



FINANCIAL PLANNING

Men and women who are planning to retire face a change in lifestyle. Knowing what to expect—and what not to expect—can help you avoid unnecessary mistakes.

Lifestyle Changes: Myths and Misconceptions About Life in Retirement

By Michael E. Leonetti

"Some people spend more time planning a two-week vacation than they do their retirement."—Anonymous

Retirement is a passage from one lifestyle to another. I often describe the term "retire" by placing a hyphen between the 'e' and the 't' and creating a new term—re-tire: To put on new treads.

Those who take the voyage seriously and do the right kind of planning usually have a smoother trip and more fun.

Discussions with seasoned retirees indicate that there are many myths and misconceptions about retirement. Often you will hear these myths stated as fact. Here are some of the most common ones.

The Female Exclusion Myth

Some people, including women, continue to believe that only men retire. This misconception ignores the career women who have the same retirement adjustment problems that men have. Also, it falsely assumes that women

not holding down 9-to-5 jobs cannot retire. This may stem from the old saying: "A man's work is from sun to sun, but a woman's work is never done." Homemakers often have a more difficult voyage than those who retire from a job. Women who have been homemakers all their lives need to insist on being a full partner when their spouses retire.

One reason the myth may continue is that women sometimes lose their spouses early. The transition of widowhood is so traumatic that it hides the equally important second passage that must be made.

The Piece of Cake Myth

Retirement should be the dessert that follows the full-course meal of earlier life. Maybe this is why pre-retirees view the transition as a piece of cake. Instead of thinking ahead to retirement, they make comments such as: "My retirement plan consists of putting all of my work problems in my briefcase and presenting them to my boss as a farewell present," or "Retirement is a pot

of gold at the end of the rainbow. You don't have to plan for something that beautiful."

Many pre-retirees are so occupied with getting out of their career traps that they seem to care little about what happens when they leave their jobs. Despite the fact that they have planned other phases of their lives, they seem to feel retirement will take care of itself. The opposite is often true. For example, many retirees go back to work because they cannot handle leisure time. Learning to live in comfort and with style after retirement does not necessarily come easy.

The "Honey, Do . . ." Myth

The word has been out for years that some men put off retirement because they fear their wives will control their free house. It will be, "Honey, do the dishes," "Honey, do the windows," and "Honey, take the dog to the vet." Normally, these individuals need not worry because most women don't want someone under foot, monitoring their activities and invading their space. One wife expressed it well: "The only time you will ever hear me use that 'Honey, do' expression is when I say, 'Honey, do something on your own, away from the house, so we can both have room to breathe.'" Spouses need the same autonomy after retirement that they did before.

The Hobby Myth

One individual tells the story of a man so concerned about retirement that he experimented with hobbies in advance. By the time he retired, he had run through his hobby possibilities and had to find something more substantial to occupy his time. The same thing can happen after retirement. Don't get me wrong, hobbies are a great idea. Those who can derive satisfaction from photography, gourmet cooking, stamp collecting, and so on are lucky. But hobbies must continue to be fun and interesting or they quickly become unsatisfying. Few people create a complete new lifestyle around hobbies. A few will be able to convert their favorite hobby into a small

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business or a lifetime artistic achievement, but most are not this fortunate.

The Retirement/Early Death Myth

We have all known people who are not around long after their retirement parties. The unhappy scenario causes strange reactions—"It's too bad Joe didn't work longer," "The moment people retire they grow old," or "I'd still have Fred if he hadn't retired so early."

Retirement can be painful, but it is not lethal. It is a change not unlike those earlier in life. Most people who die shortly after retirement probably had health problems before they stopped working. Retirement had nothing to do with their demise.

The only connection between retirement and early death may be that some retirees fail to keep active. They relax to the point that their bodies self-destruct. They give up. They fail to stay in charge. There are many reasons for retiring early, and there are just as many for retiring later. But staying on the treadmill because you fear retirement will cause early death should not be one of them.

The Prior Success/Easy Passage Myth

It is not difficult to see why this misconception persists. It stands to reason that those people who are successful before retirement should find retirement easier to cope with than those who did not do as well. Success breeds success; failure breeds failure. Translated, this means that corporate presidents should have an easier retirement than custodians; professional ball players should make smoother transitions than the vendors who sold hot dogs in the stadium; and nursing superintendents should adjust better than orderlies.

True?

Absolutely false! In fact, it often works the other way around. Those who earned high psychic rewards from their careers may have trouble finding replacements after retirement. It may be difficult to find a retirement role that provides enough ego satisfaction. All retirees can build a better lifestyle.

The Paid-Up Dues Myth

Some conscientious individuals who have worked hard all their lives feel that are home free when they retire. They say, "I've done my bit for society; now it's society's turn" or "I paid my dues through church work for 30 years, now the church can take care of me."

These people operate under the premise that you pay your dues during working years and then draw interest. A nice dream, but sadly, life doesn't work that way. In fact, happy retirees often pay more dues, not less. They contribute more to charitable organizations and communities than when they were working. Perhaps the most successful retirees are those who have an opportunity to repay society by sharing their talents.

The Odd Job Myth

If you ask friends who plan to retire in the next few years about their expectations, some will reply: "There are enough jobs around the house to keep me busy for at least 10 years."

Those well-meaning individuals, without knowing it, are using odd jobs as an excuse. They think about how satisfying it will be to catch up on all the little chores they have been avoiding. It usually takes only a few weeks to discover the truth. Having more time doesn't make a job any more fun to do. In fact, some retirees hate them so much they return to work for enough money to pay the plumber, gardener, and painter. All probably wish they had done more serious pre-retirement planning.

The 'Sell a Little Real Estate' Myth

Retirees are attracted to real estate like children to a candy store. You hear this expression over and over: "I'm working on my real estate license to supplement my retirement income by working a few hours a week. All I need to do is sell a few homes each year. Best of all it won't interfere with my leisure activities."

Those who know better find it difficult to keep quiet when hearing this dialogue. Professional realtors chuckle because they know they will not receive any serious competition from this

quarter. At best, a part-time realtor will make very few sales. Selling real estate is not a part-time career; it is difficult and time consuming. The professionals say you have to be in the field seriously or you should get out. Many retirees attempt real estate careers for awhile and then painfully lower their sights or give up. Few invest the time required to become successful.

The 'Money Will Go Further' Myth

Inflation should have exploded this myth years ago. Not so. You still hear: "Think of the money I'll save doing repairs myself," "We will buy less meat and improve our health," "My Social Security will be tax-free," "The double exemption after 65 will be a windfall," and "Senior discounts are everywhere."

Although there are financial advantages after retirement, certain factors continue to be ignored. What about the problem of having more time to spend less money? What about increased expenses for home, car, and medical insurance? Utility bills? Unfortunately people don't have trial retirements to test how far their money will go. If they did, they would discover that retirement dollars do not stretch any further than pre-retirement ones, and there are usually fewer of them.

The Stay Busy Myth

Keeping busy is a great idea after retirement, providing you are doing what you want to do. But if you keep busy simply to be busy, you are falling for the myth. Some people think that if they stay busy enough, their retirement problems will go away and they will be happy ever after. Others stay busy to anesthetize themselves against thoughts of aging or living alone.

These individuals seem willing to trade a life of potential contentment for a frenzied existence. Instead of slowing down to design a rewarding retirement strategy, they spend time and energy on meaningless tasks. They visit the supermarket daily when once or twice a week would do. They accept social invitations knowing they will be bored. Worst off all, they stretch dull chores around the house. You get the

feeling these retirees are avoiding retirement. Are they afraid to face a new, more mature identity? Has life been so disappointing that they dare not hope for anything better? Are they afraid to get off the treadmill and search for late-in-life happiness?

The Big Time Misconception

Most retirees grossly underestimate the amount of time they will have on their hands following retirement. We live within a 24-hour time box. Yesterday is gone, tomorrow is pending, today is center stage. To be happy, both before and after retirement, we must deal effectively with each time block—every day.

Actually, time relates to our waking

hours. Retirees often do not understand how large a block of time 16 hours is. You can fly to London from San Francisco and still have time for a stage play in 16 hours, or drive across two or three large states. During this time period, it is possible to play 18 holes of golf, take a good swim, have dinner with friends, go dancing, and still read a few chapters before bed.

Yet, if it is not filled with meaningful activities, 16 hours can be forever. Some retirees merely treasure their time while others take this treasure and convert it into excitement. Still others permit time to bore them to death.

What is the difference?

The answer may lie in planning.

Some retirees keep something planned to maintain their excitement and motivation. Others, with the same opportunity, have no special events to fill the time and stretch uninteresting tasks just to get through each day.

Summary

Both women and men have their own retirement considerations. Knowing the myths and misconceptions about retirement helps an individual avoid foolish, unnecessary mistakes.

One of the key challenges of retirement is knowing what to do with your time. Give careful consideration and planning to your future retirement years and avoid some of the myths that are still so prevalent.



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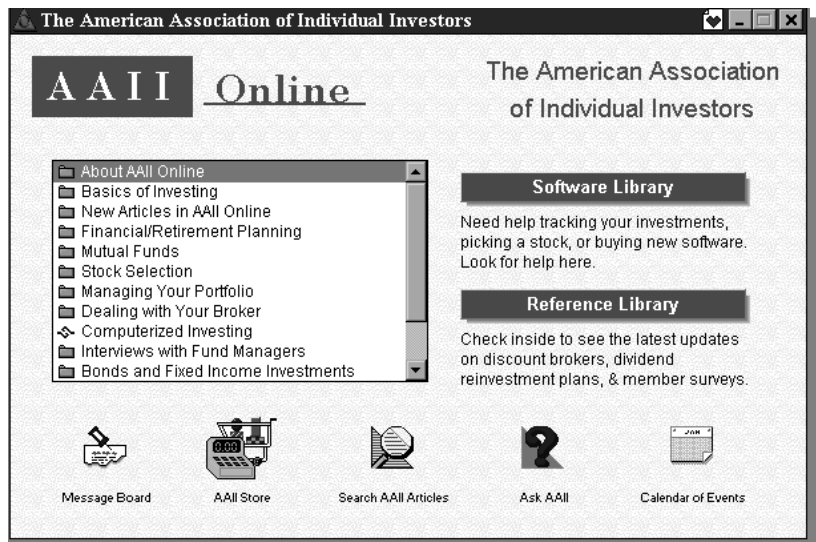
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