

# 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 thirty-third 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 #32:

They're available at:

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

Next month:

Retirement and the rank-and-file employee

## Happiness, optimism, and personality

Happiness would be a good nominee for the most important outcome we talk about the least in our work.

In business, many things come down to money, whether its profits for shareholders, departmental budgets, providing competitive pay and benefits, or offering good value to customers and clients. But what is the point of money . whether paper, coin, or numbers in a financial database . if not to provide, in some way, for someone's happiness?

Money is just the middleman. So let's talk about the real thing, this month. What do we do to provide *happiness* to employees, especially in terms of their preparation for retirement, and how can we do it better?

There are actually two aspects of this we'd like to address: (1) what's in it for the employer to provide directly for employee happiness, and (2) how does a focus on happiness help the retired employee?

With regard to the first question, a recent study sponsored by Unum (the insurance company) and conducted and published by the *Harvard Business Review* caught our attention. Titled *Who Will Build Your Future? The New Employee Relationship*, this study highlighted the following, very striking, conclusion:

Even with the difficult job market, HR leaders said that they believed their company's values and focus on employee fulfillment were the most important factors in attracting and engaging quality employees . even more important than a high starting salary and job security.

In addition, companies that described themselves as employee-focused are more likely to offer benefits out of a sense of *responsibility*, rather than mainly for more tangible outcomes, but they win any-

way, in that these companies have experienced fewer cutbacks in recent years.

Perhaps most encouraging is that just 39% of the HR leaders surveyed in the Unum study agreed with the statement that they offer only benefits that are necessary to keep up with the competition. For the rest, there is a legitimate sense of corporate responsibility for employees, and this translates into tangible benefit offerings.

So there is a good chance that you are already in the happiness business.

And though it might seem a bit odd to think of your job that way, it's truly a positive thing for you, the employees you serve, and the organization that employs you.

This is especially true when you apply it to people approaching retirement.

Unfortunately, many people assume . quite mistakenly . that happiness will be the automatic consequence of retirement.

This is very far from the truth. While it is true that our jobs can be a source of irritation and

stress . from having to get up early in the morning, to commuting in traffic, having to balance non-work responsibilities, sometimes aggravating bosses or co-workers or customers, perhaps not feeling as valued as one would like, and so on . work is also the source of many positives. Such as: a sense of purpose, a place where one's knowledge or abilities are appreciated, a venue where we belong and

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have relationships that matter to us, a source of income and other forms of security, perhaps work that we truly enjoy or that at least offers a challenge, and so on.

Retirement, meanwhile, is not necessarily a bed of roses. Many people find that they have too much leisure and too little structure when they retire. They lose

touch with most of their friends from work. They don't feel so needed, and if they had positions of authority, they often miss that. Retirement changes their relationships with people outside of work, including those they live with. It typically means less income, and sometimes considerable stress about how to make ends meet.

Not that retirement isn't worth it . but things don't just fall into place automatically, and even if they did, it's not usually *entirely* for the better.

More fundamentally, retirement doesn't change who we are.

Some people have trouble being happy . for all kinds of reasons. Some always look on the dark side by habit, some lack the social skills that would enable them to connect well with others, some always want more no matter how much they have, some carry pains and other burdens from deep in their past, some lack what we like to call the essential virtues+(forgiveness, compassion, respect, and gratitude), which almost assure happiness if

you are good at them and almost assure misery if you are not.

And this is a very short list. It could go on to include dozens of entries.

All of which has to make us conclude that happiness is no simple thing. It's something we need to work on.

Yet, do we? When it comes to retirement, instead of preparing people to live *happy* lives, we tend to focus on making sure they have at least a modicum of income or assets, and perhaps (though increasingly rarely) medical or other benefits.

These are good things, but they are not the essential thing.

We would help people more if we could get them to focus less on the money which (we all know) does not buy happiness anyway, and at best merely prevents certain kinds of unhappiness.

Instead, we should be helping them to understand some of the ways they can focus on happiness itself, and do more to make it part of their lives.

This would be helpful to just about anyone at just about any age. But people approaching retirement are already thinking about how their lives are changing, and what they can do about it. It's the perfect time to include a focus on happiness as part of that process.

If this seems a bit odd, or too difficult, it isn't. Read on.

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## Recommended Reading for Employees Getting Ready to Retire

***Authentic Happiness***, by Martin E.P. Seligman

\$15.00, Free Press, 2002.

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

Martin Seligman is a key figure in the positive psychology movement.

His basic formula is this: **Happiness = Your Set Range** (of natural inclinations that lead you toward or away from happiness) **plus Your Circumstances plus Factors under your Voluntary Control** (**H = S + C + V**).

The key element of this is **control**, according to Seligman, and he offers many ways in which we can control our own level of happiness.

His book gives one chapter each to past, present, and future factors.

The *past* is not over. We carry it with us, and the manner in which we do so has a huge impact on our present and future happiness. Seligman discusses the harmful and helpful options we have for dealing with the past, and making sure it is a source of satisfaction to us, even if it was painful to live through.

The *future*, meanwhile, can be viewed with a sense of pessimism or optimism. Although we each have our natural tendencies in this regard, there is much we can do to foster a more optimistic outlook which, as you can probably guess, tends to improve our happiness level.

In the *present*, Seligman says, there are also many aspects of happiness we can focus on and promote within ourselves. He talks about both pleasures (bod-

ily pleasures and higher pleasures) and gratifications, and steps we can take, and attitudes we can adopt, to promote them.

This is a book that could improve almost anyone's life . most likely, including yours. But we also urge you to recommend it to your employees nearing retirement, who are probably already starting to think about their past and their future and how they can bring their lives into a higher state of reconciliation and happiness. Seligman's work will enable them to do so with greater effect.

Or if they don't want to read an entire book, have them check out the website, below.

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## Featured Websites

### ***Learned Optimism Test***

<http://www.stanford.edu/class/msande271/onlinetools/LearnedOpt.html>

### ***Learned Optimism***

[http://en.wikipedia.org/wiki/Learned\\_optimism](http://en.wikipedia.org/wiki/Learned_optimism)

Someone at Stanford University set up an automated version of Martin Seligman's learned optimism test, so each of us, in the

privacy of our own computers (such as that is), can get a reasonably valid idea of how we score on this key measure of the hidden beliefs and attitudes that we bring to our lives and that have a pervasive influence on our happiness.

It doesn't take long to complete the quiz. There are 48 very brief descriptions of common situations, most of them less than 10 words each. For each, there are two reactions or interpretations, and you choose which one is more likely to reflect your own response. It takes only a few minutes to go through the entire exercise.

When you're done, you click the "Calculate" button on the bottom of the page, and you get scores broken down into ten different categories.

Unfortunately, these are not entirely self-explanatory, so the second link we have provided is to the Wikipedia article on "Learned Optimism," which succinctly explains Seligman's terminology . which is not really difficult to understand, once you see the explanation.

The idea behind it all is that if we understand in what ways and in what degrees we are optimistic or pessimistic, we can take specific steps to shore up our weaknesses, while taking advantage of our strengths.

These changes result in learned optimism, which is at least as good as the natural kind . and maybe better, since it is now a skill, and not just a circumstance.

And even if you don't take the results that far, the quiz is fun.

### **About RetirementWORKS<sup>®</sup>, 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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