

FINANCIAL *fitness*

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The Encore Career

Retirement is being redefined as the “traditional retirement” is becoming a dying concept. More individuals are taking their lifetime of experience and reinventing themselves with a new sense of purpose – to launch an encore career and embrace a new state of life when the time is right to intentionally seek meaningful work where they can have an impact.

It is a fact that people are living longer, healthier lives. Therefore, a new phase of life is emerging for individuals between their mid-50s and mid-70s. As baby boomers finish up long careers, they are realizing that they are not ready for traditional retirement. This may be due to financial reasons or the desire to embark on an encore career – a second career that can provide income but also fulfillment and social impact that may have been lacking in their previous career. People in this new phase of life have a drive for a greater purpose. They don’t want to leave a legacy, they want to live a legacy.

Traditional retirement meant freedom from work. However, longevity is increasing and is projected to continue to increase even more in the future, creating a need to redefine retirement. Most individual retirement plans cannot sustain 30 to 40 years of retirement. Therefore, retirement is becoming a temporary break between mid-life work and their new phase of contribution.

How to Find Your Encore Career

- **Begin** by thinking about the skills, passions and expertise you have and how they can best be put to use in a way that matters to you.
- **Review** resources available to help you get started. There are a variety of websites that have links to part-time and full-time job listings, as well as training programs, advice and event listings.
- **The Encore Career Handbook:** How to Make a Living and a Difference in the Second Half of Life by Marci Alboher – From Encore.org, this book provides a road map to every step of the encore career journey including: how to plan the transition, the pros and cons of going back to school, when to volunteer, etc.

Mitch Anthony writes about the Retirement Life Profile in his book “The New Retirementality”. Here, he describes four philosophical pillars to the New Retirementality: Vision, Balance, Work, and Successful Aging.

- **Vision** – important because successful retirees retire to something – failed retirees retire from something.
- **Balance** – important because successful retirees find balance between vocation and vacation, while failed retirees go from bingeing on work to bingeing on leisure.
- **Work** – important because successful retirees keep themselves plugged

into meaningful pursuits, while failed retirees devolve into boredom and aimlessness.

- **Successful Aging** – important because successful retirees focus on growing and well-being, while failed retirees just take what comes.

The Institute of Economic Affairs think tank and the Age Endeavour Fellowship charity, two British groups, released a report assessing whether retirement had a negative impact on people’s health. Gabriel Sahlgren, the author of the study, notes that the longer people have been retired, the less likely they are to rate their own health as good, the more likely they are to have a diagnosed medical problem, and the more likely they are to be suffering from clinical depression.

More than half of those currently in the workplace plan to work past the age of 65 or do not plan to retire at all. Working longer and retiring at an older age is an effective way to alleviate the shortfalls within one’s retirement plan; however, fewer than twenty percent have a back-up plan if they are forced into retirement sooner than expected due to life’s unforeseen circumstances.

Unfortunately, a majority of individuals lack the financial wherewithal to move into an encore career. A Certified Financial Planner can help you map out a successful comprehensive retirement plan that incorporates your dream of an encore career.

Sandy Carlson has over 20 years of wealth management experience including income taxation, retirement planning, executive compensation planning, insurance, banking, trust administration and estate planning. She is a Certified Divorce Financial Analyst™ (CDFA) and also holds the QKA designation by the American Society of Pension Professionals & Actuaries. She is President of the Financial Planning Association, a Tax Instructor in the CFP Program at Queens University, and is a member of the Charlotte Estate Planning Council. Sandy values getting to know her clients and providing creative, integrated solutions for accumulating, preserving and transferring wealth.

Rinehart hosts a monthly series entitled “Women, Wisdom & Wealth: Necessary Information for your Financial Fitness”.

The series is held the first Wednesday of each month beginning in September. For more information, please contact Cynthia Sims at csims@rinehartwealthmanagement.com or 980-585-3367.

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