

## RETIREMENT

### I'm a Financial Professional: It's Time to Stop Planning Your Retirement Like It's 1995

Today's retirement isn't the same as in your parents' day. You need to be prepared for a much longer time frame and make a plan with purpose in mind.



When you hear the word "retirement," what picture comes to mind? For many, it's still some version of the classic image: Clock out at 65, cash in your pension or Social Security and settle into 20 golden years of golf and grandkids.

That version may have worked in 1995. But today? It's as outdated as floppy disks.

In my work helping clients prepare for retirement, I see a very different picture emerging. One that's longer, more fluid and far more personal. If you're still planning your retirement based on old rules, it's likely time to rethink your strategy.

#### Why the old retirement age doesn't work anymore

Somewhere along the way, 65 became the unofficial finish line. But that age has more to do with Social Security benchmarks than modern longevity. People are living well into their 80s and 90s, meaning retirement might span 30 or even 40 years.

That kind of timeline changes everything.

Retirement can no longer be treated as a brief reward at the end of a career. It needs to be a sustainable, purpose-driven phase of life. And that takes planning beyond the numbers.

### **Retirement on your own terms**

The old model assumed retirement meant stopping work altogether. That's not what I'm seeing. Many of my clients are choosing a phased retirement — stepping away from high-stress roles but still working in some capacity.

One client, a retired engineer, now cuts grass at the local arboretum. He doesn't need the paycheck; he just enjoys being outdoors and having something to do. His purpose of staying active, engaged and connected is as vital as income.

Others are rethinking where and how they live. I work with a couple who split their time between Cleveland and Cincinnati to be closer to their grandkids.

It started as two weeks in each place, but it has evolved as their lifestyle and health needs have changed. That kind of flexibility is the new norm.

### **Why 4% isn't a golden rule anymore**

A long retirement horizon introduces new financial challenges. One of the biggest is the sequence of return risk, the risk of retiring into a down market while withdrawing from your portfolio. If you're pulling out money while your investments are losing value, it becomes much harder to recover.

I use a bucketing strategy with clients, separating short-term income needs from long-term growth investments. This helps insulate early retirement years from market volatility.

Yes, we still use the 4% rule as a guideline, but we also adjust based on inflation, market conditions and client-specific goals. Retirement income planning is no longer a set-it-and-forget-it exercise.

## **Three moves that matter in the modern retirement playbook**

I've found that there are three crucial steps that those nearing retirement should take to modernize their plan.

First, you need to redefine retirement for yourself. Ask: What does retirement look like for me? Is it travel? Time with family? Starting a new chapter of work or giving back? Defining your "why" leads to more intentional planning.

Next, this is where the numbers come in. You need to stress-test your portfolio with the help of your adviser. This will show you if you're prepared for a 30-year retirement with market ups and downs.

Run a scenario: How would you respond if the market dropped 15% the day after you retire?

Finally, the ultimate plan must be done purposefully, not just considering numbers and percentages. Financial independence isn't just about having "enough." It's about having a life that reflects your values. Use that as the foundation for decisions — from when to retire to how much to spend.

## **Retirement is just the beginning**

Too many people reach retirement and find themselves lost, not because they didn't save enough, but because they didn't plan for what comes next.

One of my clients saw this firsthand. His father spent his life building a family business, retired at 62, and passed away just a couple of years later. That experience stuck with him.

Determined to enjoy life on his terms, he bought out his siblings' shares of the family's Florida vacation home and retired early. He's now living his best life, sooner than most would expect, because he recognized that the old script didn't fit.

Retirement today is more than a financial milestone. It's a deeply personal phase of life that deserves planning grounded in values, not just spreadsheets.

So forget the retirement playbook from 30 years ago. Today's plan is to be flexible, purpose-filled and built to evolve with you, so you can truly enjoy where your hard work has taken you.

**NYSUT NOTE: If you clearly remember 1995, it's time to start taking your retirement seriously. Whether you're a millennial, Gen Xer or even a baby boomer in the midst of your retirement, you could stand to get some advice. The NYSUT Member Benefits–endorsed [Financial Counseling Program](#) will help you get your financial life in order, no matter where you are on your journey.**

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