

# Op-Ed: Financial advisers point to the New Retire-mentality Special

Nov 24, 2013

by [Jonathan Farrell](#)

**With the Baby Boomer generation now entering into retirement, the future of retirement will be much different than what it has been for previous generations.**

"Pensions are a thing of the past," said [Zack Clow, regional Vice President](#) of Northern California for Invesco. He was the

guest speaker at the Sonoma Valley Chamber of Commerce on Nov. 21 for Edward Jones Investments financial adviser Daren Blonski.

Each month Blonski and his staff at the Edward Jones office on Broadway in Sonoma provide a workshop/seminar on financial topics. Blonski thought it fitting that the talk that Thursday night should be about retirement; because as he said, "it is an important subject to think about as the year comes to a close."



Pointing to page 15 "The New Retirementality" workbook provided by Invesco, Jack Clow talked about the importance of understanding a new approach to investing. "Don't bother with the spell-checker on the word 'retirementality' it will not show up. But perhaps soon it will as more people will have to face the reality of



Jack Clow of Invesco pointed out that the strategy to a happy and well-funded retirement is to look at the example of the Maslow Theory of hierarchy of needs, "only in this case it is about your needs for retirement," said Clow

Even with the unexpected power-outage due to a wind storm that evening, turn out for the seminar/workshop was good. With gourmet cheese and crackers served with sparkling Italian soda and a large plate of fresh baked cookies made with [Nana's All Natural granola](#), the storm outside was forgotten by the twelve people attending.

"Everyone wants to retire," said Clow. Yet, he noted that few people think about what to do once they get there. "Sort of like being a mountain climber eager to reach the summit and then once at the peak, having to climb down." "More people are having to face the reality of the new mentality about retirement. Or as he put it, "Retire-mentality."

"Don't bother looking that word up, he said, it will not show up on the spell-checker." "But, no doubt in my mind, said Clow, that word 'Retirementality' will be added to our vocabulary soon." Clow handed out a workbook entitled

"The New Retirement-mentality" [based upon the book of the same name by Mitch Anthony](#), a leader in the financial services industry.

Like Anthony, Clow asked the question, "what will retirement look like?" Clow then asked the audience to say out loud the first word that comes to mind when they hear the word "Retirement."

Nana Ladd of Nana's All Natural Handcrafted Foods said, "boredom!" "I don't want my retirement years to be boring," she said. While others said, "sleeping in," and some said, "still working." Clow laughed as he heard these responses.

"Most people will keep working, unfortunately he noted, some will have to work. But I can tell you that retirement will not be boring and it certainly will not be anything like what it was for our parents or grandparents."

Then he asked "how many people think that their income will consist of mostly Social Security money?"

"The fact is, even if you are able to receive a decent retirement amount from Social Security, chances are, that will not be enough, especially if you live to be over 80 years old."

Clow pointed out that when the concept of pensions as we know them today was first established back in the late 19th Century [with Germany's chancellor Otto Von Bismarck](#). In [1875 American Express was the first](#) private company pension.

As the 20th Century expanded more into the industrial age, pensions were the means by which most working Americans would retire.

"Life expectancy was usually to about 60, so a worker living to a very old age was rare. But now, that is not the case," said Clow. "People are living longer and it is becoming more common for elderly people to outlive their pensions or tally up expenses that eat up their retirement assets," he said.

An example of that is some form of long-term care. "People today, need to include that in their retirement plans," said Clow. Because, if life expectancy is getting longer than the probability of long-term care in some form, be it assisted living or nursing home is a reality.

Blonski mentioned that when he helps people to start putting together a financial plan for retirement one of the first things he recommends is building an emergency cash fund consisting of three to six months worth of salary. And, the next important step according to Blonski is eliminating debt, "especially consumer debt; pay off those credit cards," he said. And, as Blonski firmly believes, your retirement comes first over your child's (or grandchild's) education. Blonski, Clow and others are of the thought that a parent or



Daren Blonski a Financial advisor with Edward Jones Investments of Sonoma, invited Invesco VP Zack Clow to speak on the subject of "The New Retirement-Mentality." "Everyone wants to retire some day, yet what people often forget when working towards that summit is what to do once they get there," said Clow.



Zack Clow, is the regional Vice President for Northern California region for Invesco. He was a guest speaker at the Sonoma Valley Chamber of Commerce on Nov. 21, 2013.

grandparent can be of little help when their own retirement income and assets are not secure.

Clow's message was not meant to be bleak or chastising. "There are examples of people I know who since entering retirement are starting up a new business, going into a second or third career or following a vocation or life-long dream." Clow believes that even though the future of retirement will be much different and there will be some struggle, it will be rewarding.

"People today need to move out of the pension generation mentality and into the mind-set of a more active approach to building one's retirement goals," said Clow. In the workbook he provided he pointed to the pyramid. "I am sure anyone who took a course in psychology has heard of [Maslow's 'hierarchy of needs.'](#) well, here it is, in what we investment advisers like to call "Maslow Meets Retirement," Clow pointed to the pyramid in the diagram and said, think about your needs; once you set enough aside for one level then you can move on to the next level." "With the establishment of each level, you have more freedom to do more," he said.

And as Blonski pointed out, "you can also be in the position to leave more to your children, grandchildren or favorite charities." He agreed wholeheartedly with Clow about the changing landscape of retirement. "If you want to have a comfortable retirement you need to start now, ASAP!, Don't wait," he said.

[401-K plans, IRAs, various forms of life insurance, mutual funds and annuities](#), these are all ways of securing a more stable retirement. "We can't control or predict the stock market or the economy, said Clow, but we can plan for retirement."

Clow and Blonski recommend that people approaching retirement seek out a professional financial adviser and take the time to think about how much money they will need and what it will take for them to retire comfortably. "Every situation is a bit different, said Blonski but the sooner the conversation about retirement gets going the quicker the fears about retirement are confronted and resolved."

For more information about retirement plans and possible retirement options talk to a reliable, trusted professional financial adviser like Zack Clow [with Invesco](#) or [Daren Blonski with Edward Jones Investment](#).

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