

55 Freedom

Realistic goal or outdated fantasy?; Couple made their dream come true

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After decades of saving for retirement, it's reassuring that some Baby Boomers actually succeed in leaving the corporate womb while still young enough to enjoy life.

In short, Retirement Rocks!, according to a Calgary couple who have self-published a book with that name. Former stockbroker Heather Compton and retired computer professional Dennis Blas now live out their shared vision of retirement by writing and travelling the country giving seminars counselling other Baby Boomers how to create their own "rocking retirement."

They both retired in their 50s without benefit of traditional gold-plated, defined-benefit pension plans. They merely maximized RRSPs and nonregistered savings. Thus, Compton practised what she preached over a 30-year career with Nesbitt Burns and other firms, so much so that when her older business partner retired, she sold her practice and found herself retired--at 50.

However, after 18 months of being "a lady who lunches," she decided she was too young for the classic do-nothing retirement and listened when second husband Dennis Blas told her she needed new challenges.

Five years her senior, Blas retired six months before Compton. Now 60, he has just started receiving his Canada Pension Plan cheques. But he was better prepared for semi-retirement than Compton. After 35 years in the computer industry, he turned his hobby of doing home renovations into a paying passion, one that eventually took too much time and energy.

Today, he only takes on reno projects that interest him, giving him time to branch out into the couple's new career as self-published writers and speakers. They spent more than a year writing Retirement Rocks!, subtitled Canadian Boomers Invest in Life.

Blas's computer skills permitted a smooth transition into the world of self-publishing. However, they're still learning (watch the video interviews at financialpost.com). On the cover of the first print run of the book is a picture of another couple commonly used in stock shots for financial marketing projects. The new edition features the "real" Compton and Blas striking the identical pose and clad in similar blue shirts. When it comes to "how much is enough?" Compton agrees with Mercer actuary Malcolm Hamilton that once debts are eliminated and kids launched, retirees can live on 50% or less of what they earned in their working years.

When she was a financial advisor, clients always pressed her for a more precise number, which she's happy to share. A good guideline for a nest egg is 20 times what you spend in a year, assuming you plan to live 30 years in retirement and die broke. So, if you're used to living on \$50,000 a year, you would need \$1-million. If you are used to a \$100,000 lifestyle, then \$2-million, etc. If you wish to leave an estate, you'd want 25 times your annual spending levels.

She also asked clients to imagine three lifestyles: a bare-bones one of Kraft Dinner and cable TV; a lavish one of foreign travel and dining out; and one between these extremes. The last is more likely to correspond to what one experienced when working and will require realistic compromises: Maybe you travel abroad only every second year or buy a new car only every seven years.

Working at least part-time in retirement can make a huge difference to your retirement cash flow. Every \$1,000 you earn per month means you'll need \$200,000 to \$250,000 less in your retirement pot. It's for this reason Compton expects many Boomers will become serial entrepreneurs, travelling and transforming hobbies into businesses that will create legitimate tax deductions. "There are lots of ways to create a rich retirement that don't necessarily mean a large retirement pot."

But Boomers still in harness need to plan for a rocking retirement well before they leave their full-time jobs, Blas warns. "Don't wait until the last minute. If you say to yourself, 'I'll do such and such when I retire,' that can be a real pitfall. You probably won't do it."

As Toronto-Dominion Bank indicated in a recent survey, couples need a common vision of their joint retirement before they commence living it.

"It's a whole new opportunity to reassess your relationship," Blas says. "If it's not compatible, there's time to redesign it."

When I asked Blas what rocks most about his retirement, he throws out the single word: "Freedom." I suggest London Life nailed it with its famous Freedom 55 campaign.

"They did," he agrees. "It's my experience for sure....Once the kids are launched, it's your life now, with no employer to answer to. That's what makes it rock."

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