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What If It's True?

After a long and prosperous life, a retired airline pilot comes to the end of his life's journey. At the Pearly Gates Joe meets St. Peter, who looks up his name in The Book. "It says here that you have led an exemplary life, no smoking or drinking or chasing women. You were good father, a faithful husband and generous to those less fortunate than you. You never called in sick to go fishing. You never lied when ATC asked, "Say speed." You are just the kind of person we like to have in Heaven. But I am sorry to inform you that our quota for airline pilots is full. I'll have to send you to Hell."

"Now wait just a minute, that's not fair" Joe protests. "I can see why you would have a quota for politicians or lawyers but why airline pilots?" "I'm not sure" says St. Pete, "But it has something to do with being bad tippers." Joe becomes frantic and in a desperate attempt to salvage his eternal fate asks, "How about if we make a deal? Let me into heaven for one week to see if I can convince another airline pilot to trade places with me." St Peter replies, "Well, we have never done anything like that before, but I don't think it would break any rules. You seem to be a nice guy, so I will let you give it a try. You have until 6pm next Friday to find one of our pilot residents to trade places with you."

Next Friday at 6pm, St Peter sees a lengthy line of airline pilots coming down Main St. in Heaven walking towards the Pearly Gates. They're carrying suitcases and the first in line asks St. Pete for directions to Hell. St Peter is bewildered to see Joe at the end of the line, also carrying his suitcase. "Joe, what's going on?" Joe replies, "I told every airline pilot that I met in Heaven that Hell has executive lounges where they can get free food, free beer, and free newspapers. If anyone wanted to check it out, I told them to meet me here at 6pm on Friday." "That's brilliant. You have earned your place in Heaven" says St. Peter. Then Joe says, "I've changed my mind; I'm going with them." St. Peter is stunned. "Are you crazy? Why?" "Are you kidding?" says Joe. "What if it's true?"

Investors are by nature optimistic. It requires optimism to place money at risk today in the hope of receiving more back at a future date. "What if it's true?" Perhaps more money has been lost after these four words have been thought, whispered, or spoken than any other phrase in the English language including "Stick 'em up!" and "Your money or your life!" Let's look at some popular deceptions that can cause financial grief to anyone who ponders, "What if it's true?" –

- **What if it's true that I can get high returns with no risk?** Scammers often exploit naïve investors who believe that high returns can be earned with little or no risk. Their pitches often promote private funds, cryptocurrencies or equity indexed annuities. Promises of "guaranteed returns" above market rates are a major red flag, yet people are still being duped a century after Charles Ponzi's notorious fraud. Disregard all promises of stock-like returns with little or no volatility or downside risk. Such claims violate the basic investment principles regarding the relationship between risk and return and are warning signs of investment fraud. Some are promoted through fictional social media testimonials or influencers posing as successful, happy clients. Ignore high pressure tactics such as "Act now before the opportunity disappears." Investors who fall for such schemes may end up overexposed to risky and illiquid assets, suffering losses instead of reaping the slow and steady gains offered by safer, traditional, legitimate investments.
- **What if it's true that there are secret tax strategies used by the wealthy?** Be wary of claims that wealthy people use hidden tax strategies that you can learn – for a price. The "secrets" do not exist, and promoters of these schemes may propose strategies that cross the line from tax avoidance (legal activity to lower taxes) to tax evasion (the type of illegal activity that sent Al Capone to the Big House). Tax evasion can result in IRS audits, civil penalties, or criminal charges, which can include fines and imprisonment. Unusual deductions, offshore schemes, or fabricated expenses are red flags. Being audited for one illegitimate strategy can lead to a comprehensive audit of multiple years' returns. These scams are often promoted by non-credentialed influencers or former IRS employees. Wealthy people do not rely on secret tax strategies. They work with CPAs or Enrolled Agents to minimize their tax bill legally. If you are being pitched questionable tax-beating strategies, get a second opinion from a credentialed professional.
- **What if it's true that owning rental real estate is an easy way to get rich?** Rental real estate is often marketed as the ultimate path to financial freedom, with catchy phrases like "passive income for life" and "properties that pay for themselves." While real estate can be a solid long-term investment, many promoters create unrealistic expectations. Beware of narratives that claim real estate is safer and more profitable than investing in a diversified portfolio of stock and bond funds. Beware of projections that assume a 100% occupancy year-round. In reality,

vacancies and tenant turnover are common. Even one or two months without rental income can wipe out profits for the year. Non-paying tenants or lengthy eviction processes add even more financial stress, especially in states with strong tenant protections. Many promotional materials highlight gross rental income without factoring in the total costs of ownership. Property tax, insurance, mortgage interest, maintenance, repairs, and property management fees can significantly reduce profits. Some promoters encourage investors to maximize returns by borrowing heavily and buying multiple properties. While leverage can magnify gains, if rents decline or unexpected costs arise, mortgage payments may exceed rental income, creating negative cash flow and potential foreclosure. Be especially wary of “no money down” or “buy, rehab, rent, refinance, repeat” (BRRRR) promotions. Real estate can play a role in a portfolio, and a truly passive real estate investment is a REIT (Real Estate Investment Trust) fund, which provides the benefits of owning commercial real estate without the problems associated with direct property ownership.

- **What if it’s true that you can make a fortune by owning cryptocurrencies and meme stocks?** Cryptocurrency and meme stocks have captured the attention of millions of investors, fueled by social media hype, viral videos, and the allure of quick profits. These are the 21st century version of Pet Rocks. For those too young to remember, the Pet Rock fad exploded during the 1975 holiday season. Smooth stones from a beach in Mexico were packaged in a cardboard “pet carrier” box with air holes and straw bedding. Over 1 million Pet Rocks were sold at around $4 each ($24 in 2025 dollars) over the next 12 months – a notorious example that with clever marketing, people can be convinced to buy something that has no value. Traditional investments, like stocks or bonds, have underlying assets, cash flow, or earnings to support their price. Any asset that has no operating cash flow, no earning power and no functional use cannot be objectively priced. While crypto coins can sometimes yield significant short-term gains, they come with substantial risks that their promoters fail to mention. Lacking intrinsic value or a clear use, they are often associated with a recent meme or viral trend. Their prices are primarily based on speculation, and their price can collapse once the excitement fades – or once there are no more greater fools to pump up the price. Meme stocks are publicly traded companies that surge in price primarily because of social media buzz, online communities, or internet hype — rather than traditional business fundamentals like earnings or growth prospects. The crypto market is highly susceptible to manipulation. Promoters, often with undisclosed pay or ownership benefits, use social media to manipulate prices by encouraging purchases that inflate a coin’s value. Once the price peaks, they sell their holdings and the price crashes. This is the old pump and dump scheme updated for the digital age. Nothing pumps up a mania quicker than FOMO – the Fear of Missing Out. Cryptocurrency markets operate largely outside traditional financial regulations. While this appeals to some for privacy and decentralization, it also opens the door to fraud, hacks, and swindles. Investors who lose funds to a hacked exchange or fraudulent token have little or no legal recourse. These markets are speculative, volatile, and fraught with risks that can wipe out investments in an instant. Hey, what could go wrong?

- **What if it’s true that I can easily get debt relief?** Misleading debt relief and forgiveness ads often target people in financial distress, promising quick fixes or “secret programs” to eliminate student loan or credit card debt. While these offers sound appealing, they carry significant risks. Fraudulent companies will request sensitive information like Social Security numbers and bank account details, which can lead to identity theft and unauthorized withdrawals. While waiting for promised relief that never arrives, interest and late fees on existing debt continue to accumulate. Often, fraudulent companies demand large upfront payments before providing any services. Once they collect the fee, they may disappear, leaving consumers with more debt and no relief. Even if the company is legitimate, debt settlement is not guaranteed. Creditors can refuse to negotiate, leaving you worse off after paying fees. Charging upfront fees for debt settlement is illegal in many jurisdictions, but scams persist online and on social media. These appeals often include fake government logos, fake government URLs, urgent language or robocalls. There are no “tricks” to erase debt. Seek help from legitimate nonprofit credit counselors, not spam ads.

- **What if it’s true that traditional defined contribution plans, such as 401(k)s are obsolete?** In recent years, a growing number of financial influencers, marketers, and even some investment firms have promoted the idea that traditional retirement accounts—such as 401(k)s and IRAs are “outdated” or “broken.” These claims are often accompanied by recommendations to invest in alternative investments like real estate syndications, gold, crypto, annuities, or private placement deals. Projections of double-digit returns without mentioning their risks, fees, or lack of liquidity are common. Diversification is important but abandoning traditional retirement vehicles based on misleading narratives can be a big mistake. Typically, these pitches downplay the benefits of employer contributions, tax deferral, and the potential for long-term wealth accumulation provided by defined contribution retirement plans. Phrases like “Wall Street wants to keep you in the dark” or “Big banks don’t want you to know this secret” are classic red flags. Be wary of claims that “rich people don't use 401(k)s”. Most rich people are happy to get the “free money” of employer contributions to their 401(k). Although 401(k)s and IRAs are designed for long-term investing, they can be accessed under certain conditions for emergencies or retirement needs. Many alternative investments are illiquid, meaning that your money may be tied up for years with no ability to access it without significant penalties or losses. The people making these claims aren’t interested in your welfare. They’re interested in profiting from gaining access to the money you are contributing to your 401(k). Traditional retirement accounts are valuable assets and remain one of the most dependable, tax-efficient ways to save for the future. Abandoning 401(k)s, IRAs, or pensions based on hype or fear is foolish. Before making drastic changes, consult a fiduciary financial advisor.

- **What if it's true that I can use market timing to avoid stock market declines?** Every day, media pundits offer short-term predictions based on current or expected future events that encourage investors to enter or exit the stock market. These predictions often mix politics with investing – an unholy mix if ever there was one. No one can consistently predict short-term market movements because the stock market is influenced by countless variables, including economic data, geopolitical events, investor sentiment, and unforeseen crises. Even if you correctly guess when to sell, you also need to correctly guess when to buy back in—a double challenge that few, if any, investors can master. One of the biggest risks market timers face is being out of the market during its best days. Historically, a sizable portion of stock market gains occur in just a few days each year, often during periods of high volatility when many market timers are sitting on the sidelines. Market timers do not like to admit it but many of their actions are based more on emotion than logic. They sell after markets decline (fear of further losses) and buy after markets rise (fear of missing out). Buying high and selling low has never been a successful investment strategy. Long-term compound growth works best when investments are left alone to grow over time. Avoid interrupting this process unless absolutely necessary.

- **What if it's true that I can become an expert in day trading and options trading?** "This option strategy earned me $500 a day - no experience needed!" "Use leverage to grow faster than with traditional investing." Day trading and options trading are often portrayed as paths to quick wealth, but they carry significant risks that most investors underestimate. Studies show that 70%–90% of day traders fail to generate profits consistently. Typically, the promoters of options and day trading strategies claim that you can become an expert trader after you pay for courses that reveal can't miss, "secret" strategies. Most promoters of options and day trading profit from selling courses—not from trading. Day trading and options often involve borrowing money or using margin. While leverage can amplify gains, it also amplifies losses. Options trading is complex, and volatility can make contracts worthless or cause margin calls, forcing liquidation at a loss. Traders often flaunt screenshots of rare wins but never display their losing trades. Successful day trading demands full-time attention, research, and rapid execution. Few people have the time or interest to do this and even with considerable time, investment success is not guaranteed. Day trading and options trading offer the potential for quick profits, but the reality is that these strategies are high risk, emotionally taxing, and often lead to significant losses. For most investors, a disciplined, long-term approach with traditional assets in a diversified portfolio is a far more effective way to build wealth.

- **What if it's true that my favorite social media influencer really knows what he is talking about?** Social media platforms like YouTube, TikTok, and Instagram have become major sources of financial advice. Influencers promote everything from stock tips to cryptocurrency investments, often promising quick wealth and financial freedom. While some influencers may share useful information, blindly following their advice can be extremely risky. Although many of these individuals present themselves as experts, most are not licensed financial advisors and lack formal training in investing or financial planning. Their advice often comes from personal experience or opinions, not sound financial principles. They have no fiduciary responsibility to act in your best interest. If you lose money following influencer advice, you have no legal recourse. Many influencers earn money through affiliate links, sponsorships, or referral fees from the products and services they recommend. Social media thrives on short, catchy content, which rarely contains full explanations of risks, fees, and disclaimers. Complex topics like taxes, risk management, and diversification are often ignored. When finding advice on social media the first question you should ask is, "Who is giving this advice?" Then ask yourself, "What do they know?" Investment advice from social media influencers and YouTube videos can be entertaining, but always verify claims, understand the risks, and consult a qualified fiduciary financial advisor, who is legally required to put your needs first, before making major decisions.

When I was just a young tyke, my mother taught me, "Don't take candy from strangers. You do not know who they are, what they're thinking or what's in the candy." Let's extend mom's advice to investing. "Don't take advice from strangers. You don't know who they are, they don't care about you, and you don't know what kind of financial poison they are selling." Most are trying to profit from the fact that you don't know what they are talking about. There is a fire hose of electronic nonsense that comes to us every day. Assuming that what you are hearing, seeing, or reading is true and acting on it can be as dangerous as taking candy from strangers.