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YOUR RETIREMENT PLAN SHOULD BE MORE THAN NUMBERS

Why It Matters

- If you're going to spend decades in retirement, you deserve a thorough, thoughtful plan.
- Spend time mapping your future lifestyle beyond dollars and cents.
- Have fun envisioning your life: where and how you will live.



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5 MIN READ A circular icon containing a stylized 'J' shape, likely representing a clock or timer.

Imagine it's your 65th birthday, and you're blowing out the candles with a hopeful gaze toward the next chapter of your life. Could that chapter last 10, 20, 30 years, or even longer?

Ideally, by that celebratory moment you'll have a solid idea of what your life will look like in the coming decades. So, how do you arrive at that moment of clarity and — hopefully — excitement?

You need a plan.

Think about the time from when you were born until your mid to late 20s — all of the milestones, changes, moves, and experiences. Your retirement could last as long, making up about a third of your adult life.

Feedback

Since there are so many things to consider take a thoughtful, multifaceted approach. Estimate your income (savings and other investment vehicles) and expenses — both expected and unexpected.

And since life is about more than dollars and cents, envisioning your lifestyle is just as crucial. Where will you live? Perhaps more importantly, *how* will you live? Who will you share your time with? Will you volunteer or work part time? What hobbies will you discover? How will you stay entertained?

Retirement is more than an “end.” It’s a fresh new start that deserves as much planning as any other part of your life. By taking a comprehensive approach to your plan, you have the opportunity to spark new ideas and get excited about this brand new chapter of life.

What will your typical day look like?

Our jobs offer many intangible benefits: social interaction, a sense of purpose, a regular schedule. These are important things you’ll want to replicate (on your own terms, of course). Maybe you’ll find these qualities in part-time work, consulting, or volunteering. Do you have skills you could lend to a local nonprofit or social group?

Also important: What kind of daily schedule do you want to keep and how will you motivate yourself to stick to it? Are you prepared for the quiet days and administrative tasks of living an older life?

You can start exploring hobbies now, whether they’re ones you left by the wayside years ago, or new ones you’ve always wondered about. As you’re gearing up for retirement, stay inspired knowing your engagement in these hobbies and activities can ease the transition once you’re done working.

The point is, you’ll thrive with a sense of purpose. There will be mundane days for reading the news, but you don’t want to wake up years after you’ve left your job and not know what to do.

Live a little — closer to the things you love

A number of elements factor into what the roof over your head will look like. Will the cost of your home drive your decision, or maybe proximity to family and friends? If frequent traveling is on your agenda, will you want to live near an airport for easy access?

Also, think of your home's design. Will your budget allow for potential accessibility renovations? When you're done reading this article, head toward your kitchen, or your bathroom. How high are the cabinets, drawers, and sink? How wide are the doorways? Accessibility might not be on your mind now, but for many older people, it can make a beloved home unlivable.

As much as we want to live long, healthy lives, healthcare needs are likely to increase the older you get. Nearby healthcare facilities are a factor many retirees examine. A remote country life is peaceful, but will you have easy access to the proper medical facilities?

Whether or not you're infatuated with your current home, it's worthwhile to step back and consider the reasons you chose to live there. Visualize your life without the job tying you there — this is the fun part. What's going to be more important to you as you age? Family? Grandchildren? Traveling? Weather? Proximity to art and entertainment? Let your imagination run wild.

Find your tribe

Retirement can be the perfect time to babysit grandkids, take them on adventures, share special moments, and tell stories of how life was “when I was your age.” It's a time ripe for priceless memories.

Whether or not family drives your decision on where or how to live, consider the importance of social relationships. Socially isolated people face health risks comparable to those of smokers, according to the Stanford Center on Longevity.¹

Isolation and lack of meaningful social connections have a serious impact on our health. The deeper and more plentiful our social relationships, the less chance we face poor health and untimely death, according to Stanford.

Schedule “appointments” to meet up with old friends, and register for events or classes that you're passionate about. Be sure your plan nurtures group involvement and meaningful relationships so you can reap the rich benefits of connectedness and a sense of belonging.

Make a plan for healthcare expenses

While you can choose to move into a less expensive home, it's unreasonable to expect you can move to cheaper health care. It's one of the most important

lines in your retirement budget, and fortunately, there are many ways to plan for expected and unexpected costs of care.

One of the benefits of not relying on an employer for health insurance is expanded healthcare options. How will you optimize these benefits? You've got the power to decide which benefits you choose, so be sure to do your due diligence to get the best plan for you.

In the meantime, take control of what you can today. It's impossible to overstate the importance of adopting healthy habits now considering the financial and health-related benefits. Costs of care go up with chronic conditions (many are preventable), so consider how your lifestyle could affect your health (and your wallet). Small steps really do add up.

Taxes: as certain as ever

Finally, consider overall income strategies that are tax-efficient. Healthcare bills can become larger the longer you live, so make sure you'll have adequate resources that you can turn into cash without a big tax hit.

Qualified investment vehicles such as a 401(k) or an individual retirement account (IRA) are great for deferring taxes while your money potential grows, but keep in mind, you'll have to pay taxes on normal withdrawals. The same goes for Social Security benefits.

Diversification doesn't just mean making sure you own different types of equities or assets. You can also diversify the way your qualified investment accounts are taxed. Roth accounts, such as an IRA, or 401(k), are examples of vehicles that allow for tax-free withdrawals (as long as you follow the IRS rules).

Talk to your financial advisor about which tax strategies could be best suited for your unique situation.

Design your retirement reality

You've spent a lifetime building your home, lifestyle, friends, and family. When you envision this life of yours, with all of its ups and downs, celebrations and peaceful times, understand retirement is an extension of that creation. Without a plan, it could seem unstructured, overwhelming, or lonely.

Start preparing now so you can enjoy fulfilling, accessible, and affordable days with the people you care about most.



Things to Consider:

- Be creative when you plan for retirement. It's your opportunity to design a satisfying life.
- Consider the costs — both expected and unexpected — and how you can maximize your enjoyment without going over budget.
- Talk to your financial advisor about how to ensure your tax strategy is best suited for your situation.
- Plan to ensure social connections are a priority.

¹ "Social Engagement," Stanford Center on Longevity, accessed August, 2019
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