

Advisers focus on planning for life, not retirement

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By JENNIFER CHAMBERLAIN / The Dallas Morning News

At 61, Norma-Ree Lueders of Richardson enjoys working part time as a consultant, but she doesn't want to do that forever.

Someday, Ms. Lueders would like to move east to be closer to her children and grandchildren. Through a process called life planning, she's confident she'll be able to do that.

"There are other rewards in life besides money," Ms. Lueders said. "And part of it is what you get from doing your work and making a difference in people's lives that way, but grandchildren can make a difference in your own life, too, and your own children can. ... I think you have to give yourself that gift."

Working with Dennis Carpenter, president of International Wealth Management in Grapevine, Ms. Lueders has been able to put together a plan to achieve financial security, as well as her less tangible goals.

A new breed of financial planners, such as Mr. Carpenter, are shifting the focus of investing away from crunching numbers and toward using money to improve the quality of life.

Although many independent planners have been using these techniques in their practices for years, life planning has recently gained popularity because it allows investors to concentrate less on what is happening with the stock market and the economy and more on what they want to achieve in life.



Dennis Carpenter

In order to do that, these advisers say, it's important to find out what the investor really wants from life rather than just what he or she needs to retire.

"Life planning is basically looking at life goals," said Sharon Luker, a certified financial planner with VSR Financial Services Inc. in Plano. "Whatever the life goals are for you, it's financial planning to make sure you have the monetary resources to achieve those goals."

A different role

To find those goals, advisers who follow the principles of life planning often take on a role more akin to a therapist than an investment planner.

As part of the planning process, Mr. Carpenter, for example, asks his clients to answer philosophical questions such as what brings them the greatest happiness in life.

"They may say, 'I love to travel. My kids have all grown and moved away and I'd like to see the world.'" Mr. Carpenter said. "Well maybe we should be making sure they have a credit card that gives them mileage, maybe we should make sure they're aware of Web sites like Travelocity and Priceline.

"We need to know how we can direct our resources to make sure that they have happy lives," he said.

Asking these kinds of probing questions often turns up some surprising answers, advisers say. One of Ms. Luker's clients, laid off from a corporate job at age 51, determined that what she really wanted to do was be a teacher, Ms. Luker said.

"Then we're talking about going from about \$75,000 a year down to \$35,000 a year, if we're lucky," she said. "So we sat down and we're trying to make it happen."

The objectives of life planning, advisers say, often have nothing to do with retirement. Mitch Anthony, president of Peer Power Communications in Rochester, Minn., has written a book called *The New Retirementality*. In it he stresses the importance of "finding work you love" rather than focusing on retirement.

"I think retirement is a failed social experiment," Mr. Anthony said. "Retirement was designed to be a one- to two-year bridge to the grave, not a 25-year journey.

"The first thing I like to encourage people to do with their financial life planning is figure out something they're passionate about ... because passion is a greater payoff than a paycheck," he said.

Roy Diliberto, president of RTD Financial Advisors Inc. in Philadelphia, said his clients often say they want to spend more time with their families, and life planning can help them achieve that goal as well.

"You find people who spend their lives trying to get wealthy at some point in life and when they get there, if they ever get there, discover that they've lost their family along the way," he said.

"So it's a question of really getting to priorities and balancing today with tomorrow. You can't live just for today for obvious reasons, but if you live just to save money for tomorrow because that's what financial planners tell you to do, then how about today?"

Personal approach

Some investors are concerned about being able to provide care for an aging parent or helping their kids pay for college, Mr. Anthony said, and life planning addresses those issues.

"What I'm hoping clients will do is become more proactive and look ahead," he said. "And this helps them to look ahead ... and start building a bridge between where they are and where they want to be."

Knowing the investors' personal goals also allows the financial planner to be more responsive to needs that change over time, Ms. Luker said.

"Life planning is more like being a financial coach for the rest of your life, theoretically, and helping you get to where you want to go and adjust things as needs change," she said.

Taking such a personal approach to investing can get into some touchy areas, Mr. Diliberto said, because attitudes about money run deep.

"It's an understanding that money is an emotionally charged issue for most people, and how they feel about it needs to be factored into the financial planning process," he said. "One can't ignore that because it is so emotionally charged. Marriage counselors tell us that it's the No. 1 cause for divorce."

Dealing with issues

Mr. Diliberto said he has worked with couples grappling with issues of income disparity and trying to strike a balance between their careers. Those types of issues, he said, have to be dealt with before a successful investment plan can be developed.

"Many advisers, because of our training, tend to be much too quantitative too early in the process," he said. "The quantitative tools, the technical knowledge that we have is OK provided that it's used as a tool to help your clients get to where they want to be, but when you make the technical issue drive the answers, it's sort of like a solution looking for a problem."

Shifting the emphasis away from numbers and toward long-term goals, Mr. Diliberto said, also helps alleviate some of the anxiety investors often feel with every contortion of the stock market.

"Money is a terrible god, but it is a wonderful servant," he said. "If you always concentrate on where it is you want to be and your goals, then nothing else in the short run really does matter, if you can tune it out."
