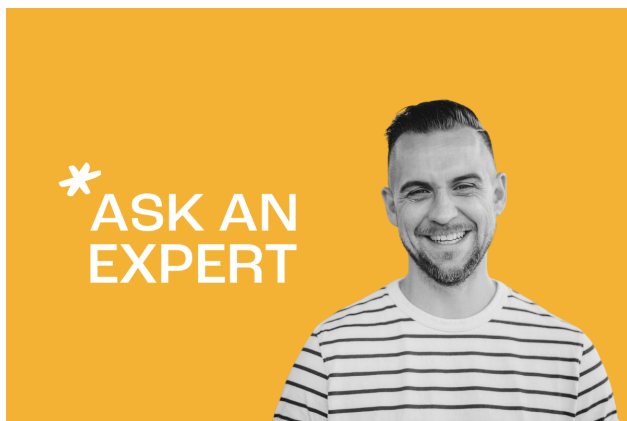




Academia

Retirement Planning for Researchers: Where to Start and What Matters Early On

Retirement planning often gets pushed aside in academia, especially with uncertain career paths. This article breaks down what actually matters early on, from building a financial foundation to making sense of long-term decisions, without getting lost in products or complexity.

Retirement planning is one of those topics many of us tend to postpone. Not because it is unimportant, but because it feels far away, complicated, and hard to prioritize alongside everything else going on in an academic career.

At the same time, most of us are aware that our career paths are not exactly linear. Contracts are short-term, mobility is expected, and long-term financial planning often feels like something to deal with later.

This article, based on a webinar with [Stephan Busch](#), brings together key insights on how to approach retirement planning for researchers in a structured way. It is not about getting everything right from the start. It is about understanding what actually matters early on and where to begin.

In simple terms, retirement planning is about maintaining the standard of living and quality of life you build today, even after your working years.

In that sense, retirement planning is not something that starts with choosing a product. It may end with a pension product or a long-term investment portfolio, but it should never begin there. Financial tools only make sense once you are clear on what you actually need and want to achieve.



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Portrait Stephan Busch, Financial Expert

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Retirement planning starts with your life, not with financial decisions

A useful shift is to stop thinking about retirement planning as a financial topic first.

It is really a question of how you want to live, now and later.

- For researchers, this often includes things like:
 - moving between countries
- changing sectors at some point
- not knowing yet where you will settle long-term
- phases with very different income levels

That is why there is no single “right” approach. What matters more is having a rough sense of what you are aiming for.

Retirement planning is not a separate goal alongside other life decisions. It includes them, whether that is family planning, buying a home, or considering self-employment. The question is how all of this fits together over time.

It helps to distinguish between two ideas that are often used interchangeably.

Financial freedom means you earn enough, save something, and are protected against major risks. In simple terms, your income covers your expenses.

Financial self-determination is what you do with that.

A pattern many people recognize is that as income increases, spending increases as well, often without much reflection.

- That can look like:
 - outsourcing things you used to do yourself
- getting used to higher baseline expenses
- adjusting your lifestyle automatically to your income

None of this is necessarily wrong. But it can quietly reduce your flexibility over time.

Financial self-determination means being deliberate about these choices and keeping the ability to decide how you want to use your resources, rather than being locked into a certain lifestyle.

Your future financial needs are not abstract. They are closely linked to how you live now.

If your expenses increase over time, you will need more later to maintain that lifestyle. If you are more deliberate, your long-term financial pressure is lower.

That is why understanding your spending is not just about budgeting. It directly feeds into your long-term planning.

If you have ever thought “I’ll deal with this once things are more stable,” you are not alone.

The challenge is that in academia, that moment often does not really come.

That is why it is important to start earlier than feels comfortable.

- This does not mean making big or irreversible decisions. It means: getting a basic overview
- putting a few simple structures in place
- creating some room to adjust later

Even in phases with low or unstable income, many of these basics already make a difference. Things like understanding your spending, setting up a simple account structure, or clarifying what risks you want to cover are relevant regardless of career stage.

Uncertainty does not go away if you wait. But starting early makes it easier to handle.

And in case you're still not sure, if you're ready to start, Stephan Busch also provided a [check-list](#), that can help you.

Over the course of a career and life, retirement planning typically moves through four different phases:

1. Risk protection
2. Wealth accumulation and retirement savings
3. Retirement planning
4. Retirement and post-retirement

The first three phases usually extend into your early 60s. This is where you build financial stability, develop financial self-determination, and gradually accumulate assets.

The first phases, which usually extend well into mid-career, are where most of the groundwork happens. This is where you build financial stability, flexibility, and, over time, self-determination.

The key is not to optimize everything at once, but to focus on what matters in your current phase.

This overview shows key financial planning steps across short, medium, and long term stages, from building financial stability and flexibility to retirement and post-retirement. 1. Household (income, expenses, balance); 2. Basic protection (health, disability, liability, dependents); 3. Liquidity (debts, emergency fund, cost structure); 4. Personal assets (household contents, car, legal insurance, home ownership); 5. Emergency planning (power of attorney, patient directive, will, care directive); 6. Consumption (larger expenses such as travel, relocation, car, replacement purchases); 7. Family and career (sabbatical, working abroad, further education, starting a business, children); 8. Real estate decision (buy with equity and repayment, or build assets otherwise); 9. Wealth accumulation and retirement savings (current situation, pension gap, risk profile, asset allocation, savings plan, product choices, advice); 10. Financial coaching (individual coaching, masterclasses); 11. Retirement planning (final strategy, insurance solutions, asset allocation, implementation); 12. (Early) retirement (pension payouts, real estate, partial sale, business sale, will).

This overview shows key financial planning steps across short, medium, and long-term stages, from building financial stability and flexibility to retirement and post-retirement. The four phases mentioned in the article contain the 12 following steps: 1. Household (income, expenses, balance); 2. Basic protection (health, disability, liability, dependents); 3. Liquidity and resilience (debts, emergency fund, costs); 4. Tangible assets (home, car, insurance); 5. Legal and emergency planning (power of attorney, will, directives); 6. Consumption (major expenses such as travel, relocation, car); 7. Family and career (mobility, training, self-employment, children); 8. Real estate decision (buy with equity or build assets otherwise); 9. Wealth accumulation and retirement savings (pension gap, risk, allocation, savings plan); 10. Financial coaching (coaching, masterclasses); 11. Retirement planning (strategy, insurance, implementation); 12. (Early) retirement and post-retirement (payouts, assets, estate).

Open the picture in a new tab for full size / Source: Progress Finanzplaner

Phase 1: Risk Protection – Get the basics in place before thinking about investing

Before thinking about investments or long-term returns, it helps to get a few fundamentals right. This is less exciting, but it makes everything else easier.

A good starting point is:

- **Understand your spending:** Track your expenses for a few months. Not to judge them, but to actually see what is going on.
- **Build a financial buffer:** A common rule is around three months of expenses. Especially with short-term contracts, this gives you breathing room.
- **Cover essential risks:** This usually means having the basic protections in place, such as health insurance, liability insurance, and some form of income protection. The exact setup depends on your situation, but the goal is to avoid financial hardship if something unexpected happens.
- **Reduce financial vulnerability:** This includes avoiding or reducing debt where possible and making sure you can handle medium-term expenses without relying on credit.
- **Think about basic contingency planning:** This can include questions like who can make decisions on your behalf if needed, or how certain situations would be handled. It is not urgent for everyone, but it is part of a complete setup.
- **Keep your setup simple:** One main account, one for your buffer, maybe one for medium-term goals. That is usually enough.

It is tempting to skip this and go straight into investing. But without this foundation, things can get unstable quickly.

Phase 2: Wealth Accumulation & Retirement Savings

Once the basics are in place, the next step is to think about how to build something over time.

This is where things can feel overwhelming. But it helps to break it down into a few simple questions:

- What will I likely need later on?
- What will I realistically get from existing systems?
- Where is the gap?

From there, different options come into play.

This is also where it becomes tempting to look for the “right” product or investment. But that can be misleading. There is no right product within the wrong retirement strategy. Even well-designed financial products will not work if they do not fit your overall situation, priorities, and level of flexibility.

In practice, retirement planning often combines different approaches.

On the one hand, pension-based systems help cover longevity risk, meaning the question of how long your money needs to last. On the other hand, investments such as portfolios or ETFs are typically used to build assets that you can access more flexibly.

For many, this includes investing through a portfolio. This can involve:

- broad, diversified investments across regions and asset types
- cost-efficient options such as ETFs
- avoiding overly complex or highly speculative products

Two principles are especially important early on:

- **Diversification:** Spreading investments across different regions and asset classes, rather than relying on a single market or index.
- **Time horizon:** Money invested in markets should ideally not be needed in the short term. A longer horizon makes fluctuations easier to absorb.

For researchers in particular, flexibility remains key. Career paths are often non-linear and international, which makes it important to avoid locking yourself into rigid long-term commitments too early.

At the same time, one thing is hard to ignore: in many cases, relying only on public systems will not be enough.

Talk about money, even if it feels uncomfortable

Most people do not talk about money. Even with colleagues or friends in similar situations.

That makes things harder than they need to be.

Exchanging experiences can help to:

- get a sense of what others are doing
- learn from mistakes you do not have to make yourself
- realize that many questions are shared

You do not need to turn this into a big discussion. But even small conversations can make a difference.

What you can do next

You do not need a complete strategy to get started.

A few concrete steps are enough:

- track your expenses for the next few months
- build a basic financial buffer
- reflect on what actually matters to you long-term

If you want to go one step further, you can also start structuring your setup, learning the basics of how different systems work, or speaking to someone who can help you think this through.

These are small steps, but they give you a clearer starting point.

Retirement planning is something you adjust over time

There is no single moment where you “get it right.”

What you can do is build something that evolves with you.

Your career will change. Your priorities will shift. Your financial situation will develop.

The goal is not to predict everything in advance, but to stay in a position where you can make informed decisions along the way.

That is what makes retirement planning manageable, even in an uncertain career path.

If you want to read more about the topic, check out the following (German) articles by Stephan Busch:

- [Was ist Altersvorsorge?](#)
- [9 Fehler bei der Altersvorsorge](#)
- [Altersvorsorge vs. Kapitalanlage: Vermögen aufbauen statt nur Rente sichern](#)
- [Dos & Don'ts bei der Kapitalanlage](#)
- [Vermögensaufbau Denkfehler](#)
- [Rentenplanung: So gelingt die Altersvorsorge](#)
- [Wie viel muss ich für meine Altersvorsorge sparen?](#)
- [Where to start](#)
- [Financial freedom vs. financial self-determination](#)
- [Lifestyle and future needs](#)
- [When to start](#)
- [Four phases of the retirement planning](#)
- [Phase 1: Risk protection](#)
- [Phase 2: Wealth accumulation and retirement savings](#)
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