

# E A M E S S E N G E R I P

A quarterly newsletter of INVEST EAP

## Supporting a Healthy Organization

Volume 22

Issue 4

Fall 2019

### Get Ready for Retirement

People in their 20s or 30s might think the topic of retirement is premature. Those of us in our 60s might think it's too late to make any changes in our preparation. Actually, this is a timely topic for anyone, no matter how many birthdays we've had. Of course, the older we are, the more likely we are to think about it. Retirement from work is a major life transition and it's never too early or too late to get better prepared.

This is a big topic - one we can't possibly cover in depth in a short article. Therefore, this article offers a brief exploration on planning for retirement, along with some resources on the web for a more in depth review of this topic.

#### Things have changed

As the demographics and other conditions in our society change, ideas about retirement are also changing. Thirty years ago, it was common for people with a stable work history to think about retiring in their early 60s or even their 50s. For most of us this is no longer an option. Today's workplaces don't typically offer pension plans or enforced savings plans. Most people, even those who have worked steadily throughout their adult lives, can't live comfortably



on just social security benefits, especially if retiring before age 65 or 66. The costs of housing, health care, and other needs have risen dramatically and these costs eat into retirement budgets.

The increase in average age in our society has created other changes. More people are living into their 90s and beyond, which means we are more likely to outlive our retirement savings. Another trend related to living longer is that more of us will require care at home, and our partners or adult children might spend their retirement years providing this care.

thinking creatively about what to do in retirement.

This includes the idea of not retiring fully from work either because this isn't financially possible or because work is still fulfilling. In response to this, more workplaces are offering employees the option to retire in increments.

Some companies are creating jobs that appeal to older workers. Another trend is to use one's early stage of retirement to start a new career or business venture.

*For more information on trends affecting retirement:*

The Top 5 new retirement trends and how they will affect your retirement (from Retire Happy): <https://retirehappy.ca/new-retirement-trends/>

### **Finances**

Most of us understand the importance of finances for retirement. Information related to money and saving is critical, and there's a lot of information out there. Experts agree on one thing: We should start saving for retirement as early as possible even if it's just a small amount each month.

Another point that gets emphasized over and over: It's never too late to start saving. Yet it's most advantageous to start saving when we're young. Advice on specific strategies for saving and investment related to current age is critical.

Here is a resource on specific strategies based on years from retirement:

AARP. Countdown to retirement: 10 years. <https://www.aarp.org/retirement/planning-for-retirement/info-2019/10-year-countdown.html>

Also helpful for planning are calculators which predict one's social security benefit amount in relation to projected retirement age, and calculators to help plan for how much other income is needed. Looking at projected income, it's good to factor in housing needs,



long term planning for old age and health care costs.

Here's link to a calculator for Social Security benefits: <https://www.ssa.gov/planners/calculators/>

Many workplaces offer resources for financial planning. An excellent resource is the financial advising benefit through EAP. We recommend that you take advantage of these services early and often. An experienced financial adviser can help project what's needed for our hopes and dreams and help develop a plan to save accordingly.

When considering finances, it's also important to think about our preferred lifestyle such as the type of activities we enjoy and hope to do, when we'd like to retire, and where we want to live. Some of this depends on our future health, family needs and relationship

status, which none of us can predict with one hundred percent accuracy. So it's good to have a plan B and a plan C.

### **Lifestyle Considerations**

As we approach retirement age, it's good to think about how we want to spend our time and where we want to live. Such factors as living arrangements, location due to climate and social connections, the kinds of activities we enjoy, as well as what we can afford, are all important. It's also a good idea to anticipate needs at the time immediately after retirement.

### **EAP and Retirement Planning**

Remember, your EAP can provide a referral to financial planning resources. In addition, EAP counseling is helpful for exploring one's values, preferences, and decisions related to retirement. These helpful resources are just a phone call away!



## **EAP SERVICES**

EAP is here to help. For more information about articles in this newsletter, or any other EAP-related topic, please call one of our trained counselors at our toll-free number:

**1-888-834-2830 • [www.investeap.org](http://www.investeap.org) • Create a login • Organization Password: vteap**