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# Preparing for Retirement

by Robert Jud

The whole notion of Retirement Planning and Pre-Retirement Counseling has a most contemporary ring. If it were merely a matter of attending to today's media-passion, of course, there would be little reason for professional business people to take the issue seriously. The truth is, however, that an increasingly aging population presents an array of serious and compelling problems and concerns. In several important ways these have an effect on the business community and require a business response.

## Social Impact

The basic issues are never described by numbers because they defy quantification. They are essentially psychological and social in nature. For example:

- Elderly people are caught in a collision of cultural values. On the one hand, the elderly are as bedeviled as the rest of us by the so-called "Work Ethic"—the idea that what counts is productive effort coupled with self-discipline and thrift. On the other hand, we have a strongly held value that people should fulfill themselves, that they should live fully in time, rather than searching for ways to fill it. It is little wonder that old people occasionally feel that they are useless.
- One of the things that distinguishes mankind from other species is the matter of goal-direction. We are happiest when our activities have a purpose. All of us know the letdown that occurs after we have accomplished one objective and before we turn toward a new one. If there is no new goal, letdown may become despair. Playing checkers or shuffleboard in the Florida sun is fun only when it is an interlude; it becomes miserable when it is the whole point. To relax is not a self-sustaining human goal.
- Most adults alive today have grown up under the myth that the first two decades of life are filled with myriad phases and stages but that, when one becomes an "adult," one is an adult forever. The truth is that adult life, like any other life-segment, comes in all sorts of stages, and that the skills required for one stage are often not at all necessary or useful for another. The

phenomenon of the "Mid-life Crisis" is an excellent example of the confusion that results when an adult is faced with whole new sets of options and difficulties, with few norms or practiced behaviors to deal with them. The coming of old age is just such a crisis.

• Whether retirement years are happy or not depends, of course, on the care we take to prepare for them. Yet as individuals and as a society, we approach retirement planning with about as much enthusiasm and passion as we consort with burial plot salesmen. The reason for both is the same: we tend to avoid the issue of our own mortality. It's a tough psychological hurdle to overcome, yet overcome it we must because the stakes are high. Will our final years be a period of joy and satisfaction or will they be years of sadness, hardship and hopelessness? The difference will be measured by the degree of intelligence, imagination and initiative we apply to the problem.

Retirement education, rather than offending employees, tends to reassure them. This is especially true of the middle-aged. By assuring them that the company is interested in their well-being, the employer expects to reduce their worries and anxiety and to promote feelings of security and loyalty. Such feelings help to maintain self-confidence and the desire to contribute and achieve.

## Program Recommendations

The hallmarks of a well-conceived retirement counseling program should consist of at least the following:

1. Development of the program should take lots of time. Retirement programs are never conceived or executed in a flash. Most counseling programs commence at least five years before retirement, and with early retirement, it is not uncommon for such counseling to begin at age 55.
2. The program should be voluntary. No one should be forced into a lock-step company ritual. Counseling programs ought to be available; they should never be mandatory.
3. Within the first two constraints, the program should be made available to all employees, not merely certain groups of them. Programs which are restricted to clerical or factory level

people carry the implicit connotation that lower level employees cannot handle their own affairs properly. The plain truth is that preparing for old age is part of the human condition, and that hierarchic status does nothing to alter that fact. Being a vice president no more prepares one for retirement than does any other kind of work.

4. The program should be as individualized as possible. While all retiring people face some problems in common, there is no canned prescription that will suit everyone. People vary as widely from one another after retirement as they do under any other set of life circumstances. A good counseling program recognizes individual differences and uses them to help enrich individual lives.

5. Because the issues of such a program are so multifaceted, it is wise to avoid launching a full-blown system. Companies, like people, should have a chance to learn as they grow. Perhaps a low-key retirement awareness campaign is all that is needed initially. Later, a firm can add one aspect of this effort after another, using experience to dictate what works, until a well-tuned and well-coordinated program finally emerges.

6. Finally—and obviously—any good retirement counseling program should be marked throughout by two traits: dignity and sensitivity.

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## Problem Workshop EA-1

An intensive three-day problem workshop for the EA-1 exam (2nd Segment only—Basic Pension Math) will be given by Actuarial Study Materials in April 1988 in New York City. For details, write to A.S.M., P.O. Box 522, Merrick, NY 11566.