

At the bottom of the escalators in Victoria's Tillicum Mall, there is a lonely Orange Julius stand and a lottery booth. Adjacent to the lottery booth are a dozen metal bistro tables scattered about, each occupied by a solitary, elderly male clutching a lukewarm cup of coffee.

These men have seen better days. Bad backs or bad pension plans or simply bad luck have brought them here to this place. These gentlemen aren't here to yack about the weather. They are all business.

Alongside the stale cup of coffee lies a Keno ticket. The old men rarely look at the tickets. They know their lucky numbers by heart — birthdays, social security numbers, some number of importance. They have played the same numbers over and over again, at these same tables, day in, day out. The old men stare intently at the video screen perched above the lottery booth under the escalator, as it flashes the winning KENO numbers.

Some would call it a gambling addiction, some may call it boredom. But for most of these worn-out, blue-collar workers, it is called a retirement plan.

There are other bellwethers out there: the elderly lady who buys the Hamburger Helper and the tin of cat food at the express checkout: the pensioners who come in daily

for a plastic mickey of vodka or a \$6 bottle of plonk at our local liquor store. Alcohol can assuage the hunger and blunt the misery.

But for the grace of God go I. I am one of the estimated 9.8 million Canadian baby boomers on the brink of retirement. I am also one of the 20 per cent of these boomers, on the dark side of 50, who have little or no savings or investments. The prospect of sweeping lonely beaches with a metal detector or nursing a cup of coffee through a day of KENO may be more than a bad dream.

My personal wake-up call came in the form of a mortgage renewal notice. Payments were poised to increase \$150 per month, and if I stick to the rules, the house would be mine, mortgage free, in 14 years. In 14 years I can burn the mortgage papers. I will likely need to burn them to heat the house.

The scant government pension cheque will never cover the cost of taxes, electricity and water. Is that my future? Sitting in the dark, heating tins of cat food over beach-salvaged driftwood? Time to think outside the box.

Here's the box. You work at two or three



Peter Vincent

## HEAD TO HEAD

Alaska cruises or trips to Maui, too worn out for the oh-so-tedious Harley trip along Route 66, and too frightened to go beyond cell range of the family doctor, lest some medical catastrophe befall you.

For all you fellow baby boomers who just felt someone walk over your grave, there may be hope. I first heard of Fraser Smith through an MBA friend, who like me, had chosen a life of hedonism over fiscal responsibility. Fraser Smith has written a book entitled "The Smith Manoeuvre," which outlines a system whereby your mortgage may be deductible. The book climbed to #4 on the National Post Business Best Sellers list this summer, which is really something for a self-published entry. An interest-deductible mortgage is . . . well . . . interesting, but when you are teetering on the financial gangplank, it is tantamount to throwing a deck chair off the Titanic. You're

careers for 20 or 30 years, assiduously paying off mortgages, feeding an RRSP account, paying into the Canada Pension Plan, in all likelihood going through an unfortunate divorce or two, ending up at 60 years old staring into the mirror mumbling "Is that all there is?" — too broke for those

still going down.

You need a larger life raft. So here's the deal. You have all this lovely equity built up in your house (that is, unless you have already tapped it out for a new SUV and a Bayliner). Fraser Smith advocates using that hibernating equity as collateral to amass a pile of cash, which is in turn poured into rock-solid investments. The returns go into paying down the original mortgage. In my case, the computer model indicated a total pay-out in 15 months. Fifteen months versus 14 years. Hmmm.

If your eyes are glazing over, not to worry. Fraser Smith has excellent bedside manner. After two sessions in his offices just off the Sidney Airport, and much hand wringing and e-mails ad nauseum, I jumped on board. Take a look at [www.smithman.net](http://www.smithman.net).

I am not sure this will work, nor am I endorsing. Hell, the last person you should be taking financial advice from is yours truly.

That tired old formula banged into my head by parents, bankers and armchair Rockefellers just won't feed the bulldog any longer. But if KENO and a cold cup of coffee is the alternative, I would just as soon grab a Thrifty's cart and live under the boardwalk.

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24 OCT 07