

# Some Retirement Planning Tips

**Steve Snelling**

IISE - Industry Advisory Board (IAB)

IISE Fellow

Boeing Co. (*retired*)

*Seattle, Washington*

[stephen.r.snelling@gmail.com](mailto:stephen.r.snelling@gmail.com)

# My Background

- B.S. in Industrial Engineering at Virginia Tech & additional Consulting & Projects training (*later*)
- Co-Op student (*7 work quarters while in college*)
- Worked 5 yrs. as an Area Industrial Engineer
- Worked 12 yrs. as a Management Consultant (*worked in 25 states & Canada*)
- Worked 23 yrs. with the Boeing Co. as an IE-Special Projects Manager & Coach (*retired*) [*all twin-aisle airplanes: 747, 767, 777 & 787*]



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- IISE - Industry Advisory Board (IAB)
  - IISE Fellow
  - Past President of Seattle IISE Chapter
  - Past President of PSEC (Puget Sound Engineering Council) – *made up of 22 local engineering societies*
  - University of Washington – *mentoring ISE students*



# Introduction

- Retirement is very different for everyone, but this presentation will cover some tips & observations, from my retirement.
- I have thoroughly enjoyed my Retirement, and I'm still following my initial Plan (for the most part).
- I do a lot of volunteer activities locally & nationally with IISE & with the U.W.'s ISE department.
- I do a lot of "road trips" to visit U.S. National Parks, Western State Parks, and fly-in/rental car trips to see my East Coast relatives.
- I regularly meet with some of my former Boeing co-workers for lunch.
- I also do some fun writing (articles & family bios).

# When To Retire

- This important decision, may be complex, if you have lots of options,
- Or it may be easy & obvious, if made for health reasons or a company lay-off situation.
- It helps to have a good Retirement Plan, including a Financial Plan.
- It really helps to know what you want to do in Retirement.
- Leave enough time to wrap up things at work and hand-off your projects, & fill out Retirement paperwork.

# Initial Transition

- Minimize other major changes the first 3-6 months of Retirement.
- Take some time to adapt to the change.
- Not having to get up to go into work every day is the best part.
- But try to keep some structure & routine each week.
- Don't rush into part-time work or contract work; try Retirement out first.

# Location Issues

- Long before you retire, consider whether you will be moving to a new location.
- Try extended visits to any potential new location, to see if you like it.
- “Retiring in place” is much more common these days, and convenient.
- But consider down-sizing if in a large, square-footage house.

# Retirement Plan

- Have a simple Retirement Plan (only 1-2 pages long).
- If you didn't have a Retirement Plan, create one your first 3 months of Retirement.
- Keep to the original Plan long enough to decide if it needs changing.
- Don't put any unnecessary pressure on yourself.
- Don't let others pressure you.
- If something doesn't work out, consider dropping it.
- Don't rush your decisions, or over-think them,
- Most retirement decisions are not irrevocable, and the few that are, will need careful thinking (e.g. when to retire, possible relocation, taxes).

# Financial Plan

- Stay with your initial Financial Plan.
- If you didn't have a Financial Plan, make one your first six months of Retirement.
- Pay down or pay off any loans, if possible (including mortgages).
- Figure in the financial assistance you may be giving to your parents and children/grandchildren.
- Monitor that you are staying within your available budget (I regularly monitor my checking account total online & pay all credit cards off each month).
- Look carefully at all unnecessary expenses (particularly monthly charges).

# **Financial Plan**

*(continued)*

- Get help with your finances (if needed), but be careful in any long-term 3<sup>rd</sup> party arrangements.
- Don't move your Investments too often; and minimize your financial risks.
- Make your tax payments automatic & easy.

# Donations

- You can still give donations to charities & other groups while in Retirement,
- But cut back on the amount, based on your new income & finances.
- Keep good records of all your donations, particularly annual donation amounts,
- Use this as a variable budget item, once you see how your finances work out.

# Healthcare

- Most companies have you switch over to Medicare when you reach 65 in Retirement.
- If you retire before 65, you may still be covered by a company healthcare plan.
- Once on Medicare, you will need to pick up some supplemental health insurance.
- Best to buy supplemental health insurance online, so you can see the cost for each option.
- Dental Plans are paid for separately & not covered by Medicare.

# Life Insurance

- Often a company-paid Life Insurance plan will expire when you retire.
- If you need additional Life Insurance, plan to pick this up on your own, before you retire.

# Social Security

- Deciding if & when to take Social Security is different for each individual & their spouse.
- Best to go to a local Social Security office and learn about your current & future options.
- If not planning to use Social Security income, then make sure you have enough other sources of income.

# Home Computing

- Have a good laptop computer with software you know how to use.
- Send everyone you regularly contact, your home email (and that your work email is no longer valid).
- Have a fast Internet connection at home.
- Keep good Security software installed.
- Backup your files often (to a remote location, like a portable hard drive).
- Pay for tech help, when you need it.
- Keep your files & emails organized.
- Make it easy to travel with your laptop or tablet and keep it secure.

# Volunteer Activities

- Look carefully at the volunteer activities you like to do.
- Don't commit to any new activities, until you think about them.
- Be ready to say: “*No thank you*” often, and mean it, when approached by others for new volunteer activities you are not interested in doing.
- Don't commit to any multi-year positions, your first year of Retirement.
- Look for some new volunteer activities that utilize your skills & interests.
- Look for ways to “give back” to your profession, such as serving on University, Engineering Advisory Boards and IISE volunteer groups.

# Relatives and Friends

- Plan to spend more time with relatives, including more “road trips” to visit them.
- Try to keep up with many of your friends, with occasional lunches & dinners.
- Many friends at work may be hard to keep up with, so don't force this.
- Plan to make some new friends, through new volunteer activities.

# Your Schedule

- Plan to do a few things on a regular basis, to maintain an active schedule.
- Keep regular hours, most of the time.
- Use work-day hours to run most errands, when many stores & shops are not as crowded.
- Keep your activities schedule current & portable (on your cell phone or computer).
- Consider carrying an easy to use, inexpensive, digital voice recorder, to make notes & record thoughts.
  - Easier to use than the recording feature on your cell phone.

# TV Usage, Movies & Books

- Minimize your TV usage.
- Don't get too distracted by local & national news.
- Make it easy to watch movies anytime (either On Demand, or buy some DVDs).
- Plan to read more books for pleasure & visit your local library often.
- Listen to music while reading, writing and relaxing.

# **New Activities**

- Re-think what you like to do (and don't like to do).
- Try some new things.
- Re-visit your creative talents & explore them some (painting, or writing, or woodworking, or gardening).
- Maybe start writing your autobiography (for family members, not for publishing).
- Consider taking local Community College classes to learn about some topics of interest.
- Consider instructional DVDs & online classes.
- Consider learning a new foreign language.

# Retirement Travel

- Plan to travel differently in Retirement (vs. your former business travel & vacation travel).
- Be ready to travel often and on short notice.
- Keep good travel websites, hotels & restaurants, organized into electronic folders (on your laptop computer/tablet) for the cities you regularly visit.
- Combine travel trips, such as visiting relatives & nearby sights (e.g. National Parks or State Parks).
- Use extended layovers on connecting flights, if you want to spend extra time in the connecting city (or book connections as 2 separate flights).
- When visiting relatives, sometimes staying at a nearby hotel is the easiest, for everyone.

# **Retirement Travel**

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- Fly-in & drive - trips will require a comfortable rental vehicle (get something similar to what you drive at home).
- Make it easy to change your travel plans, and be flexible.
- Keep your travel expenses to a budget (initially).
- Look for available discounts & online reservations, and quick check-in features.

# Some Summary Comments

- Retirement is very different for everyone.
- This presentation covered some tips from my retirement.
- For various reasons, you may need to come out of Retirement (finances, boredom, other interests, etc.),
- So you need to plan the initial decision of when, where, how & why you will retire, with care.
- Give your Retirement a chance, before going back to work (even part time).
- A good, simple, Retirement Plan & Financial Plan will really help.
- Retirement can be very rewarding; mine has been very enjoyable.

# **List of Items Discussed**

- ✓ **When to Retire**
- ✓ **Initial Transition**
- ✓ **Location Issues**
- ✓ **Retirement Plan**
- ✓ **Financial Plan**
- ✓ **Donations**
- ✓ **Healthcare**
- ✓ **Life Insurance**
- ✓ **Social Security**
- ✓ **Home Computing**
- ✓ **Volunteer Activities**
- ✓ **Relatives & Friends**
- ✓ **Your Schedule**
- ✓ **TV Usage, Movies & Books**
- ✓ **New Activities**
- ✓ **Retirement Travel**