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Who Will Get Your Time, Energy and Money in Retirement?



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JONATHAN GUYTON: What's one practical new year's resolution soon-to-be retirees should make?

In a nutshell, resolve that 2015 is the year to consider the question, "Who's it for?"

Who is it for, that precious time and that sage energy and those well-saved financial resources of yours? Of course, first and foremost, they are for you. For family and friends. For who (and what) matters most. They are for priceless golden moments over precious golden years, and they are secured by the sometimes precarious twin pillars of health and financial resources. True enough. It is natural to focus on their fleeting nature that can never be taken for granted. There is only so much of each: health, time, money. Never enough. In their own way, each seems so scarce.

Paradoxically, each may also be surprisingly abundant. In observing our many retired clients, we see most discover there is surprising time to invest in relationships both old and new. One couple relocated to Colorado to be near—though not too near—a daughter and her growing

family; they are creating a new life also filled with vibrant new friendships and connections. Others find renewed energy to contribute to meaningful causes and passions that take nothing from their already-rich life of seasonal patterns. Another, a cancer survivor, has always cared deeply about religious education for young people. In retirement, she combined this with her desire to travel to remote destinations and has found herself making weeklong journeys to expand and rehab orphanages and experiencing both sights and insights impossible on her own.

It is money that's often the last bastion of scarcity to fall. Understandably, there can be great fear around having enough money. This clearly affects how we "spend" time and "invest" energy. Regrettably, it often means living life looking back over your shoulder. It produces regrets themselves that go beyond bucket lists with no check marks. Yet, human nature is also our great ally against financial scarcity. Our self-preservation instinct can be an ingredient for tasting a sense of abundance. When the economic ride gets bumpy, we naturally tap on the spending brake. If markets seem perilous, we can stay put and focus on simpler, less expensive pursuits. Most major contingencies can have their more catastrophic financial scenarios insured away. Plus, there is consistent evidence that retirement spending, adjusted for inflation, declines slightly over time even considering health costs. And every credible "safe withdrawal" retirement income strategy, if faithfully followed, ends up with a far higher ending value than when it started. Short of events like U.S. government bonds defaulting in earnest, FDR was pretty much on target about "the only thing we have to fear."

The winds of human nature, self-preservation and financial sustainability all tend to blow your retirement finances in the same perhaps surprising direction: toward abundance relative to scarcity. Imagine the energy boost this can bring to your retirement. For yourself, your family and all you care about, resolve to consider "who all it's for" as this decade's second half dawns.

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