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Burnout and Early Retirement

Frank H. Wians, Jr., PhD, MT(ASCP), MASCP, DABCC, FACB

Professor and Vice-Chair, Clinical Pathology
Department of Pathology

Director, Clinical Chemistry, University Medical Center (UMC) El Paso
Medical Director, UMC Far East and West Clinic Laboratories

Texas Tech University of the Health Sciences Center El Paso
and the
Paul L. Foster School of Medicine

Lt Col (*Ret*), USAF, Biomedical Sciences Corps

frank.wians@ttuhsc.edu

Why I may not be the best person to talk about burnout and early retirement

- ◆ My job history (over an ~50-year period):
 1. United States Air Force, 22 yrs (**Retirement-1**)
 2. UT Southwestern Medical Center, 15 yrs (**Retirement-2**)
 3. Medfusion Reference Lab Consultant, ~1 yr (**Retirement-3**)
 4. Baylor University Medical Center, Dallas, ~2 yrs (**Retirement-4**)
 5. Clinical Pathology Laboratories Consultant, ~1 yr (**Retirement-5**)
 6. Park University (Adjunct Prof Mathematics), ~3 yrs (**Retirement-6**)
 7. Companion Dx Reference Laboratory Consultant, ~1 yr (**Retirement-7**)
 8. TTUHSC El Paso: ~4 yrs (**Retirement Pending**)

Outline

- ◆ What is “burnout”?
- ◆ What factors contribute to burnout?
- ◆ What can you do to prevent burnout?
- ◆ What is “early retirement”?
- ◆ What factors contribute to early retirement?
- ◆ When is the best time to retire?
- ◆ How should you prepare for retirement at any age?

What is “burnout” and what factors may contribute to it?

- ◆ A feeling of “exhaustion of physical or emotional strength or motivation.” Merriam-Webster Collegiate Dictionary
- ◆ What causes this feeling?
 - Overwork (self-induced or not)
 - Increased job-related stress
 - Fear of losing your job
 - Conflict with your boss or coworkers
 - A feeling of being underappreciated
 - Failure to be promoted
 - Failure to receive pay commensurate with your contributions to the organization
 - A sense of overwhelming frustration with more than the majority of factors that constitute any definition of being happy with your job.
- ◆ The combination of these factors may cause you to consider early retirement, however, **can you afford it and live the lifestyle you want in retirement?**

5 Ways To Prevent Burnout

1. Recognize when your “passion” for work has turned to “poison.”
2. Honestly assess your situation and work toward solutions.
3. Make time for yourself daily (e.g., taking a brisk 5-minute walk)
4. Seek support.
5. Be receptive to your own feelings and needs.

Source: psychcentral.com

What is the definition of “early retirement”

- ◆ There is no “one-size fits all” definition of “early retirement.”
- ◆ Perhaps, a common definition of “early retirement” is anyone who retires prior to 65, the earliest age of “full” Social Security eligibility.
- ◆ For whatever age you consider the bar, below which you are taking early retirement, what are the typical reasons for retiring early or not retiring early?

5 Reasons to Retire or Not Retire Early

Source: www.whitecoatinvestor.com

5 Reasons to Retire Early

1. Because you can (i.e., you “estimate” that you have the financial resources to sustain a lifestyle not significantly different from your pre-retirement lifestyle)
2. For health reasons
3. To have more free time to do the things in life you really enjoy
4. To spend more time with your family
5. To reduce your liability (related predominantly to physicians, especially, Ob-Gyn docs)

5 Reasons **NOT** to Retire Early

1. You love your job
2. You can't afford to retire!
3. Your walking away from millions
4. You don't know what else you would do
5. You need the health insurance

I retired at 52 with a **\$3 million net worth** -- here are 10 things that surprised me about early retirement

<https://www.businessinsider.com>



1. Mondays became the best day of the week!

2. My colleagues can't accept I'm retired.
3. I'm busier than ever.
4. I'm in the best physical shape of my life.
5. I've gotten very comfortable wearing casual clothes.
6. My family relationships are much better.
7. I'm learning and growing more than ever.
8. I can't go back to work anymore.
9. The stress is gone.
10. I've turned into a morning person.

Note: and all it took was **\$3 million** in net worth!

Other Reasons People Want to Retire Early and the Dangers of Early Retirement

Other Reasons Why People Retire Early

1. They haven't found the right job (i.e., their in a job that does not give them enough fulfillment to do for the rest of their working life).
2. People are lazy and want things now.
3. A feeling of hopelessness.
4. The realization that time is precious and life is short.

Work can provide the opportunity for spiritual and personal growth. If it doesn't, we are wasting far too much of our lives on it. James Autry

The Dangers of Early Retirement

1. Oops, you change your mind.
2. You run out of money.
3. You lose touch with friends and family
4. You find it difficult to start a family.
5. You lose your self-respect and the respect of others.
6. You underestimate the cost of retirement vs the quality of the lifestyle you want to live in retirement.

Source: www.financialsamurai.com/the-dark-side-of-early-retirement-risks-dangers/

What generation are you in?

Do the assets and liabilities indicated below fit your generation?

Generational Work Assets and Liabilities

	Traditionalists	Baby Boomers	Generation X	Millennials
Birth Years	1900-1945	1946-1964	1965-1980	(1977-1994) 1981-2000
Current Age	63-86	44-62	28-43	8-27
Work Assets	<p>Bring value to the workplace with their experience, knowledge</p> <p>Consistent</p> <p>Disciplined</p> <p>Dependable</p> <p>Detail Oriented</p> <p>Hardworking</p> <p>Loyalty</p> <p>Stable</p> <p>Thorough</p> <p>Use their institutional experience and intuitive wisdom to face changes in the workplace.</p>	<p>Anxious to please</p> <p>Challenges the status quo</p> <p>Can creatively break down the big picture into assignments.</p> <p>Good at seeing the big picture.</p> <p>Good team players</p> <p>Mission oriented</p> <p>Politically Savvy-gifted in political correctness</p> <p>Service oriented</p> <p>Will go the extra mile</p> <p>Works hard</p>	<p>Adapt well to change</p> <p>Consumer mentality</p> <p>Direct communicators</p> <p>Don't mind direction but resent intrusive supervision.</p> <p>Eager to Learn, Very Determined</p> <p>Good task managers</p> <p>Good short term problem skills</p> <p>Highly educated</p> <p>Multitaskers</p> <p>Not intimidated by authority</p> <p>Thrive on flexibility</p> <p>Technologically savvy</p> <p>Will do a good job if given the right tools</p> <p>Value "information"</p> <p>Want feedback</p>	<p>Consumer mentality</p> <p>Collaboration</p> <p>Goal oriented</p> <p>Highly educated</p> <p>Multitask Fast</p> <p>Optimistic</p> <p>Positive attitude</p> <p>Technical, savvy</p> <p>Tenacious</p>
Work Liabilities	<p>Don't adapt well to change</p> <p>Don't deal well w/ ambiguity</p> <p>Hierarchical</p> <p>Typically take a top down approach modeled by the military chain of command</p> <p>Avoid Conflict</p> <p>Right or wrong</p>	<p>Expect everyone to be workaholics</p> <p>Dislike conflict</p> <p>Don't like change</p> <p>Challenge Authority of Traditionalists</p> <p>Judgmental if disagree</p> <p>Not good with finances</p> <p>Peer loyalty</p> <p>"Process before results"</p> <p>Self-centered</p>	<p>Built "portable" resume</p> <p>Cynical,skeptical</p> <p>Dislike Authority</p> <p>Dislike rigid work requirements</p> <p>Impatient</p> <p>Lack people skills</p> <p>No long term outlook</p> <p>Respect Competance</p> <p>Mistrusts Institutions</p> <p>Rejects rules</p> <p>Don't understand the optimism of Boomers and Gen Y</p>	<p>Distaste for menial work (they are brain smart)</p> <p>Inexperienced</p> <p>Need supervision</p> <p>Need structure</p> <p>Lack discipline</p> <p>High expectations</p> <p>Lack of skills for dealing with difficult people</p> <p>Impatient</p> <p>Lack of experience</p> <p>Respond poorly to those who act in an authoritarian manner and/or who expect to be respected due to higher rank alone.</p>

Source: https://www.everettcc.edu/faculty_staff/tlc/bag-teaching/index.cfm?id=11170

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When is the best time to retire?

- ◆ When the following prerequisites have been met:
 - Financial independence – achieving via savings at least 25x your annual expenses in retirement.
 - Your passive plus active income will cover your expenses.
 - Your career aspirations have been fulfilled (or willfully abandoned).
 - You have a plan to retire to something.

Tip: Plan below is not a good plan for retirement and my wife would agree.



"Now, if we stick to our financial plan, I can retire at 55 and you at 87."

Reasons why you might regret retiring too soon or too late

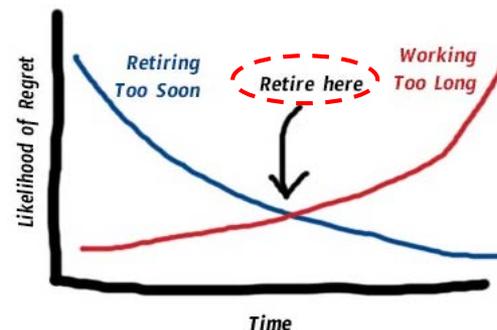
Regrets retiring **too soon**

1. You could have earned more money.
2. You may be wearing some golden handcuffs (e.g., you will leave too much money on the table)
3. Life might not change that much anyway.

Source: www.physicianonfire.com

Regrets retiring **too late**

1. There is a time opportunity cost.
2. You don't want to experience "full" burnout.
3. Life is short.



At the time point these lines intersect is magical and the best time to retire.

Can you afford to retire at age 65, let alone 52? The case of Mrs Jones.

Reference Person*	Life expectancy, if age 65 in 2014, y	Avg pretax income for age \geq age 65
Male	83 (65 + 17.81)	\$43,416 (or \$45,000, to round up to a convenient amount)
Female	85 (65 + 20.36)	

*The first household member mentioned by the Consumer Expenditure (CE) Survey respondent when asked to "Start with the name of the person, or one of the persons, who owns or rents the home."

Assumptions:

The *reference person, Mrs Jones is:*

- A 65 year-old widow whose husband died young at 55 years of age.
- Now a widow who earned a pre-retirement annual income of \$50,000.
- Now receiving her Social Security monthly benefit.
- Grateful that she and her husband amassed retirement savings of \$500,000, when both she and her now deceased husband were working F/T.
- Of the belief that, in retirement, she can live a similar lifestyle to the one she enjoyed when she was a F/T employee if her retirement income is 90% of her pre-retirement monthly income (i.e., \$45,000/y) and she is fortunate enough to live another 20 years.

Based on these assumptions, does she have sufficient funds to last for 20 years?

Answer: **Yes** (see next slide for details).

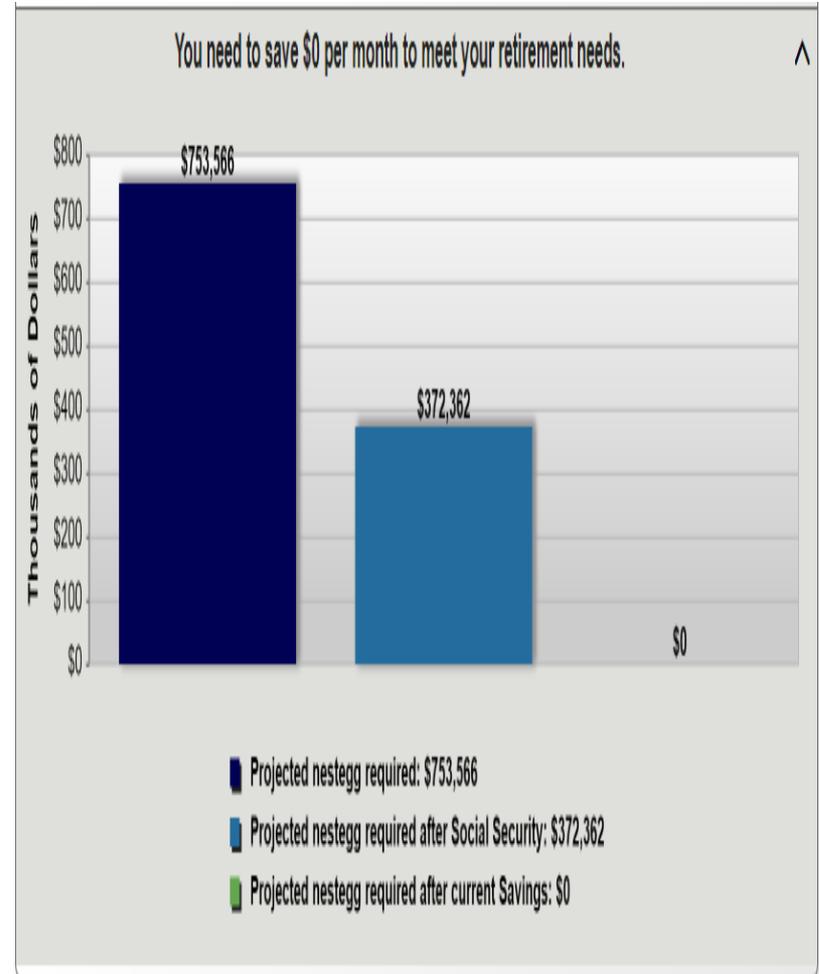
Based on the assumptions used, Mrs Jones has sufficient funds.

Retirement plan inputs:

- Current age: 65
- Age at retirement: 65
- Annual household income: \$50,000
- Current retirement savings: \$500,000
- Expected income increase: 2%
- Pre-retirement income desired in retirement: 90%
- Years of retirement income: 20

Investment returns, inflation and Social Security:

- Rate of return before retirement: 7%
- Rate of return during retirement: 4%
- Expected rate of inflation: 2.9%
- Married: Check here
- Include Social Security: Check here



Source: www.dinkytown.net

Summary

- ◆ When to retire is a decision based on multiple variables that vary greatly from one individual to another.
- ◆ Being aware of these variables and how they apply to you is likely to be useful to you in making YOUR (along with your partner, of course) retirement decision. For many people, it will not be an easy decision.
- ◆ My hope for you is that you have a long, healthy, and happy retirement at whatever age and circumstances you retire.

The End: Thank You For Your Attention

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"I reviewed your investments and set you up for early retirement. On your last day of work, you can afford to leave at 4:30 instead of 5:00."



"It's the new man - he wants to know what the company retirement plan is."

Happy Retirement to You All!

My retirement will look like this (I think) - walking on the beach with my wife at Puerto Vallarta, Mexico singing "Oh What a Life"?

