



## Retire Early in 2022? Not So Fast. Here's Why You Might Want to Wait

### Description

Between three or four (or five) waves of COVID-19 to a battered economy and a short supply chain, many, especially essential workers, are feeling overworked and burned out. For those with enough savings to retire earlier than they had planned, 2022 might seem like the best year to punch the clock for the last time.

Or is it? Unless you absolutely must retire in 2022, I would reconsider waiting another year. Here's why.

### Inflation is still high

Perhaps the number one reason to reconsider early retirement in 2022 is high inflation rates.

For the third month in a row, inflation has remained at a steady 4.7%, which is above the Bank of Canada's 1-3% targeted rate. High inflation, fueled by rampant demand, short supplies, and stimulus checks, has made the cost of living skyrocket. Everything from meat to cheese to gas is significantly more expensive, making it more difficult to budget out everyday costs.

That's a big problem for early retirees. For one, your retirement savings may not buy as much as you planned. You might have budgeted out a certain amount for food, but with inflation rates as high as they are, you could spend more than you were expecting. The same could be said for electricity, natural gas, and other fossil fuels, whose price tags continue to plague Canadians living on a budget.

### The pandemic isn't officially over

With Omicron upon us, the coronavirus is still finding ways to stay alive. What that could mean for you is more limitations. If, for instance, you'd like to travel in early retirement, then you might be facing restrictions on which countries you can visit. Likewise, it might not be safe to travel at all, as you could expose yourself to the virus.

But mobility isn't your only concern. The pandemic could upset your investment portfolio. If your

investment portfolio loses value to a market scare, you may retire with fewer savings than you feel comfortable having. For that reason alone, you might want to sit tight and see how 2022 plays out before you decide to quit working.

In fact, many experts have sounded the alarm for a potential market correction or crash in early 2022. While it's all speculation—nobody really knows what will happen in the market—it might be wise to wait until at least the second quarter before making any final retirement decisions.

## The workforce might need you

Finally, you might be an essential worker or someone whose absence could be felt in an already tight supply chain. Though it could take a fair amount of selflessness to convince yourself to work for the benefit of others (you don't need the money, but the economy needs your skills), it might be enough purpose to help you get through another year.

## Should you retire in 2022?

As eager as you may be to retire, it might be better to wait until 2023 before you retire. Of course, if you have a solid [retirement plan](#), and you're certain you can outlive your savings, you could navigate the challenges above. But if you're among the 32% of Canadians who are nearing retirement without any savings, you should probably rethink your retirement strategy before you clock out for the last time.

### CATEGORY

1. Investing

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News

### PP NOTIFY USER

1. mhibbs
2. sporrello

### Category

1. Investing

### Date

2025/08/02

### Date Created

2021/12/31

**Author**  
sporrello

default watermark

default watermark