

# Will Gig Work Help With Your Retirement Strategy

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Retirement Rehab



You probably already know something about the so-called ‘gig economy.’. It’s a new wave employment model that Millennials are flocking to. Essentially, gig work entails short-term freelance contracts instead of permanent, salaried jobs. Many love the model because it offers the most flexible working environment to-date. But what about those of us with retirement on the horizon? Can gig work play a role in retirement planning?

## The Challenges of Gig Work

If you take a close look at how gig workers are faring compared to salaried employees, the prospect doesn’t seem to be appealing. [A new survey from Small Business Majority](#) found that four in 10 self-employed workers don’t have a retirement account such as an IRA or 401(k) plan. For most of these workers, it was because their income was too volatile to allow them to commit to monthly contributions.

There’s also the issue of not being able to find enough work in the gig economy. Committing to full-time freelancing means you’ll have to do more than just wait for work to fall into your lap thanks to an app (Uber driving is an example that comes to mind).

It’s true that gig work makes your income unpredictable. As a result, retirement planning is difficult for any generation working in that kind of environment. But let’s not write off gig work for retirement planning just yet.

## The Smart Strategy

I still think gig work can help with your retirement strategy, if you take advantage of it in the right way.

If you're a GenXer or Baby Boomer with retirement already on the horizon, working in the gig economy can serve as more of a safety net than anything else. [According to the World Economic Forum](#), the world's 15 largest economies will lose five million jobs by 2020.

Job security isn't what it used to be, and you should be prepared for that. Instead of quitting your salaried job, start doing gig work on the side to build up an alternative stream of income in case you do lose your job. Or better yet, turn freelancing into a full-scale online business that you can eventually transition into instead of waiting around to see if you get to keep your day job.

The point is to have an exit strategy, and the gig economy can really help with that.

## Long-term Benefits of Gig Work

Gig work can only do so much to improve your retirement savings, unless you turn your freelance work into a long-term, scalable business. Turn your business into a major income stream, and you can start filling your retirement savings gap.

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Engaging in gig work also has benefits post-retirement. Continue your freelance business after you retire and you'll have some extra money to have the lifestyle you want in retirement. Do it online, and you'll also have the flexibility to retire wherever you want. [Move overseas to affordable locales](#) (Spain or Thailand, for example) and stretch your retirement savings even further. Wherever you go, so does your business.

Lastly, doing some form of gig work during retirement can keep your brain and body healthier. Plenty of research studies have demonstrated that people who keep working in some capacity after retirement are healthier and live longer. By engaging in gig work, you can truly enjoy your Golden Years knowing that you're healthy and will have enough money to support a very long retirement.

Gig work has its challenges, but still has plenty of potential to help your retirement strategy. Just be sure to use it in conjunction with your other income streams for the safest path to success.

**If you'd like more ideas on gig work and other entrepreneurial pursuits in retirement, sign up below to get the information we only give to subscribers.**



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