

Retirement Reinvention: A Mindset Makeover

By Julia Valentine

Modern retirement is riddled with uncertainty and is much riskier than it was decades ago when there were many safeguards and veritable guarantees in place. The burden of assuring a suitable retirement nest egg has shifted from employers and the government to individual retirees. Even with this now common knowledge, far too many have still not adapted to the changes and find them self ill-equipped or, worse, entirely unable to retire when desired.

In fact, most Americans actually admit to being unprepared. The 2010 Wells Fargo Retirement Fitness Survey found that nearly three-quarters of respondents (72%) don't have any idea how much they will be able to spend or on what, and fully 67% don't have a written plan related to their life expectancy or in determining how long their savings will need to last. Scarier yet, a Harris Poll found that over a third of Americans have no retirement savings whatsoever. With over 10,000 baby boomers turning 65 each day, throngs of those in or approaching retirement have their proverbial head in the sand and are heading into a financial disaster - with implications for the economy at large.

While retirees are subject to a multitude of risk factors beyond their control, there are many ways to better assure a prosperous, secure and joyful second half of life. But you have to get your head in the game! Today, successful retirement requires a proactive, take charge approach with realistic planning and a road map for creating financial and emotional well-being. As risks have increased over the years, a myriad of tools and resources have also come about to help us realize better results with less stress. Retirement should be anticipated with joy, not fear.

Here Valentine offers Retirement Mindset Makeover tips and tools to foster productive planning:

- Vision is vital. While economists and political pundits continue to ponder why Americans under-save for retirement, psychologists may have found an answer. Psychologist Dan Ariely describes some of our current financial tools, such as retirement calculators, as a product design failure.

When a number comes out of this calculator, Ariely says, "it does not help us imagine what it would be like to live to a hundred if we have very little in our savings accounts by the age of seventy... it does not translate into anything that we can visualize or comprehend, and in doing so it also doesn't motivate us to try harder to save more." The reason people can spend months planning a wedding or weeks planning a vacation is that they have an appealing vision, an anticipation for what's to come, and the motivation to follow through with the planning. As long as our perception of retirement as "declining years" persists, there is little motivation to plan or look forward to it. By envisioning and mapping out an



appealing lifestyle before you get to the retirement calculator, and it will motivate you to invest in your prosperity as well as your physical and emotional health. In fact, a Yale University study found that a positive image of old age may add, on average, 7 ½ years to one's life span!

- Alleviate angst with automation. Some of the classic tools recommended by financial planning professionals, such as making a detailed budget, do not take into account the level of stress that can result from using them. No one disputes what needs to be done; rather, it's the approach itself that can feel uncomfortable for some people. Today, there are a myriad of automated tools and techniques that simplify such processes, including automatic savings and automatic expense tracking that can alleviate this pressure. Remember that financial tools should help you gain control and confidence to decrease stress, rather than produce anxiety. So, spend the time to identify and set up tech-driven systems that work for you.

- Fuel your own fire. Research on motivation by University of Rochester Professors Ryan & Deci showed that "self-motivation, rather than external (or extrinsic) motivation, is at the heart of creativity, responsibility, healthy behavior and lasting change." With this in mind, working toward a happy, healthy and successful retirement requires self-initiated, authentic actions versus those you are undertaking to appease others. New tools consistent with this understanding are available to provide support and help you achieve such self-directed goals. Seek and leverage any help you can get when motivating yourself to live well.

- Design your destination. Research proves that a successful, happy retirement is impossible without planning based on self-examination. Indeed, a Dartmouth University study found that people who plan end up with twice the wealth of people who do not. Beyond financial planning, it is imperative to take time to figure out what lifestyle needs must be fulfilled to make you happy, and then find specific ways to ensure those needs can be met. Retirement lifestyle design then becomes the driver for making good choices and building the foundation of physical, emotional and financial health that ensures joy and fulfillment after fifty.

- Knowledge is power. The 2010 Wells Fargo Retirement Fitness Survey also found that the typical American is not knowledgeable about health care costs, life expectancy, income needs, inflation and other risks. Understandably, this lack of clarity creates apprehension and distress. Now is the time to take control and start creating the senior lifestyle you want. To ease and expedite the process, take advantage of specialized resources that are readily available. For example, regional events like Ideal Living Resort & Retirement Expos provide convenient, one-stop access to a myriad of retirement solutions. These valuable Expos help retirees explore their comprehensive options, gain insights, make comparisons, and create a realistic blueprint for retirement.

Retirement is the time when you have already fulfilled your obligations to others in life and are now free to make some new choices with yourself as the priority," Valentine concludes. "With proper preparation and forethought, you can realize your full potential and enjoy an

astonishing quality of life in retirement that may include working, mentoring, volunteering, traveling, learning and anything else that helps you feel secure, joyful, independent, valuable and carefree.

Speaker and JoyCompass.com founder Julia Valentine is the author of 'Joy Compass: How to Make Your

Retirement the Treasure of Your Life. Through cutting edge research in finance, motivation and creativity, JoyCompass.com offers a revolutionary new approach to preparing for, designing and enjoying life in retirement. Julia may be reached online at www.JoyCompass.com.