

PLANNING AHEAD



PARK EDGE

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Happiness in retirement is about more than money. I've been helping clients plan for the financial aspects of retirement for 28 years.

This is not an easy task for me or our clients. It involves using assumptions around the rate of return, life expectancy, savings, and spending rates, and all of the potential "what-ifs" that may throw a wrench in our well-devised plan. And for our clients, it can be a difficult task to address mortality and what happens to their loved ones. It's a challenge for all of us to forgo current consumption to save for a future that to some may seem a lifetime away. Often, we don't know when we want to retire and how much we want to spend in retirement, making the exercise frustrating. However, I would contend that the financial aspects of retirement planning are often easier to address than the nonfinancial aspects.

Why is this? I believe it is because we spend far more time focusing on planning our retirement finances than we do on planning our retirement lifestyles. We don't plan for that first morning we will wake up and not have a job to go to. Our careers are so much of our identity that when we lose them, we tend to lose a piece of ourselves. We should prepare for this transition just as we prepare for the loss of a paycheck. Preparing means finding something to do that first day; volunteering at an organization that holds special meaning, easing into retirement by working part-time for a bit or finding part-time work at a place of interest, meeting friends for coffee or a game of bridge or pickleball; staying connected to friends and colleagues at this time is very important.

We need to make sure that our spouse/significant other plays a role in the planning process. Just as the transition to retirement can be difficult for the retiree, it can be disruptive to their partner who has either had a career of their own or has managed the household without input for many years.

Plan activities together but make sure you plan for the alone time you've grown accustomed to over the years. Have conversations about what each of you envision for retirement. Are you planning to stay in your current home, move to a retirement community, or perhaps move closer to children/grandchildren?

While we can't plan for all the unknown's retirement will bring, it is important to spend time thinking about what an ideal retirement means to you and how you can plan now to achieve it. When was the last time you thought through these questions or talked them over with your spouse or partner? Has anything changed since you last did so? Is your financial advisor up to speed on your current thinking? If not, make 2024 the year you take these steps. Let us know if we can help.

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