



## 3 Steps to Take Before Jumping Into Early Retirement

### Description

Early retirement may seem like a dream these days. Especially during the pandemic. In fact, many might call it a nightmare. Today we're met with inflation, higher interest rates, and children moving back home during this time of economic uncertainty.

But let me try rephrasing early retirement as a [retirement](#) lifestyle. After all, about 39% of Canadians continued working part-time in retirement between ages 65 and 69, according to Statistics Canada. So it might be time to consider whether a lifestyle change is in order, not cutting off income completely.

So if you're ready to live a life of luxury, but make some sacrifices along the way, here are three steps you should consider.

### 1. Start early

Before getting excited, it's important to start early if you want to retire early or even just live a retirement lifestyle. Not two years before, more like a decade before. If you do this, you can set yourself up financially even if you're still in your thirties.

What you need to start with is creating all the savings tools available at your disposal. Open up that Tax-Free Savings Account (TFSA), Registered Retirement [Savings](#) Plan (RRSP), and *definitely* a Registered Education Savings Plan (RESP) if you have children. All of these will help you on your path towards the retirement lifestyle.

### 2. Make a plan

Now comes the hard part. You need a plan, and it means asking yourself some tough questions. Will you want to pay for your child's education? Are you going to downsize your house? How about moving to another area? Do you want to still work? And how much are your expenses going to be?

There are so many more considerations, and that's why it's incredibly important to speak with a

financial advisor. Of course, if you have a bank, that meeting is totally free. And it literally pays. You can create a plan for early retirement, or a retirement lifestyle, with an advisor who can help you create a roadmap towards that goal. Then, simply check in with them every so often to see how that goal is coming along.

### 3. Don't do it alone

Besides a financial advisor, the most important people you should speak to are your family. Especially if you have kids. If you have children that are going to move out in a decade to go to school, don't just think you can plan your future without them. Instead, discuss what their expectations are after moving out. Will they need help paying for school? An apartment? Will they want to move back home after school while they find a job?

Keeping them out of the loop can leave your children blindsided. But instead of seeing it as a difficult situation, think of it as an opportunity. You now have a decade to start teaching them how to become financially independent. They can open their own accounts to save for their future. In fact, they can come with you to meet the [financial](#) advisor and create their own goals.

### Bottom line

The retirement lifestyle is definitely within reach, but it just means being open and honest with yourself and your family. If you're willing to make some sacrifices like working part-time and moving locations, you could have loads of cash at your disposal to invest. Furthermore, keeping your family as part of the process can leave everyone more financially secure in the future.

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