Book Review: Your Complete Guide to a Successful & Secure Retirement, Larry E. Swedroe & Kevin Grogan

By Steven Smith / March 25, 2019

One of the great influences in my practice has been Larry Swedroe. (Another, of course, was the late John Bogle). Fifteen years ago, I started this practice by giving away copies of one of Larry's first books, *The Successful Investor Today, 14 Simple Truths You Must Know When You Invest* (St. Martin's Press 2003). (I still have a few copies, if anybody wants one.)

Back then, Larry was laser focused on getting investors to understand that active investing (stock picking and market timing) in an attempt to "beat the market" was an expensive and futile proposition. Instead, investors should build portfolios using index funds – or better yet, structured passive funds – to capture the returns of the risk factors that contribute to portfolio returns.

Larry, sometimes together with his colleague Kevin Grogan at the Buckingham Family of Financial Services, has written (by my count) fifteen books on investing. But over the many years working with actual clients, Larry has come to realize that the technical aspects of investing play a necessary but not nearly a sufficient role in creating successful retirement outcomes. Accordingly, only six of the twenty chapters in his latest book are devoted to investing strategy. The rest of the book is given over to all the other things you need to focus on to make sure your investment strategy is levered to provide the greatest chance of success.

Beyond the Financials

One might dismiss the importance of the first two chapters (Beyond the Financials and The Discovery Process) – which some label the "softer" side of planning. But these are at the beginning for a reason. Exploring (both client and planner together) goals and values – and anchoring the financial plan to them is the most critical aspect of achieving long-run success. Here at RightPath, we spend many hours, generally over several months, on this component of planning – before the first dollar is invested in a portfolio. The results are committed to writing – in a secure corner of the cloud – so they can be easily monitored, reviewed and dynamically updated when a client's goals and circumstances inevitably change.

Reason to Live

It's actually quite charming to hear from Larry – a numbers guy if there ever was one – on these life planning subjects; usually left to the likes of George Kinder and Mitch Anthony.

The transition from work to retirement can be very difficult for some. Especially for those who have built their self-worth around a career. We need to have a new reason to get up in the morning. There are some simple exercises, such as imagining a perfect day in the life of your retirement. And some more elaborate ones like creating a full-on Life Plan.

Investing, Too

The half dozen or so chapters on investing do a remarkable job of summarizing and tightening the material contained in fifteen previous books. There is a chapter devoted to asset allocation, including the roles of Larry's famous triumvirate: The *ability*, the *willingness*, and the *need* to take risk. There are short discussions on active vs. passive investing, diversification, the role of factors in designing portfolios and reducing the risk of black swans. Topics to which Larry has previously devoted *entire* books.

There is also a chapter on Monte Carlo Simulation, a statistical tool contained in most reasonably sophisticated financial software programs, that will let you stress test a portfolio and financial plan against the occurrence of bear markets and how they may affect the probability of success. And whether and how you might anticipate the kinds of adjustments you might have to make in their midst to assure a successful outcome.

Remaining Chapters

Virtually all of the other important components for a successful retirement are treated in the book. Larry called in colleagues and outside experts to write preliminary chapters on these non-investment subjects and then organized the voluminous material so that it flows in a comprehensible manner.

Chapters are included on:

- How to use different kinds of accounts, such as IRAs and HSAs.
- Asset Location – which accounts are best to hold the different kinds of asset classes.

- Social Security and Medicare strategies.
- Risk management, via insurance and annuities.
- And, finally, estate and legacy planning.

Breaking the subjects up this way allows you to read and digest the book slowly and in phases.

Tools, Checklists and Templates. And a Podcast.

The book is chock full of useful items you can use in small bites to assist with your own planning. And references to other resources for anyone who wants to delve more deeply into any of the subjects.

And, for a special treat, you can listen to the ebullient, British evidenced-based investing advocate, Robin Powell interview Larry about the book and other interesting matters. There can't be a bigger linguistic contrast than Robin's elegant British accent vs. Larry's robust Brooklyn accent. Accents aside, they both make a lot of sense.