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Money Aside, 5 Questions to Answer Before You Retire

When getting your ducks in a row for retirement, you've got to know a lot more than how you're going to pay for your new life. You've got to decide what kind of life you're going to lead.



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As the days draw down to retirement, people tend to get excited. They envision leisurely mornings on the deck with coffee, taking that European riverboat cruise, playing endless golf on green, sun-filled courses, or simply spending more time with family and friends.

But while retirement can be among the happiest years of your life, it can also come with a surprising shock. If you have concerns as retirement draws near, they're usually centered on the question, "Will I outlive my savings?"

While that's certainly a big concern for many, money truly isn't everything. Purpose is what gets us out of bed in the morning. To get the most out of retirement, it's important to plan ahead and consider these five major, nonfinancial questions:

1. What will I do with the extra time?

We often ask clients to envision retirement and have them actually walk through a day in retirement hour by hour. We are not trying to establish a formal routine, but instead get a feel for the amount of time available. Some love the idea of time to do things on their schedule, at their own pace. Others can find it overwhelming. It's not unusual for a retiree to feel adrift as he or she no longer has the structure and hours that a profession provided.

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If you find yourself in this latter group, consider a gradual retirement. Instead of going immediately from 40 hours a week to zero, scale down work hours over time. Talk with your current employer about this possibility or pursue a part-time job.

2. Where will my social support come from?

Try this exercise: Take a moment and write down six names of the people — other than family — with whom you interact the most. Now, from the list you just created, cross out all the names related to work. How many names are left?

The importance that close connections have on our overall well-being cannot be underestimated. Because retirement can have a big impact on your social circle, it's important to question how things will change once you leave the workforce.

We tend to spend a great of time at work, so many people tend to get their social needs met by co-workers. Once they leave the workforce, such people may find themselves lonely and isolated.

To prevent feelings of isolation, retirees may benefit from joining social groups or volunteering. Joining a gym or starting an exercise group can also help with both social isolation and physical inactivity.

3. What's my purpose in retirement?

A career gives a lot of people a purpose and an identity. While working, people are valued as a critical member of a team working toward a common goal. It's not surprising, then, that some retirees feel a loss of purpose once they stop working. Fortunately, retirement offers an opportunity to redefine yourself and create a new purpose.

Finding a purpose in retirement involves looking inside yourself and discovering where your passions lie. Our goal is to get clients to a place where they have the money to sleep well at

night, along with a reason to get up in the morning. When we help clients discover their passions, we first discuss their values. We also ask them to consider things they enjoyed as children or in college that they may have gotten away from. One client of ours rediscovered his love for fixing old cars and couldn't be happier.

Other ways to find purpose in retirement are to volunteer with an organization that reinforces your values or take up a new hobby that will help you learn and grow.

4. How will retirement affect my relationship with my spouse?

Retirement can affect your marriage in different ways. Some relationships are strengthened as the couple now has more time to invest together. Couples can now plan more activities and trips together that may not have been possible during years devoted toward children and work. Other couples may find that retirement increases conflict with their spouse. The hours spent at work may have hidden underlying issues that now need to be addressed.

For the best outcome, retirement expectations should be discussed with your spouse before retirement. Discuss expectations involving chores, along with expectations involving joint and individual leisure activities. Communicate openly and ahead of time to confront potential problems early on.

5. Am I ready to start pulling money out of my retirement accounts?

We all know the name of the game financially: You spend your working years saving up a nest egg and watching it grow through contributions and investment gains. Then you retire, and instead of saving, start to withdraw from your accounts to pay expenses. After all the years of watching your accounts increase, they now begin to decrease as you live off your savings. Emotionally, it can be a unique, uncomfortable feeling to watch your accounts decrease. It seems to especially affect those who have always been strong savers.

This is not the same as wondering if you have enough saved up to retire. It's more about preparing for the shift from saver to spender. Some people who struggle with this may benefit by talking with their financial advisers about creating predictable income streams. These can include annuities, dividends and Social Security.

Retirement is one of life's major adjustments. It's a time to shed old habits and create new ones. By giving careful thought to these questions ahead of time, you can create a retirement filled with support, growth, and purpose.

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