

Boomers: The next chapter

Leaving the corporate womb to pursue dreams

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For many Baby Boomers, odds are good the decade just completed will be the last in which they are full-time salaried employees.

As we leave the Aughts [the decade 2000-2009] the first wave of Baby Boomers born in 1945 or 1946 will hit the traditional retirement age of 65 in 2010 and 2011. Tail-end Boomers born in the early 1960s will be 55 to 60 by Jan. 1, 2020.

True, unless you're among the minority with a gold-plated defined-benefit pension, you're unlikely to enjoy that magical chimera dubbed (courtesy of London Life) Freedom 55. Then again, I don't really consider those born between 1960 and 1964 as full-blooded Baby Boomers. If you weren't traumatized by the 1963 assassination of John F. Kennedy, your status as a Boomer is dubious.

Those born in the 1950s, like yours truly, will likely leave full-time employment sometime before 2020. By then, according to Canada's Urban Futures Institute, 425,000 Canadians will retire each year.

That doesn't mean they'll do nothing. There is a distinction between full-stop retirement and financial independence, which entails leaving the corporate womb to pursue long-postponed dreams and goals.

Here's an example: When I visited an art festival this summer in Peterborough, Ont., I was struck by how many artists were Baby Boomers who had retired from 30-year-plus careers in business or government and finally took the plunge as creative artists. Tina DiVito, director of retirement strategies for BMO Financial Group, noticed the same trend during a trip to Quebec City in August. "They're not trying to make millions but it's very rewarding to a lot of people. Talents come out when you get the opportunity to do what you love to do versus merely earning a living."

Other Boomers will build home-based businesses, using the Internet. Anyone on Twitter is familiar with the hordes of Internet-based marketers, selling products or services through multi-level marketing schemes, affiliate programs and their variants.

With gains in health and longevity -- the liver transplant of Apple CEO Steve Jobs being a dramatic example -- boomers can expect to live well into their nineties or beyond. Thirty to 40 years is a long time for an investment portfolio to last. Even if money weren't a consideration, it's too long to lie about the house playing golf or watching TV.

Little wonder BMO thinks the term "retirement" should itself be retired. In a report last April by the BMO Retirement Institute, DiVito found the 2008 stock market crash caused Canadian Baby Boomers to revise their "retire-by" date some years into the future. Many pre-retirees, especially who pre-crash were within five years of retirement, decided to stay in harness. And some already retired told BMO they would return to work.

Three years ago, a BMO study found most Canadian Boomers planned to work "in some capacity" after traditional retirement, with the top two reasons being "to stay mentally active" and "stay in

touch with people." Money was third. In 2009, the three were reversed, with more than 80% citing the need to "earn money" in retirement or semi-retirement.

If this is the Boomer's fate, there's a case to be made for one more major career change. This is not unusual for Baby Boomers, many of whom have changed careers two or three times in their first three decades in the workforce. If money is no object, some may move from high-paying stressful careers to less lucrative, more satisfying occupations, such as Eleanor Clitheroe's dramatic shift from Hydro One CEO to Anglican minister.

BMO has a useful online "transition" calculator you can access by googling Retirement Your Way. It shows the impact on savings if you work past the traditional retirement age or if you opt to work part-time during a multi-year transition from full-time work to full-time leisure.

A transition period may allow you to pursue your true vocation. Perhaps you haven't saved enough to retire altogether but could get by with \$30,000 in project work instead of a demanding \$100,000-a-year job. The extra time and energy could be devoted to pursuing your dreams, whether artistic, spiritual or philanthropic.

The point this becomes possible is what fee-only planners Markham-based EES Financial Services Ltd. call "Dream Day" or what I call Findependence Day in my financial novel of the same name. I believe a huge number of Baby Boomers will reach this milestone in the second decade of the 21st century.

A good example might be the Calgary-based husband-and-wife co-authors of Retirement Rocks: Canadian Boomers Invest in Life. In 2004, at age 50, Heather Compton retired from a long career as a stockbroker, while Dennis Blas, then 54, retired from his information technology career.

Today, in seminars and the book, they teach other Boomers on the cusp of retirement how to prepare for this exciting new phase of their lives.

I've no doubt that what these rocking semi-retired Boomers accomplish in this transitional phase will be something to behold. If the boomer artists in Quebec and Peterborough are any indication, we may be in for a golden age of creativity and spiritual renewal.

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