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An Artificial Finish Line

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Our culture, our institutions and we as individuals are reaching a tipping point on the issue of retirement. It is time to rethink the entire proposal regarding how we are to spend the last one-third of our lives. We, as individuals and collectively, are poised and ready for a new retirementality.

If we view the concept through a long-term lens, we realize that the idea of institutionalized retirement is nothing more than an Industrial Age social experiment that, for the most part, has run its course. The scheme of forcing the issue of retirement at a particular age was hatched by Chancellor Otto von Bismarck in the 1880s in Germany. At the time, the age for retirement was mandated at the age of 70, although the average German worker didn't survive past 46 at the time. (Von Bismarck was 74 at the time but was apparently "grandfathered" in.) The concept was imported to the USA during the Great Depression as a lever to move older workers out and younger workers into the workplace. The average worker lived to the age of 62 in 1935.

Once insurance companies and investment houses grasped the idea as a motivational method toward more savings, the retirement assumption was off and running. Del Webb came along with age-determined communities and literally invented the term "golden-ager," which essentially sealed the dream of having lots of money and nothing to do but play. But the tarnish has been gathering for quite some time on the leisure-retirement proposition.

More than a few of us have noted people retiring with some means but very little meaning. Is having \$2 million in the bank with nothing significant to do with your day a compelling vision for life? A recent Rand study noted the "diminishing law of returns on leisure" as a chief capstone of an emerging "un-retirement trend." What the leisure/life propagandists failed to realize is that leisure draws its merit and meaning

from work.

Leisure is a catharsis. What makes it fun is that “I’m not working at the moment.” Remove work, and leisure quickly becomes monotonous and boring, which in turn begins to atrophy the intellect and spiritual impulses that lead to fulfilled living. Shakespeare wrote, “Leisure is a beautiful garment for a day, but a horrible choice for permanent attire.” Early death, diminishing health and expanding boredom all attest to this fact.

Divorce rates show a spike in the first two years of retirement. Anyone who has a successful relationship knows that proper spacing is critical—and when that proper spacing gets threatened, couples soon realize that nonstop face time can lead to sustained aggravation. Add to that mix the possibility that one or both parties may be feeling an identity crisis, insignificance or aimlessness—and the divorce rate shouldn’t surprise any of us.

Close to 60% of those who retire this year will be seeking part-time work within the year. The reasons for doing so are not purely economic. In fact, studies show that the predominant reasons have to do more with social, intellectual and personal challenge factors than with pay stubs.

Here are four modern trends that portend the end of retirement thinking as we know it:

1. The evolving pursuit of fulfillment in our times.
2. The end of the paternalistic employer.
3. The advent of dismantling ageism.
4. ¶ Distribution-driven Armageddon for financial services.

Growing old with lots of money is no longer the goal. Dying rich can’t compete with living rich, and making a living doesn’t measure up to making a life. Where ROI (return on investment) was once the prime consideration, ROL (Return on Life—getting the best life possible with the money you have) is now displacing it as the core consideration.

“Successful aging” is replacing “growing old” and “meaningful pursuits” are supplanting “pursuing means.” Where retirement in the past sent people in their 60s to the sidelines, the next generation of those in their 60s is headed to the frontlines of cultural and world needs, of making a difference, of participating in loved ones’ lives. Getting a gold watch and watching time tick away is no longer an option. We will do what we can while we can.

The retirement of the last generation was propped up by pension plans and companies that displayed some sense of commitment toward its employees. Those companies today are as plentiful as alien sightings. In the last decade, we have witnessed the erasure of billions of dollars in pension obligations, the overloading of the Pension Benefit Guaranty Corporation (a U.S. government entity) and the shattered expectations of people who spent 30 years accruing what they thought were real assets—only to find that legal restructuring and exploitive accounting rendered them phantom. Their personal assets were corporate liabilities and were simply wiped off the books as such. The modern definition of a pension is, “a promise that is good—until it’s not.”

Retirement has always been nothing more than an artificial finish line imposed upon individuals by institutions. Institutions have dictated these finish lines to those whom they deem as having expiration dates on their working careers. Individual proprietors and self-determining professionals fortunately didn’t have to abide by these finish lines, but the rest of society was compelled to go along, cross the line at 62, and head out of the arena and to the bleachers. The overarching question that must be answered about age is this: What are we trading for a paycheck, and how is it impacted by age?

In the Industrial Age where this idea was born, people traded physical capital (raw physical labor) for a paycheck. And it made some sense that, once they passed 60, their physical energy and endurance might be waning and could be easily replaced with that of a 20-year-old. Today, we trade intellectual capital, experiential capital and relational capital for our paychecks, so there is really only one question to answer about the appropriate time to retire: “What is the expiration date on my intellectual capital and on my experience?” What those people still working in their 70s and even 80s will tell you is that they would be dead if they had not continued to engage their intellectual faculties.

Last but not least, the retirement theme of “Save up until 65 and then start drawing down for the rest of your life” has dire implications for an industry that has accelerated toward being paid on assets under management. The entire industry has bought into a model that ultimately ends with empty coffers (unless you have great inroads into the next generation and they save much more than their parents). It will not only be good for the new “retiree” to be working, it will be better for your book of business and for the industry at large.

Retirement is a social construct that has run past its own expiration date. Retirement is an artificial finish line that people are sprinting past and declaring, “I’ll tell you when I’m done, not vice versa.” Retirement is an unnatural phase in the life course that has led to innumerable existential issues for those forced into it (view the movie About

Schmidt for a poignant cinematic portrait of this reality).

The new conversation embraces the new thinking about retirement and asks the following: 1) How will you spend your time? You have 168 hours a week; how will you make it meaningful? 2) How will you invest yourself? How will you parlay what you know, what you've experienced, and who you are into the next phase?

After all, we miss the point of investing our money well only to settle for losses ... on our potential.[]

Mitch Anthony is the author of The New Retirementality (Wiley), now in its fourth edition.