

The Five Stages of Retirement

Retirement is a life-changing event. After spending years looking forward to it, many people aren't sure what to do with themselves when it finally arrives. Without the everyday routine and social outlet that work provides, it's easy to feel a little lost. Preparing for the inevitable changes that retirement brings can help you make a smooth transition into this new stage of life.

Stage 1: Imagination (up to 15 years before retirement)

You begin looking forward to retirement and envisioning what life will be like when you're no longer working. This is a great time to start making plans for what you'd like to do when you retire, whether it's traveling, spending more time with family, or adopting new hobbies. Of course, it's also essential to ensure that your retirement savings plan is aligned with your goals.

Stage 2: Anticipation (5 years before retirement)

As retirement approaches, your excitement may be accompanied by a twinge of fear. To ease any anxiety you may feel, focus on mapping out what your day-to-day life will look like, and take any necessary steps to prepare yourself for the changes retirement will bring.

Stage 3: Liberation (retirement day and 1 year following)

Your career has come to an end, and your retirement officially begins. This stage is characterized by an abundance of activity. Spending time with family, reconnecting with old friends, and finishing projects around the house may become your primary pastimes. You may also travel or discover new hobbies—all things you looked forward to while you were working.

Stage 4: Reorientation (2–15 years after retirement)

After the retirement honeymoon period is over, you may start to feel that it's not everything you dreamed it would be. In addition to the lifestyle adjustments you face, one big concern looms over everything else: are you depleting your retirement assets too quickly? Your plans should remain flexible to account for possible changes in your needs or lifestyle.

Stage 5: Reconciliation (16 or more years after retirement)

During this stage, many retirees experience some depression or sadness. To avoid feeling down or bored, it's crucial to stay active in hobbies and to maintain social connections. Instead of reflecting too much on the past, consider all the exciting opportunities still available to you. Finding new activities, staying in touch with family and friends, and making new acquaintances are all good ways to remain productive and optimistic.

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