FINANCIAL LIFE PLANNING

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# THE ROOTS OF MONEY SCRIPTS

For many of us, managing our finances and building economic security is a nagging concern. We know we should be making greater strides in taking control of our money matters, but nothing changes. We become confused and discouraged about our inability to make positive change in our financial lives.

However, the authors of *Wired for Wealth* (Brad Klontz, Rick Kahler, and Ted Klontz) say that all of our financial actions—or inactions—make perfect sense when we understand what "money scripts" drive those behaviors. They write:

> *"Money scripts are the thoughts, beliefs, and attitudes that we hold about money. Many of our associations are hidden deeply in the unconscious mind."*

Klontz, Kahler, and Klontz go on to explain that, as children, we internalize money messages we receive from our parents, other significant people in our lives, our life situation, and from society as a whole. They explain, "Because children take in and process messages about money in individual ways, the money scripts they learn from their situations can vary." In other words, two children from the same family can grow up with completely different money scripts and different ways of managing their financial resources.

A review of your money memories will give you tremendous insight into the money scripts that consciously and unconsciously influence how you deal with money issues on a day to day basis. The following questions will guide you in this reflection process:

1. What is your earliest money memory?
2. In your family, was money an issue, a source of conflicts, a reward, or a tool for achieving goals?
3. As a child, what was the most important lesson (positive or negative) you learned about money?
4. What were the spending/saving patterns of your mother? Of your father?
5. When did you first start earning your own spending money? How did that make you feel?
6. What money habits have been an obstacle to reaching your life goals?
7. What money habits have brought you closer to your life goals?

## IN THIS ISSUE—

**The Roots of Money Scripts** ........................ 1

**Retirement Reformation: Redefining "Work"** .............................. 2-3

**New Life Span Realities** ............................. 4

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# RETIREMENT REFORMATION: REDEFINING "WORK"

*"Retirement is changing. Many individuals are retiring from their career professions only to take on new work (whether paid or unpaid). These changes point to the need for reshaping our ideas and institutions associated with retirement and developing new perspectives on the nature of work."*

—Dr. Phyllis Moen, Sociologist

CHANGE

Our concept of retirement is undergoing a metamorphosis. Demographic, societal, and workplace trends have all converged to offer a stage of life that is much more fluid and flexible than what most of us previously imagined. In fact, retirement has become a matter of personal definition.

Adding fuel to the fire of retirement reformation is the aging of the Baby Boomers. This huge cohort of men and women, who were born between 1946 and 1964, has been likened to "a pig in a python"—a distinct population bulge that refuses to "pass through" history unnoticed. Because of its sheer size and collective force of personality, the influence of this generation has been nothing short of phenomenal. Just as the Boomers have redefined every stage of their lives, so too will they redefine aging and retirement.

**Retirement ≠ Old Age**

The most important change for Baby Boomers is that retirement is no longer equated with being old. In *Working Through Demographic Change*, authors Elliot Jaques and William Zinke wrote about this remarkable trend:

> *"An extraordinary change has taken place in industrialized countries during the past 50 years, the consequences of which have not been fully recognized. People are living longer and in better health, and the meaning of adult life itself has changed: a whole new stage of mature adulthood has come onto the scene, and old age has been pushed back by many years."*

Likewise, career development expert Helen Harkness, Ph.D., believes that we should reject the view that increasing longevity extends old age, and recommends adopting a new perspective in her book, *Don't Stop the*

(continued on page 3)

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# RETIREMENT REFORMATION: REDEFINING "WORK"

(continued from page 2)

*Career Clock*:

> *"If these extra years are handled wisely, our middle age will double dramatically into a new second midlife, while our 'old' age shrinks."*

She feels strongly that these extra years should be viewed as a precious gift and advises that "we must take an active hand in managing our windfall."

**Retirement ≠ Leisure**

Not only are concepts of old age changing, but Jaques and Zinke also point out that many individuals are rejecting the notion that retirement is synonymous with leisure:

> *"Instead of considering themselves to be old and over the hill, they may realize that a whole new stage of active life is open to them, with untold opportunities for continued intellectual growth and accomplishment."*

In contrast to the proposition of "not working," retirement for Boomers has come to mean emancipation—the freedom to do the kind of work (paid or unpaid) they as individuals find most meaningful. In fact, Harkness wrote that we are in a new age of learning how to live and work throughout our life spans:

> *"By knowing what we want and doing what we love, we can continue life's journey with creativity, wisdom, power, and purpose."*

Similarly, in her book *I Could Do Anything if I Only Knew What it Was*, Barbara Sher explained that the first step to finding work that "fits" is to understand the connection between doing what we love and doing something worth doing. She wrote that it is at this intersection where we will find meaning.

EMANCIPATION

Therefore, whether our "work" is pre- or post-retirement and whether we work for pay or volunteer our time, it is essential that our productive activities enhance both our sense of self-worth and personal identity.

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Helen Harkness wrote that this need to link work to our search for meaning and purpose has been a natural evolution:

> *"For the generation following the Depression and World War II, a 'job'—stable lifetime work that pays the bills—was the goal. Later, the achievers focused on a 'career' in a particular profession such as law, banking, medicine, teaching, or management as the means to success. Today we are adding another dimension: discovering our 'calling' or 'vocation'—work with a deeper purpose or meaning, assuring us that each has something unique to offer."*

# NEW LIFESPAN REALITIES

### Old Paradigm

Following World War II, the parents of Baby Boomers viewed their lives from birth to death as being divided into three distinct stages: youth, adulthood, and old age. In addition, these three stages were assigned specific tasks: learning, work, and leisure. Another important factor contributing to this life span framework was the advent of Social Security which established 65 as the official age for retirement and the unofficial marker of entering "old age."

**...increasing longevity has had a powerful influence on retirement lifestyle expectations. The likelihood of living in retirement for 30, 40, or even 50 years raises really important questions for us as individuals...**

### Labor Force Transition

One change that has caused us to rethink these age graded life stages is the trend towards shorter work lives. The main factor was an increase in company provided pensions that encouraged retirement following 30 years of service. This made retirement possible for many individuals long before drawing Social Security at age 65. And, from a cultural prospective, early retirement was viewed as a sign of success and admirable goal.

### Increasing Longevity

In addition, increasing longevity has had a powerful influence on retirement lifestyle expectations. The likelihood of living in retirement for 30, 40, or even 50 years raises really important questions for us as individuals:

How will I fund my retirement?

How will I spend my time?

### New Paradigm

The only answer is to adopt a new paradigm, a new way to think about how we prepare for and live in retirement. In a very real sense, the longevity revolution has given most individuals the equivalent of a 30-year life bonus. However, many experts on aging are suggesting that these bonus years not be tacked on to the end of life, but rather inserted in the middle of life. This is, of course, not just wishful thinking, but a reflection of our changing perspectives on aging and retirement. As gerontologist William Sadler reports:

> *"In fact, we're already seeing that begin to happen, with some people experiencing vitality, growth, productivity, and greater satisfaction by delaying advanced aging with personal skills of growth and renewal... ...People positively changing their lives after fifty are pushing us to redefine the second half of life and aging."*

**The only answer is to adopt a new paradigm, a new way to think about how we prepare for and live in retirement.**

One of the first people to recognize the importance of a new stage of life developing in the middle of the life course was Cambridge demographic historian and sociologist, Peter Laslett. In 1989, he wrote:

> *"The emergence of the Third Age in the United States and the adoption of a fresh map of life will be one of the most important of all social developments at the turn of the twentieth to the twenty-first century."*