The Psychology of Retiring

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SECTION 1

Psychology of Retiring
What keeps people from retiring?

- Really **enjoy work**
- **Financial issues**—not enough retirement funds to live on; fear of outliving retirement funds
- Concerns of **boredom, unhappiness, wither away**
- **Painful and unhappy tasks**—e.g., health care
- Anxiety about **psychological adjustments**—loss of career identity; loss of friends and support network from work
- For some, it is likely that the **psychological issues outweigh** the financial issues
Motivations to Retire

**Tired of working**—burnt out, no longer enjoy work

**Field and technology have changed**—may have passed you by

**Can’t do the work** any longer due to:
  - health issues
  - psychological issues
  - family obligations

**Prefer to do other things:**
  - travel
  - write the great novel
  - spoil the grandkids
**Psychology & Behavioral Economics**

**Status quo bias**—inertia, we get stuck where we are (poker hands; stocks).

**Loss aversion**—this is a big reason for status quo bias. Losses weigh more heavily than gains (trading pens for mugs; buying and selling prices).

**Regret**—actions bring more regret than inactions (money lost by switching stocks vs. staying with the same stock).

All the above suggest that, in general people will be more likely to make an error by staying at their job too long rather than retiring too early.
Psychological issues and concerns:

- Go part-time—related job or new employer
- Volunteer work—meaningful and provides social contacts
- Travel more
- Focus on “hobby”/passions
- Look at what your retirement city has to offer
- Talk to friends and colleagues who have retired
Financial issues and concerns:

• Meet with Fidelity Retirement Planners (virtual or telephone)

Painful tasks (e.g. Medicare):

• Speak to IU Human Resources or local Social Security Office

For Faculty:

• Possibility of phased retirement through IU Phased Retirement Program
IU Phased Retirement Program

Voluntary opportunity to “phase” into retirement while you:

• Withdraw from retirement funds while still working (IU Retirement Plan, TDA and any funds held at Fidelity in a 457(b))

• Continue to work while taking partial leave without pay

• Continue IU medical, dental, and other benefits

• Reduce workload by 20–50% for 12–36 months
SECTION 2

Speaker Stories
Jan C. Halperin, CFRE
Retired Vice Chancellor for University Advancement
Indiana University Kokomo
Jan C. Halperin, CFRE

There is only one road, but there are many paths.

- Background
- What are my fears that will happen if I retire?
- What would I like to do when I retire? How will I keep busy?
- What brings warmth to my heart?
- Where will we live?
- Final Steps before you retire
- Why did I choose the title of my talk?
Thank You!

Questions?