

ParsecFinancial

Finding Your Passion in Retirement

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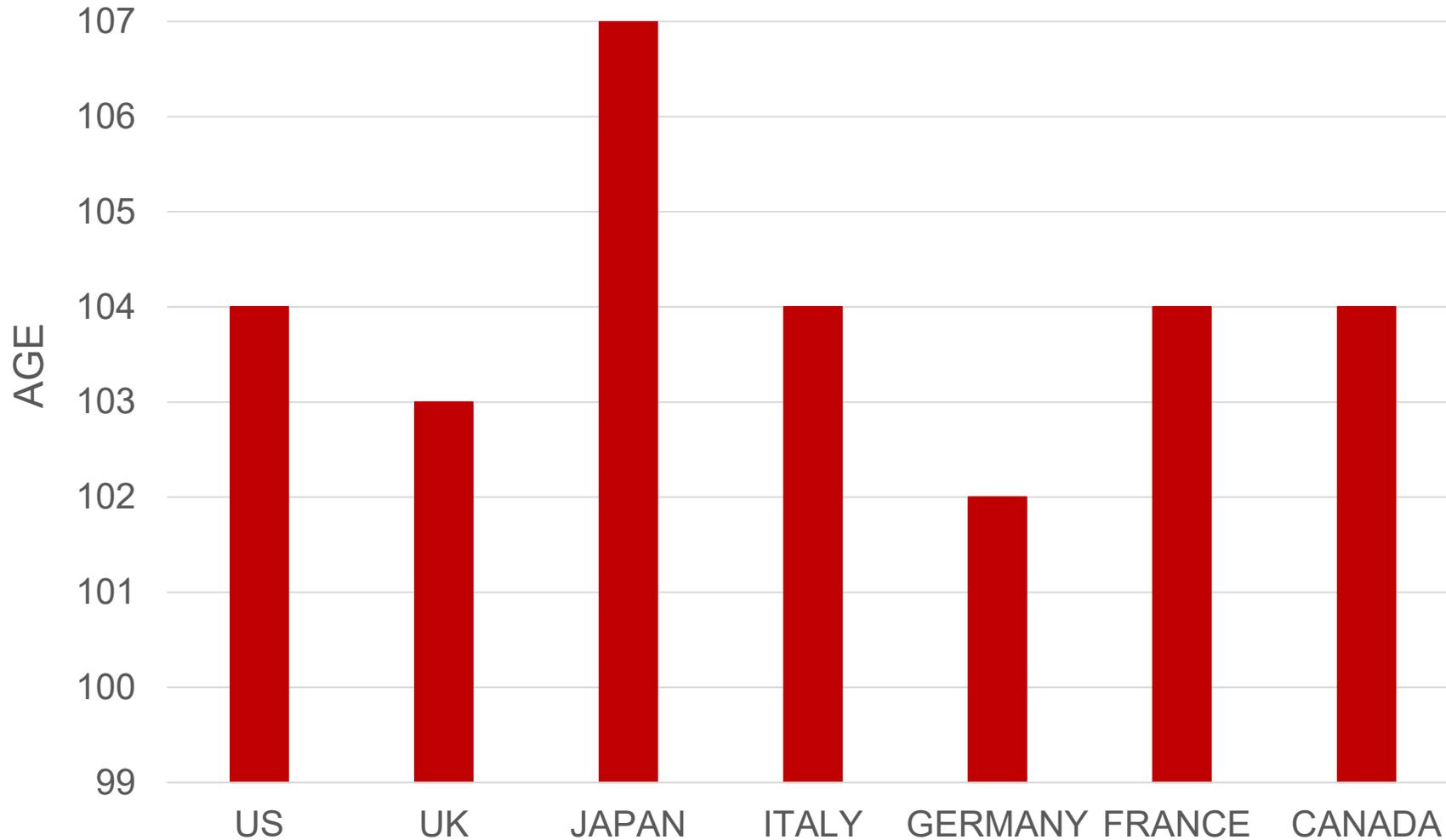
Goals for Today:

1. We are living longer, plan accordingly.
2. Since we are living longer, the old three stage model of; education/work/retirement no longer works for most of us.
3. A longer life requires us to rethink and reframe retirement from a time of recreation to a time of re-creation.
4. Have fun!

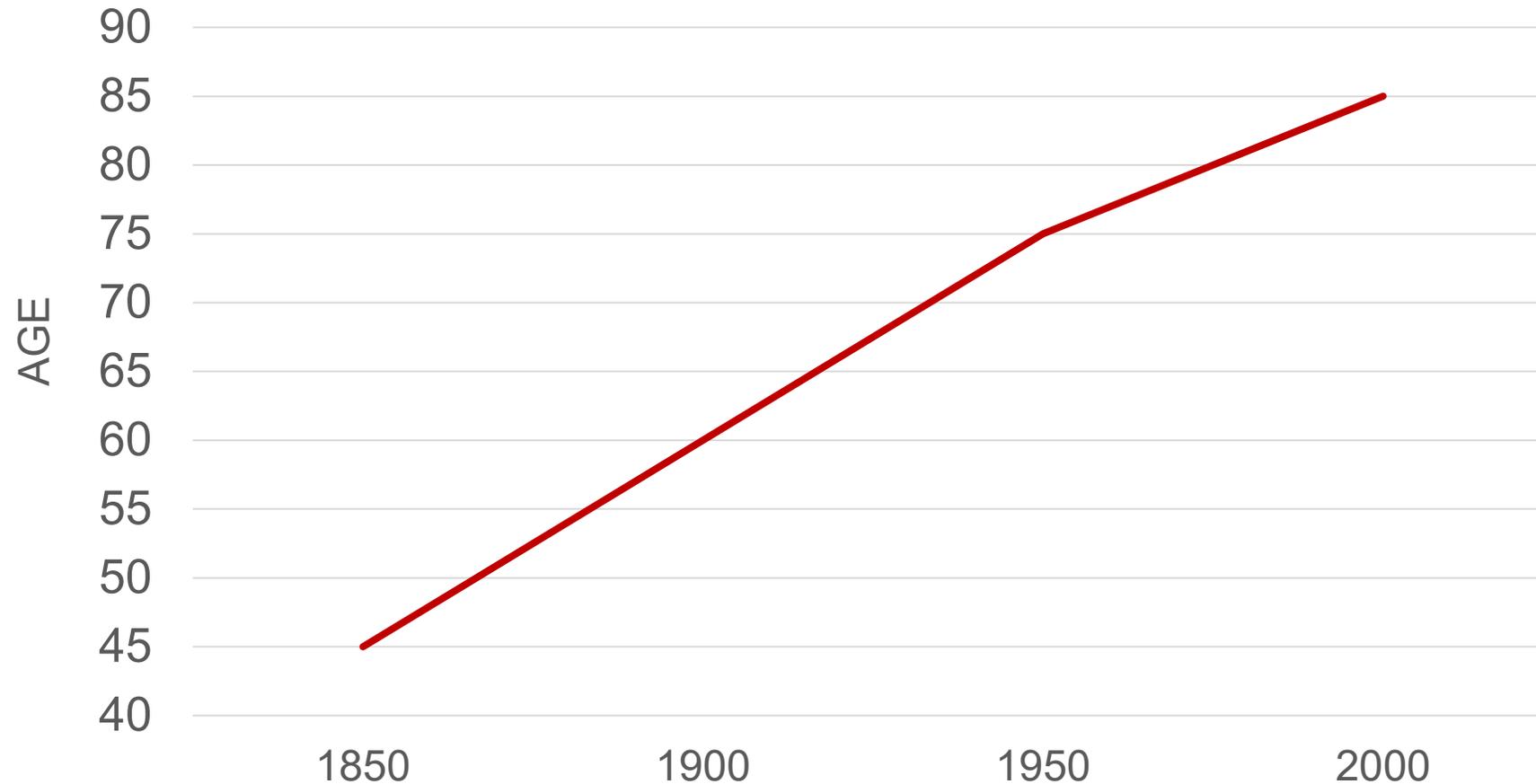
**We are living longer,
plan accordingly.**



Oldest Age at Which 50% of Babies Born in 2007 Are Predicted to Still Be Alive



Best Practice Life Expectancy



Since we are living longer, the old three-stage model of education > work > retirement no longer works for most of us.

Jack, Jimmy and Jane

- Jack, born 1945, life expectancy 70 years
- Jimmy, born 1971, life expectancy 85 years
- Jane, born 1998, life expectancy 100 years

Assumptions:

1. Need to replace 50% of final salary (modest, conservative, most people aim higher, setting bar low)
2. Retirement savings growth of 3% above inflation
3. Income growth of 4% over inflation
4. Retirement age of 65

Jack 1945-2015

Savings needed every year of income.

4.3%

Worked 42 years

Retired 8 years

Pension from Social Security

10%

Pension from Personal Plan

20%

Pension from Defined Benefit Plan from Initial Employer

20%

Pension = 50% Final Salary (\$78k)

Jimmy 1971-2056

Savings
needed
every year
of income.

17.2%

Worked 44 years

Pension =
50% Final
Salary (\$84k)

Retired 20 years

10%

Pension
from
Social
Security

40%

Pension
from
Personal
Plan

Jane 1998-2098

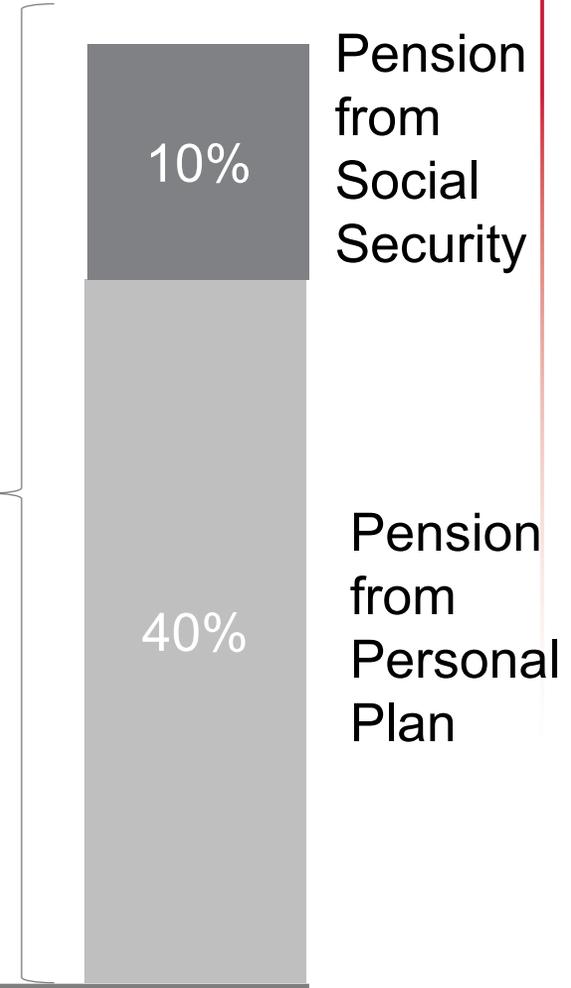
Savings
needed
every year
of income.



Worked 44 years

Pension =
50% Final
Salary (\$112k)

Retired 35 years



**We need to reframe
retirement from a
time of **recreation** to
a time of ***re-creation***.**

**What does it mean to
*live a good life?***

Tangible vs. Intangible Assets

Tangible Assets:

- Home/Retirement Account/cars/artwork, etc.

Intangible Assets:

Productive Assets

These are the assets that help an individual become productive and successful at work and should boost income.

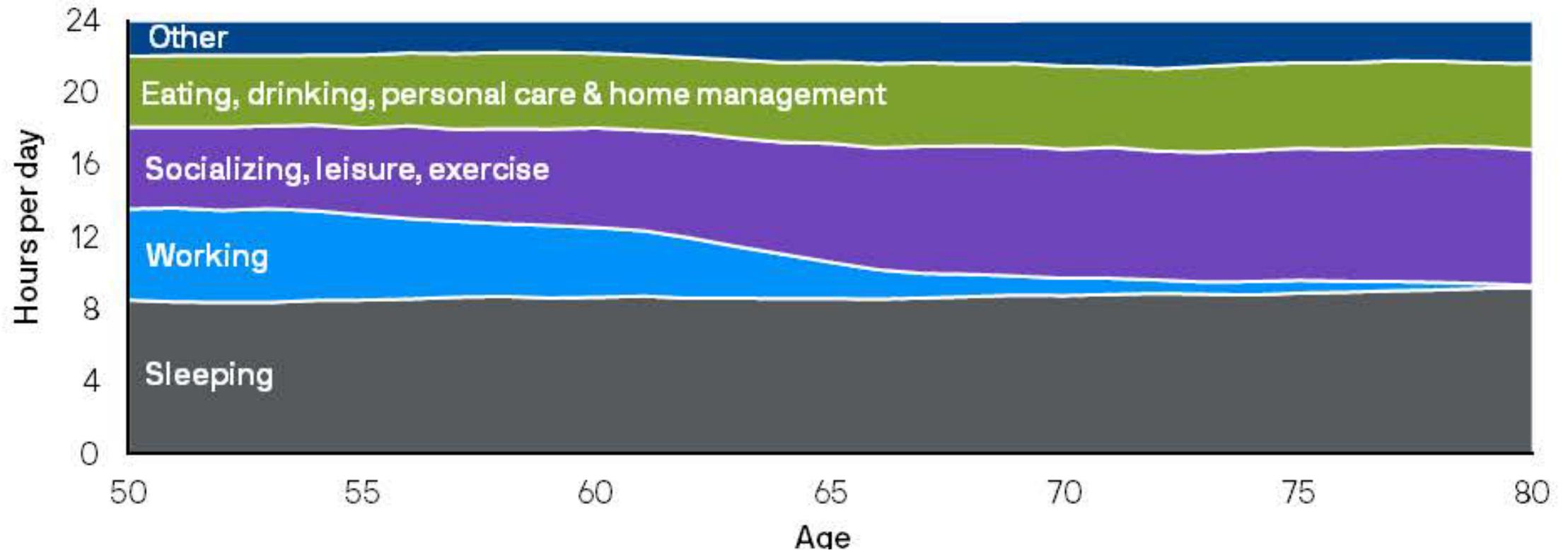
Vitality Assets

These capture mental and physical health and well-being. Things like friendships, positive family relationships, personal fitness and health.

Transformational Assets

These assets refer to your self-knowledge, openness to new experiences and diverse networks. This bucket has been relatively under-utilized within the traditional 3-stage life but will become crucial in a multi-stage life.

Daily Hours Spent by Activity Per Age



Lessons from Super-Centenarians



Lessons from Super-Centenarians



“Everything’s fine.”

– Jeanne Balment, age 122

“If you keep your mind and body busy, you’ll be around a long time.”

– Walter Breuning, age 114



George Kinder's Three Questions:

DESIGN YOUR LIFE.

“Imagine you are financially secure, that you have enough money to take care of your needs, now and in the future. How would you live your life? Would you change anything? Let yourself go. Don't hold back on your dreams. Describe a life that is complete and richly yours.”

George Kinder's Three Questions:

YOU HAVE LESS TIME.

“Now imagine that you visit your doctor, who tells you that you have only 5-10 years to live. You won't ever feel sick, but you will have no notice of the moment of your death. What will you do in the time you have remaining? Will you change your life and how will you do it?”

George Kinder's Three Questions:

TODAY'S THE DAY.

“Finally, imagine that your doctor shocks you with the news that you only have 24 hours to live. Notice what feelings arise as you confront your very real mortality. Ask yourself: What did you miss? Who did you not get to be? What did you not get to do?”

“100 years provides more time than required by the evolutionary imperative to breed and more time in which to meet any financial security needs. So, what is the purpose of these extra years if not to pro-create and accumulate? Might these extra years distributed throughout a life bring the time and opportunity to explore who you are and drive toward a way of living that is nearer to your own personal values and hopes than to the traditions of the society into which you were born? If so, then perhaps this is the greatest gift that longevity can bestow.”

-The 100-Year Life;
Lynda Gratton and
Andrew Scott

“Never stop learning. You may grow old and trembling in your anatomies, you may lie awake at night listening to the disorder of your veins, you may miss your only love, you may see the world about you devastated by evil lunatics or know your honor trampled in the sewers of baser minds. There is only one thing for it then - to learn. Learn why the world wags and wags it. That is the only thing which the mind can never exhaust, never alienate, never be tortured by never fear or distrust and never dream of regretting.”

-T. H. White,
The Once and Future King

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