

## Planning Your Retirement

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### Planning highlights options

Whenever I take a vacation, I plan an activity for the morning, afternoon, and evening of each day. This way I can look forward to making the best use of my time, even if the activity planned is just taking a nap. The importance of planning is that it provides ready-made options. This is a real advantage even when the plans are changed or rearranged. Planning helps in highlighting and arranging one's options so as to provide greater direction, motivation, and potential satisfaction.

### Retirement means change

If retirement is on your horizon, you need to begin planning for the journey. This means that you need to look at a "map" and detail your plans. Retirement is an ever-changing state of affairs. The beginning years, the middle years, and the later years all have a different look and feel. One static plan cannot prepare you. You must look at the events and conditions that are most likely to change your needs and opportunities as you age. Retirement planning means much more than just filling your wallet. It means looking into the future, envisioning your life, and making plans to handle the changes that are likely to occur.

### Planning for the early years

The early years between the ages of 60 and 69 are the ones most of us think of as retirement. These are typically the most active years. During these years, many retirees are able to travel, play sports, do home projects, visit relatives, socialize with friends, drive around, take care of all their needs, and enjoy themselves. This is a period when those who are able to do so might well plan to spend more on fulfilling their dreams and supporting an active lifestyle. They will most likely not have the same opportunities later on.

### Planning for the middle years

The middle years are between the ages of 70 and 79. This too is a period of gradual change. It is sad to say, but each year many people in this group will lose some of their ability or interest regarding travel, sports, home projects, day trips, and socializing. While there are no written laws, aging,



illness, disability, or the loss of a mate tend to sap abilities, energies, and interests. For example, the disability or death of a spouse can radically change one's plans and ambitions. It can also change needs, desires, and capabilities regarding housing, transportation, and ordinary living expenses. Older people may need to spend more on medical expenses and insurance but less on most every other category.

However, those on tight budgets will be most affected by price increases in food, utilities, rents, and user fees.

### Planning for the later years

The later years extend from age 80 on. Among those in this group, the percentage of single women increases rapidly, as does the ratio of women to men. The expenses of more elderly households reflect the fact that personal activities are limited to much smaller geographic and social circles than previously. In all likelihood, spending for clothing, entertainment, travel, and transportation will be decreased. Housing expenses might also be decreased, but this is more possible if prior planning has provided a blueprint for moving into a more modest residence. Few older people want to move out of the family home. But living in a large house by oneself not only makes little sense economically, it often creates tremendous practical problems regarding home care and upkeep.

### Plan now to benefit later

It is important to remember that retirement is a journey with many fairly predictable changes in store. We know that we will age and that our needs, desires, and capabilities will change. We also know that a good retirement plan envisions and accounts for that which is most probable and predictable. If we live to be 100 in excellent health with spouse and family all around us, that would be great. But in case that does not happen, we will surely need contingency plans for taking care of our most basic needs and fulfilling our greatest desires. We can change. We can adjust. But as we get older, it becomes more difficult to consider new alternatives and make changes. It is best to explore our options now and develop plans that can be used whenever the need arises.