

Retirement Readiness Report

Helping older employees get ready to retire successfully

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

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

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

If you missed issues #1 thru #9:

They're available at:

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

Next month:

What kind of employers are interested in providing extra support and advice to their retiring employees?

The effect of retirement on couples

When married people retire, the effect on the spouse can be just as profound as the effect on the retiree.* If this effect is negative, and especially if it is unexpected, there is then a rebound impact on the retiree. Unless this is anticipated and dealt with in advance, all the well-laid plans the retiree has made – with or without your help, but we hope “with” – will be undermined.

This has suddenly become a hot topic in the financial press, because the poor economy has created additional strains on most people. Financial stress has widened the fault lines in some relationships – or at least magnified the significance of communication lapses that in normal times might not have caused as much of a problem.

But even in the best of times, retirement brings changes that may or may not have anything to do with money, but that can cause friction between spouses.

We have all heard of cases where a homemaker's daily routine, and sense of privacy and control over her or his own schedule, is completely disrupted when a working spouse retires and suddenly takes over, or even is simply under foot most of the day.

In *Retirement Readiness Report #7*, we talked about the importance of retirees continuing to have some meaning and purpose in their lives after their careers end. When they don't, and when they are just hanging around the house being bored and getting grumpy, it ruins not only their own happiness, but their spouses'. Retirement needs to be a partnership among everyone in the household.

* The same applies to unmarried but closely bound parties who live with and depend on one another, such as unmarried lovers living together, older siblings living together, best friends living together, etc. For convenience, in this article, we will refer to “spouses,” but for the most part, all of it applies to unmarried pairs as well.

The evidence of these problems is more than anecdotal. A recent report by Fidelity Investments on couples' finances shows that lack of common understanding is rampant and getting worse:

- 42% don't agree on the type of lifestyle to expect in retirement (up from 37% in 2007).
- 44% don't agree about whether to continue working in retirement (up from 42%).
- 60% disagree about either the husband's or the wife's desirable retirement age (up from 56%).
- 82% disagree on at least one of these issues (up from 79%).

These numbers are staggeringly discouraging. Most of us imagine a happy, peaceful retirement – but how can that happen when the people involved have conflicting expectations?

We are eagerly anticipating a book by Dorian Mintzer and Rebecca Taylor now in the works that deals specifically with how couples can experience a successful retirement together. But in the meantime, we note that

there are at least three main causes for the problems that we observe today:

- Division of labor: one spouse may handle the money, another handles communication with the children, etc.
- Failure to plan for retirement together.
- Personality differences.

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Dividing up household responsibilities is a common and generally beneficial practice. But as couples get closer to retirement age, it's necessary to breach some of the walls. In particular, the spouse who handles the finances needs to bring the other spouse into the loop.

This can be easier said than done. Control of money is full of

both practical and symbolic consequences in a relationship. Loosening one's grip can be hard for the spouse who has had control for a long time – and it can also be hard for the spouse who has been sheltered from the nuts and bolts of managing finances.

But in retirement, the finances are going to change in pervasive and sometimes dramatic ways that will affect both parties. Without an open discussion about money, these transitions are likely to be painful for everyone.

But it's not just money. When to retire, whether to move to someplace with a better climate or closer to the children, how to spend leisure time, whether to get a smaller house or apartment, whether to start a small business or a new hobby, whether to get a part-time paid or volunteer job, how much time to spend together...and so on. These are decisions that ought to be made in consultation with one another, even if the direct effect is only on one member of a couple. There will surely be indirect effects on the other.

Employers, ironically, can make these problems worse when, with the best of intentions, they offer education, guidance, or advice to their older employees, but leave the spouses and significant others out of these offerings. Although employers certainly should not mandate spouse participation, they should welcome it, and encourage their older employees to invite their spouses.

More intractable, of course, are differing points of view relating to personality differences. If one spouse is an optimist and the other a pessimist, for example, the optimist might want to go for an earlier retirement in the expectation that it will work out somehow, while the pessimist is likely to prefer waiting until all the numbers really line up. Of course, such couples are accustomed to having differing viewpoints – but the consequences can be especially significant concerning the important, and sometimes irrevocable, decisions made at this time of life.

Employers, assuredly, cannot be responsible for resolving these differences, but there are more

constructive and less constructive ways of accommodating them, when helping employees prepare for retirement (see, for example, *Retirement Readiness Report* #3). And at the very least, whatever help you do provide should recognize the special concerns that couples bring to the situation.

Recommended Reading for Employees Getting Ready to Retire

Thriving! A Grower's Guide for Renewal and Response-Ability after Fifty by Nancy C. Cosgriff and Melita A. DeBellis.

\$39.99 (Third Age Partners, 2009)

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

This self-help study guide is for individuals who are looking for some kind of transformation in their post-fifty years, and perhaps all the more so if they are not yet sure what they want that transformation to be.

Hence the “gardening” metaphor, which the authors maintain throughout their work. The proc-

ess of renewal is, almost by definition, an organic process. It is not a matter of solving some kind of logic puzzle. Rather, it requires the same kind of approach gardening does: learning, preparing, planting, nurturing, and being open to the unexpected. Even so, an open, organic process is still a process, and having a “grower’s guide” can make the process work.

Cosgriff and DeBellis make it work by breaking it down into discreet stages, and providing concrete guidance every step along the way. There are numerous, very practical exercises for the reader – this is a workbook, not a textbook. The authors never leave you wondering where to go next.

And they guide in a gentle way. They explain just what the reader needs to know, nothing more. There is no showing off here, just useful help.

At the same time, this is a tool that could be used in a group setting, for employees getting ready to retire, or just looking for something new in their lives that will

change their outlook and reinvigorate them.

Thriving! is not for everyone. People whose thinking tends to follow strictly logical, direct paths may find themselves unclear about the objective and impatient with the process, and even with the vocabulary. For those, however, to whom the concepts of “transformation” and of “self-actualization” appeal, this study guide may be a very effective means toward those ends, and well worth the price.

Thriving! is available as a convenient electronic download from: <http://www.thirdagepartners.net/growers.php>.

Featured Website

Couples Retirement Puzzle

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

Earlier in this issue, we mentioned that Dorian Mintzer and Roberta Taylor are working on a book about how couples can have a successful retirement together.

In the meantime, they have created the Couples Retirement Puzzle website. This is primarily a blog site devoted to the subject, and it might be of interest to your older employees who live with spouses or other loved ones. Among recent blog topics:

- **Communication Assessment for Couples** – a nifty, ten-question quiz that couples can take, and that will be an eye-opener for some of the more complacent ones!
- **Are You on the Same Financial Team as Your Partner?** Couples are encouraged to learn about each other’s “money history,” to create and develop a shared vision, and to agree on having productive conversations about money.

This site just started up a few months ago, and it is still a work in progress. But Mintzer, a licensed psychologist, and Taylor, a licensed psychotherapist, are both trained and experienced life coaches who specialize in working with older clients, particularly

concerning their late-in-life transitions.

We encourage you and your employees to stay tuned into this website.

About RetirementWORKS®, Inc.

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

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

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