

Will Coronavirus Quarantine Convince You To Retire Early?

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We're all getting a taste of retirement—even if we don't know it.

No, it's not the "travel 'round the world" kind of retirement. It's more of the "don't have to leave the house" reality of retirement.

Granted, retirement is a choice while quarantine is a mandate. Still, the similarities can uncover some surprising self-revelations about your retirement readiness.

"The 'stay safe at home' policy is similar to retirement because people are getting a taste of what free time is 100% of the time," says Michael Foguth, founder of Foguth Financial Group in Brighton, Michigan. "When you're retired or without a job, you find yourself with more time on your hands."

In both cases, you need to decide how to fill that time.

"Both now and in retirement, you may spend more time in your current home than ever before, and you may realize that you have more free time than you know what to do with," says Mike Lynch, Managing Director, Applied Insights Team at Hartford Funds in Wayne, Pennsylvania. "You have to be creative about how you fill the hours, how you stay social, and how you're able to keep up with daily tasks once you are eating every meal at home and using more resources on a daily basis."

Consider the coronavirus quarantine as retirement "practice." If you're working at home, think of that work as a hobby. It's something you do, maybe by yourself, maybe with a few other virtual "hobbyists," but in no way can it fulfill the vibrant social presence of the "at work" environment. You'll need to come up with alternatives.

Will the decisions you make today regarding those alternatives be the same ones you make in retirement? Perhaps now would be a good time to contemplate this question.

"People can use this time to think about retirement life," says Ethan Taub, CEO of Goalry and Loanry in Newport Beach, California. "It could be similar, finding new things to do, with no office to go to."

Did you have to commute to work every day? Did you have certain rituals like, coffee, lunch and water cooler chatter? Has the sudden break from these day-to-day activities revealed who you are or what you've envisioned you'd like to be?

"This is showing people that they can exist outside of their office," says Jeffrey Benowitz of Certified Financial Services, LLC in Paramus, New Jersey. "A lot of people's identity is wrapped up in their career and this is eye opening."

You may not even realize it, but this process of self-assessment is preparing you for a better (and perhaps earlier) retirement.

“If you’re taking advantage of distance learning and of ‘think time’ to review your career goals, you’re actually getting a taste of smart retirement planning,” says Joanne Cleaver, Charlotte-based author of *The Career Lattice*. “If you find you’d like to continue working from home, this is the time to build a transition plan for doing so, either as an employee or through self-employment.”

After several weeks of staying at home, have you been surprised to discover how little you’re spending? And it’s not just cutting your expenses, it’s using less money without an appreciable change in what you feel is important.

The greatest fear people have in advance of retirement is their ability to afford to live without a working salary. The quarantine experience is proving to many that those fears are unfounded. “People see they can limit their activities when required—much like they would have to do to live off their retirement funds,” says Anna Barker, Founder of LogicalDollar in Oregon.

Whether you work full-time from home, have seen your work hours reduced, or have been furloughed or worse, you’re no doubt paying more attention to your budget than ever before.

“Budgeting is incredibly important in both, says Luke Burton, Client Services Associate at Narwhal Capital Management in Marietta, Georgia. “Retirement income is fixed, and staying safe at home should include thorough planning for job disruptions and potential expenses.”

If you’re lucky, you will have discovered you’re better off than you thought when you weren’t giving your budget a second thought.

“People may see that they can live comfortably with a fixed income and off their savings which may prompt them to retire early,” says Ken Van Leeuwen, Managing Director & Founder at Van Leeuwen & Company in Princeton, New Jersey. “With a sense of financial security, and if they enjoy not working, then it would make sense for some people to leave the workforce early.”

It is this sudden retirement revelation that may result from the country’s forced quarantine. Maybe, just maybe, retirement isn’t as hard as you think.

“Those truly divorced from work are getting a taste of how much their life revolves around their occupation,” says Robert R. Johnson, Professor of Finance at the Heider College of Business at Creighton University in Omaha. “In many cases, people (with the means to do so) didn’t consider retirement simply because they never took the time to reflect and do so. While it will undoubtedly be a small percentage of workers, there will certainly be some individuals who realize that stepping away from a career is less difficult than they believed.”

Granted, quarantine isn’t for everyone. For some, it’s akin to house arrest. What’s instructive for those people, though, is whether they will ultimately consider themselves prisoners in retirement.

The fact is quarantine is not house arrest. You still have choices to make. “If you can ‘survive’ this isolation and figure out a routine, retirement will be much easier,” says Scott Bishop, Director of Financial Planning for STA Wealth in Houston. “Hopefully, many pre-retirees will learn that it will be helpful to have activities and routines planned.”

With each week that passes, you are becoming more accustomed to your home-bound life. It’s becoming less of an anomaly and more the new normal. How will this change your outlook on retirement?

“Many enjoy the freedom working from home provides more than expected,” says Max Kimmel, owner of One Shot Finance in New York City. “If you were worried about boredom, but managed to entertain yourself, retirement sounds better.”

Whether or not you do accelerate your retirement date depends on your age. “A lot of people will like the lifestyle of not having to do work, and being able to be home and free,” says Taub. “This is not going to be doable for most people, but for those close to retirement, this could be their reality soon if they allow it.”

Not only may this era of self-quarantine hasten retirement for you, it may also change your outlook and expectations for retirement. Whereas in the past, retirement was viewed as a personal voyage (literally, since many anticipated travel which may be off the table in the near-term), now it may be framed in terms of relationships and proximity (whether virtual or physical).

“The boredom and inactivity, being isolated in your home with little productive to do, you may decide you have to build a life separate from your occupation,” says Dr. Guy Baker of Wealth Teams Alliance in Irvine, California. “This may cause you to be involved more in the church, community, missions work—maybe start a new business you can manage in retirement.”

“Some people may really enjoy this time at home,” says Lynch. “They might find a new hobby or interest, maybe they have started volunteering virtually, or have found time to connect with old friends. They may determine that this has been a good test, and that they are ready to embrace retirement.”

One traditional aspect of retirement—spending more time with your family—will become truer than ever. “Many people are going to find that staying at home with loved ones feels better to them than heading off to work each day,” says Morgan Taylor, CMO for LetMeBank in the Greater Los Angeles Area.

Often life throws you lemons. How many times have you made lemonade out of them?

“Those who have used the time to catch-up on reading and projects, try new at-home activities, and work to reinvent themselves may be pleasantly surprised with the lessons learned while staying at home,” says Steve Parrish, co-director of the Retirement Income Center at The American College of Financial Services in Des Moines. “Some will find the experience empowering, and they may realize their fear of retiring was unfounded.”

Kyle Winkfield, President of Finley Alexander in Rockville, Maryland, offers this personal testimonial: “I do have to say that even though we are living with these necessary restrictions right now, I have a renewed appreciation for staying at home. The convenience of waking up a little later, saving ourselves from work commutes, and making the most of what we already have in-house are certainly some appealing aspects that sheltering in place have in common with retirement. I’ve also seen how much money we are saving by staying home, from savings on gas to entertainment to eating out. I have definitely spoken to some clients and family members who are reconsidering their retirement age, as they’ve seen some of the silver lining of being home this past month, and are wondering if it’s a sign that they’ve been doing too much for too long, and now it’s time to sit back and enjoy a bit more.”

So, what is it for you? Is the glass half empty or half full?

Will you frame your coronavirus quarantine in a way that convinces you to retire early?

Or, has the experience been the opposite for you?

Will “staying safe at home” give you reasons to avoid retirement as long as possible?