SMART INSIGHTS FROM FINANCIAL PROFESSIONALS

How to Plan for Retirement's Go-Go, Slow-Go and No-Go Years

When retirement planning, it's best to expect to do the big (and more expensive) stuff early on, when you're healthier, then slow things down as you get older.

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What comes to mind when you hear the term "retirement planning"? Most people think of investments, Social Security, health insurance, tax strategies and other money-related issues. These pieces are all a big part of the retirement planning process, and the numbers need to work together for your plan to work.

A truly **satisfying retirement**[1] involves more than just stable finances. After all, money should be a means to an end — not the end itself.

One frequently overlooked dynamic of **retirement planning**[2] is considering what kinds of activities will fill your time during your post-career years and how well your health will support those activities as you age. Naturally, it would be ideal if we all were in great health until the end of our lives. But we all know the ideal doesn't always match reality.

How does a **financial adviser**[3] match a retiree's financial needs with changing health during a decades-long retirement? They start by matching retirement needs with the aging process that typically occurs over the course of time. While your needs during retirement are certainly unique, how you age may look similar to others who have come before you.

Your retirement plan should match your level of physical fitness and ability, and having the right amount of money available during various phases of retirement is essential to long-term success. For example, if you dream of bicycling across the Netherlands, you might want to schedule that trip early in retirement, when you know your body and mind will allow it.

When planning how much money you'll need for retirement, I like to divide retirement into three phases: the Go-Go Years, the Slow-Go Years and the No-Go Years. Let's take a closer look at each phase.

THE GO-GO YEARS

This phase starts at the beginning of retirement and will typically be the most active years for most people. It's a great time to check items off your **bucket list**[4], especially the more demanding activities such as overseas travel or sports. Individual situations vary, of course, but most retirees are generally healthiest during these years.

The Go-Go Years often include spending time with friends of similar age who may serve as travel companions, sports buddies or just socializing with you throughout the week. You might also expect to play an active role in the lives of your children, grandchildren and other extended family. This is the time to make memories, both in your own activities and in your interactions with others.

As you might guess, the Go-Go Years may involve more spending because of travel, enjoying luxuries or participating in general recreational fun. Some people may feel guilty about extra spending during this time, but there's no need if you have planned correctly. Give yourself permission to spend more at this stage. Part of your retirement planning should be to arrange your finances with the expectation you will spend more in the Go-Go Years than in the two future phases. However, it's essential to find balance between enjoying these experiences and ensuring long-term **financial security**[5].

THE SLOW-GO YEARS

The Slow-Go Years often begin as people approach their mid to late 70s or early 80s. This is the time when most people start to slow down, either because of health reasons or general aging. Once again, exactly when this happens — and to what degree — varies.

During this period, people often begin to experience health limitations or challenges that require adjustments to routines. This can result in taking fewer trips or engaging in less-active adventures. It may even include

downsizing[6] the home or relying more on family or hired help. This doesn't signal the end of spending time on hobbies, socializing with friends or enjoying time with family. However, it may require some adjustments

For example, if traveling has become too difficult, this can be a good time to explore your local community. You might want to check out parks and museums close by or try out new restaurants. Those friendly games of tennis that once filled your weekends may need to be replaced with a leisurely walk instead. Or perhaps you will hang out with your tennis pals for friendly chats and a game of cards instead of hitting the courts.

As you age, you'll likely become more susceptible to illnesses or injuries your younger body might have simply shrugged off. You might also find yourself scheduling more doctors' visits, which is important because taking care of your health becomes even more critical in the Slow-Go Years.

Unfortunately, this is also the phase when more and more family and friends pass away, making this a potentially emotional time. A good support system is important as you experience these losses.

Financially, individuals in the Slow-Go Years need to manage their resources prudently and vigilantly. Health care expenses may increase later as you age, so it's crucial to have a solid plan in place to cover potential **long-term care**[7] needs. Reviewing investment portfolios, pension arrangements and **estate planning**[8] becomes increasingly important during this phase.

THE NO-GO YEARS

The No-Go Years typically signal the last phase of retirement, often starting in an individual's 80s or 90s. This is a time when physical and **cognitive abilities decline**[9] and may become more pronounced. Many retirees in this phase will experience increased reliance on support from family, **caregivers**[10] or assisted living facilities.

In the No-Go Years, you may spend more time in quiet reflection as you consider your legacy and arrangements for your estate and **end-of-life care**[11]. You may most enjoy spending time with family and loved ones, imparting wisdom and ensuring your affairs are in order.

Unlike the previous phases, the No-Go Years' duration is more difficult to predict. Depending on their general health and family history, individuals may live anywhere from five to 15 years or more in this phase.
Some people in the No-Go Years are fortunate enough to continue living independently. Others may need to move in with an adult child or into an assisted living center or nursing home. This is where planning for long-term care comes into play.

PLANNING FOR THE THREE PHASES OF RETIREMENT

Each phase of retirement has its own challenges. But by planning for them financially and emotionally, you can lessen some of the sting and heighten some of the joy.

The good news is that you don't have to plan for retirement alone. A qualified financial professional can provide guidance in preparing for and experiencing the Go-Go, Slow-Go and No-Go Years. With a little planning, you can shape your retirement into a journey that is as graceful and satisfying as possible.

Ronnie Blair contributed to this article.

SOURCES

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