

Noel Swain: Don't Procrastinate when Planning your Retirement

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Looking up at his daughter, my brother said, "I guess I'm going to be an invalid."

This was on a Monday. The Friday before, he had been running his company. On Saturday he had been rushed to the hospital for blood clots in his legs.

So on this Monday, he got the preliminary diagnosis of cancer, and that his feet had to be amputated.

But he never made it that far. He lost his life three days later.

Mike was a business owner and always had time for his employees and his family, but he procrastinated when it came to his own health. Though he was urged by friends and family to get physicals, he never seemed to have the time to take care of it. Then all of a sudden his time ran out.

We all know people who put off making the hard decisions. They agonize and lose sleep because they just don't know which way to decide.

I have to admit that I have been that person. You probably have, too.

Procrastination is not a recent phenomenon. The Greek poet Hesiod, writing around 800 B.C., cautioned not to "put your work off till tomorrow and the day after."

According to an April 2013 article in the Association for Psychological Science's "Observer" magazine, studies indicate that people who procrastinate have higher levels of stress and lower levels of well-being. The inability to manage emotions may be at the very foundation of procrastination.

As a financial advisor for more than 30 years, I have seen procrastination play out with people hundreds of times.

An example:

A young couple is raising a family. They may have adequate income, but they need all their income just to live.

Then as their children grow, they cost more. Ten-dollar toys from years ago are now \$100 shoes or \$400 prom dresses. So there is no money left over to send on ahead for the retirement these parents will arrive at soon enough. Putting off saving when they're young is a powerful indicator of their potential future poverty.

As I have aged, so have the people that I advise. Some of these people have been very successful and have saved large amounts of money. They have saved it, but they haven't invested it. So when it comes time to really put that money to work, that old procrastination bug kicks in and they wind up not making a decision.

Their money continues to sit in accounts that make very little year after year. Then when they retire, they start taking their income from the principal because there is no growth. This will cause anxiety and stress because they see their nest egg continuing to shrink.

The same study cited in the "Observer" has shown that people who have the ability to face and make difficult decisions – and stick with those decisions – have a better sense of self-worth and of well-being than those who don't.

They have also been shown to be more successful, both financially and emotionally, than people who are habitual and chronic procrastinators.

The Nike slogan of "Just Do It" should be a major rule we all live by.