

# Episode 11: Understanding Your Health Risk in Retirement

**Bob French 00:00**

The purpose of retire with style is to help you discover the retirement income plan that is right for you. The first step is to discover your retirement income personality. Start by going to [risaprofile.com/style](http://risaprofile.com/style) and sign up to take the industry's first financial personality tool for retirement planning. It only took 11 episodes, but Wade and Alex have finally gotten around to talking about retirement. And even then, they needed a guest to help them get going.

**Alex Murguia 00:52**

Hey everyone, Alex here, and welcome to retire with style. I'm with my trusted associate.

**Wade Pfau 01:00**

Wade. Hi, everyone.

**Alex Murguia 01:02**

And we have a very special guest today. Just before we introduce him, just so everyone knows, this is the first time we've ever had an interviewee on retire with style. So there's no pressure on this person to just hit it out of the park. Well, frankly, I mean, let's see if Wade and I don't stumble over each other. But I'd like to introduce Dan Vito Dan.

**Dan Veto 01:28**

Hey, thanks a lot, guys for having me. I'm really pleased to be here. And I know you're making me sweat already. Come on. Now.

**Alex Murguia 01:36**

You shouldn't tip I took Wade three or four episodes to stop sweating. So we'll see how that goes. But this is an interesting one simply because Wade, how does it feel being the interviewer not the interviewee.

**Wade Pfau 01:49**

It is. And so I'm used to people asking me questions not used to asking other people questions, but I'm looking forward to it. And if we can break kayfabe a little bit here with everyone. We did record 10 episodes originally, this is now episode 11. And so there's been a little bit of a break in between but we're very happy. We're now we know that people are listening to the podcasts with this recording. We didn't know that beforehand. So thank you, everyone for listening and keep going forward here with additional episodes.

**Alex Murguia** 02:19

Yeah, we decided to continue.

**Wade Pfau** 02:23

In episode 10. You said it was the end of the season. Now we're starting season two.

**Alex Murguia** 02:26

But what we did forget is we have two more in the can that 11 and 12. So way, way to to pay attention. Wade. Thank you. Thank you for playing.

**Dan Veto** 02:40

What happened in this is unlucky 13. Are you going to skip?

**Alex Murguia** 02:45

I guess I guess.

**Wade Pfau** 02:47

Probably because this will do. Episode 11 I or else I'm saying something completely wrong.

**Alex Murguia** 02:53

Oh, I see what you're saying. All right. Well, well let the audience figure that out.

**Wade Pfau** 02:57

We're recording.

**Alex Murguia** 03:02

Okay, are we done? Wade, yeah. Hey, thanks, man.

**Dan Veto** 03:12

Interviewer weighed you early.

**Alex Murguia** 03:15

Yeah, he's the Larry King of retirement income. That's what we all aspire to be. Quick story here with Dan, we met Dan, actually, we're having one of our retirement income challenges, and Dan jumped in on one of those just because I guess he's a glutton for punishment. And through it all, we started interacting. And his background was fascinating. So much so that we thought, hey, why don't we try to see how we can kind of fold you in to what we're doing in the grand scheme with the greater proposition of Retirement Researcher, and it's been great so far. But, Dan, why don't you take it away and give everyone a little bit of your background? And why you're here?

**Dan Veto** 03:59

Yeah. So, you know, I, I got into the study of retirement a little before retirement was cool and trendy. First kind of 10 years of my career, I was in financial services for McKinsey Consulting Company and

senior executive at a couple of financial firms. And I was trained as an electrical engineer. So, you know, at heart, I'm a total grid head. But while I was at bankers, I started to really study consumer behavior much more closely. And what I learned to my shock is that many, many people don't make rational decisions about preparing for retirement. And it was at about that time when I realized, holy cow, you know, we have a retirement crisis brewing. And I became basically obsessed. Focused from that point on to be fully dedicated to studying retirement and my professional goals since that moment, has been to help every single American improve their retirement outlook. And it's a tall order, but it keeps me motivated.

**Alex Murguia 05:06**

Yeah, and real quick, something for clarity for all of our audience. What's the difference between a grid head and a propeller head?

**Dan Veto 05:16**

I don't know, if you want to take that offline, that's that gets off deep. Yeah. You know, it surprised me that I was such an analytic type person that, you know, the notion that people would make decisions based on emotion and not logic just was shocking to me.

**Alex Murguia 05:35**

Well, I truthfully, and I think, Wade, you may want to chime in. But one of the reasons we wanted to associate with folks like yourselves, Kevin Miles is another one. And we'll have him at some point. But it was really because even though we do all of this research with regards to the numbers, and you know, even the RISA has kind of led to preferences, we realize the softer side of things, you know, ends up being ultimately more impactful over the long term within retirement. Would you agree with that? Yeah, I

**Dan Veto 06:02**

think I think both, both elements are important. Wade, go ahead. I heard you

**Alex Murguia 06:08**

He's making fun of me, Wade's making fun of me

**Wade Pfau 06:10**

payment researcher, usually more on the financial side, but it's that non financial aspect that you really focus on that brings so much value, and ultimately, people are going to figure out their money situation, but they're going to not, they're gonna have a harder time figuring out the issues that you focus on the non financial considerations about how to find meaning and purpose and retirement.

**Dan Veto 06:32**

Yeah, I think all that's important. And ultimately, for me, I mean, those two things meet. I mean, they're, they're not set. And you know, some people come at it principally from a financial point of view. If we had a, you know, a doctor and gerontologist or geriatrician, you know, somebody might come at it from either a social aspect or health aspect. Ultimately, it's about the retirement experience. And all those

elements have to kind of come together in a way that makes sense for the individual to have a satisfying retirement experience.

**Wade Pfau 07:05**

Yeah, and the money will, again, we'll be able to figure that out, as needed. But it's these other considerations. And that's, we had a gap in that type of information at retirement researcher, but you've really helped us fill that gap. Some of the workshops and webinars you've done already at retirement researcher, I know you had one family dynamics at the intersection of love and money. So more about those family relationships, your retirement plan, and your plan for retirement, which is your retirement plan is the financial side, your plan for retirement is the non financial side, and then optimizing your other portfolio maximizing returns from your new time, affluence and retirement, figuring out how you're going to spend that time. So it's, it's been really valuable to have your contributions. And so we're so excited that you're continuing forward. And we'll talk later about some of the new initiatives that you'll be doing. But yeah, I'm just getting this chance to to understand better about your background. I know, I've cited a number of the studies that you were part of the the age wave studies, the information about housing and retirement and people downsizing and retirement and a lot of different aspects that are, well, there's a relationship to the financial side, but it's, it's different. It's all these other aspects to health, the family, the legacy in terms of like, not just money, but what you're going to leave the next generation and so forth.

**Alex Murguia 08:29**

And you had just because you mentioned it real quick, Dan, what what type of research have you been involved in, you know, it's age, weight, and all of that for the benefit of our listeners? Yeah, I

**Dan Veto 08:38**

mean, I really honestly, I count myself as kind of blessed because I've, I've, I love what I do. And almost all the research that I do, it's always under sort of a private label arrangement. So it's not Dan Veto's research. It's Dan Veto as a consultant to large organizations like, you know, Wade mentioned, work through age wave on some really interesting work for Merrill Lynch and Bank of America. All of it, though, is to learn something brand new about retirement, something that maybe people suspected, but it never quantified, some frontier of knowledge and research that will help us better understand the retirement experience. So my research always starts with the individual and explores, you know, what do they expect out of retirement? What do they fear about retirement? What are common mistakes that people make? It's so it starts with the individual and then leads into financial implications, right, leads into implications about housing. And really, over the years, I mean, I think one time I added it up, you know, I've looked at maybe 100,000 people's responses to, you know, their retirement experience over the years and, and also another piece of the research which is not as quantitative, but then I get to go out and talk to people all across the world about the research findings and get their reactions. And so you know that, you know, when your insights are resonating with people important. And so yeah, I've been lucky enough to work with many, many large financial institutions. You know, ARRP was a client of mine for a little while, I mean, organizations that have a keen eye.

**Alex Murguia 10:28**

So I have two questions from that. What from all the research? What, what do people expect? There's two questions, what people? What do people expect from retirement based on your, you know, your experiences? And, you know, with the qualitative interviews that you've done, and when in which you're conveying the results of your research? What has drawn the biggest aha reaction? Like, oh, I didn't know that, or Yes, I knew that, you know, whatever. What is the most emotion or tenor? if you will?

**Dan Veto** 10:58

Yeah. So what I would say is to answer the first part of that question, the what people expect out of retirement has changed a lot. In fact, not to go too far off track here. But you know, retirement is

**Alex Murguia** 11:13

You can go off track, it doesn't matter.

**Dan Veto** 11:15

Yeah, that's okay. That's right. That's, that's fine. I mean, retirement is actually a fairly recent invention, right? I mean, you go back, pre industrial revolution, pre Social Security. Right. I mean, you you worked on a family farm with extended family. And you know, as your capabilities, your physical capabilities may be diminished, you took on different roles, but you know, you were involved till the end. So retirement is has been evolving quite a bit, since it's sort of modern day inception. And I would say today, it's very exciting, because people today expect more out of retirement than ever before. The majority of people see retirement is a whole new chapter in life. Right, it's not a time to just wind down and recede into the background, it's a chance to do something new and importantly, maybe for the first time in decades, the things of our own choosing, right? So for whatever, you know, for three or four decades, I've been too busy pleasing the boss or running the firm, or is or, or whatever it was, that I was absolutely committed to, and consumed all of my time, and then some, and then all of a sudden, wow, you know, I'm gonna get to control my agenda. And ironically, I will tell you, to answer the second part of your question, the biggest aha, that most people have, is that it's actually not the way you kind of mentioned this, right? People are remarkably elastic. And so the biggest aha is, you know, we spent all this time building out our financial retirement plan, when the great gift of retirement is time. Right, it's the freedom to do the own the things of your own choosing. And, and some recognize it before retirement. In fact, many don't. And you may have heard of people kind of failing retirements, like, every turn, I hated it, you know, I went back to work, right? You know, people like that. And that's because when you retire, you get this time affluence. But you don't want to squander it. Right? You got to figure out have a meaningful reason to get up in the morning. Right? What is your motivating purpose, and that's oftentimes becomes recognized a little later in retirement, you know, playing

**Alex Murguia** 13:38

the only thing I would add, and I don't know the answer to this, I just, I'm trying to put myself in the, in the ears of listeners here. And there is that saying, it's never about the money, it's always about the money, you know, kind of thing. And so I understand, you know, these existential kind of things that you want to fulfill, but I would imagine there's some baseline of, of money that is needed to be able to even have these considerations. And that could be a problem or not, I just want to I don't know, if we're getting into that let them eat cake kind of realm here a little bit. No, Alex,

**Dan Veto 14:15**

it's really important point, because one of the things that can happen is that if people don't have their financial house in order, they can be worried about the money, obviously, right? And people can become so worried about their money situation, that it actually robs them of the opportunity to enjoy retirement. Right that so there absolutely is a baseline kind of level of financial kind of organization and planning that people should do and take. It's not people aren't 100% elastic, right? There. needs

**Alex Murguia 14:51**

and what do you mean by elastic for for audience, just in case?

**Dan Veto 14:56**

Yeah. So I've done this work. You know, I've done this work for long time. And one of the things, I think is often curious is that pre retirees have greater angst about their financial situation than retirees. Right. And if it happened once, you could say, well, group, but I've seen it time,

**Alex Murguia 15:17**

Wade. And I saw that, Wade, we saw that in

**Wade Pfau 15:19**

our recently. I mean, we, we've also seen that with their retirement income style awareness research, where people's concerns about outliving their money decrease as they get older, they become worried about it,

**Alex Murguia 15:31**

they got less time to worry about it.

**Dan Veto 15:37**

And this is to the elasticity point, people are more adaptable, than perhaps we give them credit. And so you know, as financial advisor, you might say, oh, you know, 80%, pre retiree, pick a number, what are actually people can do, okay, you know, with different numbers. Now, having said that, you know, you might not not want to live on 25% of your pre retirement income, that may not be a lifestyle, you really would choose to have. And by taking some steps before you retire, you can maximize your retirement, financial security, that just opens up the opportunity to have a more fulfilling retirement.

**Alex Murguia 16:16**

Yeah, and I'm sorry, I took you off the rails without and I just wanted to make sure no one was listening, thinking these are these are first world problems. You know, that kind of thing. I mean,

**Wade Pfau 16:26**

the broader point, maybe some people have to return to work, because they do need additional funds. But for some people, they may ultimately want to return to work, because that's what gives them meaning and purpose. And there's not going to be any retirement police who come out and say, No, you can't work, you're retired.

**Dan Veto** 16:43

It's yeah, you remind me that you remind me of a story I was

**Alex Murguia** 16:54

sorry, my mind went elsewhere.

**Dan Veto** 17:01

Your Way It reminds me of a story. I was in San Diego giving a retirement presentation. And this guy came up to me afterwards. And he later told me he was you know, 75 years old. And he said, You know, I'm a doctor, and I love being a doctor. But my kids are telling me I have to retire. I've gotta go, you know, moved to Arizona or, you know, whatever, throw in the towel. And I said, and I asked him I said, so. You know, used to good at your job said absolutely. You know, I would never take a risk and you know, practice medicine if I didn't think I was 100%. I said, so. Keep practicing. And it was a simple comment. And I got his whole demeanor changed. Or he was like, he was begging for someone to give him permission to keep working. And it's right to your point. Wait, I mean, you know, there aren't retirement police. And for some people in working, by the way, maybe not 80 hours a week. Right. But for some people working is a motivating purpose. And so they should absolutely keep working, but maybe work a little more on their own terms.

**Alex Murguia** 18:05

Whats that other phrase? You hear a lot? Like, you don't want to retire from something you want to retire to something? Right? Something like that. Wade, did you say that?

**Wade Pfau** 18:13

If you hate your job

**Dan Veto** 18:17

Yeah, no, that's exactly right. And I talked about this in, in one of the workshops, I did, you know, people pre retirement are focused on the retirement from, and they experience this period of literally like euphoria. And it's like, wow, I don't have to get up. I don't have to do anything. I don't have to, you know, respond to my boss on the phone during dinner. I can, you know, actually travel when they want.

**Alex Murguia** 18:42

Wade, does that right now, by the way?

**Dan Veto** 18:47

I mean, it's a great feeling, right? Like to imagine having that freedom is great. But it gets old. Right? And so the retire from is a rush. But it's it's temporary. And then if you don't pay or to, I mean, honest to God, you're bored out of your skull. Right? So you have to figure out with your new time, affluence and retirement, what do you want to do? And most people don't really address that until they're in retirement. And that's, you know, that's part of the message that together we're trying to bring people it's like, get your finances in order, get your your retirement plan in order, and you can have a very fulfilling and gratifying retirement.

**Alex Murguia** 19:26

What are some ways that you've seen people address that? Do they do like a, like a retirement test? You know, I don't know making up a phrase I don't but something like that while they're working.

**Dan Veto** 19:36

Yeah, you know, it's really funny. You are making up a phrase because one of the things that shocks me is that you know, we have all kinds of tests when a kid goes to college, right? He has a school aged kids and, and I've just been through this not too long ago, you know, for to choose what college you're gonna go to. As a kid, you know, you've read all the stuff you visit. campuses you write, you know, essays all this, you invest tons of time, energy and effort to figure out where you want to spend the next four years of your life. Retirement is probably going to be two, three decades, and yet the amount of prep that people do almost zero, right, and there are, you know, I have done some prototype tools to help people that were used by major financial institutions to help them envision their retirement what they might like to do. Because it's important not to articulate just to, you know, someone else, but even to yourself, right. And oftentimes, people know what they want to do, but they might not have verbalized it. And so, I would say, still, we are embarrassingly short on giving people tools and resources to help them think through what they want to do in retirement. And so what happens is, they retire, they have to retire from, right and it's great. And then pretty soon, they get bored. And they, you know, they sometimes go back to work, some people never figure out, they're retired people, you know, you look at incidence of depression actually goes up in retirement, because a lot of people are just, you know, they feel cheated. It's like I was looking for to retirement, you know, what this is it, it. So, it's a health risk. And there's, there's more for, you know, all of us to do to help people, you know, come to terms with that.

**Alex Murguia** 21:27

Okay, so if I'm listening, I'm thinking, all right, thank you for that information, guys. But you're just telling me, I'm gonna get hit across the face, and I just got to brace for it. Kind of thing. Or am I off on that?

**Dan Veto** 21:44

I think that's one interpretation. And unfortunately,

**Alex Murguia** 21:48

you can say I'm wrong. That's fine.

**Dan Veto** 21:50

No, no, no, it does happen. I mean, it does happen some people, but I would say the smarter path is to really even before you retire, right, start to dip your toe in things, think about what you want to do post retirement. There's, there's a whole industry popping up of retirement coaches, right. And a good retirement coach will tell you what to do. But like a good psychologist, they'll ask you questions. You know, I don't know or, you know, or ask your family. Right? What do you think I'm, you know, I'd be good at what do you think I'd like to do and, and I think what's fascinating is, I've done a lot of work with sort of senior executives and, and people like that, that, you know, they were defined by their, by their job, it was their identity. And for some of them, the risk is, you know, is huge.

**Alex Murguia** 22:41

Yeah, no one picks up the phone anymore, right? No one takes your call.

**Dan Veto** 22:44

Yeah, exactly. Right. You know, the garbage man tells you, hey, you know, the garbage can goes on this side of the street, not, you know, not over here. I mean, you're like, why do you not have to make my own flight reservations, you

**Alex Murguia** 22:55

will be trading space at trading places. Yes. I don't know if you know, it's seen, I'm thinking about it. It's kind of a little off, but when Dan Ackroyd is selling his watch, and he goes to the pawn shop, and he's kind of saying, you know, I don't know, this watch is, you know, is from Gstaad or something like that. And it's 1000s of dollars or whatever. And the guy looks at him and says, but in Detroit, it's \$30. Like, what I'm getting at is no matter who he is, it doesn't doesn't matter. Yeah, right, right.

**Bob French** 23:25

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**Dan Veto** 23:50

So yeah, you know, and so I think if people took their planning beyond just okay, well, my 401 K is growing, that's great. You know, and included in their planning a little bit about what they might like to do. It will be much smoother. And, you know, and on the other hand, I would say, you know, it's, there's no real urgency as people try different things. Try that I didn't like it. Try this. Oh, you know, I do like it then. You know, that's okay, too. One other observation, just as we're talking about this is a lot of times people who are really technical find that a lot of like engineers, and, frankly, grid heads or Propellerheads, I guess, like you Alex. You know, they end up wanting to do something creative. The number of people, right, who are engineers that are taking photography, like seriously, right, or writing a poem, book of poems, or learning to paint. It's very interesting. So sometimes retirement can be an outlet for things that may always have been part of who you were, but didn't get at it.

**Alex Murguia** 25:03

So so it's not necessarily they're thinking, You know what I'm gonna work on another muscle in my brain, it's more this thing has always it's always been a calling and I've always like just looked the other way and now why not?

**Dan Veto** 25:15

Yeah, maybe

**Wade Pfau** 25:17

people diversifying and it's not just investing in your financial capital it's also investing in your relationships and your hobbies and your passions and, and having a more diversified portfolio not just of financial assets, but the other lifestyle type assets as well so that you you do get to retirement with and I think that can be hard for people who especially I think the folks that may be listening to this, maybe more on that financial analytical side. And so, but that's a great point about that idea of the creativity. And I do also have a concern, you know, people might spend their whole life thinking about some hobby they had when they were a child. And that, oh, when I finally retire, I'll be able to do that again. But if you've been putting that off for 40 or 50 years, you might not really want to do it as much as as you think

**Dan Veto 26:13**

always been sort of like, you know, you weren't allowed to that's a great anyway.

**Alex Murguia 26:20**

Well, I mean, I wouldn't I wouldn't discount that because Wade is always talk talk spoken to me about his paper mache sculpting hobby that he's wanting to really, you know, expand upon. So maybe maybe there's hope for him there. Wade, you still got a chance there, buddy? Well,

**Dan Veto 26:37**

opinion online pin yada business

**Alex Murguia 26:41**

to imagine a Wade it ends up doing like paper mache sculptures

**Dan Veto 26:46**

entirely there to do there.

**Alex Murguia 26:50**

One in a Million doc one in a million? No. So going back to what caught my attention to you're talking about retirement, there's like a cottage industry of retirement. Folks, can you just give us a little bit of what's your take on that in terms of the lay of the land? In case somebody's listening in, but that's something they could look into.

**Dan Veto 27:13**

Yeah, I there is a growing number of folks who are gonna hang a shingle as a retirement coach. And I would add, by the way, there's, there's sort of like, certifications, and there's, you know, groups that they can belong to. And I think, you know, I mean, generally speaking, it's not terribly expensive. You know, I would encourage people to find someone, you know, pre pandemic, found somebody locally, but depending where you are, there's not somebody locally, and certainly, you know, we're all used to using zoom and everything you can, you know, do anybody across the country, and, and just see what they have to just experience it.

**Alex Murguia 28:01**

But this is a very localized thing. This is more, hey, look, I, yeah, I've got them, maybe, maybe not, I'm making this up. I've got the money situation kind of figured out, or I know that I'm going to be fine, for the most part. And so next level, I need to make sure that I can satisfy these sort of my time and retirement in a fulfilling manner. Can you help me do so? Is that the underlying question that usually they solve for without maybe deconstructive?

**Dan Veto 28:33**

Yeah, I think that's a pretty it's a fair assessment, right, instead of what what will be your motivating purpose in retirement? And, you know, I would say, another aspect to all of this, by the way, is not just your motivating purpose, it's willing to put it this way, one of the great risks of retirement is isolation. Yeah, right. And, yeah, and so we are used to in our working careers, forming friendships and meeting people, whether we want to meet them. Right, and, you know, interacting with people all the time. But in retirement, another element of a good retirement plan, is how you're going to stay in touch with people who are you gonna stay in touch with, right, and you have to be much more purposeful about your socialization, if you will, then you've had over the last, you know, four or five decades when you were in school, right, or you were part of the parent group, or whatever it was, and, you know, the older you get, the smaller your circle of peers becomes, actually had a guy once told me, Hey, Dan, the best part about getting older, no peer pressure.

**Alex Murguia 29:46**

Yeah, no but you're right. I mean, at work, you know, Wade, and I, you know, for the most part we speak, maybe he doesn't want to write but no, we're speaking four or five times a day. Same with Morgan and Bree, who are in the back helping us put do this same with Bob, you know, but who knows when we retire? Wade doesn't pick up my emails, nothing. Right to it right?

**Dan Veto 30:10**

You know world, potentially, yeah, it becomes much smaller.

**Wade Pfau 30:18**

And if you that's a consideration for housing, right? Like if you're living in the suburbs, you have to plan ahead. What if I become less mobile? What if I have trouble with driving at some point? Do I have neighbors and others who are going to check in on me? Am I isolated? Where I am in a way that I may want to anticipate in move or whatever the case may be in advance?

**Alex Murguia 30:42**

This, this reminds me of another piece, you're absolutely right, Wade, right, Wade, I was gonna say you have suddenly wide range, like, I messed that up. Excuse me. But this has to do with I think, because you said isolation, I'm thinking of my parents. And I'm thinking there's a health component to this with them. And I'll give you the story. My dad, my dad started losing his hearing. As soon as he started losing his hearing, and yet, you could get him hearing aids, but he did a terrible job, like not losing them, you know, or, you know, getting wet, whatever, you know, that that kind of thing. And as soon as his hearing went, he really started isolating himself in a significant manner. And before you know it, I mean, he has Alzheimer's, and it it kind of led to where he is right now. But it was like a flip of the switch. When the hearing went, and I'm going here, I'm going with health concerns, then you have my

mom, where she had a quadruple bypass, and she was never the same after, I think it had something to do with blood flow. And she was just she lost a couple steps, right. But she was very social before and after, she just had trouble something as simple as her phone. You know, she she wasn't and you know, there's no smartphone in her world or anything like that. But if you're if you can't keep up, technologically, she effectively became isolated, because she doesn't know how to email, she's not gonna receive pictures of the family, you know, that the everything that you take for granted now is not available to her. And so that does concern it in a in a major way. So it says iso-, you said the isolation socially, but sometimes, it's exacerbated by orders of magnitude, if there's some sort of health wrinkle, am I off on that is are my parents, the only ones are?

**Dan Veto 32:34**

No your story, unfortunately, is true for many, many people. And it illustrates several important points, right? I mean, the the one is right, as your either your hearing, or by the way, your vision, right there, those girls, you get that fixed as quick as you can, and you become, you know, if you back your hearing aids, because you get on with and you gotta get another pair, right? Because that is a really, I mean, it's a huge accelerant towards isolation. And the other one that you brought up, which is really key. It's very insightful. Alex is technology. And the way we communicate today is different than the way we communicated 20 years ago, and your example the smartphone is exactly right. I mean, you know, in my case, a smartphone, it's not, you know, the latest and greatest, but I, you know, I got good smartphone, and taught her how to use it, because I knew, if she didn't have that, she would talk to her grandkids that Christmas and Thanksgiving. And that would be it. Right. But now, you know, my kids, they send her a text once in a while, and, you know, a picture and she's overjoyed. So what I tell people is, this is another example, right? When you leave the workforce, you don't have to, you're not keeping up with tech anymore, right? Unless you force yourself to So build into your retirement budget, cash for, you know, changing technology, you know, every three to five years, you have to buy a new laptop or whatever, every three to five years. You have to buy a new phone and you have to know how to use it.

**Alex Murguia 34:11**

But I the only thing I would say then there's no chance my mom okay, Mom, here's a new phone. Here's here's a tutor, here, I'm gonna bring Wade in every day and weight every day. Well, we'll show you we'll give you a new password and write it down for you. There's no chance that that's that that's gonna take off. It just won't. I don't know that this is a counseling session for me, but it's just not gonna happen.

**Dan Veto 34:37**

Yeah, and I think I think there is a general and I think this also goes to what are your expectations for retirement? Right. I mean, too many people think retirement. We've had the great gift of retirement is that you're not really responsible to anyone. But the flip side is you're responsible to yourself, right? Right. Retirement takes work. You Want

**Alex Murguia 35:00**

its the self concept? Yeah,

**Dan Veto 35:02**

right. I mean, everything from health technology, you know, motivating purpose. Retirement is not adult recess. Right? I mean, it can be, but it's pretty unfulfilling. Right? You know?

**Alex Murguia 35:16**

Depends on the recess. Yeah. Right. I

**Dan Veto 35:18**

mean, it's just where you do nothing, and you just you gossip and, you know, they just pass. It's no, I mean, and and I think all the data suggests that the current generation retiring recognizes that more than the prior generation, right. So so I agree, like, you know, your parents and folks who, you know, that's just not, not, you know, that's not something I'm going to do. Okay. But hopefully, we can educate this next generation of retirees to think differently. And by the way, we better because if their retirements gonna last two, three decades, oh, my God, you know, facts came went, like technologies and came and went over that period of time. So plugged in and part of society, we need to own that ourselves.

**Alex Murguia 36:03**

Gotcha. And so then then, I'd like to see if this is a good transition, because just for folks, you know, Dan will be doing actually an ecourse for us on Retirement Research or on on these topics, and something I kind of introduced with my parents situation. And Wade, I don't know what the situation is for your mom, if there's anything there if she's like, smooth sailing. So I didn't mean to not ask you. But how important is health with regards to this equation? Because I think, like, in a similar manner, that I said, there needs to be a baseline of money. Yeah, you know, how does health play into this? Because, you know, ultimately, unfortunately, it doesn't get better and better as you age, though, the best you could hope for is, you know, it, there's no decrement. But I don't know, you, what are your thoughts on that? And how it maybe applies to what you're going to be doing with us?

**Dan Veto 37:00**

Yeah, I think health, it, I think can easily be argued that health is the biggest variable in anyone's retirement plan. And from a financial point of view, as well as a personal fulfillment point of view. And for too many people, it's easy to just talk, chalk it up as like a big black hole, you know, health, I can't, I don't have a crystal ball, I don't know what the future is going to be. So, you know, I'll just deal with it when I get to it. And so what typically, many people do not adequately address health risk. And so yeah, I'm super excited, we're gonna have be very shortly here, having a webinar and an ecourse, where I'm going to do my best to help people understand the nature of health risk, and an ecourse. About what they want to do about it. Because, in fact, you know, while there are many unknowns about our own future health, there are some things that are known. And there are curves, that, you know, they're sort of that can unfold. And so we're going to talk about some of those, we're going to talk about, you know, your own personal health, those of your loved ones, your parents, your spouse, and others and, and really just help people come to better a better understanding of what is too easily dismissed as, you know, this completely unknowable risk. It's

**Alex Murguia 38:42**

interesting observation, Wade, Wade. And what I'm getting at is, okay, what Dan said struck me about how you know, how some of some folks on Retirement Research searcher get so caught up on market returns, like, oh, what's the expected market return next year and 15 years after that? Or what's the sustainable withdrawal rate? Is it now 3.65 As opposed to 3.85? You know, that kind of thing. They get this false sense of precision, whereas something as important of a variable in retirement is how they just chalked it up to well, we'll see when we get there, kind of thing like when what I'm hearing from you then is no, you can make some tenable assumptions. Obviously, you don't you're not going to be precise about it, but there are some tenable assumptions that can help you course, correct as needed. Am I hearing that correctly?

**Dan Veto 39:29**

Yeah, I tweak it just a little bit. So number one, yeah. So that people will completely over engineer their portfolio, you know, and leave a you know, a multi six figure risk just sort of sitting there like, you know, it's like, come upon, what are you doing? Except that, but what I can do initial decisions, aren't you retirement plan I can expose for you the assumptions you're making about. Right? So let's just say, for example, you have nothing saved for you no Wade, you know, you talk about the reserves. And for contingency expenses, let's say I mean, that's something I want to do. So you're basically assuming that you're going to be healthy throughout your whole life be hit by a bus. And that's it. Right? I'm going to spend nothing on it, basically spend nothing on health care. And the final years of my life now, you know, it's tragic when it happens, but only about 233 people a year die. But it's, and by the way, most of our retirement right there a lot younger, so the chances of you having a precipitous drop from healthy to dead, is unlikely. All right. And so what I'm going to do is I'm going to demonstrate some different kinds of curves. And then what you can do is you can on your retirement plan, and recognize, okay, so I'm making this assumption, or I'm making that assumption, and then you can decide isn't comfortable with that. And just like the retirement income, style awareness, yeah, different people have different ways of, you know, addressing risk, some people might be okay with it. Somebody might say, you know, what, by the way, I have no interest in being healthy, I'm gonna enjoy my life, I can, I'm gonna drink as many cigars as I can, and have a blast. That's one approach, right? Someone else might

**Alex Murguia 41:33**

have you been reading my diaries?

**Dan Veto 41:40**

maybe like a health style awareness, you know, reflections of it, it's, it's the same respectful approach to the individual. Right? When I pass judgment, but you, you want to make unconscious decisions, not just kind of uninformed, you know, going down the path, without, without knowledge.

**Wade Pfau 42:03**

Another example of that, I think the examples we've used, so far more just thinking in terms of the personal health, but I think you will also address the caregiver issue or the long term care and, and how not reflecting on the potential evolution of your health is making assumptions about the roles of others in your life that they may or may not be on the same page with and so forth. If you're expecting or if you're not thinking about it. Does that implicitly mean you're assuming maybe an adult child would become your caregiver? Something along those Yes. And, and incredibly important,

**Dan Veto 42:37**

I absolutely am. I mean, in my mind, health is a very broad umbrella. Sometimes, you know, these surveys the other that cost us hundreds of \$1,000 for health, by the way, this doesn't include long term care. What does that? You know, I mean, yes, long term care is mad. That is, right. Long Term Care is incredibly important. Very difficult thing to grapple with, but someone's going to pay for it. Right? Yeah. And it may be coming out of your pocket or your reserves, or maybe your eldest daughter taking time off of work, right. Not getting missing three years of pay, and security benefits, you know, accruals, and all that, but But Someone is going to pay for your long term care. Maybe it'd be the government if you're on your money. Right. But to at least think through, what are the implicit assumptions in your retirement financial plan? And yeah, and for some people, that may be fine, right, like, you know, maybe certain, you know, families feel like that's, you know, that's a duty and that's fine. And they're on board. And that's expected. But, you know, to your point, do they know that? You know, do they expect that, and if you talked about it, so, yeah, we are definitely gonna cover long term care as well. And it's, and by the way, I don't want to over promise either. Health is a difficult variable to contend with in retirement. There are, by the way, we're gonna have a little bonus session at the end, there are things you can do to prove your odds of remaining healthy, for as long as possible. No guarantees. But we're gonna we're going to talk about some of those as well, because health in retirement is different than health, when you're 20, or 30. Right? When you're 20, or 30, is about looking good. And, you know, being able to run a marathon or a 10k. When you're older, it's much more comprehensive, right? Balance is just as important as endurance. Right? So we're gonna talk about some of the other elements of what it means to be healthy in retirement, and help people kind of understand what those are.

**Wade Pfau 44:48**

It's a callback to that too. We were talking about earlier, like, maybe you've been thinking your whole life. I don't have time to exercise now. But when I retire, I'll finally have the time exercise. That might be an example of the act retiring may not change your situation there and might create more issues emotionally just because now you don't have the excuse in how how to get over that sort of procrastination and actually take advantage of this opportunity to help improve your health as much as possible.

**Dan Veto 45:18**

Well, yeah, actually, I just not too long ago, it was pre pandemic, but we did some research exactly on that topic. And yeah, there's a huge intent gap, right, that people say, Yes, I'm going to exercise more, and not as many people do. And I think part of the trick there, we'll talk about this in the course. You know, part of the trick there is combining some of the things we've already talked about. How do you make exercise for example, not be a chore but be social? Right? You're gonna do it with others you can do with people you like you're going to do activities that you truly enjoy. Really the key to unlocking your, you know, just the overall retirement potential is trying to make it all work together. And but yeah, well, you raise is a big one. Wade,

**Alex Murguia 46:07**

wait, wait, is that the Sherpa level on the peloton, already? He's amazing. He's amazing. I can't even catch up to him anymore. Nah, nah I'm kidding. Hey, just just because we're at at 45 here and your first

interview, I think it's gone. Great. Let me let's let's kick it off with this. What's what, you know, it's a pre and post, right? What's the one thing the transformation, if you will, that someone will have if they if they go through the course with you on on retirement and health? What? Yeah, how would they be different leaving it?

**Dan Veto** 46:42

Yeah, so I would say, for anyone that feels like, the topic of health is this black hole, and deals with that risk, with a very powerful psychological coping mechanism called denial, right? That, if you feel by the time you're done with the course, you are going to have a much more kind of tangible understanding of what health risk is, there are different phases of it, there are different elements of it, there are different ways to think about each of those elements and phases, there are different tools to mitigate some of that risk. And there are different techniques to help you do that. And so you will go from being sort of like in denial to having made informed decisions that are in concert with your personal beliefs, your personal financial situation, and and then what it allows you to do is, once you do that, then you don't have to think about anymore. The elements that you don't know, you've taken care of everything that you can take care of. And then you're done. The you know, then you live. And so yeah, we'll take it out of the black hole, and make them informed. That's, that's my goal. Anyway,

**Alex Murguia** 48:02

that's awesome, Dan. And as you can see, just listening to Dan for the better part of the last 45 minutes. This is why upon speaking to him, we said, Hey, Dan, you gotta you gotta help us out here and be part of this community here. So thank you for you know, being our our first guest on retire with style. And I just wanted to give my thanks, Wade, take us home, buddy.

**Wade Pfau** 48:25

Yeah, thanks, everyone, for listening. And for being a part of this. We're just so excited to see all the listeners and happy to have you here. Got a lot of great feedback from folks. And yes, thank you, Dan. You've been our first guest and a great guest. And we're we're looking forward to have you on the show again. And also of course, the the ecourse and it will webinar first and then ecourse coming up after that as well for people who are interested in learning more about this incredibly important variable that doesn't get enough attention. Thank you.

**Dan Veto** 48:53

Well, guys, thanks a million for having me. Really appreciate it. i As I've told you guys privately, I'm really am admirer of your work. I think you know, the RISA's incredible. We all have to keep working hard to help people kind of have the best retirement that they can have. So I'm, I'm thrilled to be working with you.

**Alex Murguia** 49:10

Hey, likewise, man. All right. Take care. Take care, everyone. Bye. Bye bye.

**Bob French** 49:17

Want to learn more about health and retirement? Dan will be doing a webinar with Retirement Research around the topic may 3 and fourth at 2pm Eastern. To learn more and grab your spot, head

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