

off the top

From the editor-in-chief



Let's set a new standard for wealth: desiring only what is important and valuing what we already have.

Like many people, Colleen Friesen and her husband, Kevin Redl, of Sechelt, B.C., watched their finances take a hit with the market implosion of the past few months. However, they are much better prepared than many to look at their situation philosophically. After all, they've had a lot of practice.

"Yes, we know the value of our investments has dropped; but we don't want that to dominate our thinking," Colleen told me. "We ask ourselves, 'What's the worst that can happen?' And the worst that could happen is we'd have to go back to work. After a 12-year vacation. That's not so rough."

In 1985 – when wealth was a religion and *more* was the mantra – Colleen and Kevin, then in their 20s, sat back to look at the work-cash-stuff cult and agreed that, cliché though it was, money wasn't buying them happiness. And they concocted a plan: they would save enough to allow them to retire at the age of 40 and start a life defined by experiences, not cash, and filled with memories rather than stuff. And that's what they did – 12 years ago, four years ahead of schedule.

We originally commissioned Colleen to write a story about her and Kevin's remarkable financial accomplishment. That was a year ago; the article was going to be called "How to Retire at 36." But then, as the economy sank and, correspondingly, uncertainty and pessimism rose, we became more interested in how Colleen and Kevin had developed a different perspective, defining, for themselves, true wealth. In her story, "Mind over Money" (page 72), Colleen says, "It is said there are two ways to be rich – make more or desire less. Maybe there's a middle way: to desire only what's important."

In deciding what was important – their family and friends, each other and being grateful for the privilege of living in a "ridiculously wealthy" country (with accessible health care, clean water and other luxuries by any world standard) – Colleen and Kevin were also cultivating a view of life, work and money that would give them a larger and calmer perspective throughout the current downturn.

It's a perspective that I think most of us would envy, even more than being able to retire at 36.

Kathy Ulliyott
kathy@homemakers.

"There is only
one success —
to be able to
spend your life in
your own way."

— Christopher Morley





talk to us

Have you changed your life or perspective as a result of the current economic situation? Tell us how at homemakers.com.



mind over money

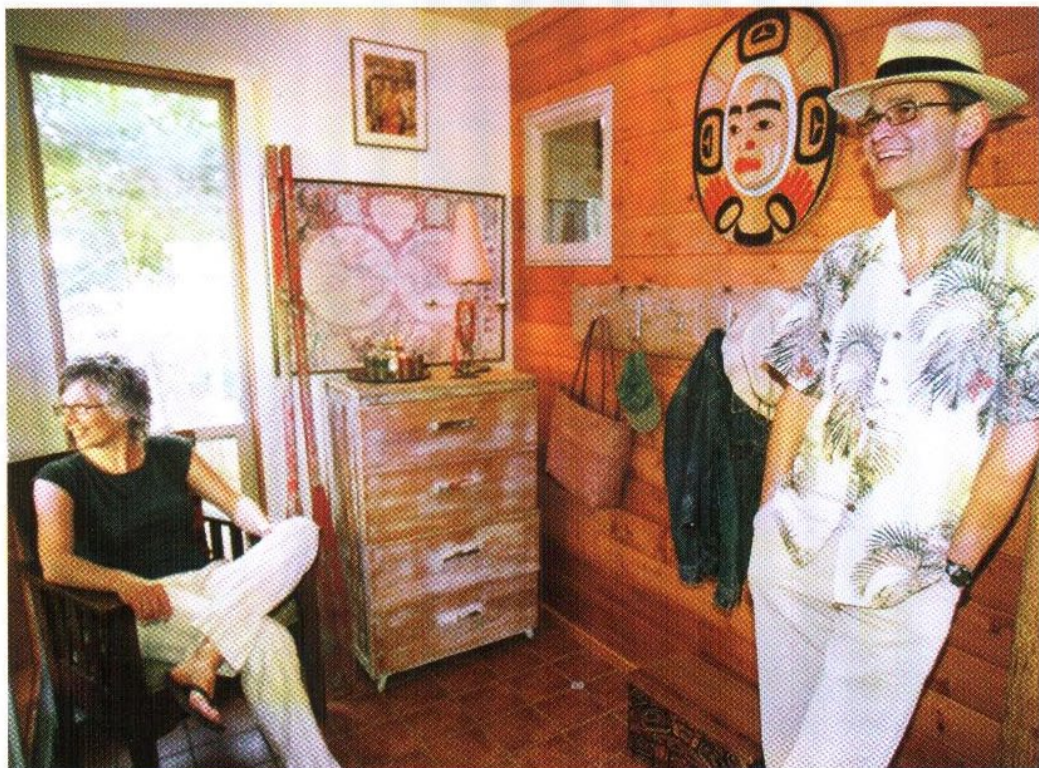
Can you ever have enough money? Yes, says Colleen Friesen, who, with her husband, Kevin Redl, revised her concept of “rich” and then achieved it.

Photography: Keith A.E. Thirkell

“Why, if it isn’t Whitney Billiard-Yorke,” says the tall dark-haired guy. “Wimbledon wasn’t it?”

Holding my Champagne flute and the party invitation decreeing a “summer-whites” dress code, I read his name tag, replying with my poshest accent, “Why Pemberton P. Pheasant, it certainly was.”

We are sporting our new identities, picked from the pile of calligraphed name tags at the party’s entrance. Other newly named guests whack at croquet balls on the front lawn. Scents of Ralph Lauren’s Polo, Giorgio Beverly Hills and cut grass blend into a heady elixir of an ’80s summer day. ➤



A seashore home and freedom to travel fulfilled long-term dreams for Colleen and Kevin. In Mexico (below), Colleen shares a photo with Tarahumara girls.



His real name was Kevin, and at 26 years old, he had child-support payments for children he could only visit and car payments on a vehicle he didn't drive. And I, at the age of 23, blew all my cash on clothes and drove a Mazda Rx-7, complete with a loan at 24 per cent.

But it was the '80s and Ralph Lauren ads showed us what life was supposed to look like, and besides, L'Oréal told me I was worth it...though we hadn't yet realized who had to pay.

Two years later, we were living the big money dream in Campbell River, B.C., on Vancouver Island. We had great jobs; Kevin as a salesman for a large equipment company, and myself as the only female log broker in the forest industry – a job that meant long lunches with high-rolling corporate men – where I negotiated for logs for the end-production mills.

Ever notice that clichés often contain truths? In this case, we were slowly realizing that our cheques weren't buying happiness. Every second weekend we travelled for hours to Kelowna on the mainland to see Kevin's sons. In between, we burned up the long distance charges while trying to coordinate our constantly shifting schedules to meet at home.

Our paycheques were going up in flames, too. "Material Girl" was our soundtrack as we rode our lifestyle merry-go-round, determined to pursue that slippery gold ring called More.

We found the cash for a down payment on a small cedar house. Navigating our way through new financial territory by negotiating and merging finances gave us a heady sense of control over our cash and helped slow our spending. It also inspired us to a novel idea. What about saving?



It's dark. We leave the warmth of the woodstove and go for a winter walk to the beach. The wind is hard and steady. Black water storms the rocks. We're grappling with this new savings idea.

Kevin says, "I don't want to save for the sake of saving. I know people who just keep piling up money, and even after they've amassed a huge amount, they keep saving. I bet they couldn't tell you what for."

We needed to know why, which raised the next question: what did we really want to do with our lives?

Another, sadder motivation drove us. Kevin's 49-year-old dad had just died. We knew for sure that we had to save like we were going to live forever, and live like we were going to die tomorrow.

It is said there are two ways to be rich – make more or desire less. Maybe there's a middle way: to desire only what's important. The more we thought about it, the more we realized that it wasn't the number of dollars that mattered, but how we were going to spend our lives. The amount was only a means to an end. And if we could figure out the end, we could simplify the cash question – by calculating exactly what we needed, no more.

And so, the plan was very specific: we wanted to take 15 years to amass enough to afford a 42-foot sailboat and have enough invested so that our investment earnings would comfortably cover living expenses. The kids would be grown and launched by then. We would live on the boat, sail around the world and never work again.

Now we worked for a reason. Our fridge soon sported a magazine picture of a healthy-looking couple aboard a bright blue sailboat. With our goal in sight, going to work had a purpose.



We meet with an investment counsellor. Sitting in his book-lined office, we must sound a tad idealistic, myself at 25, and Kevin at 28. Too young to ever imagine a future economic implosion. Kevin explains his formula, including the exact dollar amount he thinks we can live on. The counsellor leans his heavy frame across his oak desk.

"Many people think this is what they want, but every time their income goes up, their lifestyle demands do too. Most often, those demands increase beyond the new income. Most people don't want that constant 'more' to stop."

"We've been doing that," we find ourselves nodding in unison, >

Kevin's Top 5 Tips

1 Once you do the math on how much you'll need in investments, it'll probably look like a pretty big number. Don't let it scare you, it's more achievable than you think. Investing in RRSPs – something every Canadian should be doing – allows your money to grow much quicker, as it compounds without tax.

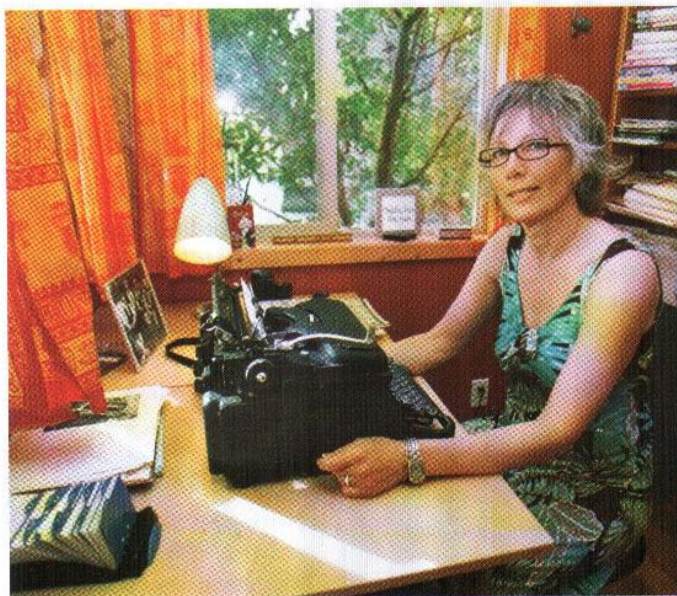
2 Your comfort level of investment risk may – and maybe should – change, so plan for this. For us, 10 per cent growth per year while working was reasonable, but a more conservative seven per cent was our retirement choice.

3 To avoid the increasing lifestyle trap described by our counsellor, every time our income went up, we increased our annual investments by two thirds of that. For example, if you get a net salary raise of \$3,000 per year, invest \$2,000 of it. This enabled us to reach our goal in 11 years instead of 15.

4 Be flexible. When a great investment opportunity presented itself, we remortgaged our home to find the capital. Since we retired, we've seen two major market stumbles (1999-2000, and the current one).

5 Try using an online, interactive retirement planning tool. For our favourite, go to tdcanadatrust.com, click on Planning and follow the links.

– Kevin Redl



"Writing helps me find out what I think and what's important to me," says Colleen. Getting outside Canada also deepened the couple's insights into wealth and happiness. Below, Colleen and Kevin ride the Sierra Madre Express in Mexico.



"but we don't want to play that game anymore."

"Well," he assures us, "your numbers work, your goal is achievable. But I really doubt you'll want to do it once you get there."

The next step in the Grand Plan was to handle our finances as if they were a small business. Once a month we had a money meeting. You know those stats that say money is the number 1 thing couples argue about? We were living proof as we worked our way line by line through our new budget. How, for instance, could Kevin not grasp that magazines were essentials on a grocery list?

But the increasing net worth statements encouraged our progress. We were well on our way to sailing the glittering and forever-sunny ocean.

Six months later we were living in a tiny, smelly rental house in Mission, B.C., while trying to rent our house in Campbell River, which still hadn't sold. Kevin's salary had been reduced by 70 per cent and we'd lost his company vehicle.

Life. It often travels along slightly different lines than you originally plan. Two years later, my 63-year-old mom died, another terrible reminder that nothing is guaranteed.

The Campbell River house finally sold. We sold the Mazda and its ridiculous payments and bought a beat-up white Pontiac that could haul the secondhand trailer for our camping holidays with the boys. We didn't want to fall into the noncustodial parent trap of trying to prove our love by spending tons of money on costly gifts or expensive theme-park holidays. Instead, we chose to spend our time with them hiking, hanging out around the campfire, playing cards, laughing and listening.

We invested in the company I'd been working at and watched the value of our shares rise and fall as we rode the roller-coaster that is British Columbia's forest industry.



Four years ahead of our 15-year schedule, we hit our magic number. With Kevin at 39 and me at 36, we launch into the world of endless Saturdays. Along the way we realize the sailboat had been a metaphor for freedom. So, instead of a sea cruise, we sell our large home and move to a seaside cottage.

We quit our jobs 12 years ago. Since then we've travelled through dozens of countries by train, camel and overland camping trucks. We've sipped tea in Damascus, Syria, climbed Namibian dunes and stood open-mouthed at the ancient, rose-red city of Petra, Jordan.

Somewhere in there we homeschooled Kevin's younger son through the last years of high school and were foster parents to my nephew for a few years.

And I discovered I loved writing about all our travelling. Soon, other subjects crept in. Admittedly, from the outside, it looks suspiciously like work, but writing helps me find out what I think and what's important to me.

Meanwhile, Kevin spent four years getting his master's degree in economics. Now, at 51, he wants to learn about wine so he's employed at a high-end wine store. So technically, I guess we're both working, but there's that old saying that it's only work if there's something else you'd rather be doing. Yes, like everyone's, our investments have taken a bit of a beating, but ironically, by pursuing these new interests, we've gained some extra income to save us from drawing down our investments too much while we ride out this current downturn. Economies, like life, have their ups and downs, but the things that we really love the most are things that have nothing to do with money: family, friends and each other.

Travelling in developing nations has changed our perspective. We've learned that as Canadians we are all ridiculously wealthy. We have health care, proper roads, schools and the miracle of hot water on demand. Funny thing about practising gratitude: it makes it much harder to think about what you don't have. And, by living smaller and travelling light, I've learned to be very selective about shopping. I pretend I'm in an art gallery – just because I see something pretty, doesn't mean I need to own it. And I ask myself if my life will truly be improved by its purchase.

Lagom ("la-home") is a Swedish word for "enough," or "just the right amount." It is a word that suggests satisfaction with what you have and runs counter to our society's obsession with more. Practising the art of lagom has created more contentment. In a strange twist, we've discovered that less really is more. **hm**