



Managing Your Money

STAN'S WORLD—WAITING FOR A SHOT

While distant memory sometimes eludes me, I vividly recall back to my college days when getting a shot related to an alcoholic beverage. My, my, my, how times have changed.

If you're a senior citizen, or any other kind of citizen for that matter, talking about a shot today only has one meaning: the COVID vaccine . "Did you get the shot?" "Have you signed up for the shot?" "Are they giving the shot near you?" "Do you know anyone who got the shot?" "How can I get the shot?"

People who have received the vaccine are justifiably giddy from excitement, especially when they receive the second dose. In fact, just knowing you're going to get a shot causes people to click their heels in joy.

And the lengths we'll go to get the shot. The strategies we'll utilize. "What time do they post the time slots for tomorrow's appointments?" "Call the kids; tell them to log-in for us." "Turn on your iPad, the laptop, your iPhone; it's almost time!" "What if we just go there and wait?" "What if we go at the end of the day when they may have some doses left over?" "What if we just tell them we're (fill in the blank): diabetic; obese; a smoker; older than we look; older than we are; a nurse; a doctor; an astronaut scheduled to go into orbit the following morning?"

Getting on the schedule doesn't stop the agony because after scheduling comes worrying. "What if they run out of the vaccine?" "What if it snows?" "What if it rains?" "What if it's too hot?" "What if it snows and it's too hot?" "What if I sneeze when I get there?" "What if I cough?" "What if I – don't say it – have a fever?" "What should I do if I see the Publishers Clearing House sweepstakes truck turn into my driveway as I'm pulling out?" The possibilities of failure are endless.



STAN'S WORLD—WAITING FOR A SHOT (CONT'D)

Faced with failure, we turn to good old American ingenuity. We scheme. “I’ll get there early, just to make sure.” “I’ll get there the day before, just to make sure.” “I’ll bring cash so I can bribe someone if they’re running low on vials.” “I’ll bring my own syringe.” “To be closer to the site, the night before I’m scheduled, I’ll stay with my kid.” “Or with a friend.” “Or with a stranger.” “I’ll sleep in my car.” “I’ll sleep in a stranger’s car.”

About a month ago, during a random conversation with my accountant, he asked me if I had gotten the shot. He proceeded to tell me how his sister called her primary physician and was scheduled to get the shot in a few days. A few days!!

I use the same medical group, so I called. I was caller #47 on hold, which now gives me the authority to unequivocally state that it takes exactly two hours for 46 people to schedule appointments for a vaccine over the telephone. And then I was caller #1; it was my turn.

They had an appointment for me! And for my wife! (But first, for me.) They gave me a date for the first one and a date for the second one. And a time for each. And a location. I was set! Or was I?

Our appointments are scheduled for 9 am on Tuesday, February 16. As I write this, the weather forecast is for an ice storm on Tuesday, February 16. An ice storm! What if, gasp, I can’t drive to get THE SHOT??

I’m a person who deals in probabilities every day, so it’s important to frame the problem. If I don’t get the shot, I could catch COVID, and die. If I drive on an icy road, I could hit an ice patch, and die. I don’t like these options, so it’s time to use ingenuity and make a few calls to assure success. It’s time to scheme.

I can’t arrive a day early. (I asked.) I can’t arrive a day later. (I asked.) Summit Medical Group doesn’t have a hotel on its main campus, so I can’t sleep there the night before. (I asked.) I can’t rent a Winnebago and sleep in their parking lot the night before. (I asked.) The Westfield Department of Public Works will not assign a driver and front-end loader to drive me to Berkeley Heights on Tuesday morning. (I asked.) The Westfield Rescue Squad will not allow me to pre-dial 911, and pre-schedule an emergency for 9 am on Tuesday, February 16. (I asked.)

I’m not writing this to get your sympathy. Rest assured, if I’m unable to get my shot as scheduled at 9 am on February 16, I will not be bitter, sullen, or jealous of others. Suffice it to say that on Wednesday, February 17, I will be lurking on the campus of Summit Medical Group in Berkeley Heights, waiting for my opportunity. Should someone named Harry Morgan, Sam Snead, or even Jennifer Lopez fail to answer when their name is called to get their shot, my hand will go up, and I’m walking to the front of the line. Frankly, a man has to do what a man has to do. I just need a damn shot!



SOME THOUGHTS FOR THOSE CONTEMPLATING RETIREMENT

Just like there's no universal savings amount that everyone should reach to secure their retirement ("What's my number?"), neither is there a universal retirement age for everyone. The fact that your friends are all retired doesn't mean it's the right decision for you, and vice versa if none of them are retired but you think it's your time. Even the fact that your spouse is retired doesn't mean you should take the leap. (Regarding the latter, the opposite might be true, but more on that below.)

A dream fulfilled?

For many retirees, retirement is a dream fulfilled. For others, less so. If you believe retirement is all you fantasize it will be, spend a moment reading a sobering paragraph in a Wall Street Journal article titled: The Case Against Early Retirement¹:

"... in our rush to leave the office, we don't realize that retirement also has a downside, especially over the long term. Many retirees indulge in unhealthy behaviors. They become sedentary and watch too much television. They eat too much. They drink too much. They smoke too much. Without the purpose of fulfilling work, retirees can feel adrift and become depressed. Without the camaraderie of their co-workers, retirees risk becoming socially isolated. Without the intellectual stimulation that work can provide, retirement can accelerate cognitive decline."

While it's true that we can't always dictate when we'll retire due to our health, job security, and other related issues, we may have the ability to decide the extent to which we want to work by securing a part-time (or full-time) position even if our careers end. There are at least two obvious benefits from doing so: health and financial. In fact, the aforementioned Journal article cites data showing a "32% change in the five-year mortality risk for men in their early 60's when retirement is delayed." And let's not forget about the boost in future income by working longer and not starting to deplete your assets sooner.

But what if you think you're ready?

Like professional athletes, sometimes we wait too long to decide when to retire. A psychotherapist writing in the AARP Bulletin² posts seven questions that every potential retiree should consider to help determine whether he or she is prepared to trade "the familiarity and stimulation of a job for an unstructured life of redefinition."

- What will you miss from work? The challenge? The social life? Your authority?
- Will not working make you feel less vital?



SOME THOUGHTS FOR THOSE CONTEMPLATING RETIREMENT (CONT'D)

- Do you have an agenda for filling your time with your choice of hobbies and interests?
- What will make you rise each day as excited as you were at the high points of your career?
- What ambitions are you waiting to fulfill?
- How do you think your being around the home will affect your partner, if you have one? What does your partner think?
- To what extent will you be in service to other family members once you retire? How do you feel about that?

Should you retire with your partner?

Whose retirement is it? Are you jointly retiring? After living separate work lives for decades, are you both prepared to live together from sunrise to sunset? Every day. To the end of (your) time.

From a financial perspective, it certainly makes sense if one partner continues to work. Obviously, there is considerably less strain on a budget when one income continues and smaller withdrawals (if any) are taken from savings and retirement accounts. Added bonuses to working a little longer might also include employer-provided healthcare and employer contributions to a 401(k) plan. And let's not forget the financial benefits of delaying Social Security and getting a paycheck during a bear stock market. Aside from the above, Anne Tergesen writes in the Wall Street Journal³ there are other potential consequences when couples stagger their retirement dates.

A study from Harvard Medical School reveals that women especially have a lot to gain by working longer. "...women generally reach their peak earnings in the mid-50s... while men tend to see their earning power decline throughout their 50s." With continued higher earnings comes higher Social Security, as higher-earning years replace lower-earning years for Social Security calculations.

Aside from financial benefits, staggering retirements means that couples don't have to both settle into their new routines at the same time. Interests may change in retirement, and each partner may need time to explore new challenges and focuses. Retiring together may impinge on each partner's independence, potentially leading to conflict.

What about a new rhythm for chores around the house? Should the working spouse be required to continue the same activities as his/her newly retired partner, who may have more time on his/her hands to complete more tasks? Will the working spouse look upon his/her partner as no longer carrying his/her weight by not earning any income? What if the working spouse no longer wants to work; will that bitterness be felt in their relationship?



SOME THOUGHTS FOR THOSE CONTEMPLATING RETIREMENT (CONT'D)

Suffice it to say that if you have the opportunity to choose when you want to retire, plan ahead. If you're in a relationship, retirement impacts your partner as much as it will impact you.

SHOULD I QUIT MY JOB TO BECOME A STOCK TRADER?

Whenever someone used to try a new task that didn't turn out well, the line used against him/her was "Don't quit your day job." If your neighbor saw you do a house repair that didn't go well: "Don't quit your day job." Fail to properly change the oil in your car: "Don't quit your day job." The point, obviously, was to continue doing the job that someone is paying you to do, because you weren't going to make a dime doing anything else.

Ever hear of Robinhood? Or Reddit? Even if you're not as well versed as others on trading platforms and social media sites, there's a good chance you've heard those names, as they've been in the news a lot lately. The businesses may have started for all the right reasons, but there's some question as to whether or not they're getting publicity now for all the wrong reasons.

Robinhood is a trading platform designed to allow anyone to buy and sell stocks. (It's name implies that Wall Street is not just for the wealthy.) To make trading even simpler, Robinhood introduced a mobile app in 2015, making it very attractive to tech-savvy investors. No account minimums and no trading fees; who can resist that type of offer?

Imagine, if you will, a website where social news can be easily discussed among its users. Imagine a website where people have the opportunity to highlight a stock, espouse its virtues, and are persuasive enough for others to follow their lead. Imagine a group calling itself the WallStreetBets community encouraging the purchase of a stock that sold for \$17 a share and eventually surged to \$483 a share one month later. Yes, we're referring to the hoopla around GameStop, driven by postings on Reddit.

If you missed making a gazillion dollars on GameStop, we're right there with you. And regardless of the next GameStop, we'll probably miss that hype as well. And also the next one.

You may have read one of the many stories of 'traders' who had never invested before, buying GameStop because of a message they read, and then making tens of thousands of dollars. They were the lucky ones, because there also was a prominent story about one young man who committed suicide when he didn't realize how much money he had actually lost. As of this writing, GameStop is selling for \$52 per share, painful to everyone who bought it for more than that price expecting gains to flow their way.



SHOULD I QUIT MY JOB TO BECOME A STOCK TRADER? (CONT'D)

There are professional traders who meticulously research companies before buying or selling their stocks. (NOTE: When you buy a stock 'long,' that means you're buying it with the hope that the stock price will appreciate. If you sell a stock 'short,' that means you believe the price will go down further. Short sellers sell at what they believe will be a high price, hopefully replacing the shares they sold with shares purchased at a lower price.) Professional traders do both, knowing that there will be a lot of misses along the way. In short, a trading app is not just another game on an iPhone; a trading app can cause a lot of pain for people who don't really know what they're doing.

There's a reason why we don't trade in and out of stocks for our clients, and it's because we're long-term investors. Building diversified portfolios that will support clients for decades is serious business, and shortcuts, like trading apps, can cause terrific damage to a person's finances. So don't quit your day job to find the next GameStop. If making money was that easy, everyone would be able to do it.



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Managing Your Money is compiled entirely by Stanley F. Ehrlich and John Zeltmann.

Questions or comments are always welcome (and encouraged!).

Did we mention? If you have a friend or family member who you think might benefit from a discussion with us about financial planning and asset management, please pass along our phone number and email address. Long-term growth is not only crucial to portfolios, it's also critical to a business.

If you have a friend, co-worker, or relative who's in need of financial advice due to a pending or actual job loss, please give them our contact information. We're always glad to speak **pro bono** with people who need a hand.

CLIENTS: Please remember to contact S.F. Ehrlich if: a) there are any changes in your financial situation or investment objectives, b) you wish to impose, add or modify any reasonable restrictions to our investment management services, or c) you've changed your permanent residence.

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¹ Johnson, Richard W. "The Case Against Early Retirement." *The Wall Street Journal*, 22 Apr. 2019, p. R1.

² Sedlar, Jeri, and Rick Miners. "Are You Emotionally Ready for Retirement? ." AARP, 10 Sept. 2018, www.aarp.org/retirement/planning-for-retirement/info-2018/really-ready-to-retire.html.

³ Tergesen, Anne. "Why You Shouldn't Retire When Your Spouse Does." *The Wall Street Journal*, 21 Nov. 2018, p. R4.

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