

KEEN ON RETIREMENT



Here's How to Maximize Your Return on Life

Welcome to Keen on Retirement
With Bill Keen and Steve Sanduski

Mitch Anthony: What specifically can we get from our money? We came up with these 10 categories of return that we hope to get with our money. The first is return on work or the work engagement, right?

Bill Keen: Yes.

Mitch Anthony: It's the idea that I feel like I'm well-compensated financially or non-financially. Your friend who's a pilot maybe volunteering his time but he's getting soul compensation for it, soul compensation.

Bill Keen: That's right.

Mitch Anthony: I feel like I'm well-compensated financial or non-financially for the value I bring. The other idea here is I get great satisfaction and meaning from the work I do. That's the idea of how do we get return on our work or our engagement in life. Bill, I'll be the first one to say to somebody that hate's going to work. Maybe you should find a place where you can get engaged, right?

Bill Keen: Yes.

Mitch Anthony: Because if you're showing up to work and you're leaving your heart and soul in your love box, who are you really helping?

Bill Keen: Absolutely.

Steve Sanduski: I know Gallup has done a lot of studies that indicate that there's a substantial percentage of the working population that is not engaged at the office.

Mitch Anthony: Yeah, that's right. That's right. I've seen studies as much as 70% to which I've always responded, "Hey, folks. This is not a dress rehearsal."

Steve Sanduski: We're not like a cat. We don't get nine lives here.

Mitch Anthony: "You're at your real life right now."

Bill Keen: That's right.

Steve Sanduski: One thing I want to mention here is that as we go through these 10 items here that these are all things that a financial advisor like Bill here at Keen Wealth Advisors can help people with that again, this is helping you get a return on your life and money is a component. Money is a tool in many of these cases here to help you get that. It's about looking at the whole person and not just the financial aspect of it.

Mitch Anthony: Bill, how many times in your career have you had someone sit down and say, "You know, I'm thinking about career change," right?

Bill Keen: Yes.

Mitch Anthony: They needed financial advice to make that segue in life.

Bill Keen: That's right. That's right. We got to crunch the numbers on the different things they lose and gain and so forth, but I'll tell you when you have these conversations with people, one, most of them aren't expecting it. They're not expecting to go deep like this. They're used to the stuffed shirt atmospheres of big offices and firms and things. When you talk about these things openly with people, it gives them permission to start thinking about these things. It's funny, Mitch, it's almost like taboo to think about some of these things. Have you noticed that in your work with folks?

Mitch Anthony: Yeah. It's interesting you bring up the word permission because I found that people have suspected these things that we've talked about regarding retirement, but they're waiting for somebody to say, "You know what? It's okay to think that way." If you don't feel like doing what everybody else does, that's okay, right?

Bill Keen: That's right. That's right.

Mitch Anthony: At the end of the day, I guess, Bill, it's the difference between the advisor who gives us information and the advisor that gives us wisdom. We're talking about the wisdom of money here, right?

Bill Keen: Yes.

Mitch Anthony: Anybody can crunch numbers. Anybody can give you data but to see through all the clutter and all the noise and say, "Hey, what's best for your life?" That's wisdom, that's what I want for my money. It's like my wife and I. When opportunity knocks on the door, we look at it from a number of angles and we say, "Is this going to upset the balance of our life? Is this going to upset what's precious to us?" So

often, people go for the paycheck and don't realize the consequence. I don't want to go too far down this path if you don't want to but ...

Bill Keen: No, it's great.

Mitch Anthony: ... here's the question I always ask people about their career. I ask them, "How much is your paycheck costing you?"

Bill Keen: It could be costing life expectancy, couldn't it, if there's a certain amount of stress?

Mitch Anthony: Absolutely could be costing. I've actually seen people ponder that question and change their career because they realized it was destroying them.

Bill Keen: Absolutely.

Mitch Anthony: These are important questions. It's hard to separate work from money because that's the thing that usually generates the money for most of us.

Bill Keen: That's right.

Steve Sanduski: The second item we have on the list here is the return on residence.

Mitch Anthony: This is the idea of first of all, I feel like my home is the right place for me. Secondly, I can comfortably afford the places where I live. I don't know, Bill. I'd like to hear what you have to say about this. Do you find that sometimes people overextend themselves for the sake of a home or a residence? Do you find that sometimes people when they go to get that second vacation home sometimes wonder about that decision, are they gaining as much as they're stressing on those decisions? I'm just curious what your thoughts are on that.

Bill Keen: Most of the time, we see people want to navigate toward retirement without a mortgage. They have thought this through years in advance. Every so often we'll see someone who has done some new home building close to retirement. I'll tell you what, when it comes to how much someone needs to live, now this we will go to numbers here because we do have to pay the bills. We do have to make sure which is one of your number 10 on here that we may talk about, but if you have a \$3,000 or \$4,000 or \$5,000 mortgage, now all of a sudden things are way different from a financial standpoint if you have to meet that just to break even on the house. You don't see it very often but it does happen.

Here's the second answer to that question. The magic of VRBO. You know what I'm talking about?

Mitch Anthony: Absolutely. Absolutely.

Bill Keen: Vacation Rental by Owners, and I don't know if that's not necessary a recommendation, right Steve? Is there a liability there by recommending that?

Steve Sanduski: We'll mention Airbnb as well. We're an equal opportunity plugger here.

Bill Keen: When someone can go and rent a place in a different city for three weeks, four weeks, five, six, eight week, whatever and go experience another city but not have to buy the second home and pay for that year round and the care and all those things, it's a powerful thing. It's something technology has given us the opportunity for people to do.

Mitch Anthony: Isn't that a beautiful piece of capitalism at work because the money is going to something that may help alleviate the financial stress they have.

Steve Sanduski: Right.

Bill Keen: Yes, it is. Yes, it is.

Mitch Anthony: That's the beauty of housing, and by the way, just to make sure we're on the same page here, Bill, every one of these things is about money. It's the soft side of money but it also always gets back to numbers. We have to talk about the numbers regarding our work. We have to talk about the numbers regarding the places we live.

I've got a friend out in California who's a planner and has a lot of clients that have a lot of money. She says every time a client comes in and tells her they want to build a two or three million dollar home on the ocean, you know her response is? The ocean's free.

Bill Keen: I like it.

Mitch Anthony: I want you to stop and think about what you're adding to your life by having the expense to see that ocean.

Steve Sanduski: I want to add a funny story there too. Early on in my marriage with my wife, we moved to California. We were living in the Bay Area. Of course, I'm a cheap date kind of guy and so I said, "Well, let's go have dinner with the view of the ocean." We would drive over to the ocean there just in the San Francisco Bay Area. I hate to say this. There was a Taco Bell.

Bill Keen: Very nice.

Steve Sanduski: I'm not kidding, a Taco Bell that overlooked the ocean. I mean, it was right there on the Pacific Coast Highway. When we wanted a cheap date with a good view, we'd go to Taco Bell on the ocean.

Bill Keen: I see how you are now, Steve. I'm going to ask Linda about that.

Steve Sanduski: Not to be fair though, we also went to the Moonraker out there which is a very nice

restaurant. We would balance it.

Mitch Anthony: We believe you.

Bill Keen: No play. I think it's interesting we bring attention to the return on residence though because well, we do talk about those things. We can skip over them and just the idea that you feel comfortable there, it's the right place, and you can afford it. I really like that.

Mitch Anthony: That's a dynamic thing too, Bill, isn't it, right?

Bill Keen: It is.

Mitch Anthony: When they become empty nesters all of a sudden, a lot of people start feeling like, "Gees! This is an awful lot of space."

Bill Keen: It is. It sure is.

Mitch Anthony: We're in that right now, my wife and I. It's like, "Well, but when the kids come home, we wanted to come home to their home and be able to go there all the room." "Well, yeah," and I'm coming back going, "'til they're 40?"

Steve Sanduski: We have a failure to launch there problem, Mitch.

Bill Keen: I was going to say it. Better watch out. They might stay.

Mitch Anthony: The joke around our house is we thought we're empty nesters but it turns out it was a cuckoo's nest.

Steve Sanduski: All right. Let's take a look at number three here which is return on achievement. What do you mean by that, Mitch?

Mitch Anthony: Well, what we mean by that is that I've been able to fund my needs and pursue my aspirations, and that I've come to a place where I'm feeling like I'm pleased with what I've been able to accomplish so far. There are a lot of people who have dreams that they just feel like they haven't been able to fund and they back load those. Some of those things I think are appropriate for back loading in life.

One of the best ways you can utilize your money is to fund your dreams, fund the things you want to do. It always saddens me when I hear people say, "I always want to do such and such. I want to fix up old cars but I just never, never could afford it." Well, I don't know if I always agree with that. You know what I mean? Because you've spent your money somewhere.

Bill Keen: That's right.

Steve Sanduski: I mean, it really comes down to trade-offs. In fact, Bill, we just had a blog post that went live here recently on this idea of the bucket list. If you do have something in your life that you aspire to do or to see and maybe it's expensive, maybe not, but if it does cost a lot like you just said there, Mitch, if it's that important to you and you're working with a good financial advisor, then it's likely, you can find a way to make it happen.

Again, you may have to make some financial trade-offs, you may have to make some decisions and say, "Well, this is more important to me than this other thing that I have been spending some money on," and someone like Bill can help make that happen.

Bill Keen: We always try to engender those conversations. No question there, Steve.

Steve Sanduski: All right. How about number four here, Mitch, which is return on learning.

Bill Keen: I like this one.

Mitch Anthony: This one can get into a little bit of controversy for people. I got to tell you, about three or four years ago, you guys, when you open up your newspaper and you have in the editorial page they'll have associate press editorials and that sort of thing. I wrote this editorial for the associated press and it went out to hundreds of newspapers. I got to tell you, I've never had more consumer response to anything I've ever written than this article, and the name of the article was Funding the Budweiser Scholarship.

Steve Sanduski: Okay. All right. Well, you got our attention now.

Bill Keen: Yes, we have.

Mitch Anthony: I was talking about the frothy education that a lot of freshmen get because mom and dad are paying the bills. Now, my wife and I, we made it known to our children when they were young that they were going to become a part of the Anthony Family Matching Grant College Savings Fund which is a really clunky acronym. It doesn't sell anything. The idea was whatever you save, earn in a grant, get in a grant, earn in a scholarship, rob from a 7-11, I don't care how you get it, I'm going to match it with a dollar of mine, but you're going to have to have skin in the game. You're going to have to show me you care about this thing.

Well, I couldn't believe the response. This was coming at a time where people are beginning to feel pressure and people are literally draining their retirement savings to fund their children's college education. I'm not trying to be iconic classic just for the sake of being argumentative here, but there's a lot of places where people send their kids where the price tags are ridiculous when you consider it against return on investment, right?

Bill Keen: Yes.

Mitch Anthony: I met a girl the other day who went to a private college here in Minnesota, St. Olaf. It costs \$50,000 a year and she's got a degree in social work and she can't earn more than 40.

Bill Keen: My goodness.

Mitch Anthony: Now, tell me how that make sense.

Steve Sanduski: Who paid for that, Mitch?

Mitch Anthony: She has \$200,000 in student loans.

Bill Keen: Oh, my goodness!

Steve Sanduski: Wow! Wow!

Mitch Anthony: Question one here is, "Do I feel I'm effectively using my finances toward education and I'm involved in life-long learning through reading, training, association with others? I'm a life-long learner." One of them is tied directly to mine and that is, "Is this really going to be worth it?" A part of the deal here is and I'll say this one more time and shut up on this issue and like to hear what you guys have to say. The kids got to feel like they contributed something here. That's my opinion.

Bill Keen: Yes, absolutely. I do that same thing you mentioned except I put money into Roth IRAs for my kids. I just had to write a couple of checks here. Of course, it maxes out of 5500 this year, so I've got a limit to my liability on that at this point. Them having skin in the game is so important. I know that many of the folks I work with, we all don't. We do not want to "spoil" our kids. It's hard. It's easier said than done, Mitch. It is.

Mitch Anthony: Yeah, it is. It's difficult because I mean, let's face it. Our children have grown up with the most affluent generation in the history of the world. The joke I was having with my kids the other day, we're having a political discussion. I said, "How is it that you all you kids that have had everything given to you now want to vote for Bernie Sanders?" Now, I know I shouldn't get into politics here.

Steve Sanduski: No, we love controversy.

Bill Keen: Hey, one thing that I was telling Steve about earlier offline is that I think the world needs more people that will share their opinion and not be chameleons. The world needs leaders that will stick to what they believe. We're not worried about political correctness here on the podcast, so just so you know that. I'm big on that, Mitch.

Mitch Anthony: There's a certain amount of pride, and I just know this from coaching kids in basketball of earning your way in the world, and that you had to work your butt off and you had to work two jobs, and you had to burn the candle at both ends as they

say to get through it. Someday, you're going to be able to tell that story to your kids, and you're going to tell it with pride and satisfaction.

You know what I'm hearing from employers today? That these kids graduate from college, it's all been handed to them and they want to walk in the workplace making 150,000 and they want to take days off every two weeks.

Bill Keen: Yeah, there's no paying your dues anymore, is there?

Mitch Anthony: I guess it depends who you talk to. I don't want to say the next generation is doomed but at the end of the day, I think we're doing our children a favor by letting them play a part in funding some piece of their education.

Bill Keen: Yes.

Steve Sanduski: We'll go from people working hard to return on leisure which is number five here.

Bill Keen: Very nice. This is better. I like this one better, don't you Steve?

Steve Sanduski: Yeah.

Mitch Anthony: Steve, people that work really hard need some leisure.

Steve Sanduski: That's right.

Mitch Anthony: Right?

Steve Sanduski: That's what that 65-foot boat is for.

Mitch Anthony: That's right. There's a couple of things that have a financial attachment here. One, I'd been able to fund my hobbies and interests. Now, I guess I'd almost be embarrass if the world could see the hobby bill in my home. My wife has three horses. I belong to a private golf club that I absolutely love. I never do that math, that crooked math where you figure out how much each round actually costs you.

Bill Keen: Something is better not to know.

Mitch Anthony: That might spoil the experience.

Bill Keen: That's right.

Mitch Anthony: I know this, happy wife, happy life. My life's happy when she goes to that barn and rides those horses. There's a price tag attached to that. I think a lot of people, they might feel like they're getting short chains there and I think there are some people, Bill, you'd know this better than I would that probably could afford to do some of these things but they're afraid to.

