CAN I RETIRE YET?
The Journey to Financial Independence

Save more
Invest smarter
Retire sooner

Darrow Kirkpatrick
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“You can have anything you want, you just can’t have everything you want.”
—Williams/Jeppson/Botkin, Money

Can I Retire Yet?

“Can I retire yet?” Those of us born in the later stages of the baby boom -- usually defined as the years 1946-1964 -- will find this one of the most difficult and important questions of our later years. According to the Employee Benefit Research Institute, today only about 15 percent of private-sector workers have a pension that guarantees a steady payout during retirement. The disappearance of defined-benefit pensions and the erosion of the Social Security system makes our retirements far less certain than those many of our parents enjoy.

The sums involved when evaluating retirement issues can be shocking. Personal finance writers are riding a reactionary wave with the theme "You don't need a million dollars to retire!" That claim sells books to the hopeful, and can be a healthy antidote to the fear and conservatism sometimes spread by the financial services industry. Banks, brokers, and financial advisers would have you working harder and saving longer for their own purposes -- avoiding liability, collecting fees and commissions as you slave away to grow your pile of assets. If you take their most conservative advice, you'll often find that a sum of several million dollars is required to retire comfortably.

So, do you need millions to retire, or not? What is the truth between the extremes? I've lived on the cusp of this question for years; read every book, newsletter, and blog I could find; crunched the numbers ad nauseam; and recently took the plunge -- left my secure corporate engineering job for a semi-retired lifestyle. I know the answer, as well as it can be known, based on my own personal experience. Unlike many in the financial industry, I don't aim to manage your assets and I have no agenda for you to retire sooner or later. My purpose here is not to hype and sell magic formulas, secret shortcuts, or precise answers.

Truth is, if you're looking for an easy answer, there isn't one. But if you'll stick with me for a few pages, you'll understand the question better, and you'll have a starting point for finding your own answer....
The Short Answer

"Can I retire yet?" Let me give you a ballpark answer, the view from above, then we'll zoom in and see how it applies to you, or not. Remember, this is a simplification to start. As we'll see, there are ways to increase your effective savings, counting Social Security, for example. But brace yourself for the sticker shock:

- If you have $2 million or more in savings and can make yourself live on a budget, you're a slam-dunk for retirement
- If you have $1 million in savings and know how to live frugally, in a rural location or modest apartment or paid-for house, and you'd enjoy doing some part-time work, you can probably make it
- Everybody else needs to keep working and saving

That's the simple, inconvenient truth, despite what you might hear from others in financial services and personal finance media. Anybody who says you can retire on much less than a million is either assuming a pension and retiree health benefits that the majority of us baby boomers will not enjoy, or is advocating an "extreme frugality" lifestyle that many of us would not elect by choice, or is ignorant of the actual prospects for our U.S. economy and economic growth in general over the coming decades. And anybody who says you need many millions to retire, is probably assuming you'd rather work indefinitely than make some modest lifestyle adjustments, or is caving in to fears that the social safety net will evaporate completely.

If that big 7-digit number ($1 million) sounds daunting, be assured you have lots of company! But stick with me now as we explore the issue: you'll improve your understanding of the many related details, and may even see some rays of sunlight shining through....
The Fine Print: Details, Details

For starters, that short answer above is intentionally simplistic. First, it does assume that, like most of us, you don't have a pension or retiree health benefits. Either of those represent a life-long income stream that could significantly reduce your required savings. But since the vast majority of baby boomers won't have them, we'll leave those out of our analysis here. On the other hand, those figures above do assume that you'll collect some Social Security, and they consider it part of your "savings". (More on how we do that, below.) Most baby boomers will rely on their Social Security -- some more desperately than others -- for a steady, inflation-adjusted portion of their retirement income.

A quick note about the term "savings." Here I mean the sum of all your investment assets -- your income-producing bank accounts, CDs, retirement accounts, stocks/bonds/mutual funds/ETFs, and rental property, less any debts: mortgage, consumer, or other. We need to separate assets that produce income from those that don't. For example, your home equity represents an ability to live rent-free, but it doesn't produce income that you can consume (unless you rent out a room). So the "savings" figures above don't include home equity. For example, if you live in a paid-for $750,000 house, you might technically be a millionaire -- if you have another $250,000 in assets to create $1 million in total net worth. But you are a long way from retirement, if you don't have enough income-producing assets to fund your expenses when not working.

For simplicity, we'll also assume that your house is paid off. (If not, you'll need to add mortgage payments to your expenses discussed below.) Though it's not impossible to retire while carrying a mortgage, it's rarer. To retire with significant credit card debt would be rarer still -- simply because it is unlikely that anybody who hasn't paid off high-interest credit-card debt would have accumulated the assets needed for financial independence. So, chances are, if you haven't paid off your house you won't be in range to retire, because you haven't been working long enough to have accumulated enough savings. (Yes I know there are savvy early retirees who have saved aggressively and chosen to keep carrying a low-interest-rate mortgage, but those are rarer cases.)

As long as we're defining terms, let's talk for a moment about that loaded term "retirement" itself. Retirement is a relatively new concept: until midway through the last century, there simply wasn't enough accumulated wealth on our planet to support extended retirement for most human beings. Most recently we've experienced a "baby boom" of once younger workers and other favorable demographics allowing for longer and more carefree retirements for the previous generation. Now the pendulum is swinging back. For the baby boom generation of 79 million, "retirement" will probably have a very different character. It is likely to be longer, more active, roiled by changing economic and social conditions, and punctuated with some form of work. So when we discuss "retirement" here, especially early
retirement -- in your 50's or 60's -- what we really mean is "a level of financial independence that allows foregoing the security of a full-time job."

Back to the ballpark: Given all these details and caveats, what's so special about those $1 and $2 million thresholds we saw above? That's where expenses come in....
Your Expenses

"The connection between pre-retirement and retirement isn’t built with more (or less) savings. It is built by becoming a student of how you spend your money today. Only when you know that will you have the reassurance that you’re on track." —Scott Burns

The starting point, the most critical factor, and yet the most neglected item, when planning for retirement is expenses. Without a deep understanding of what it costs you to live, any discussion of retirement savings or income is pointless. Despite the oft-repeated advice that you will spend some standard percent (perhaps 60% on the low end to 100% or more on the high end) of your pre-retirement income in retirement, what it costs you to live is generally not a function of how much you make! There are millionaires who live like college students, and minimum-wage workers who live like millionaires -- for a while -- on credit. You're probably somewhere in between. But do you really know? To get serious about retirement planning, you simply must have an accurate picture of the range of your monthly living expenses. You should understand your bare minimum or fixed expenses, your average expenses, and your ideal expenses -- allowing for some luxuries.

Determining expenses, because it requires discipline and detail, is hard for many people. That's why it's the most neglected aspect of retirement planning. In short, the only truly accurate way to do it, is to actually keep track of all your expenses for at least a year, while you are living a retirement-like lifestyle, but before actually retiring. Over the long haul, this is one of the most important few actions you can take to build wealth and retire comfortably! You can track expenses with a desktop tool such as Quicken or an online tool such as mint.com. But it's still hard, and requires more discipline and attention to detail than many can muster. Below I'll offer a baseline number that you can adjust up or down for your situation. But you'll need more accuracy to be confident. How do you get that if you aren't the detail type? One approach is to sit down with a good, generic set of budget categories, plus your checking account and credit card statements, and try to estimate a monthly or annual amount for each category. Don't forget those less-frequent expenses such as home and auto repairs, vacations, and property taxes!

As a baseline, I'll discuss here the living expenses of two real couples in their 50's, no children at home, living on opposite sides of the country. Both have what I would call a "restrained upper-middle-class lifestyle." Think smaller houses in upscale neighborhoods, gas-efficient vehicles, few big toys or fancy clothes, careful diets, but plenty of frugal fun: road trips, coffee bars, dining out, books and movies. In both cases, minimum monthly expenses sans mortgage (this assumes your house is paid for), come in at a bit over $4,000/month, or $48,000/year.

If you need more confirmation on the cost of a comfortable lifestyle, consider these data points: In his ground-breaking book Work Less, Live More on early retirement, Bob Clyatt writes...
that "average budgets for generally well-heeled early-retired couples are around $40,000 to $45,000 [a year]" -- about $3,750/month on the high end. And, according to bundle.com -- a web site created by a former banker using aggregated spending transactions to find out how people handle their money -- the average expenses (again not including mortgage or rent) for higher-income ($125K+) couples age 50-65, no kids, are about $4,675/month or about $56,000/year.

If your lifestyle sounds different from these, you can scale up or down as needed. For example, if you’re willing to live in more modest surroundings, buy used, and eat lower on the food chain, you can probably live on quite a bit less. For example, changing the income to $40-$50K at bundle.com yields a budget of just $2,258/month. On the other hand, if manicured retirement communities, expensive vehicles, and international travel are your idea of retirement living, you could need quite a bit more.

To simplify, let’s assume that you need $50,000/year to live, or a little over $4,000/month for that "restrained upper-middle-class lifestyle." That will be our baseline for prudent but comfortable retirement living. Let’s see now what that tells us about your required retirement savings....
The Safe Withdrawal Rate

So now that we've established a baseline for living expenses, how do we get from that to a lump sum like the savings or investment assets quoted in the short answer above? How do we know how long a given sum of money will last when paid out month after month? The truthful answer is that we don't. Nobody does. Even insurance companies that sell annuity contracts for a lump sum, and promise you a monthly payment for the rest of your life, can't fundamentally guarantee that income stream. All that exists to back up their promise are odds and statistics, which, when implemented carefully, by responsible and conservative management, and backed up by fiscally-responsible reinsurers and governments (seen any of those lately?), are probably a decent bet.

So odds and statistics are all we've got. And we've got a lot of those. Countless studies and projections over the years have established a range for the "safe withdrawal rate" -- the amount of money you can withdraw from a well diversified portfolio each year and expect it to last for a certain number of years. The bad news is that this safe withdrawal rate is significantly less than the average historical return on your particular mix of investments: you can't simply consume all your income or growth in good years. Why? Because your real-world investments won't perform the average each year, and they may underperform at the start of your retirement, thereby damaging your principal's ability to produce income for you later on. This is known as "sequence of returns" risk. In *The Four Pillars of Investing*, market wizard William Bernstein writes that you pay a penalty of about 1.5-2% for "luck of the draw." An especially bad sequence of returns can reduce the safe withdrawal rate by as much as 2% below expected long-term returns.

The first group to study this problem in depth was a team of academics at Trinity University in San Antonio, Texas. Their results have since become mainstream advice. They analyzed various withdrawal levels over a number of historical periods and concluded that only at a withdrawal rate of 4% to 5% of the initial portfolio value, adjusted for inflation, is there a reasonable expectation of "success" -- not running out of money over the course of a 30+ year retirement. Subsequent studies by a number of individuals and institutions -- using both historical returns and Monte Carlo simulations (featuring random inputs) -- have confirmed a range centered on that 4% withdrawal rate. Many long-standing endowments and charitable trusts use 5% as their annual withdrawal target. Almost no responsible party recommends a withdrawal rate over 5% at the start of retirement, and quite a few recommend lower rates -- as low as 2-3%, given the sorry state of world financial affairs, and the unknown prospects for future growth.

Remember, these withdrawal rates are meant to be independent of your investment returns in any one year. They take into account historical growth, and losses, on typical balanced portfolios of 50%-60% stocks and the rest bonds, to provide a "safe" withdrawal that won't deplete your portfolio over the course of a typical retirement. In other words, you don't
have to worry about how your investments perform in any one year, as long as you withdraw no more than the "safe" rate.

So let's do the math, simple enough at this point, using the mid-range -- the widely-accepted 4% safe withdrawal rate. Four percent of what number would yield our desired income of $50,000/year? Divide 50,000 by 0.04 and the answer is $1,250,000 -- or somewhat over 1 million dollars in savings required. Ouch! But hold on, there is some good news still to come....
Good Wildcard: Social Security

If your savings are somewhat shy of that magic one million dollar threshold, or if you're rightly concerned about contingencies -- unexpected healthcare costs, major home or car repairs, increased taxes, rising inflation and so on -- that's where Social Security can come into play. Yes, it's trendy in some circles to discount Social Security completely. But when you look at the facts for those nearing retirement now, that just isn't realistic. Social Security will be a key part of retirement for most of us.

Social Security is in genuine trouble: According to a recent Social Security Statement of mine, "the Social Security system is facing serious financial problems, and action is needed soon to make sure the system will be sound..." Can you imagine the panic if similar language appeared on your bank statement? My 2010 statement goes on to say that "In 2016 we will begin paying more in benefits than we collect in taxes. Without changes, by 2037 the Social Security Trust Fund will be exhausted and there will be enough money to pay only about 76 cents for each dollar of scheduled benefits." In 2011 that exhaustion date was revised to 2036, likely due to the recent economic meltdown.

Despite the dire predictions and financial realities, it is highly likely that Social Security will survive in something like its current form. Why? For one thing, note carefully that it is good for another 25 years even if the politicians do nothing. Also, realize the changes needed to fix it, though politically unpalatable, are relatively modest. Theodore Roszak, in his book Longevity Revolution: As Boomers Become Elders, projects that if the payroll tax were increased just 1 percent each for employees and employers, it would be enough to keep Social Security solvent through the rest of the century. That's a rather small, simple price tag, compared to the drastic changes needed to address other such issues, like Medicare. Finally, given the boomer generation's experience of two stock market busts in just the last decade, it is almost inconceivable that a majority would support removing the guarantees associated with Social Security and turning the program over to the Wall Street wizards who brought us the Great Recession. Boomers will be a formidable voting block in their later years, and would surely overrule any attempts to radically change or gut Social Security.

So Social Security could be around for several decades in precisely its current form, and probably long after that in something like its current form, maybe with somewhat reduced benefits -- possibly in the form of older retirement ages. It's as foolish to ignore Social Security's potential contribution to your retirement as it would be to rely solely on Social Security's limited payments for your well-being. But just how much is it worth to you?

You should have been receiving an annual statement from the U.S. Social Security Administration (SSA) with an estimate of your actual benefit. (Recently, to save money, the SSA announced it is phasing out these annual statements in favor of the calculator at www.ssa.gov/estimator. In the future, you'll have to remember to go online periodically, to
monitor your benefits.) We'll take a generic approach here so we can get some rough answers quicker: According to the SSA, the average benefit paid to retired workers in mid-2010 was $1,170 per month. (Note: your actual benefit depends on your work history and your age at retirement.) Assuming there are two of you with earned income, that is about $2,300/month. What is that worth, compared to your other savings? Well, valuing Social Security benefits is hotly debated in academic circles, but for our purposes we can do a rough, back-of-the-envelope calculation.

What lump sum would provide you with $2,300/month (or about $28,000/year) in lifetime income? The initial answer is about $700,000, using the safe withdrawal rate method demonstrated above. But, if you hope to retire before Social Security age, we have to account for the fact that Social Security doesn’t start until sometime in your 60’s, possibly later.

The table below shows some possible present values of Social Security benefits, depending on the years until you reach Social Security age. The calculations use an interest rate of 5%, and show what sum of money you'd need invested now, the "present value," in order to generate your expected Social Security benefits in the future. Given that we're attempting to predict a future likely to be filled with economic cycles, political shifts, and a reduction in benefits, I've added a safety factor in the last column, reducing the total amount. (If this seems arbitrary, feel free to choose your own factor, up or down.) Ignoring, as we have, that Social Security is inflation-adjusted, adds yet another level of caution -- it may be worth even more to you. So indeed the end results below are conservative numbers that account somewhat for the uncertainties around Social Security.

### Table: Present Value of Social Security for Average Working Couple: Add to Savings

<table>
<thead>
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<th>Years Until SS Age</th>
<th>Present Value</th>
<th>Safety Factor (75%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>$700,000</td>
<td>$525,000</td>
</tr>
<tr>
<td>5</td>
<td>$550,000</td>
<td>$410,000</td>
</tr>
<tr>
<td>10</td>
<td>$430,000</td>
<td>$320,000</td>
</tr>
<tr>
<td>15</td>
<td>$340,000</td>
<td>$250,000</td>
</tr>
</tbody>
</table>

The upshot of all that number crunching? It lets you easily account for Social Security with a simple, ballpark savings number. So, for example, if you are a working couple in your mid 50's now, with about 10 years until you could collect Social Security benefits, you can conservatively add about $320,000 to your existing retirement savings, to roughly account for the value that Social Security represents in your future. Then you can compare that new sum (your actual savings + $320,000 representing Social Security) to those ballpark thresholds discussed above, to get a quick answer to the question "Can I retire yet?"
If you need Social Security to cover your projected retirement expenses, then, as discussed above, you can probably rest easy that you'll receive most of it. And, if you don't need it, then you can keep it in the back of your mind to cover contingencies. In either case, if you use this technique of adding the present value, be certain to remember that you've already accounted for Social Security in your current savings -- you should not factor in any income from Social Security at a later date!
What If I Don't Have Enough?

"A man is rich in proportion to the number of things he can afford to let alone."

—Henry David Thoreau

As we've seen, retirement for those of us in the baby boom generation requires considerable assets. This is especially true for the vast majority of boomers who will not receive a pension -- the "third leg" of the traditional retirement planning stool, whose other legs consist of Social Security and personal savings. In many cases, you in fact do need $1 million, or more, in savings or investment assets, to retire comfortably. That 7-digit number is unreachable for many workers in lower paying jobs or those who started saving too late. They are at risk of suffering uncomfortable or catastrophic reductions in lifestyle in their later years. (In a 2009 study by the Employee Benefit Research Institute, the median defined contribution plan balance for families with a head of household age 55-64, was only about $69,000.) Even those who are fortunate enough to have accumulated assets approaching the necessary level may find, when they crunch the numbers, that they don't have enough of a cushion against unexpected expenses, such as spiraling health care costs, to allow for sleeping well at night.

What is one to do? There is always hope to improve the quality of life in retirement. At the simplest level there are two solutions:

1. Reduce your expenses
2. Increase your income

Like it or not, reducing expenses, living more modestly, is the medicine that the vast majority of baby boomers will be taking at some point in their future. It's the solution most under our control, and the one we'll have to accept if there are no other choices. The main question is whether you'll do it on your terms -- gradually, while preserving what's most important to you, or whether you'll have it forced on you by events.

There are two obvious phases: cutting expenses now, while you're still working, and cutting expenses once in retirement. I recommend doing as much cutting now as possible, while you are still working. That way you can get accustomed to a new lifestyle sooner; it will be less of a shock in later years; and you can make adjustments while you still have the options offered by a steady income. Also, the lower your expenses while working, the more you can save for retirement, and the sooner you can retire. So, if you find that making do with one less car cramps your style, or that cutting back on high-end foods doesn't agree with you -- you can decide to work a few more years. On the other hand, you may find that these, or other changes, don't impact your quality of life much. You might even be motivated to aggressively seek out other savings.
The second solution, *increasing your income*, has several facets. First and most obviously, you can simply work at your career longer. (Boomers will discover that the Social Security full retirement age has been gradually increased and is now 67 for anybody born in 1960 or later. It is likely to get even older as part of reforms to preserve Social Security.) Second, you can attempt to increase the investment return on your savings. If your investment portfolio is overly conservative -- largely in cash, CDs, or bonds -- you can allocate somewhat more to stocks. (The old rule, 100 minus your age in stocks, is still a good starting point.)

But trying to increase returns beyond a reasonable allocation to stocks, is a dangerous game. Decades of research prove that it is impossible to consistently outperform the stock market without taking on more volatility and risk. In other words, to possibly outperform the market, you have to take on more risk of *underperforming* the market -- which could mean running out of money in retirement. Another downside is that many approaches to outperforming the market incur more expenses, another headwind to success.

There is, however, one safe technique for increasing your investment return at low risk, but some cost. That is *annuitizing* part of your savings. When you purchase an annuity from an insurance company, you buy a contract for a lifetime stream of income, *and* you usually increase your investment return by a few percentage points, depending on your age. The downside? You give up control of your principal -- all or most of it goes to the insurance company, instead of to your heirs.

If you still don't have enough savings to retire, you're just about out of options. But there is one more possibility that could, for a variety of reasons, actually be the best choice for most of us in the early phases of retirement....
Your Secret Asset (A New Version of that Old "Third" Leg of the Stool)

"Giving up the pursuit of retirement has a great many practical and psychological advantages. But it also has an added spiritual bonus: By eliminating the finish line, life stops being a race."
—Stephen M. Pollan, Die Broke

What is the secret asset, the missing link, that will permit many of us a secure retirement? Perhaps not surprisingly, it's the ability to work part-time during a portion of our retirement.

"Work." Hey, isn't that the four-letter word we've been running away from? Why should "work" be part of retirement? Well, with longer life spans, many of us will have more spare time than we know what to do with. All-day, every-day leisure may not be as rewarding as we are led to believe in those picturesque retirement ads. With some change in perspective, and a few ground rules, you may find that working part-time in retirement can be both joyful and profitable.

Ideally, part-time work in retirement should have a few clear characteristics:

1. It should be something you enjoy doing, that in no way adds physical or mental stress to your life or feels like "work."
2. It should take place on a flexible schedule that doesn't compete with other important aspects of your life.
3. It should scale up or down relatively easily -- so you can work more or less, depending on circumstances.
4. And, perhaps, it should have a spiritual or creative or service component that provides meaning to your hours and room for personal growth.

This is the real secret to "secure" retirement for the baby boom generation. The uncomfortable truth behind retirement planning is that there are so many variables, so many unknowns about the future, that, unless you are extremely wealthy, there is almost no way to guarantee complete security. As we saw in the "Short Answer" above, a typical retirement couple probably needs investable savings or equivalents of about $2 million to eliminate any chance of their retirement derailing. Few of us will achieve that level of wealth. Enjoyable, productive, sustainable part-time work, that can produce a modest income of from say $500 to $1500/month is the best asset our generation can have. Think: given a 4% safe withdrawal rate, if you earn just $1,000/month or $12,000/year, that's equivalent to saving another $300,000 towards retirement! (Divide 12,000 by 0.04.)

Part-time work that can scale up or down to changing economic conditions also removes some of the impossible need to predict investment returns, inflation rates, government policies, contingencies, or emergencies, because you can always produce some income as needed, at least in the early years of retirement. And, importantly, that income is generally
inflation-adjusted -- because the value of most goods and services relative to other goods and services in the economy should stay relatively stable, regardless of the actual level of prices assigned to them.

Perhaps you already have some part-time work in mind, or you could go half-time at your existing job and would enjoy that. Otherwise, give some thought to your options. Freelancing may be the most predictable, profitable, and satisfying route for many of us. Consider your top skills, strengths, and interests. Think about some freelance trades that might suit you -- they could be related to your previous career, or a favorite hobby, or something completely different. With a little time and space, and no pressure to make the big bucks, odds are favorable that you can find work that is a good fit for you. A recent survey on a leading retirement forum posed this question to seasoned retirees: "Were you able to find or create the rewarding part-time work you wanted, when you were ready, without too much stress?" A reassuring 75% of respondents answered "Yes."
The Bottom Line

"The important thing is not to stop questioning." —Albert Einstein

So there it is: An answer to the question "Can I Retire Yet?" We've reviewed some ballpark numbers for your retirement savings, then delved into the details. We discussed your expenses, safe withdrawal rates, Social Security, what to do if you don't have enough, and your secret asset -- part-time work. As you can see, even the "simple" answer to this question trails a hefty discussion!

In theory there might be another answer that is more accurate or authoritative. It would require even more data -- details on your expenses, how your lifestyle will change over time, additional one-time expenses or income -- and a cash flow analysis. Perhaps you do have a pension: its sustainability might need more consideration. Your debt, if any, is a concern. Perhaps you have hard-to-value business ownership interests. Then there are estate issues: many boomers may inherit substantial assets from their statistically better-off parents, but when, and how much, defies prediction in most circumstances. Questions swirl around government policies: tax rates, Social Security changes, health care, inflation. You could jam all this data into a Monte Carlo simulation or historical analysis. And on it goes....

In fact, as seen above, there are so many variables involved in just the "short" answer to the "Can I Retire Yet?" question, that any kind of definitive answer is probably impossible. The Law of Error Propagation states that the uncertainty of an answer increases as a function of the variables involved. When you multiply the uncertainties from each possible input to the retirement planning equation, the potential error in the output (your retirement) becomes astronomical. Ultimately the entire effort simply boils down to an attempt to predict the future. And, whether it's a medieval crystal ball, or today's hedge fund models, nobody has ever done that consistently.

In the end, your best bet may be the ballpark answer, and your secret asset (enjoyable part-time work), along with an active, aware approach to managing your early retirement years. Rather than taking the back seat as a passenger, passively watching events while drawing down your assets, plan instead on "driving" your retirement using flexible income and spending levels, within sensible ranges. That is much more realistic than trying to save enough money that there is no probability of ever running out -- nearly impossible to accomplish, or even prove, for most of us. Plan the best you can, and make your peace with the remaining uncertainty. Just be sure you have an accurate "fuel gauge" -- whether your own tools or those of a trusted adviser -- before you set out on the retirement journey!