Should I Stay, or Should I *Go?*

If the current climate has you thinking about early retirement,

ASK THESE 3 QUESTIONS FIRST.

Retiring in your 50s or early 60s during a global pandemic might seem foolish. But if you have a job that can't be done safely from home, the reality of not retiring early might be even riskier.

According to the Federal Reserve Bank of St. Louis, older Americans are overly represented in jobs that carry high economic and health risks. Not only has the COVID-19 recession put nearly one-third of workers older than age 50 at greater risk of becoming unemployed — that's about 18.4 million people — these same workers are at greater risk of getting sick or dying from the coronavirus.[1]

High-risk occupations include jobs essential to public health or safety — such as law enforcement, first responders and front-line health care workers — as well as educators and people working in service- and sales-related jobs.

Your Well-Being Counts

If the COVID-19 recession has you thinking about leaving the workforce early, think carefully about the lifestyle you want to have. That means assessing how realistic your prospects for early retirement are — without jeopardizing your future financial freedom.

Here are three questions to consider from the start:

1. How will you get health insurance?
2. What are the implications for Social Security?
3. Can you afford to stop working?

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[1] *Aida Farmand and Teresa Ghilarducci. American Society on Aging. "Older Workers Are Underrepresented in 'Safe' Jobs in the COVID-19 Recession." https://www.asaging.org/blog/older-workers-are-underrepresented-safe-jobs-covid-19-recession. Accessed Sept. 9, 2020.*

1 How will you get health insurance?

If you leave a job before you're eligible for Medicare coverage (at age 65), you'll need to figure out how to pay for health insurance until then. In most cases, you can stay on your employer's plan for at least 18 months under COBRA; however, you will have to pay your employer's portion of the premiums, plus your own, which can get expensive.

Another option may be to join the group health plan of a spouse who is still working. Or, you could buy coverage through your state's health insurance exchange or the federal health care website (www.healthcare.gov) — although many of the best plans do come with high premiums.

2 What are the implications for Social Security?

A July 2020 Nationwide Retirement Institute COVID-19 Flash Poll on Social Security shows that 14% of Americans are now considering claiming Social Security benefits earlier than they had anticipated.[2] Unfortunately, taking benefits before you reach full retirement age reduces the monthly payments you'll receive over your lifetime. (Full retirement age is likely at age 66 or 67, depending on your birth year.)

For example, if you take Social Security at age 62 when your full retirement age is 67, you can expect to receive about a 30% lower monthly benefit than if you had waited to start collecting payments at 67.[3]

Another consideration: If you're married, it might make sense for only one person to start claiming Social Security early and let the other benefit increase until full retirement age.

[2] Nationwide Retirement Institute. "COVID-19 Flash Poll on Social Security." July 2020. https://nationwidefinancial.com/media/pdf/NFM-19627AO.pdf. Accessed Sept. 9, 2020.

[3] Rachel Hartman. U.S. News & World Report. Jan. 15, 2020. "How to Apply for Social Security." https://money.usnews.com/money/retirement/social-security/articles/how-to-apply-for-social-security. Accessed Aug. 25, 2020.

3 Can you afford to stop working?

An experienced financial professional can help you understand the impact of early retirement on your original retirement plan.

To begin with, look at your overall savings, including streams of guaranteed income such as pensions, insurance policies, Social Security, income from a rental property or other financial resources. Your financial professional also will help you figure out when to take money out of each stream. If you withdraw money from certain accounts too soon — or not soon enough — you could face sizable tax penalties.

Next, consider ways to reduce expenses. Be sure not to underestimate how much you plan to shop, eat out or travel in retirement — those costs can add up fast.

Study your bank and credit card statements to identify any areas you could cut back or do without. Perhaps you'd consider getting a part-time job that doesn't come with as many health risks. Or, are you open to downsizing your home or moving to an area where the cost-of-living is lower?

Your main goal is to figure out if you can pay for daily living expenses without drawing from retirement savings for as long as possible. Before retiring early, talk with a financial professional to learn the best way to help fill the gaps between where you are today and where you had expected to be at retirement.

Our World Has Changed

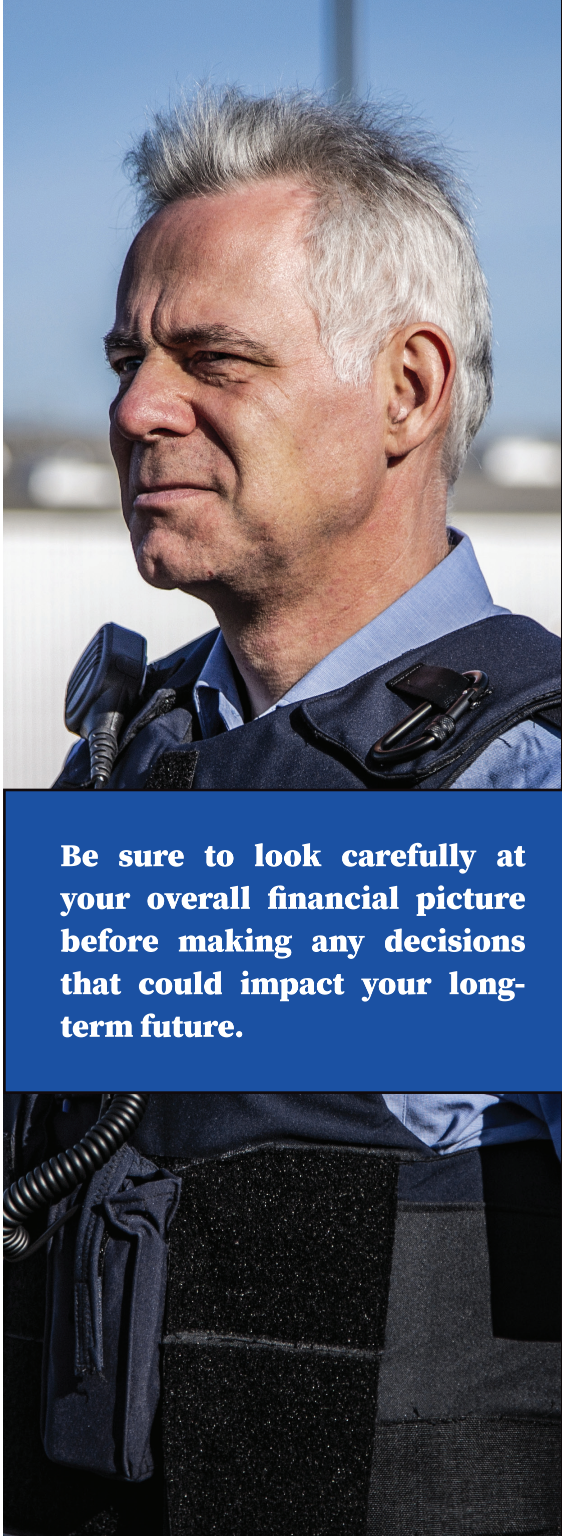
And that means your retirement plans might have changed too.

If you believe the risks of working in an unsafe occupation outweigh the benefits of remaining on the job, then an early retirement offer may be appealing. Just be sure to look carefully at your overall financial picture before making any decisions that could impact your long-term future. You may find that the only thing standing between you and retirement is a well-thought-out plan.

Is Early Retirement Right for You?

A trusted and experienced financial professional can help you determine whether retiring early in the current climate is risky — or right for you.

Your financial future is too important to leave to chance. Let's talk about how to help you retire smart. Call your financial professional today



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