

**Coach Pete**

Folks, today's guest is a return visitor on the show. He was with us about three to four years ago. He wrote a series of books, a series of two, called *The Pirates of Manhattan*, about all the different things that go on, on Wall Street. He's joining us with his new book. The new book is called *Guaranteed Income, a Risk-Free Guide to Retirement*. His name is Barry James Dyke, and he's joining us from New Hampshire. Barry, welcome in.

**Barry James Dyke**

Thank you, Peter. It's always good to talk to you. How's the weather in North Carolina? Is it warm there, today?

**Coach Pete**

The weather changes every single day, but what we do here is just like the financial world, Barry, it goes back and forth. I know the climate out there in the investment community, especially with the war on Social Security, and a lot of folks wondering if they're even going to get any money back from the Social Security Administration, or if the government's going to let them have what they thought they were entitled to, people are more worried today.

We'll talk about this. I know you talk about this in your book. By the way, David Walker, the former US Comptroller General, wrote the forward to this book. He had a lot of good things to say about this book. The main worry I think people have these days is where is that money going to come from in retirement, and is it going to be there for the rest of their lives?

**Barry James Dyke**

Yeah, it really is. As you know, Pete, people who know me know my feelings on the market. I'm not against investments at all, but the thing is, is that a lot of the retail [00:01:36] people, and right now it's totally rigged against the client, or the consumer. I'm just trying to help them build a safer retirement.

**Coach Pete**

Looking through your table of contents, it's a fascinating collection of topics. The number one chapter is "The Collapse of the American Pension." Now, let's talk about this because I think a lot of folks that go to work, nine to five, or even longer many times, and they do that 30 or 40 years. They retire, but there's nothing left for them if they haven't funded it on their own these days.

**Barry James Dyke**

Yeah, that's the whole thing. It's statistics; 1983, Pete, roughly 83% of the population, or right around there, 80%, had a defined benefit pension plan for an employee and spouse.

The guaranteed income, if you will, was a sure thing. Then they had Social Security as well. People were pretty much in a much better position. Today, that has dropped down around 17%. The majority of people who have these, Pete, are really people in the public sector: state, federal, and municipal employees. That's an issue into itself, which is really highly underfunded, but those are the only people who really have core pension plans, if you will. The fact of the matter is, is that most of today's American public is essentially – you do it yourself. You're on your own plan, today. A majority I've seen have never worked, and they will not work.

### **Coach Pete**

Let's talk about this, now. When we talk about – you said 17% of people have a pension, and most of them are federal employees or state employees. My wife's with the Attorney General's office in North Carolina. She's a state employee. She has a pension, but guess what, Barry, the state takes out 6% of her pay and puts it in that pension. The state's not paying for it. My wife's paying for it. Is that what you're talking about with the 17% of the folks?

### **Barry James Dyke**

Yeah, that's part of it, Pete. As you know, and your wife is funding part of her own pension. I don't know if she's covered under Social Security as well. I wouldn't think so.

### **Coach Pete**

Doubt it.

### **Barry James Dyke**

The thing is, is that the state of North Carolina, which actually has one of the better funded state pension plans, is really on the hook for the longevity and the investment rate of return. The problem, what has happened, Pete, is that all the economic risks, which are absorbed in a pension plan like your wife's in, has essentially been shifted onto the retail consumer, and most people don't have a clue. I'm a registered investment advisor. I've been doing this stuff for over 30 years. Some of the stuff is even very complicated for me. This is a real problem.

### **Coach Pete**

I'm glad she's taking 6% out of her paycheck because if they didn't, Barry, she would spend it. At least they're doing it for savings we're talking about. When you look at it, people should be taking 15% of their paycheck, and putting it aside, every single pay period before taxes, if possible.

### **Barry James Dyke**

Yeah, ideally, you're correct. The thing is, people have been having a hard time making ends meet and so forth. No, that is correct. The ideal savings rate, if you will, is around

15%, but because costs out there are much higher than they were before, it's hard for people to do.

### **Coach Pete**

Someone's having a hard time making ends meet when they're getting a paycheck, but if they don't save now, when they retire and don't get a paycheck, Barry, if they're having trouble, now, saving, they're going to have a whole lot of trouble with retirement because there won't be any money there.

### **Barry James Dyke**

Yeah, and then this is a huge problem. The thing is, is a time lag, as you know, Pete, in how long you've been in the financial services business. As you know, any of these problems, they have a lag. This problem is going to rear its ugly head. Five, 10, 15 years from now, not right today, but as the population ages, it's going to be more of a problem. It's a big problem. This is what I'm trying – in this book, Pete, what I'm trying to do is just giving people a safer, guaranteed way to receive income.

### **Coach Pete**

Again, folks, we're talking to Barry James Dyke. He's author of the brand-new book, *Guaranteed Income: A Risk-Free Guide to Retirement*. You talk about, in the book, you talk about guaranteed income. I hear that phrase a lot of times, and a lot of the consumers hear that too. Barry, I think these days, people say guaranteed, there's no such thing as guaranteed. People are not considering guaranteed income as part of a portfolio as much as they should. Why do you think that is? What can the average consumer do to make sure they can educate themselves on how they can get their own share of guaranteed income?

### **Barry James Dyke**

They need to understand because there are things which are guaranteed, and these are primarily by life insurance companies, Peter, or a corporate balance sheet, there is guarantees. For instance, as you know, Social Security is essentially an annuity for life. What I'm just trying to do is to bring that to the next level for the consumers. The fact of the matter, there is guarantees. A life company, by nature, who issues these products and backs them up, is much more stable than any bank will ever be.

You'll see in my research, Peter, that people may think I'm crazy, but I'm just telling people to do what General Motors is doing, and British Telecom, NCR, and Bristol Meyers Squibb, and Panasonic, and all these other companies who can't manage their own economic risk, or Verizon. They're all essentially buying enormous annuities to manage their pension risk. Then, what I actually show in the book as well, Pete, and we're getting ahead of our self, this is what the major executives like as well.

**Coach Pete**

Let's talk about, you've used the word annuity, and a lot of people listening may have never heard that term before. Can you educate the listener on what an annuity is, and how it could be a part of that income plan we're talking about in the future?

**Barry James Dyke**

Annuity comes from the word, annua, which really goes back to Latin. Generally, these were the first pension plans issued to Roman soldiers. In other words, for them serving in the empire at that time, the Roman Empire would guarantee these soldiers a retirement income called an annua, or annuity. These go all the way back to Roman times. Annuity just means a guaranteed income stream, regardless of how long they live, and regardless of the stock market performance. They've been really with us since ancient times.

They get more popular roughly in the 1800s in this country. People just need to read the book, but then they became more popular with the creation of TIAA-CREF by Rockefeller in 1905. Then, they've been very, very big since that time. Most people do not know about them, Pete, and a lot of advisors don't like to sell them because there's not an ongoing income stream. It's a good thing for most consumers.

**Coach Pete**

Yeah, and it's almost like buying a car. I mean, you can buy a stripped-down car, or you can put all the options on there, get the Cadillac version of that model car. You talk about some of the new product updates, in the annuity world, that have really benefitted the consumer, especially those who want that guaranteed lifetime income without risk, right?

**Barry James Dyke**

Yeah, and they back this up. Wall Street hates me, but that's okay. My research shows the general accounting office recommends the people do it to guarantee an income stream. The treasury's actually ruled on this about a year ago because they want people to have some seatbelts around their money in these 401(k)s. A lot of these 401(k)s, as you know, Pete, is like playing pinball with your hands tied behind your back. We just don't know what's going to happen.

People really want to have safety and peace of mind. As a matter of fact, Northwestern Mutual did a study, released in April of this year, Pete, which says that people today are more concerned about the safety of their money today than they were during the financial crisis. The truth is that people want to have some safety in their retirement savings. This addresses this.

**Coach Pete**

Barry, I remember back in the 70s and 80s, my grandmother, how she got her pension. Her pension was basically she didn't work, but she had money in a CD at the bank. She got an interest on that CD of maybe 10 to 12, 15%. She was able to live on the interest without touching the principle. Unfortunately, those days are gone, and what people are doing now, they're putting their money into Wall Street, and they're putting their money at a supreme amount of risk to hopefully get a return they can live on. What's your opinion on that?

**Barry James Dyke**

You're 100% correct, Pete. I call it the Wall Street Casino. The only people who really benefit in this thing long term are essentially the asset managers who run the money. There's no risk to them. It's annuity income stream to them, or the insiders who use other people's money to cash out of their – these new companies, these new start-ups, these unicorns, and so-forth, which are not doing too well. No, the reason is, is that the Federal Reserve, Pete, as you know, they've dropped down interest rates down to 40-year lows.

People are really screaming for yield. The irony of the whole thing, Pete, and if they go to my book, and they go to [barryjamesdyke.com](http://barryjamesdyke.com); again, that's [www.barryjamesdyke.com](http://www.barryjamesdyke.com). They'll see that the Federal Reserve, itself, Pete, has 75% of their own 401(k) in fixed annuities. I have the actual audit from Deloitte in my book. People may think I'm crazy, but the fact of the matter is, the world's largest central bank, The Federal Reserve, has had roughly 70, 75% of its own money for 18,000 employees in fixed annuities.

**Coach Pete**

Makes sense.

**Barry James Dyke**

It's all true.

**Coach Pete**

Let's talk about, now, the final here. We've got a minute left on this segment here, but if someone wants to think about it in terms of the Vegas mentality. Folks, when you're out there, if you're thinking about – Barry's comparing Wall Street, if you're in the wrong places, to Vegas because it is a gamble. You really don't know what's going on with a lot of the companies and the mutual funds. You put your hard-earned retirement money there, and it doesn't do what it's supposed to do.

Barry, I think people can think about it this way, would they be willing to take their 100, 200, 300 thousand, whatever they have in their retirement accounts, and go to Vegas,

and put it on a spin of the casino wheel. That's what's happening, a lot of times, with people putting money into a lot of these stocks they don't know anything about.

### **Barry James Dyke**

They don't, and it's a joke. I call it, Pete, it's the search of the greater fool. It's all about the use and exploitation of other people's money. America needs to wake up about this fact because that's what's happening. Again, I'm not against investments. With arbitration agreements, as you know, Pete, people who do not have a prayer if they get caught in a new issue, or any stuff for that matter. Numerous companies have collapsed, or gone bankrupt, and it's the retail investor who ends up holding the bag for this stuff.

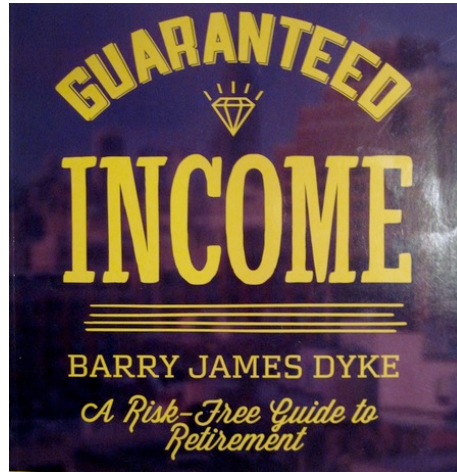
### **Coach Pete**

Yeah, I mean if the goal is to have retirement income, some of the money that you've earned in your life needs to be in a place you absolutely cannot lose, and absolutely will give you that lifetime income stream that you'll never outlive. Barry James Dyke, again, is his name, folks. The name of the book is *Guaranteed Income: A Risk-Free Guide to Retirement*. If you've joined this interview late, or want to hear it again in its entirety, you can go to [financialsafari.com](http://financialsafari.com) where you can listen to this interview and many others, as well as links to what Barry talked about. Barry, thanks for your time, today.

### **Barry James Dyke**

Thank you, Pete.

## Barry James Dyke



### ABOUT BARRY JAMES DYKE - AUTHOR, ADVISOR, CATALYST

BARRY JAMES DYKE is President of Castle Asset Management, LLC of Hampton, New Hampshire. For more than twenty-five years he has practiced financial planning, founded a pension consulting business, a third-party administration firm, a health & welfare consultancy and a registered investment advisor [www.castleassetmgmt.com](http://www.castleassetmgmt.com). He has worked with individuals, privately held businesses, publicly traded companies, venture capital firms and celebrities. He has authored or contributed to articles, and is written about in prominent publications such as:

- The Huffington Post
- The New York Times
- The National Underwriter
- Yahoo
- BusinessWeek
- The Charlotte News Observer
- Medical Economics

He has been a frequent guest on talk radio shows throughout the country, and speaks to groups about conditions of today's economy and ways for consumers and advisors become better prepared in the days ahead.

In 2009, more than 100,000 copies of his work were purchased and distributed by some of the most well-respected and stable financial institutions in the country.

His book, "The Pirates of Manhattan" illuminates the corruption within the U.S. financial service industry and predicted the economic crisis early in 2007—months before it occurred. The book is a best-seller, sold throughout the U.S., as well as Europe, England, Canada, South America, Australia and the Pacific Rim.

## "Coach" Pete D'Arruda



Peter J. D'Arruda is President of the IARFC (International Association of Registered Financial Consultants), an Investment Advisor, and has been in the financial arena for nearly 25 years. He is the founder at a financial firm designed to help his clients "***Cross the street of life.***" At Capital Financial Advisory Group, LLC he and his team strive to help their clients take the worry out of living in retirement. Known as "COACH PETE" to most of his clients, Pete has made it his lifetime goal to assist his clients in achieving the levels of success they desire.

He has authored 6 books and co-authored 2. Two of his books have reached the best-sellers list on Amazon. The most noteworthy book, Successonomics, is one that Coach Pete co-authored with Steve Forbes. But, by far, his favorite book just happens to be his most recent, "7 Baby Steps to a ridiculously Reliable Retirement Income"

Each week he hosts the wildly popular, nationally syndicated, Financial Safari radio show, heard by millions each year. You can listen to past shows on iTunes and by visiting FinancialSafari.com He has just been named to the prestigious Forbes Leadership Council and will be submitting at least 6 articles a year to Forbes for their readers' print and web enjoyment. He graduated from The University of North Carolina in 1988.

Coach Pete is WINNER OF:

2 EMMYS

2 Quillys (best-selling author award)

3 EXPYS

He is a proud father of daughter, Caroline, age 11 with his wife, Kim.