

College of Business Book Review by Lorrie Willey

Title: "Yes, You Can Still Retire Comfortably! The Baby Boomer Retirement Crisis and How to Beat it"

Author: Ben Stein and Phil DeMuth

Publisher: New Beginnings Press

Length: 208 pages

Price: \$23.95

Reading time: 4 hours

Reading rating: 10 (1 = very difficult; 10 = very easy)

Overall rating: 2 (1 = average; 4 = outstanding)

Do you look down the road to your future and see a dark cloud? Do you dream about retirement but don't really believe it will actually happen? Do you hope all your children grow up to be surgeons so that they will take care of you? It's time for a reality check and this book is a good place to start. Be ready to shed some tears along the way; despite lots of humor, this is a scary read.

"The 21 Basic Rules of Retirement" open the book and many of you will find that these rules have not been part of your game plan. "Max out all your retirement plans every year." "Always have a reserve of cash on hand." "If it doesn't hurt, you're probably not saving enough." Yes, that does hurt!

OK, some of you may have been planning and saving for retirement, but many baby boomers are not financially prepared for retirement; not even close. Stein and DeMuth will walk you through the process: savings, investing and drawing down your investments. The authors place considerable emphasis on savings, savings, savings and that is perhaps the most disheartening of the many discussions included in this read.

Not to mention their opinions and thoughts on the future of Social Security. Now, there is a real heart breaker. With statistics and projections, the authors argue that depending on Social Security benefits as the foundation of your retirement income is unrealistic. Don't expect much from that system, and, frighteningly, perhaps you should not expect anything. Consider, too, the possibility of increased taxation and inflation and any little you may be lucky to get will not go far toward funding your retirement.

With worksheets and charts, you will be able to calculate the amount you need to fund your retirement and the amount of money you should be saving each year in anticipation of retirement based on your current age and savings. Needless to say, many will find that they should start saving a rather large percentage of their salaries. The key to savings, obviously, is to stop spending! Easier said than done with gas close to \$3.00 per gallon but the book offers a few suggestions. Don't buy new cars or expensive clothes. Spend the day at the public library rather than on a shopping spree. Eat at home. Pay off those credit cards each month. We all know the mantra and the authors stress the reality of that lifestyle.

Once you have your nest egg, how long will it last? How should it be invested? Consider, then, the authors' wise thoughts and suggestions for investing, dubbed the "couch potato portfolio." With a discussion of market and again, with lots of charts and graphs, Stein and DeMuth suggest that a portfolio half in the total stock market and half in the total bond market with indexes as the investing mechanism. "These indexes instantly, cheaply, and efficiently diversify your holding across the entire U.S. stock and bond market, in exactly the same proportion as exists in the national economy." Sounds easy enough.

Too late to start saving and investing? The authors also discuss fixed term and variable annuities and the impact the baby boom retirement will have on this market. These annuities are discussed in light of inflation, business risks, and the time to buy. The authors also suggest some companies to contact for quotes. Last but not least, the book includes a chapter on relocating to reduce the cost of living. Branson, Missouri anyone? Or perhaps something a little more exotic? How about Costa Rica? Definitely need to brush up on that Spanish.

Lorrie Willey is a professor of business law in the College of Business at Western Carolina University. For previously reviews books, visit our Web site at www.wcu.edu/cob/.