



RETIREMENT EXPECTATIONS

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Retirement will trigger changes in every area of your life. As you anticipate and prepare for this stage of life, you are likely to look forward to certain changes and to dread others.

In fact, it is not uncommon for individuals to experience many ambivalent feelings towards retirement because of the significant transitions they anticipate.

For example, many express that they are eager to leave the workforce, but nevertheless are concerned they will miss the structure of the workday and interaction with colleagues. In addition, most people closely identify who they are as individuals with their job titles or what they “do for a living.” Therefore, they are likely to feel less significant when they step out of those roles.

Furthermore, spouses or partners can feel a tremendous strain as they adjust to more togetherness and to a new economic status. As one woman related, “I define retirement as twice as much husband and half as much income!”

Both research and experience have shown that overcoming challenges and taking advantage of opportunities are key elements to making successful transitions in retirement. There-

fore, it is important to learn ways to cope with change in healthier and more productive ways.

William Bridges, author and preeminent authority on managing change, defines transition as the psychological process people go through to come to terms with a new situation. Similarly, in the world of music, the “passing note” is a note that is not part of a particular chord, but placed between two chords to provide a smooth melodic transition from one to the other.

As you prepare for the many transitions you will experience in retirement, seek ways that you can orchestrate the important “passing notes” in your own life.

To accomplish this goal, it is important to view retirement not as a respite from work, but as an opportunity to explore new arenas, stretch your comfort zones, and find unique ways to fulfill your potential.

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2012 RETIREMENT CONFIDENCE SURVEY

The Retirement Confidence Survey (RCS) is the longest-running annual retirement survey of its kind in the United States. It gauges the views, experiences, attitudes, and expectations of Americans regarding retirement preparation and related issues.

The 2012 RCS is the 22nd annual wave of this project, making it possible to track retirement planning behaviors and concerns over time. Of particular interest in recent years is the affect of the slow economic recovery on the level of confidence Americans have regarding their long-term financial outlook.

Outlook for a Comfortable Retirement

Americans' confidence in their ability to retire comfortably dropped to a record low in 2011; and, despite significant improvements in the economy, their outlook did not improve this year. In 2012, only 14 percent of workers are very confident that they will have enough money to live comfortably in retirement.

Likewise, confidence about other financial aspects of retirement has remained relatively unchanged since declining from record highs in 2007. For example, only 26 percent of workers are now very confident that they will have enough money to pay for basic expenses during retirement as compared to 40 percent in 2007.

In addition, the percentage of workers who are very confident about being able to pay for medical expenses continue to remain low at 13 percent, down from 20 percent in 2007.

More Immediate Concerns

One reason that retirement confidence may have stagnated is that many Americans are preoccupied by more immediate financial concerns. When asked to name the most pressing financial issue facing most Americans today, 42 percent of workers cited job uncertainty.

In addition, 20 percent of workers reported their level of debt is a major problem. Not surprisingly, this finding demonstrates a strong relationship to level of retirement confidence.

For example, 45 percent of workers with a major debt problem indicated they are not at all confident about having enough money for a financially secure retirement as compared with 14 percent of workers without a debt problem.

Other financial issues named include:

- Making ends meet - 10 percent
- The economy - 9 percent
- Making mortgage payments - 9 percent
- Paying down debt or loans - 8 percent
- Paying for health insurance or medical expenses - 7 percent

In contrast, just 2 percent of workers and retirees identified a longer-term issue, such as saving or planning for retirement, as the most pressing financial issue facing most Americans today.

Editor's Note: The 2012 Retirement Confidence Survey was sponsored by the Employee Benefit Research Institute, the American Savings Education Council, and Mathew Greenwald & Associates.

Source: www.ebri.org/surveys/rcs/2012/

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HOLISTIC PLANNING FOR LATER LIFE

We often equate preparing for old age with achieving the financial security needed to sustain us throughout life. However, a truly successful and fulfilling aging experience requires planning and preparation in all areas of life.

Financial planning is indeed important, but money alone cannot “buy” happiness, good health, meaningful relationships, and purposeful activities. In *The Late-Start Investor*, John Wasik wrote:

“Instead of absorbing an obsolete view of retirement, you should consider what I call your New Prosperity. This includes a flexible life plan that provides for your financial, vocational, physical, emotional, and spiritual needs. Unless you look at your future holistically, merely saving up a pile of money will be a meaningless act.”

Invest in Nine Facets of Life

The key to successful aging is acknowledging the impact of choices made today on your life in the future. Therefore, it is important to seek growth and development—throughout adulthood and old age—in each of the following **Nine Facets of Life**:

1. Intellectual Engagement - Includes activities and educational opportunities that facilitate lifelong learning; stimulate thinking and curiosity; and increase understanding, knowledge, skills, and mental acuity.

2. Purposeful Pursuits - Includes productive activities that are considered to be one’s “work,” whether paid or unpaid, and provide a sense of meaning and contribution.

3. Leisure & Recreation - Includes activities for personal enjoyment and for refreshing the body, mind, and spirit.

4. Healthcare & Physical Fitness - Includes appropriate medical and self-care, good nutrition, and regular exercise.

5. Close Relationships - Includes one’s inner circle of family members, friends, and colleagues.

6. Community & Social Relationships - Includes formal and informal networks, gatherings, associations, and affiliations that provide a sense of belonging and opportunities for social interaction and contribution.

7. Home & Location - Includes type of housing, ambience of living space, and geographic location that meets physical needs and nurtures one’s mind and spirit.

8. Inner Growth - Includes commitment to emotional well-being, personal and spiritual growth, and an ever increasing sense of self-actualization.

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9. Financial Well-Being - Includes basic financial knowledge, sound financial practices, and a growing understanding of beliefs and attitudes that influence financial behaviors.

Visualize Your Life in the Future

There is a lot of truth to the old saying, “if you don’t know where you are going, any road will take you there.” In contrast, as you plan for old age, it is important to envision and articulate the various elements you want to include in your life composition.

A good approach is to first picture yourself at different ages and in each of the Nine Facets of Life. In this process, it is especially helpful to think of your future in 5-10 year increments.

Take time to visualize what you would like to have, do, see, feel, and experience in all of these areas. In particular, consider how you will define quality of life and how your aging process will affect every component of your personal well-being.

HOLISTIC PLANNING FOR LATER LIFE, Continued

Draw a picture in your mind of the life you want to have and then continue to build on those images. Whatever you identify and claim for yourself will become the internal compass of your life by consciously and subconsciously guiding all of the big and little decisions you make on a daily basis.

Commit to a Positive Outlook

It is not uncommon for individuals to avoid thinking about growing old because it conjures up feelings of dread and anxiety as well as images of inactivity, sadness, and decline. The truth is, however, that life can remain rich, satisfying, and meaningful throughout one's life.

Each life stage offers challenges, but incredible rewards as well. This perspective will not only help you to keep a positive outlook, but will also guide you in creating an aging experience that is rich and rewarding.

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In My Opinion...

Scarcity or Abundance?

One of the more difficult behaviors to master is learning to deal with perspective. It is only natural to assume the way we *see* things is actually the way they *are*. It is really difficult to stop yourself and recognize that your perceptions are influenced by your prejudices and belief systems, many of which operate at the subconscious level.

In his ground breaking book, *I'm OK, You're OK*, by Thomas A Harris MD, Dr. Harris referred to "tapes" of the past that play in our thinking. According to him, these tapes were recorded at an early age mostly from listening and observing others. The information contained in these tapes was recorded without any editing, meaning that their content was stored as "fact", whether they were true or not. He goes on to explain that these tapes are a constant part of our thinking process and we cannot understand how subtly they influence are thinking and observations.

One of my favorites is the difference between the scarcity mentality and the abundance mentality. While no one can say what the basis for this system is, one can clearly see it in people's behavior. It goes something like this:

Scarcity - *There is only a limited amount of (you fill in the blank,), so I need to get mine as soon as possible before it is gone. You can never have enough. If I let you get it first, there may not be enough for me, so get out of my way I am gonna take it.*

Abundance - *There is an unlimited amount of (you fill in the blank,), so I can wait to get mine, since it will always be there.. I can decide how much is enough? If the other person needs it more, I will step aside, because I will have my needs fulfilled in due time.*

What a difference this perception can make on your daily activity!!! The amount of anxiety that a scarcity mentality generates is immense. Each hour is a rush to fulfill your perceived needs. The environment is your opponent always working against you to deny the resources you think you need. On the other hand, the abundance point of view encourages you to slow down, savor the moment with the confidence that things will come to you as you need them if you are patient and relaxed enough to notice. The theme is "All things in their time".

The next time you are fretful over a situation ask yourself from what theory position you are coming. It may turn out that you are the source of your emotion and can correct before it gets any worse.

Until next time, that's my opinion.

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