

# Your 'Second' Life

## *Retirement Planning Book*



**A common sense approach to planning  
the next phase of your life**

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# Falbo

WEALTH MANAGEMENT  
Clarity...Insight...Independence...

Material for this Workbook was designed and  
created for Falbo Wealth Management by



# Welcome to this special Workbook on planning the next phase of your life

*Is your retirement really the end for you? Or, is it actually a beginning of something wonderful that gives you the time, energy and the plan to build the kind of life that you always wanted?*

*The Japanese have an interesting approach to the retirement phase of their life. Rather than using the word 'retirement' to define the final stage of life, Japanese society has the concept of "Second Life". This is the period of time in your life when your family responsibilities have changed and you can focus on your 'inner peace'. It is a time when you get closer to your soul and dispense your wisdom to benefit younger generations.*

*This next phase of your life gives you the opportunity for:*

- *Finding life meaning rather than 'resting'*
- *Achieving life balance over lop-sided leisure*
- *Realizing life long dreams over time-filling fun*

*You have the opportunity to build the kind of life that you want, and accomplish some of the things that you dreamed of when you thought that you had all of the time in the world. While we now know that our time is not without limit, we have the experience that we can apply to make each of our moments count.*

*However, retirement planning is far more than simply putting your financial plan in place. It is also much more than building your "bucket list" as if you were planning for a thirty-year long-weekend!*

*This booklet will help you understand the benefits of planning ahead to build the life that you want. We ask that you spend this session thinking about and creating a clear vision of exactly what it is that you want in each area of your retirement life. We also encourage you to share your vision with those closest to you who will be part of your journey.*

*If this next phase of your life is thirty years long, you have 10,950 days to learn, grow, have fun and leave your legacy. We hope that this workshop will give you the framework to make your Second Life the best time of your life!*

**Joseph Falbo**  
Falbo Wealth Management

# INTRODUCTION

When you think of your retirement,  
what vision comes to mind?

# 7 Keys To A Successful Transition

As you think about the issues in this exercise, you can use the space below to jot down your thoughts and ideas.

## Key One: Have a clear vision of this next phase of your life

**Why?** The foundation of a successful transition is to have a clear idea of the destination that you have—that is the difference between a ‘wish’ and a ‘goal’. Also, you want to be clear about the values that will guide your life in the future because that understanding will let you devote more time to the things in life that are important to you.

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## Key Two: Understand and practice healthy aging principles

**Why?** Your life enjoyment in your new life will be influenced by how you feel. In fact, the life transitions that you will go through will likely be driven by changes in your health. Healthy aging is both mental and physical—keeping your mind and your body as fit as you can will go a long way towards creating the quality of life that you want.

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### Key Three: Consider the work opportunities that fit your life

**Why?** Your work is the thing that you do to contribute your experience, skills and time for the benefit of someone else. It doesn't have to be a forty-hour work-week, and you don't always have to get paid for it. There are few activities that you can do that would have as many positive benefits as work. If you have a positive attitude towards work and the workplace then the desire to have a retirement free from any type of work becomes irrelevant.

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### Key Four: Develop and strengthen your family and social support network

**Why?** In your retirement, you will depend on your family and friends to nurture and support you through all of your life stages. Not only are your personal and family relationships important to your happiness, but the depth of your social network will also play a key role. Remember that many of your fulfilling activities will likely come from your involvement with friends and family.

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### Key Five: Take a balanced approach to leisure

**Why?** The enjoyment that you get out of life will in most part come from how you spend your time. Leisure can be many different things to you. As you think about your retirement, you want to ensure that you are taking advantage of all of the things that you could do to truly live a fulfilling life.

There is a big difference between “time filling” and “fulfilling” activities. Every day doesn't have to be filled with meaningful pursuits. Successful retirees keep themselves more engaged and involved in activities they find stimulating.

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## **Key Six: Ensure that your home meets the needs of your lifestyle**

**Why?** Where you choose to live will evolve as you progress through your retirement life. You may have to consider changes along the way, brought about by health challenges, relationship changes etc. In addition, the needs of your family may change over time, requiring you to take a new view of your home.

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## **Key Seven: Maintain a sense of financial comfort throughout your retirement life**

**Why?** Financial comfort simply means not having to worry about your money. If financial stress contributes to retirement stress then you will have to make changes. Many are able to enjoy their happiness with far less than others, simply because they have an understanding of their spending habits and financial needs. Others may like to spend money but are comfortable simply because they have an overall understanding of the options available to them.

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# WHO ARE YOU ?

## Exercise Around The 7 Keys

**Introduction:** Throughout this workshop we will concentrate on helping you understand the seven keys to retirement success and where you stand regarding them. The goal is to create both self-awareness and to get you to think about your strategies for change. In the exercise below, look at the two statements on the left and decide which one is more like you. Then, read the statement on the right that outlines the best situation for retirement.

		Outlook for your retirement lifestyle
I don't generally try new things	I am always trying new things	Successful retirees tend to be open to new challenges and pursuits.
I don't like a lot of change in my life	I embrace change and make the best of it	Retirement is a time of great change. Successful retirees accept change and make adjustments to their new situation.
I have a few things that I like to do in my spare time	I have a lot of things that I like to do in my spare time	Successful retirees try to create a balance between many different kinds of activities; those with limited interests may experience boredom and dissatisfaction with life.
I would never consider changing where I live	I would be open to changing where I live if the circumstances were right	Successful retirees adjust to their changing reality, even if it means moving to a new home; those who will not change may find that change is forced on them by health or family circumstances that they didn't anticipate.
I don't exercise regularly	I like to exercise regularly	One of the keys to healthy aging is to find time regularly to raise your heart rate or to regularly exercise; those who lead a sedentary lifestyle may encounter health challenges that will compromise their life enjoyment.
I don't pay attention to good health principles	I pay a lot of attention to good health principles	Understanding the principles of healthy aging includes both mental and physical health awareness; failing to pay attention to the basic principles of healthy aging may compromise longevity or retirement happiness.



		Outlook for your retirement lifestyle continued....
I am usually concerned about my finances	I am seldom concerned about my finances	Successful retirees are normally comfortable with their financial situation and have an understanding of the extent of the financial resources they have available; concern over one's financial situation can affect life enjoyment by creating unnecessary stress or missed opportunities.
I tend to be more of a saver	I tend to be more of a spender	Too much of either may create stress in retirement. Saving in retirement should not be undertaken at the expense of lifestyle enjoyment or health; excessive spending should not be undertaken at the expense of financial comfort or present and future lifestyle needs.
I don't have a big social network	I have a large social network	Successful retirees continue to expand their social network and recognize the value of strong and nurturing friendships; a limited social network can lead to stress and a sense of isolation in later life.
I don't make friends easily	I make friends easily	The key to expanding a social network is the willingness to meet new people and create new personal relationships. Those retirees who have trouble meeting new people and creating commonality will likely see their social networks shrink over time.
My immediate family causes me much anxiety	My immediate family is a source of much comfort	In retirement, close family relationships become increasingly important to mental and physical health; those without nurturing family relationships may experience loneliness and isolation.

		Outlook for your retirement lifestyle continued....
I don't have a close intimate ongoing relationship with another person	I enjoy a close intimate ongoing relationship with another person	There is a direct correlation between the existence of an intimate relationship and longevity.
I dislike my work	I love my work	Current dissatisfaction with work may affect how a retiree views work in general. Successful retirees tend to look at work as a positive and seek out opportunities to use work as positive mental stimulation.
I get bored easily	I am seldom bored	Successful retirees make good use of their time, balancing out both fulfilling and time-filling activities. Boredom and lack of purpose leads to stress and can compromise both mental and physical health.
I carry a lot of stress in my life	Stress is not a big factor in my life	The number one cause of death in both American men and women is stress-related disease, such as cardio-vascular, stroke or stress-related cancers. The ability to manage stress will be an important factor in a happy and contented retirement.
My work position means a lot to me	My work position doesn't mean a lot to me	If you tend to define yourself by your job, you will have to redefine yourself when you retire. Successful retirees find replacements for the things that they liked about work, but their identity and sense of self-worth is not tied to their position at work.
I don't like to learn new things and feel that my education is basically over	I am always learning new things and continue to find ways to keep myself mentally active	In retirement, you will have to "use it or lose it". Successful retirees continue to learn new things and to challenge themselves by undertaking new mental pursuits. There is a direct correlation between mental activity and longevity.
I don't like structure in my life	I like a lot of structure in my life	Successful retirees understand that structure has always been part of their lives and that, in retirement, they will have to find ways to incorporate structure. Those without structure will likely find a retirement without purpose.
I don't make a lot of plans for the future	I like to make plans for my future	Creating an overall plan for the future makes handling the inevitable life transitions a lot easier. Those without a plan tend to lack goals or day-to-day structure in their lives that would lead to life enjoyment.

# NOTES



**"Look here Arthur, everybody has to retire  
sometime!"**

## When You Think About ‘Retirement’, What Vision Comes To Mind?

A. Being retired, to me means

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B. Choose the terms that will best describe this next phase:

- |  |  |
|--|--|
| <input type="checkbox"/> Not working at anything                   | <input type="checkbox"/> Focusing on hobbies                   |
| <input type="checkbox"/> Part time work at same job                | <input type="checkbox"/> Traveling more than three months/year |
| <input type="checkbox"/> Part time work at new job                 | <input type="checkbox"/> Education or study                    |
| <input type="checkbox"/> Starting a new career                     | <input type="checkbox"/> Learning new skills                   |
| <input type="checkbox"/> Developing a second business              | <input type="checkbox"/> Volunteering or community involvement |
| <input type="checkbox"/> Becoming self-employed                    | <input type="checkbox"/> Developing talents                    |
| <input type="checkbox"/> Consulting in my area of expertise        | <input type="checkbox"/> Moving to a new location              |
| <input type="checkbox"/> Perpetual leisure/relaxation              | <input type="checkbox"/> Addressing health or fitness issues   |
| <input type="checkbox"/> Building or renewing social relationships | <input type="checkbox"/> Becoming more ‘spiritual’             |
| <input type="checkbox"/> Spending more time with family, friends   | <input type="checkbox"/> Managing your investments             |
| <input type="checkbox"/> Buying a new business                     | <input type="checkbox"/> Doing what you do now                 |
| <input type="checkbox"/> Continuing to work full-time by choice    |  |
| <input type="checkbox"/> Doing what I want, when I want            |  |

C. At this time, the idea of ‘retirement’ makes me feel:

1	2	3	4	5	6	7	8	9	10
Sad				Neither Good or Bad			Excited		

D. As of this moment in my life, my retirement transition plan could be described as:

- ☐ Well thought out
- ☐ Just a financial plan
- ☐ Have had some thoughts about it
- ☐ Haven't thought about it
- ☐ Don't intend to retire

E. What are your greatest concerns about the future?

- ☐ Not having enough money or income
  - ☐ Inflation
  - ☐ Lengthy illness
  - ☐ Difficult family relationships
  - ☐ Moving to the wrong home
  - ☐ Being bored
  - ☐ Not being productive or useful
  - ☐ Missing my friends in my work
  - ☐ Investment crisis
- 

F. When it comes to a discussion with my spouse or partner

(Share your pre-work questionnaire responses)

- ☐ We have a shared understanding of what this phase of life should look like
- ☐ We have a rough idea of how each other feels about retirement
- ☐ We haven't talked as much about it as we should have
- ☐ We haven't talked at all about it

If you are single...

F. When I think of my own retirement future

- ☐ There is no one who I wish to share my plans with
- ☐ I have a strong group of friends and family to add to my retirement enjoyment
- ☐ I am not certain about the future and anticipate sharing my future with someone special
- ☐ I am looking forward to meeting new people and enjoying new adventures with others

G. To reach the point where I can truly feel that I am 'retired', I will need to do the following:

1

2

3

4

5

## WHAT CAN WE LEARN FROM THOSE WHO HAVE RETIRED ALREADY?

Think of someone you know who has retired. They could be current or past family members, friends, acquaintances, co-workers etc. Picture what their days look like: How do they handle their retirement? Do you think that they are generally happy or generally unhappy?

Here are a few questions that may help you picture their retirement.

A. What factors have made their retirement successful?

B. What could have improved their retirement life?

C. What personal characteristics have added to their retirement success?

D. What personal characteristics have detracted from their success in retirement?

Now, enter three “Keys to Future Success”  
for you in your Planning Diary.

# The Changing Nature of Retirement

## *How Boomers are changing the retirement picture*

Many of today's baby boomers enter their fifties with a different view of the world than previous generations. This is perhaps the most influential reason why the retirement picture will undergo such a paradigm shift as the boomers seek to redefine it. Boomers' demands on the world they live in may force a variety of shifts in our culture. Consider these possibilities:

**Health.** Boomers' concern about the onset of chronic disease and the desire to do whatever possible to postpone physical aging may put additional pressure on the health care system and may be a catalyst for change in the way that services are provided.

**Vitality.** Boomers are thinking and feeling younger and healthier – changing even further our perception of “elderly” and “retired”. U.S. author Gail Sheehy suggests that the boomer generation has added ten-to-fifteen years to the spread between their chronological and physical age when compared to their parents' generation. At fifty, according to Sheehy, boomers are the same relative age as their parents were when they were forty.

**Wealth.** Earnings, inheritances and return on investments may provide some boomers with increasing amounts of discretionary dollars. Analysts such as Harry Dent have drawn the relationship between the need for boomers to save for their retirement and the non-stop bull market that dominated the eighties and nineties. However, the recent market meltdown has seriously affected the retirement plans of many. This may force American boomers to rethink their plans for the future.

**Changing nature of the workplace.** Not only are North American boomers postponing retirement, but they are also reexamining their relationship to the workplace. For some, ‘work’ may no longer be seen as a negative in their lives; instead, they have begun to realize that work has positive benefits that will be missed if they take full retirement. New careers, self-employment and volunteerism are now retirement options that both compete with and support leisure.

**Poverty.** Not all boomers are in a financial position to finance all aspects of their “self-actualization” and there may be an increasing disparity amongst some boomers who can afford the kind of life that they want and those who can't.



**Social Services Demands.** Boomers entering the adult lifestyle phases of empty-nesters, care-giving, retirement, grandparenthood, and widowhood will change the social support network, increase the pressure on an overloaded system to expand services, and change the dynamics of family relationships.

**Spiritual Awakenings.** The psychological shift from the pursuit of material possessions to the pursuit of enjoyable experiences that nurture internal needs will likely foster a new ‘spirituality’ or a search for clarity in values in order to gain more fulfillment. This could positively impact the Baby Boomer generation’s contributions to society.

**Leisure.** A change in the way we define leisure, and the need to get more out of leisure activities in order to keep them special. This should lead to an absence of “disposable time” as our lifestyles become more complex and time management takes on even greater importance.

**Family.** Unlike previous generations, many boomers entering retirement still have children living at home. In addition, this generation has become the “club-sandwich” generation --children at home, mother and grandmother still alive etc. Finally, many boomers may enter retirement as single adults; this will often change the nature of the activities they undertake.

## Joseph comments....

*I often see clients who come into my office and really don't have any idea of what they are retiring to. That makes it tough for an advisor because clients aren't clear on what they are planning for. Many have this idea that retirement planning is about how to finance a lifestyle that doesn't include work. They have been told that they can retire on 75% of last year's income in their first year of retirement, and all that we have to do is figure out how to pay for that.*

*The biggest reason that I have changed my approach to retirement planning is that i want to ensure that both my clients and myself have the context needed to create a proper financial and investment plan.*

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# SO YOU ARE LEAVING WORK?

## The Role That ‘Work’ Plays In Your Life

### The Five Functions of Work

Our work serves a lot of needs. Our jobs also give us the physical, social, intellectual and confidence stimulation that serve the needs and motivations that we have. Work tends to be a very complicated place, serving many different needs at the same time.

Work provides you with...	Which means....	Rank how important this is to you....
1. Financial stability	The ability of work to contribute financially to your lifestyle	
2. Time management and structure	The structure that work provides through the demands on your time	
3. Sense of utility	The purpose that work gives you as well as the motivation to improve	
4. Socialization	The camaraderie that you feel with co-workers and the friends that you make	
5. Status	The ego boost and sense of accomplishment that the workplace gives you	

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One of the symptoms of approaching nervous breakdown is the belief that one's work is terribly important.

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– Bertrand Russell

## What Role Does Work Play In Your Life?

1	2	3	4	5
I get no satisfaction whatsoever.	Most of my time at work is unfulfilling.	My work has both positive and negative effects on me.	I get a lot of satisfaction from what I do.	I can't wait to get to work each day.

## Having A Generally Negative View Of Work:

If you rated your current view of work between 1 and 3, check off any of the reasons listed below that relate to why you are looking forward to retirement:

- ☐ Work is an obligation that I would rather not have.
- ☐ I find my work to be very stressful.
- ☐ Work is a source of personal or professional frustration.
- ☐ I am bored with what I am doing.
- ☐ I find my job to be too physically challenging.
- ☐ Work forces me to regiment my life.
- ☐ Work takes time away from my family and the things I like to do.
- ☐ Work forces me to think and I don't like that.
- ☐ I find work to be too difficult for me now.
- ☐ My workplace treats me with disrespect.

Now, how many of the statements you checked above are specific to your current job? How many represent your views about work in general? How many could be fixed if you changed your focus, changed your career or started your own business?



**It is seldom that a American retires from business to enjoy his fortune in comfort...  
He works because he has always worked, and knows no other way.**



**-Thomas Nichols**

## Having A Generally Positive View Of Work:

If you rated your view of your current work between 3 and 5 in the above exercise, check off any of the reasons listed below that relate to why you are considering working in your retirement years. What particular aspects of work do you value the most?

- ☐ I like the idea of keeping busy.
- ☐ Work is a source of personal or professional satisfaction.
- ☐ Work allows me to be me.
- ☐ I really enjoy what I do.
- ☐ I don't find my job to be too physically challenging.
- ☐ Work gives structure to my life.
- ☐ Work gives me added income for me to help me do the things I like to do.
- ☐ Work keeps my mind active.
- ☐ My workplace treats me with respect.

**As you examine the statements you checked above, how many are specific to your current job or represent your views on work in general?**

Pick the top three that you would want to keep even if you changed your focus, changed your career, or started your own business and enter them into your Planning Diary.

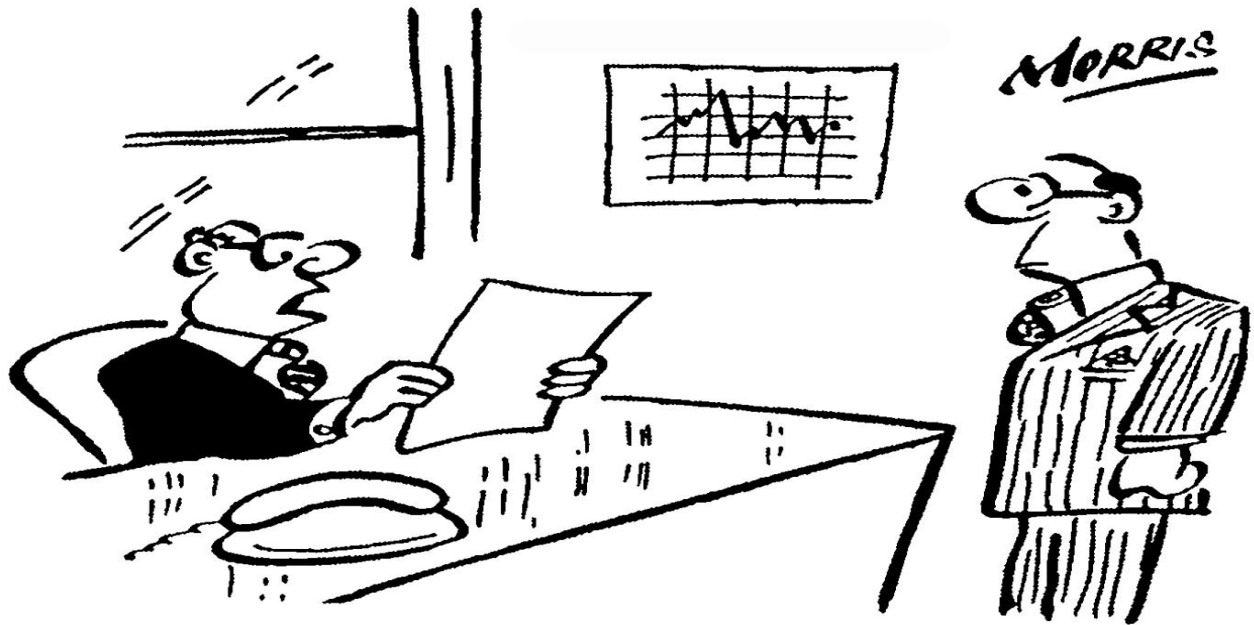


**"Think of it this way - you're a day closer to your pension."**

**Exercise**

Leading	Building	Speaking
Delegating	Explaining	Acting
Managing	Team Building	Listening
Creating	Politicking	Implementing
Analyzing	Consulting	Learning
Problem-solving	Strategizing	Building or tinkering
Editing	Designing	Selling
Reformulating or clarifying	Planning	Creating relationships
Organizing	Coordinating	Boosting morale
Facilitating	Writing	Mentoring

# NOTES



**"About your retirement, Harry. I've just received a letter from your wife - she says she will pay your salary if we keep you on."**

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# **YOUR VISION AND CORE VALUES IN RETIREMENT**



## The Myths and Misconceptions About Retirement

There are many views of the ideal retirement picture, and most of us have some pre-conceived notions about 'retirees'. Here are fifteen statements that have been made about retirement and represent some common perceptions of this phase of our life. Do you feel that they are TRUE or FALSE?

1. "The key to a successful retirement is having enough money to enjoy your life."
2. "Retirement comes at a time when you can no longer contribute to the workforce."
3. "More than half of American retirees report being lonely, depressed and/or sad."
4. "There are very few employment opportunities for those people over sixty."
5. "You should plan to live on 75% of your last year's income in your first year of retirement."
6. "The longer that you stay in the workplace, the higher your risk of dying earlier than expected."
7. "Retirement is the longest single phase of your life."
8. "One of the best ways to enjoy retirement is to find replacements for those things that you enjoyed about work."
9. "Retirement is less stressful on marital relationships than when you are working full-time."
10. "Men experience a more difficult transition into retirement than women."
11. "Over one-third of retired Americans report not having enough money to live the life that they envisioned in retirement!"
12. "If you don't continue to exercise your mind, you risk falling victim to cognitive decline or a shortened life span."
13. "Most Americans will enter retirement debt free and with a fully paid mortgage."
14. "There is a direct relationship as we get older between high stress levels and declining physical health."
15. "11% of Americans expect that some of their retirement income will come from lottery winnings."

## Your Core Values in Your Second Life

When you are building a plan for the future, it is very important for you to understand your core values. They are the foundation of who you are as a person, how you think, act and feel. These values are fundamental to your outlook, your motivation and your life planning. Some typical values that people hold are listed below. Check off which values are important to you in your life today. If there are others that are important to you but aren't listed, write these in the blank spaces.

Truth	Honour	Dignity
Safety	Respect	Freedom
Relationships	Service	Health
Kindness	Inner peace	Success
Honesty	Joy	Comfort
Fairness	Charity	Creativity
Love	Humility	Understanding
Positive attitude	Knowledge	Family
Faith	Spirituality	Security
Trust	Compassion	Devotion
Wonder	Parenthood	Happiness
Optimism		

Take the five values that you feel will be the most important to you in your second life and note them in the column below. Do you know deep down what these five values really mean to you? In a brief sentence, write down what each value will mean in the way you live your life. For example, if you choose health as a value that guides your Second Life, you might say that health means living a healthy life by maintaining both my mental and physical health to the best of my ability. You want to be as specific as you can so that you can solidify in your own mind what each value means to you.

## YOUR SECOND LIFE – PLANNING FOR THE NEXT PHASE!

Decide how important each value is to you and rank them in order of importance.

LIFE VALUE	What does this mean to you in the next phase of your life?	RANK

Do you see any of the values you listed changing as you transition? Now enter your top three values in your Planning Diary.

## What Your Retirement Is Really All About

Planning for your Second Life gives you the opportunity to be the person that you truly want to be. Consider the questions below to prompt ideas about how you'd like to create your own legacy:

At your eightieth birthday party, when your friends gather to honour you, what would you like them to say about you in these areas?

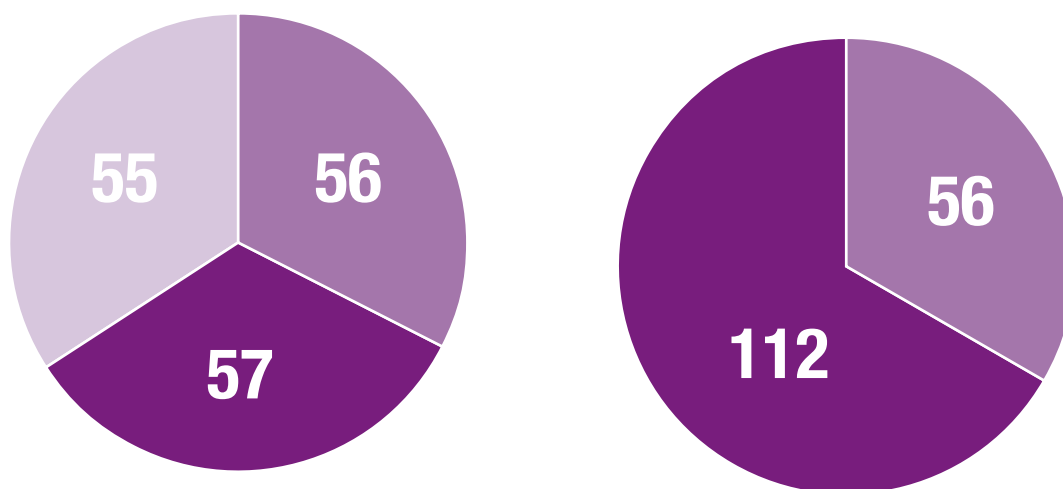
- ☐ As a spouse/partner?
- ☐ As a parent?
- ☐ As a friend?
- ☐ As a community-minded individual?
- ☐ As an intellect?
- ☐ As a \_\_\_\_\_(other)

If you knew that you only had five productive years left to live, how would that change how you live your life today?

- ☐ It wouldn't change how I live my life today
- ☐ I would spend less time working and more time doing the things I like
- ☐ I would quit my job and spend the next five years having fun
- ☐ I would spend the next five years trying to create my legacy
- ☐ I would try to get the most out of the time I have left
- ☐ I would spend my time with family and/or friends.

## A Snapshot of Time In Retirement

There are 168 hours in a week. You sleep for roughly 56 hours of that time, which leaves you with 112 hours to fill. If you are working today, your work commitment takes up about 55 hours leaving you with 57 hours for all of those family and hobby pursuits. (We know that YOUR work takes up far more time than that today, but please play along so that we can illustrate the point!)



If your retirement simply means that you have walked away from work, one of the results is that you have added around 55 hours each week (or eleven hours a day, 5 days a week) to your “free time”. Outside of sleep, it’s all free time. You don’t have to be anywhere, do anything or answer to anyone if you don’t want to. What are you going to do with all of your time?

## The Time-Management Test

What challenges do you have when it comes to time management? The exercise below will give you a quick snapshot of your current skills/views.

	Never 1	Seldom 2	Sometimes 3	Usually 4	Always 5
1. I feel that I am an organized person and that I plan ahead as much as possible	1	2	3	4	5
2. I set aside time on a regular basis to do the things that I most want to do	1	2	3	4	5
3. I am able to accomplish the things that I want to on a time schedule that I have set for myself	1	2	3	4	5
4. I believe that managing my time is an important element of my life and will be in the future	1	2	3	4	5
5. I have as much free time as I need to enjoy the things that I enjoy about life	1	2	3	4	5
6. I take time on a consistent, regular basis to keep up with my correspondence, pay bills, do banking, attend to personal needs etc.	1	2	3	4	5
7. I recognize how quickly time moves and I try to “get things done” while I can	1	2	3	4	5
8. I am able to prioritize my time so that I can focus my time on the most important things first	1	2	3	4	5
9. I keep a “to do” list or calendar to keep me organized and I review it regularly	1	2	3	4	5
10. I do not waste my time on things that do not contribute directly to my quality of life	1	2	3	4	5

### Scoring This Exercise:

**Total**

### If you scored:

**Less than 29** You are likely not in control of your time management and find that you have challenges accomplishing the things that you want to on a timely basis.

**30-39** You have some success in managing your time and you are aware of the things that you should be doing to maintain control. Also, you likely consider time management to be important in your life, though you are not always able to stay on top of it.

## An Average Week In Retirement

As you think about your retirement, what do you think that an average week would look like?  
Write in the number of hours/minutes you think you will spend for each activity.

Day	Sleep	Family	Work	Personal	Community
Monday					
Tuesday					
Wednesday					
Thursday					
Friday					
Saturday					
Sunday					
Totals					



Retired is being twice tired, I've thought.  
First tired of working, then tired of not.



- Richard Armour



# NOTES

# HEALTHY AGING AND RETIREMENT

**G**illes and Marianne had been looking forward to their retirement for a long time. They had done everything possible to plan for their life after work; their money situation was going to work out better than they expected, they had some clear goals on what they wanted to do and they had already booked their first major trip in their retirement life. “Gilles had received a set of golf clubs at his retirement dinner”, Marianne remembers. “He was going to get back into golf and was also looking forward to doing some serious cycling now that he had time.” Marianne also decided to take up golf and she had decided to enroll in some art history courses at the local community college.

“We had everything that we needed to really start to enjoy our lives”, says Marianne. Then about a month after we retired, Gilles started to complain about feeling tired and listless. We must have visited a half dozen physicians before we got the definitive diagnosis; Two years later, Jim was confined to a wheel chair and I was a permanent care giver for as long as he needed me.”

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People waste more time waiting for someone to take charge of their lives than they do in any other pursuit.

”

– Gloria Steinem

## DID YOU KNOW?

### Life expectancy from age 65, American Couples

	Women	Men	Both	Either
Survive to age 80	80.5%	63.68%	50.97%	92.75%
Survive to age 90	44.2%	23.41%	10.42%	57.51%
Survive to age 100	8.82%	2.48%	0.22%	11.08%

Statistics The United States: 2006 Census American families and households

In the 65-74 age group in The United States, only 54% actually live with their spouse or partner. For all Americans over age 65, 72% live on their own. To further illustrate the idea that retirement is not a 'couples' event for a long period of time, 60% of all American women over age 65 are single, widowed or divorced.

Finally, the average age that a women first becomes a widow in the U.S. is estimated to be just 55 years old and we have no reason to believe that this number is different in The United States.

Statistics The United States: A Portrait of American Seniors

## HAVE YOU THOUGHT ABOUT?

*How you would like to feel physically in retirement?*

*Whether you have health habits that could shorten your life  
(or whether you care)?*

*How you handle stress today and whether the world sometimes drives you crazy?*

*What things you do every day to contribute to your overall fitness level?*

*What it would be like to live to one hundred?*

## Identifying and Managing Stress In Your Life

### Do you....

- |   |   |
|---|---|
| <input type="checkbox"/> Neglect your diet?                                     | <input type="checkbox"/> Lack supporting relationships?   |
| <input type="checkbox"/> Try to do everything?                                  | <input type="checkbox"/> Use psychoactive drugs like sleeping pills or tranquilizers without telling your doctor? |
| <input type="checkbox"/> Blow up easily?  | <input type="checkbox"/> Get too little rest?   |
| <input type="checkbox"/> Seek unrealistic goals?                                | <input type="checkbox"/> Get angry when you are kept waiting?   |
| <input type="checkbox"/> Fail to see the humor in situations others find funny? | <input type="checkbox"/> Ignore stress symptoms?  |
| <input type="checkbox"/> Act rudely?  | <input type="checkbox"/> Procrastinate?   |
| <input type="checkbox"/> Make a “big deal” of everything?                       | <input type="checkbox"/> Think there is only one right way to do something?                                       |
| <input type="checkbox"/> Look to others to make things happen?                  | <input type="checkbox"/> Fail to allot yourself relaxation time?  |
| <input type="checkbox"/> Have difficulty making decisions?                      | <input type="checkbox"/> Gossip?  |
| <input type="checkbox"/> Complain you are disorganized?                         | <input type="checkbox"/> Race through the day?  |
| <input type="checkbox"/> Avoid people whose ideas are different than yours?     | <input type="checkbox"/> Spend a lot of time feeling bad about the past?  |
| <input type="checkbox"/> Keep everything inside?                                | <input type="checkbox"/> Fail to get a break from noise and crowds?   |
| <input type="checkbox"/> Neglect exercise?                                      |   |

**Score 1 for each “YES” answer, and 0 for each “NO”. Your total score can be interpreted as follows:**

**UNDER 7** There are few hassles in your life. Make sure that you are not trying so hard to avoid problems that you shy away from challenges.

**7-13** You have your life pretty much in control. Work on the choices and habits that could cause unnecessary stress in your life.

**14-20** You are approaching the danger zone. You may well be suffering stress-related symptoms, and your relationships could be strained. Think carefully about choices you have made and take relaxation breaks every day.

**Over 20 EMERGENCY!** You must stop now, rethink how you are living, change your attitudes and pay scrupulous attention to your diet, exercise and relaxation programs.

## The 'Hardy' Retirement Personality

Assessing your hardy personality

0	1	2	3	4	5
Not like me	Seldom	Sometimes	I Would Like To	Usually	Always

1	I have a written list of things that I would like to accomplish in my life	
2	I spend quiet time meditating and contemplating my life and my world	
3	I wake up in the morning full of optimism and looking forward to starting my day	
4	I have a clear picture of what the next phase of my life will look like	
5	I try to learn as many new things as I can	
6	I sleep well and am able to relax when I have free time	
7	I believe that I have control over most things in my life	
8	I look forward to the changes that happen in my life and view them as challenges /opportunities	
9	I feel that I have a purpose in life and I am clear on what that is	
10	I am usually an optimistic person when it comes to how I view my future	
11	I am adventuresome, continually pushing my limits to try new things	
12	I would consider myself to be very 'goal-oriented'	
13	I enjoy the company of friends and family rather than being alone	
14	I take time to look at and appreciate the beauty of the world	
15	I live each day as if it were my last	

### Scoring The Hardy Personality Test

- 0-30** You tend towards letting life happen around you without much feeling of control
- 31-45** You want to exercise more control in the way that you live your life, but still tend towards being directed by other people or events.
- 46-60** You try to take control of your life as much as possible, though you do not always succeed
- 61-75** You exhibit most of the features of the 'hardy' personality and process stress well.

# NOTES



**“I’m impressed, 100 skips in 60 seconds - but you still have to retire now that you have reached retirement age.”**

6

# **NURTURING AND SUPPORTING RELATIONSHIPS**



## Let's Take An Inventory Of Your Relationships and The Things That You Might Do To Strengthen Them:

Relationship	Relationship Highlights (proximity, frequency, nurturing, caring etc.)	Things you can do to strengthen or support this relationship?
Spouse/Partner		
Children		
Parents		
Grandchildren		
Siblings		
Work Relationships		
Friends		
Organizations, clubs		
Other		

## Guidelines For Couples Entering Retirement

1. Agree on the goals that you have for this next phase. Don't assume that your goals will automatically become your partner's goals.
2. Give your partner some space. Respect his or her need for privacy.
3. Encourage other friendships. No one can satisfy all of another person's needs.
4. Develop new routines, especially separate activities.
5. Swap and share roles in the home and life.
6. Be aware of physical and hormonal changes that may affect your partner's outlook.

## Guidelines For Singles Entering Retirement

1. Social networks become a major source of support and family- replacement.
2. The workplace provides many positives for singles from a support perspective.
3. Successful singles in retirement tend to be self-starters.
4. Don't discount the possibilities of future relationships (platonic or not).
5. Take advantage of the opportunities available to singles (travel, clubs, social organizations etc.).

## Strategies for Change..

1. Don't depend on time to fix your relationships—it may not always be there.
2. Actively seek out new friends and social acquaintances.
3. Be open to doing new things with people.
4. Get rid or fix those relationships that cause you stress.
5. Look for the good in people.

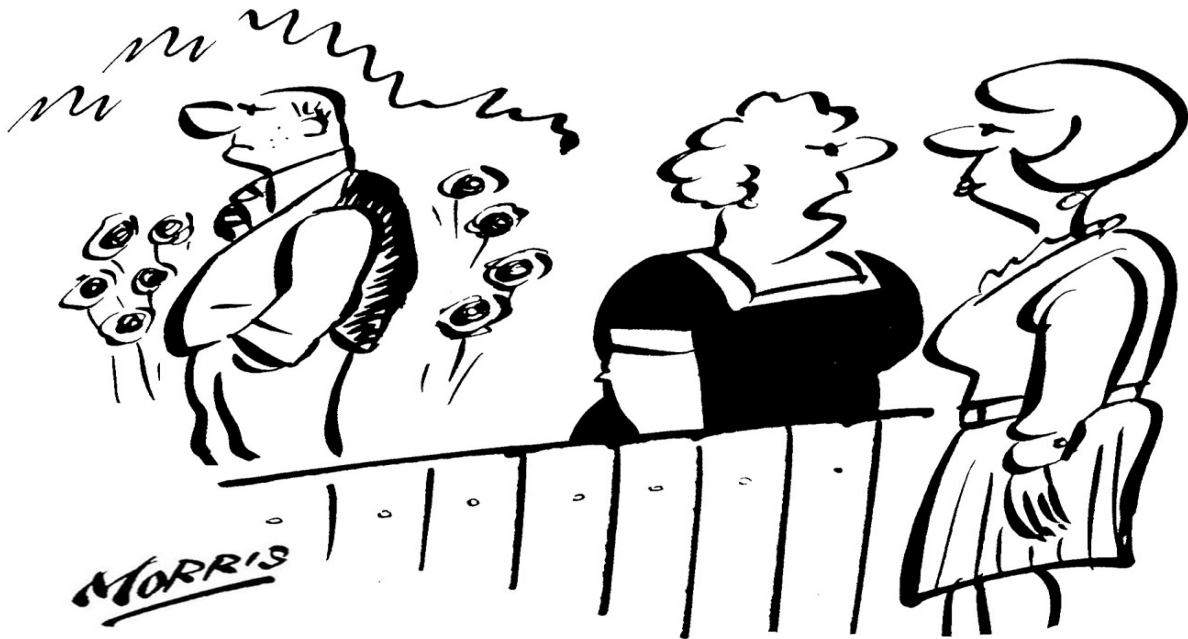
“

**In everyone's life, at some time, our inner fire goes out. It is then burst into flame by an encounter with another human being. We should all be thankful for those people who rekindle the inner spirit.**

”

- Albert Schweitzer

# NOTES



**"He's getting old, his thoughts have turned from passion to pension."**

7

# **BALANCED LEISURE AND YOUR RETIREMENT**

## DID YOU KNOW?

75% of boomers suggested that travel was going to be their #1 activity in retirement...less than 25% actually traveled anywhere near what they thought.

Laurentian Bank

When asked ideally how they would like to spend time in retirement, both retirees and pre-retirees ranked their responses in the following order:

Traveling 58%

Sporting 14%

Hobbies and crafts 48%

Continue working 1%

Spend time with family and friends 25%

Consulting/ Small Business 1%

Volunteer work 18%

According to researchers (Lepper 1996) regularly having fun is one of the five central factors in leading a satisfied life. Individuals who spend time just having fun are 20% more likely to feel happy on a daily basis and 36% more likely to feel comfortable with their age and stage in life.

Lepper, M. R. et al. (1996) Intrinsic and Extrinsic Motivation, quoted in Developmental Psychopathology, Cambridge University Press.

## HAVE YOU THOUGHT ABOUT

*What new activities will you pursue in your retirement?*

*Currently how balanced is your leisure time?*

*Whether you are spending enough time doing the things that YOU want to do to enjoy yourself?*

*How your views on leisure might change over the course of your life?*

## Exercise

TEACH	ACHIEVE	SPEND	SURF
Talk	Contemplate	Be recognized	Fantasize
Listen	Relate	Work with team	Visit
Read	Travel	Gain status	View
Learn	Cook	Feel needed	Fix
Watch	Garden	Organize	Compete
Participate	Renovate	Delegate	Explore
Advocate	Win	Lose	Build
Mentor	Persuade	Laugh	Sew
Collect	Create	Create laughter	Sail
Feed	Record	Paint	Drive
Dance	Soothe	Remember	

## How Balanced Is Your Leisure Time?

For each leisure activity listed place a check mark in one of the three boxes next to it, labeled “frequent”, “occasional” and “never”. Add up the number of activities that you do regularly (once a month) at the bottom.

1. SOCIAL INTERACTION	2. SPECTATOR APPRECIATION

TOTAL SOCIAL INTERACTION\_\_\_\_\_

TOTAL SPECTATOR APPRECIATION\_\_\_\_\_

3. CREATIVE EXPRESSION	4. INTELLECTUAL STIMUALTION

TOTAL CREATIVE EXPRESSION\_\_\_\_\_

TOTAL INTELLECTUAL STIMULATION\_\_\_\_\_



5. PHYSICAL EXERCISE	6. SOLITARY CONTEMPLATION

TOTAL PHYSICAL EXERCISE\_\_\_\_\_

TOTAL SOLITARY RELAXATION\_\_\_\_\_

## The Five Things That I Like To Do Most Are....

Now, let's take the previous exercise and take the top five activities that you like to do. In this exercise, you can also include those things that you haven't done for a long time but that would go on your list if you had more time.

1

---

2

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3

---

4

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5

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## Strategies For Change

- Try to balance leisure activities using each of main leisure categories
- Avoid guilt if you want to spend time on or with yourself. Naps and daydreaming are ok!
- Remember the “paradox of leisure”. We like leisure because it is a break from work. If leisure becomes full-time, where will your break be?
- Use your top-five activities and then schedule them before you do anything else

“

**If you are distressed by anything external, the pain is not due to the thing itself, but to your estimate of it; and this you have the power to revoke at any moment.**

”

**– Marcus Aurelius Antonius**

## Your “Bucket List”

This is your opportunity to let your mind go and dream of the things that you have always wanted to do, the places you have always wanted to visit, the things you have always wanted to learn etc. In your Planning Diary, write out your bucket list

### Family

1

2

3

4

5

### Lifestyle

1

2

3

4

5

## Health

1

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2

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3

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4

---

5

---

## Travel

1

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2

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3

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4

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5

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“

The best test of our intelligence is how we spend our leisure.

”

- Dr. Lawrence Peter

## Knowledge

1

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2

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3

---

4

---

5

---

## Home

1

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2

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3

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4

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5

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# YOUR HOME IN RETIREMENT

## Making Your Home Work For You In Retirement

Where you choose to live will evolve as you progress through the four natural stages of retirement. It will depend on whether you remain in your current community or move to another location based on family, friends or personal interest, your health care requirements and financial resources.

### Some things to think about...

- Palm trees and warm weather aren't as important as access to health care and a social network
- Try to “practice retirement” in a new location before moving there—rent first
- Consider issues such as shoveling snow, maintaining a house or a yard or managing stairs later in life when thinking about the suitability of your home
- Think about the need to provide room for friends and family who may come to visit
- Don't forget security issues such as protection of your property and looking after it when you go away

### Exercise:

Identify what might be key considerations in the chart on the next page based on which stage you're in:

#### Stage One:

Preparation—still working full time where you live but looking at alternatives

#### Stage Two:

Work and Play—Reducing work involvement and actively considering living part time elsewhere

#### Stage Three:

Lifestyle focus—more socially involved and already living part of the year somewhere else

#### Stage Four:

Home focus—slower pace of life, perhaps in smaller accommodation near to family and friends

Key Considerations	Current Situation	Within Next Five Years?	More Than Five Years?
1. Change in marital situation			
2. Purchase or sale of present home			
3. Relocation			
4. Concern over personal health			
5. Concern over health of a loved one			
6. Disability of self or loved one			
7. Empty nest			
8. Having grandchildren			
9. Children or grandchildren needing help			
10. Child getting married			
11. Child going to university			
12. Long-term care for parent or spouse			
13. Other			

Based on your answers, what plans should you make today?  
Write down your goals in your Planning Diary.



# NOTES



**"He was worried he would have nothing to do  
when he retired."**

# CREATING FINANCIAL COMFORT IN RETIREMENT

## Understanding your attitudes about money in retirement

Your financial health will play a very important role in your overall retirement happiness and it is valuable to think about how you view money, investment and your “financial comfort”.

Remember that, in retirement every dollar is precious. Even those Americans who enter retirement in solid financial shape sometimes ignore the effect of “unconscious spending” on their overall financial picture. Then, if investment markets reverse or they encounter retirement expenses that they didn’t anticipate it can cause them unnecessary stress.

Financial comfort is simply your ability to sleep at night and not worry about your financial situation. This doesn’t mean that you won’t fret about the economy or the value of your investments; no matter how conservative you are there will always be situations that may cause you worry.

However, you can take much of the worry about and create a sense of confidence about your financial situation if you do the following:

1. Understand your potential sources of income in retirement and be clear on how much money you will receive monthly. This will include your pension payment, Government benefits, investment and savings income etc. It could also include part-time or full-time work after retirement.
2. Consider all of the assets that you have at your disposal that could be turned into cash or provide income. This will include investment accounts, real estate properties, collectables, jewelry, etc. Note this doesn’t assume you will liquidate any of it, but knowing that it is there will help you sleep better at night!
3. Try to pay down all of the debt that you currently carry or at least consolidate what you owe. You want to make sure that you understand the interest rate that you pay on your debt and have explored ways to lower your rates and obligations.
4. In your first three years of retirement, keep close track of both your income and expenses. Write down everything! This will give you a clear picture of how much your retirement really costs—that knowledge may save you unnecessary worry in the event of an unexpected financial setback.

## Where Did Your Attitudes About Money Come From?

What attitudes about money do you remember growing up with? What was the influence of your parents, grandparents or guardians?

As you age, there is a tendency to fall back on the lessons you learned previously. When it comes to retirement spending, this can translate into looking at your money with the behavioral biases you were taught at a young age.

These biases can affect how you look at investing and saving money, reacting to risk, spending money on things that will make your retirement more comfortable etc. However, on the flip side they can also pre-warn you of a propensity to overspend or become disorganized with your finances.

<input type="checkbox"/> spendthrift	<input type="checkbox"/> savers	<input type="checkbox"/> shoppers
<input type="checkbox"/> extravagant	<input type="checkbox"/> teachers	<input type="checkbox"/> bargain hunters
<input type="checkbox"/> restricted	<input type="checkbox"/> controlled	<input type="checkbox"/> charitable
<input type="checkbox"/> ambivalent	<input type="checkbox"/> foolhardy	<input type="checkbox"/> economical
<input type="checkbox"/> value conscious	<input type="checkbox"/> insightful	<input type="checkbox"/> price conscious
<input type="checkbox"/> risk averse	<input type="checkbox"/> optimistic	<input type="checkbox"/> worried
<input type="checkbox"/> risk takers	<input type="checkbox"/> pessimistic	<input type="checkbox"/> indebted
<input type="checkbox"/> investors	<input type="checkbox"/> irrational	<input type="checkbox"/> flashy
<input type="checkbox"/> affluent	<input type="checkbox"/> rational	<input type="checkbox"/> generous
<input type="checkbox"/> impoverished	<input type="checkbox"/> sharing	<input type="checkbox"/> business-like
<input type="checkbox"/> middle class	<input type="checkbox"/> selfish	<input type="checkbox"/> cash
<input type="checkbox"/> credit	<input type="checkbox"/> enterprising	<input type="checkbox"/> conventional

## What Does This Say About You?


1. What does this tell you about the lessons that you learned?
2. Go back to the above list and check the values that you currently hold about money. Then, circle those values that you share today with those who influenced you growing up.
3. How happy are you with the current meaning that you have given money in your life? Are you using it in the ways that meet your core values?
4. What obstacles have your habits with money placed on your ability to reach your life goals?

## What Do You Really Want Your Money To Do For You?

- |                            |   |
|----------------------------|---|
| _____ buy toys             | _____ travel extensively                    |
| _____ save me from worry   | _____ educate myself                        |
| _____ move to a new home   | _____ play more                             |
| _____ get me out of debt   | _____ protect me from cost of illness       |
| _____ upgrade my lifestyle | _____ gamble                                |
| _____ give to my family    | _____ philanthropy                          |
| _____ give to charity      | _____ look after my basic living            |
| _____ change my life       | _____ take a spiritual journey              |
| _____ pay my bills         | _____ children's /grandchildren's education |
| _____ look after parents   | _____ investing for investing sake          |

## What is your level of financial comfort based on your knowledge of money?

For each of the statements below, assign yourself a score of from 1 (this is least like me) to 5 (this is most like me). The scoring key follows the exercise.

	Least Like Me						Most Like Me
I have a basic understanding of the various kinds of investments that are available to me	1	2	3	4	5		
I am aware of the basic tax considerations on the various kinds of investments	1	2	3	4	5		
I have a good understanding of the way that investment markets work, including the cycles that markets seem to follow	1	2	3	4	5		
I regularly read the business section of the newspaper or keep up by listening to the business reports on radio or TV	1	2	3	4	5		
I don't try to get too caught up in the day-to-day changes that might affect my long-term investments	1	2	3	4	5		
I receive information and advice at least twice a year from a knowledgeable financial professional	1	2	3	4	5		
I know where all of my financial papers are and have them organized so that I can access information easily	1	2	3	4	5		
I have a basic understanding of the need to have a will and to organize my estate efficiently	1	2	3	4	5		
I try to attend seminars or workshops that will add to my knowledge of financial planning issues	1	2	3	4	5		
I feel that I have enough knowledge of my financial affairs to make an informed decision, either on my own or with the help of a financial professional	1	2	3	4	5		
<b>Total Score</b>							

## Scoring this exercise: If you scored

**10-19** You have not chosen to get involved in the basics of your money and how to use it. You may be missing many opportunities to make your money work for you. Even if you have a professional who can make decisions for you, your level of knowledge can make it difficult for you to feel comfortable with things that you don't understand or with some of the decisions that you have made on the advice of your financial advisor. While not caring about money or financial affairs may appear to decrease your stress, the fact is that an understanding of day-to-day money issues is crucial to your financial comfort. Such things as budgeting, paying for a vacation or moving money to another financial institution all require a general knowledge of finance.

**20-29** You may want to increase your basic knowledge of financial and investment affairs in order to get a better understanding of your money. The problem with not having enough knowledge is that it is difficult to make informed decisions or to feel comfortable about recommendations that are made to you by others. When something happens that you may not understand (falling stock markets for example), you might become unnecessarily stressed.

**30-39** You have a general idea about financial issues, though your knowledge might be strengthened in certain areas. You will still require the advice and guidance of a financial professional to fill in the gaps in your knowledge, but you have learned enough to make financial planning and the issue of money less stressful in your life. If you fall into this category and you still find yourself stressed, you might want to identify the issues that stress you and then increase your knowledge in those areas.

**40-50** You are obviously on top of your financial situation. You may make decisions for yourself without an advisor, or you may still seek out experts to help you. Possessing a lot of knowledge can be a good thing as long as you are not a prisoner of the process. Is your interest in financial affairs enjoyable, or does it add to your overall stress level? If you find that you have become too involved in your investment portfolio or financial affairs to the point that it is affecting your emotions, you may want to step back or delegate your interest to a professional to manage.



**"I've worked it out. If I retire tomorrow we'll be alright until Thursday week."**

## What are your potential financial planning issues in retirement?

Many retirees believe that a financial plan for retirement consists simply of an investment strategy. Your retirement life will not be that simple! These are just a few of the financial planning issues you should consider as you develop a financial plan for retirement.

Helping Your Family	Helping children	Helping Parents	Unexpected Demands	Protecting Your Family
Your Lifestyle	Your Home	Leisure and Travel	Protecting Your Lifestyle	Work Options?
Anticipating the Future	Health Changes?	New Opportunities	Passing on Your Business	Life on Your Own?
Creating Financial Comfort	Managing Nest Egg	Regular Income	Minimizing Your Taxes	Savings and Spendings Plan
Leaving a Legacy	Your Will and Instructions	Charitable Giving?	Living Legacy?	Maximize Estate?

These are five major areas that will require a financial strategy. Issues are on the left side and some additional issues that arise from them are to the right.

### Helping (and protecting) your family

Many of the expenditures that you make in retirement will be driven by family issues; often, some of your unexpected expenditures may also come as a result of issues faced by the people you love.

### Enjoying (and protecting) your lifestyle

Many of the things that you value about your retirement cost money! Your lifestyle will change over time and it is important to consider the kinds of lifestyle issues that may cause additional demands on your finances.

### Planning for the expected and unexpected

Retirement life will bring many changes over time. Much of your retirement planning will be to protect yourself or to anticipate these changes and prepare yourself financially.

### Achieving a level of financial comfort

There are strategies that you can undertake to increase your comfort with where you are financially. Three of the biggest things you can do is to make yourself aware of where you are financially at all times, to educate yourself on the basics of planning and investment and to get good quality financial advice.

### Building a legacy

Many people call this “estate planning” and it simply means preparing yourself to pass on your assets to the people or causes you support when you die. However, you can also create a “living legacy” and enjoy providing the benefits of your money to others while you are still alive.



**"Perhaps you can tell me how many nights in the week you plan to go clubbing?"**

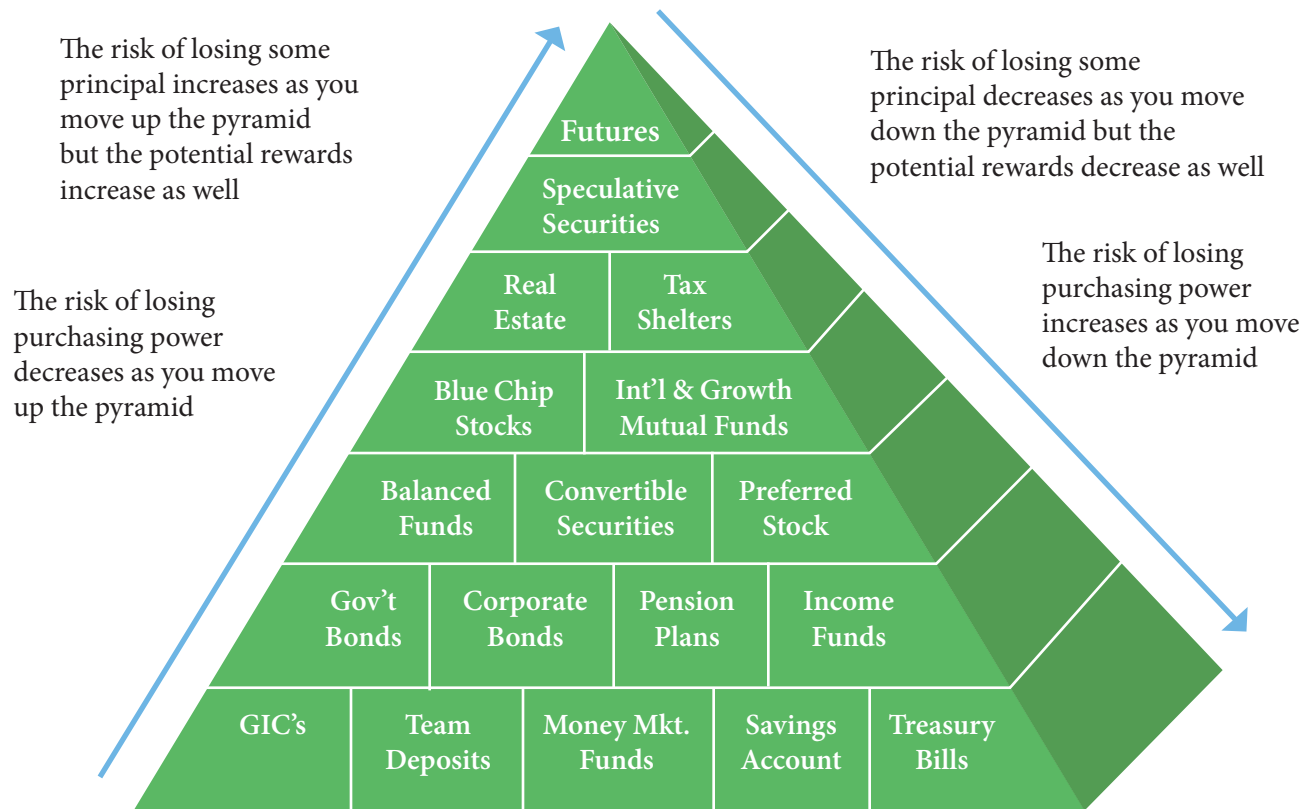


## The most common estate planning mistakes

1. Not having an up-to-date will and final instructions
2. Not considering the emotional issues that should be considered when you write your will
3. Not having an executor who is aware of your requests and can ensure that your wishes are carried out
4. Not treating all of your loved ones fairly
5. Not considering all of the assets that you have that should be considered in your will. For example, collectables, jewelry, real estate, receivables etc.

## Your investment options in retirement

There are many different options available to you to invest your savings in retirement. Investments range from the very risky to the safe and secure. Ideally, you will have both investment and savings vehicles in your retirement nest egg that will provide you with both safety and an opportunity for growth.



The information presented is general in nature and not intended to provide specific advice or recommendations for any individual. To determine which investments may be appropriate for you, consult with your financial professional. Please remember that investment decisions should be based on an individual's goals, time horizon, and tolerance for risk.

## A Note On ‘Risk’

Many retirees associate the term ‘risk’ with their likelihood of losing their money. They will often look at the short-term moves in the market and the volatility of their investments as a measure of risk. Remember, however, that the longer you hold an investment, the less volatility you will see in its price. If volatility is a measure of risk for you, then holding an investment longer should take much of the risk away.

There are several tools that you can use to manage investment risk in retirement:

**Insurance-based investments:** these can provide downside protection through the use of insurance while still providing some upside potential. There are many different kinds of investments available to you as well as a number of asset allocation options.

**Asset allocation:** the old saying “don’t put all of your eggs in one basket” is particularly applicable in retirement. By diversifying in different assets (stocks, bonds, cash etc) you can help mitigate the effects of a falling stock market for example by holding other investments that might not be affected.

**Conservative or dividend-paying stocks:** While even the most conservative stock investments will still be affected by falling and rising markets, they may not experience the same kind of downside risk that other kinds of equities may experience. Many good quality companies pay dividends to shareholders and are often used as income vehicles. In addition, American tax laws treat dividend income in a different manner than interest or pension income.

**Mutual funds and managed portfolios:** These investments provide you with the benefit of diversification and professional management. While there is no guarantee that you will not be affected by market reversals, the presence of professional management can help mitigate some of your risk. However, pay close attention to the fees that you pay:

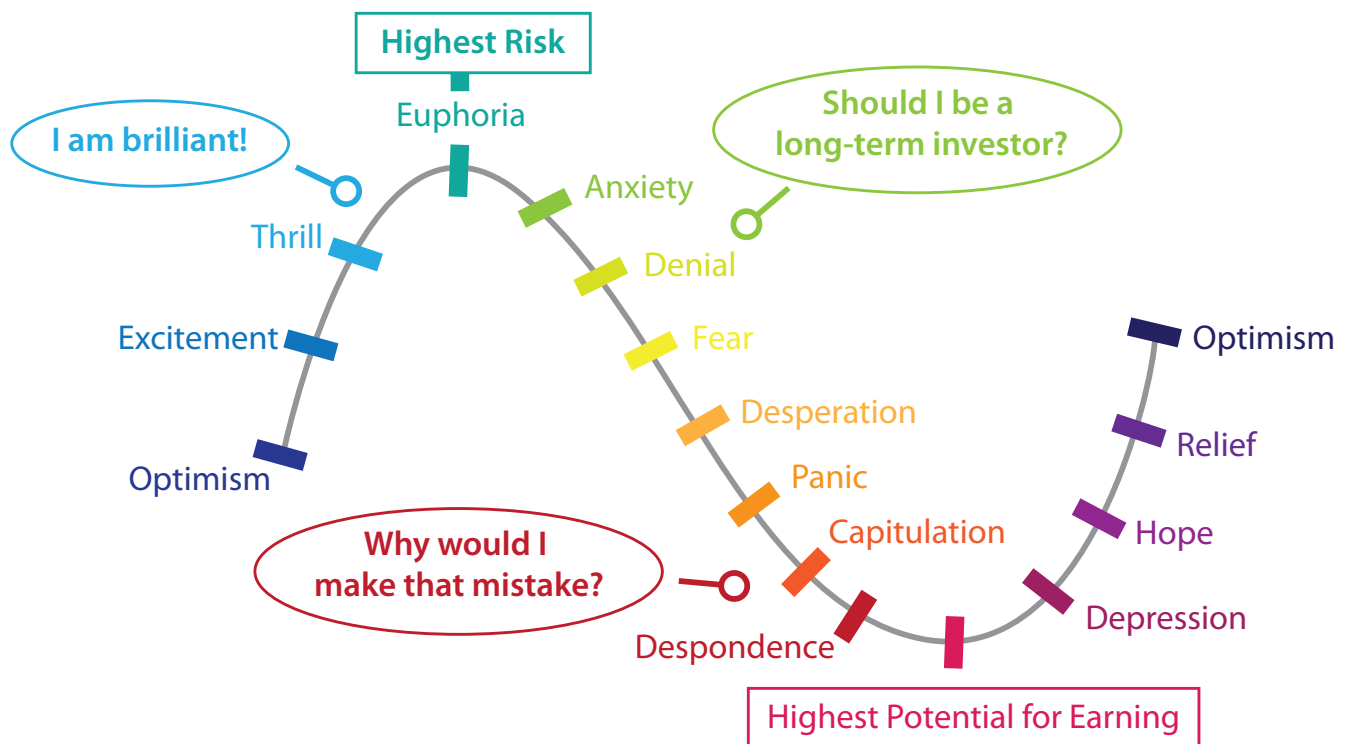
Neither asset allocation nor diversification can ensure a profit or prevention of loss in times of declining values. While many securities aim to provide stable dividends, dividend payments are dependent on various factors such as market conditions and are not guaranteed. It also may be discontinued or modified at any time. Mutual funds are sold by prospectus. Investors should read the prospectus carefully and consider the investment objectives, risks, charges, and expenses of each fund carefully before investing. The prospectus contains this and other information about the investment company. Please contact your representative or the investment company to obtain the prospectuses.

## What Are The Common Investment Mistakes That Retirees Make?

### 1. Taking a short-term view rather than focusing on the long-term

When your financial advisor develops a plan for you, he or she has normally considered the risks that can be inherent in the market. It is virtually impossible to predict where markets go and it is often investor behavior to try and outguess the market in the short-term.

Your investment plan has been tied to your changing needs over time, rather than to where the markets are (if it isn't, then you should consider whether you are in the proper investment plan). If you change your strategies to focus on short-term market moves you could potentially undo the overall plan.



### 2. Confusing 'saving' with 'investing'

The two are not the same. When you are a saver, you are not prepared to take on the risks that are normally associated with market investing; the trade-off of course is that your rate of return will not normally be enough to let you stay ahead of inflation.

Investors seek higher returns, and are prepared to take on some risk in order to generate higher returns. For most people, it is important to keep money growing and to maximize its ability to work without risking their nest egg.

### 3. Trying to do it yourself

It may sound attractive to spend all day at your computer trying to figure out where markets are going and which stocks you should buy. However, remember that if you are managing your entire retirement nest egg in this manner you are at a considerable disadvantage. Professional managers have access to the latest information and still find it difficult to consistently outperform markets. This is not to say that you may not have success in the short-run. However, individual investors will often make short-term decisions based on limited or poor information or emotion and lose valuable pieces of their retirement nest egg.

### 4. Not paying attention to transaction costs or fees

While there are some low-cost trading companies or online providers that you can work with, there may still be fees associated with your investments that will harm your overall return. Many mutual funds charge high fees that have to be paid whether the fund is up or down; some segregated funds will charge large fees for the insurance component of the investment. Again, this will affect the overall performance of your investments.

## Some Tips For Working With A Financial Advisor

Here are some tips on how to work effectively with your financial advisor to build a retirement plan.

### Working with a financial advisor

There are many financial planning issues that may arise during retirement. Often, the advice of a good financial planner can save you both time, money and build confidence

While there is a broad range of advisors to choose from, it is important for you to work with an individual who is not only knowledgeable but fits your personality and temperament. If you have a spouse or partner, it is equally important that they feel comfortable working with the advisor you have chosen.

### *What do advisors do?*

Don't worry, the main goal of a professional advisor is not to try to sell you something that you don't need or want. Quality advisors have a strict code of conduct that they must follow and are governed by securities regulations and their own company supervision.

The main job of the financial advisor is to understand the life needs, concerns, opportunities and goals that you have and then match those to the financial resources that are available.

In many instances, this is a process of "bridging the gap" between what you want to accomplish in your retirement and what money is available to "make it happen".

### Here are the main financial issues that your advisor can help you with in your retirement planning:

1. Working with you to clarify a reasonable retirement lifestyle plan that meets your needs and then develop the financial strategies to help you get there.
2. Helping you build an income strategy that will include your company pension, available Government benefits, and additional income drawn from your RRSP, personal savings etc.
3. Identifying potential tax issues that may affect you and ensuring that your income comes to you in the most effective way possible.
4. Developing an ongoing savings and investment strategy to keep your money working throughout your retirement life.
5. Creating an estate plan with you so that your assets can be passed on to your loved ones or the recipients you choose in an efficient manner.

Remember that your advisor is at times an educator, a coach, a mentor and a catalyst to help you do the right things to make your retirement as enjoyable as possible

## “He Said, She Said”....Men and Women Look At Retirement...

But women ARE different...

Most women would not want to be treated any differently than men. That doesn't mean that part of your service offering shouldn't focus specifically on some of the major issues that concern women.

For example:

**Women live longer** —Women now outlive men by an average of six years. This means they will have to save more because they'll have more years of retirement to fund. Women represent just over half (50.5%) of the total American population. However, they represent 53% of the overall population in the 65-74 cohort, 60% in the 74-85 cohort and 70% of the population over age 85. In fact, 80% of The United States's centenarians are women. (American Census, 2006)

**This is a maturing marketplace and it will be dominated by women.** Women are becoming major consumers of financial services and key decision makers. In 2007, major American investment house found that their average client was 58 years old and that 59% of them were men. However, 68% of their clients over age 75 were women.

**Women tend to be the major caregivers for elder parents.** Your discussion of care-giving and managing parental assets will affect both male and female clients but will likely find a more interested audience with women.

**Women tend to have longer retirements,** simply because they live on average six years longer than their husbands. From a purely financial planning discussion, both men and women need help preparing for a long retirement. The reality, however, is many women will need even more help to handle those extra years, given their prospects for greater longevity, a lack of pension benefits etc.

**Women are more likely to live alone in retirement.** Issues such as household budgeting, healthcare, financial planning, legacy issues and investment management will be increasingly taken on by women.

**Women will take an active role in family finances in the future.** Increasingly, more women control the family finances. According to the National Center for Women and Retirement Research in New York, between 80% and 90% of all women in North America today will be the sole decision maker in their family finances at some point in their lives. Advisors shouldn't be providing advice to female clients that will help them be just like men— they should be preparing them for a situation that will be unique to women and could be one of the biggest shifts in financial advice of the next few decades.

# NOTES



# NOTES



# PLANNING DIARY

## Your Planning Diary

As you have thought about your retirement picture, you no doubt have also thought about the plans that you need to make or some particular actions that you wish to take today. This section will help you keep your 'actionable' items in one place.

### The SMART System for Goal Setting

To have the best chance of succeeding, your goals should follow these principles:

**Specific** Exactly what is it that you would like to accomplish (in detail)?

**Measurable** How are you going to measure whether you succeeded?

**Achievable** Do you have the resources, energy, time or inclination to make it happen?

**Realistic** Is your goal realistic?

**Time-bound** Over what time frame will this happen (be specific and commit to it)?

“

If you do what you have always done...  
You'll get what you've always got!

”

- Les Hewitt

## Introduction: Your Retirement Readiness

From your retirement readiness assessment, what are the actionable items that you want to undertake today to increase your readiness for retirement

Here are the things that I need to think about	What specific things should I do?
1	
2	
3	
4	
5	

My three keys to future success in my retirement are:

1

2

3

## Module One: Your Vision and Values

My top three values that will guide my retirement life are:

1

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2

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3

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## Module Two: Healthy Aging

What areas of your mental or physical health do you want to address in your plan?

1

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2

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3

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4

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5

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## Module Three: The Role That Work Plays

As you look at your work life, what strengths and convertible skills could you take into a new job or career if you chose to?

1

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2

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3

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4

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5

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## Module Four: Your Relationships

In my spousal, partner or close personal relationship, I need to do the following:

1

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2

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3

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4

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5

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In my social relationships, I need to do the following as part of my retirement plan:

1

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2

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3

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4

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5

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## Module Five: Your Bucket List

Bucket List Goal	Time Frame
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

## Module Six: Your Home

What plans do need to make today based on your long-term view of your home, your second home or your snowbird lifestyle?

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## Module Seven: Financial Comfort

The immediate tasks that I need to undertake regarding my financial comfort are:

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## Work Sheet: My Plans For This Next Phase Of Life

Here are some specific areas of your retirement life that you may want to make some plans in, based on your thoughts about the exercises that you have just been through

In This Area Of My Life	I Need To	This Is What I Am Going To Do
My Work		
My Health		
My Family		
My Home		
My Community		
My Leisure		
My Mind		
My Spirit		

## Work Sheet: My Plans For This Next Phase Of Life Continued.....

Life Planning Consideration	Some Financial Implications	Things To Ask Financial Advisor About
My Work	<ul style="list-style-type: none"> <li>• Income replacement</li> <li>• Severance</li> <li>• Bonus</li> <li>• Phased-in retirement</li> <li>• Self-employment possibility</li> </ul>	
My Health	<ul style="list-style-type: none"> <li>• Long-term care</li> <li>• Critical illness</li> <li>• Income replacement</li> <li>• Benefit programs</li> </ul>	
My Money	<ul style="list-style-type: none"> <li>• Adequate income</li> <li>• Return vs. Risk</li> <li>• Tax implications</li> <li>• Pension Plan contributions</li> <li>• Charitable giving</li> <li>• Healthy savings</li> </ul>	
My Family	<ul style="list-style-type: none"> <li>• Income protection</li> <li>• Health benefits</li> <li>• Education funding</li> <li>• Critical care for parents</li> <li>• Estate planning</li> </ul>	
My Home	<ul style="list-style-type: none"> <li>• Mortgage protection</li> <li>• Financing considerations</li> <li>• Vacation property</li> <li>• Investment property</li> </ul>	

## Work Sheet: My Plans For This Next Phase Of Life Continued.....

Life Planning Consideration	Some Financial Implications	Things To Ask Financial Advisor About
My Community	<ul style="list-style-type: none"> <li>• Charitable giving</li> <li>• Team sponsorship</li> </ul>	
My Leisure	<ul style="list-style-type: none"> <li>• Vacation funding</li> <li>• Hobby costs</li> <li>• Budgeting</li> <li>• Income replacement</li> </ul>	
My Mind	<ul style="list-style-type: none"> <li>• Financial education</li> <li>• Goal setting for the future</li> <li>• Financial comfort</li> </ul>	
My Spirit	<ul style="list-style-type: none"> <li>• Legacy planning</li> <li>• Charitable giving</li> <li>• Estate planning</li> <li>• Travel budgeting</li> </ul>	

# APPENDIX

## Answers To True or False From Page 24

1. **False.** The Retirement Lifestyle Center's survey of retirement workshop attendees who were already retired found that "Health" was ranked as the number one key to a successful retirement. This doesn't mean that having enough money isn't important. Defining what is "enough" money means having a clear understanding of the life that you want to lead and then assessing how much that is going to cost you.
2. **False.** Many North Americans are forced into retirement by their companies or economic circumstance long before they are ready to quit working.
3. **True.** Though not for the reasons that many may think. While there may be many reasons for retirees to be glum about their current circumstance, the fact is that half of all North American adults regardless of age report being lonely, sad and/or depressed.
4. **False.** Increasing numbers of companies are providing work for the over 60 cohort. One of the major issues in the workplace today is that companies are trying to retain older workers. There are many new opportunities for older workers to contribute their knowledge and experience.
5. **False.** This number has been widely bandied about by financial advisors and the press as a rule of thumb. The fact is that some retirees may be able to retire on 75% of their last year's income if they already own their own homes, don't want to change their lifestyle or intend to stay at home more. So much depends on the overall assets that an individual possesses rather than just their income levels.
6. **False.** In fact, the longer you stay in the workplace, the greater your chances of living longer in the absence of other health factors according to a study conducted by the National Academy on an Aging Society in the U.S. 48% of workers over 65 reported that their health is "good to excellent" vs. 26% of non-workers in the same age category.
7. **False.** Retirement isn't a life phase at all. Gerontologists have identified several distinct phases that North American adults go through from ages 55-100+.
8. **True.** Work provides five basic needs and retirees from work will find more success if they are able to identify what they gained from the workplace and then find a way to replace it in retirement.
9. **False.** In fact, retirement can be more stressful on relationships due to factors such as a lack of structure that results in stress, differences in one partner's ability to accept retirement over another, hormonal differences that occur as we age, changing family and work dynamics etc.
10. **True.** Men generally have a different relationship to the workplace than women. New studies are showing that men still tend to develop their identities through their work and suffer from withdrawal more than their female peers who hold the same job.
11. **True.** According to the BMO Retirement study in 2008, 48% of retirees surveyed felt that they were going to come up short when it came to matching their savings with their desired lifestyle.

12. **True.** While mental inactivity is not the only cause of cognitive decline it has now been shown to be one of the causes.
13. **False.** According to the Bank of Montreal, 64% of retirees carry debt into retirement and among these, more than one in four (28%) don't feel comfortable with their amount of debt. More than two thirds (68%) of pre-retirees expect to carry debt into retirement. CMHC suggested in a 2004 report that over 60% of Americans entering retirement would still carry a mortgage.
14. **True.** Stress-related diseases are the number one threat to healthy aging. In The U.S., the number one cause of death for both men and women is stress-related disease such as cardiovascular, stress-related cancers and strokes.
15. **True.** A recent Retirement study found that a large proportion of Americans believed that the lottery was going to augment their retirement program.

# NOTES

# **RECOMMENDED RESOURCES**



## Retirement Planning – Suggested Resources

**External sites that will give you great information:**

[www.aarp.com](http://www.aarp.com) The US counterpart to CARP, the American Association of Retired Persons. Don't dismiss this simply because it isn't American—you would be missing a tremendous amount of valuable and interesting information on retirement life! The site is very well organized and full of the latest information that will affect us and we move through retirement.

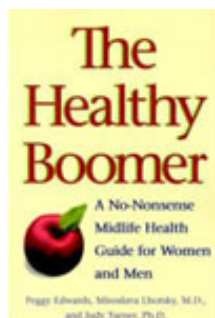
**Retirement Housing and Caregiving:**

**Where to get financial planning information online:**

Most major institutions have good retirement sites that will include retirement calculators, information on estate planning, investment and income strategies and products available. In the past, these sites were used as sales tools. However, today they are good sources of information that will apply to retirees and pre-retirees. Check out the website of your institution for more information.

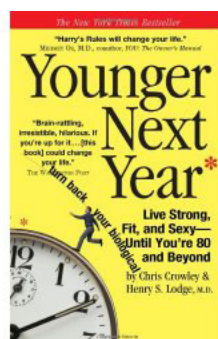
## Some books that you may want to read on retirement lifestyle:

While there are many books available on financial planning and retirement, there are also some valuable books that are available on the non-financial aspects of retirement. Here are some personal favorites that are must-reads and you can get at your local bookstore or download onto your mobile reading device.



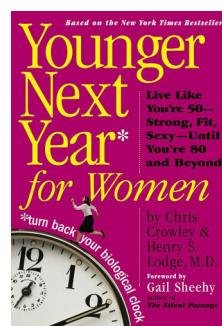
### *The Healthy Boomer: A No-Nonsense Midlife Health Guide for Women and Men*

By Peggy Edwards, Miroslava Lhotsky, Judy Turner. McClelland & Stewart, November 13, 1999.



### *Younger Next Year: Live Strong, Fit and Sexy - Until you are 80 and Beyond!*

By Chris Crowley and Henry S. Lodge. Workman Publishing Company, September 25, 2007.



*Younger Next Year for Women: Live Strong, Fit, and Sexy - Until You're 80 and Beyond – for Women.* By Chris Crowley, Henry S. Lodge and Gail Sheehy (foreward). Workman Publishing Company, October 10, 2007.