

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 twenty-sixth 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 #25:

They're available at:

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

Next month:

How many older employees are at risk of financial failure in retirement?

Where are employers today on offering retirement advice – Is it time to focus more on non-affluent employees...?

Here are two headlines from the financial press that caught our eye in recent months:

“Employees Clamoring for Basic Workplace Financial Education”

and

“Fewer Employers Offering Retirement Planning Aid”

The first headline appeared in September, and reflects a survey by the Personal Finance Employee Education Foundation (OK, maybe not a totally objective source) with the support of *Employee Benefits News* (which probably is an objective source). The second goes back to June, and reports on research by the Society for Human Resource Management.

It probably isn't news to you that most employers are not coming through in this matter. The economy is still weak, budgets are still tight, and we are still waiting, in most companies, even for employer matching contributions and other basics to be restored – so a “frill” like financial education, or retirement readiness more broadly, remains pretty far down the list, in most cases.

This is a shame for two reasons. First, it is possible to provide a pretty solid retirement readiness program at minimal cost. And second, offering appropriate information and education can offset the loss of other benefits and, to some extent, even the loss of employment. Or to put it another way, while most employee benefits offer a dollar-for-dollar advantage in transferring money from the employer to the employee, a good retirement readiness program is a money multiplier: it can cost the employer (or union or other sponsor) pretty short money to implement, but can be worth tens of thousands of dollars to employees by helping them to make smart instead of foolish financial decisions.

So arguably this should be the *first* employee benefits program that you look at as the economy recovers rather than the last one.

Whether you buy that argument or not, though, we particularly want to emphasize here that the need is especially strong in supporting your *non-affluent* employees. Top managers and other very highly paid contributors also benefit from good advice, of course, but such advice is easy for them to come by.

Not so for the rank-and-file, and even for the HCE's who are not on the higher rungs.

This issue was driven home at the Positive Aging Conference in Los Angeles last week (sponsored by the Life Planning Network and by Fielding Graduate University).

This conference featured many inspiring presentations and was attended by a broad array of women and men with extraordinary and diverse expertise. Yet one theme that kept emerging was: How do we deliver services to people who cannot, or would not even think to, hire personal

advisors, coaches, and other specialists to address their needs as they move into and through retirement?

This question always comes up at these conferences, because the answer has not yet been found. We cannot rely on paid advisers to reach out to non-affluent workers, because that audience either can't afford to pay for advice, or at least is convinced that it can't.

“...The people who most need advice are the ones who are least likely to receive it. ... You can do cheaply and well what others cannot do at all. Isn't that worth thinking about?”

What this means is: the people who most need advice are the people who are least likely to receive it.

Yet advice, information, and education can be provided much more economically in a group environment (e.g., the workplace) than as an individual consumer service. And it can be provided more economically still, if need

be, as an internet-based service that is promoted but not delivered at the workplace.

What this means is that an employer (or a union or a pension fund) can, at a low cost, solve what has so far proved to be a problem insoluble for the advice industry – and do so not as a general benefit to society, which is too big a bite to chew, but as a *specific benefit for the employees who represent your own constituency*.

You can do cheaply and well what others cannot do at all.

Isn't that worth thinking about?

Recommended Reading for Employees Getting Ready to Retire

Becoming a Life Change Artist, by Fred Mandell and Kathleen Jordan.

\$18.00 (Penguin / Avery, 2010)

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

This book represents a novel approach to understanding, evaluating and changing your life – one

that will strongly appeal to people with an artistic streak of their own, and one that can be illuminating and instructive for those who do not.

Subtitled “7 Creative Skills to Re-invent Yourself at Any Stage of Life,” the book delivers precisely that – using examples and analogies from some of the most creative people in our history: our visual artists.

These seven skills are actually all discussed in Part Two of the book, and they embrace:

- Preparation
- Seeing
- Using Context
- Embracing Uncertainty
- Risk Taking
- Collaboration
- Discipline

Although these do not constitute a particularly surprising list, the examples and lessons drawn from the art world throw these skills into a new light, and in some ways make them seem entirely new.

Mandell and Jordan further help by wrapping these skills inside a four-phase process that they call the “Four Creative Dimensions:”

- **Creative Dilemma** – Choosing to act or not to act on a particular tension in our lives.
- **Exploring** – Searching for and experimenting with new directions.
- **Discovering** – Using the raw material of our exploration to discern what is meaningful to us.
- **Integrating** – Combining what we have just discovered with our past experiences and knowledge to generate new ways of seeing and behaving in our lives.

To help us along this path, the authors provide “The Creativity Calculator” to help us privately assess our strengths and weaknesses in each of the seven skills.

They also offer “The Life Change Viewfinder,” to help guide us through the four creative dimensions, along with a list of “triggering activities” (from Herbert Ben-

son and William Proctor’s book, *The Break-Out Principle*), to help prepare us for this creative renewal they inspire us to undertake.

Like all good self-help books, though, this one is not only sensible and informative, but inspirational – not in the “you still have a chance to fix the messes you made” sort of way, but instead in a “there is always a new way to look at life” sort of way, inspiring us not necessarily to be better, but to experience our own life more fully.

This is an excellent message, with a way of carrying out the process that is both inspired and inspiring.

As pre-retirement read, this book might be an especially good choice for employees who are more creative than analytical, or who are more concerned with how they spend their time than how they spend their money.

Well worth a serious look.

Featured Website

Workaholics Anonymous

<http://www.workaholics-anonymous.org/page.php?page=knowing>

“Workaholic” is standard workplace lingo these days, so rather than send people to the homepage, we are directing them straight to “Twenty Questions: How Do I Know If I’m A Workaholic?”

Why focus on this at a time when we are talking about helping people get ready for retirement? Simple: workaholics typically have the hardest time making this transition.

Not only are they accustomed to having their day filled with work that keeps them occupied and feeling purposeful, they often define who they are in terms of their work, or their ability to produce. Take away the opportunity to do so, and they can suddenly feel lost.

Maybe a workaholic without work does not go through exactly the same kind of withdrawal as an

alcoholic without alcohol, but it’s painful and ugly enough, even so.

One of the many nice things about the Workaholics Anonymous website is that they help people cope with this malady, not just identify it.

This help comes in the form of a wide range of printed materials that are available through the website, much of it available free in PDF format, plus additional printed items that can be ordered right from the site.

Perhaps more important, for people who want help coping with their workaholism, the site lists meetings that are open on a weekly basis. This includes physical gatherings in many states and several foreign countries. It also includes online and telephone meetings that anyone can participate in.

You maybe already refer certain employees to this site. Keep it in mind for your retirees and your soon-to-retiree employees, as well.

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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