

Fact Sheet

What leads to a happy retirement?

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In this Fact Sheet, we ask internationally published research psychologist, Michael Longhurst, to share some of his suggestions for preparing for an enjoyable retirement. Michael is an internationally published consulting psychologist specialising in the psychological challenges facing people at various points in their lives. He is regarded as one of Australia's leading authorities on psychological adjustment to retirement and spends much of his time researching and speaking on this topic.

I have spent many years now studying the retirement experiences of hundreds of Australians. My initial research project, the *Retire 200*, set the ambitious goal of determining why it is that some people enjoy their retirement while others appear to be bored and aimless. Through this research, I have become convinced that people considering retirement need to understand the importance of 'purposeful activity' as well as the value of transitioning to retirement, if they are to best prepare for a fulfilling, active and enjoyable retirement.

People often ask me, 'How can anyone NOT enjoy the freedom of life in retirement?' The fact is that when you have spent much of your lifetime in the work force, it may be difficult to imagine that being funded through your superannuation to leave work forever will be anything other than a good time – just like your annual holidays only longer. However, when you finally bid your boss farewell, you also leave behind a number of personal and social benefits. For example:

1. The satisfaction gained from being in the workplace is not just about earning an income – work also provides us with a sense of purpose;
2. Using the skills we have learned in the workplace, or through study, is important to our sense of achievement and self-esteem;
3. Balancing work-time with free time is important to our sense of well-being;
4. While we may dislike being tied to set working hours and roles, work provides us with a sense of structure;
5. Interacting with people at work fulfils many of our social needs.

So, how do we replace the personal and social benefits that we gained from the workplace?

After statistically analysing the retirement experiences of hundreds of Australian retirees and assessing their levels of retirement-related anxiety, depression and stress, I found that those retired persons who engaged in more than five hours of 'purposeful activities' per week experienced significantly lower levels of these emotional problems.

Purposeful activities fall into three categories:

1. **Where something tangible is produced.** Examples are: engaging in crafts such as woodworking or leatherwork, restoring old cars or antiques, painting, sculpturing...
2. **Where a service is provided** (either paid or voluntary). Examples are: active membership of service clubs, community work, part-time paid work or starting a small business...
3. **Where self-development or skill development is undertaken.** Examples are: learning a musical instrument or a new language, attending courses such as photography or Australian history, embarking on a significant program of health improvement e.g., through a gym, weight-loss program...

Why do purposeful activities have such a dramatic effect on our sense of well-being?

Purposeful activities provide us with many of the benefits we found in the workplace. They help to meet our needs for a balance between work and play, a sense of purpose and structure, the ability to apply the skills we have developed over our lifetime and the opportunity to interact with others. In other words, these benefits go a long way to helping us maintain healthy levels of self-esteem and result in us feeling that life is interesting and worthwhile.

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Avoiding 'the jolt' – transition to retirement

Up until very recently, most people retired straight from full-time work. But this '*at work Friday 5.00pm and retired Monday at 9.00am*' approach can be quite a shock to the system. While there is usually a honeymoon period where freedom from the daily grind of work feels like a luxury, this euphoria rarely lasts beyond six months. When it is over, many people find that they start missing at least some of the work-related benefits mentioned above.

During the *Retire 200* research, it became clear to me that there are significant benefits for those people who are able to ease their way into retirement and who commence purposeful activities while working part-time. These people typically find that their final move to full-time retirement is far less emotionally disruptive. The '*at work Friday 5.00pm and retired Monday at 9.00am*' issue mentioned previously is alleviated because the 'jolt' is smoothed through having some activities in common with life before and after retirement. Such people also typically find that they are less likely to experience feeling lost and aimless and asking, '*What do I do with myself now?*' This issue has long been understood in a number of European and Scandinavian countries where a planned, gradual transition to retirement has been the norm for many years.

The psychological benefits of transitioning to retirement have also long been recognised by social researchers in Australia. However, in the past, this otherwise desirable process has been impractical due to lost income when winding down which sometimes resulted under the former superannuation environment and as a result of the inflexibility in workplaces. The good news is that the Australian Government has made changes to the rules which now actively encourage people to '*transition*' to retirement by working part-time and drawing on some of their superannuation income at the same time. You may need to speak to a licensed financial planner to see if you would be eligible for this benefit and if so, how to best tailor it to your financial needs. Equipsuper Financial Planners are one such avenue, and they are familiar with the Equipsuper Fund. You may also wish to explore the opportunity for transitioning to retirement in your workplace.

To summarise, retirement presents you with a wonderful opportunity to embark on new adventures and to personally develop in areas that were impossible while working full-time. Gently easing into your new lifestyle, while simultaneously planning for an active life, provides an excellent foundation for an enjoyable retirement.

Seeking advice

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