Six Steps to a Successful Retirement

Once you’ve decided to retire, will you experience feelings of well-being and life satisfaction? Or will retirement be unsatisfying and unfulfilling to you?

Every day I have the privilege of speaking about financial topics that are important and unique to my clients. We’ll discuss things like estate planning, college planning and insurance planning, but the one subject that nearly all my clients are interested in is retirement planning. Though each individual has different and discrete ideas of what his or her retirement might look like, the topic of retirement is one of the most pervasive elements in my financial planning discussions.

On the June 9 Wise Investor Radio Show, after turning myself loose in my graduate school library and searching on the words “retirement” and “satisfaction,” I identified several key themes garnered from scholarly journals and peer-reviewed articles. Essentially, though not exhaustively, there are six steps to truly enjoying your retirement, whatever that might look like to you.

Eat Right and Exercise
According to Business and Economic Review editor Jan Collins,1 retired households with greater wealth don’t necessarily have higher levels of perceived well-being than households with lower wealth levels – there are other household characteristics that affect a retiree’s happiness, especially health status. Protecting your health is just as important as protecting your wealth. Social scientists Burr, Santo and Pushkar agree:2 in their March 2011 study, self-reported health tended to be strongly correlated with subjective well-being. Having fewer illnesses and maladies is an important ingredient in positive emotional feelings. Health is wealth, and one’s quality of retirement can be maximized through healthy habits, cooking healthy meals, making healthy choices and of course regular exercise. You’ll thank yourself later.

Be Flexible
High openness to change is a critical component to a smooth transition into what should be an enjoyable retirement. According to the Burr, Santo and Pushkar study, flexibility is the key: Among the retirees sampled in their study, remaining flexible enhances positive emotions and protects against negative emotions. If you are getting ready to retire and you know you are rigid and inflexible by nature, you might want to explore becoming more adaptable to change. You may experience greater feelings of satisfaction in your retirement as a result.

Enjoy Spending Time With Your Spouse, Friends and Family
The status and health of your marriage and social life prove to be highly important determinants of a satisfying, enjoyable retirement. Fouquereau and Fernandez3 studied eight different characteristics of retirees and how they factored into feelings of well-being in their retirement. The eight characteristics they examined were their ability to pursue their own interests, stress at work prior to retirement, physical health, marital life, financial situation, freedom and control, reduced responsibilities and social activities. The study found that the most important factors in a successful retirement center around health, marital status and social activities. In their study “Satisfaction With Retirement in Men’s Lives,” George Vaillant and Ana DiRago agree.4 They recommend “marital maintenance,” or nurturing and feeding your marriage, as well as maintaining your social network as factors that weigh heavily in retirement satisfaction. Therefore, make sure your retirement entails much quality time with your spouse, family and good friends.

Vary the Roles by Which You View Yourself
Instead of identifying who you are by what you do, consider varying and diversifying the ways you view yourself. Potočnik et al. discussed this idea when it comes to retirement. If one’s work role has been a central, core role in one’s life, assuming a completely different role may be a stressful, difficult transition to make, leading to poor adjustment and ultimately negative feelings about retirement. Conversely, if one has other role involvements and view themselves in many different, varied capacities and roles, they might experience a much smoother transition into the role of the retiree. Diversification of roles, just like with investing, is critical to long-term success and satisfaction.5
Michinov et al. spoke to how one might weigh these various roles differently. If you know people who have retired and modeled for you a successful retirement, chances are you will attribute positive feelings to the role of the retiree. Your concept of a retiree will shape, one way or another, how successful your retirement will be.

**Prepare!**
Preparation for retirement matters. Thirty years of retirement deserve extensive contemplation and cogitation. It has been said many times, and is very true: some people spend more time planning a two-week vacation than they do for a 30-year retirement. Dr. Vaillant describes how filling up one’s day with enjoyable activities unsurprisingly leads to an enjoyable retirement. When asked What gives your life a sense of purpose?, an outstanding difference arose between retirees enjoying their retirement and those who were unhappy. Happy retirees answered the question with social or creative answers, such as “watching grandchildren,” “playing the piano” or “writing my memoirs,” whereas the unhappily retired individuals answered “nothing” or “watching television.” I have never had a client tell me they want to watch TV all day long in their retirement. Preparation is critical. Demonstrate preparedness for your retirement like you would demonstrate it for an important meeting or project. And as you prepare, identify what activities are going to be fulfilling, meaningful and important to you – and go do them!

**Be the Person Who Works Through Problems and Finds Solutions**
Interestingly, how you approach retirement is directly related to how you approached working. Potočnik et al. also examined the degree to which a parallel could be drawn between job satisfaction/one’s ability to work through problems and retirement satisfaction/one’s ability to work through retirement difficulties. Interestingly, they found that retirement satisfaction was linked to job satisfaction. If you are happy at work, chances are you are able to work through job-related difficulties. And if you are able to work through job-related difficulties, then chances are you’re going to be able to work through non-job-related or retirement-related difficulties. Retirement is not all walks on the beach and golfing all day. It is important to continue to be the same problem-solver that made you good at your job. Only once you retire, be the person who continues to work well through problems and find the solutions that exist. By utilizing these six steps, you will have a much smoother transition to retiring and will likely be reporting positive feelings of well-being in your retirement.

**Appendix**
For more information about a successful retirement, I strongly recommend you check out the studies referenced in this article.

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