

Ready to Take the Plunge

► *To help employees fully prepare for future retirement, and perhaps find ways to keep them working now, employers are starting to focus on emotional inventory as well as financial security.* By John Crawford

Ernest Hemingway wrote a lot about bullfighting, war and other riveting activities, so perhaps it's not surprising that this man of action wasn't a fan of retirement. "Retirement is the ugliest word in the language," he said in A.E. Hotchner's biography, *Papa Hemingway*.

Were he living today, Hemingway – who took his own life at the age of 62 – might find that retirement can, on the contrary, be a rewarding life not limited to relaxing on a porch, watching TV or playing golf.

Indeed, many retirees today feel vital, healthy and young, reflecting a whole new mind-set for people in their golden years. "We didn't have that 25 years ago," says Pamela McLean, CEO of the Hudson Institute of Santa Barbara (Calif.), a coaching and leadership training organization. "Sixty-five used to be seen as the beginning of the great decline."

If retirement is a time of possibilities, however, the question looms: What are retirees supposed to do with all that time? They could have a good two decades or more ahead of them after walking away from work. Are they ready for this new and long chapter in their lives?

In terms of guidance, employers haven't been much help, but that could be changing. The first baby boomers turned 60 this year, which means a wave of retirees is making its way toward the exit doors. Some companies are considering making it a major commitment to advise, aid and ease these employees into a happy and fulfilling retirement. Not only is it the right thing to do, companies say, but discussing life after retirement can energize older workers. It can even potentially convince employees to stay on in a part-time capacity past retirement age.

As a result, a whole new line of retirement communication, centering on workers' emotional readiness for retirement, as opposed to just their financial preparedness, is taking shape between employees and

employers. A few companies, in fact, have already started this conversation.

► **Future Considerations**

Simply put, emotionally preparing for retirement involves investigating one's own self, the potential of the future and a plan for what life in retirement will be like. Such preparation means looking at a whole host of issues: hobbies, social activities, volunteering, new careers, friendships, family and living arrangements.

One example of this type of preparation can be found in a seminar provided by the Hudson Institute of Santa Barbara called "Reinventing Retirement." As part of this program, participants are asked to think about how stereotypes portray life in one's 60s and 70s, then to think of role models or mentors who broke the retirement mold.

They're asked to think about dreams they've had and the roadblocks to reaching them. They're also asked to examine future plans and the issues affecting their lives now, including their partner's status, parent care giving challenges and financial realities. "This is a perfect time to consider taking some risks, uncovering un-lived dreams, imagining new and expansive possibilities," McLean says.

When Kim Woodward retired, he didn't do much of this type of introspection. As a result, he found himself floundering during the first eight months or so of his retirement. "I didn't have much energy around anything," says the 61-year-old Colfax, Calif., resident, who used to be a marketing director for a biotech firm. "I stayed around home mostly. I didn't pursue my hobbies. It was a pretty quiet time for me."

Then he took the Reinventing Retirement seminar, where he learned to let go of his old life as a marketing director and embrace the potential of his new life. He now fills his time with a portfolio of different activities: personal coaching, teaching

yoga, restoring horse-drawn vehicles, long-distance bike riding. "I have a full life," he says.

According to a survey released earlier this year, Woodward isn't the only one to face a troubled retirement. The survey, looking at about 600 employed Canadians 45 years old and older, found that only 4 percent were well-prepared for the emotional change in lifestyle that comes with retirement (as compared with 31 percent who were financially well-prepared).

The survey, conducted by the Winnipeg, Canada-based Investors Group, a financial services company, showed that only 20 percent of participants had a strong commitment to activities away from work. Additionally, 30 percent had no activities outside work that gave them the chance to make new friends.

"It wasn't totally a surprise that there would be emotional issues," says Debbie Ammeter, vice president of advanced financial planning for the organization. "I was a bit surprised about the percentages."

As it is, the focus of retirement planning, on the part of both employees and employers, has been on financial readiness. That may be partly because thinking of finances, as opposed to emotions and fulfillment, is easier and more concrete, McLean says.

What's more, the financial planning industry has understandably focused on the importance of having enough money. "The industry has defined the dialogue," says Eric Sundstrom, co-founder of the Memphis-based My Next Phase, which offers intensive programs that assess workers' personalities to determine their best course for retirement.

But employment does more for those employed. It defines people's lives; it offers workers social interaction, a purpose and a reason to get up in the morning. In that sense, emotionally preparing for retirement makes sense.

If a company is contemplating entering into this conversation, its corporate culture will have to be carefully examined, says Katy Eymann, project manager of Life By Design Northwest, a Portland, Ore., organization that provides planning and support for people contemplating retirement.

For employees to feel comfortable discussing retirement honestly, an open environment is necessary. Otherwise, many employees may be afraid to show their hand. “They don’t want to be treated like they’re on the shelf,” Eymann says. Unfortunately, some companies may inadvertently stifle meaningful retirement discussion by fostering a culture of youth and even ageism. “Some cultures may have made the topic into a taboo,” Sundstrom says.

To counteract that, a company’s leaders might freely discuss their personal retirement plans. That can open the dialogue by validating the topic, Sundstrom says. Every year, managers can discuss with each employee his or her career interests and development needs. A discussion about retirement can flow naturally from this conversation, though managers need to be sensitive that they’re not appearing to imply an employee should leave the company if he or she brings up the topic.

Articles about retirement can be posted on company Web sites and in newsletters, and someone in HR could be designated a retirement “czar” to handle employee questions, Sundstrom says.

Finally, a company can contract with a small but growing group of organizations that help institutions talk about emotional preparedness by offering classes, coaching and Web sites. If financial-planning consultants concentrate on the pocketbook, these organizations focus on the heart and mind. “A large piece of what we do is help people dream a new dream,” McLean says. “I think you will see a lot of [organizations like us] popping up.”

Life By Design Northwest, for instance, has partnered with nine local employers to provide a retirement workshop that covers three main issues: passion and purpose, health and wellness, and finances, Eymann says. Participants reflect on who they are and what they want for their lives. As part of that reflection, they think about things they may value, such as independence, intellectual stimulation, being a leader, inner peace or friendship.

My Next Phase uses a four-step process to assist workers with retirement planning,

Sundstrom says. It focuses first on personality, then on the changes retirement will bring, then options for future pursuits and, finally, creating a plan.

Along the way, participants are asked key questions, such as: What environments and pursuits energize you? How much change do you face in retirement? What sources of fulfillment will you seek in your future? and, Which of those will you have to replace from your work?

► Where it’s Working

At Baltimore’s Johns Hopkins University, employees can take a one-day course called “What’s Next in Your Life: Launching the Next Chapter.” Spouses also can attend, and, after the class, attendees are invited to talk individually about retirement concerns.

“We want to provide services for the whole person,” says Audrey Trapp, director of the Career Management Program for Faculty and Staff, which offers the class and other services to the university’s 15,000 full-time employees. “It’s part of our mission.”

The psychologist who developed and presents the course is not a Johns Hopkins employee. That being the case, employees may be more honest and open about their feelings during the course, Trapp says. The presenter also asks that participants keep confidential everything said during the course.

A main purpose of the program is to raise questions and get participants thinking seriously about their retirement plans, which is exactly what happened to Ron Basener. “It galvanized me,” says the 63-year-old assistant director of HR at the university’s school of medicine. “It got me thinking in concrete terms.” He now knows that he wants to continue doing mediation, one current aspect of his job, after he retires.

Memphis-based Methodist Healthcare, with 10,500 employees spread over seven hospitals and 20 clinics, is looking into emotional retirement planning because it has a concern common to many in medical institutions: a shrinking workforce.

By offering the My Next Phase program to its aging clinicians, Methodist Healthcare is hoping it will demonstrate that their jobs can provide a lot of gratification that may not be replaceable if they retire. For example, nurses who enjoy caring for

others may not be able to do that as easily outside the hospital.

The expectation then is that potential retirees would continue with their job, perhaps in a part-time capacity. “We need them to stay as long as they can,” says Jane Van Deren, corporate director of associate services. “We need that expertise.”

Using retirement planning to inspire employees to stay on, in a downsized role or phased retirement, is definitely a tactic for employers worried about transfer of knowledge and continuity. In short, many companies would like their employees to be like Tom Brokaw, Sundstrom says. Brokaw may have stepped down from the NBC Nightly News, but he’s still visible and active.

Van Deren herself had thought of retiring in a few years, but after trying My Next Phase to make sure it was appropriate for Methodist’s workforce, the 46-year-old learned something surprising, namely that she wasn’t ready to leave. She realized she’d miss many things about her job: the projects, the camaraderie and the satisfaction of doing good work. Now she has no time frame for retiring.

A member of the HR steering committee, Jim Pottkotter also gave the program a test run. “It’s eye opening,” says the director of information systems. At 57, Pottkotter thought he had a good sense of what would make for a successful retirement, but the program made him realize that some of his personality traits, traits he thought were strengths, actually could be detrimental once he left work.

For one, he’s optimistic by nature. “That’s good, but if you’re not careful, you could be overly optimistic and not be as diligent thinking through [retirement issues],” he says. He also enjoys reflection time alone, but while that instinct is good for recharging one’s batteries after work, the same impulse could leave him disconnected from others once he retires. As a result, he knows he’ll need a network of social contacts in retirement.

Methodist plans to offer three versions of My Next Phase – sessions either online, taught in a group or with one-on-one coaching – to its employees at a discount. From an HR perspective, a challenge will be in convincing people to participate, given that they will spend five hours in class and another 15 with homework. “This is a huge commitment,” Ven Deren says.

► Different Motivations

NW Natural got into emotional retirement planning because the Portland, Ore.-based natural gas distributor was faced with an aging workforce. Workers' average age is 48, and 50 percent of its 1,300 employees would be eligible for retirement within the next five years.

Many of those employees are in skilled positions where replacements may be hard to find, says Lea Anne Doolittle, the company's vice president of HR.

So HR took several measures, including offering phased retirement and providing a retirement workshop through Life By Design Northwest. By opening up a retirement dialogue, the company has a better idea of what employees' future intentions are and can plan accordingly. "I think for us, we wanted more predictability," Doolittle says.

Talking about the next phase of life can also animate employees. "The more happy employees are, the more engaged they'll be," Doolittle says. McLean agrees, adding that the discussion can light a fire under uninspired workers, those hanging on at work because they don't know what else to do, and convince them to finally retire.

Ideally, emotional planning should first be presented to employees when they're in their late 40s or early 50s, Doolittle says. "In our case, we have a lot of construction employees. By age 50, their bodies start to wear out, and they must begin thinking about what else they might enjoy doing with their life and their time, even if it is just another job in the company."

Emotional planning is also a good strategy to try when offering buyouts. When NW Natural implemented a voluntary workforce reduction program this year, it provided a one-day Life By Design Northwest workshop for eligible employees. "The workshop got great reviews, but I cannot say that it made a difference in the number electing the severance," Doolittle says. "I will say that it helped those who attended make the best decision."

IBM goes one step further than just focusing on part-time opportunities. Through its Transition to Teaching program, employees have the opportunity to take up a new career, that of teaching math and science.

The program provides participants up to \$15,000 for tuition and related expenses to become fully accredited teachers, says Robin Willner, vice president of global

community initiatives for IBM, which is headquartered in Armonk, N.Y., and employs 330,000 people.

Employees take classes part-time while continuing to work on a flexible schedule at IBM. They're also given a special leave of absence that allows them to do their student teaching without a break in benefits. IBM expects participants to be finished with certification requirements, and be ready to leave the company and teach, within 3 years.

To participate, employees must meet certain criteria, including obtaining the permission of their managers and having prior experience working with school-age children. They also must have been employed at IBM for at least 10 years. So far, the program has about 80 participants.

As with any new initiative, a lot of work was needed to get the program off the ground, and HR handled a lot of nitty-gritty details. It took existing tuition and leave-of-absence programs and adapted them for use with this new initiative. It used the company's intranet to promote it. And it set up a team of HR, community relations and legal representatives to evaluate applicants, says Donna Riley, vice president of HR and administration.

IBM has two big reasons for sponsoring the program. First, it's assisting long-term employees – half of the participants have been with IBM for more than 25 years – transition to a life away from the company. "We have had a great ride with these people," Willner says. "We want to help them."

Secondly, it satisfies the company's intent to give back to the community, in particular to education. IBM will always need employees adept in science and math; by helping to create new teachers, it's making an investment in a new generation of students who may one day work for the company.

The idea that companies can prepare workers for a rewarding retirement spent helping the community is something Civic Ventures wholeheartedly supports. The San Francisco nonprofit organization is a proponent of what it calls an "encore career," in which retirees use their expertise to do social good. "Older adults are a tremendous resource that can be used to solve society's problems," says Judy Goggin, senior vice president of Civic Ventures.

There are many ways that employers can

help their employees into a retirement full of volunteering. They can hold volunteer fairs to expose retirees to the opportunities that are available. They can adopt a group or cause, as IBM does with teaching. They can allow education reimbursement to be used for courses that aren't work related, courses that can help a future retiree do community work. They can merge their community development and HR departments so the idea of volunteering is more intertwined with retirement planning.

And companies can introduce a form of phased retirement where workers cut back to part-time hours, then spend the rest of the time contributing to the community. "Companies don't just have to give money to be a good corporate citizen," Goggin says.

Obviously, such a push for community service can also give rise to solid-gold public relations, an added bonus.

From positive PR to re-energized workers to encouraging retirees to try a phased retirement, emotional planning can have many benefits for employers, not to mention their employees. Despite that, and despite the fact that an army of boomers is making its way to retirement, it's still not on the radar screens of every company.

Given the war for talent, employers are often more concerned with people coming into their companies, rather than those on the way out, says Jeffrey Janowitz, a senior consultant with the Hay Group, business consultants headquartered in Philadelphia. "I think the tendency of companies is to see (retirement preparedness) as a personal matter."

But is making sure that employees are truly ready for retirement just a personal matter? To put it bluntly, is it simply the right thing to do?

"Organizations have a ton of dedicated people who have been working for them for years," McLean says. "I think it is part and parcel of a quality organization to help them with the next step."

Copyright 2006© LRP Publications