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6 Ways To Ease Your Retirement Anxiety



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Retirement

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The reaction you get when you tell someone that you are going to retire is generally one of enthusiastic congratulations. They will tell you how much you are going to love it, how lucky you are, that you deserve it, and on and on. But how does it make you really feel? For many people, it frequently sends the anxiety level through the roof. This is something they have never done before and their fears are many. What if I make a big mistake? How do I know if I will have enough money to live on? If I really screw this up, will I be able to find work later on?

The reality is, you do have a number of variables to consider and decisions to make. I always tell clients that one of our primary roles in retirement planning is to steer them clear of making a substantial misstep that they can't come back from. However, there is a whole other side of the retirement planning process and transition that can stop many in their tracks. That is the mental side of the whole transition.

A huge transition. First off, this can and very likely will feel overwhelming to many, and it should. It is nothing short of monumental. Most people will have spent the vast part of the last three to four decades working in their profession, using their paycheck to provide for their family, saving and investing, and essentially covering every monetary aspect of their lives. Most everyone has leaned on that paycheck as the lifeblood for their and their families' financial wellbeing. And now? It's gone. After having spent those same decades saving and investing for retirement, you now have to create your own paycheck. This element of the retirement transition alone can take many people a long time to reconcile with.

Start paying yourself. I always suggest that upon retirement, start a periodic distribution immediately. This can be a small, almost inconsequential amount but it will get you used to the simple concept that this really works. If a larger amount is needed to accommodate a portion of post-retirement expenses, that's fine also. The point is to get as comfortable as possible, as quickly as possible, with producing an income stream from your retirement assets and other savings.

Take it easy, for a while. Another tactic to consider is to take some time to do nothing, no major changes, no major purchases, steer clear of significant life disruptions if possible. Try your best to get used to the idea of not having to get up early and get in to your place of work as your first order of business. Consider replacing your early morning work readiness routine with a different routine. This could consist of any number of things; a cup of coffee at home instead of the car, reading, light exercise

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or a walk. Make an attempt to fill that first hour or so with a bit of structure but also things you find reasonably enjoyable.

Get to work. Having just suggested you take some time and do almost nothing, the next thing to consider after retirement is – get to work! Seriously. Aside from the paycheck disappearing from your life the next biggest adjustment is not having a job anymore. Retirement from the primary job you have had for decades does not mean you never work another day in your life. For many people their work provided a significant purpose for them daily. In addition to that, the work environment probably provided the vast majority of your social interaction. For those that may have a difficult time of going cold turkey from a significant work commitment to zero, it is reasonable to consider making eventual plans for some form of part-time employment. It will not matter if your next gig is related to your previous field or not. Find something that you like to do and ideally would have some flexibility on how often you work and which days of the week. In a perfect world, this part-time work might help fill the slush fund you need to do the other fun things you hoped to do more of in retirement.

Find your balance. Whether you take another paying job post retirement or not, you will need to fill a lot of hours that used to be consumed with work. Start thinking about and exploring this well in advance of your retirement. If you dreamed of doing nothing in retirement, that is actually a nightmare scenario. Your significant other may love and care for you deeply but not to the point of increasing the quality time you spend together five-fold.

Have a plan. Finally, treat retirement as the significant event that it is. You will need to put the time and effort in to formalize a proper retirement plan. It is highly advisable that you engage the services of a seasoned, qualified financial advisor or planner to help guide this process. Why is this necessary? Because it is whatever your situation presents in the form of issues, variables and considerations, the planner has very likely dealt with them before while you have not. In addition, more often than not during the retirement plan process I will review a particular aspect or approach that the client has just simply not considered or even heard of before. Like a lot of things, it's what you don't know that can cause the most harm going forward. After all, you will want to enter retirement with both your financial plan and your head in the right place.