The Millennial Minute

The Psychology of Retirement: Financial Uncertainty & the "Enough" Problem

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Article Written by Ashley Nichols – Client Service Associate for the Biddle Wealth Management Team



Retirement. The word we all love to dream about and associate true freedom with. Freedom from work. Freedom from the daily stress of a busy life full of obligations. Freedom from the mundane 9 to 5, 6 to 2, 12 to 12, or whatever your work schedule might look like. It's the thing that we all strive for, and the thing we all try to plan for. We might find ourselves wishing for it on those tough workdays; and in today's world, we might find ourselves stressing out about it as we build towards it – and even more when we're finally living in it.

Most financial advisors seek to help you achieve your retirement goals on paper. They'll invest your wealth; help it grow and ensure you're set for a retirement that is comfortable and manageable. **However, as much as we sensationalize it, money is only one piece in the puzzle that makes up your golden years.** There is a dimension of retirement anxiety that money – regardless of how much – can't fix. It's a complex psychological issue that also deals with a person's identity, the realization of their own mortality, uncertainty about what life looks like outside of work, and more.

Financial uncertainty is the most cited and practically grounded source of retirement anxiety. It involves a genuinely difficult calculation: how much will you need, for how long, in what health circumstances, against what market conditions, after what inflation? The honest answer is that no one knows. This irreducible uncertainty is legitimately anxiety-provoking.

Common financial retirement fears include:

- Running out of money before dying (longevity risk)
- Healthcare costs consuming savings
- Market downturns at the wrong time (sequence of returns risk)
- Inflation eroding purchasing power
- Being a burden on children



These fears have real-world correlates that deserve serious financial planning. But for many people, the anxiety is disproportionate to their objective financial situation—a signal that psychological factors are amplifying the financial uncertainty.

The "Enough" Problem

One of the most common clinical presentations of retirement anxiety is the "it's never enough" pattern: the person who has objectively sufficient retirement savings but cannot feel that it is enough. No matter what the financial planner says, no matter how the numbers are arranged, no matter how many scenarios are modeled, the sense of sufficiency remains elusive.

We have found this anxiety lies with not only those who may have grown up destitute and not having money to spare in their formative years. This anxiety has no prejudice and can affect even those who may have been raised with a silver spoon in their mouth all their lives. They'll see the numbers on their statements, they'll meet with their advisor and see that their wealth continues to grow – even after big or repetitive withdrawals, and still, they vent their fear anytime they request to make a $500 withdrawal on their account.

This pattern is a psychological problem masquerading as a financial one. It reflects anxiety that is using financial insufficiency as a container—a concrete, seemingly solvable problem through which a more diffuse, existential anxiety can be managed. **The solution is not more savings but therapeutic work with the anxiety itself.**

Advisors are, of course, NOT trained mental health providers. They can talk at you and with you all day about how well you're doing financially; about how you could buy a mega-yacht and sail across the world ten times and still have enough for a private island when you're ninety-years-old. If you as a client, however, still walk away from every meeting with a deep-set fear of running out of money, it may be a good idea to seek help with a trained professional who deals with anxiety.

Fears like these can be a huge strain on your health. Your cardiovascular system can suffer from elevated blood pressure, rapid heart rate or hearth palpitations. Anxiety can cause nausea, dizziness, muscle tension, insomnia or chronic fatigue, and a slew of other issues. Because of this, retirement anxiety should not be ignored.



You want to thrive in your golden years, like you thrived during your working years. Retirement shouldn't keep you up at night while you save for it, and certainly not while you're living in it. Be sure to consult with your health care provider annually just like your financial advisor, and you can stay on the path of a calm and prepared, long-term retirement.

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