

# 6 Ways You Can Increase Income Close to Retirement

First off, know that this is not a new problem.

*“Cessation of work is not accompanied by cessation of expenses.”  
–Cato the Elder (2nd century B.C.)*

Mathematically, you simply cannot reach retirement through straight savings. You have to invest and collect compound interest over as many years as possible. This is fair advice when you are young, and really crappy non-advice when you're older. When the Time Value of Money doesn't allow you to reach your retirement goals, what else can you do? Lots of things:

## 1. Increase income:

- Home-share
- Drive-share
- Start that business / side-hustle you always dreamed of
- Get a part-time job
- Charge your kids for all the free babysitting

## 2. Reduce Expenses:

- Downsize your home
- Move to a lower cost-of-living area
- Join co-housing
- Take advantage of discounts (meals, air miles, etc.)
- Pay down high-interest debts

## 3. Increase Savings:

- Estimate Social Security / Pension Income
- Increase 401k Savings (allowed an extra \$6k “catch-up” after age 50)
- Channel windfalls into savings
- Make substantial contributions now so you can graduate your payments down in the future.
- Purchase annuities

## 4. Consider an Annuity:

An annuity is a tool that creates future cash flow (fixed or variable payouts) starting on a specific date (examples: Pension & Social Security)

-First, you make payments in lump sum or periodically during the ‘accumulation phase’

-Then, your payments are locked up (illiquid) for the ‘surrender period’ (2 years or higher, depends on product) and can't be refunded without penalty

-Finally, your payouts begin on target date (the ‘annuitization phase’) and continue as long as you are alive (or spouse if you select survivorship benefit)

### **5. Advocate Legislation:**

- Pay attention to policies in your town, city, county, and state that affect social safety nets and supports that you will need as a retiree.

### **6. Mentor Someone:**

- Teach someone what you are learning
- Tell your story (is the most powerful connection tool we have)
- What we tend to see as our “mistakes” are simply lessons in disguise

### **Links:**

- <https://www.fool.com/retirement/2017/12/07/cant-afford-to-retire-heres-what-to-do.aspx>