

Don't Make This Retirement Mistake: Retiring Too Soon

If you retire in your late 50s or early 60s, you might need to make your money last 30 years or more, particularly if that money has to provide for both you and your spouse. It takes a boatload of money to be retired that long.

Unfortunately, after a few decades of the grind of work, many older workers just really want to quit their jobs, start traveling, and enjoy a life of leisure. But many people retire too soon, for a number of perfectly valid reasons: They've been laid off, they're bored with work, their employer has re-organized, and they're tired of the commute, and so on. Another possibility is that they may have reached their "magic number" for retirement savings (the number they *think* will work for them, which, by the way, is a bad way to make retirement decisions).

But here's why waiting to retire might be a better choice: You can increase your eventual retirement income significantly by delaying your retirement, even if it's just for a few years, as you can see from my prior post. To determine if that's the right choice for you, I encourage people to take the time to analyze the financial consequences of their retirement decision, or work with a qualified retirement adviser who can help them analyze their situation.

If you don't take the time to really dig in and do the math, you might end up like many of my retired friends, who are currently in their 70s and 80s and are struggling financially. They regret their decision to retire when they did, knowing they'd be enjoying much higher retirement incomes had they waited a few years to retire. Unfortunately, it's too late for them to return to work.

But if you're still working, it's not too late for you. The trouble is, when many people realize they might need to keep working because they don't have enough savings to retire, a common reaction is, "No way! I can't see myself working that long." That's often because many older workers are unhappy with certain aspects of their work and they think that retirement will fix those problems.

Their reaction identifies a critical problem that needs to be solved when you consider whether you should retire: What is it about your work that makes you think retirement is the only answer? Think about how you might fix these problems, because full retirement in your 50s and early 60s is often not the best solution. And it may not even be feasible or affordable given the meager savings many boomers have accumulated.

For many people, retirement means transitioning from the full-time career or job they've held for many years. But there are many other possibilities, including these:

- The traditional retirement — "not working"
- Part-time work in your current job or career
- A new job or career, either part time or full time

- A bridge job for a few years until full-time retirement
- An encore career that may last an extended period
- Self-employment or business ownership
- A volunteer position for a cause you believe in, which could lead to paid work

Most people really just want to be happy, healthy, and satisfied with life, and they think that retirement will help them achieve these goals. But if full retirement isn't realistic or practical in your 50s or even your 60s, can you still achieve these goals without retiring full time? The game-changing answer is to "reframe" your retirement years.

As you plan for your retirement, ask yourself if you'll still be happy, healthy, and fulfilled if you need to work longer than you'd planned, or if you need to spend less money compared to when you were working full time. Answering these questions can help you devise a more realistic and successful retirement plan, one that works for you.

<https://www.forbes.com/sites/stevevernon/2019/06/03/dont-make-this-retirement-mistake-retiring-too-soon/?ss=retirement#11384e6f1e18>