Exploring Retirement

Contentment with your retirement lifestyle begins with planning and preparation well ahead of time. After all, with good health, your retirement could last 30 years or more. While there is no single formula for a happy and fulfilling retirement, being prepared financially, emotionally and physically will certainly help.

Adequate income is of significant importance to a comfortable retirement. Experts estimate that retirees usually need 70% of their pre-retirement income to maintain their standard of living with lower wage earners needing up to 90%. Social Security pays the average retiree about 40% of pre-retirement earnings, and the age at which that can be collected is constantly increasing. Use the Personal Earnings and Benefit Estimate Statement you receive each year from the Social Security Administration, and add in the income you expect from IRAs, 401(k) plans, pensions, savings and other investments to get a complete picture of your retirement income.

Housing is a critical decision. Do you want to stay in your current home? Can it be modified for easier accessibility if needed? Are you able to keep up with the physical demands of home ownership? Do you envision moving to a smaller home or a retirement community? Will you stay in the same area or move to a better climate? Since keeping your relationships in place gives you a good support system to assist with the transition into retirement, many experts advise staying close to friends and family. If you do decide to move, do your research. Consider the cost of living. Are pensions considered taxable income? How about transportation for seniors, availability of good medical care and freedom from crime? Are appealing cultural and recreational activities available? Visit possible new locations in various seasons of the year, and rent before buying property, in order to determine if the new locations are a good match.

Knowing prior to retirement how you will replace your work routine is beneficial. Do you want to take classes at the local community college or work your way through a list of books you have always wanted to read? Will you spend more time outdoors….fishing, geo-caching, or exploring walking trails? How will you keep your existing friendships intact and meet new people? Do you plan to travel? Will you do volunteer work or look for a part-time job?

Your personal health will determine many of the lifestyle choices you are able to make in retirement. Having an exercise routine and maintaining a healthy diet throughout your life are obviously beneficial. Evaluate your health history with your healthcare provider and discuss the likelihood of developing problems. Analyze your health insurance choices, the options you need to supplement Medicare and the possibility of purchasing long term care insurance. By planning well in advance, you have a surprising amount of control over how you choose to live during retirement.

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