Book Review: “Retirement STILL Rocks!”

13 years after retiring, a husband and wife update their guide to retirement

Long before Mike Drak and I penned a book on semi-retirement, I reviewed a book called *Retirement Rocks!*, by a couple who retired early in their 50s. Heather Compton was a financial advisor who was able to retire by 50 by taking her own advice, while husband Dennis Blas had retired from the IT Business in his mid 50s.

This was back in 2004. I lost touch with the authors until a few weeks ago, when I discovered they had updated the book, cleverly retitled *Retirement STILL Rocks!* When the review copy arrived, I quickly read it, curious to see what the couple had experienced and learned in their first 13 years of retirement. (Although it might be more accurate to describe it as semi-retirement or an encore career of writing, speaking and seminar-giving.)

I recall Heather describing her new identity as a “lady who lunches,” although in the revised edition she concedes that perhaps age 50 was a tad too early to embark on full retirement. But the book – subtitled *Canadian Boomers Invest in Life* – nicely covers the triad of lifestyle, relationships and finances, and in that order.

Indeed, the financial side that is often the sole focus of retirement books is wisely relegated to the last third of the book, even though financial planning is Heather’s forte. Husband and co-author Dennis, on the other hand, is happy to leave the finances to his partner so he can focus on his own interests, including his own part-time encore career as a jack-of-all-trades handy-person.

Based as it is on their own experience of early retirement, the first two thirds of the book is where the real value-add comes, often touching on themes we address here in *Retired Money*. It’s really about filling that 2000 Hours a Year we described here recently, and about the relationships that sustain us all. As they point out, friendships become more precious than ever at this stage of life, since it’s not quite so easy to tap into work social networks and the built-in network children provide once you’ve left the full-time workforce.

We’ve all heard about Bucket Lists but the pair also have a list of activities you hope to avoid in the future, which they dub “F*&#” lists. In other words, new or prospective retirees are advised to come up with both a “to do” list and a “don’t do” list. Presumably, the “don’t do” list now includes full-time employment. Interestingly, they also warn that once you’re in retirement, “watch that leisure does not become a major life component.” Too much of a good thing can be a negative, apparently, if leisure becomes the main focus rather than a getaway.

Which isn’t to say retirement isn’t devoid of responsibilities and some stress. Addressing chiefly baby boomers, the couple describe the common fate of being “sandwiched” between grown adult children still on the family payroll, and elderly parents who require care. Compton and Blas come by their intergenerational insight honestly, seeing as they are each other’s second spouse.

As with the book itself, I’ve saved the last third of this column for the financial side. Compton begins with the old chestnut of “How Much is Enough?,” delivering the insight from C. D. Howe’s semi-retired actuary Malcolm Hamilton that singles need to budget for 70% of the combined spending of a couple if they wish to achieve the same retirement lifestyle. Compton cites a BMO study from 2015 that found retired Canadians spend on average $2,400 a month, or $28,800 per year, excluding income tax. That’s for singles and Compton uses that to estimate that $41,000 will be “enough” for an average Canadian retiree couple.

But that is only for the barebones “Essentials” lifestyle: $40,000 pre-tax annual income for couples, $35,000 of which may come from CPP and OAS. The good news is the required savings to generate the extra $5,000 is quite modest: $125,000 at age 65, a bit more if you want to retire at 63 ($238,000), but a bit less if you can stand to keep working until 67 ($43,000).

The Intermediate lifestyle of $60,000 pre-tax requires a nest egg of $625,000 at age 65 and the “Deluxe” lifestyle of $80,000 annual pre-tax income for a couple requires $1,125,000 at 65: in fact, a million and change whether you seek to retire at 63 or 67. Note that these calculations assume no employer pension, so if you’re fortunate enough to possess one, the numbers go down.

Compton also cites a rule of thumb that your retirement nest egg at age 65 should be about 25 times the amount you plan to withdraw each year: based on the well-known 4% rule we’ve looked at before in this column.

Given their own experience on the marital front, and statistics that show a rising incidence of “grey divorce” or “silver separations,” even happily married couples may want to scrutinize the singles financial data. For one, couples don’t always agree on when they should retire. Second, retiring in tandem means a lot more quality time you’ll have to spend with your spouse.

But at least they’re rocking, hopefully not just in a rocking chair!

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