

What NOT To Do In Retirement - Transcript

Tom Mullooly: In episode 133, we're going to talk about what not to do when you're retired. Stick around.

Welcome to the Mullooly Asset Show, I'm your host Tom Mullooly and this is episode number 133. Thanks for tuning in. A lot of folks when they come into meet with us, we talk about what their retirement plans are. I'm going to be working longer, that's their game plan for putting aside a couple of extra bucks or keeping themselves busy. Be careful, beware, it may not work out exactly as you planned. Planning on working until 70 sure sounds good, but are you sure that's really going to work? Yes, it can help fill up some of your retirement days. It can help you stay sharp, mentally focused, healthier but it doesn't always work that way.

I want to share some things with you. There was a 30 page report that was published recently by Urban Institute, and we'll link to it in the show notes. The title of it was How Secure is the Employment at Older Ages? This is what they found, that half of the workers ages 51 to 54, that's younger than me, these are people in their early 50s with a long-term employer, experienced, get ready for this phrase, an employer-related involuntary job separation. They got fired, they got laid off, they got canned, whatever you want to call it. An employer-related involuntary job separation. They got handed the pink slip.

It happens after they're aged 50. Yeah, this will keep the lawyers busy for a while, but in real terms, it leads to some very long-term unemployment spells or situations where your weekly earnings go down by sometimes 50%. In the report, they talked about it going down 50% for two years. These are long periods of time where you're out of work. We all know someone who has gone through this in their 50s or even in their 60s.

Another interesting tidbit from this report, two thirds of workers age 50 plus had to involuntarily separate on their own from their job due to their own poor health or taking care of a family member or for some other personal reasons. There's a lot of stuff going on out there. Here's the takeaway though, only one in 10 of those folks that were involuntarily separated ever earned as much as they did before. I mean I'm not talking about earning more. I'm talking about just getting back to where they were before they were let go from their job or had to leave. The median household income fell 42%, that's a lot, 42%, after job separations for these, we'll call them, post-age 50 employees. It's a lot.

There's another thing that we found for all of our folks who are retired or contemplating retiring soon, report from Transamerica that showed that 25% of retirees, one out of four, are now spending a significant amount of time acting as a caregiver for someone in their family or a friend. Hey folks, retirement is all about the future. Retirement isn't always going to be mapped out the way you and I think it's going to be. I mentioned this in a previous video but I'll say it again, it wasn't raining when Noah built his ark. Think about that. You should be socking money away as aggressively as possible.

Now, look, if you got debt that you got to deal with, you got to get rid of that. Okay? If you're out living la vida loca, living the good life, you may want to think about what it's going to be like

living in that escalate in about 10 years. That may wind up being your home. Sorry to talk turkey, but that's the way it is. We really need to prepare for these rainy days, because it's going to rain in our future. Better have a roof over our head.

Sorry to be a Debbie Downer, but that's episode 133. Thanks for tuning in.