

Retirement Planning Means More Than Saving in Your 401(k)

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By

[Veronica Dagher](#)

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Most Americans don't have a retirement plan, even the ones who max out their 401(k)s.

The meaning of retirement has been reshaped as people live longer, healthier lives. Building a nest egg is essential, but that alone isn't the same thing as mapping out what to pursue in your post-career decades. Retirement coaches suggest putting in the work of setting priorities and boundaries for the future can help prevent the common stumbles made by new retirees.

New retirees who neglect to plan can flounder without the structure of their careers, unsure how to fill their days, some retirees and advisers say. Their social connections may dwindle suddenly, and those endless rounds of golf or hours spent babysitting the grandchildren turn out not to be as relaxing or fulfilling as envisioned.

It takes about two years to settle into retirement, research suggests. Among those who have been retired less than two years, 46% struggled to find their new purpose, according to a study this year by retirement think tank Age Wave and brokerage Edward Jones. Among the challenges they face, 36% said they mentioned the difficulty in learning how to organize their time, while 27% reported feeling out of sync with their unretired partner or friends.

The uncertainty and anxiety around this life transition has led some to turn to retirement coaches to help them adjust to the shifting schedules and priorities. These coaches, which typically charge between \$150 and \$300 hourly, sometimes have backgrounds in social work or human resources, though others have no formal training.

"People spend more time planning a two-week vacation than a lifetime of retirement. You need a thoughtful plan," said Jaye Smith, a retirement coach and co-founder of Reboot Partners LLC.

Here are a three suggestions from coaches on where retirees tend to struggle in this transition, and what helps people make the most of this next chapter:

Take time to experiment

Think of the first year of retirement as a gap year, said Nancy Collamer, a retirement coach in Langhorne, Pa. Use the time to explore new interests, take courses and experiment with your schedule.

“Don’t expect to have a complete plan on day one,” said Ms. Collamer.

SHARE YOUR THOUGHTS

What advice do you have for people on the cusp of retirement? Join the conversation below.

Use the initial months to have conversations with former colleagues about opportunities for consulting, conduct informational interviews with nonprofits to learn about their volunteer needs, reconnect with old friends or take that long-awaited vacation.

One of Ms. Collamer’s clients tested out several volunteer and consulting gigs that used her operations background. The client eventually decided that volunteering to do work that she used to get paid for wasn’t fulfilling. Instead, she found a role volunteering at a hospital, a new setting that allowed her to exercise her more spiritual side.



Joel Collamer, right, volunteers giving tours at the local wildlife preserve. Photo: Nancy Collamer

What you find fulfilling at this new stage of your life may surprise you. Ms. Collamer's husband, Joel Collamer, 66, a former information technology consultant, enrolled in classes to become a master naturalist. He now volunteers giving tours at the local wildlife preserve and writes articles about nature for a community newsletter.

Be patient, give yourself leeway to experiment and know that not every hobby needs to be expanded, Ms. Collamer said.

"It will take longer than you think to create the right mix of activities," she said.

Set boundaries

A few clients that retirement coach Jaye Smith works with were asked to stay on in their jobs to help their team adjust to their departure. Often this is a good way to ease into retirement, said Ms. Smith, the co-founder of Reboot Partners.

Set clear boundaries around your time with your employer. If your company is paying you to work two days a week, work two days a week. Doing more than initially agreed on will end up in delayed retirement and frustration.

Boundaries can also get blurry with families.

Another client of Ms. Smith retired, sold her home and went back to school for a second master's degree.

Her son and his family had recently bought a new home that had a separate cottage where this client could live comfortably. The client's son and daughter-in-law assumed that she would be available to care for their two younger children while they were at work.

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She took on the responsibilities for a period, but regretted it as it left little time for her other interests. She later negotiated a caretaking schedule around her class schedule and found a balance that satisfied everyone.

"Don't let other people's needs override yours unless your doing so is fulfilling and aligned with what you want," said Ms. Smith.

Fight boredom

People assume they will be happier when they stop working but that isn't always the case, said Robert Laura, a retirement coach and founder of the Retirement Coaches Association.

While people gain time and freedom, they may lose routine, identity and mental stimulus, all of which aren't easy to replace, he said.

Without a plan, some end up spending most of their day watching television or online.

Other people think they should do nothing but play golf in retirement, said Joanne Waldman, a retirement coach in St. Louis. Golf then essentially becomes their job for a while, but then they often start feeling bored.

To help clarify what will make them feel more fulfilled, she asks clients to consider what would cause them to have no regrets about how they are spending their valuable time.

Some retirees turn to excessive drinking to fill the time or ease feelings of isolation that have been exacerbated during the pandemic, Mr. Laura said.

Being aware of these risks and seeking support before they spiral can mean the difference between a peaceful and healthy retirement or one with a rocky start, he said.

Work on building what you consider an ideal life before you retire to ease the adjustment, said Mr. Laura. For example, start a healthy eating routine today, have friends to socialize with outside of the workplace, and stay involved in the community by attending events before you give your notice, he said.

“Retire from work, not from life,” he said.

Write to Veronica Dagher at Veronica.Dagher@wsj.com

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