

## RETIREMENT

# UnPacking “UnRetirement”: A Brief Financial Guide

**The ubiquitous Baby Boomers are responsible for yet another trend: workers returning to work—although not necessarily to their old positions—after retirement.**

**Indeed, a 2017 survey found that 39% of U.S. workers 65 and older had “unretired” from a previous job.<sup>1</sup>**

## Why? More Money, for One Thing

Unretirement answers multiple needs. Many retirees discover that they miss the challenges and the personal fulfillment that the workplace can offer. For others—according to at least one survey: it’s an economic decision.<sup>2</sup>

So what would our advice be to those contemplating the move?

*First, figure out if you want and need to unretire.* If you think you’re being forced into it, assess your situation with the help of a financial expert. You may find that your funds will likely last longer than you think—or that you’re comfortable adjusting your spending, your investment portfolio, or your financial goals.

## Investing for Growth

If unretirement is the path you need to take, our first suggestion might be to bolster your investment portfolio. Many retirees flee to the safety of cash—but cash barely grows over time. You can probably afford to take on more risk, especially if you’re collecting Social Security or an old-fashioned pension.

\*Calculations are based on annual compounding, reinvested dividends, and monthly rebalancing back to neutral weights.

1. Source: [www.rand.org](http://www.rand.org)

Let’s say three-month Treasury bills compound at 2% going forward. Over 25 years (a reasonable time horizon for today’s 65-year-olds), a \$100,000 portfolio would grow to only \$164,000. If stocks return 7% a year—not their double-digit results of the past decade—and intermediate-maturity bonds return 4%, the same \$100,000 in a 60%/40% mix of the two assets would grow to \$432,000.\* That’s better.

## Planning Counts

Reaching for more growth isn’t the end of the story:

- Keep an eye on your spending. Some old rules of thumb may be too aggressive.
- Keep your portfolio diversified by asset and geography.
- Be prepared emotionally for some short-term volatility.
- Don’t *abandon* cash: Maintain a cash emergency fund.
- Track your portfolio at least once a year on how well it’s meeting your objectives.

In all these endeavors, having a financial-planning professional on your side can help ensure your success.

## Will Your Social Security Check Go Down?

Finally, if you’ve reached your “full retirement age” (between 66 and 67 for Boomers), you can work as much as you like with no effect on your Social Security benefits. If you’re younger, your check will be reduced. But no matter what your age, up to 85% of Social Security benefits may be taxable, depending on your total income.

**Is “unretirement” right for you? Come see us at People’s United Advisors.**

2. Source: [www.cbsnews.com](http://www.cbsnews.com)

## RETIREMENT BY THE NUMBERS:<sup>1</sup>

62

Average retirement age

84.3

Average life expectancy for Americans who reach 65

53%

of unretired believe they will re-enter the workforce after retiring

39%

of U.S. workers 65+ had unretired from a previous job

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