

# 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 nineteenth 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 #18:*

They're available at:

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

*Next month:*

Relocating after retirement.

## What about employees who are already retired?

In the employee benefits world, there are widely varying attitudes toward retirees. In some organizations, "out of sight, out of mind" seems to be the dominant mind-set – or even "good riddance." Other organizations have very active retiree groups that are supported and subsidized by the employer, or by a union. Public pension funds also tend to take good account of retired members.

We want to take a moment to applaud those who do continue to care about the welfare of employees even after they retire. The same business logic and the same benevolent impulses that impel us to create pension and other welfare programs for employees apply to retirees as well. Employers who still consider retirees "part of the family" and therefore provide benefits, opportunities for social interaction, and ongoing information and assistance, do develop a good reputation in their communities, which improves recruitment and retention. And while the cost of post-retirement medical benefits has, regrettably, become prohibitive for many employers, the cost of other programs for retirees can be quite minimal, and therefore well worth the effort.

We also note, as we have before, that over the career of a long-term employee, employers typically invest a healthy six-figure amount into that employee's retirement security, through contributions to Social Security, traditional pension plans, defined contribution plans, and sometimes other retirement benefits. Yet employees who are not informed and educated about retirement decisions are likely to squander some significant portion of these benefits, wasting the employer's investment. This, along with the natural benevolent interest we all have in people who have worked alongside us for years, is the primary justification for assisting older employees with retirement readiness programs. But since most of the management of retirement finances actually occurs *during retirement*, the failure to continue advice and

education offerings *into retirement itself* ends up defeating the purpose.

Fortunately, continuing a “retirement readiness” program into the retirement years can be done best, probably, in the least expensive fashion: by providing information and education sources over the internet.

Although live seminars would be nice – and you can often get them offered free by money managers, long-term care insurance salespeople, real estate agents, and the like – at best these can reach only a small minority of your retirees. Many people move away after they retire, while others have active lives and commitments that make scheduling a problem, and still others are infirm or are taking care of an unwell spouse and so have trouble getting out of the house.

Web-based services are not limited by these problems. Furthermore, as we noted last month in *Retirement Readiness Report #18*, it is possible to present “best of the web” options, most of which are free! All that’s needed is a well organized and re-

searched set of web pages that will explain what is needed and where to get it.

And because the offering is manageable and affordable, it can also be expanded to include not just the obvious benefit-related and other financial issues that retirees care about, but the other primarily *non-financial* issues that often matter more to the quality of their lives – and, if left untended, the cost of their lives as well.

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These would include issues such as how to take care of one’s own health during older age, how to stay connected with people of a younger generation, how to find paid or volunteer work to help give meaning to one’s life and/or supplement one’s income, how to manage relocation to a new home or a new state or even a

new country, how to write a memoir of one’s life or otherwise leave a legacy for future generations, what to do when one’s spouse or life partner dies, how to find help taking care of a parent who lives out of state, how to locate good educational programs to participate in for free, and so on and on and on.

It is not necessarily difficult to help with such matters – especially if that mostly means helping retirees tap into the best available internet resources. All that’s needed is an organized approach, and a way to stay in touch. These days, neither of those needs to be difficult or expensive.

And the benefit to your retirees will be tremendous – both in helping them with specific quandaries they face, and in keeping them feeling connected with the working community where they spent their best productive years.

*Note: see our “Featured Website” section, starting on the following page, for a further update on the Retirement Readiness web offering we wrote about last month.*



### Recommended Reading for Employees Getting Ready to Retire

***Creating Your Best Life: The Ultimate Life List Guide***, by Caroline Adams Miller, MAPP, and Dr. Michael B. Frisch

\$19.95 (Sterling Publishing, 2009)

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

This book is not specifically about retirement, but it can be particularly useful for older employees getting ready for that transition.

*Creating Your Best Life* is about figuring out what you want to be doing with your life – not so much your job, but the rest of your life. What the authors focus on as the central tool for making life changes is the “life list” – literally, a list of things you want to do before you die. These can be serious or frivolous, easy or difficult, solitary or done with others, one-time occurrences or long-term achievements. But they should speak to you in some way, and not just be chores.

The true objective is not the list, of course – but actually achieving

the goals that you put on the list, and this is where Miller and Frisch are unusually helpful. They are very conversant with recent scientific research that offers surprising insights into how and why some of us are able to change, and what is keeping the rest of us from doing so.

They translate this knowledge into very practical guidance on how to approach life changes, big or small, helping us to anticipate the impediments that come both from inside of us and from others.

They also use a step-by-step approach, with plenty of self-tests and amusing exercises to help the reader expand his or her thinking, and come up with a list of ideas and goals which, if achieved, will really make a difference in our individual lives. They also offer a lot of specific suggestions for items to add to our life lists, some of which we might want to adopt for ourselves or, perhaps more likely, that will trigger other ideas of our own.

Since this is not just a step-by-step manual – though it also performs that function – but also a smart guide to our own psychol-

ogy, *Creating Your Best Life* is an unusually useful guide. Where many self-help books really just set up their readers for failure, by laying out a path that readers can't or simply won't follow, this book actually coaches us through the entire process, from awareness that change might be good for us, to actually completing the changes we decide to make.

Therefore we highly recommend it for anyone contemplating a “life list” (or a “bucket list,” as in the movie of that name), or for anyone who just feels that it is time to spice up his or her life and get out of the rut.

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### Featured Website

#### ***Retirement Readiness [Prototype]***

[http://www.retirementworks2.com/RetireReady/RW\\_RetireReady\\_Orientation\\_1year.htm](http://www.retirementworks2.com/RetireReady/RW_RetireReady_Orientation_1year.htm)

Last month, in our lead article, we described a very inexpensive approach to offering a web-based “Retirement Readiness” program for employees (and, yes, retirees as well, if you choose to).

Some of you wanted to know more about what this might really look like in real life, so this month we are offering you a sneak peek.

The link provided above takes you to one of (eventually) four or five Orientation pages. This one is specifically for people within one year of retirement, and it is divided into three segments:

1. ***What do you want your life to be like when you're retired?*** which leads them by steps to detailed information in six major domains of life.
2. ***What is your overall financial situation, and what key financial decisions should you make?*** which highlights the complexity of the financial decisions they are about to make.
3. ***What specific steps should you be taking as your last year of service with your employer rolls along?*** which presents a timeline of actions they should take during the year before they retire.

Since this is just a prototype, it is far from complete (we expect to have a complete version ready in a few months). But there is enough there so you can see how it works.

The network of web pages that lead to sources of education and advice is, as mentioned, divided into six main domains of life:

**Spirit:** What matters beyond the physical details of your life  
**Purpose:** Activities that give meaning to your daily life  
**Love:** Your connections to others you care about  
**Avocation:** What else gives you joy and satisfaction  
**Security:** Assuring a financial and legal foundation  
**Health:** Taking care of your physical and mental well-being

At present, only the first of these six is fully developed (except where it will later link to areas that are not developed yet), and the second one ("Purpose") is partly developed, and will be complete by the end of May. But if you look it over now, you will be able to get the idea.

We have also been asked about pricing. We are not planning to charge more than a nominal fee for use of these pages, when they

are complete. We make our money from the use of our software, and that's enough for us. So unless you need a customized version, in which case the charge would be somewhat higher, you should expect to pay a pittance for this.

Meanwhile, we would value any comments or suggestions you might have. So feel free to contact us as described below.

#### 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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