



## Should You Work in Retirement? Yes. Here's Why

### Description

Believe it or not, “retirement” is a fairly recent phenomenon.

In the old days, when people worked in coal mines and textile factories, *retirement* was a way of getting older workers out of the workforce to make way for the new. Older workers were slower than their younger counterparts, and to keep production high (and costs low), it made more sense to pay the aged coal miner a *pension* instead of a salary.

Most workers, however, *wanted* to keep working. They didn't want to “retire.” But unless you could keep up with the younger lads, you were asked to hang your cap.

These days, retirement isn't compulsory. It's a choice. But we've made it such a major rite of passage, it feels mandatory to quit your job at 67 and spend the rest of your days in idleness.

But if you don't have to quit working in retirement, should you? I don't think so. No matter what your nest egg looks like, whether you're sitting on multimillions of dollars or nothing, I think you should consider working in retirement. Here's why.

### 1. Retirement can be bad for your mental health

Sleeping in, lounging on the beach, spending ample time with grandkids and great-grandkids... what could be better for your health than indulging in free time and learning new hobbies?

Well, it turns out, retirement may not be the best thing for your mind.

For most adults, the workplace is the only place they'll find social interaction. Those water cooler conversations in the office or mandatory **Zoom** parties may not feel great now, but when you're alone at home, you'll start to miss them. In fact, according to the Mental Health Foundation, one in five retirees experience depression, with 40% more likely to experience clinical depression the longer they stay retired.

For your mental health, then, you should consider even a part-time job. Even working from home job will at least help you stay connected. Unless you're confident you can replace the social fabric of the office with your retiree buddies, you'll most likely feel happier when you're plugged into a workplace.

## 2. Retirement is expensive

It's no secret. If you want to quit your job in your 60s, you're going to have to amass a tonne of wealth. By all estimates, you'll need to have at least a million, possibly more. And that's after you factor in pensions.

Even with a million dollars in savings and pensions, you'll still need to live frugally. If we use the 4% rule, which states that you should withdraw only 4% of your retirement savings annually, you can live off \$40,000 per year with a million dollars. That's *not* a lot of money, especially when we factor in inflation.

A part-time job, then, can give you a source of income, especially if you haven't amassed a multimillion-dollar nest egg. Even if the salary isn't high, a stream of income in your golden years can help you manage your costs and maintain your current lifestyle.

## 3. You can work from home

Let's be real: remote work has made it far easier for us to tolerate working. With no commute, no getting ready, no traffic, and no in-office meetings, work has become less stressful, more enjoyable, and, yes, more meaningful.

If you have a remote job now, or you're capable of getting one, I'd say stick it out as long as you can. Never before in history have people been able to earn a substantial income by sitting on their couch, typing away on a keyboard. Take advantage of remote opportunities, and you'll get the added benefit of more income.

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