

## PBS Episode 158 – MIT Recap

**Patti Brennan:** Hi, everybody. Welcome back to "The Patti Brennan Show." Today, we're going to have a really interesting show. I want to tee it up for you to give you a feel for what got us to the discussion that we're going to have today.

Many of you know that I'm on an advisory board with MIT's Age Lab. I've done podcasts with Dr. Joseph Coughlin. He wrote the book called "The Longevity Economy." He is brilliant.

The coolest thing that I get to do to is go up to Boston to be with these brilliant minds. I get to learn about what the latest and greatest discoveries are as it relates to this thing that we call "retirement." What are the stages of retirement?

Every year, Dr. Joe at MIT has a symposium and this year he asked if I could come up and speak. Unfortunately, I was not able to make it. I said to Joe, "Would you like me to send somebody in my place? Because this is an area that we do a lot of work in." He said, "Patti, I would love that."

Long story short, my son Michael Brennan, chip off the old block as Dr. Joe would say, went in my place. He spoke to the folks at MIT and an audience who wanted to learn more about how we do this thing called "longevity," in other words, life planning. It's such an important part of what we do. Michael, welcome to the show.

**Michael Brennan:** Thanks for having me.

**Patti:** First, I thought it was interesting about what you learned regarding the four pillars of advisory services.

Just to give you some background. Honestly, I started in this industry without having a clue what I was talking about. In fact, I was educated as a nurse. I worked in oncology first and then I was promoted into intensive care.

When I first started in this profession, I was embarrassed. I didn't tell anybody that my background was really nursing because I thought it detracted from my credibility. I can't begin to tell you how often I fall back on what I learned in school and what I learned in the hospital. Even beyond that, working with clients, working with their families, and how handy that education really has come into play.

Michael, when you were up at MIT, you learned about these four pillars.

**Michael:** Yes. So, MIT and a handful of other larger institutions conducted a gigantic study. They wanted to look at what things were important to clients during retirement.

**Michael:** The study focused on four pillars that compromise retirement today and that people were most concerned about. Those four pillars were purpose, health, family, and finances. Each of these four pillars are deeply intertwined with each other and they're all important to living well in retirement. When I think back to those four pillars, I internally joked as we were going through the results. I think back to purpose, family, health and finances. There is a big inner intersection between all of them and we tend to be smack dab at the center of that intersection.

The joke was that I turned to somebody else, and I said that it's interesting that the person who was trained to talk about stocks, bonds, mutual funds and markets is now the person clients are talking to about their health, family and purpose. How about that?

**Patti:** Michael, I'm telling you, that is what we've been about. I know I'm beating the drum again, but people are not their money. When we help them with those other three things, we are much more holistic in our approach. We're helping people live better lives. That's what it's all about and it's so important.

OK, we've talked about the four pillars. I think that for many people in retirement, the biggest thing they worry about is cognitive decline. Dr. Joe talks about the four phases of retirement. The first phase is the honeymoon period. They're retired and loving life. Then they have the phase of complexity, and they want to simplify.

There are things happening in the brain during this phase of life. Big decisions must be made. "Should we downsize? Should we move? Should we move into one of these communities?" Then the fourth phase is living solo. As you know, when we're in our conference room with a couple, what do I always say?

**Michael:** "There will be a time when I am sitting at this conference table with one of you, that's when it matters."

**Patti:** It really does, because how often have we been in that position? What a gift it is to know everything about this couple. They've both kicked the tires and we know what to do when that inevitable event occurs. We can guide those people, the survivor in that case, and help them through what will be probably one of the most difficult periods of their lives. This is when their cognitive synapses may not be firing off the way they used to.

**Michael:** Right. I've got to say one of the coolest things that I get to see happen is when I can look a client in the eye and I can say, "Look, when you pass away, we've got you. You have my word that I will hold your wife's hand and walk her to the probate court, if necessary." I will hold your wife by her hand and say, "We've got you."

You can see the person sitting a little taller. So much relief comes along knowing that when the end of life does come, their spouse is going to be okay. My goodness, it's the coolest thing in the world for me.

**Patti:** Absolutely, 100 percent. The other thing that I think is important, and what I'd like to do for everybody is walk them through the bookcase analogy.

**Michael:** Of course.

**Patti:** It's so important because people go through different phases of life. Michael, I am going to pretend that you are an 80-year-old gentleman. To the left of your body is a bookcase. This bookcase represents the hippocampus, that part of your brain that is the facts, figures and memories. This bookcase, Michael, is not too strong. It's kind of flimsy.

**Michael:** It probably came from IKEA, and I put it together late at night!

**Patti:** Let's take this even further. On the top shelf are your most recent memories such as what you had for breakfast this morning and who visited last week, the most recent memories. The second shelf are those memories from when you were 60.

**Michael:** OK.

**Patti:** The third shelf, by your knees, are your memories of when you were in your 20s. You met your spouse and had your first child. The bottom shelf was when you were a little kid. That is your bookcase. Now, aging occurs. Michael, pretend you're 80 years old. You're shaking the bookcase. What books do you think are going to fall out first?

**Michael:** The books at the top, Patti. The memories from earlier today.

**Patti:** Maybe who visited last week, that's your short-term memory. That's what people lose first. We're going to continue shaking the bookshelf. Now we have the second shelf, those memories from the 60s.

**Michael:** They might fall from one shelf to a shelf below.

**Patti:** Right. Good point.

**Michael:** So, I could mix up times and decades of when I was in college and when I met my spouse. Was it when I was 20, 29 or 30? Things get jumbled up as far as time frames are concerned, on this bookshelf.

**Patti:** Outstanding. Now that we understand facts, figures, and memories, we're going to look to your right. You're still the same 80-year-old, and you have another bookcase that is represented by your amygdala. That's part of the brain that really defines who you are. That's your emotions, humanness, and personality.

**Michael:** The feelings that make up me.

**Patti:** Exactly. This bookcase is very different. This one is strong, built, and it's oak. It takes a lot to shake this stuff out.

**Michael:** It's tough to rock.

**Patti:** Let's make this real. You're 80 years old and you're in a nursing home. Let's pretend that I'm your daughter. We're going to flip the tide here and I get to be the young person. I love that.

I'm your daughter and I'm visiting you. You don't know my name, my husband's name or my kids names. You're doing your thing, and you don't remember what we talked about 10 minutes ago. You repeat the same question repeatedly. It's kind of a frustrating experience.

**Michael:** "Hey, Merit, I just want to talk about you winning two bronze medals in the Olympics back in '98."

**Patti:** "Dad, I'm not that person anymore. That was way back when and that's the wrong year." The most important takeaway from all of this is that Michael is still Michael. His humanness, his emotions, etc.

I may not want to visit him. I might think, "Oh, my God, I'm so busy. I don't have time, and I don't want to be going there. He doesn't even remember who I am, he's forgotten my name and my kids names. He asks the same questions over and over repeatedly. And I don't even know why I bother."

Here's the important takeaway as it relates to dementia, including Alzheimer's me. There's lots of forms of dementia. We're just going to talk about dementia in general.

Michael is still Michael and he's 80 years old. When I leave after that visit, he's got a warm and fuzzy feeling, feeling safe and loved. He's not quite making the connection as to why he feels that way, because he doesn't even remember who I am, but he is secure. My point here is that they are still that person. Keep visiting.

**Michael:** Right.

**Patti:** Keep going. It matters.

**Michael:** Yeah, I think sometimes people get so caught up in managing the symptoms and managing what needs to be done that we can forget about that the person still needs to feel. It's critical to remember that this person has dementia, but they still have feelings and emotions. No matter how impaired they become by their dementia, they still feel. They're not zombies walking around aimlessly.

**Patti:** We should acknowledge that there are different phases. I think there's about 11 stages of Alzheimer's. The fact of the matter is that some people get agitated, frustrated and they act out. It's a really difficult thing to watch and participate in.

**Michael:** We've got to keep in mind, if a loved one is getting frustrated, imagine how the person feels. I guarantee you they're frustrated with themselves as well.

**Patti:** Well, that's why they're acting out. Keep in mind that they are acting out in frustration, anger, and agitation because they're not happy with how they feel. They don't understand why they don't know what is going on. They don't remember what happened yesterday. We're not here to pontificate, there are experts in these areas. I think it's important for us to bring it home and to bring all four pillars into the discussion. That's really the key here.

Let's go back on the stage at MIT at that event where you killed it, according to Dr. Joe. I'm going to pretend that I am the person interviewing you.

**Michael:** Real quick, and I must make a joke about this because I made a joke to all the people. When I was presented with the opportunity to go up to MIT, at first, I'm like, "Oh, dear God, what am I going to say on a stage. So, I did some research.

I don't know half of the acronyms that came after these people's names. I'm up to speed with PhD, but that's about where my knowledge ended. I do not know what these alphabet soups came after their names meant. I prepared for it, and I learned something great about myself. Maybe that could be a different podcast or therapy session.

**Michael:** When I first started thinking about going to MIT, I realized that I'll be talking to people that specialize in dementia, Alzheimer's, and aging. I wanted to know everything that I could possibly know about dementia and Alzheimer's and aging. I started reading book after book. I read this book called Longevity, which is phenomenal. Maybe it wasn't the time and the place for me to be personally reading it. But my goodness, I learned more about DNA, cell structures, telomeres, and how we can lengthen our telomeres to slow down our actual aging speed.

**Patti:** Ok, I want to know about that.

**Michael:** I say this to poke fun at myself. My father-in-law said, "Michael, if you try to get up on stage at MIT and you start talking about DNA, cell structures, and telomeres, you will be ripped apart. You're not up there to talk about DNA and cell structures. You're up there because you're a financial advisor that has experience in dealing with this."

This is where my best thinking gets to me. I try to become an expert in an area where I will never be an expert. These are the experts. They're coming to me. They want to hear from me what it looks like on our side of the stage.

**Patti:** Because you know what, Michael. They're doing research. Dr. Joe tells me all the time, "Patti, you're on the front lines. You are living this every single day. We can come up with our theories. We just finished our podcast on presidential cycle theory. Theories are just that. What's the practical application? What's really happening in those people's lives on a day-to-day basis? In all four pillars."

**Michael:** I mean, the fact of the matter is, if we are living longer, what does that do to your day-to-day? How do you plan for if a client's going to retire at age 65 if they're not going to pass away until 100? We're talking about a retirement period of over 40 years.

**Patti:** Perfect segue. First question. We're not going to be experts in cognitive changes. So, what are we doing? Technology is changing everything, right? What are we doing to help our clients through these four phases of retirement and all the changes?

**Michael:** Believe it or not, the question was posed to me on stage. When might such technology be adopted and begin to transform the business of advice? My response was, "I think it already has," at least especially from the relationship standpoint.

The implications of technology are going to allow us to do our job better. We can plan for longevity. We can plan for unexpected medical expenses and long-term care stays. We will stress test every single one of our financial plans.

All clients are going to have a built-in scenario assuming that a long-term care or nursing care stay is going to happen. It's going to come at a clip of \$120,000 per year, and we're going to inflate it at 8 percent every year.

**Patti:** What's cool about this is we're building scenarios to reflect what happens because people don't go directly into a nursing home. "What if I just need care for a couple hours a day, then maybe a full shift, and then maybe assisted living." And then what else?

We're the ones that are sending the money out. So, I want to have practical evidence of what is going to be needed. I don't mean to steal your thunder here, but I want to know what's going to make this family fail. We must be ready.

**Michael:** We always want to skate to where the puck is going, right? If somebody is projected to deplete assets prior to age 95 or 100, what are we going to do about it? It's a lot better to have a plan in place now rather than reacting during a bear market or a health crisis. That's how we make better and more informed decisions.

**Patti:** Perfect. It's fascinating how the industry is changing. Especially the CFP exam. When I took the CFP exam, it was about stocks, bonds and portfolio management. It was a heavy emphasis on estate planning. That's where I got such a strong foundation.

Tell us what they are emphasizing now. We have nine or ten CFPs here. We've got MBAs and CFA's, lots of letters. The CFP, to me, is the most holistic education. It's hard to become a CFP today.

First, you've got to pass all the modules. Then you must pass an all-day exam that has a passage rate of about 33 percent. You've got a practicum and a presentation of a real financial plan. The CFP board is not fooling around.

**Patti:** Michael, you talked about technology up at MIT and how the industry is changing. Tell me more about what you spoke about there, even if it was the CFA.

**Michael:** Right off the bat, the shift has already begun, especially for the good advisors. When we're talking about technology, we can utilize and lean on that to help lead to more successful outcomes, retirements, and all that good stuff.

First, the industry has become much more holistic in recent years. The days of being a stockbroker and the days of saying that you're an insurance salesman are not going to cut it anymore. We could look at the CFP exam list of priorities. They're focusing on psychology, estate planning, and family planning.

Of course, they focus on markets, stocks, and bonds as well as the portfolio allocation, cash flow, and estate planning. That flows directly into what we do and what we say. Realistically, the CFP can teach you one thing but how does practice translate?

This is how it translates. We are taught and trained not just to ask a client if they have their estate documents in order, but also to review, understand the documents, and make sure that they align with what the client really wants.

We had a case recently, Patti, where the client's power of attorney was different than the client's revocable trust. It was different in the sense of how they defined the word "capacity."

**Patti:** Incapacity.

**Michael:** Incapacity, very different. In that case, we're talking about taking education and tying it into practice. In their case, because of this incongruence and definition of incapacity, it made more sense for us to favor and add more assets to the revocable trust.

**Patti:** It was important.

**Michael:** It's a huge catch. The average listener may not be able to notice what we're looking for, but please don't just present your documents to your financial advisor. Make sure that they read. It's another extra set of well-trained eyes.

**Patti:** So, what do we worry about? What do we think about? What do we teach our clients? Because we're holistic and since we're talking about technology, there are several scams that our educated clients receive. I can't tell you how many examples I have sent out to clients saying, "Oh, boy, here we go again." There was a dating scam. A particular client lost \$65,000 plus.

Another scam occurred where somebody's computer was scammed. We must be very careful and educated. Technology can be terrific. So, you get an I-Pad. How do you use it? How do you call an Uber? Let's walk them through how to call an Uber.

It's the hands-on helping people day-to-day on a practical level, that helps them live better lives. It has nothing to do with their portfolio, their insurance or their 401(k)s. It has everything to do with their peace of mind.

**Michael:** Here's one thing I learned, and I've researched before. There is something that I've always struggled with, taking somebody who has dementia and placing them in a confusing setting. I am more than able mind and body right now, but if you put me in a hospital, I'm going to say, "What the heck's going on?" I have an issue with taking a confused person and putting them in a confused setting. There are places (even entire towns) devoted to dementia such Amsterdam and some of the Nordic countries. Husbands and wives go together to the town, they had already signed up for it. The entire town is a safe haven for those with dementia. You get to maintain your own home and there are nurses all over the place.

If I have dementia, I hop on a bus and I decide that I don't want to go grocery shopping, but I want to go to the movie theater instead, that's fine. Guess what? The movie theater and the shopping greeters all know my name. They know where I live, they know my wife. It's perfectly fine for me to run around this town.

The fact of the matter is, if I am in this state of mind and I'm able to do my thing, I'm probably going to live a little bit longer. I promise I'm going to live a little bit better though.

**Patti:** Getting back to how we started with your bookcase, your oak bookcase is very happy, isn't it?

**Michael:** Yes. It sure is.

**Patti:** Let's bring this full circle, understanding the opportunity to improve the lives of people as they age. That's what it's all about. That truly is our purpose.

**Michael:** Right.

**Patti:** Folks, thank you so much for joining us today. This is a heavy topic, but it's something that needs to be talked about because you don't know who's going to be affected.

Let's be honest and let's be real. Look out for anyone you know that may be vulnerable financially, physically, and emotionally. People who know you when you're perfectly healthy can usually tell when things might be getting off a little bit.

Michael Brennan, thank you so much for being you. Your oak bookcase is alive and well.

**Michael:** It sure is.

**Patti:** Your flimsy one is pretty good, too. Occasionally, those books at the top. For all of us, understanding this is all part of being human.

**Michael:** That's right, and I promise that I will visit you and dad in Amsterdam.

**Patti:** Oh, my goodness. Thank you, Michael Brennan.

**Michael:** Of course.

**Patti:** I am Patti Brennan, and this is Key Financial. We are wealth management with wisdom and care. Boy, we showed that with what we talked about today. Thank you so much for joining us. I hope you have a great day. Take care.