

What High Earners Get Wrong About Early Retirement

Transcript

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Early retirement looks simple online.

Save aggressively.

Invest heavily.

Quit early.

Scroll social media long enough, and it starts to feel inevitable—as if everyone else has discovered a formula you somehow missed.

But here's the truth:

Early retirement for high-income professionals is a very different game than what you see online.

And many people who could retire early end up stressed, uncertain, and disappointed because the math they relied on was never built for their reality.

Today, we're going to talk about what high-income professionals often get wrong about early retirement—and how to think about financial independence in a way that actually works.

Why traditional FIRE math breaks down

Most FIRE (Financial Independence, Retire Early) content is built on a specific set of assumptions:

Low expenses

Simple taxes

Predictable healthcare costs

Minimal lifestyle inflation

Those assumptions work for some people.

But high-income professionals rarely live within them.

Their taxes are higher.

Their lifestyles are more complex.

Their spending is less flexible.

And their opportunity cost is enormous.

Which means the rules need to change.

Today, we'll cover:

Why FIRE math often breaks down at higher incomes

The spending assumptions people underestimate

The healthcare and tax blind spots nobody talks about

Why "retire early" is often the wrong goal

And a real-life story about a couple who successfully recalibrated their plan

The biggest misunderstanding

Most people become fixated on a number:

\$2 million

\$3 million

\$5 million

They assume that once they hit that target, everything else will fall into place.

But retirement is not determined by assets.

It's determined by cash flow.

How much you spend.

How much is taxed.

How flexible your income is.

How long your money must last.

Two people can have identical net worths and completely different retirement outcomes.

The number alone tells you very little.

Spending doesn't always go down

Many early-retirement models assume spending declines after work ends.

No commuting.

No work wardrobe.

No professional expenses.

But high-income earners often experience the opposite.

They travel more.

Spend more on experiences.

Increase charitable giving.

Enjoy greater lifestyle flexibility.

Lifestyle doesn't disappear simply because work does.

And when spending assumptions are wrong, the entire plan becomes fragile.

Fixed costs create challenges

High-income lifestyles often include fixed expenses such as:

Primary residences

Second homes

Private education

Family support

Healthcare expectations

These expenses aren't easy to reduce.

Income can stop quickly.

Expenses usually don't.

That mismatch is where many early-retirement plans begin to crack.

The tax blind spot

Many FIRE models assume low taxes.

But high-income professionals often retire with:

Large pre-tax retirement accounts

Significant unrealized capital gains

Ongoing taxable income streams

Without careful planning, retirement can create unexpectedly high-tax years.

Withdrawals.

Roth conversions.

Capital gains.

Social Security.

All colliding at the same time.

Taxes don't disappear when work stops.

They often become less predictable.

The healthcare blind spot

Healthcare is one of the most underestimated retirement expenses.

Employer-sponsored coverage disappears.

Private insurance can be expensive.

Premium subsidies depend on income.

One bad healthcare assumption can derail an otherwise solid plan.

Healthcare planning isn't optional.

It's foundational.

Sequence of returns risk

Retiring early extends your time horizon.

That means greater exposure to sequence-of-returns risk.

A significant market decline early in retirement can permanently impact a portfolio when withdrawals are occurring at the same time.

That's why successful early retirement plans often include:

Cash reserves

Flexible spending

Thoughtful withdrawal strategies

Without those safeguards, even large portfolios can struggle.

What people actually want

Many high-income professionals don't truly want to stop working.

They want to stop being trapped.

They want:

Control over their schedule

The freedom to say no

The ability to pursue meaningful work

More time with family

Greater flexibility

Financial independence creates options.

Retirement simply removes structure.

Those are very different outcomes.

[A better question](#)

Instead of asking:

“When can I retire?”

Ask:

“When does work become optional?”

That may mean:

Reducing hours

Consulting

Teaching

Serving on boards

Advisory work

Passion projects

Income doesn't have to be all-or-nothing.

And flexibility dramatically reduces risk.

[A real-life example](#)

Sarah and Ben were both high earners in their late 40s.

Strong savers.

Far ahead of most of their peers.

Their goal was simple:

Retire completely at age 48.

On paper, the math worked.

But when we stress-tested the plan, we found:

Healthcare costs were higher than expected.

Taxes were less predictable.

Spending assumptions were overly optimistic.

At first, they felt discouraged.

But they hadn't failed.

They simply needed a better plan.

Instead of retiring completely, they significantly reduced their workloads.

Today, they are financially independent.

They work by choice.

They have flexibility.

And most importantly, they have peace of mind.

Ben told me:

“Glenn, I realized I didn't want to stop working. I just wanted to stop needing to.”

That insight changed everything.

Final takeaway

High earners don't need extreme frugality.

They need:

Tax coordination

Realistic spending assumptions

Income flexibility

Risk management

Healthcare planning

The goal isn't to escape work.

It's to own your options.

Financial independence isn't about quitting early.

It's about removing pressure from every decision.

Early retirement isn't wrong.

But rigid early retirement often is.

High-income professionals succeed when they trade rigid timelines for flexible independence.

Because the real victory isn't stopping work.

It's building a life where money no longer controls your choices.

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