



## Are You Ready for the Baby Boomer "Power Years"?

*By Bob Curtis*

I would like to share with you a source of information that has been particularly useful to me as we have enhanced MoneyGuidePro to better address the needs of Baby Boomers. It is the book, *The Power Years*, by Ken Dychtwald and Daniel Kadlec (2005). You probably already know Ken Dychtwald, through his prior books and speeches. Dr. Dychtwald is world-renowned for his study of Baby Boomers, and his advice has been solicited by US Presidents, Congressional Committees and many major corporations. In this new book, *The Power Years*, he very clearly addresses the important issues facing Baby Boomers as they begin to retire in vast numbers. I'd like to share a few of my thoughts about his message and what it means to you and me.

The core concept of the book is that retirement for Baby Boomers will be very different than their parents' generation. While no one can exactly define this new kind of retirement, it's evident that most Boomers view retirement as a time to re-invent themselves and their lives, rather than an age to just stop and rest. It will be a more active, more varied, more productive, and, most certainly, a much longer retirement than any prior generation in history.

The following quotes provide a summary of the observations the authors make about retirement for Boomers that I think are most relevant to us:

"Those of us in our forties, fifties, and sixties today truly will be retirement's guinea pigs. We'll live long and in good health, and what sets us apart from our parents is that we know it-right now at an age when we are young enough to plan and get it right." (page 3)

"Reinventing yourself and repowerment-ramping up life where and when you choose and in ways that excite you, not winding down into obscurity-is the mold shattering, exciting new stage that will come next for our generation." (page 5)

"It's vitally important for each of us to appreciate just how different things really are and will become as we move into the next stage of life...the power years." (page 6)

"One of the great things about what comes next is that most of us can expect to end up with plenty of time for fun and with the resources to enjoy that time. Your power years can be grander and far more enjoyable than you may imagine." (page 25)

"So why leave your power years to chance? You can enjoy an active, fulfilling and youthful next stage of life by understanding your goals and creating a carefully thought-out plan that makes those goals possible." (page 10)

This is what gets me personally so excited. There are 78 million Baby Boomers who have many varied goals and need a "carefully thought out plan that makes those goals possible." That is exactly what financial advisors can provide to every Baby Boomer by using MoneyGuidePro. One of the advantages of MoneyGuidePro is its ability to create a complete "retirement picture" for each client with every goal clearly identified and prioritized. Providing this kind of plan, which every Boomer needs, will result in happier, more profitable clients.



"Survey after survey shows that folks who have spoken with a financial adviser are more prepared financially for their later years, and that those who are prepared are 2 1/2 times happier, more optimistic, and half as fearful, and they even expect to live longer." (page 209)

"The key is having a vision, forming a plan, and committing to do what it takes to make your power-years dreams come true. But you must get started now." (page 209)

There is another important point I'd like to make. Seven chapters of "The Power Years" do a great job helping the reader think about what her goals are for retirement. It allocates only one chapter, however, to the even more complicated issues of money and investing. Again, to quote from *The Power Years*:

"Money can't buy happiness. But it does buy opportunity and guarantee choice. How well we save and invest today make the difference tomorrow between having to work and choosing to work; between applying for a job as a night watchman and living out our dreams." (page 179)

"So it's important to think now about your life goals and how much you'll need to fund them." (page 179)

The point made here is exactly right - the only way to attain goals is to accumulate enough money to pay for them, which requires saving and investing money today for use in the future. But how much must each person save? How should she invest? Are her goals really attainable or are they just unreachable dreams? What does she need to do now? Fortunately for you, this book doesn't answer these questions. Only an experienced advisor, with a well-crafted financial goal plan, can provide an answer.

This reminds me why the role of the financial advisor is so critical. Even the best books, written by the most brilliant experts, can only address the financial needs of people in general, as part of a group. They cannot tell any specific person what is best for him or her. It is only the trusted advisor who can address each client's individual situation with appropriate goal planning and investment recommendations.

What should the financial services industry be doing for Baby Boomers? According to *The Power Years*:

"The good news is that the financial services industry has heard the wake-up call and is attempting to shift its style and purpose away from sales to solutions. Helping you plan and envision your dream retirement is the key new ingredient." (page 208)

"The financial services industry...is coming to realize that unless it helps members of our generation fund our individual retirement dreams, however straightforward or irregular they may be, financial firms will be missing a massive opportunity." (page 208)

Advisors today have a unique opportunity to benefit from the movement of the Baby Boomers into the retirement phase of their lives. MoneyGuidePro can help you maximize that opportunity. With MoneyGuidePro, you can make sure that your clients retirement years truly are their "Power Years."



Ken Dychtwald and Daniel J. Kadlec, *The Power Years: A User's Guide to the Rest of Your Life*, Hoboken, NJ: John Wiley & Sons, 2005.

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