



Let's redefine retirement and instead, focus on life balance.

When one speaks of retirement, we do so with an almost reverent tone of pride toward this most noble of goals. Many of us aspire to retire one day, to have enough money to walk away from work and do what we really want instead of what we have been doing.

Let's talk about retirement and what it really is, discuss an alternate view of retirement and life balance, and then I will show you how we can modify the financial plan to mirror this new reality.

Retirement:

We often think of retirement as a choice we make, something we control. I'm going to propose to you it may not always be. There will be a day when our mind and body can simply no longer work. Even if we intend to be employed and busy to our last breath, life has something to say about it and when that day comes, we need to be prepared to support ourselves.

I know what you're thinking, my parents too. We all get told retirement is something we should save for and absolutely plan on. It is the holy grail of our working life. The ACME of a life well lived, a well-deserved milestone. What most people don't realize is retirement as we define it today is a relatively new concept. When the Social Security program was created in August of 1935, it was simply meant to alleviate poverty amongst the elderly population. The same population by today's standards we call "middle age".

People didn't used to retire for even 10 years, let alone 20 or 30 years. Though these days one might think a long retirement has become viewed as an inalienable right.

Retirement at its very core is one simple thing, slowing down and committing your time to the things you enjoy most. It is the redirection of efforts and it doesn't mean the absence of work for everybody, which is okay.

An alternate view of retirement and life balance:

I want to redefine retirement and change the view of financial planning with a focus on life balance – doing what we really want today and making sure we can still retire when it is right for us. Not when society says we should. To me, retirement is not the absence of work. It is a time when we can do something different.

An alternate view of retirement planning is making sure our basic needs are met allowing us to refocus our energy. Often retirement is viewed as one constant vacation, but what if instead we plan to make sure your basic needs are met, then build around it? Consider it a layered approach – like layers of a cake.

We want to make sure you are:

- meeting your current needs, enjoying things you want for your **life in the present**; and
- making sure when you reach **retirement**, your basic needs will be met.



Modify the financial plan:

To accomplish this, we ask clients to draft a retirement “needs” budget detailing the minimum income they will require to keep the lights turned on, a roof over their head, and food to eat – *the cake*. Strip down the budget to its very core, and make sure, at the very least, you can generate a basic needs level of income.

The second layer – *the icing!* - then becomes discretionary spending now and in retirement, balancing the two. Of course, we want to plan on travel, adventure and exploring in retirement, but we also need to balance that with doing the same now. One could set aside their aspirational goals in the present with the idea to pursue them later in retirement, but what if you never make it to retirement?

Balance in the financial plan is honoring the present while preparing for the future. One day I may not be able to work anymore and to sleep good at night, I just want to know I will be okay. That is the cake. Once I know I will have cake when that day comes, then I can plan for the icing.

Let us know how we can help - contact Erik Lawrence at 971-277-1077.