

# Retirement Readiness Report

Helping older employees get ready to retire successfully

A free report for employers, unions, and pension funds, produced by RetirementWORKS®, Inc.

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Welcome to the thirtieth issue of the *Retirement Readiness Report*, offered as a free resource, to help you think about how your organization supports the transition into retirement.

We encourage you to contact us at any time if you have ideas, criticisms, or other comments about this publication, or wish to update your email address (or be added to or removed from the list).

If you missed issues #1 thru #29:

They're available at:

<http://www.retirementworks2.com/support.asp?id=newsletter>

Next month:

Can housing save an underfunded retirement?

## Keeping money and life in balance

When thinking about retirement, and about retirement plans, we tend to get caught up in the finances. How much are employees contributing? How are they allocating their funds? How much will they have when they retire? When and how much do they withdraw after they retire?

These questions matter, of course, and in the long decades *before* people retire, some of these are, in fact, the most important questions. When we're thirty or forty years old, there's not a whole lot to say about what retirement will actually be like. All we can do, realistically, is to set aside some money and invest it well, so that we'll have decent choices when retirement does eventually come around.

But when we're older, and retirement is now fast approaching, we need to be thinking much more broadly. Retirement is not about money, it is about life – and even about preparing for the end of life.

The end of life may not be particularly near, of course, if one retires in one's late fifties or early sixties. Yet, just as the smart person starts saving for retirement when it is still decades away, the wise one, who is entering the last major phase of life (retirement), does so with the end in mind.

Of course, the retirement years can still be highly rewarding in every respect. This is particularly so in the early years of retirement, if we still have our physical, mental, and financial health. But retirement also tends to be a time of gradual physical decline, and sometimes mental decline, too. In fact, most people perceive the earliest signs of age in their thirties or forties. In our sixties and seventies (and beyond, if we get that far), the aging process accelerates.

This may sound grim, and perhaps it is, yet with age should come wisdom, and part of wisdom is learning to accept aging and even death

as realities that are normal, expected, and able to be prepared for.

And yes, even embraced. After all, if you lived forever, you could *never* retire!

We bring up these notions here in order to emphasize that in retirement, a lot more is going on than making sure you don't run out of money. It may be a time to gradually scale back your ambitions, your lifestyle, your physical and mental activity, and even your social life (when mobility becomes a problem, and as your peers become disabled, or die). But it is also a time to grow in wisdom and spiritual strength, to move from "age-ing" to "sage-ing" as one author puts it. And among other things, this means making sure we are ready to go when our time comes.

Retirement can still be very much about goals that we delayed during our careers, about strengthening our connections with family and friends, about other forms of self-actualization. But it is also about *completing* ourselves in those ways, so we can eventually learn to let it all go. Because

when we do go, we leave it all behind, including our money.

From this perspective, thinking about retirement primarily in financial terms appears ludicrous. Money is a powerful enabler, but if our long-term need is to let go, and to learn to let go gracefully, money is of little help, and may even be an obstacle. The more we have, the harder it is to let go!

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To facilitate the letting go, and to facilitate our greatest happiness and life satisfaction in the interim, we need to keep our rightful concerns about money in balance.

Studies consistently show that when happiness and life satisfaction are measured at different levels of wealth, there is a difference only at the extremes. The very poor, not surprisingly, are

the most unhappy. And the wealthiest, whose money creates all kinds of new worries, are the next most unhappy. *For the vast majority of us somewhere in between, wealth and happiness are not correlated.*

So why do we fret so much about money? For many of us, the reasons are many, deep, and complicated. There is an emerging field called “financial therapy” to help people untangle it all – and yes, there is also a Financial Therapy Association, located at [www.financialtherapyassociation.org](http://www.financialtherapyassociation.org)

Short of therapy, though, what else can we do?

The practical answer for older employees, at least, is for all of us to stop talking about their retirement purely in financial terms. As we tend to describe in these *Retirement Readiness Reports*, there are many other issues that directly affect one's satisfaction, happiness, and deep fulfillment.

We tend to focus on the money because that's what the benefit plans deal with. But when it comes to preparing for retirement, money issues do not de-

serve a unique status. While we do recommend that such employees pursue a detailed analysis of their financial situation, at this stage of life, most people have much more scope for making *non*-financial changes that will make a real difference to the quality of their existence.

And while offering individual advice is tricky, it is both safe and relatively simple to offer *education* about these issues, from the mundane realities of money to the elevated yet often fuzzy ways that people can deal with happiness, aging, and death.

Useful information and materials are available. If you can provide them in one area, you can provide them in others – and thereby promote a mentally and physically healthful balance between money and life in retirement.

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## Recommended Reading for Employees Getting Ready to Retire

***Naked Retirement: Stripping It to the Core***, by Robert S. Laura

\$7.99, [www.nakedretirement.com](http://www.nakedretirement.com) (also available as a Kindle ebook from Amazon.com for \$4.99)

**Notice: We do not sell books, or have any financial stake in recommending them.**

This is a short book (52 pages including lots of white space, and places for readers to make notes and complete exercises) – which means it's perfect for a lot of people who are not big readers.

Its principal virtue, however, is its focus on the non-financial aspects of retirement.

Not that Laura ignores finances. He is one of those rare individuals who is experienced and accredited in multiple fields: his career embraces being a social worker, personal trainer, senior bank executive, and co-founder of SYNERGOS Financial Group and RetirementProject.org. He is an Accredited Asset Management Specialist, Chartered Mutual Fund Counselor, and Chartered Retirement Planning Counselor.

And he puts all of this to use in his brief book.

So, why “naked” retirement? Because Laura is asking us to let go of all our illusions about retire-

ment that are based on investment results and the supposedly idyllic life that arises from them. He also wants us to face nakedly our own needs beyond mere money, so that we can create a simple (one-page) retirement plan that is truly inspirational for us, because it reflects who we really are, unembellished.

More specifically, this book helps us replace our work identity with a new identity that is meaningful to us, focuses us on ways to stay mentally and physically sharp (and socially connected), provides insights that turn assumptions and stereotypes about retirement into energizing conversations that clarify our own needs and strengthen our relationships with others, prepares us for changes in the external world that most of us either have not been aware of or not perceived the implications of, and also provides some keys to finding an investment professional who can help us understand and manage the financial nitty-gritty.

This book is worth its modest price, and much more.

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## Featured Website

### **Still River Retirement**

<http://www.stillriverretire.com/>

If you have been with us a while, you know that usually we reserve this space to tell you about useful third-party websites, but once in a while, we grab it ourselves, to update you on what we are doing.

This is one of those latter occasions, because our parent company, Still River Retirement, has announced the creation of a new retirement consulting unit.

As awareness grows that retirement is about more than investment and, for that matter, about more than money, there is a greater need for education, advice, and consulting. The idea is to get this message out to more people, particularly larger organizations, including financial firms and employers, both of which directly serve soon-to-be retirees.

We want to help people bridge the “understanding gap” between today and tomorrow – between traditional approaches to retirement and the still developing awareness of what retiring em-

ployees truly need, financially and otherwise.

Still River’s roots in retirement planning go back to 1991. Since then a lot has changed, but not enough. Most people going through the retirement process still get no help, inadequate help, or sometimes counter-productive help, even on financial decisions. On non-financial matters, still less support is available.

But – and this is very important – it’s not necessarily about spending a lot of money. It’s about spending modest amounts on the right things at the right time.

Still River / RetirementWORKS has, over the years, worked with financial companies, employers, and governmental and not-for-profit organizations, both large and small. Its specialty is helping older employees prepare for retirement, and helping retirees maintain or even improve their financial position and their lives.

The Still River group has established leadership in this field, through its software, its monthly *Retirement Readiness Report* and other publications, its role in

founding and sustaining the Association for Integrative Financial and Life Planning, its innovative education and advice website for older employees and retirees, and its strong involvement with the Life Planning Network.

They have also just published, as part of their consulting services rollout, a set of four papers presenting new strategies related to retirement and retirees. You can read them in full, and learn more about the consulting service, at the website.

### **About RetirementWORKS<sup>®</sup>, Inc.**

We are the consumer subsidiary of Still River Retirement Planning Software, Inc., of Harvard, Mass., which has specialized in retirement plans and retirement planning since 1994.

Our philosophy is that retirement needs to be viewed from the retiree’s point of view, in all of its complexity. So we offer the most powerful and useful financial software available anywhere for retirees and near-retirees, and advice concerning non-financial aspects of retirement. But we do not sell any financial products or services other than software, and have no financial stake in any advice that is offered.

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