



5 TRENDS REDEFINE RETIREMENT

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Life is a continuum—an accumulation of experiences that shape how we view ourselves, our families, and our world. When we reflect on these experiences, we come to realize that our lives have been—and will be—permeated by change.

Therefore, it is important keep an eye on demographic, societal, workplace, and economic trends that will present both challenges and opportunities as we plan for the future. In particular, here are five “life-changing” developments that are driving a fundamental shift in the way we view and prepare for retirement:

1. Transfer of Financial Responsibility

The slogan for everyone preparing for retirement should be, “If it is to be, it’s up to me.” That’s because most employers have reduced retirement benefits and/or switched to pension plans that transfer accountability for investment selection and performance to employees. As a result, guaranteeing financial security in the future has become more and more the responsibility of the individual.

2. Longer Lifespans

Life expectancy has increased dramatically since the early 1900s. Not only are pre-retirees questioning how they will fund a life stage that could span more than one-third of their lives, they are also wondering how they will spend their time! Increasingly, those looking ahead to retirement want and expect this to be a time for new endeavors and meaningful activities.

3. Post-Retirement Work (paid and/or volunteer)

The concept of retirement can no longer be equated with a permanent exit from the workforce. The vast majority of Baby Boomers plan to stretch out their working lives, moving in and out of new and varied careers. Their top reasons for post-retirement work include a need for additional income, desire to fill time and keep active, and the need feel productive.

The results of several studies indicate that individuals anticipating retirement are more likely than previous generations to view retirement as an opportunity to start a new career or engage in paid or unpaid “work” that is fulfilling.

4. Healthier Lifestyles

Increasingly, individuals and healthcare professionals are recognizing the impact of nutritious food and regular exercise on the quality of life people experience in their later years.

It is never too late to establish these habits, but the sooner we begin, the better. Similar to the effect of compounding interest on our financial portfolios, the benefits of early and regular investments in our health and well-being will grow and multiply over the years.

5. Holistic Planning & Preparation

We often think of planning for retirement only in terms of our savings and investments. 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.”

5 TRENDS REDEFINE RETIREMENT Continued

He explains, “Unless you look at your future holistically, merely saving up a pile of money will be a meaningless act.” Although money can act as a tool for achieving our goals, financial security alone cannot guarantee our happiness, good health, meaningful relationships, fulfilling activities, and a sense of purpose.

Therefore, a successful and satisfying retirement experience requires more than a healthy nest egg. More than ever before, retirement planning experts view this time of life as a major transition that requires planning and preparation in all areas of our lives.

In Conclusion....

Retirement should not be viewed as a single life event, but rather as one of many transitions in a continuum of life experiences. The skills, values, interests, positive relationships, and healthy habits

we develop and accumulate along life’s journey will continue to serve us well in retirement.

In addition, it is important to keep in mind what our world will be like during our retirement years. That means keeping an eye on trends that will influence our lives in the future.

How we respond to these changes will have a profound effect on the decisions we make, the opportunities we seek, and the quality of life we experience in our retirement years. In addition, when we are proactive in initiating positive change, we will improve our lives and those of others—now and in the future.

In many ways, elements of the “new retirement” offer exciting options and the freedom to choose an unconventional path to creating a successful and satisfying later life experience.

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BOOMERS CHOOSE A NEW APPROACH TO LIFE & MONEY

In terms of adult development theory, life after 50 is typically a pivotal stage when individuals rethink the direction their lives are taking, confront their own mortality, and dare to ask themselves, “**Am I really happy?**” However, what distinguishes Baby Boomers from previous generations is that they wear their existential crisis

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on their sleeves. Rather than indulging in a time of private reflection and silent suffering, Baby Boomers are forcing us to think about what mid-life and beyond should look like.

One thing is for sure, as they march en masse toward their retirement years, Boomers are also rejecting en masse any semblance of a stereotypical retirement lifestyle. And, herein lies the problem. Although Baby Boomers are crystal clear about what they don’t want, many are still unsure about what they do want.

Rising to the challenge is a new breed of financial advisor who is communicating to Boomers, “I feel your pain, and I’m here to help.” These forward thinking professionals are pioneers in a trend of integrating financial planning and life planning—a “Wow, that makes sense!” approach to helping **clients first clarify their values, passions, and priorities before talking about assets and net**

worth. Rather than the traditional financial conversation focused on “more is better,” these unconventional financial planners are asking their clients, “What will bring your life meaning and purpose?”

For the Baby Boomer disillusioned with the results of “using my life to make money,” the opposite mind set of “using my money to make a life” is both liberating and compelling. In fact, Lynne Twist, the author of *The Soul of Money*, believes this new perspective can be transformative: “When you let go of trying to get more of what you don’t really need, it frees up oceans of energy to make a difference with what you have.”

With renewed enthusiasm, Boomers come to see their lives as a second chance to grab the brass ring on the merry-go-round of life. For them, retirement looms on the horizon, not as a respite from work, but as an opportunity to explore new arenas, stretch their comfort zones, and to **find unique ways to give of themselves** to their families and communities.

Baby Boomers have redefined every stage of their lives, and that will not change as they grow older. Trend watcher Daniel Pink wrote, “Baby Boomers around the world—because of the stage of their lives and the size of their numbers—are **nudging purpose closer to the cultural center.**” In fact, recent research has revealed that millions of Baby Boomers are choosing purpose driven work that addresses some of the world’s biggest challenges.

GET “HAPPY”

In 2005, successful Hollywood director Tom Shadyac gave film maker Roko Belic a *New York Times* article that ranked the United States as number 23 on a list of happiest countries. Shadyac himself had become disenchanted with his luxurious Beverly Hills lifestyle, and wanted to know why the U.S.—the wealthiest country in the world—ranked so low. With this burning question in mind, he asked Belic to explore the origins of human happiness and to make a documentary about what he discovered.

This challenge resonated with Belic because of a conversation he had been having with himself for most of his adult life: “I’ve wondered just like many people do, how is it possible that some people who just seem to have so little can be happy, and other people who seem to have so much going for them are not happy?”

Five years in the making, the end result of this quest is *HAPPY*—a feature-length documentary that leads viewers on a journey across five continents discovering the keys to happiness. Along the way, the film weaves in decades of research on happiness, featuring interviews with some of the world’s leading scientific experts on the topic including Ed Diener, Sonja Lyubomirsky, Daniel Gilbert, Tim Kasser, and Mihaly Csikszentmihalyi.

This remarkable combination of powerful human stories and cutting-edge research leads us toward a much deeper understanding of why and how we can pursue happier, healthier, and more fulfilling lives.

One of the key points embedded in the personal stories and confirmed by the research is that happiness comes from a sense of connectedness to something bigger than oneself such as family, community, religion, nature, ancestry, or the universe in general.

Another important point made in the film is that a person’s values are one of the greatest predictors of his or her level of happiness. As Belic explained,

“People who prioritize money, power, social status, and good looks are less likely to be happy than those who value compassion, cooperation, and wanting to make the world a better place.”

In the process of completing this project, Belic discovered that finding happiness is not a selfish pursuit:

What I learned is that a person’s happiness is not only critical for them to function better as a human being—to be healthier, live longer, be more creative, more successful at work. The impact of a happy person is also very, very significant on family, group of friends, workplace, community, or possibly even their country and the world.

Editor’s Note: *HAPPY* is widely available for purchase, download, and rental. For more information, visit www.thehappy movie.com.

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YOU CAN PLAN FOR TOMORROW..... JUST DON'T PLAN ON TOMORROW!

As many of you know, I have been involved in the practice of Tai-Chi for over twenty years. One of the central tenants of the philosophy is to “go with the flow”. It has almost become a cliché to use such a phrase, but the reality is that it is a very difficult thing to do.

First, you must be aware and understand what “the flow” is. This task is very complicated because each of us tempers our experience of events through the lens of our “perceptual prejudices” --- mostly unconsciously. It also requires a high degree of awareness, which is difficult to attain in our noisy lives. Many people spend their whole lives and never acquire this ability.

The second part is even more daunting. Our goal driven culture demands we give thought to what we want to accomplish and how we are going to do it. Yet, time and time again, Life reminds us that, while such actions provide guidance, the actual events that transpire dictate what happens. It turns out that adaptability is just as important as preparation when it comes to living.

Just think back to a day when you got out of bed with a clear picture of how your day would go. You were full of energy and enthused about your prospective achievements. Then BLAM! The unplanned variable hits. Your carefully laid out plan goes out the window and it's back to the drawing board. Now here is where it gets real interesting.

It seems that buried in all of the chaos is both distraction and opportunity. What determines which one you will find depends a great deal on your

flexibility (not the event). My takeaway from such experiences is that you should pay more attention to where you are going than how you are going to get there. Sometimes the destination is not even clear. In short, trust the process not the plan. Financial Life Planning is the art of coaching people along the journey. Without purposeful coaching, it is all too easy to get hung up in disappointment and frustration.

We are entering the final days of the year. In just a few days, my wife and I will begin our annual retreat. We will pour over our numbers, review our calendars, and generally smile at the many detours that 2013 provided. Still, we are where we want to be and the one thing we can count on is that next year will hold many chances for us to sharpen our flexibility skills.

Until next time, that's my opinion.

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