

AI-03037 Working Past Retirement Age

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I was talking to a friend who is a immigrant PinayRN (Filipino Registered Nurse) (3 month old) in US in NJ, with NCLEX and I've been mentoring her almost every step of the way from motivation, problem solving, analysis, financial planning and investing. In her workplace she observed that there are still 65-70 years PinayRN who is working in the hospital and she's wondering if she is looking at the same mirror 20-30 years from now. My first response was maybe they did not know financial planning that well, or no knowledge of compound interest and index Mutual Fund or Index ETF or Nasdaq or S&P. I can come up with a few reasons why these coworker PinayRN's are still working. My wife exited the RN job at age 53 and me at age 55 because when we looked at our life, the 2 children were already done with their education, (RN and MD) and besides, our 401K accounts were in good standing. Long story short, there was no reason to continue to work and we have enough \$\$ to fund early retirement. And then also we uprooted ourselves from Round Rock, TX to Cebu, Philippines leaving 2 cars and paid off house to our daughter who is now working as an RN since 2020.

List 22 possible scenarios how a 65-70 years old PinayRN is still waking up every morning to go to work. Is the trend just PinayRN or US wide or worldwide?

This is an insightful question that gets to the heart of the personal and professional decisions people make as they approach retirement. The situation your friend observes is a common one, not just for Filipino nurses, but for many in the nursing profession and other fields in the U.S. and worldwide.

The reasons for working past the traditional retirement age of 65 are complex and often a mix of financial, personal, and professional factors. Your instinct that it might be due to a lack of financial planning is certainly a valid and common reason, but it's far from the only one.

Here are 22 possible scenarios for why a 65-70 year old PinayRN is still working, broken down into key themes.

Financial Scenarios

1. **Inadequate Retirement Savings:** This is the most straightforward reason. They may not have saved enough, or their savings were depleted by unexpected life events.
2. **Supporting Family:** A core value for many Filipinos, including immigrants, is supporting family both in the U.S. and back home. They may still be sending money to their family in the Philippines, or supporting adult children, grandchildren, or extended family members in the U.S.
3. **Late Start to Retirement Savings:** As immigrants, they may have started their careers and retirement savings later in the U.S., making it difficult to accumulate a substantial nest egg in time for a traditional retirement.
4. **High Cost of Living:** Even with savings, the rising cost of living, particularly for healthcare, housing, and everyday expenses, may make them feel that their savings are insufficient to maintain their desired lifestyle in retirement.
5. **Funding Children's Education:** They may still be paying for a child's or grandchild's college education, which is a major financial undertaking in the U.S.
6. **Unforeseen Financial Hardships:** They may have experienced a major financial setback, such as a large medical bill for a family member, a failed investment, or the economic impact of a major recession, that forced them to keep working.
7. **Desire to Delay Social Security:** To increase their monthly Social Security benefit, they may choose to delay claiming it until age 70. Working until then allows them to earn an income without dipping into their savings.

8. **No Pension Plan:** Unlike older generations who may have had defined-benefit pension plans, many nurses today rely on their personal savings (like a 401(k)), and if they didn't contribute enough, there's no guaranteed income stream.
 9. **Healthcare Costs:** They may be working to maintain employer-sponsored health insurance, which can be far more affordable and comprehensive than Medicare or other private insurance options.
 10. **Debt:** They may still be carrying significant debt, such as a mortgage, car loans, or credit card debt, that requires a steady income to pay down.
- Personal and Professional Scenarios
11. **Love of the Job:** Many nurses genuinely love their work. They find it fulfilling, enjoy the intellectual challenge, and feel a strong sense of purpose in caring for others. They may not want to give that up.
 12. **Mentorship and Passing on Knowledge:** Experienced nurses possess a wealth of knowledge and clinical skills. They may feel a responsibility to mentor and guide younger nurses, including new Filipino graduates, ensuring that their expertise is not lost.
 13. **Social Connection:** The workplace provides a vital social network. For many, retirement can lead to feelings of isolation and loneliness. Continuing to work keeps them engaged with colleagues and patients, which promotes mental and emotional well-being.
 14. **Staying Busy and Active:** Nursing is a demanding and active profession. For many, work is a way to stay physically and mentally active, which can contribute to better health and longevity.
 15. **A Sense of Identity:** For a lifelong professional, a job becomes a core part of one's identity. They may feel a loss of purpose or status if they were to retire, as their role as a "nurse" is so central to who they are.
 16. **Flexible Work Arrangements:** Many healthcare organizations offer flexible options to retain experienced nurses, such as part-time hours, shorter shifts, or roles in different departments (e.g., patient education, case management, or administrative roles) that are less physically demanding.

17. **A Partner's Status:** Their spouse or partner may still be working, and they choose to continue working as well to maintain a shared lifestyle and schedule.
18. **Uncertainty about Retirement Life:** Some individuals haven't planned what they will do with their time in retirement. The thought of having no structured routine or purpose can be a source of anxiety, making work a comfortable and familiar choice.
19. **Personal Fulfillment:** Nursing offers a unique opportunity for altruism and making a difference in people's lives. This intrinsic reward may be more valuable to them than a life of leisure.
20. **To Pay for Hobbies or Travel:** While they may have enough for basic needs, they might be working to fund more luxurious expenses like travel, hobbies, or a second home.
21. **No Desire to Relocate:** They may not want to move back to the Philippines, and the cost of living in the U.S. is too high to retire on their savings.
22. **The "Modern Elder" Mentality:** A growing trend is for older workers to see themselves not as "retiring" but as "transitioning" into a new phase of their career. They may be working on a reduced schedule or in a new capacity, but they are still employed.

Is this trend just for PinayRNs or is it US-wide/worldwide?

This trend is definitely not limited to PinayRNs. It's a widespread phenomenon in the U.S. and many other developed countries. Nurses, in particular, are an aging demographic, and a significant percentage of the nursing workforce is over 50. Studies consistently show that nurses, like many other professionals, are working past traditional retirement age for a combination of financial, social, and personal reasons. The specific "PinayRN" context adds unique cultural dimensions, particularly the strong emphasis on family support and the immigration experience. However, the core reasons—financial security, a sense of purpose, and social connection—are universal drivers for working longer.

List 22 simple advice to my Gen Y PinayRN in NJ. She is already briefed and trained by me (an early retiree at age 55) and now in the execution phase of retirement savings. She 32, single no bf, lives in a cozy \$1700 apartment, no car.

This is an excellent way to support your friend. She's in a prime position to build a strong financial foundation, and your guidance is invaluable. The fact that she's already in the "execution phase" is a massive head start.

Here are 22 simple pieces of advice for your 32-year-old PinayRN friend in New Jersey, focusing on actionable steps she can take right now.

Financial Management & Savings (The Core)

1. Automate Everything: Set up automatic transfers from her paycheck to her savings and investment accounts (401k, Roth IRA). If she doesn't see the money, she won't be tempted to spend it. This is the single most important habit.
2. Max Out Her Employer Match: She should contribute at least enough to her 401(k) to get the full employer match. This is free money, an immediate 100% return on her investment.
3. Start a Roth IRA: If she can, she should open a Roth IRA and contribute the maximum annual amount. The money grows tax-free, and she can withdraw it tax-free in retirement, which will be a huge advantage when she's in a higher tax bracket.
4. Create a Simple Budget (and Stick to It): A simple 50/30/20 rule (50% needs, 30% wants, 20% savings/debt) or a zero-based budget can help her track where her money is going and ensure her savings goals are on track.
5. Build an Emergency Fund: If she hasn't already, she needs to save 3-6 months' worth of living expenses in a high-yield savings account (HYSA). This fund is her financial safety net for unexpected events.
6. Invest in Low-Cost Index Funds: Your advice on this is spot on. She should focus on broad-market index funds (like VTSAX or SPY) that track the S&P 500 or the total US stock market. This diversifies her portfolio and avoids the high fees of actively managed funds.

7. **Avoid Lifestyle Inflation:** As her salary increases, she should resist the urge to upgrade her lifestyle immediately. She should continue living within her means and direct her raises toward her savings and investments.
8. **Understand Compound Interest:** You've already done this, but a good analogy can help it stick. Show her a compound interest calculator to see how a little money saved now becomes a fortune later.
9. **Keep Debt Low or Non-Existent:** With no car, she's already ahead. She should continue to be mindful of credit card debt and only take on debt for appreciating assets (like a home, much later) or essential needs.
10. **Explore Health Savings Accounts (HSA):** If her employer offers a high-deductible health plan (HDHP), she should open an HSA. It's a triple-tax advantage: contributions are tax-deductible, it grows tax-free, and withdrawals for medical expenses are tax-free.

Career and Earning Potential

11. **Pursue Career Growth and Certifications:** Nursing is a field with many specialties. She can increase her earning potential by getting certifications in a specific area (e.g., Critical Care, ER, etc.) or pursuing a BSN to MSN degree.
12. **Consider a Part-Time Job or Side Hustle:** Nursing has many opportunities for side gigs, like per-diem work, telehealth, or even writing healthcare-related content. This can accelerate her savings.
13. **Negotiate Her Salary:** She should learn to negotiate her salary, especially when switching jobs or getting promoted. Data from other nurses in her area can provide leverage.

Personal and Life Choices

14. **Find a Financial Mentor (You!):** Reinforce to her that she has a great resource in you. She should continue to ask you questions and run financial decisions by you.
15. **Educate Herself Continually:** Encourage her to read books on personal finance, listen to podcasts, and follow reputable financial bloggers. The more she understands, the more confident she'll be.
16. **Live Near Work or Public Transit:** Her "no car" situation is a massive financial advantage. Living in an area with good public transportation or near her

hospital saves her thousands in car payments, insurance, gas, and maintenance.

17. Don't Rush into Big Purchases: Advise her not to feel pressured to buy a car or a house just because her friends are. Her financial independence is the most valuable asset.
18. Build a Strong Support System: She should connect with other PinayRNs, mentors, and friends who share her financial goals. This will provide emotional support and keep her motivated.
19. Keep Her Financial Life Separate from Family: This is a sensitive but crucial topic, especially for Filipino immigrants. She should have a clear plan on how much she is willing and able to support family in the Philippines without jeopardizing her own financial future. You can discuss this in a gentle and private way, reinforcing that her own security is her best asset to help her family long-term.
20. Plan for Future Goals: What does her dream life look like? Travel? A house? A business? She should put a number on those goals and set up separate savings buckets for them.
21. Review Her Plan Annually: She should schedule a "financial check-up" with herself (and you) once a year to review her progress, rebalance her portfolio if needed, and adjust her goals.
22. Enjoy Her Life! This is the most important one. Financial independence is about building a life she loves, not just saving money. She should take advantage of her flexible schedule to travel, pursue hobbies, and make memories. The goal is to fund her dreams, not just hoard cash.