

8 Reasons Clients ‘Flunk’ Retirement

And how you can help them prepare to transition into retirement



You can plan everything in life, and then the roof caves in on you because you haven’t done enough thinking about who you are and what you should do with the rest of your life.



– Lee Iacocca,
Fortune magazine,
June 24, 1996

Most clients forget that retirement is more than just an economic event. Here are eight ideas you might use to help encourage them to prepare for their retirement years by mapping out how they will stay active and lead emotionally fulfilling lives after they stop working.

Former Chrysler Chairman Lee Iacocca shocked the world in a [Fortune cover story](#) when he admitted he had flunked retirement.

“You plan everything in life,” said Iacocca, “and then the roof caves in on you because you haven’t done enough thinking about who you are and what you should do with the rest of your life.”

How could a man like Lee Iacocca—a man with fame, fortune, and a reputation so positive that it prompted many Americans to urge him to run for president of the United States—flunk retirement?

Because retirement isn’t so simple anymore.

Most of your clients will live 30 years longer than their grandparents and even most of their parents. That’s a long time to just play golf, take care of the grandchildren, read, or travel. Traditional retirement is in decline. Research shows that only about 15% to 17% of individuals want their retirement to be solely an indulgence in leisure.¹

Today’s retirees want to live more balanced and fulfilled lives, filled with a variety of activities. However, oftentimes they don’t know exactly what “balanced and fulfilled” means or how it will translate into daily life.

That’s why asking clients when they want to retire and how much they think they will need to meet their expenses isn’t enough. There’s tremendous opportunity for building relationships by going beyond the basics and helping clients identify who they want to be and what they want to do when they retire.

You can help clients understand they have an opportunity to enjoy those years with something very positive—but doing so takes preparation and planning.

Why do so many people “flunk” retirement? Following is a list of the top eight mistakes that lead to an unfulfilling retirement.

Why People ‘Flunk’ Retirement

1 Retiring for the wrong reasons.

Just because a client reaches a certain age or financial level that permits them to stop working doesn't mean they necessarily should. If they enjoy the work and the job, why should they give it up?

If they do opt to retire, advise your clients to carefully consider the reasons they want to, and to start planning now; it can take a long time to replace the community and busyness they've developed over the years.

2 Failing to grasp the emotional ramifications.

People work for more than their paychecks. Regardless of what they do professionally, everyone gets some form of non-financial return from work. These are called “emotional drivers.” For example, where will your clients get their sense of satisfaction after they retire, and from whom? Encourage clients to understand what gives them emotional fulfillment—and where they might find it in new activities.

3 Not enough soul-searching.

Most clients are so busy working they never take the time to step back and see where they've been and where they want to go.

Retirement's 30-year bonus gives retirees plenty of time to accomplish things that are important and personally meaningful. But before they can accomplish those things, clients first must know who they are and what they value most. Advise clients to take the inward journey and find the answers that will help them get what they want.

4 No plan.

If you don't have a plan, then you have a plan to fail. Retiring without planning is like relying on a last-minute roulette game to finance retirement. You're already working with your clients to develop financial plans that will help them reach their economic goals. It's a short step to help them plan personally as well as financially—remind them of that and help get them started.

5 The mistaken notion that rest, leisure, and recreation are enough.

Boredom can lead to depression, and there are few things worse than being depressed with a lot of time on your hands.

Learning and doing and creating gets people out of bed in the morning after they retire. Things like trying new activities or hobbies, going to work at a new job, or starting a new business are the antidotes to boredom. Warn clients that boredom is a real risk in retirement, that it's up to them to prevent it—and that there are almost limitless alternatives, if they just take the time and effort to plan ahead.

6

Failure to stay connected with society.

Staying plugged in is critical, especially if a client wants to keep the option to return to work within their industry. Just because a client leaves a job or sells a business does not mean that they should throw out the address book and cell phone.

Continuing to attend functions or seminars will enable retired clients to stay up-to-speed on industry advances and keep them in the know. Returning to work will be a lot easier if retirees still have networks to help them find new jobs.

7

Expecting a spouse or significant other to provide all entertainment and support.

In the Fortune article, Iacocca admits the hardest part of flunking retirement was trying to save his marriage: “I was so dumb; I thought I could save my marriage by buying a great house in a nice section of California. The adage about how you can’t buy happiness is true.”

Remind your clients that their partners won’t necessarily want to retire just because they do. Spouses may like what they do, enjoy the social networks where they work, or feel they are finally enjoying real rewards for their years of labor. Why would they want to give that up?

Plus, spouses may have very different notions about what retirement should look like. Advise married clients to start communicating with each other before they retire so each partner has a clear understanding of what the other wants. If they don’t, the transition into retirement could really rattle their relationship, and in some cases undo it completely.

8

Failing to appreciate what’s going to get left behind.

Remember the old Joni Mitchell lyric “Don’t it always seem to go that you don’t know what you’ve got ‘til it’s gone?” That sentiment can ring very true when it comes to retirement. Clients may complain about how hard they work, or about their unreasonable customers, or how much they travel—but the life they leave behind may look quite nice when they have nothing else to do. To avoid regret, help clients prepare, and suggest ways to find meaningful activities.

You help your clients build a portfolio that will provide them with financial freedom when they retire. Recognize you have a tremendous opportunity to also help them transition from the accumulating phase to the next step in their retirement. Use this list to spur conversations with clients. If they haven’t started dreaming yet, help them start. They will thank you for it, and you’ll have built a more lasting relationship.

Next Steps

How do you help clients find new passions?

It's great to talk about self-discovery. *But exactly how do you do it?*
Here are 4 action steps you might suggest...



University courses

Look locally for classes. There are also many options online at [udemy.com](https://www.udemy.com), [coursera.org](https://www.coursera.org), or even self-discovery topics on YouTube or TED Talks.



Life coach or good friend

Talk to someone you trust to help identify what's important, how you measure personal success, and how to expand social circles.



Think like a child

What did you fantasize about as a kid? What did you want to be when you grew up? Pay attention to what you think about.



Be willing to experiment

Not everything will end up with success. Be ready to discard and start again.

Let's discuss solutions. Give our Sales Desk a call at 855-624-0201.



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