Early retirement? 5 factors physicians should evaluate

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Many physicians wait to retire until their late 60s or 70s, but if you’re considering an early transition to retirement, you’re not alone. Nearly 30% of physicians retire between 60 and 65 years old, and 12% retire before 60, according to survey research conducted by AMA Insurance Agency Inc., a subsidiary of the AMA.

A common piece of advice from successfully retired physicians is to retire while you are still healthy enough to enjoy your retirement, assuming your finances are in order. At the same time, physicians who retire early are the most likely to be very dissatisfied with retirement. The AMA Insurance research found that 8% of physicians who retired before 60 identified themselves as very dissatisfied, compared with 4% of physicians 60–65 years old and 3% of those 66–70.

Here are five questions to include on your list of things to think through before making a decision to retire early.

**Are you still happy practicing medicine?**

The answer to this question may be one of the biggest motivators for your decision. In the AMA Insurance research, which was conducted prior to the COVID-19 pandemic, two common themes emerged about the timing of retirement:

- Don’t retire from practice too early, especially if you still love being in practice.
- But don’t wait too long to retire because poor health—yours or your spouse’s—may prevent you from enjoying your retirement years.

**Will you have enough health insurance?**
If you’re thinking about retiring before you hit the Medicare eligibility age, health insurance needs to be a big factor in your decision. Nothing will eat into your savings like having health needs that aren’t sufficiently covered by insurance.

Physicians pondering retirement must check whether they will be able to afford before they become eligible for Medicare at 65. A financial planner can help answer this and other questions.

How do you see your retirement lifestyle?

When you think about your retirement years, what do they look like? If they resemble your current life but with more leisure activities and less work, you may be in for a surprise—particularly if you retire early and have several decades of retirement through which to make your funds stretch.

If you’re 65 and retiring, learn with AMA Insurance about five easy steps to protect what’s yours.

Have you consulted an adviser?

In addition to helping you calculate whether you have sufficient funds to retire and when, professional financial advisers can help you think through and plan for the many financial nuances of retirement. Just as there are different ages at which you could retire, there are many different versions of what your retirement could look like.

Through the AMA Insurance Physicians Financial Partners program, doctors have access to outside professionals who offer a variety of financial planning, retirement planning and wealth management services. Doctors can work with a vetted financial professional who offers an interactive, web-based financial planning service.

Will you volunteer or work part-time?

After a very busy professional life, many physicians find it rewarding to stay active in part-time or volunteer work.

The transition may go more smoothly if physicians ease into retirement by gradually cutting back on work hours over a year or more, instead of stopping abruptly. Doing so can give you time to work out your plans for retirement, such as where you will live when you retire, what hobbies and volunteer work you will take up, and what your weekly schedule will look like.
It also can give you something of a trial period to determine whether you really are ready to step into fully retired life.

Learn more with the AMA about top considerations for physicians ahead of retirement. In addition, check out these great resources from AMA Insurance:

- “Comparison of Medicare Advantage vs. Medicare Supplement Insurance.”
- “What Every Physician Should Know About Medicare Supplement Insurance.”
- “A Quick Guide to Medicare Open Enrollment Periods.”

Senior physicians bring a wealth of experience to their communities and play a vital role in their patients’ health. They can stay active and involved with the AMA while they practice medicine and following retirement. In honor of Older Americans Month, the AMA celebrates senior physician members in May.