

## 7 Misconceptions About Retirement



**Capital Partners**

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**Capital Partners Wealth Adviser, retirement expert and podcast host, Damon Sugden, encourages us to think about common retirement misconceptions by asking ourselves if the image of our parents or grandparents in retirement is still a relevant picture or has the world changed to include a more flexible retirement approach?**

In his experience, many people enter retirement with misconceptions and find out it was not what they thought it would be. So, what are these misconceptions about retirement? With the assistance of global retirement expert, [Barry LaValley](#) we have outlined the most common of these below:

Many Australians are clear about what they are retiring from, but not clear about what they are retiring to. They often feel that retirement is this new life phase that is an extended holiday or a 30-year-long weekend. In reality, retirement is a [transition](#) and it doesn't happen overnight. Retirement today is also very different from the retirement our parents and grandparents experienced.

#### **You have no choice.**

Some people believe that they do not have any choice in what this phase of life will be. In fact, retirement is about choice and it does not need to be a complete lifestyle change. Take a step back and think about what you can choose. Choice to pay, choice to engage, choice to contribute, including how much time you want to spend not working.

#### **Money = happiness**

Yes, money does help, however good health and a sense of wellness and purpose is more important. Most wealth advisers have witnessed people with relatively modest means achieve far more in terms of positive sense of self and positive sense of place in the world than people who have much greater bank accounts. One of the things you find out quickly in retirement is that your success in daily life is now what you make it, not the money making it.

#### **Retirement spending will be consistent throughout retirement.**

People tend to spend a great deal more in the first few years of retirement before settling into a pattern. As time goes on, spending tends to move more to family and health. Due to COVID people are valuing things that they previously took for granted and they're de-valuing things that they set as significant goals.

#### **A life full of leisure must be a good thing.**

Consider the paradox of leisure: we like leisure because it is a break from work. If we had leisure seven days a week for 30 years, where is the break? So being busy doing something, other than leisure, is an important driver of retirement happiness. Working part-time, volunteering and helping others are all worthwhile ways to keep your days full and active.

#### **Retirement is a 'couples' issue.**

A common retirement misconception is that retirement is an issue for aging couples. Many couples delegate financial management to the male, and yet the average age that a woman first becomes a widow in Australia (if she is going to be a widow) is 59. Sixty per cent of Australian women aged over 65 are single, widowed or divorced. It pays to make sure you both know where the money is, how it is [managed](#) and who is involved.

#### **Retirement is a time to do new things.**

It is, but as we age, we have increased difficulty doing new things. Remember that you are who you are and that generally if you didn't do something before retirement, you will be less likely to do it after retirement. Since the retired "you" is no different than the working "you", ask yourself whether you are

comfortable doing new things now. If not, you will have to create the [positive strategies](#) to do new things rather than assuming that time is the only variable.

If you would like to hear more about the new age of retirement, our new Capital Partners podcast *Talking About Retirement with Damon Sugden*, is available to stream on your favourite podcast platform OR [on our website](#).

[Damon Sugden](#) will be joined each week by special guests, and throughout the series will explore what 'the new retirement' might look like.

Listen to the first two episodes of Talking About Retirement and our previous podcasts [here](#).



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