

PLANNING BEYOND THE DOLLARS AND CENTS OF RETIREMENT

Retirement may be one of the most eagerly anticipated phases of life, but it can also be the least understood – particularly when it comes to the more personal, non-financial side of life after work.

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For too long, retirement planning has focused solely on helping people map out how their financial circumstances will change.

But what about how they might be affected personally and emotionally?

How will you transition?

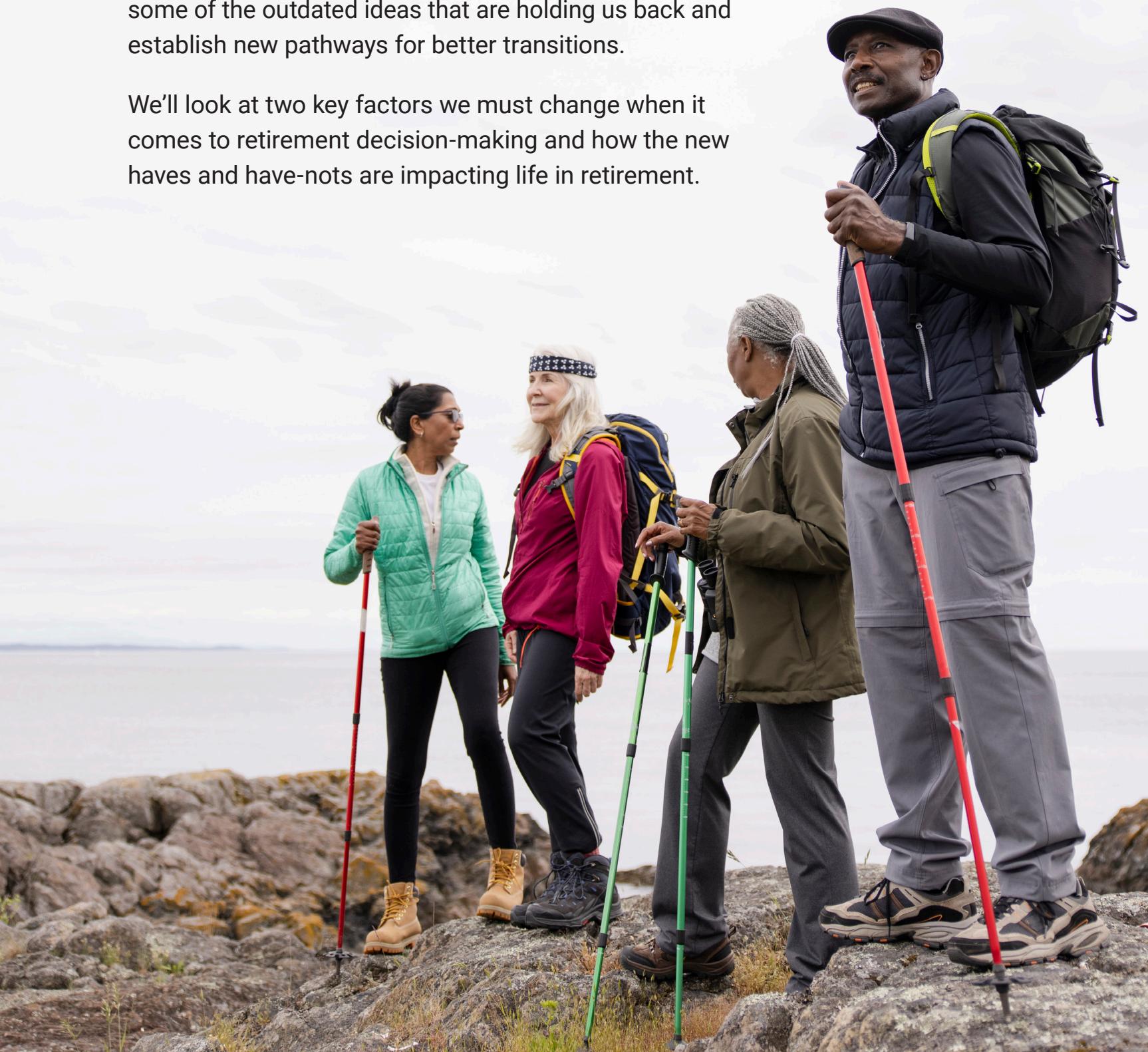
For the first time, we're hearing that retirement fears go beyond money and insurance to include mental and physical health as well as social wellbeing. Consider some of the unanticipated ways people struggle with the transition to retirement due mainly to a lack of conversation around the personal impacts:

- Those 60 and older now spend over four hours per day in front of screens, mostly watching TV or videos.¹
- 25% of all seniors aged 60 and above report feeling isolated and lonely, and 43% can go days without talking to others, spending most of their time alone.²
- Retired people are twice as likely to report feeling symptoms of depression as those still working.³

What is your strategy?

Today, retirement planning calls for new and soon-to-be retirees to have concrete discussions about strategies to help them replace their work identity, stay connected and keep mentally and physically active. We need to replace some of the outdated ideas that are holding us back and establish new pathways for better transitions.

We'll look at two key factors we must change when it comes to retirement decision-making and how the new haves and have-nots are impacting life in retirement.



What will drive your retirement decisions?

One of the most significant factors holding back a new version of retirement relates to how traditional retirement decisions are made. There are two primary anchors that tend to drive retirement decisions: age and assets.

If you asked a group of people when they plan to retire, they'd probably say between age 62 and 65. If you asked them how much they should have saved by retirement, you'd likely get a generic answer of around one million dollars.

This is the information that has been hard-wired into all of us. It suggests that we put a lot of weight behind the idea that it's time to retire when we reach a certain age and asset level. And with that comes a problem with perception: what society assumes about people in retirement and about older individuals who continue to work.

Ignore outdated thinking and perceptions

Because of the way retirement is depicted in advertising and financial-planning brochures — picture a smiling, silver-haired couple driving along the coast in their convertible or enjoying a sunset sail on their boat — retirees who find themselves missing their routine, coworkers or work identity aren't likely to tell anyone that they aren't enjoying retirement. Conversely, someone who is 67 or 70 might still be working because they enjoy it and have found a way to balance their work and home life, but because of age and asset anchors, outsiders might think, "There's a workaholic who didn't start saving early enough."

We can either let outdated thinking and outsiders' assumptions become anchors that drown our hopes and dreams, or we can turn them into new ideas and opportunities.



Be a have instead of a have-not

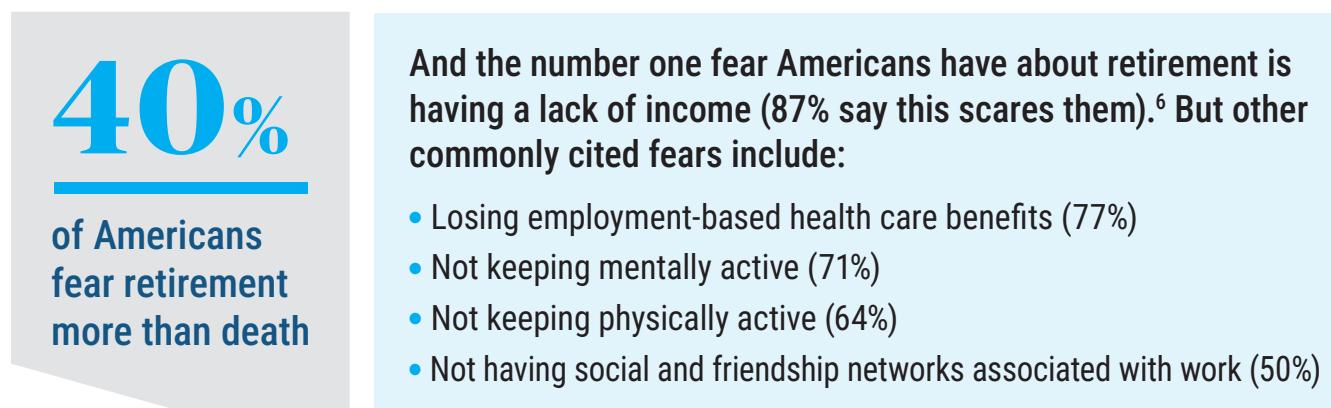
It used to be that money was the key differentiator between the haves and have-nots. But as our society ages, wealth takes a backseat, and people who are active, engage with others and feel relevant are the ones seen as thriving. Research suggests that active people with a strong social network are happier in retirement and can not only live longer but also delay the onset of things like heart disease, Alzheimer's and dementia.⁴

Focus on health – not just wealth

The game has changed. The “haves” are people with their health. They understand that true wealth isn’t defined by how much they have in the bank – it’s about the impact they’re having on others. So they invest in their health and relationships and aren’t afraid to use their savings to create a better life now instead of waiting until later.

Meanwhile the “have-nots” are watching from the sidelines, living more isolated and less connected than the haves. Like in the past, the gap between the haves and have-nots is growing. One study found that 40% of baby boomers reported it was difficult for them to kneel or stoop, stand for two hours, walk a quarter mile, climb 10 steps without resting, sit for two hours, lift and carry 10 pounds, reach over their heads, or push or pull a large object or grasp small objects.⁵

What does this tell us about people living in retirement? It tells us that 40% of people are going to struggle on a vacation that requires some walking, standing or holding onto a rail. It means people are going to find it difficult to play on the floor with their grandchildren, and that things like gardening, biking with a friend or watching a movie may be less enjoyable than ever before.



Summary

Retirement can be one of life's greatest adventures, but like any new experience it helps to be prepared. The retirement environment can change quickly, and no one can anticipate all the twists and turns it may take. Now more than ever, people need a holistic approach to retirement that integrates the mental, social and physical aspects of life after work – not just the financial aspects. Because we believe when you have your personal life in order, your financial decisions are much easier.





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¹ Pew Research, *Americans 60 and older are spending more time in front of their screens than a decade ago*, 2019.

² Pew Research, *On average, older adults spend over half their waking hours alone*, 2019.

³ Journal of Population Ageing, *Work, Retirement, and Depression*, 2009.

⁴ The Grant Study, Harvard Gazette, *Good genes are nice, but joy is better*, 2017.

⁵ Population Reference Bureau, *Aging U.S. Boomers Face More Disability*, 2013.

⁶ Zety, *More Frightening Than Death: Fear & Loathing in Retirement*, 2021.

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