

The Honeymoon Phase of Retirement

Why do so many people struggle when they enter retirement?

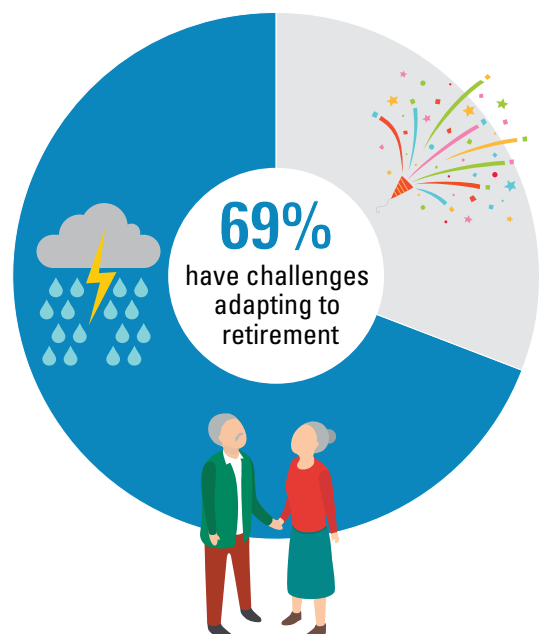
At the turn of the century, a new mysterious device, code named “Ginger” was expected to change the world. Steve Jobs said it would be “as big of a deal as the PC.” But after the Segway Human Transporter was introduced in 2001, it never quite lived up to the hype of revolutionizing personal transportation.

Likewise, retirement is touted as paradise, a time filled with fun and leisure. Yet for many, it initially turns out to be as much of a disappointment as the Segway.

Entry into Retirement May Be a Letdown

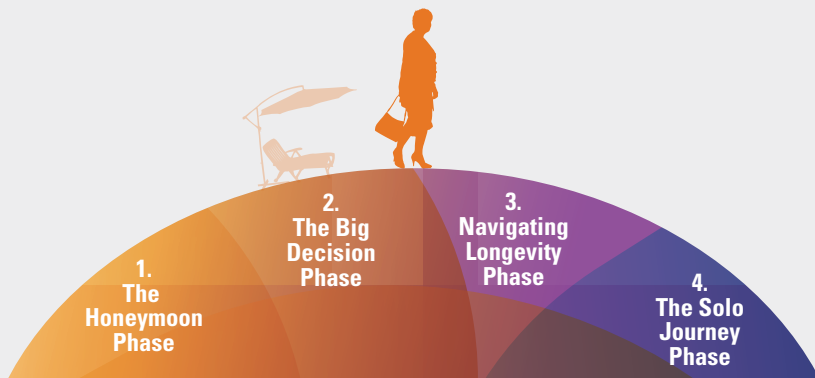
We work to save for retirement for most of our lives. We anticipate having the time and freedom to do what we want when we want. However, when retirement happens, many of us struggle with the transition. About two-thirds of recent retirees (69%) say they had challenges adapting to retirement.¹

Retirement Is Supposed To Be Fun, Not Challenging



Source: Retired Baby Boomers Face Emotional Adjustments, USA Today, 2/3/15. Most recent data available used.

The Four Phases of Retirement



"Instead of planning for 'retirement' as a single state, it may be beneficial to reframe the conversation to reflect a four-phased concept of retirement. Each is characterized by the tasks and issues individuals are most likely to be managing."

Dr. Joseph Coughlin, director of the MIT AgeLab



What's the Honeymoon Phase of Retirement?

According to Dr. Joseph Coughlin, director of the [MIT AgeLab](https://agelab.mit.edu) (agelab.mit.edu), retirement is made up of [four phases](https://hartfordfunds.com/days) (hartfordfunds.com/days). The Honeymoon Phase is the first one. Advertising portrays this time being filled with beaches, bike riding, and golf. It's true that if you've stopped working, you'll have more time for leisure activities. You might even think, "This is the life. This is what I want my retirement to be like." But after a while, these activities can become routine. They might not provide the happiness we expected.

The Highest Levels of Resources

In each of the four phases, we'll have varying levels of resources in the following categories: financial, cognitive, physical, and social. These resources tend to diminish the longer we're retired.

Financial resources tend to be highest in the Honeymoon Phase, since retirees have just started spending their

retirement savings. For most, aging hasn't taken its toll on bodies and minds, therefore, our cognitive, physical, and social resources also tend to be at their highest level. As a result, our lifestyle and well-being is often comparable to our life during full-time work.

So, What's The Problem?

Despite our resources potentially being at their highest level, the Honeymoon Phase comes with transition challenges related to our routines, roles, and relationships.

Breaking a Routine That Began in Kindergarten

Get up. Get dressed. Get breakfast. Go to school or work. Come home. Eat. Go to bed. Retirement can break this routine. There's nothing forcing you to live like this anymore. You'll have a lot more time on your hands. You may enjoy this freedom, but if you're not sure what you're going to do with it, boredom can set in. Thirty two percent of recent retirees struggle with getting used to a new and different routine.¹

Our 60-Year Routine



Retirement can break this routine. There's nothing forcing you to live like this anymore.

Your Relationships Change

If you stopped working, you may miss the socializing, intellectual stimulation, and sense of accomplishment resulting from collaborating with co-workers on projects. Among recent retirees, 37% miss the day-to-day social interaction with co-workers.¹

In the Honeymoon Phase, you'll spend less, if any, time with co-workers, and way more time with your spouse. This adjustment can put a strain on relationships if couples don't share similar interests or social circles. New conflicts can pop up about the sharing of chores, how to spend leisure time, and how to manage the household.

Many retirees in this phase find themselves caring for parents, children, or grandchildren. Two thirds of parents over the age of 50 financially support their grown kids. They provide an average of \$6,800 annually.² Twenty five percent of boomers care for aging parents.³ Trying to care for either grown kids, parents, or both, under the constraints of a retirement budget, can cause stress on relationships as people wonder if they're overextending their resources.

Your Role Will Change

Work gives us an identity, a sense of purpose, and respect. In the Honeymoon Phase, if you stop working, you may miss that identity and sense of accomplishment. You might feel under-appreciated and like you're in a state of limbo after leaving the structured world of work. Your family members may expect more from you, more of your time and attention, maybe more than you'd like. Your previous identity, built over your career, was clear. Your new identity is foggy.

Timing Is Important

If you're nearing retirement, you may be a bit anxious about entering the Honeymoon Phase. Sixty three percent of people feel stressed about retirement leading up to that decision.¹ Retirees usually have a smoother transition if they enter it in a planned way, where they choose a retirement date. They tend to experience more anxiety if they're forced into this phase by a layoff or health problems.

Making Your Transition Smoother



Create a new routine

Even though we know retirement is coming, most of us don't spend much time planning what we'll do when we get there. Ask yourself: "How do you plan to spend your time? What are your hobbies? What activities will fill your days?" Set some long-term and short-term goals. Moving towards these goals can provide a sense of purpose and control in your new routine.



Find your new identity

Find ways to be productive. Consider volunteering, working part-time, taking a class, or learning a new skill. For more ideas, checkout encore.org. Find a retirement mentor, someone who's thriving in retirement. Ask if they'd be willing to meet with you regularly to discuss transition challenges and options for your new role.



Discover new relationships

Build new relationships to replace work relationships. Consider taking a class, working part-time, or joining a group where you can meet people. Go to meetup.com, enter your zip code to find lots of groups in your area.



Give yourself time

Don't expect to hit your retirement groove right away. It may take six months or a year or two to find your new roles, routines, and relationships.



Work with a financial advisor

In the Honeymoon Phase, you may not be bringing in a paycheck. You might start withdrawing money from your savings for income. You may wonder if you'll run out of money in retirement. A financial advisor can help you evaluate your situation and create a financial game plan.

Wait a Second. The Honeymoon Phase Sounds Like a Lot of Work

Yes, finding your new role, routine, and relationships will take planning, time, and effort. And it will push you out of your comfort zone. But it's worth it. Consider the possible alternative—a boring and lonely retirement.

To Summarize, We've Covered:

- What's the Honeymoon Phase of retirement
- The Honeymoon Phase sounds pretty good. What's the problem?
- How can you smooth your transition into the Honeymoon Phase

Retirement Doesn't Have to Bomb Like the Segway

Sure, the Segway never lived up to the hype, but if you've bought into the propaganda that rest and relaxation are the keys to a great retirement, you may also be disappointed. Now you know more about the transition to the Honeymoon Phase of retirement. Start planning now for your new roles, relationships, and routines when you get there.

Next Steps

1. Research groups in your area. Go to [meetup.com](https://www.meetup.com), enter your ZIP code, and search for groups that match up with your interests.
2. Find a retirement mentor. Find someone thriving in retirement and invite them to lunch. Ask if they'd be willing to meet with you to learn their secrets to retirement success. Your financial advisor may be able to identify potential retirement mentors.
3. Search for volunteer opportunities in your area. This article has some great ideas to get started: [9 Tips to Find an Ideal Volunteering Gig](https://www.retiredbrains.com/find-ideal-volunteering-opportunities.html) (<https://www.retiredbrains.com/find-ideal-volunteering-opportunities.html>)

Sources

- ¹ Retired Baby Boomers face emotional adjustments, USA Today, 2/3/15. Survey included 1,000 people, ages 60 to 73, who retired in the last five years from their primary profession and who have at least \$100,000 in investable assets. Most recent data available used.
- ² How to stop your grown kids from ruining your retirement, Forbes, 11/29/17
- ³ How to take care of aging parents and yourself, Fidelity, 9/27/17

Links from this paper to a non-Hartford Funds site are provided for users' convenience only. Hartford Funds does not control or review these sites nor does the provision of any link imply an endorsement or association of such non-Hartford Fund sites. Hartford Funds is not responsible for and makes no representation or warranty regarding the contents, completeness or accuracy or security of any materials on such sites. If you decide to access such non-Hartford Funds sites, you do so at your own risk.

The information in this presentation is provided for informational purposes only. Hartford Mutual Funds may or may not be invested in the companies referenced herein; however, no endorsement of any product or service is being made.

The MIT AgeLab is not an affiliate or subsidiary of Hartford Funds

Hartford Funds Distributors, LLC, Member FINRA

MAI138 0618 207248