

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-eighth 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 #27:

They're available at:

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

Next month:

Keeping money and life in balance

Helping older employees and retirees construct their “social portfolio”

The late Gene D. Cohen, gerontologist at George Washington University, came up with a simple but brilliant concept to help all of us stay engaged with life as we age. But to make it work, we need to get started *before* we are truly aged. In general, people of retirement age are in the ideal position to implement it, and you can help them. The concept is the “social portfolio,” and it looks something like this:

The Social Portfolio

	Group Efforts	Individual Efforts
High Mobility / High Energy	Your activities list	Your activities list
Low Mobility / Low Energy	Your activities list	Your activities list

What does this mean?

Simply put, you can think of your activities much the way you think of your investments. Just as you are wise to diversify your investments into different classes, so too you are wise to diversity your activities and interests into different classes.

The reason for diversification is similar to an investment portfolio as well: some of your classes of activities can go badly over time, much as some classes of investments can. Perhaps the biggest difference is that while investments tend to have cyclical performance, our ability to engage in activities as we age has a more consistently downward direction. But even so, the speed at which we lose capacity over time varies by the class of activity we are talking about.

Cohen's concept works on the principle that our losses occur mostly in two broad ways.

One way we lose out as we age is represented by the two main *columns* in the Social Portfolio diagram: we gradually (and sometimes precipitously) lose our social connections. So even if we strongly prefer group efforts, we can still end up isolated.

It should come as no surprise to anyone that the longer we live, the more likely we are to lose those closest to us. We often lose our parents relatively early in life, but as we enter our middle years, and increasingly so after that, we find that siblings, friends, and perhaps a spouse are lost to us, too. If you include divorce and other personal break-ups, moving away or otherwise losing touch, and physical and mental disability in others we care about, as well as death, the losses start even earlier in life and add up more swiftly.

Fortunately, we are capable of making new friends, and even starting new romances, later in life. Experts in aging often emphasize that these are, in fact,

things that we should pursue deliberately. But even if we do, we can't completely replace our oldest friends or the love of our life. So unless we ourselves die early (and be the ones to leave others in the lurch), we need to expect to lose many of our best social connections as we age, and if we live to a very old age, to lose most of them.

“If our happiness in life revolves around high energy interests and/or exclusively social activities, we are setting ourselves up for a sad old age.”

This not only is painful in and of itself, but it cramps our ability to enjoy the activities of normal life, to the extent that they depend on other people. By diversifying our social portfolio, therefore, especially in ways that develop interests that we can pursue on our own, we insulate ourselves against the loss of all of our favorite, most engaging activities.

The other way we lose out as we age, represented by the horizontal rows in the Social Portfolio

diagram, is through loss of our capabilities. Cohen refers to this as reduction in mobility and energy. We may like to play tennis, for example, but if arthritis gradually incapacitates us, or we end up needing hip or knee replacements, our ability to participate or fully enjoy the sport is impaired. The same is true for *individual* activities that require high energy or high mobility – such as hiking, swimming, exercising, etc. If we live to be 100, we probably won't be doing much along those lines – we may be lucky, in fact, if we can get out of bed.

So again, if our happiness in life revolves mainly around high energy activities, we are setting ourselves up for a sad old age.

Cohen's recommendation, therefore, is that we identify enjoyable activities in all four quadrants of his diagram. And if we don't have enough in the "Individual Efforts" column and the "Low Mobility / Low Energy" row, then we should deliberately try to develop interests there. And we should do it while we are still reasonably social and reasonably active – if for

no other reason than it will be easier to do so.

Starting up anything new requires a certain amount of energy – at least mental energy – and it helps if we can still travel around to take classes, visit suppliers or venues, and so on. It also helps if we have other friends, relatives, or acquaintances who can help us get initiated into whatever it is we want to try. You can learn to quilt on your own, for example, but it's easier and more fun to learn it in a group.

So one simple exercise you can do with your older employees – and your retirees, if you wish – is to explain the Social Portfolio to them and have them fill it out for themselves. First have them complete it using their current favorite activities and pastimes. Then if they have fewer than three items in any quadrant, challenge them to come up with new things they could try – especially if these are in the right column or the lower row, and most especially if they are in the lower right quadrant.

You don't need special materials or training to do this (but you can

also check out this month's recommended book and website).

Recommended Reading for Employees Getting Ready to Retire

The Creative Age: Awakening Human Potential in the Second Half of Life, by Gene D. Cohen, M.D., Ph.D..

\$17.95 (HarperCollins / Quill, 2000)

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

This book, by the inventor of the Social Portfolio concept, is not mostly, or even mainly, about the that idea – though he does discuss it a bit.

Instead, he focuses on creativity, especially as it applies to aging. Cohen comes at it from many different angles, but all of it emphasizes the idea that we do not need to become less creative as we age. On the contrary, Cohen argues that our older years can be our most creative years.

Nor is it just about creativity – it's about mental health more broadly, and even physical

health, as well as an overall sense of happiness and fulfillment.

In many ways, Cohen hits these themes in so hard that it ends up being more than most of us really need to know. But the strategy is sound nonetheless, because he is fighting stereotypes that are so strong and persistent that even many older people succumb to them.

But Cohen insists, and offers evidence (much of which has been further reinforced since his book came out) that our brains do not, in fact, remain static – we are capable of forming new brain synapses even very late in life; and that while we do lose some mental agility with age, we compensate by having a broader and deeper well of life experience to draw from.

Creativity can be cultivated, though, or it can be cast aside. Cohen's strongest message is one of encouragement: to remain active, to keep exploring, to keep learning, to never stop finding our natural boundaries and pushing past them.

You can recommend this book with confidence to older employees who fear that retirement means slowing down or giving up.

Featured Website

Retirement Readiness: Avocation

http://www.retirementworks2.com/RetireReady/RW_RetireReady_Avocation.htm

This set of web pages is part of our own collection of information pages on Retirement Readiness. It deals with “Avocation” (a slightly abstruse term for leisure activity), which represents “A” in our “SPLASH” model of retirement readiness.

We focus on this set of pages now because it follows rather closely Gene Cohen’s Social Portfolio model, and you can use it, if you wish, if you decide to take our suggestion to try out Cohen’s diagram as an exercise with your older employees and/or retirees.

The URL listed above takes you to a summary page, which in turn links you to four other pages, one for each of the Social Portfolio

quadrants. Each of these subdivides into several appropriate categories, and links you both to free websites and to books that can help older or partially disabled people get started with activities that relate to that category.

For instance, the page on “High Energy Activities with Others” breaks down into:

- **Sports**, which deals with general sports exercise and training, “senior sports” leagues and news sites, info about Senior Olympics and other senior games events, martial arts for seniors, and sports resources for the disabled.
- **Performance arts**, especially theatre and dance, listing resources for older participants.
- **Coaching and teaching**, which points to websites and books helping you get started in coaching sports, teaching dance, stage directing, and teaching gardening.
- **Travel**, leading you to resources that are particularly

helpful or informative in travel planning (or actual traveling) for older people and the disabled.

Similar pages provide additional ideas and resources relating to the three other quadrants of the Social Portfolio diagram.

Feel free to refer older employees and retirees to these pages – we like the idea that we are helping people make the most of their retirement. There is no charge to use them.

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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