Self-Driving Cars Could Be Coming Your Way

The U.S. Department of Transportation has chosen 10 winners to serve as “proving grounds” for the testing of automated vehicle technologies. The designees, which include cities, state departments of transportation, and other public and private entities in Florida, North Carolina, Maryland, Pennsylvania, Michigan, Wisconsin, Iowa, Texas, and California will share information that could help “accelerate the pace of safe deployment.”

Source: U.S. Department of Transportation, 2017

The Price Parents Pay for Better Schools

An analysis of nearly 19,000 schools and 45.9 million homes in 4,435 ZIP Codes nationwide found that homes in neighborhoods with a good elementary school — defined as a school with overall test scores at least one-third higher than the state average — cost 77% more than other homes. They also tend to appreciate faster.

<table>
<thead>
<tr>
<th>In ZIP Codes WITH good schools</th>
<th>In ZIP Codes WITHOUT good schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average home value</td>
<td>Average home value</td>
</tr>
<tr>
<td>$427,402</td>
<td>$241,096</td>
</tr>
<tr>
<td>Average return on investment since purchase</td>
<td>Average return on investment since purchase</td>
</tr>
<tr>
<td>32.0%</td>
<td>27.5%</td>
</tr>
</tbody>
</table>

Source: RealtyTrac, 2016 (July 2016 data)
Two Life-Saving Smartphone Tips

For many people, it’s become nearly impossible to live without a smartphone, which can cost hundreds of dollars to replace when lost or stolen. Fortunately, there are a couple of simple things you can do to help recover your phone if it silently slips out of your purse or pocket, or if you accidently leave it on a restaurant table.

1. **Make sure to download and enable the GPS tracking app designed to help find your phone.** If your phone is lost (or stolen), you can log in to your account on another device to locate it, or even wipe sensitive data remotely.

2. **Put contact information on the lock screen.** Android models typically have a setting that allows you to keep a permanent message, such as an email address, on the lock screen. For iPhones, you can turn on the “Lost Mode” (from a different device) and type in a phone number. Also, if you use Apple’s Health app to add an emergency contact, this information will be available to anyone who finds the phone and taps on “Medical ID.”

About two-thirds of Americans expect that in the next 50 years, robots and computers will do much of the work currently done by humans. Nevertheless, tomorrow’s human workers will probably need to learn new skills more often — and be capable of adapting to change more quickly — than previous generations.

Sources: Reuters, January 20, 2017; McKinsey Global Institute, 2015–2017
Why Inflation Is a Personal Subject

Inflation is a sustained increase in prices that reduces the purchasing power of your money over time. “Headline inflation,” as measured by changes in the Consumer Price Index (CPI), ran at a moderate 2.1% annual rate through December 2016. The CPI is an index based on the price of a “market basket” of consumer goods.

For many people, the reported inflation rate may seem way off-base, because many of the 2,000 items tracked by the index are not necessarily bought on a regular basis.

CPI price changes, 2016

- Airfares: -4.7%
- Used vehicles: -3.5%
- Communication: -2.6%
- Groceries: -2.0%
- Education: 2.7%
- Housing: 3.6%
- Medical care: 4.1%
- Gasoline: 9.1%


Millennials Are Sticking Around... Maybe Too Long

Statistics show that millennials are moving less often than previous generations did at the same age. This revelation is somewhat surprising, because millennials are also much less likely to be married, have children, or own a home that would tie them to a specific location.

Mobility rates tend to reflect whether workers are motivated to move longer distances for job opportunities. The labor market was fairly strong throughout 2016, with the national unemployment rate at 5.0% or lower, so it’s not completely clear why mobility rates for people in this age group (25 to 35) have dropped.

One possible explanation is that many millennials entered the job market during the deep recession or the weak recovery that followed, which might have caused lasting damage to their career trajectories.

Percentage of 25- to 35-year-olds who moved in the previous year

- Silent generation in 1963: 26%
- Early baby boomers in 1981: 25%
- Late baby boomers in 1990: 27%
- Gen Xers in 2000: 26%
- Millennials in 2016: 20%

Source: Pew Research Center, 2017
Sizing Up Your Credit Score

Your credit score can influence loan approvals and terms for a variety of financial transactions, not only for major purchases such as a home or auto but also for the interest rate and limits on a credit card, the cost of insurance premiums, and approval on a home rental. It might even affect a job application.

The most common credit score is based on software developed by Fair Isaac Corporation and expressed as a three-digit number ranging from 300 to 850. Here are some tips to help you maintain a high credit score.

• Use at least one major credit card regularly and pay your accounts on time. Setting up automatic payments could help you avoid missed payments.
• If you miss a payment, contact the lender and bring the account up-to-date as soon as possible.
• Keep balances low on credit cards and other revolving debt. Don’t “max out” your available credit.
• Don’t open or close multiple accounts within a short period of time. Use older credit cards occasionally to keep them active. Only open accounts you need.
• Monitor your credit report regularly.

You can order a free credit report annually from each of the three major consumer reporting agencies at annualcreditreport.com or by calling (877) 322-828. If you find incorrect information on your report, contact the reporting agency in writing, provide copies of any corroborating documents, and ask for an investigation.

FICO® scores are calculated using five weighted components

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment history</td>
<td>35%</td>
</tr>
<tr>
<td>Amounts owed</td>
<td>30%</td>
</tr>
<tr>
<td>Length of credit history</td>
<td>15%</td>
</tr>
<tr>
<td>New credit</td>
<td>10%</td>
</tr>
<tr>
<td>Types of credit used</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: Fair Isaac Corporation, 2017

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