

Surviving your Retirement

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If you are a Baby Boomer or recent retiree, then you are probably in shock right now due to skyrocketing energy costs, the state of your investment portfolio and the higher prices being tacked on to consumer goods. Welcome to the new (but not necessarily improved) version of your retirement years. And it's not a pretty picture.

For decades the Baby Boomer generation has been preparing to put their work lives behind them in exchange for a more relaxed lifestyle. Most dreamt of a retirement spent sipping frosty margaritas on white sandy beaches. Instead, many of us will spend our retirement years shivering in the cold, harsh light of financial insecurity back in Canada.

The main factors influencing retirement chaos include poor financial pre-planning, unanticipated family financial responsibilities and growing personal debt. In fact, one in five Baby Boomers hasn't saved enough cash by the time retirement arrives. And 73 per cent of Boomers are burdened by serious debt loads before they even reach retirement age.

Typically, Baby Boomers with financial pressures can be divided up into two distinct categories: The Debt-Accessor and the Debt Accumulator.

Debt-Accessor Boomers enter retirement burdened by expensive car loans, sizable mortgage payments and debilitating credit card bills. They carry a debt monkey on their backs guaranteed to cripple their chances of enjoying retirement in comfort. This group lives on what it can afford to finance, not on what it can afford to buy.

Debt-Accumulators, on the other hand, start their journey to retirement on the right track but soon veer off the road. Retirement begins debt free but they start to accumulate debt as soon as their previous income levels drop off. Debt-Accumulators are constantly accessing credit cards, lines of credit and their RRSP reserves to maintain that lifestyle.

Both groups also face the spectre of "inflicted debt", the high costs associated with the long-term care of an aging relative, an economic downturn and even the pressure of an unexpected early retirement or lay-off. Realistically few of us would be able to deal with these types of

financial pressures once our main sources of income end.

If you don't recognize your situation in the scenarios above, congratulations! You've planned carefully for your retirement and stashed away enough cash for emergencies and normal daily living. But if you feel that the excessive debt you are grappling with is like a noose around your neck you may want to consider soliciting some help from a licensed specialist known as a Certified Insolvency Restructuring Professional ("CIRP").

The CIRP can offer an array of affordable solutions, including a Consumer Proposal. This is an arrangement between you and your creditors where you can end up paying back only a portion of what you owe, stop interest from accruing and even extend the length of time it takes to pay off your debt. Best of all, Boomers can file a Consumer Proposal and retain all of their assets. Consumer Proposals work because they allow you to reduce the burden of your debt load into one manageable monthly payment. Plus they give you back control over your financial life.

And it's never too late to start repairing your situation. With the help of a CIRP professional, you can be fair to both your creditors and yourself. And you can enjoy the retirement you've always dreamed about without worry.

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