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RETIREMENT MYTH #4:

"I SHOULD ENTER RETIREMENT COMPLETELY DEBT-FREE."

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One of the biggest challenges I see is that there is a lot of misinformation about retirement.

Retirement Myth #4: "I should enter retirement completely debt-free.”

This may be one of the most common retirement myths I hear.

Many financial experts and "internet gurus" promote the idea that everyone should pay off their mortgage as quickly as possible.

While reducing debt can certainly be a worthwhile goal, that advice does not always consider the bigger picture. In fact, one of the most common mistakes I see is people misallocating their available monthly savings.

All too often, they direct every extra dollar toward paying down debt while neglecting retirement accounts and other long-term savings goals.

Over time, this can create an imbalance. They may have significantly reduced their mortgage, but they have not built the retirement assets needed to create future cash flow.

A paid-off home can provide peace of mind. But a paid-off home is not a liquid asset and cannot generate retirement income. A mortgage payment is predictable and fixed. Your future living expenses are not and that requires savings and investments as a resource.

The key is finding the right balance between reducing debt and building the financial resources you'll need in retirement.

As you’ve often heard me say, every situation is different and unique. Your income, assets, retirement goals, interest rates, and timeline all play a role in determining the right strategy for YOU.

The goal isn’t simply to be completely debt-free, it’s to be well-balanced and retirement-ready.

Having a retirement strategy tailored to your unique situation is often more valuable than relying on assumptions or general advice.