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The Time to Talk About Retirement Is Now

By Kathleen Burns Kingsbury

As you rush to work, run to pick up the kids, or scramble to make dinner, retirement may seem like a far-off dream. Or maybe you try to talk to your partner about planning for the future, only to end up in a fight about how much to save now so you can enjoy life later. You delay this money conversation hoping that, in time, it will get easier. The truth is that waiting can be detrimental to achieving a secure future. So, the time to talk about retirement is now.

The unpleasant truth is that a quarter of adults in the U.S. have no retirement savings or pension at all.[1] Others have started saving for retirement but are unrealistic about how much they will need to live comfortably during their golden years. Almost half of couples report having no idea how much they will need to save to maintain their current lifestyle in retirement. Another 47 percent of partners disagree about the amount of money they will need to do so.[2]

The good news is that working with a trusted financial advisor helps. According to the Insured Retirement Institute (IRI), more than 90 percent of baby boomers who work with an advisor have money saved for retirement. They report feeling better prepared for this life transition.

As Aaron J. Morris, vice president and financial advisor at CAPTRUST in Des Moines, Iowa, explains, â€œMany people have the idea in their minds that they have not saved enough for retirement, and they will have to work forever. That assumption is often proven wrong once they take the time to sit down with an advisor.â€•

The reason many clients feel better is they have a time and place to have a meaningful conversation about both the financial and non-financial matters related to retirement from when, where, and how to retire to how much money they need to achieve their vision.

Whether you are currently working with an advisor or not, here are three steps to help you begin this important money talk.

Step 1: Identify Your Retirement Mindset

Every person has a retirement mindset. This is the set of thoughts and beliefs each of us has about this life transition. As with any mindset, family money experiences related to work and retirement have an influence. For example, if you grew up in a family business where the patriarch went to work every day until he died, you may want to emulate this person. Or you may want to avoid this fate because you saw firsthand how it affected the business and the family. Either way, your family history impacts how you envision this next phase of life.

Do the exercise on the right to help you tap into your mindset. This can be done in an advisory meeting or as a couple.

Review your answers. Look for insight into how your retirement mindset impacts your goals, dreams, or priorities. Then share your responses and observations with each other. Practice active listening by trying to put yourself in the other personâ€™s shoes. The goal is to listen and understand each otherâ€”not to negotiate a compromise or convince your partner that your mindset is the right one.

By discussing your respective retirement mindsets, you avoid focusing on dollars and cents and can concentrate on how your motivations steer you toward similar or different financial decisions.

Step 2: Embrace Differences

AARP reports that 2 in 5 couples disagree on their expected retirement age. And thatâ€™s only one part of the retirement puzzle. Expect to find some areas where you donâ€™t see eye to eye. Instead of viewing these as problematic, see them as opportunities to get to know your partner better.

For example, if you canâ€™t wait to quit your day job, but your partner wants to work part-time, find out why. Ask open-ended questions and discover what makes working important to him or her. Often the retirement goal or activity is different, but the value each of you is honoring is the same. Work may give your partner a creative outlet, while not working may provide you time to pursue your creative interests.

Expect conflicts to arise during retirement planning. Discussing these matters before transitioning to retirement is ideal. This way a plan can be put into place that incorporates individual and joint goals. So, donâ€™t avoid conflict; embrace it.

Step 3: Expect Mixed Emotions

Planning for this life transition can bring mixed feelings. At times you may feel excited and joyful, other times, fearful and anxious.

When discussing retirement planning, expect and validate feelings that arise. Donâ€™t judge a partner for having more intense feelings than your own. Respect each otherâ€™s experiencesâ€”even if they are at odds. An empathetic advisor can be helpful at this stage by acknowledging the non-financial aspects to retirement and developing a plan that addresses these emotions. According to Morris, â€œOur job is to help our clients maintain a healthy perspective while validating their concerns and anxieties.â€•

Like most money conversations, talking about retirement is not a one-time event. Instead, it is a series of conversations that happen over months, years, or even decades. It is easy to let daily life get in the way of looking ahead. But make a commitment to yourself and your family and start the retirement money talk today.

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[1] Adamczyk, Alicia, â€œ25% of U.S. Adults Have No Retirement Savings,â€• CNBC, 2019

[2] Couples Retirement Study, Fidelity Investments, 2015

Have questions? Need help? Call the CAPTRUST Advice Desk at 800.967.9948 or schedule an appointment with a retirement counselor today.
