

These 78 Million People With \$60 Trillion Need Serious Help Right Now: Read and Watch Self Preservation

- This decade of the 2020s will see at least one market correction sometime
- Most of our 78 million baby boomers are transitioning from working life to retirement during this decade
- Losses sustained during this transition can spoil the rest of a baby boomer’s life

Don’t be a Victim

Baby Boomer Investing in the Perilous Decade of the 2020s



Most of our 78 million baby boomers will spend much of this decade in the Risk Zone spanning the 10 years before and after retirement. Losses in the Risk Zone can make remaining lifetimes far less comfortable and could make boomers a burden on society because \$60 trillion is at stake. As shown in the following table, baby boomers are currently the wealthiest generation by a wide margin:

Generation	Wealth (\$trillions)	# People (millions)
Silent Generation and older	\$20	25
Baby Boomers	60	78
Gen X	30	65
Millennials	5	75

Source: [Visual Capitalist](#)

A Dangerous Time

Following the Roaring 2010s, the odds of avoiding a market crash in this decade are incredibly low. I've written a book that explains why inflation and other threats are likely to burst bubbles in stock and bond markets, creating significant investment losses. The book warns baby boomers to protect their savings at this critical time, and arms them with guidance to do so. We recommend the [Kindle version](#) because the book includes links to informative and entertaining videos. The Kindle is only \$9.

Most baby boomers -- approximately 65%, which is 50 million people -- are [financially illiterate](#). They don't know what risk they're taking and that their risk is probably too high. Financially literate baby boomers also have a problem. They have behavioral biases that on average are leading to bad choices at this time. Behavioral finance postulates that we are all "normal", which is not the same as "rational." Financially literate baby boomers need help and guidance too.

Risk Management

Baby boomers need risk management, but most are not getting it. In the jargon of investing, boomers should be "risk off" to protect their lifetime savings. Importantly, baby boomers should:

1. Review their current asset allocation. The Employee Benefits Research Institute (EBRI) reports that the average boomer is invested 60/40 stocks/bonds. This is a mix that lost more than 30% in 2008 and is poised to lose even more in the next market crash.
2. Consider reducing risk and protecting against inflation. The book explains how to accomplish this.
3. Use all the tools, like reverse mortgages, risk mitigation tools, Social Security and Medicare.

A Challenging Time to be Retired (Book Excerpt)

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 have never before been 78 million people all simultaneously in the Risk Zone together

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."

Low Interest Rates

The government is implementing a Zero-Interest Rate Policy (ZIRP) that is discussed in Chapter 9 on the Global Debt Crisis. Unlike retirees of the past, current retirees cannot earn a decent return on safe investments, so they've been forced into risky investments like stocks and risky bonds.

Money Printing

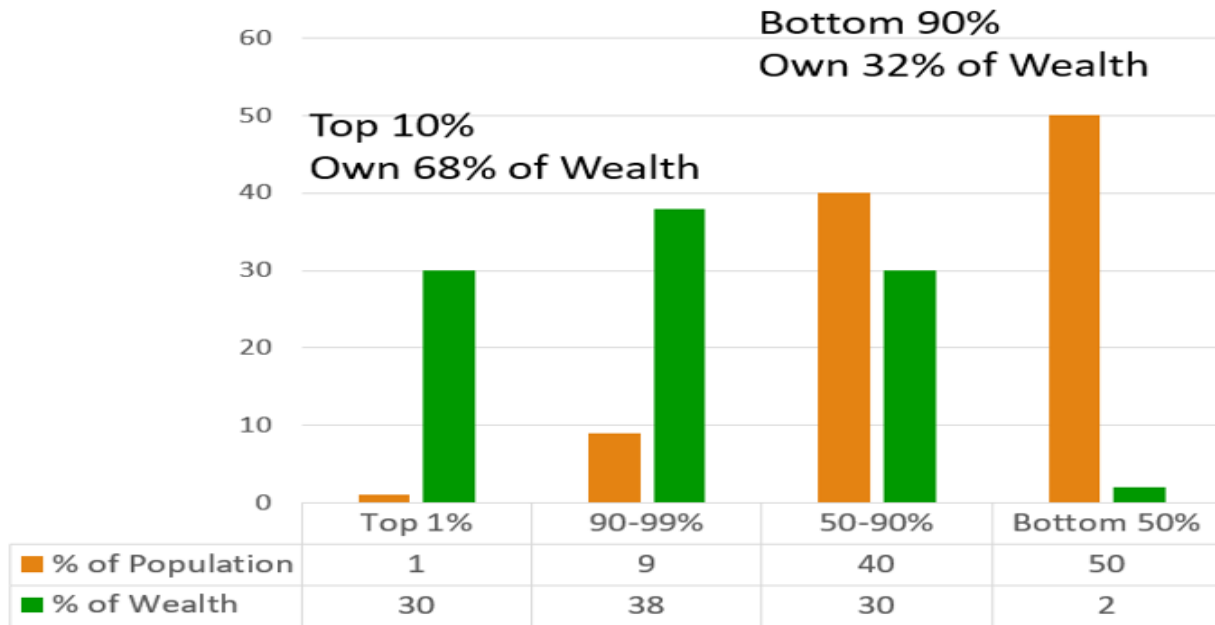
Taking on this risk exposure is a trap that will be sprung when inflation reappears big time, as discussed in Chapter 8. The US government has spent \$13 trillion and growing in new money. For perspective, this is more than our 13 largest wars combined. World War II cost \$4.7 trillion in today's dollars. Inflation undermines the value of savings and in this case it will likely pop the stock market bubble.

Stock Market Bubble

Chapter 7 explains why a stock market bubble exists and why inflation will pop it. Inflation forces interest rates to increase. Rising interest rates reduce stock prices. The somewhat good news is that ZIRP will end because the government will not be able to continue it.

The Great Wealth Divide

Although the poor in this country are better off than most in other countries, as we discuss in Chapter 13, the gap between rich and poor is huge, as summarized in the following:



Source: Statista

Consequently, there is social unrest around the country like Seattle, Portland and Chicago. The not-so-rich are demanding more and the government is responding with more free stuff, leading us down the path of Socialism.

Investment Guidance

Baby boomers are the first generation to be responsible for the investment of their savings. Previous generations we're mostly covered by defined benefit pension plans where employers made all the investment decisions. Unfortunately, baby boomers are invested 60/40 stocks/bonds as we discuss in Chapter 3. This is a mistake for most because baby boomers are in the "Risk Zone" described in Chapter 2. We provide the "Four Pillars of Smart Investing" in Chapter 1 as a general guide, plus guidance on dealing with imminent disasters in Chapter 11.

Most importantly, baby boomers should not “stay the course” as they are frequently advised because most are on the wrong course and exposed to serious investment losses at this most critical time in their investment life. There are no do-overs.

Conclusion

A huge swath of our population and its wealth is currently in the Risk Zone and will remain there for most of this decade. Most baby boomers do not realize that the rest of their lives could be upended by a market crash because they probably won't have time to recover. I wrote [this book](#) to warn them. Please tell everyone. It's best to acquire the Kindal version because it has links to important articles and videos. I've enabled book borrowing so you can share with whomever you'd like.