

## Joint Planning for Retirement

Most references to retirement in pop culture and advertising show it as a world where couples spend their time golfing, laughing and walking on the beach together, but the reality may be very different. Any major life transition can be difficult to navigate, and retirement is no exception. Although the increase in free time can seem like paradise while you're still in the workforce, the reality is that many feel lost and purposeless without a set daily routine and a clear purpose. If you and your spouse are both nearing retirement age, the way you plan (or don't plan) together can have a major impact on your quality of life during retirement.

### Why is joint planning important?

According to a University of Missouri study, spouses who plan ahead and share with each other their vision of retirement report better psychological well-being and financial stability during retirement. Unfortunately, less than 40 percent of couples are planning for their retirement together. The transition to retirement is similar to the transition into parenthood—both involve a dramatic

change in your day-to-day life and will have a large effect on your finances. You wouldn't have a baby without discussing it with your spouse first, so why would you enter into retirement without discussing how you'll handle it together? This transition will also affect your relationship, as you will likely spend more time together during the day. Before entering retirement, prepare together for what you want your retirement reality to look like and set a plan for how you can get there.

used to making important decisions together. This joint decision-making has its benefits—research has shown that couples already making joint financial decisions prior to retirement were more prepared for unexpected events in retirement and had a more optimistic retirement outlook overall. In addition, this increased pattern of joint decision-making can help prepare couples for the joint planning process that should come before retirement.

With both spouses working, husbands and wives have also

Research has shown that less than 40 percent of couples plan for their retirement together.

### The changing landscape of retirement

Men and women retiring today have lived vastly different lives than their parents and grandparents, and the traditional view of retirement is changing as a result. More women have entered the workforce, and men and women are more

become more independent. This leads many retired couples to pursue individual interests during retirement, and studies have shown that those who do so often feel more fulfilled than couples who are "joined at the hip" in retirement.

### Preparing a shared retirement plan



David Becker

Northern Oak Wealth Management, Inc.

(414) 278-0590

[www.northern-oak.com](http://www.northern-oak.com)

555 E. Wells St. Suite 1625  
Milwaukee, WI 53202

This article was written by Advicent Solutions, an entity unrelated to Northern Oak Wealth Management, Inc.. The information contained in this article is not intended to be tax, investment, or legal advice, and it may not be relied on for the purpose of avoiding any tax penalties. Northern Oak Wealth Management, Inc. does not provide tax or legal advice. You are encouraged to consult with your tax advisor or attorney regarding specific tax issues. © 2013 Advicent Solutions. All rights reserved.

Before retiring, you and your spouse have a lot to discuss. Consider some of these vital retirement questions with your spouse:

*At what age do you plan to retire?*

You and your spouse should discuss at what age you plan to retire, so that you can both be in the same planning phase. The chances of you and your spouse retiring at exactly the same time are slim. It's likely that there is an age difference and that one of you will reach retirement age first. This may help you get an accurate feel for the expenses that come from retiring, and can help you plan a more effective budget for when you are both retired.

*What kind of activities will you pursue?*

Many retirees pursue volunteering, exercise or charity with their expanded free time. You should evaluate if you and your spouse have many common interests that you'll want to pursue together, or varying interests that you'll want to pursue separately. The things you do may also depend on external factors, such as if you decide to share a car with your spouse during retirement. You should discuss this ahead of time so that both of you can find activities and a schedule that make you happy.

*How will you divide household duties?*

With both spouses working, it's likely you do chores based on availability, without each of you having specific responsibilities. However, in retirement it might be

necessary to designate specific household tasks so that you both feel you're sharing equal responsibility.

*Do we have any health risks?*

You should evaluate your health status so that you can more accurately plan for your retirement. Although some health complications are unpredictable, if either of you know you are at risk for a health problem, you'll want to factor this into your retirement planning, both for your lifestyle and for your budget. It can help to plan a variety of activities for retirement, so that if a health issue rules one of them out, such as travel, you can spend your time doing something else.

*Would we be able to go solo?*

Although you may split up some household chores, it's important that each of you knows how to do essential tasks such as paying your bills, handling your investments, managing your property, driving and traveling independently, as you may eventually have to do these things on your own.

You should realize that your retirement plan will greatly affect your spouse's, and vice versa. Discussing and finalizing these plans can help you see if you and your spouse have compatible views of retirement. It can also help avoid future conflict. Lack of planning is a huge problem, as individuals who don't plan tend to be less successful in adjusting to their new roles, have less financial stability and are more likely to become depressed. Without joint

planning, you and your spouse may end up on completely different pages in retirement.

