PRINCIPALS' CONFERENCE

PREPARING AND INVESTING IN RETIREMENT

WAMBUGU WA KAMAU
MOTIVATIONAL SPEAKER
TEAM BUILDING COACH

RETIREMENT

Retirement—is the withdrawal from one's position or occupation or from ones active working life

How do you want to retire?

Rich or poor?

FATE OF PEOPLE BETWEEN THE AGE OF 25 TO 65

1% will retire rich

4% will be financially independent and stable

5% will be working in defiant of retirement to earn a living

12% will be broke

29% will be dead

49% will depend on family and friends to survive

YOU ARE AMONG THE 71% SUVIVORS

If you are within 25-65 age bracket you will be among 71% who will still be living the question is where will you be?

Rich, Independent, broke… this will be depend on how you plan yourself Now..

The destiny or retirement is in your hands. It is never too late or too early to make a positive change in your life

FACTS ABOUT RETIREMENT

1. Many people who are working today will die poor unless they reorganize their finances and self-priorities right.

Cont…

2. No matter how little you are earning. You can save for retirement and save yourself from financial stress and misery that others who do not save will inevitably face.

Cont...

3. It is estimated in Kenya that regardless of income level. Over 70%of employees are broke before end month. They live from pay cheque to pay cheque balancing between the bills and debts. Even if you are in this category, you can still secure a better retirement life.

Cont…

4. The life you live now determines the kind of life you will live after retireering.

SEVEN THINGS WEALTH BUILDERS DO

1. They live well below their means

2.They allocate their time, energy and money efficiently, in ways conducive to building wealth.

3. They believe that financial independence is more important than displaying high social status.

Cont…

4. Their parents did not provide economic outpatient care.

5. Their adult children are economically self-sufficient.

6. They are proficient in targeting market opportunities.

7. They choose the right occupation.

MANAGING CHANGE IN RETIREMENT

One of the biggest problem retiree's faces right from day one outside the work station is managing change.

The next problem is Identity crises.

Most retires are identified with their company, school or tittle Principle, senior principle, chief principal.

IDENTITY CRISIS

It is wrong to be identified with your good job occupation or any other object because it may turn out against you, if you overdo it. To the extent that it becomes your second skin. One day this dear object, Position, occupation is removed you feel stripped

I know or a retired principal who now deals with Real Estate. I asked if his business card and I noticed, it had been written in brackets (Former High School Principal). Five years down the line and he wanted to be associated with his former tittle.

ACCEPT YOUR NEW IDENTITY

Once you are out of work you are likely to receive fewer calls, fewer Visitors, fewer Invitations. If this happens to you then it means most of your contacts were either or by virtue of position. Those who remain are your true friends.

BE FLEXIBLE LIKE A RUBBER BAND

Many people work in areas that require strict deadlines and lay-down procedures at the work place. Once they retire, they go to another setting where people are rarely in a hurry. Sometimes there is nobody to push to do things. You have to do it their way, or else do it yourself.

When you become a village elder or church chairman remember people in those settings don't know deadlines or they are not in a hurry of doing things.

Cont…

Be flexible remember you are not a principal there.

It is not easy to fit in a disorganized system after being in an organized systems for decades. You must be very flexible like a rubber band.

Decide where to live. If you decide to live in rural areas they may be a bit backward don't try to be their teacher.

If you want to bring development and introduce new things, as an agent of development do it in a gentle manner.

ACCEPT CHANGE

The biggest problem many retirees face is not financial but adapting to a new station.

Resisting change is futile. You must accept that nothing last and your job position and status are no more and pave way for a new job, position and status.

Cont…

Change must start in the mind. Accept things the way they are and avoid trying to change things radically.

If you choose to be an agent of change be gentle and wise. At all costs, avoid conflict.

CHOOSING BETWEEN LUMP SUM AND ANNUITY PAYMENT

Lump sum is where you get the whole pension at once and annuity is where you get a regular pension monthly or quarterly.

Before deciding which way to go for you must have a plan of your life- how many years are you intending to live?

Lump sum can be good if you are sure of where you are going to invest and you have done good ground work.

Cont…

It may also be very risky because you are no longer ambitious and young to venture.

Most retiree suffer a syndrome called “me too syndrome”. This is doing what others are doing and expect a different result.

The Annuity Option

Annuity is where you convert your retirement package in a whole or in part into a fixed periodical payment, usually monthly. This looks like another salary. The sum can be for life or it can continue as long as either you or your spouse is alive.

This is a option that relieves you the worries of investing and managing your money. You live with certainty of getting regular income.

POSSIBLE CAUSES OF FINANCIAL PROBLEMS IN RETIREMENT

There are two major causes;

a) **Poor planning.**

b) **Catastrophes such as illness.**

Both of these can be prevented

Poor planning.

There Are Four Types Of Lifestyles; You Must Be Living In One Of Them.

1. Those who live above their means

They are motivated by pursuit of self, pleasure and desire to impress.

They take loans; credit cards even borrow from friends and family to buy what they want

Cont…

2.Those who live at their means

They rarely borrow or take loans. Sometimes they are forced to lower their standards. The worse is when they retire they discover they have been renting or using company house and they have to relocate.

Cont…

3. Those who live within their means

These people plan well in such a way money serve them without necessarily becoming slaves to it.

They distribute their money well in savings and acquire moderate assets that suffice on a rainy day. They take insurance cover, mortgages and other loans to acquire things that increase their financial stability.

Cont…

4. Those who live below their means

These are usually disciplined and down to earth so as to live lower than they could afford. They spend quite a large amount or their income on saving for the future and that of their children, helping less privileged in society rather than on pleasures and things they can do without.

Catastrophes of illness

The only solution against illness is a good medical cover.

It is hard to predict how much you need in terms of medical bills.

Most insurance company do not insure people past certain age.

You need to take a medical cover before you attain in a certain age.

Doing business after retirement.

Doing business after retirement is challenging and requires prior preparation and careful choice of the business.

Many retirees fail in business due to lack of sound advice and preparation.

Cont…

If you do business, look at your strengths and weakness you do not understand and you do not have a competitive advantage.

By being creative and well informed, there are several businesses that you can do with appreciable chances of success in whatever field you venture.

A good business idea has the following thirteen characteristics

1. It does not require huge capital outlay.
2. It is easy to manage and operate
3. It offers good return on investment
4. It has scope for growth, expansion, and diversification

Cont…

5. It requires operational skills that are available and or can be achieved with minimal training.
6. It involves minimum risk
7. It is compatible with the owner's goal and interests.
8. It is not against the expectation of the society

Cont…

9. It has short gestation (break-even point) period
10. It has a readily available market
11. It has an adequate supply of inputs
12. It is easy to exit (dissolve) if necessary
13. It does not require frequent and extensive changes in technology

Evaluating a business opportunity

Many people have a problem with choosing the business to venture into because every area seems crowded and competition is very tough.

Cont…

The success of your business depend s on you and your competitive advantage in the marketplace and not entirely on the area you choose. You can still succeed in an area where others are doing well and vice versa.

Cont…

Take time to look around and get advice before committing yourself in any business. With good advice and the right business, the sky is the limit.

INVESTING FOR REINVESTMENT

There is no shortcut or miracle to financial stability; you must work hard to attain the stability. On the way, you will find so many enticements and offers that promise to make things easier for you. Avoid all these and stick to your goals.

Cont…

There is no risk-free investment. Always weigh the risks against the expected gains and make a sober decision.

Cont...

Make sure you seek professional advice before you invest your money in a plan especially if you do not know how it works. You can also get vital information from books, magazines, the media and internet.

When the deal is too good, think twice.

SAVING TIPS

If you want to save money for retirement or any other project, you must have an easy but organized and consistent plan.

The best and most convenient way of saving for long term projects is the one that does not affect your budget so much as to make you enter into debts.

Cont…

A good saving plan must protect your money from losing value through inflation and high interest rates.

No0wadays several saving and investment vehicles operate within suitable legal frame works.

LIVING ALONE IN THE RETIREMENT

Living alone is a problem that faces many retired people but can be avoided by wise planning and investing in the people around you.

Plan where and how you plan to live after you retire from your present occupation before you retire so that you can make the necessary adjustment.

Even with sufficient money and other resources you cannot live a fulfilling life without people around you.

Cont…

Good relations are built and nurtured. You must consciously purpose to work on building suitable relationship with the people you will live with in your sunset days.

If you ignore people when you are strong and healthy they will do likewise to you in your hour of need

LEAVING A WILL

Many stable and happy families have been rendered destitute and penniless by scrabble for estate after the death of the principle head. This ugly scenario can be avoided by leaving a will.

Cont…

A will is not important only when one is old in their deathbed. Since we are all certain that one day we will die but do not know the time and circumstances it is important to be always prepared

Cont…

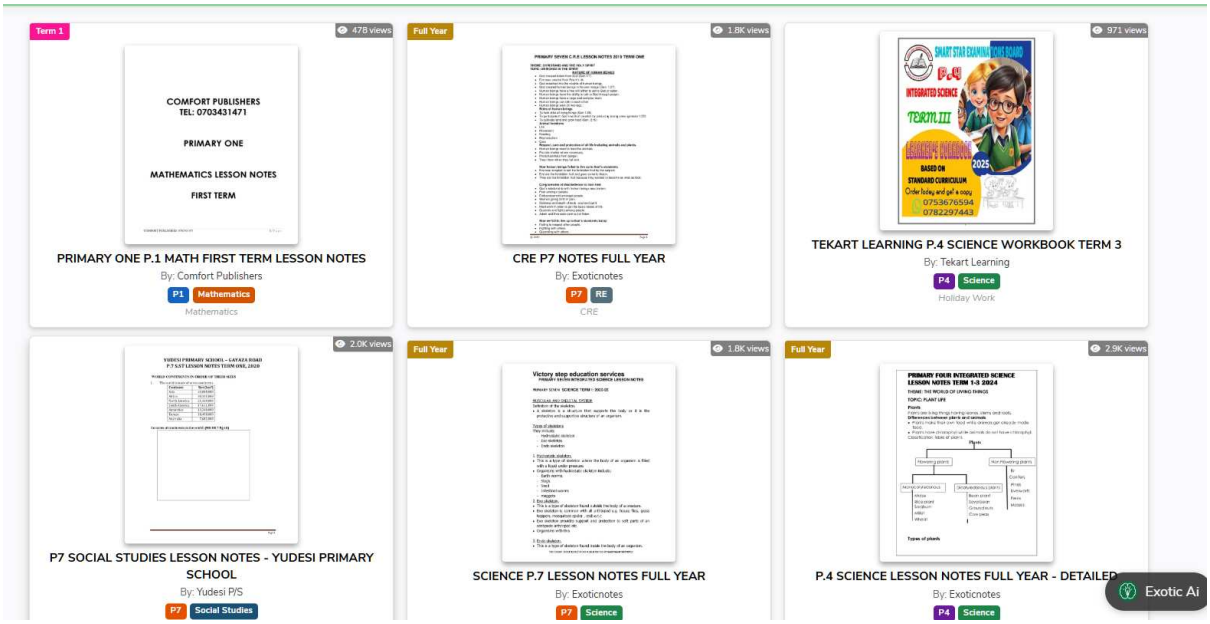
Many cons out there would like to take advantage of your estate at the expense of your family once you depart. These include your friend's enemies as well as members of your own family. Do not take anything for granted.

GOD BLESS YOU

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THANK YOU FOR LISTENING

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