



Top 4 Things to Do Before Retiring

[Mack Courter, CFP®](#) September 26, 2016

What are you supposed to do when you turn age 65, or perhaps even age 62? You're supposed to retire. Age 62 is the magical year where you can collect early [Social Security benefits](#). And age 65 used to be the age when you could collect full retirement benefits, although for those retiring now, it's age 66. I'll admit that getting money from Social Security when you've been giving money to it for so long is quite enticing. Insurance and investment companies add to this appeal by portraying retirement as lounging on the beach all day long sipping your favorite beverage.

But retirement is not always what it seems. In his book, *The New Retirementality*, Mitch Anthony cites an American Demographics poll. According to its research, 41% of retirees found [retirement](#) to be a difficult adjustment. In comparison, just 12% of newlyweds found marriage to be a difficult adjustment, and 23% of parents found parenting to be difficult. That's pretty astonishing when you think about it.

A lack of purpose, lack of social stimulation, boredom, and financial constraints are just some of the reasons why retirees can find retirement a difficult adjustment. As with anything in life, proper thought and planning can make the transition much easier. So before you hand in your final notice and ride off into the sunset, you may want to do these four things. (For related reading, see: [Turn Retirement Cash Flow Into Your Own Paycheck.](#))

Ask Yourself, 'Why Am I Retiring?'

Is it health issues, stress, or long hours? Do you have an irritating boss or co-workers? Do you find your work lacks fulfillment? You need to focus on exactly why you want to leave the workforce. Perhaps you'll discover that you actually don't. Instead, you just need to cut back on hours or responsibilities. Or, perhaps you need to choose a new career path or start your own business.

I recently had a client who retired. She had been working in the same career for 30 years and just didn't find it fulfilling any longer. She didn't want to stop working; she just wanted to have a job where she could really help people. She is now working part-time as a health aide and loving it.

Get a Grasp on Your Financial Situation

Do you know [how much income you need](#) to live on? If you don't, don't stress, you definitely aren't alone. One way to find out is to track your expenses. Quicken or an Excel worksheet can come in handy with this. The other way is what I call top-down budgeting. You start by taking your household gross income and subtracting Social Security and Medicare taxes, income taxes, savings, and anything else that won't be an expense during retirement, such as employer-provided health insurance. You then add back in any health insurance expenses and premiums including [Medicare Part B](#) you will incur upon retiring. You also need to come up with an estimate of what your income tax liability will be in retirement as well. If you can't calculate that yourself, your tax advisor or financial planner can do it for you.

The resulting figure is what you need to live on in retirement. From this, you'll subtract the income you'll receive from Social Security and any pensions. Any shortfall will need to be made up from investments or earned income. (For related reading, see: [How Your Employer Is Destroying Your Retirement.](#))

Plan Your Retirement Lifestyle

What [do you want to do](#) in retirement? If you're like me, your mind immediately goes to the activity that you love the most. Perhaps it's golf, or reading, or playing with grandkids. But, do you want to spend all day every day just doing that? Mitch Anthony encourages people to come up with an ideal week in retirement. Ask yourself what you want to do each morning, afternoon, and evening in a typical week. A well-rounded schedule will certainly include time for relaxation and enjoyment, but may also include time for mental, physical, and spiritual improvement. Helping family, friends, and the community can bring a sense of fulfillment and meaning that many miss after they quit working.

Do a Trial Run

Finally, do a trial run. You wouldn't buy a car without a test drive, why would you embark on your retirement journey without doing the same thing? Take a month or two off and model it after your ideal retirement week. You'll probably love it—for the most part. But, you might discover that there are things you need a little more time to prepare for. For example, many people I have talked to didn't anticipate how much traveling they would do. I'm not talking about trips around the world; I'm talking about trips to the other side of town. This impacts their gas and vehicle budgets. A trial run can help you spot these things sooner.

It might sound like I'm trying to talk you out of retiring—I'm not. Just about every retiree I've ever met loves it. But, as crazy as it sounds, retirees today may spend almost as much time in retirement as they did working. You owe it to yourself to go into it prepared. (For related reading, see: [5 Things to Think About When It's Time to Retire.](#))