

Transitioning From the Workforce: Thinking Beyond Financial Retirement Planning

Many individuals spend a significant proportion of their adult lives at work, and a career often contributes substantially to one's identity, sense of purpose, and social status. Transitioning out of the workforce is therefore a major life change. Successful adjustment to retirement can be influenced by factors such as the level of control over the decision to retire, access to resources, and the ability to detach from the workplace (1).

While financial planning is a critical component of retirement preparation, it is only one element of a broader and more complex transition. The following five considerations highlight non-financial factors that can influence retirement satisfaction and well-being.

1

Plan Your Retirement Beyond Finances

Proactive retirement planning may help alleviate anxiety associated with leaving the workforce and support a more positive outlook on this life transition. Access to resources—including finances and health—has been shown to influence retirement satisfaction (1). Although financial planning is beyond the scope of this article, it is important to recognize that finances, health, and opportunities are closely interconnected. Prior to retirement, individuals should consider what they want their retirement to look like and prioritize goals based on what is realistic and meaningful. Plans should remain flexible, allowing for adjustments in response to changes in finances, health, or personal circumstances, thereby increasing the likelihood of a satisfying retirement.

2

Craft Your Transition From the Workforce

Exiting the workforce can occur in a number of different ways. The flexibility of one's transition is often determined by the level of control and autonomy an individual has over their retirement timing and conditions. Proactively modifying work tasks to better align with changing abilities, skills, or interests can help maintain person–environment fit as one ages (2). Such adjustments may support a gradual and intentional transition, for example, through reduced work hours or phased retirement. However, not all workplaces are able to accommodate flexible arrangements, and individuals must also reflect on their personal values and goals when planning their exit from the workforce.





Optimize Your Health

Deterioration in health is linked to lower retirement satisfaction (1). Engaging in healthy lifestyle behaviours beginning in midlife—or earlier—can help individuals age well (3). Key areas of focus include regularly participating in physical activity, consuming a nutritious diet rich in plant-based foods, limiting alcohol intake, and avoiding smoking. Maintaining health not only supports longevity but also preserves functional capacity and independence, both of which are important for engaging meaningfully in retirement activities.



Build and Maintain Your Social Network

Relationships with coworkers frequently end after retirement, increasing the importance of relationships with partners, family, and friends (1). While it may be difficult to imagine losing regular contact with colleagues, relationships that exist solely within the work environment often do not continue once these interactions cease. Individuals who wish to maintain these connections should consider intentionally extending them beyond work, such as through shared social or recreational activities. More broadly, cultivating strong social networks is essential for reducing the risk of social isolation and loneliness, both of which are associated with negative health outcomes later in life.



Engage in Leisure and Volunteer Activities

Evidence suggests that participation in leisure and volunteer activities is correlated with greater retirement satisfaction (4). In particular, starting these activities prior to retirement can ease the transition by helping individuals establish routines and roles outside of work (1). Volunteer activities may provide structure, social engagement, and a continued sense of contribution, effectively bridging the transition from employment to retirement.

References

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