



YOUR OTHER RETIREMENT PLAN





When most people think about their retirement plan, they tend to focus on their financial future and whether they will have enough to live comfortably once they stop working; however, a key objective of the plan is often overlooked, and the consequences can be devastating.

Everyone knows what they are retiring from; only some have considered what they are retiring to. What will I do once I retire? How will I fill my days? Etc.

For some people, this is an exciting prospect; a chance to travel, enjoy our hobbies, and spend time with family and friends.

For others, retirement is something they dread.

WORK AND OUR IDENTITY

For the better part of our lives, our career has been a major factor in our identity. It's where we spend significant time each day, often the cornerstone of how we are known to others. In most contexts, our introductions sound like this: "I'd like you to meet John. He's a financial advisor." "What do you do?" is often the first question asked when networking. Who we are and what role we occupy are tied together.

Many people find fulfillment in their work - it's rewarding and gives them energy and focus. They have a genuine loss of purpose and sense of self when faced with retirement and are not prepared for the emotional and psychological toll it can take on them.



A recent Twitter thread from a fellow financial planner about the story of his dad's decline after retirement highlights this in very stark and shocking terms. (Warning: it may be a triggering read for some people.) Within 18 months of his retirement, which he had looked forward to his entire life, his dad suffered bouts of depression and loss of purpose, which contributed to his early death.

RETIREMENT ANXIETY

Retirement anxiety is a real thing and a growing concern among working adults. Some are ranking it more stressful than divorce!* Surprisingly, it's not the older adults who are worried about retirement; it is those between the ages of 35 and 45.

As a rule, humans don't like change; retirement is one of the most significant changes we'll encounter. Longer life expectancies mean our retirement could be almost as long as our working life. That's 30+ years of days to fill! People worry about being bored, losing mental capacity, being left behind or being isolated once the connection with colleagues and clients is gone.

RETIREMENT TRENDS

There has been a shift in thinking about retirement that has come out of COVID. People learned they could do their jobs remotely and considered what that meant to their quality of life.

*<https://www.abrdn.com/en-gb/personal/news-and-insights/retirement-anxiety#:~:text=Retirement%20anxiety%20is%20an%20emotion,a%20significant%20and%20growing%20issue>



The rapid changes in the work environment, expectations, and the resulting stress have caused significant differences for some people who found it too much and either changed jobs or sped up their retirement dates.

Feeling the stress of online teaching, Michelle quit and started a new business, running a gourmet cookie bakery. Naheed, similarly exhausted but further in his teaching career, opted to retire instead of returning to the classroom. While Michelle can still contribute to her retirement savings through her new career, Naheed had to decide if he was ready for retirement and consider what that meant to his family. He needed to find ways to fill his days.

Others found opportunities in this new remote or hybrid work environment. One of our clients doubled down on working remotely and now spends six months working from his home on Vancouver Island and six months at his cottage. He may never retire completely. Instead, he has chosen to work at a slower pace, creating more of a balance between work and home in “semi-retirement.”

The third trend is not to retire at all and to continue to run your business from wherever you are - remotely or continuing in your exact environment. Many people genuinely love what they do and have no intention of giving it up

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For people who have chosen early retirement or semi-retirement, thinking about what to do now can cause some real concerns.



THE 3 TOP CONCERNS

First and foremost, if your worries are keeping you up at night or starting to impact daily activities, talking to a mental health professional is the first step.

The first worry concerns finances and whether you'll have enough to fund your retirement after that comes boredom, physical/mental decline, and isolation.

Isolation is a tough one. You've been CEO or "in charge" for years, and people come to you for opinions, advice, answers, and leadership. In retirement, that changes immediately. Your calendar becomes emptier when you don't have day-to-day contact with colleagues and clients.

Then there's boredom. If you're worried your hobbies and interests won't be enough to keep you occupied, maybe consider semi-retirement or continuing education.

What if, after taking a well-deserved break, you worked part-time or became a consultant? What if you found an important cause to you and applied your career skills to it as a volunteer? Could you mentor someone? Could you coach a new entrepreneur through starting their business?

Many retirees return to school to finish a degree or even start a new one. A 6-year-old dinosaur fanatic who became a structural engineer can return to their "first love" and study anthropology. Some even use this to start a whole new career in retirement! Lifelong learning should be a goal for everyone, and it can continue well into retirement.



Then there's your physical health. While retirement is not the time to pick up a long-lost sporting dream (sorry, folks, the NBA is not recruiting 50+), it is a chance to learn a new skill or return to an activity you loved in the past. Maybe this is the time to take those golf lessons you wanted, finally? What about going back into the pool and swimming again?

All of those things lead to improved mental health, by the way.

MAKE A PLAN

No matter what route you might want to take in retirement, the key is a plan. You've spent 30+ years planning your financial future. Now is the time to start planning your "functional future."

If it seems daunting, it's ok. You don't have to do it alone. You have been working with your advisor for many years, primarily focusing on the financial aspects of retirement. What if you changed the focus from purely economic to an enjoyable conversation about your retirement dreams, objectives and what experiencing true fulfillment during this exciting next chapter of your life looks like?

"What I am retiring to?" can take on a new, exciting meaning.



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