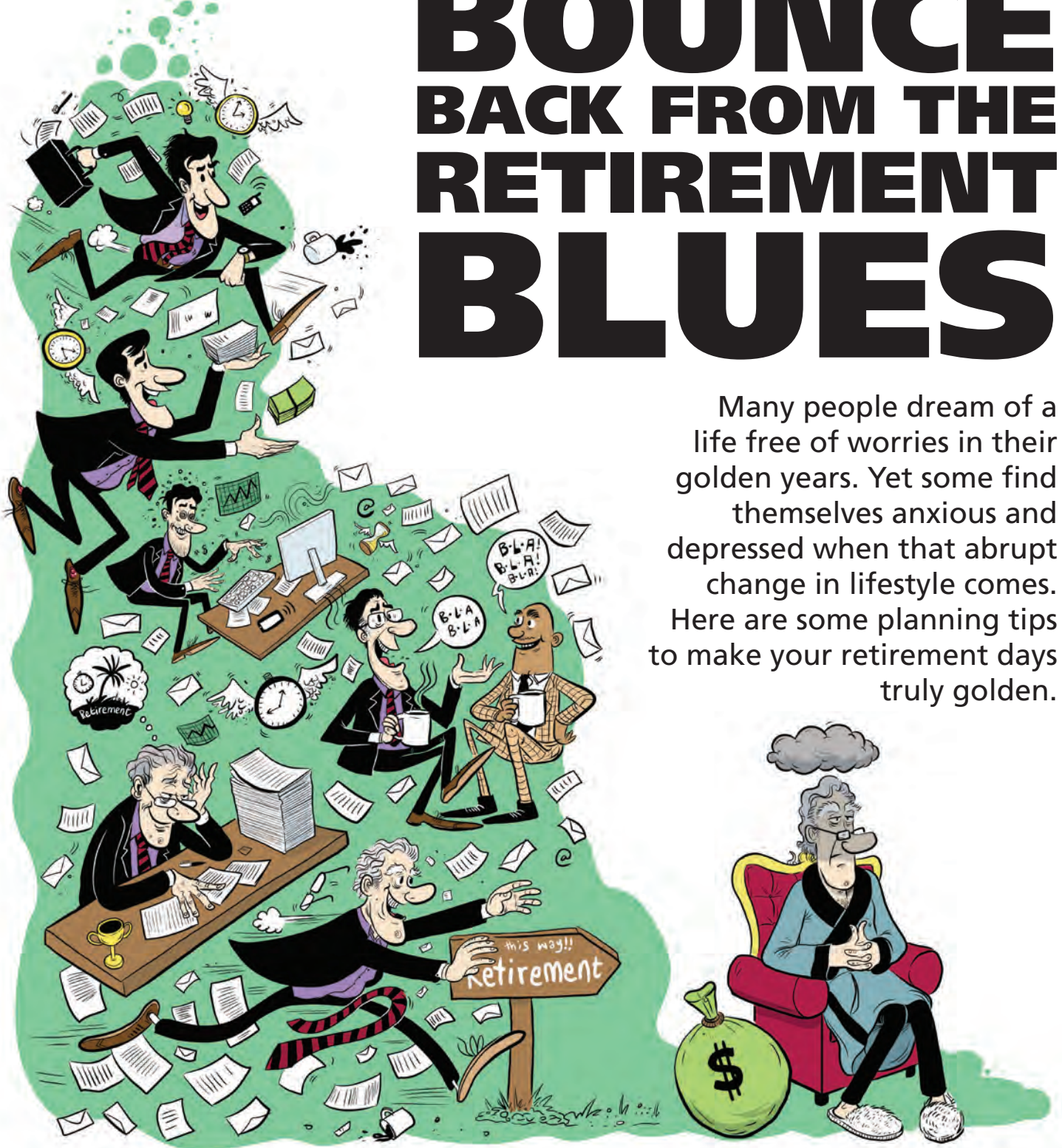


BOUNCE BACK FROM THE RETIREMENT BLUES



Many people dream of a life free of worries in their golden years. Yet some find themselves anxious and depressed when that abrupt change in lifestyle comes. Here are some planning tips to make your retirement days truly golden.

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Robert Delamontagne wasn't used to being caught off guard. After 25 years building EduNeering Inc. into a successful tech company, he was adept at seeing obstacles even before they appeared on the horizon. But when he sold his company and retired his CEO post at age 63, he was shocked by the impact it had on his mental health.

"I started feeling weird emotions," says Delamontagne. "I didn't know if it was depression or what. I was lethargic, aimless, bored. I felt some kind of psychological pressure inside of me, like a malaise."

With his fast-paced, pressure-filled days behind him, he says he had a hard time adjusting to his new retired life. "I went from going 1,000 miles an hour to zero miles an hour," he says.

Retirement raises depression risk

Delamontagne's experience isn't uncommon. Depression is the number one mental health issue facing older Canadian adults, with retirement from work a key trigger.¹ In fact, studies show retiring can raise your risk of clinical depression by 40 per cent.²

"It's more common than people think because, unfortunately, it's not usually openly discussed," says Dr. Gina Di Giulio, director, psychology at Toronto's Medcan, a Canadian healthcare and wellness management firm. "This is especially true in the beginning weeks and months. There is this idea that retirement is this great thing that people look forward to, so it can be very confusing when it arrives, and yet they are not happy."

Symptoms of depression can

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range from mild to severe, and can include anxiety, restlessness, agitation, sleep problems, changes in appetite or weight, decreased motivation and uncertainty about the future.

Social isolation and idle hands raise red flags

For some, retirement closes off a major source of socialization. “Being socially isolated is one of the symptoms of depression, and if people are having a hard time coping with retirement, they may withdraw more from friends and family who might potentially be able to help them adjust,” she says.

“Too much unstructured time can trigger anxiety when structure and routine are removed, because it introduces more uncertainty into a person’s day,” Di Giulio says. “One of the scariest questions that more routine-oriented and structure-oriented people can ask themselves in retirement is, ‘what am I going to do today?’”

Getting busy can help

Becoming active by pursuing some of the things you’ve always said you wanted to do helps. “This is ideally how one should spend their time in retirement, now that the constraints of time [and] work responsibilities are removed,” Di Giulio says.

Delamontagne says he escaped his depression by, first, recognizing what was happening, and second, getting busy doing all the things he’s always wanted to do but just didn’t have the time.

“I went on a 170 km bike ride. My family members went with me because they were afraid I was going to have a heart attack,” he says. “I went to Spain and walked the Camino Santiago, a nearly 200 km walk from France to Spain that people have been doing for 1,000 years. So I started to do things that were out of the ordinary for me but I felt I needed to break the mold.”

Fortunately, Delamontagne had the money to do it.

Unfortunately, for people who are depressed or anxious about

retirement, the important decisions around the retirement process can cause them to avoid, withdraw from, or procrastinate about retirement planning just when decisions on these issues are vital.

Equally as bad is making a snap decision about a financial problem or delegating the responsibility to someone unqualified, a friend or family member, just to push the problem away.

“One of the symptoms of depression is avoidance, behavioural avoidance, withdrawal from other people, withdrawal from tasks and responsibility. So, definitely, feeling depressed will lead to putting off larger decisions that may feel overwhelming,” Di Giulio says.

She said one of the methods to alleviate stress and anxiety is to have a mental plan. Just as a financial advisor helps a client move through the phases of life, people must have a roadmap for the mental transition from a working lifestyle to a retirement lifestyle.

Secret to a happy retirement: plan ahead

Reaching retirement with enough money to do what you want, when you want to do it, is the number one concern of those seeking financial advice, says Zeljka Walker, an investment advisor at TD Wealth in Vancouver. “It is the first question clients all ask,” she says. “It’s a conversation we have at every meeting.”

Not planning well in advance of retirement, on the other hand, can force people to work longer and take on more risk in their investments, as a fixed income may not provide the long-term security they require or desire. It could also mean downsizing your property, moving to a less expensive neighbourhood or reducing your general standard of living, she says.

Walker has seen these financial compromises lead to frustration, stress, anxiety and depression in clients. “Some people have ended up in divorce,” she says, “or see their health deteriorate.”

In order to pre-empt this frustration and be prepared when retirement day arrives, Walker stresses that pre-retirees focus on these specific aspects of planning; retirement lifestyle goals, the financial strategy to fund these

goals, how their risk-tolerance will change, and their health.

She said people can't really plan retirement until they have concrete goals of what they want to do; travel, downsize their home, devote themselves to hobbies or charitable works, or spend time with grandchildren or friends. Each of these decisions comes with a cost, and until a pre-retiree thinks hard about what retirement looks like, financial planning lacks a mandate.

Getting your personal finances in order to fund this goal is the next step, and working with an advisor can help you reach retirement goals, modify them as necessary, help you determine whether you can retire earlier than expected or if you need to keep working a few more years to finance your dreams sufficiently. Pre-retirees who have a pension have to determine what their pension will look like at the age they wish to retire, and how their investments can supplement the pension.

Tied to this are changes in risk tolerance as someone heads into the last decade of their working years. A long timeline allows for investments to grow, but investments may need to become more conservative as a person focuses on wealth preservation rather than wealth accumulation.

Health is another large aspect of financial planning Walker says. People have to consider 'what if' scenarios and ensure that insurance, wills, powers of attorney and estate planning are in place if illness suddenly strikes.

Finally she asks pre-retirees to envision what day-to-day living with their spouse or partner will look like. She said it's great that couples want to spend time together but few are ready to spend time glued together, 24 hours a day. She said accommodations and compromises have to be made if partners have different interests and plans in retirement. She stresses these decisions need to be discussed in the years leading up to retirement, not the morning after the retirement party.

What happened to Robert?

Ultimately, with a healthy dose of self-reflection and early financial planning, retirement can be the time of your life, says Delamontagne. Beyond

travelling and setting physical challenges for himself, Delamontagne says turning his mind toward helping others who are facing the same challenges in retirement has also helped him enjoy his post-working life. He has gone on to write a series of books to help others facing depression in retirement, including *The Retiring Mind: How to Make the Psychological Transition to Retirement*.

The bottom line

Speaking with a professional about your options before you retire is critical, Walker says. “Knowledge is empowering,” she says. “Financial plans offer scenarios to see if you can meet your goals. You have an actual plan in writing of all your assets and debts, and income and expenses. It is a clear picture of where you are now and where you are going in the future.”

— *Don Sutton, MoneyTalk Life*

¹Mental Health Commission of Canada, Guidelines for Comprehensive Mental Health Services for Older Adults in Canada, For the Seniors Advisory Committee, June 2011.

²“Work Longer, Live Healthier: The relationship between economic activity, health and government policy,” Gabriel H. Sahlgren, The Institute for Economic Affairs UK (IEA) Discussion Paper No. 46, May 2013.

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