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STORY OF THE MONTH

What You Need to Know to Prepare for Retirement

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What Americans of Every Age Should Know About the State of Retirement Today

Exercise really does help and Social Security might still be around when millennials retire

Social Security

Young people should count on Social Security in the future, said Nancy Altman, the president of Social Security Works, partly because both Democratic and Republican voters agree Social Security needs to be around.

An area of trouble is when seniors take out student loans for family members. If those loans aren't paid off, the lender can take Social Security as payment. More than a third (37%) of federal student loan borrowers 65 years and older were in default in 2015 as a result, according to Stacy Canan, assistant director for the Office for Older Americans at the Consumer Finance Protection Bureau.

Social Security isn't just for retirees; it is for the disabled as well as families in need. Still, it's not very easy to qualify for disability benefits — more than 60% of applicants are rejected after all levels of appeal, according to Kathleen Romig, senior policy analyst at the Center on Budget and Policy Priorities.

Retirement Savings

55 million Americans lack a way to save for retirement through their workplace.

Home equity (the value of your home) is a retirement asset, and senior citizens in particular have \$5.83 trillion in home equity, according to Andrew Eschtruth, associate director for external relations, Centre for Retirement Research at Boston College. Still, there's a \$4 trillion shortfall in retirement savings.

The need for more retirement income is driven by rising

health care costs, longer life expectancy and a low interest rate environment.

Almost six in 10 people with a 401(k) contribute 6% or less, but they should be contributing between 10% and 15%, he said. Auto-enrollment helps with this.

Seniors in the Workplace

Seniors are working longer now for many reasons, said Patrick Button, a professor at Tulane University: their health is better in old age than generations past; work is tied to their identity and there are fewer declines in cognitive and physical skills.

Dementia and Sickness

Disease is prevalent in older people regardless of the illness itself. If cancer were cured, people would only extend their life expectancy by 3.5 years because another disease would take its place, said Stuart Jay Olshansky, a professor at the University of Illinois at Chicago School of Public Health. It is very likely people 65 and older will face two or more chronic diseases, said Luigi Ferrucci, the scientific director of National Institute of Aging. Eight in 10 people have at least one chronic illness by the time they turn 50 years old, according to John Rother, president and chief executive office of the National Coalition on Health Care.

Aging, Living in Retirement and Nursing Homes

People are happier in their earliest years and their latest years, though this curve is self-reported, said Darlene Howard, the Davis family distinguished professor emerita of the department of psychology at Georgetown University, and it's a "fine time to be old," with technological progresses to help seniors in and around the home, more seniors to befriend and a more accepting society for older people.

There are a variety of living arrangements for older Americans that go beyond nursing homes, said Beth Baker, author of "With a Little Help from My Friends," about the villages and other communities older Americans make for themselves.

These arrangements include membership-only communities for seniors, senior artist colonies, house sharing (a la Golden Girls) and cooperatives in big cities.

[\(Source: MarketWatch\)](#)



7 Daily Habits of Extremely Successful People

1) They Read a Lot, and Mostly Nonfiction

A huge majority of these rich people, 88 percent, say they devote 30 minutes or more each day to reading, according to CNBC . Most of those prefer nonfiction works like biographies, history, and self-help books.

2) They Meditate to Clear Their Heads and Stay Sharp

Meditation isn't just for yoga nuts. Research has found that meditation has mental and physical benefits, including improving memory.

3) They Get Up Early

Nearly 50 percent of the wealthy people researched by Corley, who wrote the book *Change Your Habits, Change Your Life*, say they wake up at least three hours before their workday starts. Many use the time to tackle side projects, work out, or plan.

4) They Manage to Sleep a Lot

Albert Einstein said he needed 10 hours of sleep a night to function at his best. Millionaire media maven Arianna Huffington has preached “sleep as a performance enhancer.” About 89 percent of self-made millionaires sleep seven or eight hours a night, or even more.

5) They Make Time for Exercise

Research shows that the kind of working out that “gets your heart and your sweat glands pumping,” according to Harvard Health Publishing, actually improves memory and learning. About 76 percent of wealthy survey respondents say they spend 30 minutes or more each day on aerobic exercise like running or biking.

6) They’re Consciously Working on Their Communication Skills

Spending your day with data and facts doesn’t do much good if you can’t translate the information to people around you.

Billionaire Richard Branson has said that “communication is the most important skill any leader can possess.”

7) They Also Talk to Themselves

Michal Stawicki, author of *Directed by Purpose*, says that in his research on success, he’s found that high-performing individuals have running conversations with themselves. That doesn’t necessarily mean muttering to yourself, though. “What allows them to beat their opponents is not more time spent honing their skills, but more focus on perfecting their internal dialogue,” Stawicki said.

[\(Source: Money Magazine\)](#)

Why 'Nudging' Works: People Need a Push When It Comes to Retirement Savings

Studies show that we are living longer and retiring later, but too many of us are not adequately preparing for retirement. People who do not save for retirement often do not have access to an employer-run retirement program, do not understand how much money they will need to save, or lack the financial knowledge to make the best investment decisions.

For many, **working longer seems to be the new retirement strategy.**

There are many reasons why individuals do not always act in their best interests when it comes to saving for retirement. In his book “*Misbehaving – The Making of Behavioral Economics*,” Nobel Prize-winning economist Richard Thaler identifies some reasons why people often fail to save for retirement. These include inertia that keeps people from even taking action to begin to save; loss aversion that keeps people from taking actions that reduce their paycheck; and a short-term focus on actions that provide immediate gratification rather than planning for the future.

Because of these natural behavioral factors, a defined contribution retirement savings program often fails to overcome the following **behavioral barriers and leads to less than optimal outcomes:**

- **Lack of access to employer-based retirement savings plans.** According to the U.S. Government Accountability Office (GAO), 84% of the workers who do not participate in workplace retirement savings programs reported that the main reason was not having access

to a workplace retirement program rather than a failure to participate.

- **Short-term horizons.** Many workers tend to be more concerned about day-to-day financial needs than their future financial plans. In addition, if employer retirement investment decisions are complex, inertia can take over and they may simply never take action.

- **Limited financial knowledge.** Not knowing the ABCs of finance, such as maintaining a budget or managing credit, makes workers much less likely to save for retirement. As the GAO has reported, without proper knowledge to figure out the numbers or work through the complexities, workers are much more likely to over or under estimate how much they need to save or just give up on saving.

Behavioral tools or nudges can help overcome the natural behavioral factors that undermine retirement savings. Here are some of the ways policymakers can make better use of behavioral tools.

Expand employer-based savings. AARP reports that workers are 15 times more likely to save if they have access to retirement savings plans through their employers. When employees are offered a plan, about 70% voluntarily participate.

Keep it simple, easy, and make the default automatic. Behavioral studies tell us when faced with overly complex choices, people are more likely to take the option that requires the least effort.

Add financial education. Improving financial literacy can make a big difference. Many studies have suggested that workplace-based plans with financial education are the most effective tool to improve financial literacy and increase retirement savings.

[\(Source: MarketWatch\)](#)



Most Americans Set, Then Exceed, a Holiday Budget

When it comes to holiday shopping, the good news is **65% of Americans set a holiday budget**, according to Coinstar's 2017 Holiday Survey. On the negative side, **77% of the 2,000 people surveyed expect to exceed their budget** and only **37% will put a post-holiday budget plan in place to recover**.

About one-third of U.S. shoppers (33%) have made holiday shopping a year-round event, buying whenever they find the right gift, according to the survey. Many of those early birds (27%) make their purchases when the item they are looking for goes on sale and 7% said they complete all of their shopping before Thanksgiving. Only about 12% of shoppers said they plan to shop on Black Friday or Cyber Monday, while 14% define themselves as "last-minute shoppers."

Of the **77% of those surveyed who expect to go over budget, most only expect to do so by modest amounts**. In fact, combining those who expect to go over by no more than \$50 (31%) and those who plan on being \$51-\$100 over (21%) accounts for more than half of consumers. Another 15% plan to be \$101-\$250 over their budget while 10% will spend more than \$250 more than they planned.

And while only 37% of those who go over budget will set a recovery plan, that number isn't actually so bad, because if you don't go too far over budget, you won't need to take drastic steps to recover. According to this survey, most of those who spend beyond their plans will use responsible means to recover, including:

- 29% plan to cut back on treats including expensive dinners.
- 27% say they will spend less on everyday items like groceries.
- 27% say they will put less money into savings so they can pay off their debt.

The best advice: Set a budget that you can actually afford and stick to it. That can be especially hard for parents looking to create holiday memories for their children, but if a few less gifts means your

family has greater financial security in the long term, that's really a better gift.

[\(Source: USA Today\)](#)



How to Protect Your Critical Papers from Disasters

Think of your preparation in two parts: Safeguarding original documents and creating digital copies that can be accessed from anywhere, said Leonard Wright, a certified public accountant. He's also a co-author of "Disasters and Financial Planning," a free fireproof, watertight safe from the American Institute of CPAs, the American Red Cross and the National Endowment for Education.

"Some of the traditional ways of keeping your records — in your home, or in a safety deposit box — both of those places could have been burned down or flooded," Wright said. "It calls attention to the importance of the cloud."

Key documents you should gather include those that might be difficult or inconvenient to replace (like **wills, birth certificates, Social Security cards and passports**) as well as those you'd need to recover (insurance policies, property deeds).

Having everything in one place makes it easy to grab documents quickly in an evacuation. You might **secure those originals in a fireproof, watertight safe in your home**, or off-site in a safe deposit box, said Wright.

Creating digital copies to store in the cloud ensures you will still have access to important records if a disaster occurs while you're away from home, you aren't immediately able to return after a disaster or your originals sustain damage.

"It can be extremely critical," said Steve Schult, senior director of product management for LastPass, a digital password manager. "You may not grab that laptop on the way out the door." Not all cloud storage services are equally secure. Look for one that encrypts your data, to use for sensitive financial papers, Wright said.

Consider how you can share access to that trove with family members and other trusted contacts, Schult said. (LastPass, for example, lets users create shared family accounts and set emergency access protocols.)

[\(Source: CNBC\)](#)



For \$80,000 a Week, You Can Stay at the Most Exclusive Hotel on Earth -- in Antarctica

"Arriving at White Desert Antarctica is like arriving nowhere else on the planet," says Robyn Woodhead, co-founder of the luxury lodge that sits at the end of the Earth.

After the private jet touches down on a blue-ice landing strip, its doors open and you're hit with sub-zero temperatures. The cold can take your breath away, Robyn tells CNBC Make It.

White Desert is the brainchild of Robyn and her husband, Patrick Woodhead, both polar explorers who sunk their life savings into creating one of the most dramatic — and exclusive — luxury camps on the planet.

A week-long stay here costs upwards of 68,000 euros (\$80,000) per person, and guests have included Prince Harry and former astronaut Buzz Aldrin.

Intrepid travelers can also book the ultimate day trip to White Desert for a cool \$10,000 a person, which includes the five-and-a-half-hour flights to and from Cape Town and eight hours on the ground in Antarctica.

It's a new breed of luxury travel.

"People are bored of luxury hotel stays in similar surroundings," says Robyn, who was the first South African woman to visit both the South and North Poles. Today, travelers are "searching for something out of the ordinary that no one has experienced before," she says.

"They are searching for moments that are totally unattainable in normal life."

While more than 30,000 travelers visit the periphery of Antarctica by cruise a year, only about 300 venture into the interior of this last great wilderness, partly because it's so difficult to get to, partly because of the cost.

White Desert hosts about 100 visitors a year, according to Robyn, giving those lucky few guests a chance to explore neon-blue ice tunnels, get an up-close look at a colony of 6,000 emperor penguins, visit the South Pole and experience the real Antarctica.

Elite Traveler magazine named White Desert one of the top 50 adventures of 2017. And Simon Mayle, exhibition director of International Luxury Travel Market (ILTM), which hosts luxury travel conferences around the globe, says that going to a place like White Desert is the ultimate in bragging rights.

[\(Source: CNBC\)](#)



U.S. Consumer Spending Posts Largest Gain Since 2009

The Commerce Department said recently consumer spending, which accounts for more than two-thirds of U.S. Economic Activity, jumped 1.0% last month.

Personal income rose 0.4% last month after increasing 0.2% in August. The increase, which also included a boost from higher household spending on utilities, was the largest since August 2009.

Consumer spending in September was buoyed by Purchases of motor vehicles, probably as drivers in Texas and Florida replaced automobiles that were destroyed when Harvey and Irma slammed the states in late August and early September.

Spending on long-lasting goods like Autos surged 3.2% last month. Outlays on services rose 0.5%.

[\(Source: CNBC\)](#)

5 Extremely Successful People and Their Insane Workout Routines

1) Richard Branson's Early-Morning Kitesurfing

The 67-year-old Branson doesn't let age get in the way of a hard-hitting workout routine. The billionaire founder of Virgin Group wrote that he wakes up every day around 5 a.m. and immediately exercises. He runs, plays tennis, bikes, or even kitesurfs "if there's enough wind."

2) Mark Cuban's 300-Pound Bench-Pressing

Knowing that he'll sometimes miss a workout because of travel, Cuban told The Dallas Morning News that he aims to do an hour of cardio "six or seven days a week ." The 59-year-old's regimen is varied and intense: He goes on an elliptical and stair gauntlet, plays basketball, and takes kickboxing and Latin fusion aerobic classes at a Life Time Fitness gym.

3) Oprah's 10,000 Steps A Day

Being a Weight Watchers spokesperson (and investor) now, Oprah Winfrey has made her commitment to fitness clear. She says she strives to get in 10,000 steps (or around five miles) a day . "I try to do something every day that allows me to feel active, and I don't make myself crazy about it," the billionaire media maven told People.

4) Jessica Alba's YogaSculpt and Israeli Defense Training

The Honest Company founder told Shape that she sacrifices sleep to fit in spin and YogaSculpt, a more physically demanding version of hot yoga at 107 degrees . She also has taken Krav Maga classes, learning the Israeli Defense Forces' training.

5) Tim Cook's 3:45 a.m. Gym Visits

A writer profiling Cook for the magazine found that on a given day, his Apple Watch had logged 50 minutes of exercise and 8,139 steps (about four miles)—and that was by the afternoon. He wakes up at 3:45 a.m., checks email, and heads to the gym.

[\(Source: Money Magazine\)](#)