

P A R T
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OUT WITH THE OLD

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CHAPTER 1

What “Retire” Meant

THE END OF RETIREMENT AS WE KNOW IT

Things do change. The only question is . . . will society and man’s habits change quickly enough?

—Isaac Asimov

The U.S. standard-gauge railroad track is four feet, eight and one-half inches wide. Why such an odd measure? Because that was the width in England and the United States when railroads were built by British expatriates.

Where did the English get that measure? The first rail lines were built by the same people who built the tramways that preceded railroads, and they built the trams with the same jigs and tools used for building wagons. The wagons were built to what is now the standard-gauge railroad track so their wheels would fit the ruts of England’s ancient long-distance roads.

The ruts had been made by the war chariots brought to England by the occupying imperial Roman army. And the chariots were four feet, eight and one-half inches wide to accommodate the rear ends of two horses. You’re not alone if you struggle with change.

Retiring Old Ideas about Retirement

Face it—retirement is not a great idea, especially at age 62. In fact, retirement as we know it today is a relic from a time and a world

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that have long since passed. In the context of our modern age, conventional ideas about retirement are not only inappropriate, but they are counterproductive. The concept of retirement was a shortsighted political machination and social manipulation, which is no longer relevant and is hopelessly out of touch with our times.

We are subjected daily to messages that pummel our brains with warnings that we should save more if we hope to leap off the economic cliff known as age 62. And many of us have been convinced that we want to jump off that cliff earlier—if possible, much earlier. The new retirement resembles a bell curve rather than a cliff. Rather than jumping off, we will gradually slow down. Do we really want to quit working? Sadly, because so many people are working in jobs, industries, and offices they hate, they have convinced themselves that the answer is the end of their working days (retirement). But the fact remains that they wouldn't be obsessed with the idea of quitting if they were doing what they wanted with their life in the first place.

Many people think that the answer is to quit working altogether because they don't like the working circumstances they find themselves stuck in. This is akin to getting a frontal lobotomy simply because of a headache. Many others want to quit what they are doing now to be able to do something else; they need or want a change but are convinced that they need a mountain of money to make the switch. So they decide to postpone their dreams, assuming that when they do finally acquire the required substance, they will still have the desire and drive necessary to follow their dreams. People in these circumstances—and there are many—should stop to contemplate the psychologically sobering fact that as they drive themselves in a career they despise, they are running on tires with a slow leak. The ride often gets rougher and tougher until they find their aspirations in the ditch and little energy left to begin a new journey.

The same could be said for those who have a lukewarm approach to their work. Such a tepid approach results in a lack of growth, a lack of incentive and mental application, and compromised energy levels. When this lukewarm approach becomes our status quo, we are well on our way to a life and career of underachievement.

The Artificial Finish Line

Once we become adults, we often lose track of life's simple pleasures and of our own personal goals. We take a wrong turn or two, then

spend a good part of our lives doing things we'd rather not—while not doing many things we'd enjoy. While we may obsess about how unhappy we are, we don't focus clearly on what we can do to change the situation: on how we can invest our time, energy and, yes, our money to consciously create the life we want.

—Marc Eisenson, author, *Invest in Yourself: Six Secrets to a Rich Life*

Doing work we despise or being in circumstances we deplore depletes our spirit. The reason so many find themselves in such scenarios is that they have been sold on an idea about retirement that is flawed to the core: *the idea that we should do what we do not enjoy to accumulate the money we need to someday do what we want.* This hope of doing what we want is why the concept of traditional retirement is alluring to so many. Many individuals are not in the race they want to run in. They see getting to the age of 62 with a mountain of money as the only way to get in that race. The problem is compounded when we realize that we have been convinced to run toward an artificial finish line in a race that was never meant to end. This artificial finish line is age 62 or whatever age you believe you should retire. The race is the employment of our skills and ideas as long as we still enjoy using them. If we truly love what we do, although we may slow down our pace or change the event we run in, we never truly quit the race.

And why have so many people given their life to work they don't enjoy? The reason is simply that they need the money. Why do they need the money? So they can have enough to retire at age 62 and do what they want. Great! We sacrifice 40 prime productive years so we can have a speculative, free reign for the autumn and/or winter years.

Although you may not have heard much about it, those who do get to the magic age of 62 and drop out of the race are not always altogether happy with their decision. They often do it, however, because they felt as though they had to. Disillusionment rates are sky high for retirees. According to one survey, 41 percent say retirement was the most difficult adjustment of their life, and most still struggle with the monotony, boredom, lack of purpose, and lack of intellectual stimulation that traditional retirement offers. There is a good reason these retirees are not happy—*retirement is an unnatural idea.* The concept runs contrary to the preservation of the human spirit. Most people don't really want retirement as we know it.

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What they want is freedom to pursue their own goals and interests. They want to call their own shots. They want to do what they want, when they want, and where they want. They want change from the rut that their life of employment has become. We have been told that the right amount of money alone can buy that emancipation.

And that is why we are so vulnerable to the messages that tell us we need \$2 million to set ourselves free. But this simply is not true. This book is full of examples of people who are living the life they want—*today*—and not all have a million dollars in assets or investments. Because of twisted ideas about retirement, we have put the money cart ahead of the “life” horse. We say we are saving money so that we can someday have a life, but in the process we are delaying having a life so that we can scrounge up enough money. Too many people wait far too long.

With some financial creativity and a new mind-set regarding retirement, you can both find and fund the life you really want—if not now, it is entirely possible within the next five years. Achieving emancipation from your working life will involve negotiating your lifestyle, philosophy, and fiscal habits, and finding a way to put first things first. First, decide the path you must take to do the work you love, and, second, put together a plan to pay for that privilege. We must adopt a much more resourceful approach if we hope to make the transition into a life of doing what we love. Chapter 9 offers some of the more resourceful approaches people are using in order to pursue their passions and dreams.

Illusions, Delusions, and Hype

A financial advisor told me the following:

If you were to ask me, “Who are the most distraught clients you see?” I think my answer would surprise you. They are not the couples in their 50s who are discouraged to find out they will not be able to retire when they thought. They are not the clients whose portfolios have had less-than-spectacular returns and must extend their plans for early retirement. They are the retirees with the great portfolios who are bored out of their minds. These individuals feel like they have been removed from the mainstream of life, are watching from the sidelines, and are not allowed to get back in. As one guy put it, “Retirement is a

spectator sport. I don’t want to sit here and watch the world go by. I liked being in the game!”

Yet strangely enough, millions are in a mad rush to get to the place where this despondent man lives—on the sidelines. Many of us, however, have already seen enough of our parents’ and forerunners’ retirement scenarios to know that this is not the life for us. We have figured out that our life will be one of challenge, relevance, stimulation, and occupational adventure. We are not interested in finishing this race!

Once people get the money they need, they are able to better understand what the money is all about—liberty to do what they want when they want. What is the point of using that kind of liberty to do nothing but play golf? It’s hard to convince someone who doesn’t have the money that it really is not about the money. It’s about doing what you love, doing what you want. It’s about balancing work and relationships.

This point became especially clear to me recently when a friend asked me if I had plans to retire early. I thought about it for a moment, and then it dawned on me—*I like what I do!* I write, I speak, I consult with companies and organizations on how to build more meaningful relationships. Why would I quit doing that? If I did quit, I think I would begin to self-destruct. This realization was important because it helped me to realize that I no longer had to be concerned with having any specific amount of money at any age. There will always be something for me to do and I will always enjoy doing it. You don’t make plans to retire from your passion in life.

Does this idea cause me to spend away my future and disregard the value of my investment savings? To the contrary! *Because I value freedom so much, I exercise the necessary financial discipline to maintain it.* I know that I am just one foolish purchase or investment away from reattaching the chains of miserable employment to my life. There is wisdom in balance. Just because I love what I do does not negate the need to plan for financial freedom. Life can present us with vicissitudes that can radically alter our course: disability, a death in the family, divorce, and so on. We must plan ahead financially because we change our minds over time. What invigorates me today may bore me a decade from today. Investment savings are necessary to purchase the freedom to change course when we want.

Two types of people should forget their plans for complete retirement at age 62 or earlier—those who *can't* afford to retire at 62 and those who *can* afford to retire at 62. Age 62 is an artificial finish line. A modern measure of success seems to be how many years you can retire ahead of age 62. Is accelerating your pace into boredom and despondency really such a good idea? On the other hand, a modern measure of failure has been to measure how many years beyond 62 you had to wait so you could retire. The further past 62 you had to wait to retire, the greater failure you were in the context of retirement. Those measures are about to change. If the coming generation of 50-year-old-plus citizens has anything to say about it, those perceptions will be turned entirely on their head. Those who have to work will not be the losers, because they are still in the game and they will find that work keeps them vital, involved, and healthier. Those who will be able to drop out entirely will choose not to because they don't want to enter a slow track of intellectual atrophy, boredom, and monotonous leisure.

We are still in the early stages of a New Retirementality—a modern perspective of what retirement really means. People are still haunted by the old rules and media hype that bemoan their lack of preparedness to reach the artificial goal line. You just can't seem to get away from the news stories and the advertisements that beat this sorry old retirement horse to death.

Old Messages and New Realities

For many, these messages inspire urgency and thrift; for many others, they inspire only fear, self-loathing, and hopelessness. Such messages as “You won't have enough” or “If you had bought this fund 30 years ago, it would be worth x million dollars today” create a sense of dread and failure in those listeners who were buying more dime bags than mutual funds with their disposable income 30 years ago.

For the millions of Americans who don't own a fat nest egg (median financial assets are \$51,000, according to a 2004 study by John Gist), these messages stir feelings of hopelessness because they are convinced that they will arrive at the age 62 economic leap with no safety net or precious metals parachute based on their current income and level of savings. They know they will never be able to amass the small fortune that “retirement experts” tell them they

must hoard to have anything but a beggar’s sunset in their life. The modern retirement portrait, as painted by the financial services industry, is truly a double-headed dragon, because the vision that has been promoted for the last 50 years is not only an illusion but is also unrealistic.

The illusion has been that of sipping tropical drinks on a Caribbean beach and setting tee times for the rest of your waking life. “All this is yours” once you retire, and the earlier you retire, the better. Possibly you’ve met some people who swallowed this illusion and are living with the hangover of boredom and purposelessness in their life. I have met many such people, and the look in their eyes inspired me to write this book. Many who bought the story of retiring from the race find themselves bored with not being in the race. Many have found that this boredom has led them to self-destructive patterns of behavior. Many have accelerated their aging process as the chains of disenfranchised habits grew heavier and weighed on their health. It all adds up to one inescapable conclusion: *Retirement is an unnatural condition! Even if you can afford to retire, the worst thing you can do is withdraw completely from the race.*

When you ask retirees how they’re doing, they often reply, “I’m keeping busy.” This is an acknowledgment of the activity void that retirement has brought. They are truly happy when they are busy doing what they love. If they are not busy, they are most likely not very happy.

The image of retirement that we have been sold has simply been untrue. According to an American Demographics poll, 41 percent of retirees report that retirement was a difficult adjustment. Only 12 percent of newlyweds polled felt marriage was a difficult adjustment, and only 23 percent felt that parenting was a difficult adjustment. The reason the adjustment to retirement is so difficult to so many is simple: Retirement as it has been defined for us was never meant to be. Retirement is an illusion because those who can afford the illusion are disillusioned by it, and those who cannot afford the illusion are haunted by it.

Which brings us to the dragon’s other head: Many people cannot afford to retire in the manner that has been promoted by the retirement savings industry. It is simply unrealistic for many to find a way to put away enough money every month to have a million dollars waiting to serve them at age 62, or at any other age for that matter. True, many people could save more as well as exercise more

financial discipline. But why should the one-third of our population that is doing its best with what it has walk around feeling bad about today because it cannot reach a tomorrow that somebody else has defined for it? A 2007 report (Retirement Security Survey Report) conducted for the American Association of Retired Persons (AARP) indicated that 52 percent of those surveyed were “somewhat confident” that they will have enough money to live comfortably in retirement. Too many of these people are worried needlessly. They have been given the various ominous headlines for their future: “Social Security will not exist; your homes will be devalued; you don’t have sufficient savings, and inflation will eat up what little you do have.”

Two problems are apparent with these pervasive and frequently reported scare tactics. First, they can be easily disputed and disproven. Second, these arguments are founded on a fabricated and now crumbling philosophical foundation—that is, we *should* retire at age 62 or even earlier, if possible. Most of us will not completely retire at 62 or at any other age for that matter. We, as a generation, are not interested in artificial finish lines.

The New Retirementality Challenge Is . . .

- The realization that retirement is an unnatural idea and runs contrary to the preservation of the human spirit.
- The freedom to not work toward an artificial finish line but, instead, stay in the race as long as *you* choose to.