LESSON · TRAVEL & ENTERTAINMENT

The Go-Go Years: Why Front-Loading Travel Can Make Sense

Retirement spending usually isn't flat. Here's what the research shows, why spending more on travel early can be a sound plan, and how to do it without putting your later years at risk.

Read time: 6 minutes **Level:** Foundational **Includes:** Knowledge check

Most retirement plans assume you'll spend the same amount, adjusted for inflation, every year for 30 years. Real retirees rarely do. The years right after you stop working are often the most active: more trips, more time with family, more of the things you postponed. Later, travel slows down on its own.

Planning for that pattern on purpose, rather than spending the same amount every year, can let you do more while you're most able to enjoy it.

Go-go, slow-go, no-go

Financial planner Michael Stein described retirement in three stages, and the names stuck:

The three stages of retirement spending

STAGE	TYPICAL AGES	WHAT IT LOOKS LIKE
Go-go years	Roughly 60s to mid-70s	Active travel, hobbies, the bucket list
Slow-go years	Roughly mid-70s to mid-80s	Shorter trips closer to home, more time with family
No-go years	Roughly mid-80s on	Little travel; health care becomes a bigger share of spending

The ages are only a guide. Health, not birthdays, decides when each stage starts.

What the research shows

Researcher David Blanchett studied the actual spending of retiree households and found that inflation-adjusted spending fell by about 1% a year on average between ages 60 and 90. Spending didn't fall in a straight line: it dropped faster in the middle of retirement and leveled off late, when medical costs rise. Planners call this shape the "retirement spending smile."

The practical point: a plan that assumes flat spending for 30 years may be asking you to underspend in your 60s and early 70s to pay for travel you're unlikely to take in your 80s.

A worked example

A couple retiring at 65 expects to spend $6,000 a year on recurring trips in today's dollars. They want to do more while they're healthy: an extra $6,000 a year for their first 10 years, then back to their normal $6,000.

Front-loading travel, in today's dollars

AGES	RECURRING TRAVEL	EXTRA GO-GO TRAVEL	TOTAL PER YEAR
65–74	$6,000	$6,000	$12,000
75 on	$6,000	$0	$6,000

Ten years of extra travel adds $60,000 in today's dollars. Because it ends at 75, it costs far less than raising the budget by $6,000 for life.

Why front-loading can make sense

- **Health is the real deadline.** Long flights, walking tours and active trips get harder with age. Spending earlier matches money to the years you can use it.
- **Spending tends to fall anyway.** If your later spending is likely to drift down, a plan with extra early spending may cost less over a lifetime than it first appears.
- **Regret runs one way.** Many retirees underspend early out of caution, then find their health limits travel later.

The risk: early years carry the most market risk

Spending more early has a catch. A big market drop in your first years of retirement, while you're also withdrawing the most, does more lasting damage than the same drop later. The answer isn't to stop traveling. It's to fund the next few years of spending from safe, stable money so a downturn doesn't force you to sell investments at a loss. The Sequence-of-Returns Risk lesson explains why order matters.

How to plan the go-go years

1. **Set your normal travel year.** Price the trips you expect to keep taking for as long as you can. That's your recurring budget.
2. **Add a go-go layer with an end date.** Decide how much extra you want and for how many years, for example $6,000 a year until 75.
3. **Put the most demanding trips first.** Long-haul and active travel early; cruises and shorter trips later.
4. **Test the whole plan.** With taxes and inflation included, does your income still cover everything, every year, including the late years when health costs rise?
5. **Revisit every year.** If your health or markets change, adjust the go-go layer, not your essentials.

How Blueprint approaches this

- Your **recurring travel** goes in the **Lifestyle** line of your Budget, in today's dollars. Blueprint adjusts it for 3% annual inflation and builds the taxes into your monthly retirement paycheck.
- Your recurring budget rises with inflation but doesn't taper on its own. To plan a go-go layer, add the extra travel as **Future Large Purchases** (Plus) in the years you expect to take it.
- Large purchases are paid from your **Growth Engine**, while your monthly paycheck comes from the Liquidity and Income Engines. If Growth can't cover a purchase, Blueprint flags a **Funding Gap** before you commit.

- With Plus, a **what-if scenario** lets you compare “travel more early” with your baseline side by side, without changing your saved plan.

Planning your go-go years:

- [ ] Price your normal travel year
- [ ] Decide how much extra travel you want, and until what age
- [ ] Put the most active trips first
- [ ] Make sure the next few years of spending come from safe money
- [ ] Test the whole plan, including late-life health costs
- [ ] Revisit the go-go layer every year

KNOWLEDGE CHECK

Test what you just learned

Answer four quick questions to test what you just learned.

1. What did Blanchett's research find about retiree spending?

A. It stays flat after inflation for life
B. It fell about 1% a year on average after inflation between ages 60 and 90
C. It rises steadily every year

2. What usually decides when the slow-go years begin?

A. Your health
B. Your 75th birthday
C. The stock market

3. Why does a 10-year go-go layer cost less than raising your budget for life?

A. It ends, so you don't pay it for 30 years
B. Travel is tax-free in retirement
C. It doesn't cost less

4. What protects early go-go spending from a market drop?

A. Selling stocks after a decline
B. Funding the next few years of spending from safe, stable money
C. Skipping all travel

Part of **Travel & Entertainment** in retirement: **See the full Travel & Entertainment guide →**

Sources: David Blanchett, "Exploring the Retirement Consumption Puzzle," Journal of Financial Planning (May 2014); Scott Burns, "The Many Stages of Retirement" (on Michael Stein's three stages).

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