

# Nine questions all retirees should ask themselves

Retirement can be a great experience for you to relax, grow and achieve milestones. However, it is much better if you are healthy! Over the years we take proactive steps with diet and exercise to ensure our life after work will be fulfilling at the highest level. Our doctors' visits and daily exercises focus on our physical and mental well-being — yet, is there something else required in order for us to have a positive health experience in retirement? Yes. Financial wellness.

Financial wellness is a component of overall well-being that may often be overlooked. We know that money is important to maintain our lifestyle in retirement. Having stable income that exceeds your expenses contributes greatly to a better night of sleep. However, just because you have positive cash flow doesn't mean there aren't other factors that may impact your retirement experience.

A healthy relationship with money makes us feel satisfied and not overly stressed out. *CBS News* reported that money is the leading cause of stress for adults<sup>1</sup>. Poor relationships with money can cause stress and anxiety that impact overall wellness and the retirement experience.

## Our relationship with money

Our relationship with money stems from interactions we witness or experience related to money, and can be formed as early as age seven. If we experience scarcity, money can make us feel insecure and hinder our retirement joy because we're always concerned there may not be enough. This negative relationship with money can still happen even though we have positive cash flow.

People often falsely believe that money creates happiness. Money does increase overall happiness and quality of life if you are rising from poverty. However, according to a study at Purdue University, households with approximately \$95,000 in annual income have the greatest level of joy<sup>2</sup>. Each incremental dollar afterward does not provide a proportionate amount of satisfaction. There have also been studies that show winning the lottery does not make people happier either<sup>3</sup>.

Individuals with money can have an unhealthy relationship if they don't understand its limits and spend excessively. They can also experience stress from others seeking favors and financial assistance. Prior to entering retirement, you should examine your relationship with money in order to limit stress and anxiety in what should be the best years of your life. Key questions you should ask yourself are:

1. *What are my values about money?*
2. *Where do my money values come from?*
3. *Does money make me feel confident? Or insecure?*
4. *Do I have a history of making good financial decisions? If not why?*
5. *Am I hesitant to take an action when there are issues regarding money?*
6. *Am I impulsive with money or do I have the discipline to say no?*
7. *Do I feel financially literate? If not, am I comfortable asking for help?*
8. *Do I have the right trusted advisors in place to give me proper guidance?*
9. *Do my children have good values with money, especially if they will inherit it from me?*

Having good financial health in retirement has a positive effect on overall well-being. Preparing for retirement should be a holistic exercise that considers your physical, mental and financial health. Mesirow Wealth Management has a long history of advising clients on all aspects of retirement lifestyle and financial planning. We would be happy to discuss your financial wellness with you as you plan for your future.

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<sup>1</sup> <https://www.cbsnews.com/news/the-biggest-cause-of-stress-in-america-today>

<sup>2</sup> <https://www.purdue.edu/newsroom/releases/2018/Q1/money-only-buys-happiness-for-a-certain-amount.htm>

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