



# USA TODAY

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## Keep your trust in real estate, but diversify

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Ken Fisher's column, "Why your home is a lousy investment when you think it's great," has two glaring omissions in it that would otherwise show that homeownership is indeed a solid investment for millions of middle-class Americans.

Outside of referring to it as "tiny," Fisher's column all but disregards one important thing: rent. His argument that investing in the stock market in lieu of owning a home conveniently omits

the fact that an individual has to live somewhere.

Being a homeowner means building equity over time and comes with tax incentives and a fixed monthly mortgage payment that acts as a forced savings plan, whereas rents continue to climb far above incomes.

The second exclusion is the fact that most middle-class Americans aren't heavily invested in the stock market. Fisher makes it seem as if people have the time and knowledge to direct all of their cash into equities, watch it magically grow and retire as multimillion-

aires. In reality, as this year's volatility proves as a cautious reminder, the stock market comes with its own risks.

Studies show that most Americans aren't saving enough for retirement. Thirty years from now, a retiring homeowner could very well have his mortgage fully paid off with the convenience of options, including living without monthly housing expenses or deciding to sell and using the sizable equity gains towards fully (or mostly) covering the next home purchase. A renter, after 30 years, would have nothing, and would be relying on the unpredictability of a landlord and the stock market.

According to the Federal Reserve, a typical homeowner currently has a net

worth of \$231,400 vs. only \$5,200 for a renter in 2016. Diversification, including homeownership and a long-term savings plan that may include stocks, is the key to financial success.

There is a reason why 83% of homeowners think homeownership is a good financial investment: It works. Elizabeth Mendenhall, president National Association of Realtors Washington, D.C.

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