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THE EDUCATED INVESTOR

A GUIDE TO RETIREMENT PLANNING

Go to the Head of the Class: Social Security

Master these Social Security lessons to get a more realistic view of your retirement.

According to Nationwide's 8th Annual Social Security Consumer Survey, more than half of Americans express confidence that they know exactly how to optimize their Social Security benefits. However, only 6% actually understand all the factors that determine the maximum benefit someone can receive. In addition, the report highlighted additional knowledge gaps:

- A full 39% don't know at what age they are eligible to receive their full benefits.
- Just over half (51%) do not have a clear understanding of how much they will receive in future income.
- Over a third (37%) incorrectly assume that Social Security benefits are not protected against inflation.
- Nearly half (45%) mistakenly believe if they claim their benefits early, their benefits will go up automatically when they reach full retirement age.

By mastering these lessons, you'll immediately go to the head of the class for retirement planning—and avoid being an unfortunate statistic in some company's future survey!

Lesson #1: Your "full retirement age" for Social Security benefits is the age at which you may first become entitled to full or unreduced retirement benefits.

Match your birth year to the full retirement ages shown below. Now, kindly memorize it!

Birth Year	Full Retirement Age
1955	66 + 2 months
1956	66 + 4 months
1957	66 + 6 months
1958	66 + 8 months
1959	66 + 10 months
1960 & later	67

Lesson #2: Social Security will only replace a portion of your preretirement income.

The rule of thumb is that you'll need to replace about 75%–80% of your preretirement income. Social Security will help fund part of your income needs, generally somewhere between 25%–40% (depending on your earnings history). Your personal savings and retirement account will have to make up the difference.

Lesson #3: The longer you wait until you start taking your Social Security benefits, the more money you'll receive.

Age 62 is the minimum age at which you can choose to begin receiving Social Security benefits. However, the math is pretty black and white: claiming earlier gives you a reduced benefit and claiming later gives you an increased benefit. For each year you postpone taking your benefit (until age 70), your monthly check will be larger. Check out the Social Security Benefits Planner (www.ssa.gov/planners) for more comprehensive information, including calculators and other resources.

Lesson #4: Social Security benefits are somewhat protected against inflation.

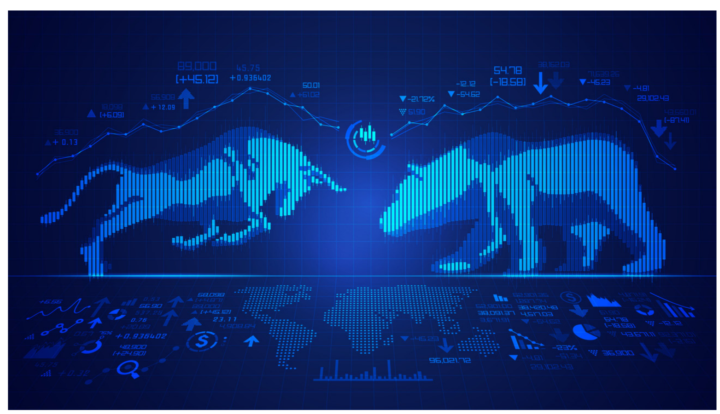
For 2021, the Social Security Administration is paying out a cost-of-living adjustment of 1.3%. In planning for your retirement income, it's important to note that any cost-of-living adjustment from the Social Security Administration can vary each year and is not guaranteed. Cost-of-living adjustments are typically announced in October of each year.

What Happens After A Bear Market Starts? Four Things To Know

"Life is like riding a bicycle. To keep your balance, you must keep moving." – Albert Einstein

The S&P 500 Index was down more than 20% on an intraday basis on Friday, but managed a huge rally late to avoid closing down 20% and moving into an official bear market. With the S&P 500 down 18.7% though (as of Friday's close) a bear market is still quite possible.

Here are four things to know should stocks go into a bear market.



One popular question has been what happens after stocks go into a bear market? "As rough as bear markets are, the good news is the future returns really improve once stocks are down 20%," explained LPL Financial Chief Market Strategist Ryan Detrick. "In fact, a median gain of nearly 24% a year after a bear market starts may help some beaten-down bulls confidently stay the course."

Stocks Do Well After They Go Into A Bear Market

S&P 500 Index Performance After Going Into A Bear Market (1950 - Current)

Date Bear Market Starts	Trading Days To Enter Bear Market	S&P 500 Index Returns: 3 Months	6 Months	12 Months
10/21/1957	305	5.2%	9.3%	31.0%
5/28/1962	115	7.3%	11.2%	26.1%
8/29/1966	139	7.9%	17.6%	24.6%
1/29/1970	288	-4.9%	-8.9%	10.7%
11/27/1973	221	0.7%	-9.2%	-28.1%
2/22/1982	310	3.0%	1.3%	32.1%
10/19/1987	38	10.9%	14.7%	22.9%
3/12/2001	242	6.3%	-7.4%	-1.2%
7/9/2008	188	-20.0%	-27.2%	-29.1%
3/12/2020	16	21.0%	34.6%	59.0%
Average		3.8%	3.6%	14.8%
Median		5.8%	5.3%	23.8%
Higher		8	6	7
Count		10	10	10
% Higher		80.0%	60.0%	70.0%

Source: LPL Research, FactSet 05/20/22
All indexes are unmanaged and cannot be invested into directly. Past performance is no guarantee of future
Performance back to 1950 incorporates the performance of predecessor index, the S&P 90.

One more look at the table above shows that only three times were stocks lower a year later and all were associated with major recessions. We do not see a recession on the horizon, which could be a clue returns could be strong going out a year.

What about how quickly after a bear market starts do stocks finally stop going down? This one has something for everyone, as the least ever was only 1 day in 1957, while it took 19 months for the bleeding to stop in the early 2000s. Once again though, if the bear happened around a recession, the weakness usually continued much longer and vice versa. 1962, 1966, and 1987 all recovered quickly and didn't happen in a recession. Meanwhile, stocks did manage to bottom quickly during the recessions of 1957 and 2020. While the recessions of 1974, the early 1980s, dot com burst, and the financial crisis all saw the damage continue for much longer.

How Soon After A Bear Market Starts Do Stocks Bottom? It Depends.

S&P 500 Index Performance From The Start Of A Bear Until The End Of The Bear (1950 - Current)

Date The Bear Market Started	Date The Bear Market Ended	Calendar Days To Bottom	S&P 500 Index Return
10/21/1957	10/22/1957	1	-0.4%
5/28/1962	6/26/1962	29	-5.7%
8/29/1966	10/7/1966	39	-1.8%
1/29/1970	5/26/1970	117	-19.1%
11/27/1973	10/3/1974	310	-34.9%
2/22/1982	8/12/1982	171	-8.2%
10/19/1987	12/4/1987	46	-0.4%
3/12/2001	10/9/2002	576	-34.2%
7/9/2008	3/9/2009	243	-45.6%
3/12/2020	3/23/2020	11	-9.8%
Average		154.3	-16.0%
Median		81.5	-9.0%

Source: LPL Research, FactSet 05/20/22
All indexes are unmanaged and cannot be invested into directly. Past performance is no guarantee of future results.
Performance back to 1950 incorporates the performance of predecessor index, the S&P 90.

As shown in the LPL Chart of the Day, it took about 19 months on average for stocks to recover their bear market losses. The good news is the past three bear markets recouped losses in 5, 4, and 4 months.

Additionally, if the bear market was worse, it took longer to recover. This was not very surprising, but when the bear market decline was less than 22%, it took only seven months on average to make up the losses versus 27 months if the bear was worse than -22%. Should this bear market end soon (our base case), it could bode well for a quicker recovery once again.

Bear Market Recoveries

S&P 500 Index Length To Recover From A Bear Or Near Bear Market

Month of Peak	Month of Low	Length of Bear (Months)	% Decline	Length of Recovery (Months)
8/2/1956	10/22/1957	15	-21.6%	11
12/12/1961	6/26/1962	6	-28.0%	14
2/9/1966	10/7/1966	8	-22.2%	7
11/29/1968	5/26/1970	18	-36.1%	21
1/11/1973	10/3/1974	21	-48.2%	69
9/21/1976	3/6/1978	17	-19.4%	17
11/28/1980	8/12/1982	20	-27.1%	3
8/25/1987	12/4/1987	3	-33.5%	20
7/16/1990	10/11/1990	3	-19.9%	4
7/17/1998	8/31/1998	1	-19.3%	3
3/24/2000	10/9/2002	31	-49.1%	56
10/9/2007	3/9/2009	17	-56.8%	49
4/29/2011	10/3/2011	5	-19.4%	4
9/20/2018	12/24/2018	3	-19.8%	4
2/19/2020	3/23/2020	1	-33.9%	5
All Bear Markets		11	-30.3%	19
If Bear Is Worse Than -22%		14	-37.2%	27
If Bear Is Better Than -22%		7	-19.9%	7

Source: LPL Research, CFRA FactSet 05/20/22
All indexes are unmanaged and cannot be invested into directly. Past performance is no guarantee of future results.
The modern design of the S&P 500 Index was first launched in 1957. Performance before then incorporates the performance of its predecessor index, the S&P 90.

Lastly, there have been a lot of bear markets over time, but one thing that has always happened is stocks have eventually come back to new highs. We do not know when this one will, but we don't expect this incredible streak to end now.

Investors with longer-term horizons should use this weakness as an opportunity, or as Einstein said in the above quote, we've got to keep our balance and move forward.

Home listings suddenly jump as sellers worry they may miss out on the red-hot housing market

Key Points:

- The supply of homes for sale jumped 9% last week compared with the same week one year ago, according to Realtor.com.
- Real estate brokerage Redfin also reported that new listings rose nearly twice as fast in the four weeks ended May 15 as they did during the same period a year ago.
- Pending home sales, a measure of signed contracts on existing homes, dropped nearly 4% in April, month to month and were down just over 9% from April 2021, according to the National Association of Realtors.

Sharply higher mortgage rates have caused a sudden pullback in home sales, and now sellers are rushing to get in before the red-hot market cools off dramatically.

The supply of homes for sale jumped 9% last week compared with the same period a year ago, according to Realtor.com. That is the biggest annual gain the company has recorded since it began tracking the metric in 2017.

Real estate brokerage Redfin also reported that new listings rose nearly twice as fast in the four weeks ended May 15 as they did during the same period a year ago.

"Rising mortgage rates have caused the housing market to shift, and now home sellers are in a hurry to find a buyer before demand weakens further," said Redfin Chief Economist Daryl Fairweather.

Sellers clearly see the market softening. Pending home sales, a measure of signed contracts on existing homes, dropped nearly 4% in April from March. They were down just over 9% from April 2021, according to the National Association of Realtors. This index measures signed contracts on existing homes, not closings, so it is perhaps the most timely indicator of how buyers are reacting to higher mortgage rates. It marks the sixth straight month of sales declines and the slowest pace in nearly a decade.

April sales of newly built homes, also measured by signed contracts, dropped a much wider-than-expected 16% compared with March, according to the U.S. Census.

Sales are slowing because mortgage rates have risen sharply since the start of the year, with the biggest gains in April and early May. The average rate on the 30-year fixed mortgage started the year close to 3% and is now well over 5%.

"We used to get 10 to 15 offers on most houses," said Lindsay Katz, a real estate broker at Redfin in the Los Angeles area. "Now I'm seeing between two and six offers on a house, a good house."

Katz worked with Alexandra Stocker and her husband to sell their home. The Stockers were already worried that the red-hot housing market was suddenly chilling.

“We talked about that a lot. Like, are we making mistake here? Are we missing the boat? Is everything going to crash in the next three months and we’re going to kick ourselves for not selling our house earlier this year?” said Alexandra Stocker.

While home prices rose steadily during the first two years of the Covid pandemic, falling mortgage rates largely offset those increases.

For example: In May 2019, a buyer purchasing a $300,000 home with a 20% down payment and a 30-year fixed mortgage would get an average interest rate of around 4.33%. The monthly payment of principal and interest would be $1,192. In 2020, that same house was 5% more expensive, but mortgage rates fell to 3.41%, so the monthly payment actually dropped to $1,119.

By 2021, the monthly payment was only up about $100. This month, with prices rising another 21%, and mortgage rates surging to around 5.5%, the monthly payment hit $1,991 – almost $800 a month more than it was in 2019.

While home sellers were in the driver’s seat barely six months ago, they are now seeing far less competition from buyers. A demand index from Redfin, which measures requests for home tours and other homebuying services, was down 8% year over year during the week ended May 15. This was the largest decline since April 2020, when the pandemic paused most homebuying activity.

“I met with sellers in February who are going to sell in June, and it’s a very different conversation in February than it will be in June because the market has completely changed,” said Katz.

The Stockers are thrilled they listed their home when they did. They are moving out of California and building a home in Washington state.

“We joke we might be getting out of here, you know, just at the right time,” said Alexandra Stocker. “I wouldn’t want to wait any longer.”

Correction: April sales of newly built homes, also measured by signed contracts, dropped a much wider-than-expected 16% compared with March, according to the U.S. Census. An earlier version misstated a month.

Title: Home listings suddenly jump as sellers worry they may miss out on the red-hot housing market
Source: https://www.cnbc.com/2022/05/26/home-listings-suddenly-spike-as-sellers-worry-theyll-miss-out-on-red-hot-market.html
Author: Diana Olick

Watermelon & Kiwi Popsicle

INGREDIENTS:

- 5 cups watermelon, pureed (about half of one large watermelon)
- 5 medium kiwi, peeled and sliced

SERVINGS: 5

Prep Time: 30 Minutes

INSTRUCTIONS:

1. Place all watermelon in a blender and process until smooth. Place kiwi slice in mold and fill Popsicle wells with watermelon juice. Continue layering like that until wells are full. Insert popsicle stick and let freeze until solid.
2. Notes:
   a) If your watermelon is not at its peak and lacking some sweetness, add 1 tablespoon of agave syrup at a time to the mixture until preferred sweetness is reached. The amount of popsicles this recipe yields will vary on the mold used. The mold used in the photo yields sixteen 3oz popsicles.
   b) If your popsicle mold does not have a top, cover the top with foil and outline each well with your fingers. Cut a tiny slit in the middle of each well and insert popsicle stick.

Sources: https://realfoodbydad.com/watermelon-and-kiwi-pops/; Produceforkids.com

The Sudoku Section

					9	4		5
	5		8		6			9
		9			1			6
4				1	2	3		
9					5			
3								
5			9		4		1	
1	2							
		3						

6	3	1	2	7	9	4	8	5
2	5	7	8	4	6	1	3	9
8	4	9	5	3	1	2	7	6
4	8	5	6	1	2	3	9	7
9	7	2	3	8	5	6	4	1
3	1	6	4	9	7	8	5	2
5	6	8	9	2	4	7	1	3
1	2	4	7	5	3	9	6	8
7	9	3	1	6	8	5	2	4

The answers

June Special Days & Holidays

(National Annuity Awareness Month)

1st- Global Day of Parents

5th- World Environment Day

12th- Red Rose Day

14th- Flag Day

15th- Worldwide Day of Giving

18th- Go Fishing Day

19th- Father's Day & Juneteenth

21st-First Day of Summer

25th- Celebrate your Marriage Day & Great American Picnic Day

28th- Insurance Awareness Day

30th- FAFSA deadline

Source: http://www.printmysudoku.com