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SENIORS/BOOMERS

NEWSLETTER

"THE RETIREMENT EXPERTS"

September 2018

'He Asked Me If I Knew What Time It Was. I Said Yes, But Not Right Now'.....Steven Wright

afford a Cadillac...buy a Chevy. Ladies & gentlemen in Washington – DO YOUR JOB!

The Congressional Budget Office (CBO) recently put out their annual report, and, the deficit is set to soar past WW2 levels, unless government spending gets under control.

In the report the CBO predicts that by the end of the next decade, national debt will be 100% of the country's GDP.

This will come as no surprise to anyone, but the main reason for these deficits come down to federal spending on entitlements. We can only hope that some politicians in Washington find the courage to tackle this thorny issue; before the problem solves itself. And, we wouldn't like that result!

It is abundantly clear that the majority of Americans believe that our current spending addiction has to be curbed. Neither you nor I could run our respective households on borrowed money. Our government borrows, **from strangers...**40 cents...of every dollar we spend. This cannot continue.

The facts are pretty much straight forward. We send a lot of new people to Washington every two years with a clear mandate. Fix this problem because it will not go away by itself. All the current political one-upmanship and theatrics is not doing the "people's business". Our message to Congress (and to our local representatives) has to make this clear. *If you can't*

AVOIDING CREDIT CARD FRAUD

GEICO recently put out a terrific report on how to prevent credit card fraud. Here are some of their recommendations:

Follow General Best Practices

- Set personal limits with your cards, and get alerts when you hit that threshold; that way, you'll be immediately notified of any large, unexpected charges.
- Check your statements at least monthly (weekly is even better), and report unfamiliar transactions immediately.
- Stay on top of your credit score and history. You're entitled to a free report from the three biggest agencies once a year, so stagger yours.

Don't Ignore Low-Tech Threats

- Make account numbers hard to find, in case thieves break into your home. Lock up sensitive information in a UL-rated safe.
- Fraudsters still dumpster dive. Shred statements and other documents you don't need to hold onto. Use a cross-cut shredder, which cuts vertically and horizontally.

- Never give out your credit card information to anyone over the phone whom you don't personally know, or anyone representing a business that you're not receiving services from or have a need to make a payment to.
- At restaurants, where your card may be physically out of sight for a few minutes, use a reloadable prepaid card or cash. If you must use plastic, use a credit card over a debit card; it can be more difficult to recover funds stolen from a bank account.
- Be wary of pickpockets.

Beware Of Skimmers

Despite all the buzz about chips, those magnetic strips on your card still contain a wealth of information. And crooks can access it with a skimmer—a sometimes-undetectable device they can attach to ATMs and point-of-sale machines.

- If possible, use only well-lit ATMs at reputable banks in high-traffic areas, and shield the keypad as you enter your PIN.
- When inserting your card, nudge it a bit to make sure the card slot feels like it's all one piece. If there's movement, it may be a skimmer.
- Skimmers have also appeared at gas stations. Pay inside, or use a pump that's close to the building (the more-visible pumps are less likely to be tampered with).
- Thieves often use Bluetooth technology to transmit information, so open or turn on your Bluetooth and search for a device. If you see a long string of numbers trying to connect, it may be the sign of a nearby crook.
- Digital pickpockets are now a risk, too. If you have an RFID-enabled credit card (you'll see an icon that looks like a Wi-Fi symbol), a thief equipped with a reader could brush by you and skim your card numbers. Consider buying an RFID-blocking wallet.

Be Careful When Shopping Online

The less information you expose to the Web, the more you can contain the threat of fraud.

- Try to use just one credit card and e-mail address for all online purchases.
- Shop on familiar, trusted websites when possible.
- Check a site's certificate by clicking the lock icon in your browser's navigation bar. If the certificate and site names don't match, it may be a fake site.
- Choose **strong, unique passwords** for different sites, and try not to store credit card information in online accounts

Watch For Phishing

Phishing scams can come through phone calls, e-mails, or pop-up messages that look legitimate and ask you for sensitive information.

- Never give out your personal information over the phone to someone who calls you—even if they're claiming to be from an organization whose name you recognize (like your bank). If the caller is asking for compromising information (such as your social security number, bank account or credit card number), tell them you'll call them back, then call the company directly through a verified contact number, like one listed on your bank statement or posted on the contact page of their website.
- If you get a suspicious e-mail, never give out your credit card number or any other personal information. Not sure if it's a legitimate request? Call the company directly. Just be sure to look up their phone number through your browser—don't call any numbers provided in the e-mail.
- Update your malware and anti-virus software often; this should help prevent scammers from reaching you through pop-ups.

Be Cautious With Wi-Fi

- When using public Wi-Fi with any device, don't pay bills or make purchases.
- Beware of fake networks, especially when traveling. "Criminals can create fake open networks that look legit," says Schaffer, even at big hotel chains or airports. Check network names with hotel or airport employees before connecting to them.

Be Proactive

Despite your best efforts, credit card fraud can still happen. And as recent data breaches have shown, sometimes the safety of your personal information is completely out of your control. Get out in front of problems before they occur. Consider [identity theft protection](#), which monitors your credit and can alert you when your information has been compromised—and provides recovery assistance if it is.

BEST STATES FOR RETIREMENT

To help people shop for a retirement domicile, Bankrate analyzed all states and ranked their ability to provide the services, economy and tax policies most beneficial to people in retirement.

Bankrate used government and expert sources to compare states, and considered the needs for a life of retirement. The survey analyzed and ranked the cost of living, taxes, health care quality, weather, crime, cultural vitality and well-being.

So, here they are:

10. Mississippi

The cost of living score ranked highest among all the states. Also, the weather and proximity to beaches makes Mississippi a viable option for retirees.

9. Nebraska

For retirees, Nebraska was rated 12th highest for health-care quality. Weather, culture and taxes were rated in the middle of the pack.

8. Wyoming

Wyoming ranked favorably in taxes and crime. Weather ranked 46th, while it ranked 28th for cost of living.

6. (Tie) North Carolina

The state has a coastline with plenty of beaches, but the state ranked just below the top 10 for cost of living, taxes, weather and well-being.

6. (Tie) Montana

Retirees will enjoy that there is no sales tax in the state. Montana ranked in the top 10 in culture and well-being.

5. Florida

Low taxes and great weather are ideal for retirees, but the health-care costs can be high.

4. New Hampshire

The Granite State is the safest place to live on the list, plus it offers excellent health care and low taxes to its residents.

3. Idaho

The Gem State is affordable and safe, but carries a heavy tax burden. Idaho has a good health score and a top 10 well-being ranking, but the weather ranked in the bottom 10.

2. Utah

The Beehive State finished six spots behind the top-ranked state for cost of living, according to Bankrate. It was also only one spot behind for overall crime rate, eight for well-being, six for taxes and five for cultural

vitality. It won out for health value by two and weather by six, Bankrate said.

1. South Dakota

South Dakota ranked highest for its well-being score, which has been in the top six since 2013. The state has no income tax and it scored favorably for its health-care value. For outdoor enthusiasts, South Dakota has Badlands National Park, Custer State Park and Mount Rushmore.

Warren Buffet's Favorite Market Metric is Flashing a Warning

As we all know Warren Buffet is not only an investment genius, but he likes to keep things understandably SIMPLE when it comes to his investment style.

He uses what has come to be known as the 'Buffet indicator'. He calls it the best single measure of where valuations stand at any given moment.

So, what is it you ask?

The formula looks at the total market cap of all U.S. stocks relative to the country's GDP. When it is in the 70% - 80% range...it's time to be buying. When it moves above 100%, caution is warranted and at which time he leans toward risk-off.

OK, next question. Where is it now?

140%

Now, this does not mean that stocks will crash tomorrow. But it is probably wise to keep a lower risk portfolio.

Always Drink Upstream From the Herd

This sage farmer's advice can help us in the current investment climate we face today. If you want to make money in the stock market you must stay away from the herd. Just think, if the herd was always right, the herd would all be rich!

There is a need to invest with safety and calm. There's an old joke about Muhammad Ali being on an airplane, and the flight attendant told him to fasten his seatbelt. Ali replied, 'Superman don't need no seatbelt'. The flight attendant snapped back, 'Superman don't need no airplane. Buckle up'!

Contrarian investing has a reputation for being a successful tack. The flip side of this is that running with the herd has a poor track record.

Trend following is running with the herd and it has had good press over the last few years because the trend is your friend, at least until the bend in the end.

Trend following works because the trend followers look good for a long time while the trend persists. When the trend ends they can blame bad luck for their resultant failure.

Conversely, the contrarian looks like an idiot most of the time and, when they clean up, to the dismay of the herd (when the trend reverses), they can be dismissed as lucky.

Human nature being what it is, contrarian investing is hard for both professional and private investors alike. This is why it is lucrative. The market pays people to fill niches that balance the odds.

Here are the five golden rules of contrarian investing:

- 1. When you read about it in the newspapers or see it on the news, it is already all over**
- 2. Buy when everyone wants to sell and sell when everyone wants to buy**
- 3. No one sees a bubble when their income depends on it**
- 4. Don't take tips or advice and don't believe research notes**
- 5. What is obvious to you may not be obvious to others**