



How to Make Extra Money in Retirement

By Evelyn Preston, Money Lady

New York Times reporter, John Leland researched seniors, then wrote in his book, *Happiness is a Choice You Make*, that many older people are content with their lives; they're resilient, accept mortality and make the most of their time left to enjoy—and play.

His focus is on “choosing” what makes us happy. But whether grandchildren or golf, bucket lists or good works, having enough assets to be comfortable with later-life choices can depend on still earning money when we're no longer “making a living.”

Besides pensions, Social Security or winning the lottery, there are time-tested ways to receive steady income to feed our needs and wants enhanced by our natural optimism as we age.

Q: Though my income from bonds remains constant, the bond value will drop as interest rates rise. Is there a way to maintain an income without losing principal?

Annuities guarantee the invested amount, provide a lifetime income and in some policies, additional growth. REITs (commercial real estate packages), offer attractive interest rates as well as the increased value of underlying properties over time. Rental income works for do-it-yourselfers or via outside property managers and should grow long-term. Individual dividend paying stocks from proven companies like IBM, AT&T or carefully selected high yield, energy-income and utility closed-end mutual funds (Dreyfus, Nuveen, Pimco), are all worth exploring.

Q: Why do some stock funds pay a high dividend but lose money even in a rising market?

According to Jeff Kosnett at Kiplinger, many dividend paying funds “sell assets to maintain high distributions.” Other strategies, like using specialized options, can further undermine performance. Research how a fund meets its stated objective, how the fund fared long term, fund costs and especially check twice if the returns are too good to be true!

Q: I plan to retire early to join my considerably older, already retired husband. Though we have enough saved for the years ahead, I'd like to offset some of the money I'm giving up.

Get frugal, not tight; grow careful, not miserly; trim expenses, don't scrimp, and have some fun and profit (according to Kiplinger's Retirement Report) in becoming a "cheapskate."

Know and watch where your money goes, from separate checks when dining out with friends, comparing grocery and gas prices, giving gifts of service and time vs. "store bought," making lattes at home, scouting senior perks and discounts like a National Parks pass, enjoying lunch out vs. pricier dinners.

Also, it's sound business practice to be aware of all financial fees, added on-line purchase and ticket costs, automatic magazine renewals (hard to cancel), unnecessary warranties. Become an usher at local theaters, psych out consignment/thrift stores, share ride hailing services. This column has talked about trimming the big stuff: healthcare, travel and housing. Yet small savings add up; look for easy ways to save without becoming a Scrooge or a bore.

Q: My wife and I have different ideas about retirement. I'm happiest working and earning although I admit that the long hours aren't fair to her yen for more togetherness and travel. What's the best way to reconcile our differences?

My husband retired for a year and neither golfer nor joiner; he went crazy just puttering at home. Luckily he found a lower-paid position with a start-up that needed his design skills, a great contribution to the company—and my husband's contentment. Less stress made him more amenable to short trips and enough time off to satisfy us both. Try togetherness on for size, then tweak personal choices for long-term happiness. Compromise also pays dividends!

Q: What can I do to stop worrying that that my retirement funds won't cover future needs and that these golden years won't be all that bright!

Read Michal Gill's short and upbeat book, *How Starbucks Saved My Life*. This big-shot and wealthy man brought low learned how to savor change and supplement his income, a positive lesson for all seniors. Retirement can be the proverbial new lease on life, a time to erase boredom, explore service to others, learn something new.

Even a part time job can add to self-esteem, true satisfaction and our savings. Trade an expensive but passive cruise or stock market fears for a passionate and active lifestyle, the proven and perfect recipe for living a longer, healthier, happier life--rich on all levels--a senior moment to choose your happiness.



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