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SENIORS/BOOMERS NEWSLETTER

"THE RETIREMENT EXPERTS"

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Steven Wright, when asked how he felt: 'You know when you're leaning back in a chair and it's on 2 legs, and you almost fall over but catch yourself at the last second....I feel like that all the time'

Doesn't this quote kind of remind you of our government. We tend to avert dire consequences on a regular basis at the last minute. The latest being a trade war with China. Although it's far from over, there's lots of negotiating yet, but things are looking better!

Putting aside politics...**completely**...I was recently reading a summary of economic highlights that the country has experienced over the past 18 months (written by a professed hater of the current administration).

They are:

- Stock market up 20%. For the same period under Reagan it was down 9%, and up 6% under Clinton.
- Real, per capita Gross Domestic Product is up 2.1% over the past 4 quarters. For the previous 8 years it averaged 1.3%.
- Real economic growth is running at a 3-4% clip.
- Existing regulation has been cut 36% since last year.
- Tax cuts have spurred billions of dollars to be re-invested back into American companies, with corresponding higher wages.
- Those same tax cuts have the potential of bringing back roughly one-third of the \$3 trillion currently housed off-shore by U.S. companies.

- According to the Federal Reserve, private U.S. investment has risen 8% over what it was just 2 years ago.

- Credit Suisse estimates that capital goods investment by S&P 500 firms has risen 24%.

- Jobless claims are down to levels last seen in 1969.

- Mid-Atlantic manufacturing is growing at the fastest rate since 1973.

Let's hope that Steven Wright's chair continues to stay upright! In the meantime, these reports are what lead me to say there is no recession in sight to derail this market. 'Steady as she goes'.

Quick Rules to Invest by:

Nick Murray, a retired investment advisor who started his career in 1967, is also the author of a couple of wise books on investing. Some of his investing beliefs:

1. We can't know exactly how things will turn out all right... We just know that they will turn out all right.

Murray likes to say that you can't be a good investor if you're afraid of the future. You have to believe that if you follow time-tested principles, you'll be OK.

2. Stop looking at your portfolio every day.

This is simple, but plenty of research shows that the more people look at their portfolios, the worse their returns. This is probably because it makes them more likely to ditch something that has performed poorly or jump on something that looks like it's moving.

3. Never own so much of any one thing that it could kill you if it goes south.

As Murray memorably puts it: "The fewer ideas in your portfolio, the fewer bullets it will take to kill you. One idea: one bullet."

4. Invest for total return, not yield.

Murray says that a focus on dividends is like having a well, but only drawing out water that comes from snowfall and not rainwater. "Rainfall, snowfall: It's all water," he writes. "As long as you draw less water than what's coming in, you'll be fine."

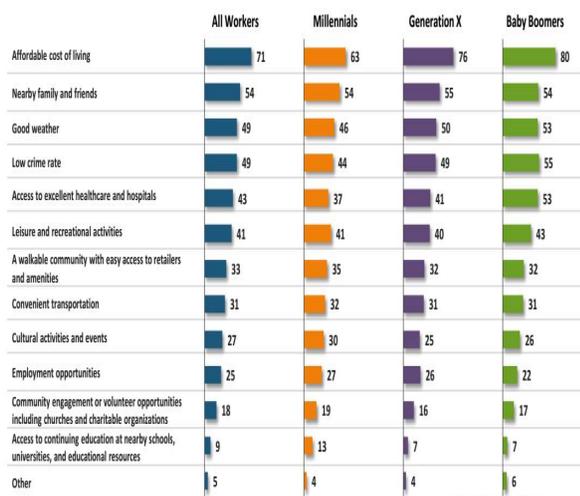
Long Lives & Long Retirements

In a survey spanning 3 generations, respondents were polled on their expectations for retirement and life expectancy. While Baby Boomers were more realistic, Millennials it's feared, are probably too optimistic. They are hoping to retire at age 65 and be able to afford it for 25 years.

Important Criteria for Deciding Where to Live in Retirement

Where workers decide to live in retirement can influence their ability to achieve their dreams and mitigate any fears. When thinking about where they want to live in retirement, workers most frequently cite affordable cost of living (71 percent) as a very important criterion in their decision-making, followed by proximity to family and friends (54 percent), good weather (49 percent), a low crime rate (49 percent), access to healthcare and hospitals (43 percent), and leisure and recreational activities (41 percent). Ironically, although more than half of workers plan to continue working after they retire (see page 43), only 25 percent have identified employment opportunities as a being a very important criterion for deciding where they want to live in retirement.

Very Important Criteria for Choosing Where to Live in Retirement (%)



BASE: ALL QUALIFIED RESPONDENTS

Q2725. When thinking about where you want to live in retirement, which of the following criteria will be very important in your decision-making? Select all.

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Workers' Estimated Retirement Savings Needs

Today's workers estimate they will need \$500,000 (median) in retirement, a survey finding that is shared by Generation X and Baby Boomers, but with Millennials estimating they will need only \$400,000 (median). Generation X (40 percent) and Baby Boomers (39 percent) are more likely than Millennials (30 percent) to say they will need more \$1 million or more.

Estimated Retirement Savings Needs	All Workers	Millennials	Generation X	Baby Boomers
< \$500k	44%	52%	39%	38%
\$500k to \$1m	20%	18%	21%	23%
\$1m to \$2m	20%	15%	22%	24%
\$2m or More	16%	15%	18%	15%
Median	\$500,000	\$400,000	\$500,000	\$500,000

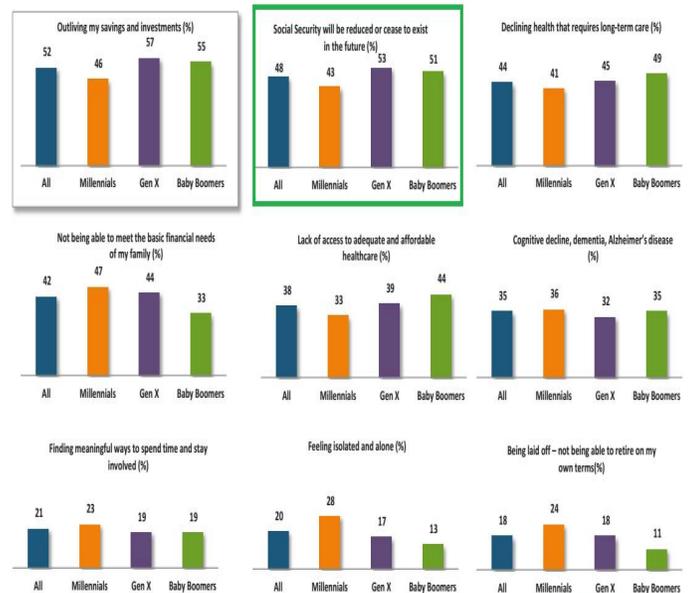
BASE: ALL QUALIFIED RESPONDENTS

Q890. Thinking in terms of what money can buy today, how much money do you believe you will need to have saved by the time you retire in order to feel financially secure?

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Retirement Fears Across Generations

"Outliving my savings and investments" is the most frequently cited retirement fear among Generation X (57 percent) and Baby Boomer workers (55 percent), while "not being able to meet the basic financial needs of my family" is the most frequently cited fear among Millennials (47 percent). Generation X (53 percent) and Baby Boomers (51 percent) are more likely than Millennials (43 percent) to fear that "Social Security will be reduced or cease to exist in the future." "Declining health that requires long-term care" is a fear that tends to increase with workers' age, with more Baby Boomers (49 percent) citing it as a fear compared to Generation X (45 percent) and Millennials (41 percent).



Note: responses not shown for the less than 10 percent who said "none of the above."

BASE: ALL QUALIFIED RESPONDENTS

Q1422. What are your greatest fears about retirement? Select all.

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Can You Retire on \$250,000?

Now, for some really exciting information!!! Would you like to know where you could retire and live **very well** on your Social Security (and a pension, of course, if you have one)...and about \$250,000 in a retirement account. Hard to believe? Well here, courtesy of MoneyWise, are the places to live.

1. Nicaragua

This Central American country has a gorgeous landscape dotted with lakes and lined with volcanoes in the west and beaches along its eastern shores. The main language is Spanish but English is widely spoken, especially along the Caribbean coast. Given its geography, the weather in Nicaragua is lovely all year. According to long-established expat source [International Living Magazine](#), a couple can live comfortably in Nicaragua on \$1,200 per month. Spending \$2,000 a month equates to a life of luxury. A beer at a restaurant costs \$1.25 and a full lobster dinner is about \$15. One month of groceries costs less than \$300!

Nicaragua also has high-quality, low cost healthcare, especially in the Managua area. Some hospitals offer a tiered health program or a membership program whose pricing depends on age and health conditions. However, generally people aged 41-50 pay \$50 per month, ages 51-65 pay \$61, and those over 65 pay \$65 per month, says [ILM](#).

2. Thailand

Leave your winter wardrobe at home: all you'll need is shorts, t-shirts, and sandals in Thailand! English is widely spoken in tourist centers, but you'll probably need a Thai phrasebook to get by in smaller towns and rural areas.

With its tropical climate, Thailand's hot season can hit temperatures upwards of 105F (40C) from March to May. Here, the best time to enjoy the outdoors is between November and March, when the weather hovers around a balmy 86F (30C).

The price of living varies among different areas, but overall [ILM says](#) you can expect to live comfortably on \$1,500 to \$2,000 per month in Phuket. A full Thai dinner with beer for two costs less than \$10 in Chiang Mai, and a Western dinner for two costs about \$15.

Thailand also ranks among the world's 50 best healthcare systems, according to the WHO. The best private hospitals are in Bangkok and hospital fees cost a fraction of what you would pay in the West.

3. Costa Rica

Towns like Atenas and Tamarindo are renowned for their lovely climate, affordable food and home prices, and a friendly environment where locals and expats mingle.

Year-round t-shirt weather and long stretches of golden beach are punctuated by eateries, bars, and all the amenities you need. While the locals speak Spanish, you'll find plenty of folks to chat with in English, too.

Given the influx of tourists and expats, Costa Rican rental prices have risen in the past few years. In Atenas, rental rates range from \$650 to \$3,000 per month depending on how much space and luxury you want.

An [ILM](#) contributor also confirms that healthcare is very affordable in Atenas. This town has a public health clinic, pharmacy, and emergency room at its center. Some expats choose to pay from \$75 to \$150 for full coverage under the national public health insurance system, called Caja. Private consultations with Caja doctors cost less than \$20 per visit, and private and national public hospitals are just a short drive away from city centers across the country.

4. Malaysia

According to [ILM](#), Malaysia is South Asia's most popular destination for retirees. English is widely spoken by expats and locals alike, and temperatures range between an ideal 77F (25C) and a humid 95F (35C) throughout the year.

Internationals are flocking to Kuala Lumpur and the island of Penang to take advantage of the low cost of living and affordable entertainment. An inexpensive local meal goes for \$3, or you can get a two-person three-course dinner for \$15. Renting is also affordable: a one-bedroom condo in the city center costs about \$550 per month. Life in the cultural melting pot of Penang is even cheaper, with a one-bedroom apartment in the city costing only \$265 per month.

Malaysia also offers world-class healthcare at a lower price than you'll find at home. Expats often go to private clinics to get the quickest service.

5. Spain

Offering some of the lowest cost of living in Europe and a warm, sunny climate, Spain is a dream retirement destination for many. It's hard to beat the country's relaxed lifestyle, affordable food and wine, and the fact that "winter" translates to a bit of rain lasting about three months. A growing English-speaking population and freedom of mobility within the EU also make Spain a comfortable and convenient base for travel and adventure.

Practically speaking, comfort and cost of living vary widely among Spain's provinces. The influx of tourism has already driven Barcelona's prices through the roof, and the trend is trickling to other popular regions. Luckily, some areas remain immune to this trend.

6. Malta

Malta is a lesser-known international retirement option but it's one of the best for English speakers! English is the second official language after Maltese, making for an easy transition for North American retirees.

The islands of the Maltese archipelago have year-round sunshine, an extremely temperate climate, and offer a unique mix of prehistoric and colonial history, lovely architecture (there are nine UNESCO World Heritage Sites among the islands), and plenty of outdoor adventure.

The cost of living is lower here than in other Mediterranean countries, with a one-bedroom apartment renting for about \$750 to \$800 a month. ILM confirms that Malta's healthcare system is ranked among the top five countries in the world by the WHO.

7. Ecuador

One of the jewels of South America, Ecuador has an amazingly temperate climate and a stunning combination of sandy beaches, metropolitan cities, and the famous Galapagos Islands. Popular towns attracting retirees include Quito, the capital, and the smaller town of Cuenca.

In Ecuador, renting a one-bedroom apartment in the city center only costs about **\$430 per month** in Quito and about **\$340 in Cuenca**. A nice three-course meal for two goes for \$35 or less, and everything from beer to wine to groceries can be found for much cheaper than at home. Ecuador also offers high-quality private healthcare options, especially in these two cities. Your retirement dollars will take you far in Ecuador!

8. Mexico

Mexico's lovely towns and villages offer some of the most popular retirement destinations in the world. Along with gorgeous beaches and historical colonial towns, just **\$200 a month** can get you a one-bedroom apartment to live in, and a few dollars a week will buy bags of fresh produce and fish from local markets and fishermen. The Yucatan peninsula is considered to be one of the safest areas for international travelers and retirees.

9. Portugal

Even with its lower cost of living than Spain and other European countries, Portugal has its fair share of castles, charming towns, and unique culture in food and wine. Everyday expenses are very affordable, and rental pricing starts at \$375 a month for a one-bedroom in smaller cities. A one-bed might cost about \$1,000 a month in Lisbon, though.

When it comes to healthcare, international retirees will benefit from choosing private insurance. Although most medical professionals in larger cities speak English, it helps to have a bit of Portuguese under your belt if you settle in a smaller town. In addition to its wine regions and friendly beach towns, Portugal makes for an excellent base to enjoy traveling around the rest of Europe. What's not to love?

10. Panama

A tropical wonderland of mountains, rainforests, and sandy beaches, Panama is also home to first-class city living, dining, culture, and medical care. It's located just a short flight away from Miami and many locals speak English as a second language after Spanish. Yet even in its cosmopolitan capital of Panama City, the cost of living is **very affordable** here. Renting a one-bedroom apartment in the city center only costs about \$1,035 a month, and the same size living space outside the center goes for about \$620 a month!

Panama also has an amazing Pensionado Program that subsidizes medical care and expenses, property taxes and car taxes, and offers many other benefits for retirees. To gain residency, all you need is to provide proof that you have a minimum \$1,000 per month pension from your home country. This program essentially pays for your main retirement costs!