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# SENIORS/BOOMERS NEWSLETTER

"THE RETIREMENT EXPERTS"

March 2018

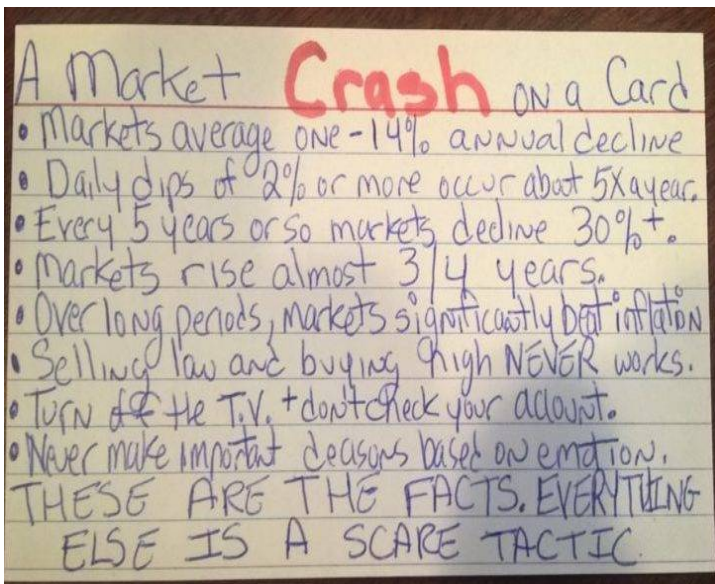
## If you think nobody cares, try missing a couple of payments.....Steven Wright

Well, the piper showed up to collect his payment in February. The long awaited 10%+ correction finally happened; although, in hindsight, no one seemed to be breathing a sigh of relief.

Quite the contrary. Many investors were shaken by a couple of 1000+ points drop in the DOW. This after all, came after about 400 trading days where the S&P 500 never even had a pullback of 5%.

In a matter of days, the Dow Jones Industrial Average was down more than 10% from its January 26 peak. There may have been a little panic in the investment world, with some firmly convinced that a market crash was upon us.

Enter the Ritholtz Wealth Management group - which is run by financial media personalities and long-time investment pros Josh Brown and Barry Ritholtz. They had created a list of rules to follow during a market crash...that, they said, would fit on an index card. Guess what? They were right!



Now, this is not to say that what we experienced was a market correction. In my opinion it was not. It was a brief pullback to put valuations back in perspective.

In fact, it took the Price/Earnings ratio from 18.8 at January's high all the way back to 16.7 times forward earnings. Still not cheap...but a lot less expensive.

Recessions are the number one culprit of producing bear markets. There is one nowhere in sight. There are also a host of other reasons why I think what we saw was a temporary blip on the radar screen:

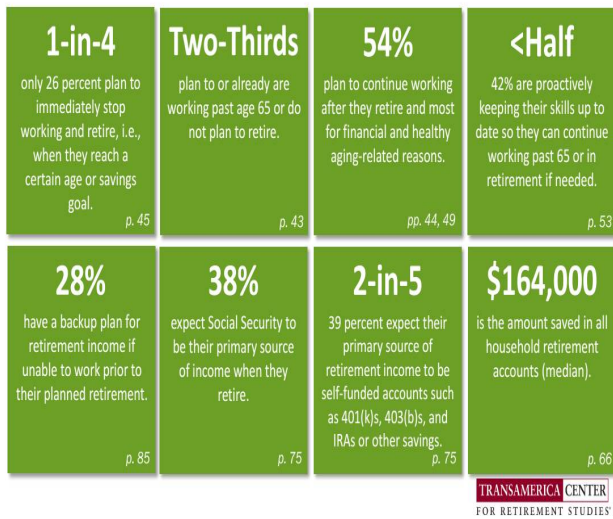
1. Corporate earnings are the strongest they've been since the bull market began in 2009.
2. Unemployment is the lowest it's been in decades.
3. Tax reductions are just now being felt in the economy. They will increase corporate profits and usher in new prosperity for years to come.
4. US corporations have announced major investments that they will be undertaking.
5. Next quarter's GDP is forecast to be above 4%.
6. Consumer confidence is soaring.

In the end, if you've built a solid, balanced and asset allocated portfolio, there is absolutely no reason to panic and sell because of Greed or Fear. Just be sure that your portfolio matches your time horizon and risk tolerance...in **good & bad times**.

# How you can afford to travel in retirement

## Baby Boomers: Trailblazers of the New Retirement

Baby Boomers (born 1946 to 1964) are the generation that has re-written societal rules at every stage of their life. Now, they are trailblazing a new brand of retirement. Many were already mid-career when the retirement landscape shifted from defined benefit plans to 401(k) or similar plans. They have not had a full 40-year time horizon to save in 401(k)s. Many were also hit hard during the Great Recession and, unlike younger generations, they have less time to financially recover before they retire. Baby Boomer workers are planning to work to older ages than previous generations, yet few have a backup plan if forced into retirement unexpectedly.

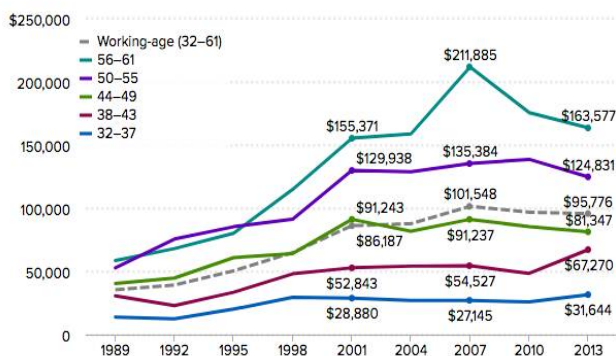


Despite the median household retirement savings of \$164,000, what may surprise some readers is the fact that nearly two-thirds of pre-retirees expect to travel more once retired. That would appear to need a pretty tight budget.

This next chart summarizes retirement savings for each age group

### Retirement savings have stagnated in the new millennium

Mean retirement account savings of families by age, 1989–2013 (2013 dollars)



Note: Retirement account savings include 401(k)s, IRAs, and Keogh plans.

Source: EPI analysis of Survey of Consumer Finance data, 2013.

Share | View the underlying data on epi.org.

Economic Policy Institute

So, how can you afford travel once you're retired? The first step in the planning process is to build an adequate retirement account in advance of retiring. The next step is to travel smart. Here are a few tips to make the most of your traveling:

1. Sign up for e-mail notification on sales. Many cruise lines offer "drop and go" specials on unsold rooms.
2. Call hotels ahead of time and negotiate for a better deal. Don't be afraid to ask for your AAA or AARP discount. Many establishments do offer them.
3. Consider taking a red-eye flight. Tickets can be dramatically cheaper. TSA PreCheck is affordable and makes the airport experience easier.
4. If you like to drive, buy an older Toyota off Craigslist. Depreciation on new vehicles is simply too expensive.
5. Camping is a very affordable way to travel.
6. Skip the rental car and simply take an UBER.
7. Bring your wine with you. The restaurant margin on wine is too high.
8. Travel during the off-seasons. Airfare, hotels, and cruises are all much cheaper away from the peak travel months.
9. If you have looked at taking a certain trip before, search again with the private browser feature. Many websites use cookies to track your history and aim to raise prices.
10. Be flexible about your destination. There are countless great places to travel. Being flexible will enable you to find dramatically better prices.
11. Travel when everyone else is working. Take morning flights or book your room in off-seasons. If flying, travel costs are the cheapest Monday through Wednesday. Flying from smaller airports usually saves you big bucks, and taking connecting flights will do the same. In fact, some one-way tickets cost less than half a return.
12. Manage your reward cards, including your hotel loyalty cards. Rewards may actually pay for your trip.

Retirement travel tends to follow three types of travel phases. The 'Go-Go' years. The 'Go-Slow' years and finally the 'No-Go' years. Retirees should plan future travel with this in mind. Travel funds allocated for the third phase often get redistributed to cover health care.

You should also calculate the costs for each trip...factoring in inflation. A weeklong European vacation could cost \$5000, whereas a multi-generational trip could cost three times as much.

A good way to fund your travel expenses is to downsize your housing requirements early. You don't want to have huge household expenses (mortgage payments; taxes; maintenance, etc.), or even to live in a high-expense area. Changing locations has the potential to save you enormous amount of money.

In fact, this next point may seem heretical: Rent instead of buying. Sell your house and bank the proceeds in dividend paying investments, which you can use to pay for your travel. You can always buy another home once your care-free travel days are in the rear-view mirror. Your cash will always be good – even in your 80's !

One of the most effective ways to afford to travel frequently is to do it at the cheapest possible cost. What I am going to give you now is an INTERNET list where your dollars will fly at light-speed. Many of these sites are relatively unknown, but now you know them:



Sign up for thousands of top rated getaways at [www.groupongetaways.com](http://www.groupongetaways.com). I have seen round trip flights to Europe for \$400, with a stop over in Iceland. It's like getting two vacations for the price of one. I frequently see European vacations (hotels & air) for around \$1000. Even hotels in Niagara Falls for \$65/night. For you warm weather birds, you can score an all-inclusive one-week vacation in the Caribbean for under \$500. **Just sign up.**



Another -must sign up for- site is [www.travelzoo.com](http://www.travelzoo.com). How about 6 night with flights to Paris or Venice for \$949?, Or 9 night tour with flights and upscale hotels to China for \$809? Cruises for \$129 and up, anyone? Flights from NYC to Dublin, -one-way- for \$119. You get the point. **Sign up.**



Don't forget [www.cruisecompete.com](http://www.cruisecompete.com). There, you can get quotes from more than 300 travel agencies vying for your business. There, you should find the lowest cruise prices anywhere.



Rather than booking hotels all the time you may be better off getting accommodations in someone's home or apartment by going to [www.airbnb.com](http://www.airbnb.com). You may save upwards of 50% over hotel prices. Be aware however: The site charges you a guest fee of between 6-12% on top of a reservation fee to cover expenses and their customer service. Notwithstanding the costs, you may still save a bundle.



For those of you wanting to check out hotels, you can do so at [www.hotels.com](http://www.hotels.com). There are literally hundreds of thousands of properties around the world you can check prices on...and book. The site also offers seasonal rates, destination specific deals and other specials.



You can also score incredible deals for lodging at [www.bedandbreakfast.com](http://www.bedandbreakfast.com). It lists extensive details on even the tiniest inns, and if you give them your e-mail address, they will send you promotional codes and hot deals in your desired location.





For you road-trippers who are looking for fun ideas and car routes, you can find everything you need at [www.roadtrippers.com](http://www.roadtrippers.com). All you have to do is put in your starting point and destination and the site will give you everything from hotels to ‘weird stuff’ and natural wonders along the way. If you click on an attraction you’d like to see, the site will adjust your route and directions to get there.



You can find the cheapest train, plane and bus tickets at [www.liligo.com](http://www.liligo.com). Simply enter your departure city, month and budget, and if your dates are flexible, the site will find you spectacular last-minute getaways.



[www.momondo.com](http://www.momondo.com) will not only tell you which flights are the cheapest for your selected dates, it will also show you a price calendar which illustrates the average flight costs on surrounding dates. Tabs can be selected for “CHEAPEST”, “QUICKEST” and “BEST”.



Now, for some even more serious analytics. Based on your chosen origin and destination, [www.kayakexplore.com](http://www.kayakexplore.com) will show you:

- \*nearby airports
- \*variable dates
- \*non-stop vs direct flights
- \*a map that shows airfares to worldwide destinations.
- \*you can tell the site what price you’re willing to pay.

AWESOME



Another site, [www.skyscanner.com](http://www.skyscanner.com), is able to not only show you nearby origin airports, it will also show you nearby destination airports. This gives you all the flexibility in the world. With flexible dates you’ll get to keep all options open.



[www.cheapflightsfinder.com](http://www.cheapflightsfinder.com) will compare flight dates from the best flight comparison sites and travel agents. You enter specific dates for travel and then search flights on surrounding days. Their whole month search will locate the cheapest day to fly in your chosen month(s), by taking you to the cheapest available price in the whole month. The same search feature can also apply to the entire year.



If you’re ready to go someplace at the drop of a hat, then [www.airfarewatchdog.com](http://www.airfarewatchdog.com) is the site for you. The site has actual people lurking on airline web sites in anticipation of fare sales. They sign up for rewards programs to snag promotional codes and discount offers that are passed onto AirFareWatchdog users.



I hope some of these sites can help you get even one more affordable vacation this year. If so, this effort has been well worth the time.

GOOD LUCK.