FinStream TV
finstream.tv

Navigating Unexpected Job Loss: Retire or Job Hunt?

Admin User · January 15, 2026

Expert Fritz Gilbert shares insights on making the crucial decision between retirement and job searching after an unexpected career setback.

Robert Powell: How might you decide whether to look for a new job or transition to retirement after an unexpected job loss? Here to talk with me about that is Fritz Gilbert, the publisher of the Retirement Manifesto blog. Fritz, welcome.

Fritz Gilbert: Hey Bob, thanks for reaching out. I feel for this reader. I hear it from so many of my readers, and it’s a sad reality. I hate to say it, but I really have empathy for these people. The reality is, if you look at all the studies, and there have been numerous published, I think the latest I saw was 58% of people are forced into retirement earlier than they want to. It’s a combination of factors. Many are job downsizings, many are health reasons – either in your family or you personally, your spouse, your parents, whatever.

But a very large percentage are job downsizings. Obviously, we’re seeing it in the government right now. I spent 30 years in corporate America. I think we went through three or four 10% downsizings over that time frame. I’ve lived it firsthand. I’ve never been downsized, but I’ve been in the environment. And the funny thing is, you really feel for the people that get let go. Obviously, that’s the problem. But even if you’re still remaining, suddenly you’re picking up the extra workload. You’re not getting extra pay. Everybody’s discouraged. So all the way around, downsizings are a tough topic.

This reader here, he’s 61 years old. He’s like, do I go back and find another job? Do I try to retire? I wasn’t mentally prepared for this. That’s the reality. And it’s a really tough situation that a lot of people find themselves in. So I think it’s a great topic to talk about.

Robert Powell: Yeah, so in this case, the reader wasn’t mentally prepared, but he seemed to indicate that he was financially prepared. Does that make it any easier when you think about, do I keep looking for a job or do I just transition to retirement?

Financial Preparedness vs. Emotional Readiness

Fritz Gilbert: Clearly, having the financial situation where you don't have to go back to work takes huge pressure off. If you're 61 and you're burning through your retirement savings and you can't find another job and you don't have enough, so you have to go back to work, that adds a whole other level of stress. That said, even if you have the financial means, when you're unexpectedly let go, it does something to your psyche. You get discouraged, you don't feel worthy. So you're dealing with all that emotional baggage of getting let go in your peak earning years, and you haven't mentally prepared.

I think the best way to think about this is through Riley Moines' four phases of retirement, which he discussed in a viral TEDx talk on YouTube. I wrote an article about it. Phase one is the honeymoon. Everybody pretty much experiences it, although I would argue if you get severed, maybe you don't experience the honeymoon very long.

The Four Phases of Retirement

But 85% of people go into phase two, which is this disorientation and depression. I would argue that probably 100% of people that get severed are going through it. And as I read through the question from your reader, it's clear that he's struggling with a lot of those phase two symptoms. Should I go back to work? I don't know what I want to do. I don't have any purpose in my life. Those types of searching questions are symptomatic of phase two.

The way you get out of it is through phase three: trial and experimentation. This could be going back to get another job. It could be getting involved with a charity. If you've got the financial means, you start saying, "You know what? I'm just going to see if I can find a way to get some purpose back in my life." And this job thing is just frustrating me. And you know what? I really don't have to go back to work anyway. I'm just going to try to go this other avenue for a while.

So it's that recognition that you've got to do something, and it's either going back to work or it's finding other things that you're going to do with your time that provide purpose and meaning. And it's hard, right? But recognizing that you need to do that is the key to moving out of that phase two depression and disorientation and starting to move towards phase four, which is purpose and fulfillment.

Exploring Options: Work or Alternative Pursuits

I think the question of whether you should go back to work is something that's natural, and you're going to want to try it. You should certainly test the waters. If you weren't really mentally prepared, maybe you go back to work for a couple of years. You find something that doesn't pay quite as much, but you know what? It's keeping me busy and making some money. It gives me time to get my head around these non-financial aspects that I need to think about before I truly retire.

And if you can't find a job, use the same time while you're job searching to start getting involved in your community, get involved with some charities, go walk the dogs at the animal shelter. Find ways to connect with people. Call up an old buddy for lunch or golf or something. Get connected with other people because the isolation of this period is also really detrimental. Get outside and take walks. Move, get physical activity. You've got to self-start yourself to do things to break out of this tough cycle that it inevitably leads you to.

Robert Powell: Yeah. So I'm fond of quoting the JP Morgan guide to retirement. It's a great study. And they have a page where they look at older Americans in the workforce, and they suggest – and we know there's ageism – but what's interesting to me is 30 percent of people age 65 to 74 are in the workforce and another 10 percent of those who are 75 and older are in the workforce. And the reasons that people keep working in retirement, quote-unquote retirement, is out of wants and needs.

Reasons for Working in Retirement

What's interesting to me is when you look at the wants, people want to stay active and involved. Sometimes they enjoy working, there's a job opportunity perhaps, or they want to do something else that they didn't do maybe in their primary career. On the needs side, it's to buy extras, to avoid dipping into your nest egg, to make ends meet in some cases, and because they might have decreased savings or investments, and they want to keep insurance benefits perhaps, or they want to financially support others.

What's interesting to me is by and large, most people want to stay active and involved. That was on the want side, and the largest percent of people, 52% of people, said they want to stay active and involved.

Fritz Gilbert: Yeah, that's the takeaway to me – the 52% that are doing it to stay active and involved. They don't necessarily need the money. And that's the surprising thing. When people go back to work, it's kind of this phase two, moving into phase three, trial and experimentation. Hey, I'm bored, I'm by myself, I don't like what I'm doing. Maybe I'll just go back to work to have something to do. That's okay.

What I encourage people though, if you're financially able to retire, don't necessarily just default to going back to work because you're trying to find something to do. Take six months, take a year to explore other options because if you can find – like my wife and I, we started a charity, I'm writing my blog – we found a lot of things that are really giving us purpose and we're loving retirement, and we did it without going back to work.

I've got friends that have gone back to work. They didn't need the money. They did it for exactly those reasons. So it's interesting. You think everybody goes back to work because they need the money. No, a lot of people go back to work for the, you know, I always talk about the five things that you lose besides your paycheck. You lose your sense of identity, your sense of purpose, your motivation to have things that you have to achieve, you get that sense of accomplishment when your boss gives you a pat on the back, you have a sense of identity. Those things can be, you can get those by going back to work and that's okay. But you can also get them through other means. So don't just have to default.

Preparing for Early Retirement

The other thing I'll mention in that study that you cited, which I think is really relevant, if you look at the number of people that retired at 65 versus the number of people that think they're gonna retire at 65 – like 70% of people that are working, rough numbers, think they're gonna go to 65, but only like 30% of people or 28% actually make it that far. So that goes back to this reality that you probably won't work as long as you think you will. And you had better be prepared for that.

If you're 60 right now listening to this, think about, okay, I want to work to 65, but what if? Always have a "what if" in your mind and start preparing for it. If I have to leave at 62, would I be ready? What would I do? You start thinking about it. Just recognizing that fact and mentally preparing for it goes a long way to dealing with a situation that the reader has questioned. You're starting to ponder the questions before you get there, and that helps tremendously in the transition.

Robert Powell: Yeah, our reader actually mimics the fact pattern in that study where the average age of retirement is 62. The other interesting thing in the JP Morgan guide is this notion of partially retired households. So you might have a spouse that is a different age than you, you're retiring at different times perhaps, and there may be cases where your spouse is working but you're going to retire or you're still looking for a job and your spouse is retired, whatever the case may be. Is there any advice around that per se?

Managing Partial Retirement in Households

Fritz Gilbert: I would say this is one from personal experience. I mentioned my wife runs a charity, Freedom for Fido. We build free fences for low-income families, but it's surprising, my wife and I were talking about it this morning, how many of our volunteers are retired but their spouse is still working. So, you know, they don't want to sit around the house all day while their spouse is at work and they're looking for things to do.

You can play golf, but eventually that gets boring. You can fish, but you know, after you've done that every day for a couple of weeks, you know, I've fished this part of the river, I'm kind of tired of it. You start longing for something to do, and just because your spouse is still working doesn't mean you can't seek out ways to get fulfillment and a sense of purpose by getting involved in your community, finding a way to give back. Maybe you go back to work part-time. That's always an option as well.

It makes it more difficult, I think, when you're the stay-at-home and your spouse is still working because you can't take the big trips and some of the things you might have dreamed of. But it doesn't mean you can't have a fulfilling retirement while you're waiting for your spouse to retire.

Robert Powell: Yeah. So Fritz, bottom line, I think this is a difficult question to answer, right? Yes, you should look for a job or yes, you should retire. You're 62. You have the financial wherewithal to do it, but you still maybe have this lingering doubt about whether to retire or keep looking for a job. Any way to sort of sum up key takeaways?

Key Takeaways and Final Thoughts

Fritz Gilbert: I guess if I had to summarize the whole thing down, I would say recognize your chances of having to retire earlier than you thought is a very real possibility. A flip of a coin, heads or tails. Throw the coin, whatever it lands, that's your odds of not making it to 65. So be mentally prepared.

If it happens to you, recognize you're gonna go through a period of transition. Recognize if you need it financially, you don't have a choice, you have to go back to work. So your first question is can I or can I not? So you've got to do the math. Once you've done the math, if it says you don't have to work, don't automatically default as the reader did, I have to find another job. You don't have to find another job. The reality says you're financially able.

As you're looking for that job, also explore other means of finding those non-financial benefits that you used to get from work. They're out there. They're available. I've done it myself. You can find a very fulfilling life without work. And if you're not forced to go back to work, recognize that possibility and explore them in tandem. And if you find a job, great, you go back to work, everything's fine. But if you don't, you've kind of developed your plan B in parallel and it gives you flexibility. That would be my summary of how best to deal with the situation. Again, it’s tough and I feel for people that are in it.

Robert Powell: I just want to thank you ever so much for sharing your knowledge and wisdom with us. It’s always so greatly appreciated. Thank you.

Fritz Gilbert: Thank you, Bob, I always enjoy talking with you.

Key Takeaways

1. Unexpected early retirement is common, with 58% of people forced to retire earlier than planned.
2. Financial preparedness is crucial, but emotional readiness is equally important when facing unexpected job loss.
3. The four phases of retirement include honeymoon, disorientation/depression, trial and experimentation, and purpose/fulfillment.
4. Exploring alternative pursuits, such as volunteering or part-time work, can provide purpose and fulfillment in retirement.
5. Be prepared for the possibility of early retirement and develop a “Plan B” to ensure a smooth transition.