GEARING UP TO YOUR RETIREMENT

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KEY AREAS OF DISCUSSION

-OVERVIEW OF THE RETIREMENT PHASES.

-SETTING PERSONAL AND FINANCIAL GOALS.

-UNDERSTANDING LIFESTYLE CHANGES.

RETIREMENT DEFINED,

-RETIREMENT IS THE TIME OF LIFE WHEN ONE CHOOSES TO PERMANENTLY LEAVE THE (FORMAL WORKFORCE) BEHIND AND FOR GOOD.

-WHEN YOU NO LONGER NEED TO WORK TO LIVE COMFORTABLY, BUT RELY ON SAVINGS OR PASSIVE FORMS OF INCOME TO FUND YOUR LIFESTYLE.

-A STAGE IN LIFE WHERE AN INDIVIDUAL GRADUALLY **DISENGAGES** FROM THE MAIN STREAM OF ACTIVE WORK/SOCIAL LIFE.

(CAN BE VOLUNTARY OR MANDATORY)

THERE ARE 3 TYPES OF RETIREMENT:

-VOLUNTARY,

-INVOLUNTARY,

-STATUTORY RETIREMENT.

JOSHUA 13:1

AND THE LORD SAID TO JOSHUA:

"YOU ARE OLD AND ADVANCED IN YEARS AND THERE ARE STILL VERY MUCH LAND TO POSSESS."





-WHAT IS YOUR TAKE WHEN-EVER YOU **HEAR** WORD RETIREMENT.?

- WHERE DO YOU WISH TO RETIRE?

-HOW MANY YEARS BEFORE YOU RETIRE?

- WHAT INCOME ?

-ARE YOU APPROACHING THE RETIREMENT AGE?

- WHAT TO DO WITH RETIREMENT ?

-HOW PREPARED ARE YOU FOR EVENTUALITY?

- DO YOU HAVE PLAN B?

-RETIREMENT IS NOT THE END OF THE ROAD.

-THERE IS A WHOLE **NEW KIND OF LIFE** AHEAD, IN WAITING

-THOUSANDS OF PEOPLE RETIRE EVERY DAY

-THERE ARE NO **UNIVERSAL RULES**. IT IS BASED ON INDIVIDUALS AND CIRCUMSTANCES.

-IT IS A **REALITY** AND ONE CANNOT TAKE BACK SEAT.

-RETIREMENT NEEDS TO BE TREATED AS A MATTER OF PRIORITY.

-IT **COINCIDES** WITH OLD AGE, WHEN OPPORTUNITIES ARE VERY MINIMAL.

-YOU CANNOT **CONTROL** WHEN TO RETIRE DUE TO SOME EVENTUALITIES.



NB

-INITIALLY RETIREMENT WAS NOT THERE PEOPLE WERE WORKING TILL ONE IS UNABLE TO WORK OR DEATH.

OVERVIEW OF THE RETIREMENT PHASES.

SIX PHASES OF CAREER

1.EARLY CAREER 20- 30 YRS (YOUTHFUL STAGE)

- -PEER PRESSURE
- -ESTABLISHING CAREER
- -STARTING TO SAVE SACCOS
- -MANAGING STUDENT LOAN DEBT
- -RELIANCE ON PARENTAL SUPPORT
- -CELEBRITY "LIFESTYLE" (YOLO)
- -RECKLESS SPENDING NO SAVING

2.ESTABLISHMENT PHASE (30S-40S)

- -ADVANCING IN CAREER.
- SAVING FOR HOMEOWNERSHIP.
- GROWING INVESTMENT PORTFOLIO.
- SAVING WITHOUT A FINANCIAL GOAL.
- HUGE DEBT LIFESTYLE PRESSURE.
- IDLE CAPITAL NON STRATEGIC PLOTS...

3.<u>MIDLIFE STAGE</u> (40S - 50S)

- -PEAK EARNING YEARS
- -VENTURING INTO PASSIVE INCOMES
- INTENSIFYING RETIREMENT SAVINGS
- -LONG TERM OBLIGATION- MORTGAGE
- -AGEING / AILING PARENTS
- -INCREASED COST SCHOOL FEES.

4.<u>PRE-RETIREMENT</u> (50S - EARLY 60S) (PEAK STAGE)

- -FINANCIALLY INDEPENDENT KIDS.
- -FINALIZING RETIREMENT PLANS.
- -GROWING PASSIVE INCOMES.
- -PENDING LONG TERM OBLIGATION.
- -UNMET FINANCIAL OBLIGATIONS.
- -CONSOLIDATION.

5. <u>RETIREMENT</u> (60S AND BEYOND)

- -RELIANCE ON PASSIVE INCOME,
- -DRAWING ON RETIREMENT SAVINGS,
- -MINIMAL LIVING EXPENSES,
- -ILLIQUID ASSETS /INVESTMENTS,
- -CHALLENGES WITH COMORBIDITIES,
- -LONGEVITY
- -LEGACY PLAN CONCERN.



SIX PHASES OF RETIREMENT



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1- PRE -RETIREMENT 50 - 60 YEARS

-BIG PLANS AND REVIEW FINANCES, SELF-CARE, BUILD RELATIONSHIP

-CHANGE MANAGEMENT

2- EARLY RETIREMENT 60 -75 YEARS (YOUNG OLD)

SELF-SUFFICIENCY.

CHANGE MANAGEMENT, CASH FLOW/HEALTH AND SELF-CARE.

3- LATE RETIREMENT 75 – 85 YRS (OLD – OLD)

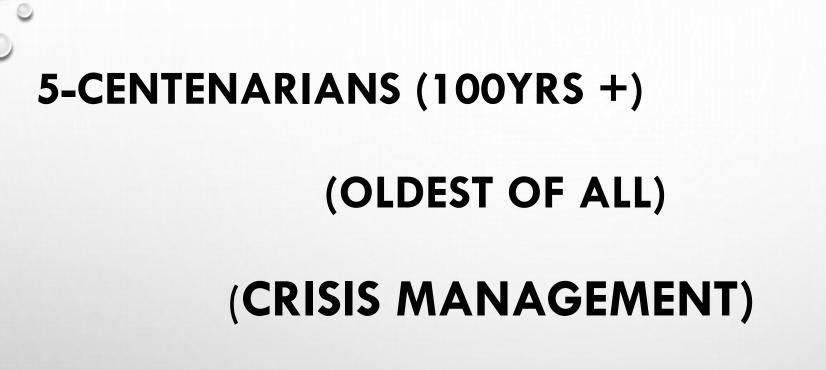
INTERDEPENDENCE.

SELF-CARE, RELATIONSHIP, FINANCIAL CASH FLOW, HEALTH CARE COSTS

4-MID – RETIREMENT 85 -99 YRS (OLD – OLDEST)

DEPENDENCE.

EXPENSES MAY REDUCE, SELF-CARE, HOLIDAYS



-END OF LIFE AND BEREAVEMENT.

-SOME OLDER ADULTS ARE TAKEN CARE BY FAMILY OR MAY ENTER HOSPICE CARE OR HOME FOR THE AGED.

-THE GOAL AT THIS STAGE IS FOR THE OLDER ADULT TO FEEL AS COMFORTABLE AS POSSIBLE.



SETTING PERSONAL AND FINANCIAL GOALS.

(WHAT KIND OF INVESTOR ARE YOU?)

□ 1. CONSERVATIVE INVESTOR---RISK AVERSER

FIXED DEPOSIT/MMF/BONDS

2. MODERATE INVESTOR----MODERATE RISK.

REAL ESTATE/PROPERTIES

3. **AGGRESSIVE INVESTOR-**—A RISK TAKER. MATATUS/STOCKS



BUDGETING TIPS

1. STICK TO YOUR BUDGET

2. DON'T SPEND WHAT YOU **DON'T HAVE**.

3. TAKE CONTROL OF YOUR EXPENDITURE

4. GO FOR BULK SHOPPING.

5. PREPARE FOR THE IMPACT OF INFLATION.



FINANCIAL FEARS IN RETIREMENT

1. SUDDEN LOSS OF INCOME.

2. HUGE/RECURRENT MEDICAL COST.

3. RETIRING WITH **DEBTS** BURDENS.

4. RETIRING WITH INSUFFICIENT BENEFITS.

5. DEMANDS FROM **PRODIGAL** CHILDREN.

6. OUTLIVING YOUR RETIREMENT BENEFITS.

7. LACK OF **LEGACY** PLANS.

8. RETIRING WITH UNMET FINANCIAL OBLIGATION



UNDERSTANDING LIFESTYLE CHANGES.

(FACTS ABOUT RETIREMENT)

(CHALLENGES OF RETIREMENTS)



THE TOP RETIREMENT CONCERNS THAT RETIREES GO THROUGH.

- 1.- PAYING FOR HEALTH CARE,
- 2.- PRUDENT UTILIZATION OF SAVINGS,
- 3.- MAINTAINING AN INCOME STREAM,
- 4.- SERVICING DEBTS (IF ANY).



5-IMMOBILITY-PRE-EXISTING SICKNESS

6-RESISTANCE TO CHANGE

7-REDUCED PHYSICAL ACTIVITIES (POOR NUTRITION)

8-DECLINE MENTAL HEALTH (MEMORY LOSS)

9-GENERAL LIFESTYLE CHANGES

10- REDUCED MEANINGFUL SOCIAL INTERACTION

11-REDUCED CASH FLOW

12-CHALLENGED RELATIONSHIPS

13. NORMAL EMOTIONS WITH TRANSITION

-ANXIETY ADJUSTING TO ROUTINE OR MAINTAIN YOUR RELATIONSHIPS.

-MORE TIME AT HAND AND SOMETIMES LESS MONEY TO SPEND.

-STRUGGLE/FRUSTRATIONS TO SWITCH OFF FROM EMPLOYMENT MODE (ANGER, RAGE)

14. UNFINISHED PROJECTS.

15. UNMET FINANCIAL OBLIGATION



PARTING SHOT

START SAVING EARLY.

SET TARGETS.

DIVERSIFY INVESTMENTS.

MANAGE DEBTS.

- LIQUIDITY IS CRUCIAL.

- SOCIAL CAPITAL

HEALTH INSURANCE

MAINTAIN STATUS

DIET AND EXERCISE

