

RIBB Joint

Retirement Information & Bibliography Blog

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Enjoying Semi-Retirement in the Finger Lakes!

Here is a bibliography of books, articles and websites that we highly recommend for information about how to plan the “best” retirement for you. Keep in mind that there are probably no two people in the world, not even married couples, who share the exact same idea of the “ideal” retirement. Planning is the key. And the keys to planning are knowing what you like and dislike, as well as how much “paradise” you can afford. Have fun!

Books

Florida, Richard (2009). *Who's Your City?* New York: Basic Books/Perseus Books Group. What an ironic last name for a guy who helps readers decide where to live and work! Actually Florida has solid academic credentials. He followed me at Rutgers by a few years and also worked for Drs. George Carey and George Sternlieb at the Center for Urban Policy Research at Rutgers. Florida has taught at Carnegie Mellon and James Madison University and is now a Professor of Urban Planning at the University of Toronto. The main thesis of Florida's latest book is that creative people tend to cluster together and only in the world's premier urban centers. Interesting thesis but I disagree, although Florida's evidence is interesting. Hey, it's OK for creative people to disagree. Read Florida's book and find out who your city (suburb, small town or rural area) is.

Jacobs, Jane. *Cities and the Wealth of Nations*, Vintage Books, 1985. A great source of information if you are thinking of migrating to a city as your retirement haven.

Layard, Richard. *Happiness: A New Science*, Penguin Books, 2005. A good book to consult if you are trying to figure out what direction your retirement lifestyle should take.

Steinhorn, Leonard. *The Greater Generation: In Defense of the Baby Boom Legacy*, St. Martin's Press, 2007. Steinhorn concludes that the 75 million plus Americans born between 1946 and 1964 are not so bad after all.

Wiedemer, David; Wieemer, Robert; and Spitzer, Cindy (2010). *Aftershock: Protect Yourself and Profit in the Next Global Financial Meltdown*. New York: John Wiley. After the success of their first best-seller *America's Bubble Economy*, the Wiedemer brothers and Ms. Spitzer first describe how bad the next several financial aftershocks will be during the Obama era, and what investors should (and shouldn't) do. They predict a further stock market meltdown (Phase 1) and then recommend half a dozen survival approaches (Phase 2). Hints: they recommend against owning any real estate other than a basic, year-round house; staying away

from long-term bonds; staying out of the domestic stock market (except for a few LEAPS – look it up; I didn't know what it meant either); shorting most stocks; and hedging against the falling dollar by purchasing euros. Although the latter advice sounds kind of risky to me, the rest of their recommendations are worth considering.

Articles

Baldauf. "Nursing Homes' New Face," *U.S. News & World Report*, Feb. 2010, pp. 60-66. Everything you should know about nursing home care, before you need it. This issue is also tied to how long people live and how long their retirement funds will last.

Baldauf, Sarah. "Our Genes, Not the Whole Story," *U.S. News & World Report*, Feb. 2010, pp. 24-26. Everyone realizes that you need at least a certain level of assets in order to live a comfortable retirement. But how long will that retirement be? Until you die, which hopefully won't be at least until age 100. But the length of your life is not all genetics. Baldauf introduces you to Epigenetics and explains why our DNA isn't the whole ballgame.

Benner, Katie. "The Senator Who Wants to Save Your Retirement: How Herb Kohl is Tackling the Problems in Target-Date Funds," *Fortune*, 6-14-2010, pp. 105-108. Kohl and his staff have been investigating so called target-date funds that do not follow their advertised timeframes. He also urges retirees and pre-retirees to carefully check the annual fees of target-date (and other) mutual funds.

Bethell, Thomas N. "Social Security: Where Do We Go From Here?" *AARP Bulletin*, 51/6, July-August 2010, pp. 16-19. Bethell starts with survey statistics about how many seniors think they will be totally or primarily dependent on SS and then goes on to profile three seniors living in different economic circumstances.

Birger, Jon and Caplin, Joan. "You Can Still Retire Rich, Really," *Fortune*, 6-22-2009, pp. 24-32. The authors profile a retiree couple, both of whom are working part-time, a CFO who is near retirement and supplements the income from his daytime job by also working as a part-time basketball referee; a Dean of a Pharmacy School who says she will never retire; and a 40-year old couple with three young kids who are already strategizing about how to afford both college educations for their kids and a comfortable retirement for themselves. All four profiles are fascinating and collectively are relevant to most pre-retirement planners.

Consumer Reports. "Will You Have Enough to Retire?" *Consumer Reports*, Oct. 2010, p. 15. The CR staff concludes that retirees will spend at least 80% (or even more) of what they were spending each month before retirement. Better reprogram your retirement income calculator.

- Dychtwald, Ken. "I Retired. Now How Do I Unretire?" *Fortune*, 6-14-2010, p. 50.
Dychtwald bailed out as CEO of Age Wave in his early 50s, but soon became restless and bored. Actually the solution to his problem came right from the problem.
- Florida, Richard. "Where the Brains Are," *Atlantic Monthly*, 298 (3), Oct. 2006, p. 34.
Also take a look at Florida's book *Who's Your City?* (2008).
- Gandel, Cathie. "Making a Difference," *U.S. News & World Report*, Nov. 2010, pp. 22-27. Gandel profiles 10 citizens groups that have made a major difference in solving diverse problems around the world. One of the groups she profiles is The Senior Sleuths, a group of retirees in Florida that keeps a watchful eye for any hucksters who target senior citizens.
- Ghilarducci, Teresa. "I'll Say It Again: Dump the 401(k)," *Business Week*, Jul 19-Jul 25, 2010, p. 56. This article is a follow-up to Ghilarducci's controversial testimony in 2008 before a congressional committee that 401(k) retirement plans should either be reinvented or dumped. Her research shows that, while what was originally envisioned when 401(k) plans were first introduced more than 30 years ago was that a combination of employer and employee contributions would grow to at least \$300,000 to \$400,000 at retirement, that instead the painful reality is that the average 401(k) at retirement averages only \$60,000. What Ghilarducci most favors is a nationwide Guaranteed Return Account plan that would be made available to all employees.
- Hannon, Kerry. "One Family's Saga of Alzheimer's Care," *U.S. News & World Report*, Feb. 2010, pp. 68-69. Many families face this dilemma eventually. Kerry Hannon writes about her own Dad's gradual battle with Alzheimer's.
- Kahneman, Daniel; Krueger, Alan; Schkade, David; Schwarz, Norbert; and Stone, Arthur. "Survey Method for Characterizing Daily Life Experience: The Day Reconstruction Method," *Science*, 306/5702, Dec. 3, 2004, pp. 1776-80. These known experts among social psychologists discuss a method that any seniors can use to measure the satisfaction and/or dissatisfaction in their daily lives. Kahneman is a Nobel Laureate and teaches at Princeton University.
- Leondis, Alexis. "Senior Swindlers: A Sucker Retires Every Minute," *Business Week*, Jul 19-25, 2010, pp. 51-52. Leondis describes half-a-dozen cases in which seniors swindle other seniors, aided and abetted by growing confusion about all the vehicles for saving and investing money for retirement. Writes Leondis: "Annuities. Reverse mortgages. Life insurance pools. Principal-protected notes. The options being offered to senior citizens hoping to ensure a comfortable retirement are dizzying And in growing number of cases, that may be the intention as more scammers – often elderly themselves – try to con retirees . . . 'Seniors who suffer from isolation and diminished capacity make ideal targets,' says Steve

Riess, a San Francisco attorney who represents elderly victims of con artists peddling bogus investments.” Bottom line: it ain’t a pretty picture. Seniors beware.

Lockwood, Rich. “Using ETFs to Build a Legacy,” *On Investing Magazine*, Charles Schwab & Company, Summer 2010, p. 8-9. This article explains what ETFs are and compares them to traditional mutual funds and individual securities.

Mahoney, Sarah. “Retire Happy,” *AARP Magazine*, May & June 2010, pp. 48-54. Mahoney profiles six retired singles and couples who each typify a different way to thrive in retirement. As Mahoney writes: “For many, a brutal economy has made Life in a Hammock seem unattainable – the stock market meltdown obliterated up to 50 percent of typical retirement accounts. But millions of Americans are still securely retired despite this mess and thriving in their postcareer lives.”

Martin, R. Eden. “Unfunded Public Pensions – the Next Quagmire,” *Wall Street Journal*, 8-19-2010, p. A17. “A federal bailout would cost trillions and prevent necessary reforms. But there are several ways states can rationalize their workers’ retirement benefits.” Read it and weep.

Maslow, Abraham. “A Theory of Human Motivation,” *Psychological Review*, 50 (1943), pp. 370-396. A classical paper that everyone planning for a quality retirement should read. Take care of your basic needs first before you go for the fancy stuff.

Neuman, Johanna. “A Venerable Tradition,” *U.S. News & World Report*, Nov. 2010, pp. 12-21. The venerable tradition Ms. Neuman writes about is volunteerism, which is the essence of our national character. Retirees have to decide what to do with all the extra time they have. This article provides lots of suggestions.

Pew Research Center. “What is ‘Old’?” *Wall Street Journal*, October 25, 2010, p. R4. Researchers at the Pew Center asked this question to Americans in four age brackets. Not surprisingly, the age at which persons are considered “old” went up with the age of the respondent: respondents 18-29 said the age of becoming old is 60; respondents 30-49 said 69; respondents 50-64 said 72; and respondents 65+ said 74.

Ruffenach, Glenn. “Grand Times: A Snapshot of Grandparents and Their Big-Hearted Spending Habits,” *Wall Street Journal*, October 25, 2010, p. R5. Guess what, we grandparents spend a hell of a lot of money on our grandkids -- \$52 billion a year, according to the folks who run the www.Grandparents.com website. In addition to loving our grandchildren, most grandparents have paid off their mortgages, pay off their credit card balances most months and have ample rainy day funds. Here are some other statistics from the same website: (1) the estimated U.S. grandparent population has now reached 77.1 million; (2) spending by grandparents on their grandkids breaks down into 45.3% in direct purchases, 44% in indirect purchases; and 10.7% in stocks, bonds and mutual funds; and (3) grandparent spending on their grandkids in 2009 totalled \$76 billion on apparel; \$251 billion on automotive;

\$97 billion on dining out; \$104 billion on entertainment; and \$78 billion on travel. More than half of us (52%) have contributed to our grandkids' educations and, on average, we first became a grandparent at age 50.

Schwab, Charles. "Retiring in Five Years?" *On Investing Magazine*, Charles Schwab & Company, Summer 2010, p. 5.

Schwab, Charles. "Seeking Safety," *On Investing Magazine*, Charles Schwab & Company, Summer 2010, p. 28-32. This article profiles two families who have invested primarily in bonds to provide security and growth in their retirement funds.

Sheehy, Gail. "The Silent Caregivers," *AARP Magazine*, May & June 2010, pp. 42-45. According to Sheehy, there are more than 65 million unpaid caregivers in the United States and that surprisingly at least one-third of them are men. She profiles several and how men should get help rather than keep their caregiving a secret.

Sloan, Allan. "Worried about the Stock Market? Here's the Advice I Give My Own Family," *Fortune*, 6-14-2010, p. 55. We love Sloan's aphorisms as well as his writing style. Sloan concludes: "So be careful, prudent, and live below your means. That way, when the Dow drops or rises 1,000 points in a day or the euro goes nuts, you can watch folks freaking out – but for you, it will only be a spectator sport."

Whitford, David. "What Happened to Phoenix?" *Fortune*, 6-22-2009, pp. 62-70. The authors' sub-title says it all: "Real estate prices in the Arizona desert got hit harder than anywhere else. So can you get your dream retirement home for a song? It depends where you look."

Willis, Claudia. "The New Science of Happiness," *Time Magazine*, January 9, 2005. Willis writes about how retirees and younger Americans can gauge how to measure their degree of happiness in different places and life situations.

Woolley, Suzanne. "Speed Dial: Savings Strategies: An Interview with William Bernstein," *Business Week*, July 19-25, 2010, p. 54. Woolley interviews the colorful author of *The Investor's Manifesto*, who doesn't disappoint. When asked what investors are up against in managing their retirement money, Bernstein says: "I believe most folks are about as capable of managing their retirement portfolio as they are of flying their own airliners or taking out a relative's appendix." Wow, so retirees in America are that dumb? Bernstein isn't that explicit, but he recommends that retirees draw no more than 3% a year on their savings, which should be mainly in high-quality bond funds, low-cost single premium annuities, and only in a few reputable families of stock funds (only those owned by their fund-holders, like Vanguard) and reputable exchange-traded fund providers like iShares. But we don't want to give everything away when any thing from Bernstein is well worth the reading.

Websites & Links

www.marketwatch.com

This is arguably the single-best, most comprehensive of financial planning and investment websites that is not tied to a brokerage firm. Very easy to use. Lots of colorful graphs and tables. The views of independent stock analysts too.

<http://www.schwab.com>

One of the most comprehensive financial planning and retirement website on the internet. It even includes Morningstar ratings on more than 10,000 mutual funds.

<http://www.socialsecurity.gov>

This is the definitive website. It is full of retirement and financial planning calculators. You can also make an on-line request for a personalized Social Security Report.

<http://www.usdebt.com>

Read it (regularly!) and weep. If you thought Bill Clinton and George W. Bush drove us into debt, wait to you see the charts for Obama. In less than two years he is already responsible for more than 30% of the total cumulative debt of the United States since the days of George Washington.

<http://www.usnews.com/retirehere>

The editors of U.S. News & World Report continually add ratings of more communities, both domestic and foreign, for retirement planners to consider.