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Personal Finance in Your 50s

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7
Books
in one!

Eric Tyson, et al.

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Personal Finance in Your 50s

ALL-IN-ONE

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Introduction

Welcome to *Personal Finance in Your 50s All-in-One For Dummies!*

So, you've hit your 50s, your job is fulfilling and lucrative, your kids got full-ride scholarships to college, your mortgage is paid off or close to it, you invested early and wisely, your early retirement is on track, and you have an updated, signed will and a plan for your estate that will ensure that exactly what you want to happen to your stuff when you die will in fact happen. Nicely done! Go and be well. You can put this book down now.

What? You're still reading? Hmmm. That must mean you hit a snag or two along the way to personal financial nirvana. Well, don't worry. You're hardly alone. By picking up this book, you've already shown you want to get yourself on a better track, and you've taken your first step toward doing so. This book is all about understanding and improving your financial health from late middle age heading into retirement.



REMEMBER

It's never too late to right the ship! There's a whole lot you can do — even in your 50s — to help yourself have a more comfortable life as you head into your more advanced years, and this book is chock full of juicy advice on that stuff.

About This Book

You hold in your hands a big ol' conglomeration of some of the best For Dummies material on the topic of bettering your economic picture in your later working years. It's divided into six sections, each of which is itself a miniature "book" that focuses on one aspect of personal finance. Check out the Contents at a Glance to see how the book is organized.

You can peruse this book in the way most books have been perused since time immemorial — from cover to cover, starting on Page 1. Or you can use it as a reference guide, looking up specific topics in the Index or Table of Contents.

To make reading and understanding personal finance topics a bit easier, this book uses some conventions to help you along the way:

- » **Italics:** Newly defined terms are set in *italics*.
- » **Acronyms:** Acronyms are spelled out on first use.
- » **Websites:** You'll find references to websites that may provide additional information or make some task easier. Every effort has been made to make sure the links are functional at the time of publishing. If you ever see a website URL split from one line to the next, rest assured there are no extra hyphens, so type the address in your browser just as it appears. If you're reading the e-book, just tap the link to go to that website.

Foolish Assumptions

Here's what this book assumes about you:

- » **You're middle-aged.** You're no spring chicken. You did not just fall off the turnip truck. You've been, as it were, around the block. As such, you probably know very well what a mortgage is, for example, but may not know what a *reverse* mortgage is exactly. You know there are these mysterious programs called Medicare and Social Security headed your way in a few years, but as for details, well . . . you haven't exactly studied up on them — yet.
- » **You know you can do better with your money.** You're busy — work and family duties have had you running around for years. You have a vague sense that you're not as well off as you should be, and you know there must be things you're not doing that you should be doing, and vice versa. You've come to the right place.

That's it! If those two descriptions apply to you, you're ready to read on for hundreds of ideas and expert advice on whipping your finances into shape.

Icons Used in This Book

This book uses the following icons to point out certain insights:



REMEMBER

This one indicates short summaries of subject matter you've just read about and also points out important things to keep in mind for later. If you hesitate for a moment when reading the core content, check for one of these to keep progressing smoothly.



TECHNICAL
STUFF

This icon flags stuff that may be more technical than you really need to know. The information included with this icon isn't necessary to your understanding of the topic at hand, and you can safely skip it.



TIP

This icon is just what you think it is. It highlights something particularly helpful, useful, surprising, or efficient that is well worth paying extra attention to.



WARNING

This icon flags stuff that could get you in trouble or hurt you financially. Ignore these at your peril!

Beyond the Book

In addition to the material in the print or e-book you're reading right now, this product also comes with some access-anywhere goodies on the web. Check out the free Cheat Sheet and other free articles at www.dummies.com. Just search for "personal finance in your 50s all-in-one."

Where to Go from Here

Ready to go? You're about to dive into lots of valuable advice. As mentioned, feel free to pour a mug of coffee (or, heck, beer), sink into your favorite chair, and plunge into Book 1, Chapter 1. Or if you're really interested in something specific, look it up in the Index or Table of Contents.

Maybe you're in better shape in some areas than others. Maybe your mortgage is actually paid off or close to it. However, you hate your job and want to finally strike out on your own and be your own boss, but you've never had the courage to do it. Try Book 1, Chapter 3.

Or perhaps you really *do* have an up-to-date will, but you're terrible at managing a budget. Check out Book 4, Chapter 2 for loads of tips on budget management.

Or you do *indeed* love your job, but you've put away next to nothing for retirement and you're starting to get nervous you'll never be able to. Get thee to Book 1, Chapter 6 to get started on that. (And, no, it's never too late.)

No matter where you begin, you're sure to find a wealth of great ideas in this big old book that can make your life better. Heck, even if you pick up only one or two great ideas and implement them — such as buying an umbrella insurance policy (Book 3, Chapter 4), figuring out what you're worth so you can plan where it should go after you're gone (Book 5, Chapter 2), or turning the equity in your home into a steady income stream that *pays you* every month (Book 6, Chapter 2) — then the book already paid for itself many times over.

Congratulations on recognizing that you *can* and *should* be doing better than you are financially. Really, that's all of us. Because who has time to become an expert on all the dizzying aspects of personal finance? Oh, right . . . the authors of the following pages! So let our hard-earned wisdom guide you. It's time to dive in!

1

Managing Your Career and Retirement

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IN THIS CHAPTER

- » Understanding current workplace realities
- » Figuring out what you want . . . and want to do
- » Finding your place in the workplace
- » Retooling your job-search strategies for the 21st century

Chapter **1**

Finding a New Job after 50

Welcome, job seekers! Finding a job at any age takes work and dedication. Some older job seekers assume that employers would rather outsource jobs to cheaper workers overseas or hire younger, less experienced workers for lower wages. Although these suspicions are confirmed by the hiring practices of some organizations, current studies show that employers are increasingly willing to consider older candidates and that age alone isn't necessarily the reason some employers are unwilling to consider older candidates.

This chapter aims to help you shift your attitude about job hunting from one of apprehension to one of hope and possibility and to show you a few simple ways to rev up your job-search mojo to today's new workplace reality for job seekers age 50 and older.

Recognizing the Need for and Value of Experienced Workers

The times really are a-changin', and that's good news for your job-hunting prospects. Whether you want to work in an office job, teach yoga, or head up a

company, more employers are starting to realize that hiring workers age 50 and older is good for business, and more and more employers are discovering the value of experienced workers. Unfortunately for job seekers 50 and older, the fact that demand for experienced workers is on the rise is a well-kept secret. Realizing that employers need you is an important first step in the process of finding and landing the job you want. It gives you the enthusiasm and confidence to set out on what may be a long and arduous journey. This section reveals the reasons that the demand for older workers is rising — to invigorate you for the journey ahead and remind you of just how valuable you are to employers who need your skills, talents, and experience.



REMEMBER

A job search can be disheartening for anyone, regardless of age. And if that's what you're feeling, never show it to a prospective employer. Always highlight the value you have to offer in every job-search communiqué you send out. If you need a confidence lift, take some time and review all your previous achievements.

Noting a change in the current workforce

Many CEOs are increasingly aware that they need to have older, more experienced workers on board. As the population ages, the workforce is aging right along with it. U.S. employees 65 and older now outnumber teenagers in the workforce for the first time since 1948. In 2002, workers 50 and older comprised 24.6 percent of the workforce. By 2012, they represented 32.3 percent. And by 2022, they're projected to be 35.4 percent of the total workforce.

This emerging trend isn't likely to change anytime soon. More than one in three workers age 45 and older expects to retire at age 66 or older, compared to just over one in five 10 years ago. Moreover, 72 percent of workers ages 45 to 74 envision working in retirement.

Employers are getting worried about their future workforce. In a recent survey by the Society for Human Resource Management (SHRM), one-third of HR professionals predicted that the loss of talent resulting from retirements or departures of workers age 55 and older would be either a problem or a crisis for their organization in the next six to ten years. The Manpower Group 2014 Talent Shortage Survey found that 40 percent of U.S. employers reported difficulty in filling jobs.

Seeing experienced workers as an affordable option

The old concerns that hiring someone your age would probably be too pricey are being debunked. Contrary to common perception, workers age 50 and older don't

cost significantly more than younger workers, according to the report “A Business Case for Workers Age 50+: A Look at the Value of Experience 2015,” commissioned by AARP and conducted by Aon Hewitt.

Shifting trends in reward and benefit programs mean that adding more age 50-plus talent to a workforce results in only minimal increases in hard dollar total labor costs. These trends include a broad move by large employers to performance-based versus tenure-based compensation, the decline in traditional benefit pension plans, and the fact that healthcare costs are increasing at a slower rate for older workers compared to younger workers.

Meanwhile, in today’s global and fast-paced workplace, firms often don’t have the time to squander while a younger worker ramps up skills and knowledge. Companies are slowly realizing that to stay competitive, it’s smarter to seek out and hire experienced workers. That means you’re on the cutting edge of a sweeping change in the demographics of the workplace.

Recent surveys show that companies are realizing that it’s strategically smart to pay more attention to recruiting and retaining workers age 50 and older. When organizations need someone to step in and do the job right now and solve an existing problem, they’re eager to hire the experienced worker.

That’s what the AARP report unveiled. Findings from a 2014 SHRM survey of HR professionals also back up that trend. SHRM’s *The Aging Workforce* survey also found that two-thirds of HR executives canvassed reported that their organization employed older workers who retired from other organizations or careers before joining their organization. Gold stars all around.

The *Aging Workforce* survey, part of a three-year national Aging Workforce Initiative by SHRM and the SHRM Foundation and funded by the Alfred P. Sloan Foundation, also found that 61 percent of the 1,900 randomly selected SHRM HR professionals indicated that their organization had attempted to capitalize on and incorporate the experience of older workers in recruitment and retention strategies. (Kudos to them.) The top advantages of older workers were having more work experience (cited by 77 percent of respondents), being more mature/professional (71 percent), and having a stronger work ethic (70 percent).

Capitalizing on lower turnover

Employers find that workers age 50 and older are more loyal and aren’t as likely as younger workers to job jump. And that lower staff turnover benefits the bottom line, because the costs of high turnover are tangible. Finding, hiring, and training a new employee is a costly venture, and it becomes even costlier when that well-trained employee decides to jump ship and work for a competitor.

RETAINING OLDER WORKERS PAYS DIVIDENDS, TOO

Depending on your position and industry, the total cost of replacing you can range from thousands of dollars to as much as one-and-a-half times your annual salary. Retaining older workers reduces the one-time costs of turnover, which range from \$7,400 to \$31,700 or more per employee, according to AARP's most recent survey. This cost includes the time and money that go hand in hand with recruiting and advertising your job, bringing people in for an interview, and training a new hire.

Plus, it's hard to put a price on the institutional knowledge that goes out the door with a departing employee. Now tack on the stress that managers and coworkers must shoulder to make up for the work that falls between the cracks when an employee leaves. And, finally, toss in the toll of lost morale that accompanies the departure of a valued team member. Now the employer has a serious problem. And that's clearly a big incentive for hiring a worker over 50. Older workers often anchor a team.

Harnessing the power of highly engaged workers

Aon Hewitt data show that older workers, in general, *love* their jobs more than younger workers do. Yes, we're more engaged than our younger counterparts. Perhaps we're grateful for the jobs in a way that someone new to the workforce has yet to learn to value and appreciate.

For example, 65 percent of employees age 55 and up in large companies are "engaged," compared to fewer than 60 percent of employees under age 45. Although this gap may seem small, it represents a statistically significant difference in engagement that can have a noticeable impact on business outcomes, according to the AARP report.

In addition to being the most highly engaged age group in the labor force, workers age 55 and older are also the most motivated. A whopping 81 percent of workers age 55 and up are "motivated" — meaning they say that they exert extra effort and contribute more than is normally required in their job — compared to 76 percent of their peers age 25 to 34. Talk about selling points for older workers on the job hunt!

Reaping additional benefits

In addition to all those wonderful attributes already mentioned, older workers typically have the following:

- » Ability to make quick decisions and solve problems
- » Greater maturity and professionalism
- » Superior communication skills, both written and oral
- » Ability to serve as mentors
- » Critical qualities of reliability and dependability
- » More knowledge, wisdom, and overall life experience

Shoulders back. You're valued. Put all this positive juju in your back pocket and never forget how much you have to offer on the job.

Tallying the Benefits of Staying in the Workforce

To get you even more fired up about your job search, here are five money-wise reasons to stay in the workforce as long as you can:

- » **The more years you contribute to your retirement plans, the better off you'll be down the road.** You'll be able to delay taking Social Security, which will dramatically boost your eventual payout. If your full retirement age is 66, for example, and you start collecting at age 70, your monthly check will be 32 percent higher than if you begin benefits at 66 and 76 percent more than if you start taking benefits at 62 (when most people do).

The longer you work, the longer you delay tapping retirement funds, which can continue to grow.

- » **Working longer provides income to pay for health insurance until you're eligible for Medicare at 65.** Fewer employers are offering their retired workers medical benefits, and those who do are ramping up the amount retirees must contribute to the cost of coverage. Even better, you may find a job that offers you access to a health plan.

Consider the advantage of a health savings account (HSA). If your employer provides one, take advantage of it. It's a good way to save as a tax deduction and use the dollars tax free for qualified medical expenses.



TIP

- » **Money aside, you may want to keep working to maintain a sense of well-being.** For people over 50, being engaged, not just involved, is important, according to a report by The Sloan Center on Aging & Work at Boston College. Similarly, when asked about their life and careers, 75 percent of people in their 40s and 50s said they want to make their life more meaningful, while 82 percent said they want to give back more, according to a study commissioned by Life Reimagined, which was created by AARP to help people with midlife transitions. Nearly 30 percent plan to make a career change in the next five years; top reasons include having the opportunity to learn more and giving more back to the community. Work gives you a sense of purpose and of feeling connected and needed. It makes you feel relevant. Pinning a dollar figure to that is difficult, but it's real.
- » **Work sharpens the mind.** Researchers from the RAND Center for the Study of Aging and the University of Michigan published a study showing that cognitive performance levels decline faster in countries that have younger retirement ages. What? Brain cells dying from lack of use? You bet. It's the old "Use it or lose it" axiom. Many aging experts say that to stay healthy, older adults have to learn new things, stay active socially, and exercise.

Bottom line: We're living longer, healthier lives. As a result, we're staying longer in the workforce because we can and often because we need to in order to have a financially secure retirement.

Reorienting Yourself to Today's Job-Search Realities

What's new since your last job hunt? If it's been a while, you'll quickly find that technology has made job searching easier in some ways but more complex than ever in others. Although the Internet has improved access to openings, it has also increased competition for those same openings. Typically, an average of more than 250 résumés are submitted for every job posting, and the first résumé appears within 200 seconds of the posting "going live," according to online job-search expert Susan P. Joyce, publisher of WorkCoachCafe.com.

Although job-search sites make finding jobs easier, online applications and automated screening technologies pose additional obstacles to getting past the gatekeepers. According to a study by job-match site TheLadders (www.theladders.com), many companies use talent-management software to screen résumés, weeding out up to 50 percent of applications before anyone ever looks at a résumé or cover letter.



REMEMBER

Little wonder then that a recent CareerXroads survey shows that only 15 percent of positions were filled through online job boards. So visiting job boards and applying for jobs is probably not the best use of your time, even though you feel like you have to. Most jobs are either filled internally or through referrals. Yes, the old-fashioned way. In fact, only about half of the roughly 5 million jobs now open in the United States are *ever* advertised publicly. Employers still prefer to hire people they know either directly or indirectly through a referral. In studies of many different employers going back to 2001, employee referrals are the top source of people hired into a company — not job postings. In fact, employee referrals provided more than 55 percent of the hires in one of the studies.

In other words, employers want to hire someone who has already been vetted in some way, which can save a lot of hassle and cost of the hiring process and of replacing people who don't work out, even if they looked great on paper and interviewed like pros. Employers love it when someone who already works for the organization can vouch for the person. And the employee making the referral often has some skin in the game, so to speak. Many employers pop a bonus reward of up to \$1,000 or more for referring someone who's hired and does a good job in the first few months on the job.

Does this mean that applying for a job on job boards isn't worthwhile? Not at all! Scanning the boards gives you a sense of who's hiring, what types of openings are out there, and salary ranges. But it does mean that other approaches, such as networking and marketing yourself, may ultimately forge a better route to landing a job.

Deciding What (Else) You Want Out of Work

For many, their paychecks aren't generally what get them juiced about going to work. Most people say they're motivated by the people they work with, the opportunity to keep learning and growing, or the mission or cause of their employer's services or the products it makes. Sometimes they say they love the travel opportunities. So don't get locked into a must-have salary. When searching for jobs and comparing offers, be sure to account for other benefits, including the following:

- » **Flexible workday:** Being able to work from home or having flexible hours or a compressed schedule are biggies. It comes down to being treated as a responsible adult and weaving work more seamlessly into the fabric of your life. And that may be getting easier to achieve. A Bank of America Merrill Lynch survey of 650 human resources executives recently found that half of

employers are willing to offer flexible arrangements, such as working part time or job sharing, to their most skilled and experienced workers.

- » **Healthy work-life balance:** Three in five people interested in a second career midlife say it's very important that the job leaves free time for things they want to do, such as travel, education, or engagement in other activities they enjoy, according to a report by Encore.org, a nonprofit organization that's building a movement to tap the skills and experience of those in midlife and beyond to improve communities. Indeed, many of those interested in encore careers appear eager to mix fewer hours of work per week with more years of work in total. Finding more flexibility may make working a few more years more palatable.
- » **Meaningful work:** More than 25 million Americans 50 to 70 years old are eager to share their skills, passions, and expertise in encore careers that address social needs, typically in education, healthcare, human services, and the environment, according to a 2014 study by Encore.org and Penn Schoen Berland. Of those 25 million, more than 4.5 million are already working for social impact. Another 21 million are ready to join them within the next five years.
- » **Opportunities to interact with others and stay productive:** Human beings are hard-wired to create, produce, and collaborate, and rewarding work provides opportunities to remain active and productive. A Pew Research Center survey found that working for non-financial reasons, such as job enjoyment or the desire to be productive, increases with age.
- » **Competitive benefits:** An AARP/SHRM survey of workers age 50 and up suggested older workers place significance on having competitive benefits and flexible work arrangements. When these workers consider a job offer, health insurance, retirement savings plans, and paid time off benefits play an important role in their decisions. For example, approximately eight in ten workers age 50 and older consider the availability of benefits such as health insurance (82 percent); a pension, 401(k), or other retirement plan (77 percent); and paid time off (80 percent) to be "very" or "somewhat" important considerations in the decision to accept a job.
- » **Learning opportunities:** Boomers tend to be curious, eager, and adventure-some. They're not geared to be couch potatoes passively absorbing entertainment. As such, they value learning opportunities both on the job and through employer-sponsored continuing education programs.

Employers are increasingly tuning in to these incentives. So though they worry that they may not be able to meet your salary expectations, they're discovering that workers 50 and older are attracted to more than pay. So employers are increasingly offering such non-financial perks as flexible work schedules, telecommuting options, and training and education opportunities.

Pursuing Your Passion and Finding Purpose

When it comes to finding a successful and meaningful second act, most people simply don't know what they're passionate about, even when they know that they want to move in another direction. This section encourages you to explore other careers and check out some of the fastest-growing job markets to find the right fit. It also provides some tips and cautions to help guide you as you set out to pursue your passion and add purpose to your life.



REMEMBER

Pursuing your passion is fine, but you don't want to end up in the poorhouse doing it. Look for ways to align your passion with what's in demand.

Considering other careers

One way to discover a passion that you can transform into gainful employment is to consider other careers. If you've ever thought to yourself, "I'd like to have her job," you have a head start. Think about those jobs you've always dreamed of having. Maybe you've always wanted to be a writer, graphic artist, wedding planner, interior designer, private investigator, or sports announcer. Perhaps you've always dreamed of owning a bed and breakfast, brewing your own beer, making candy, or producing movies.

No, it's not too late to start thinking about pursuing a totally new career, and many your age have done so successfully. Think of it this way: If you live to 100 and look back 50 years or so, will you still think you were too old back then to pursue that dream job?



TIP

Start now. Pursuing a new career is likely to require a significant commitment of time, money, and effort. The longer time frame you have to plan, the better. Start working at age 50 on a career you might not get around to until age 60. You can start now to research a career you're interested in, take classes, and perhaps even secure an internship in the field to take the new career for a test drive to gauge your true interest in it before going all in.

Test-driving a career in some form is always a good idea. Career changers may enter a period of mourning after starting their new careers. All of a sudden, they realize how much they miss their old careers and aren't really open to replacing what they once had. Internship opportunities are one way to test-drive different work.

FINDING INSPIRATION IN SUCCESS STORIES

Many people find that their passion is something they did when they were younger, often in childhood.

One woman moved from working in a management position at an insurance company to launching her own business making pillows out of old wedding dresses and crafting other customized pillows and quilts. When Marilyn Arnold was 9 years old, her mother, a skilled seamstress, patiently taught her to sew on a vintage Singer treadle sewing machine. As her feet pumped away at the machine in her family's farmhouse near Paris, Missouri, she was smitten. "I was in love with sewing, even when I stuck my finger and it bled," Arnold told me. But she never dreamed that now, at the age of 66, she would be running her own small business, Marilyn Arnold Designs, in Lee's Summit, Missouri.

Bill Skees has been a bibliophile for as long as he can remember. His favorite haunt growing up in Midland, Texas, was a bookstore called Miz B's. "I'd look at her behind the counter and think, 'That's got to be the greatest job in the world.'" In the decades that followed, Skees crossed the country for various jobs in IT, most recently heading development for a gaming company. But the work was stressful, and every chance he got, he slipped off to a bookstore. All the while, he dreamed of opening his own shop. And at 56, he did. He now owns and manages Well Read Books in Hawthorne, New Jersey.

Someday, you'll be able to add your success story to this list.



REMEMBER

Money is the biggest roadblock for most career changers. When you start over in a new field or move to a nonprofit, chances are you need to take a salary cut at least initially. If you have an emergency fund to buy you time, you can do a more thoughtful job search. If you need to, pare back your discretionary living expenses to reflect a more realistic view of what you'll earn. See the later section "Navigating a career change" for details.

Checking out fast-growing job markets

One way to pursue your passion while ensuring your marketability is to consider employment in fast-growing markets. Certain industries, such as energy and healthcare, are experiencing more profound talent shortages than others. According to the ManpowerGroup's 2014 Talent Shortage Survey, here are the top ten jobs that U.S. employers are having trouble filling:

- » Skilled trades (welders, electricians, machinists, and so on, prevalent in construction and manufacturing)

- » Restaurant and hotel staff
- » Sales representatives
- » Teachers
- » Drivers
- » Accounting and finance staff
- » Laborers
- » IT staff
- » Engineers
- » Nurses

Occupations with the most robust job growth by 2022, according to the Bureau of Labor Statistics (BLS), range from personal care and home health aides to interpreters and translators, brick masons and stonemasons, electricians' helpers, and event planners.

Although most of the job growth is expected to be in fields that don't require postsecondary education, jobs that require a college degree or higher are actually growing faster (14.0 percent versus 9.1 percent). And those higher-skilled jobs will pay, on average, more than double (\$57,770 per year versus \$27,670).

The following sections describe the sectors that are likely to be the hottest over the next few years.



TIP

Look for jobs and opportunities that leverage experience. Check out job websites, including www.aarp.org/work, encore.org, www.Job-Hunt.org, retiredbrains.com, and Workforce50.com to get a flavor for what others are doing and what jobs are out there now.

Healthcare

Look for opportunities in healthcare support, such as nursing assistants, physical and occupational therapists and assistants, skincare specialists, physician assistants, genetic counselors, and social workers. According to projections released by Georgetown University in 2015, the United States faces a shortage of 193,000 nursing professionals by 2020. Additionally, a 2015 report from The Association of American Medical Colleges estimates that, by 2025, the United States will experience a shortfall of anywhere from 46,100 to 90,400 physicians. Here again, recruitment and retention efforts aimed at the 50 and older workforce can help address this shortage.

According to the BLS, occupations related to healthcare, healthcare support, construction, and personal care services, such as physical therapists, skincare specialists, and social workers are expected to add a combined 5.3 million jobs in the United States, an increase representing approximately one-third of all employment gains over the coming decade.

The dietitian, nutritionist, and nursing assistant occupations are each projected to grow 21.1 percent between 2012 and 2022, according to BLS data. Given the comparatively small size of the dietitians and nutritionists profession, projected growth is expected to result in the addition of 14,200 new jobs. The nursing assistants occupation, however, is far larger. The upshot: The same anticipated growth rate in that occupation is expected to add 312,200 new jobs to the economy by 2022.

Leisure and hospitality

The leisure and hospitality sector is growing. People will be spending money to eat out and go on vacation. Chefs, cooks, waiters, bartenders, and restaurant and hotel managers will be in demand.

Software development

The software developer and programmer sector is expected to add 279,500 jobs by 2022, accounting for about four out of ten new jobs in the computer and math occupations group, according to BLS.

Cybersecurity

Although projected growth in jobs for information security analysts, at 27,400 new positions, is tiny compared to jobs for software developers and programmers, the rate of growth for information security analysts is expected to be 37 percent, making this the fastest-growing job in this sector.

Engineering

According to 2013 Current Population Survey data, 22 percent (or 447,000) of engineers in the United States are age 55 and up. As these workers approach retirement age, there may not be enough new workforce entrants to replace their loss in key roles. Focused efforts to retain and recruit older workers can mitigate these gaps.

AARP EMPLOYER PLEDGE: EXPERIENCE VALUED

The AARP Employer Pledge: Experience Valued program (www.aarp.org/work/job-search/employer-pledge-companies/?intcmp=AE-WOR-MAIN) is a national initiative to direct job seekers to employers that value and are hiring experienced workers *and* help employers solve their current and future staffing challenges. Employers who sign the pledge agree that they will do the following:

- Recognize the value of experienced workers
- Believe in equal opportunity for all workers, regardless of age
- Recruit across diverse age groups
- Consider all applicants on an equal basis
- Have immediate hiring needs

More than 460 employers have signed the pledge, including AlliedBarton, American Red Cross, AT&T, Charles Schwab, CVS Caremark, General Mills, Google, Kimberly Clark, Manpower, National Institutes of Health (NIH), New York Life, Scripps Health, S&T Bancorp, Toys “R” Us, United Health Care, Walgreens, and WellStar Health Systems.

Skilled labor

BLS projections show that considerable job growth is expected in skilled labor professions, including brick masons, block masons, stonemasons, and tile and marble setters (and their helpers), and electricians’ helpers. As mentioned earlier, employers are currently having the most trouble filling openings in these and other skilled trades.

Translators

For those who speak foreign languages, labor experts also project that there will be a rising need for interpreters and translators in courtrooms and other settings.

Taking the first steps in pursuing your passion

“Pursue your passion” is the kind of advice you receive from a friend or relative who either never pursued her passion or knew from the day she was born what she wanted to do. It sounds like great advice until you pause to think about it and

realize that you have no idea what your passion is or how to take that first step from point A to point B. Here are some suggestions to ease you into those first steps, with a tip of the hat to career coach Beverly Jones:

- » **Find a place to start.** You don't need a precise definition before you get going. Start by making a list of what you want in the next phase of your career. Don't look for a perfect path or ideal starting point.
- » **Get things moving by taking small steps.** Get moving in the general direction of where you want to go. One small step may be calling someone who works in a field that appeals to you to discuss possibilities.
- » **Silence your inner enemy.** If you have a negative refrain that goes through your head and sabotages your efforts to make a change, such as, "I'm too old to do that," make note of it. Write that thought down in a notebook and reframe it with a positive thought, such as, "I have these specific skills, and I'm going to use them in a new career." You need to get rid of that old blocking message to move forward with your dreams.
- » **Ask the basic questions.** Does your second act fit your lifestyle? Can you afford it? What does your partner think? Ask yourself how a certain career will work with your social life, your spending habits, and your family situation. It will help you to dig deeper and get a clearer picture of what you truly want in your life and your options to get there.
- » **Keep a journal.** Journaling is a great way to map your new career direction. Make lists: the best times in your life, the things you really like, the experiences you've enjoyed, what you've excelled at, the best moments in your current career. These lists will help you hone in on your passion and visualize yourself harnessing it to pursue something new and exciting.
- » **Get a business card.** Want to be an artist but still working as a lawyer? Get an artist's business card. As soon as you have a card, it makes the career real. You can get your second-act card long before you finish your first act. Printing your new information on a card can be transformative.
- » **Have a mental picture of where you want to go.** Tape a photograph to your office wall of what your new career might look like. Or create a collage. Journal about your goals.
- » **Be practical.** You may need to upgrade your skills and education, but take one class at a time. You can add more classes as your direction and motivation become clear.
- » **Get your life in order.** Get physically and financially fit. Change is stressful. When you're physically fit, you have more energy. Less debt gives you more choices. Debt is a dream killer. With your finances in order, you have more options. You can be more nimble.



WARNING

Don't ruin your hobby. For example, you may love to garden, and you may start thinking about becoming a landscape designer. But you may also quickly realize that you're lonely in the garden all day; you actually prefer working with people. Gardening is a great hobby and escape from work, but it wouldn't be the right career move for you (in this example). Make sure that you think hard about how your passion will look and feel as a *career*.

Putting Proven Success Strategies into Practice

You're not the first person to be looking for a job later in life, and that's good news for you. Others have led the way from unemployment to rewarding work in their 50s and beyond. And although these trailblazers haven't beaten down a path for you to follow (because there are so many paths to follow), they have revealed some strategies and techniques that have survived the test of time. The following sections introduce you to several of the more effective strategies for securing employment, most of which apply to all job seekers, but a couple of which apply specifically to job seekers age 50 and older.

Starting sooner rather than later

The sooner you start looking for a job after losing a job, the more likely you'll find a new job. According to the AARP Public Policy Institute report "The Long Road Back: Struggling to Find Work after Unemployment," by Gary Koenig, Lori Trawinski, and Sara Rix, those who waited three months or longer before beginning their job search were less likely to have become reemployed.

Why wait so long to look for work? The most popular answer was that they needed a break. Other reasons survey respondents cited include that they took time to think about what they wanted to do next (57 percent), had savings or other sources of income (56 percent), and found it hard to get motivated (42 percent). Twenty-five percent of respondents waited to begin their job search because of caregiving responsibilities, about the same number who waited because they didn't know how to get started. Whatever the reason, postponing the search for three months or longer worked against them.

Giving yourself a full-body makeover

Being physically fit, well groomed, and properly dressed is better than Botox. Aim to look and dress with an eye toward a vibrant, youthful appearance:

» **If you aren't physically fit, make that a priority.** Eat healthy, avoiding sugary and starchy foods and sugary drinks. Exercise at least 30 minutes every other day. Quit or cut back on caffeine, nicotine, and alcohol, if you're so inclined to use those substances.

Maintain a well-groomed appearance. Get a haircut. Try a new 'do to give yourself a fresh look.

» **Spruce up your wardrobe.** Get the right look for the job that you're seeking. Free personal shoppers are available at many department stores to help. Or you can also ask friends for tips on looking your best. If you wear glasses, consider getting contacts, Lasik surgery, or new glasses with more contemporary frames.

People do judge a book by its cover. Showing up for an interview looking vigorous, well groomed, and sharply dressed demonstrates that you're up for the job and have the requisite stamina, which is often a concern for employers when they consider hiring someone over 50. This advice also applies to any headshots you use for your social media and networking profiles.

Using the most effective means to get a job

When reemployed workers were asked about the most effective steps they took in finding their current jobs, the overwhelming majority attributed their success to networking, according to the AARP's "The Long Road Back: Struggling to Find Work after Unemployment." Here are the most effective steps:

- » Reaching out to a network of contacts
- » Asking relatives and friends about jobs
- » Contacting employers directly
- » Using a headhunter
- » Consulting professional associations

If you're interested in a particular industry, join an association connected with it and seek out volunteer openings. Go to industry and professional meetings and conferences. You never know who will know someone who is hiring. And many college and university career centers are reaching out to alumni to help, too.

Consider volunteering while you're out of work. By putting your volunteering on your résumé, you won't show a blank period of unemployment. To the extent that you can, be out in the world using your skills.

Be aggressive in your job search. Network as much as you can as well as keep an eye out for openings. The people who are aggressive are more likely to be reemployed.



REMEMBER

Networking is not optional. The good news is many older folks have better networks than do younger people. Employers want to hire someone who comes with the blessing of an existing employee or colleague. It makes their job easier. That's a card younger workers, who often have smaller networks, can't play as often as older workers. LinkedIn, for instance, is a great way to pull together your professional network. And you have got to pick up that darn phone. Ask for help and advice. Here are some concrete ways to network:

- » **Pick up the phone and call everybody you ever worked with and every employer you ever worked for.** That's the way to get an interview. If you don't establish a personal connection to the company, submitting an application is probably a waste of time.

Call friends of friends, people in your faith community, athletic club, volunteer organizations, and parents of your children's friends. Heck, call your children's friends, too.

Contact trade and professional associations you belong to. Many have job boards.

- » **Connect with alumni associations and your fraternity or sorority if you belong to one.** College and university placement offices are there to help no matter how long ago you graduated.

Canvas local lawyers, accountants, and bank officers in town and see whether they know of any clients who are hiring. In short, you really have to "kiss a lot of frogs" to find a prince. Leave no stone unturned.

- » **Get social.** Join LinkedIn and Facebook, find and reconnect with people you know, and let everyone know you're looking for a job.



TIP

For a treasure trove of job-search tips and information, head to www.aarp.org/work.

The next sections introduce additional strategies and techniques that are effective in landing a job.

Broadening your job search

Broadening your job search simply means being open to other possibilities — considering a different profession in a different industry, making trade-offs in terms of salary and flextime, stitching together a full-time position with part-time gigs, and so on. It doesn't mean applying to every job opening you find. You really want to focus your efforts in one area for maximum impact, but you don't want to pass up a golden opportunity just because it doesn't happen to conform to your notion of the ideal job.

MAKING TRADE-OFFS

Broadening your job search often requires making trade-offs. According to the AARP Public Policy Institute report, “The Long Road Back: Struggling to Find Work after Unemployment,” those who manage to find a job often accept lower pay and benefits, and many have to change occupations.

Although some unemployed people have succeeded in finding work with better pay and benefits and more favorable working conditions, others accepted lower wages and fewer benefits, possibly indicating a desire for more flexible work options for work-life balance. Here are some of the ways participants in the study reported broadening their job search:

- Looking for a job in a different field. This was the most common response overall (by 41 percent) for both the currently reemployed and the unemployed (43 percent of each).
- Looking for a job with lower pay or benefits (37 percent of the reemployed and 39 percent of the unemployed). Perhaps job seekers became more realistic as time went on about the possibility of finding the types of jobs and pay they had before becoming unemployed.

Occupational change was a common occurrence among the reemployed; more than half (53 percent) had an occupation different from the one they had before becoming unemployed. Almost two-thirds (63 percent) of the long-term unemployed had a job in a different occupation than the one they had before becoming unemployed. By comparison, 46 percent of the short-term unemployed were in a different occupation.

Among the reemployed working in new occupations, 40 percent were earning “a lot less” and 17 percent were earning “somewhat less” on their current jobs. By comparison, 18 percent and 20 percent, respectively, of the reemployed working in the same occupations said they were earning “a lot less” or “somewhat less.” Working in a new occupation often means lower pay because a worker's experience may not be as applicable in the new job.

One way to broaden your search is to think less in terms of job title and more in terms of skills, knowledge, and experience — all these assets may be transferrable to a different profession, a different line of work. If you're focused on a full-time job, you can broaden your search by considering contract work or a temporary assignment, which may lead to a full-time position or even starting your own business.

Considering a patchwork approach to your career

As Henry Ford once said, “Nothing is particularly hard if you divide it into small jobs.” You may be able to apply this maxim to piecing together full- or part-time work. For example, you could take on one or two part-time jobs, do some contract work or consulting on the side, and still have plenty of free time and enough money to enjoy that time. Or you may do full-time seasonal work for part of the year and take on a part-time job the rest of the year. And you may want to gradually scale down your workweek over the years as you make a smooth transition into retirement.

Don't be surprised if you find yourself testing a number of different kinds of jobs to find what you really shine at or want to do in the years ahead. You may even strategically build an income stream from a tapestry of work you enjoy and are skilled at doing.



TIP

Consider opening a consulting practice and making yourself available for short-term projects. Alternatively, you might find that creating a patchwork of income streams will give you the flexibility you crave.

Navigating a career change

Fifty-five percent of U.S. workers want to change careers, according to a University of Phoenix survey. To make a switch, you'll probably have to learn new skills, make new professional contacts, sock away cash, and more. Here are the best moves to make your change a successful one:

- » Be adaptable and embrace change.
- » Do your research. Reach out to people doing the work you want to do, and ask them all you can about their jobs. How did they get started? What do you need to succeed? And what can you expect to earn, both at first and later on? Because you aren't asking for a job, the discussion should be relaxed. Be inquisitive.

- » Moonlight or apprentice yourself to someone already in the field.
- » If you want to work for a nonprofit in a cause meaningful to you — a common goal among career changers — then volunteer; you'll not only see what the day-to-day work entails but also meet people in the organization.
- » Identify the skills you need. Be prepared to spend the time and money to get the skills, credentials, and contacts you need to get relaunched, but don't assume that you'll need a costly degree. See the next section, "Getting the training you need," for details.
- » Get financial aid. Fifty-four percent of employers offer tuition assistance to employees, reports the Society for Human Resource Management. You may have to repay the funds, though, if you don't stay with the company for a certain number of years afterward.
- » Assess your finances. Following your passion is great, but make sure you can afford your dream job. As a general rule, you should try to have at least your first year's worth of expenses covered.

Getting the training you need

Once you reach a certain age, you may be branded with stereotypes that make you vulnerable: resistant to change, technologically challenged, complacent. In a survey by staffing agency Adecco, 39 percent of employers said the greatest challenge with older workers is their difficulty learning new technologies. Of course, this is a misconception — Pew Institute research shows 87 percent of American adults use the Internet — but you may need to demonstrate your tech aptitude to disprove this perception. To increase your market value, obtain the education, training, and certifications required to do the job you're seeking.



WARNING

Before taking classes or training for new skills, research the demand for those skills locally. In the AARP Public Policy Institute study of unemployment, of the 31 percent who participated in training or education programs in the past five years, more said doing so "did not help at all" than those who said it "helped a great deal." This could be pointing to a mismatch between the training they received and current job openings. Before enrolling in expensive courses or classes, do your due diligence:

- » Contact a local community college and ask about skills that local employers are looking for. In certain cases, the American Association of Community Colleges partners with AARP Foundation and local workforce agencies and employers to do this; you can find those community colleges in the Back to Work 50+ section on www.aarp.org/foundation.

Talk to graduates and employers to find out whether the educational and training programs are truly valuable.

- » Consider what you can afford and the return on your investment. Look at free options as well as paid.

Seeking help

During your job search, don't hesitate to ask others for help. People are generally glad to assist if you ask politely for what you need. After all, wouldn't you be eager to help friends or relatives revamp their résumé or assist in any other way you could if they were looking for a job? Sometimes, the most generous people are the least likely to ask for help, never realizing that others may need the opportunity to help someone else. Sometimes, you have to be a taker. Here are common areas where older job seekers often need help:

- » Writing or updating a résumé
- » Getting emotional support (someone to listen)
- » Searching for jobs online
- » Using a computer (navigating LinkedIn, Facebook, Twitter, and other social media and networking sites)

Here are some resources to consider checking out when you need help:

- » Family and friends
- » Workforce centers/one-stop job centers
- » Online job-search sites
- » Career or job coaches
- » Your local library
- » Educational institutions, including placement services

Dealing with Ageism

News from the job front isn't all roses. Ageism is real. If you're over 50 and pounding the pavement these days, you will face certain challenges. Once becoming unemployed, it typically takes an older worker longer to find a job than it

does a younger person, according to the Bureau of Labor Statistics (www.bls.gov/web/empsit/cpseea36.pdf). If you've felt the disappointment of a floundering job hunt at a gut level, you have plenty of company. Many are frankly furious, discouraged, and dumbfounded by their inability to land a job that suits their experience and desired salary.

The key to overcoming ageism is to understand employers' concerns and address those concerns, the topics of the next sections.

Knowing what employers are so worried about

Some employers figure that your salary demands are out of their ballpark, and that if they hire you for less, you'll resent it and probably jump ship if you get a better offer. They often perceive, true or not, that you're set in your ways or lack the cutting-edge skills or even the energy to do the job.

Then, too, some hiring managers might surmise that you have age-related health problems, or are likely to, and you'll be taking too much sick leave. And, of course, there's the nagging issue that you're not in it for the long haul, even if that's far from the truth. Finally, there's concern about reverse ageism — the employer may think you won't want to take orders from a younger boss who is probably making more than you.



REMEMBER

Landing a job is difficult for everybody, and everyone seems to have a different take on what it takes to break through. It's not automatically your age that's holding you back. Employers want to hire people they know or can trust. In addition, employers want to reduce their exposure to risk, and you may present a risk regardless of your age. For example, if you made more money than the employer has budgeted for the position, you've been out of work for six months, you've held a higher position (and may be unable to accept a drop in status), or you've had three jobs in the past three years, you may be perceived as a risk. Some of those risks come with age, but they're not caused by age.

Laying their worries to rest

One way to sell a product is to take away every reason a prospective customer has for saying no, and that's the strategy for overcoming ageism. If you do everything else right in terms of revamping your résumé, marketing yourself online, networking, and so forth, you've already given employers plenty of reasons to say yes. Now, you just have to take away their reasons for saying no. Here are some suggestions for doing just that:

- » **Look your best.** Be physically fit, well groomed, and properly dressed.
- » **Keep up with the times.** Do everything you can to keep up with technology and changes in your field or research the skills or certifications required for your new venture. Add the essential expertise and degrees before you apply for a new job. If you've recently updated any software certifications, or you are proficient in social media, let the recruiter or hiring manager know, even if that's a side comment in your discussion.
- » **Build and maintain a strong online presence.** Invisibility is a liability, demonstrating that someone is out-of-date and unable to navigate the online world.
- » **Establish your ability to learn and adapt.** Speak up about your flexibility in terms of management style, your openness to report to a younger boss, your technological aptitude, your energy, and your knack for picking up new skills. For many employers, it's not only about the candidate with the best credentials; it's about who's the best fit overall for the team. You have to make the case that you're the person who is going to both play your position masterfully and help the team.
- » **Downplay the risks.** If you held a higher position or earned more money in the past, or if you've been unemployed for some time or worked several jobs over the course of several years, find ways to downplay yourself as a flight risk. If there's a gap in employment, you may explain, for example, that you were financially solvent and could wait for the job you really wanted, and this is it.
- » **Market your age as a plus.** Think brand management. You're responsible for your own image. Workers 50 and older tend to be self-starters, know how to get the job done, and don't need as much hand-holding as those with less experience. A great benefit to being older is that you have a good deal of knowledge and leadership ability. And whether you realize it or not, you have a network. You have a lot more resources to draw on than do people in their 20s and 30s. So pitch your age as a plus. You need to be able to articulate your value. Strut your stuff.
- » **Practice positivity.** In truth, one of the biggest stumbling blocks to landing a job is negativity. You probably don't need a face lift. What works better is a *faith* lift. You've got to believe in yourself. When you do, it shows from the inside out. People dwell on the bad news. "I've been unemployed for too long. I'm too old." Have faith in yourself. After you've been out of work for a while, you forget your value. You take for granted your accomplishments and contributions.
- » **Stay present.** Don't chatter on in interviews about successes you had ten years ago. Focus on what you've done lately.



TIP

Sometimes it's hard to toot your own horn. Self-promotion is uncomfortable, especially if you've always thought of yourself as a team player. Ask people who know you well, whose opinions you value and trust, to evaluate you in writing: your best skills and talents, your personality, the roles you've been really good at.

Guess what comes back? All the accomplishments, all the positives that you need to be reminded of to prove to yourself that you're a talented individual who has a contribution to make. Then when you're in the interview, networking, or doing informational conversations, you can say, "Well, people have said about me that blah, blah, blah." All of a sudden, you have all the words to use, and it's easier to talk about your attributes because you're using someone else's tribute.

IN THIS CHAPTER

- » Running a tight financial ship
- » Paying for any additional education and training you can't get for free
- » Taking tax deductions to offset the costs of job hunting or running a business
- » Putting together your own benefits package

Chapter 2

Dealing with Changes in Employment

Whether you're unemployed, underemployed, or planning to change careers or start your own business, a solid financial platform gives you the time and options needed to successfully navigate your transition. You'll want to make sure you can afford the basics: food, shelter, healthcare, and so on. If you're out of work, you may need to slash expenses and take advantage of government-sponsored safety-net programs to support yourself and your family through a period of unemployment. If you're planning a career change, you may need to take a job for significantly less money than you had been making to get started in the new field. And if you're planning to start a business or become a contract worker, you can expect to work for several months before you see any income or profit.

Being unemployed is a double whammy; you have no income plus some added expenses. If you need additional training to enter the workforce, for instance, you may have to pay for it, along with transportation to and from the training center or school. Creating, printing, and mailing applications, résumés, and cover letters also cost money, especially if you need to hire someone to help you. And if your employer supplied health insurance, even if you choose to continue that coverage through COBRA, you're faced with paying the entire premium or dropping coverage.

This chapter offers guidance on how to tighten your belt and take advantage of tax breaks and other government programs. This two-pronged attack — spending less while tapping available resources — puts you in a better position to support yourself and your family as you work toward achieving your career goals.

Filing for Unemployment Benefits

When you lose a job, you may be able to apply for unemployment benefits. To qualify, you must meet the following conditions:

- » You're unemployed through no fault of your own, meaning you didn't quit or get fired for *gross misconduct* — committing a dangerous or illegal act, such as stealing from your employer.
- » You received enough wages to establish a claim. Requirements on wages earned vary among states. Contact your local unemployment office or visit your state's unemployment website for details.
- » In most states, you also need to be physically able to work, actively looking for work, and ready and willing to accept work.



REMEMBER

If you qualify, don't let pride get in the way of filing for unemployment insurance benefits. These programs are in place to alleviate some of the financial pain and pressure of being unemployed.

Getting Your Financial House in Order

When money gets tight, your options are limited. You can earn more money, spend less, or do both. You may need to make some painful choices, such as downsizing or even moving to a more affordable city or town. In dire circumstances, you may even consider asking friends or family members for help or taking advantage of government-sponsored assistance programs.

This section aims to help you get motivated to make the changes that are often necessary to firm up your finances. It suggests ways to cut expenses and tap your own financial resources for temporary relief.

Motivating yourself to get started

Spending money is much more fun than cutting expenses, but debt is a dream killer. It drives people to make choices out of desperation that often limit their opportunities to achieve future wealth. If you need additional motivation to get started, consider the following reasons to strive toward financial fitness:

- » **When you're nimble financially, you have more choices.** You can accept a job that may not pay as much as your last one because you *want* the job instead of *need* the job. You can turn down a job that's not right for you, because you can afford to wait for the right opportunity. You can choose to become a contract worker or start your own business knowing that you can survive for months without pay as you establish yourself.
- » **You're more confident and less apt to appear desperate or needy.** As you search for a job, engage in interviews, and negotiate the terms of your employment, you can operate from a position of strength, and your confidence shows.
- » **You can focus on finding your ideal job.** Having to worry less about paying bills, you can focus more time, energy, and effort on finding the job you want or launching your own business.
- » **You can afford to pay for the additional training and services you need to pursue your career goals.** By having savings socked away, you have the resources available to ramp up your skill set.

Focusing on the fundamentals

If you never had to concern yourself with finances in the past, focus first on these fundamentals:

- » **Chart a budget.** Write down your income, what you owe, and what you have socked away. Look at what you're spending every day, every month, and every year. This will help you find ways to pare back your spending. Begin by keeping track of how much you spend each day and on what. (Pay in cash or put everything on a credit or debit card, as long as that doesn't lead to increased spending.) Then, on a monthly basis, study your credit card, bank statements, and log of cash payments to see where your money is going and what can be trimmed back or eliminated. Do you dine out too often? Are you traveling too much? Do you spend a lot on groceries or clothes? Do you have magazine or newspaper subscriptions you don't even read? (See Book 4, Chapter 2 for more about budgeting.)



TIP

Track your finances on a website or smartphone app, such as Mint (www.mint.com) or You Need a Budget (www.youneedabudget.com). These services are designed to help you streamline your bill paying and dissect your monthly spending.

- » **Increase your savings.** If you're unemployed, increasing your savings obviously is not an option, but if you're still working and planning ahead for a career change or business startup, grow your nest egg. A savings cushion of six months to a year of living expenses will stave off dipping into your retirement savings or taking on debt. (Aim for a year's worth of expenses, if you can swing it.)



TIP

- » **Stay liquid.** Emergency funds typically belong in bank accounts or money market funds that don't fluctuate in value and are easily accessible by check, ATM, or teller window. You might also put some of your emergency cash in bank CDs with maturity dates of six months or less so you can eke out a little more interest than from a savings account. You generally find the highest rates at online banks and credit unions. A great place to comparison shop is Bankrate (www.bankrate.com).

- » **Review your credit report and score.** Get a free annual report at www.annualcreditreport.com and check it for errors. Pay a little extra to get your credit score. Your credit score is important for two reasons:
 - With a higher score, you can borrow more money at lower interest rates, which gives you more choices. Good credit can provide the funds you need to start a business or pay bills as you transition to contract work.
 - Many employers are now checking credit scores prior to hiring. (They must ask your permission to do so.)

- » **If your credit score is lower than 700, work toward improving it.** Pay all bills on time, don't open new accounts, transfer balances, and pay off balances on credit cards. **Note:** It's usually a better idea to keep a paid-off credit card account open, with no balance, than to close it. Part of your credit score is age of credit, which looks at how long you've had each credit account, and the longer the better.



TIP

Consider opening an account with creditkarma.com — it's free and gives you real-time updates to your credit score.

- » **Consolidate debt.** If you have several sources of debt, you may be able to consolidate loans and credit card balances into a single loan with a lower overall interest rate.
- » **Review credit card offers.** Paying 0 percent on balance transfers is a great way to pay off debt without interest. Just make sure to pay off the debt before the 0 percent promotion ends.