



Winding Down the Law Practice:

Planning for Retirement

**NEW YORK STATE BAR ASSOCIATION
General Practice Section Summer Meeting**

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Winding Down the Law Practice

Planning for Retirement

An ever increasing number of law firms are looking for ways of helping senior partners reduce or refocus responsibilities, schedules, and pay, and at the same time, help these individuals develop a personal plan for fulfilling retirement goals. Firms are exploring sabbatical and flex time options as well as providing coaching assistance and transition planning classes for key individuals.

Today's workshop, *Winding Down the Law Practice: Planning for Retirement* is a one-hour slice of a three to six month coaching commitment developed for law firms by Stephen P. Gallagher, president of Leadershipcoach.us. The coaching relationship is based on the concept of building "congruence," which Carol Rogers described as, "Living from the inside out." It means, turning ourselves inside out – being aware of our essence and living it.

In our time together today, we hope to help you:

- Discover how to organize the structure of your life without full-time work.
- Discover your gifts to better understand how to thrive, not merely survive, in retirement.
- Discover how you can remain fully open to new growth and personal development on all levels in your retirement years.
- Discover how you can find purpose and personal meaning in retirement.



RETIREMENT as a New Career/ Life Development Stage: A Renewal Process

Stephen P. Gallagher
Retirement Coach for www.Leadershipcoach.us

Instead of viewing retirement as an end-point in itself, we need to begin thinking of retirement as a series of developmental steps taken by individuals on an ongoing basis. Retirement today needs to be seen as more a journey than a destination. In order to more effectively participate in this journey, retirees need to learn new skills and competencies well before they begin their retirement experience.

Over the past thirteen years, I worked as a Practice Management Advisor for the New York State Bar Association, and during that period of time, I had the pleasure of working with hundreds of senior attorneys in developing *Exit or Retirement Plans* for themselves and for other key partners and shareholders. Today's more highly educated, more accomplished, and more affluent pre-retirees are simply looking to find more personal PURPOSE in their lives than they ever had before. They want something new, something different, perhaps something novel, and certainly something interesting at deep personal levels.

The traditional meaning of retirement is a single event – “withdrawal” from the workforce into leisure, relaxation, a slide into the end of life. Webster’s Dictionary defines retirement as “removal or withdrawal from an office or active service; to seek privacy or seclusion.” The word retire comes from the French word *retirer* meaning “to withdraw,” the same root “martyr” comes from. The dictionary often has trouble keeping up with society’s changing definitions of nomenclature, but also perhaps, not only should retirement be redefined, but also indeed the whole notion of age needs to be reviewed.

An Aliveness Questionnaire (From *The Power of Purpose: Creating Meaning in Your Life and Work*, Richard J. Leider)

	YES	NO
Do I feel a sense of balance?	<input type="checkbox"/>	<input type="checkbox"/>
Do I regularly enjoy hearty belly laughs?	<input type="checkbox"/>	<input type="checkbox"/>
Do I live my dream?	<input type="checkbox"/>	<input type="checkbox"/>
Do I take time for solitude?	<input type="checkbox"/>	<input type="checkbox"/>
Do I have at least two nutritious* people in my life?	<input type="checkbox"/>	<input type="checkbox"/>
Do I feel the energy of optimum health?	<input type="checkbox"/>	<input type="checkbox"/>
Do I have a spiritual practice in my life?	<input type="checkbox"/>	<input type="checkbox"/>
Do I feel that my life matters?	<input type="checkbox"/>	<input type="checkbox"/>
Does my recreation time re-create me?	<input type="checkbox"/>	<input type="checkbox"/>
Do I have the courage to say “No”?	<input type="checkbox"/>	<input type="checkbox"/>

Total Yes Responses = _____

Note: *Nutritious people have three primary characteristics: their face lights up when you come in the room, they listen to you, and they have few (i.e. no) plans for your improvement!

The Question of Age and Phased Retirement

Research from Retirementoptions.com, a training organization devoted to pre-retirement planning, indicates that a new career developmental stage is emerging, which they call the "Renewal stage." The Renewal stage starts about the mid 50s and lasts well into the 70s. The Renewal stage can be a time of great personal growth and development, or it can degenerate into just the opposite. The transition we call retirement is actually the beginning of a new career/life stage called RENEWAL. The key to success in this Renewal Stage is how well a person prepares for it. Today, I can only hope to convince readers that, at some point in your career, you will need to take active steps towards developing your own *Exit or Retirement Plan*.

The Renewal Stage is a time when individuals begin taking a much more personal approach to living. They are more free to ask themselves what they want, free for the most part from former family obligations, free from the press of having to climb the ladder of success. The Renewal stage is a time when even "hard-chargers" re-evaluate how they live their lives. They don't have to prove to anyone what they're made of. Now they only have to answer to their own needs, their own impulses, their own calling, and their own passion. That's really what renewal is all about... pursuing your passion, your dream, your own goal – not someone else's.

Congress has repealed the Social Security "earnings test" for people 65 or older, yet at the same time, government data shows that the percentage of people over 65 who are in the workforce has been rising since the mid 1990s, after decades of decline. In 2001, it was 12.8 percent, higher than anytime since 1979. The mandatory retirement age has all but been eliminated, but many partnership agreements in force today, include clauses that require senior partners to begin a retirement process once they reach a certain age. In most cases, compensation is adjusted downward proportionately.

In 2001, the American Productivity and Quality Center (APQC), a consortium that focused on identifying business best practices and innovative methods of transferring those methods, explored links between succession management and company leadership development process. The study pointed out that if economic growth continues at a modest 2 percent for the next decade and a half, this would result in the need for a third more senior leaders than there are today. Yet the supply of the age cohort that has traditionally entrance into the executive rankings (35 to 44 year olds) is actually declining in the US and will have dropped by 15 percent between 2000 and 2015 because of the differences in the size of the Baby Boom generation and the much smaller Generation X. So, law firm strategists have to wonder where this talent pool of endless reserves will be found.

"Studies show that the majority of retirees work for pleasure, mental stimulation, and personal fulfillment."

Today's retirees generally aren't looking to fade away. They want to find fulfilling activities, they want enriching endeavors. Certainly they want to leisure... at times, and they naturally want to have fun. But, contrary to the popular media view of retirement, the most important thing persons anticipating retirement are looking for is their own fulfillment... their own sense of purpose and meaning.

Studies show that the majority of retirees work for pleasure, mental stimulation, and personal fulfillment. In the Cornell Retirement and Well-Being Study, 44 percent of retirees say they work for pay at some point after their careers. The most popular reason for returning to work (89 percent) was to keep active, not financial need. Innovative law firms are beginning to look towards their senior partners to see how they might be able to help the firm solve one of the greatest leadership challenges the firm will be facing in the years ahead. Ensuring an adequate supply of qualified leaders will separate successful firms from the others.

Today, there are 40 million people 65 and over (14 percent of the population), in 2030 there will be a whopping 70 million people (20 percent of the population) in this age bracket. People over the age of 85 are the fastest growing age group. Could it be that the same senior partners that many firms are now looking to sunset may become the untapped resources firms will need to lead the talent pool of the future?

THE LAW FIRMS ROLE in Retirement Planning

Dr. Phyllis Moan, Director of the Cornell Employment and Family Career Institute at Cornell University, who has studied couple's retirement traditions says, "We plan our careers, but we don't plan our retirement." Once you leave full-time law practice, you may need time and possibly support as you move away from the external, material, achievement definition of self, toward the more personal, intimate and, for many, the spiritual definition of self. The journey from full-time work to full-time retirement in its traditional sense may take years to accomplish.

"Increasingly, professional service firms are turning to retirement coaches or mentors to help senior partners set retirement goals and exit strategies."

If retirement is seen as a new journey, a path full of challenges and opportunities that individuals may begin in their mid-fifties, increasingly, law firms will need to get involved in directly helping senior partners as they work through this planning process. With the proper planning, retirement should hold up as a new prospect of growth for you, your loved ones, and your law firm.

For years, David H. Maister, widely considered one of the world's leading authorities on the management of professional service firms, has been promoting skilled managers and team leaders whose job it is to manage the team and coach the individual players. In David H. Maister's book *Practice What You Preach*, he shows (statistically) that success in professional business actually returns greater profits to the firms that provide coaching to individuals than firms that provide no coaching or mentoring.

The phenomenon sometimes called phased retirement is becoming increasingly more common among all many white-collar professionals. Increasingly, professional service firms are turning to retirement coaches or mentors to help senior partners set retirement goals and exit strategies. As a rule, Retirement Plans include both long-term goals (e.g., to continue working three-days a week for two more years) and the more immediate performance goals that move lawyers toward those long-term goals (e.g., to transition ten of my clients to younger partners in the next thirty-days).

An ever-increasing number of professional coaches are being brought in to work with sole practitioners and senior partners in firms of all sizes. Research shows that individuals who are able to set goals for themselves that are Specific, Measurable, Achievable, Realistic, and Time-limited (SMART) are much more successful in achieving what they wished to accomplish. When the goals are for the individual's own benefit, motivation increases and success of the relationship is assured.

Persons approaching their first retirement transition need exactly the same process of self-analysis and sound consultation that they would receive from a competent career consultant if they were going through a job change. Time to work on such a plan is very hard to do with other responsibilities in a busy law practice. As job changers need to generate their career options in a clear and understandable way, so too, pre-retirees need the same "options generation" process but with slightly different content, slightly different goals, and an entirely different purpose. That's exactly what persons approaching retirement at any age need... they need OPTIONS.

Throughout the country, coaching has achieved wide spread recognition as being of value, relevance and importance in business, and we are now beginning to see increasing numbers of independent coaches working in the legal marketplace. Innovative law firms are now beginning to offer senior partners assistance in finalizing retirement plans through the use of outside coaches, who have specialized in retirement planning.

The coaching engagement is generally provided through a series of confidential telephone consultations made over a period of three to six-months. Individual attorneys can invest in retirement coaching on their own; however, there are a number of benefits law firm can get from extending coaching as a pre-retirement benefit. The number one benefit to law firms is from helping the senior people who built the firm determine how they might want to continue to be involved with the firm in the future.

Exercise I

Self Exploration Retirement Exercise

1. When you imagine being retired, what picture comes to mind?

2. What do you anticipate adding to your life when you retire?

3. What do you envision giving up when you retire?

4. Do you have ideas about what your retirement should be?

5. Imagine not retiring. What image comes to mind? Is it positive? Negative?

6. Whose retirements have you observed? Parents? Aunts or uncles? Friends?
What would you like to emphasize or do differently

The Question of Age and Retirement

Age does not miraculously give us the requisite tools, competencies, knowledge, and attitudinal shifts to ensure that our retirement will proceed maximally. The average retirement age has declined from around sixty-five, some fifteen years ago, to around fifty-eight today. At the same time, people are living longer. Males today can expect to live an average of 72 years, while females will live almost five years beyond that. Eighty percent of baby boomers say they want to work in retirement, and three million of these baby boomers are expected to live to be 100.

Four Ages in a Lifetime

0 – 24	First Age of Learning
25 – 49	Second Age of Work
50 – 74	Third Age of Living
75 +	Fourth Age of Aging

Four Stages of Aging

65 – 74	Young old
75 – 84	Middle old
85 – 94	Old old
95+	Frail old

Exercise II

Why Would Baby Boomers Want to Work After Full-time Employment Years?

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

What is Rewiring?

Rewiring is all about your personal energy flow, where you want it to go, and how using it will fulfill your mind, body, and soul. Rewiring starts with your physical and mental energy flow because it is wired into your body for life. Rewiring is the process of rerouting personal energy that was spent in one's prior occupation into deeply satisfying, personally customized work activities including full-time, part-time, flex-time, phased, sabbatical, seasonal, paid, personal, and/or volunteer.

Exercise III

Reasons Why People Flunk Retirement

1. Retire for the wrong reasons.
2. Did not realize the _____ side of retirement.
3. Do not know _____ as well as I thought I did.
4. Did not have a _____.
5. Expected retirement to evolve on its own.
6. Thought rest, leisure, and _____ would be enough.
7. Did not stay _____ with society.
8. Expected my _____ to be my social life.
9. Did not know what I was leaving behind.
10. Was overcome with _____.

Exercise IV

Reasons You Should Consider Rewiring

1. Need _____ stimulation.
2. Desire to do something _____.
3. Want to do activities I have _____.
4. Seek a balance between work and play.
5. Want to continue to make _____, doing something I love.
6. Hope for a chance to turn an _____ into a vocation.
7. Want to stay physically and mentally _____.
8. Desire to remain pro _____.
9. Hope to make a _____ for others.
10. Need to stay _____.

What are Drivers?

Drivers are personal motivators that we use as a selection tool to choose how to match up our deepest needs with the world around us. It seems obvious to us that, since drivers do not go away, they could also serve as the basis for finding satisfaction in the new alternative to retirement, reirement.

Studies show that the majority of retirees work for pleasure, mental stimulation, and personal fulfillment. In the **Cornell Retirement and Well-Being Study**, 44 percent of retirees say they work for pay at some point after their careers. The most popular reason for returning to work (89 percent) was to keep active, not financial need. Other reasons included the following:

- Had free time (73 percent).
- Desire additional income (63 percent).
- Not ready to retire (58 percent).
- Maintain professional contacts (56 percent).
- Maintain social contact (56 percent).
- Need additional income (41 percent).
- Health insurance (10 percent).

Drivers are the key to satisfaction. They enable you to match your deepest needs with your work, job, career, and other activities. It is good to think about what you like about and didn't like in the past because it sheds light on your future possibilities. What do you get out of your current job (besides money)? Have the rewards you get from your career changed over time? Authors, Jeri Sedlar and Rick Miners believe that, "since drivers don't go away, they could also serve as a basis for finding satisfaction in the new alternative to retirement, reirement."

30 Drivers

Jeri Sedlar and Rick Miners identify 30 drivers, which we list in alphabetical order by the name of the activity.

1. Accomplishments – To have accomplishments.
2. Action – To be “part of the action”.
3. Authority – To be an authority figure.
4. Belonging – To have a sense of belonging.
5. Competition – To be competitive.
6. Creativity – To be creative.
7. Current – To be current or “in”.
8. Experiences – To have new experiences.
9. Friendship – To develop friendship.
- 10 Fulfillment – To be fulfilled.
11. Global – To have global opportunities.
12. Goals – To have and to share goals.
13. Identity – To have an identity.
14. Intellectual Stimulation – To be with intellectual stimulating people.
15. Leadership – To be a leader.
16. Lifelong Learning – To be constantly learning.
17. Making a Difference – To help make the world better.
18. Mentoring – To mentor others.
19. Passion – To pursue a passion.
20. People – To have exposure to people.
21. Power – To wield power.
22. Prestige – To gain prestige.
23. Problems-Solving - To be a problem-solver.
24. Recognition – To be recognized.
25. Self-Esteem – To enhance self-esteem.
26. Skills and Talent – To develop skills and talents.
27. Social – To be connected to others.
28. Structure – To have structure.
29. Value – To give value to others or to be valued.
30. Visibility – To have visibility.

Exercise V

Identify Five of Your Key Drivers

Knowing your key drivers and then finding activities that will fulfill them is key to satisfaction. In Jeri Sedlar and Rick Miner’s research, they showed that when people satisfied their drivers, they were fulfilled in their retirement. Your drivers give you a focal point for your rewiring planning by showing you where your emotional payoff, satisfaction, and fulfillment have come from in your life.

Before you can identify your personal drivers, you have to understand that drivers are not actions or activities, but rather motivators inside of you. You fulfill your drivers (which are internal) when you take part in activities (which are external). Drivers mean different things to different people, and fit into people’s lives in very different ways.

Study the list of drivers and try to select five accurate drivers that are really you. Don’t answer based on how you would like to see yourself, but how you really are. Try to base your answers on your whole life rather than your most recent job. Selecting drivers is not something that can be done in one sitting. Ideally, you should go through the list three times to be able to identify accurate drivers for yourself.

For this exercise you are asked to choose 5-10 drivers from the list of 30. Later you can refine you selections to come up with your final 5 drivers.

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

Appendix 1

Why Would Baby Boomers Want to Work After Full-time Employment Years?

Answers to Exercise II

1. Stay connected to something larger than oneself.
2. Find meaning and intellectual stimulation.
3. Satisfy curiosity and learn something new.
4. Achieve personal goals.
5. Continue active lifestyle.
6. Make a difference.

Reasons Why People Flunk Retirement

Answers to Exercise III

1. Retire for the wrong reasons.
2. Did not realize the emotional side of retirement.
3. Do not know myself as well as I thought I did.
4. Did not have a plan.
5. Expected retirement to evolve on its own.
6. Thought rest, leisure, and recreation would be enough.
7. Did not stay connected with society.
8. Expected my partner to be my social life.
9. Did not know what I was leaving behind.
10. Was overcome with boredom.

Reasons People Should Consider Rewiring

Answers to Exercise IV

1. Need mental stimulation.
2. Desire to do something meaningful, significant.
3. Want to do activities I have postponed.
4. Seek a balance between work and play.
5. Want to continue to make money, doing something I love.
6. Hope for a chance to turn an avocation into a vocation.
7. Want to stay physically and mentally healthy.
8. Desire to remain productive.
9. Hope to make a difference for others.
10. Need to stay connected.



Stephen P. Gallagher, president of Leadershipcoach.us, an executive coaching firm that works with attorneys, practice group leaders, and “high potential” individuals to develop exit strategies and Retirement Plans. Gallagher also works with management teams to help firms adapt to change, build a sustainable, more profitable law practice, that will support individuals in working less hours and thus achieving balance in your professional and personal life.

Reference:

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