Chapter 2

WHO THIS BOOK IS FOR

"Often when you think you're at the end of something, you're at the beginning of something else."

– Fred Rogers

The strategies you are about to learn come from a decade of frustration with the financial services industry. No matter where I looked, all I could find were oversimplified sales pitches that ignored the downside of the "solution" being presented.

I've met with too many people who locked up all of their assets in privately held REITs that stopped paying the expected dividend (income). Then when they tried to sell them, no one wanted to buy them.

There have been too many people who planned their retirement with insurance agents who locked up too much in income annuities. When inflation went up, they could not afford to maintain their quality of life.

On the other side of the industry, I've seen too many retirees have a "diversified portfolio" that lost a significant amount of money when the markets went down. They were all at risk because that is what they were used to in years past. They withdrew income from their accounts when they were down, accentuating their losses and compromising their overall retirement.

My frustration didn't just come from people coming into my office with problems caused by others within the industry. It also came from many sleepless nights with my own clients. My lack of sleep wasn't derived from concern about my client accounts and how the stock market was acting, or how inflation was going to affect my clients' ability to afford their lifestyle. We had planned for those situations, which you will learn about in this book.

I was losing sleep over the illusion of choice clients had. It felt like we were creating co-dependent relationships. "You need us or else…" seemed to be the theme. It didn't sit well with me. The reality is, back in the 70s, you probably did need a financial professional if you wanted to invest in the market, and so on. However, today you can manage your portfolio on your phone while you are on the beach in Italy. Many people will take the standard deduction when they file for taxes, making Turbo Tax® or other solutions like it a wonderful and affordable option.

In my mind, the reality was people just needed help putting together a retirement plan. That way, they could get answers to the questions they didn't know to ask. However, once it was set up and correctly funded, it felt like they really didn't need us anymore. It was almost like we were getting a residual income because we set it up and appeared to be the expert, even though in many situations, they probably could have done it on their own.

Would you pay a residual to the builder of your home because they did a good job building it? Absolutely not. Then why are people paying so much money every year for a service that they could probably do on their own?

"It's the way it has always been done," advisors would say.

It just didn't sit right with me.

This book, these strategies I am going to show you, and more, are all to help you become financially independent, including independence from your advisor. I don't believe in co-dependent relationships. I want you to finish this book knowing you have three options.

First, you could walk away with enough information to put a plan together and manage it on your own without paying an advisor a dime. Second, you may walk away with enough information to put a plan together and manage it on your own, but you want some of your assets actively managed (i.e., Absolute Return models or Kedrec Models™). If that's you, great. The point is, you made the decision because you wanted it, not because you needed it. Lastly, you may want a family office like experience. Basically, you want access to a financial advisor, CPA, insurance agent, and more, who all work together in harmony. If that is you, no problem, that is possible as well.

The point is, you should be able to get the financial guidance you need and want while being supported with the outcome you desire. No more takeaway closes and manipulative sales pitches claiming that "you need us or else you're at risk." In my opinion, it's just not true.

Based on my experience, most of the time people are doing many things right. The problem is there are one or two big blind spots that leave them exposed to more risk than they realize. It's true that one or two big blind spots could compromise someone's entire retirement. However, that doesn't mean you need a life-long co-dependent relationship.

Yes, sometimes it takes a professional to come in, point out the potential problem, and then recommend strategies to help alleviate it. However, once the awareness is raised, and you've "learned how to fish," there's a good chance you can maintain your plan on your own.

You can't solve problems you don't know exist. I want to point out those common blind spots. I want to show you the universal rules in retirement that can help you address those blind spots and potentially lower your overall risk. What I am going to show you is not common. You're probably not going to get it from any of the large brokerage houses or the strip mall advisors down the road. It's not fancy or incredibly technical. In fact, I believe that because it is so simple, many miss it.

During our time together, not only are you going to learn several uncommon strategies, like the Kedrec Reservoir™, but you are also going to be able to mathematically determine if you can afford to retire today or not. Can you imagine what that would look like? You may discover that you could retire today if you wanted.

I do want to point out that just because you may be able to retire today, or next year, or whenever your projections suggest, that doesn't mean you have to retire then. It all boils down to being prepared so that you can retire when you want, if you want.

My goal is not only to help you retire on time but also to help you sleep better at night, even when the markets are going down. Retirement should not be financially stressful. Once you build a plan you understand, it should take very little time to maintain, leaving you with more time to spend on other activities.

They say that people spend more time planning their vacations each year than managing their finances. I hope your retirement experience is more like a vacation. I hope that your retirement is full of time with family and friends, enjoying bucket list trips and backyard BBQs. You spent your entire life working, saving, and investing, so you can enjoy this special season.

It is my sincere hope that by showing you how to create a Kedrec Wealth Plan™, you may be able to retire on time with a plan designed to last longer than you so that you can spend your time where it matters most.

This book is for anyone who:

- Wants to retire within the next 10 years.
- Has already retired and is uncomfortable with their current plan and/or strategies.
- Wants to lower their overall risk.
- Wants to increase their long-term growth potential.
- Wants to fire their advisor and manage their plan on their own.
- Wants to manage their plan on their own but doesn't know the right questions to ask.
- Wants to retire as soon as possible.
- Wants to diversify their portfolio outside of the stock/bond market.
- Wants to understand and optimize their Social Security income.
- Wants to proactively minimize their taxes without compromising their income or portfolio so they can pass their assets tax-efficiently to their beneficiaries.
- Has a pension and wants to compare their pension option to their lump sum option.
- Has rental real estate and wants to spend less time being a landlord.

Key Chapter Takeaways

- There is no such thing as a perfect investment or a perfect investment strategy. It takes deliberate proactive steps toward clear expectations in order to retire on time with a plan that is designed to last longer than you.
- Just because you can retire, doesn't mean you have to retire. The goal is to gain clarity, so you have more control over how you spend your time, whether that is at the office or somewhere else.
- You've worked and saved your entire life for the ability to retire and enjoy a certain quality of life. By following the universal rules shared within this book, and by creating a Kedrec Wealth Plan™, you may be able to fulfill your retirement expectations. It's time to take deliberate steps toward your dreams so that they can become a reality.