



Financial Planning for Midwives and Birth Professionals

The Many Definitions of Retirement: Choosing Your Path Before Planning

Retirement, in its most traditional sense, is the moment when an individual chooses to step away from their long-term career, generally in their 60s or early 70s, and begins a new phase of life where work is no longer a central focus. However, the concept of retirement is evolving. Today, there are many different definitions and interpretations of what retirement looks like, and understanding these variations is essential for anyone who is considering this significant life transition.

Before diving into the logistics of retirement planning—whether that's financial planning, healthcare arrangements, or lifestyle changes—it's important to first understand the personal and philosophical choices involved. Retirement is no longer a one-size-fits-all milestone; instead, it has become a deeply individual journey. In this expansive description, we'll explore how different people perceive retirement, the diverse paths one can take, and why it's crucial to define your own vision of retirement before making detailed plans.

1. Traditional Retirement: The End of Full-Time Work

- Stop working full-time
- Enjoy personal time for hobbies, travel, and relaxation
- Focus on family or personal projects
- Begin living off retirement savings, pension funds, or Social Security

For many, this kind of retirement is appealing because it offers freedom from the daily grind and the opportunity to enjoy life at a slower pace. People who embrace this path often envision themselves as having earned their retirement after decades of hard work, looking forward to spending their time doing things that they couldn't do while working.

2. Phased Retirement: Gradual Transition Into Full Retirement

- Working part-time for a few years before completely stepping away
- Reducing responsibilities or shifting to a consultancy or advisory role
- Offering your skills on a project-by-project basis

For some, phased retirement allows a smoother transition into life without full-time employment, providing the opportunity to adjust to a new rhythm. This option may help alleviate the stress of abrupt lifestyle changes and offers a cushion financially, as it allows continued income while starting to enjoy retirement activities.

3. Active Retirement: Focus on Engagement and Contribution

Another modern approach to retirement is active retirement, which emphasizes continued engagement with life in new ways, even after leaving full-time work. Individuals

who opt for this type of retirement often remain physically, mentally, and socially active. Active retirees might:

- Take up new hobbies or sports, like hiking, tennis, or painting
- Start a new business, volunteer, or engage in community projects
- Travel, learn new languages, or pursue educational goals
- Join social clubs or engage in lifelong learning

This form of retirement is often defined not by stopping work but by redefining what work and purpose mean in later life. It's about continued growth and fulfillment, where retirement is seen as an opportunity to reinvent oneself and contribute to the world in new, meaningful ways. For many, active retirement is about purposeful living rather than withdrawing from society.

4. Semi-Retirement: A Hybrid Approach

Semi-retirement blends aspects of both full-time employment and retirement, allowing individuals to enjoy the benefits of both worlds. This might involve working fewer hours or pursuing income-generating activities that aren't as demanding or stressful as a full-time job. Semi-retirees might:

- Work part time in their existing career or field of expertise
- Open a small business or become a consultant
- Explore passion projects, such as writing, photography, or farming
- Spend part of the year working and the rest traveling or pursuing hobbies

In this model, semi-retirees typically maintain a sense of structure and purpose from work while gaining more freedom to engage in personal interests. Semi-retirement can be an ideal balance for people who find meaning in their careers but also desire more time for personal growth and relaxation.

5. Retirement as a Time of Exploration

- Traveling to places they've always wanted to visit
- Pursuing dreams or projects they've set aside
- Engaging in experiential living, such as backpacking, living in different countries, or trying out a completely new career or lifestyle
- Reinventing their identity by trying things they never had time for before

Rather than focusing on relaxation or slowing down, this type of retirement is about personal reinvention, finding joy in discovery, and embracing change. These retirees may not necessarily be done with work but instead choose to explore new aspects of themselves or the world around them.

6. Financial Independence / Early Retirement (FIRE) Movement

A growing trend among younger professionals is the FIRE (Financial Independence, Retire Early) movement, which encourages individuals to save and invest aggressively in their 20s and 30s to achieve financial independence and retire much earlier than the traditional retirement age. FIRE retirees often:

- Save 50-70% of their income
- Focus on minimalist living and cutting unnecessary expenses
- Achieve financial freedom and retire in their 30s or 40s

For those who are driven by financial discipline and early goal setting, the FIRE movement offers a radical departure from the traditional model of retirement, allowing for greater financial control and the freedom to retire at a much younger age.

7. Retiring to Care for Others: A Caregiving Focus

- Caring for aging parents or family members
- Providing full-time care for a spouse or loved one with health conditions
- Becoming a caregiver to someone in need of daily assistance

In this context, retirement is not about leisure or personal growth; it's about serving the needs of others and shifting priorities to provide care and support to loved ones. While caregiving can be deeply rewarding, it also requires careful planning to ensure the caregiver's physical and emotional well-being.

8. Retirement as Re-Evaluation and Reflection

For some, retirement offers a time of reflection, a period to evaluate past experiences and chart the future. This is often the case for those who experience a personal transformation upon entering retirement. It can be a time of deep self-assessment, rediscovering old passions, and reconnecting with what matters most. In this model:

- Individuals reflect on their life's purpose, goals, and relationships
- They seek to create balance and personal fulfillment after decades of work
- This phase might involve returning to spiritual practices, cultivating mindfulness, or taking time for self-care

For many, retirement is an opportunity to slow down and reconnect with their inner selves without the pressures of a demanding career. It's a time to rediscover meaning and perhaps even initiate a new chapter in life focused on personal enrichment and reflection.

Choosing Your Retirement Path

Ultimately, the choice of what retirement means to you should be rooted in self-reflection and careful consideration of your values, goals, and life priorities. Before beginning the technical aspects of retirement planning, such as saving money or setting up investments, it is essential to ask yourself:

- **What do I want out of retirement?**
- **How do I envision my life after work?**
- **What legacy do I want to leave?**
- **How will I find purpose and joy in this new phase of life?**

The most successful retirements are not those that simply follow the traditional timeline of work to leisure; they are the ones that are thoughtfully planned and personalized. By understanding the many definitions of retirement, you can take proactive steps toward

designing a retirement path that aligns with your life's goals and desires, ensuring that it becomes a fulfilling and rewarding phase of your life.

References

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