# Rise in Popularity of Early Retirement



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The concept of early retirement has seen a notable increase in interest over the past decade, significantly fueled by the Financial Independence, Retire Early (FIRE) movement. The term FIRE was coined by bloggers in the aftermath of the 2008 banking crisis and advocates for extreme frugality and aggressive saving strategies to achieve financial independence and early retirement.

Google Trends data indicates a three-fold increase in searches for "retire early" over the last ten years. FIRE followers often aim to save up to 70% of their income, investing the savings in accessible investment accounts like stocks and shares ISAs to eventually generate a replacement salary.

However, there are behavioral and psychological considerations connected to this movement. The concept of 'focusing illusion,' as articulated by Nobel Prize-winning psychologist Daniel Kahneman, suggests that people might overestimate the role of money in achieving happiness, potentially leading to increased anxiety and stress. Additionally, the phenomenon known as 'financial dysmorphia'—an obsessive relationship with saving or insufficient saving—can further complicate financial planning.

Surveys reveal that the perception of saving adequacy varies significantly by country. Only 51% of British workers feel confident they have saved enough for a comfortable retirement, compared to higher confidence levels in the United States (68%) and Denmark (74%).

There is growing interest in alternative approaches that balance saving with quality of life, emphasizing flexible career planning and lifelong learning to maintain engagement and prolong working life.