

Ep31: This is Not Your Grandparent's Retirement!

December 6, 2019

PATTI BRENNAN: Hi, everybody. Welcome to "The Patti Brennan Show." Whether you have \$20 or \$20 million, this show is for those of you who want to protect, grow, and use your assets to live your very best lives.

I am so excited to introduce the guest that we have today. Dr. Joe Coughlin is joining us from MIT. He flew in this morning to join us to talk about the work that he's doing in the AgeLab. Joe, welcome to the show.

DR. JOE COUGHLIN: Patti, it's great to be here. Thank you for having me.

PATTI: I want you all to know that I'm like this wannabe geek watching and listening to Dr. Joe Coughlin. I've been up to the AgeLab. It's been a joy to learn from you and learn how we can make a difference in the lives of the people that we work with.

Joe, if you could, and by the way, let me give you a little bit of background of Dr. Coughlin. He's just unbelievable. He got his PhD. He's a senior contributor to "Forbes."

In fact, you just wrote an article this morning for Forbes, right?

DR. COUGHLIN: Yeah, this morning, on social isolation. "Retirement Risk That Can Truly Kill You."

PATTI: Now, tell everybody the story that you told me about the...

DR. COUGHLIN: It's a horrific story. It really kept me up late in writing the piece.

It's about this poor gentleman, a Navy vet. A decorated Navy vet, in his 50s, worked full time as a defense contractor, traveled frequently.

His mother, who would call him on his birthday, and frequently, lived out of state in Texas, couldn't reach him. She called the police.

They said, "Well, look, he travels a lot. He's an adult. We don't do missing persons on that." Years go by.



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PATTI: Years?

DR. COUGHLIN: Years. Three years to be exact.

They recently found him dead on his kitchen floor for the third Thanksgiving in a row. Social isolation kills.

In fact, it's been equated in the literature as being the equivalent of smoking 15 cigarettes per day. The piece I wrote in Forbes is really emphasizing that retirement planning is – you and I have talked about, Patti – needs to be about longevity planning.

It's not just about financial security. In fact, it's a new social security that we need to talk about. How do you stay engaged, and have meaning, and have people around us to check in on us?

PATTI: It's all about providing that meaning, having that purpose, living more fulfilling lives. In your book, "The Longevity Economy," which is, just for those of you out there, you got to get this book.

It really is talking about you. You've talked about the trends that are occurring in America today.

Frankly, how businesses can take advantage of it, and what we need to be aware of. I found so many of the statistics you talked about so interesting.

Really, how we need to revisit this perception of retirement, of aging. Tell us more about that.

DR. COUGHLIN: Well, as you know, there is a premise of the book, and this is where a lot of people either chuckle or take umbrage, is that old age is made up, and by definition, retirement is made up as well.

If you recall, the whole idea of old age and retirement came out of British medical literature, suggesting that you were born with, or imbued with a certain amount of vital energy. If you used this vital energy badly, which for you listeners means anything fun...

...that slowly...

PATTI: OK. I'm a dead duck.

DR. COUGHLIN: Exactly. Life worth living.

If you used it badly, that slowly, you would be drained of that energy. You would suddenly



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no longer be a full glass. You'd be a glass half empty.

You'd be so tired from this loss of energy that you would have to retire.

PATTI: Interesting.

DR. COUGHLIN: There's this nice linear line of retirement, to retirement homes, to, for many of us that are old enough to remember the phrase funeral homes.

These stories actually create narrative that we actually are laws of physics, when, in fact, frankly, the whole idea of retirement from work, retirement and loss of energy, or time to rest, are only about 100 to 150 years old.

PATTI: That's fascinating. That is really fascinating. Tell me – as I have learned – MIT is known for data, data, data, right? Data to me...

DR. COUGHLIN: Technology is the answer. Now, what's your question?

PATTI: Exactly. Right, right, exactly. What's cool about it and what I think is terrific is that the AgeLab at MIT is the third largest database at MIT.

Over the years, you've pulled together information and data, and applied that data, and used your research to really bubble up interesting things, even inventions.

Tell us more about that. What's the coolest piece of research that you think you've...

DR. COUGHLIN: First off, as you know, the AgeLab is not just multi disciplinary as in lots of psychologists, and engineering, and data science, as well as anthropology, and medical sociology, political science, if you will.

What we've really done is we're multi disciplinary, but also multi domain. We want to learn about that new future of old age.

The longevity economy through the lens of the consumer, the user, the person, the family if you will. That means we're looking at transportation, we're looking at housing, care giving, and of course, financial planning, and retirement planning.

Over the years, we've done work in all these areas and have amassed amazing data sets that are not just surveys and focus groups, but for instance, physiological data from the car. How stressed are you behind the wheel? Skin conductants, eye movement data, video data on how you respond to choosing financial products, to how you provide care, to how you drive the car of the future.



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I'd say some of the most exciting things is the fact that we're able to integrate all these things into one vision of how people behave, what they want. How can businesses excite and delight? How can families provide ideal care?

PATTI: It's interesting because when you talk about retirement and you talk about old age, it is not a burden to be relieved, it's an opportunity to be created. It's so interesting because that's such an important focus that I have. Maybe it's my nursing background, Dr. Joe, because I just really believe that we got to look at these things holistically, the whole person.

Your money's really a means to an end. What exactly are we trying to accomplish and this opportunity to be created that you talk about is so important. I literally just had a meeting yesterday with a scientist. He is a gentleman who has worked on cancer for his entire life and has made incredible discoveries.

He's in his late 60s. He's been so devoted to his work and he's beginning to think about this thing called retirement. He's kind of pushed it off, pushed it off, etc., thinking I don't know what I'm going to do. I don't know how I'll spend my time.

DR. COUGHLIN: It's also about his identity, not just his time.

PATTI: It's been really important because I'm encouraging that conversation because why retire if you're just going to watch TV? Right? That's not the idea of an ideal retirement.

It was interesting because yesterday, thanks to you, I began to start asking him questions. One of the questions I asked was your question. Tell me, what are the little things that make you smile?

Tell me more about your happy place like if you think about what makes you happy where are you? Who are you with? What are you doing?

This client's been a client of mine for years. He loves collecting rocks. In fact, they travel all over the world. He's a big rock collector and he's a wood worker. He got so jazzed up talking about rocks.

It was the funniest thing. His wife was like, "Oh, yeah, Patti. You should see our house. We got rocks from all..." It was just all of a sudden he began to think about what life in retirement is. I asked the question how much time do you have doing the woodworking? He said, "I don't have any time."

It was really cool to begin that visualization, that brainstorming in terms of what retirement looks like for him so that he can seamlessly go in and begin doing those things that he really loves to do.



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DR. COUGHLIN: It's amazing. I actually have a woodshop that built in my basement.

PATTI: Really?

DR. COUGHLIN: I'm never there. Also, you'll get a kick out of this, many of your listeners may identify with this, the majority of baby boomers consider themselves gourmet cooks.

For those who have the resources, many of them build out very great gourmet kitchens, of which they never use because they're either not home, don't have the time, or whatever it might be.

PATTI: Oh, yeah. We have a Harley. I got a Harley right in my kitchen. My husband loves to cook. He's there, etc. Ask me the last time we turned the thing on.

Same thing. We have all these visions and these ideas, but really taking the time to enjoy them.

DR. COUGHLIN: I think in the spirit of asking those questions that to me, is the essence of what I've been calling the longevity planning, which is not to tell people what they're going to do. Not to ask what their vague goals are going to be 20 or 30 years out, but to find out what makes them tick. What are the little things, as you say, that make them smile?

Often, sometimes even spouses don't even know. Having the morning paper with a blueberry muffin could be success for that day.

PATTI: Your point is well taken. They don't even know what retirement is going to look like.

DR. COUGHLIN: None of us do.

PATTI: To be honest with you, I think that's part of my job. I tell people all the time, I've been doing this for over 30 years. I've helped over a thousand people retire comfortably, seamlessly, and use their legacy, use their assets, again to live their very best lives. You get to do it once.

DR. COUGHLIN: Yeah, exactly.

PATTI: Hopefully, I can use the resources that we have, the experience that we have, to make it as easy and fulfilling as it possibly can be. One of the things that is also interesting that you've taught us, again, I keep on referring to teaching us. Thanks to John Diehl in the Hartford Group.

By the way, let me do a sidebar, if you haven't listened to the podcast that John Diehl and I did, we did three podcasts earlier in the year. Folks, if you're listening, they are the most



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popular podcasts we have on the program, and thousands of people are listening to this podcast right now.

I'm really surprised how viral this is becoming. John Diehl's podcasts are the most popular. Again, through the work that Hartford is doing with MIT, they are leading the charge in helping people like me, advisors, develop this model and become what I think is really going to be important for the future of providing a real service to our clients.

DR. COUGHLIN: As you know, Hartford has been a long term sponsor. John and I are not just good friends but co conspirators in trying to...I would suggest to push the industry, the financial planning industry, to an entirely new frontier around longevity.

To steal from John, in many ways, money is like electricity. You absolutely need it to do everything you want to do, but that alone does not tell you what to do, how to do it, or what you're going to enjoy.

The industry and the work that you're doing, Patti, and your advisors here, starting to not just chart, to curate, and coach, and collaborate with the clients and outside services to envision what their futures going to be is indeed the future of longevity planning.

PATTI: It sure is. We're not going to do it in this podcast but in another podcast, probably the second or the third. We're going to record them today. We're going to talk about some of those services that we've curated and we found to be very helpful for people who are our clients and people who are listening. That will be a lot of fun.

One last thing, I also found it interesting, in terms of your research and the difference between men and women handle this thing called retirement. I had people in earlier this week and it was really interesting, very comfortable, very wealthy CEO of a company. They're really nervous about what it's going to be like to have him around.

As I was thinking about today's podcast and that subject of men versus women, I was reminded that...I was thinking about this weekend. I had a bunch of girlfriends who we all got together, Friday night, went to the movies. I can't imagine our husbands doing that together.

DR. COUGHLIN: Guys aren't socialized that way, enjoying.

PATTI: Yeah. What does that really mean in terms of this experience called retirement, and what is the difference between men and women?

DR. COUGHLIN: As you know, I write for Forbes. In a recent article I wrote on Forbes, I did a little bit of back the envelope calculation that will scare perhaps a number of couples that are listening, particularly the wives.



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Because in general, we only spend six waking hours during the week with our spouse, and that counts showers, bio breaks, eating, going to the grocery store, and everything else.

PATTI: Wow.

DR. COUGHLIN: If you retire Friday at five o'clock and show up Monday morning at home, you just went to 16 hours a day on average that you're going to be spending. I cannot tell you how many women I've interviewed in focus groups, and the like.

I don't know who this person is on my couch, but he wants me to make him lunch, and wants to know what we are going to be doing the rest of the day. Well, we have a schedule. I don't know who he may be. There's real challenge there.

Patti, the point about the difference between men and women in retirement is that you don't need to go to MIT, though there's a difference between boys and girls. I know I'll catch flock from a lot of the men in the audience. Women do more.

What I mean by do more, their roles are not just professional roles in being a wife or a partner or even a mother, but they're also caregivers who're doing the shopping, or the chief financial officer of the house. Even if they don't make the money, they know where it's spent, and how it's done.

Also, to your point about going out with the girls on Friday nights, they also are, in many cases, the chief social officer, versus men. Even the millennials that I've been watching of recent date are pretty focused on that 8 to 10 hour a day during the day.

Men more than women are more likely to use the phrase, "So, after I know your name, the second question is, what do you do?" I would suggest, in retirement, the two most scary words that mostly men have to articulate was, "I was."

The first year is, "Well, I am." After about a year, they look down on their shoes and they go, "Well, I was," and then they look to their spouse typically and say, "Well, what are we doing now?"

Given the fact that the highest of worse rate in the world is amongst the 50 plus, so called grey divorce, her response quite often is, "I don't know what you do, but I no longer do it with you."

PATTI: Oh, my goodness. That is interesting. It is a period of life where we redefine ourselves. Who are we? What's our purpose? What are we going to do with our lives? How do we add value to the people around us? That's scary when you've done the same thing for 30 years, 40 years, etc.



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It's also interesting to think about in terms of psychologically women are used to the drill...

DR. COUGHLIN: Yes.

PATTI: ...and are used to all of that. Whereas men, I would imagine the depression really begins to set in.

DR. COUGHLIN: Yeah, because that sense of identity, social network, and purposes wrapped around the job. The only thing that women on why they come out differently in retirement is they see older age when they're far younger. They're the caregiver. They're the ambassador of their parents and in laws, in many cases.

The number one profile of a caregiver is, first, the spouse. Secondly, the oldest adult daughter. She knows that this is not going to be all golf courses and beach walks. She, generally speaking, plans a little bit more ahead. Or, should we say, has a more realistic vision of what those years are going to be.

PATTI: It's a great point. A lot of people who come in to see us, and a lot of people in general are having unrealistic expectation of what this thing called retirement is all about. John brought it out in our podcast. There is so much golf a person can play, and beaches that you can walk on.

DR. COUGHLIN: You've heard me tease your colleagues and fellow advisors. The new brochure cover is all going to be sitting at cafes along river walks while other people look exactly like us are riding bikes going by.

PATTI: Exactly. It's a forest. What does it really look like? If you were to think about the mistakes that people make as they enter that phase, is there anything that your research has bubbled up in terms of what's the biggest mistake people...?

DR. COUGHLIN: So far the biggest one that comes to mind is underestimating. This is a quote I get over and over for people that have been living in retirement for a number of years, "Just how long it's going to be." It's a retirement in the classic sense of 62, 65, even frankly 70, is a long time.

Even those of us who have passions and hobbies and maybe even do want and play a golf, you have seven days a week. That freedom can be a sentence if not understood, that you've got to fill in a lot of activities.

We typically have very short term goals is the second mistake. We talk about we're going to spend more time with the grandkids. All of us who have children know that by the time that kid gets to be 10, they're too busy to spend a lot of time with grandma and grandpa, unfortunately.



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PATTI: Absolutely.

DR. COUGHLIN: A trip to Disney – that’s one week a year. Now, what about the other 51 weeks? Probably, the third one is that knowing that they’ve got to work on their relationship with their spouse. You’re a new and different person at that point. New career, new aspirations, new needs, with their health and emotional and the like.

Time, knowing exactly what you’re going to do, and renewing those vows as to what that next third of your adult life is going to be.

PATTI: What I love about your work is how you frame things in 8,000 days. It really is a good, really important point because that’s a long time. 8,000 days is from the age of 0 to age 21. A lot happens during that period of a person’s life.

If you think about life being four segments of 8,000 days and retirement being the last one, imagine that life of 0 to 21, except you’re an adult in your 60s, in your 70s.

DR. COUGHLIN: While envision is a little closer as you’re an adult, that period from 21 to the late 40s, so called mid life crisis. In between, you had education, marriage, maybe children, two or three houses along the way. That’s the same amount of time we have to plan for in retirement.

PATTI: A lot of people think about retirement being about the financial aspect of things. I do tell people, “It is the most expensive thing you’re ever going to buy.”

DR. COUGHLIN: You don’t try it on, you don’t taste it, you don’t take it for a test drive, and you don’t do a walk through.

PATTI: How about that?

DR. COUGHLIN: We’re making this up as we go along, in some cases.

PATTI: That’s where it’s hard, and that’s where having an opportunity to brainstorm and walk through what does it really look like. It’s not just about the numbers. The numbers are important, we’ve talked about this before. That’s table stakes.

Performance...Every advisor should be delivering performance. That’s what we need to do.

But it’s more to me about outcome. What exactly are we delivering the performance for? What’s your ideal outcome? Let’s do some brainstorming in terms of what your life is going to look like and how this money’s going to support that vision.



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DR. COUGHLIN: One of the things that's never really been done because most people don't realize this is that while there has been retirement, it has never been this context of longer lives, families that are more fragmented and mobile and whatnot.

One of the great innovations that you do, Patti, and that others should do as well, is to ask the questions. You're right, money's the table stakes, but where are you going to live? What are you going to do? What makes you tick? Not just the, "Gee, I'm going to golf, or God knows how many years, I'm going to buy a place on the beach."

For instance, how many spouses – and our research indicates not many – have actually had the conversation about where they're going to live in retirement?

PATTI: I was just going to say, Joe, a lot of people move several times in retirement. They buy that second home, they try it out, they live there, then they move back. To ask those questions not just once, but over and over again, because you might get one answer when they're 62 years old and quite a different answer when they're 72.

The kids might have moved across the country, friends might have passed away. They might be having some health issues and they want to move closer. I had a client who lived at the beach, and they realized that they were pretty far away from good medical care, so they ended up moving into an area that they never anticipated.

DR. COUGHLIN: Something that you may find fun, but will also give your listeners a way of thinking about it to your point, is I think that there's probably at least three moves in that latter 8,000 days. There's the classic downsize, the house is too big or yes, we want to move to the beach.

But then what you just described, I call the "right size," which is maybe one of us is ill or wants to be closer to the adult children, so they ricochet back to the Northeast after having lived in Florida or Arizona.

Then sadly, eventually, one of us is going to be "solo size." Think about that, we've never really envisioned three moves in retirement.

Our parents didn't do that, generally, and our grandparents certainly did not. Today's planner, today's retiree, these folks are hacking or charting a whole new frontier of longevity.

PATTI: They're winging it. A lot of times they're just winging it, and that's where it gets dangerous. Because once you retire, you pretty much have whatever you're going to have, and then it's a matter of how that spans out. Modeling those things.



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I believe that there's always a solution. I believe you can pretty much have whatever it is that you want.

It's just a matter of being thoughtful about it and making sure that you've pulled the different resources and are realistic about what's OK and what's not. The boundaries, the guardrails, right?

DR. COUGHLIN: Right.

PATTI: Well, Dr. Joe, I can't thank you enough. This has been phenomenal.

We're going to be talking about some additional things. Again, I want to put this as you say so well, "We're going to give you bites, not breakfast."

DR. COUGHLIN: Right.

PATTI: Give it to you a little bit at a time. Folks, thank you so much for joining us today.

What a wonderful, wonderful opportunity to have one of the leading researchers in America talk about something that really isn't being talked about enough.

If you have any questions, please feel free to go our website at keyfinancialinc.com. Thank you so much for joining us again.

I'm Patti Brennan, and we will see you again, real soon.



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