The Baby Boomer Financial Survival Guide:

Beware of Wall Street

- The pat 60/40 stock/bond allocation will destroy baby boomer lives in the next market correction that many believe will happen in this decade.
- Baby boomers are in the Risk Zone when investment losses can irreparably ruin the rest of life
- Baby boomer financial survival requires safe inflation-protected investments at this time.

78 million baby boomers are in financial jeopardy, but most don't know it. Most will spend this decade in what retirement researchers define as the "Risk Zone," a time in everyone's life when the only investment objective should be preservation. Losses in the 5-10 years before and after retirement can irreparably ruin the rest of life.

Baby boomer investments should be very safe at this critical time in our (I'm a boomer) lives even if the investment outlook were favorable, but it's not. The chances of a disastrous market correction sometime in this decade are shockingly high. Baby boomers cannot afford risk although most are making a bad gamble that could prove catastrophic.

Survival

This survival guide lays out in detail what baby boomers need to do to protect their hard earned lifetime savings from market corrections and inflation that lie ahead. The guide is laced with videos from the Baby Boomer Investing Show. We recommend that you watch these videos and also download our (almost free) book ***Baby Boomer Investing in the Perilous Decade of the 2020s*** (Kindle recommended for just $9). You can also watch an overview of the book.

Beware of Wall Street

Wall Street is more interested in our $60 trillion than our well being and financial security. If we move to protect ourselves, as we should, Wall Street will suffer. Our best interests are not Wall Street's best interests. Wall Street is very skilled at gaslighting investors into believing that all is wonderful. Don't be fooled. Baby boomers need to take control of their savings to protect them, now.

It really is different this time

It's usually not true when someone says, "It's different this time", but it is true this time:

- Interest rates have never been lower
- The US government has never printed more money
- Stock prices have never been higher
- The wealth divide in the US has never been wider
- There has never before been 78 million people simultaneously in the Risk Zone

These are challenges that most baby boomers are not prepared to deal with because most are not educated in finance and investing. Will Rogers said, "Everyone is stupid, but about different things."

These extremes generate a host of threats, any one of which will cause a stock market crash, plus government money printing is going to cause accelerating inflation. Baby boomers need to trust but verify the investment advice they are receiving now.

Bad advice

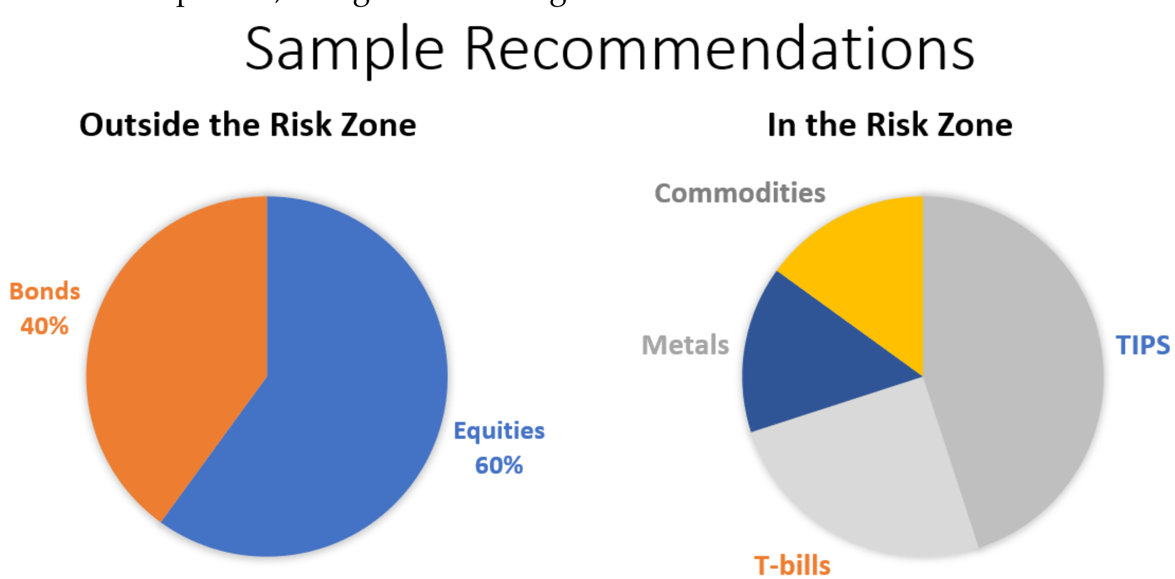
According to the Employee Benefit Research Institute (EBRI), the average baby boomer is invested 60/40, 60% in stocks and 40% in bonds in their Individual Retirement Accounts (IRAs) as well target date funds. This is too much risk for baby boomers at this time. The reasons for this mistake are revealed in the history of investment consulting. Consultants and investment managers use "models" for varying levels of investment risk. The model in the middle is the "go-to" model; it's 60/40. The go-to model that should be used for today's baby boomers is not in the standard list at all. It is 70% safe, where safe assets protect against investment losses and inflation.

Compounding the problem, investors are routinely advised to "stay the course" in the midst of a market correction. This is good advice if you're on the right course, but most baby boomers are not on the right course (this is one of our most viewed videos).

Good advice

We recommend that baby boomers:

1. Research your current asset allocation and risk
2. Consider reducing risk, especially if you find that you're 60/40 or higher
3. Act to protect, along the following lines.



The pat 60/40 allocation might be OK when you are not in the Risk Zone, including beyond 5-10 years after you've retired. But we recommend a safe inflation-protected allocation in the Risk Zone, like 70% in TIPS (Treasury Inflation Protected Securities) and Treasury Bills, with the balance in risky assets that protect against inflation.

Beyond investments

Happiness in retirement is based on health, wealth and purpose. "Purpose" is an individual matter and can be as simple as "enjoy life." Health and wealth are influenced by investments and the following additional considerations.

- Social Security and Medicare can provide comfort for even baby boomers who are not very wealthy.
- Smart spending helps savings last longer
- Working in retirement can fulfill purpose as well provide income

Conclusion

Baby boomers are in the crosshairs of irrecoverable disaster in the next market correction, a correction that many believe will happen in this decade. Even if the outlook were rosy, baby boomers in the Risk Zone should be protecting their life savings. You only get to pass through the Risk Zone once. 60/40 at this time in your life is a very bad gamble.