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As with most modern inventions, the idea of retirement is evolving at a faster and faster rate. What seemed *impossible* a few generations ago has transitioned through *possible* to *expected* and now *anticipated* – so much so that the offshoot idea of an 'early retirement' was born to encompass a wider variety of retirement options. Early retirement is more possible today than it has ever been. With this newfound accessibility, though, comes an often puzzling set of expectations and concerns which I believe scale inversely with age and include:

- Emotional/psychological impacts of leaving a traditional workplace;
- Expectations vs. reality of retirement, especially if one's friends and family are not there yet;
- Ongoing need for social interactions;
- Ongoing need for a sense of fulfillment;
- Funding lifestyle expenses;
- Mechanics of accessing retirement assets, if needed at this stage.

For many of us with experience in corporate roles, the traditional (and perhaps, only) retirement savings approach emphasizes deferred-tax 401k and IRA structures for assets intended to be accessed only at – or just prior to – the traditional retirement age. As noted, though, these savings vehicles create a mismatch with the timing of an early retirement envisioned before age 59 ½. Therefore, enabling the goal of early retirement means pursuing a path less taken, intentionally emphasizing an asset structure that matches roughly the intended age of retirement. In practical terms, this means developing an income stream (passive or active or potentially both) or asset base OUTSIDE of both traditional work and traditional retirement accounts.

Is this actually possible? For those who have 'grown up' exclusively in a corporate setting for all of their work lives, the answer may be surprising - very much so! For instance, here are some examples of potential income stream(s) outside of full-time work:

- Part-time work;
- Freelancing/Consulting;
- Content creation and selling;
- Renting your existing assets (houses, cars, etc);
- Interest, dividends, asset sales, or annuitization on existing non-retirement asset base;
- Borrowing (although I believe caution is warranted here);
- Specialized access to retirement savings through the IRS' Rule 72(t) – likely requires expert tax assistance to set this up.

Retiring early involves setting up one or more of these income streams outside of the primary full-time work income stream that most of us are used to. In fact, the more, the better for a robust early retirement plan! Not to say that any of these are easy, and I acknowledge the difficulty of setting these income streams up while fully engaged in a corporate career, but I believe the end goal is worth the level of effort. Note that these usually take some time to mature, though. It may be helpful here to engage some type of accountability partner to keep the future in sight while slogging through the present.

From the list above, one of the most important sources of retirement income is the non-retirement asset base. How big of a non-retirement savings asset base will be needed for an early retirement, though, is largely dictated by the very personal way that an individual intends to retire. In the *Financial Independence, Retire Early*

(FIRE) movement, for example, participants often express a goal of achieving 25x their anticipated retirement expenses in net worth. This can be misleading, though, if that asset base is achieved largely or solely in traditional retirement vehicles which have not been taxed yet and which may prove difficult to access in an early retirement. After all, while many early retirees prior to age 59 ½ may want to use IRS Rule 72(t), there are some nuances to accessing funds this way that need to be considered and planned for. Also, taxes will still be due, which naturally reduces the actual balance available to spend. Worse, if that net worth goal includes necessarily-replaceable assets such as cars or housing without accounting for replacement or maintenance costs for those assets, then the goal itself is questionable for use in funding retirement. In these circumstances, 25x might not be near practically enough.

Further, the challenges with simply acquiring assets of a certain level are not the entirety of the planning equation for the potential early retiree. There are many other factors which make this decision both intensely personal and subject to high uncertainty. For instance, here are some of the considerations that will influence how much to save above or beyond the traditional retirement savings approach or minimal target net worth level:

- The degree of intended retirement (perhaps hard to grasp but it's NOT all or nothing);
- The amount of planning and belief that has gone into the retirement decision;
- Purpose outside of career;
- Ego or the level of desire to remain engaged in work of some type;
- Spousal or other support/agreement;
- Number and nature of dependents while an individual is in retirement;
- The retiree's extroverted vs. introverted nature;
- Proposed access to healthcare, especially pre-Medicare-age;
- Need for insurance or other benefits;
- Life/chance events outside of the plan;
- Intentional changes to the plan post-retirement.

While the amount of complexity implied here may seem daunting, it is possible to overcome or at least account for them. The puzzle pieces can be put together in a way that makes sense! The crucial ingredient, though, is always the motivation to begin the early retirement journey and stay the course. For various reasons – some environmental and structural but some simply emotional or rooted in disbelief – the path to early retirement is a path less taken. It goes against the grain of much of our modern, consumer-focused and *More*-obsessed economy, and it takes deliberate effort to realize. In this environment, personal motivation takes on an out-sized importance. This is the fundamental 'why' question behind all of the more technical 'what' and 'how' questions of early retirement. Many resources and partners can help with 'what' and 'how'. Ultimately, though, the 'why' for pursuing the path of early retirement is up to you.