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Most Clients Don't Want 'Vacation Retirements'
Dorothy Hinchcliff

Financial advisors should help clients plan to continue working after age 65 rather than for a "vacation retirement," says industry coach Mitch Anthony.

Anthony, who provides workshops and training for advisors and has written books about retirement, was a keynote speaker on March 12 at the 4th Annual Financial Advisor/Private Wealth Retirement Symposium in Orlando, Fla.

He asked the audience of more than 300 financial advisors whether they know someone who is considered "one of the lucky ones": He has $10 million of investable assets. And he wakes up with no job, and no sense of purpose. He is no longer relevant.

"Retirement is an artificial finish line," Anthony stressed. "Somebody decided that at this age, you're done. Is there anyone in the room who would like to tell yourself when you're done rather than have someone else tell you?"

Not everyone wants to work full time, he noted, and for some people who are well-enough off, volunteering at something they enjoy could be the work they want to do. He defined "work" as "an engagement that brings value to others and meaning to me."

"Once a person reaches 65 they should no longer be engaged in things that bring value to other and meaning to themselves?" Anthony questioned.

Study after study shows that most people do want to work after age 65. According to AARP, studies it did of baby boomers in 2002, 2003 and 2007, as well as a survey of adults aged 25 and over conducted by Merrill Lynch in 2006, all suggest that the concept of retirement has changed considerably. "In these studies, seven in 10 baby boomers project that they intend to work past traditional retirement age," AARP says.

"Yet the reality is that despite the desire and need to work, many may not be able to do so because of health considerations, age discrimination, or a declining economy," AARP said in a 2010 report,*Approaching 65: A Survey of Baby Boomers Turning 65 Years Old.* The 2010 survey showed that of new boomers turning 65 that year, only 31 percent were employed full or part time.

Still, financial advisors should be helping boomer clients plan for the life they want, and for most, that is to continue working. Anthony said the whole concept of a "vacation retirement" -- one promoted with four-color brochures of pictures of fishing poles, golf clubs, beaches and Mai Tais -- is an institutionally manufactured idea. "You can trace it back to the early 1950s, when people in the insurance industry said, 'We need to come up with some sort of alluring sales pitch to get people to save for retirement,'" Anthony said.

The reality is that when people don't feel they are doing something meaningful, they become bored and pessimistic, Anthony said. "Ever been on a golf course with a bunch of grumpy old men?" he asked the audience.

"The new IRA is the new Individual Retirement Attitude. It's up to every one of us to decide what our retirement lifestyle is going to be. Money is the second question we have to answer. Life is the first question we have to answer," Anthony said. "And it's so important to get this conversation right, because there are so many people in this industry who don't have this conversation right."

The financial advisor who understands what people really want and can have a compelling conversation about it is the one who is going to get future business, Anthony said.

He suggested advisors form a "retire mentor council," with members who are clients. "I would find people in their seventies and eighties who have done this really well, and I would form a little council and then bring in the wanna-be retirees and have a meeting. The council of retire mentors can advise them on what's ahead. It would be of great value."

Anthony said the conversation that advisors should have with clients should address the "unnatural state" of retirement and stress these four actions:

1. Keep meaningful pursuits at the core of who you are and what you do.
2. Continue to challenge your mind, your heart and your body
3. Round out your pursuits because when you keep things in balance you never feel the need to quit anything.
4. Delay your distributions.