CITIZENS FSB presents:

The HORIZON

MONEY TIPS & TOOLS TODAY

TO HELP PLAN FOR YOUR TOMORROWS

IN THIS ISSUE

SPRING 2020

NOTABLE QUOTE:
"Life is a creative endeavor. It is active, not passive."
- Julia Cameron

QUICK TIP:
Look at a hybrid life insurance policy that can potentially give you a pool of money to pay extended care costs later in retirement. Unused benefits may be paid to the policy's beneficiaries.

Young Americans Will Be Caring for Boomer Parents

The Baby Boom has led, somewhat inevitably, to a Senior Boom. Ten thousand Americans turn 65 every single day. While many have made plans toward their senior years, not everyone is financially in the same place. A third of American seniors have savings of $50,000 or less. For many of these people, they may be considering ways to save money,

including moving in with family. Why is this? Unlike earlier generations, Boomers are more likely to retire single. Whatever the reason for living alone, these retirees don't necessarily have a second retirement income in their household. This multi-generational cohabitation isn't necessarily out of financial necessity either. It's not unusual for parents to live with their adult children because it offers both parties a warm and mutually beneficial household.

While not every young adult American would consider welcoming a parent or other elder into their home their number one choice of living arrangement, it's not without its advantages. If you have children, for example, a live-in grandparent can mean childcare after school, as you meet professional and personal obligations. Beyond that, many seniors are not interested in a totally free ride and may help with rent or mortgage payments, utilities, and even groceries. It's also important to remember that these family members are not going to be homebodies either. Living with family might be their home base, as they travel or pursue other interests.[1]

Are Young Americans Better with Money Than Their Elders?

It's not exactly a competition, but you could say that being good with money is its own reward. The answer to the question may be that younger Americans are "flipping the script," by holding different priorities than their parents and grandparents. The fact that younger generations are prioritizing personal enhancement may be informative. Younger Americans are more likely to pay for things like cosmetic surgery or personal counseling earlier in life than previous generations. While these are two very different examples of major expenditures, they speak to a focus on improving the self rather than "putting down roots."

Many younger Americans are choosing to delay having children. They tend to rent instead of buy. This goes beyond renting a home too. Common rental services include transportation, entertainment, and even wardrobe. However, in some cases, these decisions are made from financial practicality as well as personal preference. If you are a young professional, living in a city and focusing on a career, having a bunch of personal possessions might limit you from being able to work in a field that could require (or reward) being able to move quickly. You may not be ready to settle down, buy a home, and start a family. In fact, that may never be a priority in your life. That said, saving that money and focusing on avoiding debt from major expenditures early in life may, for some young adults who are just starting out in life, be a wise use of your time and resources, and it could offer you more options as you grow older.[2]

The Market in a Minute

February may be remembered as a month when unease about the coronavirus unsettled the stock market, yet it was also a month that saw the S&P 500 achieve a new record close (3,386.15, on February 19).

Stocks rose to new highs on growing confidence that China had reached COVID-19 containment, only to fall on reports of a spike in new cases in China. The selling accelerated in the final week of trading, on news of a surge of cases in South Korea, Italy, and Iran. As the week ended, the major indices found themselves in correction territory. The respective February 28 settlements for the major U.S. stock indices: Dow Jones Industrial Average, 25,409.36; S&P 500, 2,954.22; Nasdaq Composite, 8,567.37.

At the beginning of 2020, consensus suggested that global economic growth would likely pick up, thanks to the trade deal with China, passage of the United States-Mexico-Canada Agreement, and early signs of an economic pickup in European economies. But the question now is, to what degree will the world's economies be slowed by the outbreak?

Investors are expected to watch economic reports out of China and Europe as well as the initial estimate of first-quarter gross domestic product, due at the end of April.

Markets are priced on expectations of the future. But the challenge for investors has been whether the market has properly discounted the economic cost of the outbreak, given the uncertainty of estimating those costs in real time.[3-5]

www.citizensfsb.bank
913-727-1040

Citations.

1 - finance.yahoo.com/news/10-000-baby-boomers-hit-130000389.html [2/24/20]
2 - businessinsider.com/millennials-spending-habits-compared-to-baby-boomers-2020-1 [1/27/20]
3 - fortune.com/2020/02/27/coronavirus-stock-market-worries-dont-panic-economy/ [2/27/20]
4 - bloomberg.com/markets/stocks [2/28/20]
5 - tinyurl.com/utpxrzd [2/7/20]

03062020-SO-11704