

8,000 days of retirement challenge, part 2: The Honeymoon Phase

Discover a few ways to make a smooth transition

Source: 8,000 Days, the MIT AgeLab, Next360 Partners, LLC, and Hartford Funds, 2018

“Today is the first day of the rest of my life.” This cliché sums up nicely how we imagine we might feel upon retiring, with the responsibilities of work in the rearview and a long list of things we’ve longed to do awaiting. The beginning of retirement is often full of promise, but we’ve learned from working with retirees that this stage of life comes with its own set of challenges.

MIT AgeLab, where researchers have been studying longevity, dubs this The Honeymoon Phase in its white paper published in collaboration with Hartford Funds, 8,000 Days. It points to one stark difference in the honeymoon phase of retirement today: For a variety of reasons, seniors are working longer. A Centers for Disease Control and Prevention study shows that in 1992, only 20% of people age 65 to 74 were working; in 2022, that number is projected to hit 32%.

HAPPY HALFWAY RETIREMENT

Many retirees find themselves drawn to part-time work that gives them purpose – or find that extra income is needed to maintain their quality of life. Still others start a business they’ve long dreamed about, or participate in the gig economy when it suits them. The fact is that technology has made new flexible work arrangements available that are attractive to those looking for a little supplemental income, so it’s worth considering whether this fits into your retirement plan.

MIT AgeLab suggests that one way to get a feel for whether work fits into your plan is to find a retirement mentor: someone who is thriving and living the kind of retiree lifestyle you’d want to emulate. Once you’ve identified one, invite them to lunch to discuss how they’ve overcome challenges regarding healthcare, socializing and more.

CAREGIVING SANDWICH WITH A PICKLE ON THE SIDE

The AgeLab also points out that longevity often translates to a whole lot of caregiving and financial troubleshooting for the previous generation. It cites a Pew Research Center finding that 28% of adult children are providing financial help to their aging parents.

If you’re like a lot of baby boomers today, you might have also experienced the boomerang phenomenon of adult children moving back into your home or needing some form of parental assistance in adulthood. In a Pew study, 35% of people age 18 to 34 said economic conditions had forced them to move back in with their parents. So at age 65, you might find yourself sandwiched between caring for your 85-year-old parents and financially supporting your 35-year-old son or daughter. When you factor in grandchildren, the picture gets quite crowded.

BREATHE IN, PLAN IT OUT

There’s a lot to think about on this honeymoon, as you can see. But you don’t have to figure it all out alone – we’re here for you to discuss what’s on your mind and help you plan today for the future as you envision it.

In part three of this series, we’ll cover The Big Decision Phase of retirement.