



# LIFE PLANNING vs. RETIREMENT PLANNING

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In the past, the transition to retirement has been viewed solely as an economic event. As a result, the focus of retirement planning has always been on building a nest egg.

In *The Late-Start Investor*, author John Wasik recommends discarding this obsolete view in favor of a “flexible life plan that provides for financial, vocational, physical, emotional, and spiritual needs.” He explains, “Unless you look at your future holistically, merely saving up a pile of money will be a meaningless act.” Of course, financial security is extremely important, but financial resources alone will not guarantee a rich and rewarding life in retirement. Similarly, Thomas J. Stanley, author of *The Millionaire Mind*, points out that the most satisfied wealthy people don’t just have financial goals, they also have life goals.

In other words, they have clarity around what they want in life and use their wealth as a tool to support those values and priorities.

Therefore, the most important retirement planning message for adults of all ages is that “it takes more than money.” With this in mind, make sure that you not only consider how the transition to retirement will affect your life financially, but how it will influence all other areas of your life as well.

The first step to preparing for your retirement years is to think about and clarify what is

most important to you. This is a time to listen to your own heart and to focus on what **you** value most in life. Whatever you identify will become the foundation for your life goals. The next step is to think about the role that money can play in helping you to achieve each life goal:

- Will having sufficient financial resources give you more options for realizing your life goals?
- Will economic security give you more freedom to focus your time and attention on what is most important to you?
- Will financial independence allow you to pursue those activities that will give your life a sense of meaning and purpose?

Answering these questions will help you to understand how your money is integrated into all areas of your life, not as an end in itself, but as an instrument for creating the life you want—now and in retirement.

There is a lot of truth to the old saying, “Money can’t buy happiness.” However, your wealth will give you more opportunities to invest your time and energy in ways that matter most to you.

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# KNOWING WHERE YOU ARE GOING

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

In fact, the greater your understanding of what is important to you, the easier it will be to “paint a picture” in your mind of what you are working toward. Therefore, consider these helpful tips to increase the effectiveness of your goal setting strategies:

## 1. Your goals must be meaningful to YOU

Lou Tice, who founded The Pacific Institute and created the *Investment in Excellence* program, teaches that goals themselves have little value unless they bring depth and meaning to your life as you work to achieve them.

## 2. Know what you want

Make sure the goal is something you *really* want. If your goal is something someone else said you *should* do, or is something you feel like you *need* to do, then it is unlikely to motivate and inspire you.

## 3. Build an image of the end result

Make it a practice to visualize reaching your goal. Continue to build a stronger and clearer picture in your mind. You will naturally move toward that which you think about.

## 4. Ask yourself if you are ready for change

Consider what life will actually be like when you achieve your goal. Are you ready to accept the end

result? Often individuals don’t achieve their goals because subconsciously they don’t want to deal with new circumstances or their self-image does not allow for the change.

## 5. Is there a conflict?

Evaluate whether or not your goals conflict with one another or with the goals of someone close to you. This knowledge, even on a subconscious level, can

prevent you from moving towards your goal. Once you acknowledge the conflict, then you can look for ways to resolve it.

## 6. Decide on a time frame (maybe)

Some goals should not have a deadline because a time limit can cause stress and decrease the joy of the journey. Deadlines can also stifle creativity and possibility thinking. But, for other types of goals, target dates are appropriate and motivating.

## 7. Make a wish

Goals often begin as a “wish” for yourself, for your family, for your job, for your retirement, for your community, and so on. It

is your opportunity to dream **BIG**.

When you dare to visualize your life outside of your current reality, you will open up your awareness to new possibilities, resources, and solutions you never thought possible!!

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# EMBRACING ELDERHOOD

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 lifespan. Each life stage offers challenges, but incredible rewards as well.

Therefore, it is important to view “old age” as one of many transitions in a continuum of life experiences. Those who navigate well through other life transitions will likely have the same experience as they move through the various phases of growing older. The skills, values, interests, and attitudes you accumulate along your life’s journey will continue to serve you well in later life.

The **secret of successful aging** is to always maintain a “future focus” by acknowledging the impact of choices made today on life in the future. In addition, it is important to seek growth and development in all areas of life throughout adulthood. Those who do will be more likely to find meaning and purpose in every stage of life.

Erik Erikson was a 20<sup>th</sup> century psychologist who greatly contributed to our understanding of how humans develop—both socially and psychologically—and how they age. He was the first to recognize the potential for growth and development throughout our lifespans, even into very old age.

Erickson taught us that the developmental task of elders is to look back and evaluate their lives. He believed that those who are able to look back and accept the course of events and choices made, and to view their lives as being necessary and important, will experience a sense of peace and satisfaction.

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Erikson wrote that the successful outcome of this later life developmental milestone is **wisdom**—the ultimate gift to one’s self and to others. Likewise, many experts on aging promote the concept of **Elderhood—a role in later life that brings a deep sense of meaning and purpose**. But, what does it *really* mean to be an Elder? What qualities do we look for or try to cultivate?

Barry Balkan, co-founder of the Live Oak Institute, describes an Elder in a way that defines—in a clear and concise way—the characteristics, rewards, and responsibilities of Elderhood:

*“An Elder is a person who is still growing, still a learner, still with potential, and whose life continues to have within it, promise for and connection to the future. An Elder is still in pursuit of happiness, joy and pleasure, and her or his birthright to these remains intact. Moreover, an Elder is a person who deserves respect and honor and whose work is to synthesize wisdom from long life experience and formulate this into a legacy for future generations.”*

As you think about yourself in old age, it is essential that you identify and visualize the various components you want to include in your life composition. In fact, the greater your understanding of what is truly important to you, the easier it will be to “paint a picture” in your mind of **what you want your life to mean to you and others** and what you want to experience as you grow older.

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## **“Improvise, Adapt, and Overcome”**

I recently finished my annual backpacking trip with my now seventeen year old grandson. This trip has been going on since he was eight years old and, believe me, the conversations have changed every year. As a junior in high school, he has many issues he is trying to sort through as he looks to his future. When we are together during these hiking trips, he often asks for my experience in certain areas while considering his options. This trip was no exception.

Both my Mother and Father served in the United States Marine Corps during World War Two. One of the Corps' mottos is: “Improvise, Adapt, and Overcome”. Backpacking provides opportunities to apply this system to individual situations. Nick (my grandson) and I encountered such an opportunity when we arrived at a wash out in our trail. Since the trail was gone, we had to bushwhack cross country around the muddy area to reach our campsite. This required that we use our compass, GPS, and map to arrive at our intended destination. He asked me how that exercise demonstrated the Corps motto. Here's my take...

**Improvise** – The first step in improvisation is to know what you have to work with. All decent financial plans start with an accounting of assets/liabilities and income/expenses. It is incredible how so many people lack this basic information. Once you have that info, you should evaluate how you are using them and how you might use them. Creative thought is an essential part of this phase.

**Adapt** – Every plan has assumptions. Most, if not all, of these are going to prove to be inaccurate. After taking your inventory in phase one, you may have to adjust your intended use of your resources to address an unexpected change in your assumptions (like having a clear trail to the campsite). Another good example is the investment environment we have been in since 2009.

**Overcome** – The most important components of a plan are the goals. It is essential to start with the final result in mind. Though the route there may be different than you anticipated, the destination should be clear. It is also interesting that, as you travel on the journey of life, you often change destinations. Still, each resource should be pointed at arriving at your defined goal. Sometimes the biggest obstacle to overcome is your own perceptions and emotions.

We are walking through some unprecedented economic woods right now. My grandson's questions seem almost simplistic compared to the ones that are in the media each day. Will runaway inflation reappear? Will the stock market regain its returns? Will Europe get its act together? Etc., etc., etc. Everywhere you look; it is all too easy to fall into the trap of feeling like a helpless bystander.

But there is another option. . . .

Improvise, Adapt, and Overcome

Until next time, that's my opinion . . .

*Robert J. Cole, Jr., CLU, ChFC, CASL, CFP®  
President*