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RADIO 8

Topics

My money.com

Is the 401k enough for Americans?

Housing market…boom to crash.

https://fortune.com/2022/10/26/fastest-growing-companies-2022-energy-amazon-netflix-facebook/

Decumulation Strategies

Bear Market Stats…where are we at Now?

Listener Questions including "Power Of Attorney" Risk Report

MyMoney.com

I did recent search for investing retirement websites. **searched retirement investment websites. The U.S. government published the retirement section of MyMoney.gov via the U.S. Financial Literacy and Education Commission.

Guess, what, it didn't exist! haha

Then AArp, a lot on discount cards, keeping the house warm in winter. Then LOTS of retirement calculators.

1. **Personal Capital's Retirement Planner**
2. **Betterment's Retirement Savings Calculator**
3. **Stash's Retirement Calculator**
4. **Charles Schwab's Retirement Savings Calculator**
5. **Fidelity's myPlan Snapshot**
6. **NewRetirement's Retirement Planner**
7. **Vanguard's Retirement Nest Egg Calculator**

Is the 401k enough??

Teresa Ghilarducci, the Schwartz Professor of Economics at the New School for Social Research, is perhaps best known for her public policy proposals seeking to reform the defined contribution retirement plan system.

For example, Ghilarducci has proposed replacing 401(k) plans and their income tax break with a mandated government savings plan for all workers. One formulation of the plan calls for mandatory savings of 5% of salary, with the government handling all investment decisions, guaranteeing a rate of return above inflation, and ultimately paying out the retirement money in a lifelong annuity.

According to both Biggs and Ghilarducci, when it comes to policy discussions about the current state of the U.S. retirement system, it is important to understand that defined benefit pension plans have been waning for a long time, both in the union and private employment context

Housing market…boom to crash yahoo finance

The U.S. economy isn't in a recession yet, even though some forecasters think it's heading there. The labor market remains strong and consumer spending is holding up. If there is a recession in 2023, it'll probably be a mild one.

The housing market is in for a much wilder ride. The rapid rise in interest rates this year, triggered by the Federal Reserve's aggressive inflation-fighting regime, was bound to end an epic housing boom. Existing-home sales, which account for most housing activity, have now declined for eight months in a row. That's the longest losing streak since 2007—the fateful year the housing bubble that led to the 2008 financial crash began to blow up.

Nobody thinks a housing wipeout on the scale of the last bust is coming. There aren't millions of bad loans driving lenders into bankruptcy or waves of foreclosures putting unsellable inventory on the market. Housing inventory actually remains extremely low, with not enough homes to meet demand.

But buyers and sellers are now facing a unique set of problems that could cause months of pain before the market corrects.

So far this year, the average 30-year fixed rate mortgage rate has soared from less than 3% to nearly 7%, sharply raising the cost of paying off a mortgage. That is kneecapping demand for homes. The National Association of Realtors expects existing home sales to drop 15% this year, with new-home sales down 21%.

Buckle in for a brutal free-fall in home prices and US housing is in a massive bubble, experts say. Here's how bad Jeremy Siegel,

The signs of stress have become blatant. Recent data showed that in September, existing home sales dropped 24% — the eighth straight monthly decline, marking the longest slide since 2007. Homebuilding starts slumped, and the number of new home listings fell 22%.

****difference here is that this market isn't being dreagged down by subprime mortgages collapsing. There is a strong job market currently. In 2008, millions of americans lost their jobs**

https://fortune.com/2022/10/26/fastest-growing-companies-2022-energy-amazon-netflix-facebook/

Meta's Facebook, Amazon, and Netflix are three of the best-known brands on the planet and three of the biggest business-growth stories of the past decade. But after a tumultuous year in which soaring inflation upended the best-laid plans across the corporate world, they're no longer members of the Fortune 100 Fastest-Growing Companies list—ending streaks of seven, five, and four years, respectively.

Top 20: Crocs, Zoom, energy, financial services

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Decumulation Concepts to Consider

Decumulation is the de-accumulation of your assets to maintain the lifestyle you desire in retirement. The process is "simple but not easy". You need to be smart about doing it and working with a professional can help the process evolve smoothly. Here are six things to consider:

- **Setting up lifetime income sources life Social Security, pensions and annuities**
- **Positioning and tax efficiently drawing down taxable, tax deferred (401K, IRA) and tax exempt (Roth) assets while managing RMDs (required minimum distributions) against marginal tax rates**
- **Covering health care costs (pre-Medicare and post Medicare) and long term care**
- **Efficiently passing on any assets you want to your heirs**

Things you should consider as you head into the decumulation phase.

- **Get mentally prepared to shift from saving to spending down your assets. It's psychologically hard for savers to become spenders.**
- **Document your spending and build a real budget. This is also an opportunity to really imagine what you want your life to look like and get more efficient about your spending.**
- **Turn on lifetime income. Be smart about how you claim Social Security and any pensions.**
- **Set up your investments in a way that makes you confident, reduces market volatility and sequence of returns risk.**
- **Set up a plan and process for monitoring your assets, income and risks over time.**

Getting ready for decumulation is an important step in the retirement process. Work with a fiduciary financial advisor for an unbiased view of what might work best for you.

Bear Market in US Stocks Still in Its Infancy Versus History

by Jan-Patrick Barnert + Get Alerts

October 17, 2022 5:33 AM

- **S&P 500 is down 25% from peak in little more than nine months**
- **Average top-to-bottom drop is 38% over 15 to 16 months**

History shows that the bear market in US stocks may be far from over.

The S&P 500 Index has fallen 25% in a little more than nine months since its January peak, a shallower and shorter drop than is typical od similar intances over the last century. On average in that time, the benchmark has slid about 38% over a period of 15 to 16 months before reaching a bottom, according to data compiled by Bloomberg.

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A History US Bear Markets		
Start - End Date	Maximum Drawdown	Duration (days)
09-07-1929 -11-13-1929	-44.7	67
04-10-1930 -12-16-1930	-44.3	250
02-24-1931 -06-02-1931	-32.9	98
06-27-1931-10-05-1931	-43.1	100
11-09-1931 -06-01-1932	-61.8	205
09-07-1932 -02-27-1933	-40.6	173
07-18-1933 -10-21-1933	-29.8	95
02-06-1934 -03-14-1935	-31.8	401
03-06-1937 -03-31-1938	-54.5	390
11-09-1938 -04-08-1939	-26.2	150
10-25-1939 -06-10-1940	-32.0	229
11-09-1940 -04-28-1942	-34.5	535
05-29-1946 -05-17-1947	-28.8	353
06-15-1948 -06-13-1949	-20.6	363
08-02-1956 -10-22-1957	-21.6	446
12-12-1961 -06-26-1962	-28.0	196
02-09-1966 -10-07-1966	-22.2	240
11-29-1968 -05-26-1970	-36.1	543
01-11-1973 -10-03-1974	-48.2	630
11-28-1980 -08-12-1982	-27.1	622
08-25-1987 -12-04-1987	-33.8	101
03-24-2000 -09-21-2001	-36.8	546
01-04-2002 -10-09-2002	-33.8	278
10-09-2007 -11-20-2008	-51.9	408
01-06-2009 -03-09-2009	-27.6	62
02-19-2020 -03-23-2020	-33.9	33
01-03-2022 -10-12-2022*	**-25.4**	**284**
Median	**-33.5**	**250**
Average	**-35.2**	**287**
Standard Deviation	**10.4**	**182**

Source: True Insights, Ned Davis Research

David in ________________________

I recently retired. I have a will and a power of attorney, as I have a sizable net worth and no debt. I've read a bit about trusts however I am still unsure of the benefits and drawbacks of creating one. Do I need to consider this or will the power of attorney and a will suffice?

Nancy in ________________________

I'll be 72 next year (2023) and I have to begin taking required minimum distributions (RMDs) from an IRA, a 401(k), and a 457 plan. I don't need the money, and I don't want to deal with the tax obligations. Converting to Roth IRAs doesn't seem significantly advantageous. Beyond reducing the amount used for calculations, what are options to avoid, defer, or pass on the tax obligations?

Tom in ________________________

I'm 64 and starting a new job this year. Should I even bother to sign up for the 401k plan, or at this age should I just save money elsewhere? And if I'm saving it elsewhere, where should I do it? Traditional IRA, Roth IRA, after tax brokerage account, etc?