



## The "R" Word

### **Mitch Anthony talks about getting past the artificial retirement finish line.**

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Retirement isn't what it's cracked up to be—at least the version that's promoted by all the financial services companies, featuring endless golf, leisure, and canasta on the veranda. That sort of retirement—"our father's retirement"—can make you sick, depressed, and bored out of your mind.

There's a pretty good chance that with some proper planning, you'll have enough money when you do kick back. And yes, your retirement income will probably include Social Security benefits.

That's the message from Mitch Anthony, a Rochester-based speaker and author of the book, *The New Retirementality*. For him, traditional retirement is "an artificial finish line. What if you remove the finish line? Everything changes."

The whole notion that a standard age for retirement fits most people is a myth. The magic age of 62, when a person is supposed to quit working, is an entirely arbitrary benchmark. In fact, it was German Chancellor Otto von Bismarck, of all people, who chose a specific retirement age when he established the old-age pension program in 1889 as part of a plan to remove aging German bureaucrats from their posts.

Bismarck originally chose the age of 70 (based on a biblical reference of "three score and 10 years"), but after his death, Germany lowered the retirement age to 65. It was a good bet on the part of the German government, because at the time, the average life expectancy there was about 46 years.

That "official" retirement age made the journey across the Atlantic. In 1935, President Franklin Roosevelt signed the Social Security Act into law, and lowered the retirement age to 62. This came at a time when the average American was expected to live for 66 years.

With the average life expectancy in the United States now past 78 years, people are saying that they don't want to stop working at 62—or ever.

"You have to have a vision," Anthony says. "The primary difference between a successful and an unsuccessful retirement is having a purpose. Never

underestimate the value and virtue of some kind of work. Work brings dignity to your life. The so-called 'consumer retirement,' where you live in some kind of gated community and play games, is not a healthy retirement."

Ever hear the phrase "ill at ease?" Anthony posits that too much leisure time leads to bad habits—too much eating, drinking, getting out of shape. That can make you sick. Literally.

So what's a body to do? Approach retirement planning differently. Anthony advocates eliminating the term "retirement" from one's financial vocabulary all together. "We must emphasize life issues before we address our financial issues," he says.

Focus first on your principles and values toward life and money. Look at your present and coming life transitions, and your hopes and goals. (For help with defining these goals, check out Anthony's Web site at [newretirementality.com](http://newretirementality.com).)

Anthony uses a pyramid similar to Abraham Maslow's hierarchy of needs regarding self-actualization to help people think about their futures. But Anthony's hierarchy starts with survival money at the bottom, then safety money, freedom money, gift money—and at the very top— dream money.

To begin with, "you just have to ask yourself, 'How much money do I need to survive?'" Anthony says. "Just ask any retiree. People spend less when they're retired. And there's nothing frivolous in a survival budget."

The next step in the hierarchy is to figure out how much life, disability, and long-term care insurance you need to ensure your family's security. Then assess how much money you'll need for the "freedom fund"—do you like to ride horses? Travel? Race cars? Look at your gift money: To whom do you want to give? Charities? Family? And then consider your dream money—that stash of cash for "self actualization." Do you want to sail around the world, restore old cars, or go back to school?

All this becomes easier, Anthony says, if you still have some money coming in the door from work. And if baby boomers continue to work, they'll still be funding Social Security, which, Anthony contends, isn't going away. "My suspicion is that the government will figure out a way to make it work," he says. "If you recall, Social Security was going to go bankrupt in 2013. Now that date has been pushed out to 2038."

So get busy living the life you want to live. "Don't ever grow old," Anthony says. "The healthiest cultures in the world don't have a word for retirement."