

Why's this book?

If you, like me, have ever seen an 80-year-old working at Walmart or Costco, you most likely have encountered someone with insufficient retirement dollars. It breaks my heart to witness this, even though I know some claim that they like the social interaction of the job. Wouldn't joining a social club or visiting a park or volunteering do the same?

Having a job long after people in most developed countries enjoy their lives evidences the conundrum in which these retirees find themselves. Of course, work if you so desire when you're 80 or 90. But if you would rather enjoy your life by traveling, seeing your family, playing golf or bridge, or doing anything else to occupy your time and keep yourself mentally well, this book is for you. You will learn how savvy financial planning for your nest egg via a SD-IRA enables you to do so—with much more control over your investments and better returns than Wall Street offers.

We focus on how to sail into retirement with full coffers and enjoy it. The aim is neither to count on vanishing pensions or uncertain social security benefits or both.

We take the lead by building our own retirement funds with assets that outperform inflation in an SD-IRA. Then, if either a pension or social security benefits come our way, they embellish and crown our retirement portfolios. If they do not, we still are in good shape.

Many Americans want to take part in twenty-first century economic opportunities to generate

income and security. They want to become financially free. The appeal of securing their present life and lifestyle and building wealth for the future lures. And doing so is necessary, given the immense social and economic changes of the past fifty years.

Pensions are almost non-existent today. Retirement planning has shifted from companies and the corporate sector to every American. Yes, companies offer 401 (k) plans to qualified employees but such plans invest in stocks, bonds and mutual funds which return between 3% and 8% on average.ⁱ Such returns, though better than what a CD with your bank nets, are paltry when considering that inflation eats a fair amount of the returns.ⁱⁱ

But there is a better, more profitable way which we discuss in this book. It is the self-directed IRA, a legal instrument intended to help and encourage Americans to retire in style. You will discover how self-directed IRAs work, what investment options you have, how to get started, and much more.

Self-directed IRAs have been on my horizon for over two decades. They continue to be less well known than they should be, though the public is now more aware of them. These powerful accounts can grow your retirement funds in sometimes exponential ways.

A whole industry has grown around them since the late 1990s and early 2000s. The accounts came into existence in 1997 and only a few custodians held and serviced them then. Custodians differ from brokerage firms. Over the past 20 years, more self-directed IRA custodians entered the field, a trend that is likely to continue. And that is good news for consumers.

Confusion persists about these powerful growth vehicles for retirement funds. I will address why that is the case, but most of all, help you, the investor, gain clarity and propel you to action. So buckle up, if confusion surrounds how self-directed IRAs work or about how to proceed. Let's start clearing the smoke and gaining clarity on how to proceed. I will show options and ways to overcome whatever obstacles might be in your path to the retirement of your dreams.

Another important note is that this book specifically addresses investing in real estate through self-directed IRAs. Several reasons drive this focus. I am a real estate investor and broker who uses self-directed IRAs and who has spread the word about these accounts for almost two decades.

In a high cost of living and high real estate value area like the San Francisco Bay Area, being able to afford property is perhaps something that occupies many investors' and would be investors' minds. Even realtors and investors like myself have to find money to fund properties and deals.

Some of us may or may not qualify for conventional loans on properties and therefore have to be more creative in how to fund investments. When I first came to real estate some 20 years ago from a research and marketing background, I knew next to nothing about the subject. I quickly learned that access to money (financing) and/or having cash were the name of the game in real estate. I researched ways to finance property and eventually came across the powerful instrument that this book is about: self-directed IRAs.

As already mentioned, these instruments were then much less well known than they are today. My aim became to educate as many people as possible so that they too could benefit from these retirement vehicles blessed by the United States government. Simultaneously, I continued to build my real estate portfolio via my self-directed IRA account.

During that time, I found that two essential components drive real estate investing: finding the money and finding the property, often referred to as the “deal.” Many people dream about real estate investing but get stuck with the “finding the money” part. Well, the good news is that self-directed IRAs can take care of that component. Finding the right property represents the vehicle with which to grow that money in the account.

Self-directed IRAs are specific to investments, including real estate investments. The IRS has rules on them.

Finding the money and the deals clearly stand in relationship with one another. The book discusses both. It provides fundamentals and pertinent examples, so that you gain confidence in self-directed IRAs and get started. The words of Plato, Athens’ great philosopher, *The beginning is the most important part of the work.*

But back to this book: it serves as a guide to assess whether setting up such an account is the right path for you, and if so, how to get started as quickly as possible. Here, time is money. Time is a finite resource none of us gets back, but the more time anyone has in investing, the better. More about that later.

You may already have either a 401 (k) or an IRA, neither of which allows for real estate investments them in their current form. You will learn how to shift to a truly self-directed IRA to do just that.

Much of the information in this book comes from years of experience in real estate and in life. However, I am neither a lawyer nor a financial consultant and therefore neither offer nor imply any legal or financial advice. Although you could consult with your CPA or attorney about self-directed IRAs, you may find that you know more than these professionals after you read this book. How to proceed should that be the case is another subject I address.

Real estate investing is a popular topic just as much as it is a popular investment option for SD-IRAs. The book breaks down real estate categories, their requirements, due diligence and management in SD-IRA accounts. What you are about to read only applies to real estate investments. For other allowable investment categories, and for financial, tax and legal advice, please read other books about SD-IRAs.

Articles and books about this powerful investment mechanism and vehicle are more readily available. Many such books discuss the mechanics, such as setting up the account, rolling over funds into the account from other retirement accounts, tax implications, and briefly address allowable investments for such accounts.

This book is for you if you want to be financially secure in your retirement years and you are looking for a better way to grow your investment performance. This book is for you whether you

already have a plan in place and want to improve upon it, or whether you're just getting started and need pertinent information to guide you. Even if you have currently little to no savings for retirement and feel dejected by that fact, this book is for you.

Let's get started, shall we?

ⁱ <https://www.investopedia.com/ask/answers/041015/what-rate-return-should-i-expect-my-401k.asp>
Also see <https://www.cbpp.org/blog/for-most-americans-retirement-accounts-are-paltry>

ⁱⁱ Inflation stands at 2.4% on average per year. (source)