

KEEN ON RETIREMENT



What is the Most Important Piece of a Puzzle?

Welcome to Keen on Retirement
With Bill Keen and Steve Sanduski

Steve Sanduski: Hello everybody, and welcome back to Keen on Retirement. I'm your co-host Steve Sanduski, and with me as always is my good friend and colleague Bill Keen. Hey Bill, how are things in Kansas City today?

Bill Keen: We're doing great in Kansas City this holiday season, Steve. The weather has turned. We're dealing with some but that's the time of year

Steve Sanduski: I was just talking to a client of mine this morning. He's out in California, and he said that it's that time of year he wears a sweater to the office. I said, "Oh. Well, how cold does it get?" "Well, you know, it'll get down into the 60's, when I leave the office at the end of the day."

Bill Keen: Right, yes. I don't feel sorry for those folks out there. Do you?

Steve Sanduski: Not at all. Not at all. No, no. I said, "Well, what I tell myself here in Wisconsin is I like the four seasons."

I've lived in the Midwest all my life except for a brief period up in Northern California, back in the late 80's, early 90's. Yes, I definitely enjoy the four seasons. It always gives you something to look forward to. Because in the summer, you're ready for the fall and the change of colors. Then, in the fall you're like, "Oh, the first snowfall is always fun." Then, you've got Christmas. You've got the fireplace going, so that's fun. Then, come about mid January we're like, "Okay, Spring cannot get here soon enough."

Bill Keen: Yes, mid January. About 30 days in right, or so.

Steve Sanduski: Yes.

Bill Keen: Well, we have the house all decorated up. Carissa does a great job with that. I feel

very fortunate. One day I leave for work, and we're normalized. I get home that night, and it's pretty much complete. I'm grateful for that, Steve.

Steve Sanduski: That's awesome, yes. Yes, that's the nice thing about the holidays here, and decorating the house. It's a really beautiful change of scenery, and to get into the spirit of the season. Do you have any other traditions that you do around this time of the year?

Bill Keen: We're fortunate enough to have a facility here in town called the Kansas City Rep. They put on some really nice live performances. They do a fantastic job of putting on Charles Dickens A Christmas Carol. It's a fabulous presentation. You know Steve, "Why do we go back to movies that we've already seen before?" Do you ever ask yourself that? Why would you go to a movie, or a play, that you've already seen many times before?

Steve Sanduski: Yes. Well, I'm with you right there. We do that a lot. In fact, it's funny. We've got a handful of movies, things like the Proposal is one of them in particular, that we can just watch over and over again. We know how it ends. We know all the lines. It's still just good fun.

Bill Keen: We say we've forgotten enough about it to make it interesting, still. We're familiar with the way it makes us feel, and the message that we're getting to want to go experience that again. That's what going to see A Christmas Carol does for me. It's a great storyline. Most people probably remember it, but if you're in Kansas City and you're able to go, I would highly recommend that.

Steve Sanduski: Yes, for sure. Excellent. Today, Bill, I think we're going to talk about some of our favorite quotes. Some of our insights, as it relates to the holiday season, and things that we typically like to think about this time of year. Yes, I think we'll have some fun with this one.

Bill Keen: We will. We did this once on retirement quotes, on a podcast earlier in the year, so I thought this would be fun, Steve.

Steve Sanduski: Yes, yes. For sure. I'll just start here. Bill, let me start by asking you a question.

Bill Keen: Oh, no. Right off the bat. I'm not even warmed up yet, Steve.

Steve Sanduski: I know. Well, I'm hitting you cold here, buddy.

Bill Keen: Okay, very good.

Steve Sanduski: Okay, so have you ever worked on, or completed, a jigsaw puzzle?

Bill Keen: Yes.

Steve Sanduski: You have? Okay.

Bill Keen: It's been a while. It's been a while, I'll admit. Probably 15 years, or so.

Steve Sanduski: All right, so what would you say is the most important piece in a puzzle?

Bill Keen: My mindset instantly went to the last piece, because it would be finished. Standby. Then, I went over to maybe the first piece, because that's the starting point. Really, for some reason I'm thinking the answer might be the second piece. That's where it starts to form. I'm probably way overthinking this. You've been quizzing me so much, I'm trying to come with the curvation here.

Steve Sanduski: I know. You have an excellent analytical mind, Bill. There's no question about that. Certainly, the first piece, the second piece, the last piece, are certainly important pieces. Think about this. What about the picture on the box lid? That might possibly be the most important piece of a jigsaw puzzle. Maybe I'm cheating a little bit, because that's not technically a piece of the puzzle.

Bill Keen: Yes, yes.

Steve Sanduski: Maybe I'm changing the rules of the game here a little bit. The point I want to make is that when you put a puzzle together, it really helps to have a picture of what that finished puzzle looks like. I think that's very similar to what we do here in the financial planning process, the investing process. I know, Bill, when you work with a new client, and just ongoing conversations with existing clients, you're always asking questions. Because you really want to get a good understanding of what your client is trying to accomplish. What success looks like to them. What's important to them. What's meaningful to them.

When you have that picture, and you help your client really clarify what that looks like, that once you have that then you can do a much better job helping them realize what that picture is that they have just identified. I think that's something important to think about here as we're at the end of 2016, and we're looking forward to 2017, is to really get clarity about what it is we're trying to do in our life. What we're trying to accomplish. What we're trying to be. Finish the year strong, and move into 2017 with real good clarity about what is going to make 2017 a good important and meaningful year for us.

Bill Keen: I love that. As you know Steve, I'm a practicing financial advisor. I just came out of a meeting with some folks who were just on the cusp of retirement just in the next few weeks. It brought to mind the way that we look at goals when you're just starting out, you might have some broad goals that are opaque and really a wide swath of what you might want things to look like as you work towards being independent at some point. As you get down to your retirement years, pre retirement, the transition into retirement, and even for all our listeners and clients that have been retired for some time, now the goals have to be pretty granular. It's, what do we need every month in our bank account after taxes to meet our obligations? What do we need in our accounts for travel? What do we need to

allocate for our medical expenses?

What do we think it's going to be, and then what could the worst case be? What about other issues outside of the box that we're not thinking of. Those are all very important financial issues that we have to be specific on and have in an updated plan. What I'm seeing too, the clients that we work with have all gotten to a point, in my opinion, of being pretty squared away on their relationship with money. We talked about this topic of money quotes. Money quotes. There a lot of funny money quotes out there, because people have such a difficult time getting right with their relationship with money.

Steve Sanduski: Well, Bill, for this person that you were just talking to today, are they a new client?

Bill Keen: Yes, they're just signing on as new clients, and having to go through all of the different steps to get a plan set up so that they could be confident as they move forward.

Steve Sanduski: Let me ask you this question. This is going to tie in, I think, a little bit from maybe an earlier conversation that we had when we had Mitch Anthony on the podcast. The question is, is this couple that you just talked to that's becoming a new client, that is retiring, would you say that they are retiring from something, or are they retiring to something?

Bill Keen: In this particular case, they are ready to move into the next phase of life, which is going to include travel. They have a couple residences around the country. Really, really, neat. Seeing grandkids and being immersed in a couple of different environments. They are retiring to that ideal.

What I get to see here too, is it's not black and white. I get to see people evolve. I get to see them retire, but yet take a couple years to get in the rhythm of retirement. What we don't like to see is the extreme cases, where people maybe go into isolation. They stay out of social environments, and they get into a situation where it might not be good. Most of our clients that we're seeing are pretty well adjusted, and they get out into this retired rhythm and they really thrive. It is really fun to see it.

Steve Sanduski: Yes. Well, that's awesome. You mentioned there that sometimes it might take people a year, or two years, to really get into the rhythm of retirement. What I've found, and I'm sure you found this as well, is that there may be a decompression stage initially if you go from full time work for a 30, 40 year career, particularly at one company. That if your last day of work is a Friday, and then, "Oh, my gosh. I'm now home 24 hours a day," that there is a period of adjustment there. People might cycle in and out of work, or part time work. Just feeling their way. That is all fine. That's normal, and it's to be expected. That's part of the fun of retirement, is figuring out what exactly is the right rhythm for you.

I know maybe you and I have talked about this before as well, but there's three

questions that I think are fun for people to think about when they're thinking about retiring. The first question is, do I have enough? The second question is, have I had enough? The third question is, do I have enough to do? I think for our listeners, as you think about retirement, those are three great questions to really focus on. First one, do I have enough? Do I have enough money to retire? Second, have I had enough of what I've been doing and I'm ready for a new change? Then third, do I have enough to keep me busy in those retirement years? I think those three really just encapsulate a lot about what retirement means, and how people need to be thinking about it and framing it going forward.

Bill Keen: The first one that you mentioned, do I have enough? I would almost say that's the easiest of the three, if I had to rank them. Because, as long as someone's done the work and figured out what they need to live on, and we have an extensive way of coaching people through that so they get it right. We don't want to find out six months after someone's retired that they really had misevaluated what they needed to live on. Once we figure that out then Number two is going to be the second easiest to figure out. Have I had enough?

Steve Sanduski: Right.

Bill Keen: In doing this for 25 years almost, a lot of people have trouble, and it's not clear. It is something that's creating anxiety, thinking about should I, shouldn't I? Should I, shouldn't I? The mental tennis match that goes on about this major decision. I've seen it happen so many times that I know when it's clear. As long as the first question is answered, and then we get into that third question. Which, a lot of people discount.

We get a lot of feedback on our podcast, Steve. I talk to a lot of people that listen in, both clients and friends of the firm. I like getting positive feedback, but I also like getting negative feedback. When I say negative, I don't necessarily mean it's negative. I just mean that it's different experiences, different opinions. I had one client call up and say, "Hey, I worked 45 years. I don't necessarily need some other job, or something to go to. I earned my right to be retired. I'm going to sleep in until 8:00 in the morning, instead of getting up at 4:30. When I get up at 8:00, I'm going to do what I want to do. You guys are talking about how people have to work in retirement." We're not saying they have to work, but we just think some people like to. That's all we're saying.

Steve Sanduski: Right. Yes, with that situation, I know. My dad was like that. He retired early, at 58 or 59. He never worked another day in his life. He's still alive today thankfully, and doing well. He spends his day puttering around and watching CNBC, and that sort of thing. He finds a way to stay busy. I think the numbers actually show that approximately one third of people who retire, that they do fall into that category. Where they really don't do active work again. They find ways to stay busy, but they don't do paid work or volunteer work. That's fine. We're not here to tell people how they should retire. We're here to just help educate people on what peoples experiences are in retirement, and give some insights on what we think people

should be thinking about as they approach retirement so that they can have the happiest retirement possible.

Bill Keen: That's right. We always say that money doesn't buy happiness. That could be one of our first quotes today. What I always like to come back to is without being able to cover your core expenses, I believe that it's very difficult to have happiness, peace of mind, lack of anxiety, and that kind of thing. I really do think in this world we live in, you have to have some level of financial security in almost every case to live productively.

Steve Sanduski: Yes.

Bill Keen: You know that?

Steve Sanduski: Well, Bill that reminds me of a commercial from Lexus about money not buying happiness. It goes something like, people who say money doesn't buy happiness just aren't spending it right.

Bill Keen: Yes, I think you've said that before. Mark Twain has a good one. It's interesting, because I think a lot of people misquote a quote or a verse that says, "The love of money is the root of all evil." I think some people get it wrong, and say, "Money is the root of all evil."

Steve Sanduski: Right.

Bill Keen: It's, "The love of money is the root of all evil." Mark Twain has a different take on it. He says, "The lack of money is the root of all evil."

Steve Sanduski: Yes, that one's true.

Bill Keen: But Again I think it goes back to having your bases covered, and just being able to put your head on the pillow at night knowing that your business is in order. That you're able to rest knowing that things are okay. There's so many people, including myself, when I was growing up and going through college, where it took me a long time to have that, Steve, I remember the day still very clearly when I realized that I can go to a coffee shop and not have to budget for that coffee. To be able to sit in a coffee shop. This was back before Starbucks got going. Based on the way the pricing is going there, I think I'm back to the old days now.

I remember that, what it was like to have to budget for my coffee. I try not to forget that. Because, I think that we're very fortunate, a lot of us here. To be able to have some of the, at least, base line financial security that we do. It's all the product of hard work. Living within means. Having some discipline, and some character around it. Stuff doesn't happen overnight.

Steve Sanduski: Yes. Hey, speaking of hard work, I got a quote here.

Bill Keen: Yes.

Steve Sanduski: From J. Paul Getty, of Getty oil fame. He said, "My formula for success is rise early, work late, and strike oil."

Bill Keen: Oh, very nice. Okay. If we could decide to do that, I bet some of our listeners would do it.

Steve Sanduski: That's right. Yes, I think we can all do the first two. I don't know about the third one.

Bill Keen: Yes. I love it. How about this, "Money. Those who don't have enough of it are only aware of what it can buy them. When you finally have enough of it, you become aware, acutely aware, of all of the things that it cannot buy, the really important things." That's from a gentleman names F. Paul Wilson. That really spoke to me when we were putting together our talk here.

Steve Sanduski: Yes. Yes, well so what did that mean to you, Bill?

Bill Keen: My belief that money makes you more of what you already were. If you were a jerk, you're a bigger jerk. If you're loving and gracious, you're more loving and gracious. If you're capable, or you're at that point in life where you have the responsibility to be able to handle these things, what cannot money buy? Well, we know it cannot buy health. Steve Jobs is a good example of that. It cannot buy relationships. It might be able to buy surface level relationships.

It's confusing. It's so confusing. That's why we started our episode off by saying folks have a difficult time getting right with money. We talked in our prior episodes about people feeling guilty about spending money, about people feeling guilty about having accumulated resources. Then, we talk about people overspending. Steve, I always say that it starts with the little things. You're going to laugh at me. I think I'm from this generation, I'm from your generation, you know what drives me crazy around the house?

Steve Sanduski: What's that?

Bill Keen: Water bottles that are left half empty.

Steve Sanduski: Oh, I'm on board with you on that one.

Bill Keen: Are you? All right, while I'm on it, I'm just going to keep it rolling.

Steve Sanduski: Okay.

Bill Keen: Lights that are left on. Are you on board with that one, too?

Steve Sanduski: Absolutely.

Bill Keen: Okay. These things, they seem like little things. To me in my generation, it's like if I'm going to pay for that water bottle, and you can figure out how much it costs to buy them from Walmart or wherever in 24 packs. They're probably 20 cents a piece or something, or less, right? When I see a half drunk water bottle, I go, "That's wasteful." The lights on, "That's wasteful." I always say if we don't respect the small things in life, you're not going to be entrusted with bigger things. You're not going to be capable of handling the bigger things in life that could be attracted to us.

I think that's a big part of what I see in my practice. Our people that are on this side of a lot of those issues. I've always said, "You've got to take care of the little things first, so you can graduate to the bigger things." That's, again, also what happens with lottery winners we see. No amount of money can fix it if you're not ready to handle it, and you're not capable of handling it. Someone could get 100 million dollars dropped in their lap, via an inheritance, a sports contract, or a lottery, and look up and within 36 months, it's gone. How is that even possible? You couldn't even imagine how it's possible, but it's possible. It happens all the time. You ask me what money can buy, and what it cannot buy? There's both sides of the coin to it, right there.

Steve Sanduski: Well, a couple things I want to add to what you just said there. One is, I think that's such an important point, about taking care of the little things. That if you're not paying attention to the little things, then how can anyone ever be trusted with the big things? In a service business, like being a financial advisor, it's pretty much a service business, and I would encourage all the listeners to pay attention to the little things related to not just the financial advisor you're working with, whether that's Bill or perhaps someone else, but other service providers that you work with. Pay attention to the little things. Because, if your service provider is focused on the little things and getting those things right, then that should give you a lot more confidence that if you can trust them with the little things, you can probably trust them with the big things. I think that's an important point.

Then, the other thing I want to mention is I think this is also a great time of the year, and it's always a good time of the year for this, but particularly around the holidays here with Thanksgiving, and Christmas, and New Years, is to be grateful and thankful for what you have. There's a quote that says, "If you're not happy with what you have, you'll never be happy with what you want." I just think that that's a nice thing to be thinking about this time of year, is just being grateful for what we have, and not worrying about what we don't have.

Bill Keen: That's right. We attract more of what we are. Steve, have you heard of the reticular activating system in our brains?

Steve Sanduski: I wrote my doctoral dissertation on that.

Bill Keen: Really? I don't believe you.

Steve Sanduski: Well, you're smart to not believe me on that.

Bill Keen: Okay, good. Well, it's funny because I think about this all the time. A lot of what we do here is psychology. It really is. We can get the facts right, but if we make an emotional mistake it can upset the apple cart. I say we, as in our clients and us on the journey together over a lifetime of financial planning, but the reticular activating system is the part of our brain that decides what it's going to weed out, or not see. Then, the part that decides what we are going to see. Have you ever bought a new car, and all of a sudden you see your car in your color everywhere?

Steve Sanduski: Yes, everyone's got one. Yes, for sure.

Bill Keen: That's right. Now, I don't think they all just bought it the day you bought yours. That is a perfect example of what I'm talking about.

There's another exercise that I have folks do at times where I say, "All right. Look around the room, and take note of everything blue." Then, I say, "Shut your eyes. Now, with your eyes closed, tell me everything in the room that was red." No one can do it. They might remember just a couple things, but it's just a real simple little example of we get what we look for.

If you focus on things that are negative, negative things will grow. If you focus on things that are positive, positive things will grow. It's just like planting a rose bush in fertile soil, or planting something that is poisonous. The fertile soil will grow either. I choose to plant things in my fertile soil, try to at least most of the time, that are positive. Not to deny that bad things are going on in the world and those kind of things, but to try to have a vision.

Steve Sanduski: Bill, as you were talking about the, what did you call it, the reticular activating system?

Bill Keen: Yes.

Steve Sanduski: As you were talking about that, it reminded me of that Simon and Garfunkel song where they said, "A man sees what he wants to see, and disregards the rest."

Bill Keen: Exactly.

Steve Sanduski: Yes.

Bill Keen: It's exactly right. My contention is. It's a very real phenomenon.

Steve Sanduski: As you were talking about that exercise you have people say, "Hey, look at everything that's blue in the room," I don't know if you remember, there was a video that went viral, maybe we'll try and link to this on the show notes page, where they ask you to watch this video and count how many times this group of people in the video are passing a basketball around. You see maybe, I don't know,

10, 15 people in the video. They're passing a basketball around. You have to count how many different times it gets passed around, or how many different basketballs are in there. Something like that. Everyone is focused on that, but while they're focused on that something really outrageous is also happening. After the fact, I don't want to give it away too much. Does that ring a bell to yo?

Bill Keen: I know exactly what you're talking about. In fact, I'm visualizing it now, because I was one of the ones who didn't see what you're talking about across the screen.

Steve Sanduski: We'll see if we can get that in the show notes page at KeenOnRetirement.com. Hey, Bill, I think we're getting ready to wrap here. Is there anything that you want to finish up with here on today's show?

Bill Keen: This was the first full year of the Keen On Retirement Podcast. It's hard to believe. I think we put out maybe 30 episodes, Steve. We have had such tremendous feedback. We hope everyone can enjoy this holiday season. Really relax, and take a moment to reflect back on the things they're grateful for, like you mentioned.

Then, of course and always, making sure that we're taking care of our financial house. Making sure that we're engaged in that process. I think those things set the stage here as we close 2016 for a really productive 2017. I'm just grateful to have all of our friends and clients here at Keen Wealth. I'm grateful for you too, Steve. You're such a well respected, and such a professional in the financial services industry. For me to have you as my co-host, it's a real honor and a privilege. I get a lot of great feedback about you. I need to tell you that more. Everybody I talk to that listens, says they really love your co-host Sanduski.

Steve Sanduski: Oh, stop, Bill. Stop, stop. You're making me blush.

Bill Keen: I'm sorry. Every so often I got to give you a little bit of a break here.

Steve Sanduski: I truly appreciate that. You know how much I appreciate you, as well. This is a labor of love here, doing the show. Working with you, and spending time with Carissa, as well. This is a lot of fun. I very much appreciate you having me be part of this. I also want to encourage all the listeners to tell your friends and colleagues about the Keen On Retirement Podcast. We'd love it if you would send them to the website KeenOnRetirement.com. You can also look up the podcast on your app. Whether you have an iPhone or an Android phone, there should be a podcast app there. You can just look up the name Keen On Retirement, or look up Bill Keen, and you should be able to find it. Subscribe to it, tell everyone about it. We're looking forward to a great 2017.

Bill Keen: Yes, we are. Here's to a great 2017, Steve.

Steve Sanduski: Thanks, Bill. Talk to you soon.