

KEEN ON RETIREMENT



Welcome to Episode 4 With Bill Keen and Steve Sanduski

Happiness in Retirement? You Bet and Here's How

Steve Sanduski: Hello, everybody and welcome back to another episode of Keen on Retirement. I'm your host, Steve Sanduski, and here with me today, hey, Bill Keen. How are you?

Bill Keen: Hey Steve. Very nice today. How are you doing?

Steve Sanduski: I'm doing fantastic. It's a beautiful sunny day here where I'm at, and of course that always makes it for a great day.

Bill Keen: Yes, sir.

Steve Sanduski: What do we have on tap today? What do you want to chat about here?

Bill Keen: Steve, today we're going to talk about something that I really enjoy talking about, and that's having fun in retirement. We call it the "happiness factor." Last time we talked about when the best time to retire would be, and we talked about the two aspects of that. One is certainly the financial issues: making sure that that financial house is in order and that we really are able to retire from a financial standpoint. But then the second thing we touched on last time was the emotional aspect to retirement, getting that house in order as well and really thinking out ahead of how things will look once someone has all of their days to do things with that they didn't have before when they were working 40-hour weeks or more.

Today I wanted to go deeper actually into that side, the emotional side of things, and share with our listeners my experience, just share what's working, what I'm seeing is working with people who are retired and who are enjoying their lives at this point.

Steve Sanduski: Yeah, and it's interesting. If we go back 100 years ago, let's say, the life expectancy of people was dramatically less than it is today, so it's like no one

had to worry about retirement planning because you basically worked until you died, whereas today people are retiring at 60 years old. I think maybe ... Do you know today what the average retirement age is? Is it about 64? Is that ... or do you know?

Bill Keen: I was thinking, I'll speak from my own experience, the average for us is about 64 to 65.

Steve Sanduski: Okay, so yeah, right in the mid-60s. Then the life expectancy of someone who makes it to 65 is probably early to mid-80s, I'd say, at least.

Bill Keen: It is and we talk joint life expectancy a lot just between if there's a couple involved, and it's into the early 90s if someone's lived into their mid-60s, so it's amazing. The longer you live the longer you're expected to live.

Steve Sanduski: Basically what we're talking about here is when you retire you can hopefully plan on another 20 to 30 years of that lifestyle. That's a good chunk of our life, so we want to figure out how are we going to be happy? That's today's topic as you talked about. So Bill, what are some of the things that in your experience with the people that you've worked with that are retired? What are they doing that is helping them to live a happy and healthy retirement?

Bill Keen: Great question. Steve, think about that, to your point, this is just the last couple of generations issue to deal with. As you mentioned, people weren't working a full lifetime and then having 20 and 30 years to enjoy things. It truly was 9 to 5 to 65, watch TV maybe for two or three years and pass. This is a problem or prosperity, I like to say, these issues that folks have to think about and get their arms around. Let me talk about the things that I'm seeing most people doing that are helping them thrive at this point.

One of the things I would say initially is identifying what's most important to them: what means the most, and focusing on that. We'll get clarity on it here in our talk today and focus on some of those things, but what really means the most? This is something that I coach people to do several years before they actually retire. Number 1 at the list for most people is time, so the opportunities that come into play with retirement is time, and that would be time with a spouse if they're married, time with children, time with grandchildren. Right behind those or even almost equal is being able to focus on health, being physically fit, working on those things that in most cases got set aside when someone spent 40 hours or more at a desk all week.

Those are things that I'm seeing. We can go through some of the other examples that I have of people retiring and really finding new things in their lives they didn't even really know they were interested in. What happens is we see this hole open in a good way, time-wise for folks once they've retired, and things now are attracted to them. They have the time to do things, so they're open to new and exciting and inspiring things to do.

Steve Sanduski: Bill, along those lines, do you find that when your clients retire, are they typically taking existing hobbies that they've had and now they spend a lot more time doing stuff that they've enjoyed for years, or is it they start finding new passions, and new hobbies, and doing something new for this phase of their life?

Bill Keen: It's both. Let me give you an example: I have someone who was a commercial pilot his entire career, well-respected gentleman, and retired. That was his passion, and he now, in retirement, flies charter work, just very part time, but this is something we'll talk about this as well, he's actually generating some revenue from that but he's doing something that he's loved his entire life, but now he has time to do it on his terms in this case. I had another fellow who was into cycling when he was much younger and had gotten away from it over the course of the years he was working, and retired, got back into cycling, lost a substantial of weight, and got into literally some of the best shape of his life, and was able to ... Now he's a competitive cyclist, even rode in the Senior Olympics down in Texas here in one of the past years.

Seeing these things, whether it's a hobby that someone has done in the past or it's a brand new one, it's pretty inspiring to watch people involve and grow, and really focus on the things that help them thrive.

Steve Sanduski: So it's not just being a couch potato?

Bill Keen: It is not. We talk in our episodes about how everyone has their own journey. There's no one-size-fits-all on most of these issues we talk about, but what I've seen is you have to stay moving. Most people that I work with realize that they have to physically and mentally stay moving and not be the proverbial couch potato, as you've mentioned in prior episodes, Steve. It's not fun to talk about or here, but there have been reports of people that retire and it's not long before they pass away because their whole identity was tied around their work and they don't stay moving after a ti-. Luckily it's none of the clients that we've worked with. I'll just get that on the record.

Steve Sanduski: There you go. Yeah, make sure we get that out.

Bill Keen: Yes, sir. I'll tell you, it's something really interesting and inspiring to get to see. Some of the other things that I see as well is you sit down when you're going to work every week. You ever heard the saying kind of like the hottest fire gets the attention? We kind of live in a world, especially when we're working, where there's a whirlwind. The whirlwind gets the attention and the thing that are in some cases really important to us get put on the back burner, and we're talking for years and decades at times. I've gotten to see as people retire, and one of the exercises we go through is we say, "Who are the people that are most important to you in your lives?" In most cases there are friends and there are family members that just haven't gotten the I won't say "attention," like you're

required to give folks, these people in your lives this attention, but it's people that you really want to make sure that you're staying connected with.

With social media we're able to stay connected easier these days, even for the demographic that's retiring today. Most people are on social media now, but to be able to say, "You know what? I want to make a list of the people that are most important to me in my life, and I want to make a conscious decision to stay in touch with them, to see them, to talk to them, to visit with them." That's something that I know I think a lot of people have in the back of their minds. I know I do right now, Steve. There's a lot of people that are very meaningful to me that I haven't talked to in a while, and I have to sit down every so often and say, "I have a list of folks that I want to make sure that they know I'm thinking about them, that I care about them." That's nothing to do with financial matters, but it has something to do with time, that we have the time to do those things.

Steve Sanduski: Right, and I think there's all kinds of studies out there that talk about the importance of having relationships and social relationships, and how that leads to happiness. I recall one from the University of Chicago that this study was saying that people that have five or more close friends are 60% more likely to describe themselves as very happy compared to people who listed no close friends. Here I think you were talking more about family members, but maybe broaden that a little bit and think about having close friends or social relationships like that, that that is certainly one of a number of factors that helps people be happy in their life. Of course, when you're in retirement, you may have more time to deepen those relationships with those close friends, and that could be an important factor to help you have a happy and healthy retirement.

Bill Keen: That's true, and you could also bring this point up: When you're retired you get to hang around the people that you want to be around. Sometimes at the office or at work you're around folks that maybe don't necessarily bring the best out in you. I'm not saying it's that all the time but when you're retired you have control of your time, and you're able to be around the people that you want to spend time with. That's just one of the many side benefits of the freedom of being able to be financially able to retire.

Steve Sanduski: Yeah, and there's another study out there that I saw that talked about people who are married compared to people who are divorced, single, or widowed. What does that do to your life expectancy? I'm going to ... I think you put me on the spot on a previous show, so I'm going to put you on the spot the spot here, Bill. Let me ask you this: First of all, if you are married, does being married on average extend your life compared to not being married?

Bill Keen: I would say yes.

Steve Sanduski: That's correct. How about, does being married add more years to your life for men or more years to your life for women?

Bill Keen: I knew you were going deeper on this question.

Steve Sanduski: I'm not done yet.

Bill Keen: Oh my goodness, gracious. All right, well, I would say that it helps men and it's probably a neutral for women. Don't make me describe my thought process on that.

Steve Sanduski: Okay. It's probably because ... Yeah, I guess we won't go there.

Bill Keen: I know that my wife does a lot for me, I do. I'm grateful to have her, and I would suggest at least in my case that my life expectancy would be much better and longer with her around. Steve, you know she makes me go every six months and get my skin checked, to the dermatologist, for sunspots and all kinds of really healthy, neat things that I probably might not be doing if she wasn't around.

Steve Sanduski: Yeah, agreed. Marriage does add to your life expectancy for both men and women. It adds more life, more years for men, Can you guess how many more years it adds for men?

Bill Keen: Let me say five.

Steve Sanduski: You're close. It's seven. For women it also adds years to their life being married. How many years do you think it adds for women?

Bill Keen: Maybe it's three to four because they already have a longer life expectancy than men. Would that be right?

Steve Sanduski: It's about four, yeah, so right on the button there. Again, it gets back to this whole idea of having strong relationships, whether they're friends relationships, social relationships like that, or a marital relationship, it's absolutely good for our health. Those are things that we can also focus on during our retirement years.

Bill Keen: It's what we see as the people who are involved, whether it's definitely church functions, the social aspect there, or even staying in touch with old work colleagues, being involved there, having hobbies that are things that involve community, I would suggest confirm that research. That's what I'm seeing from my experience.

Steve Sanduski: Let's reverse this. Have you had situations where some people that you know, this doesn't have to be clients, but people that you might know who have not thrived in retirement, and if so, what are some of the challenges that they face that made their retirement perhaps not as exciting as they would have hoped?

Bill Keen:

The first thing that comes to mind is when someone loses a spouse. It's interesting. In the seat that we sit in as financial advisors, if you're doing it the way I think you should, and that's going deep with families and getting close with them we get to go through a lot of really neat things with folks, but then there are times where we go through things that are difficult. When someone loses a spouse, boy, we get to walk with them through that process, and it's a difficult time. That's a time where you just have to ... Folks have a tendency to want to isolate and possibly get off track as the grieving process takes place.

Those, I tell you, are certainly times where people need to be engaged and family needs to be close, and friends, and helping folks stay busy, not even to mention the fact that their financial affairs need to have been in order, which is another reason to have close relationships with a trustee financial advisor, and estate plan, and attorney, and CPA, and that kind of thing, but that's a case where I don't want to say that they don't thrive. I see folks recover, and I see people have wonderful lives after recovering from something like that, but it is hard to talk about, but it's very real. It's something that we see. There's other cases that we do see where someone will retire and not step in and have a plan for what they'll be doing with their time.

None of these things are unable to be adjusted and amended and fixed, but I see people that don't have a plan to what to do with their time. They wake up. I mentioned last episode that it takes about 30 to 60 days to realize you're just not on some extended vacation. You wake up and you realize one day, "Wow, this is real. This is a new life," and they don't have anything set up to do with their time.

Steve Sanduski:

Right. You got to have a reason to get up in the morning, and it can't be just to watch Kelly and Michael or Good Morning America or whatever it is. Certainly you can watch those shows there has to be some reason that people have that gives them some meaning, some purpose to get up in the morning and feel like they're a healthy, live, contributing member of society with good social relationships and having fun, enjoying life, and enjoying ones close to them.

Bill Keen:

Absolutely, and all our lives we've been striving. If you think back about yourself, I know I think this about myself, just all our lives we've been striving to get over the next hurdle. You think once you kind of realize that you've got to get through high school, let's say, you graduate high school, that's a big achievement. It is a big achievement. For a good portion of us we decided we needed to go, wanted to go to college. We work hard, and it's a fight, and we're staying up late, and, and we're studying, and we're making it happen, and we graduate college. That's a big deal. Now it's you have to get a job.

You find a job. Now you're on the journey of getting maybe promoted up through the ranks or saving for retirement, and that's a long-term approach, so you've finally made that final hurdle. You've got yourself retired. There's no real other major hurdles out there except to find the things that really inspire you. It

sounds like that should just be all fun but it takes work, Steve, like we're talking about today.

Steve Sanduski: Yeah, it sure does, and just having a knowledge of what some of the potential hurdles are, like when you are retiring, everything we're talking about today. Have a plan. Figure out what's important to you. Have some hobbies. Have some good social relationships. Those things do take some time to cultivate and think about. That's critical to making sure that we thrive during these retirement years.

I also remember another study. You're probably wondering where I'm pulling all these studies out but you've been in the business long enough you see all this stuff. This one's easy to remember because it was a study that said that happiness is smile shaped. What they meant by that was there's been long-term surveys that have asked people their level of happiness or life satisfaction at different ages. What it shows is that if you start the chart here like when you're 20 years old and you just draw a line from 20 to like age 70, and you just draw a line that plots the average level of satisfaction on a score, and this one I remember was on a scale of 1 to 7, it starts out where on the left side, when you're about 20, it's fairly high. From there it's all downhill for both men and women. It's downhill for-

Bill Keen: Really?

Steve Sanduski: Yeah, it's all downhill from 20 until about 40, and then it just troughs when you're in your 40s. It hits rock bottom like in your late 40s to early 50s for both men and women. Your lowest level of life satisfaction, but then right in your early 50s it starts trending up and it starts going up fairly quickly so that by the time you're in your mid-60s that's basically when on average people are happiest in life, at least according to these surveys that have been done for many, many years. Again, they say it smile shapes: It starts high in the beginning, drops down in your what we'll call "middle age" and then rises again as you get older. It kind of plays into I think what we're talking about here today with in your retirement years we want these to be kind of your golden years, your happy years, and historically for many people, it has been.

Bill Keen: That's right, and that's the experience that we're having here. We're getting to see people be able to get up each day and focus on those issues that they're most grateful for and do the things that they're the happiest about. My experience definitely supports that research. Today age is not a determinant of value. I say that because a lot of people think the older you get the less valuable you are to the society or the community. I've seen that belief out there. The reality is today that as you gain wisdom from the journey and you get out to a point where you can now be a mentor and you've got 25, 30, 35 years left of life to mentor, and to shape, and to provide time and effort and energy, been a productive citizen, a responsible contributor to society, those things, it's

extremely powerful that we have so many people out there that are in that position today.

I have a client who retired from a major engineering firm. He's been retired now for 15 years but he still acts as a consultant to the firm. This gentleman also is an active writer, and he writes essays, and no less than once a month is he published in the major paper here in our city. He is just a contributing member of society probably as much or more than he's ever been. I believe there's no limitation to what someone can do. It's just amazing to see some of the things that people are doing with that second half of their life.

Steve Sanduski: Are these the kind of conversations that you would have from time to time with clients that you work with? Are you talking about what they're doing in their retirement and helping kind of guide them and give them thoughts and ideas of things they might want to take into consideration if maybe they're struggling with retirement?

Bill Keen: It's a big part of it. Yes, it is, because we sit down with folks, and one thing we look at is stress levels. I'll ask ... One of the initial questions we ask a client when we sit down is, "How are you enjoying work? Is it stressful? Do you like the people you're working with? Do you like what you're doing? Just tell me a little bit about your feelings about what's happening there." It's interesting. When someone has been at a firm for 30 or 35 or 40 years, or in the workforce, making that decision to go over into retirement, it's a big one. It is a big one, and we've talked in prior episodes about the best time to retire from a financial standpoint. We argued it could be never because you could always save more money, but folks get to a point where they realize ... I've had the privilege of seeing hundreds of people navigate up to this point where they realize time is limited and not in a morbid way, but time is limited for all of us at some point.

It is a crossover point where someone says, "Look at these things that we can be doing." They identify a good portion of the things they can be doing in retirement. Then, "Look at what we're doing now every day." That crossover point occurs where they know that it's time to retire, and as long as their financial house is in order, I always say as a caveat, as long as the financial house is in order, they can retire, and they can relax, and they can have a time to think and decompress and focus on the things that are most important to them. I don't mean "relax" like be a couch potato. I just mean "relax," as in moving into the next phase of life.

Steve Sanduski: Right.

Bill Keen: I hope that makes sense. Steven, the other thing too is I talk about the financial house in order. Here's an issue I wanted to make sure we talked about today. It has to do with the budget. I hate to use that word "budget" because "budget" doesn't sound very fun; it sounds restrictive, so instead I use the word "spending plan." One of the things about being retired is really doing the work

leading up to retirement is getting clear on what you need to live on and what ... We need to cover the basics, and then what you need to do to do the things to have to do the things that are really exciting to you.

Once you get clear on that and you have that nailed, I always tell folks, "Do not feel guilty about spending what you have planned." Most the people we work with have got what they've got because they've lived within their means, and they've saved, and they've done things to put themselves in this position to be able to retire. So by nature they're folks that might not want to spend on certain things, and I always say, "Once you have your plan in place, enjoy it. Enjoy it with piece of mind." Of course we make sure the plan is updated regularly and those kind of things, but it's a big one to making sure people don't feel guilty about spending what they've planned to spend.

Steve Sanduski: Right. On that there's a whole episode right there, just talking about some of the psychological aspects of money, and spending money, and feeling guilty about spending money. We could have multiple episodes on that particular topic.

Bill Keen: Steve, we could also have some episodes on folks that we have to rein in too.

Steve Sanduski: Yeah, but spending is a lot more fun though.

Bill Keen: Balance, balance. We have to have balance. That's right.

Steve Sanduski: There you go. There you go. Bill, in your experience, do you find that there are stages to retirement? For example, when someone retires I think you said earlier it's like, yeah, the first 30, 60 days it's like, "This is great. I don't have to go to work in the morning. This is exciting." Then maybe it starts to settle in, like, "Okay, I've got to have something to keep me busy here eight hours a day or four hours a day or four hours a day." Do you see that over the years, 5, 10, 20 years in retirement, are there kind of defined stages that you've seen clients go through?

Bill Keen: There are, and it has to do with activity levels, and it has to do with spending levels as well. I know we're talking more about activity today, personal activities, but they do go hand in hand. The first, typically the first 10 years or so we're seeing the most activities occurring, the traveling, the seeing kids around the country if they're in different locations, maybe traveling overseas, doing things that do require more resources, but also keep people more active. By nature, I think, and by desire, we see that slow down after about 10 years, and this is not for everybody. I have people that are in their late 80s that are still traveling and doing everything they were doing when they retired when they were 15 years younger or younger even. So there's no one size fits all to this, but if said, "Give me an average," it's about 10 years and then we go into a next phase that I see where people are just by nature more around the house, still doing things that

feed their soul though, still engaged, still involved, just not moving around as much as they may have done before, and by design as well.

Steve Sanduski: Okay, Bill, I think we're getting ready to wrap up here. Is there anything else you want to add before we close?

Bill Keen: You know, Steve, I just want to get across today that, again, this is the next phase. This is the next new chapter, and for those who are prepared, it truly ... I believe that the best is yet to come for people that are at this retirement age and are prepared and have done the work. I always ask people, "How are you looking at retirement? Because retirement to us is the beginning, not the end." If you look up the definition of retirement in the various dictionaries you'll see it talking about the end, and the reality is in today's age you've got wisdom from the journey. You've got resources. You have history. You have experience. You've got things to share and differences to make going forward, and truly the best years of our existence can lie ahead post retirement.

Steve Sanduski: So with good planning there's reason to be optimistic about the future.

Bill Keen: I believe so. Steve, I love the way word "nimble." We got to be nimble. We always got to be nimble and adjust to things that happen. The people that I see that are positive and constructive and have that confidence in what they're doing, knowing that they've planned well so that they can not worry about the plan between planning sessions, go out and enjoy their lives, enjoy the why's, I see them really truly thriving in these retired years.

Steve Sanduski: That sounds great, Bill. Hey, another great conversation. Enjoyed it, and look forward to catching up with you on the next episode.

Bill Keen: Great, Steve, will talk to you then.