



## The Phases of Retirement — Knowing is Power

What to expect just before and right after you retire.

“It isn’t the changes that do you in, it’s the transitions.”

– *William Bridges, author of Transitions: Making Sense of Life’s Change*

At a recent retirement readiness workshop, an attendee confided that while she had diligently saved for decades, she still felt anxious about her next chapter. “How do I start withdrawing the money I’ve worked so hard to save?” she asked. “What if it’s not enough?”

## THE FEAR IS REAL: “HAVE I SAVED ENOUGH?”

According to recent studies:

- **62%** of Americans admit they’re unsure how long their savings will last.  
Source: [Schroders 2025 U.S. Retirement Survey](#)
- **40%** of non-retired Americans now plan to delay retirement due to inflation fears.  
Source: [National Association of Plan Advisors, May 2025](#)
- **64%** are more afraid of running out of money than of dying – a record high – citing inflation, Social Security uncertainty, and taxes as key drivers.  
Source: [Allianz 2025 Annual Retirement Study](#)

Retirement today looks different than it did 80 years ago when Social Security set age 65 as the benchmark. People are living longer, leading more active lives, and redefining retirement altogether. Many factors determine when an individual will retire; it doesn’t look the same for everyone. The question isn’t just when you’ll retire – it’s how you’ll retire, and whether your retirement income will sustain the life you envision.

The only way to truly know is with a financial plan that’s reviewed and updated regularly as retirement approaches.

Even if you think you don’t need one (or won’t use one), working with a financial advisor to map out your retirement strategy can dramatically reduce the anxiety created by this looming unknown. Let’s walk through what to expect in the key phases just before and after retirement:

## PHASE I: 5 YEARS BEFORE RETIREMENT

This is when the big-picture questions begin to surface: “What do I want my life to look like in retirement?”

Start by listing your top five must-do retirement goals – then your next five would-like-to-do goals. Maybe that includes funding your grandchildren’s education, treating your immediate family to a group vacation, or buying a second home in a warmer climate.

Next, get organized. Gather your financial statements and categorize your accounts. How much is in each account? What kind of account is it? What are your spending habits today, and how might they shift in retirement?

Ask yourself: Can I do everything I want with what I've saved? If the answer is "I'm not sure", now is the time to work with a financial advisor to create or update your retirement plan. The earlier you adjust savings or spending, the more flexibility you'll have in the future.

## **PHASE II: 1 YEAR BEFORE RETIREMENT**

This is where clarity meets reality. Revisit your goals – have they changed? As retirement quickly approaches, priorities often become more grounded.

For example, one couple originally planned to gift \$25,000 annually toward each grandchild's college tuition. But when that goal was added into their financial plan, it strained their ability to cover essential living expenses. Together, we revised the amount to \$10,000 per year per child – still meaningful, but more sustainable. We agreed to revisit the goal in a few years.

Now is also the time to ask tough questions:

- Am I emotionally and financially ready to retire?
- Should I work longer to boost my retirement income?
- What are my options to save more money?
- Can I adjust my lifestyle to make retirement more comfortable?

Many pre-retirees now choose phased retirement or part-time work to both ease the transition into retirement and reinforce their financial foundation. For some, it is financially necessary; for others, it is reassuring. What do the numbers say? Having a retirement plan will help you answer these important questions.







### PHASE III: 1 YEAR AFTER RETIREMENT

This is a year of reflection and adjustment. As your daily routine settles, your spending patterns, goals, and emotional responses to money may begin to shift.

Here are the most common retirement mindsets we see:

- 1. Over-spenders.** Many retirees overestimate how much they can spend early on – remodeling the kitchen, buying a vacation home, or taking dream trips. When overspending happens, it's critical to revisit the retirement plan and recalibrate.
- 2. Over-savers.** On the flip side, some retirees are too afraid to spend at all – worried they'll run out of money decades later. One client had budgeted for home updates but hesitated to proceed. Seeing her retirement plan numbers together gave her the confidence she needed to see that these expenses were affordable and move forward without regret.
- 3. "Spend it now" mindset.** Still other retirees embrace a carpe-diem approach, prioritizing joy and family experiences now, while their health allows. Perhaps they feel they have deprived themselves their entire working lives and deserve to spend and enjoy life to the fullest in this chapter. Or they choose not to look closely at the results of their spending habits and choices. Either way, this mindset requires careful planning to help avoid financial regrets down the road.

In all three cases above, reviewing your plan with your advisor can help you realign your retirement spending habits with long-term security.



#### PHASE IV: 3-5 YEARS INTO RETIREMENT

By this point, many retirees have found their new financial rhythm. Priorities shift from more to meaningful – less travel, fewer things, and more simplicity. Expenses may naturally decline as life slows down. Most retirees find they need less to live on than they previously imagined.

However, questions or concerns about longevity and sustainability often resurface?

- Will my money last as long as I need it to?
- What adjustments should I make to stay on track?

This is where retirement planning becomes ongoing financial planning. Your advisor becomes a long-term partner, helping you evaluate your goals and prepare for the unexpected.

### *shifting realities, ongoing questions*

Whether you're five years out or already retired, each phase of retirement demands reflection, planning, and honest conversations. Retirement is not a one-time financial event – it's an evolving life transition.

Meeting regularly with your financial advisor can help you:

- Revisit and revise your retirement plan as needed
- Align your investments with income needs
- Stay prepared for market volatility
- Course-correct if your spending exceeds expectations

Financial planning is at the very heart of the quality of your life before, during, and after retirement. No matter your starting point, retirement planning is about clarity, confidence, and control. The more you understand your numbers – and your mindset – the more empowered your decisions will be.

Because in retirement, knowing really is powerful.



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