Living Off Your Acorns

Your Guide To The Four Phases of Retirement

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PREFACE

I've been serving clients for over thirty years. In 2010, while attending a conference hosted at Morningstar headquarters, I stumbled across a new program—a designation for those wanting to specialize in retirement income planning—the Retirement Management Advisor designation. I enrolled in the inaugural class and, along with about twenty others, was one of the first to acquire this designation.

As I began putting it into practice, I felt compelled to write a book about what I learned. My initial book, *Control Your Retirement Destiny*, was published in 2012, with a second edition released in 2016.

I wrote it because I felt the industry was doing retirement income planning wrong. Industry language and practices were single-mindedly focused on accumulating acorns. Education often lacked emphasis on the critical factors that apply when transitioning to living off those acorns.

Since then, the industry has come a long way. The students graduating from financial planning schools today (something that didn't exist when I started in the business) are phenomenal. I am proud to see the advancements in the software, research, and planning prowess of my peers. I feel that my work contributed to this advancement, and I am glad for any part I played.

Over the years, I embarked upon updating my original book numerous times. Despite my efforts, my computer remains cluttered with half-finished manuscripts. Each time I started, policy changes rendered sections obsolete.

PHASE 1

PRE-GO

Where does the Pre-Go phase begin? For most, in our 50s. For some, not until their 60s or even 70s. It starts when you seriously begin contemplating retirement. While I certainly wish everyone would begin their contemplation a decade out, for some, it happens rather suddenly. One day, they wake up and realize they're ready to retire.

A Personal Awakening

We were enjoying our two-week summer escape to Beaver Creek, Colorado. The crisp mountain air and rustling aspens surrounded us. Each morning, we'd walk through town, each storefront brimming with overflowing baskets of rainbow-colored blooms, and then we'd head off for a hike. There were deer, groundhogs, and a gorgeous mountain stream gurgling along the path. It was day thirteen, and I hadn't been bored yet.

You might say, "Well, of course not—how could you be bored on a vacation in such a stunning location?"

WHAT WE SEE IN PRACTICE

In the Pre-Go phase, the risk-reward trade-off changes. You no longer have decades of earnings ahead of you. A job loss that may have been a temporary setback in your 30s can become a permanent impairment when it happens in your 50s.

Some people naturally recognize this shift and take needed precautions. Others seem blissfully oblivious to the changing nature of this phase—until it's too late.

Let's look at how people's choices in this phase affect their future retirement and shape how they feel about what lies ahead.

A Smart Move

Brian was a tech professional in his early 50s, earning more than he ever had. He was happily employed, and his job didn't appear to be at risk. But he knew that could change at any time with little notice.

Rather than follow a traditional plan centered around working until his early 60s, Brian wanted to know: What would happen if his job ended tomorrow? How could he reduce his exposure to the risk of a "sudden retirement"? He'd seen too many colleagues in the tech industry get outsourced as their skills became outdated, left behind by the speed of change.

While many in his position might have used their peak earnings to upgrade their lifestyle, Brian took a different path. He focused on saving as much as possible and building up accessible funds he could access without penalty if needed. If his career continued as planned, he'd have the option to retire earlier. If it didn't, his high savings rate gave him a solid backup plan.

The result? Less stress. More choices. More autonomy. Brian's overall well-being improved, not because he had certainty, but because he had flexibility. He knew he could handle whatever came next.

Brian was also deeply involved in his church and had a strong community outside of work. He had a clear understanding of his financial picture *and* a vision for what life could look like beyond the office.

A Missed Opportunity

Daniel was an orthopedic surgeon in his peak earning years. His wife, Arjun, was a successful solo-practicing architect. They fully funded Daniel's retirement plan each year, but outside of that, they didn't save a penny. Their combined income exceeded $750,000 annually, yet by their mid-50s, they had less than $750,000 saved—not even one year's worth of earnings.

When asked about their finances, they deflected. They were focused on the present and on providing a specific lifestyle for their children. Tomorrow, and retirement, didn't seem to matter.

Then Daniel was diagnosed with diverticulitis, an infection of the digestive tract. Short-term disability provided some coverage, but their income dropped sharply. Fortunately, Daniel recovered and