THE ORDER OF THINGS

Who's Buying?

The buyers who built the market are about to become its sellers — and your retirement plan assumes they aren't.

A standalone Forte Life analysis · about 8 min · the entry point to the Distribution series.

For forty years, the largest generation in American history did the same thing every two weeks.

They got paid. And a slice of that paycheck — automatically, invisibly, by the millions — flowed into the stock market through a brand-new invention called the 401(k), born in 1978, timed almost perfectly to the start of their careers.

Seventy-six million people. Three decades of paychecks. Buying every two weeks, in up markets and down markets, without ever asking the price.

Economists have a name for that: structural demand. I have a simpler one: **a tailwind.**

The Baby Boomers didn't just ride the bull markets of the last forty years. Their own participation helped create them. And now that same generation — holding roughly **$84 trillion in assets — more than half of all American household wealth — with over $40 trillion of it in stocks and bonds** — has stopped buying.

They have started selling. Not by choice. By necessity, and in many cases, by law. Call it what it is: the Great Reversal.

The Great Reversal

The same seventy-six million people, moving to the opposite side of the market.

ACCUMULATION ERA · 1980–2020 → DISTRIBUTION ERA · 2020–2050+

FOR FORTY YEARS THEY WERE	FOR THE NEXT THIRTY THEY ARE
BUYING	**SELLING**
a slice of every paycheck into the market, every two weeks — an unrelenting tailwind	*forced out by RMDs on the government's schedule — a structural headwind*

The buyers who built the market are becoming its sellers.

THE REVERSAL

The machine runs in reverse

Here is what most retirement projections quietly ignore.

More than 11,000 Americans turn 65 every single day through 2027 — the largest retirement wave ever recorded. Every one of them faces the same conversion problem: a lifetime of accumulated assets must now become monthly income. Stocks don't pay the electric bill. Mutual fund shares don't buy groceries. To create income, the assets must be sold.

And the IRS makes sure of it. Beginning at age 73, Required Minimum Distributions force money out of IRAs and 401(k)s on a government schedule — whether the market is up that year or down, whether it's a good time to sell or the worst one. The penalty for waiting is 25%. A meaningful share of that $40 trillion isn't held by choice anymore. It's held on a countdown timer.

So Who Buys?

The math is uncomfortable. Gen X and Millennials — the generations who must absorb this supply — hold roughly $60 trillion *combined*. Less than the Boomers alone. They carry more debt, face housing costs that consume the savings capacity their parents used to buy stocks, and are still decades from their own peak wealth.

Who must sell, and who can buy

Total household wealth by generation. Federal Reserve, Distributional Financial Accounts, Q1 2026.

The generation that must do the buying holds a fraction of the wealth of the generation that must do the selling.

The generation that must do the buying has a fraction of the buying power of the generation that must do the selling.

THE HONEST CAVEAT

Let me be clear about what I'm not saying

I am not predicting a crash. Nobody can, and you should be suspicious of anyone who does.

The selling is gradual, not a cliff. The wealthiest Boomer households — the top 10%, who hold 71% of the generation's wealth — barely spend down; they pass assets to heirs who largely stay invested, and institutions and foreign capital absorb much of the rest. The government studied this exact question and found no dramatic decline coming.

The market, in aggregate, does not have a problem.

But you are not the market in aggregate. You are one household, with one retirement date, one sequence of years, and one chance to get this right.

This isn't a forecast of falling markets. It's a recognition that the wind has shifted — and that a plan built assuming a permanent tailwind should be re-examined while there's still time to adjust the sails.

And for the individual retiree, the reversal changes something fundamental — not about whether the market goes up, but about **what your plan is allowed to assume.**

THE ASSUMPTION

The assumption hiding in your projection

Every retirement projection you have ever been shown rests on a historical average — the familiar claim that the market returns 10 to 12 percent a year over the long run.

Set aside, for now, that the *average* return was never the return anyone actually kept. (I have documented — to the dollar, from the market's own published returns — how the drag of volatility, the cost of activity, taxes, and fees compress the advertised average into a much smaller Actual Net Return. That work is the Accumulation series in the library at read.fortelife.net, and it stands on its own.)

Focus instead on where that 10-to-12 percent number came from.

It was earned during an era when the largest generation in history was a structural net **buyer** — pouring paychecks into the market every two weeks for forty years.

The next thirty years feature that same generation as a structural net **seller.**

Will future returns be lower? Nobody knows. That's precisely the point. Building an income plan that *requires* the last forty years to repeat — when the single largest force behind those forty years has reversed direction — is not conservative planning.

> *It's a bet. And you're placing it with the only retirement you get.*

THE RISK

The risk with a timer on it

During your working years, the order of returns didn't change your destination. The same set of yearly returns, arriving in any sequence, produces the same ending balance — that's arithmetic, not opinion. It doesn't mean down years were harmless; I've documented exactly what volatility and activity cost an accumulating portfolio. It means the order of those years was never the enemy. Time was on your side, and every year you weren't withdrawing was a year the damage could still be repaired.

The day you retire, that protection expires.

Now a down year isn't a discount. It's a wound that never heals. You're *selling* shares at depressed prices to generate income — and those shares are gone when the recovery arrives. They don't participate in it. The same thirty years of returns, arriving in a different order, is the difference between a plan that lasts to 97 and one that fails at 82.

Planners call this **sequence of returns risk.** Here's what makes this moment different:

Sequence risk was always real for any one retiree. What's new is that an entire generation faces it *simultaneously* — the same forced sellers, in the same down years, needing the same income, from the same pool of assets, on the same IRS schedule.

Each retiree's forced selling becomes part of every other retiree's problem.

The textbook defense — *"just don't sell in down years"* — assumes you have somewhere else to get income. Most plans don't. The retiree who needs $48,000 this year doesn't get to wait for the recovery.

Unless the plan was built so they can.

THE FIX

The two structures that change the ending

There are two ways to make sure you are never a forced seller. A coordinated plan uses both. Most plans use neither.

The Volatility Firewall. A portion of your capital is converted into contractual lifetime income — a check that arrives every month, for both spouses' lives, regardless of what any market does. This income doesn't *manage* market risk. It removes your baseline income from the market's jurisdiction entirely. The fire can burn; it cannot reach the money you live on. And — counterintuitively — securing that income contractually typically requires *less* capital than generating it through withdrawals, releasing the difference back into your plan.

The Volatility Buffer. For everything above the baseline — lifestyle, travel, medical, family, legacy — a reserve of capital that does not move with the market stands beside your portfolio. In the years following a market loss, income is drawn from the buffer instead. The portfolio is left untouched to recover. When it does, the buffer is refilled from the gains, ready for the next storm. No one can see a down year coming — and with a buffer in place, no one has to. The year after a loss, income simply comes from somewhere else, and that is what gives the portfolio the one thing a withdrawal plan can never give it: time to recover.

One eliminates the risk to your income. The other absorbs the risk to your lifestyle and legacy. Together they change what a down year feels like: a headline on the evening news instead of an emergency at the kitchen table. And together, they answer the demographic problem this article describes: *you cannot control the tide of 76 million people converting assets to income — but you can control whether you're ever forced to sell into it.*

Here is the part that matters most, and the reason this article exists now rather than in ten years:

The Buffer cannot be bought at the moment you need it. It has to be built — and building it takes a few years of funding, not a decade. Five or six is usually enough. The runway doesn't even have to end on your retirement date; it only has to end before the Buffer is first called on. A couple who starts at 57 arrives at 67 with the structure long since standing — but a couple who starts at 62, or right at retirement's edge, can still get there. And the cost worry is smaller than it sounds: coverage does cost more per dollar at sixty-two than at forty-two, but a Buffer built later needs proportionally less of it — so the two largely cancel out. What no one can do is conjure it the day it's needed. You don't get handed an umbrella once the rain starts.

THE CONTRAST

Two couples, one decade

Picture two couples. Both 57. Both ten years from retirement, with the same savings, the same income, and the same goal.

Couple A sits down with a Retirement Income Specialist and builds a **COORDINATED PLAN** — Firewall, Buffer, and market growth, each doing the job it's built for. Nothing extra comes out of their lifestyle; the same savings are simply allocated differently, with part of each year's dollars **BUILDING THE STRUCTURE**.

Couple B stays with the typical approach: everything in the market, projections built on the advertised average, and a strategy that amounts to *Wait and See.*

At 67, the two couples can even look similar on paper — Couple B holds one large account; Couple A's wealth now lives in more than one place: a market account, a funded policy, an income floor already secured. If retirement were graded on the day it starts, you couldn't pick a winner.

But retirement isn't graded on the day it starts. It's graded on the income delivered, for how many years, through whatever the market does — and on what's left standing at the end. The difference between the two plans hasn't happened yet at 67. It arrives with the first down year — the year Couple B sells shares at depressed prices to fund the same income Couple A receives by contract and by buffer. Over the thirty years that follow, that one difference, repeating, separates the two plans into two different lives.

What the order of returns actually does to a withdrawal plan — measured year by year, from the market's own record — is the subject of my Distribution series, **The Order of Things.** If this article raised the question, that series answers it, in as much depth as you want to go.

Read the Distribution series' opening article → ***The Descent*** — what the order of returns does to a withdrawal plan, measured year by year.

WHERE TO BEGIN

Where your plan actually stands

If you're within five to ten years of retirement, the single most valuable thing you can do is find out — with real numbers, on your actual accounts — whether your current plan makes you a forced seller. Five years is roughly the minimum runway the Buffer needs to reach working strength, so inside that window, every year counts. And if you have more than ten years? Even better. The more runway, the stronger the structure stands on the day you need it.

That's what a **Retirement Income Diagnostic** is for. It's a finding, not a pitch — one focused conversation that answers the question this article just raised, for your accounts: does your plan make you a forced seller, and what would it take to make sure it never does? It produces a coordinated **Retirement Income Plan** — principles first, then strategy, then whatever the plan actually calls for — with one person designing for the whole, so making the pieces work together stops being your job. Change everything or change nothing; either way, the question stops following you around.

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BOOK A RETIREMENT INCOME DIAGNOSTIC →

READ "THE DESCENT"

SCAN TO BOOK

Sources — *every figure is reproducible from primary data. Baby Boomer generation size (~76 million born, 1946–1964): U.S. Census Bureau. Total Boomer household wealth (~$84 trillion, 51.6% of ~$163 trillion in U.S. household net worth) and generational shares, including Gen X and Millennial holdings (~$60 trillion combined): Federal Reserve, Distributional Financial Accounts, Q1 2026. Boomer holdings of stocks and bonds (over $40 trillion): computed from the Distributional Financial Accounts composition — corporate equities and mutual fund shares plus pension entitlements. Concentration of Boomer wealth in its top decile (71%): Pew Research Center analysis of the Federal Reserve Survey of Consumer Finances, February 2026. Americans turning 65 (11,000+ per day through 2027): the "Peak 65" research of the Alliance for Lifetime Income, Retirement Income Institute. Required Minimum Distributions (age 73; 25% excise penalty, reducible to 10% if corrected timely): SECURE 2.0 Act of 2022, IRC §401(a)(9) and §4974. Finding of no dramatic market decline from Boomer retirement: U.S. Government Accountability Office, GAO-06-718.*

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