

Pretesting your retirement

Retirement is sometimes defined in terms of what one is leaving behind—a career, difficult clients, job stress, the daily commute, the grind. But for retirement to be fully satisfying, according to many experts, one needs to retire *to* something, not just *from* something. Defining that “to” and giving it a tryout is what we mean by “pretesting” your retirement. Here are some examples.

Donate your time and expertise. An attorney acquaintance of ours spent most of his career as in-house counsel for a major oil company. As he approached his retirement years, he arranged to be allowed to do pro bono legal work for immigrants. He found the experience so rewarding that after he started drawing his oil company pension, he founded a law firm specializing in such pro bono work.

The “soft launch” of a retirement consultancy. Another acquaintance thought his years of experience in the banking business might be valuable in creating a marketing consultancy for financial services firms. Before he retired, this person tried out some of his ideas with the advertising agency that his bank used. Both sides found the experience valuable, and a basis was created for the individual’s new marketing firm. He was able to have a clear financial path to follow once his regular full-time employment ended.

Try a month’s vacation. It would be a shame to retire to a quiet, secluded life-style, only to find it boring after a few months. Many retirees report that they miss the camaraderie of their working lives after they retire. Before deciding upon retirement relocation, it can be helpful to spend an extended period of time in the possible new location, to see what day-to-day life would be like there.

As you conduct these tryouts, you should monitor your finances, noting any adjustments that may be required. You may find that your spending needs change or vary from your expectations, and that may influence your choice of a retirement start date.

Testing the water early can head off unpleasant surprises after one enters retirement. By then, many decisions have become irreversible. If you’d like a professional review of your financial readiness for retirement, we’d be pleased to give you our evaluation.

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