

Retirement Reinvented

Today's retirees spend their time and money on not-so-traditional pursuits



It's estimated that 10,000 baby boomers reach retirement age every day. While age may be a commonality among this group, how they choose to spend their free time may be quite different. Certainly, some retirees stick to the traditional archetypes:

- The Leisure Lover who naps, reads and strolls the beach
- The Golfer who can't wait to hit the next birdie
- The Matriarch/Patriarch who wants to spend time with family
- The Gardener who cultivates beauty at home

However, a trend is emerging among today's retirees: They wish to forge new identities and seek new experiences, and they're redefining how they spend their time and money.

One thing all retirees have in common? An appreciation for time and their quality of life. Studies show that many retirees favor activities that improve their quality of life: a well-prepared meal, a clean home or a nice yard.

While many retirees think they have enough saved to take on new hobbies and adventures, they may not understand the implications these interests have on the current plan they have in place. By collaborating with the retail branches to identify clients that fit the profiles below, you can help retirees plan for and achieve their new goals without jeopardizing their financial well-being.

Read on to see if one or more of these new retiree profiles resonates with your clients. Keep in mind, there's one other profile that may fit the bill: The Chameleon, who adapts to new environments. Not everyone will fall neatly into one of these categories. In fact, your clients may share traits with all or none of these. And just as chameleons can change color, so too can retirees as desires and passions evolve throughout a long and prosperous retirement.

No matter where your clients land, having a good idea of how they'll keep busy when the 9-to-5 is no longer part of their routine can go a long way toward helping them plan and save for the retirement they want and give you greater insight into their goals.

The Thinker

The Thinker has a deep desire for lifelong learning. They are more likely to retire in a college town, take classes, read for pleasure and engage in contemplative activities. The good news is countless colleges and universities are designing courses aimed at this new senior class. Many are affiliated with the Osher Lifelong Learning Institute that offers non-credit programs for those 50 and older.

Keep in mind: If they've established a 529 plan for a child or grandchild, they may be able to use unneeded funds for their own continuing education.

The Giver

Also known as the Volunteer or Caring Contributor, the Giver is motivated by a desire to give back to their community or a worthy cause. They contribute time, talent, and, yes, even their money to support causes close to their hearts.

Keep in mind: Givers may become too altruistic, spending more time and money than they planned for, which can undermine their health or financial stability.

The Entrepreneur

The Entrepreneur typically seeks to start a business that's differentiated from a past career. They want time to explore something new or pursue a long-held passion placed on the back burner. In fact, folks in their 50s and 60s often are very successful entrepreneurs. They bring decades of experience, success, passion and emotional intelligence to their new ventures.

Keep in mind: Starting a small business entails a business plan, startup costs, insurance and a financial plan that accounts for their professional and personal finances.

The Homebody

The Homebody embodies several traditional archetypes (i.e., the Gardener, the Leisure Lover and the Matriarch/Patriarch). Homebodies prefer to spend time and money on their homes, which are a source of pride and comfort. Homebodies – like most retirees – want to live independently at home for as long as possible. To do so may require renovations to accommodate changing mobility and accessibility needs.

Keep in mind: Ongoing real estate taxes, mortgage payments, insurance, maintenance and renovations are major planning items. Homebodies also should develop a list of reliable providers and a realistic estimate of costs for home services, repairs and maintenance. This type of retiree should examine current housing expenses as well as anticipated needs, including the possibility of downsizing.

Sources: Journal of Financial Planning: "How retirees spend their time"; Bureau of Labor Statistics; Robert S. Wilson, Ph.D., Rush Alzheimer's Disease Center; Work in Retirement: Myths and Motivation; J.P. Morgan "Cost of Waiting" study; President's Council on Fitness, Sports & Nutrition

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