11 Proven Ways to Boost Your Retirement Income

My Comments: Personally, I'm completely invested in #4, #6, #8, and #9. I'm working hard on #1 and #10. What you choose is entirely up to you.

Boosting your retirement income is not about having more stuff. It's about enjoying life, completing your bucket list of things to do, and having money to pay your bills. Remember, you'll have your GO-GO years, your SLOW-GO years and your NO-GO years. All require money.

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Many Americans feel they're on shaky financial ground these days. Fully 39% said that they feel not too confident or not at all confident that they'll have enough money with which to live comfortably in retirement, according to the 2017 Retirement Confidence Survey.

How much money will you need for retirement? The answer will be different for different people, and many of us will not amass our needed amount. Fortunately, we can boost our odds of having a happy retirement by taking some steps. Here are 11 strategies you might employ now or later to increase your retirement income.

1. Get rid of debt

For starters, aim to enter retirement without a mortgage or any other costly debt, as that can weigh on you when you're surviving on a fixed or limited income. Having to make debt payments while retired can hurt your ability to make other necessary payments. If you can pay off such debt before retiring, you can enjoy more income in retirement.

2. Make the most of retirement savings accounts

Tax-advantaged retirement savings accounts such as IRAs and 401(k)s are another good way to boost retirement income, as the more money you contribute to them while working, the more you'll have in retirement. There are two main kinds of IRA: the Roth IRA and the traditional IRA. In 2018, the contribution limit is $5,500 for most people and $6,500 for those 50 and older in both types of accounts. You can amass even more with a 401(k) account, as it has much more generous contribution limits -- for 2018 the limit is $18,500 for most people and $24,500 for those 50 or older. Give particular consideration to Roth IRAs and Roth 401(k)s (which are increasingly available), as they let you withdraw money in retirement tax-free.

The table below shows how much money you can accumulate over various periods socking away various amounts:

Growing at 8% for...	$5,000 Invested Annually	$10,000 Invested Annually	$15,000 Invested Annually
10 years	$78,227	$156,455	$234,682
15 years	$146,621	$293,243	$439,864
20 years	$247,115	$494,229	$741,344
25 years	$394,772	$789,544	$1.2 million
30 years	$611,729	$1.2 million	$1.8 million

Calculations by author.

3. Set yourself up with dividend income

Fill your portfolio with a bunch of dividend-paying stocks, and you can collect income from it without having to sell off any or many shares to generate funds. A $400,000 portfolio, for example, that sports an overall average yield of 3% will generate about $12,000 per year -- a solid $1,000 per month. Dividend income isn't guaranteed, but if you spread your money across a bunch of healthy and growing companies, you'll likely receive regular -- and growing -- payments. Here are a few well-regarded stocks with significant dividend yields:

Stock	Recent Dividend Yield
Amgen	2.8%
General Motors	4.2%
National Grid	5.1%
PepsiCo	2.9%
Pfizer	3.7%
Verizon Communications	4.9%

Data source: The Motley Fool (April 2018).

A dividend-focused exchange-traded fund (ETF) can be a fine option, too, offering instant diversification. The **iShares Select Dividend ETF** (DVY), for example, recently yielded about 3.2%. Preferred stock is another way to go. The **iShares U.S. Preferred Stock ETF** (PFF) recently yielded 5.6%.

4. Keep working in retirement

Another way to boost your retirement income is to work during the first years of your retirement -- at least a little. Working just 12 hours per week at $10 per hour will generate about $500 per month. Also, given that many retirees can find themselves restless and a bit lonely in retirement, a part-time job can help by offering more daily structure and regular opportunities for socializing.

Here are some possibilities: You could be a cashier at a local retailer or deliver newspapers. You might do some freelance writing or editing or graphic design work. You might tutor kids in subjects you know well, or perhaps give adults or kids music or language lessons. Make and sell furniture or sweaters or candles. Do some consulting -- perhaps even for your former employer. Babysit, walk dogs, or take on some handyperson jobs. These days the internet offers even more options. You might make jewelry, soaps, or jigsaw puzzles and sell them online, or write e-books that you self-publish online.

5. Lock in income with fixed annuities

Give fixed annuities some consideration, as they can deliver regular income, and favor them over variable annuities and indexed annuities that often charge steep fees and sport restrictive terms. Fixed annuities are much simpler instruments, and they can start paying you immediately or on a deferred basis. Below are examples of the kind of income that various people might be able to secure in the form of an immediate fixed annuity in the current economic environment. (You'll generally be offered higher payments in times of higher prevailing interest rates.)

Person/People	**Cost**	**Monthly Income**	**Annual Income Equivalent**
65-year-old man	$100,000	$546	$6,552
65-year-old man	$100,000	$522	$6,264
70-year-old man	$100,000	$628	$7,536
70-year-old woman	$100,000	$588	$7,056
65-year-old couple	$200,000	$929	$11,148
70-year-old couple	$200,000	$1,028	$12,336
75-year-old couple	$200,000	$1,180	$14,160

Data source: immediateannuities.com.

A deferred annuity can also be smart, starting to pay you at a future point, such as when you turn a certain age.

6. Consider a reverse mortgage

Look into a reverse mortgage, too. It's essentially a loan secured by your home. A lender will provide (often tax-free) income during your retirement, and that money doesn't have to be paid back until you no longer live in your home -- such as after you move into a nursing home or die. It has some drawbacks, such as requiring your heirs to sell your home unless they can afford to pay off the loan, but if you're really pinched for funds and no one is counting on inheriting your home, it can be a solid solution.

7. Borrow against your life insurance

Many people don't think of this strategy, but in the right circumstances, it can deliver needed income. If you have a life insurance policy that no one is depending on -- such as if the children, you meant to protect with it are now grown and independent -- you might consider borrowing against it. This can work if you've bought "permanent" insurance such as whole life or universal life, and not term life insurance that generally only lasts as long as you're paying for it. You'll be reducing or wiping out the value of the policy with your withdrawal(s), but if no one really needs the ultimate payout, it can make sense. Plus, the income is typically tax-free.

8. Move to a less expensive home or region

You can also beef up your retirement income by spending less in retirement on your home. You can achieve this by downsizing into a smaller home and/or moving to a region with lower taxes or cost of living. This strategy can shrink your property taxes, insurance costs, home maintenance expenses, utility costs, landscaping bills, and so on. The median home value in Massachusetts, for example, was recently about $341,000, but it was only $264,600 in Colorado, only $143,600 in South Carolina, and $114,700 in Arkansas.

9. Collect interest

Parking money in interest-generating investments is a strategy that varies in its effectiveness as the economic environment changes. When interest rates are high, it's great. In times like these, not so much. If you park $100,000 in certificates of deposit paying 1.5% in interest, you'll collect $1,500 per year, not a very helpful sum. Back in 1984, though, rates for five-year, one-year, and six-month CDs were in the double digits. If you could get 10% on a $100,000 investment, you'd enjoy $10,000 per year, equivalent to about $830 per month. If interest rates are sufficiently low, they won't even keep up with inflation, which has averaged about 3% annually over long periods.

Bonds are another interest-paying option, but the safest ones (from the U.S. government) tend to pay modest interest rates, especially in low-interest-rate environments. Still, if you have a lot of money, you might make this strategy work by buying a variety of bonds that will mature at different times, generating income over many years.

10. Retire later

Here's a very powerful strategy, but one that many people would rather not employ: Retire later than you planned to. If you can work two or three more years, your nest egg can grow while you put off starting to tap it. (In other words, it can ultimately deliver more income, and it will have to do so for fewer years.) You might enjoy your employer-sponsored health insurance for a few more years, too, perhaps while also collecting a few more years' worth of matching funds in your 401(k).

Imagine that you sock away $10,000 per year for 20 years and it grows by an annual average of 8%, growing to about $494,000. If you can keep going for another three years, still averaging 8%, you'll end up with more than $657,000! That's more than $160,000 extra just for delaying retirement for a few years.

11. Maximize Social Security

There are a bunch of ways to boost your Social Security income, too. You can increase or decrease your benefits by starting to collect Social Security earlier or later than your full retirement age, which is 66 or 67 for most of us, and you can make some smart moves by coordinating with your spouse when you each start collecting. If you and your spouse have very different earnings records, for example, you might start collecting the benefits of the spouse with the lower lifetime earnings record on time or early, while delaying starting to collect the benefits of the higher-earning spouse. That way, you both get to enjoy some income earlier, and when the higher earner hits 70, you can collect their extra-large checks. Also, should that higher-earning spouse die first, the spouse with the smaller earnings history can collect those bigger benefit checks.