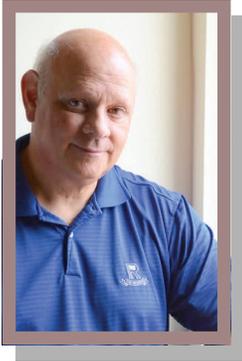


SHIFTING GEARS

at Retirement



Have you ever wanted to pick someone's brain about retirement? As a result of our Life After Intel article in March, Clem Russo was contacted by an old Intel buddy to share his thoughts about retirement. Since his retirement in 2010, Clem has had similar requests from others, so decided to write down what he has learned for those who are planning to retire as well as those who are retired - which is probably a lot of people! His sage advice provides a plan for following your dreams.

The Soft Side of Retirement

My main motivation for beginning the journey toward **“the soft side of retirement”** came from one simple thought. When making any change, be it in career or health or living situation, it is more motivating to move toward something better than it is to “run away” from something. Hence developing a plan and a vision for life in retirement became a high priority for my wife and me. Also, something I read once has stuck with me. People typically spend more time planning their next vacation than they do their careers (or in this case their next career – retirement). Their career, or their retirement, is far more important than their next vacation.

How many people have you met who retired, got bored and then went back to work only because they had nothing to do? Being bored is very stressful.

Going from 50 – 60 hour work weeks with lots to do to zero overnight is, would you believe, pretty stressful too.

It's okay to go back to work but only if that was really what you wanted to do in retirement.

So, here we go!

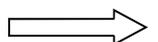


First Step: Financial Plan

If you don't have one, get one. It is important simply because not having a financial plan will distract you from the joys of retirement. If you are sure of where your finances are, you won't spend a lot of time fretting about it. Hiring a financial planner is the best idea, but even if you use a spreadsheet, list expenses, including money for travel, fun etc. Use conservative appreciation numbers like 4% (or less)! You will get something useful. And once

you have done the rest of the plan, you have something to modify.

“People typically spend more time planning their next vacation than they do their retirement.”



Second Step: Soft Planning

So, you have a basic financial plan which you will modify as you develop your soft plan. Now the fun begins. Here are some guidelines and steps I suggest you follow.

1-Who should do this?



If you have a spouse/partner, this is a collaborative assignment. You both need to do this together. You can get it started

with the basics, but if your visions differ dramatically, then it won't be smooth. At least each of you needs to understand what the other wants to do, working out compromises where necessary. It is even more important that this happens if one of you has not been working, and already has a lifestyle established that your retirement could disturb. You don't want to spend retirement following someone around who has already established his/her lifestyle – and your spouse/partner likely doesn't want that either. Of course, make sure you determine how you will spend time together, realizing that many couples don't want to do everything together. If you do, then that is great, but don't assume that will be the case. Talk it out.

2- Defining the Dream

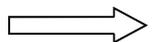
What have you always wanted to do, or experience that you have never had time for? Write it down. Approach this initially as a brainstorming activity. List everything you

possibly want to do in retirement: learning to fly airplanes, spending two years in the Congo studying gorillas, or live on a houseboat on the Amazon for six months. Maybe you always wanted to work for a clinic for recovering addicts, or there are hobbies you want to explore. Perhaps you just love to spend time on the beach reading great books, or just spending more time with the grandkids. Nothing should be rejected initially. Include everything on the list. Whatever you imagined you might do if you had all the time and money in the world should get on the list. A separate list should be made by each person as well as a joint list. This should get the creative juices going. Develop the lists over a couple weeks so that when new ideas come up, you can add them. Remember, this should be a fun project!



3- Defining the "Typical Day"

As I spoke to folks who were retired, I would ask them what a typical day was like for them. One of those discussions scared the heck out of me. I walked away from it thinking: 'I sure don't want a typical day to look like that for me'. It inspired me to write up what I would like my typical day and typical month to look like. My spouse and I discussed it and made it a description for both of us. This was really helpful as the soft plan began to take shape.



4- Assigning Dollars to Dreams



Once we had a sense of our crazy ideas for retirement, we began to prioritize which ones were important to us, including how we wanted to live day-to-day. We then

figured out what they would cost. Be sure to look at where you want to live, what kind of house, what it would cost, etc. Now you will see the value of the financial plan. We began to build those costs into our plan. It pays to be bold here. Initially, put in everything you want and see what you can afford. Then, remove things you can't afford that are lower priority. You may have wanted two homes but found that one was going to be good enough, and you could spend the extra money on one or more other things you want to do. Or, maybe you would do one trip a year versus three so you could spend money on a hobby. This will be an iterative process. You might be pleasantly surprised that you can be smart up front with some tradeoffs and fit in more of your dream retirement life. Be willing to make those changes to the plan.

5- Research the Dream.

Now that you have the list of soft things to experience, it is time to research the high priority ones.



- ◆ Where to live to fulfill your dreams
- ◆ How much it costs
- ◆ The best way to experience those dreams
- ◆ Do you need to learn things for a next stage (school, reading...)

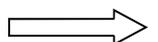
This might make you change some of your priorities and associated costs. Again, this is an iterative process that should be done over a period of weeks or months.

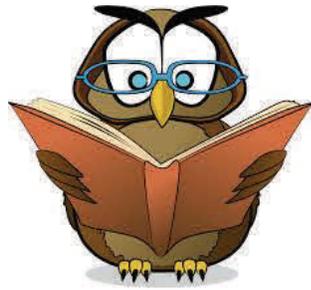
6- Execution

Now that you have your long range plan in place, begin to flesh out the elements: where you will live, hobbies, travel, volunteer opportunities, how and where to learn the new things to fulfil your dreams. Having a plan that works both financially and emotionally gives you great freedom and direction. You know what you can afford and what you really want to do with your newfound freedom and extra time. You can move forward with confidence since now you are moving from work and a career to something else that is exciting, interesting and appealing.

7- Wash, Rinse, Repeat

This isn't a one-time process. It should be revisited at least once a year. In the beginning of retirement, maybe a quarterly review to be sure that the reality of the 'Dreams' are living up to expectations. When people ask me what I do now that I am retired, my response is "whatever I want". And so far it has been a blast!





Some of books I have read and recommended to friends over the years:

“What color Is Your Parachute? For Retirement: Planning Now for the Life You Want” by Richard Bolles and John Nelson. *If you only read one book this is the book to read.*

“How To Retire Happy, Wild and Free” by Ernie Zelinski

“Your Retirement your Way: Why it Takes More than Money to Live Your Dream” by Alan Bernstein and John Trauth

“The Wall Street Journal Complete Retirement Guidebook. How to Plan It, Live It and Enjoy It.” by Glenn Ruffenach and Kelly Greene

Interesting in contacting Clem and picking his brain about retirement? Send him an email at cjrusso0611@comcast.net.