

Credit Union Times

Trusted News for Credit Union Leaders

A  **summit** PUBLICATION

AUGUST 8, 2011 | CUTIMES.COM

CEOS' CORNER

No Shuffleboard Dreams Among These Retirees

Sharon Custer may ditch her watch. Rob Givens wants to explore Civil War sites.

Mike Phipps would like more fellow CEOs to share retirement information.

Steve Winninger emphasizes the words "part-time."

That's just a quick glimpse of what some credit union CEO's set to retire in the next few months are thinking. Their ranks are expected to hit record numbers. Their strategies vary, but all of them have spent time planning and talking with their families. None of them will simply walk out the office door and mumble, "I quit."



Custer

Sharon Custer

Custer, who will retire in May 2012, has been CEO of BMI Federal Credit Union in Columbus, Ohio, for 25 years, and began working there 40 years ago. About five years ago she initiated in-depth planning for her retirement.

"I started thinking seriously about what my retirement was going to be," Custer said. "Talking to my husband, talking to my board, I knew in my mind and heart that it was going to be an appropriate time."

"My husband is ecstatically happy. We have the good fortune of having many friends. We have travel plans. We have things we want to do here in our community. I will be 62 when I retire, and I've been very blessed with good

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health. I want to have time to enjoy retirement."

Many people approaching retirement have seen their 401(k) shrivel and the value of their homes—which they had planned to sell and downsize with a nest egg left over—shrink. So the economy has forced them to keep working. Custer said that really wasn't a factor for her.

"I'm very fortunate in that with the planning we did, we feel very comfortable. While everyone looks at their 401(k) and cringes, the fact is you are not going to withdraw the entire amount the day you retire," she pointed out.

Does being a financial professional make retirement planning easier? Not really, Custer said. However, running the numbers and projecting ahead is in the normal course of what she does. It's pretty much an extension of what she typically does every workday.

At this point Custer and her husband plan to retain their home in Dublin, Ohio,

"I can see us going south for maybe a couple months during the bad winter weather here," she said. "We don't have any hard-and-fast plans for major changes. A friend of mine retired from a credit union about five years ago. I kept asking her, 'What are you going to do?' She said, 'We'll figure it out when it happens.' She's a very happy retiree today."

"We do want to try new things. If we find a place in another part of the country that seems to be the right move, we'll consider it. I have no plans to do anything related to the credit union industry. I'll turn that page and close the book."

"I have several former directors who are retired, and I watch them. They're busy and having fun. They're my inspiration. I've laughingly said one of the first things I may do is take off my watch and see how long I can go without wearing it."

Rob Givens

Givens, who will retire in January after more than 10 years as CEO of Mazuma Credit Union



Givens

in Kansas City, Mo., is another credit union CEO who won't immediately post a "For Sale" sign on his current home.

Like Custer, Givens and his wife—who just retired—want to travel and enjoy retirement while they are still healthy.

When he first arrived at Mazuma, he and the board put in place a retirement package anticipating he would retire when he reached 66 and a half and became eligible for full Social Security.

'I was raised with parents and grandparents who invested in the stock market and talked about thrift and savings and building your retirement. But I know other CEOs who, in spite of their positions, either have not or could not put together a retirement package.'

"I've been with the credit union movement for 25 years," Givens noted. "As the CEO, and I think this would be true of other CEOs, we get a chance to become involved in the community. I am on a number of boards and committees, and they have approached me about continuing. As long as the role is based on me rather than my position here at the credit union, I hope to stay engaged in the community."

A couple years ago, the slumping economy might have affected his retirement schedule. But Givens indicated he has put aside financial reserves over the years, and when his mother died a few years ago she left some additional resources.

Does that suggest financial professionals such as credit union CEOs pretty readily put to-

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gether an adequate retirement plan?

"It's a very individual issue," Givens answered. "I was raised with parents and grandparents who invested in the stock market and talked about thrift and savings and building your retirement. But I know other CEOs who, in spite of their positions, either have not or could not put together a retirement package. I know CEOs who are choosing to work longer because they don't have the resources."

Much of what Givens plans in retirement is pretty typical. Travel to see children and grandchildren. Volunteer at the church. Sharpen his golf game. But less common is his interest in the Civil War. He looks forward to visiting the sites of key Civil War battles.

Mike Phipps

With full Social Security and a retirement plan in place, Phipps at Evansville Teachers Credit Union in Indiana will retire early next year after 22 years as CEO.



Phipps

"I've noticed in my career, people retiring but not leaving. I don't want to ever be accused of that. We don't have room for that here."

His plans include golf, travel, and simply being able to spend more time with his wife. He thinks background as a financial professional helps in retirement planning. But is also causes some consternation.

"Challenges are there," he stated. "The secret is to have some form of post-retirement health care and to be debt-free. In my case, my wife is younger than I am and will need to be covered under some type of health insurance."

Phipps would like to see credit union executives more openly share information about their retirement packages.

"Credit union executives sit around and talk to each other at breaks during conferences and other meetings. How often does anyone talk about their retirement benefits? 'I don't want to tell you because I'm afraid maybe I have something unusual.' For the life of me, I've never been able to understand why people don't share more information about their benefits

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such as pensions," he said.

"Credit unions have insurance providers we primarily deal with. We rely on them to tell us what products are out there. Sometimes you might rely on your provider a little too much. That's what happened to me. I had failed to look outside to find what might be available. I was kind of surprised what I found. People need to be more proactive."



Winninger

Steve Winninger

Steve Winninger at Lake Trust Credit Union in Michigan picked his retirement date 15 years ago. If that sounds as though it was the result of applying some sophisticated algorithm, it wasn't. By early next year he will have served 20 years as CEO, and that simply

seemed a good, solid number. He turned 65 after 19 years as CEO, but somehow 19 didn't sound the same as 20. He did think about issues such as paying for his children's education, but they are now 26 and 30, therefore that responsibility is past.

Winninger changed jobs a number of times early in his career, so he wasn't vested in any plan before coming to Lake Trust.

"Of course, we've seen the stock market and investments fall, and home prices dropping. It caused us a little bit of concern, but we're going to have what we'll have and we'll find a way to make it work," he said.

"I also plan to do some consulting after retirement. But my new operative words for next year will be 'part-time.' I would love to do some part-time consulting. I really want to take a short rest and think about a consulting practice helping boards and CEOs work more effectively. We're moving past the notion of asking whether someone can come to meetings and is willing to serve. The bar is being raised. There's a whole new awareness of the liability of being on a board.

"I also want to get active with the Glen Erin [bagpipe] band again, which is a 501(c)3. I played the piano professionally for many years, so I will do that again. I'm interested in reactivating my pilot's license. I've got my Minis [British cars] to work on, and a barn full of woodworking equipment," Winninger said.

"I've got many, many things to do."

Also on the list is spending time at a vacation home they own at Canadian Lakes, a popular recreation retreat about an hour north of the Lansing area where the Winningers' live. But retirement will eliminate the need to drive home Sunday afternoon with all the traffic generated by people heading back from what Michiganders call "Up North."

Although he believes background as a financial professional helped in retirement planning, he also sought professional help from Member Financial Services. The typical credit union CEO, he indicated, is too busy to learn, for example, all aspects of the tax laws that may apply.

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Like other retirees, he doesn't want to outlive his money. His grandmother lived to almost 101, and he expects to live to about 100. Yes, in his later years he probably won't spend as much, and his earning capacity won't drop to zero the day he retires.

"The nice thing is I don't have to be as concerned about feeding the kids. Whatever I do now will be for fun. I played music professionally since high school. I always did it until it wasn't fun, then I stopped. How many people can go out to a bar on Saturday night and come home with more money than they had when they left home?" ■