

RETIREMENT Planning

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Retirement is one of the least understood and least planned stages of life. For most, retirement raises more questions than it answers. Retirement planning, or lack of it, can trigger and aggravate social and occupational problems that we haven't yet begun to solve, or even think about very seriously.

Every personnel manager, training director and benefits administrator that is worth his or her salt spouts the truism that careful planning and preparation is required for a happy and successful retirement. Prospective retirees are urged to plan for their financial, physical and psychological well-being after retirement. Not fully satisfied with the *Retirement Planning Program* of the Port Authority of New York and New Jersey which, for the most part, consisted of an interview to advise prospective retirees of their benefits, the Personnel Department's Career Development Division decided to survey the programs of other organizations in preparation for developing a new one for the Authority.

Nationwide Survey

Although the survey was concentrated primarily in the New York metropolitan area, the

search for data was actually nationwide. Some 50 companies were surveyed to determine whether they had or knew of a thorough retirement planning program. Retirement groups and related organizations were contacted to determine whether they had any similar leads. Much to the surprise of the investigators, it was not only impossible to find a comprehensive program, but not even possible to find anyone who knew of one. The most sophisticated programs encountered consisted of a few brochures and a busy counselor who squeezed a few pre-retirement interviews into his otherwise busy schedule.

Although the quest for a program was unavailing, the search for information about a quality retirement program was not. A variety of sources could agree on the following principles:

1. Patterns in society are such that people go through periods of dependence — dependence on their families, on educational institutions and on the organizations they work for. Their employer, their co-workers, their status in the hierarchy, all form a social fabric which structures their lives. As they face retirement, they become painfully aware that this fabric will cease to exist and for the first time they will have to go at life virtually alone.

choice
or
chance?

Many employees believe that retirement is a private, personal consideration and don't care to face it in advance or discuss it with others. Being identified as "eligible for retirement" comes as a blow to many. They feel that any talk of retirement is evidence that they're getting old and that the company wants to get rid of them. Potential retirees seem ambivalent about the whole idea and the coming shift in life style appears traumatic. The random manner with which many approach what, thanks to an increase in longevity, is becoming a longer period of their lives, is distressing. Most people head for retirement with far less planning than they give to a two-week vacation trip.

2. The real issue of retirement is one of ability to cope with change and to create it intentionally rather than be buffeted by the random effects of apathy or the upheavals resulting from neglect. Providing the employee with a program to help him or her prepare for post-employment period is a responsibility of the company and is as much a part of career development as the occupational guidance or career counseling that takes place earlier in an individual's career. Yet, in many companies, pre-retirement preparation has been rejected as a kind of paternalism and an intrusion into an employee's private life.

Adequate Planning

Retirement is a critical juncture in a working person's career and failure to help him or her to plan for it adequately can be just as disastrous as the failure to prepare adequately for a job or a promotion. Focus must be directed on the ways which corporate structures and surrounding society might equip the individual to cross the boundary of retirement without a sense of loss of self, thinking

of it and adapting to it as a welcomed change rather than a cataclysm.

3. Merely providing financial information that helps estimate retirement income is not enough. Older workers must be aware of the psychological aspects, family, use of time, housing, legal, medical, tax and second-career aspects of their upcoming retirement. One of the real troubles about retirement in the modern era is *not* the change in work customs and habits, but the change in the customs and habits of people at leisure.

4. Retirement planning is *not* carried out effectively a few weeks or months before the actual date of retirement. To be maximally effective, the prospective retiree must begin planning years before separation from the organization.

Five-Session Program

Based on these principles, in an effort to raise people's consciousness of the need to plan for retirement, the staff of the Career Development Division developed a special program for the older employees of the Authority. Initially, this consisted of a five-session program given on company time at a convenient location. As of this writing, the program has been extended to seven two to three hour sessions. The program covers the following topics:

1. *The need to plan for retirement:* This opening session is generally presented by a representative of the American Association of Retired Persons and serves to impress participants about the critical need to plan effectively.

2. *Physical and psychological aspects of retirement:* A medical doctor and a geriatric psychologist discuss nutrition, physical health, how to meet emotional problems and family and home relationships.

3. *Social security and medicare benefits.* These benefits are described and discussed in detail by a representative of the Social Security Administration.

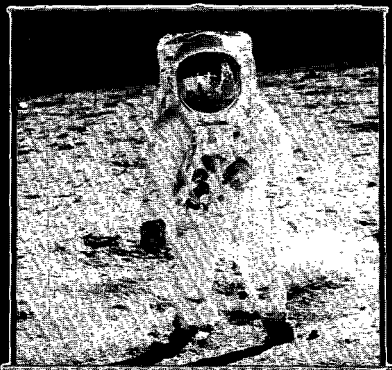
4. *Pension benefits:* Since the Port Authority is a member of the New York State Employees Retirement System, a representative of this system describes the benefits available.

5. *Company health and insurance benefits:* Benefits administrators from the Authority describe company benefits available after retirement.

6. *Finances and investments:* A financial expert discusses alternative methods of maximizing return on investments for the retiree.

7. *Estate Planning:* An attorney discusses the holding and disposi-

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tion of property considerations in making a will, when to see a lawyer, recording of important papers and planning for the distribution of the estate. A representative of the Internal Revenue Service discusses estate and income taxes.

8. Use of time during retirement: A specialist in aging from the Regional Office of the Department of Health, Education and Welfare and a psychologist discuss second careers, recreation and voluntary service, retirement locations, travel, and supplemental income.

The program seeks to provide basic practical information on subjects known to be of major importance to most prospective retirees and to identify sources for obtaining more detailed information if desired. Participants are enrolled for a one-year period in the American Association of Retired Persons and are given a one-year subscription to a bi-monthly magazine, *Retirement Living*. Throughout the program several publications are distributed to enable the formulation of realistic plans and informed decisions.

The initial program was videotaped with the expectation that it could be shown to those who could not attend the live presentation. It was found upon review, however, that the spontaneity and sense of involvement was lost when viewing the tapes and the idea was discarded.

300 Applicants

Delivering this program to affected employees was a major consideration. In January 1972, there were 628 (8.4 per cent) employees over the minimum retirement age of 55. The 1670 (22.2 per cent) between 46 and 55 were rapidly approaching it. Initially, participation was encouraged only for employees above 55 years of age. More than 300 em-

ployees applied for the first program, although only 100 could be accommodated. As of this writing, the age for participation has been lowered to age 50 and approximately 300 have already been serviced. Programs are given as needed, but it is anticipated that once the initial backlog is served, they will be offered annually.

Participation in the program is voluntary. The response by employees has been overwhelming and enthusiastic. The majority indicate they have been exposed to problems and opportunities they had never considered. The only difficulty with voluntary participation is that a number of employees who may need the program badly may not be participating.

Regardless of how comprehensive the subject coverage in group pre-retirement sessions may be, the need for individual counseling must continue and even increase. The knowledge acquired in group sessions will stimulate a desire for additional information for individual application. As a result of this program, individual retirement counselors have experienced an interview overload. Despite the problems this has created, it is a healthy sign.

No Right Plan

There is no "right" plan of retirement for everybody. Each person must decide what he or she wants and then plan the best way to get it. The intent of the program is not to provide all of the answers to all of the problems that the prospective retiree faces — this is an impossible task. Rather, the goal is to provide information which may be useful and to pose questions that the individual alone can answer.

Since this is a dynamic and evolving program, revision is still under way, based upon the needs

reflected by the participants. There is no way to be certain of the course the program will take several years hence. What is certain is that the older retirees of the Port Authority of New York and New Jersey are now more likely to realize the dreams of their golden years.

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