

Retirement is one of life's major transition points and, with it, comes the opportunity to think about fundamentals. It is a time to take inventory and to ask, "Where will I live, how will I spend my time, where will my money come from?" It is a time to enjoy life as it never has been enjoyed. But before that can happen, we must prepare. We must plan.



Ready or Not . . . Retirement Is Coming

Plan Today for Tomorrow

by **Elizabeth McFadden**

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To those who ask, "When should I start planning for retirement?" experts say, "Start planning the day you start working." This is certainly true for financial plans. Setting financial goals and saving for retirement is easier the earlier you start.

The best time to start considering retirement options is now, because you have so many options. The decisions on these options should be made while you still are working and while you still have time to influence the type of retirement you want. Decisions can be challenging, but planning for them can be fun. Today more than ever, retirement is an opportunity, not a problem because, in general, we are living longer, healthier and more active lives.

Retirement, unlike most other phases of your life, is an unwritten chapter in your life. No one can tell you how to live in retirement; you will have to develop your

own plan. The alternative is to let fate plan for you. That can be very risky. Planning will make it rewarding. Just remember that retirement should be a time when you retire to, not just from, something.

It is most important that you discuss your retirement plans with your spouse. If you are not married, discuss it with your children, siblings or close friends. Many couples do not discuss the adjustments they expect to make when they retire. There is an old saying: "I married my husband for life but not for lunch." There are going to be adjustments on both sides, so be open and flexible.

Don't be surprised if you feel somewhat depressed when you retire. For many of us, our identity is tied to our work. Our patterns of life are dictated by our work schedule: when we get up, with whom we have coffee or eat lunch, our going to meetings, exchanging ideas and being part of a team that values our opinion. Once you retire, this social structure is broken and it is up to your retirement plan to keep you purposeful and feeling good about yourself.

The issues we will focus on in this article are those that will affect your retirement lifestyle: your use of your time, a second career, housing and living, your health and legal issues.

How Will I Spend My Time?

A recent *USA Today* article states that 60% of Americans who are still working expect more enjoyment out of life once they retire. The top four activities to which they look forward are spending time with family and friends, having more leisure time, pursuing hobbies and traveling.

This is where preparation really pays off, because the door of opportunity is wide open, whether you plan to travel extensively, master new skills or get a degree. Incidentally, mature Americans are going back to school in record numbers. Retirement planning could let you enjoy all of these as never before and preparation will make them a reality.

Think of all the things you would like to do. Invest time in doing this. Sometimes it is not the big things, but the little things, that make life enjoyable. In general, every important aspect of your life is successful in proportion to the time you invest in working to make it a success, from education and career to marriage and family. Unfortunately, most people spend more time

planning their vacations than their retirement, although their retirement can span 25 to 30 years of their life.

As a volunteer, you could contribute to society in many ways. Your experience and knowledge make you invaluable to dozens of social, religious and civic organizations . . . and you have the time! When you volunteer, you give something on which it is impossible to place a price. Moreover, in giving of yourself, the reward is tremendous and it is not until after you do it that you realize how tremendous. You find yourself saying, "Wow! I have the time and resources to do it." Volunteer work is another good way to improve your skills and gain confidence for other employment. Consider volunteering now so that you will have the background needed to embark upon your new career.

Surveys of retired persons report that most retirees really do enjoy their newfound free time and that more than 75% of them are at least satisfied with their lives. The key to their happiness, though, is that they use their time well.

An optimistic outlook and a broad range of activities in which you can participate with your friends will make your retirement years fulfilling.

Do I Want a Second Career?

By keeping their skills current, many individuals use the years leading up to retirement to prepare for a second career. Second careers provide a useful source of income and are also an opportunity to pursue an old dream or a long-delayed labor of love. What is the best preparation for finding a satisfying job or a second career in retirement?

Planning begins while you are still employed and are able to establish contacts in the new field. If you anticipate working in retirement, not only will you improve your prospects by planning intelligently, but you will also build confidence and ease your transition into your second career.

Education, along with experience, is the key to being successful at almost anything. Local community colleges, universities and continuing education programs provide a wide range of opportunities to enhance or develop abilities you will need later. Don't worry about your age; many employers prefer employees who have

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RETIREMENT— ADDITIONAL Resources

Article Briefs

Selecting the Right Financial Education Provider

More and more employers are offering financial planning services to their employees as a way to help them prepare for retirement. It can be difficult to choose a financial education vendor with all the options available. Before choosing, an employer should ask several key questions pertaining to the background of the firm's financial advisors, their credentials and knowledge and liability policy. He or she should also be well versed in ERISA and general investment issues.

Tom Anderson.

Employee Benefit News,
August 2004, pp. 52, 54.
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Where Will I Live?

Without the constraints of your old career tying you to a particular location, you'll be free to live wherever you want. But will moving to another location be right for you? Most people, you may be surprised to learn, remain where they've lived all their lives. They stay in the areas in which they were raised or where they raised their children. If they do move, they seek a city or a college town so they can participate in the cultural offerings and keep up-to-date by going back to school and attending lectures and concerts.

Others want year-round sunshine or conditions favorable to their health. Still others seek more appropriate housing within their own community, because the home in which they spent most of their days has grown too large. Selling one's home for a smaller, more economical one in the same area is an option deserving of serious consideration.

Make a checklist of what is important to you: climate, family, social scene, transportation, medical facilities, the cost of living. Think of those small things that make your house a home, such as having a garden or a working fireplace. Will your new home have these? Check your home also for safety features and for accommodations should you become ill. Consider wheelchair accessibility and ease of climbing stairs.

Perhaps you will live with your children, either in your own home or your children's home. Some determinants are health factors, children's economic need or your new role as full-time grandparent. If this happens, there should be a clear understanding of roles and responsibilities to ensure that you have some private space. This will help avoid family stress and maintain some of your independence.

If you are considering a move to a new location, especially in an area unfamiliar to you, spend an extended vacation there before you make any decisions. Try to visit at different times of the year to know aspects of the year-round environment.

In determining where you will live, the fundamental consideration must be your happiness. Will you be happiest moving away from family and friends? Will the activities you've enjoyed over the years be available to you? And, if religion is a fac-

tor, will you find a spiritually satisfying place in which to worship? Be sure you have answers to these questions before you decide.

How Can I Stay Healthy?

We are living longer and healthier lives. Regular checkups and early attention to potential problems can save you money and give you more years of active, healthy living. As we age, health problems will develop, but even with these problems, many still manage to have a good life. The foundation for a healthy retirement is getting sound medical advice, having a proper diet, ruling out smoking, limiting your use of alcohol and taking a daily walk. But you will also need a positive attitude, a sense of humor and the ability to cope with stress.

Burdening yourself and your loved ones with health problems is no way to spend your newfound time. The state of your health in retirement very much depends on your health habits right now. Here are five basic rules that will lead you to good health in retirement.

1. **Exercise regularly.** A 30-minute walk each day can vastly improve your physical fitness. In fact, a study carried out over the last 12 years found that covering just two miles a day cuts the risk of death almost in half for people in their 60s, 70s and 80s.
2. **Engage in stimulating activities and hobbies.** Studies have shown that those who are happy live longer.
3. **Follow a sensible diet.**
4. **Discard unhealthy habits,** notably smoking and the excessive use of alcohol.
5. **Visit your doctor regularly.** Routine medical checkups are the best way to prevent unanticipated health problems. List your questions and problems before your visit and bring your medicines with you for your doctor's review.

Preventive maintenance is key. Senior programs are almost as important. They will keep you socializing with other folk who can continually check on you and may notice and comment on some changes taking place, even in your appearance. An early discussion of a health change can prevent more serious problems.

The quality of our physical health affects our enjoyment of our retirement

years. For many of us, those years will add up to decades. The good health habits you develop now can help secure for you the vigor you will need to make the most of your retirement.

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What About Legal Issues?

Foremost among the legal issues with which you must contend as retirement approaches is the preparation of your will. Knowledge of your legal rights and responsibilities is always important, but never more so than during those years prior to your retirement. Many of your plans for retirement have legal implications. The best advice we can give you is that, for the good of your spouse and survivors, you provide a legally sound and worry-free foundation on which they can live for the rest of their lives. Make a will and keep it current. Don't make the mistake of those who say, "I don't really have that much, so why do I need a will?"

Your estate includes life insurance policies, bank and credit union accounts, stocks, bonds, pension and profit-sharing plans, real estate (particularly your home) and a variety of other financial interests. They can all add up to a considerable estate. If the value exceeds a certain amount, your beneficiaries may have to pay substantial estate taxes when you pass on.

Be smart. Locate all your important papers, including birth certificates, marriage license, insurance policies, deeds and mortgages. Keep them in a safe but accessible place. Let others know where they are. Seek professional advice on how to draw up a will so that your assets will go to your loved ones according to your wishes. Be careful if you are leaving money to young children or grandchildren; consider setting up a trust until they mature. If you move out of state, check with a lawyer in the new

state. Inheritance laws may vary from state to state.

Summary

Your retirement is an as-yet-unwritten chapter in your life. Only you hold the author's pen on what it will say. Retirement is a time of change, growth and adjustment. It can be a very difficult time. However, if you act now, your fears or concerns can be turned into confidence that your retirement years will be as fulfilling as you had hoped they would be. The richest years of your life can be those after 65 if you know how to take advantage of them. Look at your life now and decide what you'd like to change and, also, what you wouldn't want to change. What new avenues would you like to explore? Are you financially prepared for your new life? Have you readied yourself and your loved ones for the coming changes? Set a goal you want to reach when you retire.

Commit yourself to an idea or interest that will occupy your time and energy. Most importantly, commit yourself to making your life enriching and satisfying.

I hope this advice has helped you to start thinking about retirement lifestyles. But this is only a start. Your local library, human resources department, pension

plan administrator and government agencies on aging all offer helpful resources to continue your exploration of these issues.

Remember, retirement lies ahead for all of us. It's coming, ready or not. Get ready for that new, exciting chapter of your life that will unfold in your Golden Years. **B&C**



Elizabeth McFadden is president of MEI Publishing Inc. and is publisher of *Ready Or Not*, now in its 31st edition. She has been recognized by the Chamber of Commerce of Yonkers, New York with its award for a business professional who has achieved successful business goals, and has taken on the role of a mentor. Ms. McFadden presently serves as co-chair of the Strategic Planning Committee of the Yonkers Workforce Investment Board and is a member of Yonkers Women of Business.

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