
Book Review: *The Number*

June 2006

A Completely Different Way to Think About the Rest of Your Life

Lee Eisenberg, (Free Press, 2006).

Editor's Note: RightPath Investments maintains a library of classic publications addressing a variety of wealth management, financial planning and investment subjects. We also endeavor to stay abreast of recent publications. One of the features of this newsletter is to provide reviews of well-written books and articles that are provocative, may become classics in their own right and are well worth spending the time reading in full. If you would like assistance in finding a relevant publication to your needs, please contact us. We offer links for purchasing books featured in our reviews as a convenience to our readers; any proceeds received from related sales are donated to a literacy or financial education program.

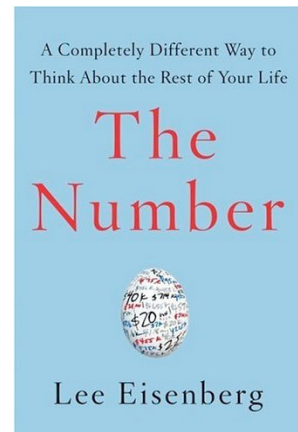
You gotta love an author who successfully brings wit, humor and irony to a deeply serious subject.

Ostensibly, “the number” is the amount of accumulated wealth one needs to fund a comfortable retirement—to buy the things you need and want for the remainder of your life, after you decide to (or are forced to) stop working. But coming up with that number is the ultimate moving target. Most people can’t even slow down long enough to even know what the number looks like, let alone create a plan to hit it.

In the first part of the book, Eisenberg (who is at times laugh-out-loud funny) presents what amounts to a cultural discussion of why America is so woefully under-prepared for retirement. He identifies four basic personality types. The majority are “procrastinators,” who have completely avoided the problem due to what the author later calls the “Eisenberg Uncertainty Principles.” Next come the “pluckers,” who have pulled their number out of thin air. Third are the “plotters,” who have studiously undertaken the number crunching of financial planning but have “no idea what the hell they are living for.” And finally there are the “probers,” people who have a deep sense of the meaning of life, but not enough money to fund even a modest version of their current reality.

After briefly dismissing fear of mortality and global annihilation as the root causes of our collective irresponsibility, we get to the heart of the issue. The Eisenberg Uncertainty Principles identify a number of debilitating conditions that, with education and motivation, can be overcome by the reluctant masses:

- “affluenza,” defined as “living in a society and culture so steeped in the moment, and awash in debt, that there’s little social or peer pressure to get one’s financial house in order”;
- social “insecurity,” which is the justifiable fear that the retirement safety net in the form of traditional pensions, social security and affordable health care is crumbling;



The Number:
A Completely Different Way
to Think About
the Rest of Your Life

- basic ignorance of the fundamentals of financial planning; and
- lack of meaningful goal setting and prioritization.

The last third of the book is dedicated to discovering the meaning of money and gives a nod to the financial life planning movement as a viable solution.

Throughout the book, Eisenberg discusses the strengths and weakness of various financial planning service models from the point of view of the consumer. The gamut is covered: corporate human resource department workshops, going it alone, predatory brokers, the alphabet soup of financial advisor designations and more. Eisenberg seems to want to recommend the services of a well-trained, trustworthy “fee-only” planner, but doesn’t want to come right out and offend the other forms of practice.

The author clearly feels that, with regard to “the number” and what it really means to retirees, baby boomers obviously need a kick in the pants. His book—along with other evidence—has convinced me, as well. This book is an irreverent yet compassionate plea, with some practical advice, on ways the public can overcome its planning paralysis and begin to think clearly about the rest of their lives.