Healthy . . . And Pays the Bills*. "You should be looking for the kind of jobs you could do that are challenging and interesting and offer an acceptable income," says Arthur Koff, the septuagenarian founder of Retired Brains, an online portal for retirees and near-retirees. "The time to do it is while you're working, yet a lot of people don't make the plan."

Next Chapter in Kansas City, Kansas, is housed in a modest brick structure in a section of town where the courts are located. Karen Hostetler is director of Next Chapter. She turned sixty-five in 2013. Next

Chapter is a small grassroots organization with a mission of helping older workers in transition toward unretirement. I met with Next Chapter activists Pat Brune, Cris Siebenlist, and Hostetler in a conference room in the fall of 2013. There was a lively conversation and at one point planning for unretirement came up.

> SIEBENLIST: Frankly, not everyone will figure it out. They'll do a little bit of this and a little bit of that. Other people will float around for a while and say, Is this all there is?
>
> HOSTETLER: You need to plan. It takes commitment to figure it out.
>
> BRUNE: If I could change my transition to what I did, it would have been to be more intentional. I said yes to what came along.
>
> HOSTETLER: Don't jump into the first thing that comes along.
>
> BRUNE: I only see my intentions looking back. It's only later that I see how the dots are connected.

Invest in your networks of family, friends, colleagues, and acquaintances. Scholars have documented that about half or more of all jobs come through such informal channels and connections. You'll want to reach out to others in similar circumstances, people who are also trying to figure out their next stage of life.

Ralph Warner is the founder of Nolo.com, a self-help legal guide business, and author of *Get a Life: You Don't Need a Million to Retire Well.* He gives this example: Let's say it's a dream of yours to work on environmental causes. The pressures of daily life stop you from getting engaged, however. You'll get to it tomorrow. Now you're sixty-five or seventy years old. You head toward an environmental organization you admire and say, "Here I am. How can I help you?' The answer is going to be probably not much," says Warner. "Yes, you'll be able to help out with the phones or mailings as a volunteer. There's nothing wrong with that. But what if you want more?" he asks. "Now, take that same person who in their forties or fifties gets involved with several local environmental groups and at age seventy is a respected senior person. They're valued and they're needed. They earned it." And, I would add, if you need an income at that moment, you're worth it. You've just won the aging boomer trifecta: An income, a community, and a mission.

Don't get me wrong: Saving is important. Max out your 401(k) and IRA. Create a well-diversified, low-fee retirement savings portfolio. Savings is your margin of safety because life has a way of upending well-thought-out plans. An unexpectedly ill parent. A divorced child moving back in with parents. For Robert Lawrence, it was a detached retina.

Lawrence was a teacher at Jefferson Community College, part of the Kentucky Community and Technical College system in Louisville. He taught there for about twenty years, commuting up to ten weeks every year to visit his partner in New York City. Lawrence planned on retiring at age sixty-six. Just after his sixty-fourth birthday, he stopped by a colleague's office for a brief hello and ended up listening to a long, detailed explanation of why his colleague planned to keep working until age seventy. The conversation convinced Lawrence to hold off retirement for another six years.

That is, until two months later. His retina detached and several surgical repairs didn't hold. He retired at age sixty-five in 2005, sold his home, downsized, and moved into his partner's condo in Jackson Heights, Queens. His partner, age seventy-five, is a consulting engineer, often putting in forty-hour workweeks. "If it had not been for health reasons I certainly would have been working," says Lawrence.

A surgeon in New York fixed his retina. Lawrence is busy. He volunteers at a hospice in Manhattan, visits with grieving caregivers after the death of a loved one, and helps out at his local church. With a comfortable pension and some savings he chose flexibility over pay. The main reason: Lawrence and his partner are railroad "rare mileage" collectors. "We're railroad fanatics," he says. They ride the rails throughout the United States, often seeking out obscure lines to collect their miles. "The only reason I did not seek out teaching in New York is my partner didn't want me to because of these trips," adds Lawrence. "He's in command of his own time as a consultant. If you're teaching, you're not."

When it comes to retirement planning the goal should be to put your savings on autopilot as much as possible. Instead, spend your time creating opportunities for an income and meaning throughout a lifetime. The return on the unretirement investment will dwarf anything you'll get from picking a good mutual fund.