

A Sea of Change

“...retirement should be thought of as a major life transition that deserves planning and preparation in all areas of life.”

As we review life in the 21st century, we realize that demographic, economic, workforce, and societal trends are driving a fundamental shift in the way that individuals view and prepare for retirement. Five factors in particular are shaping the realities of the “new retirement”:

1. Increasing longevity

Life expectancy has increased dramatically since the early 1900's. Not only are pre-retirees questioning how they will fund a period of retirement that could span one-third of their lives, they are also wondering how they will spend their time.



2. Accelerating need for self-reliance

The slogan for everyone preparing for retirement should be, “If it is to be, it's up to me.” Building financial security for the future has become more and more the responsibility of the individual.

3. Growing interest in active lifestyles

Increasingly, those looking ahead to retirement expect this stage of life to be a time for new endeavors. The results of several studies indicate that individuals anticipating retirement are more likely than previous generations to view retirement as an

opportunity to start a new career and pursue meaningful activities.

4. Expanding interest in post-retirement work

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

5. Broadening view of retirement planning that looks beyond financial issues

Individuals and retirement planning professionals are increasingly recognizing that a successful and satisfying retirement experience depends on more than a healthy nest egg. Instead, retirement should be thought of as a major life transition that deserves planning and preparation in all areas of life.

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INVEST IN YOURSELF FOR A “NO RULES RETIREMENT”

The concept of retirement is undergoing a metamorphosis. Demographic, societal, and workplace trends have all converged to offer a stage of life at midlife and beyond that is much more fluid and flexible than what most of us ever imagined. When planning for retirement, individuals are discovering that the “old rules” have been thrown out and “no rules” apply. In fact, “retirement” has become a matter of personal definition.

For this reason, the No Rules Retirement model advocates proactive planning throughout adulthood and in all areas of life. Retirement should not be viewed as a single event, but rather as one of the many transitions in a continuum of life experiences.

Those who prepare to successfully navigate through other life transitions will likely have the same experience with retirement. That is because the habits, attitudes, skills, values, interests, and relationships that have been honed and developed along life’s journey will continue to serve them well in midlife and later life.

With that in mind, it will be important for you to explore the secrets of physical, emotional, and intellectual vitality and to be diligent in your quest. Remember, health, happiness, and productivity are not blessings bestowed on a lucky few. Instead, they are the results of long-term life choices brought to fruition by the decisions you make on a daily basis.

Therefore, as you think about your future and the kind of life you would like to have, it is important to acknowledge the personal accountability aspects of both your current and future well-being. In his book, *Prosperous Retirement*, Michael Stein wrote, “Retirement is something you should spend your lifetime building.”

Therefore, an important mantra for anyone, regardless of age, is “If it is to be, it is up to me!” Make it a priority to invest in all areas of your life. Remember, the choices you make on a daily basis are cumulative and will determine the quality of life you experience 10, 20, and 30 years in the future.

As you visualize the lifestyle and quality of life that you would like to have in midlife and beyond, remember that the secret to realizing your dreams is to maintain a “future focus.” This perspective will not only help you to keep your eyes on the prize, but will also require you to acknowledge the influence of choices made today on your life in the future.

Most importantly, creating the life YOU desire is all about identifying, pursuing, and living in sync with your personal values and priorities. In fact, the greater your understanding of what is important to you, the easier it will be to “paint a picture” in your mind of your unique No Rules Retirement.

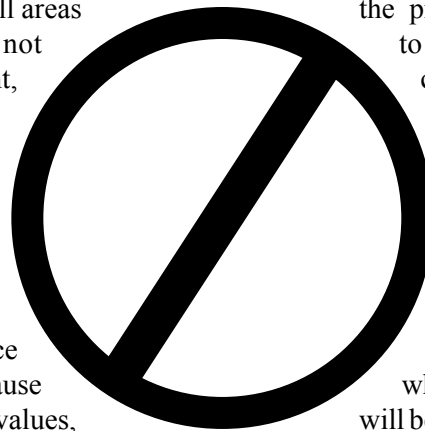
In *Getting Things Done*, productivity guru David Allen wrote, “We know that the focus we hold in our minds affects what we perceive and how we perform.” As you purposefully and progressively “make room” in your life for what is meaningful to you, the degree of happiness and fulfillment that you experience - now and in the future - will grow and multiply.

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Making the Most of Life

Life is a continuum - an accumulation of experiences that influence how we view ourselves and the world around us. As we review these experiences, we realize that our lives have been permeated with both wins and losses. In addition, we come to understand that it is our ability to manage these two elements that determines the quality of the lives we lead. As Virginia Satir wrote, "Life is not the way it's supposed to be. It is the way it is. The way you cope with it is what makes the difference."

In other words, to make the most of life, we should learn to respond to our challenges and opportunities in ways that are healthy and productive. In particular, resourcefulness, resiliency, and a renaissance spirit are characteristics that can help everyone successfully navigate the uncertain sea of life. The following paragraphs provide definitions of each trait and examples of ways that individuals exhibit these valuable qualities.

Resourcefulness

Resourcefulness involves making the most of what we have and always looking for effective and creative ways to reach goals. Resourceful people are often thought of as being clever and diligent individuals. Here are other examples of their attitudes and behaviors:

1. They accept responsibility for their own needs and wants.
2. They deal skillfully and promptly with new situations and difficulties.
3. They possess confidence in their ability to solve problems and respond to challenges in creative ways.
4. They are proactive in assessing, managing, and developing their personal resources.

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- Virginia Satir

Resiliency

Resiliency is the ability to be flexible when adapting to change. It also describes the ability to "bounce back" from loss, disappointment, or other difficult circumstances.

Those who are resilient don't give up and usually have an optimistic outlook even when experiencing trials and tribulations. Here are more characteristics of resilient people:

1. They feel good about themselves, and their self-esteem is rarely affected by the criticism of others.
2. They are emotionally stable individuals, and are not easily "rattled" in stressful situations.
3. Even in difficult situations, they don't give up.
4. They stay in control of the direction their lives are taking.

Renaissance Spirit

A renaissance spirit is having a zest for life and learning. Those who possess a renaissance spirit have diverse and in-depth interests that they pursue with a sense of wonder, adventure, and fun. They also share these characteristics:

1. They have passion around that which they value most in life and their enthusiasm is often an inspiration to others.
2. They are willing to challenge themselves and to step outside of their own comfort zones - they may even dare to be different!
3. They are open-minded and independent in their thinking.
4. They are committed to life-long learning.

As you review this information, think about ways you exhibit these traits and how you can make the most of your life by nurturing and "growing" your resourcefulness, resiliency, and renaissance spirit.

Ask the Experts:

What can we learn from the subprime mortgage mess?

The collapse of the subprime mortgage market and the jitters it's sending through the entire economy contain lessons for us all. Here are a few:

If it sounds too good to be true, it probably is. Based in part on wishful thinking ("housing values will always appreciate") and in part on misleading information ("that's a great rate"), many homebuyers became convinced they could afford mortgages they later found they really couldn't. Similarly, many investors were led to believe that mortgage-backed securities were all about huge rewards with minimal risk. So, the lesson here is: When faced with what appears to be a rosy best-case scenario, always remember to ask "But what if ...?"

Experience counts. When seeking a mortgage broker, loan originator, investment firm and/or fund manager, check out their credentials, and look for those with lengthy experience who are respected within their fields.

Read (and understand) the fine print. Many people, both homebuyers and investors, got burned in the subprime mortgage mess because they didn't know the details of the contracts they entered--and the devil is always in the details. Review all mortgage documents and/or investment prospectuses carefully before you make a commitment. If you don't understand the ramifications of what you've read, seek assistance from an unbiased qualified professional.

The best regulation is self-regulation. Federal regulations designed to protect the consumer cover many loans resold to quasi-government agencies like Freddie Mac, and loans insured by the Federal Housing Administration also carry strict guidelines. But oversight of these loans is not always as diligent as it should be. What's more, many mortgages are now originated by unregulated nonbank lenders. As a result, you shouldn't assume that governmental and/or institutional regulations will always protect you from getting into financial trouble. Only you can do that.

In My Opinion . . .

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

Some Thoughts on Change...

As I write this edition, I am preparing to move out of our home. After three years of planning, my wife and I are beginning an extensive renovation of our home. The work is large enough that the contractor has suggested that we move out. So, it's off to Condo Land we go for three to six months.

I have mixed emotions about this project. This is only human nature. You see, the lazy sides of our minds always seek *comfort* and *routine*. These seductive states appear to offer all one could want. Yet, they exact a high price that is gradual in nature. If you reside in these conditions for very long, you begin to realize that you are regressing. The reason for this is simple . . . the rest of life is evolving and you are not.

The perfect example of this is our twenty-five year old kitchen. Our lifestyle has increased the need for a more modern room that offers more flexibility than our current one. Along with this comes plumbing, electrical, and (wow \$\$) cabinets. The same is true for our bathrooms, the paint jobs, etc. We have lived in our home for twenty-five-plus years, and the renovation we did when we moved in has worn thin. I much would prefer the *comfort* of the familiar, but the leaky faucets and cramped space beckons me to envision a different environment.

This process will disturb our *routine*. I am trying to look at this as an opportunity to experience new things and a different perspective . . . or to *learn* and *grow*. When we return, it will be to a new surrounding that has been arranged to maximize the next segment of our lives. Growth is almost always uncomfortable, since it involves new territory. Without a sense of adventure about the future, it is almost impossible to summon the energy to start that process. Yet, start you must, for not to do so, is an election to move backwards, which is rarely a positive thing.

As you are presented with the bends and turns of your life plan, look for occasions for growth. Don't shy away from **dis-comfort**, it is probably a sign that you are about to have a lesson. Understand that planning is a blueprint, but that implementation is a journey.

Until next time, that's my opinion.

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