The Six Stages of Retirement: How to Navigate the Journey from Anxiety to Purpose

Retirement isn't a single day marked by speeches and gold watches. It's a transition that unfolds in stages — emotionally, financially, and practically. In Ireland, research indicates that a significant proportion of retirees experience wellbeing challenges within the first two years of finishing work. Meanwhile, understanding your financial needs becomes critical when you consider that the median household disposable income is €55,149 according to the latest CSO data.

The message is clear: preparing financially is essential, but so too is preparing emotionally and psychologically. Let's explore the six recognised stages of retirement and how to approach each one with clarity, confidence, and purpose.

Stage 1: Anticipation & Anxiety – More Than Just a Pension Pot

For many, the years leading up to retirement are filled with contradictory emotions. There's excitement at the thought of freedom but also anxiety about whether savings and pensions are enough. According to the CSO's latest pension coverage data, supplementary pension coverage stands at around 67% of the working population, leaving many heavily reliant on the State Pension, currently €277.30 per week - for those who qualify. Beyond the numbers, there's a non-financial gap too. Many people focus solely on building their nest egg, neglecting questions like: What will I do with my time? How will I stay connected?

Anticipation is the time to stress test your finances and visualise your lifestyle. Ask: Am I saving enough now so I can spend more later? Do I know what my day-to-day retirement will feel like?

Stage 2: The Big Day – Why Celebration Can Be a Shock to the System

The last day at work is often a blur of handshakes, speeches, and perhaps a leaving party. But what comes after the cake and congratulations? For some, the "big day" feels like crossing a finish line. For others, it's the first moment of uncertainty.

This stage can expose gaps in planning. Financially, it's the point where income switches from employment and business ownership to pensions, savings, and investments. Cash flow planning becomes critical — especially for business owners and self-employed professionals who may not have structured workplace pensions.

Treat retirement day not as an ending but a transition point. Ensure income streams are clear and sustainable, and aligned with your lifestyle goals before you reach it.

Stage 3: The Honeymoon Phase – The Holiday That Can't Last Forever

At first, retirement can feel like an endless holiday. Travel, hobbies, long lunches - then finally, the freedom you've worked for. But this phase often comes with pitfalls: overspending, under-planning, or over-indulging in filler leisure activities.

Mitch Anthony, author of *The New Retirementality*, warns that without a sense of purpose, the honeymoon glow fades quickly. Statistically, many retirees run into unexpected budget pressure within the first 18 months due to lifestyle inflation and unrealistic spending assumptions.

Enjoy the freedom but set guardrails. Budget for discretionary spending and begin exploring activities that bring meaning beyond just leisure.

Stage 4: Disillusionment – The "Something's Missing" Moment

Somewhere between six months and two years in, many retirees face what psychologists call the "Something's Missing Syndrome" (SMS). The novelty has worn off. The routines of work are gone. Hobbies don't fill every hour. Loneliness, boredom, and even depression affect a substantial proportion of retirees at this time. Financially, this stage can also reveal imbalances: withdrawing too much too early leading to anxiety about running out of money, or conversely, becoming overly cautious and under-spending.

Recognise that disillusionment is normal. It's a signal to reassess - both emotionally and financially. A clear spending plan and social connections are equally important safeguards.

Stage 5: Renewal – Building Purpose After the Dip

With reflection comes renewal. At this stage, retirees begin building a new rhythm, often experimenting with part-time work, volunteering, or mentoring. Some return to projects left unfinished. Others find joy in education, community, or family roles. From a financial standpoint, this is where flexibility matters most. Cash-flow modelling can help test scenarios: What if you reduce withdrawals now? What if you downsize? What if healthcare costs rise? Lifestyle Financial Planners often recommend building in "optionality", so you can adapt to your evolving priorities.

Renewal is about small experiments and course corrections. Don't be afraid of false starts. Use financial planning tools to ensure your money supports, not limits, your new identity.

Stage 6: Rewirement – Living Life on Your Terms

The final stage isn't retirement at all, it's Rewirement. Here, you've built a life of purpose, balancing financial security with a meaningful daily routine. You're no longer "retired" but living intentionally, aligned with your values. George Kinder, pioneer of life planning, describes this as the stage where money becomes a tool for freedom rather than a source of anxiety. In Ireland, this may mean designing a life around community, family, or personal legacy - whether through volunteering, mentoring, or simply living well.

True retirement success is measured not just by income, but by fulfilment. Rewirement means you've achieved both.

Proof It Works – A Real-Life Journey

One of our clients, a business owner in his late 50s, came to us nearly two years ago before retirement with significant anxiety. His pension was solid, but his fear was losing the identity tied to his work.

We worked together on two fronts:

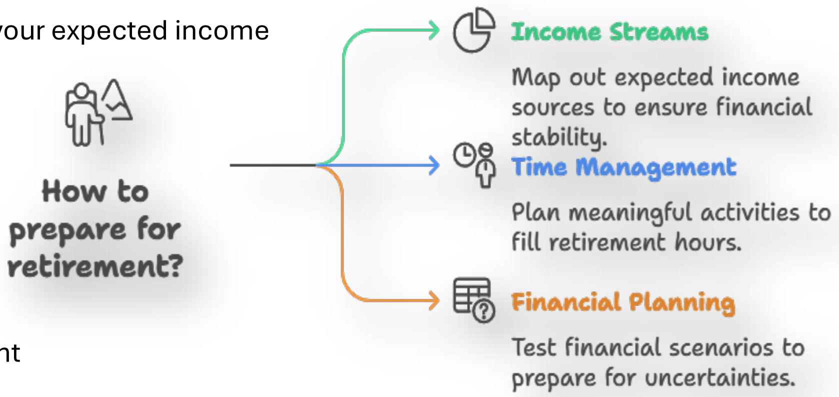
1. **Financial:** Structured his pension drawdowns, tax planning, and cash-flow projections. We stress-tested different retirement spending scenarios, ensuring he could afford both additional leisure and unexpected healthcare costs.
2. **Lifestyle:** Helped him explore mentoring and other advisory roles he felt a connection to, so he stayed connected and purposeful.

The result? Today, he's in the renewal stage, steadily moving towards Rewirement. His finances are secure, but more importantly, his life feels meaningful.

Actionable Toolkit – Where to Begin

If you're approaching retirement, here are three starter steps:

- **Ask the Money Question:** Do you know your expected income streams? State Pension, occupational pension, private savings, rental incomes, — map them clearly.
- **Ask the Time Question:** How will you fill 168 hours a week? Write down five meaningful activities you want to try.
- **Stress-Test Your Plan:** Use cash-flow modelling or seek advice from a Certified Financial Planner to test different "what if" scenarios.



The Next Step

Retirement isn't one moment in time. It's a six-stage journey that blends financial decisions with emotional transitions. The sooner you prepare for both, the smoother the road ahead.

If you're wondering "Which stage am I in right now?" - that's your cue to start planning. And remember, the goal isn't just retirement. It's Rewirement: building a life of security, meaning, and purpose.

If you would like to discuss how we can help you in this matter, then please get in touch. Email info@lifestylefinancialplanners.ie or call 096-75951 to reserve your complimentary **Discovery Meeting**.