

Do You Have a Plan for the Later Stages of Retirement?



An article featured on Forbes.com in 2011 titled “The Five Stages of Retirement Planning” describes Mid-Retirement as the phase that “begins at age 70 and lasts as long as you are able-bodied and high-functioning.” The author follows up on this description with a call to action for anyone in this stage of retirement: “Despite your good health, begin looking at what steps you would like your family to take should your condition decline significantly.”

The article then describes the Late-Retirement as the point when “...You require significant help to function day to day. The hope is that by this point all the planning done in prior years makes this transition as manageable and life-affirming as possible.”

As a result of advances in medicine and technology, people are living longer than previous generations, but rarely without the eventual need for some degree of long-term care services. A longer lifetime, combined with extended long-term care, necessitates the need for families to take a proactive approach to planning for the later phases of retirement. Yet, this is an area of “retirement planning” that is often neglected by families and financial advisors alike. Instead, families often wait until a significant health event occurs before researching the options. This responsibility usually falls on the adult children or other family members who are forced to quickly shift into “crisis-management mode” and may not have the resources, flexibility in schedule, or emotional capacity to take on such a task.

Make a Plan

If you are approaching - or are in - the Mid-Retirement stage now is the time to plan for your later stages of retirement - while you are still active and able. Otherwise, delaying these important decisions about tomorrow’s needs may leave you and your loved ones facing difficult, and often costly, situations in the future.

One of the more important – and complex – decisions you or your loved ones need to consider is where you will live and how your future care needs will be provided. Take time to educate yourself about the entire spectrum of retirement living choices; ranging from aging at home to full service retirement communities, and begin planning today for the option that is best for your unique situation. Doing so will indeed help make the transition to the later stage of retirement much more “manageable and life-affirming.”