

What does the word 'retirement' mean to you?

by Brent Smith

In the 'olden days' (say, the last 80 years) it was accepted practice to retire fully from any form of paid employment.

My father retired at 62 from a job where he had worked for 30+ years – cold turkey – and never worked again. Luckily he lived another 20 years, but I personally knew many who only lasted 2 or 3 years beyond the big retirement day they had yearned for most of their working life.



Many baby-boomers don't see it this way, and I have asked many in the course of meeting up with Iron Bridge clients around investment property, "what does the word 'retirement' mean to you?".

The predominant baby-boomer/gen-x answer is "I don't intend to just stop – I would like to slow down a bit, maybe take on another form of employment that interests me, part-time perhaps".

I've always reminded these people that retirement is not a function of age but a function of money. If you can accumulate enough savings or assets by age 60 or earlier, why can't you just "slow down" then? Why wait until 65 or beyond?

Martin Hawes has just written a great piece on this concept in the Sunday Star Times - [Retirement need not be a full stop](#).

He also snuffs out the worries about baby-boomers leaving the work force in droves with the latest census stating that 40% of the 65-69 year olds and 21% of the 70-74 year olds are still working.

Put this alongside the 43,000+ per annum net immigration growth to August 2014 (the highest ever in this country), and the often predicted critical labour shortages seem to shrink away. This situation also quashes the fear mongering of not enough tax revenue to run the country to 2050 – an argument bandied about by random [capital gains tax](#) proponents.

It's not rocket science, but the key to all of this wonderful, gradual lifestyle change is to have adequate savings and investments available at age 60, or younger, to allow one to make the choices that truly align with their lifestyle goals, whether that may be golfing, globetrotting, or goat herding.

Yes, you should have paid off your home loan, but making use of that growing equity along the way could see you [owning substantial equity in one of more rental properties](#) by age 60.

Then you have options.

A great theory, but for this plan to succeed, it needs to be put into action... **and now**.

If you want a chat on where you could start with property investment, or where you should head next, [give Iron Bridge a call](#), obligation-free.