

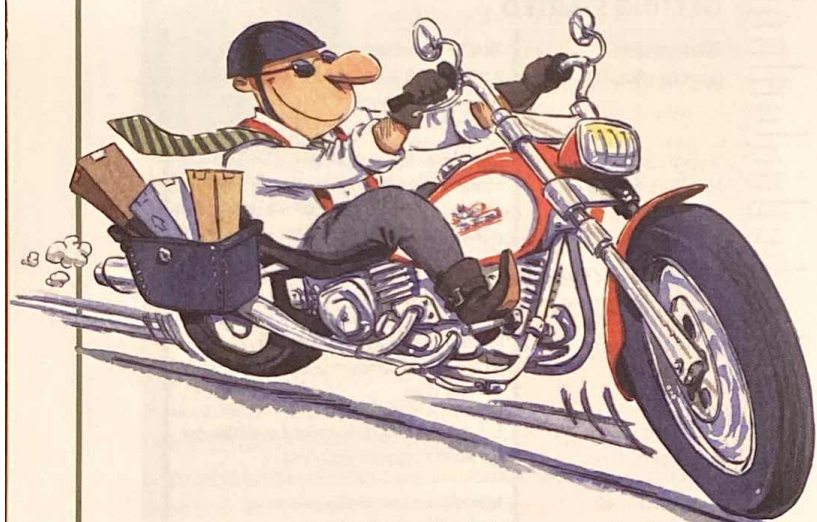
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Don't Forget Your Change

New life stages bring new opportunities. Be ready to make the most of them.

By David Whitemyer



Life is full of possibilities. And while we may look to reinvent ourselves every day, fresh starts are most often associated with key junctures in our life. Midlife is one of those times.

For many of us, midlife is when we take stock and think about the future. It may come with an itching to try something new or to follow a dream that's been sitting on the back burner. Perhaps you'll buy that motorcycle you've always wanted, take a sabbatical in Europe, or start your own business. But no matter what possibilities you pursue, you'll want to be good and ready financially.

It makes sense to save money for the wishes and whims that a new stage in life might bring. You save for retirement, for college, and for emergencies. Why not put some midlife money aside? You're likely to be healthy, hopefully wiser than you were in your youth, and a veteran of the daily grind. You've earned the right to be a bit impractical, but you don't want to indulge yourself at the expense of your future security.

Listen for Opportunity's Knock

Exactly when midlife begins is open to debate. In an ongoing series of studies begun in 1989 by the John D. and Catherine T.

MacArthur Foundation Research Network on Successful Midlife Development (MIDMAC), researchers grouped midlifers between ages 30 and 70, with 40 to 60 being the core.

The midlife crisis is a fairly new Western concept, but it's typically less of a crisis and more of a time when people reevaluate who they are and where they want to be. Psychologists refer to these feelings as individuation — a realization of your true self, your strengths, and your weaknesses. It's common and natural, but it can also be confusing and expensive.

Interestingly, the Chinese ideogram for the word *crisis* is formed from two character symbols, one representing danger and the other opportunity. While midlife crises are stereotypically associated with reckless choices, such as fast cars and adolescent adventures, in reality that behavior is rare. More frequently, according to Elaine Wethington, associate professor of sociology at Cornell University, adults see middle age as a time ripe with reasonable opportunities, such as launching a new career, trying a hobby, seeing a bit of the world, or finding spiritual growth.

Make It Fun — But Not Foolhardy

Whatever midlife adventures you pursue, plan to fund them responsibly. Financial planners recommend not tapping savings and investments, so leave those 401(k)s, IRAs, and 529s alone. Don't touch that emergency fund either. Instead, consider setting aside funds in your own midlife-opportunity account. Save now, and use liquid cash to take advantage of those new possibilities.

Twentieth-century novelist Hervey Allen understood the midlife combination of anxious energy and common sense. "The young are slaves to dreams; the old servants of regrets," he generalized. "Only the middle-aged have all their five senses in the keeping of their wits." That should be wit enough to have fun and plan accordingly. And if saving money for a midlife crisis seems oxymoronic — mixing the practical with the impractical — remember that it's called *midlife*. You'll want to get through it with your wallet intact.