

Too old for your job, too young to stop working. How ageism can scuttle your retirement plans

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Some financial advisers are seeing a growing trend of layoffs among people in their mid-fifties. *Getty Images*

It's a phenomenon financial planners are seeing more and more: workers in their mid-50s are laid off or given a buyout package and then run up against a wall trying to find another job.

That's happening "more often than ever before," according to Rona Birenbaum, founder and president of [Caring for Clients](#). "When I started doing financial planning 20-25 years ago ... the assumption was your expected income would grow roughly by the rate of inflation and you'd retire at age 65 — and 'Bob's you uncle,' everything's fine."

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About eight years ago, though, Birenbaum began to notice that not everyone was comfortable with that assumption.

“New clients started to let me know that they were uncertain about their earnings potential and employability after 55,” she said.

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Shannon Lee Simmons, founder of the [New School of Finance](#), is seeing the same trend. And it seems more likely to happen to clients with higher incomes, she said.

“I’m seeing more of this if they’re making a really good salary,” she told Global News. And replacing that income, she says, “is becoming increasingly harder.”

Older workers being “packaged out” seems to be simply a function of corporate math, Lee Simmons said. Companies figure they can get younger employees to do the same work for less.

But some clients seem to encounter a pattern of age discrimination when they look for new employment, she said.

“Ageism kicks in when you’re trying to get back in it,” Lee Simmons said.

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The job hunt can easily last two years or more for those who lost senior roles with compensation at \$180,000 and up, Birenbaum said.

This isn't a universal issue. Both Birenbaum and Lee Simmons identified the marketing, advertising and TV and film production industries as especially prone to prejudices against older workers, based on client feedback. Lee Simmons also added the technology sector to the list.

But it is a cautionary tale for everyone.

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"A couple of decades ago, earning power was at its peak from 50 to 65, and many people used that time to catch up on their retirement savings," Birenbaum said.

That's traditionally the life stage when people have paid off their mortgage and the kids are out of the house, she said. Now their cashflow has finally freed up and they can turbocharge their retirement savings.

"For some people, though, that's not happening."

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Today, people tend to earn their largest paycheques closer to their late 40s and early 50s, said Lisa Taylor, a career expert. Taylor is also author of *The Talent Revolution*, a book that calls on the corporate world to challenge ageist attitudes and boost its senior workforce.

"There can be a very long tail to your career," Taylor said.

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And that can scuttle people's retirement plans, preventing some from working for as long as they'd like and forcing others to stay in the workforce longer in order to make up for lower-than-expected earnings, Birenbaum said.

Financial planning in the age of ageism

Not everyone needs to prepare for their earnings potentially dropping in the later stages of their careers, Birenbaum said. Happily, doctors, lawyers and those working in the financial sector, for example, can still count on their income growing along with their experience and seniority.

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But if you know you work in a sector where you might be made redundant in your 50s — or earlier — you must have a fallback, Birenbaum said.

Often, a financial plan that incorporates a scenario with a lower-income assumption helps alleviate some of the stress, she said.

“You take that worry and you test whether or not it’s really a problem,” Birenbaum said.

Sometimes the math shows a family might be able to get by on one income.

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Lee Simmons says the growing possibility of a middle-age income dip has led her to advise clients to be more aggressive with their mortgage payments.

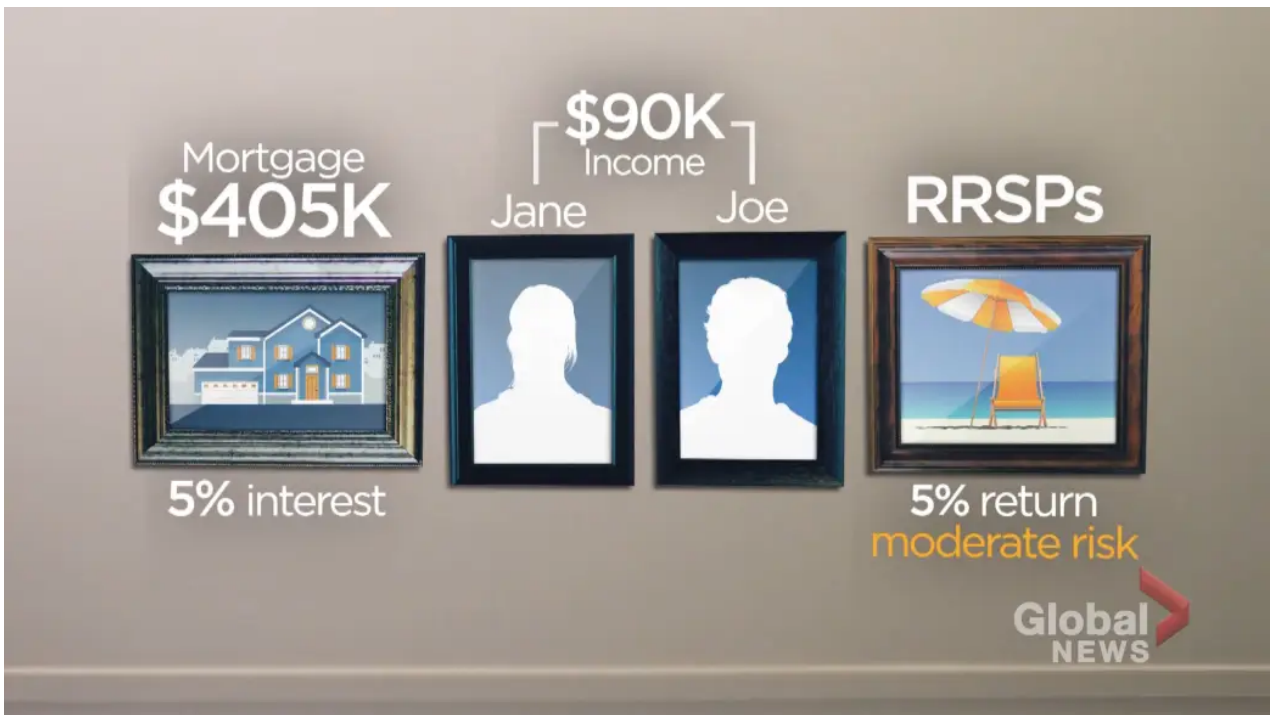
“Attack those mortgages even if they’re cheap,” she said. “The less you have to [put toward monthly payments] the more flexible you can be.”

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The same holds for other kinds of monthly debt payments. The greater the room in your current cashflow, she said, the greater the chance you’ll have the financial resources and time to stage a successful career pivot instead of having to take up whatever job will help you put bread on the table.

That's advice she has started to give to all her clients, not just those working in industries with a reputation for ditching older workers. After all, she noted, it's hard to tell how the economy will evolve and whether the issue will become more widespread.

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Switching gears at 55

Of course, if you see the writing on the wall, another way to soften the financial blow of a potential layoff at 55 is to start plotting an alternative career early on.

“Know where the market is going,” Taylor said. “Don’t wait for someone to offer you that next career opportunity.”

It’s important to think creatively about how else you could be using your talents and expertise, she said.

That flexibility, Birenbaum said, should extend to compensation, too. Accepting a lower salary after six months will be much better for your bottom line than holding out for years for something closer to your older job.

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Knowing the market and resizing your expectations on pay and benefits can also help get contract work, according to Lee Simmons.

Sometimes people attribute their inability to get freelance and consulting gigs to ageism, but the real issue is that “they’re simply asking too much,” she said.

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Starting your own business is another viable option, Taylor said. But it’s not for everyone.

Some people are really good but aren’t prepared for everything else that running a small business entails, she added.

“You have to spend as much time finding business as you do delivering your services,” Birenbaum agreed.

Luckily, if that’s not your cup of tea, freelance platforms like [Upwork](#) and [Freelancer](#) are making it easier and easier to get gigs without the hassle, Taylor said.

And remember, whatever you do, there’s usually no need to list more than 10 years’ worth of work experience on your resume.

Whether or not your age would be a problem, an excessively long CV is unnecessary, Taylor said.

Best to keep “the focus on what’s relevant.”

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