

RETIRE TO HAPPINESS

TIPS TO THRIVE IN THE NEXT CHAPTER OF LIFE

Here's a thought: retirement isn't the finish line. It just means a new chapter—a paradigm shift of what life is beyond long days and meetings and bosses. Unless you own your own business, and even then, you are not your business. You're not solely defined by the question, "What do you do?" But, it doesn't mean you should stop defining the answer for such an inquiry in your retirement era.

A quarter of retirees actually think life in retirement is worse than it was before they retired. Don't be one of those people! Let your golden years shine when you set out a vision of what you want life in retirement to be.

Healthy finances.

Because you won't be working full time in retirement, you won't have that steady paycheck to count on for income. The state of finances plays a critical part in the decision of when to retire. In fact, in a study conducted by Robert Wood Johnson Foundation and the Harvard School of Public Health, 51% of people who say they will never fully enter into retirement, say they are inhibited from full retirement due to finances.

Having a healthy portfolio and steady finances are something you'll want to have set-up well in advance of your retirement party to maintain and grow throughout the rest of your life. However, it's never too late to set your finances straight by re-evaluating your portfolio, investment strategy, and monthly budget. Set up a strategy session with your trusted financial advisor and then maintain regular correspondence so there are no financial surprises that could negatively impact your life in retirement. Focus on figuring how much you can realistically spend out of monthly income given Social Security, pension, 401(k), and other accounts. Work with your advisor to determine which accounts you'll dip into first to avoid tax penalties from drawing from too many sources.

Transition time.

In 1935, President Roosevelt signed Social Security into law which established 65 as the retirement age. This worked for the American worker at that time when people didn't live as long; the average life expectancy for men was 58 and was 62 for women, which compares with the average life expectancy of 79.25 in 2024. This was also a time when most companies guaranteed employees pensions upon retirement. For some people going from full-time work to full-on retirement doesn't make economic or emotional sense. Consider what and how you would want to work on if you had the chance which may mean shifting to consulting part-time or working seasonally on a golf course. Perhaps it means working on something you're excited about like woodworking, writing children's books, or organic farming for as long as you're able to do so. It's not your 9-to-5 you did for 43 years, but it's something that can provide you with self-worth and continuous learning.

Family and friends.

According to the United States of Aging Survey, connectedness with family and friends outweighed financial-based concerns for seniors in relation to the sense of fulfillment. Your relationships are an investment that won't offer a return financially but will be invaluable in terms of happiness, kindness, and care. Strong connectivity is the best weapon against loneliness.

Communication counts. If you have a partner—husband, wife, lifelong roommate—include them in your planning. Clearly outline your goals, wants, needs, and wishes together to best determine how to move forward in retirement. Structuring time in retirement also applies to time spent with your significant other. You're both going to have a lot more time around one another...and that can drive some couples bonkers. Consider a schedule where one night a week is "date night" and other nights are spent with other friends or family members.

A study by Fidelity found that 40% of couples didn't align on the expected lifestyle they would have in retirement. This is why another important discussion should be held on where you want to live. After leaving your full-time job there may be nothing keeping you in particular place. Take each other's retirements expectations and activities, as well as collective finances, into consideration. Maybe a move some place warmer (snowbirds!) or to a home with a smaller yard, or to a place with lots of other senior citizens, or to another (cheaper) country.

Health habits. In addition to strong social relationships, physical health is incredibly important in later life. "Good health" was picked as a top key to happiness in retirement by over 3,300 pre-retirees and seniors in a survey conducted by Age Wave and Merrill Lynch. While opportunity for ailment, injury, and illnesses increase the older one gets, regular exercise, sleep, and a healthy diet can mitigate chances for sickness or falls, as well as quicker recoveries.

Time management.

It's easy to assume that you'll have more "free time" in retirement than when you were working full-time and raising children and the like. While more free time sounds like a glorious thing to be faced with, it's important that the idle hours are spent well. One telling study based in Taiwan found that how free time is managed—not how much free time one has--was correlated with the higher quality of life. Using free time well means organizing activities that align with your personal goals and priorities on a weekly or daily schedule.

Volunteerism.

The prevailing attitude among a growing number of pre-retirees is that they aren't going to limit themselves by trading a life of work for a life of leisure; rather they are going to take control and trade in work that they no longer want to do, for work they will really like to do, and for many of them that "work" comes in the form of volunteerism.

"The more you lose yourself in something bigger than yourself, the more energy you will have." -Norman Vincent Peale

Who among us doesn't seek purpose in our lives – something that goes beyond our own material needs? Living for a higher purpose is a reason to get up in the morning, to contribute to the world in a way that derives immense satisfaction. It's where we find our passion, and it's the legacy we leave behind. When we have something greater that drives us, life is better, more exciting and much more gratifying.

For many retirees, volunteering offers them the first opportunity to match their knowledge, skills, values and beliefs with a worthwhile endeavor and a way to give back to the community. Whether it's tutoring a high school student in math, training seniors in new skills, being a docent for a local museum, providing executive-level experience to charitable organizations, or offering back-office skills to a non-profit group, many of our retired clients are discovering how the "butterfly effect" of their contributions creates an expanding circle of value throughout their communities.

Retirement is a time to harvest fulfillment. It is also a time for regeneration which can only occur through a deliberately planned transition that incorporates your own needs, wants and values. For that, there are no rules; only your vision and a plan. LBDIAS can help you create a retirement plan that is fully aligned with your goals.