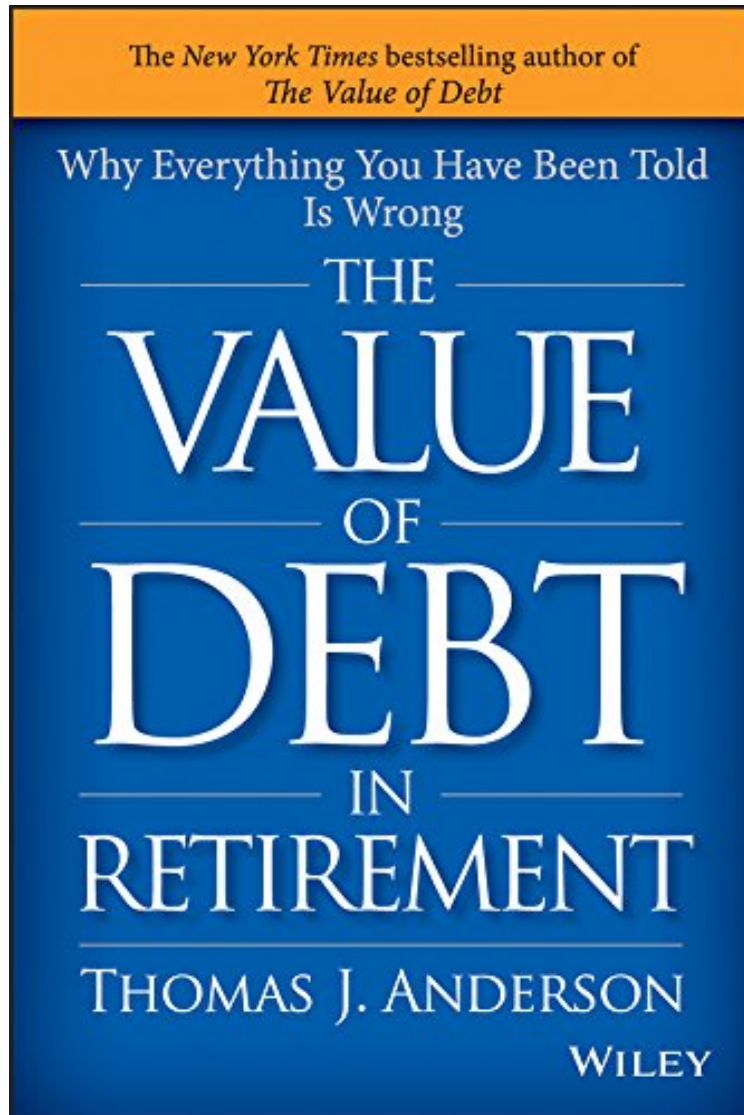


The Value of Debt in Retirement: Why Everything You Have Been Told Is Wrong

Thomas J. Anderson

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Thomas J. Anderson : The Value of Debt in Retirement: Why Everything You Have Been Told Is Wrong
before purchasing it in order to gage whether or not it would be worth my time, and all praised The Value of Debt in Retirement: Why Everything You Have Been Told Is Wrong:

1 of 1 people found the following review helpful. Changed My Attitude on DebtBy John Bailey... and taught me a few things too!!!As someone who once earned his living loaning other people money I had a well developed attitude towards debt. This book taught me a few new things about debt.Let there be no doubt, what this book teaches is not for

the average retiree. The examples in this book are the top 10% although the next 10% could probably use it as well. For the bottom 50% of retirees by net worth, they probably will be lucky to have a paid for house when they retire and a couple of checks coming in every month and they should avoid debt as much as possible for as long as possible in retirement..Only the top 10-20% of retirees by net worth can use a line of credit secured by a taxable portfolio of securities because only the top 10-20% will have one in excess of \$100k.I think the use of HELOCs should have been addressed more in the book because more people could use them and their better tax advantages. As someone who passed the CPA exam back when he was in the Army, the author's examples of paying lots of non-deductible interest bothered me some as did a few other things in some examples that were not that tax efficient.Currently with stock market valuations being fairly high, interest rates looking like they will start rising, and capital gains rates, for most retirees, being relatively low, the author's favorite technique of not selling securities and borrowing on them instead may be less optimal over the next few years. Now might be a better time to donate highly appreciated securities and then sell some more stocks to pay down some lines of credit.Although, I think that I could alter some of the author's strategies to work better for me, I did learn a few things that I can use.I will probably buy one or both of the author's other books.

7 of 8 people found the following review helpful. A very useful way to think about managing your finances

By Sharon MillerExcellent, excellent book. I am getting reasonably close to retirement, and read some kind of article about managing finances in retirement just about every day. But many of the ideas in this book were completely new to me. I also read Mr. Anderson's first book (The Value of Debt), which compares the way a company's CFO manages the companies financing through the strategic use of debt to the way that responsible people with some assets might consider managing their own finances.This book applies those principles to the specifics of retirement. This book certainly isn't for everyone, and is not intended to be a do it yourself guide. I wish I had thought about some of these ideas earlier in life. Here's one example: an interest only mortgage. My thought (prior to reading this book) was that an interest only mortgage was for reckless folks who wanted to live in a house they couldn't afford. But, after thinking it through a bit, I could see it would have been a pretty good idea for buying a house you could afford, while having the discipline to put the remainder of what would have been a normal amortized loan payment into an investment account. This would have given greater liquidity, flexibility and options if you happened to come under financial distress. (For example, if you lost your job, you could just make the interest payment and could even dig into the investment account if needed). In addition, your overall returns would have been better. Instead of having increasing amounts of capital tied up in a house, that money could be invested in stocks, bonds, etc, likely to make better returns than the house. But, of course, if the house went up in value, you would benefit from that also. (There is a risk of rising interest rates, of course. I think 10 yrs fixed in the max you can get on an interest only loan). Anyway, this is a small sample of the type of thinking in the book. The author is not necessarily suggesting you do this, but rather that you think about it to see if it makes sense to you. The end of every chapter admonishes the reader to seek professional financial advice.

0 of 0 people found the following review helpful. The Value of Debt is a very provocative book for ...

By J. B. EibelThe Value of Debt is a very provocative book for those in the retirement planning industry or those preparing for retirement. The book puts forth a strong challenge to the goal of achieving a debt-free retirement. The only issue that I have with the book is that the debt strategy can only be implemented by those disciplined enough to focus the use debt for investment and tax management activities and not consumption.

Increase the odds you won't run out of money in retirement ndash; using debt! Conventional wisdom is wrong ndash; being debt free in retirement may actually increase your risk. The Value of Debt in Retirement teaches you how incorporating debt into your retirement strategy may increase your return, lower your taxes and actually lower your risk. You read that right. If handled correctly, debtndash;that thing we've all been taught to avoidndash;can play an integral role in your life, especially in retirement. New York Times Best Selling Author and nationally acclaimed financial expert Tom Anderson shows you how to use the time tested strategies of the best companies and the ultra rich to retire comfortably, minimize taxes, buy the things you have always wanted to have and do the things you have always wanted to do. Thought provoking and against the grain, Anderson explains why your risk tolerance doesn't matter, why being debt free may actually increase your risk and why rushing to pay off your mortgage may be a financial disaster. Full of shocking revelations and tricks high- net-worth individuals have used for years, The Value of Debt in Retirement opens the world to a new approach to wealth management in retirement, one that factors in both sides of the balance sheet as an integrated ecosystem. Real-world case studies illustrate how informed debt strategies can lead to a happier, healthier retirement. See how an individual with a net worth of more than \$5 million can spend \$20,000 per month - after taxes - and pay less than \$5,000 per year in taxes, how it is possible to increase your rate of return by 50%, and how a lower risk portfolio with debt could increase the chances you do not run out of money. Specifically written to Baby Boomers, practical guides and checklists show how to use debt strategies to fund primary and secondary properties, refinance credit card debt, and finance hobbies, such as cars and boats and recreational vehicles. Additional guides show how you can help your children, help your parents and leave a bigger legacy for your heirs and favorite charities. Regardless of your net worth, The Value of Debt in Retirement provides tools to use to apply these concepts to your personal situation. There is no free lunch: the book delivers a balanced perspective

focusing on the potential risks and benefits of the strategies discussed. A discussion on economic history highlights some of the shocks the economy may face and provides important warnings that you should factor into your retirement plan. Anderson not only shows that your life expectancy may be longer than you think, but also illustrates that many investors may be on track to average returns well under 4% for the next ten years — a potentially devastating combination. Irrespective of your beliefs about debt, *The Value of Debt in Retirement* proves risk is more important than return for retirees and provides suggestions on ways to minimize that risk. Not all debt is good and high levels of debt are bad. *The Value of Debt in Retirement* is about choosing the right debt, in the right amounts, at the right time. Perhaps most importantly, this book isn't for everybody. This book requires responsible actions. If you can't handle the responsibility associated with the ideas then this book then it isn't for you. If you need a rate of return under 3% from your investments then you may not need this book. But if you can handle the responsibility and if you need a return above 3%, this book may offer insights into the best (and potentially only) way to achieve your goals.

From the Inside Flap When it comes to owing money after retirement, conventional wisdom is wrong! Debt — that thing we've all been taught to avoid — can play an integral role in retirement. While it seems counterintuitive, being debt free in retirement may actually increase your financial risk. *The Value of Debt in Retirement* reveals how you can incorporate a successful debt strategy into your retirement plan that has the potential to increase your returns, reduce your taxes, and actually lower your overall risk. Written by New York Times bestselling author and nationally acclaimed financial expert Thomas J. Anderson, *The Value of Debt in Retirement* shows how to use time-tested strategies utilized by the best companies and the extremely wealthy in order to minimize taxes and retire in comfort. *The Value of Debt in Retirement* outlines a new approach to wealth management in retirement, one that factors in both sides of the balance sheet as an integrated system. This book is filled with real-world case studies that illustrate how informed debt strategies can lead to a happier, healthier retirement.

From the Back Cover "Tom Anderson has skillfully addressed a difficult topic, namely how to make the case for the prudent use of debt by individuals in the context of wealth building and retirement planning. This task is not an easy one because, as the author notes, most individuals (and companies) are not really competent to use debt in a measured and prudent fashion. For those individuals, however, with the discipline and intelligence to use debt as a means of adding liquidity and leverage to a well-managed financial plan, this book is an invaluable guide that will inspire and enlighten its readers." — Christopher Whalen, Author, *Inflated: How Money and Debt Built the American Dream*

LEARN HOW DEBT CAN ACTUALLY REDUCE YOUR RISK IN RETIREMENT! Through a holistic, balanced approach, financial guru and bestselling author Tom Anderson shows how utilizing sound debt strategies can enable you to: Increase Your Return; Reduce Your Risk; Lower Your Taxes Throughout *The Value of Debt in Retirement*, you will also learn how to: Help Your Children Assist Your Parents Be Better Prepared for Emergencies Enhance the Impact of Your Charitable Giving Fund Primary and Secondary Properties Refinance Credit Card Debt Finance Hobbies Leave a Greater Legacy

www.TheValueOfDebtInRetirement.com

About the Author THOMAS J. ANDERSON worked in investment banking in New York before moving into private wealth management. He has his MBA from the University of Chicago and a B.S.B.A. from Washington University in St. Louis. His extensive academic studies at some of the top schools in finance and economics, international experiences, and institutional background deliver a unique perspective on global markets. He has been recognized as one of the top 40 advisors under 40 by *On Wall Street* magazine and four times by *Barron's* magazine as one of America's Top 1,000 Advisors: State by State. Tom lives in Chicago with his wife and three children.