

Podcast series

Becoming your clients' retirement coach

Podcast transcript

Retirement can be one of life's most exciting phases and many of us are looking forward to our Second Life. But to make the most of it both financially and personally, you have to do a little planning. I'm Alan McCarthy, Head of Distribution at Standard Life and today I'm joined by Mitch Anthony, International coach on Life centred planning and author of The New Retirementality.

This podcast is intended for financial adviser use only and does not constitute advice.

Alan: Mitch, there's a lot to consider when thinking about your retirement. We're living longer and retirement can account for up to one third of our lives. That's a lot of living and that's why financial advice is so important to make sure that you've saved enough to fund your retirement lifestyle.

Mitch: Absolutely, and preparing financially is crucial. But it's not the only piece of the puzzle. Understanding what you want from your life in retirement is the first step, this works in tandem with the financial plan to help you have the retirement you truly want.

Alan: So for advisers, the responsibility is broadening in this area. Advisers work with clients at the key points in life – and retirement is a good example of this. The approach to retirement can bring with it a rollercoaster of emotions, excitement, apprehension, fear of the unknown.

Mitch: It certainly can, and this is something that an adviser is well placed to support their clients with using the right tools. They're just expanding the type of journey they're taking with their clients. It's an enhancement, they're not just discussing how to fund the retirement lifestyle, they're also helping them to find the lifestyle they want to lead. The path to self-discovery sounds daunting for both sides, but advisers can build up the skills to guide clients to finding the answers.

Recognising that this is a key opportunity for a valuable discovery session is essential. This is a big change in circumstances for the client and a massive opportunity for them and a chance for you to deliver a true value add. To not capitalise on this would be a shame for everyone involved.

Alan: So how can advisers deliver this support?

Mitch: Encouraging their clients to think about retirement in a different way is the first step. You're asking them to take the time to look both within and around them, do they have a particular ambition for their retirement? Do they have a bucket list? How do they think those around them who have successfully retired have made it work? What did they do differently to the people who have struggled in retirement? These aren't questions you can answer on the spot, which is why it's important to encourage those approaching retirement age to start looking at these issues in advance. That's where things like the Second Life questionnaire can be so valuable, people can be so pre-occupied with finishing work, they also need to work on themselves and introspective questionnaires like these can be an ideal starting point.

Alan: We often forget what's being left behind when we retire, there's a rather unnatural feeling that we should leave our work personas behind us and embrace a new found freedom but for most of us we'll have spent decades in the workplace – it's hard to just switch off that side of us.

Mitch: Exactly, and often people are in a position to continue to work after they retire but if that's not part of your plan, it's a big ask to expect someone to turn their back on that huge part of their life. And that's where people can face challenges when adapting to retirement.

The truth is there are other ways you can replicate the satisfying feelings that work provided you with. One of the exercises I teach is to ask the client to consider their reasons and motivations for working, intellectual stimulation, competition, making an impact etc. And you can explore ways of maintaining those in your retirement whether that's by continuing to work to some degree, participating in your community or maybe volunteering.

Alan: We've conducted a lot of research with retirees and one thing that consistently comes up is that people can feel a loss of purpose when they stop working. How can an adviser help their client prepare so they don't experience this?

Mitch: Well you can't guarantee that a person won't feel that way but it's important for advisers to encourage their clients to be realistic about their retirement as they're approaching it. When you retire, you'll have 2000 extra hours of free time every year. That's a lot of time to fill. You need to think about your life as it is currently, what you would do differently if you had more free time? Have you started to think about who you'll interact with when you retire? Will your friends and your partner be retired at the same time as you? Are there social groups in your area with like-minded people that you'd like to get involved with?

People look forward to enjoying their hobbies more when they retire which is great, but realistically that's not going to fill all of your new found spare time. In our working lives, most of us have structured days. Retirement doesn't have to be as fast paced or high pressured but looking at how an average day could work, and then how an average week can work, this exercise can help people to maintain purpose, and take comfort that they won't be at a loss to fill their time.

Alan: Thanks Mitch. And our listeners can find out more about the services and tools you have to offer at roladviser.com and you can find our Second life questionnaire on brokerzone.

Thank you for listening. This podcast was recorded on the 30 May 2019.