

Behind the Numbers

The Retirement Revolution

From *Investment Advisor Magazine* | [September 2006 Issue](#)

By The CFP ThinkTank at Financial Finesse

September 1, 2006

A quiet revolution is going on in the retirement planning industry. As a financial education company working directly with pre-retirees and retirees, we at Financial Finesse see evidence of it every day in the faces and questions of Baby Boomers who are preparing for a transition that is both exciting and terrifying, in numbers unheard of before. Increasingly, the questions are not financial. They are personal.

Retirement planning is slowly evolving into a multidisciplinary field that includes not only accumulating assets for retirement and managing/protecting them within retirement, but also integrating retirement as a key transition in life. Some of the nation's leading experts, including the Institute for Retirement Education (InFRE), the National Endowment of Financial Education (NEFE), and AARP are beginning to approach retirement planning as an integrated field, combining traditional financial planning with life planning to ensure that pre-retirees are able to make a successful transition to a retirement lifestyle.

The idea is so radical that it is easy to dismiss. After all, why should it be the financial planner's responsibility to address non-financial issues related to retirement? The better question is "Why shouldn't it be?" An integrated approach to retirement planning presents tremendous opportunities for planners to distinguish themselves as resource partners for the 77 million boomers preparing for this transition.

There are literally thousands of books on choosing a career, most high schools and virtually all colleges offer career planning, and there is a whole industry devoted to coaching professionals around how to build a successful career. But who helps senior citizens prepare for a successful retirement? Who helps them to decide what kind of lifestyle and activities will be the most fulfilling based on their individual needs, personalities, and talents? Who will help them determine where they should live and how to psychologically cope with not working and with aging? What about managing their health?

To prepare, pre-retirees must seek a variety of professionals to prepare for all aspects of their retirement lifestyle. Such professionals may include financial planners to help them accumulate and protect a retirement nest egg, therapists and life coaches to help them adapt to living in retirement, real estate agents to help them select retirement communities and doctors to manage their health.

For the most part, experts do not consult each other, so many people face situations where advice they have been given in one area does not take into account other areas of their life in retirement. They may have diseases that are not accounted for in their financial plan or significant retirement assets but only vague notions of the kind of lifestyle they want in retirement.

We believe that retirement planning will be an entirely different field in 10 to 15 years—one filled with retirement planning coaches who are equipped to help people plan their transition to retirement. Since finances remains the

most universal and prevalent need—you can't retire without money—retirement planning coaches should be financial planners first and foremost. But the most successful financial planners will need to have knowledge of retirement beyond how to afford it. They could well be the central resource for Baby Boomers who are determined to have a retirement lifestyle that is more satisfying than any other generation.

What does this mean for you, as a financial planner interested in growing and managing the wealth of pre-retirees and retirees? You should start taking a broader perspective right now by:

1. Becoming a retirement expert
2. Partnering with other professionals who offer services to pre-retirees
3. Positioning yourself to retirees and pre-retirees as a retirement coach
4. Developing tools and resources to assess client's retirement readiness and identify areas where they need additional support.

KEY COMPONENTS OF A SUCCESSFUL RETIREMENT

RETIREMENT RESEARCHER AND WRITER JOHN NELSON ARGUES THAT THERE ARE AT LEAST FIVE OTHER KEY COMPONENTS OF A SUCCESSFUL RETIREMENT, IN ADDITION TO THE FINANCIAL ONE. BELOW ARE THOSE COMPONENTS AND SOME OF THE ISSUES FACED IN EACH.

GEOGRAPHICAL	FINANCIAL	BIOLOGICAL	MEDICAL	PSYCHOLOGICAL	SOCIAL
Retirement Migration	Asset Allocation	The Aging Process	Diseases of Aging	Continued Engagement	Social Networks
Livable Communities	Income Planning	Life Expectancy	Health Care Providers	Meaning and Fulfillment	Sandwich Generation

Financial Finesse provides unbiased financial workshops, coaching, and counseling programs to hundreds of organizations nationwide through a staff of CFPs. For more information, visit www.financialfinesse.com, or e-mail info@financialfinesse.com.



(c) 2006 *Investment Advisor*. A [WICKS Business Information](#) publication. All rights reserved.