

Turning Retirement Anxiety and Worry Into Action

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It's entirely normal to feel nervous or anxious when you're nearing retirement. You're transitioning into a new phase of life, and that change can create uncertainty. However, there are several steps you can take to alleviate these worries:

1. **Understand Your Financial Situation:** Start by understanding your current financial situation. Calculate your assets (savings, property, investments, etc.) and liabilities (mortgages, loans, etc.). This will give you a clear picture of your net worth.
2. **Create a Budget for Retirement:** Estimate your monthly expenses during retirement. These should include living expenses, medical expenses, taxes, and any other cost you can anticipate. Remember to factor in inflation as well.
3. **Plan Your Income:** Once you know how much you will need, you can plan how to get that income. Your sources could include retirement funds, Social Security, part-time work, rental income, etc.
4. **Invest Wisely:** If you have not already, consider investing in a diversified portfolio to help your money grow over time. Investments should align with your risk tolerance and retirement timeline.
5. **Maximize Your Retirement Savings:** If possible, maximize contributions to your retirement accounts. If you're over 50, you can take advantage of catch-up contributions, which allow you to contribute more to your retirement accounts.
6. **Consider Health Care Costs:** Health care costs can be a significant expense in retirement. Look into insurance plans, long-term care insurance, and consider setting aside funds for unexpected health care costs.
7. **Hire a Financial Advisor:** Consider hiring a financial advisor who specializes in retirement planning. They can provide personalized advice based on your unique situation.
8. **Plan for the Unexpected:** Consider potential unexpected expenses in your plan. This could be anything from home repairs to medical emergencies.
9. **Stay Active and Healthy:** Staying physically active and eating a healthy diet can help reduce healthcare costs and improve your quality of life during retirement.
10. **Mental Health:** Retirement can also bring emotional changes. It's important to maintain social connections, engage in activities you enjoy, and seek professional help if you find yourself struggling with the transition.

Remember that it's never too late to start planning for your retirement. The sooner you start, the more prepared you'll be, and the less anxious you'll feel. Pete is a CFP® professional who currently provides Pro Bono support to Homes For Our Troops and he helps people plan for and live the retirement of their dreams at www.mfpafp.com.