

Human-Centric Investing Podcast

Episode 36 – How Couples Can Align Their Retirement Visions, Part 1

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Featured Guest: Dr. Kristy Archuleta, Ph.D., LMFT, Associate Professor, University of Georgia

- Intro This is the Human Centric Investing Podcast with John Diehl where we look at the world of investing through the eyes of our clients. Over to you, John.
- John Diehl: Hello, financial advisors. This is John Diehl, Senior Vice-President of the Applied Insights Team at Hartford Funds. Welcome to Episode 36 of the Human Centric Investing Podcast. Joining me today on the podcast is Dr. Kristi Archuleta. Dr. Archuleta is an expert in financial therapy and some of you listening to the podcast may have had an opportunity to listen to our webinar that we did not long ago with Dr. Archuleta and I urge you, if you haven't had a chance to do so, you may want to listen to that webinar which is available on our website.
- But first, I want to welcome Dr. Kristy Archuleta. Kristy, thanks for joining us today.
- Kristy Archuleta: Yes, thanks for having me. This will be fun.
- John Diehl: Yes, absolutely. Well, fun. It's funny you mentioned that, right, because when most people think about fun, we think about retirement and all the fun that we're going to have in retirement that Kristy we know that for some folks, that vision of kind of sailboats ride, bike rides on the beach, doing all those things we've always dreamed of doesn't go as smoothly as many think.
- In today's – in today's podcast, we want to talk about transitions and specifically today, the transition that takes place when someone decides to not just change careers, but maybe take a different look at their working life going forward. For some that, may be full retirement, for some that may be doing something different. But this is a time of our life we've always envisioned a certain way, right? And most of it is pretty positively biased.
- But I know Kristy, in talking with you, that sometimes those visions that we have in our head don't always pan out and one of the main reasons is because couples don't really talk about what their retirement visions are. Can you talk to us a little bit about—is that something that's frequent or is it something occurs once in a while? How often do you see it? And I know you're an expert in the field of financial therapy and just by the name, it seems that it must be more popular than some folks think.
- Kristy Archuleta: Yes. So I think it happens much more frequently than we like to think about it. I think couples a lot of times going into retirement even think that they have that vision of what they want retirement to look like. And then once they get into retirement, it may not be panning out quite as they hoped. Maybe from an individual perspective, it's not panning out quite like they hoped or quite like they thought it might.
- Maybe they don't feel quite as satisfied as they—as they thought they would in retirement, but also when their vision with their significant other, with their partner or spouse doesn't align and they don't find that out until they're in retirement, because maybe they haven't talked about it yet. Sometimes that happens for a number of reasons.
- It can happen because you were just busy with life, with kids, with work, and we kind of go through life and we think this is—we're looking forward to this and we'll do this, we'll do these fun things when we get to retirement. But we're so caught up in just life that we don't make that time to have those conversations. Sometimes we just...
- John Diehl: I heard Kristy—I heard someone say that when someone retires, we go from spending on average about six hours a day with our spouse, and that includes mealtimes, hanging out together, to sixteen hours a day after we retire. And I think...

Kristy Archuleta: Yes.

John Diehl: ...sometimes when we talk about vision, I guess my question is, when you say vision, are we talking about, like, gigantic goals? Like what life is going to be about or are we talking about what we're doing for lunch tomorrow? Is it both types of visions or where do you see most of the issues occur?

Kristy Archuleta: Yes. So I think happens a lot of times at that larger vision because, yes, just like you said, going from six to sixteen hours together, you think I'm going to get to spend all of this time with my significant other that maybe I haven't been able to because we have been caught up in work, in kids, in taking care of parents, or whatever it might be. And how is that going to look?

So you have this broader vision of how you want to spend your time. But then when you get down to really daily tasks, what is that like every day? I think that's where people are often surprised that, "Okay. Well, what are we going to do for lunch? What are we going to do for dinner? What are we going to do for breakfast? What are we going to do in the afternoon? What are we going to do this weekend?" That really changes the whole dynamic in which they have to operate with one another. And because they've spent limited time during those working years together, they're having to get to know their spouse again.

And so going from spending six hours a week to sixteen hours a week is quite a bit different. And so I have to learn how to relate to my spouse differently when the time that we're allowed together increases so dramatically.

John Diehl: I think also when you think about retirement, a lot of people think about a time of either relaxation or recreation or things that we're going to be doing. And Kristy, it kind of takes me back to a different stage of my life when I first became a parent.

And I remember with our first child, I thought when my daughter said that she wanted to have some friends come over, she's only a toddler. My wife said she thought that'd be a good idea. Well, immediately, I thought, "Oh my gosh, if one kid is hard to entertain, what am I going to do with four or five of them?"

And when I discovered that when those friends came over, they disappeared down the basement and I didn't see them for the rest of the day, and I actually had a chance to relax. I thought, "This is pretty cool. Where do we get more of these kids," right?

Kristy Archuleta: Yes.

John Diehl: But I think about this between spouses because oftentimes, I think about it for myself. If I'm not fully engaged in what I've done for the past 30 years for a career, am I going to – am I going to retire and then expect my spouse to be my sole source of entertainment? And oftentimes, this is what I hear is that, "What are we going to do tomorrow? What are we doing tonight? Where are we going to eat? What are we going to"—you know, whoa, hold on a second, right. I didn't have this all planned out.

Kristy Archuleta: Yes, exactly. It's, again, you have that social interaction, and primarily that sole source of interaction, you could become dependent upon your spouse, because you might have gotten that interaction through your work, through your colleagues, or the people that you were seeing on a daily basis.

And when you take that out of the – out of the equation, then you might just be left with your spouse if you don't have other support structures in place. And so people can find themselves feeling very lonely, feeling depressed, feeling really bored because it's not quite like how they fantasized or envisioned life would look like.

Kristy Archuleta: So Kristy, do you encourage people as they're approaching this change of life phase, this retirement, if you will, do you encourage them ahead of time to think about the social groups that they may begin to access on the other side? What's going to take the place of the social networks at their primary career spot? Is that something that somebody should look into or think about even before we get to that point?

Kristy Archuleta: Oh, definitely, definitely. So in addition just to thinking about what's the broader hope for what retirement looks like, part of that is beings – being and staying or maintaining social support networks which we know is incredibly important for our well being of our retirees. And so how are they going to navigate?

And sometimes I think it's really difficult, at least from my experience, it's really difficult for couples to think that the social interactions will be so much different. And that I might need to be thinking about how if I take away my work friends, what is it—what am I left with? Am I engaged in any other sort of community organizations, or social support networks, or clubs where I can access that social support? Do I have a strong connection with family members and neighbors? So what does that look like?

So I might not have had as much time during my working years to engage in those sorts of things, but what's that going to look like in retirement, and how am I going to actually tap in and access those opportunities that might be available to me in the community where I live?

John Diehl: And Kristy, how much of a problem is it when I think about couples who are approaching this retirement stage? I mean, I always hate to put an age on it, but let's face it, it's usually somewhere between 50 and 70, that people are kind of toying with this for the first time, this changing my work role.

How much of a problem is it? Because when I think about that, I think to hear couples that have been through the traumas of raising a family, of getting the kids through school, maybe of getting the kids settled down a little bit, like all those things that we knew were going to be a challenge, we've kind of overcome it.

And now we get to the point where, "Wow, retirement, that's supposed to be where we get to take time off and relax and enjoy one another's time." How much of a problem is it when I assume that because my spouse and I have been married for some time and have been through these various tribulations that we kind of know one another, right? We're going to be fine. We'll figure this out." Do you see that becoming a challenge for couples?

Kristy Archuleta: Oh, yes. Oh, yes. So couples do this anyway. And so if they've created a pattern of making assumptions around how they operate, interact with one another, make decisions, then that pattern is going to continue into retirement, we're not really going to expect that to change.

So it's so important for couples to really articulate what is it that I want in retirement, what I want that to look like, and be able to communicate as clearly as you can to your partner what it is that you're hoping to get out of retirement, what you need from your partner in order to for it to be sustainable, and for you to have a really healthy relationship with one another, because if your partner doesn't know, how else are they supposed to know?

We can't. We can't assume but we often make assumptions that our partner does know or should know. And they really can't know because you haven't communicated that to them. And I think the other thing is we can try to have those conversations. It's helpful to have those conversations; the earlier the better.

And just to make that a comfortable part of the process, because in retirement when you actually make that transition, it's just like any other transition, major transition in life, where you don't exactly know what it's going to be like. Retirement doesn't come with a manual.

It's kind of like you were talking about an example with your kids. When I had my first baby, we walked out of the hospital, I was, like, "Oh, my goodness, we're being entrusted with this tiny individual, it comes with no manual. I have no idea what to do with this baby. How are we going to keep this baby alive?"

And so it's the same thing with retirement or it can have similarities to retirement in terms of this is a major life transition. You're not really going to know what it's going to be like until you get there. But if you've had the conversations around it prior, you're going to be more prepared.

And the more you see alignment around different areas of your life, the easier it's going to be, and it's the easier it's going to be to have those conversations about those expectations, or what's really going on for you, and what you really need from your partner in order to have a really healthy relationship in retirement.

John Diehl: Well, I think that's pretty important, right? Because Kristy, one of the things I think about is, as we move through earlier phases of our lives, whether it was choosing a school or a profession, a career, or whether it was being married or having children for the first time, many of us had role models or mentors or good friends that we could talk to about this.

But when it comes to retirement, sometimes there's an assumption that, "Oh, you know what retirements are. I mean, how hard is it to figure out what you're going to do in retirement?" That is seeking a mentor something that you suggest people look for?

Kristy Archuleta: I think it's really helpful to seek out mentors, whether those are peers, whether they are family members who've gone through the process, but just gathering like, what is this like? I mean, I often talk to other parents about what it's like for my child to be in these different stages, what are their experiences, and how can I utilize that information to help me in the stage that we're in with our kids?

And so, similarities with retirees... If you can talk to other retirees or people who are in that phase of life, then it's really helpful to help yourselves navigate, "Oh, so and so did this" or "So and so did that." And that was really helpful to me when we're trying to navigate this transition, because it's not just about the financial aspect of retirement, do we have enough money to do the things that we want to do? And that's a lot of times what we focus on in retirement planning is, do we have enough to do the things that we want to do and are we going – is that money going to last long enough?

But this is such an emotional aspect of life where we're not—we might have this fear, be scared of looking at the reality of what this is. We could really be going into the last third of our life. And so we're not at the beginning anymore, we're more towards the end. And it can be really, really scary to be thinking about what does this mean for me, and where I am in my stage of life.

And then the other aspect of it is that a lot of times people don't communicate about this is fear of conflict. And the fear of having that conflict with my spouse, this is supposed to—like you said at the outset—this is supposed to be a happy time. We think about retirement as this fun time, that we're going to do all these things that we've always wanted to do or that we want to do, and we haven't had time to do them previously.

And if I have an expectation, or if I need something or want something that is not the same as my spouse, or I don't think that it's the same as my spouse, or my spouse may not support that, I may not want to raise that concern because I might be afraid of conflict with my spouse.

And if that's been the pattern previously, the pattern's probably going to continue. And so to keep the peace, I might not say anything, but then that also keeps me frustrated. And I we might be having a little bit more bickering as we go along or complete avoidance of one another, and so then that's not healthy either.

John Diehl: Well—and Kristy, using the typical couple's argumentative style, I'm going to say to you, "Well, okay, you brought it up. You brought up the topic of money." And there's a lot of the folks listening to this—well basically all the folks listening in this podcast, are in the area—are in the industry of financial advice. It's what they do day in, day out.

And so as we talked about some of the topics that we've already mentioned, somebody may say, "Wait, wait, wait, I'm a financial planner, right? Why do I need to get involved with this kind of thing?" And I think, the clearest link to what we do as advisors and I'm pretty sure that you would tell us it's more than just about the money, but let's just start with the one that's closest, which is money.

So what kind of things do people argue about and I, you know, what I've observed Kristy is that probably the surface level of the money arguments are around spending, right? It's what do we spend money on? How much are we spending? And it's dollars and cents, it seems frustrating. But talk about that for a moment, but talk about is that really all we need to know about the money aspects? Or do

we need to go or should couples be going deeper in terms of what money means to them?

Kristy Archuleta: Yes. So just to kind of back up just a little bit. So obviously it's more than about money. So financial advisors, this can really be where some value can be provided, is understanding the psychological and emotional and relational dimension to money, it's not just a financial aspect.

And if you're listening to this podcast, you probably already know that. But money is the number one stressor for Americans today, that has been shown by The American Psychological Association for, like, the last 14 years. So it's consistently being shown as one of the top stressors.

It's stressing us out. On top of that, money is one of the most thought-about issues in couple relationships. It's not always the most thought about, might be chores, or children, or those sorts of things, but it has been shown to be the most tension-issue that couples fight about.

So these are really intense arguments. And it's like you talked about, a lot of times it's over, like, you spend, and you save too much, and you're too tight, and you're too much of a spender, or you –it's because we often marry the opposite of ourselves, and so we have those arguments.

But really, it's argument over our core beliefs around money, and we all have these core beliefs that we've developed early in childhood that have been either confirmed or manifested over a period of time based upon other cultural messages that we've received.

And we don't walk around thinking about, "I believe this" or "I believe that about money." We just know that I do these things and a lot of times we don't necessarily recognize that I'm spending a lot or maybe I am, really hold on to my money, I'm that tightwad. But we're really fighting over core beliefs and how money makes us feel.

John Diehl: And oftentimes that's related to a story, something that's impacted us for how money had shaped us over time, right? Whether whether it was parental success or mismanagement or how money was never talked about in the family, right? All those kind of things are part of it, aren't they?

Kristy Archuleta: Yes. So everybody has a story. Everybody has a story. And if you don't understand the story, then it's really difficult to understand why people do what they do. And so what may look like crazy or irrational behavior may really make a whole lot of sense if you understand that person's story.

So, for example, you might see someone who does not want to spend money on anything to the point where they're willing to not access healthcare that they might need, even though they can afford the access to healthcare. And that may stem from the fact that they want the money to make them feel secure and stable, because they lived through a period of time like the Great Depression where those resources were not there at all. And so they have this mindset that there's never going to be enough.

And so to spend that would be really, really difficult and go against that real core belief. But all anyone else might see is they're not spending on things that they really need. Why is that? They're just crazy. But they have a story that has created that belief as to why they do what they do. But most of us don't—we don't even understand or know our own stories around money. And so therefore, we don't have a good idea about what we believe, what we value, and then that plays out in our interactions with others around the topic of money.

John Diehl: And having a financial advisor that might be able to at least begin to draw some of the stories out, it might actually be kind of like a mediator, right? Not that there's a current fight going on, but an advisor who can say, "Well, Kristy, it's interesting you say that, can you tell me more about what happened" or why you think you feel the way you do about that because it's important to me as I put your plan together, it may wind up facilitating a conversation between spouses where one spouse may have not even realized that their spouse had this hesitation or reservation and when it comes to money, right?

Kristy Archuleta: Yes, exactly. And if there is a reservation about, I don't know, taking that European trip that you'd always wanted to take and that you'd always talked about taking, tell me why you feel that way. And that might seem very uncomfortable to some financial advisors, but it's being a human.

And as my – one of my colleagues would say, “It’s OK to be a human, you need to be human so that you can seek to understand that person.” And so seeking to understand that story and just asking some of those probing questions is digging deeper and really helping to understand that person so that you yourself as an advisor can understand what’s going on.

And by you asking questions, you’re also helping the client clarify for themselves their own story, and then you give the couple a whole different way of communicating with one another because they start to understand each other in a different way.

John Diehl: Kristy, as we near the end of our podcast, first of all, I’ve got more questions for you. So I’m going to ask if it’s okay with you. If I could invite you to a second podcast because I know there’s more that we need to talk about. Are you willing to do that for us?

Kristy Archuleta: Oh, you bet. That would be great.

John Diehl: Well, just in closing out this one, I guess a question. I have coming from the financial advisor standpoint is, what do you do if your clients get uncomfortable or don’t want to talk about this? I mean, what is the role of an advisor? Do I back off at that point or what would you say to do...

Kristy Archuleta: Yes.

John Diehl: ...if I kind of wander into troubled waters if you would?

Kristy Archuleta: Yes. So this is a question I often get, like, I don’t feel comfortable talking about these sorts of things. And that’s OK. You should not go beyond your scope of practice, meaning you should not do the things that you’re not trained to do.

And in that case—and then in the example that you’re bringing up is that it’s—you can make referrals, number one, especially if it is getting in the way of your client making progress towards their financial goals or implementing things that help them get to their financial goals. So making a referral is a really good option. And sometimes that’s even scary because financial advisors don’t necessarily have a Rolodex of therapists on their desks to figure out to make those referrals too.

But I would encourage financial advisors to have those relationship experts in place that they can make those referrals too, just like you would have an estate attorney, or a CPA, or an insurance professional in which you make referrals because your client needs access to these services, making a referral to a relationship expert.

And normalize it because whatever the couple is experiencing, let’s say that it’s some conflict around the decisions that they’re making regarding their financial plan, if they – if they are stuck, then that’s a really normal place to be really, because money is so tension producing; it’s so stress-producing within the couple relationship.

And having a relationship expert to come in to either consult with that you could invite a relationship expert such as marriage and family therapist or a financial therapist, a certified financial therapist to come in to help with that process, or you could just refer the client to go see someone.

That this is a really helpful process that you might get something out of, I’ve seen other clients gain access. This is a colleague, they do this kind of work. And so there’s a number of ways in which you can present that. But that is certainly one way in which couples can be—you as an advisor can do with that especially if you’re not comfortable with that conversation.

John Diehl: Well Kristy, and I think one of the ways—and we’ll close—but as you said that, I thought a lot of times it’s about expectations, maybe right up front in terms of the engagement that financial advisor could describe to the client, or clients I should say, many of the resources available to them, be they planning tools, be they relationship referrals, be they—the advisor brings a whole—a whole spectrum of services or access to services and tools that can help people through this challenging period of transition in their lives.

And not that any of them necessarily going to be needed, but at some point, if they are, you just want

to let the client know upfront that maybe you could be a bridge to those kinds of things. And that way, maybe it takes that referral out of the moment of crisis, if you will, right, to say, "Hey, remember we talked about this. It might be a time you guys might want to think about talking to an acquaintance of mine that does this for my practice quite often."

Kristy Archuleta: Yes.

John Diehl: And that might remove as you said some of the stigma from it.

Kristy Archuleta: Exactly.

John Diehl: Well, Dr. Kristy Archuleta, thank you so much for joining us on this edition of the Human Centric Investing Podcast. It was a pleasure hosting you.

Kristy Archuleta: Well, thanks for having me. And this has been great.

John Diehl: And when we come back in our next episode Kristy, what I'm thinking about is, I know that money is often just a symptom of other issues that we're not aligned on. And when we come back in our next episode, I'd like to talk to you about some of the other issues aside from money that it's really important for clients to be aligned in.

So for all those listening today, we hope that you enjoyed this episode and we asked you to come back for our next episode of the human centric investing podcast. Thanks very much.

Dr. Kristy Archuleta is not affiliated with Hartford Funds.

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