

The Retirement Secret



Retirement Business Advocate
Sandra Nichols

The Retirement Secret

With Sandra Nichols

This guide is designed to provide fundamental and reliable information with regard to the subject matter covered. However, it is important to note that this guide is being offered with the understanding that the author, publisher and affiliated companies are not offering legal, financial, or other professional advice. The services of a professional should always be sought. The author, publisher, and affiliated companies disclaim any liability that is incurred from the use or application of the contents of this book.

All Rights reserved. No part of this book may be used or reproduced in any manner without the written consent of the publisher.

Copyright 2020 Robert S. Laura

Published by RetirementProject.org



The Retirement Landscape Is Changing

People today are more responsible for their retirement savings and well-being than ever before. That makes it crucial to not only be aware of the issues, trends and opportunities available to you, but to also ask the right questions. While traditional retirement questions can include, how much do I need to save, how long will my savings last, and what's the best asset allocation for my investments, the single, most important retirement question anyone can ask is:

What's the one thing you hope no one ever finds out about your retirement plan?

Is it a financial worry such as the fact that you're behind in savings or troubled by the loan you took against your retirement plan? Are you concerned about the potential costs of helping adult children, an aging parent, or the changes to Social Security benefits or your company pension?

You don't have to look far to find validation for your concerns or feel like you're alone in dealing with these financial worries and concerns.

A third of people (36%) in the U.S. have nothing saved for retirement. 14% of people ages 65 and older have no retirement savings: Source: [USA Today & Bankrate.com](#)

36% of workers have less than \$1,000 in savings and investments that could be used for retirement and 60% of workers have less than \$25,000 saved. Source: [Employee Benefit Research Institute](#)

It is estimated that the combined Social Security Trust fund will run dry in 2033. Benefits to retirees and other beneficiaries would need to be reduced by about 23% at that time. Source: [Yahoo Finance](#) & [Social Security.gov](#)

85% of public pensions could go bust within 30 years. Public pension funds currently have about \$3 trillion in assets, but will need to pay out nearly \$10 trillion over the next several decades. Source: [MoneyMorning.com](#)

Nine states including Hawaii, Alaska, Kansas, Rhode Island, New Hampshire, Louisiana, Connecticut, Kentucky and Illinois - have now set aside less than 60% of what they need. Illinois has saved just 43 cents to cover every dollar of what it needs to pay its current and future retirees. Source: [CNBC.com](#)

Traditional Retirement Planning And Investing Is Broken

I wish the list ended with the challenges in personal retirement savings, Social Security, and pension. However, health care costs and supporting both adult children and aging parents further complicate the traditional retirement planning formula:

A couple retiring in 2014 is expected to need \$220,000 (in today's dollars) to cover health care costs in retirement. That figure does not include any costs associated with nursing-home care, and applies only to retirees with traditional Medicare insurance coverage. Source: Fidelity.com

93% of boomers have provided financial support to their adult children. 34% of whom admit that helping their adult children has slowed down their retirement savings. Source: MarketWatch.com

About one-in-five middle-aged adults (21%) have provided financial support to a parent age 65 or older in the past year. Source: Pew Research

These eye-opening statistics shed some light on the challenges people face in making it to and staying comfortable in retirement. For the most part, people are left to figure out how they can: work more hours and save more money to address any funding gaps; protect against a stock market crash like that of 2001 and 2008-2009; deal with a potential reduction in Social Security payments or a tax increase to fix it; not to mention for the lucky few with a pension, the need to figure out what to do if benefits are reduced as a result of a company bankruptcy.

These financial realities can paint a pretty startling picture but what most people aren't being told about retirement is that it's not just a financial event. There are personal factors you have to think about and plan for as well.

Private matters that you hope no one ever finds out about such as whether or not your marriage will survive the extra time you'll be spending together after years apart and focusing on kids or other things. Challenges associated with replacing your work identity, staying connected and relevant, as well as keeping mentally and physically fit?

Securing a satisfying retirement in today's world requires different tools and ammunition than it did the past. That means you need to first and foremost agree to invest in yourself by planning for the mental, social, and physical aspects of retirement just as you do the financial ones.

Retirement Is Not Just About Money

Yes, we are all living longer, but that doesn't always mean they are healthier years. One study I came across found that about 40% of baby boomer said it was difficult for them to kneel or stoop, stand for two hours, walk one-quarter mile, climb 10 steps without resting, sit for two hours, lift and carry 10 pounds, reach over their heads, push or pull a large object, or grasp small objects. The way I read it is that 40% of people are going to struggle on a vacation that requires some walking, standing or holding onto a rail. It means people are going to find it difficult to play on the floor or in the grass with their grandchildren... and that things like gardening, biking with a friend, or watching a movie may be less enjoyable than ever before.

Another hidden truth about retirement is the fact that the greatest desire of many baby boomers is not necessarily to retire with enough money, to take a road trip across the continental US in an RV, or to cover the outrageous tuition costs of their grandchildren. Instead, they crave and aspire to be connected and relevant!

But that's not so easy to do once you retire. When a person is working, they can have up to 22 high-quality interactions with other people every day. High-quality interactions are face-to-face discussions with another person. In retirement, that number can get cut in half, down to 11 or less, and typically includes lower-quality interactions, such as by phone or e-mail. While the idea of eliminating personal interactions with some co-workers may sound great at first, humans weren't made to do life alone. Fewer interactions can lead retirees to feeling isolated, bored and out of touch -- three factors that can compound negative feelings about retirement and cause people to seek drugs and alcohol to cope with the changes.

That can lead to a dark side of retirement that rarely gets talked about let alone planned for. It's a chilling reality, wherein powerful forces such as addiction, mental illness and suicide threaten your retirement years just as much as running out of money and fighting inflation.

Once again, people are left to figure out who they are when they are not working; what options they have to replace their work identity, stay connected, informed, and culturally relevant; not to mention steps to take in order to maintain good mental and physical health.

The truth is, no matter what phase of life we are in, we are always going to face problems such as these. It's what we choose to do with them that leads people to different results. We can either let them become anchors around of neck and allow them to drown our hopes and dreams, or we can turn them into assets and opportunities.

Starting A Business Is Retirement's Biggest Secret

You see, behind every problem is a hidden truth, a solution that can become the catalyst for our ultimate success and for living life to it's fullest extent. That's a powerful statement that opens the door of considerations when it comes to retirement planning. It reveals retirement's biggest and best kept secret. Starting a business is one of the best ways to address both the personal and financial concerns people have with retirement.

To start, there are a number of financial and tax benefits that never make it into traditional retirement plan conversations. First, owning a business can actually reduce the amount of risk you have in your retirement plan. A small business has what is called a low correlation to the stock market. That means if the stock market falls 10%, the income you receive from your business won't necessarily fall by the same amount.

Whether you're in network marketing or you're running a home-based business, the orders you process or the fees you charge clients won't go down by 10% simply because the stock market did. That's an important component of diversification that doesn't get talked about enough, especially since market corrections of 10% or more happen on average once every year.

Starting a retirement business also takes a page out of the handbook of the rich and powerful. The one consistent factor you see among the wealthy is that their fortunes are rooted in a business, which either they or someone in their family started.

Their fortunes are tied to entrepreneurship, hard work, leadership, and a desire to make a difference in their community and in people's lives. Furthermore, with some savvy estate planning, their efforts and businesses can pay dividends for multiple generations.

Other financial considerations pertaining to a retirement business include tax benefits. Retirement is often a time for people which carries few tax deductions since their children have moved out and their home may already be paid off. Tax savings may not dramatically change your retirement lifestyle but writing off common items like the list below can surely help fund other essential parts of life in retirement.

Home office; Office supplies; Mileage; Web, software and subscription costs; Travel, meals, and entertainment; Insurance premiums; Retirement contributions; Telephone charges; Business startup expenses; Professional services; New Equipment; Education Expenses; Advertising and promotion; Coffee & beverage service; Seminars & trade shows; Postage, etc

Don't Miss Out And Get Left Behind

Whether you have thought about starting a business before or it's a new path of consideration, you're not alone.

Approximately 25,000,000 people (one in four Americans ages 44 to 70) are interested in starting a business or not-for-profit venture in the next five to 10 years.

Source: MetLife

Over half of the 76 million U.S. baby boomers have an interest in entrepreneurship.

Source: AARP

From 1996 to 2011 the number of Baby Boomers starting a business increased by nearly seven percent, the largest increase among all age groups. Source: Kauffman

Foundation

For some, the idea of becoming a business owner may seem overwhelming and complex but, rest assured, it doesn't have to be. Many people have outdated perceptions about what it means to be an entrepreneur, particularly in retirement. The tendency is to think of business owners as people who have it all together, with every detail planned out, and who are born with a blazing desire to execute their plan even in the face of adversity. These iconic, almost superhero-like images can make starting and owning a business seem daunting and out of reach for ordinary folks. But that's simply not the case.

An entrepreneur can be a retired nurse who now teaches CPR to supplement her income. It's a widow who rents a spare room to a foreign exchange student; a former mill worker who opens a small engine repair shop in his garage; the founder of a new not-for-profit seeking a cure for an affliction personally affecting her family; a travel blogger promoting his new photo tour book; a former marketing executive teaching adult education classes for struggling business owners; or the multi-level marketing consultant who sells health and beauty products that cleared up her own skin or helped her lose weight.

You don't have to invent something as revolutionary as the light bulb, build a nationally-recognized fortune 500 franchise, or make the cover of Forbes magazine. You simply have to

- 1) Be prepared to look and plan beyond the traditional aspects of retirement planning
- 2) Uncover and align a personal passion with like-minded people and businesses
- 3) Have a situation or group of people you'd like to have an impact on, or a product or service that solves a problem or makes life better for others
- 4) Make a commitment to keep moving forward: Continue to educate yourself, seek out personal and professional support, and most of all have fun. After all, it is your retirement!

No matter where you are at in the retirement planning process, I want to invite you to learn more about how you can use a retirement business to make a successful transition into this next phase of life both personally and financially. Call me today 501-247-7739.



The Retirement Secret

Sandra Nichols
501-247-7739
sandra.nichols2@gmail.com