



# Five Common Misconceptions About Retirement

## *Retirement is not what you retire from, but what you retire to*

When you plan for retirement, an exciting new phase of life, double-check your expectations. They may not match the reality.

Baby boomers, currently in their 50s and 60s, view retirement differently than the previous generations. Many boomers consider retirement as an opportunity to begin a new career, hobby or passion, which is a good thing. But the upcoming retirees may not take everything into account.

### Five Misconceptions About Retirement

Here are five common misconceptions about retirement:

**1. Retirement is like a 30-year vacation.** A life full of leisure must be great, right? Not really. Too much free time leaves many retirees feeling depressed and unimportant. Studies show that people who keep working after 65 tend to be happier whether or not they do so by choice.

Among all, voluntary part-time workers are the happiest. While money is the main reason for continuing to work in retirement, stimulation and satisfaction are just as important.

**2. Money is most important to happiness in retirement.** The biggest key to a happy retirement is good health. If you have financial security, you have enough. Money only correlates with happiness up to a certain point. You can still enjoy a happy and fulfilling retirement even if you are not a millionaire.

**3. Spending is consistent in retirement.** People generally spend less in retirement, but that's not always the case. Many spend the first few years traveling, and as years go by, the number of trips decreases while health care and family costs increase.

Many estimates suggest a couple needs \$250,000 to cover medical expenses throughout retirement. Although health-care costs are retirees' biggest concern, few spend much time planning for that.

**4. Retirement is a "couples" thing.** Married couples face a new adjustment when entering retirement. One in three couples doesn't agree on the ideal lifestyle they want to have in retirement. You need to be aware that your partner has his or her own needs and alone time.

Also, women have a life expectancy six years longer than men. Actually, 60% of American women over 65 are single, widowed or divorced, according to the Census Bureau.

**5. Financial planning stops at retirement.** You still have many issues that need to deal with during retirement. You need to continue planning of your investments to make sure that your money can last as long as you do. You may have estate concerns and health issues that require long-term care.

Retirement is not what you retire from, but what you retire to. Just because you reach a certain age, it does not mean you have to stop working. And to stop working does not mean you stop planning for your life.

Plan and enjoy.