



# Retirement: Changing Your Plan

## What if Retirement Plans Change?

By: Joe the Investor

People usually think about retirement well in advance like a dreamer would envision an event or an outcome in advance. What if that dream was suddenly changed? What could you do about it? Here are some examples of how this happens: You are 55 years old and considering retiring in 10 years. You have the plan and will likely execute it in 5 years. Suddenly you get “re-organized” and cannot find another job in the same field. Another example is that you are 62 years old and get some kind of long term illness. A third example is that you had a vision of retirement and when it is actually coming true, you realize that you are not interested in it and want to make radical changes. A fourth example is that you may want to change your career but you need to help your children or your parents financially. Finally, maybe you have a retirement plan and it is progressing, but you want to work longer because you enjoy what you are doing.

How do you handle these situations? There are processes that you can go through to take stock and reorganize where you are now so that you can make these large changes skillfully. Events like the examples described above are usually begging you to make big changes in your life direction. The reasons why they are happening would only be visible in hindsight when looking at the sequence of events. For this reason, you may ask yourself why these changes are happening many times, but you will never know the answer. This does not mean you may not ask the question why – but see it as a distraction that has to be entertained while you really figure out what you are going to do.

The key is to ask yourself where you want to be in light of the new change. This is pretty standard fare for any of these “I want to forge a new direction” articles. Some possibilities on how to handle the situation are: Allow some time for this question to settle inside of you emotionally before you commit to doing anything, test drive what you are proposing by asking someone who has lived it, testing it financially to see if you can afford it, entertaining whether this change can create a new direction for you, or starting your new idea short term before committing to a long term lifestyle change. Although a lot of emphasis is placed on the financial preparation for these types of changes, a lot of the work is actually done at the mental and emotional level before it can transpire into a tangible financial plan.

### Settling Emotionally

When a large change occurs in your life like a job loss, divorce, illness, large promotion, inheritance, or relocation, it will take time for your mental state to adjust to the new conditions. Notice that these changes do not necessarily mean “traumas” or losses. A large gain

would be a lottery win, starting a business or having grandchildren. In this case, retirement is a large change which is why there is so much angst around preparing for it. Since retirement can be a long phase of your life, people want it to feel good and to last. However, since these big changes are emotionally challenging, it is difficult to see into the distance and make the decisions necessary to achieve the retirement that you want. The emotional state has to “settle” which means you have to feel grounded, stable and be able to see where you would be in the future and be able to maintain this vision most of the time. Emotions are volatile and even if you have a wonderful life, you will get days of anger, sadness, depression and so on. This is not about perfection but about where you tend to be on a typical day and what emotional state and mental state that you would have as a default. What you want to do is make sure that default is set properly and then begin to build it.

### Ask Someone Who Has Lived It

The best way to know if something is going to work is to experience it. Before you reach the experience, you will get a thought or an idea. In between the thought and the experience is the doing or the action. To have a complete experience, you would do all three of these things. Since you cannot experience things yourself all of the time, you may want to borrow someone else’s experience or the experience of a group to give you insight into what you are getting into. The BIG CAVEAT here is that you need to adjust someone else’s experience to fit your needs, preferences and vision, since no two people are alike, and no two time periods are alike. This experience may have worked for your parents, but it would not work for you today due to a different environment. The same experience may work for the average person, but if you are not typical, this will not be useful to you unless you adjust for what is not average about you.

### Test it Financially

A large aspect of the experience is the financial aspect. A lot of people do not live out their retirement dreams due to a lack of money. You may have a great vision about retirement, and know that you want it and can see it happening. Can you carry it out? This is where financial knowledge is the most useful, but it has to go hand in hand with the vision, experience and preferences above. This is why advisors ask a lot of personal questions and want to know what your purpose is. When the purpose is out there, then the cost of it is mapped out to see how attainable it is. There would also be a margin of error built into the plan in case the financial or the lifestyle assumptions change, which is very likely to happen. Without a destination you will not find a map useful. On the other hand, a map can be revised as well. Yes, there is a way of living where the journey is the destination which seems to contradict what is being said here. If you want to live in that way, knowing yourself and shortening the time to the present moment will work. You essentially do the same process but only involve time to examine “what if scenarios” as possibilities to test the financial ability to carry out those scenarios.

### Will the Change Mean a New Direction

Sometimes when changes happen, they are asking you to consider something that you have not considered before. These are the perfect times to re-evaluate your assumptions. You may want to retire in a totally different way than you were preparing for. This would mean a new direction and a new set of preparations. How do you know if this applies? You will have to examine your current plan and see if you can still envision it working for you. Another clue in this process is whether you see a new plan working much better for you. An example is that you envisioned travelling the world in retirement. At some point, you get ill and find it hard to get around. Due to this condition, your energy is not as high as before and you are finding new hobbies which do not require travel. This would mean different financial requirements. In another situation, you may have travelled a lot when you were younger, and don't find a desire to do so when you are older.

### Try it Short Term

This is very much like a real time simulation. You would do exactly what you intend to do prior to doing it for a short time to see if you actually want to sustain it. Sometimes you will see things that you didn't anticipate which cause you to want to change your plans. There is no better way to verify if something works than by actually living it or doing it. Sometimes you enjoy something for a few weeks, but get massively bored with it after one year. In a financial sense, this idea is also a very good way of testing how affordable your retirement plan is. There is an image out there of people who want to play golf every day in retirement. From my experience, road rage may become golf course rage unless you know that you can handle doing that each day. The boredom may also become swimming pool rage or mojito rage if you have no other outlet for activity.

Much of the retirement preparation is not actually financial because it is about the kind of life you want to have. This all begins with your vision and your emotional state. Finances play a big role in carrying out what you want, so they should be included in the whole picture once you have this vision in mind. In cases where you had a plan and circumstances have changed, be ready to revisit your plans.

Contact me, Joe Barbieri by email at [joetheinvestor.today@gmail.com](mailto:joetheinvestor.today@gmail.com), or by telephone at 647-286-8020 for an independent consultation on what these options are. **Note: This site is intended for people who want to learn about the world of investments and how to research for themselves. If you would like to buy or sell investment products, or specific advice on investment products, tax or legal issues, please consult your investment advisor, accountant or legal counsel.**