"Concise, punchy and thought provoking. A great guide for senior executives navigating the mysteries of retirement planning."
Dick Elsy CBE

RETIRE ABILITY

THE SMART EXECUTIVE'S GUIDE TO THRIVING IN RETIREMENT

NICHOLAS PLATT

Reviews of Retireability

"Very enjoyable and informative. The book will prove invaluable for any executive approaching retirement."
Alan Vurlan

"It provides a level of insight and advice that would have been priceless when I first started to think about retiring...with a great balance of emotional and financial guidance, but more importantly an honest set of views that make you realise retirement needs planning and thinking to make it right for you."
Andy Cooke

"Although I'd still class myself in the group of people not yet ready to retire at the tender age of 50, it is probably the right time to be reading this helpful book. Nick speaks a lot of sense generally and, having pulled together some quotes from other knowledgeable people, this is an easy and thought-provoking read."
Steve Rushton

"A practical, informative and emotion-embracing guide to the 'R-word' – the biggest life-changer you will have to prepare for. It confronts the challenge of moving from breadwinner and saver to spending and gifting away your IHT liability before you die!"
David and Andrea Shaw

"Nick's book reflects the way he operates. It's concise, punchy and thought-provoking. A great guide for senior executives navigating the mysteries of retirement planning"
Dick Elsy CBE

"At last a book which comprehensively addresses the complexities of retirement planning. Full of excellent information and well worth the read."
Sandie Butler

“This captures the emotional journey that you are likely to go through when planning/entering retirement. Something you might not necessarily expect to be covered in a financial advisors dialogue. We also liked the easy conversational style, which made it more ‘coffee table’ than financial journal.”
Dominic and Jane Facci

“I struggled with retirement. If I could have read this within five years of my planned exit, I would have been far better prepared. This is an essential, easy read for the executive planning retirement (the younger you are the better), and even though I have retired, there are many nuggets of information I have taken away that will improve my own retirement.”
Brian Martin

“The book sets out a thorough model for both preparing for and actively going through retirement and should be invaluable for anyone thinking about their future retirement plans. Even though I am now into retirement, this book highlights some things that I had not seen or thought about.”
Bill Willocks

“A thorough approach to retirement that, if followed, leaves nothing to chance and no regrets when it becomes time to say goodbye. It’s a great checklist and prompt to ensure you remain focussed on living the life you want and doing the things you love, with those you love.”
Andrew Messenger

RETIRE ABILITY

THE SMART EXECUTIVE'S GUIDE TO THRIVING IN RETIREMENT

NICHOLAS PLATT

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Taking any pension benefits early can reduce the income you will receive later in life. Income drawdown is not suitable for everyone and advice must be sought before making any decisions.

For my dad, who never had a retirement; my mum, whom he left behind; and for my wife, Victoria, for being her; and my children, whom I do it all for. Thank you.

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Introduction

About the author

I have worked in the financial planning profession since graduating from the University of Birmingham in 1994; moving from banking to personal finance in 1997.

I am a qualified Chartered Financial Planner, a Certified Financial Planner and a Registered Life Planner.

In 2005, I founded Henwood Court, based in Sutton Coldfield which specialises in retirement planning delivering advice across the UK.

I have enjoyed helping hundreds of clients navigate their way to a successful retirement and witnessed the massive highs and sometimes lows this massive life change can have. I am fascinated by the psychology of retirement and passionate about helping my clients, and many more through this book, to prepare financially and emotionally for retirement, and then live a meaningful, rich and fulfilling life into retirement.

I am married to Victoria and have two daughters. I'm a keen cyclist, enjoy travel (with my bike when and where I can get away with it), play a bit of golf, and I'm a keen follower of most sports, including football, cricket and international rugby.

Why I wrote this book

My professional purpose (my day job) is to help our clients get a better return on life through transformational financial life planning. This involves coaching people like you to plan for the life you want while ensuring your financial resources are mobilised to make that life a reality.

I have worked extensively with executives planning for or in retirement, and these experiences have provided a wealth of material for this book, which has the potential reach more people than I could ever advise and coach on a one-to-one basis. Reading this will improve your chances of a successful transition from executive to retiree and enrich your retirement.

Life, family and business experiences have taught me a number of lessons in life. We all have strengths and weaknesses. One of my strengths (which I have no doubt overcomes weaknesses) is that I've never been afraid of hard work. Like many, I'm a grafter and always have been. I studied hard to get to university, I've always worked hard in the jobs I secured, and I put in extra hours as necessary, often at the expense of family and personal time.

I come from a long line of grafters. My dad's parents both worked hard and retired comfortably with final salary pensions and cash in the bank. My dad continued that tradition; being a talented engineer and securing work with GKN for most of his working life.

My grandparents never spent their cash; they had no need to. They lived a simple life and their pensions more than met their outgoings. They were not tight, but they were of the post-war generation for whom rationing and austerity no doubt were the foundations of their prudence, like so many of their age. Extravagance was alien to them.

My grandad loved cricket and I have very fond memories of watching test matches on TV with him in the 1980s, with England largely getting beaten (particularly when the West Indies were touring).

Life changed when the BBC lost the broadcast rights to the cricket to Sky. Would my grandad pay the £30 per month for a Sky subscription? No way. So, he no longer watched the live action. Instead, he watched Teletext, which got updated every two or three minutes. Could he afford Sky? Yes, but this was an extravagance.

So, my grandparents never spent their money. They helped Dad as any supportive parents would, particularly as my brother and I became expensive when it came to university, cars, etc. But their cash kept growing moderately. That was for Dad.

When my grandad died, my grandma carried on the custom of nursing the nest egg for my dad as his inheritance when she died. And Dad was building a nest egg for his future, too.

The only problem was my dad did not have a future. Having worked for almost 40 years surrounded by factory walls, he passed away a few months after his 60th birthday, before his own mum.

The nest egg that my grandma and grandad had nursed for so long for my dad would never be spent as intended. And my dad's nest egg, which would go to my mum and had been meant for them to use in retirement, would not get spent as intended either.
Now my mum is nursing that for me and my brother, and the custom continues...

My dad passed away more than ten years ago. Looking back, in the midst of building Henwood Court and the long hours and ups and downs that accompany a business start-up, I got surrounded within my own factory walls. I was obsessed with work, perfection, service and, in the early years, survival.

I tried to be all things to all people, stretching myself to exhaustion and near burnout, doing too much myself, with a selfless commitment to my business and our clients. Not a day went by when I did not think about work, and a day would rarely go by when I did not work. There were times I was at work when I should have been home, and others when I was at home but my thoughts were preoccupied with work. Did I miss out on things as a result of work? Hell yes, in terms of family time and personal accomplishments (or lack of them).

But my story is not unique or special, and I do not want a medal or a pat on the back.

Millions of company executives, business owners and entrepreneurs will have a similar story to tell, and millions of people today are going through just that scenario. That's business and the fast pace of life today.

So, what about now? Do I still work hard? Yes. Do I still work long hours? Yes. Do I put the business interests before myself? Yes. The difference now is that I understand and recognise this, and have learned the lessons of the past. I work smarter, judge the results not the hours clocked, and I have built a team and business infrastructure around me that provides me with the support needed to remain fit and healthy enough to go on running the business and serving clients for many years to come, I hope.

I will always work hard, but achieving satisfaction (not balance) in all areas of life is my key focus.

I have come to realise that you cannot have or do it all.

You cannot work a 60-hour week and then expect to run 10k in less than 40 minutes; swim a mile in under 30 minutes; ride a bike for 40k in under an hour; be a super-dad, husband and son; or simply get a golf handicap (one day).

Excellence in any field requires us to miss out on other things – things that are less important than those in which we wish to excel. Success has always required and will always require sacrifice.

I hope that the lessons I have learned from my family and in business will help me to become a better father, husband, adviser and employer.

You see, my grandad should have spent the money on the Sky subscription. And he and my grandma should have spent more money while they were alive, either on enjoying personal experiences or treating their family. Or maybe they should have gifted some of the cash to my dad during his lifetime so he could have spent some of it on experiences. This may have encouraged him to escape the factory walls and retire a few years earlier.

My dad also should have spent more and saved less. He should have used his savings to live off and left the factory earlier. He should have pursued his passion for athletics much sooner in his life (Dad was a coach and travelled the world with elite athletes in the last few years of his life), but he didn’t. And now my mum should be spending more money on experiences and having fun, but she isn’t.

The problem is that none of us know how long we have left on this planet. So we do not spend our money “just in case” and saving becomes a habit that is tough to break.

Well, “just in case” may never happen and it doesn’t for the majority of people I have met. Life is not a rehearsal. While you do not want to run out of money, you do not want to die with too much either.

Henwood Court and I are committed, based on my family and business experiences, to helping people understand more clearly what is important to them, to help them plan to achieve their and their family’s goals and objectives, to promote satisfaction, to budget, to forecast, and to project.

We are also committed to ensuring our clients can do what they want to do, to helping their families, to ensuring that they do not run out of money before they run out of life, but, just as importantly, to ensure they do not let “just in case” mean they die with too much.

I am slowly learning to practise what I preach and to break family custom, while nagging my mum to do the same!

About this book

> *"The purpose of money is to spend it on things you enjoy with people you love."*
>
> Chris Evans,
> entertainer and presenter

Retirement is a massive life change. I believe it is the biggest one; topping your first day at school, your first job, leaving your parental home, getting married (or divorced) and having children.

It removes something that has been with you for 30 years or more – your career. More than anything else, your career has been a constant companion, providing you with structure, discipline, social interaction, competition, drive and achievement.

The pressure-cooker environment in which you, the corporate executive, live is the worst possible preparation for a life in retirement. If not appropriately managed (by replacing work with some other meaningful purpose), it can result in a condition known as "retirement shock" – a sort of identity crisis that can be the catalyst for many illnesses, in particular depression.

Unfortunately, there is no retirement bootcamp, and while many corporate organisations provide high-level training for you to be better at your job, very few offer training on how to successfully transition from corporate executive to retiree.

That's for you to sort out.

This book is mainly aimed at baby-boomer corporate executives born between 1946 and 1966, and post-boomers born between 1967 and 1975, who are planning their retirement. It will also be very useful for those a few years into their retirement. It has been inspired by more than 20 years of personal, hands-on experience helping executives to transition from a busy work schedule into a happy and purposeful retirement.

While I have not yet retired, the Henwood Court[1] team and I have helped transition hundreds of executives from work into either "pretirement"[2] or retirement, and continued to help them thereafter by managing their finances, providing professional support for the big decisions, *"carefrontation"* [3] where necessary, and, most importantly, providing peace of mind and confidence during what can be an emotionally and financially vulnerable time. This has given us a unique insight into the mindset of executives, and the mix of emotions both pre- and post-retirees experience.

Almost half of our clients are now fully retired, while around 25 per cent are in a state of pretirement. The rest are building their wealth and emotional readiness for the time they retire or pretire.

This short book is designed to provide you with a big-picture overview and a useful insight into the retirement mindset, and I sincerely hope it will improve your chances of a successful transition from executive to pretiree and/or retiree. My intention is to

[1] Henwood Court is a firm of Chartered Financial Planners, authorised and regulated by the Financial Conduct Authority, who specialise in executive retirement planning.

[2] Pretirement describes the emergence of a new working state, positioned between the traditional states of employment and retirement. The state is found primarily in first-world economies with aging populations. A pretiree will continue to create economic wealth and/or contribute to the generation of knowledge by research, likely on a part-time or reduced-hours basis. Some pretirees use the period to give back by providing unpaid, voluntary work.

[3] Confrontation carried out in a caring manner – aka tough love.

share my personal experience, but also consider research and comment written about this subject over the years, forming it into what I hope is a succinct summary for your benefit.

Furthermore, I consider not just the money side of retirement, but also the emotional and lifestyle aspects. A successful transition into retirement needs more than just a big nest egg; it requires a solid, purposeful life plan that maps out how you will enjoy life after work and life outside of work before you retire, both of which will help you avoid or lessen the impact of retirement shock.

Chapter One considers how life as a corporate executive is the worst possible preparation for a successful retirement and why retirement can be a shock to the system. It considers the feelings and emotions that are often experienced by executives at the point of retirement, or at least leaving their big job to consider something, well, less big. In this chapter, you will consider the importance of getting your emotional mindset and financial capacity in sync, so you can become "retirement ready".

Chapter Two considers the planning and actions required approximately five to ten years from pretirement or retirement for the executive to successfully transition to retiree.

Chapter Three asks and answers some of the financial and non-financial questions you will need to ponder at the point of retirement. It will also take a look at other things you will need to consider such as a more in-depth look at pretirement and never retiring, investing in retirement, and considering whether experiences or material things are more important.

Chapter Four looks at life in retirement, considers the different retirement characteristics, some of which you will share, while exploring the different phases of retirement and the importance of having no regrets.

I thought it would be helpful to include an extract of my investment beliefs. The **Appendix** looks at "Winning the Loser's Game – The Six Sensible Rules of Investing", which is included as an optional read.

I sincerely hope this book will educate, inspire thought and provoke action that will help you to seamlessly transition into a retirement of your choosing.

How to use this book

Read this book in sequence all the way through and consider the exercises set after each chapter.

If you prefer not to write on your book, or like to plan things out on a computer, the exercises plus the "work out your number" spreadsheet for exercise three are also available as a downloadable editable workbook. Visit the website to download your copy:
www.henwoodcourt.co.uk/retireability

When you have finished, I suggest you revisit each of the exercises – both immediately and every quarter thereafter – to give more consideration to your answers.

Pre-Retirement

Are you retirement ready?

> *"For me, retirement was about getting some 'me' time before it was too late."*
>
> Bill Willocks,
> retired executive

RETIREMENT

Baby boomers are rewriting the rules of retirement. Retirees are no longer being put out to pasture for the few years they have left in retirement; to put their feet up for a well-deserved rest from the toils of work and wait for the grim reaper to tap them on the shoulder. Baby boomers have challenged this traditional view.

They are living much longer, are much younger in their outlook on life, are fitter than their parents and grandparents, have greater financial means, and have a zest and enthusiasm to spend it on a full and active retirement pursuing their private passions.

Boomers are very much trying to live the words of the 19th-century historian and author Thomas Carlyle, who said:

> *"I've got a great ambition to die of exhaustion rather than boredom."*

Retirement is easy for some. However, for many it is a difficult experience and a definite shock to the system.

So, let's explore this.

The corporate executive (aka you)

> *"What do I miss about work? My colleagues, the challenges, the competitive environment, the camaraderie and the excitement of success."*
>
> Andrew Messenger,
> retired former CEO of the West Bromwich
> Building Society

The corporate executive has many identities – they are individuals, after all – but they also often share some similar behaviours.

At home, they are often the alpha sitting at the head of their family; the breadwinner to whom others look for support, guidance and advice, and the example of where hard work can get you.

Work is the stage on which they can showcase their skills, build their reputation, have power and influence, have responsibility, and fulfil their desire to win, which is often defined in promotions and bigger pay packets. It is at work where they spend most of their time, where their new friends are made and where new social networks are formed. For some, including me, it is where they meet their life partners; their wives and husbands. They have found their tribe.

In the world of the corporate executive, work has a big influence on who they are and what they represent. It can engulf them and take over their lives. Who are you? Husband, wife, dad, mum, son, daughter or are you the church treasurer, or the financial director of Big Business Plc? You can be a few of these, but which one has had the biggest influence on the person you are and your values, beliefs and personality?

Executives are generally a dedicated bunch who, in many ways, not only give their heart and soul, but give their lives to their company. They work long hours, and frequently sacrifice personal and even family time for their work, particularly in the early years when they are climbing the career ladder.

Working long hours is expected, and is a typical trait of the workaholic executive who has been able to rise up that ladder quicker than their equally-capable peers because they were more willing to burn the midnight oil.

They have probably been on the corporate treadmill for 30-plus years with constant deadlines, endless to-do lists, and a daily onslaught of emails, voicemails and meetings. They have a strong work ethic, and are naturally driven and ambitious individuals for whom their job is far more than just a pay packet – it epitomises them and their self-identity. *"Work-life balance is for losers!"*

For many corporate executives, work becomes life itself. Their career has often taken precedence over everything else, because life can get in the way of promotion.

Technology changes over the past 20 years have meant a very significant further encroachment of work into their domestic lives. Laptops and smartphones mean they are always available, and that work is no longer constrained to the office. They can now do it at home or, even worse, on holiday. “Checking in” can become addictive, further intruding on personal and family time, and a sure sign of dependency on the company and workaholism. Technology, as a servant, becomes their master.

For many executives, their sense of meaning or self-worth becomes linked with the corporation, and the success scorecard in the corporation becomes money, which is easy to measure. This connection with money and self-worth reinforces the corporate career cycle of working harder to move up the ladder as fast and as far as possible – self-worth equals net worth.

The corporation can quite easily absorb the corporate executive, sucking everything from them and purging anything other than work. Everything has to revolve around career to fit in with its timetable, neglecting everything else and disconnecting with other areas of life, including family, who can get more remote. When they do have time for themselves or their family, they are often too tired or preoccupied to enjoy the moment.

Indeed, their working lives are about finding security, not about finding themselves.

Psychologist William Winn was perhaps right when he said:

> *“People often set interests or opportunities aside on the way out the door to pay the mortgage.”*

Financial interests are put before life interests and these sacrifices are justified in the mind of the executive, firstly because they get a real buzz from it and secondly by the lifestyle they are able to provide for their loved ones. The spoils of their labour are nice toys, great holidays and the latest gadgets – the ego rewards of consumerism. Executives often continue to kid themselves. *"If I can just get this next promotion or complete this project, then I can relax, get back to the gym and lose those extra pounds, and allocate more time for the family."*

If they ever achieve this balance – where they are able to take their foot off the pedal and reduce their working hours, take some time back for themselves and their family – then they often discover they are an intruder invading the "normal" pattern of their family's life. Their family has got so used to them not being around that they are a stranger, and the family members do not like it when the executive invades their space with views and opinions. On the flipside of the coin, the executive dislikes the fact that he or she has no control, influence, respect or reverence at home like they do in the office. They can feel quite aggrieved, so they soon find some extra work (there's always something to do) and slip back into the comfort of what they do best – work.

The corporate executive can be an empty shell, bankrupt emotionally, and with little to offer when not working or talking shop.

Journalist Kelly Greene summed this up well, saying:

> *"There's nothing like the daily grind of work to stifle the artist that lurks within us"*

This is brutal stuff, but I am sure it is something you will recognise and with which you will have empathy.

While many well-grounded executives have successively achieved family and life balance while rising up the corporate ladder, even they will not have done this without some personal sacrifice. There can be so many negative consequences of these behaviours. However, it is the negative impact this life can have on the retiring corporate executive that we are going to focus on.

A career as a corporate executive – caught in the rat race of workaholism and consumerism, and the effect these have – is the worst possible grounding for a successful retirement. It is a massive retirement barrier.

This professional strength can become their personal weakness, particularly when faced with leaving behind what they have excelled at for years to move into a place that is alien to them – free time. And while they may have dreamed about this place for years, when they arrive they find the prospect of replacing what has dominated their life for all those years and giving up the power, status and identity to be scary and downright difficult.

While sometimes they fear the financial consequences of losing their salary and personal relationships, they also fear not being able to replace the satisfaction and mental stimulation of work, they fear not being accountable to anybody but themselves, and perhaps, most pointedly, they fear the unknown.

Doug Treen[4] explains the following:

> *"Losing an intimate connection with oneself is a sacrifice of one's own being for the rewards of the corporate being. Over the years, the personal sacrifice of one's personal freedom creates a neurosis that leaves the individual ill-prepared for retirement and the shock of losing the corporate being or self-identity."*

[4] Douglas Treen, Psychology of Executive Retirement from Fear to Passion. (New York, iUniverse, 2009) p107.

In his book, Doug Treen goes on to explain how withdrawal from living the corporate role can be more stressful than the workaholic lifestyle they have left, and that the loss of the rewards, power and social identity creates a psychological vacuum that can lead to depression, sickness and early death:[5]

> *"Retirement is very stressful for the workaholic corporate executive who has given his or her all to the company. The workaholic has lived to work instead of working to live, and now has nothing to do. This person has not gone through the psychological preparation for retirement...although the executive may be well-off financially, the retirement shock of hyper-stress may accentuate the sad irony of the shallow emptiness of the corporate being."*

Wow, powerful stuff. Despite the heavy workload and responsibility, many executives are passionate about their work and love being needed. The loss of being needed, and the discipline and structure provided by work are typically what the retiring executive misses most.

Living the life of a dedicated employee consumed by work and with few scraps of time for oneself over a sustained period of time means that breaking the work habit is very difficult.

However, there is hope, and you can reinvent yourself as one client stated:

> *"I am an emotional person and my emotions were even more prevalent after ditching the corporate persona I had when managing others. Even my own family are seeing the real me after experiencing me in*

[5] Ibid, page 115

> *working life for 45 years. I think they prefer it and I think we are closer as a family unit."*

Bill Willocks,
retired executive

Another client who successfully transitioned into retirement describes the following:

> *"[It's like] I've actually got a 'second life'. My working life seems to belong to another person!"*

Martin Brawn,
retired HR executive

However, to break the work habit and become retirement ready two events need to happen in sync. Firstly, you have to become emotionally ready to retire and, secondly, you need to have the financial capacity to afford to retire.

Let us consider these in more detail.

Emotional readiness to retire

> *"[When I retired] I worried most about not having a purpose in life. I didn't want to be a carer or housewife. I also experienced:*
>
> *Fear of not having enough to occupy my busy brain. Fear of being out of the working world. Fear of losing work friends.Fear of being classified as old.*
>
> *Relief at not being so pressured on all fronts. Relief at not having to get up early and face rush-hour traffic. Relief at having enough time to properly carry out my*

> *role as a Women's Institute treasurer. Relief to spend more time with my mum when she needed me.*
>
> *Excitement about being able to go on holidays and do what I choose. Excitement at building better family relationships. Excitement at making a new set of friends.*
>
> *Excitement about keeping fitter and controlling my diabetes better than in my work days. Excitement about using my National Trust card more effectively and eating their lovely cakes."*

Andrea Shaw,
retired executive
(explaining her emotions upon retirement)

Fear of retirement and experiencing retirement shock is prevalent among many corporate executives. The constant companions, status, money, power, structure, control, purpose, personal relationships and mental stimulation their career has provided is difficult to replace, leaving them ill-prepared for the emotional side of retirement.

However, all is not lost. Many have shaken off the shackles of their executive regime and mindset, and have rebranded themselves with a new identity to now live purposeful and happy retirements. One retired executive described retirement as playing "life catch-up"[6]. You will discover how they do this in the next chapter. But it is a definite change in mindset – from wanting to work to wanting to do something else – and this is often a result of their love of work

[6] Kevin Thomas, former executive

having faded and/or the pull of being free from work to pursue other interests.

This can happen instantaneously for some, but for others the transition can take years. Of course, many executives do not have the luxury of mapping out their retirement. Personal ill-health or that of a loved one is a major retirement driver, while many people are retired as a result of a company restructure. Both hasten emotional readiness for retirement.

However, *deciding* to retire voluntarily can be an agonising choice, largely because it is irreversible. It is leaving behind your career and income to do, what? It is for this reason that moving from employment to pretirement can help you emotionally prepare for when full retirement comes. Pretirement keeps your hand in work, while sampling more personal time to build your life out of your suit and steadily (and some would say healthily) withdraw from work. And it means that when the time arrives to stop work completely, moving from pretirement to retirement is not such an enormous step.

Andrew Messenger, a former banking executive and CEO of the West Bromwich Building Society who retired at age 55 only to return to non-executive roles, explains his perspective:

> *"Looking back, I did retire too early – age 60 would have suited me better. But I was lucky that several approaches to me led to one voluntary and two paid non-executive director roles. These filled the successful business buzz I had missed, kept my brain sharp, and made me realise how much more I had to give from a lifetime of experience in financial services – without the stress and pressure of executive responsibilities."*

For some, maybe for you, the idea of not working, whether paid or voluntary, is horrifying. Securing a non-executive director position, consultancy work, a chairperson role or maybe becoming treasurer of your local domino club is essential for your emotional wellbeing, keeping the old grey matter stimulated and providing a continued sense of value and identity – the feeling that you are still contributing and putting your knowledge and experience to good use. A new retirement or pretirement is emerging, in which work continues into retirement, but it is not work as it once was. Instead, it is doing the stuff you enjoy and are happy to continue doing. Life does not fit around work, but work fits around life, forming a happy balance and much greater satisfaction.

However, this is not always the case as retirement is very personal. There is no such thing as a perfect retirement. What ticks one person's boxes could be the retirement from hell for another.

Some people are able to leave their big job and immediately embrace retirement. Usually, it is those who are emotionally ready having mentally retired for some time ahead of the actual date, which is important. They retire from full-time work completely to enjoy some well-deserved leisure time. As you have read, the biggest consumer of your time while employed is work, so retiring frees time for you to do with it what you please.

This does sound very idyllic – time for you, your hobbies, and your family and maybe to travel; there is so much to do and see. These are the people who, having been retired for a few years, utter those immortal words: *"I don't know how I ever had time to work."* If I had a pound for every client who has said this to me, I would be financially ready to retire by now! This certainly worked for our client Andy Cooke, who said:

> *"I decided to take the big-bang approach, just hand in my notice, leave and go cold turkey. Others may want to use a more staged plan, slowly reducing the number of days worked per week. I suppose it's what works for you, but I just wanted to get on with it."*

There is no retirement blueprint, and no right or wrong way to retire – just your way.

However, unless you are emotionally prepared to retire, it will be very difficult for you, the corporate executive, to leave work behind and transition successfully into retirement.

You have to either keep on working or quickly develop a new identity and authentic real self that the corporate life had kept a lid on all those years, forgetting past glories and thinking ahead. We call this your retirement challenge.

While we encourage executives to seek professional assistance on both the financial and emotional aspects of retirement, and to speak with any retired former colleagues happy to give advice on their experiences, remember that your retirement challenge is about you and your life partner. It is for you to decide what is best for you. There is more on this in Chapter 2.

Financial capacity to retire – how much is enough?

The second element of being retirement ready is the knowledge that you have accumulated enough wealth not just to get by, but to afford the lifestyle that you and your family have become accustomed to – and maybe upsize that lifestyle given that you now have the time to spend money.

Many executives struggle to know what they want in their future life, but they do know what they don't want – and that is having less than they have today.

Having the financial resources to continue their accustomed lifestyle is probably the main source of anxiety for retiring executives. They fear running out of money before they run out of life. From experience, and this is going to sound obvious, retirement works better if you have enough money to live the life you want to live. I work with many clients that have enough and could upsize their lifestyle significantly if they choose, but doing so would not make them any happier. However, they get enormous relief from the knowledge that they could. This is what I describe as retirement contentment – removing the worry of money.

The corporate executive is paid well as a consequence of their commitment and hard work. As a result, they have often accumulated wealth in the form of property, pensions and investment portfolios, sometimes overloaded with shares in their company. At the same time, they will no doubt have enjoyed the spoils of their labour with an above-average executive lifestyle, which comes at a financial cost. If this cost has been to the detriment of retirement savings and wealth accumulation, very much a jam-today strategy, then this can present a problem and could result in the executive needing to continue working and earning, despite being emotionally ready to retire. The alternative is to dramatically reduce their standard of living in retirement.

This retirement "trap" is quite common for corporate executives who spend more than they ought to; ramping up their lifestyle without ramping up the savings needed to maintain this lifestyle when they stop work.

The prudent executive will have been putting money aside for their retirement. Yet, even for these, retirement will most likely result in a reduction in income and a need to draw on savings that they have spent a lifetime accumulating for just this moment.

However, the thought of stopping accumulating and, even worse, drawing down on retirement assets can instil much fear and anxiety into the mind of the retiree. Such a mindset can not only result in the retiree deferring their retirement age, or maybe not retiring at all, but also under-living – downscaling their lifestyle for fear of one day running out of money.

Without having the financial confidence of having enough money to live on beyond work, and being prepared to dip into savings, it is unlikely the corporate executive will take the plunge and retire, even if they are emotionally ready and eager to get out.

For me, there is nothing more rewarding than completing a comprehensive financial life plan with a new client and being able to tell them they can afford to retire. But after receiving the good news, do such clients wish the company well and skip off into the retirement sunset? Some do, but not all. This is because, as you have read, retiring is often not just a financial decision; the person has to be emotionally ready too. Don't get me wrong, the money side certainly helps and continuing to work safe in the knowledge that, financially at least, you do not have to is very empowering.

It gives the executive time to become emotionally ready before clearing their desk for the last time.

Emotional Readiness + Financial Capacity = Retirement Ready

Retirement ready is when emotional readiness and the financial capacity to retire are in sync. Only then can pretirement or retirement be considered. If one of these is out of sync, then retirement should be, or perhaps has to be, deferred.

However, financial readiness is perhaps more important as it provides the means to retire when you are emotionally ready. If you achieve emotional readiness without financial readiness, this can be frustrating and could have a detrimental impact on your performance at work.

Clients often ask how they will know if they are retirement ready.

Financial readiness is easier to measure, as this is a game of numbers crunched together within a comprehensive lifetime cash-flow plan that will reveal if you have enough – and, if not, what you need to do about it. (There will be more on this later.)

Emotional readiness is much more personal, but I understand you will just know, as one of our clients explained:

> *"We were tired of the corporate 'drumbeat' and pressures (i.e. the email avalanche, constant meetings, presenting and reporting), we were tired of very long daily commutes and concerns around the impact on our health, we were tired of the 'school night' and, in particular, the 'Sunday night' feeling. Also, [we had] a feeling of compressed home life versus work life, and a desire to explore other activities/adventures together while in good health. Satisfaction from a long and successful working career, and the fact that we knew we could afford to retire, encouraged our decision."*
>
> Dominic and Jane Facci,
> retired executives

Either while working full-time or pretired, many reach a point where work just does not offer the same level of satisfaction it once did, and it may become too restrictive when your desire to do other things becomes more of an attraction. Your mindset changes and things other than work become more important.

This, combined with reasonable confidence that money is not going to run out, is the point at which many executives reach the conclusion that it is the right time to retire.

Chapter summary

The current you – often shaped and moulded by your corporate life – has had the worst preparation for a successful retirement. While it is a corporate strength, it is a real retirement weakness.

There is a need to build a new identity, to rebrand yourself – your retirement challenge is to discover the authentic you away from the office.

There is no retirement blueprint – retirement is personal; it is your way.

For some, a transition from work to pretirement is a smaller step that can ease the move from work to play, whereas others prefer to go cold turkey straight into retirement.

Retirement ready is when both emotional readiness and financial capacity to retire are in sync. One without the other will make retirement a real challenge.

Exercise 1: Are you ready to retire?

There is nothing wrong with working hard and putting in long hours, particularly if you are totally engaged and passionate about your work. Indeed, it may have got you to where you are today.

But in doing so it has probably given you the worst preparation for retirement – that is if you actually want to stop working.

Are you obsessed with work above all else? Do you portray workaholic traits? Take this simple test to measure this.

Answer the questions below and score yourself between one and five, jotting down the total when you've finished.

The emotional readiness to retire test

1. How many hours per week do you typically work?

1	2	3	4	5
Below 20	20-35	35-50	50-60	Above 60

2. How many evenings (after 6pm) do you typically work?

1	2	3	4	5
None	0-1	1-2	2-3	Above 3

3. How many hours do you work on a weekend?

1	2	3	4	5
None	1	1-3	3-5	Above 5

4. How often do you get home from work, have dinner, and then work again before bed, even if just checking a few e-mails?

1	2	3	4	5
None	1	1-2	2-3	Above 3

5. How many hours do you work each day when you are meant to be on holiday?

1	2	3	4	5
None	0-1	1-2	2-3	Above 3

Score

My score is:__________

More than 21 Retirement is going to be a big emotional challenge for you given the obsessive, possibly addictive, relationship you have with work, particularly the closer you are to retirement.

16-21 Retirement will be difficult, although not emotionally impossible.

11-15 This is a healthy target score in relative terms for executives aged between 30 and 50. The transition into retirement should not be too difficult.

10 or less Retirement should be a very easy transition for you. This is the target score for an executive within five years of retirement, maybe in a state of pretirement.

It would be bold and wrong to state that if you score more than 21 it will be impossible to successfully transition from work to retirement. Indeed, I have witnessed many workaholic executives go cold turkey and embrace retirement.

But I have also seen this go horribly wrong.

However, I do believe it is fair to generalise that the higher your score the bigger the impact of retirement shock and the harder it will be to successfully transition from executive to retiree.

The average score having done this exercise with many executives is between 16 and 21. If you have scored more than 21, don’t worry, you are not alone.

As you will be aware, a common trait among executives is to work hard and that often means long hours. It goes with the territory and for some it’s a badge they are proud to wear.

The purpose of the above test is to measure where you are now. This will go some way to helping you recognise how obsessed or preoccupied you are with work. It is my view if you cannot measure something then you cannot change or improve it.

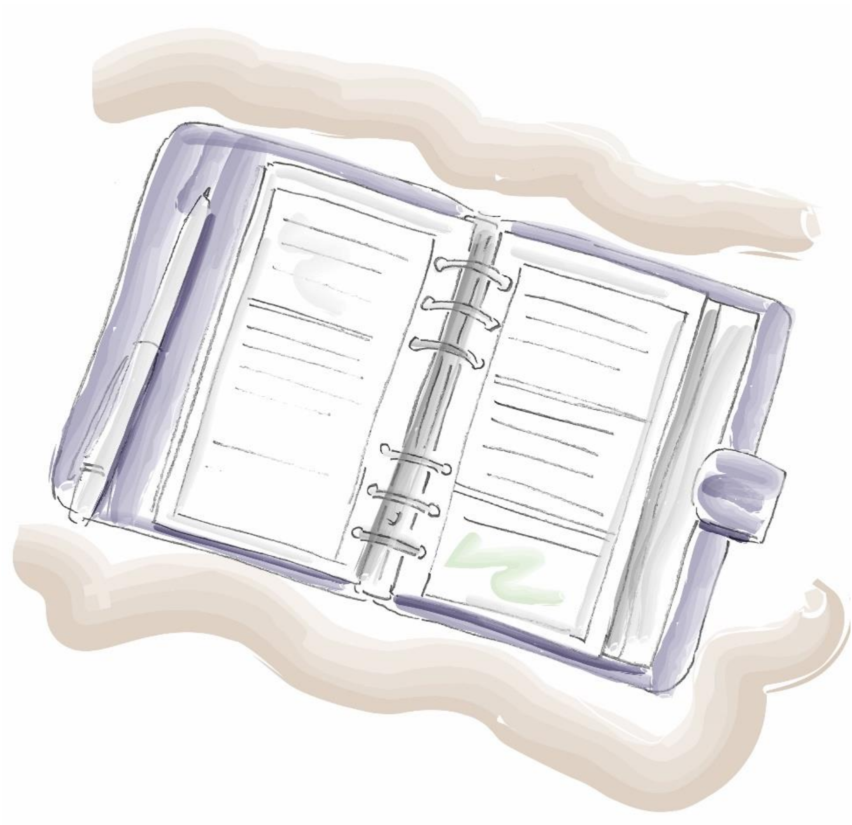
Once measured, you may plan how to reduce your score to help you to become more emotionally prepared for retirement (there are techniques for doing this in the next chapter).

If you scored highly in question four, for example, you could bring your score down by simply committing to never working after dinner, and instead do something with that time you’ve freed up for yourself.

Planning Your Retirement

How to become retirement ready

> *"My advice for someone approaching retirement is to plan, plan, plan. If Plan A doesn't work out, have a Plan B, etc."*
>
> Alan Vurlan,
retired former MD



How to transition from a corporate executive to a happy retiree

In order to make the move successfully you must do four things:

1. Decide on the age at which you want the option to retire.
2. Wrestle some time from your corporate self... and do it *now*.
3. Create a transformational life plan.
4. Build a financial plan to ensure that your money outlives you, but you don't die with too much.

For those looking ahead to retirement, I congratulate you for your foresight and engagement in planning, but would also point out there is *life before retirement*. It would be sad for you to be sitting in your office, looking out the window and watching life pass you by. So, don't put living off until retirement or just live for the future, instead live for today and appreciate the present, while having an eye on your plans for your future retirement.

As explained in the previous chapter, retirement readiness occurs when your emotional readiness and financial capacity are in sync. To achieve this, it is important to plan, particularly in four areas.

1. Decide on the age at which you want the option to retire

Note the word *"option"*, as you are not duty bound to retire at this age, but if you want to – are emotionally ready and have the financial means – then you can. It is very empowering to know that you can afford to stop work, but if you are not emotionally ready then you can choose not to retire, while taking away the stresses of having to work for money's sake.

The process of thinking about when you might want to retire and agreeing a date with yourself (despite this only being an option) is also psychologically important. Indeed, it makes retirement feel real and encourages you to think about it, visualise what you will do and make plans, all of which will make the retirement transition easier. It is not something that you can put off for the future – planning must start now, and it starts with determining the age at which you want the option to stop work.

Having canvased many of our clients, the piece of advice they would give collectively is to start planning as early as possible.

> *"I planned my retirement with world travels booked, target goals and achievements, which I measured and monitored as I did at work. Nothing has been left to chance, so no surprises. I'd recommend this thorough approach to anyone close to retirement. And, of course, you need to ensure you have sufficient money to do what you want for as long as you have left!"*
>
> Andrew Messenger,
> retired CEO of the West Bromwich Building Society

Be bold and ambitious here, and set an early target option date. There are several reasons for this:

- It is no fun being emotionally ready for retirement if you cannot afford to retire. It is far better to be financially ready, so that when your interest in your job fades and you are emotionally ready to retire then you are able to do so.
- The longer you work and stay in the corporate rat race, the harder it is to extract yourself from your corporate self and embrace your real self. The earlier you retire, the easier it is to rebuild your personal self, while you are, hopefully, still fit, able and active enough to do things.

- There is much evidence to suggest that the earlier you retire the longer you will live, but this is not always the case. For some, retirement itself can cause much stress and might be the cause of some common illnesses (retirement shock). However, as you will consider later, having a purposeful life plan that supports your authentic self as soon as you can afford to leave the corporation will improve your chances of a healthier retirement.

2. Wrestle some time from your corporate self… and do it *now*

For the workaholic executive, this corporate clone, developing interests outside of work can be difficult. They have been successful at satisfying their material needs, but at a personal cost – a lack of free time. Time absorbed by work leaves little for the family, and what little time they do have after extracting themselves from work is often spent doing those family activities. This leaves an even smaller amount of time for *them* and their creative interests, meaning their authentic self gets stifled by work.

Finding this person and their real passions when they retire can be very difficult, but find them they must. They cannot take their corporate identity into retirement. Indeed, those who do often mourn for their former self, often resulting in the come-back.

It is essential, therefore, once you have set your retirement date, to begin to progressively reduce your working hours and dedicate time to you, and your "self", as doing so will increase your chances of a successful retirement.

> *"For a long time (too long?), I worked very long hours, and things outside work took second place or didn't happen at all. As I worked towards retirement,*

> *I started to build up on some of the activities that I should probably have been doing for a long time.”*
>
> Peter Bissell,
> retired executive

Our addiction to work, career, advancement, promotion, recognition and salary hikes – the all-encompassing power of the corporation – leaves little time for your self, but these are huge barriers obstructing the smooth transition from work to retirement.

Remember, the harder you work the harder it is to retire.

You need to recognise your dependency on work and start to gradually wean yourself off. Now is the time to work hard on creating a rich and fulfilled life outside of work so that you don’t simply retire, but have something to retire to.

We have witnessed many executives successfully transition from a busy work schedule into a rich and meaningful retirement.

However, the chances of a successful transition are increased when they have taken serious time out to consider their retirement five to ten years before the event, and they have what we call *“life purpose”*, which are things that will keep them enthusiastically occupied into retirement.

Part of this planning includes taking time out of your busy work schedule to participate in some of these planned retirement activities now. This will serve to whet your appetite, reconnect with your personal passions and reclaim some of yourself from the corporation by sampling some of the life you will enjoy when you retire. This will further help to increase the chances of a successful transition into retirement when the interest in your work begins to fade.

Weaning yourself off the power of your corporation and the demands it places on your time requires strategic rules, which you must consider and stick to. Work has been your drug and, as such, there will be repercussions if you go cold turkey.

So, let’s have a look at these rules.

Rule One – Commit to changing your mindset

You may be among those who believe long hours demonstrate your great work ethic and that people who take breaks (or spend evenings, weekends and vacations disconnected) are less committed. But that way of thinking is both inaccurate and unhealthy, so push back when you catch yourself giving in to it. Remember, what you think is what you are. This trait is quite common when we are climbing the corporate ladder, building our reputations and careers in our 20s and 30s. But as we get older this mindset is unhealthy and the worst possible preparation for retirement.

But you have to want to change and be determined to commit to taking time from your corporation and give it to yourself.

Don’t get me wrong, you are not going to suddenly become a slacker, as it’s not in your DNA. You will remain a committed, hard-working and valuable employee, but you are just going to put yourself first for a change.

I believe that with better balance you’ll be much more effective — not to mention happier — with adequate rest, sleep, breaks, and time to cultivate relationships and interests outside of work. Self-care keeps you on top of your game and in the game.

This will not be easy, and it will be even harder if you don’t want it. Let’s face it; you may love the adrenalin-packed corporate life you lead. You may be someone who's on the ski slopes dreaming about being back at your desk, living to work rather than working to live.

If so, carry on and pick this back up when you are ready. Retirement is, perhaps, some distance away for you and you may even choose to join the growing ranks of "nevertirees". But you should still examine this mindset shift, because the longer you carry on as you are the harder it will be to change. Perhaps it is fear of retirement or fear of giving up the emotional and financial security blanket work gives you driving your need and desire to carry on working at such a frenetic pace.

In contrast, if you have reached your tipping point and are at work dreaming about being on the ski slopes and you have acknowledged that change is needed (the catalyst sometimes the result of a health scare) then it is time to act.

Perhaps you are starting to resent the amount of time work sucks from you? Maybe your spouse or family are demanding more of your time, you have other responsibilities you cannot neglect or maybe you simply realise you are missing out on life? If you arrive at this point then you are ready to do something about your unhealthy addiction to work.

This realisation is the starting point but it will still take courage to commit to changing your mindset and you will have some setbacks along the way. However, it just may launch you on the most exciting chapter of your life.

Rule Two – Take baby steps

It takes time to change your mindset and you should take baby steps initially to achieve some quick wins. Believe me; this will take on its own momentum. Perhaps work on one of the examples below from outset:

- Commit to leaving the office at a certain time every evening and have somewhere to go, or something personally to do – ideally involving another person, who is expecting you so you won't let them down. Letting yourself down is far easier than letting someone else down.
- Commit to having free days. These are days where you are forbidden to work or even check in with the office. Instead, you should do something you enjoy, explore new hobbies, or do things you've always wanted to do.
- If on holiday, build in some free days where you resist the urge to check in.
- If you have to work at weekends, block a time out and do not allow it to spread over the entire weekend otherwise you will be constantly preoccupied and conscious that you have work hanging over you. Eventually, your target should be to have work-free weekends.
- Be present when you get home. Learn to "shut down" from work by having a time when you turn off your phone and e-mails and enjoy your home and the people in it.
- Consider what work you must do and can only be done by you, and then delegate everything else to capable colleagues. Be ruthless. This is giving to you your most valuable asset – time.

Over time, you should want to achieve all of the above and perhaps more, but just take on one challenge for now. Once that is firmly positioned into your mindset (and your diary) move onto another. Remember to take baby steps.

Rule Three – Add life to your work schedule

Many people who are prone to chronic overwork also have trouble setting and maintaining boundaries.

As a starting point, get your diary and put in your personal commitments first. This should include the things you want to do, holidays, free days and a few repetitive commitments, such as an evening a week for family time, another for going to the gym, and maybe once a month for dinner with your partner/family. It doesn’t matter what these personal commitments are, but make sure they go in the diary first.

Next, create a work schedule and fit it around your personal wants and commitments. It’s important that you do it in this order. If you need to include some late evening or weekend hours, that’s fine — but do it intentionally, based on schedules and patterns, not just because you’re already there and you haven’t yet dropped from exhaustion. Finally, ensure your colleagues and family are aware of your diary and commitments. Sometimes this needs to be planned perhaps 12 months in advance.

This exercise will provide you with enormous peace of mind and satisfaction, knowing that time is scheduled to do the personal things you want to do alongside time for working – drawing a red line that cannot be crossed.

This will free your mind from the preoccupation of work during your personal time and the feelings of guilt when you are at work and know you should be at home.

In the next section you will learn how to go about creating a transformational life plan. This will help you to identify what is important to you so you can then use the above process to “intentionally” allocate time for such things.

3. Create a transformational life plan

We all die, but we don’t all live. As Abraham Lincoln said:

> *“And in the end, it’s not the years in your life that count it’s the life in your years.”*

By live, I mean live a life you want – being free to pursue what you really want to do. It is a sad fact that most go through life not really knowing what they want to do and having no understanding of what their life calling or purpose is.

Why you should create a transformational life plan

A transformational life plan considers what you wish to do today and beyond the big job. Note that I have deliberately removed the word “retirement” here as it is about reinventing yourself, which is a personal rebrand around who you are out of the suit and what you love to do, and taking positive action.

A life plan without action is just something that gathers dust and sits in your head in the “someday” section. What makes your life plan transformational is action – taking some positive steps towards creating the life you want. It doesn’t get given to you.

Our macho executives may dismiss this as tree-hugging silliness. However, being consumed by the rat race, corporate incentives, consumerism, and a workaholic lifestyle has only served to encourage self-sacrifice, and, as you will have noted earlier, this is the worst possible preparation for retirement.

Indeed, many executives don’t even think about retirement due to fear, procrastination, corporate loyalty or concerns such as, *“What if my boss or the board get wind of this?”* Some think it may be deemed better to continue to be the dedicated employee and deal with retirement as and when it happens.

The fact that you are reading this book means I am preaching to the converted.

So, take some time out of your busy schedule and just imagine how you wish to enjoy your retirement or life after work. Think about *you* and what you will do when you have ditched the corporate wear and thrown away your title. Go on a journey of self-discovery to open your mind to the possibilities of what you wish to do. It is a personal rebrand, reclaiming yourself from your corporation, discovering your personal passions and creating an action plan for living.

Thinking, planning and visualisation help bring clarity by forcing you to determine concise end goals. In his book, *The Success Principles*[7], Jack Canfield writes: *"If you get clear on the what, the how will be taken care of."* In other words, knowing your end goal is of utmost importance in any endeavour – retirement planning included.

Remember that you are retiring from your present job, not life.

Without a plan, people too busy working to think about life in retirement end up having things imposed on them. Their retirement effectively gets hijacked by other people and/or organisations. Often, this is people they love who are worried about them and find things for them to do. However, these may be things that the retiree does not want to do.

I have seen this happen to several retirees, many of whom dash back into the safe haven of work and join the ranks of the nevertirees[8] – put off by their short retirement experiences.

[7] HarperCollins Publishers, New York, 2005

[8] A person who intends to carry on working and never retire.

> *"When I first retired, I was surprised by the number of approaches I received from people saying, 'Now that you have time on your hands, would you help me to...' Needless to say, this was expected to be done for free. In reality, I very quickly filled my time with things that I enjoyed."*
>
> Alan Vurlan,
> retired former MD

Remember, planning is not only considering what you want to do but, just as importantly, what you do not want to do.

Many executives cite the main reason they return to work is that they missed the social interactions with their work family. Indeed, many studies have identified that happiness is related to belonging, for it gives us the social outlet to share, to help others and to give back to the community. So, consider building a strategy into your own plan to find a new tribe that will give you that sense of belonging and replace your work family.

> *"At the end of the day, the most important factor is about feeling it's the right time for you and your spouse. It was definitely a joint decision to retire, enjoy the next stage of life and get away from being driven by corporate priorities and deadlines. Life would become ours and, within reason, we could do what we wanted, when we wanted."*
>
> Andy Cooke,
> retired IT executive

Planning for life after work helps bring purpose into retirement, which is an essential condition for a fulfilling retirement.

We each have a finite amount of time when we retire. I divide this into two phases:

- Phase One –Early years retirement
- Phase Two –Later years retirement

Hopefully, Phase One occurs when you are young, fit, able, and inclined enough to live a very active and busy retirement. Phase Two begins when you lose some of the physical and/or the mental capabilities needed to do the things you were able to do in Phase One, and life becomes far simpler and less energetic. This can mean we have to pay people to do jobs that we are no longer capable of doing ourselves or simply no longer want to do.

None of us know how long we have in Phase One of retirement, and this is very much determined by your health and the age at which you retire. It could be anywhere from one to 30 years.

It is during this period that you need to consider what you wish to do in retirement, and then create a calendar of events. My only advice is to get on and do the things you want to do, as you never know how much time you have left on this planet or when your health may deteriorate.

As well as including your leisure pursuits in your life plan, it is just as important to show how you intend to replace the rigors of work, what will substitute the intellectual challenges, and who and/or what will replace the social interaction provided by your work family. Think hard on this.

However, a life plan is far more than just a series of goals with dates by which to achieve them. It is creating a life blueprint and living life by design, or what I call “on purpose”. This is not something you can do in just 30 minutes. Equally, remember that what works for one person does not work for another.

With such structured precision planning, you may feel that there is no room for spontaneity. This is far from the case. Planning gives you some focus and ensures you are on the right course, but if your wants or circumstances change then there is nothing wrong with flexing your plan or maybe going off-piste from time to time. However, from experience, spontaneity is only possible if you have created enabling space – and that takes planning.

So, how do you get started?

I am biased, but I recommend you seek out a suitably qualified lifestyle financial planner, who has the training and experience in creating financial life plans. They can help you to create your plan and build the financial infrastructure required for you to afford the life you want. They can also hold you accountable for the things you have said you are going to do, encouraging action, and making your plan transformational.

However, if you wish to get started alone then take yourself off to your man cave (or woman cave, if there is such a thing) for a few days. Even better, go to that place where you feel most relaxed and at your most creative, and get started.

Importantly, you should have no distractions, but be focused on you, where you are now and your future. If you are in a relationship, I encourage each of you to do your own independent life plan and compare notes later. It is absolutely fine to have different goals and aspirations. In fact, this can be quite healthy.

To keep things simple, transformational life planning is the process of charting a course from where you are today to where you want to go, and then taking action.

We typically do this over five stages:

Stage One – How did you arrive at your current position and what is your relationship with money?

The first step is to become crystal clear about where you stand now. The biggest difference between people who reach their goals and those who don’t is the knowledge of where they stood in the first place. If we’re to have any hope of getting to a destination, it helps to start by knowing where you’re leaving from. Consider what has happened in your past, how you have got to where you are today, and how this has moulded your opinions, values and beliefs.

It is also very useful to consider your first memories of money. This has often driven our lifetime perceptions of money and has created a mindset that is very difficult to change, but you may have to change and this can only be done if you understand your relationship with money in the first instance.

Stage Two – What is important to you?

Once you understand this, you can then look forward by considering and listing what is important to you and putting these into priority order.

Identifying what is important and your priorities is crucial if you are to experience contentment and satisfaction in your life. The most content and satisfied people tend to have a good understanding of who they are and what is important to them.

So consider what you want to do, and what your goals, milestones and ambitions are.

This can include things you are doing now, but also what you wish to do in the future. Examples of what to put on your list can include the following:

- Spouse
- Parents
- Health
- Friends
- Hobbies (be specific)
- Travel and holidays
- Education
- Spiritual/faith
- Children
- Extended family
- Fitness (specific activities)
- Socialising
- Financial luxury (material)
- Work/business
- Community
- Money (financial freedom and security)

You then need to consider why these are important to you. It is not enough (and this is the most common answer) to say money is important because it gives you financial security and freedom, and is an enabler allowing you to afford the things you want to do. You need to go deeper and understand *why* these things are important to you.

My clients James and Catherine said money was important to them because it helped them sleep at night. When probing further (because we need to understand where this mindset comes from), James explained that when he was a teenager, his father's business went bust and their life was turned upside down. They lost their house, many friends, James had to move to a new school and into a different area, and it also resulted in his parents divorcing a few years later. As you can imagine, this had a profound impact on James's relationship with money, to the extent that he only spent what he had to, and instead saved and saved with the determination to avoid putting his family through what he had gone through as a child. While the prudent among us would applaud James for his discipline, there was a cost to his family.

It was the cost of *under-living*.

James is a successful executive with a very traditional work ethic and a significant disposable income, and he has accumulated a fortune that he is likely to never spend, whatever happens. His career drive was motivated by a desire to be financially secure, and an ingrained fear of losing everything and going back to nothing. When I explained to James that he, unlike his father, is likely to die with too much, he broke down. Yes, part in relief because he realised the financial fall he and his parents had suffered would not be repeated, but there was also the realisation that he had been too careful – or as Catherine said, he was an *"old meanie"*.

While not wishing to assume that spending money could make James and his family happier, it could have helped in certain circumstances. He could have bought his daughter a car when she turned 17, but he felt this was an unnecessary extravagance. He could have spent more on family holidays, but could not bring himself to pay the price of a two-week trip abroad and so settled for UK breaks, on which the children no longer join them as they are "boring". He could have pursued his love of sailing, but that's expensive – one of many sacrifices they could have avoided. James poured out these regrets and "missed" memories.

However, what is done is done. The challenge we had was to change James's mindset from a saver to a spender, which is not easy. However, with financial forecasting we could demonstrate just what was affordable and how much more they could spend or gift.

Without truly understanding why things are important, it is unlikely you will uncover what money is for. For someone like James it is security, but this has come at some personal cost.

But let's get back to our "what is important" list:

- Spouse
- Parents
- Health
- Friends
- Hobbies (be specific)
- Travel and holidays
- Education
- Spiritual/faith
- Children
- Extended family
- Fitness (specific activities)
- Socialising
- Financial luxury (material)
- Work/business
- Community
- Money (financial freedom and security)

Narrow these down to a top five or a maximum of six things that are most important to you and then put these into priority order. Unfortunately, you cannot have it all or do it all. There just is not enough time and if you try it often results in frustration.

Remember, if everything is important, nothing is important.

So, shorten and prioritise your list into what is most important to you. This will help when faced with decisions to say yes to the things that are important to you and no to things that are not-so or not-at-all important.

For example, if your priority is your daughter and there's a diary clash between attending her hockey match and meeting the boys for a few pints while watching your team, then you know what you have to do (sorry lads).

Believe me, this will save you an enormous amount of time. Busy executives are often guilty of taking on too much, either at work or at home. They are often victims of the *tyranny of urgency* – doing the urgent things, but not the important things, which may never get done.

Having a priority list will help you to do what is important to you. And the "urgent but less important" things? Well, they can either wait or be eliminated from your schedule altogether. This exercise will give you clarity about what you want and, perhaps more importantly, what you don't want – giving you the ability to say no to things that are not important or that will put the brakes on you moving towards your goals.

Finally, once you have your shortened priority list, rate each out of ten for the success you are having at this moment in time. Remember, only when you know your starting point will you know if you're making progress. Perhaps right now you are not allocating enough time to certain priorities, but you can fix that. It's your score and you need to understand how to measure it and how to score points to improve this rating.

For a deeper example, let's say one of your priorities is your spouse. Specifically, you want to spend more quality time with them and right now you have rated this four out of ten. Decide what your target rating is and what actions you must take to improve on your current score. You will also need to consider why the score is only four at this point and what you need to do to increase the score. You and your accountability coach (more on this later) will be the judge and jury, and I suspect each of you will be a harsh critic.

If one of your priorities involves other people, do not impose your priorities on them. However, do ask them what 10/10 looks like.

I realise this is all very structured and you may think it's a bit cringe-worthy to have to rate things such as your relationships. But remember, if you can measure then you can improve and change. So give this go, it does work.

The table below is an example of a priority list:

Priority	Rating	Actions
1. Spouse	4/10	Raise this to 7/10 by: Take time each evening to discuss the day – 1 point Take the initiative and book a city break each year and get more organised with our annual summer holiday – book it by the end of Feb – 1 point Show more interest – 1 point
2. Dad	5/10	To raise this to 7/10 by: Check in every day – simply call on my way home from work – 1 point Try and get some time together at a football match, playing golf or the pub at least once a month. All he wants is time from me – 1 point
3. Golf	3/10	Target – 5/10 Improve golf Start by playing more = 25 rounds this year with each round = 0.04-point – target 1 point Get five lessons with each lesson = 0.20 point – target 1 point

This will be tough, but who said getting what is important to you will be easy? Much of this will also require you to change your habits and, indeed, adopt some new ones.

> *"Depending on what they are, our habits will either make us or break us. We become what we repeatedly do."*
>
> Sean R. Covey,
> American author and business executive

Of course, it is important to periodically review your priorities and reassess your ratings, while also bearing in mind that what is important to you will change.

Some of the things on your list cannot be ignored completely, but you may spend less time on them.

By now you will have four to six things that are important to you and that you have prioritised, rated and allocated time in your diary to improve on, with a clear action plan.

This alone will create an enormous sense of focus and relief.

Stage Three – Create a goal timeline

Dan Sullivan, founder of Strategic Coach®, came up with the following question:

> *"If we were having this discussion in the future and we were looking back over the previous years, what has to have happened over the years for you to feel happy about your progress?"*

The principle here is to take yourself forward at least three years and then to look back to consider what you have done during that time to be really happy about your progress. What has been your story? Then you extend this for the longer term of three to 25 years. Working back like this allows you to formulate a purposeful life plan to decide what you want to do.

You should have laser-focused goals for what you need to achieve over the next 12 months and then from one to three years.

Beyond that, you should have “someday” goals (or perhaps these should be called “guesses”) and objectives, but unexpected life events could affect these, of course, so you need to be flexible.

Remember, behind every goal there needs to be action steps to help you realise them.

All this is essential for building your financial plan to allow you to understand and budget for the cost of living your ideal life.

Here is a real-life client example of an executive at the point of retirement:

Goal Timeline for Retiring at 55

Age 55-60	Age 60-70	75+
• Trip to Africa and fly a hot air balloon over the Serengeti. • Give Sue (wife) space to pursue her own goals. • Help in the local community – environmental project? • Research an organisation to help with my expertise without getting tied into regular work. • Learn Italian • More quality time for Mum and the kids. • Improve golf, handicap below 20. • Possible house deposit for the children (when they are aged 25). • Drive Route 66. • UK tour in a hired motor home. • Eat healthily, keep fit, do cycling tours, regularly visit gym.	• Funding for children's weddings? • At least one long-haul holiday per annum. • Short beach breaks and city breaks. • Hopefully, continued family holidays, bringing everyone together once a year. • Possibly need to consider helping to care for Mum – we may need to relocate her closer to us? • Consider buying a holiday home in the south of France.	• Downsize to our forever home, which has minimal maintenance. • More UK holidays. • Continue with short breaks. • Help the kids with their second house move (if affordable). • Possible financial and care support for grandchildren (if we have any). • Provision for and funding for personal care needs.

As you can see from the above list, this recent retiree was prioritising in no particular order:

- Spouse
- New professional role
- Travel and holiday
- Learn Italian
- Children
- Community
- Fitness (golf, gym, cycling)

Perhaps there is too much on this list. But, for a new retiree with time on their hands, this is quite normal, even if a little ambitious.

Create your own goal timeline but, most importantly, set a date by which you will achieve these goals and include action steps for each. This alone ignites action as opposed to “someday I will...”, because someday may never happen.

Let’s face it, you’re an executive and you have thrived on deadlines for most of your life. It is quite common for longer-term goals to be vague. However, the next zero to three years must be very specific, as these goals need planning and positive action.

Stage Four – George Kinder’s three questions

If you are still struggling with this concept and discovering what is really important to you, don’t worry. This is not unusual.

There are three questions for you to consider that will help. These were devised by legendary life planner George Kinder, leader of the Kinder Institute , whose work I have followed and practiced for many years. His three questions are set up like this:

1. I want you to imagine that you are financially secure, that you have enough money to take care of your needs, now and into the future. The question is: How would you live

your life? Would you change anything? Let yourself go. Don’t hold back on your dreams. Describe a life that is complete; that is richly yours.

2. You visit your doctor, who tells you that you have only five to ten years left to live. The good part is that you won’t ever feel sick. The bad news is that you will have no notice of the moment of your death. What will you do in the time you have remaining to live? Will you change your life and how will you do it?
3. This time, your doctor shocks you with the news that you have only one day left to live. Notice what feelings arise as you confront your very real mortality. Ask yourself this: What did I miss? Who did I not get to be? What did I not get to do?

These extremely powerful questions will help you to understand what your values, hopes and ambitions are, and to decide what is truly important to you.

On considering these questions, often it uncovers thoughts and emotions you may have missed earlier when considering what was important to you. So, you may need to go back and revisit your answers and the order of priority?

While such planning may sound regimented (a bit like work), there is often some flexibility around these goals. However, having a written plan makes it real and increases the chances of turning the goals into a reality. It can also be an enormous sense of relief to provide the structure that you have lost when you leave work. Executives tend to like order, planning and focus.

Once you have your short, medium and someday goals mapped out, consider what you need to do to take action and change habits to actualise these goals. There is no point going through this process without action.

Stage Five – Get yourself an accountability coach

Share your goals and plans with someone who can hold you accountable, as it is all too easy to put these on the shelf for them to gather dust. After all, if you do that then you are failing only yourself, right? Or does it affect others? An accountability coach can be a professional, a friend or your spouse. Whoever it is, they need to hold you to account and review your progress. They should be someone who you respect and someone who you do not wish to let down.

In conclusion, from this transformational life-planning process you should have a clear understanding of where you are today and how you arrived; know your perceptions, beliefs and values towards money; have considered what is important to you, deeply considered why these are important to you and prioritised them; have created a goal timeline of what you need to do over a one to three-year period, and "someday" thereafter; and agreed a list of actions that you need to take, and habits you need to adopt or change to bring you closer to living the life you want to live – not just tomorrow but today also.

Simple!

A word of warning: The need to retire with purpose

There is one caveat. Some do not buy into this baby-boomer retiree lifestyle. They are quite happy to live a comfortable, uncomplicated and relaxed life in which they can please themselves with the time retirement brings. As you've read, retirement is very personal and so there is absolutely nothing wrong with this – provided that when they get to Phase Two of retirement they have no regrets.

Planning a life of leisure and becoming a full-time hobbyist in retirement may be sustainable for a few years, but for many – particularly the achievement-hungry, reward-driven and socially-powerful executive – this may not be enough.

Many dream about a deserved retirement following a life of “toil”; when they can leave behind the work stress and enter the golden age of life. One client, Sara, put it like this:

> *“When I stop work I’m going to move to the coast, I’m going to travel the world, to perfect my golf swing, to learn a language, to sit on a beach all day and read a book, to have a lie in...because I can.”*

This seemingly idyllic lifestyle, if affordable, often is not enough. Although fitting in at work and conforming to its structures and politics is a key survival skill, trying to conform to a retirement of leisure can lead to despair because there is nothing to conform to. Creativity is the most important survival skill in retirement.

Sara made her comment to me five years before she retired. Two years after retirement, she was back at her desk. She had a great few years, but it was not enough. She got bored, because leisure was not as much fun when she was doing it 24/7. Trying a find a remedy, such as buying new toys, did not relieve the boredom.

Leisure and toys were no longer an escape or a diversion from work. She got stressed that her golf got no better despite playing more (her stress release became a new source of stress), and she missed the cut and thrust of work. When a job opportunity presented itself, Sara enthusiastically returned to work. As she explained:

> *"Nick, retirement is for other people; it's just not for me. It just felt so empty. Thank goodness I have escaped back to work."*

There is something a little sad about this, of course.

While working, we dream of the day when we can slow down or stop and pursue a life of leisure doing the things we *want* to do rather than the things we *have* to do. But then, soon after the time arrives, we miss what we had been doing all that time, do not appreciate what we had, and long for those past corporate glories to be part of our future.

Many corporate executives do not appreciate what they have, and live in the future. It would be good to learn the lesson from those who have passed before us, and really live for the moment.

What this shows is that retiring to a life of leisure and consumerism, as nice as it sounds today, is often not enough to cure a corporate executive's work hangover. It can all become a little trivial, you can feel socially isolated, and it will not replace the intellectual challenges of work. Retirement can become boring.

And while I have witnessed hobbyists and world travellers embrace retirement and never look back, they are often the exception. In the majority of instances, without a plan for a full and rich retirement beyond just pure leisure, with a vision of some emotionally-challenging activity that you are passionate about to complement and bring more enjoyment to the leisure activities, the chances of you getting bored and returning to work, like Sara, are increased.

For many, retirement can be work (an entrepreneurial business growing from your passions;[9] or voluntary, philanthropic or community work), a fitness challenge, time for new activities, perhaps with the grandchildren, or some other intellectual pursuit, such as writing or learning a new academic skill.

In *The Art of Aging*, Sherwin Nuland identifies creativity as the fountain of youth.[10]

Executives who have a rich work life will never replace it with or be happy pursuing a life of leisure full-time.

Doug Treen[11] says this of retirees living this retirement lifestyle:

> *"It is our corporate being retired as a false self, playing out the corporate myth of retirement... essentially fun is not sustainable full-time... if we settle for a retirement of leisure, we cheat ourselves out of possible emotional rewards... (resulting in) severe boredom leading to hyper-stress, meaninglessness, and retirement despair."*

There is no blueprint for this; what works for others may not work for you. It is up to you to rediscover your authentic self, free of the corporation; to do something that will really engage and inspire you; and to discover a new passion (or pick up an old one) that will replace the vacuum created when you leave work. In some ways,

[9] This is a very popular pursuit with early retirees who wish to pursue their passions and to do something they really love, but who may need to still generate additional income.

[10] Sherwin Nuland, The Art of Aging, (Vintage Books 2007) p280.

[11] Doug Treen, The Psychology of Executive Retirement from Fear to Passion, 144–146, 148.

the end of the corporate you can give birth to the real authentic you, which may be the most exciting chapter of your life.

I have often asked myself and Sara if I failed by not helping her to prepare for retirement better with a transformational life plan.

Sara would say not. She tried retirement and, at the moment at least, prefers work. Is she a retirement failure by not mentally killing her corporate identity and being able to move on into a new life? That is an impossible question to answer. Sara is very happy with life. Her work is a passion and she says she enjoys her leisure time more now as it is genuine leisure time, not a full-time pursuit. She is financially ready for retirement, but not emotionally. Money could not buy her retirement satisfaction and happiness.

But would Sara be happier if she had replaced the challenges of work with an alternative creative pursuit with a new tribe? Again, that's tough to answer. Retirement is personal and, for some, it is not the right choice. This is why, as you will see below, many people choose to pretire or maybe become a nevertiree.

Perhaps there is a lot of truth when writer Gerald Brenan said:

> *"We are closer to the ants than to the butterflies. Very few people can endure much leisure".*

4. Build a financial plan

Your goal is to ensure your money outlives you, but that you don't die with too much.

Your financial plan must only be considered after your life plan.

The financial services industry is very focused on numbers and products, but your financial plan needs to be far more than just a budget and an investment strategy.

Creating a financial plan without first doing your life plan is futile, as you need to understand what it is you want to do in order to precisely calculate the cost of living out your dreams – your "number". You may then begin to create a financial planning strategy in which you mobilise all of your existing resources and, more than likely, create new ones to provide you with enough money to afford this ideal retirement.

So before you plan, know why you are planning. We call this lifestyle financial planning, and the process can be broken down into six stages.

Stage One – Calculate your number

The starting point for building your financial plan is considering the cost (total expenditure) of your lifestyle today. You must then consider what will change when you retire.

Often in the early years of retirement, some costs come down. For example, the mortgage may be repaid; your clothing budget may fall, contributions into savings, pensions and investments may stop, and your food bill may be less as the kids have left home and are no longer raiding your fridge. Also, while contributing to help your children will be a life constant, unless you had your children late or you retire early, you may no longer need to fund their education or other day-to-day costs into your retirement.

Yet other costs will increase. Remember, you have more time, so the costs of holidays and hobbies may rise, and you may have to fund your own private medical insurance, phones and cars.

In later life (age 75 to 80-plus), retirement costs will change as you will pay for personal help and assistance, while lifestyle costs may begin to fall as you become less able or inclined to spend.

This is why preparing a lifestyle budget for the future is important, while one-off costs also need to be considered and costed.

These include items such as replacing the car, buying a holiday home or perhaps a motor home, carrying out home improvements, helping the children with the costs of their own children, weddings, or property deposits, or, finally, the cost of funding nursing care in your later years.

But while there will be many uncertainties, you still need to find out your "number". This could be a big or small number, but you need to know it.

For instance, if you have budgeted that you wish to retire at age 60 and have costed your lifestyle to be £70,000 per annum until age 80, then £50,000 per annum from 80 to 100,[12] plus throw in £250,000 for one-off costs, and add inflation at, say, three per cent per annum from age 60, then your number is £4.72 million.

Find out your own number.

[12] The predictions by the Office for National Statistics estimate the likelihood of reaching 100 by looking either at your age now or the year of your birth. They show that by 2066, there will be more than half a million people in the UK aged 100 or over. While current likely life-expectancy rates are in the mid-80s, we believe it prudent to plan for a longer life than this.

Stage Two – Calculate your lifetime projected net inflows

Next you need to understand your lifetime projected net inflows. This includes incomes, pensions, investment income (will this increase or remain fixed?), and one-off windfalls such as inheritances, property sales and/or downsizes.

This is the starting point for a cash-flow model measuring your net inflows and outflows for the rest of your life.

Stage Three – Agree global financial assumptions

This will typically require you to consider your resources and assets, and make some assumptions. This includes financial assumptions such as the following:

- What is inflation likely to be both now and in the future?[13]
- How much will you earn and by how much will your earnings escalate each year?
- What annual return will you receive from monies held in cash?
- What annual return will you receive on your pensions and investments?

Stage Four – Personal life and financial assumptions

You must also consider some personal assumptions. These may include the following:

[13] Inflation is probably the biggest financial threat for a retiree, particularly those on a fixed income, where indexation is capped at a certain percentage, or if they have a love of cash, for which the real value can fall each year. Closely guard against the value of your money eroding through prudent financial planning.

- What is your total expenditure today, as well as in the early and later years of retirement?
- What is your chosen retirement age?
- How will you generate income from other assets and investments (investment portfolio/property)?
- What income will you get from your pensions (including the state pension) and when will draw on your pension(s)?
- Will you release money from your property and/or downsize in the future? If so, how much?
- Are you expecting any future windfalls, such as inheritances, pension lump sums, share option maturities or sales?
- What financial costs will you personally have in the future, such as upsizing your property, going on a world tour, or buying a supercar, motor home or holiday home?
- What provisions do you need to make for your children or others, including education, cars, insurance, property deposits, and weddings (not forgetting the grandchildren)?
- How long are you going to live? In our financial plans we assume our clients are going to live to 100. While, this is over-egging it for the majority of people, remember we do wish to be prudent in our planning and allow for this possibility, which as years pass is becoming ever more likely.

Stage Five – Cash-flow modelling

Having considered your financial resources, lifetime projected inflows and outflows, and having agreed personal and financial assumptions, you can now create your first draft cash-flow model. Once agreed, you can model different scenarios and assumptions to see the flexibility within your plan.

For example, you could model retiring earlier, semi-retirement, building in the cost of a holiday home or other material possessions, or the affordability of gifting more to those you love. You can also stress test the impact of catastrophes, such as death or long-term disability, to ensure that you or those you love will be OK whatever happens.

Basic examples of six cash-flow scenarios are shown below.

These model the liquid unencumbered assets (normally cash and investments), excluding property, pensions or other physical assets.

In Figure 1, which is the base scenario against which all others are compared (with the exception of Fig.6), we can see the accumulation of wealth from age 50 to retirement at age 60, with resources running out at age 85. The conclusion we can draw here is they are not projected to accumulate enough if they live beyond age 85.

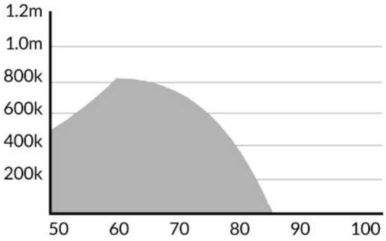


Figure 1: Base scenario

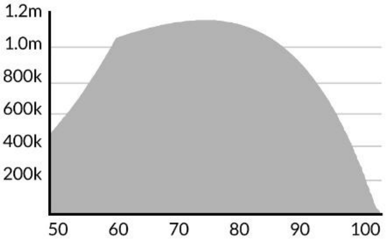


Figure 2: Additional savings

Assuming that they do not wish to reduce their standard of living in retirement (a fair objective), Figure 2 shows how much more they will need to accumulate (save) to ensure their money lasts to age 100. Of course, this may not be doable or desirable, as it would mean reducing the standard of living (spending less) from ages 50 to 60.

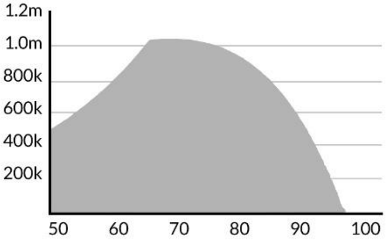


Figure 3: Deferring retirement (65)

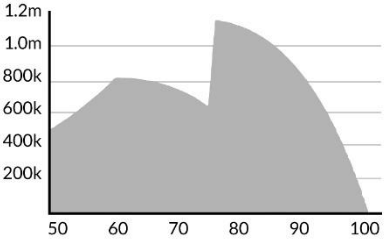


Figure 4: Property downsize

Figure 3 shows the impact of not increasing savings, but instead deferring retirement until age 65 with money lasting now until age 94, nine years longer than in Figure 1.

Figure 4 demonstrates retirement at age 60, but releasing equity from the property by downsizing at age 75, with monies lasting until age 98.

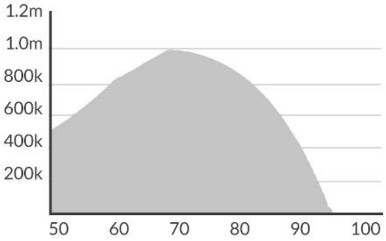


Figure 5: Pretirement 60-65

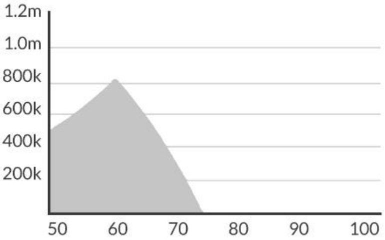


Figure 6: Higher inflation

Of course, another option might be entering pretirement between the ages of 60 and 65, which would generate some earnings (as shown in Figure 5), this time with money lasting until age 92.

Finally, the first five scenarios all assume inflation is at three per cent. But what would happen if this rose to six per cent? The impact on Figure 1 of this occurrence is shown in Figure 6, with monies running out at age 73 – 12 years sooner.

While very basic, I hope you can see from these scenarios the power of cash-flow forecasting to help you with your options by showing the financial implications of your actions and allowing you to design your retirement strategy.

In setting up these scenarios be conservative with your assumptions, erring on the side of caution.

The impact of other financial events, such as inheritances or bonus windfalls, can also influence your forecast. Equally, there could be other significant negative financial events such as medical or care costs, the early loss of a spouse/partner, or helping the children out of a financial hole.

You will notice a focus on things that you can control. A big influence on your future prosperity will be the return you achieve on your investment portfolio. While you can try to get a higher return by taking more risk, this cannot be relied upon, so, again, prudence is encouraged.

Remember, the assumptions you use are best guesses and are unlikely to be accurate. However, they are as close as you can get and financial planning doesn't have a final destination – it is a journey where you may decide at some point to take a different turn to the one originally planned. In other words, creating your plan should not be a one-off event. You cannot go to the gym once and be fit for life. Financial planning is no different. You need regular check-ups to update your plans and assumptions in order to keep your financial plan on track.

Stage Six – Create and implement your financial strategy

After creating a comprehensive cash-flow model (and not before – this is really important), you should then consider your financial-planning strategy, which mobilises all of your financial resources to help achieve your goals.

This means your decisions and strategies related to savings, investments, tax, pensions, financial protection, work share save scheme, etc. – in short, all your financial products – will be given clear purpose and direction by your financial life plan, and you will be able to consider all of them as a holistic whole.

Making decisions about your financial products (or those that you may need) prior to doing a financial life plan is a kamikaze approach to managing wealth – financial suicide. So before you invest, invest in planning.

> *"You should never take advice from any man however well he knows his subject unless he knows you."*
>
> Thomas Pitt,
> English merchant

Advice on your wealth resources will naturally flow from your financial plan and give you confidence that what you are doing is the right thing.

Creating a financial plan to enable you to live the life you want is essential for your retirement success, and it is something you need to face up to and do as early as possible.

Failing to create a financial plan may mean you cannot retire on your terms, and may mean that you are unable to take full advantage of the time retirement gives you because you simply do not have enough money.

Happy planning!

Chapter summary

To improve your chances of a successful transition from work to retirement you need to do the following:

- Decide at what age you want the option to retire.
- Wrestle some time from your corporate self... and do it *now*.
- Create a transformational life plan.
- Build a financial plan.

Selecting a date when you wish to have the option to retire is important because this will help you think about what you want to do after work, help with your emotional readiness to retire, and ensure you review your finances and create a strategy so you have the financial readiness to retire.

Take some time out, ideally five to ten years before you retire, to sample the activities you wish to do in retirement. Not only will this whet your appetite, but it will also help you to create a life outside of work, making the retirement transition easier.

Create a life plan to live your life on purpose and to live the life you want. What makes the life plan transformational is action. Don’t let it stay in your mind; act to make this life happen.

Consider your past and how you got to where you are today. You need to understand your perceptions of money and how these impact upon your decisions. Once you understand how you got to where you are, consider what you want to do in the future: goals, milestones, ambitions. Determine what is important to you, and then prioritise these things. Understand why these are important to you and create a goal timeline – a plan of action to make this life happen.

Appoint a suitable accountability coach who will hold you accountable in achieving your goals.

Retirement will give you time, but filling this with leisure pursuits alone will not be enough. You will soon get bored, so you need to find something creative to replace the intellectual challenges of work and the social interaction provided by your work family – you need to find new intellectual purpose and your new social tribe.

Once your life plan is complete, create your financial plan. This is building the financial foundations and infrastructure that will provide you with enough money to give you the capacity to do what you want to do. This will provide you with financial cashflow forecasts, helping you to visualise your future financial position and decide on a suitable strategy.

You must do this before you make any decisions on your financial products – savings, investment, pensions, protection, tax, etc.

Exercise 2: Transformational life plan

It’s time to create your transformational life plan, starting with these questions. Answer these now, but after you have completed the rest of the book you may wish to reconsider your answers and allocate more time to these exercises.

1. At what age do you want the option to retire?

2. If you had three hours extra each day, and you were forbidden to work, what would you do with this free time?

3. Are you ready to take time from your corporation and gift this to yourself? If yes, explain why you are ready. If no, explain why you are not ready.

4. What baby steps can you take today to wrestle time from your corporate self? Choose one and create an action plan to make this happen.

Baby step

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Action plan

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5. What is important to you?

6. Now put the above in priority order and rate your performance out of ten? If you scored less than ten in each priority, identify your target score and what actions can you take to reach this score? Consider how you score points – make these very specific. Ideally, you should have five or six priorities and no more.

Priority	**Rating**	**Target Score & Actions**

7. Using a separate sheet of paper, create your own goal timeline, with focused goals (life and financial) over the next three years and your someday goals (beyond three years). Using the example in this chapter as a guide, answer Dan Sullivan's question:

   "If we were having this discussion in the future and we were looking back over the previous years, what has to have happened over the years for you to feel happy about your progress?"

8. Now answer George Kinder's three questions:

   i. I want you to imagine that you are financially secure, that you have enough money to take care of your needs, now and into the future. The question is: How would you live your life? Would you change anything? Let yourself go. Don't hold back on your dreams. Describe a life that is complete and that is richly yours.

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ii. You visit your doctor, who tells you that you have only five to ten years left to live. The good part is that you won't ever feel sick. The bad news is that you will have no notice of the moment of your death. What will you do in the time you have remaining to live? Will you change your life and how will you do it?

iii. This time, your doctor shocks you with the news that you have only one day left to live. Notice what feelings arise as you confront your very real mortality. Ask yourself this: What did I miss? Who did I not get to be? What did I not get to do?

9. Who can you ask to be your accountability coach?

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Now you have completed the above, get your diary and put some “life” into it, allocating time to do what is important to you.

Then contact your potential accountability coach, arrange to meet with them and ask them if they are willing to help you.

Exercise 3: Financial planning

1. Calculate your “number” – that is the amount you will spend for the rest of your life.

Stage	£ Amount
Now until retirement[14]	
Phase One – retirement until age 75/80	
Phase Two – from 75/80 to 100	
One off capital expenditure[15]	
Total (your number)	

(TIP: Remember there’s a free spreadsheet to help with these calculations. The link is in the resources section.)

Having an understanding of this is crucial for planning but futile unless you consider your lifetime inflows[16], and current and future resources, so that you may then project these forward using cash-flow modelling to demonstrate if you have enough (or maybe too much) money to fund your number.

While I am sure you are able to do basic maths to calculate your total expected future lifetime inflows and then compare this with

[14] Annual expenditure multiplied by the number of years until retirement.

[15] Such as gifts to children, property purchases, holiday homes, mobile homes, cars or other material purchases.

[16] Salary, future pension incomes, inheritances, windfalls from bonuses, property sales (including a possible downsize) or share maturities.

your number, the calculation and complexity involved is beyond any exercise we can do here. But we would encourage you to consider your existing and future resources, and your personal and financial assumptions, so you may crunch and project these numbers with a suitably qualified financial planner – the outcome from which will drive your financial and retirement strategies.

At the very least you should have an understanding of:

- Your expenditure today and expected into retirement.
- Expected one-off costs in retirement (e.g. holiday home).
- Your income today and projected into retirement.
- Expected one-off windfalls into or at retirement.
- Your expected capital assets into retirement.
- How much capital you need to accumulate for retirement.
- Your pension, savings and investment strategy.

If you do not have an understanding of any of the above financial matters, take some time to consider these before it is too late.

At Retirement

"It's like giving away your train set."

Len Threadgold,
chairman of Geotechnics Limited,
(Age 76, on transitioning into pre-retirement)

You have decided to retire or pretire – either way you've had the conversation with your board or boss, you've made the awkward announcement to colleagues and are leaving the "big job". It all becomes very real now, which can be terrifying for some and exhilarating for others. As you know, your identity is changing, you will no longer be part of the team, you are leaving and saying goodbye to your work family (it's no longer all for one and one for all).

You are disembarking the ship and it’s now just you.

You may see subtle differences in colleague behaviour and this, in itself, can be disconcerting.

You will feel a mix of emotions – fear of the unknown, “What have I done?”, loneliness and guilt (exacerbated if you have retired early) – and some have even connected the emotions felt at the time of retirement to those experienced when grieving.

Retirement is a death of sorts: the death of your corporate identity. It is not all bad because you will be excited and feel a sense calmness, knowing you will be leaving behind the job and having time for yourself.

Where possible, it is best to defer some decisions until you are one to two years into retirement, because you will have a better perspective of what it is you will be doing.

However, on deciding to retire you will quickly have to make some big decisions. Mistakes can be made at this point, often as a result of emotions getting in the way of logic. Hence, where possible, it is far better to plan in advance so that when the time comes to make a decision, you will have the answers well in advance. Note the saying: *“It is far better to prepare than repair.”*

While not exhaustive, the following is a summary of the common questions executives will be deliberating at the point of and into retirement.

Financial questions, decisions and considerations

You will have a lot of questions to answer and decisions to make when you retire. Many of these are financial, including some of the following:

Can I afford to retire?

This is probably the most important question as it is the main source of anxiety amongst senior executives considering their finances at the point of retirement. But it is more than just about affordability, perhaps the question should be: “*Can I afford to maintain my lifestyle into retirement?”*

This is because most people want to continue living the life they have become accustomed into retirement. If they can, this will deliver an enormous amount of retirement contentment.

The answer to this affordability question is answered by creating a financial plan, costing the life you want to live, adding up the financial resources you have today and are likely to have in the future, and creating a cash-flow projection. This should provide you with your answer, but you should do this as soon as possible rather than waiting until retirement to ask the question.

When should I draw on my pension?

There is no right or wrong answer here, and this very much depends on the type of scheme of which you are a member.

If you are a member of a defined-benefit final salary scheme then retirement prior to your normal retirement date (NRD) will be subject to trustee approval and is likely incur early retirement factors (penalties). In this case, a breakeven analysis should be carried out. This will tell you at which age you will be better off drawing on your pension, compared with waiting until NRD.

Let’s consider an example...

Jon's retirement conundrum

Jon is considering whether to retire now at age 55 having worked for his company for ten years. If he decides to draw the pension today, he will receive £14,000 per annum. This is reduced because penalties are applied for taking the pension before the scheme's NRD (age 65).

To work out what might be best for him, Jon starts off with a breakeven calculation.

The £14,000 pension – allowing for inflationary increases of, say, two per cent per annum – will pay Jon a total gross pension payment of £153,296 from ages 55 to 65 (£14,000 for ten years with two per cent annual inflation).

By age 65, with two per cent inflationary increases, this pension will be paying £17,066 gross per annum.

This income will be *"lost"* if he defers the pension until age 65. But, in comparison, the gross pension at age 65 – again assuming a two per cent inflationary increase – is projected to amount to £24,380 per annum. This is higher because there are no early retirement penalties applied and, as a result, the inflationary increases each year are higher.

So, Jon would be £7,314 better off per annum in this second scenario than if he decides to draw the pension at age 55 (at £24,380 rather than £17,066).

If we project both total incomes forward – taking inflation into consideration, but ignoring tax – it will take Jon approximately 17 years to recover the "lost" income from age 55 to 65 (£153,296) from the higher annual pension income available if he took the pension from age 65. He would become financially better off from age 82.

As you can see, life expectancy will have a bearing on your decision. If you are a member of a defined contribution pension scheme (personal pension) and draw down on the pension at 55 using a flexi-access plan then you will not incur early retirement factors. However, you would be drawing down on the investment fund that, by comparison, should be worth more in later years by virtue of the fact that the pension pot would have grown at a faster compounded rate if withdrawals to fund an income had not occurred, allowing for a larger income at a later age. While a breakeven analysis can be done, it carries the added complication of having to assume what the future investment returns will be.

When considering drawing on your pension other factors need to be considered. These include:

- The immediate need for income that may inspire the confidence to retire if that is what you truly want, allowing you to enjoy retirement now.
- Your health. If you are in poor health, which as a result may reduce your life expectancy or quality of life in later years, you may wish to access your pension today – ignoring the breakeven financial calculations – as you wish to get on with your retirement while you still have the health to enjoy it.
- Tax and other income sources will influence your decision. If you are working and paying higher levels of taxation, then the tax burden of drawing down on the pension is greater. Conversely, if you are a non-tax-payer then there is an opportunity to draw money out of the pension tax-free perhaps until other pensions become payable, including the state pensions.

It is not therefore just a financial decision, other factors will influence your thoughts and professional advice should always be sought.

What should I draw from my pension? Should I commute the tax-free cash and, if so, how much?

Again, this is affected by the type of pension scheme you are a member of and your personal position.

If you are a member of a defined-benefit final salary pension scheme then you will need to consider the commutation factors, which are used to calculate the amount of income you give up in exchange for a tax-free lump sum.

You will be given a statement from your pension administrator detailing your options. They often include an option for an annual pension and an option for a reduced pension and tax-free lump sum. You should check if this is the maximum lump sum you are able to draw. Remember that you do not have to take the maximum as you can personalise this to your needs.

A simple example of defined-benefit pension options is shown below:

Option One	£20,000 pension per annum
Option Two	£15,000 pension per annum, plus £75,000 tax-free lump sum.

This example has a commutation factor of 15, which means that for every £1 of pension income given up £15 tax-free cash is taken. If the person wanted a £50,000 tax-free cash payment, then the pension income would be reduced from £20,000 per annum to £16,667 per annum.

Your personal cash needs should also be considered when making your decision, as should a breakeven analysis (loss of future income versus tax-free cash).

The tax-free cash payment has to be taken at the point of drawing the pension and cannot be phased over a period of time.

In the above example, and in very simple terms (if you ignore inflation, income tax and growth returns on the tax-free cash), it would take 15 years for Option One to surpass the financial benefits of Option Two.

Option One will give the member a higher guaranteed index-linked lifetime income, with the compounded effect of the inflationary increases being greater than Option Two (as the pension income is higher from outset) and with no headache about what to do with the tax-free cash.

Option Two will reduce the exposure to the scheme and often does not negatively affect the level of spouse pension, which is frequently set at 50 per cent of the pre-lump sum commutation figure, sometimes higher.

Furthermore, because the defined-benefit final salary pension income will die with the member or his/her spouse, there may be some windfall for the estate's beneficiaries if a tax-free cash payment had been taken and not all spent.

For a defined contribution scheme, the tax-free cash is typically limited to 25 per cent of the total pot. This can be taken as a lump sum or phased over a period of time. The income may be secured via either annuity purchase or flexi-access drawdown.

The annuity will provide a guaranteed lifetime income, which may include options such as linking payments to increase by a fixed amount or the retail price index (RPI), variable death benefits for the spouse and guaranteed periods that ensure payments will be paid for a minimum length of time (normally five to ten years) often as a lump sum.

However, annuities often die with the policyholder or spouse if protection was provided. Again, typically, the tax-free cash payment is taken at the point of drawing the pension.

The flexi-access drawdown contract, by its nature, provides more flexibility but is not guaranteed because money remains invested and therefore at risk. So, you can choose between a sustainable withdrawal strategy designed to provide you with a lifetime income, or a higher income today that will most probably result in a lower future income.

The key is in the name; in that you have flexibility to take what you wish from zero (it is not a requirement to draw a pension income at any time and indeed you can take a tax-free cash payment and no income) to the entire pension value. Furthermore, you can phase the tax-free cash payment to suit your needs and it does not have to be taken at the point of retirement. On death, the value of a flexi-access pension can be passed on to the spouse or other beneficiaries. This is explained in more detail below.

Remember, for all pension types the tax-free cash is limited to 25 per cent of the lifetime allowance applicable at the time (higher if you have protected your pension value in previous years), while income is subject to income tax at your highest marginal rate.

Is my current pension(s) suitable for me as I enter retirement?

As with many other questions here, the answer depends on your circumstances. But, here are a few tips:

- Ensure you take professional advice at the point of retirement to review your pension options, which should be considered as part of your overall financial plan.
- If you decide to purchase an annuity, do not immediately accept the annuity quote offered by your existing provider – you have the right to get an open market option, and you can often secure better terms from the open market. Be mindful that if you have any health impairments, you may be able to secure a more competitive annuity.
- If you wish to go down the flexi-access drawdown route, remember to shop around and consider your income requirements.
- If you have accumulated several defined contribution pensions, then you may wish to consolidate these into one flexi-access drawdown plan if it is suitable.
- Check if you have any guarantees linked to your defined contribution pension schemes as these could be of value and should be closely guarded.
- If you are a member of your employer's (or former employer's) defined-benefit final salary scheme, you can defer payment beyond your NRD. However, you should only do this if you do not need the income (maybe because you are still working and maybe paying additional higher-rate tax) and the escalation rates after NRD are generous. Again, you should carry out some breakeven analysis. For most, it is better to take the pension at NRD.

- Consideration should also be given to transferring the defined-benefit final salary scheme to a defined contribution pension scheme. I stress “consideration” here as for the vast majority of people it remains sensible to retain the defined-benefit final salary scheme, given the associated guarantees. However, there are sometimes good reasons to make a transfer. Take professional advice and pay a suitable fee – this could be the biggest financial decision of your life, so choose your adviser carefully.

What happens with my long-term incentive plans and/or share options?

As part of your remuneration, you may have received shares in your company through participation in a variety of schemes. Part of this will be affected by how you leave, with good leavers often receiving preferential terms. You should check this position with your employers prior to leaving.

Of course, while there were definite benefits from participating in the share schemes while an employee, this frequently leaves executives with an overexposure to their company’s shares, and often with some emotional attachment that can be dangerous, and possibly costly.

Consideration, therefore, should be given to reducing this overexposure, while being mindful of capital gains tax. Remember, if you are married then you are able to transfer shares to your spouse without any immediate tax implications, and they can then use their own capital gains tax annual exemption. Furthermore, if you do not wish to sell the shares, you could move these into an individual savings account (ISA), which will mean future dividends and gains are free of tax.

Should I buy the company car?

Put simply, yes, if you want it, need it, can afford it and it is offered at an attractive cost.

Am I due a tax rebate?

Possibly, but this depends on many factors. A common example where a tax rebate may be payable is when your employer has been deducting higher or additional rate tax and, when you retire, your income and the marginal rate of tax for the year has reduced.

This may mean you have overpaid tax on your earnings during the tax year of retirement. Speak with your local inspector of taxes or seek appropriate advice.

What will my tax position be after I retire?

You will continue to pay tax in the normal way on any income you generate from pensions or other investments.

Do I need to replace the lost private medical insurance? If so, how? And what will this cost?

This is a very personal decision. Some people prefer to self-insure, using the NHS for certain requirements and paying for healthcare as and when this is required. This is largely motivated by cost, as this is a very expensive insurance, particularly when you do not benefit from the group employer discount or you have made previous claims. Also, the cost tends to increase every year.

You may be covered for a certain period on leaving your employer, so you should clarify this position. Thereafter, you can choose to remain with your employer's insurer or shop around for an alternative provider. Do be mindful that if you have previously claimed on a policy, a new insurer may exclude these conditions.

Alternatively, as mentioned above, you may decide to self-insure and ring-fence a pot of money (maybe just notionally) for medical procedures.

Do I need to replace the lost death-in-service benefit?

In short, yes you do if you have financial dependants that rely on these benefits. You should make plans to arrange this prior to leaving your employer as it could take some time for alternative cover to go on risk.

Is my defined contribution pension for my retirement or for my kids?

A change in pension legislation that came into effect in April 2015 has significantly changed the pension landscape and refocused the planning opportunities. For some, pensions have now become a vehicle for cascading wealth down to younger generations, as much as being a means for providing income in retirement.

Prior to April 2015, on death, pension pots within an income drawdown arrangement passing to others were taxed at 55 per cent. This, of course, encouraged people to spend their pension pots.

The new rules introduced in 2015 give individuals with defined contribution pensions (personal pensions, self-invested personal pensions [SIPPs], group pensions, flexi-access drawdown plans, etc.) the ability on death to pass 100 per cent of their pension onto their spouse and/or the children or other nominated beneficiaries.

This can be in the form of a lump sum or monies remaining within the pension scheme. If death occurs prior to age 75, any withdrawals from the pension plans by spouse or other beneficiaries are free of tax, while death after the age of 75 will mean withdrawals are liable to tax at the beneficiaries' highest marginal rates of tax.

Furthermore, monies held in a pension are not part of the policyholder's estate and therefore not liable for inheritance tax (IHT). If the beneficiaries of the pension retain money in a pension environment, which they should be able to do (check that your provider has adopted the new flexi-access drawdown pension scheme rules, as not all have), then these monies to do not form part of their estates either.

If it is affordable, income in retirement should ideally be met via non-pension assets, as these are most likely to be liable to IHT. Any income withdrawn from pensions may not only incur income tax at the individual's highest marginal rate, but will also move monies from an IHT-exempt asset into the estate and be potentially liable to IHT if not spent.

In summary, if it is affordable, your pension is for your kids.

Should I still pay into my pension after I have retired?

Again, if it is affordable, continued pension contributions should also be considered. Individuals are able to contribute a maximum of 100 per cent of net relevant earnings into a pension, subject to the annual allowance at the time. Net relevant earnings do not include pension income, deposit interests, rental yields or share dividends. It is largely employed or self-employed earnings. Hence, if you are retired, you are not likely to have any net relevant earnings.

However, even if you have no net relevant earnings, Her Majesty's Revenue and Customs still generously allow you to contribute up to a maximum of £3,600 gross into a pension, which will provide income tax relief of £720 for a basic rate tax payer, £1,440 for a higher-rate taxpayer and £1,620 for an additional rate taxpayer. This tax relief is payable until age 75.

The purpose of pensions has really been redefined over recent years, as noted earlier, becoming a very attractive vehicle for estate planning and meaning that those who can afford not to should not draw an income. Instead, they should continue to make contributions (subject to limits and consideration of the lifetime allowance) until age 75.

So, if affordable, you and your spouse should consider funding pensions.

A word of warning, however; you do need to consider your personal lifetime allowance, and if you have protected this, as contributions may make this void. Furthermore, your pension pot is tested against the lifetime allowance at age 75. If your pension pot, or indeed growth on your pension pot since you first crystallised the pension, exceeds your available lifetime allowance then this will be liable to a charge, amounting to 25 per cent if taken as income or 55 per cent if taken as a lump sum.

Finally, pension legislation does frequently change, as we have seen, so your strategy needs to be flexible. Be minded to seek professional advice and check that legislation has not changed.

Considerations

Investing in retirement

Your investment philosophy before and into retirement will have a profound impact on the performance of your retirement nest egg.

Our investment principles are explained in Appendix One: "Winning the Loser's Game...The Six Rules of Sensible Investing". Following these simple rules will significantly increase your chances of a positive investment experience.

Your retirement investment strategy will be very much determined by your personal circumstances dictating your needs.

From a life of accumulating wealth in readiness for retirement, it can be quite disconcerting to suddenly stop accumulating and start spending these monies, while seeing your personal balance sheet fall year on year.

Yet unless this happens, you may die with too much as a result of you not spending enough (you may be accused of under-living) or not giving enough away.

So, there needs to be a mindset shift from being the accumulator to the decumulator.

This is very difficult for many people, especially those who have often lived within their means, been prudent where necessary, and then suddenly have to change and spend the capital they have taken a lifetime accumulating.

The starting point of your investment strategy is to determine the reason you are investing. Is it for:

- Income?
- Capital growth?
- Both of the above?

If you retire and have sufficient income to cover your outgoings, then you do not need to invest for income. Instead, you want capital growth, the purpose of which needs to be discussed.

If you do not personally need the capital or growth then, for estate-planning purposes, you may wish to gift capital or invest monies into a more IHT-friendly environment. But that is a whole different subject. Remember, if your estate is liable to IHT, all growth not spent or gifted is liable to tax at 40 per cent.

However, having just retired and seen your income slashed, it is brave to then immediately give away large chunks of your wealth, just in case!

If you retire with an income shortfall, you will need an income from your investments (including pensions) to afford your desired retirement lifestyle. However, it would be my preference to meet this income shortfall (plus planned one-off capital expenditures) out of readily available cash reserves for one to three years, leaving the remaining capital to be invested for growth, adopting what is known as a total-return philosophy.

If you invest for income, you are restricting the mandate of your investment manager to invest into assets designed to generate natural income, largely in the form of dividends from shares, yield from property and interest from bonds. This is restrictive and may not leave any room for growth within the portfolio.

Instead, we would encourage you to meet the income shortfall via cash reserves, freeing the investment manager to pursue growth in a range of assets – some of which may not be income generating, but have greater potential for capital growth – following the sensible investment rules outlined in Appendix One.

This will free you to pursue a long-term investment strategy with timely extraction of profits from your portfolio into your cash reserves to meet future income shortfalls, plus any possible one-off capital costs.

Of course, any plan needs to be flexible and should be reviewed on a regular basis.

The common "traditional" retirement investment strategy adopted by many (even now) has been to reduce the level of investment risk the closer you get to retirement. Known as the "lifestyle" approach, this may typically start off with 70 per cent of the portfolio in equities, which is reduced over time to almost zero at the point of retirement, with monies invested in traditional safe havens such as bonds or gilts (bonds issued by governments).

This was largely because most people, when they reached retirement age, used their retirement pots to buy an annuity. Therefore, this approach was sensible as their investment timescale had a definite cut-off date and they did not wish to suffer a big investment loss at the point of retirement.

However, nowadays, with historically low annuity rates and the introduction of pension freedoms, annuities are becoming less popular with many people preferring to stay invested rather than getting out of the markets. So, with a potential lifetime investment timescale and increasing age expectancies, retaining a healthy exposure to equities within a portfolio where an annuity is no longer going to be purchased may be more appropriate.

The following chart forecasts the finances of an investor who saves an average of £20,000 each year between the ages of 30 and 60. The investor then retires and looks to withdraw an annual pension of £60,000 a year, expecting to do so until the age of 90. As shown on the lower line, assuming a constant annual compound growth rate of four per cent within a moderately cautious portfolio and ignoring market volatility to try to keep things simple, the savings model sees the money run out when the investor is nearly aged 86.

However, if he or she were able to take a little more risk, with the aim of achieving an annual compound growth rate of five per cent, the differences to their finances in retirement could be quite large, other risks notwithstanding – as shown by the higher line in the following chart.

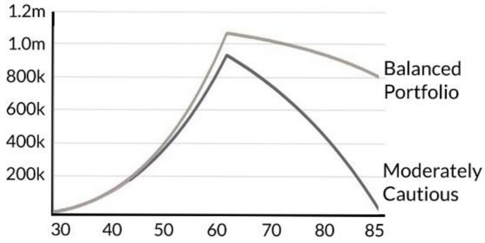

Figure 7: The impact of investment returns

This additional return from the higher risk portfolio provides the retiree with the ability to upsize their lifestyle, to spend more or, if they cannot, to give more away to their loved ones.

So, why has this new way of thinking now come to the fore? In the past, people were typically only living for around 20 years in retirement and so they could reasonably outlive any dwindling savings. But now they may have to double that drawdown period.

And, as we have highlighted here, solving this problem requires the balancing of the various sources of risk. You need to balance a combination of saving more while you're working (savings risk), look to retire later (job risk), take a lower income in retirement (lifestyle risk) or seek a higher investment return (investment risk).

Of course, we are not saying everyone needs to take more investment risk. Risk is a very personal choice. But there can be damaging consequences of not taking enough risk. And taking on some additional investment risk while the returns on cash and bonds are so low and investment time-horizons are extending into the time of retirement itself has the potential to reap rewards. This is especially the case when the investment pot is at its largest, which is typically just as retirement approaches.

Remember that before committing to any investment plan you should put together a financial plan that will create cash-flow scenarios for you similar to the graphs above. Importantly, they will inform you of the level of return you need to outlive your money.

Gifting – How generous should I be?

> *"I have found that I have far more fun giving money away than I ever did earning it."*
>
> David Martin,
> retired executive

Many executives, particularly those retiring in their 50s or early 60s, seem to time their exit to when their kids are getting expensive. They may be going to university, buying their first home or getting married.

How generous you are to your children is a personal decision. Many of our clients do not wish to make it too easy for their children; they want them to really understand the value of money, to be hungry for personal success and make their own way in life like they had to. Others feel they have earned the right to spoil their children; they have worked hard and wish to make their children's lives easier. What you decide to do is based on your values and those of your children.

The most important consideration is whether you can afford to make a gift and, if so, how much. Understandably, early retirees are pretty cautious about giving away money at the point when their salary has ceased and there is perhaps a degree of financial vulnerability. While a life-long cash-flow projection can help to demonstrate how much you can afford to gift, this does not provide complete reassurance.

We do encourage gifting during your lifetime. You will be able to witness the benefit of your gift at a time when your children or other beneficiaries need it most. There is also a real feel-good factor that comes with this. You can either give outright to beneficiaries to spend as they please, pay into trust to give you more control (but not access), or to fund pensions or ISAs for their future with some additional tax benefits.

A gift will also reduce the value of your estate, which could help to mitigate IHT if applicable. Each individual is able to gift £3,000 per annum out of capital, plus gift surplus annual income, provided this does not reduce your personal standard of living and such gifts are made on a regular basis. Any gifts above these exemptions will be potentially exempt transfers (PETS) and fall outside of your estate after seven years from the date of the gift.

Many people avoid gifting, particularly a property deposit, for fear that their child may split from their partner in the future, resulting in 50 per cent of the gift being potentially lost on separation. But there are ways of protecting the gift.

One option is to convert it to a loan, repayable on demand. On the plus side this will protect the gift, but on the downside it will retain the monies in the estate and will still potentially be liable to IHT. One possible solution to this is to gift monies into a suitable trust arrangement, which will remove the gift from the estate after seven years (subject to rules) and arrange for the trust to loan monies, thereby retaining some control.

This can get complex, there are various tax implications that need to be considered and getting the loan repaid if there was a separation may not be easy. If you are concerned about the impact of gifting, you should seek professional advice.

Non-Financial Considerations

How will this affect my life partner?

Do not underestimate the impact your retirement or pretirement will have on your life partner. Of course, this will depend on their personal position. If they continue to work, while not forgetting how this may clip your wings from a travel perspective, they may be a little jealous of your new free time, and perhaps suggest some domestic chores to fill your new-found freedom.

Retired husbands are least satisfied if their wives remain employed, according to a study in the *US Journal of Marriage and Family*. And working wives whose husbands had retired "experienced lower marital quality" than those who were retiring in sync with their spouses – either both working or both retired – reports Phyllis Moen, sociology professor at the University of Minnesota,

If your partner is already retired, and has been so for some years, then beware – you are entering their space and disturbing the life they have created while you were at work.

Believe it or not, there is an official condition called Retired Husband Syndrome. There does not appear to be a similar condition of Retired Wife Syndrome, but I am sure the principle is the same. This describes a stress-related condition where life for a non-working person is turned upside down by their retiring spouse. Cue jokes: *"For better or for worse, but not for lunch"* and *"Retirement* *is twice as much husband/wife and half as much money"*. But, seriously, do not underestimate the impact your retirement will have on your partner – talk about it and agree a happy medium and some ground rules.

There is nothing wrong with having independent interests; indeed, this can be very healthy. But, equally, don't reject each other; be sympathetic to the change each of you are experiencing and be prepared to make some allowances, particularly during the early transitional years of retirement.

Pretirement – The best of both worlds?

> *"Going from full-time CEO to full-time pensioner is a dramatic change. I wanted this due to the lack of family longevity, but I soon realised that you need to slow down gradually from the fast lane."*
>
> Andrew Messenger,
> former CEO of the West Bromwich Building Society

Executives now often phase their retirement with their employer by reducing the number of days worked or maybe by leaving the big job to either do consultancy work and/or take on non-executive positions. It has increased so much that we would consider saying this is becoming the "norm".

Pretirement – a term that is likely to become more widespread and understood in the years ahead – is defined in a 2014 report by Zopa as: *"Planning for, and moving towards, retirement which increasingly becomes a staggered process."*

A UBS survey[17] found that only 23 per cent of professionals see themselves having what might be described as a “traditional” retirement – that is, doing no work at all. The principal reasons those aged 65 or over gave for continuing to work were a desire to keep the mind active (27 per cent), to keep busy (16 per cent), to stay healthy and physically active (11 per cent), and because of financial necessity (17 per cent).

I believe that pretirement is an ideal and much healthier path to transition busy executives from work to retirement. While we have seen great examples of executives falling out of the rat race and embracing a traditional retirement, we have also witnessed others where this transition was a car crash; inevitably resulting in the individual returning to work.

> *“My one mistake as I approached retirement was that I did not think I would ever want or need to work again. But I now know it is much better to wind down slowly, put something back and share your vast experience at the end of your career with those who follow you. It keeps you sharp and current, and provides a great deal of personal satisfaction.”*
>
> Andrew Messenger,
> former CEO of the West Bromwich Building Society

While some would consider pretirement to be the “sitting on the fence” option, it is psychologically an easier pill to swallow for the executive leaving the big job. They are not completely losing their identity, will remain professionally active, have the comfort of a

[17] UBS Investor Watch Second Quarter 2016

continued income, maintain some status and rank, and retain a social connection with other like-minded professionals. However, they will also enjoy more time for self-interests, personal hobbies, holidays and allow their partner to get used to them being around more without getting under their feet.

You should seriously consider whether this would be the right path for you and, if so, build this into your retirement life plan and your financial plan.

Nevertirees – "Retire? Me? Never."

If you are reading this book, it is probably because you are planning to or about to retire. So, you may think having a section on never retiring makes no sense. However, it would be wrong not to acknowledge its existence. Indeed, for nevertirees this is retirement but on their terms. Many go from the big job into pretirement and just stay there, particularly if pretirement involves them having some equity in a business. Others have fully retired, but missed the rigours of work and returned.

The pretirement phase typically lasts about five to 15 years. Beyond this, you are a nevertiree; working until you are no longer physically or mentally able.

The same UBS[18] survey mentioned earlier shows that work and retirement are no longer viewed as separate and distinct phases of life. The survey comments that: *"Increasingly, investors are embracing a long transition – which might last between the ages of 50 and 85...or even beyond."*

This primarily affects business owners, entrepreneurs and senior corporate executives. They simply do not want to be put out to graze. Why is this?

They are afraid to retire

Is it because they are working so hard in their business that they have not had the time to fully appreciate what life without work has to offer? Sixty-hour weeks and constant preoccupation with staff, targets and client satisfaction are to be replaced with...what? Hobbies and interests have been stifled by the demands of the business, so they cannot pick these up after work. Retirement does not look that attractive for workaholics.

The routine of work is like a ball and chain that has never released them for long enough to look beyond corporate life. This is tantamount to "corporate jail", denying the tenant the freedom to enjoy a fuller life beyond the office.

Alternatively, they could be afraid that if they stop work, they will lose all sense of purpose, which will drive them stir crazy, make them lose their mind (as it is not occupied) and send them into an early grave.

Work = Happiness

More often than not, this a self-imposed imprisonment – these people love work with a capital L.

Control, achievement, fulfilment, flexibility, the thrill of the chase and material gain are what gives them their buzz. The key is that it must be creative, social and engaging work that brings you towards a purpose you believe in. Retirement – life without work – can get very, very scary for these individuals.

One nevertiree, at the age of 73, gave the following comment:

> *"Some people see work as a means to an end and the reward is enjoying the fruits of their labour; I enjoy the labour more than the fruits."*

They have too much to offer and work means something to them

Another possibility is that the individual still has something to offer. There is no reason why a person's business acumen should dim as they get older. They may fear a loss of mental stimulation and challenges or they may get their kicks from working and enjoy the challenges, the authority, the responsibility, the interaction and, of course, the money! They are at the top of their game, so why get out now?

Early retiree and blogger Mr Money Mustache[18] explains the following:

> *"Early retirement...does not mean quitting work, even while it may well mean quitting your job. It means opting out of the bullshit portion of your work: the commuting, the politics and the production of inferior products just because your boss has found a profitable niche to exploit."*

These people have financial freedom, but their passion is work and they do it on their terms – they may opt out of the corporate life very early to do work of their choosing.

They want or need the money

You read earlier that 17 per cent of people work beyond retirement because they need the money. That UBS[19] survey also found that 15.9 per cent of people who could afford to retire chose to carry on

[18] Mr Money Mustache, Great News – Early Retirement Doesn't Mean You'll Stop Working (Blog) 15 April 2015

[19] UBS Investor Watch Second Quarter 2016

working, and 61 per cent said one of the main reasons for accumulating wealth was to support their heirs and leave them a generous inheritance. So, it is right to accept that people do work for the money, but it is not always the prime motivator for the executive.

I believe nevertirees fall into one or more of these camps.

However, this will be work on their terms – with work no longer dictating lifestyle but lifestyle dictating work. Working two or three days a month, having long weekends away, escaping to the sun in the winter, helping with strategy and high-level decisions, and making a difference.

Whatever their motivation, I have no doubt that the number of nevertirees will continue to rise as demand for their experience and skills increase, and the health of pensioners gets better – 75 is the new 60!

Who knows, you may be one of them?

Experiences versus things

When creating your life plan and costing your financial plan, you should consider experiences and material things.

I like things and I value experiences, especially those that create memories.

One of our responsibilities at Henwood Court is to help clients plan a life where their money will outlive them, but where they don't die with too much (perhaps as a result of under-living). So, we often challenge them to consider: *"What can I spend my money on to make myself and those I love happier?"*

Is it an experience or a thing?

Many articles, particularly accounts from people in palliative care looking back on their lives, talk about the value of experiences and how they wished they'd had more of them. It is not about the things they owned. Indeed, when researching this book, most of the references favour the value of experiences over things. There have been surveys carried out on the subject, and all those I read favour experiences over things.

However, it is all too easy to dismiss the experiences that can be derived from things. Experiences such as the enjoyment and memories a holiday home can bring; the journey a boat can take you on; the thrill, speed and smell of a supercar, however brazen this may be; the joy your home can bring; or a set of garden furniture that allows you to be alongside your family and friends.

They are all things, but they create experiences and happiness for many. Without the thing they could not have the experience.

For example, I have recently purchased a new thing – a road bike, and it's awesome. I paid more for this than I did for my first car. It has not yet given me the full road-bike experience, but it has made the experience better or should I say faster. It has, for the cost, given me value and will continue to do so for many years to come, I hope.

So, things can certainly enhance an experience.

Often, experiences are times spent doing things, frequently with friends and family. It can be a holiday where you all get away and relax, travelling and seeing iconic wonders of the world. It can be a personal achievement such as climbing a mountain, running a marathon or writing a book. But it could also be the simple pleasures such as walking the dog in the morning, helping others (whether that is your children with their homework or volunteering for a charity), pyjama days just doing nothing, a snowball fight, a game of Monopoly or taking elderly relatives out for the day – the list is endless and will be personal to you.

Some of my best memories as a child are sledging down the steepest hill in our neighbourhood when the snow arrived, often on makeshift sledges such as plastic bin liners or carrier bags. Looking back, that was probably only about ten days in my entire childhood, but when you reminisce now you would believe it snowed every winter.

The point is, the slightest hint of snow back in the day closed down my school and we all headed to the steepest hill for our "annual" fun! When my kids were younger (and interested), at any hint of snow we were out on our sledges (not plastic sheets; "things" have moved on) finding local hills. I even cancelled a meeting once because the kids were off school due to snow and I could not miss an opportunity. Do I remember that morning with the kids? Hell yes, it was superb. Would I have remembered the meeting? I very much doubt it.

Equally, I have missed out on things and "lost" memories due to work commitments. I missed my daughter's last ever sports day. She was not bothered, but I was and it was purely down to bad planning.

The point with experiences is that they are very personal to you, and they are often free or affordable. However, in these very busy times, experiences require planning and time – everyone's most precious asset.

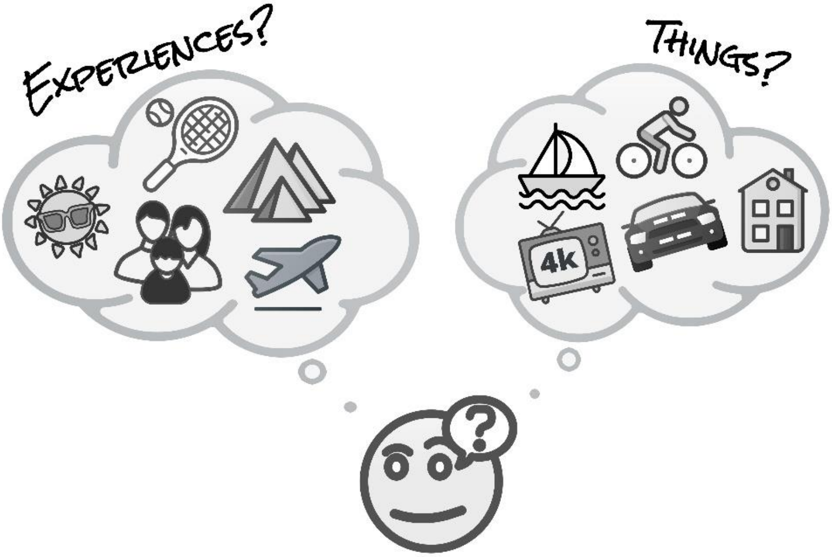
EXPERIENCES?
THINGS?
4k

Figure 8: Experiences versus things

Back to experiences versus things. Author Oliver James, in his book *Affluenza*[20], says:

> *"We're in danger of living in a state of having rather than in a state of being, which leads to wealthy dissatisfaction."*

And, during 20 years of research, psychology professor Dr Thomas Gilovich of Cornell University offered these reasons:

- We soon get used to new possessions, and do not view them as "exciting" for very long.
- We keep raising our expectations, always looking for something better.

[20] Vermillion 2007, Reading, UK.

- We can't help but want to keep up with the Joneses, and constantly make comparisons with what our friends have.

Oliver James continues:

> *"...in this modern world, it's easy to fall into the trap of wanting more and more things, believing they'll bring us happiness. Surrounded by the latest technology, we want instant gratification, whether it's an Apple watch, the latest 4K TV or a brand new car. But, no matter how fantastic the product may be, the satisfaction is short-lived. Almost like an addiction, once the initial thrill is over, we're yearning for the next big thing – before we've had time to really enjoy the first."*

He calls this "adaptation". New things succeed in making us happy initially, but lose their shine as soon as we get used to them.

By contrast, he states experiences have much longer lasting appeal; they become part of our identity. Anything you own remains separate to you, whereas experiences (no matter how short-lived) become an intrinsic part of who you are. So, while owning the latest iPhone won't change you as a person, walking the Inca Trail may well do. You'll certainly gather some amazing memories to cherish.

To be honest, I'm split on the "things versus experiences" debate and have come to the conclusion that there is no reason you can't have both! Yes, that's my conclusion. Maybe use your iPhone to take photos of you on the Inca Trail.

This is easier said than done, of course. I would like to own a football club (one in particular), but I cannot afford to. So, the things have to be within reason, ones you can afford and that will make you happier (me with my bike, for example).

Experiences – particularly those that are not dependent on wealth, but time – need planning. I need to put time aside to experience the things that I enjoy, often sharing time and experiences with friends and family.

Action points from this for you to consider would be:

- Determine what things you can afford to buy that will provide more memorable experiences, and will make you and those close to you happier.
- Plan free time in your calendar to do the things you enjoy.

Again, it does sound very business-like to plan time in your diary to do the things that you enjoy, but in this busy world where most people fall victim of the tyranny of urgency (doing things that are urgent rather than important), failure to do this will result in you not doing any or enough of the important things. Ultimately, you will miss out on the memories.

So, grab your diary and add in some "free days" for the next 12 months to ensure you have time for the experiences you enjoy, planning your memories in advance. I'm praying for snow at winter but, sadly, until the grandkids arrive I might be playing alone.

> *"We do not remember days, we remember moments. The richness of life lies in memories we have forgotten."*
>
> Cesare Pavese,
> The Burning Brand: Diaries, 1935–1950

Enjoy your *things* and *experiences*.

Chapter summary

You will feel a mix of emotions when you retire. You may be hyper-sensitive to your feelings and how people are with you, may feel a little lonely and may ask more than once: *"What have I done?"* This is normal. Take advice, speak to colleagues and family, and be happy with your decision.

There will be a range of questions you need to answer and decisions to make.

Many of these will be financial, including pensions options to consider. Take your time and ensure that you take appropriate professional advice.

Your pension and retirement investment options must be considered in conjunction with your overall objectives, with the traditional approach being challenged in recent years as a result of changing legislation and life-expectancy rates.

Do not underestimate the impact your retirement will have on your partner and family; it does not just affect you. Speak to those affected and formulate a plan to avoid any upset.

Pretirement is very much becoming the norm for executives, particularly the more senior they are. This can be a very healthy way to transition from busy executive to retiree, keeping your hand in with work and with the benefits of continued mental stimulation, social interaction and continued earnings, while allowing more time to enjoy yourself.

There are a growing number of nevertirees, with people choosing to continue to work as part of their retirement. But this is often on their terms; working when they want on things they want to do.

Consider what makes you happy. Is it experiences, things or both?

Exercise 4: Retirement considerations

You have a lot to consider at retirement, so work through the checklist below:

1. Do you want to retire?
   If no, explain why. If yes, why? What do you want to do?
   What is your purpose? What is on your retirement bucket list?
   Describe your dream retirement and, importantly, what you do not want to do.

2 Should you consider pretirement? What can you do and what do you want to do? Is it doable?

3 Can you afford to retire? Have you got too much money or not enough? Explain your answer, and if you don’t know then make it your priority to understand (get advice). If you have too much, think about what you can spend money on to make you and those you love happier, or maybe others’ lives easier. If you do not have enough money, consider how you are going to make retirement work for you? What actions do you need to take?

4 Consider your spouse and family when you retire, how it will affect them?

5 Have you obtained a list of all your pensions, reviewed their suitability and explored your options for income and commuting a lump sum? Write down what you have done and what you still need to do?

6 In relation to pensions, have you investigated:

- □ Calculating your lifetime allowance?
- □ Maximising pension funding prior to retirement?
- □ Funding pensions post-retirement?

Comments

7 On leaving your company, have you explored your options (if applicable) relating to:

- □ Your company car?
- □ Your private medical insurance?
- □ Your death-in-service benefit?
- □ Share options and long-term incentive plans?
- □ Pension benefits and options?
- □ Contacted HMRC?

Comments

8 Retirement is a good time to review your investment strategy, to consider the purpose of your investment (growth, income, both) and the investment philosophy you wish to engage. In particular understand:

□ Your annual income and expenditure.
□ What annual investment return (%) you need.
□ Your risk profile and downside tolerance.
□ The importance of cash within an emergency fund.
□ Investments are medium to longer term strategies.

Comments

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9 Retirement is an opportune time to review your estate plan, in particular consider:

□ Making or updating your will.
□ Arranging a lasting power of attorney.
□ Calculating the estate’s liability to IHT.
□ Gifting and its affordability.
□ Multi-generational planning.

Comments

In Retirement

Life after Work

> *"I am now the world's best 'Grandrea', and we have a lot of fun and laughter together. I enjoy ice-skating, trampolining, tennis, football, fossil hunting, playing cards and board games, and baking buns with the grandchildren. I can also play Jurassic Park and Assassin with a joystick! I love it"*
>
> Andrea Shaw,
> retired executive

Retirement used to be synonymous with old age. Yet modern retirement is far from that. We probably need to come up with a new name for retirement. After all, the word "retire" means to withdraw and that is the last thing contemporary retirees are doing.

Also, retirement is associated with stopping work and for some retirement may mean continuing to work, but on their terms. So, it is wrong to associate retirement with getting old and “past it”.

Equally, there is no blueprint for a happy retirement and no two successful retirements will look the same.

Live your own retirement, or as Steve Jobs said:

> *“Your time is limited, so don’t waste it living someone else’s life.”*

While there have been thousands of books written on the subject of how to live and enjoy retirement, the reality is that, like your life before, retirement is personal.

What you do may not be right for the next person and vice versa. So, do not compare your retirement to others. Do what you and your life partner want to do, which should be whatever makes you happy. Furthermore, do not feel social pressure to lead a full and active retirement if this is not for you.

One of the advantages of retirement should be not feeling guilty about not doing things.

Remember, it is as much about what you don’t want to do as what you do want to do.

> *“I felt enormous pressure to launch myself into retirement from friends who had retired before me – yoga, learning a new language, walking, travelling around the globe, golf twice a week. I thought, ‘Now hang on! I will do what I want’. Initially this was taking a rest and doing nothing. I was knackered and needed to recharge.”*
>
> James Turner,
> retired executive

Many soon-to-be retirees do not really know what they want, but they know what they don't want, and that is less than they have now. Maintaining the standard of living for you and your family, and continuing to do the things that you enjoy, is important and rightly so.

There are several retirement characters, and it is common for retirees to share traits from some or many of these.

Which retiree are you or do you want to be?

The Hobbyist Retiree

They often throw themselves into hobbies that they have *"played at"* while working, dedicating more time to their interest. They may also try something new that they have always wanted to do. They will often be keen to fill their new-found time with trying things, and if it fails to ignite their passion then they will move onto the next hobby.

They are often highly sociable, and full of life and enthusiasm; they need a high level of social interaction and often end up leading a group that shares their love of the hobby.

The Adventurist Retiree

These retirees are never at home. They are travelling the world, or driving their motor home around the UK and Europe, while maybe also spending some time at their holiday home.

They make flying visits home to catch up with family while preparing for their next adventure. They are filling their time with new experiences, learning new cultures and creating great memories. For some, it is an escape from the mundaneness of home, where if they stayed too long they would be dragged into the things they are running from – family issues, DIY, community, maybe work, and not to mention the British weather.

The Sporty Retiree

These retirees love sport, either watching it, doing it or both. Where affordable, they will travel the length and breadth of the country, even the world, to see and do it, such as trips on rugby tours, skiing and cycling in the Alps, running, gym memberships, and so on. They will want to tick things off their bucket lists such as Wimbledon, the Masters, World Cups and the Tour de France. They will find others who share their interests, are sociable, keen to live a healthy life, and want to maintain their fitness and youth.

The Community Retiree

More than half of volunteers in Britain are over the age of 60. These retirees love and embrace responsibility, are natural organisers, enjoy making a positive difference in their community, like to keep active and be in demand, and are classic busy bodies (in the nicest possible sense). Now they have the time, they want to give something back. They do this by volunteering; becoming a magistrate, a parish councillor, a National Trust volunteer, a community leader or become active with their local church, among other things. They thrive on making a difference, enjoy social interaction and some will also enjoy the prestige of office.

The Carer Retiree

These retirees selflessly give their time to their family or charitable causes. Often this is volunteered but can sometimes be forced upon them due to the illness of a close relative or friend. They may also help their children with their kids, taking an active role in bringing up their grandchildren, caring for them while they are very young, doing school runs and pick-ups, and making their children's lives easier by doing things they do not have the time or expertise to do themselves.

They may also care for their own parents; visiting them, taking them on days out or organising for carers to make their parents' lives easier. They will often be out in the community, helping those less fortunate, driving the elderly care bus, cooking meals for the homeless or arranging charitable events. They are very much unsung heroes.

The Academic Retiree

These retirees often pick up on an interest and go back to education to learn more about it. This is often learning a language, the creative arts or new skills.

This can be with a local group, such as the University of the Third Age, a local college/university or the Open University. They are keen to learn, explore, and keep their mind challenged and active.

They may also be an authority in a particular area and will help others through writing or lecturing on the subject matter, enjoying being able to share their knowledge and wealth of experience with others. Academic Retirees will agree with Rosalyn S. Yalow, winner of the Nobel Prize for Medicine, who said: *"As long as you're learning, you are not old"*.

The Homely Retiree

They say an Englishman's home is his castle and these retirees love being at home. They are very much the *"home is where the heart is"* kind of people, enjoying domestic bliss and the simple pleasures in life: relaxing, reading a good book in their conservatory, spending time in their garden, doing some DIY – and some even enjoy morning TV!

They are introverted and do not need interaction with others and, although not a recluse, they take more pleasure in their own company and with close family rather than the wider community.

The Reminiscing Retiree

These retires are living off past glories in which their reputations were made, where they were important and needed, and they often struggle to adapt to their new retired lifestyle. They think their glory days are behind them and they face an uncertain future.

These retirees can be a little dejected about losing their corporate identity and have failed to replace it with something meaningful. They will try to keep their hand in with work, and revisit old colleagues. They are likely, if they are good, to become a nevertiree.

The Nevertirees

The nevertiree will retain an active involvement in work, whether this is 60 hours a week full-on or a few hours a week in a chairperson/non-executive director/strategic-consultancy role. Often, the balance has shifted to more life and less work, but they enjoy keeping their hand in and, importantly, still have something of value to give the business.

This gives them the best of both worlds; retaining the status, intellectual challenges, social interaction and money provided by work, while also enjoying more time doing things they enjoy outside of work.

So which one are you?

It is unusual for a retiree to fall into one of these categories exclusively. It is more likely they will share more than one of these characters' traits. In fact, it is probably best if they do to create a balanced life. It is not unusual for a retiree to love the domesticity of home, to enjoy making their garden look pretty, to take regular holidays at home and abroad, to help out with their grandchildren, to support their parents with time and care, to continue learning through further education, while also doing a part-time job, pursuing a hobby and volunteering for a worthwhile cause.

These superhuman retirees do exist. They are busy with a capital B, and they need to plan and organise their diaries with a work-like discipline. They are the people who will say to me: *"Nick, I really don't know how I found the time to work [full-time]."*

We should also acknowledge that what you do in retirement will change as you go from Phase One (the early retirement years) into Phase Two (the later retirement years). Your needs, objectives and lifestyle will change, whether you want it to or not.

You may go from being an adventurer retiree to a homely/community retiree. If two things are certain, it's that there will be uncertainty and change is a constant.

However, it is for you and your life partner to decide how you wish to enjoy your retirement and live out the rest of your days – just make them count!

Phase One – the early retirement years

"I want to live as long as I can, as well as I can."

Len Threadgold,
chairman of Geotechnics Limited and pretiree

People often feel a mix of emotions as they first enter retirement. Many say that it feels like an extended holiday, maybe because the immediate reward for retirement is often a break somewhere exotic. There is much uncertainty and while there should be a plan, it has to remain flexible as it might change. You should expect the unexpected.

You should recognise that in the first few years of Phase One there will be a period of adjustment between your working life and retirement. As with all new experiences, it will take time for you to become comfortable to this new way of living, you will question yourself, make some mistakes, and experience some dark moments. But this is all part of the Phase One process and something all retirees go through.

It is common for retirees to experience feelings of guilt and that they should be doing something productive. Work provides us with routine, discipline and purpose. When retired, waking up one free morning with the decision of *only* going to the gym or relaxing reading a book can make one feel guilty – that we should be doing something with more meaning. After all, that is in our DNA. However, this is often the inner conscious talking.

The reality is you have earned the right to have these options and to make these decisions. Filling time with purpose will be very important, as you have read, or it could result in those feelings of guilt pushing you into activities that you believe you *ought* to do rather than *want* to do.

Many clients have also explained how they can feel lost, maybe unwanted, now that the avalanche of emails and phone calls has fallen to a trickle. They miss former colleagues and do not know what to do with their new-found time.

> *"There was a touch of the 'What have I done?' feeling. I felt a little lost or forgotten, as phone calls, emails, etc. dried up. It was unsettling to no longer have a status in life. Overnight I went from Andy Cooke, nice role title, to Andy, retired. I felt that I shouldn't spend because the monthly income had stopped, and (hopefully) I had a lot of years left and I needed to be sure the money lasted.*
>
> *"Then there are the obvious positives. I was happy to no longer be in the rat race, and not rushing around, standing in cold railway stations commuting or sitting in airports watching your flight delay slowly get worse. It was now about us, holidays, family, friends, leisurely mornings and no suits."*
>
> Andy Cooke,
> retired IT executive

It is common to feel vulnerable, particularly financially, when you have to live off your savings and pensions. Having to question if you can afford something that has not been an issue in the past is disconcerting. Also, some retirees say they feel guilty buying things like a new car. They worry that their friends or family are asking: *"How can they afford that now they are retired?"*

One client explained that, in the first 12 months of retiring, he had many "dark moments, feeling quite bewildered by it all".

Retirement can be a very lonely place. But feel comforted by the fact that such emotions are perfectly normal, and we would encourage you to speak to your friends, family and advisers about how you feel. Not only is it OK to be open about your vulnerability, it will do you good.

> *"Seek advice and don't hesitate to get on with your life – you may lose old friends, but new ones are always being added to the list."*
>
> Bill Willocks,
> retired executive

Perhaps the most precious asset we have is time, yet this is so undervalued until we have little of it left. None of us know how long we have remaining on this planet, so it is crucial that we spend the spare time we do have doing things we enjoy.

Think about the things you do in your life that you like and dislike. Grab a piece of paper and draw a line down the middle, and on one side write 'Like' and on the other 'Dislike'. Then simply list the activities you like and dislike, writing how much time per week you spend doing things you dislike. You must do everything you can to delegate these activities to someone else (perhaps not your life partner) who loves doing them.

This simple exercise will improve your quality of life significantly. As one client put it: *"Life is too short to be ironing."*

Think carefully about how you wish to spend your retirement time, particularly your early years, and don't waste it with dislikes. As the saying goes: *"Time flies, but remember you are the pilot."*

Phase Two – later retirement years

Phase Two of retirement starts when you physically or emotionally cannot or do not want to do the things we were able to or wanted to do in Phase One of retirement.

While different for each person, this often starts between the ages of 75 and 80. That said, some clients have entered this phase earlier in life and some in their 80s are still very much in Phase One. It depends on you. Around 20 to 30 years ago, pre-boomers (a high proportion of whom retired at age 65) retired pretty much straight into Phase Two or entered it after only a few years. Over the years, I have witnessed the extension of Phase One and I expect this will continue. Older people are getting younger or as one client described it – *the younger old.*

Phase Two is often a time when retirees are accepting of their limitations, they are observing life rather than living it, their needs become simpler, and they may be dependent upon others for help and support. Retirees in Phase Two will be slowing down, downsizing, being more conservative in their outlook, possibly less tolerant of change, and certainly having less patience.

If retirees have not properly planned, they may discover they have got enough money and that it is likely to outlive them, maybe as a consequence of under-living, with the threat of IHT hitting their estates on their deaths. However, even when in Phase Two of retirement and having accepted they have enough money, plenty regard giving huge chunks of it away as an alien concept – it is not the done thing.

Perhaps this mindset is hereditary, maybe passed down from their parents with the belief that wealth flows to the next generation on death, not before. Keeping money to fund the potential costs of care, which are a real threat and requires attention and planning, does provide them with a defence against gifting.

Care for the elderly is a massive social challenge here in the UK. When building your financial plan, attention should be paid to the costs for this. With ever-increasing life expectancy rates, the likelihood of you needing some form of care in the future will increase, although this should not be at the detriment of living life in Phase One of retirement.

Putting off taking the family to Disney World next year because at age 94 you will have to fund the costs of care for yourself is the wrong choice. I can guarantee you will regret this decision at age 94 when you are sitting in your nursing home and all you have is memories – but you didn't make any because of your prudence.

While it is appealing to take the ostrich approach to this issue, you need to budget for this, but don't let it stop you living today!

To conclude, life in retirement is personal to you. It can be difficult to transition from work to retirement and you will have new challenges, but it does open up wonderful new opportunities in your last few chapters of life.

Enjoy making your "someday" happen.

Wishing you a long, healthy and happy retirement...

Chapter summary

There is no blueprint for retirement. It’s personal to each individual and you should do what makes you happy.

There are two phases in retirement. Phase One is the early retirement years when (hopefully) you are fit, able and willing to enjoy a full timetable of activities you enjoy. Phase Two comes when you are a little older and life becomes slower and simpler.

It is important to recognise this, get things done while you can and have no regrets.

Consider IHT and future care planning.

Exercise 5: Plan your activities

You only get one shot at retirement, so make it count. The exercises in Chapter Two helped you to understand what is important and to prioritise.

But let's go back to basics and consider your life now. What activities do you like and what do you dislike?

Like	**Dislike**

1. Next, note the amount of time you are spending on each activity and consider what actions you can take to reduce the time spent doing things you dislike and increase the time spent doing things you do like.

2. There is a big difference between "time-filling" activities and "fulfilling" activities. In retirement, leisure activities often replace workplace functions to meet our basic needs. Successful retirees balance their leisure over many different activities and take the opportunity to do new things and not get into a rut. What leisure activities will you do?

3. How do/will you maintain a healthy mental and physical condition in retirement? What's your purpose?

4. As you get older, an active social network becomes increasingly important to replace your work tribe. As part of your retirement plan you should consider what groups you wish to be part of. How will you maintain your social network?

5. Describe your ideal retirement vision?

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6. What needs to happen to turn your vision of an ideal retirement into a reality?

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7. How would you like to be remembered?

8. If anything, what do you need to do to be remembered as the person described above?

Closing thoughts

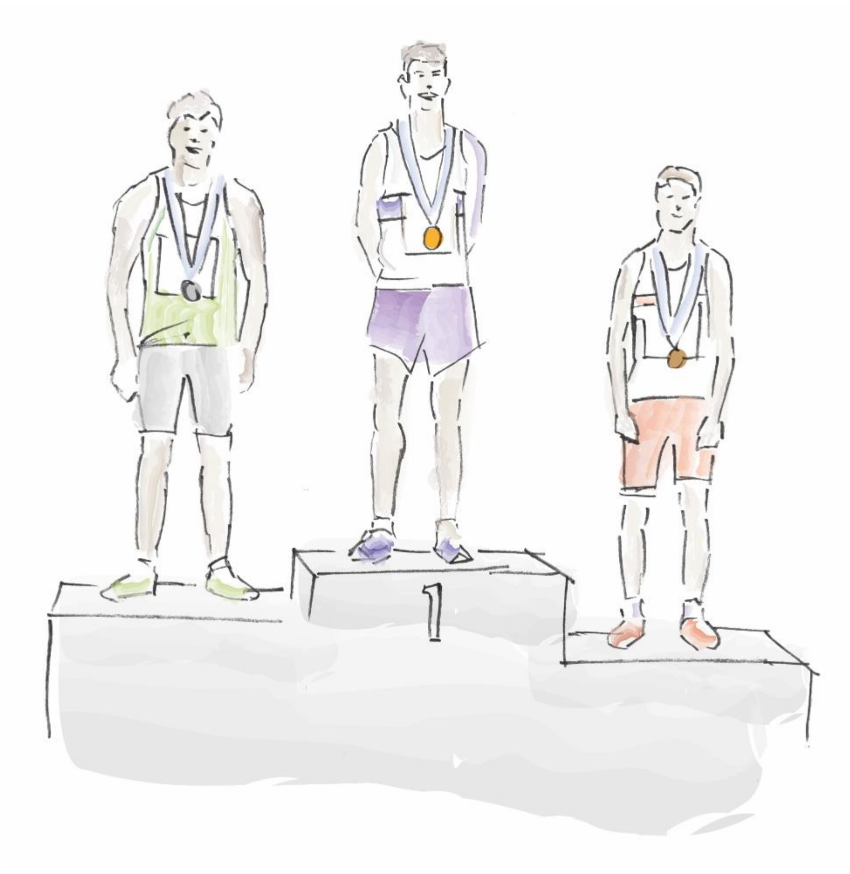
Successful, driven, and hardworking executives often find it very hard to transition into retirement.

This is largely because they do not hate their job. In fact, they typically enjoy their work and the people they work with. Work has been their constant companion for 30 to 40 years or more, so breaking the habit to retire can be emotionally and often financially terrifying.

I sincerely hope the advice in this book will provide you with some pointers that will help to smooth your transition from work into retirement, and this will be as successful as your career.

Remember, this is *your* retirement – do not judge or compare it with the Joneses down the road. Do what you want to do, do what is important to you, have purpose, do not neglect your health, relish the time retirement will give you to find your real self, and – most importantly – enjoy the journey.

Appendix – Winning the loser's game



- Invest on purpose.
- Maximise your investment equities.
- Invest long term.
- Retain some cash.
- Keep emotions in check.
- Track, don't pick.

The Six Rules of Sensible Investing

There is nothing more frustrating than reaching emotional readiness for retirement but not having the financial means. Accumulating wealth into retirement can be achieved in numerous ways and, again, there is no right or wrong way to get to your required number at your desired retirement age.

It may be done through some investment in property – either via a large residential home through which equity may be released in the future (be careful here, as you may be attached to that home) or through investment property. This can be attractive to some, but many will be placing monies into the investment markets through pensions, ISAs and other financial vehicles.

What financial product you select is down to you and/or your professional adviser. Choose wisely as this could have a profound impact on your retirement pot, as will your investment strategy.

What follows are some investment rules that, if you follow within a coordinated strategy, should allow you to win what is often known as the "loser's game". However, having a suitably qualified financial professional to coach you to avoid mistakes will increase your chances of success significantly.

> *"To invest successfully over a lifetime does not require a stratospheric IQ, unusual business insights or inside information. What's needed is a sound intellectual framework for making decisions and the ability to keep emotions from corroding that framework."*

Warren Buffet,
American business magnate, investor and philanthropist

The media would have you believe that a successful investment experience comes from picking stocks, timing your entry and exit points, making accurate predictions and outguessing the market.

Is there a better way?

It's true that some people do get lucky by making bets on certain stocks and sectors, getting in or out at the right time, or correctly guessing movements in interest rates or currencies.

But pinning your hopes on luck is simply not a sustainable strategy. That is speculating, not investing.

The alternative approach to investment may not sound as exciting, but is far more disciplined and increases your chance of a successful outcome.

It essentially means reducing the influence of fortune as far as possible, taking a long-term view and starting with your own needs and risk appetite.

Of course, risk can never be completely eliminated and there are no guarantees about anything in life. But you can increase your chances of a successful investment experience if you keep these six rules of sensible investing in mind.

1. Invest on purpose

> *"If you don't know who you are, the stock market is an expensive place to find out."*
>
> Adam Smith, economist

All sensible investment conversations begin with a detailed discussion about the eventual purpose of the investment. Thinking clearly about your goals and circumstances are essential ingredients in a successful investment experience and will build the foundations of an investment plan.

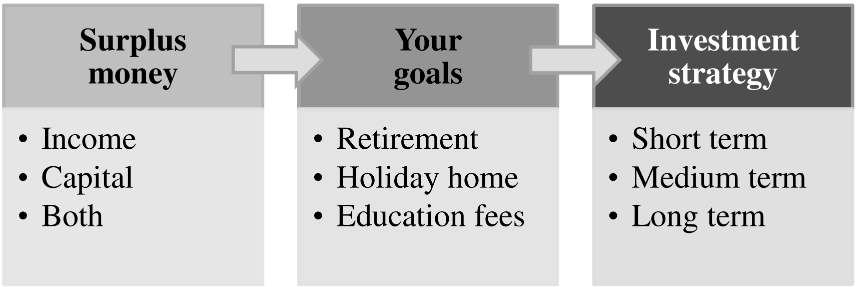
So, why are you investing?

The principle of "investing on purpose" is building a strategy to provide you with the "target return" you need to achieve the goals you identified when creating your financial and life plans.

It is quite common to have a range of different goals with variable timescales and returns required. Therefore, you will have several elements that build together into an overall investment strategy.

Cash is the most likely suitable home for goals that need to be paid for within the next few years, while you may have time to be more aggressive with longer-term goals, choosing a portfolio of shares.

So, if you are planning to invest – don't! Invest in planning first.



Surplus money

- Income
- Capital
- Both

Your goals

- Retirement
- Holiday home
- Education fees

Investment strategy

- Short term
- Medium term
- Long term

2. Maximise your investment in equities

I love equities. They have served my clients very well across almost 25 years of providing advice. Having a multi-generational investment plan (beyond your life) that is not based on equities is just naïve, bordering on stupid.

Why? It's simple. The real long-term returns on equities are much greater than for bonds and cash, because you get compensated for taking some risk – sometimes called the equity risk premium.

There must be a "draw" for investors to leave the security of cash and bonds for the volatility of stocks and shares, and this is the opportunity for higher returns.

Capitalism works. The majority of companies are profitable over the longer term, and they share these profits with shareholders in the form of dividends and higher share prices.

Of course, there are individual exceptions such as Woolworths and Carillion, but investing in individual shares is speculating. Instead, we are talking about holding thousands of shares in a diversified portfolio and, as such, the market will reward you. As Warren Buffett commented at a shareholder meeting in 2009:

> *"Our system works. Over time, people will live better and better. We [the US economy] have a system that unleashes human potential, and now China has a system that unleashes human potential. We will have interruptions. We overshoot and undershoot sometimes, but your kids and grandkids will live better than you. Over time, we move ahead at a pretty damn rapid rate."*

UK and world equities have a long history of producing much higher real returns than cash and bonds.

And, while I am obliged to tell you that past performance is no guide to the future, I believe that over the longer term the past is a good mirror of the future and we should take it as a given that equities are likely to continue to outperform cash and bonds.

Speaking of givens, here is another one: there is no free lunch and past performance tells us that there can be setbacks, even substantial ones, but these are generally short-term.

So, even if we accept this idea, the question forming in our minds must be, *"What's the catch?"*

Well, I am sure you know the answer – it is risk. But there is a common misconception with risk. Nick Murray, US author and financial guru[21], describes this as follows:

> *"[There is] the inability to distinguish between it (risk) and mere volatility – people mistake a temporary decline in price of their investment for permanent losses in their value. But, in a well-diversified portfolio, temporary price declines have not historically turned into permanent losses in value. In fact, quite the contrary, major declines have been followed by advances which erase the decline and carry prices to significantly higher levels."*

Risk in price is really just volatility, which is only temporary.

So, in a suitably diverse portfolio, the only way to turn a fall in the markets into a permanent loss is withdrawing at the point at which the markets have fallen, either due to poor advance planning or fear and panic.

You may say that there are things happening in the world today that the markets have not witnessed in the past. However, I'm with legendary investor Sir John Templeton, who said this:

> *"The four most dangerous words in investing are: 'This time it's different'."*

Indeed, if you are thinking in terms of anything like a 30-year retirement and you want your income to at least keep pace with your

[21] Nick Murray, The New Advisor - (Library of Congress, 2001, USA) page 189.

living costs (to maintain your standard of living and leave something to the children) then the real long-term risk of equities is not owning them.

Nick Murray[22] also said the following:

> *"In the long run – and the quest for multi-generational real wealth is the pure essence of a long-run enterprise – it is stocks that are safe, and bonds that are risky."*

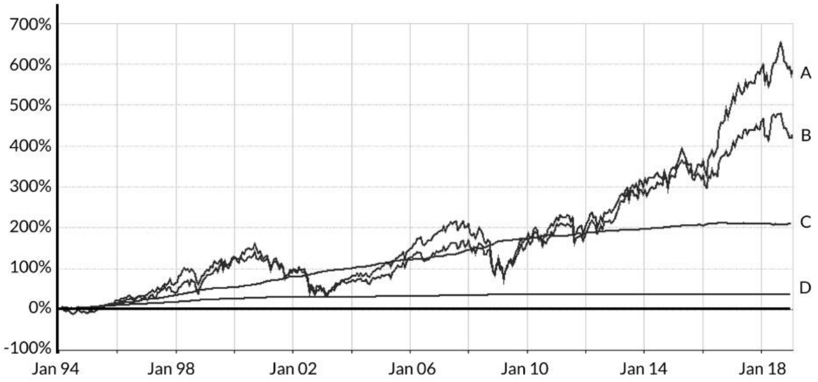


Figure 9: The outperformance of equities versus bonds and cash[23]

A	FTSE All World Ex UK	B	FTSE All-Share
C	FTSE World Gov't Bond 1-5 years Hedge	D	Halifax Liquid Gold 10k

[22] Nick Murray, The New Advisor, (Library of Congress, 2001, USA) 189.

[23] Source: Financial Express 31/12/93-22/01/2019 Bid to Bid priced in Pounds Sterling. Past performance should not be seen as an indication for future performance.

The effects of inflation will have a devastating impact on your purchasing power, and the best defence against rising prices is an investment that has the potential to provide above inflationary long-term returns.

The risk of holding equities for the long-term investor is wildly exaggerated and confused with volatility, while the long-term risks are near non-existent – and investors totally underestimate the long-term risks of *not* holding equities.

This is illustrated in Figure 10, which demonstrates the associated principal high short-term risk of holding equities and how this risk is reduced to almost nothing over time. However, the reverse is true for purchasing power, where the inflation risks are increased over time.

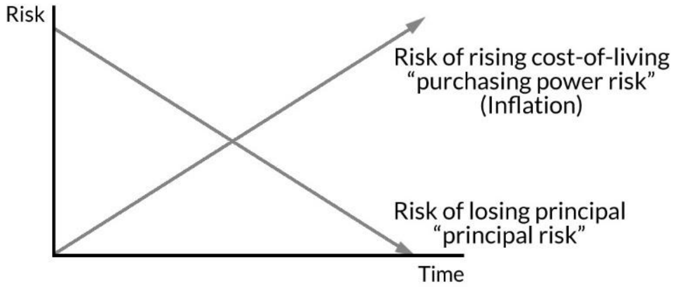


Figure 10: Equity risk is reduced over time, while rising cost of living risk is increased

What equities to buy is a question beyond the scope of this book. But let me make one thing clear, buying just one or two equities is speculating, not investing. You should be investing in hundreds if not thousands of companies. Also, academic studies and historic evidence demonstrate that you can exploit different drivers of return when building a portfolio with added diversity, using variables such as geographical variance (UK, global and emerging markets) or share type (value[24] and small[25]), which are frequently rebalanced[26]. These variables can increase the long-term return on a portfolio, while potentially also reducing the overall risk.

Be sure, therefore, to build your portfolio with the aim of giving you the optimal return for your risk profile.

3. Invest for the long term

> *"Our favourite holding period is forever."*
>
> Warren Buffett,
> letter to Berkshire Hathaway, 1988

Investors know they should be long-term investors. This often gives rise to the question, *"How long is long-term?"* The answer for many investors is surprising – your long-term horizon should be as far into the future as possible. One of the many surprising facts about investing is that having a long horizon is a powerful

[24] These are companies unloved by the market, and may have gone through a rough period that is reflected in a stock price decline, which means they have more potential for recovery. It is riskier to own them, but as a result the potential for return is greater.

[25] You are likely to get a higher long-term return from small companies than large companies, mainly because they have more scope for growth. But, again, these come with greater risk, for which investors are rewarded. Microsoft was a small company once.

[26] Over long periods, portfolios tend to drift from the original and agreed investment positions, often resulting in investors holding assets above their risk profile. The concept of rebalancing a portfolio (that is, returning it back to its original proportions) is an often-overlooked risk-management mechanism. It may seem counter-intuitive to sell something doing well and reinvest in something that has performed relatively less well. However, unattended, the portfolio will increasingly become overpowered by the riskier asset class. A beneficial by-product of rebalancing is the return bonus that comes from a "buy low, sell high" strategy.

advantage, given the impact of compound returns and the risk reduction factors over time. You want your horizon to be as long as possible because, as an investor, time is your biggest ally.

Furthermore, there is no magic wand in the field of investing, yet many investors still believe (perhaps due to the noise that emanates from the City and the media) that there are active managers who can predict the future, anticipate market movements and select the next top-performing stocks, which enables them to deliver outperformance. Thirty years ago maybe, but this is far less likely today. The overwhelming evidence, as demonstrated by study after study, is that this is certainly not the case and, indeed, it is a futile and costly exercise.

The good news, however, is that you do not need a crystal ball to enjoy a good investment experience. In fact, overwhelming evidence proves that adopting a “buy and hold” strategy, which ensures investor emotions do not precipitate wealth-destroying “buy high, sell low” behaviour, will deliver a successful investment experience over time.

You would not plant a tree and dig it up every year to see how the roots are doing and move it to another part of your garden if you are not happy, would you? Investing is no different. Leave it alone to let it flourish.

Of course, it is important to position the portfolio right from outset, but then you will get rewarded for being lazy. As Warren Buffett said: *“The hallmark of our investment process is benign neglect, bordering on sloth.”*

More recent data reinforces the message that it is time in the markets, not timing the market that is important.

So, get your portfolio set up correctly – and then leave it alone!

"Design a portfolio you are not likely to trade...akin to premarital counselling advice; try to build a portfolio that you can live with for a long, long time."

Robert D. Arnott,
president of Research Affiliates

4. Cash is king, so retain healthy reserves

Behind every successful long-term investment strategy should be cash reserves held to fund any projected short-term financial commitments – in other words a "cushion for caution" that is kept separate from your long-term investment portfolio.

This will allow you to sustain the long-term investment commitments without having to draw down funds, allowing you to avoid distressed sales when the markets have fallen.

It also means you don't have to panic, and have the capacity to cope with market volatility, reducing the short-term risks of equity investments and allowing you to share in their long-term benefits.

When cash reserves are low, they should be topped up via portfolio withdrawals at a time to suit you and your portfolio. This process may be repeated throughout the life of your investment.

The amount of cash you need is determined by a number of factors. If you have surplus income and are accumulating money, then your cash reserve can be lower.

If your expenditure exceeds your income, then your required levels of cash reserves will be higher. As a rough guide, if your income covers your outgoings, then we would suggest keeping about six to 12 months' worth of annual income within your cash reserve to fund emergencies or opportunities.

However, if your expenditure exceeds your income then you should keep at least three years' cash to cover this projected three-year shortfall with the balance topped up by your investment portfolio, extracting profits at suitable times.

In both examples, planned one-off expenditures within a one to five-year period should also be held in cash.

5. Keep emotions in check and stay the course

> *"The investor's chief problem – and even his worst enemy – is likely to be himself."*
>
> Benjamin Graham,
> Security Analysis, 1934

The crucial question is not whether long-term returns on equities will exceed those of bonds or cash if the investor holds on through the many startling gyrations of the market, because I think we have established this.

No, the crucial question is whether the investor will, in fact, hold on for the long term so they can benefit from the returns that the markets actually achieve.

The problem is not in the markets, but us as investors with our perceptions and our all-too-human reactions to these perceptions.

Investing is often likened to a ride an emotional rollercoaster. If you consider the typical behaviour of the vast majority of investors, you can understand why.

When an upward trend starts to emerge (either for an individual stock or the market as a whole), the investor follows the trend, but only buys in once he/she is convinced that it is for real. Unfortunately, this is usually at the point all the gains have been taken and when the trend reverses.

You can see that the emotions driving investors are a powerful force that leads them to buy high. And as you will see from the following diagram, a similar set of emotions (although in reverse) come into play when stocks/markets fall, causing investors to sell low. The classic "greed and fear" rollercoaster destroys wealth.

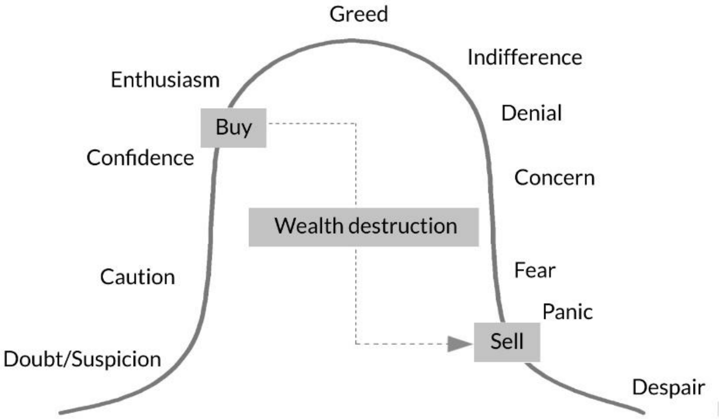

Greed
Enthusiasm
Indifference
Buy
Denial
Confidence
Concern
Wealth destruction
Caution
Fear
Panic
Sell
Doubt/Suspicion
Despair

Figure 11: Rollercoaster of investor emotions

As the diagram illustrates, human emotions play a large part in the success or failure of investors to meet their goals and maximise their wealth. The late Jack Bogle, founder of The Vanguard Group, one of the US's largest and most respected asset management firms, said the following:

> *"If I have learned anything in my 52 years...it is that, for a given individual or institution, the emotions of investing have destroyed far more potential investment returns than the economics of investing have ever dreamed of destroying."*

It is inevitable that, at some point on your investment journey, the value of your investments will fall and maybe even plunge in value. This is part of investing and something that you, the investor, should accept as the norm.

If you don't understand the loss potential from the outset then you are more likely to panic and bail when the markets do fall. It is important, therefore, to check you can cope emotionally with any falls before you invest.

Also check that you can financially afford the take the hit of a market fall. Crucially, understand the potential for downside risks before you invest.

You need to be a disciplined and informed investor. It is you, rather than the market, that will harm your returns.

A great investment strategy controlled by an investor with no discipline is doomed to underperform and, like many before them, lose the "loser's game". Don't be a loser!

6. Track, don't pick

> *"There are two kinds of investors, be they large or small: those who don't know where the market is headed, and those who don't know that they don't know. Then again, there is a third type of investor – the investment professional – who indeed knows that he or she doesn't know, but whose livelihood depends upon appearing to know."*
>
> William Bernstein, author,
> The Intelligent Asset Allocator.[27]

[27] McGraw-Hill Education, October 2000

Having studied the arguments of the active[28] versus indexed investment approach,[29] and there is much debate, I believe there is overwhelming evidence in favour of an indexed approach to investing. The decision about whether to employ an index or an active approach revolves around three key questions:

- Do markets exhibit inefficiencies that managers can use to their advantage?
- Can these inefficiencies be profitably exploited after all costs, including taxes?
- Can skilful managers be distinguished from lucky managers in advance?

I believe the answer to all these questions is *no*.

The inability of a majority of active equity managers to consistently outperform their benchmark index over the long term, in both efficient and inefficient markets, after costs, is broadly documented.

Numerous studies of active managers' performance consistently suggest that previously good performance is, at best, a weak and unreliable predictor of good future performance – and where it has

[28] An active approach is based on trading to beat the stock market's average returns, in an attempt to take advantage of short-term price fluctuations. It relies on knowing when to pivot into or out of a particular stock, bond or any other asset. This will typically be carried out by a team of analysts, who look at qualitative and quantitative factors to try to determine where and when that price will change. Successful active investment management requires being right more often than wrong.

[29] An indexed approach is one in which the underlying holdings of the fund reflect one of the global indices, such as the FTSE All-Share or the Standard and Poor (S&P) 500. Whenever these indices switch their constituents, the index funds that follow them automatically switch up their holdings by selling the stock that's leaving and buying the stock that's becoming part of the index. While this will prompt some trading, it is still significantly less than that of the active approach, making this a typically lower-cost method of investing. The strategy generically follows a buy-and-hold approach, removing temptation to react or anticipate the stock market's every next move.

occurred it was only in the short term. Additional findings indicate that bad past performance sometimes persists, in many cases due to high costs.

Investors cannot control the markets, but they can often control what they pay to invest. And that can make an enormous difference over time. The lower your costs, the greater your share of the return and the greater the potential impact of compounded returns. Fees destroy investor returns.

> *"Investment managers sell for the price of a Picasso [which] routinely turns out to be paint-by-numbers sofa art."*
>
> Patricia C Dunn,
> CEO of Barclays Global Advisers

Building an indexed portfolio, however, is not just about tracking one or two indices, such as the FTSE All-Share Index or the Dow Jones. There is far more to it than that. It uses evidence-based data designed to optimise returns with the ability to build a diverse portfolio using low-cost tracker funds, where asset classes are negatively correlated to reduce risk, while also tracking specific equity types (small, value and growth) in worldwide geographical sectors to potentially drive higher-than-market returns.

The importance of a financial planner

One rule that I have omitted – and I must admit to self-interest here – is the positive influence that engaging a financial planner (not an investment manager; they are a different breed) can have on a successful investment journey.

Done well, a financial planner will create the correct portfolio for you from day one, while ensuring the investment plan remains aligned to your financial life plan, as well as providing behavioural coaching to make sure you avoid wealth-destroying silliness, such as panic selling or buying products that are unsuitable (largely motivated by greed).

Research from global fund manager Vanguard[30] suggests the principle of Adviser Alpha, which is that the difference between the return the investors might achieve with an adviser against the return they will achieve on their own, is around three per cent per annum. This, among other things, is largely a result of creating a suitable asset allocation that is rebalanced frequently, lowering costs, maximising tax allowances and providing behavioural coaching (avoiding mistakes).

When taking compound interest into consideration, such Adviser Alpha will have a positive impact on your retirement nest egg.

Following these rules with a great financial planner at your side will undoubtedly improve your chances of a successful investment outcome and winning the "loser's game".

[30] Vanguard Adviser Brief, March 2015

Resources

If you prefer to workout your options on paper, I’ve put together a helpful downloadable workbook with all the exercises and a handy spreadsheet to calculate your number.

Download your free copy from the website now:
www.henwoodcourt.co.uk/retireability

Keep in touch

I am fascinated by retirement. It is complex, very personal, sometimes enormously stressful and will turn your life upside down. But it should provide you with the opportunity to have great fun, free from work, and the ability to live the life you want, doing what makes you happy.

One life....live it.

Need more help? Do you want to join me? Here's how...

- Join Henwood Court on a retirement workshop
- Just telephone or e-mail me
- Sign-up to our blog via our website

Finally, please share your retirement stories with me.

Email them to: info@henwoodcourt.co.uk

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	Nicholas Platt – @henwoodcourt

"The book will prove invaluable for any executive approaching retirement."
Alan Vurlan, former MD

DO YOU WANT TO RETIRE HAPPY LIVING THE LIFE YOU DESERVE?

NEED HELP NAVIGATING THE MONETARY AND MINDSET MINEFIELD?

When your mind is 100% focused on working for your business, it's easy to skip reviewing your retirement plan. Dealing with the immediate challenges in life can fool you into thinking you can look at your plan "soon." What if "soon" is too late to get your financial assets working hard for you. What if you end up retiring feeling rudderless and without a purpose anymore?

With this book, discover the easy way to:

- prepare for retirement financially and emotionally
- take important pre-planning steps to ensure a smooth transit
- make the right decision for you (and your loved ones) with some quick exercises to work out what matters and what doesn't
- ensure all the necessary financial decisions are made in good time to secure your "perfect day" future
- harness the power of prudent strategies to maximise the benefit of your investments in retirement

Imagine the comfort that comes with a personalised, solid financial foundation in place, that can adapt as you make the most of the next chapter in your life.

Nick a is a chartered financial planner and registered life coach, with decades of experience advising and supporting senior executives prepare for retirement and transition into their new lives. Following much encouragement from his clients, Nick wrote this book to share his expertise and help more people enjoy their retirement, and to give them financial peace of mind and a joyous sense of freedom and purpose too.

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