

PREPARING FOR A PROSPEROUS AND PURPOSEFUL RETIREMENT



Andrew Bird
CFP®, CLU®, RICP®, AEP®
Partner, Private Wealth Advisor
Mosaic Financial Partners



A vision of your ideal retirement probably started to take shape as soon as you made your first retirement account contribution. For most people, this looks like working until age 65 and then retreating to a serene spot beside a pool or on a golf course.

While there is nothing wrong with reveling in the leisure afforded you by years of hard work and diligent investing, an abrupt transition out of work may not necessarily position you for long-term success.

Drawing from my experience assisting clients with retirement planning, I've compiled some valuable insights to guide you toward a prosperous and purposeful retirement.

Retirement Shouldn't be the End of All Work

You may eagerly anticipate the day you no longer have to set an alarm or meet a work deadline, however, leaving your job duties behind all at once may not be what's best for your mental and physical state. Studies have found that having a sense of purpose in life lowers the risk of death and cardiovascular disease.¹ Work brings meaning to our lives, and without a clear sense of purpose, our mental, emotional, and physical state begins to diminish.

Consider Easing Into Retirement

Many of our clients struggle to completely transition out of work all at once, while others find that an absence of work can actually make times of relaxation less fulfilling. As Mitch Anthony says in the book *The New Retirementality*, "It's difficult to enjoy one (relaxation) without the other (work). It is a necessary paradox in our lives. This is the reason that over one-third of male retirees go back to some form of work within one year of retirement, and over two-thirds of them take full-time jobs."²

As you approach your retirement years, you want to find a balance between pursuing things that truly matter to you and easing out of the demands of full-time employment. Phasing out of work over the course of 2-3 years is a great way to enjoy the fulfillment and familiarity that comes with working while also freeing up time to explore new hobbies, passions, or part-time employment. And remember, 100 years ago, most people didn't make it to the retirement age of 65. Now, many live 15-25 years beyond that—that's a lot of time to fill!

Retiring "cold turkey"

¹ Randy Cohen, Chirag Bavishi, Alan Rozanski. *Purpose in Life and Its Relationship to All-Cause Mortality and Cardiovascular Events*. *Psychosomatic Medicine*, 2015; 1 DOI: 10.1097/PSY.0000000000000274

² Anthony, Mitch. *The New Retirementality*. Wiley, 2014.

If you decide to retire “cold turkey,” make sure you are taking time to pursue endeavors you are passionate about. According to a UK study, a mentally stimulating job may help prevent or delay the onset of Alzheimer's.³ Put your passions to work by learning a new hobby, starting a part-time job, or engaging in service activities that make you feel challenged and fulfilled.

Don't Wait for Retirement to Live the Life You Want

There are too many sad stories of hard-working people who diligently save for retirement for decades, only to never make it to retirement age. Given you are on track for a reasonable retirement goal, it is important to strike a balance between living the life you want now and preparing for your future.

Don't Wait for Retirement to Live the Life You Want

If you already have an idea of when you want to retire and how you want your transition to look, there are still a few key considerations to keep in mind:

1. Your Living Situation

It's a common practice to choose a retirement destination with the expectation that family will come to visit, but let's be honest, oftentimes 'life' gets in the way, and expectations are not met. If having your family visit is important to you, you may want to reconsider retiring to that ideal vacation spot in exchange for a location that is more accessible to your loved ones.

2. Healthcare Options

Whether you decide to retire to a location closer to family or plant your roots in a destination retirement spot, make

sure you take into consideration the available healthcare options. Remote locations with beautiful scenery oftentimes don't have the most accessible or state-of-the-art healthcare facilities. When deciding to retire, consider the proximity and quality of the healthcare in your desired location.

When embarking on this new journey, allow yourself the freedom to reevaluate the conventional picture of retirement and pursue a reality that balances relaxation with the pursuit of personal goals and passions. A trusted financial advisor, like the team at Mosaic Financial Partners, can help create an income distribution strategy that aligns with your retirement goals, whatever they may be.

³ World Economic Forum. (2021, August). Stimulating job postpones dementia. Retrieved from <https://www.weforum.org/agenda/2021/08/stimulating-job-postpones-dementia/>

CONTACT US:



Andrew Bird, CFP® RICP® CLU® AEP®
Partner, Wealth Management Advisor
Mosaic Financial Partners



andrew.bird@nm.com



414.615.2935



mosaicfinancial.nm.com

316 E. Silver Spring Drive, Suite 300 Whitefish Bay, WI 53217



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