

Off The Merry-Go-Round, For A Little While

In last month's issue we examined one person's journey into "normal" retirement. If you remember, the adjustment to not earning a paycheck was not as easy as it might seem on the surface. This month we will dig into a situation that is possibly more difficult, being encouraged before age 65 to accept an early retirement package. As much as people might say they want to retire early, there is always the nagging question: Will what I have saved be enough?

A Sign of the Times

Many Americans in their late 40s through their early 60s are receiving offers from their employers to consider an early retirement package. Companies and corporations must constantly search for ways to increase revenue and save costs. Reducing the number of employees, especially those with higher salaries, results in immediate and significant savings. Whether as a gesture of good will or to reduce possible liability, attractive early retirement packages are often created. While it is possible to turn down one of these offers, most of the people I've talked to who did so indicated that they did not feel quite as welcome in their workplace as they had before the offer was made and turned down.

Run the Numbers

Fortunately, financial planning software has developed to the extent that you can now model this situation more effectively. The early retiree may have several years before claiming Medicare benefits and may wish to wait even longer to file for Social Security benefits. Different periods of retirement will require different outlays. A projection that can factor in these variables will help provide a better view of what you might expect financially in the years ahead.

Home Fires

Transition is challenging for anyone. For a married couple, the process can be downright unnerving. To begin with, you may be at various stages of becoming empty nesters or adult children may return home. If there is a stay-at-home spouse, retirement humor suggests that they "got married for better or worse, but not for lunch". They like their autonomy during the day.

If both spouses worked, well then no matter how much continuing salary gets paid in a lump sum, the working spouse could feel the "retiree" is not quite pulling their weight. If you stop to think about it, it is easy to see the special challenges that await the married couple in these situations. If you

work with this in the right way and with mutual agreement, it is possible to grow closer during this period. Otherwise, hang on, the road ahead could be a bit bumpy.

There's No Age Discrimination

While this is the world we'd like to live in, there's a chance that once you reach your late 40s you will find it more difficult to locate that next "career opportunity", at least in a traditional sense. While some become discouraged by this, for others this can be very exciting. Some launch into consulting careers, others pursue work involving one of their hobbies or passions, some even start their own ventures or buy existing ones. It was at age 50 that I went through this, buying into the Regional enterprise here and beginning to work with individual clients once again. While you might not find a traditional job, that doesn't mean you won't earn a good living, perhaps one even better than when you worked for someone else.

Take Some Time

The tension when you leave work is feeling compelled to find another job as soon as possible. Some of the happier people I know who have gone through this have used this time as a unique blessing. It has been a time that has offered them a rare opportunity for some depth of thought and reflection not often found in our email, internet, text ridden society. Often outplacement services come as part of the package. These can be very valuable if you take time and work comprehensively through the exercises. This break that the retirement package offers may be your one chance to hop off the merry-go-round and to ponder what you really want from life and work. Take full advantage of this while the window is open.

Be Encouraged

Especially if you have been good at putting money aside and the early retirement package is a good one, there is a chance that this could be one of the best gifts you may ever receive. Having time and money to determine what you might really like to do for a living offers the possibility of becoming more energized at work that gives you greater satisfaction. You might end up with a greater say in the operation. You could become more productive and (Dare I suggest it?) you might even earn more money than you did before.

Bottomline

Hamlet: "Why, then, 'tis none to you, for there is nothing either good or bad, but thinking makes it so" (Act Two, Scene Two of Hamlet). If you are facing an early retirement, you can think of it as a loss of employment or an empowerment to seek out what is possible for your life. If as Shakespeare

suggests, "thinking makes it so", why not reach for the brass ring and a chance to ride the merry-go-round of your choosing or possibly of your making? The early retirement could just result in one of the most productive and rewarding experiences of your life!

Your Feedback

I would love feedback on this newsletter. Future issues may include a host of good ideas, insights, specific steps to take financially, life insights and of course "Wit and Wisdom". Most importantly, I'd like it to be of value to you and to encourage an exchange of great ideas and insights. Please send your feedback to:

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