

# Editorial Calendars

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## Financial Ink

### A Newsletter for General Audiences

#### May 2019

**\$2.72:** National average price for a gallon of regular gasoline in 2018. This is about 30 cents higher than in 2017.

#### Health Care: Personal vs. National

Americans are much more satisfied with their own health care than with health care on a national level. Chart looks at the percentage who rated health-care quality and coverage as excellent or good, or expressed general satisfaction with health-care costs.

#### A Steady Strategy in Turbulent Times

The stock market turned unusually volatile in 2018. The S&P 500 had 64 days when it closed with a rise or fall of 1% or more from the previous day's closing. Dollar-cost averaging is one approach that might provide an opportunity to benefit when share prices rise and could result in a lower average cost per share over time.

#### College Savings: Roth or 529 Plan?

A Roth IRA was primarily intended as a tax-advantaged way to save for retirement, but for some parents it can double as a college savings tool. This article looks at eligibility and contribution limits for Roth IRAs and 529 plans, investment choices, how funds can be withdrawn on a tax-free basis, and how account balances could affect a student's financial aid.

#### Travel Plans? Check Your Passport Expiration Date

Many people don't realize that a valid passport needs at least six months of validity beyond the dates of the trip. Here are a few guidelines that may be helpful for readers traveling to foreign countries, as well as basic fees and processing times to renew or apply for a passport.

#### April 2019

**4.6 million:** Number of new manufacturing job openings projected between 2018 and 2028. More than half of these positions are expected to go unfilled due to a lack of skilled workers.

#### IRS Satisfaction

Despite the stereotype that the IRS is intimidating, most people are at least somewhat satisfied with their personal communications with the IRS. An infographic shows the percentages who were very, somewhat, not very, and not at all satisfied.

#### Bonds Can Offer Stability Even with Rising Rates

One way to address concerns about rising interest rates is to hold individual bonds to maturity. This article provides an overview of U.S. Treasury securities, municipal bonds, and corporate bonds and illustrates average annual returns from 2004 to 2018.

## **Why Not Do It Now? New Research on Procrastination**

About one in five adults is a chronic procrastinator. This article describes recent research on the neurological and psychological causes of procrastination, and offers tips to overcome the tendency to procrastinate.

## **How Big, How Fast? Measuring GDP**

Measuring the U.S. economy is an important tool for decision making in the business and investment worlds. The broadest economic gauge is gross domestic product. This article explains the difference between current-dollar GDP and real GDP, and describes four top-level GDP categories.

## **March 2019**

**72.5%:** Percentage of individual tax returns processed during the 2018 tax filing season that indicated a refund.

## **Where Does the Money Go?**

Housing accounts for about one-third of total expenditures by U.S. consumers. Accompanying infographic shows the average share of total spending in 10 categories (including housing, transportation, food, insurance, and health care).

## **Extending Your Reach with Market Caps**

Companies of different sizes tend to perform differently under different market conditions. This article provides an overview of large-cap, mid-cap, and small-cap stocks and investment funds, and suggests that investing in companies of varied sizes can help diversify the stock portion of a portfolio.

## **Do You Need a Power of Attorney?**

By executing a health-care or financial power of attorney, readers can select someone to take care of their medical or financial affairs in the event they become unable to do so themselves. Three different types of powers of attorney are explored here, as well as how a living will can supplement a durable POA for health care.

## **Why Americans Are Eating Out Less Than Ever**

U.S. consumers spend about 13% of their incomes on food. In 2018, about 82% of meals and snacks were prepared at home — significantly more than a decade ago. Here are some of the reasons why Americans are dining out less frequently.

## **February 2019**

**12%:** Record-low percentage of Americans who cited economic issues as the most important problem facing the United States in September 2018.

## **How Does Your Deductible Compare?**

The average deductible for an employer-sponsored health plan in 2018 was \$1,491 for single coverage and \$2,788 for family coverage. A chart shows average single-coverage and family-coverage deductibles by type of health plan.

## **Taking a Team Approach to Retirement Savings**

Even when most of a couple's retirement assets reside in different accounts, it's still possible to craft a unified savings and investment strategy. This article highlights some differences in the investment approaches of men and women and suggests how these differences could help strengthen a couple's overall investment strategy.

## **IPOs: Consider the Risks Behind the Hype**

Although IPOs can sound enticing to the average investor, company insiders may have the most to gain from a public offering, and the first few months after an IPO can be especially volatile. This

article explains why investors who buy IPO shares after trading starts often miss out on a large part of the appreciation.

### **What Do You Know About U.S. Money?**

Despite predictions of a cashless society, about 30% of U.S. consumer payments are still made in cash. Readers can test their knowledge of coins and paper currency with this short quiz.

## **January 2019**

**71%:** Percentage of parents with school-age children who are satisfied with the quality of their oldest child's education.

### **Workers Are More Confident**

Worker confidence in having enough money to live comfortably throughout retirement increased in 2018 but still lags pre-recession highs. Accompanying graph plots worker confidence over the past 25 years.

### **Need to Tap Your 401(k)? Proceed with Care**

This article provides an overview of the rules and tax consequences associated with early 401(k) plan withdrawals, including lost growth potential. It explains why a 401(k) loan or hardship distribution might be a better option than an early distribution.

### **Looking Back, Looking Ahead**

Economists use economic measures called "indicators" to better understand economic trends, looking at past and current conditions that may signal potential shifts in the broader economy. This article explores leading, coincident, and lagging indicators, and a graph compares how they've changed from 1999 to 2018.

### **Still Time to Save Taxes with an IRA Contribution**

IRA contributions for 2018 can be made up to the April 15, 2019, tax filing deadline. This article provides information on IRA contribution limits and the potential tax deduction for contributions.

## **December 2018**

**40 million:** Estimated number of Americans who work part-time, temporary, or seasonal jobs. This amounts to about 25% of the U.S. workforce and is expected to grow to 33% over the next 10 years.

### **Doing OK**

From 2013 through 2017, the percentage of U.S. adults who said they were at least "doing okay" financially rose steadily across all levels of education. Chart shows percentages by year and education level completed.

### **The Language of Bonds**

Bond investing involves terminology that can be difficult to decipher. This article explains some basic terms to help readers become more informed investors. Accompanying chart compares the average annual returns of bonds and stocks from 1998 to 2018.

### **ABLE Accounts for Disability Expenses**

ABLE accounts allow eligible individuals to save and invest money in tax-advantaged plans to pay qualified disability expenses. This article provides an overview of ABLE accounts, including contribution limits, tax benefits, the Medicaid payback provision, and new saving opportunities under the Tax Cuts and Jobs Act.

### **Are Your Designated Heirs Up-to-Date?**

The end of the year could be a good time to review beneficiary designations on estate documents,

insurance policies, and financial accounts. This article includes some key points to consider when choosing and updating beneficiaries.

## **October 2018**

**3.85 million:** Number of babies born in the United States in 2017, down 2% from 2016 and the lowest in 30 years.

### **Are You a Knowledgeable Investor?**

On a test of basic investing principles, baby boomers scored higher than younger generations, and men scored higher than women. Only male baby boomers averaged more than 50% correct answers.

### **Is a Roth 401(k) Right for You?**

About 7 out of 10 large and mid-size employers with defined contribution plans offer Roth accounts. This article focuses on some of the benefits of contributing to a Roth 401(k) account option and the requirements needed for a tax-free qualified distribution.

### **The Tech Sector Could Be Dominating Your Portfolio**

The biggest names in technology drove stock market gains and bouts of volatility in 2017 and early 2018. Over time, a core portfolio of diversified equity funds can become overweighted in a sector that has been outperforming the broader market. Some investors might be surprised by the heavy concentration of tech stocks in their portfolios.

### **Community Property Laws: Yours, Mine, and Ours**

The question of asset ownership can be contentious in the event of a divorce, but even in the happiest marriage it may be helpful to understand the laws regarding ownership of property obtained before and during the marriage, especially in community property states.

## **September 2018**

**\$2.8 million:** Estimated value of a bachelor's degree over a lifetime.

### **Unemployment Rate Below 4%**

In April 2018, the unemployment rate dropped below 4.0% for the first time since 2000 at the height of the dot-com boom. Accompanying chart illustrates the unemployment rate over the last 70 years.

### **Seven Classic Investing Quotes**

Investing can be daunting, and even experienced investors may lose focus or make decisions based on emotion. This article highlights quotes about investing from successful investors, economists, and other insightful thinkers.

### **Social Security 101**

Social Security rules are complex, and the details are often misunderstood even by those who are already receiving benefits. This article provides an overview of basic rules and options that may be helpful, whether readers are looking forward to Social Security in 1 or 30 years.

### **Choosing and Using a College Checking Account**

Attending college requires learning about many aspects of life outside of the classroom, and one of those is managing a checking account. Here are some tips for parents and students to consider, whether they are opening a new account or using an old one.

## **August 2018**

## **Up FRONT**

**86%:** Percentage of families with a college student who said they knew when the student was in preschool (or earlier) that he or she would attend college.

### **Gen X Not So Happy with Health Plans**

In a consumer satisfaction survey, Gen Xers were generally less satisfied with their health-care plans than millennials and baby boomers. Accompanying chart illustrates satisfaction with various aspects of health care for each generation.

### **Risk Tolerance Is About You, Not the Market**

Surveys show that tolerance for investment risk rises and falls with the stock market. This article explains why risk tolerance should be based on an investor's personal situation, and it looks at several key factors that should be considered when assessing risk tolerance.

### **Insurance with Potential Cash Value**

Universal life and variable universal life insurance combine a death benefit with a tax-advantaged savings element. This article provides an overview of these products, including risks and potential benefits.

### **An Interesting Quiz**

The Federal Open Market Committee appears committed to gradually raising interest rates. This short quiz gives readers an opportunity to test their knowledge of interest rates and how rates can affect the economy and their personal finances.

## **July 2018**

**54%:** Percentage of Americans who say they are unlikely to use self-driving cars.

### **Record Debt**

U.S. household debt reached a record \$13.15 trillion at the end of 2017. The accompanying chart shows mortgage debt and non-mortgage debt over the last 15 years.

### **ETFs on the Rise**

Mutual funds are still king of the investment world, but investor interest in exchange-traded funds has grown quickly over the last decade. This article explains the differences between ETFs and mutual funds, and some of the potential benefits and risks of ETFs.

### **Making It on Your Own: Financial Tips for Freelancers**

A 2017 study estimated that more than 57 million Americans had earned freelance income in the previous 12 months — that's equivalent to about 36% of the total U.S. workforce. This article provides information on health insurance and retirement plans for self-employed individuals.

### **Where You Live Affects How Rich You Feel**

Cost of living varies widely in the United States and can make a big difference in how far a paycheck stretches. This article provides an overview of cost of living and includes URLs to calculators that can be used to estimate the cost of living in different areas of the country.

## **June 2018**

**62%:** Percentage of Americans who took a vacation away from home in 2017.

### **Twenty Years of GDP**

U.S. gross domestic product grew by 2.3% in 2017. The accompanying chart shows the annual growth rate for real GDP from 1998 to 2017.

### **Indexed Annuities: Potential Gain with Some Downside Protection**

Indexed annuities offer potential for gain when the market is riding high while helping to protect

principal during a downturn. But they are complex products and not appropriate for every investor. This article explains the pros and cons of these annuities.

### **New Tax Law Expands 529 Savings Plans**

The Tax Cuts and Jobs Act expanded the use of 529 savings plans to be used for K-12 public, private, and religious school tuition. This article provides an overview of these plans, including their traditional use for college saving and the new rules for K-12 expenses.

### **Read a Good Beige Book Lately?**

The Federal Reserve's Beige Book provides a broad overview of the U.S. economy based on anecdotal information collected by staff members in each of the 12 Federal Reserve Bank Districts.

## **May 2018**

**\$391 million:** Value of refund checks mailed to 6.28 million customers by the Federal Trade Commission from July 2016 through June 2017 as a result of enforcement actions against companies that defrauded consumers through illegal practices.

### **Quality Jobs Available?**

In 2017, 56% of Americans said it was a good time to find a quality job, the highest annual average since Gallup began asking the question as part of a monthly poll in 2001. The accompanying chart shows responses to the question over the last decade.

### **Is Smart Beta Smart for You?**

Unlike traditional index funds, smart-beta funds track indexes that are selected and weighted based on factors other than market capitalization. This article outlines the pros and cons of factor-based investing.

### **Rules of the Rollover**

Rolling funds from an employer's plan to an IRA enables you to maintain control regardless of your employment situation and may give you a wider variety of investment choices. But it's important to follow IRS rules in order to preserve the tax-advantaged status.

### **Chained CPI and Your Taxes**

One of the most fundamental changes made by tax legislation enacted at the end of 2017 — a new way of measuring inflation — has received relatively little attention but may have a significant effect on individual taxpayers over the long term.

# On Balance

## A Newsletter for Retirees and Pre-Retirees

### May 2019

#### **Pre-Existing Medical Conditions**

More than one out of four U.S. adults say they have a long-term medical condition, illness, or disease that would be considered a pre-existing condition by an insurance company. Accompanying chart shows the percentage, by age group, who identify themselves or a family member as having a pre-existing medical condition.

#### **Dividends for Income and Total Returns**

Even investors who don't consider themselves wealthy can enjoy the benefits of dividend-paying stocks and stock funds. This article explains the income that dividend-paying investments could generate as well as tax considerations. Accompanying graph compares total return and price appreciation of stocks from 1999 to 2018 to illustrate the power of reinvestment.

#### **Avoiding Probate with a TOD Deed**

More than half of states now offer a simpler and less-expensive way to keep property out of probate than using a trust. This article explains how a transfer-on-death deed can be implemented and shows a map of states that allow a TOD deed.

#### **Organizing Your Financial Records**

Once tax season is over, readers may want to file their most recent financial records and discard older ones. Here are some guidelines for how long these items should be kept and when they can be thrown away. Also included is a list of documents that should be kept indefinitely.

### April 2019

#### **Income Levels**

More than three out of five taxpayers reported adjusted gross income of less than \$50,000 on their 2016 tax returns (2017 filing year). Pie chart shows how AGI broke down across all returns.

#### **SRI Investing: Not Just for Stocks**

Sustainable, responsible, and impact investments now account for about one-fourth of all professionally managed U.S. assets. Although SRI investments have traditionally focused on stocks and stock funds, a growing category of individual impact bonds offers investors a way to preserve principal and generate income while supporting activities that are important to them.

#### **Be Aware of Observation Care**

For Medicare beneficiaries, the distinction between inpatient treatment and outpatient observation care can be confusing and potentially expensive. This article explains how observation care can affect out-of-pocket costs and Medicare eligibility for post-hospital care in a skilled nursing facility.

#### **Should You File a Gift Tax Return?**

Because of the high lifetime federal estate tax exclusion, most people will not owe federal gift taxes, but a gift tax return must be filed for gifts in a calendar year that don't meet certain exceptions. This article explains the rules, including gifts that do *not* require filing a gift tax return.

### March 2019

#### **Better in Hindsight?**

People age 65 and older have a much more positive view than younger people regarding the financial

impact of key life events, such as having a child, paying for a child's college education, and paying for a wedding. Chart shows how people in different age groups view these events positively or negatively.

### **Trusts Offer More Than Estate Tax Protection**

A properly constructed trust can offer many benefits, even for families of relatively modest means. This article provides an overview of testamentary trusts, living trusts, and common special-purpose trusts (charitable, incentive, special needs, and life insurance).

### **Considering Preferreds? Proceed with Caution**

Preferred stocks may appeal to investors looking for a robust income stream, but they come with heightened risks during a period of rising interest rates. This article provides an overview of their potential benefits and includes a graph showing average annual yields of preferred stock, corporate bonds, and common stock from 2009 to 2018.

### **The Fed and Consumer Rates**

Since December 2015, the Federal Open Market Committee has been steadily raising the target range of the federal funds rate to levels more consistent with a strong economy. This article explains how the federal funds rate affects consumer interest rates.

## **February 2019**

### **Social Security COLA**

The Social Security cost-of-living adjustment for 2019 is 2.8%, the largest increase since 2012. This chart shows annual COLAs since 1989.

### **Sector Investing: Seeking Balance or Higher Returns?**

The market returns of individual sectors of the U.S. economy often diverge at various points in the business cycle. This article explains how sector funds can help investors diversify a portfolio, address imbalances, and pursue long-term growth potential.

### **Bridging the Gap Between Retirement and Medicare**

For those who retire before reaching the Medicare eligibility age of 65, bridging the health insurance coverage gap between retirement and Medicare eligibility could be a challenge. This article explains three coverage options to consider.

### **New Rates May Change Your Tax Picture**

The Tax Cuts and Jobs Act established new marginal income tax rates and brackets for individuals. This article shows 2018 and 2019 brackets for single and joint filers and discusses how marginal rates affect the tax treatment of income and deductions.

## **January 2019**

### **Gender Gap in IRA Balances**

IRA balances for both men and women rise with age, but women trail men at all ages. Chart shows median and average IRA balances by gender and age group.

### **Getting Real About Retirement**

When preparing for retirement, it helps to look at real data. Yet only 29% of workers or their spouses have tried to estimate their retirement expenses, and only 33% have estimated the monthly income they will need. This article provides a worksheet and information to help readers estimate their retirement expenses and income.

### **Tips to Help Avoid an Audit — Official & Unofficial**

In fiscal year 2017, the IRS audited just 0.6% of individual tax returns, the lowest percentage since



2002. Yet other IRS compliance action can be just as significant for a taxpayer. Here are several tips to help avoid an official audit or other compliance matter.

### **Double Up with a Spousal IRA**

A spousal IRA can help a married couple build retirement savings when only one spouse is working. This article explains the rules for spousal IRAs and includes 2018–2019 contribution and income limits for traditional and Roth IRAs.

## **December 2018**

### **Retirement Costs: Higher, Lower, or About the Same**

In a recent survey, 52% of retirees said their overall expenses were about what they expected, 37% said expenses were higher, and just 8% reported lower expenses than expected. A chart shows their responses for four spending areas: health care, long-term care, housing, and travel/entertainment.

### **Munis May Offer Appealing Tax-Free Income**

In 2017, defaults in Puerto Rico and the near downgrade of Illinois state credit underscored the potential risks of municipal bonds. Even so, the 2017 default rate of more than 23,000 municipal bonds was only 0.09%. The article describes why munis are a relatively safe investment that could provide tax-free income in retirement.

### **Consider a Customized Disability Policy**

Unlike group policies, an individual disability insurance policy can generally be customized to meet specific needs. This article explains the potential benefits of an individual policy, provides an overview of some common riders, and describes the leading causes of long-term disability claims.

### **Where There's a Will**

A 2017 survey found that only 42% of U.S. adults had a will or a living trust. This article focuses on three key reasons why everyone should take this basic estate planning step: to distribute property, name an executor, and appoint a guardian for children.

## **November 2018**

### **Healthy Holiday Sales**

In 2017, retail spending during the winter holidays increased 5.5% over 2016 — the largest year-over-year increase since 2005. A bar chart tracks holiday retail sales over the last 15 years.

### **Know Your Mutual Funds**

An estimated 100 million Americans owned mutual funds in 2017. This article provides an overview of basic fund types — money market, municipal bond, income, balanced, growth, global, sector, and aggressive growth — to help readers review the mix of mutual funds in their own portfolios.

### **Will Your Charitable Giving Be Deductible?**

The Tax Cuts and Jobs Act is expected to greatly reduce the number of taxpayers who itemize charitable deductions for 2018. This article explains why the new law makes itemizing less likely and offers tips on charitable giving, regardless of the potential tax benefits.

### **Birthday Benefits**

This quiz allows readers to test their knowledge of the ages related to important retirement benefits and responsibilities.

## **October 2018**

## **Retirees Slow to Spend**

Retirees tend to spend down income received from a pension or Social Security on living expenses and save assets for special purposes. Accompanying illustration shows how retirees' median non-housing assets typically fall during the first two decades of retirement.

## **Concerned About Climbing Rates? Consider a Bond Ladder**

The Federal Reserve is steadily raising the benchmark federal funds rate toward more typical historical levels. Bonds with longer maturity dates are generally more sensitive to rate changes than shorter-dated bonds, yet shorter-dated bonds usually have higher yields. The article explains how a bond ladder is one way to address rising rates.

## **Help with College? A Gift for Your Grandkids**

Helping a grandchild obtain a college degree could be life-changing for the student and bring joy to the grandparents as well. To maximize the gift, it's important to consider the potential ramifications regarding student aid and gift taxes.

## **Catching Up for a More Comfortable Retirement**

Retirement savers whose account balances are lagging can give their savings a boost by taking advantage of catch-up contributions available to those age 50 and older. The article explains how much a 50-year-old could accrue by age 65 or 70 by making the maximum annual contributions to an IRA or an employer-sponsored retirement plan.

## **September 2018**

### **Fewer Older College Students**

Many adults returned to college during the recession, but the number has dropped significantly as the job market has improved. Accompanying chart shows changes in the percentage of college students age 35 and older from 2007 to 2017.

### **Give and Receive with a Charitable Remainder Trust**

Structuring a donation using a charitable remainder trust can provide a substantial gift to a favorite charity and a flow of income during the donor's lifetime. The article focuses on different types of CRTs and how they function.

### **Monitoring the Medicare Surcharge**

Higher-income beneficiaries may be subject to higher premiums for Medicare Part B and Part D. This article explains why a premium surcharge, the income-related monthly adjustment amount, may catch some beneficiaries by surprise, and how to appeal if a high income is later reduced by certain life-changing events.

### **Cutting Down on Robocalls**

New technology has resulted in rapidly multiplying robocalls. The article offers suggestions that may help consumers reduce the robocalls they receive, and how to help federal regulators clamp down on criminals who use robocalls to conduct scams and/or collect personal information.

## **August 2018**

### **Retirement Confidence Up for U.S. Investors**

Shortly after a market correction in February 2018, 34% of U.S. investors were still highly confident that they could maintain their preferred lifestyle in retirement, up from 31% in 2017. Accompanying chart illustrates confidence by gender and retirement status.

### **Inflation Protection for Investment Dollars**

After a decade of relatively low increases in the Consumer Price Index, inflation is beginning to pick

up. This article explains how Treasury Inflation-Protected Securities can help hedge a bond portfolio against a potential spike in inflation.

### **A Map to Guide Your Family**

A legal will is an important estate planning step, but a letter of instruction could be just as important as a will to help heirs settle an estate and move forward with their lives. Here are some issues that might be addressed in a letter of instruction.

### **Predicting the Economy**

In an attempt to forecast economic direction, economists use a wide variety of data. This article outlines the most commonly studied indicators — leading, coincident, and lagging — that are tracked by The Conference Board, and the economic patterns these indicators may reveal.

## **July 2018**

### **Paying for Debt**

The average ratio of debt payments to income has decreased since 2007 for all American families except those headed by someone age 75 or older. Accompanying chart compares the debt-to-income ratio for 2007 and 2016 across six age groups.

### **Hybrid Funds: Balanced, Lifestyle, or Target?**

Although the goal of hybrid funds, which hold a mix of stocks and bonds, is simplicity, they are not as simple as they may appear, and different types of funds have very different objectives. This article presents an overview of balanced funds, lifestyle funds, and target-date funds.

### **An Affordable Insurance Solution**

Many people allow their term life insurance policies to expire once their children are grown. This may not be a good idea because a new term policy can be quite expensive as people age. Survivorship life insurance may be a more cost-effective solution.

### **Down the Donut Hole — The Medicare Coverage Gap**

One of the most confusing Medicare provisions is the prescription drug coverage gap, often called the “donut hole.” This article explains the gap within the annual “lifecycle” of Medicare Part D Prescription Drug Coverage.

## **June 2018**

### **Higher Health Hurdles for U.S. Seniors**

Seniors in the United States are more likely than those in other developed countries to have chronic health conditions and to forgo needed health care due to cost. Accompanying chart illustrates data from the U.S. and 10 other nations.

### **Good News, Bad News for Boomer Retirement**

Considering the 18-year spread of the baby boomer generation, it’s natural that older boomers have different feelings and experiences regarding retirement than younger boomers. This article features results of a recent boomer survey and highlights some areas where younger boomers may face a more challenging retirement landscape.

### **When to Think Twice About a Rollover**

When leaving an employer — to change jobs or step into retirement — transferring assets from a workplace plan to an IRA is often a wise decision. However, there are certain situations when it might make more sense to leave assets in the former employer’s 401(k) plan or transfer the funds to a new employer’s plan.

## **Credit Smarts**

A credit score can influence loan approvals and terms for a variety of financial transactions. This article offers tips to improve a credit score or maintain a current high score.

# Everyday Cents

## A Newsletter for General Audiences

### Spring 2019

#### **Prepare to Ignore More Robocalls**

According to an industry report, nearly half of all calls received on mobile phones in 2019 will be scams. An infographic compares the share of U.S. mobile phone traffic estimated to be scam calls in 2017, 2018, and 2019.

#### **Take Advantage of a Roth IRA for Tax-Free Income**

Roth IRA investors can look forward to a time when their qualified withdrawals will be tax-free. This article explains Roth IRA eligibility and qualified withdrawal rules, as well as annual contribution limits.

#### **Sidestep These Financial Scams**

Billions of dollars are lost to financial fraud each year, and men and women of all ages and income levels could find themselves to be targets. Read about three common scams to avoid.

#### **Five Ways to Cut Your Cell Phone Costs**

Retail prices for the latest smartphones are now \$1,000 and up, and the bill for cellular and data services can put a major strain on a household's monthly budget. Read about five ways to save money without sacrificing needed communication services.

#### **Fast-Food Nation**

The CDC reports that about 37% of U.S. adults eat fast food on any given day. To help consumers make more informed choices, federal regulations require large restaurant chains to post menu labels with calorie counts. Customers who use these labels were found to consume fewer daily calories than those who don't.

### Winter 2018

#### **Workforce in Flux**

The civilian labor force participation rate has been declining from a 2000 peak, reflecting lower birth rates, increased college enrollment, and retiring baby boomers. Accompanying chart shows changes in the participation rate for men and women since 1968.

#### **Working for Yourself? Don't Sacrifice Your Retirement**

Self-employed workers are on their own when it comes to saving for retirement. This article focuses on the tax advantages, rules, and deadlines associated with solo 401(k) plans and SEP-IRAs.

#### **Two Types of Child-Care Tax Breaks**

Many working parents spend a burdensome share of their earnings on child care. The child-care tax credit and the dependent-care flexible spending account may help offset some of the costs for a nanny, babysitter, day care, preschool, or day camp.

#### **Sizing Up the Gig Economy**

Roughly 10% of U.S. workers rely primarily on nontraditional work arrangements for their income.

#### **Screen Time: How Much Is Too Much?**

Recent research seems to confirm what many parents have suspected: Too much time spent on digital media might be detrimental to children's long-term mental health.

### Fall 2018

## **Indebted for Education**

The total amount of U.S. student loan debt topped \$1.5 trillion in the first quarter of 2018, up sharply from a decade ago. Accompanying chart shows rise in national student loan debt from 2008 to 2018.

## **Life Insurance: Your Group Policy May Not Be Enough**

Employer-sponsored group basic and supplemental policies may give you a head start in meeting your life insurance needs, but the amount could still be insufficient. Buying an individual term life policy provides additional protection for your family that stays in place regardless of career changes.

## **Identity Thieves Target Kids, Too**

Many adults are on the watch for identity fraud, but parents may have no idea that their children could also be vulnerable. Here are some signs that a child has been impacted by fraud, and how parents might limit the damage.

## **Five Ways for Families to Cut College Costs**

Trimming college costs upfront can help families avoid excessive college borrowing and the burdensome student loan payments that come later. The article offers some possibilities to consider.

## **The Power of a Playlist**

A recent scientific study seems to support the widely held notion that listening to inspiring music can take some of the pain out of a challenging workout.

## **Summer 2018**

### **Savings Slide**

The personal savings rate, the percentage of disposable income that U.S. consumers do not spend, has dropped by more than half since 2015. Accompanying chart shows changes in the U.S. personal savings rate since 2013.

### **How a Roth IRA Could Benefit a Hard-Working Teen**

Many parents may not realize that their children's earned income could make them eligible to contribute to a Roth IRA, which is a popular and flexible way to save for retirement, college, or other future needs.

### **401(k) Loans: Think Twice Before Lending Money to Yourself**

Considering the high interest rates that apply to many credit cards and other types of consumer loans, is it a good idea to borrow from a 401(k) instead? The answer may depend on job security and how an employee intends to use the money. Here are some rules and risks that should be considered carefully.

### **Surprise! Balance Bills Can Really Hurt**

A balance bill, which is the difference between an out-of-network provider's normal charges for a service and a lower rate reimbursed by insurance, can amount to thousands of dollars. Narrower care networks, higher plan deductibles, and rising costs in general are additional trends that make it more important than ever to become a savvy health-care consumer.

### **Welcome to the "Agri-hood"**

A growing interest in fresh, homegrown, and/or local food is driving the development of residential communities focused around a working farm.

# The American Investor

## A Newsletter for High-Net-Worth Individuals

### May 2019

#### **Another Good Year for Job Gains**

The U.S. economy added 2.64 million jobs in 2018, the third highest year since the turn of the century. Chart shows the annual change in U.S. nonfarm employment from 1996 to 2018.

#### **Interest Rates & the Economy**

##### ***What the Yield Curve Has to Say About Growth***

A flattening yield curve was partly to blame for stock market volatility toward the end of 2018, and some investors took it as a sign that the odds of an economic downturn were increasing. This article discusses the factors that influence bond yields and why the gap between short- and long-term yields is often viewed as an economic indicator.

#### **Estate Planning**

##### ***Keeping Up with Your Beneficiary Designations***

A simple form filed with a financial institution or insurance company could turn out to be a crucial estate planning document. This article includes tips to help ensure that account assets will be transferred to heirs as intended.

#### **Your Business**

##### **Steps to Executing an Exit Strategy**

Some business owners don't think about succession possibilities or when they might retire. Monetizing a closely held business is often a long and difficult process, but owners may benefit from planning an exit strategy well before they really need one.

### April 2019

#### **Demographic Dilemma**

As the U.S. population ages, the number of workers for each Social Security beneficiary is dropping, causing financial challenges for the program. Chart shows the ratio of U.S. workers per Social Security beneficiary from 1960 to 2040 (actual and projected).

#### **Retirement Planning**

##### ***How Secure Is Social Security?***

A looming Social Security shortfall is threatening to affect future benefits. This article offers a closer look at how the program is structured and an update on its financial outlook. Accompanying infographic compares cumulative benefits based on claiming Social Security at ages 62, 66, and 70.

#### **Mutual Funds**

##### ***Wading into the Passive vs. Active Debate***

Today there are hundreds of indexes tracking various types of assets, but index funds are not the only game in town. The article discusses pros and cons associated with both active and passive investing strategies.

#### **Your Business**

##### **Watch Out for Scams That Target Businesses**

Financial scams directed at businesses are on the rise. Owners and employees should learn to spot the six common and potentially costly scams described here.

## March 2019

### Big Spenders

Spending by U.S. businesses grew at a strong pace in 2017 and through the first half of 2018 before slowing in the third quarter. Quarterly changes in private nonresidential fixed investment since 2015 are illustrated.

### Corporate Debt

#### ***Why Investors Should Keep an Eye on Credit Quality***

With interest rates on the upswing, one big-picture concern is whether high levels of corporate leverage will become a threat to the U.S. economy. Investors who rely on corporate bonds to help temper the effects of stock volatility or for retirement income might consider the potential impact on their fixed-income portfolios.

### College Planning

#### ***A Parent-Child Conversation About Costs and Borrowing***

A frank discussion can help parents and students get on the same page, optimize the college search process, and avoid being blindsided by large college bills. This article includes some specific conversation starters and a list of important topics to discuss.

### Your Business

#### **Clarifying Tax Deductions for Meals and Entertainment**

The IRS has clarified that businesses can continue to write off 50% of the cost of food and beverages provided to clients, but the deduction for entertainment expenses has been eliminated. Specific rules related to business meals provided to clients and employees are discussed here.

## February 2019

### Running Hot

In the second quarter of 2018, the rate of U.S. GDP growth was higher than the unemployment rate for the first time since 2006. Accompanying graph compares real GDP growth and the unemployment rate from Q3 1998 through Q3 2018.

### Exchange-Traded Funds

#### ***ETF Strategies Can Be Trendy or Tried-and-True***

Exchange-traded funds have matured into sophisticated tools that could help meet a variety of investment needs and goals. Assets held in exchange-traded funds have more than tripled since 2010, while the number of ETFs has more than doubled. This article looks at their trading flexibility, expenses and taxes, and ETF trends.

### Estate Taxes

#### ***Should a Trust Own Your Life Insurance?***

People whose estates may be subject to estate or inheritance taxes — or who want to keep shares in a business, farm, or valuable real estate in the family — might consider purchasing a life insurance policy and placing it in a trust. An irrevocable life insurance trust might be one strategy to consider.

### Your Business

#### **Succession Plans Often Hinge on Reliable Valuation**

Even if a loan or sale is not in a business owner's immediate plans, a precise valuation may be useful for effective succession, tax, and retirement planning. The article describes three methods for assessing a firm's value and situations when it might be good to know the current value of a business.

## January 2019



## **Corporate America's Winning Streak**

In the second quarter of 2018, pre-tax profits at U.S. companies grew 7.7% over the previous year — the largest increase since 2014. Accompanying chart compares the year-over-year change in pre-tax and after-tax corporate profits from 2014 to 2018.

## **Seeking Synergy**

### ***Why Mergers and Acquisitions Matter to Investors***

The goal of a merger or an acquisition is to boost earnings growth by expanding operations, adding market share, or increasing efficiency. This article takes a close look at these important transactions and offers possible implications for investors.

## **Variable Annuities**

### ***Tax-Deferred Growth for Serious Retirement Savers***

Retirement plans are subject to strict annual contribution limits, which can make it difficult to set aside enough money to maintain a comfortable retirement lifestyle. Variable annuities have no federal contribution limits and can be used to supplement other sources of retirement income. Table shows 2019 contribution limits for a variety of tax-deferred savings vehicles.

## **Your Business**

### ***A Business Plan Can Be Your Guide to Growth***

One of the most important steps that current business owners or budding entrepreneurs can take on their journey to success is creating a business plan. This article describes some key business plan components and shows the top seven reasons why startups fail.

## **December 2018**

### ***Pipeline Price Pressures***

The Producer Price Index tracks changes in the selling prices received by domestic producers. In the first half of 2018, intermediate demand prices, which are often the forerunner to broader inflation, far outpaced prices for final demand.

## **Tech Trend**

### ***How Blockchain Could Impact the Future***

Businesses and governments worldwide are exploring blockchain applications as they seek to improve transparency, increase productivity, and reduce costs. This article describes some potentially game-changing applications being tested by businesses, while warning investors to weigh the technology's potential against its risks.

## **401(k) Strategy**

### ***The Pros and Cons of Target-Date Funds***

Target-date funds are often the default investment option for new employees participating in workplace retirement plans. This article discusses how target-date funds are structured and why this automated, simplified approach may not be the best choice for some investors.

## **Your Business**

### ***Some Small Companies Facing Tariff Troubles***

Many of the nation's small businesses could be caught in the crossfire of trade disputes. This article focuses on why owners should pay close attention to changes in trade policy that could impact their products, supply chains, or competitors.

## **November 2018**

### ***Health Spending May Dominate the U.S. Economy***

U.S. health-care spending is projected to surpass 20% of gross domestic product by 2025. By this

measure, the United States far outspends every other developed nation. An infographic compares 2017 U.S. health expenditures with six other major economies.

## **Insurance Strategies**

### ***Giving Old Life Insurance a New Purpose***

A 1035 exchange may enable the owner of a permanent life insurance policy to trade it for another insurance product that better meets a family's needs, while preserving tax-deferred gains.

## **Donor-Advised Funds**

### ***A Vehicle for Strategic Charitable Giving***

Individuals who itemize deductions on their federal income tax returns can write off contributions to donor-advised funds in the year they are made, then gift funds to charity at a later date. This article discusses how a DAF might be used to time contributions for tax purposes or to gift appreciated assets.

## **Your Business**

### ***Weighing a Wider Range of Health-Plan Options***

The U.S. Department of Labor is easing restrictions on association health plans, which could pave the way for small employers and sole proprietors to join forces and buy cheaper insurance as a group. This article compares AHPs to ACA-compliant small-group health insurance plans.

## **October 2018**

### ***Top 6 U.S. Trading Partners***

Although the United States ran a deficit with many trading partners in 2017, the largest by far was with China at nearly \$336 billion. Accompanying chart compares the value of imports and exports between the United States and China, Canada, Mexico, Japan, Germany, and the United Kingdom.

## **Trade Tensions**

### ***Tariffs Cloud Global Economic Outlook***

The Trump administration is using tariffs to force the hands of trading partners and narrow the deficit, a tactic that has not been well received by U.S. allies or businesses that operate internationally. The risks to U.S. businesses could intensify if the trade war widens substantially, dimming prospects for U.S. and global economic growth.

## **Health Savings Accounts**

### ***Funding an HSA Could Help You Prep for Retirement***

The primary purpose of an HSA is for workers to set aside pre-tax income to pay current and future medical expenses not covered by health insurance. HSA funds not needed for health expenses are available for any other purpose after the account owner reaches age 65.

## **YOUR BUSINESS**

### ***Reviewing Business Structure in Light of Tax Changes***

A flat 21% corporate tax rate may seem like a good reason to convert to a C corp, especially when a business owner's income falls into the upper tax brackets for individuals. This article addresses some additional factors to consider.

## **September 2018**

### ***Corporate Spending Spree?***

An analysis of first-quarter 2018 earnings reports suggests that many S&P 500 companies were focused on using their tax windfalls to generate future growth. Accompanying chart shows increases in capital spending, net buybacks, and dividends.

## **Dealing with Divorce**

### ***Dividing Assets Can Impact Retirement***

A divorcing couple must typically negotiate a property settlement agreement, and retirement plan benefits are often among the most valuable marital assets. This article includes helpful considerations when trading marital assets and dividing retirement accounts. Paying close attention to IRS rules and procedures may help account owners avoid unintended tax consequences.

## **College Savings**

### ***How Does a Roth IRA Compare to a 529 Plan?***

Roth IRAs and 529 plans can be used to set aside money for future higher-education costs. Both of these savings vehicles are funded with after-tax dollars, contributions accumulate tax deferred, and qualified distributions are tax-free, but there are a number of key distinctions to keep in mind.

## **YOUR BUSINESS**

### **Key Tax Breaks for Business Owners**

The Tax Cuts and Jobs Act has made the tax code more favorable for small businesses, but owners still want to take full advantage of every legal tax break they can find. This article discusses deductions for a home office and automobile expenses.

## **August 2018**

### **Decade of Debt**

The total value of the U.S. bond market has surged over the last decade — from about \$29 trillion in 2007 to \$40 trillion in 2017. Accompanying chart compares outstanding municipal bond, corporate bond, and Treasury bond debt in 2007 and 2017.

### **Running in the Red**

#### ***U.S. Budget Deficits Pave the Way to Higher Debt***

Recent legislation has significantly reduced projected revenues while increasing spending. Annual deficits add to the national debt. This article looks at the country's current fiscal situation and what it could mean for future economic growth.

### **Bond Market Turbulence**

#### ***Is Your Bond Portfolio Diversified?***

Owning a diversified mix of bond types and maturities is one way to help manage interest rate and credit risk, and it may help smooth out volatility in a fixed-income portfolio. The article discusses some of the key differences among Treasury bonds, municipal bonds, corporate bonds, and foreign debt.

## **YOUR BUSINESS**

### **Family Limited Partnerships for Estate Planning Purposes**

One challenge faced by family-run businesses involves transitioning the ownership and operations from one generation to the next. An FLP enables business owners and their heirs to address tax issues, business succession, and estate planning needs all at once.

## **July 2018**

### **Seeking the Sweet Spot**

Global oil prices rebounded to healthier levels in the second half of 2017. Accompanying chart shows Brent crude oil prices since 2004.

### **Oil Prices and the Economy**

#### ***How U.S. Production Is Changing the Global Market***

High oil prices have long been blamed for driving down GDP growth, and it was widely assumed that

low prices should provide an economic boost. But this relationship has become more complicated in recent years, largely because the United States has expanded its presence in the global oil market.

## **Equity REITs and Rising Rates**

### ***Is There Still Room for Real Estate in Your Portfolio?***

Equity REITs are effective income-generating assets, but share prices can be sensitive to interest rates. This article discusses the taxation of REIT shares and some of the fundamental factors that can affect the short- and longer-term performance of equity REITs.

## **YOUR BUSINESS**

### **Reward Workers and Fund Retirement with a Cash Balance Plan**

Cash balance plans are not just a powerful tool for employee recruitment and retention. They have generous contribution limits that increase with age, which might allow partners in professional service firms and other high-income business owners to maximize or catch up on retirement savings and reduce their taxable incomes.

## **June 2018**

### **United States Among the World's Biggest Borrowers**

The amount of U.S. national debt surpassed 108% of gross domestic product in 2017, and only four large countries have more debt relative to the size of their economies.

### **Making Sense of Bond Behavior**

#### ***Is Your Portfolio Positioned for Rising Rates?***

The prospect of higher inflation and interest rates has become a major concern for bond investors. This article discusses some strategies to help fixed-income portfolios weather a period of interest rate uncertainty.

## **Tax Law Update**

### ***How Will the New Rules Affect You?***

The Tax Cuts and Jobs Act enacted at the end of 2017 made major adjustments to the U.S. tax code. This article focuses on how these changes could affect the tax bills of higher-income households.

## **YOUR BUSINESS**

### **Two Technology Trends to Help Power Growth**

Innovative and relatively inexpensive apps for laptops and mobile devices have leveled the business playing field by helping small companies increase productivity with smaller up-front costs. This article discusses cloud computing functions and the importance of having a mobile mindset.

## **May 2018**

### **Stocks in Shorter Supply**

A wave of dot-com company failures, fewer initial public offerings, and increased merger activity have all played a role in reducing the number of U.S. stocks. Accompanying chart compares the number of stocks listed on U.S. exchanges in 1997 and 2017.

## **Economic Indicators**

### ***Are Confident Consumers Poised to Power Growth?***

Two key gauges of consumer attitudes rose to more optimistic levels in 2017. The monthly surveys are designed to provide insight into the public's willingness and ability to spend, and may indicate the strength of the U.S. economy.

## **Sizing Up Stocks**

### ***Why Market Cap Matters to Your Portfolio***

The stock prices of small, mid-size, and large companies may respond differently depending on the

prevailing economic forces, which is why some investors use market capitalization to help diversify their portfolios. This article focuses on the distinguishing characteristics of small-cap, mid-cap, and large-cap stocks.

## **YOUR BUSINESS**

### **New Tax Breaks for Pass-Through Entities**

The new tax law includes several provisions that could benefit business owners, self-employed individuals, and other taxpayers who receive income from pass-through entities. This article discusses the pass-through deduction and write-offs for capital investments.