

The Right Attitude



Preparing for your retirement: Workbook One



Homewood
Health | Santé

About Retirement Planning

Retirement is something that is often eagerly anticipated for years before it actually occurs.

In the years preceding retirement, most people seek expert advice to help with financial planning. This planning helps ensure that we can support our financial needs when we no longer have a stream of steady employment income.

But retirement presents more challenges than just financial ones. It can be a difficult transition to make both psychologically and emotionally. For example, what will you do on a daily basis that will keep you physically active and mentally challenged? How will you structure your day if you don't have to report to a certain location at a specific time? Who will you socialize with if you don't have coworkers to talk to throughout the day? How will you maintain a sense of individuality when you may be spending more time than ever with your spouse or partner?

This course is intended to help you understand the scope of the planning you might need to do before you retire. There are many exciting challenges ahead of you, and many opportunities that can come about when you plan for, and conquer, these challenges.

There are several exercises in this course to help you plan for your retirement. Ideally, you will complete these exercises several years prior to your retirement and then again as your retirement date draws closer. You are also encouraged to share these exercises, and your planning, with your spouse or partner.

What's in a word?

What does 'retire' mean to you? Some dictionary definitions suggest that retirement is a 'withdrawal from work life' or 'removal from service' or even 'taken out of circulation.' Left unexamined, these definitions can undermine any efforts you might have to approaching your retirement as a period of transition and opportunity.

Retirement is potentially many positive things. Among these:

- Retirement is a career change;
- Retirement is a transition to a new stage of your life;
- Retirement is movement towards something new in life;
- Retirement is a time of renewed enthusiasm; and,
- Retirement is a kind of 'graduation' from one stage of life to the next.

Examine your definition of retirement. Challenge yourself to create a definition of retirement that is positive, focused on the future that you want to have, and motivates you to take action.

To me, retirement means the following:

Your ideal retirement

When you think about retirement, are you thinking about what you are leaving behind or retiring from?

This exercise involves thinking about what you are retiring 'to'. It is about the changes and opportunities that may be available to you in your many years ahead. The better you prepare yourself mentally for these kinds of issues, the smoother and more successful your retirement will likely be.

Answer the following questions in terms of what you think may lie ahead for you in year 1 of your retirement, and beyond (2 years following retirement, 5 years following retirement, etc.). For example, in year one where will I be living? Where will I be living in year 5? Year 20?

Note: Your 'retirement' may mean a date on which you are exiting the work force completely, transitioning to part-time work, or something else (e.g., volunteering). For this exercise to be useful to you, use your own criteria for what determines your retirement date and the timeframes (e.g., 1 year, 2 years). Take your time answering these questions. The more details you provide, the more you know what you need to plan for and the more likely you will be to make these plans your reality. Use additional paper if necessary.

	Year 1	Year 2	Year 5	Year 10	Year 20
Where am I living?					
Who am I spending the majority of my time with?					
What friends am I socializing with?					
How am I meeting new people?					
What am I doing to stay physically active?					
What am I doing to stay mentally active?					
What am I doing to stay as healthy as possible?					
What hobbies and interests am I pursuing?					
What am I spending the majority of time doing?					

What are the benefits you can enjoy once you retire?

Retirement is a part of your life that will be filled with many good things. Some examples:

- You can get out of bed in the morning when you want to.
- You can choose to drive when it isn't rush hour.
- Your days will be free of office politics and any co-worker problems.
- You can pursue a business venture.
- You can volunteer your time.
- You can spend more time with your children and/or grandchildren.
- You can set your own agenda.
- You can live abroad for months at a time.

What are the benefits that *you* hope to enjoy during your retirement? List as many as you can think of below.

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The process of retirement: A model

Most of us do not think about our lives as a series of transitions, we simply go about our living. But if you look back on the major milestones of your life, you will probably agree that you have lived through many periods of time where you adapted and changed. For example, one major transition was from living at home under a parent or guardian's care to living on your own. Another may have been a transition from high school to a college, university or trade school.

Based on numerous research studies, Robert Atchley (2000) developed six stages of retirement that outline different stages that most people transition through when they leave the workplace on a permanent basis. These stages do not necessarily apply to everyone but they do provide a model for predicting what you might encounter in the future.

The process of retirement has six stages, in general:

Pre-retirement

Pre-retirement. This stage of retirement involves considering the possibility of retirement and beginning to "let go" or disengage from the workplace. It is marked by planning and thinking about retirement.

Retirement Event

Retirement event. This is the event that marks retirement for you. Often it is a celebration of some sort.

Honeymoon

Honeymoon. This is the stage that immediately follows retirement. It can last for a few months or even a year. This is a time when many retirees feel relaxed and carefree.

Disenchantment

Disenchantment. For some retirees, the honeymoon stage is followed by a period of disenchantment (i.e. disappointment) as retirement does not meet their expectations. Feelings of disenchantment can be particularly strong for a person who hasn't planned for the inevitable psychological adjustment that retirement requires, and hasn't developed plans for keeping active and mentally challenged during retirement.

Reorientation

Reorientation. After the honeymoon period, and sometimes a period of disenchantment, it is common for many retirees to ask themselves "what do I want to do? How do I want to spend the rest of my life?" This often happens at about year two. This is particularly true of a retiree who hasn't planned their retirement. Plans can be made now, but it would be better to make some of these plans in advance of retirement rather than waiting until years into the process.

Retirement Routine

Retirement routine. This is where you settle into a comfortable and rewarding retirement routine. Some individuals may do this soon after they leave full-time employment, while others take longer. This phase can last for many years and many mid-course adjustments can be made along the way as new interests emerge or new opportunities and challenges present themselves. This stage is called 'routine' but it doesn't mean that the remaining years or decades of retirement are without surprise and unexpected pleasures.

Tips for managing your transition

- ☐ Stay flexible and open to feelings that unfold.
- ☐ Give yourself time, accept your transition is not going to happen overnight.
- ☐ Stay open to opportunities.
- ☐ Accept there will be anxiety and discomfort. Listen to it and use it to learn and grow.
- ☐ Let go of the past and accept there are things you can't do, things lost to you forever or are no longer available to you. Regrets can be a stumbling block to moving forward. Idealizing the past and insisting that it can be recovered is often a way to avoid recognizing loss.
- ☐ Realize that some feelings of mild depression (e.g., feeling a little 'blue') is normal. But these feelings should not persist for long. If they do, it's important to get reach out for support and advice.
- ☐ Be aware that planning and taking action based on those plans is the best defense against the anxiety or depression or discomfort of transition.
- ☐ Expect to feel some social and psychological disconnection from your pre-retirement life. That's normal. And that's why it's important to find new ways to connect to others. Reach out to new people for fresh perspectives, insights, and support.
- ☐ Don't become overly concerned about how you will identify yourself when you no longer have a job title. Instead, come up with a short description that you are proud of and happy with.
- ☐ Expect good strategies to develop just from staying in touch with what is happening to you.
- ☐ Know that you enter this transitional period like everyone else—a beginner or novice.

An Illustration: Derek and Janet

Throughout the workbooks for this course we'll follow the process for Derek and Janet. Their story is based on an existing couple, but their names and some details have been changed to protect their privacy.

Derek, age 56, and Janet, age 45, have been married for 15 years. Derek is a construction supervisor for a home renovation company and plans to retire in 4 years when he turns 60. Janet is a senior copy editor for a home décor magazine, and is intending to retire in 10 years, at age 55. Janet works full-time from a home office.

Derek and Janet have a financial plan in place to ensure that their joint retirement goals can be met. However, the couple has a number of non-financial challenges that retirement presents, and they haven't discussed and/or planned for them. As well, they know that some of their retirement funds are not guaranteed which could affect whether or not they need to work part-time after retiring from their current jobs. Some of their most significant challenges are presented here and you can follow their discussions and planning activities in each of the workbooks in this course.

Challenge 1: Staggered retirement dates.

Derek and Janet have staggered retirement dates. After Derek retires in 4 years, Janet plans to work a full 6 years before she retires. This means that Derek will have a significant amount of unstructured time while Janet is still working.

Challenge 2: Balance of time together and time apart.

The second challenge is an unspoken concern of Janet's. She is worried that her ability to work at home will be negatively impacted by Derek's presence. She knows that one of Derek's retirement goals is to renovate their house and is concerned that this will be very distracting and may seriously impair her ability to work.

Challenge 3: The psychological meaning of money.

The couple manages their finances together, but they also make independent decisions about spending a portion of their discretionary income (money that they don't need for current living expenses, debt repayment, or retirement). Derek is concerned that he won't have any discretionary money to spend after he retires but knows Janet will. He is concerned about this inequity and how he's going to feel if he wants to make purchases that he can't afford and/or sees Janet spending money when he shouldn't be; Janet is concerned that she may be called upon to supplement Derek's new retirement activities while she continues to work.

Challenge 4: Activity and health.

Janet is a member of a local gym and attends fitness classes three to four times each week. She plans to continue her membership into her retirement years although she may alter the kinds of activities she does, or the intensity with which she does them. Derek, on the other hand, gets most of his physical activity through his construction job. When this work ends in 4 years, Derek has no plan in place for how to remain active and he hasn't developed any exercise habits apart from his work.

Challenge 5: Social connections.

Derek and Janet have very few close friends that they know together as a couple. Derek has several buddies at work that he goes on camping and fishing trips with, but otherwise he derives most of his social needs from time spent with Janet.

Janet doesn't work in an office, so her friends are mainly family and neighbours. It's a small network of friends but they are very close to each other and they get together on a regular basis (e.g., shopping, a book reading club). She also knows a few people through the gym but they don't socialize outside of their exercise class.

Derek and Janet explore their attitudes about retirement

Derek and Janet decided to set aside a specific time to talk about the non-financial aspects of their upcoming retirement. They picked a specific date because they knew that if they didn't, the discussion would get delayed and eventually be forgotten.

When he thought about what the word “retirement” meant to him, Derek began to recognize that retirement was his chance to be his own boss. Derek has always worked for other people but he sees retirement as his opportunity to work for himself, choose projects, follow his own schedule, etc. He enjoys his trade (general carpentry and construction) and he doesn't have any intention of hanging up his tools. Instead, he is excited by the opportunity that retirement presents—renovating his own house and doing smaller (paid) renovation jobs for others. He also sees retirement as a time to go camping and fishing with his buddies more often and for longer periods at a time. Finally, he looks forward to growing older with Janet.

When she thought about what the word “retirement” meant to her, Janet realized that she, too, saw retirement as an opportunity to be her own boss. She loves her job and finds herself constantly challenged to keep up with the changes in her industry, but she wants to work on different kinds of projects and for different groups, rather than the one kind of work she's doing for a single employer. So Janet sees retirement as an opportunity to challenge herself professionally while at the same working fewer hours and on a contract basis as her time and energy permit. She also wants to spend more time at the gym and has been thinking about teaching an exercise class. She also wants to get more involved with her community by volunteering.

So even though Derek and Janet have different jobs and retirement dates, they view retirement very similarly. They both see it as a time to continue challenging themselves, working for themselves, and continuing to be active and connected to friends.