

What colour is your retirement?

Personality test divides people into four post-work lifestyles

JONATHAN CHEVREAU
Personal Finance

As Boomers get serious about retirement, they will have to come to terms with planning life's softer goals as well as the financial side.

You may remember the classic career-planning guide *What Color is Your Parachute?* (Richard Bolles, Ten Speed Press). The perennial bestseller, which is updated every year, has spawned a new genre of retirement planning books.

"What color is your retirement?" is the title of a chapter in a new book called *Your Retirement, Your Way*, by management consultant John Trauth and psychotherapist Alan Bernstein (McGraw Hill, New York, 2007).

When retirement is far away, those with their noses to the grindstone tend to consider only the financial aspects. The message from Bernstein and Trauth is it takes more than money to live the retirement dream.

As with Bolles' guide, the retirement book includes a personality test from Birkman International Inc. It divides people into four colour-coded retirement lifestyle personalities: red, green, yellow and blue. Greens are sellers and promoters; reds are practical types who build and organize; and yellows schedule activities and do detailed work with numbers and systems. Dreamy blues deal with abstractions and work with ideas.

If this sounds like a retirement based on a continuation of work, it is. As with the "retro-retirement" concept we described recently, Bernstein and Trauth found many happy retirees will indeed work at least part-time, but on their own terms.

They cite a survey that found 40% of recent North American retirees were happier when they were working.

Even among those who thought retirement should be a "permanent vacation" tired of daily golf or lounging on the beach after a year or two. Some find their lives get worse after they stop full-time work — they lose structure and

purpose, miss colleagues and find their relationships with family and spouse deteriorate.

After taking the "colour" test, some retirees opt for entirely new careers, while others discover they were on the right path all along. Some choose to work four-day weeks and take two months off in the summer. Others work as consultants, being choosy about what assignments they will take on.

For those not yet retired, this is a bit of relief. At one level, it means there is less urgency to save enough to "stop working" because the odds are you're going to work one way or another. It also means a longer horizon to add to your investments and allow them to grow.

So, if you are planning to keep working, it is important to enjoy what you do. In my own family, we have an aunt in her 80s who still goes to her law office every day. She's as sharp as ever and shows no signs of wanting to retire.

Financial planning for retirement remains key, but it is only one part of the bigger picture of life goals. Ottawa-based certified financial planner Robert Abboud suggests retaining what he calls a "personal finance coach." Abboud, who founded Wealth Strategies in 1996, and has published *No Regrets: A Common Sense Guide to Achieving and Affording Your Life Goals* (Book Coach Press, Ottawa, 2006), advocates listing one's life goals side by side with financial goals.

Abboud illustrates his "hierarchy" of life goals with a pyramid: A sense of security stands at the base and the ability to make a difference sits at the apex. Not surprisingly, money is the key to realizing these goals. But don't confuse the means with the end, he says.

That brings to mind the classic *Your Money or Your Life* by Joe Dominguez and Vicki Robin. This book's key insight was the relationship between money and "life energy."

We only have so much life energy and must expend it to earn money. When we buy something, we let go of some of that accumulated life energy.

The lesson is we must choose how to spend our life energy wisely, both when working and in retirement.

■ See Jonathan Chevreau's Wealthy Boomer blog at nationalpost.com/chevreau.

Financial Post
jchevreau@nationalpost.com