

What Is Retirement Coaching?

Whether it's for an article, podcast, or the first time someone comes across the topic, one of the most common questions I get asked is, "What is Retirement Coaching?" So, I thought I would create a written response to the question and in the process, wake the world up to one of the most important aspects of planning for retirement.

To start, I think it's important to point out what retirement coaching isn't. It's not therapy or a one-off coffee shop meeting where we give you a Tony Robbins motivational style speech and you walk out ready for retirement like never before. It's also not a one-time assessment, software program where you click on pretty pictures that correspond with things like volunteering or giving, nor is it a visualization process where you create a mental picture about the perfect life in retirement.

Retirement Coaching is a process with tangible tools, written documents, and thoughtful discussion. It's grounded in popular aspects of Positive Psychology and Behavioral Economics, as well as supported with empirical evidence and a plethora of research and studies. It's one reason why the industry attracts highly educated and experienced professionals who understand the void in traditional retirement planning which puts too much emphasis on the financial aspects.

The most important part of that last section is the fact that it involves written documents. Similar to the more traditional retirement planning where clients often develop a 100+ page binder with goals, projections, asset allocation, and simulations for best and worst-case scenarios, retirement coaching is designed to do the same thing.

It helps people see retirement for what it truly is by taking them through a written, proven process to help them replace their work identity, allocate their time and resources, stay relevant and connected, as well as mentally and physically active.

Too often people take this type of planning for granted and wrongly assume that it will just fall into place. But that's not the case and once again, we can turn to science for this. There is something called the Holmes Rahe Scale which list life's 43 most stressful life events. Most people have no idea that 20 of those 43 items can intersect with life just before or during retirement. In fact, retirement by itself is listed as the 10th most stressful life event.

In other words, it's a major life change that people, financial professionals, and corporate America can no longer take lightly and hope that it works itself out. I contend that retirement is one of the most highly sought-after phases of life but it's also one of the least understood, which is why retirement coaching continues to grow in prominence and acceptance.

Other reasons that it's becoming popular is because people are failing at retirement at an alarming rate and are confused by increasing longevity and don't know who to turn to and talk about it or change it.

One of the biggest reasons why people fail at retirement is because they don't have a plan for the non-financial aspects of it. Yes, they love the first few weeks and months, often called the honeymoon period, but after that, it doesn't always turn out like they expected. In fact, it falls far short. People lose purpose, become bored, can feel isolated with less social interaction, and they don't have the extra desire or motivation to work out or travel like they thought they would.

This is a major personal problem because, you really can't tell anyone that retirement isn't going well because they will think you're crazy. This is one of the major social stigmas people face in retirement. Everyone assumes that retirement is the holy grail of life and we are all brainwashed from an early age that if we can just save enough money to never work again, life will be great.

But that's not always the case. People don't realize the value that work provides for them, even if they don't love their job or role. It provides structure, purpose, routine, deadlines, social interaction, and many times physical activity, even if that means just walking to-and-from the parking lot. When all of that is taken away and not replaced with anything specific, we fall into what Behavioral Economics refers to as defaults and biases.

In a nutshell, that means people go with what they already know and do. So suddenly, there is not this amazing, shiny, and new person created by retirement. Instead, it's the same old person and home routine, just multiplied by two or three because they have more time. Once again, people don't know what to do about it or who to turn to, so they suffer in silence, sometimes wasting the first few years of retirement trying to figure it out.

This is where a retirement coach can step in and normalize a person's thoughts, or help them see that they are not the first and only person to go through this. Then, by talking about it in a series of ongoing discussions and applying some time-tested techniques and exercises, a new retiree doesn't have to learn everything the hard way or try and figure it out on their own.

Another reason why a retirement coach can be so valuable is in helping people understand what I call the longevity trap. Basically, we all know that people are living longer, but few people know what it means. As a result, people are trapped in their thoughts and feelings about getting older. People wrongly assume that because they are living longer that they will be unhealthy for a longer period. They saw their parents get ill at say age 78 or 80 and pass around age 84 so they assume they will get sick at 78-80 and live to be 90.

Reality is, it's taking longer for people to feel old and our retirement system which uses age as a primary factor has to go. People who are turning traditional retirement ages of 62, 65 and 70 don't look, feel, or act the way people did 20 or 30 years ago

However, because these are still considered retirement ages, society tells them they need to slow down and switch gears but many people aren't ready. They're still feeling good, want to do more and need someone, like a retirement coach, to say "It's ok," while helping them thrive during this time. In this case, retirement coaching is about helping people make the right retirement decisions, not just going with the flow or what social norms say should happen.

Currently, the traditional retirement planning process is backwards because it focuses first on money and then the more personal aspects. Over the next several years, I expect more financial organizations to see the fatal flaws of this approach and come to terms with the idea that running out of money pales in comparison to running out of family, friend, health and time.

Overall, Retirement Coaching is the more personal side of retirement planning that uses social science, experience, and research to help people plan beyond the dollars of cents. It should encompass plans for the mental, social, physical, and spiritual aspects of life after work and be considered a work in progress. Therefore, a Retirement Coach can be both an advocate and resource that people can turn to when things either don't look or feel right, or they want to thrive or make a bigger life impact.