



*I'm Retired.....
Now What?*

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For years, you've saved, invested, and planned for the day you could enjoy a long, stable, dream-filled retirement. But when it's actually time to retire, you'll be confronted with several basic but extremely important questions, which could leave you wondering..... **"I'm retired.....Now what?"** In this report, we are going to look at some of the issues that face the newly-retired.

One of the **most** important decisions many retirees have to make is, *"Now that I'm retired, what should I actually do with my retirement savings?"* The question may be basic, but the answer isn't necessarily simple. The fact of the matter is that you have a *lot* of options and a lot of choices to make. If you want to make your savings last as long as you do, it's critical that you choose the *right* option.

1.What to do with your 401k once you've retired

For many people, a 401(k) is the easiest and most convenient way to save for retirement. According to one study, nearly 80% of full-time workers have access to an employer-sponsored retirement plan such as a 401(k), and of these, more than 80% participate in their plan. So it's clear your 401(k) is an invaluable tool when it comes to saving for retirement.

But looking ahead to the day that you're actually retired, what do you do with your 401(k) now? Generally speaking, you have 3 basic options:

1. Leave the assets in your 401(k) where they are, which is in your old employer's plan.
2. Withdraw the funds out of your 401(k), and stick them in a savings account at your local bank, or invest them in individual securities like stocks and bonds
3. Roll over the money in your 401(k) to an IRA or Roth IRA.

Let's look at all 3 in further detail.

Option 1.....Leave the assets where they are.

Some employers will allow you to leave the money in your 401(k) where it is, even after you retire. There are some obvious benefits to this. For example, you may really like the investment options in your 401(k), or you may have a lot of faith in the person or company managing your 401(k). If so, leaving the money where it is—at least temporarily—can make a lot of sense.

However, you'll no longer be able to make contributions to your 401(k). Additionally, you will likely have fewer investment options than you will with an IRA. And remember, withdrawing money from your 401(k) can be tricky, as there are many rules and potential penalties to contend with.

Option 2.....Withdraw all the funds out of your 401(k).

You can think of this as essentially “cashing out.” This option certainly gives you the greatest control over your money. Unfortunately, there are many pitfalls to this approach. Depending on your age and tax situation, you may find your money is subject to both ordinary income taxes *and* early withdrawal penalties. Also, converting your 401(k) assets to cash means potentially exposing your retirement savings to emotional decisions and bad investment choices.

Option 3.....Roll the assets into an IRA.

This is probably the most popular option, and for good reason. Rolling your assets into an IRA allows you to continue investing your money *and* keep it tax-deferred, which means you don't have to pay taxes until you make a withdrawal. Also, IRAs often come with a far greater selection of investment options, which is important as your needs and goals change. Finally, you can continue contributing money to your IRA account for as long as you want. Keep in mind, however, that with an IRA, you *must* start making withdrawals (called “minimum required

distributions”) once you reach age 73. Otherwise, you will be subject to a penalty equal to 25% of the amount you were supposed to have withdrawn. This is the government’s way of ensuring you actually use your savings for retirement.

2.Consider Quality of Life Questions

It’s easy to forget that retirement can bring about a significant change in your life. Many of the activities you spent time on will be left behind. Many of the people you spent time with will still be working. Many of the problems and challenges you stressed over will be traded in for a whole new set of problems and challenges. When it comes to retirement planning, yes, it’s very important to spend a good deal of time on financial issues.....How to secure income once you’ve stopped working.....How and when to take Social Security....Investing, taxes, estate planning—all these issues deserve your attention. But retirement planning is about more than just finances. It’s also about quality of life. So here are three “quality of life” oriented questions every newly-retired person needs to ask themselves:

- 1. Who will I spend time with?**
- 2. What do I want to improve in my life?**
- 3. How will I deal with basics demands of life later in retirement?**

Let’s look at each on these separately.

1. Who will I spend time with?

Human beings are social creatures. The company we keep, and the people who take part in our social circles, play a huge part in making our lives fulfilling, interesting, and stable. That’s true of both friends and coworkers. Friends often share our interests, hobbies, and

ambitions. Coworkers, meanwhile, face the same pressures and challenges, which can be a powerful bond. Retirement, however, can put a strain on these bonds. Retirement means no longer seeing your coworkers every week. And since many retirees often move to a new home, or spend much of their time traveling, it's not uncommon for friends to start seeing less and less of each other. But there's never a point where we grow too old for friendship.

That's why an important part of retirement planning is deciding who you want to spend your time with and when that time will be spent. In some cases, it may mean looking for new communities or groups to join, especially if you plan on moving. By doing this, you are essentially securing a rich, fulfilling retirement for yourself—in a way that doesn't depend on money! Failing to do this, on the other hand, can lead to a retirement with a lot of free time ... but also a lot of loneliness. See what I mean about quality of life?

2. What do I want to improve in my life? It's been said that no one truly grows old until they start thinking about yesterday more than tomorrow. Even though physical growth stops once you reach adulthood, personal growth doesn't ever have to end. If you think about it, life is essentially a finite resource, which means it can be measured in how well we use that resource. But the thing about resources is that they become worthless if unused. Money isn't much good if it never leaves the piggy bank. Food turns rotten if left uneaten. And life becomes empty if we don't use it to progress and grow. So to prevent that from happening, start determining now how you want to keep growing. What skills do you want to learn or refine? What obstacles do you want to overcome? What milestones do you want to reach? While it's nice to imagine a retirement spent lounging on a hammock, many people find that gets old rather quickly. But becoming more than what you already are never does. To me, that's the most

wonderful thing about retirement. Suddenly, you have the time to learn those skills or reach those milestones. Like life itself, time is another finite resource. That makes retirement a blank check with which you cash in on more.

3. How will I deal with basic demands of life later on in retirement?

These days, people are living longer than ever—and there's every reason to believe that trend will continue. But eventually, everyone finds themselves slowing down. Many of the activities that once were easy become hard. Take the simple act of getting groceries. Once a week, you get in your car, drive to the store, pick a shopping cart, and stroll the aisles looking for the various foods you want to eat. You've done it for years, and probably have never given it a second thought. Unfortunately, the day will come when this once-simple act requires a lot of thought. For example, imagine that you're 85 or older. Will you still be able to drive? Will you still have the energy to push the cart, or to put away the groceries when you get home?

Now imagine some of the other activities you once took for granted, like changing the lightbulbs, mowing the lawn, or shoveling the sidewalk. Eventually, you may not be able to do these things by yourself. It's not a pleasant thing to think about, but that's exactly why it deserves careful thought. Sadly, I have known retirees who didn't plan for the inevitable. As a result, the basic demands of life become stressful and scary. That leads to a lower quality of life. But the good news is that by planning now, you can determine where you will get help in your advanced years and how to pay for it if necessary. That way, you'll never have to worry about getting groceries, or keeping your home in order. All you'll have to do is follow the plan. After all, who wants to spend their golden years worrying?

3. Don't stop being yourself once you've retired.

Retirement is a life-altering event. In its own way, retirement is as big a deal as getting married, or leaving home and going off to college. Just as no two people have the same college experience, no two people will have the same retirement experience. For example, some work for years to afford retirement, only to find they don't like being retired. Others retire young and have a hard time filling the hours. And of course, there are many people who thrive in retirement, finding it everything they dreamed it would be. But regardless of whether you plan on sleeping in your first day off the job, or dream of spending that first day in some exotic location, there's one bit of advice that applies to every type of retiree: Don't Stop Being Yourself Now that you're retired.

Before I explain what I mean by this, let me explain what I don't mean. I don't mean you shouldn't seek out new challenges or experiences. I don't mean you shouldn't try to grow or improve as a person. I don't mean you shouldn't test your limits or search for new horizons.

Here's what I do mean. Many people spend much of their adult lives seeing retirement as the Promised Land. Finally, they'll have the time and money to do what they want to do! But in order to fund their retirement, they know they have to work hard, save, plan, and be intelligent with their money. They train themselves to adopt smart habits, knowing it will pay off in the future. This is who they are.

Unfortunately, some retirees stop being who they are. The moment they retire, the moment they reach the Promised Land—out go all the good habits. They think they no longer have to save. They no longer have to plan. They stop being intelligent with their money. Since they no longer have to work, they treat retirement like winning the lottery. In short, they stop being themselves. So it's critical when you retire, that you don't stop being yourself.

Why is this so important? First, remember that just because you're retired doesn't mean you don't still have a future to plan and save for. Maintaining the same habits you had while you were working will help ensure you never run out of money. This will allow you to stay retired—otherwise, what was the point of retiring in the first place?

Second, people who stop being themselves can accidentally alienate those closest to them. Remember, the people who love and care for you do so because you are you. But letting retirement “go to your head,” means running the risk of losing those traits and qualities that made you such a good friend or family member in the first place.

Perhaps the single biggest difference between retirement and employment is the sudden increase in free time. Now, for the first time in your adult life, or maybe even the first time, period, you answer to no one's schedule but your own. You can be as busy or as idle as you want to be. In fact, some retirees find they have entirely too much free time ... more than they know what to do with. Fortunately, this problem is easily solved. All you have to do is find a hobby. Maybe you already have hobbies you want to pursue in retirement. If so, great! But many people work so hard that they never have time to enjoy a hobby. Some people don't even know what hobbies they enjoy! Alternatively, some people enjoy their jobs so much that they never feel the need for a hobby ... until they retire. The upshot of all this is that developing a hobby is actually an underrated-but-vitally important skill to have. So perhaps the most important thing to do on your first day of retirement is to start figuring out just what kind of hobbies you want to pursue. Of course, everyone knows about the stereotypical hobbies: travel, fishing, golf. But there's so many amazing activities to enjoy, and many of them can be done very close to home, and require little to no money. The richness of life is measured not by how much money you have, but by how you spend the time given to you.

So here's just a few hobbies to consider.....

1. Drawing/painting
2. Learning a new language
3. Novel writing
4. Blogging
5. Photography
6. Restore old photos
7. Gardening
8. Learn a new instrument—and as soon as you're ready, go to a local jam session!
9. Stargazing
10. Learn a martial art—you're never too old!
11. Do genealogy work
12. Antiquing
13. Enter chess/checkers tournaments
14. Become a mushroom hunter—after a lot of careful study, of course!
15. Become involved politically
16. Become a community historian
17. Woodworking/carpentry
18. Coach youth sports
19. Beekeeping
20. Join a pet rescue group
21. Baking/cake designing
22. Cycling
23. Keep chickens
24. Join a local choir
25. Start a podcast on a subject you're an expert on.

But whatever you choose to do, just remember that the richness of life is measured not by how much money you have, but by how you spend the time given to you.

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