

By **STEVE VERNON** July 4, 2016, 5:30 AM

## The keys to a successful transition to retirement

As workers get older and closer to retirement, they often focus solely on the "vacation" aspects of retirement. They can't wait to forget about the daily work grind and start traveling and pursuing their hobbies and interests. But that would be a mistake with possible serious long-term consequences.

Instead, you should think about life not just immediately after you exit from employment, but further down the road as well. You can find some helpful insights in this regard in a recent study titled "[Leisure in Retirement: Beyond the Bucket List](#)," a collaboration between Merrill Lynch and Age Wave, a research firm that focuses on age-related issues.

The report suggests that you focus on four stages of retirement leisure as you transition from being "time constrained" to "time affluent."

### Stage 1: Winding down and gearing up

In the five years prior to retirement, many workers look forward to having more time for personal interests. Almost three-quarters (74 percent) say work is a barrier to pursuing their life goals, and many feel stressed because they're so busy.

During this period, it's a great idea to assess your retirement resources to estimate how much income you may have. This can help you decide how much income [you really need](#) for the rest of your life. While many people are willing to accept lower income as part of the deal to gain their retirement freedom, you still need to make sure you have enough to cover your basic needs.

In this assessment, you'll want to plan for your financial, health and social needs throughout all of your retirement.

### Stage 2: Liberation and self-discovery

Recent retirees (less than two years) typically enjoy their newly found freedom, but they may be challenged by the realities of adjusting from an identity centered on work to one now defined by a range of interests, including leisure. Most retirees (78 percent) experience an enormous sense of relief at finally having enough time, and many want to try new leisure activities (72 percent).

On the other hand, almost half of all retirees in this stage (47 percent) still feel guilty about not using their leisure time productively. Almost one-quarter (24 percent) continue to work, and an almost equal number (22 percent) regularly volunteer.

During this phase, it's helpful to be aware of the emotions you're experiencing and to be forgiving to yourself (and your spouse, if applicable) if you think you're lost or flailing around with no real road map. As you read about the next stage, you'll see that this period of uncertainty won't last forever.

A mistake that many people make is focusing exclusively on this phase of their retirement as they're dreaming and planning -- and not laying the groundwork for the next two key stages.

### **Stage 3: Greater freedom and new choices**

In the three to 15 years following retirement, most retirees' enjoyment of their leisure activities continues to improve and deepen. Retirees embrace their new identities, and feelings of happiness, contentment and confidence are high. As they further separate from full-time work, "being" increasingly replaces "doing," and fewer people express guilt at not using leisure time productively.

Retirees at this stage are more likely to take pleasure in day-to-day activities such as exercise, shopping, volunteering, reading, taking classes and socializing with friends. Travel may be longer and more immersive. A small percentage (9 percent) still work, often in different and more enjoyable ways than their core career.

### **Stage 4: Contentment and accommodation**

More than 15 years into retirement, the focus often shifts to maintaining health and independence. Much of leisure time is spent relaxing or connecting with friends and family. Compared to prior stages, retirees are likely to prioritize simplifying their lives.

At this stage, almost three-quarters (72 percent) of retirees report that health conditions are pervasive and that they limit leisure activities. Doctor visits, medical care and care-giving responsibilities limit leisure activities for almost two-thirds (61 percent) of retirees.

For this stage, you'll want to consider living where it's easy to connect with friends and family, and where you can arrange for transportation when you're less able to drive where you need to go. If this requires changing your residence, you'll want to make this move before you're less energetic, physically limited or worn out, as reported by many people in this stage.

## What's next?

A more colorful expression of these retirement phases is to plan for your remaining life in three periods: the go-go years, the slow-go years and the no-go years. Each phase has implications for where you'll live, the friends and family who are close by and how much money you need.

Whatever you call these life phases, you'll want to ask yourself five very important questions: the who-what-when-where-why that apply to the rest of your life, not just the next five to 10 years. This will help you address the sixth important question: How? As in, how will you support yourself financially for a retirement that could last 30 years or more?

You'll feel happier and more secure if you take the necessary time now to plan for all the phases of your retirement and become conscious of the issues and emotions that are only natural to experience as you navigate the significant transition away from a life of work.

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