

Human-Centric Investing Podcast

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Episode 14, Retirement Mentoring

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Featured Guest: Michael Lynch, Managing Director, Strategic Markets, Hartford Funds

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- John Diehl: Hello, financial advisors. This is John Diehl, Senior Vice President of Strategic Markets at Hartford Funds. Welcome to the Human-centric Investing podcast.
- Joining me today is our own Mike Lynch, Managing Director of Strategic Markets here at Hartford Funds. Welcome Mike, it's nice to have you here.
- Michael Lynch: Thanks J.D.—appreciate the opportunity.
- John Diehl: While many Americans look forward to retirement, they often find themselves unprepared for the dramatic changes it brings to their lives. Today, Mike and I will discuss a unique concept: retirement mentoring.
- It's a concept that he's using in the field to help advisors help their *clients* prepare for shifting to retirement. The transition isn't always as smooth or seamless as we often assume, and there's no standard template to follow.
- However, we will include in the show notes for this episode, a guidebook on retirement mentorship that will give some of the practical steps towards implementing this process, if you think it would be appropriate for your practice.
- So with that, let's get started. Mike, what is retirement mentoring all about and how did you realize the need for it?
- Michael Lynch: You know John, a few years ago I actually saw it firsthand where I was doing an event with an advisor, and after I spoke, he had invited a couple to come up and speak about what they do day to day, and clearly within a few minutes you could see these were folks that really enjoyed retirement; were really having a successful retirement, and started listing off different activities, things they enjoy—travel; volunteering their time.
- And what was really interesting is as the meeting broke up, there was a short line for me with questions; there was a *very* long line for this couple with questions. So immediately I realized there's an opportunity to develop mentors.
- Think of all the mentors we've had in our lives as we've gone through careers and personally. Mentors, when we enter retirement—sometimes those mentors may not be there.
- In my case, my parents have passed, my grandparents have passed, so I really need to think about different mentors that can help me, especially in the retirement phase or the retirement stage, I should say.
- And again, I saw it firsthand, and I thought it was impactful.

- John Diehl: Yes, that's interesting, Mike. I think a lot of times people ask where great ideas come from. They often come from just observing what's happening around this anyway, and I've observed the same thing in the many, many client events that we do across Hartford Funds, that often times following a client event, some of those natural relationships start to form right there.
- Well, you could look at that and think, "Wow, that's pretty cool," but it's something I challenge advisors with all the time. There's probably a lot of things that we see or do in our practice, but we don't think about making it part of our system.
- And so this retirement mentorship, I think, is an excellent example. So from where you've seen it implemented, Mike, what are the biggest benefits to mentees from retirement mentorship?
- Michael Lynch: I think for mentees, it's the opportunity for me to say it's okay to be concerned; it's okay to be afraid. There are others like me who are concerned about maybe finances are important, longevity is important, but probably the biggest fear that we run into is, "What am I going to do day to day?"
- And I think for mentees, it's great to be able to say I'm not alone; I've got those concerns... because I've maybe had the opportunity of sitting down with a mentor who's faced those same challenges.
- I think for mentors, it's a great opportunity to give that sense of purpose. I find a couple clients in my book who really care, that want to volunteer their time, that are impactful, that are compassionate, and want to share some of the successes and some of the struggles.
- I think for them, it's the sense of purpose; having something in retirement that can help benefit others—I think is very valuable.
- John Diehl: How about for the advisor, Mike, do they—what does an advisor get out of match making, if you will, within their own book?
- Michael Lynch: Sure... I think what we've said for years is clients are looking for more things than just investment advice, they're looking for help. They want somebody who listens, who understands, and can do something about it.
- I think if you're sitting down with a couple as they approach retirement, you understand there's some concerns. That ability to be the connector, to get them connected with somebody who's already in retirement, who really enjoys retirement, who maybe is in a similar situation, and to be able to put those two together, I think, is very valuable.
- John Diehl: So Mike, let's say I'm an advisor—put yourself in my shoes. Obviously I think identifying a mentee is the easy part. Somebody has a conversation with us about when they're thinking about retiring, or they've been giving it some thought, and so we can identify that person, but how would I, as an advisor, look for a mentor within my book?
- Are there characteristics, or what would you recommend if I like this idea, but I'm not sure how to implement it?
- Michael Lynch: Sure, I think it comes down to a few steps, but I think first and foremost, as I tell advisors, think of that client, that maybe couple, husband and wife in your book of business. And you can't get them on the phone, you can't get them in to an office meeting because they're so busy.
- You talk to them, if you can get them on the phone you talk to them about their calendar. And you're jealous of their calendar because they're so active and so busy. To me, those are people that get it; those are people that really enjoy retirement.
- And then the next step is starting to have a conversation with those folks about, how did you get to this point? What were some of the struggles early on? And then more importantly, evaluating and saying are these people that maybe would be willing to share some of their successes, some of their challenges with other folks in my book of business.

So, I think first is really looking at your book today, and identifying those folks. And I'm sure advisors got a couple of couples or single individuals that really enjoy retirement; I really *get* retirement. We ought to benefit from those folks.

John Diehl: And there are probably people like, I'm guessing that not only do we manage a decent amount of their assets... But I think if you asked an advisor, you would say "Yes, these are my friends," right?

Michael Lynch: Right, right.

John Diehl: So, essentially you're asking a friend to do you a favor, right?

Michael Lynch: Right, exactly.

John Diehl: So, as we think about that Mike, from what you've seen, what are some of the most common struggles, fears, or frustrations that clients face as they near retirement or even in those first couple of years?

Michael Lynch: Sure. I think finances are always something. I think longevity and the expectancy in that big known, but I think more often than not, it's in sense of purpose. It's kind of a need to say, the first day of retirement, I swing my legs off the bed I have nothing to do. Second day, okay. Third day, fourth day, fifth... it starts to become Groundhog Day, right?

So, I think many of our clients will really sit down and have an honest conversation. They're very concerned with what is their vision of retirement really look like. It's one of the few things that we continue to fund today, but we have no idea what it looks like.

Unlike buying a home or any other major purchase, it's not something tangible. We can't put our fingers on it. So, I think the more that we can educate folks and really have a conversation about here's what it's going to look like. Or at least begin to have the conversation to have them tell us what they think it's going to look like—and then start filling some of the gaps.

John Diehl: So as you've observed Mike, and let's think back to the couple that you talked about at that client event where the line started to form with them. What was it that they had to say that was so engaging? And how does this retirement mentoring actually help maybe alleviate or at least deal with some of these challenges that people are facing?

Michael Lynch: Sure. I think that was most beneficial was they were very open and honest. They shared, I think—you now, it's great to hear successes. But it's also more important to hear the struggles. So I remember the gentlemen in particular said again, kind of neat idea of swinging my leg of the bed the first, second, third day. He said something I thought was really important.

He said, "You know my vision of retirement was chasing a white ball around every single day." It's something he dreams about. He said that dreamed turned in to a nightmare about 300 days in, because he never wants to see another white ball again. That's not going to fill up his day.

So, I think that ability for them to be very open and honest and really sharing stories and sharing ideas. And one of the things they said to us is, I'm sure no one in this room who needs a knee or a hip or some type of operation, medical care, is just going to flip open the book to yellow pages and pick out a name, right? You're probably going to consult some peers; you're going to consult some family members. Retirement should be thought of the same way.

Why not consult some people that are already in that position and are having success? Find out what their struggles are and, more importantly, how they got around those struggles.

John Diehl: You know what's interesting Mike, I think oftentimes we can have disagreements. We can have different points of view on facts, but the one thing that people really can't dispute is your story.

Michael Lynch: Right.

- John Diehl: Right? So, being—and you mentioned it—I think that the power of a story is what kind of attracts people emotionally and brings that attention to bear, and kind of emotionally gets me involved with empathy, putting myself in that situation... and beginning for the mentee to go help them envision their future self as our colleges at MIT referred to it.
- And for the mentor, they benefit from getting to share their life experience hopefully for the benefit of another. And so, leaving a mentor/mentee for a moment, Mike, we know that sometimes as advisors, our world is pretty cluttered with activities and just the routines that we've done maybe for many years. How receptive have advisors been to maybe implementing this kind of a mentorship program?
- Michael Lynch: Advisors I've spoken with over the past couple years have been very open to the idea. They love the concept, they love the idea. I think some of them informally have done these types of events, they just haven't necessarily titled them or labeled them as such. But I think the advisors, they really understand, they really want to provide the help, they want to differentiate themselves going forward.
- Really do seek that value and seek that opportunity. So, I think that the advisors, they really want to continue to have relationships and want to continue to help their clients. That ability to identify folks in my book and say, gosh, this is a great resource. This is an untapped resource that many of my competitors aren't using. So, they've been very positive and very upbeat about the idea.
- John Diehl: So, Mike, love the idea. I've already begun to think about clients in my book that are approaching retirement. I've already got a couple of people that I think would be candidates to be mentors.
- Take me to the next step and tell me how advisors should engage. Let's start first with the mentors. What kind of—what kind of things would you say to a mentor to kind of interest them in taking part in this mentorship program?
- Michael Lynch: Sure. I think I'd outline the program, say what I'm trying to do. Maybe remind them or ask them, you know, were there people that they interacted with while they were continuing to work that maybe made a difference in their lives.
- Then, more importantly, I'd ask them if they'd be willing to be part of this program. You know, maybe asking some questions of them, sharing some information. What are some of the retirement concerns that they had when they were approaching retirement? Are there things they'd be able to share with their—you know, with some of our other clients? Are they willing to maybe participate in a blog, or maybe a flyer, or more importantly get up and speak in front of others?
- So I think the ability for them to really tap into those resources will be important.
- John Diehl: And sometimes, Mike, it's as easy as saying, "Hey, would you mind joining me for a—you know, a cup of coffee at Starbucks?" Right? For that small interaction. Because I think sometimes you'll find some people that are a little bit hesitant about getting up in front of groups, but if you say, "Hey, would you join me for a cup of coffee or a quick breakfast sometime?" And then explain why.
- I generally think people do want to give back, and this is one of the ways, I think. And I think an important question is—well, to add to some of the things that you mentioned, because we talked about—it's not all rosy, right?
- Are, you know, what are some of the biggest mistakes that you had? Or maybe, what I—the way I would phrase it is, "If you had to do it all over again, would you change anything?" Right? Because that would draw out some of those things.
- Well, so we approach mentors in that way, asking them, A) to think about the purpose in giving back, in as—you know, the least obstructionary way, I guess, as you could, where we'd want to be getting a "yes."
- What about the mentees? What do you say to them, in terms of why they would want to participate?

- Michael Lynch: I think for them, it's having a similar conversation, and as we're talking, you know, about retirement, talking about that next phase in their life, trying to help them envision what that looks like. If we sense that they're struggling, if we sense they have some challenges, or maybe they've been very open and honest about it... think that ability to say, you know, "We have some peers."
- We have some clients in our book of business, to your point, if nothing else by interviewing mentors you have some stories to share with mentees. But then if we want to take it to the next level, talking to some of those mentees and saying, you know, "Many of my clients in the past have had some of those similar concerns, so you're not alone, first and foremost."
- And the way we've had to—one of the ways we've been able to enable those folks to be successful in retirement is having them interact with existing folks that are mentors that are already in retirement.
- I know it's kind of a muddy way of saying it, but I think that ability to talk to your peers—you know, I think of any—you know, we think of different meetings we've gone to, and you'll have a speaker come, and it's a terrific speaker and it's enjoyable. But there's a difference between an outside speaker, sometimes, and a peer.
- When a peer gets up, you sit up a little bit straighter, right? You grab your pen. You're really focused on what they're trying to say, because it's somebody, in our language, who carried the bag, right? It's somebody who understands, who's gone through a similar situation.
- I think they'd be able to explain that to a mentee—by the way, I've got clients that are in retirement, that are enjoying retirement, that face some of the similar struggles. I think it allows them to be a little more comfortable, and kind of confirms they're working with the right person at the end of the day.
- John Diehl: And, Mike, you know, we've done some other episodes about analyzing your book of business and trying to identify clients that you work best with, right?
- So imagine this mentoring program; if you were actually able to get a mentor who maybe worked for the same company, even, that some of these potential retirees—I just did a meeting last week, where we had a group of utility workers who were evaluating their pension options coming up, because their company was making a retirement package available.
- And one of the people in attendance had actually worked with many of the people in the room, but had retired about 10 years ago with some of the same questions. And so, allowing them to share their experience—I mean, think about it—who are going to know better the ins and outs of the retirement package...
- Michael Lynch: Right.
- John Diehl: ...and regrets or successes that, you know, things to watch out for, so on so forth. I think it really the advisor, then, as an educator, but really more importantly a connector of resources. And like I'm—I know you're a strong believer in this, this retirement mentoring, and we talked in theory about how it's supposed to work, but can you point to any actual successes that you've seen happen in the field?
- Michael Lynch: Yes, I mean first and foremost that first meeting I did, right? So—but that meeting I did where those people were there and I saw firsthand. I've seen at others where advisors are starting to say, "I've already got these folks in my book of business. It's just my opportunity to kind of organize it and make it a little more formal."
- But from time to time, I've seen where we've tapped into—and to your point, we'll do a Social Security seminar—and someone who's already collecting Social Security, they've been invited because if there's specific questions about the location or that office is closed, here's the people to call. You could struggle with that.
- Or it's like, when you have some type of challenge, whether it's a physical or mental challenge, sometimes getting started is the hardest part. Same with retirement or same with collecting Social Security, if you can find somebody who says, "Hey, don't even go there. All you have to do is call this phone number, you cut out step one, two and three." That's very valuable stuff.

So I think that ability, and I think as advisors start to realize, they've already been doing this probably informally it's just maybe whether you can develop a formal program. And to me, I would look for folks that would look for a successful couple in my book of business. I would look for a widow and I would look for a widower.

And I think, me personally, my dad passing—my mom passing away 12 years prior to my dad—I saw it firsthand where my dad was completely lost. And he was the type that really didn't talk to people about some of those challenges. If he had a mentor or somebody who was in a similar situation, unfortunately, who had gone through the same challenge, I think things would have been a little bit different.

It wouldn't have been the same situation. So I think having that opportunity, and looking at those folks in your book, and connecting the resources, I think, is valuable.

John Diehl: I think it's an incredibly valuable point, Mike. We call it retirement mentorship. But really as an advisor, I could maybe identify some of the common transitions. You mentioned widowhood, but perhaps divorce.

Michael Lynch: Yes, right.

John Diehl: Maybe care giving would be another one, right? Where people could understand, maybe, what resources are needed or even where to find them, right?

Michael Lynch: That's right.

John Diehl: So I think using this method, if you would, we call retirement mentorship there may be multiple applications. And I guess, the other question I have for you, Mike, is that how receptive do you think clients have been to this whole concept? Like, when you actually do ask a mentor or a mentee, does it work?

Michael Lynch: It does work. And I think, again, finding the right group of clients, finding the right person that can fit this situation or can help in this role—I think you said—I mean, at the end of the day it's, whether I have \$1 million or I've got \$1.2 million in retirement, it's really that sense of purpose that's most important.

And being able to give back, I think that's such a valuable thing and I think that's what so many clients are looking for. I know personally, at 54 years of age, I'm excited about this role; that, as I approach it, I want to get a great mentor but hopefully I'll be a great mentor for somebody else. And I think that's going to be a valuable thing and that's going to give me that sense of purpose.

Account values, all that, it's always going to be important. I'm never going to take my eye off the ball with that. But there are more things than just account values. It's having that sense of purpose. And really a successful retirement is a number of things, not just being financially secure.

John Diehl: Well, Mike, our time together is winding down today for the podcast. But before we close, what would say is one thing that advisors can do today to get started on this idea if they find it appealing?

Michael Lynch: Sure, J.D., and thanks for the time, too. I appreciate it.

John Diehl: Sure.

Michael Lynch: I think the opportunity really is to go out to hartfordfunds.com/mentor. We've developed a great piece that really discusses the mentorship program and then, more importantly, how to get started. It's outlined in four steps of how to get started. I would also leverage your advisor consultants in the field who are experts in this, and can really be a terrific partner in helping you getting this program started.

John Diehl: And, Mike, one of the other things, we'll make that guide book that you mentioned...

Michael Lynch: Right.

John Diehl: ... part of this—the show notes that attaches to this podcast episode. Well thanks, Mike, for your time today. I really appreciate it.

Michael Lynch: Thanks, J.D. I appreciate it.

John Diehl: And from all of us at Hartford Funds, thank you. We'll talk to you again soon on our next episode of the Human-centric Investing Podcast.

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