

Before Scheduling that Retirement Party...

By Tammy Wener, CFP®, MBA

Type “retirement planning” in the search category of Amazon books and the result is approximately 15,000 titles. A Google search of “retirement statistics” produces some pretty scary reports on Americans’ lack of retirement planning and savings, and there is certainly plenty of advice, much of it free and some of it conflicting, on how much to save, the best way to allocate and invest that savings, what percentage of the assets can be spent each year, and the best strategy for maximizing Social Security benefits. The need to plan financially cannot be underestimated. However, there is not nearly as much focus on the emotional aspect of retirement, or on the connection between the financial and emotional aspects, as there should be. We all know plenty of high-net worth individuals who bemoan retirement and are at a loss for how to spend their time, and sometimes their money, meaningfully. And, we also all know plenty of people who should have saved more or worked longer, but seem to be enjoying retirement to the fullest.

According to Merriam-Webster Dictionary, the definition of retirement, is “withdrawal from one’s position or occupation or from active working life.” That “withdrawal” however, is so much more than just leaving the tasks associated with a position or occupation. It is withdrawing from a schedule, deadlines, gratification from others, challenges, comradery, and a feeling of purpose. It is withdrawing from a regular paycheck, ongoing savings to a retirement plan and possibly an employer match, maybe subsidized medical, life, and disability insurance, and a place to go every day. This withdrawal can impact one’s self-esteem, sense of purpose, and general well-being. While the idea of not being constrained by deadlines, meetings, and work demands sounds appealing, the reality is that the shift to retirement can be very stressful on both the retiree and those around her. Suddenly, the retiree who was too busy to participate much in activities with friends and families, may find that those same people no longer necessarily plan to include her. She might learn that her life-partner has an entirely separate set of hobbies and connections to his fill his day. A retiree who may have been used to someone managing her schedule, now has to handle that on her own.

If you are thinking of retiring within the next five years, you hopefully have followed the prior advice provided in this newsletter and started planning financially. Now, take a few minutes to ask yourself the questions listed below. Don’t worry if you don’t have any answers yet; the important part is to start making the connection between how the money you are diligently saving will provide the foundation for a fulfilling and meaningful retirement.

1. What is the likelihood that you will be the one to decide on the timing of your retirement? Do you work in an industry that is changing quickly? If your financial retirement plan is dependent on you working for the next X number of years, consider what you can be doing now to remain in your position and learn new skills.
2. How is your health? What can you be doing now to make sure you are as healthy as possible during your retirement? If it has been awhile since you last had a physical, schedule one now. Have you delayed getting your regular screenings? Time to make an appointment.
3. Have you started thinking seriously about what comes next, as in the first few months of retirement? While those first months of freedom may seem like a dream, the reality for many is that the dream is not quite what was expected. Have a plan for that initial period, even if the plan is simply to catch up on long-forgotten books and movies, trips to volunteer for a local

organization, or visits with friends and family. The plan does not have to be detailed by the day, or even by the week, but can be a general list of a few activities to keep you active and engaged.

4. Do you currently have limited time, and perhaps interest, to engage in hobbies or set personal goals? When was the last time you really laughed or did something that truly took your mind away from work? If the answer is, "I can't remember," start experimenting now, even if it is uncomfortable or you are just not sure where to begin. For starters, look at the offerings available through your local community center or community college. Maybe convince a friend to try something with you.
5. Is it likely that you be retiring before your partner and the majority of your friends? If so, it is a good idea to start identifying others who will be available to spend time with you and help you to cultivate new interests.
6. Do you have children and grandchildren? Are you already being asked to step in as a caregiver? Consider how you will respond when asked and how you will protect your time if it becomes a more burdensome responsibility than you desire.
7. How will you remain challenged and continue to feel as though you have something to contribute to the world? Start thinking about classes in which you might enroll (preferably ones that you have to physically attend), organizations to volunteer with, opportunities to revisit your spirituality, and long-lost friends or family members to reach out to.
8. Do you exercise regularly? If you are like the majority of Americans, likely not regularly enough. Find a way to start becoming more active now and then commit to staying active for as long as possible. In retirement, you will no longer have work as an excuse for not having time to exercise. According to research conducted by the National Institutes of Health, not only does exercise result in many physical benefits, studies suggest that exercise can improve or maintain some aspects of cognitive function such as the ability to plan an activity, ignore irrelevant information, or shift quickly between tasks...all skills that are helpful at any age!
9. Who can you help? What can you teach others? It may sound trite, but the research is clear that helping others results in significant benefits for the volunteer. According to a study conducted by the Corporation for National & Community Service, research shows that volunteering leads to improved health and that older volunteers are the most likely to benefit mentally and physically from volunteering.
10. How willing are you to take risks, try new things, develop new relationships, or fail at something? If retirement to you means starting a new business, consulting in your area of expertise, or working at something completely different, start exploring now.

As a CERTIFIED FINANCIAL PLANNER™ professional, I have worked with many soon-to-be retirees and retired individuals. Without question, those who are active, are in good health, maintain strong family and social connections, and have a plan (both emotional and financial) in place, typically thrive during retirement. Do they always have all of the money they would like? Not always, but they typically do have enough to allow them to make choices consistent with the emotional plan they put in place.

Additional Information:

It is not well known that a number of colleges and universities allow seniors to audit classes free of charge and others offer significant tuition discounts for classes taken for credit. More than 20 U.S.

states have mandated tuition waivers and/or discounts for older adults interested in taking courses at public institutions. One great resource to learn about colleges and universities that offer lifelong learning opportunities is the Osher Lifelong Learning Institute (www.osherfoundation.org).

If you are interested in volunteering in your community, but are not sure where to start or which organizations are seeking volunteers, visit Volunteer Match (volunteermatch.org) or Corporation for National and Community Services (www.nationalservice.gov/programs/senior-corps).

Perhaps you are interested in traveling the world and also want to put your experience and expertise to work. Resources to explore include, Peace Corps (peacecorps.gov/50+), Winrock International (winrock.org), US Forest Service Volunteer Program (volunteer.gov) and Cultivating New Frontiers in Agriculture (CNFA.org).

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