

Considerations for early retirement.

The median life expectancy for a 65-year-old American woman is 86, according to the Social Security Administration. For men, it's 84. Half will die sooner, half will live longer. Taking Social Security early means more checks sooner, but smaller checks for life. If you're in reasonably good health you could live a very long time. One in four of today's 65-year-olds will live past 90, and one in 10 will survive past 95, the Social Security Administration says. Will your nest egg last 35 years?

It is prudent to plan for out-of-pocket medical expenses which can exceed \$100,000 or more in retirement. Even with Medicare and supplemental health plans, out-of-pocket medical costs including serious illness and long-term care can cost hundreds of thousands of dollars over the length of your retirement.

Make every effort to be debt free before retirement. Consider paying off your house if possible. At least look into eliminating all consumer debt – credit cards, auto loans and everything else that funds consumption or gobbles up your available cash.

Lastly, have a backup plan in case you have retired too soon. The internet is full of stories about retirees who had to return to work because they were ambushed by unexpected expenses or surprise cuts in income. Maybe you won't mind working for a customer service call center or in the retail aisles of a big box store, but if you do, have a Plan B – before, not after, retiring.

Hope this helps you when considering whether you are ready to retire. As always I recommend working with a qualified financial advisor prior to making the decision to retire.

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