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NEWS YOU CAN USE

Post-Pandemic Projections for the Global Economy

According to a market analyst at BofA Securities, the COVID-19 pandemic is not just a temporary crisis. It is expected to permanently reshape societies, markets and politics throughout the world.¹

A new report from BofA Global Research, "The World After COVID," predicts the following megatrends that will transform lives and offer future potential investment opportunities:²

- Increased tensions with China will bring more manufacturing back to the U.S. and foster a general trend away from globalization.
- The U.S. will compete with China for technological supremacy, particularly related to communication infrastructure, data generation, cloud computing power, bandwidth and tracking data to avert future health crises.

- Increased government regulations will target improved worker benefits, climate change and stemming future outbreaks by placing greater emphasis on social good versus individual privacy.
- Intensified debate regarding universal health care and a more efficient health care system that highlights preventive care, value-based outcomes and greater use of technology.
- A new era that embraces social distancing by leveraging digital strategies.

¹Haim Israel. BofA Global Research. May 5, 2020. "5 Trends That Could Define Our Post-Coronavirus Lives." <https://www.bofam.com/en-us/content/5-themes-to-expect-post-covid-19.html>. Accessed Oct. 2, 2020.

²Ibid.



RADIO SHOW

THE RETIREMENT FINGERPRINT®
SATURDAYS 7:30A-8A
AS HEARD ON AM830 KLAA

AM 830



THAT TIME OF YEAR

Winter Getaways

Many Americans missed out on vacations in 2020 as the pandemic limited their travel options. As of August 2020, only 14% of Americans said they were willing to travel domestically or internationally; 41% were willing to travel once restrictions eased; and 35% said they would not take a trip until a vaccine is available.¹

According to a recent survey, the No. 1 choice among Americans looking for a seasonal getaway this winter is simply taking a road trip. This wanderlust activity exceeds even popular standards such as skiing, beach resorts and camping trips. Survey respondents said their top U.S. destination this winter is Vermont, followed by Oregon, Maine, Wyoming, Colorado, Hawaii, Nevada, California, South Carolina and Utah.²

For those interested in venturing to a warmer climate this time of year, here's what to expect at the following destinations:³

- Los Angeles, California: Occasional days of rain or a winter storm, but otherwise pleasant with highs in the mid 60s

- Las Vegas, Nevada: Mild days in the high 50s, with colder nights that may be below freezing
- New Orleans, Louisiana: Daytime highs in the low 60s
- Orlando, Florida: Temps in the low 70s with mostly sunny skies and humidity
- Miami, Florida: January is usually quite nice, with some clouds and temps in the high 60s
- Bahamas: Dry with daytime temps in the high 70s

¹Vermont Business Magazine. Aug. 28, 2020. "Survey: Vermont the number 1 travel destination in US for winter 2020." <https://vermontbiz.com/news/2020/august/28/survey-vermont-number-1-travel-destination-us-winter-2020>. Accessed Oct. 2, 2020.

²Ibid.

³Greg Mattson. Excellent Romantic Vacations. July 19, 2020. "Where to vacation in January 2021 for a romantic winter getaway." <https://www.excellent-romantic-vacations.com/vacation-in-january.html>. Accessed Oct. 2, 2020.

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Dinner Party Tips

Whether hosting an intimate dinner or opening the doors for a long-awaited gathering this winter, consider the following tips to help set the stage for a fabulous dinner party.

Theme parties can be decorative in nature, such as focusing on a particular color or representing a common interest. For example, if you and your guests met in the 1980s, compile a music playlist and perhaps encourage guests to wear clothes, hair and make-up from that era. If it's not too cold where you live, open up the doors and host a backyard firepit for guests to drift in and out.

Given recent coronavirus conditions, keep your party small and spaced out. It's probably best to hand out individual plates of food served up by one person in the kitchen. Seconds can be tailored to specific requests and served on fresh plates.

A general guide for serving appetizers is at least 10 bites per person, and plan on a total of two pounds of food per guest, from appetizers through dessert.¹ Desserts can be pre-cut and served on individual plates.

Include a schedule on your invitation, so latecomers know if they miss cocktails they can still make the meal and also have an idea of when the party will end. Finally, make clean-up easy by emptying the dishwasher and trash cans before the party begins.

¹Alex Daniel. *Best Life*. Jan. 29, 2018. "15 Genius Tricks for Amazing Dinner Parties—from Real People Who Did Them." https://bestlifeonline.com/amazing-dinner-parties-tips/?nab=1&utm_referrer=https%3A%2F%2Fwww.google.com. Accessed Oct. 2, 2020.



HOW TO ...

Kickstart 2021 by Adopting Effective Habits

Revisit these time-tested habits for success that have proven effective throughout the past 30 years:

1. Instead of reacting to things that happen to you, proactively take charge and direct the course of your life.
2. Develop your plans by starting with the end result you want to achieve.
3. Stop wasting time and energy; focus on your most important goals.
4. Influence others with a win-win plan of shared expectations and accountability.
5. Take the time to fully understand issues before offering your opinion and recommendations.
6. Innovate problem-solving by considering new, old-school and out-of-the-box alternatives.
7. Work efficiently by delegating each responsibility to whoever has the strongest aptitude for achieving them.

Stephen R. Covey. "The 7 Habits of Highly Effective People." <https://www.franklincovey.com/the-7-habits.html>. Accessed Oct. 2, 2020.

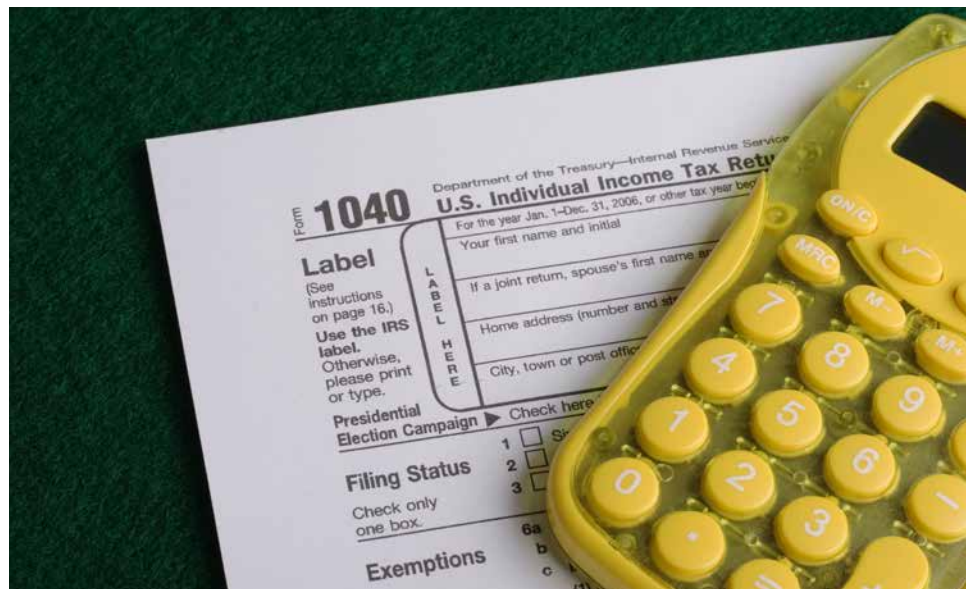
FICA: Where Do Your Payroll Taxes Go?

The Federal Insurance Contributions Act was passed in 1935 to create a tax to pay for the Social Security program. Today, it's best known as the FICA or payroll tax. Basically, anyone earning income in America is subject to paying this tax. Most have it deducted from their take-home pay by their employer, but self-employed workers must pay for it via their estimated quarterly income tax payments.

The FICA tax is different from regular income taxes. It is siphoned out separately and earmarked to pay for Social Security retirement and disability benefits. The money collected this year will be used to pay for current beneficiary benefits. Any year the federal government collects more in FICA taxes than it pays out to beneficiaries, the excess money is deposited into two Social Security Trust Funds: one for Disability Insurance and the other for Old-Age and Survivors Insurance. These assets are used in years when there are not enough FICA taxes collected to pay for current benefits.

When that happens, it's called a deficit. One of the concerns of Social Security program administrators is that the U.S. has been running the program at a deficit since 2018.¹ This means each year more money is pulled from the trust funds. Given the ongoing deficit and depletion of trust funds, reserves were expected to run out by 2035.

However, President Donald Trump announced a moratorium on FICA taxes between September and December last year for workers making less than \$100,000 a year, which means Social Security benefits created a substantially higher deficit in 2020. Between the payroll tax holiday and the increased number of Americans who were out of work, significantly more money will have



If Social Security continues to run at a deficit and Congress does not enact any changes, the program will have to reduce benefits, increase the full retirement age – or both. That hasn't happened since the 1980s.

to be withdrawn from the trust funds to pay benefits. Analysts predict the economic decline and lost FICA revenue from 2020 could deplete reserve funds as soon as 2032.²

Once Social Security trust funds are depleted, benefit payout can total no more than what is collected each year in FICA taxes. If Social Security continues to run at a deficit and Congress does not enact any changes, the program will have to reduce benefits, increase the full retirement age – or both. That hasn't happened since the 1980s.³

Currently, the FICA tax for Social Security is 12.4%, half of which is paid for by employers. Self-employed workers must pay the full 12.4% but can claim half the FICA tax as a deduction. Note that there is a separate tax (2.9% total paid by employers and employees) deducted from income to pay for the Medicare program, which is used to pay for current Medicare expenses.⁴

Our firm is not affiliated with or endorsed by the U.S. government or any governmental agency and does not provide tax advice.

¹ Stephen J. Entin. Tax Foundation. June 12, 2018. "Social Security in Deficit: Why and What to Do About It." <https://taxfoundation.org/social-security-deficit/>. Accessed Oct. 10, 2020.

² Tami Luhby. CNN. Aug. 8, 2020. "Coronavirus has already dealt a blow to Social Security's finances. Trump's payroll tax holiday could make it worse." <https://www.cnn.com/2020/08/07/politics/social-security-medicare-trump-payroll-taxes/index.html>. Accessed Oct. 10, 2020.

³ *Ibid.*

⁴ *Ibid.*

THE SCOOP

3 Reasons to Plant More Trees

Recent research reveals that planting more trees is one of the most effective and least expensive ways to ward off the consequences of climate change. A growing tree absorbs and stores carbon dioxide emissions that contribute to global warming. Scientists estimate that a trillion new trees planted around the world could remove two-thirds of all emissions from the atmosphere.¹

But that's not the only reason to plant more trees. Scientists also have discovered a link between deforestation and the outbreak of infectious diseases. As humans continue to develop land in proximity of natural habitats, there is an increased risk that wild animals carrying diseases will infect more humans.²

The Chinese government has recently focused its flood-fighting activities to more nature-based solutions, such as tree planting. The country also is investing in restoring floodplains and has launched sponge cities, an initiative that involves planting vegetation on rooftops to help absorb storm water. The goal is to reuse up to 70% of storm water via plant-covered rooftops, porous pavement and current wetlands.³

¹ Damian Carrington. *The Guardian*. July 4, 2019. "Tree planting 'has mind-blowing potential' to tackle climate crisis." <https://www.theguardian.com/environment/2019/jul/04/planting-billions-trees-best-tackle-climate-crisis-scientists-canopy-emissions>. Accessed Oct. 12, 2020.



² Nathan Rott. *NPR*. July 20, 2020. "The Link Between Deforestation and Disease." <https://www.npr.org/2020/07/17/892404302/the-link-between-deforestation-and-disease>. Accessed Oct. 12, 2020.

³ Bloomberg. July 13, 2020. "Flood Control Strategy in China Has Evolved, But Destruction Persists." <https://www.bloomberg.com/news/articles/2020-07-13/flood-control-strategy-in-china-has-evolved-but-destruction-persists>. Accessed Oct. 12, 2020.

2	5	8	5	4	14	5	1	4
9	2	2	6	5	1	1	4	2
3	3	11	1	9	4	3	1	1
4	4	1	5	2	6	2	2	8
7	5	8	11	11	1	3	8	3
4	9	2	4	4	4	1	3	6
5	6	5	8	7	4	1	7	3
10	6	8	2	6	9	4	7	1
5	4	5	9	6	4	7	6	1

BRAIN GAMES

15 Up

Game Rules

Each puzzle must be divided into regions totaling 15. The regions can be any shape as long as all the cells touch each other. Use a pen or pencil to draw the boundaries around groups of cells all adding up to fifteen.

Example

1	7	3
4	7	1
7	6	1

2021

RESOLUTIONS

SO MANY RESOLUTIONS ULTIMATELY FAIL.

Why? Because they're too big and didn't have a plan of action. 2020 was rough, so give yourself a break and pick one of these small actions to make 2021 a better year.

- 1. Read more.** Have you actually read all the books sitting on your shelves? Try to read one book a month. It's harder than it sounds.
- 2. Stop apologizing.** If you say sorry when someone bumps into you, you disagree with an opinion or someone doesn't like something you cooked, stop. Your self-esteem will thank you.
- 3. Try new recipes weekly.** Making the same dishes can get old pretty quickly. Try something different and cook a new recipe each week. You might find a few new favorites.
- 4. Walk daily.** Take a stroll down the street or along that new hiking trail you've been wanting to try. If you can, have a walking buddy to help you stay motivated.
- 5. Get your inbox down to zero.** You sort your physical mail into piles and throw the rest away, why not your email? Unsubscribe from unwanted lists and sort the rest into folders.
- 6. Spend time with loved ones.** You never know what the next day brings, so don't wait. Keep in touch with family and friends. Visit them if you can. Write letters. Call them. Make memories.
- 7. Drink more water.** We need it to survive for a reason. It has tons of health benefits! Quick rule of thumb: Divide your weight by two. That's how many ounces you need daily.
- 8. Give a compliment every day.** It could be to a stranger or a loved one. All are appreciated and make the world a more positive place.
- 9. Become a better listener.** Sometimes we're more worried about how we're going to reply than what the other person is saying. Make a commitment to be a more active listener.
- 10. Expand your vocabulary.** Open the dictionary to a new place every morning and learn a new word. Use it in a sentence at least once.
- 11. Complain less.** It can be difficult to talk to someone who complains about everything. If you don't have something nice to say, keep it to yourself.
- 12. Get out of debt.** It's not financially healthy and may be a cause of stress. We can help you get a plan together to help get rid of unwanted debt.
- 13. Spend less time on social media.** As great as it can be, social media also leads to living your life online more than actually living your life. Make time limits for yourself, then log off.
- 14. Keep a journal.** End every day by writing down three things you accomplished, big or small. It all adds up, and feels pretty great to look back at.
- 15. Make time for you.** Pencil in time each week to do something you want to do. Take time to care for yourself and your needs, and keep it up!

Investing in a Private vs. Public Company

Investing is all about evaluating risk versus reward. If you invest in a private startup that becomes a Microsoft or Apple, you could earn a substantial return overnight when the company goes public. For example, an early \$100 investment in Snapchat would have yielded \$22,000 after the company's initial public offering (IPO) in 2017.¹

However, the trade-off is that privately held businesses (PHB) are typically riskier investments than well-capitalized public companies. They are not subject to the same stringent reporting mandates, so it is more difficult to gauge if the investment is at risk of failing when there is no transparency.²

Public companies are required by the Securities and Exchange Commission (SEC) to submit annual reports, which are audited by an independent third party, that contain extensive information about the company's finances. And because public companies sell shares of stock, they have a source of capital to help grow and expand revenues. Thus, a public company can offer growth prospects in addition to the required transparency and monitoring.³

Another basic difference is that private companies can be more nimble and can act solely under the direction of a



talented and visionary founder, while public companies may move more slowly and are subject to the scrutiny of shareholders and a board of directors.

Investing involves risk, including the potential loss of principal. It's important to consider any investment within the context of your own goals, risk tolerance, investment timeline and the composition of your overall portfolio.

¹Amber Deter. *Investment U*. April 25, 2020. "How to Invest in Startups: What You Need to Know." <https://investmentu.com/how-to-invest-in-startups/>. Accessed Oct. 2, 2020.

²Christina Majaski. July 11, 2019. "Private vs. Public Company: What's the Difference?" <https://www.investopedia.com/ask/answers/difference-between-publicly-and-privately-held-companies/>. Accessed Oct. 30, 2020.

³ *Ibid.*

BRAIN GAMES

ANSWER KEY:

2	5	8	5	4	14	5	1	4
9	2	2	6	5	1	1	4	2
3	3	11	1	9	4	3	1	1
4	4	1	5	2	6	2	2	8
7	5	8	11	11	1	3	8	3
4	9	2	4	4	4	1	3	6
5	6	5	8	7	4	1	7	3
10	6	8	2	6	9	4	7	1
5	4	5	9	6	4	7	6	1



INGREDIENTS

- 1 cup frozen shelled edamame
- 1 whole lime, peeled
- 3 tbsp water
- 2 cloves garlic
- 1 ripe avocado, peeled, pitted and halved
- ¼ cup chopped fresh cilantro
- ½ small red onion, finely diced
- 1 small jalapeño, finely diced
- 2 or 3 small campari or other sweet tomato, finely diced
- ⅛ tsp ground cumin
- ½ tsp sea salt

INSTRUCTIONS

1. In a small saucepan, add the edamame and enough water to just cover the beans.
2. Bring the pot to a boil over high heat. Reduce to medium high and cook for about 12 minutes. Drain and rinse the edamame with cold water.
3. Add water, garlic and the whole lime to your blender or food processor.
4. Blend until broken down, then add the edamame and half of the avocado.
5. Blend until smooth and creamy. Stop, stir down and add more water if needed to blend properly.
6. In a small bowl, smash the remaining avocado half with a fork.
7. Add the edamame mixture, cilantro, onion, jalapeño, tomato, cumin and salt; stir to combine.
8. Refrigerate for at least 30 minutes before serving.

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UPCOMING DATES

January

- 1 New Year's Day
- 18 Martin Luther King, Jr. Day

February

- 2 Groundhog Day
- 14 Valentine's Day
- 15 Presidents Day