

Retirement Advice for Independent Women

HELPING YOU ALIGN YOUR
TODAY WITH YOUR TOMORROW



BY TANYA NICHOLS, CFP®

Dear Past:
Thank you for all
the lessons.

Dear Future:
I'm Ready.



Taking the first step is the most important part.

Are you approaching retirement with confidence and a sense that everything's going to be just fine? Or has something made you worry that your money just isn't going to give you the comfort in your retirement that you'd like?

Moving from your working life to your retirement can be a difficult transition, especially if your finances aren't clear. But you should be able to feel good about your money, to feel good about the life you're living now and to feel good about the life you're going to live in the future.

By doing just a little groundwork now, you can start to build yourself the retirement you deserve. This eBook has been created to help serve as a guide so you can align where you are today with the tomorrow you dream of - with ease and clarity.

Because we all deserve to feel good about our future.

Warmly,

Tanya Nichols

Tanya Nichols, CFP®

Some words about this ebook...

If you're looking for a standard financial advisor checklist of how to save taxes or invest for retirement, this isn't it. And it's not because I can't spend time in the technical parts of financial planning. In fact, I spent 10 years writing the CERTIFIED FINANCIAL PLANNER™ certification exam.

Evaluating the tax impact of various decisions, and analyzing your investment portfolio are all table stakes. But after working with many clients through this important transition, I've come to believe that the next few pages talk about the decisions women should be paying attention to first when it comes to retirement.

Keep reading for real world tips from my retirees, as well as my tips for answering the big questions like "Where should I live when I retire?" And "How do I prepare financially?"

I spent a year asking my already retired clients what they wish they would have known about retirement before they got there.

Here's what they told me...



Retirement: What Do I Need To Know?

#1: Invest In Your Health

First up: Take better care of your health before you retire. This is a no-brainer, but you'll be surprised how many people haven't given this any thought at all. If you are in good health now, chances are you take that for granted. You probably haven't thought about how your life might change should your health deteriorate.

You're planning on enjoying your retirement, right? Some of our clients told us they were surprised how quickly their health changed and made it harder to stay active. So - and shhh! Don't tell all the financial advisors this, as we'll go out of business - but an investment in your health right now is among the soundest of investments you can make for your retirement.

Invest your time into increasing your activity levels now, quitting those bad habits and maybe booking in a health check with your doctor. Get some nutritional advice. Really think about this. What's the point in working hard and saving hard, if bad health is going to stop you from fully enjoying your retirement?

#2: You Can't Take It With You

People spend their lifetimes saving money for a rainy day, and for some it seems that the rain never comes. Then they realize that the money didn't have to be for a rainy day, that they could have traveled more, helped more, and enjoyed more rather than being worried they wouldn't have enough.

Some people feel safer accumulating money, while spending it can make them feel very insecure. Setting a target for your checking and savings accounts can make a big difference in feeling okay about using your hard earned savings to do things you love while you are earlier in retirement and potentially more active.

This certainly is a balancing act, though. How do you make sure you will be comfortable throughout your hopefully long and stress-free retirement and feel like you are making the most of both, your time and your money?

It just takes some planning, that's all. You can plan for your savings to keep working for you, of course - but meanwhile, never forget that you really deserve to be using some of those savings too. Write some of the big expenses into the plan, remembering that you've worked for this all your life.

#3: Health Insurance Is Complicated

This is absolutely not something you want to be finding out once you've retired, and it's simple to do something about it now. Get your health insurance plans in place as early as possible.

Our clients tell us they are surprised by how complicated the health insurance marketplace has become. The good news is, there are more options than in the past if you have any health issues and want to retire before age 65. And depending on your income, there are tax credits to help make the premiums more affordable.

But even if you don't qualify for those tax credits, and your health insurance premiums are really expensive, remember; it's a cost with a short time horizon. If you plan ahead, you don't have to let expensive health insurance stop you from retiring before age 65. After all, it's just money.

If you have a dream of retiring at 60 to go sailing, or to spend the summers with your grandchildren, why let health insurance costs stop you from doing what you love?

If it's just too costly, another option is working part time at a fun job to cover the costs until Medicare starts at 65. Or talk to your employer about reducing your hours to the least required to maintain your benefits and begin a phased retirement.

Whether you retire before Medicare starts or wait until you're 65, the health insurance maze can be difficult to navigate. Find an expert, get some advice. Shop around and do your homework.

#4: You Might Be Busier In Retirement

It might not all be golf, or yoga, or a book and coffee on the dock in your mornings. There are many women who can't believe how busy they are when they retire.

Sometimes by default, sometimes by design, some end up filling their time helping family by taking care of grandkids, or aging parents. Others get involved in community organizations, or take up a new hobby or two, to create regular commitments to get them out of the house.

There's no right or wrong way of doing retirement here. You might realize you're happier with a full diary, or you might be more content with a more peaceful daily routine. The key is to pay attention to how you feel with your schedule. Too much or too little? Don't be afraid to experiment and remain curious.

#5: It Takes Time To Adjust And It's A Big Change

Now, it might be that your spouse or friends retire before you do, or you might be the first one. It's unlikely you'll all be on the same schedule.

For the person reaching their retirement, it's a huge lifestyle change. Some people feel very positively about it, and for others it's one of the more challenging milestones to hit. You might just need to give yourself or your loved ones a little support and time to adjust to the new routine.

If you've just retired and you're struggling with feeling a bit unproductive, that's OK - it's normal to feel a little disoriented now that the pressure of working life has been lifted from your shoulders. If you and your loved ones are getting under each other's feet a bit more, remember that you will adjust. You'll just need a bit of time to get used to your new normal.

If you don't like the
road you're walking,
start paving
another one.

DOLLY PARTON



How Should I Prepare For Retirement?

#1: Test Your Budget

Figure out how much you spend before you retire. In my opinion, this is the most important thing you can do before retirement - understand your spending! Not just bills, but everything. For a month, really scrutinize your expenses. Categorize them, prioritize them.

The more awareness you bring to your spending, the better you will feel about your money. Don't judge the spending, don't give yourself a hard time - just become aware of it.

I always ask new clients to do this and the funny part is they will give me their monthly expenses, but either they won't add it up, or they will neglect to include major things like home improvement costs, car purchases, and travel.

Try living on the budget you will have during your retirement, see how it feels. It doesn't need to feel restrictive, it can feel empowering to be the boss of your money. Make it a fun experiment. Reward yourself at the end.

The more you know about your spending now and about what you want to be able to spend your money on in the future, the more realistic and achievable your plans can be.

#2: Talk About Your Plans

If you're married, talk about how you want to spend your time, and where you want to spend it. If you're not, talk to your family and friends and those you expect to spend your time with. I often find couples can have very different ideas about how they want to spend their free time in retirement and it's important that everyone gets to enjoy it. This might involve a fair bit of compromise!

Families can also have expectations of a retired relative - are you going to be expected to be on grandma duty? To help out with childcare or finances? Having a chat about where you stand on these things can help everybody to plan without any awkward situations coming up later.

Many women who have been caretakers at home and at work can find it hard to shed that role in retirement, even if they want to, and find themselves taking care of other people again. Even though they may have wanted more time for themselves. So think about this, and talk about it - remaining curious and reminding yourself that it's okay to experiment.

#3: Don't Lose Yourself

Ask yourself if you find a lot of significance or meaning in your work or career. If you do find it meaningful, ask yourself how you might still find that when you're done working. Is there a risk you might feel you've lost your purpose?

Losing that significance can feel like a nasty surprise for many. So, it's a good thing to think about in advance. And not just for yourself, but for family members who are retiring. Check in with them about this, too. If you feel this might be an issue, work out a way that you can keep that meaning in your life. Retirees often keep a hand in at work and their expertise remains valuable.

Just remember, in retirement this is down to you - this is a choice you can make. There's plenty of ways to stay connected if you want to, either through volunteering or part-time work or just keeping up to date with what's going on in your field.

And your career isn't the only way to find significance. Some start to look for other ways to create significance through contributions (time, talent and/or money), to community organizations or family and friends. Be mindful of your desire to be useful, make an impact or be needed and look for ways to continue that into retirement.



How Can I Ensure I Have a Healthy Retirement?

#1: Prioritize Long-Term Health

If only we knew the secret to eternal health, or at least to a long, healthy retirement. We work long days and long weeks, over years and decades. Then when we're finally able to enjoy our time a bit more, our bodies might be facing their biggest challenges yet.

Gandhi said "It is health that is real wealth and not pieces of gold and silver." The balance of your retirement pot really doesn't matter if you're not taking steps to look after your health. As you plan for your future, be sure to leave plenty of room to focus on your physical well-being. Without this, all the savings in the world won't create a happy retirement.

#2: Keep Your Body Moving

A healthy mind lives in a healthy body, and by extension, it enjoys a healthy retirement! It really is that simple. I'm not suggesting you start training for a marathon, and you don't need to immediately contact a local personal trainer (although it certainly won't do any harm).

Our bodies are just like machines - if we don't use our joints and work our muscles, they're going to start deteriorating. Walk regularly, stretch, do some gardening. And if that all feels manageable, take on a bigger challenge. If you look after your body now, you'll be fitter during your retirement and able to enjoy it more.

#3: Keep Your Mind Moving

Keeping your mind busy and curious will keep your mind healthy. An active mind has been shown to be able to stave off memory loss and other age-associated cognitive decline for a little longer.

There are loads of ways to do this, and some are even fun. Do puzzles, listen to talks, connect with others, or enroll in a class. Education is often free, or heavily discounted, for seniors. If you're learning, you're giving your brain some longevity. The mental workout you give your brain through learning new things keeps all the brain cells communicating, keeping those neural pathways open and active.

Give yourself a break by using things to help your memory - use calendars, diaries and lists. This really does save mental space for other things that are competing for space in your brain!

#4: Ask For Help

When things don't feel right, get some advice. But don't obsess. If you find yourself thinking about your health (or talking about it) all the time, it's time to get some more to fill your mind and your time. Many of my clients have rules in their social groups that they are not allowed to talk about health and physical ailments so that it doesn't dominate their discussions.



Where Should I Live When I Retire?

#1: Don't Overbuy

You might well approach retirement thinking you need to make some changes in your living arrangements. But remember that property transactions are often the most expensive decisions we make. Making a more expensive decision than planned later in life can be hard to correct, as there are far fewer earning years to recoup your losses.

#2: Don't Rush

You might want to downsize, upgrade, move somewhere warmer, or more retirement-friendly. But be sure to think it through and experiment as much as possible. Remember that good decisions take time and consideration; it's not a race and there's no pressure. Research as much as you can, and make sure you feel good about the choices you are making.

#3: Location Versus Lifestyle

Ask yourself if location is more important or the people and community that will surround you? Do you prefer a quiet life with a little more solitude, or are you the type of person who is going to need a busy social life with plenty of activities on hand in order to thrive?

#4: Do You Want To Start Over?

Don't underestimate how difficult it can be for some to create a new community and social life in retirement. While it can seem exciting to start over in a brand new place, maybe a warmer temperature and lower maintenance living, it can be difficult to create new connections after 30 years in the same neighborhood. It takes time and commitment and doesn't happen overnight.



Start Feeling Good About Your Money

I think everyone should feel good about their money, about the lives they're living now and about the retirement they can look forward to in the future.

These were some of my most important tips to preparing for a happy, rewarding retirement and I hope you feel ready to plan yourself into the retirement of your dreams.

If you need some help fine tuning that plan or if it still feels a bit uncertain, get in touch. We'll do all we can to align your finances of today with the life you'll love in the future.

Align Financial
4960 Miller Trunk Hwy #600
Hermantown, MN 55811
218-336-2506
1-844-764-1234
tanya@align.financial

Website: www.align.financial

LinkedIn: www.linkedin.com/in/tanya-nichols-cfp

I think
I deserve
something
beautiful.

ELIZABETH GILBERT



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