

Retirement Well-Being

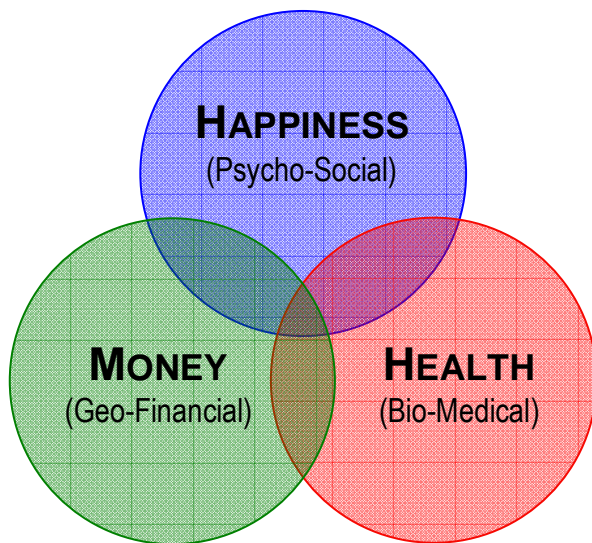
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When retirement is defined in simplistic terms—a shift from earned income to pensions and investments—preparation naturally focuses on the financial dimension. However, when retirement is defined in more practical terms—a stage of life that can last decades—the focus broadens. Recognition that aging is also part of retirement expands awareness beyond finance, to include health.

Yet, when asked what retirement means to them, baby boomers go beyond finance, and even beyond health, to consider what activities will bring them happiness. (*Baby Boomers Envision Retirement II: Survey of Baby Boomers' Expectations for Retirement*, 2004. AARP)

In everyday language, people often describe their retirement hopes in terms of having money, health and happiness. WELL BEING is a very old concept that captures all three dimensions: “A state characterized by health, happiness and prosperity.” (*The Random House Dictionary*)

The Well Being Model



The National Institute on Aging (NIA) is now supporting interdisciplinary research into the measurement of well-being. From Daniel Kahneman, winner of the Nobel Prize in economics: “Measures of wealth or health do not tell the whole story of how society as a whole, or particular populations within it are doing.” (*National Institutes of Health News Release*, 12/2/2004)

Beyond basic survival, Retirement Readiness means being prepared to optimize one’s well-being in retirement. Readiness typically focuses on retirement preparation, such as accrued monthly retirement income, or account balances. However, because each employee must manage their own retirement, knowledge is almost as important as preparation. Individuals must make many decisions, before and during retirement, across financial and non-financial domains. The decisions they make affect all three dimensions of their retirement well being.

As practical disciplines, retirement planning and education must offer approaches that improve readiness for all individuals, whether they fall above or below any financial benchmark. The most important question is: “For all levels of financial preparation, how can we help individuals to optimize their retirement well being?”

Six Fields of Research

Six foundational disciplines provide the core knowledge base for retirement well-being. Two parts of the Retirement Well-Being Model come from the interdisciplinary approach to aging research used by the National Institute on Aging. The third part, Geo-Financial, is new. In brief:

- The Bio-Medical domain connects the biological study of the aging process with the medical study of disease and treatment. These two separate but related fields provide information on health and healthcare in retirement.
- The Psycho-Social domain also connects two separate but related fields. First, psychology studies aging, but also topics relevant to the life course and retirement—such as happiness, and career development. Second, sociology and social psychology study the social issues related to retirement and aging. Thus, the Psycho-Social domain provides information on the personal and interpersonal aspects of retirement.
- The Geo-Financial domain connects personal finance with geography. Personal finance is the traditional foundation of retirement planning. Geography is also key, because a residence is often a large asset, and location is an important driver for cost of living.

Sample Topics by Field

Geographical	Financial	Biological	Medical	Psychological	Social
Retirement Migration	Asset Allocation	The Aging Process	Diseases of Aging	Continued Engagement	Social Networks
Livable Communities	Income Planning	Life Expectancy	Health Care Providers	Meaning and Fulfillment	Sandwich Generation

Integrating Three Dimensions of Well Being

Integrating the six fields into three dimensions has many advantages:

- It captures and organizes knowledge in a systematic way. It invites the question, “What are the key pieces of information from each field that informs a best practice approach?”
- It provides a structure for a simple but comprehensive curriculum to teach individuals how to prepare for well-being in retirement.
- It offers a foundation on which to base interactive tools and checklists for retirement counselors to use with individuals.
- By integrating the fields and domains into a single model, it invites exploration of how each domain can support, synergize with, or compensate for other domains. The whole becomes greater than the sum of the parts.

This approach is integrative in two ways. It’s integrated horizontally, connecting the six fields of research that are relevant to retirement. It’s also integrated vertically, because it connects what individuals seek—money, health and happiness—to the Geo-Financial, Bio-Medical and Psycho-Social research that can help them prepare to optimize their well-being in retirement.