

Casey Mullooly: What's retirement like if you have less than \$1 million saved? Keep watching to find out. Welcome back to the Mullooly Asset Show. I'm your host for today, Casey Mullooly. Happy to be back with you for this week's video.

So, about three months ago, we did a video, Tom did one, about what life is like for folks that have over a million dollars saved in their retirement accounts. Most people don't have \$1 million saved for retirement. In fact, it's not even close. The average retirement account savings for folks in between the ages of 55 and 64, right around when people are usually deciding to retire, the average retirement account is \$413,000. This is according to a Wall Street Journal article, which we'll link to in the show notes.

So, the article interviewed a handful of people across America that are all in retirement and have less than a million dollars saved. Their retirement savings range from \$150,000 on the low end to \$800,000 on the high end. And here are some of the interesting takeaways.

Number one is that the individual who has the most in retirement savings, the \$800,000, is the one who spends the least. This person spends about \$20,000 per year, and it goes to show that the making that switch and being able to spend money in retirement after saving for all of those working years is harder than it might seem. The psychology of saving money and being frugal and saving, saving, saving. And then a lot of people think they're going to make that switch and start spending on all this lavish stuff in retirement, usually it doesn't work out that way, and getting people to feel safe and not be nervous and sweat and be anxious about spending their retirement savings is harder than it might seem. So, that is number one.

Number two is, the individual with the least amount of retirement savings, \$150,000, is the one that spends the most. This individual spends about \$80,000 per year, but he receives about \$80,000 per year in rental income. Earlier in retirement, he took his money out of his retirement plan and bought real estate and now gets about \$80,000 in income from that. He is also a New Jersey resident, who resides in Asbury Park. Shout out Jersey.

So, what this says to me is that there are more ... There's more than one way to make the numbers work. But the biggest takeaway of all from retiring in America with less than a million dollars is that, and this probably goes for all of retirees, even with over a million dollars, the biggest takeaway is that all of the people interviewed said that they had a Plan A, and most of them are on at least Plan C by now, with some of them being on Plans D, E, and F.

Retirement is going to last about 20, 30, 40 years. That is a long time, and the likelihood of your plans changing in retirement is extremely high. People think retirement is going to go one way. Something happens, and it goes the complete opposite direction, or something happens to them in their personal circumstances, and they have to pivot and adapt on the fly.

You're going to need to be able to adapt your plans in retirement, and that's why we say that financial planning is more of an ongoing process, and not so much a one-time event.

That is the message for this week's episode of the Mullooly Asset Show. Thank you as always for tuning in. We'll be back with you next week.