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IT WAS NEVER MEANT TO BE THIS WAY

A Brief, Fascinating History of Retirement Options and the Current Landscape

My parents worked hard to build up their nest egg. They were self-employed, so they knew there would be no pension to rely on once they stopped working. They put four kids through college and worried about money . . . a lot. But they did build what they felt was a fairly sizable egg. Then my dad died suddenly and unexpectedly, leaving Mom both devastated from the loss and paralyzed by questions like: “Will our savings be enough for me to retire? And when??” In fear, she kept working. Now, fifteen years later, she is seventy-five years old and still working part-time. Yes, she has a nest egg. But is it large enough to last her? Will she ever be able to retire with the peace of mind to know that she’ll never run out of money?

The answer that she and my three siblings and I have come to is: Who knows?! And this is precisely the problem with the current nest-egg model of saving for retirement. It’s not that the stock market might tank and remain low in the years she needs her money the most . . . though it could. It’s not that her assets could be wiped away in an instant by identity theft . . . though they could. It’s not even that fees of 2 percent or more could have wiped out more than half her account value over four decades of investing . . . though they did. It’s that she will never, ever know for sure if she has enough money saved up to last all her remaining days.

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If you really sit down and think about the "nest egg" model, it just doesn't make sense. The whole premise is that you build up as much money as you can over your whole life, in order to draw down from it in retirement. Then, you cross your fingers and hope, wish, and pray that it will be enough to last you. And that's terrifying. And the older you get, the more terrifying it becomes. And this is where my mom is right now.

This model is in stark contrast to the system it replaced: the pension. With the pension, workers were guaranteed income for life. They didn't have to worry about whether the money would last. By definition, it would.

Take my parents-in-law, for example, both of whom were teachers in the public school system and are now comfortably retired. But their comfort doesn't depend on one risk-laden, finite sum of money saved over the course of their lives. In addition to their savings, and Social Security benefits, they have pensions that promise to pay them monthly incomes for life.

Pensions and retirement accounts operate on two entirely different playing fields. Ideally, you would have both, plus Social Security to boot. Pensions operate on the monthly-income playing field. They provide monthly income for life, just as a salary provides sustainable income during one's working years. In contrast, a retirement account, or "nest egg," operates on a totally different type of playing field. It doesn't operate on a monthly basis. By definition, a nest egg is limited or finite. It can be used up. And there are so many factors that go into the old "how long will it last?" question that it is nearly impossible to answer with any degree of confidence.

There is an interesting history as to how this all went down, which I'll get into shortly. For now, let me say that pensions are nearly extinct. Almost all workplaces have either partially or completely eliminated the pension and have replaced it with mutual fund–based retirement accounts, a national trend that shows no signs of stopping or slowing down.

This means that, if you were to time-travel a couple decades or more into the future, you would find that the vast majority of our

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population will, without a doubt, wind up in my mom's precarious situation, not my in-laws' more stable one. And for those with less in savings, Social Security could be their only source of income, as it currently already is for many individuals without savings or pensions. What this means is that, without a pension, you could be forced to downsize significantly in your older years, possibly dipping into poverty, unless you are able to continue working for the rest of your life. That's without considering any physical, mental, or cognitive health challenges that may arise as you get older.

There is another option: Create your own "pension." Take matters into your own hands. The way to do this is through rental property. Because of rental property, my wife and I are optimistic about retirement. The same goes for the millions of others who own rental property. You, too, can get to that same place of optimism. This is because *rental property is like a pension plan for those who don't have a pension.* Rentals that are well maintained and well managed provide consistent income, month after month . . . for life.

God grant me the serenity to accept the things I cannot change, the courage to change the things I can, and the wisdom to know the difference.

Prayer adopted by Alcoholics Anonymous and authored by Reinhold Niebuhr, theologian

There is a well-known prayer that goes: "God grant me the serenity to accept the things I cannot change, the courage to change the things I can, and the wisdom to know the difference." This serenity prayer pretty much sums up my book. You can't change the fact that you don't have a workplace pension, or that you have a very small pension, or whatever the case may be for you. Yet, you do have the ability to create a pension-like plan for yourself, through real estate. It's up to you to understand this difference and take action.

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A BRIEF, FASCINATING HISTORY OF THE 401(K)

The 401(k) was never meant to be our only retirement vehicle outside of Social Security. And yet, without ever having been planned, or tested, or modeled as such, it has gradually become just that.[1]

What many of us don't realize is that, when measured against the extent of time that civilized society has been around, the 401(k) is just a baby! In fact, it was born in my own lifetime. The birth of the modern-day 401(k) can be attributed to Ted Benna, who, in 1980, asked the U.S. Department of the Treasury to slightly modify the Revenue Act of 1978. At the time, Benna's goal was simply to help his company, The Johnston Cos, an employee-benefits consulting firm (not to be confused with Johnson & Johnson, Inc.), improve its bottom line and pay less in taxes.[2]

In its early days, the 401(k) was not relevant to lower-paid workers because most could not afford to set aside funds for later. They needed their wages for their more pressing day-to-day living expenses. (This struggle to save is really no different from how it is today, especially with stagnant wages and ever-escalating living expenses.) The difference, however, is that back in those days, lack of participation in the 401(k) was not particularly concerning for those individuals who knew they would have a pension to rely on in their older years.[3]

You see, in its early years, the 401(k) was never meant to replace the pension. It was meant to simply add to the pension and Social Security as a sort of three-legged stool, for those who could afford it.[4] Then, after only a few years into its life, the role of the 401(k) began to shift. The investment vehicle that had originally been built to shield the income of the highest-paid employees began morphing into the main retirement option for the vast majority of workers.

The momentum for this shift picked up speed in the 1980s as pensioned places of work increasingly sought to improve their bottom line by cutting costs. In 1986, Congress dramatically lowered the pension benefits offered to employees of the federal government and

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added the option of enrolling in a 401(k)-type plan called the Thrift Savings Program (TSP). Interpreting this massive transition as a sort of government endorsement, the private sector quickly followed suit. Companies found the 401(k) to be infinitely cheaper than the pension. Rather than paying retired workers a good-sized portion of their salaries for life, the 401(k) allowed companies to chip in a small "match" during the employees' working years, only. This pleased company shareholders, drove up profits, and fueled a surge in the entire mutual-fund industry. This then marked a heyday for mutual-fund companies, as they discovered how to take advantage of this relatively new product called the 401(k). By forging relationships with businesses, these mutual-fund companies could gain instant and exclusive access to all of a company's employees and a consistent cut of their weekly or biweekly paychecks.

In spite of being originally developed to help the bottom line of companies, or perhaps because of it, the 401(k) took off in the United States, and eventually spread to other countries under different, or sometimes surprisingly similar (like the "Japan 401[k]"), names. Benna claims he had no idea that the 401(k) would take off the way it did. He told *Workforce Management* magazine, "I knew it was going to be big, but I was certainly not anticipating that it would be the *primary* [italics mine] way people would be accumulating money for retirement thirty plus years later."[5]

Progress is impossible without change, and those who cannot change their minds cannot change anything.

GEORGE BERNARD SHAW
Irish playwright and winner of Nobel Prize in Literature, 1925
(1856–1950)

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THE CURRENT LANDSCAPE

As I've mentioned, most people's retirement plans consist of any or all of the following three elements:

1. Social Security
2. Pensions
3. Retirement accounts (such as stocks, bonds, and mutual funds held in a 401(k), 403(b), 457, TSP, or IRA)

Some people might literally add "the lottery" to this list, a sign of how desperate we have become for help. Instead, I offer a better and more reliable #4: rental property. After spending some time on Social Security, pensions, and retirement accounts in this chapter, the rest of the book covers, at length, rental property, the fourth, most vital, and most neglected element of a truly diversified retirement plan.

There is no security in life, only opportunity.

MARK TWAIN

Great American author (1835–1910)

Social Security

Social Security is a program that has been helping elderly individuals and persons living with disabilities since 1935. At that time, the United States was just beginning to recover from the Great Depression and millions were still out of work. Social Security was established in response to great societal concern for the nation's seniors, disabled individuals, and those in need of unemployment insurance.*

* Unemployment Insurance (UI) is now provided by a joint state/federal (Department of Labor) program, rather than by the Social Security Administration.

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Social Security is still available to 90 percent[6] of seniors. It is most desperately needed by those who are poor and living on the edge of poverty. Without Social Security, 22.2 million American seniors[7] (44.4 percent) would be living below the poverty line, as compared to the 9.1 percent who actually do. Social Security's critical role is even more pronounced among women, minorities, and the very elderly.[8]

And while Social Security is desperately needed among the poor and near-poor, it has become increasingly vital for the middle class as well. For the vast majority of adults in the United States, retirement literally equates to Social Security. In fact, Social Security is the *only* source of income for a quarter of current retirees and it is the *primary* source of income for nearly three quarters of retired people.[9, 10]

According to Jonathan Peterson, Executive Communications Director at the American Association of Retired Persons (AARP) and author of *Social Security For Dummies*, "Social Security is incredibly important for the middle class, as well as the less affluent. In a world where defined-benefit pensions are increasingly scarce, savings rates are low, home values have fallen, stocks are volatile, and older workers often struggle in the labor market, Social Security income is indispensable for the middle class."[11]

Even so, Social Security payments aren't nearly as generous as people expect them to be. These days, Social Security payments range from one quarter to one half of individuals' pre-retirement salaries.[12] The average Social Security payment for retired workers in January 2016 was $1,341 per month.[13] That comes out to $16,092 for the year, barely over the Federal Poverty Line (FPL) for a single person in the United States.

In other words, while Social Security might be one part of your retirement picture, you can't count on it being your entire picture. Those who rely on Social Security benefits alone have income—and corresponding lifestyles—that are significantly lower than they had while working. As an example, someone earning $50,000 should expect to receive somewhere between $1,000 and $1,300 per month in Social Security benefits, depending on birth year.[14]

You can calculate your own projected Social Security benefits on the online calculator at the Social Security Administration website:

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www.ssa.gov/OACT/quickcalc/index.html. You can also register on the www.ssa.gov website to find your precise individual retirement benefits based on your actual income history. Keep in mind that these projections are based on current policy and may not reflect any future cutbacks to Social Security benefits.

Speaking of cutbacks . . . this is the second reason not to put all your eggs in the Social Security basket. The Social Security Administration (SSA) has stated that additional reductions in benefits and increased taxes on those benefits may be necessary in the future.[15] In other words, there is a good chance that current workers will receive less in retirement than what retirees currently receive.[16]

Furthermore, the age at which people are allowed to receive Social Security benefits has been increasing (see Table 1.1) and may continue to increase.[17,18] You can see that for those born before 1938, the Social Security retirement age was and continues to be age 65.

TABLE 1.1. SOCIAL SECURITY ADMINISTRATION RETIREMENT AGE BY BIRTH YEAR

BIRTH YEAR	SSA RETIREMENT AGE*
1937 and prior	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943–54	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

*This information comes from the Social Security Administration website at: www.ssa.gov/OACT/ProgData/nra.html.

However, in 1983, because of improvements in the health of older people and increasing average life expectancy, Congress passed a phased-in change to the SSA retirement age (as well as the percentage of benefits to be taxed).[19,20] For those born in 1960 and later, the retirement age is now up to 67 years old. It is not unlikely that the Social Security retirement age will be pushed back even further over time.

The bottom line is that, when our time comes, we should not expect too much in terms of Social Security benefits. We could very well be working longer, for less in return from the government. We certainly shouldn't *rely* on Social Security as our primary retirement strategy or even our *only* safety net. We need to build something else.

Pensions

The traditional pension, or "defined benefit plan," is a plan in which retirees receive monthly income for life from their former employer based upon number of years of service and salary. The pension has been wonderful for workers. What's not to love about a steady source of monthly income flowing endlessly into your bank account after you've stopped working?

The problem is that the pension is gradually becoming extinct. Over the last twenty-five years, public- and private-sector employers have been rapidly abandoning the pension in favor of investment vehicles such as the 401(k) and 403(b) plans.[21] In 1983, almost two thirds (62 percent) of workers with an employer-sponsored plan had the "defined benefit" classic type of pension; by 2011, this number had fallen to 7 percent.[22] This shift has silently been reshaping the retirement prospects for my entire Generation X cohort, as well as Millennials (Gen Y), and future generations.

Disturbingly, even those who are currently receiving pension benefits are not necessarily safe. While most companies have simply shifted away from offering a full pension to new employees, some companies have actually frozen or reduced the pensions of those who have already retired and who have come to depend on them. An example of this is the case of retired employees of the city of Detroit,

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who, in 2015, saw their pensions slashed 6.7 percent and were then required to pay additional taxes and return the excess interest that they had received.[23]

Some experts predict that most private-sector pension plans will be frozen in the next few years and eventually terminated.[24] What this means is that in addition to not providing the pension benefit to new employees, current pension participants are at risk of having their benefits terminated when a freeze occurs.[25] Needless to say, this adds a new level of fear and insecurity for those who have already retired and who currently depend on their pension for their day-to-day expenses.

Related to the issue of pensions is employer loyalty. It is becoming increasingly clear that we *all* need to develop self-sufficiency more than ever (even those who have a pension). We cannot rely on our employers to look after us. The eight million U.S. adults who were laid off right when times were the hardest—during the Great Recession of 2008—need no reminder.[26] Neither do the thirty million adults (20 percent of the U.S. working population) who were laid off some time over the subsequent five years, between 2009 and 2014.[27] In addition to layoffs, nearly one million federal employees were furloughed in 2013,[28] and millions of individuals working in state and local governments experienced furloughs, shortened workweeks, reductions in pay and benefits, frozen cost-of-living-adjustments (COLAs), and layoffs over the years following the Great Recession.[29, 30, 31, 32]

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You are the master of your destiny. You can influence, direct, and control your own environment. You can make your life what you want it to be.

NAPOLEON HILL
Author of *Think and Grow Rich* (1883–1970)

Retirement Accounts

As I've mentioned, the 401(k) is an employer-sponsored retirement plan that has largely taken the place of the pension. Similar retirement plans for nonprofit organizations are called the 403(b) and 457(b). The Thrift Savings Program (TSP) is the equivalent for federal employees. From this point forward, I will use the term "401(k)" to refer to all types of employer-sponsored mutual fund–based retirement plans. (Separately, there are also self-purchased retirement accounts such as the Individual Retirement Account [IRA] and the self-employed, or "Solo," 401[k] that mirror the employer-sponsored accounts in many ways.)

The technical terms for the pension and the 401(k) are confusingly similar, something that I suspect is not accidental. "Defined benefit" refers to the good old-fashioned pension, just discussed. "Defined contribution" refers to the 401(k). Here's an easy way to remember the difference. Which would you rather have? Fixed, ongoing, "defined" *benefits* (to you), or fixed, ongoing, "defined" *contributions* (from you)? The choice is obvious.

With the exception of accounts that are invested exclusively in bonds, 401(k)s are based on the stock market and are—by definition—based on market risk. This market risk is entirely shouldered by the employee/retiree. To make matters worse, this risk also extends to decisions of whether or not to contribute, how much to contribute, and how to allocate investments. If things go wrong, the blame lands on us, even in spite of having received little-to-no training on how to best manage a mutual-fund portfolio in the first place. Table 1.2 summarizes the differences, which are stark, between the pension and the 401(k).

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TABLE 1.2. THE PENSION AND 401(K), COMPARED

PENSION (“DEFINED BENEFIT”)	401(K) (“DEFINED CONTRIBUTION”)
Income like a stream (like eggs from a chicken)	Savings as a pool of funds (also called the “nest egg”)
Income for life, barring any change to pension benefits	Income until it runs out
Risk is on the employer	Risk is on the worker
Income is predictable (fixed, inflation-adjusted monthly amount)	Income is unpredictable (depends on the timing of the stock market)
Not subject to fees	Subject to fees
Subject to income tax	Subject to income tax (non-Roth: at time of withdrawal; Roth: at time of contribution)

In 2009, the 401(k) came under fire by *Time* magazine.[33] This assault was followed by similar tirades in the *New York Times*, *CBS News*, the *Huffington Post*, *Mother Jones*, PBS *Frontline*, and *National Public Radio*, among other news outlets. In its groundbreaking piece, *Time* asserted that “the 401(k) is a lousy idea, a financial flop, a rotten repository for your retirement reserves,” and that “44 percent of Americans are in danger of going broke in their postwork years.” There are a number of reasons for the scathing criticism of the 401(k) and similar retirement plans, which I will fully dive into in chapter 2. The remaining pages of this chapter go into the basics about mutual fund–based retirement plans, as well as some of the drawbacks and benefits.

RETIREMENT ACCOUNT RULES AND RESTRICTIONS

There are many rules and restrictions attached to the various types of traditional retirement accounts . . . which is not surprising, considering that the 401(k) was named after a piece of tax code. While we must, of course, live within these parameters, and while these

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accounts can be indispensable to your long-term retirement plan, this also means that *broadening* your plan to include real estate can give you some added flexibility, especially when it comes to when, why, and how you want to access your money.

Minimum Age at Withdrawal

Do you own your retirement savings? The answer is definitively "no." Well, not until you reach age 59½, that is . . . unless you want to pay the 10 percent penalty.

However, if your retirement investments include real estate in addition to a traditional retirement account, then you have more flexibility. When you own real estate, you don't need to be a certain age to access your money. Granted, selling a house is not nearly as easy as simply selling shares or closing an account, but you are free to do so, no matter your age. If you find a better opportunity, you can sell your rental and buy another investment property (as discussed in chapter 8) without tax consequence. Also in chapter 8, I share strategies for buying and selling real estate using a self-directed IRA or 401(k), at any age, and strategically using retirement money between the specific ages of 59½ and 70½ to purchase real estate.

Settling for crumbs doesn't keep you fed—
It keeps you starving.

DANIELLE LAPORTE
Author of *The Desire Map*

Taxes

We've become so accustomed to paying Uncle Sam every April that it barely occurs to us to question it. However, if you stop and think about it, we spend about three to four months of every year working purely for the government (assuming a 25-to-33-percent tax bracket). I appreciate the benefits of taxes to society. After all, tax revenues

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keep our traffic lights running, our public education systems working, and our streets safe. Plus, taxes compassionately ensure that children and families living in poverty receive health care, school-time meals, and housing subsidies, as they should.

That said, when it comes to calculating how much money we'll need to retire, many of us forget to factor in taxes. The fact is, when we withdraw funds from our retirement accounts, after age 59½, we won't get to keep it all. We will owe income tax on both the amount we contributed as well as the amount that the accounts grew over time.

That is, unless you have a *Roth*-type retirement account. In 1997, Congress began offering the Roth IRA retirement savings vehicle. The Roth IRA allowed both contributions and earnings to be withdrawn *tax-free*, after age 59½ and as long as the account has been open at least five years. In 2006, Roth versions of the 401(k), 403(b), and governmental TSP also became available. In all Roth-type accounts, you are taxed on the contributions when you first make them, rather than being taxed on both your contributions *and earnings* at the end, as you would with a traditional, non-Roth type of retirement account.

This makes the Roth a no-brainer for younger people, who are typically in lower tax brackets earlier in life and who have more time for their accounts to grow. Plus, Roth-type accounts can serve as a *last-resort* emergency fund, throughout the life span, since contributions (not earnings) can be withdrawn penalty-free at any time, for any reason.

The Roth can be less advantageous for those in higher income/higher tax bracket situations or in periods of life where an up-front tax deduction is preferred, as may be the case for some individuals in their second half of life. That said, there are still benefits that you may want to discuss with your accountant or tax adviser as you decide which type of account is best for you. For example, Roth-type retirement accounts have no age limit for making contributions, there are no forced withdrawals, and they can be passed down to heirs without tax consequence to them.

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Forced Withdrawals at Age 70½

Most retirement plans, with the exception of the Roth IRA, require you to start withdrawing your funds beginning at age 70½, *whether or not you want to or need to*. This requirement is technically called the required minimum distribution (RMD), though you will also see it referred to as the minimum required distribution (MRD).

The amount you are required to withdraw is based on your account balance and the government's idea of your maximum life expectancy. The formula is relatively simple and can be found on the IRS website at www.irs.gov/pub/irs-tege/uniform_rmd_wksht.pdf. As mentioned in the previous section, you should plan to pay income tax on your non-Roth account withdrawals, but not on your Roth-type accounts. Be sure to consult an accountant for the specifics related to your personal situation.

The problem with the RMD is a control issue. For instance, imagine a situation where the stock market takes a horrific nosedive just as you turn 70½ or any time thereafter. This happened to millions of seniors in 2008. Those turning 70½ at the downturn in the stock market were required to begin withdrawing a portion of their earnings. Even beginning investors understand that when it comes to stocks and mutual funds, the goal is always to buy low and sell high, not the other way around. With the RMD, if you are age 70½ or older, the government doesn't care whether the market is up or down. You must withdraw regardless of whether the selling price of your shares is higher or lower than what it was when you bought into the fund.

Those with the insight and diligence to immediately reinvest their withdrawn funds into another mutual-fund account can get around this issue, even though each time you sell and buy, there are fees you must pay. However, this is yet another instance in which the money we have worked so hard to earn, save, and grow over our lifetimes is not *really* ours. We do not have ultimate control over it, even after reaching age 59½. Within chapter 8, in the section called "Tap Your Retirement Account after Age 59½," I share other ways the RMD requirement can hurt you and some strategic moves that you can use to lessen its impact.

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BENEFITS OF MUTUAL FUND–BASED RETIREMENT ACCOUNTS

In spite of some of the limitations, there are, of course, many benefits to the mutual fund–based retirement accounts. These vary by the type of retirement account. Again, the Roth products (the Roth-401[k], Roth-403(b), Roth-IRA, and governmental Roth-TSP) are excellent ways to invest in the stock market over a long stretch of time, without having to pay income tax on the account growth when you tap into those funds after reaching age 59½.

Growth in Value

An obvious benefit of mutual funds is the growth potential within the stock market, barring any sustained crash, recession, or depression. Another benefit is that the inside buildup of the assets that make up the account—such as the accumulation of earnings (dividends, interest, and capital gains)—is not taxed.

To demonstrate the growth potential in the stock market, consider the example of Haley, a 30-year-old teacher who makes $50,000 per year. With every paycheck, Haley contributes 5 percent of her salary until she reaches her official SSA retirement age of 67. At this point, she will have contributed $92,500 over her lifetime. Assuming her account earns an average annual rate of return of 7 percent, her contributions will have more than quadrupled to $415,878. However, as you will see in chapter 2, this money is not all hers. Depending on the fee structure of her account, and irrespective of market risk, she could lose up to half, *or more*, of her own hard-earned money to fees alone. And that's before factoring in taxes.

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Life shrinks or expands in proportion to one's courage.

ANAÏS NIN
Author elected to the National Institute of Arts and Letters, 1974 (1903–1977)

Free Money

Another benefit to employer-sponsored retirement plans is company matching. If you work for a company that provides matching, this is a way to make money from nothing. With every paycheck, your employer essentially gives you a bonus, provided you also invest a certain minimum amount in the plan. In Haley's case, if her employer's policy is to match up to the first 5 percent of her contributions, at 50 percent of whatever amount she contributes, her $415,878 account balance would actually be $623,828, again before fees and taxes are factored in. This is free money and Haley would be a fool not to take advantage of such a benefit.

Autopilot

Another benefit to employer-sponsored retirement plans is that, typically, your contributions are automatically withdrawn from your paycheck. Putting your investing on autopilot is what many personal finance experts refer to as "paying yourself first." The more technical term for this is "dollar cost averaging," so named because you contribute regularly and systematically, irrespective of whether the market is up or down. You aren't attempting to time the market. This system makes it effortless to save money because it is invested before you even have a chance to see it . . . or spend it. It is particularly effective if you have a low fee plan (see chapter 2 for more on this!) and if your employer contributes matching funds to your account.

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Loaning Money to Yourself

Lastly, my favorite benefit of employer-sponsored plans is the ability to loan money to yourself. This can be an excellent way to leverage your own retirement funds to purchase rental property. Indeed, I've done this a couple of times myself! Please bear in mind that I do not believe in tapping your retirement savings for "stuff," or even experiences, that will put you further behind in the long run (e.g., travel, home renovation, a new car). However, using this money as leverage to achieve a more diversified retirement portfolio is an excellent strategy to cast yourself further ahead in life, and in retirement. Part Three will go into significant detail on how to best take advantage of money that you already own in your various types of accounts—money that is otherwise inaccessible—to create a balanced retirement portfolio with real estate.

In wrapping up, the 401(k) appears to be here to stay. In spite of its many obvious benefits, it is important to understand, as I've shown in the earlier part of this chapter, that we got here by accident, not by design. There are some serious flaws, which will be the subject of chapter 2. Not understanding these flaws, and relying blindly, *and solely*, on the 401(k), could be a setup for disaster. And with that, I invite you to take a breath and turn the page . . .

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