

Retiring Well

CREATING WELLBEING
IN RETIREMENT



Superfriend[®]

INTRODUCTION

Everyone understands the importance of financial planning for retirement, but money is only one part of the equation. Sorting out your finances will certainly help buffer you from some potential stress as you wind down or leave paid employment, but even the strongest financial plan can't help you address some of the other stressors you may face as you retire. Being aware, being proactive and planning for potential challenges will go a long way towards retiring well.

TRENDS IN RETIREMENT



Flexible work

- ▶ Transitioning from full-time to part-time work
- ▶ Not working school holidays to take care of grandchildren



Intermittent work

- ▶ Taking time off to travel and then returning to work
- ▶ Taking a sabbatical to trial retirement choices



Bridge employment

- ▶ Paid work after retiring from your main career but before exiting the labour force completely



Un-retiring

- ▶ Going back to work after retirement



Volunteering

- ▶ Using skills in unpaid work



Never retiring

- ▶ Remain employed

RETIREMENT REDEFINED



Average age
of retirement in
the last five years



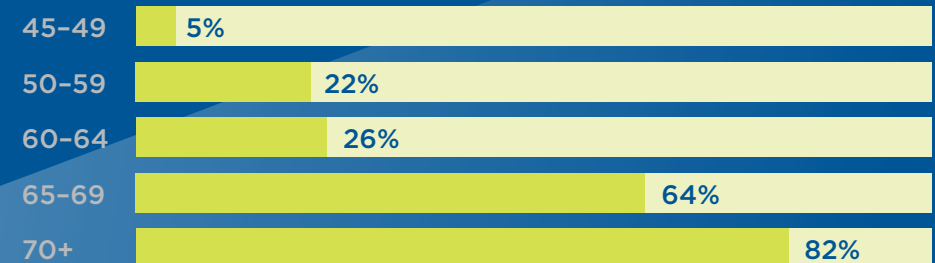
Current average lifespan



Common factors influencing the decision of when to retire

-  Financial security
-  Personal health
-  Eligibility age

Age Percentage of retired Australians



RETIREMENT IN AUSTRALIA

The Multipurpose Household Survey conducted by the Australian Bureau of Statistics has collected data on the current retirement patterns of Australians¹.

Despite retirement being 'the dream' for many people, a lot of Australians are 'never intending to retire'.

Around 12% of people currently in the workforce fall into this category.

Around 34% of the current workforce say that they intend to move from full-time to part-time work before they retire.

We live longer now than we ever have, so we generally have a longer retirement. In the 1950s on average we lived until 67 (men) and 70 (women). Now we live (on average) until 80 (men) and 84 (women).

The most common factors influencing the decision of *when to retire* are 'financial security', 'personal health or physical abilities' and 'reaching the eligibility age for an age (or service) pension'.

REASONS FOR RETIREMENT

The reasons people retire vary greatly, and are affected by individual preferences and situations, as well as relationships, family and cultural influences. These reasons fall into one of two categories – things that *push* someone into retirement and things that *pull* someone into retirement².



Pull factors include:

- ▶ Wanting to pursue interests and hobbies
- ▶ Caring responsibilities
- ▶ Wanting to travel
- ▶ Wanting to spend time with family and friends.



Push factors include:

- ▶ Job dissatisfaction
- ▶ Being made redundant
- ▶ Difficulty finding work
- ▶ Work fatigue
- ▶ Poor health
- ▶ Encouragement from a partner, spouse or family to retire.

People who consider their jobs stimulating and feel they have opportunities for growth and development, and people who feel committed to their career are more likely to defer their retirement. People who are worried about social isolation during retirement are more likely to look at ways of staying in the workforce.

RETIREMENT TRANSITION

MANAGING THE TRANSITION

Nancy Schlossberg, a counselling psychologist with expertise in the area of adult transitions, found there were six pathways to manage the transition to retirement³. Each describes a different approach, and explains the way people adapt to various phases of the transition:

Pathway	Characteristics
Continuous	People on this pathway engage in the same sort of activities in retirement that they did before retirement. If you have positive wellbeing before retiring this is likely to continue post retirement.
Adventurers	People on this pathway use retirement as an opportunity to begin new activities. New activities can be varied (such as sky diving or making jam).
Searchers	Searchers are generally unsure what to do with retirement. They are open to possibilities.
Easy Gliders	People on this pathway enjoy whatever comes along in retirement. They are the 'happy go lucky' types who tend to see challenges and change as positive.
Retreaters	People on this pathway tend to be disengaged from life. They may be disengaged from life before retirement (perhaps having a negative life outlook), or they may have some significant life events around the time of retirement that create stress (e.g. illness, death of a loved one). People on this pathway may be really engaged with their work and work identity before retirement (e.g. friendship networks are mainly work-related, their meaning and identity is wrapped up in work) and have some initial challenges adapting to retirement as a new life stage.
Involved Spectators	People who are Involved Spectators maintain an interest in their previous field of work but take on different roles.



WHAT IS WELLBEING?

- ▶ Feeling good means being able to experience feelings of happiness, contentment and enjoyment. It also involves being curious and engaged in life⁵.
- ▶ Equally important for wellbeing is your functioning in the world. Experiencing positive relationships, having some control over your life and having a sense of purpose are all important attributes of wellbeing.

It is important to remember that your wellbeing throughout your life affects your wellbeing in retirement. So, no matter where you are in the retirement process—focusing on your wellbeing is important!

“The concept of wellbeing comprises two main elements: feeling good and functioning well”⁵

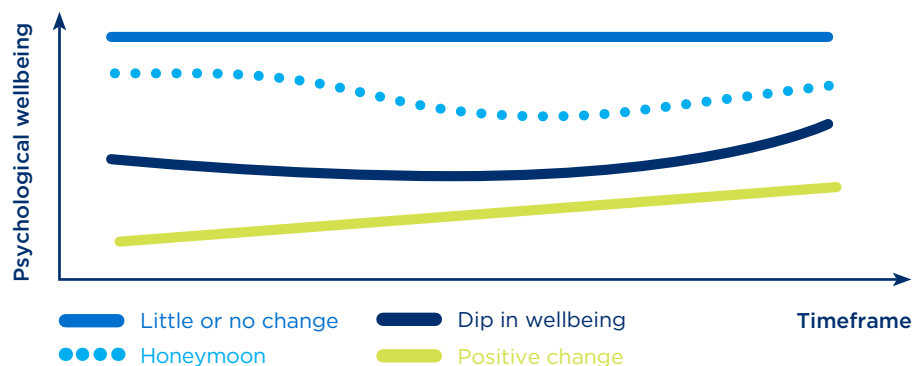
ADJUSTMENT TAKES TIME

Regardless of how you transition and which pathway you take, it's important to recognise that it will take time to adjust to your 'new normal'. While most retirees will experience minimal changes to wellbeing and life satisfaction as they navigate this journey, some will take time to adjust.

Research tells us there are four main patterns of adjustment to wellbeing in retirement⁴, as seen in below diagram after retirement.

Planning, control over when and how you retire, and your available resources all contribute and influence retirement adjustment, wellbeing and positive outcomes.

Regardless of how you adjust to retirement, there are always strategies available to improve your wellbeing. The *Five Ways to Wellbeing* section provides some evidence-informed tips and tools on how to create or enhance wellbeing in retirement.



FIVE WAYS TO WELLBEING

The *Five Ways to Wellbeing* was developed by the New Economics Foundation for the UK Government's Foresight Program, is based on a wide range of evidence, and is widely respected⁶. The evidence supports the following five key areas for building and maintaining health and wellbeing:



Connect

Fostering positive relationships leads to positive moods and wellbeing, higher levels of happiness and reduced risk of depression.



Keep learning

Lifelong learning is important for mental health and wellbeing and for your sense of achievement. It also enhances feelings of self-worth and autonomy.



Be active

Regular exercise can reduce symptoms of anxiety and depression, increase your motivation and sense of wellbeing, improve your feeling of self-worth, draw your attention from stressors and helps you feel positive.



Give

Giving can increase your life satisfaction, self-esteem, self-efficacy and general psychological wellbeing.



Take notice

Taking time to tune in (to ourselves, others and surroundings) improves your attention, sleep, emotion management, self-esteem and stress management.

At times of change and transition (like retirement) it is important to focus on maintaining and developing your wellbeing. To maintain and improve wellbeing, try to incorporate some activities from each of the five ways to wellbeing areas into your daily life as much as you can⁶.

For more information, see *Five Ways to Wellbeing's* website
5waystowellbeing.org.au

REALISTIC EXPECTATIONS

What we think will happen in retirement and what really happens can be quite different. When reality doesn't match your expectations, it can lead to dissatisfaction and stress. The bigger the gap between our expectations and reality, the harder it will be for us to adjust. Minimising this gap will help promote your wellbeing.

It is important to prepare and be realistic about retirement. This includes planning for the unexpected and being flexible and resilient when changes occur.

FACTORS THAT HELP LEAD TO A SUCCESSFUL RETIREMENT

Research and experience tell us that people who retire successfully do the following³:

- ▶ Have realistic expectations
- ▶ Adapt to age-related challenges
- ▶ Remember that retirement is not just about 'me'
- ▶ Get help when needed, and
- ▶ Harness what's in their control.

*"Plan A: always
have a plan B"*
— Schlossberg³

REFLECTION QUESTION:

Think about people you know who have retired well
– what could you learn or copy from them?

AGE-RELATED CHALLENGES

We all need to work out ways for successfully navigating our own unique set of age-related challenges. People who retire successfully plan strategies so that they are ready to manage age-related changes including:

- ▶ Physical health changes and challenges
- ▶ Ill-health and/or chronic pain
- ▶ Grief and loss
- ▶ Loneliness
- ▶ Carer responsibilities
- ▶ Grandparenting responsibilities
- ▶ Increased dependency on others, and
- ▶ Negative stereotypes of older/retired people (ageism).

RETIREMENT IS NOT JUST ABOUT 'ME'

Retirement constitutes a major change to your personal lifestyle, but it can also change the dynamics of our relationships with significant others, including⁷:

For co-workers

Retirement will not only mean a transfer of duties to someone else at work, it will include reduced opportunities for you to spend time with favourite co-workers. Co-workers may be resentful, jealous or happy about your retirement, and may have expectations about when and how often you will see them. No longer being a part of the workplace will alter the kind of conversations you have when getting together, and it is helpful to prepare for this change.



For couples

Your retirement will result in a change to routines and the opportunity for couples to spend more time together. Couples might have differing expectations about how to spend retirement. One partner may retire earlier than the other and one partner might find that the other retiree is 'underfoot'. Spending more time together during the day may mean there is less to talk about over dinner. The differing routines and expectations can lead to miscommunication and conflict. It is important that couples have both mutually enjoyable joint endeavors, but also (and importantly for many) activities that can be done independently.

For those with children or grandchildren

Minding grandchildren can be both a positive and a negative experience, depending on how you want to spend your new time and freedom. There may be different expectations about this care-giving from your partner, children, and grandchildren, and this can result in conflict and disappointment.

For those with older parents

Taking care of older parents when you retire may come with a significant time commitment, along with expectations and obligations. There may be different expectations about this care-giving from your parent, partner, children, and grandchildren.

Some retirees might also be part of the 'sandwich generation', where they have both grandkids and older parents to care for. This may present its own unique challenges and can take time to work through to find a rhythm that's right for you.

For singles

Singles are less likely to have interpersonal conflict and be more likely to have control over daily choices and activities. The Australian Institute of Family Studies states that around 24% of us live alone, and this increases as we age⁸. A challenge for singles is to ensure the opportunity for social interaction and that they have a support team in place.

Most of the relationship changes and challenges tend to occur in the first year after transitioning to retirement and before the 'new normal' is established. It is important to discuss your plans and expectations for the future with significant people in your life, particularly if your plans are likely to impact others. People who retire successfully are proactive in managing their relationships and ensure there is:

- ▶ Open communication about expectations, needs and wants
- ▶ Sensitivity, empathy and clear boundaries, and
- ▶ A positive outlook.

REFLECTION QUESTION:

Who will be affected by your retirement, what expectations do they have of you in retirement?

GET HELP IF YOU NEED IT

As with any major life change, it is very important to monitor yourself and others. If you are having problems adjusting to your transition, make sure you seek help.

Family and friends

Seek out support from trusted family, friends or colleagues about your everyday challenges. Reach out to your support network, share your story, be honest about what you need (or don't need) from them, and ask for help and assistance when you need it. Sometimes we can be slow to ask for help, or it can feel uncomfortable. If you're unsure about reaching out, think about how much you like to help others, and give your trusted friends and family a chance to help you in return. We're all in this together!

Further learning

Many people have walked this path before you, so there's a wealth of information on retirement, wellbeing and mental health available to you.

SuperFriend have a Retiring Well Workshop that can help with your personally planning for retirement.



Retirement readiness

You might like to try a quiz to see how well you're planning for retirement or adjusting. The National Seniors Association has created a quiz for paying members, which can be useful in assessing your retirement readiness: **nationalseniors.com.au**.

This is not the only way of assessing your retirement readiness. You could discuss your situation and plans with friends, family or a professional to consider how you're tracking and the support you need to put your plans into place. The reflection activities throughout this booklet can also help guide your thinking and planning.

See **superfriend.com.au/retiringwell** for additional reading, resources and information

Professionals

Your super fund/financial advisor

Talk to your super fund/financial advisor about the ways you can maximise your superannuation and your investment portfolio, and minimise your tax whilst transitioning to retirement.

Talking with your GP

Your GP is a great first stop to get a regular physical and mental health check-up and to seek information and assistance about your overall wellbeing and mental health. A trusted GP is a great partner for optimal health and will ideally connect you with well-regarded specialists in your local area if required.

Talking with a psychologist

If your retirement journey has made you feel distressed, upset or you've noticed major changes in your mood, you might benefit from seeking professional help. Counselling or therapy helps when:

- ▶ Talking to a family member or friend is not enough to solve the problem
- ▶ The feelings or problems seem beyond your control
- ▶ Nothing you've tried seems to be making a difference
- ▶ The problem is interfering with your daily life
- ▶ The problem is distressing you or those around you, or
- ▶ You need some confidential and impartial help.

How to find a psychologist

- ▶ Ask a trusted friend who they would recommend
- ▶ Ask your GP for a mental health care plan and a referral to a psychologist
- ▶ Do an online search. The Australian Psychological Association (APS) has a 'find a psychologist' service to find a registered professional in your area. See **psychology.org.au**
- ▶ For family or couples therapy try Relationships Australia **relationships.org.au**

Therapy outcomes are better when there is a good fit between the client and psychologist. If you don't feel a good connection, rapport, trust or 'fit' with the first psychologist you see, try someone else. It is not unusual for clients to be mismatched with their first therapist, and it's completely fine to choose someone else⁹.

Talking with a retirement coach

Retirement coaches are mentors and cheerleaders who can help you with planning for your retirement based on your individual needs and situation. There are many places to find a coach. You might like to try **retirementoptions.com/find-a-retirement-coach/**

HARNESS WHAT'S IN YOUR CONTROL

It will take time to adjust to your 'new normal' regardless of which of the six pathways to retirement you take. Adjusting to changes at any stage of life can be difficult, even when you're really looking forward to the change.

It is important to note that most retirees will experience minimal (if any) changes to their wellbeing and satisfaction, but some may experience a slight increase or decrease in wellbeing immediately after retiring.

How well you adjust to retirement is influenced by factors that are both within and outside of your control. Most people adjust more positively to the retirement transition when they're proactive and focus their energy on harnessing what is in their control¹⁰.

REFLECTION QUESTION:

Who should you talk to about your retirement plan and who is in your support crew?

You can do this by:

- ▶ Directly focusing on your wellbeing
- ▶ Planning for retirement
- ▶ Being aware of your support networks
- ▶ Tapping into the resources that are out there!

EMERGENCIES AND AFTER HOURS

There are a number of helplines available 24 hours a day, 7 days a week for the cost of a local call. They provide crisis counselling as well as emotional support and referrals to services for people of all ages. We recommend:

- ▶ Lifeline **13 11 14** or **lifeline.org.au**
- ▶ Beyond Blue **1300 22 4636** or **beyondblue.org.au**

PLANNING

There are many tools, including articles, research, FAQs and online resources, that can help you work out which factors will help you create wellbeing in retirement.

Whether retirement is a long way off for you or you've already retired, the tips and tools mentioned below are helpful at any stage of life.

For practical suggestions and resources for integrating the Five Ways of Wellbeing into your life see **superfriend.com.au/retiringwell**

PLANNING TOOL

Changing what you do every day and how you live your life is something that needs a lot of planning and consideration. Planning gives you the best chance to achieve financial security and the lifestyle you would like to lead.

For many people retiring, one of the hardest adjustments to make is simply learning how to structure the day, week or year. It might seem overwhelming at first, but it might help to approach retirement planning just like you would plan if you were moving house:

- ▶ What do you do currently?
- ▶ What do you want to change?
- ▶ What are you looking forward to?

HOW DO YOU START?

There are many aspects of your current working life that you might like to retain, as they're likely to support you through your transition. There are also some aspects you may want to change or replace. SuperFriend's Retirement Planning Tool has been created to help you develop realistic expectations about retirement and equip you with a sense of control over what is happening (or about to happen)¹¹. Planning gives you the best chance to achieve financial security, and it can be equally important for the non-financial aspects of your daily life.

With any planning, the secret is in just starting. On page 14 you'll find the tool. It might also help to get your spouse, partner or friend involved, because planning is often easier when done with someone you trust. There's no right or wrong way to approach the tool, and your responses might change over time. That's OK, because plans can change.

RETIREMENT PLANNING TOOL

Complete the below table thinking about where you are at today and where you would like to be. Consider the changes you will need to make and take note of any issues or additional support you will need to activate your plan.

	CURRENT STATE	FUTURE STATE	REQUIRED CHANGES	NOTES
How are you feeling?				
Work				
Finances				
Social connections				
Physical activity				
Mindfulness				
Learning				
Giving				

RETIREMENT PLANNING CHECKLIST

There are many things to think about before you retire. This checklist can help you consider the areas you should focus on during your transition to retirement.

FINANCES

- ☐ Investments
- ☐ Superannuation
- ☐ Estate Planning
- ☐ Debt Position
- ☐ Tax
- ☐ Government assistance
- ☐ Budget planning

HEALTH

- ☐ Health Check
- ☐ Health Management Directive
- ☐ Health Insurance

WORK

- ☐ Career transition/change
- ☐ Part-time/flexible
- ☐ Volunteer/unpaid
- ☐ Employment transition options
- ☐ Timing

LIFESTYLE

- ☐ Lifestyle expectations
- ☐ Travel
- ☐ Downsize/remain
- ☐ Seachange
- ☐ Renovate
- ☐ Home maintenance
- ☐ Vehicle replace/maintain

SOCIAL

- ☐ Required new skills
– social or work-related
- ☐ Social groups
- ☐ Hobbies or activities
- ☐ Isolation – physical/emotional

COMMITMENTS

- ☐ Family
- ☐ Carer responsibility

READINESS

- ☐ Is your satisfaction connected to work?
- ☐ Do you have energy for work every day?
- ☐ Do you have many non-work activities?
- ☐ Can you imagine retired life?
- ☐ How will your retirement affect your family/friends?

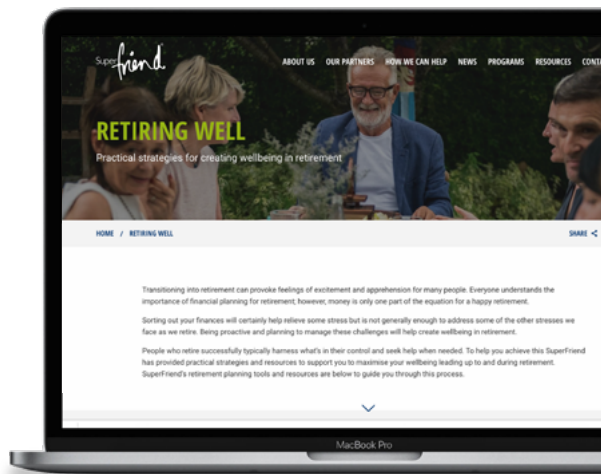
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LEARN MORE

SuperFriend is a national mental health organisation influencing positive change in workplace mental health and wellbeing. We have a range of retiring well resources to guide people in this important life transition. You can access these and more at superfriend.com.au/retiringwell



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