

FAILURE IS **NOT** AN OPTION

CREATING CERTAINTY IN THE
UNCERTAINTY OF RETIREMENT

MCP BOOKS

Failure Is Not an Option:
Creating Certainty in the Uncertainty of Retirement
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*To Grandma Ruth who crossed over before this project could
be completed. Your contribution to my life has been priceless.*

I love you up the sky and down again.

*And to every person, young and old, who dreams of becoming
financially independent and building a happy, successful
and rewarding life.*

The goal of climbing big, dangerous mountains should be to attain some sort of spiritual and personal growth, but this won't happen if you compromise away the entire process.

—Yvon Chouinard

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My clients. I thank you from the bottom of my heart. It is because of you and your achievements that I have been motivated to write this book.

Lastly, to you the reader. I hope that you have at least half as much fun in the reading of this adventure/financial book as I've had in the writing. May you keep your dreams alive and live the life you have always imagined.

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Chapter 1

YOU HAVE TO PLAN FOR THE SECOND HALF OF THE JOURNEY

There are no shortcuts to any place worth going.

—Beverly Sills



Imagine that you're at Mt. Everest Base Camp and you've come across a group of mountaineers about to start their expedition to the summit. "What's your ultimate goal?" you ask them.

How would they answer?

If you're like most people, you probably assume that their ultimate goal is getting to the top.

As you're about to find out in this chapter, you'd be wrong.

"So what?" you're probably saying to yourself. "I'm not setting out to climb Mt. Everest."

That may be. However, your climb toward financial independence could make ascending Mt. Everest look like a stroll if you don't get it right. Failure is not an option.

That's a lesson I would discover early on.

REACHING FOR THE HEIGHTS

It was the adventure of a lifetime as I set off for Kathmandu, Nepal, in 1992 for a 21-day self-guided trek. My travel agent informed me I could fly Pakistan International Airways with a layover in Karachi or for the same price fly one of the world's most respected and luxurious airlines, Cathay Pacific, through Singapore. She steered me toward the latter for obvious reasons, but I opted for Pakistan as it could only add to the adventure. As I entered the aging 747 at John F. Kennedy International Airport, the ethnic and cultural diversity immediately conveyed that I was already in Pakistan. Repetitive strains of Bollywood-style music whined incessantly through the plane's speakers. The cabin was permeated with a highly seasoned, spicy scent of coriander, curry and dhal. The passengers were all decked out in their traditional dress of colorful, loose pajama-like trousers with long tunics.



Camel ride in Karachi, Pakistan.

After what seemed like days but was probably closer to 24 hours, I reached Karachi. The overnight layover allowed me to play tourist for a day in Pakistan's largest city of 32 million people. My escapades that day included riding a camel on the black sand beaches of this polluted seaport and visiting a mosque. I quickly concluded that Pakistan was as Third World as any developing country could be.

When I returned to my hotel room, I found a note posted on my door.

Mr. Rosell,

There is a military coup here in Pakistan. You are booked on the next flight out to Kathmandu.

Amazed that our State Department had even known to contact me, I packed and immediately returned to the airport to embark on the next leg of my journey.

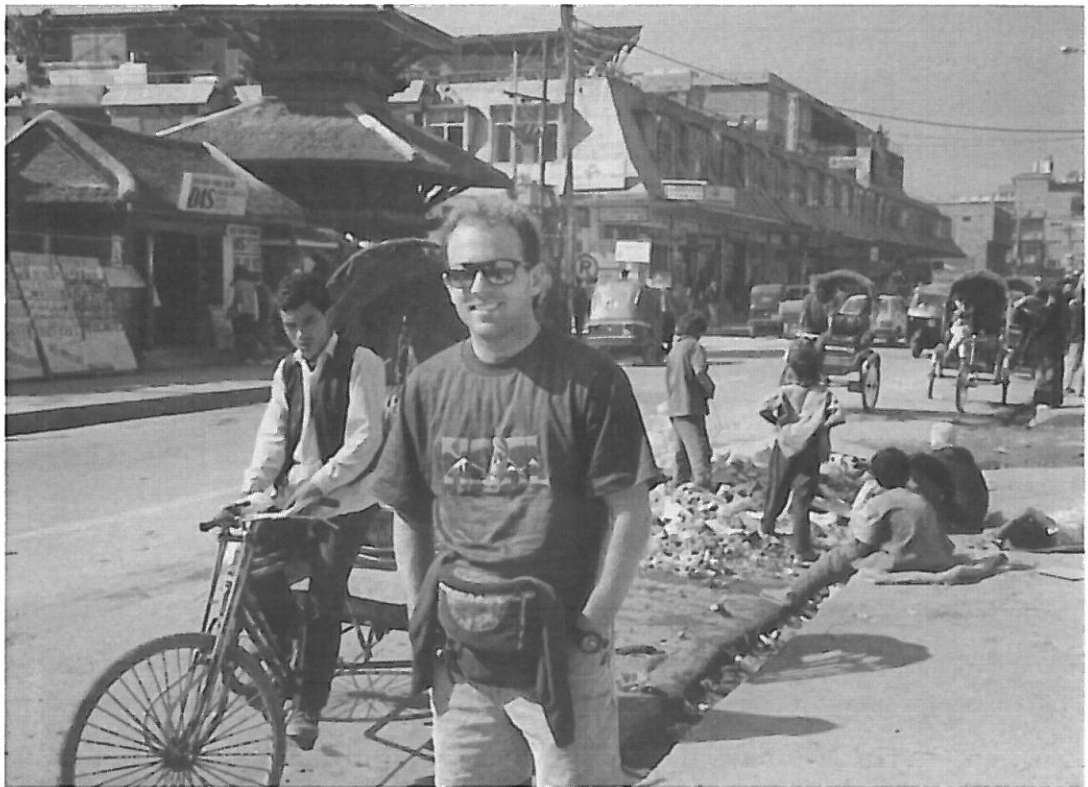
Upon boarding the plane for Kathmandu, I gravitated to the only other westerner on board. Ashley Turberfield was from Stratford-upon-Avon, the small English township Shakespeare had called home. We quickly struck up a conversation and learned that we had a great deal in common. Not only were we the same age, we shared the same goal: to reach the summit pass of Thorong La, which at 17,769 feet is the highest point on the 155-mile Annapurna Circuit. My life has always been a series of serendipitous events and this was no exception. Ashley would not only become my climbing partner over the next month, but a lifelong friend who would attend my wedding years later and eventually marry a dear friend of mine.

As the plane descended into Kathmandu Valley, we could see the remnants of the Pakistan Airlines Airbus that had crashed on approach just weeks earlier. After such an action-packed introduction to Central Asia, touching down safely was downright delightful.

My new travel partner and I left the airport together. Filled with trepidation, we walked the discombobulated streets of Kathmandu in search of a place to spend the night. Our *Lone-ly Planet* guidebook eventually took us to The Chalet, a small guesthouse located in the hills overlooking the incredibly picturesque, yet ramshackle city.

The next morning we agreed to embark on our trek together. We wandered through the tourist district of Thamel to get a sense for the capital city and begin planning our expedition, all the while dodging cars that whizzed by at an uncomfortably close distance. We felt as if we had just been cast in the movie *Raiders of the Lost Ark*.

There is little else that has the intense power to overload all of one's senses as a stroll through the streets of Kathmandu. For starters, the smells can be both tantalizing and unbearable—aromas of turmeric and coriander billow out from the powdery burlap sacks of an elderly man grinding spices while a group of men smoking cheap Nepali cigarettes crouch on the curb to watch a cow getting slaughtered on the streets. Meanwhile, a woman washes her dishes and her children's clothes from a spigot, packs of flea-infested dogs roam the streets, and a man with missing appendages sells Gurkha army knives. Upon witnessing a dead body being cremated on the bank of the holy Bagmati River, we opted for a timeout back at our guesthouse.



Downtown Kathmandu.

By the time we entered a bus for the five-hour ride to Besi-sahar where our trek would begin, my stomach had started to do battle with the culinary delights of Kathmandu. An hour into the ride, with no bathroom anywhere close, my digestive tract suddenly surrendered. In a moment of sheer panic, I rushed up front to get the bus driver's attention. Using a new form of sign language, I succeeded in getting him to pull the bus over. As I ran out, an entire busload of Nepalese eyes shifted to the windows to see what this crazy American was doing. Unfortunately for me, there were no trees or obstacles to hide behind. There was nothing but an endless sea of tundra with the Himalayas dominating the horizon. So I had to answer the call of nature and my

exploding bowels in full view of my audience. Embarrassing doesn't begin to describe the experience.

The rest of the ride was downright miserable because of details best left out, but when the world's tallest mountains came into view my focus shifted. Ashley and I were mesmerized by the snowcapped Himalayas that stretched into the deep blue skies. We had never experienced such enchanted beauty. The majesty was beyond anything I could have imagined.

GETTING TO THE TOP

Our 21-day expedition began the next morning. This would be the longest and most mentally and physically challenging trek of my life. Previous explorations had been limited to four or five days in the Southern Alps of New Zealand or overnight trips in the Rockies and Adirondacks. But our packs were organized and our course plotted on our detailed map. It was time to get started.

I spent much of the first week thinking about the summit. Reaching 5,416 meters (17,769 feet—higher than Mont Blanc, Europe's highest mountain) was a daunting prospect. *Will I be able to climb up so high?* I asked myself again and again. *Will the weather be good enough? Will it be bitter cold? What about altitude sickness or equipment failure?* For the first few days I kept saying to myself, *If I turned around right now it would only be a few days back rather than a few more weeks if I continue on.*

Happily, by the time we got to Dharapani, just 72 hours later, much of my anxiousness had turned into exhilaration. The serenity of this scenic mountain village surrounded with lush

green subtropical valleys completely eclipsed the noise and chaos of Kathmandu. The people, predominantly Hindus, living in the lower elevations have sculpted terraces into the steep mountain slopes enabling them to farm the land. The rivers around the area, sourced from vast glaciers, help sustain life in the surrounding communities.

As we ascended to higher elevations the people became predominantly Tibetan Buddhist. They were so peaceful and calm. One could see the kindness in their eyes. They would put their hands together and say “Namaste” as we passed by them on the sinuous, narrow pathways. Most walked barefoot or wore flip-flops. “Gore-Tex®” was not part of their vocabulary.

By the time we reached Manang, six days into the journey, I couldn’t get enough of the experience. As the days passed, both Ashley and I felt stronger and stronger. By this time I knew I had chosen the right partner. Although we had set our sights on the summit of Thorong La, I had already reached euphoria seeing Annapurna III rising into the heavens at 24,786 feet. It was too tall, close, imposing, and magnificent to be true.

Everyone who’s been to Nepal tells you the Himalayas are big. But nobody had prepared me for the reality of breathing hard at altitudes already near those of some Rocky Mountain peaks, only to see a mountain soar another full height of the Rockies above me. On day nine we reached the high base camp of Thorong Phedi at 14,924 feet. A sign in the hut read, *Richard James Allen died from altitude sickness near the top of Thorong La. 24th Feb 1991—Aged 27 Years. TRAVELERS BEWARE!* Fortunately, we had been warned to spend an extra day to acclimatize at this high elevation.



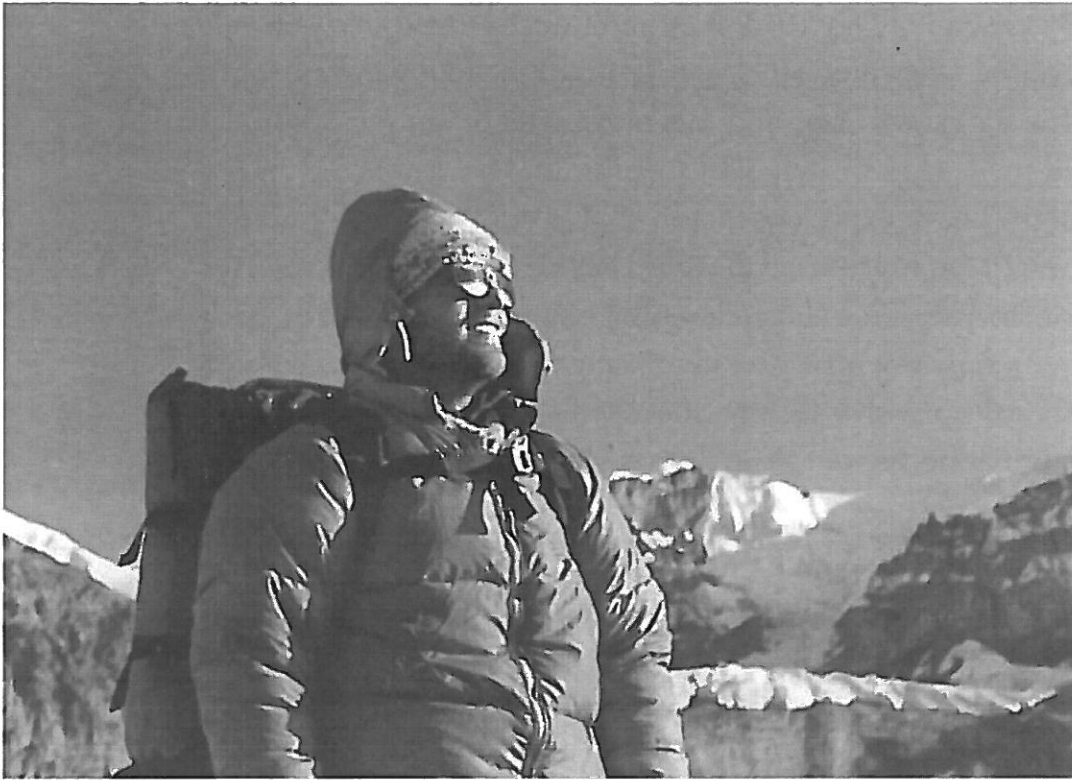
Namaste

By the end of Day 10, Ashley and I were as ready as we would ever be. We would attempt to summit the following morning. The night was clear and magnificent as the moon illuminated the jagged white peaks surrounding us. It was the coldest night I have experienced; too cold to stay up, brush my teeth or write in my journal. It would be the first night that my 15°F North Face Blue Kazoo sleeping bag would not do the trick. With only my nose peeking through my cocoon, I eventually fell asleep with a feeling of excited confidence and pumping adrenaline, as well as an uneasy stomach of nerves.

We started at 5:30 a.m. The sun was not even thinking of appearing yet. Before setting off, Ashley and I threw back a few aspirin as our heads were already pounding from the decreased levels of oxygen. We knew nothing would warm our toes at this point so we didn't even worry about that. An excerpt from my journal reads:

As the mountain became more vertical I felt as if I actually had an overgrown heart hammering in my head as I gasped for more air. At times I lost my balance and felt dizzy. I was only able to take steps where one boot would overlap the other by half. The air is so thin up here that if I start panting even slightly a harsh headache revisits.

The climb would prove to be the most arduous test of stamina I had ever endured. When we finally summited, on top of the world in more ways than one, we embraced and snapped a few photos in a celebration of our achievement.



Atop ThorongLa.

Simultaneously, as the severe effects of oxygen deprivation began to take hold, my brain started to scream that we needed to immediately begin our descent. It was then—and only then—that I realized we still had to navigate the second half of the journey and nightfall was just hours away.

SAFE RETURN(S)

Although arriving at the top of the mountain is considered by many mountaineers to be one of life's greatest accomplishments, I can tell you firsthand that summiting is not the ultimate goal for climbers. They know that 80 percent of climbing accidents and deaths occur on the descent. With

this chilling statistic in mind, they will tell you that their objective is to reach the summit and get back down alive to see their family and friends. They understand that the second half of their journey presents the greatest risk and requires the most planning.

The same can be said for the second half of one's financial journey. For years, people have focused intensely on accumulating enough assets (i.e. climbing to the top of the mountain). However the biggest risk facing retirees occurs during the second half of their financial journey, once they retire and begin to live on their retirement savings (i.e. climbing back down the mountain). This is also the phase that requires most of the planning and entails most of the risk. Retirees need to come down the other side safely—no matter what the future brings.

The day you start taking money out of your portfolio and open the income valve to your 401(k) or IRA, all of the rules change. Not only are you no longer adding to your nest egg, you will need to make your money last for a possible 25 to 40 years.

We all know that there are endless books on how to accumulate wealth and how to get out of debt. However, few resources teach what to do once you have reached the top, even though you are faced with unique and potentially devastating risks as you begin the second half of your financial journey. This book was written to fill that gap. Through an unexpected melding of travel and family stories coupled with financial survival tips, *Failure Is Not an Option* will lay out the eight fundamental risks every retiree faces and help you

create more certainty in the uncertainty of retirement. In the process, it will help you achieve far greater financial peace of mind, since—just like climbing a mountain—those who recognize and address these risks are most likely to safely and successfully complete their journey.