



Retirement Regrets

The Biggest Regrets People Have
About Retirement

You must have heard this quote many times-
“There are no regrets in life, just lessons”.

So, let us all make a better tomorrow by understanding these retirement regrets/ lessons.

As you know, we are a nation with a much younger population and most of our population is yet to retire. We have so much to learn from other developing countries, not just because they are developed and have shown great growth but also because of the fact that developed countries like US, UK ,CANANDA and other European countries have a much aging population and we can learn better from them.

Thus, this article is well researched and inspired from the western countries. Hope you learn and implement the same in your life.



Not starting earlier.

Not starting savings earlier is one of the biggest regrets of retirees

Start save early for retirement planning is the best financial advice, they ever received- (HSBCglobal retirement survey).

IT'S NEVER TOO EARLY
TO THINK ABOUT
RETIREMENT
PLANNING



Not retiring sooner.

People work longer than they need to because they don't have a customized income plan. They have regrets afterward when they find out they didn't need to, they were working for their children rather than themselves. Working did not change their quality of life. It only changed their children's quality of life in their death.

Retire In:

~~15 years~~

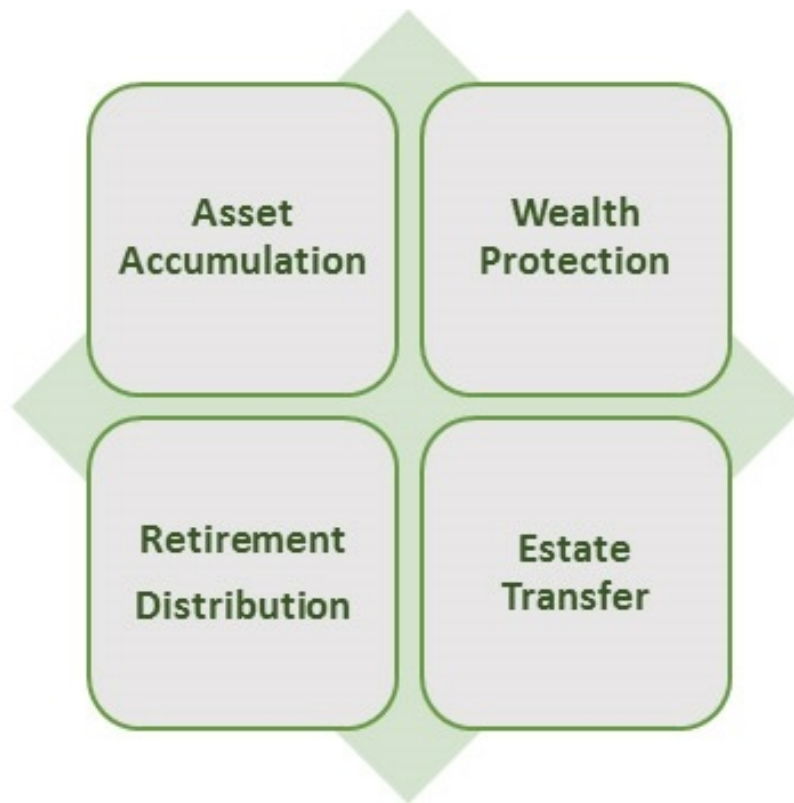
5 years



Not understanding when strategy changes from saving to spending / withdrawal.

There are two phases of retirement planning, Wealth Accumulations phase where there is more focus on wealth accumulations (age from 20 to 55).

Distributions / Withdrawal phase where there is focus on retirement income (age from 55 to 80+), majority of retirees say that they do not understand the strategy or transition from savings to spending to withdrawal.



Not saving enough money for retirement.

It is mostly the obvious factor, but vital in your life. If you haven't saved enough money for retirement, everything else becomes much more difficult.

Retirement savings should also include a healthy, emergency savings fund to cover any type of financial pitfall. "A well-constructed plan, whether with advice of a professional or not, needs to account for success, as well as challenges and failures,"



Leaving the workforce too early.

Once you pull the trigger on leaving your job, it's hard to make a comeback. Retirement might seem easy once you hit a certain age, but there is nothing guaranteed about your income if you haven't made a plan for it. Many retire voluntarily; many do so with no real understanding of how much it will cost to live in retirement or when or how the retirement money will come.

There are many who leave the workforce and then realize that they need to continue working, they then encounter problems finding a job that offered the same adequate salary and benefits.



Not having a plan for your free time.

Many people still at work dream of a retirement that includes sleeping in, reading a book, and spending more time at the beach. However, those activities will quickly become unfulfilling if they're not supplemented with a social life and a sense of purpose. "You need a reason to get out of bed every morning, get dressed and go do something.

Many people, men in particular, lose many of their social connections after retirement, because many of their friends are at work. Before you retire, take steps to solidify those relationships outside of work, or make the time to forge new relationships before you pull the plug on your career. It can also be beneficial to start a new hobby or two before you retire, or begin a volunteer opportunity.



Not adjusting to the required lifestyle.

While taking that long-desired trip to world is great, purchasing a big car and staying in five-star hotels for the rest of your days isn't always advised — even if your previous career afforded you those luxuries in the past. When the salaries/income stop, you automatically begin to live a life on a fixed income. That's it.

While retirement affords you many luxuries like extra free time, it sometimes also requires scaling back — whether it's in terms of owning things or spending. This can be especially difficult for people who enjoyed incredibly successful careers, and aren't used to adjusting their lifestyles for a smaller income

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Naturally, they envision a life in retirement that is just as amazing as when they were employed — business trips that included five-star hotels — whereas, in the real life of retirement, to fit their financial resources, they may require to change their standards and change expectations. Adjustment can oftentimes be challenging for successful business people.



Not downsizing earlier.

Many retirees eventually move into a smaller home, begin passing along mementos to family members, or sell off the possessions they no longer need. After doing so, many say they wish they had decluttered their lives earlier.

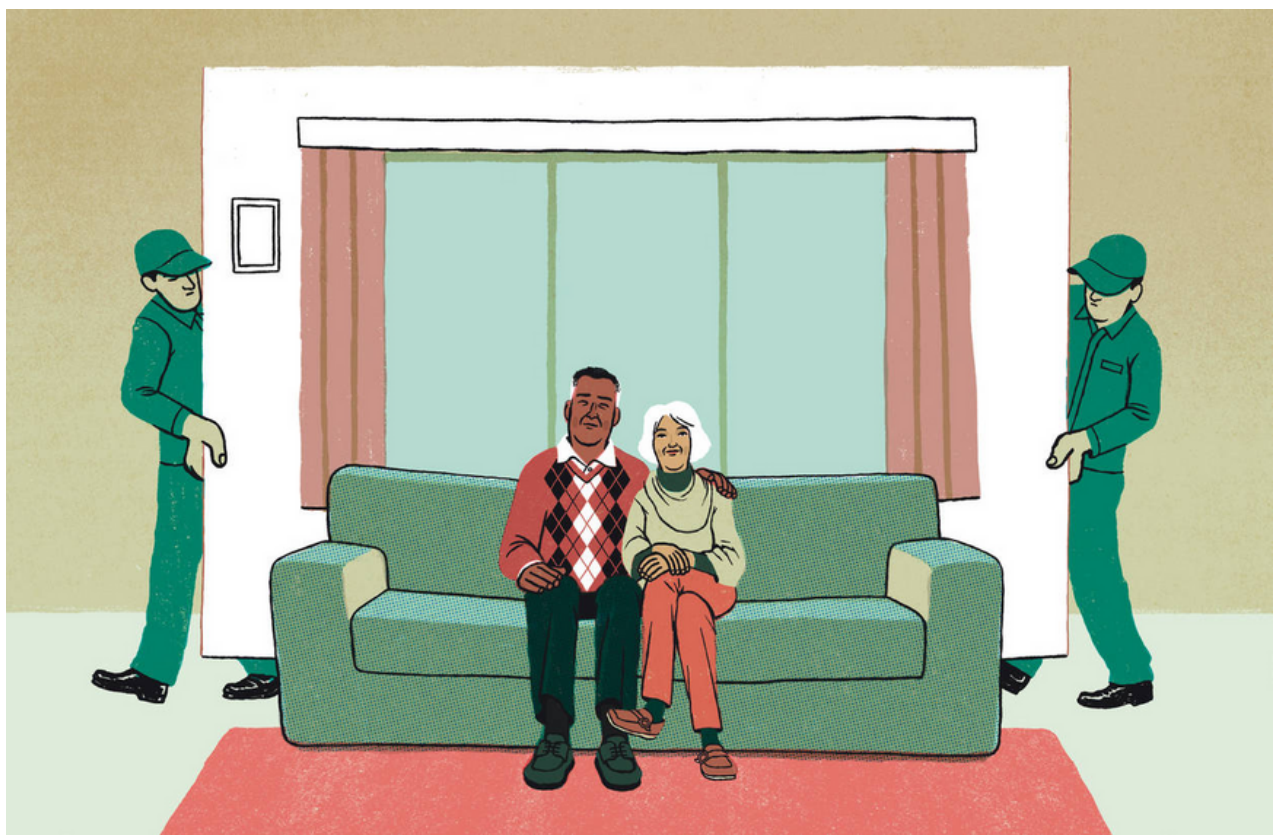
Unburdening themselves from oversized homes/car/others of unused items gives retirees the added benefit of putting those funds toward their retirement savings. A little money savings here and there wouldn't be a game changer, but could free up the budget for travel or other hobbies that they could enjoy in retirement.



Making a rash moving decision.

Deciding where to live in your golden years can be a tough decision, especially if your family is spread out. You might pick up and move to be close to your children and grandchildren, only to be disappointed later.

It is important to evaluate your own social connections, before moving and relying completely on your family to fill that gap. Evaluating your relationships with your adult children, and establishing healthy boundaries if you do move closer, are important.



Depending too much on debt in peak earning years.

The decade or so before retirement can be a crucial time to save. The government allows for more aggressive saving in your retirement accounts/EPF/NPS etc, and you're likely earning the largest paychecks of your career. However, those golden opportunities will be smashed if you're living above your means just before retirement.

Paying off your credit cards or other forms of debt can be a tough task, and often happens at the expense of your savings accounts. Living on borrowed money in your pre-retirement years means you'll have much less to live on when you decide to leave the workforce.



Making the wrong decisions for surviving spouses.

Financial decisions in retirement ultimately need to account for the event that your spouse could outlive you, and plan for every possibility.



Not getting professional financial advice earlier

With the number of financial tips available online and in reputable books and other resources, it's possible to establish healthy financial habits but it isn't the right approach. Opting to with a professional financial adviser will always make your post retirement road smooth.

Waiting to get that advice, however, could mean you're missing gaps in your savings plan that an expert would spot. Even if you're not proud of your savings when you're younger, it is always better to get an expert opinion early on.

There is much to consider when preparing for retirement. New retirees are always more than eager to share stories, successes and mistakes they have made along the way. If you listen closely, chances are many of them will tell you something they wish they could do over or do different.



Spending too much in your peak years.

When you were young, you wanted the better things in life- Cars, houses, fashionable clothes etc. As you get older, spending too much in your peaks years becomes a retirement mistake.

This is because you lose the power of compound interest. The longer you keep your money invested, the more returns it will give you. Most people in their twenties and thirties unfortunately do not think this way until it is too late.

The best way to avoid this retirement mistake is to first control your spending. Understand that you don't need all those material things to show how successful you are.



Not taking good care of your health and body.

Entering into retirement with bad health can have some very costly consequences. When we are young, we spend so much time working, so much so that health and fitness is often the last thing on the mind. The mistake here is that too often; people pay the cost of their bad food and exercise choices when they have the least amount to spend – retirement.

This retirement mistake will not only have you running out of money too soon into your retirement, it will also rob you of precious time that could have been spent with family.

The best way to avoid this retirement mistake is to remember that your health is your only true measure of wealth, so take good care of yourself.

Start by making better food choices and also exercising to keep you looking young and vibrant. At retirement, you will most probably be paying your own health insurance out of your own pocket, so it is better to have a solid foundation in health and wellness.



Borrowing from yourself.

A major mistake people make heading into retirement is borrowing from their retirement savings to fund large purchases. This could be a second home, renovating the existing home, or a child's college education. The big mistake here is not only will you have to pay taxes, penalties and fees to get your money out; you may also have to work longer.

The emotional attachment that leads you to justify making these large purchases will cost you big in the long run

The best way to avoid this money mistake is to remember why you started saving in the first place. These fees/Tax/Cost are put in place to remind you of the commitment you have made to secure your final future.

Maybe start a fund for whatever project it is you want to accomplish. Set measurable savings goals over a set period of time to meet this financial goal.



Not kicking a bad habit early enough.

There is a feeling of 'nothing will happen to me' when we are young. We develop bad habits often as a means to socialize or pass the time. From alcohol consumption, smoking cigarettes to gambling, most people regrettably count the cost of their bad habits when it is too late.

While it is OK to indulge yourself in whatever past time you choose, the retirement mistake here is forgetting to count the cost.

The best way to avoid this mistake is to create an allocation system for yourself or a play fund. This is a reasonable amount of money you have allowed yourself to spend on all bad habits. Your need to live a comfortable life in retirement must be greater than your need to have too much fun now.



Buying a House That's Too Big

One of the biggest assets in retirement, especially if it's paid off, is your house. Still, many retirees regret buying a much bigger house than they actually need. The goal should be buying a house that you can pay off prior to retirement. That frees up your retirement income for other expenses, such as increased health care costs. Downsizing to a smaller home is one way to cut costs later in life, but there are plenty of pitfalls to avoid with downsizing as well.



Not Being Aware of How Much Savings Are Needed.

Aside from not saving early enough or saving enough, many families don't know how much they need to save. This can ultimately result in putting off saving altogether because it is such a challenge to know where to start. To solve this problem, individuals and families need to envision their retirement and what they expect out of it, then put hard numbers to that vision and make a plan toward that number goal.



SAVING
for
Retirement

Failing to make a detailed financial plan

Wishes they had made a more detailed financial plan before retirement. “Knowing what know now, that didn’t know before, has afforded us the opportunity to make adjustments to improve my margin of error and to make more informed decisions,” says retirees



Carefree Retirement solution is Ahmedabad's first specialized financial planner for retirement planning. Our goal is to provide you best possible solutions to create wealth on retirement and at the same time to make the post retirement transition as smooth and as enjoyable as possible. We work dedicatedly to ensure that your family can maintain an optimum lifestyle in this high inflationary environment and also meet regular financial goals as and when they come; without affecting most important financial goal of retirement planning.

Chetan Upadhyay is a brain-child behind this venture. He is a certified financial planner and possess masters degree in commerce. He is in this field since march 2005 and in these past 14 years, he has witnessed an urgent need of robust financial planning for each and every citizen of India for their own retirement. He fears that in few decades India will be standing at the edge of being considered as an old age country without financial support for their citizen.

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