THE BEST TRAVEL CARD OFFER IN YEARS IS HERE
P. 16

Money

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MIDYEAR INVESTOR'S GUIDE

5 TRENDS YOU CAN BET ON NOW!

● These real-life **Golden Girls** 🌈 moved in together in 👵 retirement. Here's how they're making it work. ¶ *Plus:* We plan a 💰 **money makeover** for KC, a 29-year-old with a "terrifying" 😬 financial future. ¶ *And:* "There is a real crisis" ⚡ among **domestic workers**, who are in high demand but have few protections— 👈 and little pay.

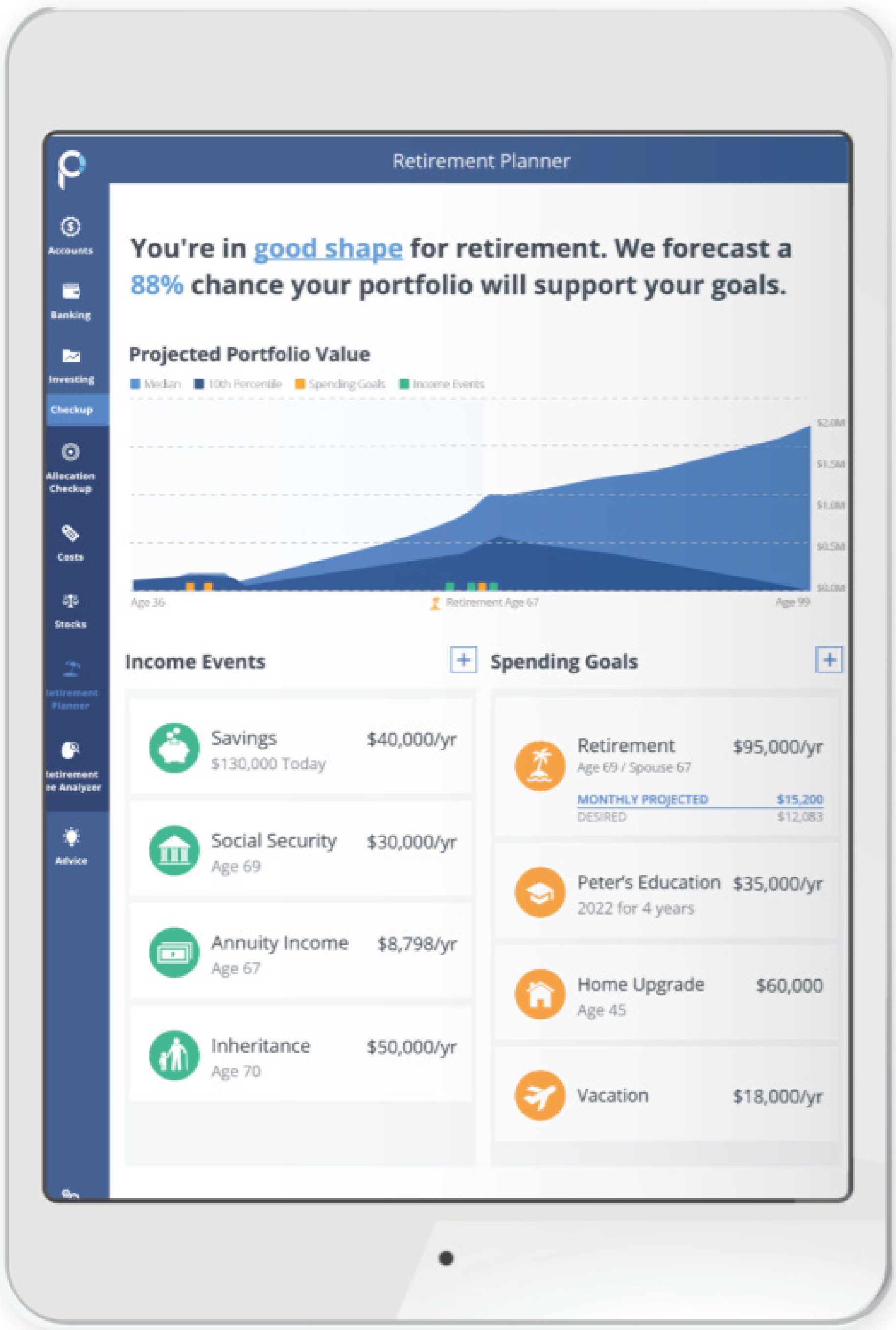
FREE RETIREMENT PLANNER

Take the guesswork out of your retirement.

1 When can I retire comfortably?

2 What impact will Social Security have?

3 What if something unexpected happens?



4 What if I retire earlier?

5 How much money will I have to spend each month?

6 Can I afford that splurge?

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Money FEATURES

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Caregiver and activist June Barrett at home in Miami. See page 54.

PHOTOGRAPH BY MARY BETH KOETH

JUNE/JULY 2019 VOLUME 48, NUMBER 5

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Jordan Karcher has two business objectives: Sell coffee and save pups. More on page 18.

Cover design by SARINA FINKELSTEIN & LIXIA GUO

Cover typography by STEVEN WILSON

Pictured: Labor activist Ai-Jen Poo, in 2012.

LIVE

INVEST

WORK

RETIRE

COLUMNS

THE MONEY TALK WITH ...

ALSO IN THIS ISSUE

ON THE COVER: AIRPLANE: SOONTHORN WONGSAITA—SHUTTERSTOCK; EMOJIS: GOOGLE, DESIGNBOLTS, AND PAOMEDIA; AI-JEN POO: GILLIAN LAUB FOR TIME. THIS PAGE: KELLY ALLISON PHOTOGRAPHY—COURTESY OF GROUNDS & HOUNDS

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EDITOR'S NOTE

FOR NEARLY 50 YEARS, MONEY has been committed to helping its readers lead richer lives—in every sense of the word. Whether it's choosing a college or choosing a career, planning a wedding or planning a retirement, investing in index funds or investing in your passion project, we've always had your back.

That's not changing. But the way we deliver that information is.

The issue you're holding is our last monthly print installment, as we embrace a digital future at Money.com that enables us to cultivate a relationship with you that's faster, smarter, and even more personalized.

So, for example, while you'll no longer receive a magazine with a Retire section curated by senior editor Elizabeth O'Brien, you are invited to join Retire With Money, our lively (and free!) Facebook group, where Elizabeth herself hosts conversations on everything from Social Security drawdown strategies to the best novels with retirement themes. The group is private and moderated, so you can count on productive discussions.

And though you won't see them printed once a month, you can read the same great MONEY stories once a day when you sign up for Daily Money, one of our email newsletters. Sign up at money.com/newsletters or scan the QR code below.

Of course, we recognize the tactile pleasures of magazine reading, and we're sorry that many of you will miss that experience. But we'll continue to have your back, and can promise that MONEY's coverage will be as robust online as it has been for decades in print.

On a personal note: It's been an honor to serve as editor of this magazine. I want to thank all the people on this masthead for channeling their passion, creativity, and sense of service into this publication every day. And thanks, of course, to you, subscribers and newsstand buyers, for reading with open hearts and minds over the years.

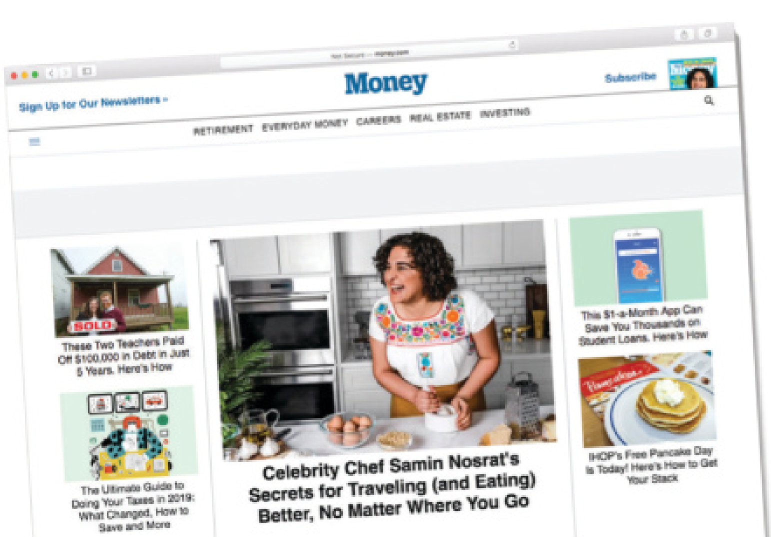
Much more to come, but for now: I hope you find joy in saving. Remember that your spending is a reflection of your values. Watch out for fees. And most definitely automate your retirement contributions.

See you online!

Adam Auriemma EDITOR-IN-CHIEF
@adamauriemma
Write the Editor: editor@moneymail.com

Just hover your smartphone's camera over this code to open our newsletter sign-up page!

Some iconic covers, including our rainbow-infused debut of 1972. Below: Money.com.



AURIEMMA: TAYLOR JEWELL; MAGAZINES: PETER ARDITO—MEREDITH PHOTO STUDIO


BAGS WITH A MISSION FOR WOMEN ON A MISSION
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I wish to train with astronauts
Addison, 8
Wilms tumor
WHERE THERE'S A wish THERE'S A WAY.

Live

Gray's app, Scholly, is focused on providing "access and opportunity for all," he says.

A Scholarship Guru Shares His Best Tips

Christopher Gray won more than $1 million to help him pay for school. Now he's spreading the love.

BY KAITLIN MULHERE

AS A HIGH SCHOOL STUDENT, Christopher Gray applied for hundreds of scholarships. As a *homeless* high school student, he did all that work—typing essays and searching for leads online—on his cell phone and the shared computers at a public library in his Alabama hometown.

It was a seven-month hustle that earned him more than $1 million in scholarship winnings. And though he didn't know it at the time, it was a journey that would also lead him to a career. Gray wanted to take a tedious process that makes it harder for students to afford college and simplify it. While still a student at Drexel University, he cofounded Scholly, a scholarship search engine that's designed to run on a cell phone,

BEN LIN PHOTOGRAPHY

though you can also use it on a desktop computer. Each year, private scholarships from businesses and local communities aren't awarded, owing in part to a lack of qualified candidates. Gray wanted to change that.

There are plenty of long-standing scholarship search engines out there. But they're all designed to give you a single, static list of the awards you may be eligible for. Scholly, on the other hand, is constantly updating its database of thousands of awards, and users are notified each time a new one that fits their profile is added. It also has an editor tool that can proofread essays.

In the four years since the app launched, Scholly has helped students win $70 million to pay for college. And that large pot of unused scholarship money? Gray says there are some programs with scholarships that tell him that before the creation of Scholly, they would receive few, if any, applications.

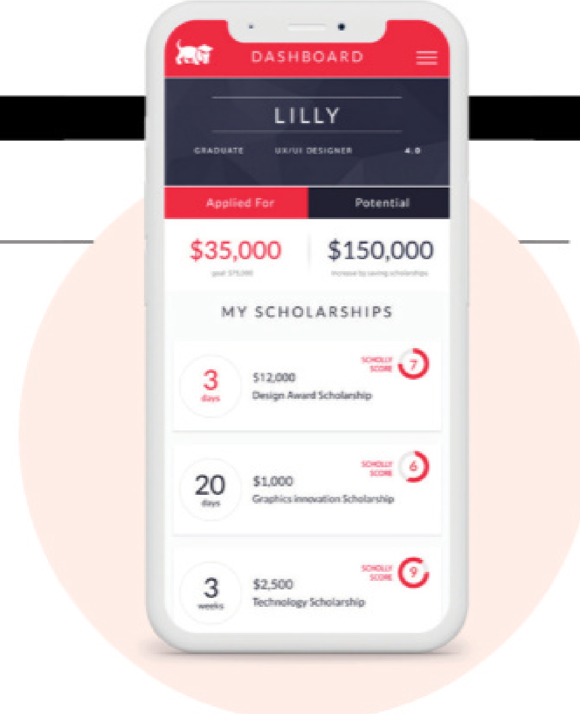
Gray used about $300,000 of the scholarship money he won for his undergraduate degree. He says he can still use the rest of it for a graduate degree. But Scholly is keeping him busy.

Now 27, Gray wants to expand the company into a broad tool that supports students for years, from preparing for college to paying for it to succeeding on campus.

That initiative starts this month, with the introduction of an online tutoring program that can walk students step-by-step through a math problem after they upload a photo of it.

"I have a unique perspective, and because I'm at the top of my organization, I can ensure that every product, every design, everything we do reflects access and opportunity for all," Gray says.

His goal, he says, is to become an Amazon Prime– or Netflix-style business for education by har-



Scholly's suite of products costs $4.99 a month.

COURTESY OF SCHOLLY

nessing technology to offer products that cost more individually than they do bundled for a low monthly fee.

An hour-long in-person session with a math tutor, for example, runs an average of $60, he says. Grammarly, a popular web tool that edits writing, costs $30 for a monthly subscription. Scholly's suite of products has recently increased in price to $4.99 a month.

"A lot of students just don't have access to those resources, and they can't afford those resources," he says. ■

Gray's Top Four Scholarship Tips:

1. KNOW YOURSELF

Apply for scholarships that are tailored to your personal characteristics. Those will likely have fewer applicants, Gray says. There are scholarships targeted to all kinds of students: by academic interests, hobbies, even your hair color or height—like a grant offered by the Tall Clubs International Foundation, open only to women 5-foot-10 or above, or men above 6-foot-2.

2. DON'T STOP APPLYING

Many students don't realize there are scholarships available for current college students and graduate students, not just high school seniors who are enrolling the following fall. Scholly is the only scholarship platform that helps students continue their search while they're enrolled, and now a majority of Scholly users are current college students.

3. OPTIMIZE YOUR TIME

When Gray was applying, he found a helpful hack: Recycle as many essays as possible. A lot of scholarships have similar essay prompts, and while you'll likely need to tweak the essays for each application, you can save time by crafting a handful of strong ones to build upon.

4. EVERY AWARD COUNTS

Don't ignore smaller scholarships, Gray advises. Students sometimes see full-ride or $10,000 awards and focus exclusively on them. But those are the most demanding applications, and they're also generally nationwide searches with huge applicant pools. Smaller awards often have less competition, and if you win several, they can add up to a significant amount.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Spirit Airlines Is Actually ... Good?

Why the budget carrier deserves a second look. BY SHAINA MISHKIN

IF YOU'VE COUNTED Spirit out as a dependable airline, now might be the time to reconsider.

The budget airline was the most improved carrier in MONEY's Best in Travel ranking this year—thanks, in large part, to notable improvements in reliability between 2017 and 2018.

Of the eight major domestic airlines MONEY ranked, Spirit saw the most improvement in performance compared with the previous year, according to flight data from the Department of Transportation. Between January 2018 and October 2018, 81% of Spirit's flights arrived at their destinations on time, up from 76% through the same time period in 2017. Only 1.1% of Spirit's flights were canceled—a big difference from its 3.8% cancellation rate the year prior.

What accounts for this change? It's not necessarily a fluke. In fact, the airline's performance has been improving steadily since 2016, when former board member Robert Fornaro became chief executive and made punctuality a priority, according to the *Miami Herald*. In December 2018, former CFO Ted Christie took over from Fornaro, telling CNBC that Spirit was all about being a "high-quality low-fare airline."

Admittedly, Spirit did have room for improvement. The airline had the highest percentage of canceled flights and among the greatest share of delays in the first three quarters of 2017.

But Spirit didn't only beat its prior performance—it also rose to surpass other carriers like American Airlines and United Airlines in 2018. Of the eight major airlines we looked at, only Delta and Alaska Airlines had a better on-time arrival rate in 2018, according to DOT data.

Of course, a happy Spirit traveler has to make a few concessions. In a *Travel + Leisure* survey, Spirit scored low in categories like food, customer service, and cabin comfort. You still might get bumped from a flight—of the eight major airlines we considered, Spirit had the highest rate of passengers denied boarding involuntarily, with 1,846 passengers bumped between April 2017 and April 2018 (out of 23.8 million). And since Spirit is a leader in "unbundling" extras and amenities, fees for large carry-ons or heavy baggage can add up.

Still, the average price of a coach flight on Spirit is $255, according to Rome2Rio—that's more than $100 below average and more affordable than every major airline MONEY analyzed. M

JON LORD PHOTOGRAPHY—ALAMY

The Best Sign-Up Bonus We've Seen in Years

Chase just rolled out a new travel card reward offer.

BY MARTHA C. WHITE

IT MIGHT BE TIME for you to get a new travel rewards credit card. The Chase Sapphire Preferred card just increased its sign-up bonus, paying out $600 cash back or $750 in travel rewards once you meet spending thresholds. And while Chase Sapphire Preferred comes with an annual fee of $95, it's significantly less than the $450 annual fee that must be paid for using cards with even bigger rewards, like Chase Sapphire Reserve.

When it debuted in 2016, the Chase Sapphire Reserve card ushered in a sea change in the way Americans think about travel credit cards. Sure, there was a lot of talk about that $450 annual fee, but the sticker shock was offset by a sign-up bonus worth a whopping $1,500 if redeemed for travel through Chase's rewards portal and benefits worth hundreds of dollars more.

Now it's the Chase Sapphire Preferred card, the lower-cost cousin of the Reserve, that's shaking up the travel rewards credit card landscape, upping its bonus from 50,000 points to 60,000, bringing it in line with its high-rolling relative. The bonus is worth $600 if redeemed for cash or $750 if redeemed for travel through the Chase portal.

There is a rub, though: The $95 annual fee for the Preferred card used to be waived for the first year. Now, Chase Sapphire Preferred cardholders must pay the annual fee every year they have the card. Even so, the Sapphire Preferred annual fee is significantly less than that of the Sapphire Reserve. The new deal works in your favor in another way too: Compared with the previous offer of a bonus and no first-year fee, this larger sign-up bonus with Chase Sapphire Preferred puts you ahead by $30.

Beyond the sign-up bonus, Sapphire Preferred cardholders earn points at the same rate as always with this card: two points per dollar for travel and dining purchases, and one point per dollar on other purchases. The spending threshold for new cardholders to get their bonus points hasn't changed. You'll earn the bucket of 60,000 bonus points after spending $4,000 in the first three months after getting the Chase Sapphire Preferred card.

If you're tempted by Chase Sapphire Preferred, just make sure you're in a position to pay off your monthly bills, rather than carrying a balance. Those interest payments—really, almost any credit card interest payment—will easily outweigh the value of any rewards you can expect to earn. M

SIGN-UP BONUS
60,000 points

ANNUAL FEE
$95

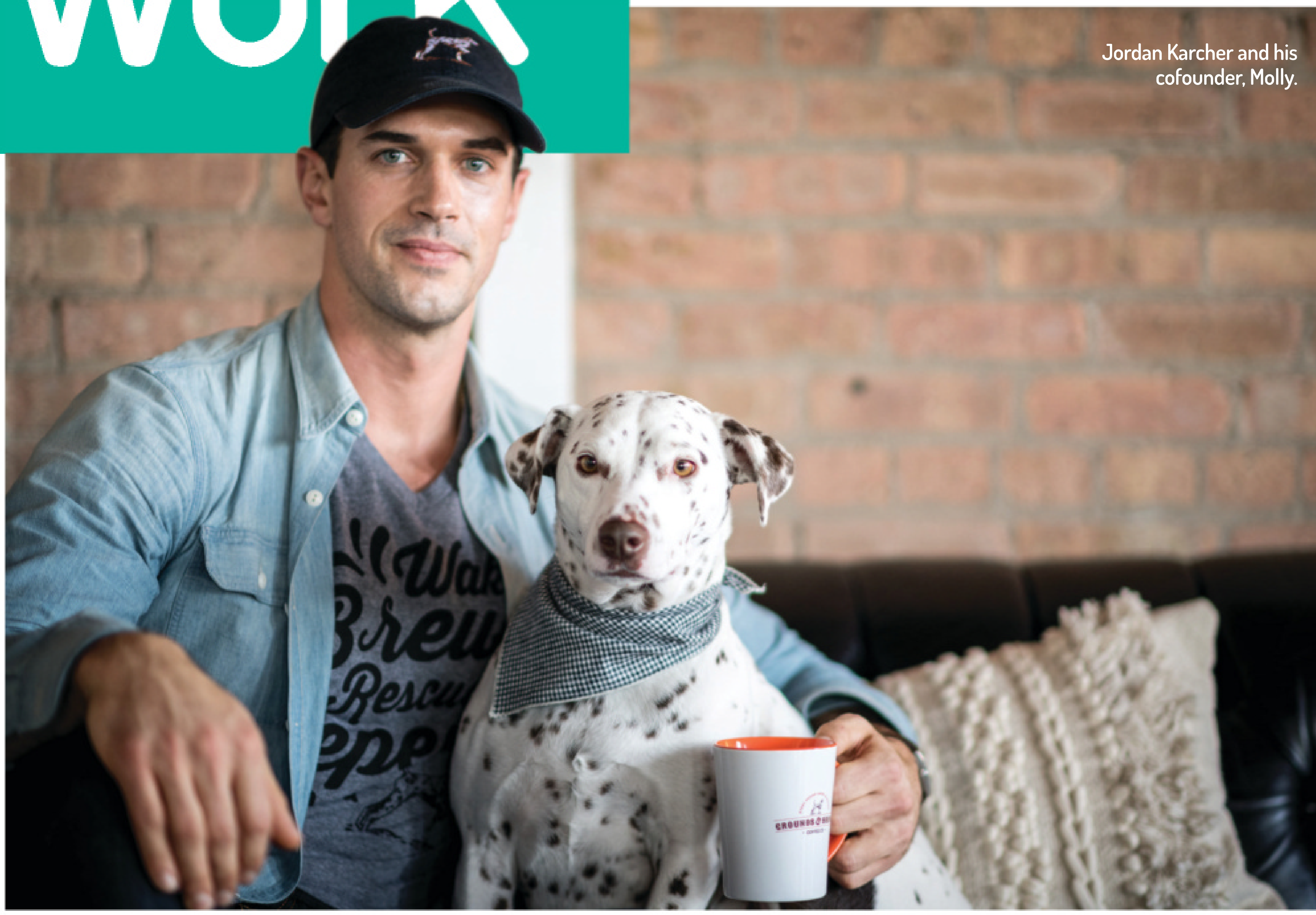
LOWEST APR
18.24%

HIGHEST APR
25.24%

ILLUSTRATION BY **TANIA GUERRA**

COURTESY OF CHASE

Work



Jordan Karcher and his cofounder, Molly.

This 32-Year-Old Sold All of His Furniture to Start a Coffee Business. Now It Pulls in $1 Million a Year

Grounds & Hounds' philosophy is twofold: Sell direct to consumers online and save pups.

BY PAUL SCHRODT

JORDAN KARCHER SAVES dogs and sells coffee at the same time. Not exactly an intuitive business plan, but the entrepreneur has built his niche company into millions of dollars in sales and has attracted top-level investors. And he owes much of it to his Craigslist couch-selling skills.

Karcher found inspiration for his Grounds & Hounds coffee brand in an adorable pooch he'd spotted by the side of the road. While living in L.A. in his mid-twenties, and working in the wine and spirits world after an injury in college ended his baseball career, Karcher was headed to breakfast in Santa Monica. An animal adoption pop-up center caught his eye, and within minutes, "a little brown and white Dalmatian came up on my lap and tucked her nose in my jacket," he says. "Little did I know she would soon be my best friend."

Molly is also the "cofounder" and face of Grounds & Hounds, beaming proudly from

THIS PAGE AND OPPOSITE: KELLY ALLISON PHOTOGRAPHY—COURTESY OF GROUNDS & HOUNDS its smart-looking houndstooth-patterned packaging.

$1.2 MILLION IN COFFEE

Officially launched in 2014, Grounds & Hounds sells fair-trade organic coffee, diverting 20% of initial profits to no-kill animal rescue organizations and related projects. There are no physical stores; it's direct-to-consumer for now. It's also become a surprisingly booming business: Dog owners, of course, drink coffee, but over the past four years they've come out in droves for Karcher's business. According to numbers he supplied to MONEY, Grounds & Hounds sales have increased substantially from year to year. It brought in $100,000 in 2015, its first full year, then $400,000 the following year, $700,000 in 2017, and $1.2 million in 2018.

Grounds & Hounds got another jolt of good news last year in the form of major equity investment from Sterling Partners in Chicago, which is highly influential in the direct-to-consumer space. "It's been crazy for us," says Karcher, who won't disclose the size of the funding but adds that it will allow for bringing on more people and revving up growth targets: "It's in line with taking the company from over $1 million to four times that."

Meanwhile, Grounds & Hounds' commitment to saving dogs hasn't wavered. "I really made this as challenging as possible, lopping off a good chunk of profits to put back into animal organizations while still making sure there's enough cash [to keep things going]," Karcher says. He notes that the company, which has since added four human employees in Chicago, has sometimes "scrambled to figure out how we can weather the worst times." It puts the lion's share of its profits, however, back into further developing the brand.

SELLING FURNITURE FOR A STARTUP VISION

After studying the e-commerce success of Warby Parker and Toms, Karcher finally felt like he had a viable idea. But as a grad student at Indiana University, he was also short on dollar bills.

"I looked at my bank account in the second semester, and I had maybe $200 extra" to spend on the project, he says. So he turned to an unlikely funding strategy: hawking everything in his two-bedroom house in South Bend. He sold much of his furniture, clothing, and shoes on Craigslist and eBay in order to pay for his startup.

"I think I made $7,500," Karcher recalls. "It got to the point where I was down to just the essentials."

Ultimately, it's the cup of joe that makes Grounds & Hounds distinctive and, no doubt, why it has persisted. That was the plan from the start. "The first thing is our product. A lot of times with [e-commerce] companies, they don't think thoroughly enough about the space they're in. People might love dogs and coffee, but there are lots of other coffees you can drink," Karcher says. He would put his coffee, which is roasted in small batches, "up against any other coffee in terms of quality," and he emphasizes customer satisfaction and engagement, making sure his beans and grounds get to people as quickly and easily as possible: "It's important that it's experientially as good as Starbucks, or else you'll go back to Starbucks."

Not that the dogs don't matter. He's focusing on local efforts, but in addition to rescues, Grounds & Hounds has put money toward programs such as spaying, neutering, and microchipping, which correlate with fewer intakes. The overall goal "is to prevent dogs from getting into the shelter system in the first place," he says. M

Grounds & Hounds coffee has become an online hit.
There are no physical locations yet.

Here's a Genius Method for Writing Emails That People *Always* Open

Follow this "fabulous" route and you'll never have to send a desperate follow-up. BY LAURA BELGRAY

WHETHER IT'S AN INVITATION to after-work drinks, a pitch to your boss, or any kind of business inquiry, if your emails aren't getting opened and answered, there's one thing you need to change: Stop writing the typical "polite" and buttoned-up email and start writing an EFAB.

A what?

An EFAB: Email From a Bestie.

In other words, an email that feels personable and warm—like it's from a friend, to a friend.

It's the style I encourage my copywriting clients to use in their business newsletters because an EFAB creates a personal connection—and studies show that we buy from people and businesses we like and trust.

Because our inner "stiff professor" comes out automatically when most of us write a work-related email, here are simple, tactical ways to switch into EFAB mode.

GIVE THE EMAIL AN INFORMAL SUBJECT LINE—MAKING IT ONE YOU'D WANT TO OPEN

For starters, use the more casual sentence case rather than the overly formal title case (in which every first letter is capitalized).

SENTENCE CASE:

✔ Please complete enclosed paperwork

TITLE CASE:

✖ Please Complete Enclosed Paperwork

Of course, neither of these is an enticing subject line. It's a request that sounds utterly un-fun.

INSTEAD, HOW ABOUT:

✔ Please sign these so we can pay you!

Now I'll open it!

Are you reaching out to someone who doesn't know you—especially someone who might get hundreds of emails a day from strangers—and who won't necessarily read yours merely because it's from you? If so, you can borrow a technique from the best email marketing and lure them with something intriguing. Make them so curious, they can't ignore it or resist opening it.

IGNORABLE:

✖ Idea for collaboration

MUST-OPEN:

✔ Idea for dream collaboration (involves chopsticks and Drake)

MARK ANDERSEN—RUBBERBALL/GETTY IMAGES

PHOTO ILLUSTRATION BY SARINA FINKELSTEIN

And, finally, the most engaging subject line will be something personal and specific about your recipient: an accomplishment you admire, something you bought from them, even somewhere you spotted them (but were, perhaps, too shy to say hi).

EXAMPLES:

- ✅ Was that you at the coffee shop?
- ✅ Your latest book made me change careers.
- ✅ I'm obsessed with this quote from you!

They won't be able to resist opening it. Everyone's favorite topic? Themselves.

> "THEY WON'T BE ABLE TO RESIST OPENING IT. EVERYONE'S FAVORITE TOPIC? THEMSELVES."

USE A CASUAL GREETING

- ✅ "Hi, ____,"
- ✅ "Hey, ____,"
- ✅ "Hey there, ____,"

Depending on the relationship and situation, "Hey" might be too casual.

"Hi" is almost always a safe bet.

Think about how you'd leave a voice message for the same person. You'd probably start with "Hi, [first name]" or "Hey, [first name]." Whatever you'd say on the voicemail, try to echo that tone in your email.

DON'T USE A FORMAL GREETING.

- ❌ "Hello, ___."
- ❌ "Dear ___,"
- ❌ "Greetings, ___."

If an email starts with "Dear Laura" or "Hello, Laura," I know it's not from a friend.

START WITH A PERSONAL OPENING

FIRST, HERE'S WHAT *NOT* TO SAY:

- ❌ "I hope you are well."
- ❌ "I hope this email finds you well."

Any version of "I hope you are well" is an attempt not to be cold or abrupt, but it's about as warm and fuzzy as a toilet tank. As soon as I see those words, I know it's from someone who wants me to do something I don't want to do. Or sign something. (Usually a tax form.)

THE BEST WAY TO START IS WITH SOMETHING SPECIFIC ABOUT THEM.

- ✅ "Huge congrats on your anniversary! Love the pics you posted."
- ✅ "First of all, I have to say I *loved* your presentation last week. I took so many notes."
- ✅ "Been thinking about you this week. I remember how you hate football season."

If you've been in touch recently with this person, it's fine to skip right to the point.

- ✅ "Hi, Doug. Here's that pitch we talked about. Thanks for taking a look!"

Or, if you're following up, work that into the intro.

- ✅ "Hi, Doug. So great chatting with you yesterday. Your feedback was gold. Here's that pitch we talked about. Thanks for taking a look."

WRITE CONVERSATIONALLY

For a long time, being formal was equated with being professional. Today, it only makes you look stodgy and out of it. At best, you sound like a legal document or a robot built to mimic human speech patterns.

You want your email to sound human, like a person talking.

The easiest trick for shaking off the stiffness and writing like a person lies in a single symbol on your keyboard: the good ol' apostrophe.

It's what makes contractions. They're those combo words we use constantly in speech but often got scolded for using in our high school English essays.

- ✅ You are = You're
- ✅ You will = You'll
- ✅ I will = I'll
- ✅ It is = It's

FINISH WITH A WARM SIGN-OFF—AND MEAN IT

Well, this one's tricky. And it's probably where you don't want to go "full bestie" in your emails.

"Xoxo" or "*Mwah!*" isn't exactly workplace appropriate.

Here are some suggestions that will have to do until a hero comes up with something better:

- ✅ Warmly,
- ✅ Cheers,
- ✅ Yours,

Or, if appropriate:

- ✅ Talk soon,
- ✅ Gratefully,
- ✅ Thanks,

After all, remember: Even when you're writing "business to business," you're always a person, writing to a person. M

Nervous About Stocks? There Are Great Opportunities in the Bond Market

Here's where to look, according to experts.

BY RYAN DEROUSSEAU

AFTER YEARS OF enduring ultra-low interest rates, fixed-income investors are starting to see bonds that offer decent yields. But amid increasing uncertainty about the strength of the U.S. economy, be careful. Not all types of bonds will protect you from turmoil in the stock market.

After raising short-term interest rates four times in 2018, the Federal Reserve has indicated it expects no new Fed funds rate hikes this year.

That means bond payouts, which have been improving for several years, aren't likely to get any more generous in 2019. At the same time, bond prices, which move in the opposite direction of yields, could avoid potential declines. Vanguard Total Bond Market Index Fund has posted a total return—a figure that includes both price appreciation and

ILLUSTRATION BY PETE RYAN

interest income—of 4.1% over the past year.

The upshot: There are still plenty of bargains to be had in the bond market if you know where to look—and which risks are worth taking.

HIGH YIELD MEANS HIGH RISK, HIGH REWARD

When the Fed halted interest-rate hikes, it signaled that controlling inflation—which has been sitting near the 2% mark for some time—had given way to a bigger priority: boosting the economy's growth rate. As a result, stocks jumped—and so did high-yield, or junk, bonds.

That's because as with stocks, the financial health of issuing companies is a top concern. In a healthy economy, these weaker, sometimes troubled companies often manage to scrape by. In a recession, investors face a real chance of default.

With the S&P 500 posting a total return of nearly 14% so far this year, the **iShares iBoxx $ High Yield Corporate Bond ETF (HYG)** has gained 7.4%. Meanwhile, it boasts a 5.3% yield, compared with the S&P 500's 1.9%.

Those numbers look attractive, but be cautious. While the Fed's rate cut prompted an immediate stock market rally, it's also a sign that policymakers are worried about growth in the long term.

PROTECT AGAINST INFLATION WITH TIPS

Just because inflation isn't a concern today doesn't mean it won't become one in the future. That's where Treasury inflation-protected securities (TIPS) come in. While TIPS pay a fixed interest rate, investors' principal is adjusted upward or downward with the consumer price index.

Since the Fed has turned its attention to spurring economic growth, some investors think there's a chance for an inflation flare-up. That's led to a rally in TIPS prices, sending yields, which move in the opposite direction, downward. The yield on 10-year TIPS dropped to 0.58% on May 1 from 0.98% in January. Either way, they can serve as a useful hedge if inflation does become an issue again, notes Donald Ellenberger, a senior portfolio manager at Federated Investors.

CUT YOUR TAX BILL

The 2017 Tax Cuts and Jobs Act was both a boon and a bust for municipal bonds. On the plus side, wealthier individuals in high-tax states saw once-valuable state and local tax deductions capped at $10,000. Investing more in muni bonds is a tactic that some have used to counter this change, since muni bond income can still be reaped tax-free.

Remember bond investing's golden rule: When interest rates rise, bond prices fall.

WHAT THEY PAY

Average yields for four Morningstar fund categories:

TIPS	1.56%
INTERMEDIATE-TERM MUNICIPAL BONDS	1.94%
INTERMEDIATE-TERM GOVERNMENT BONDS	2.32%
HIGH-YIELD BONDS	5.22%

NOTE: *Figures are 30-day SEC yields as of March 31.*
SOURCE: *Morningstar*

Even with yields a little below those of comparable bonds, munis can still prove more profitable since you're not paying taxes on the income. Currently, Vanguard Intermediate-Term Bond Index Fund yields 3%, compared with 2.1% for **Vanguard Intermediate-Term Tax-Exempt Fund (VWITX)**, the equivalent muni fund.

Institutional demand for municipal bonds, however, dropped after the tax law reduced corporate tax rates. This has kept banks, among the biggest muni purchasers, on the sidelines. But munis aren't very sensitive to changes in the Fed's interest rate, since they're valued more in terms of the local governments' abilities to collect revenue, says Ellenberger.

They've shown signs of strength over the past year, as the tax reform has become ingrained. Vanguard Intermediate-Term Tax-Exempt has returned 5.1% over the past year, compared with its 10-year average annual return of 4.1%. M

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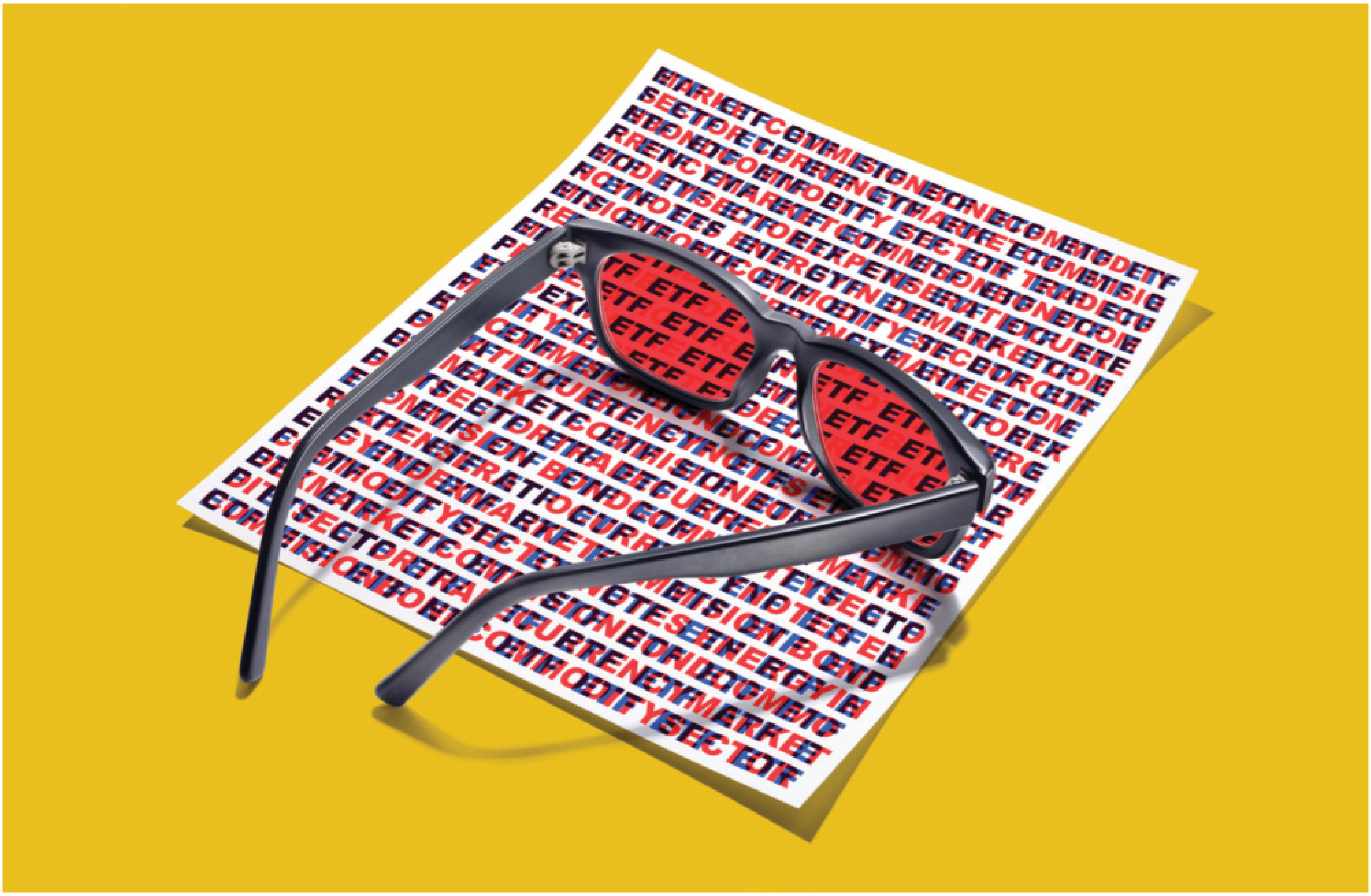


Building an Investment Portfolio With ETFs Just Got Even Cheaper

Here's how to do it. BY ROB CURRAN

AS EXCHANGE-TRADED FUNDS gain more and more fans, brokerage firms are making it easier to use them as the main building blocks of a retirement portfolio. Just beware of the potential pitfalls.

Earlier this year discount brokerage Charles Schwab doubled the number of exchange-traded funds that could be traded for free on its online platform, and rival Fidelity Investments responded with a similar offer. As a result, investors can now buy and sell thousands of ETFs without paying regular commissions.

ETFs offer low investment minimums and have some tax advantages, compared with traditional mutual funds.

ETFs, which after years of explosive growth hold more than $3 trillion, are mutual funds that trade throughout the day like a stock. Most ETFs are index funds, meaning they track market benchmarks and boast relatively low investment fees. While there are plenty of similarities between ETFs and traditional index mutual funds, ETFs do offer some

JOHN KUCZALA—GETTY IMAGES

advantages, like de minimis investment minimums (in theory you can buy just one share) and certain tax advantages when it comes to capital gains.

Low-cost ETFs can be like a "Swiss Army knife" for investors, says Ben Johnson, director of passive funds research at Morningstar. "They can do a lot of different jobs for a lot of different people."

Is building a portfolio with ETFs the right approach for you?

LOW-COST ETFs CAN BE LIKE A "SWISS ARMY KNIFE."

—Ben Johnson, director of passive funds research at Morningstar

HOW THE OFFERS WORK

Schwab doubled the number of commission-free ETFs to more than 500, and Fidelity essentially matched that, with 500 of its own. Vanguard already offers more than 1,000 ETFs free of commission.

Fidelity had formerly offered commission-free trades for a large suite of BlackRock's iShares and its own ETFs. Fidelity said it was adding "smart beta" and "active" ETFs from a range of providers to the free-to-trade bucket. Schwab added funds from a number of providers to existing Invesco, State Street Global SPDR, and WisdomTree offerings.

Among other brokerage platforms, E*Trade offers 250 free-to-trade ETFs, and TD Ameritrade has more than 300. Clients of Bank of America's brokerage platform Merrill Edge with at least $50,000 in their accounts get 30 free stock and ETF trades a month.

Typically it costs $4.95 to $6.95 a trade on major platforms. While that may not sound like much, fees can pile up if, say, you're someone who plans to sock away a few hundred dollars every month.

By contrast, thousands of traditional mutual funds have long been "no load," or free to trade, although many place restrictions on how many trades shareholders can make in a given time period.

HIDDEN COSTS

If investors are not careful, however, there is a danger of being penny-wise and pound-foolish with ETFs.

While Fidelity's and Schwab's ETF offers look attractive, the firms still plan to make money. Fund industry analysts say these deals are loss leaders to get customers to spend money on other products and services. That could mean enticing you to purchase more expensive actively managed funds; cash products, like sweep accounts that may offer suboptimal interest rates; or add-on services for individualized advice.

Investors should also educate themselves on the pitfalls of ETF pricing, notes Andrew Craswell, senior vice president at Brown Brothers Harriman. With a traditional mutual fund, investors are guaranteed a price that matches "net asset value," essentially the value of the fund's underlying stock holdings, as of 4 p.m. on the day of the order.

While ETFs almost always trade at market prices that closely match their NAVs, there is no such guarantee. Craswell recommends investors use "limit orders," which specify the price you are willing to accept for a given trade, to avoid the nasty surprises that can happen when orders at market price are mistimed.

DO YOU REALLY NEED HUNDREDS TO CHOOSE FROM?

Oliver Pursche, chief market strategist at Bruderman Brothers, says investors should be wary of ETFs that overthink the market.

While investors can now trade many more niche and specialty funds for free, these tend to be far more expensive than plain-vanilla offerings. For instance, Schwab investors enjoy free trades of the Global X S&P 500 Covered Call ETF, with an expense ratio of 0.65%, and the WisdomTree U.S. Multifactor Fund, with an expense ratio of 0.28%, among many others.

But investors pay handsomely for these niche strategies. The Schwab U.S. Broad Market ETF, also free to trade, costs just 0.03%.

When it comes to "smart beta," "active," or "multifactor" funds, investors should ask themselves, "Do you know what impact each of those factors has on the stock selection?"

"I believe in keeping [ETFs] very simple and therefore low cost," says Pursche. ■

A $2 Million Scam by a Former Vanguard Supervisor Is Scaring Investors

Here's how to protect yourself—and your elderly relatives too. BY SERGEI KLEBNIKOV

MOST PEOPLE DON'T ever expect to become victims of financial fraud. But as one recent case at investment giant Vanguard shows, it can sometimes happen even to customers of the biggest, most reputable organizations.

In March, a former Vanguard supervisor pleaded guilty to stealing more than $2 million from the accounts of deceased customers or those with inactive accounts before getting found out, according to the *Philadelphia Inquirer.* The perpetrator used his employees' passwords to draw checks on these accounts between 2012 and 2014. Vanguard described it as an isolated incident and says it has since reimbursed victims.

All the same, experts say, investors should take a lesson from the incident—and protect themselves.

Vanguard clients eventually got their money back. But the incident shows you can't be too careful.

"Financial abuse—at the hand of financial services professionals who should be acting as fiduciaries—is a lot more common than you might think," says Elizabeth Loewy, cofounder of EverSafe, a fintech company that monitors customer accounts, preventing potential fraud.

THEFT AT VANGUARD

On March 14, Scott Capps of Coatesville, Pa., pleaded guilty to conspiracy to commit mail fraud, two counts of money laundering, and twice filing false tax returns. Capps stole passwords from people who worked for him in order to send money from dormant accounts to his brother-in-law and others, according to reporting by the *Philadelphia Inquirer.* (A Vanguard spokeswoman said that "all impacted clients received the money they were entitled to receive.")

HOW TO PROTECT YOURSELF

Of course, consumers should still proactively try to protect themselves. An important way to do so is by checking that no funds are being withdrawn from accounts without proper authority, says Sally Greenberg, executive director of the National Consumers League. "It's a lot to ask when we all have very busy lives, but, yes, you should check your statements."

It's best to monitor the accounts of sick and deceased relatives or close friends. And family members should get access to the passwords and financial information of elderly relatives who don't have the capacity to be vigilant on their own, Greenberg says.

ILLUSTRATION BY KIERSTEN ESSENPREIS

GOLDEN GATE BRIDGE

The Golden Gate Bridge was financed with municipal bonds.

ALSO KEPT TAXES AT BAY

Dubbed one of the 'Wonders of the Modern World', the Golden Gate Bridge opened to the public on May 27, 1937. At the time, it was both the longest and the tallest suspension bridge in the world, with a main span of 4,200 feet and a total height of 746 feet. It is still the tallest bridge in the United States, transporting 110,000 vehicles every day. To help raise the $35 million it cost to build, the authorities in California issued tax-free municipal bonds.

Still Going Strong

And, just like that iconic structure, municipal bonds are still going strong today as a way for investors to invest in civic projects, while earning income that's free of federal taxes and potentially state taxes.

Many US investors use municipal bonds as part of their retirement planning. Here's why:

Tax-Free Income

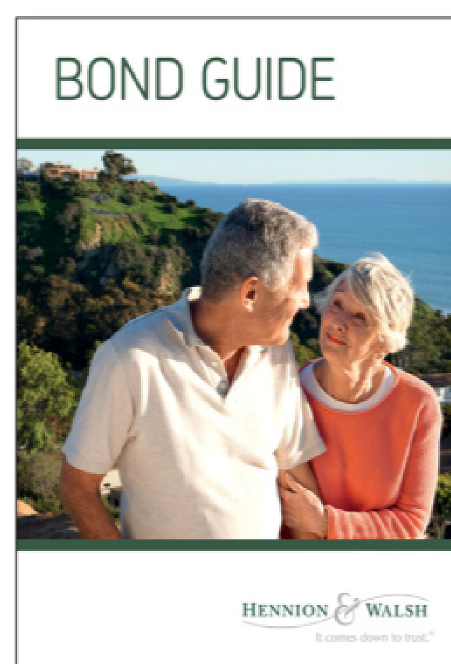
Income from municipal bonds is not subject to federal income tax and, depending on where you live, may also be exempt from state and local taxes. Tax-free income can be a big attraction for many investors.

About Hennion & Walsh

Since 1990 Hennion & Walsh has specialized in investment-grade tax-free municipal bonds. The company supervises over $3 billion in assets in over 16,000 accounts, providing individual investors with institutional quality service and personal attention.

Our FREE Gift To You

In case you want to know more about the benefits of tax-free Municipal Bonds, our specialists have created a helpful Bond Guide for investors. It's free and comes with no obligation whatsoever.



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My Teenage Dream Was to Live on a Boat. Now I'm Doing Just That

How one bucket-list bullet point fueled a sweet second act.

BY ELIZABETH O'BRIEN

GARY BAKER was sorting through memorabilia in the basement of his Ann Arbor home about two years ago when he stumbled upon a bucket list he'd written as a young teen. Now 64, Baker didn't recall making the list a half-century earlier, and he couldn't believe what he'd written first: "Living on a boat."

COURTESY OF GARY BAKER

Yacht life: Gary Baker on his 47-foot-long catamaran at the Bahia Mar marina in Fort Lauderdale.

At the time, the IT executive was waiting to close on the 47-foot-long catamaran that would become his permanent home in Fort Lauderdale. He rents the yacht, named *Shared Adventure,* to day-trippers and overnighters on weekends and vacations, with the goal of expanding his side gig into a full-time adventure-travel company when he retires from his day job within the next few years.

"I just can't imagine having nothing to do," Baker says. "This will get me out of bed in the morning."

Retirement experts often counsel folks to look back to their childhood interests for hints of what they might like to pursue as their second or third act. A lifelong sailor, Baker had followed their advice subconsciously.

"I always had friends who had boats," Baker says. "Now I am that friend with a boat."

PLAN METICULOUSLY

Baker had laid some of the groundwork for his second act well before he bought his boat. He grew up sailing as a boy on the Great Lakes, so he knew how to navigate on the water. In his thirties, he got his airplane pilot's license, which required him to study weather patterns and safety measures that also come in handy at sea.

But he still didn't know the business of charter boating, so he took a strategic approach to gaining those skills.

"I moved to where I could find people to teach me the business," Baker says of his relocation to Fort Lauderdale.

Fortunately, his company was looking to expand its presence in Florida around the same time, so Baker was able to relocate and continue working there.

Baker also studied for and passed the exam to get his captain's license, which enables him to take paying passengers up to 100 miles offshore.

SET YOUR PRICE

Baker's yacht cost $315,000. He took out a $250,000 loan, and to cover the rest, he sold some appreciated stock. He didn't touch his retirement accounts, in part because he didn't want to trigger the tax consequences of paying ordinary income taxes on any money that he withdrew.

Tax law allows business owners

From top: Baker's daughter Lauren and her boyfriend Conrad spend the day snorkeling on the *Shared Adventure;* a group of college students on a Baker tour.

COURTESY OF GARY BAKER (2)

to write off the cost of their assets over time, as they wear down. Baker plans to upgrade this summer to a bigger boat that costs $639,000 and depreciate his purchase over a period of five years, which will help offset the income he makes and reduce his tax burden.

His excursions range from $400 for two hours to $1,200 for six hours. He will expand his offerings to include weeklong trips once he moves into the business full-time.

Baker plans to take some customers on voyages to places he's never been, to scope out the route and possible attractions. People have asked him if they will pay less for those trips, which will be trial runs.

Baker plans to do just the opposite. "I'm charging a premium for those trips," he says. "It's a shared adventure."

BAKED-IN BENEFITS

Baker can't wait to fill his schedule with excursions such as family weeks, scuba diving trips, and historical or culinary tours. "I want to have so much business that I need more weeks of vacation time," he says.

Needless to say, he won't have any time to sit around watching cable television like the stereotypical retiree. Technically, he won't be retired at all.

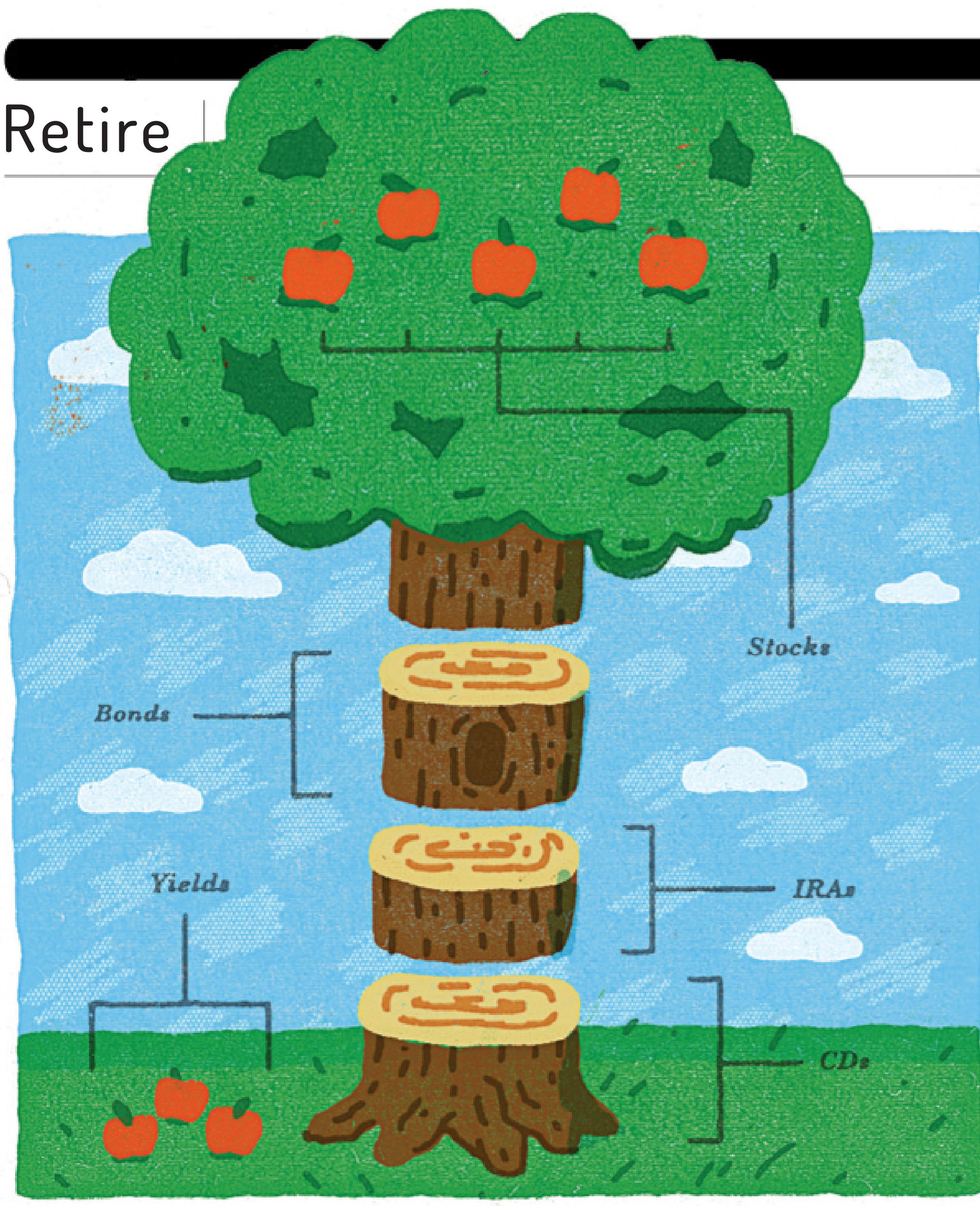
Instead, he'll be reaping physical, intellectual, and social rewards, all while pursuing his passion. Navigating the boat requires both intellectual and physical feats—the map-reading skills of piloting the yacht and the strength and agility to move about it. "It's going to keep me very physically fit," he says.

Baker's 26-year-old daughter pointed out a third benefit of his second act. Being in the hospitality business, he'll enjoy plenty of socialization, "so you won't become a grumpy old man," she told him.

Isolation can be very damaging to older adults. Studies have indicated that loneliness could be as harmful to your health as smoking.

But there's no danger of Baker succumbing to that. He's already got plenty of company on his boat. One luminary he entertained was Rob Gronkowski, the retired tight end for the New England Patriots, who showed up last year to tape a segment for ESPN on swimming with sharks.

He's also hosted groups of strangers who became buddies onboard. "If you're not a friend when you get on the boat," Baker says, "you will be when you leave." M



The Most Important Thing You Need to Do Before You Retire

Mapping your cash flow to your projected expenses can bring great peace of mind. BY ALIX LANGONE

IT'S THE BIGGEST WORRY FOR PEOPLE approaching retirement, financial advisors say: "Will I have enough? Where's my income coming from?" But if you actually map out your spending ahead of time, you'll know the answer (at least for the short term), and you'll have less reason to worry when you stop working.

At a minimum, it's important to figure out your first three to five years of cash flow—the money you will use every day—before you actually leave the workforce. Budgeting for your anticipated annual spending will help you begin retirement with a more disciplined mindset, financial advisors say, and more important, it will also help you resist the urge to pull your money out of the market if stocks start to slide.

While the market has rallied since late December, many investors still feel queasy from the volatility of the past year and worry that this historic bull market is soon to expire. But the dizzying ups and downs of the market won't affect you for years if you've adequately planned ahead.

"If you have money sitting in an account that's FDIC or government backed, you know it's going to be there," says John M. Scherer, a certified financial planner and founder of Trinity Financial Planning in Middleton, Wis.

Even if you're worried about your portfolio long term, you still have the security of knowing you'll be okay for the next four, five, or six years—no matter what happens to the Dow.

Scherer recommends allocating that money in a combination of different accounts, ranging from certificates of deposit to Treasury bonds. These days, many banks are offering competitive interest rates on CDs and high-yield savings accounts.

"In a perfect world, we have three years of spending in a taxable account, with year one spending just in a money-market account," Scherer says. "Then years two and three in CDs or Treasury bills or bonds." These recommendations hold true regardless of the current market and interest rate environment, Scherer says.

After all, for your near-term cash needs, you're focused on safety, not returns, he adds. Also, take the opportunity to boost your savings in your final years of work. Savers age 50 and over are eligible to make an additional $1,000 annual "catch-up" contribution to their IRAs and an additional $6,000 to their 401(k)s. M

ILLUSTRATION BY MIKEY BURTON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This Is the Best Way to Recession-Proof Your Retirement

Take these steps so you won't have to worry about how stocks perform. BY ALIX LANGONE

AN ESTIMATED $2.4 TRILLION disappeared almost overnight from Americans' 401(k)s and IRAs when the market crashed in 2008, devastating many of their retirement prospects.

Stocks have since recovered spectacularly, and in March the bull market celebrated its 10th birthday. Still, there's a growing sense that this rally is on borrowed time, and as economists warn that another recession is likely to happen in the next two to three years, many people are asking themselves what they can do to prepare for the next financial disaster.

Those who are near retirement are especially vulnerable to drops in the stock market, owing to the lack of time they have to recover and the fact that—in the case of those already retired—they're drawing down savings instead of working and adding to them. But if you plan ahead, you can build a financial buffer to help ensure you survive the passing storm.

Here are a few basic steps you should take:

BUILD YOUR CUSHION

"If you commit to an emergency fund, it protects the rest of the financial plan," says Sharon Allen, president and cofounder of Sterling Wealth Management based in Champaign, Ill. She suggests a minimum of three to six months' expenses for this fund. Once you've filled that emergency savings bucket, aim to pay down as much debt as possible. That's key to feeling secure once you leave the workforce because it means that less of your savings is tied up in fixed expenses, says Patti Black, a partner at Bridgeworth, a wealth management firm based in Birmingham, Ala. It's much simpler to adjust your discretionary expenses, like vacations, as opposed to saying, "Hey, I've decided I'm not going to pay my mortgage this month," she notes.

Generally, it's a good idea to

ILLUSTRATION BY PETE RYAN

tackle your highest-interest-rate debt first. Financial advisors are divided on whether you should pay off your mortgage before retiring. Black's opinion? "If the only choice of funds to pay down the mortgage is a retirement account [a 401(k) or IRA], I don't recommend proceeding with paying off the loan."

TWEAK YOUR ASSET ALLOCATION

If you're on the cusp of retirement, or have just retired, consider diversifying and rebalancing your portfolio to limit your exposure to market volatility.

"If you're going to need your money within five years, I recommend putting it into a much safer portfolio," says Teresa Ghilarducci, a labor economist and an expert on retirement security. That means putting the money you'll need for the next few years in cash or cash equivalents, such as savings accounts, CDs, and short-term bond funds.

This approach doesn't require that you be conservative with your entire portfolio, however. You'll need stocks' growth to outpace inflation over time, and that usually means maintaining a healthy equity allocation—Allen recommends in the 60% to 80% range—throughout retirement.

CONSIDER PART-TIME WORK

Part-time work helps protect you if a recession catches you off guard. If you're earning enough income to live on, you can leave your portfolio untouched instead of withdrawing funds on a declining balance—a surefire way to drain your savings quickly. Just be aware of how this extra income could affect the taxation of your Social Security benefits, if you've already claimed.

Financial considerations aside, having a job or a hobby gets you out of the house, helps keep your mind sharp, and offers you the opportunity to socialize and make meaningful connections within your community.

And if you find yourself behind the eight ball, says Allen, know that it's never too late to start preparing for retirement, regardless of the economic climate. M


MIDYEAR
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GUIDE

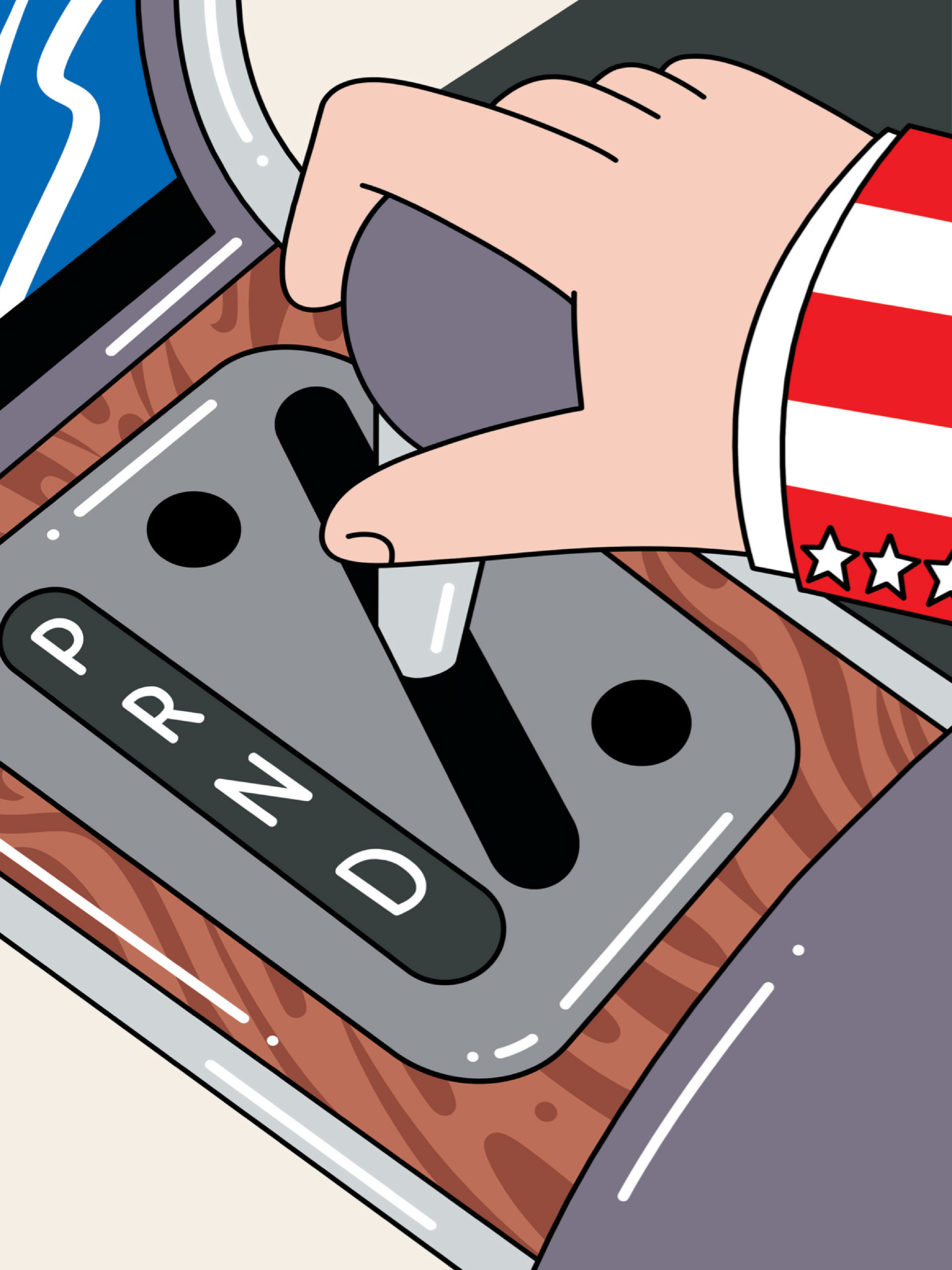
5 Trends to Bet On in 2019

Investors have been suffering from a case of whiplash. Late last year, the stock market, having posted one of the worst Decembers in decades, seemed to be flirting with bear market territory. Then suddenly the picture brightened. The Fed, which had been gradually hiking interest rates, relented. Meanwhile, U.S. corporate profits and the Chinese economy, both major drivers of U.S. growth, began to look healthier than they had just a few months before. By April, the S&P 500 had set a new record high.

Crisis averted? Not so fast. Remember that while the stock market loved the Fed's rate-hike pause, it's a sign policymakers see growth slowing, not speeding up. What's more, even amid the rally, the bond market began giving off bearish signals, all of which suggest the underlying tensions behind December's swoon haven't resolved, only moved to the background. The same tug-of-war between market forces is likely to drive your investment returns for the rest of the year—and into 2020. Here is what you need to know. ›

By Sergei Klebnikov, Sarah Max, and Ian Salisbury

TYPOGRAPHY BY **STEVEN WILSON**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1

Rates Hold Steady

TWO BIG THINGS IMPACT STOCK PRICES: "The cost of money and earnings," says Ernie Cecilia, chief investment officer of Bryn Mawr Trust in Berwyn, Pa. While the U.S. government can do only so much to boost corporate earnings, it plays no small role in controlling the cost of money by setting targets for the Federal funds rate—what banks pay for short-term loans to one another.

A slight change in this rate may seem innocuous, but even that can send the stock market into a frenzy. Not only do Fed rates have a ripple effect throughout the economy—such as by making corporate debt or home loans cheaper or more expensive—they also change the relative appeal of stocks vs. bonds. When rates are low, as they have been, investors seek higher returns in riskier assets like stocks.

This is all to say that when the Federal Reserve unexpectedly pushed the pause button on its plans to gradually increase its target rate, it was a big deal. "Investors weren't expecting this," says Adrian Helfert, director of multi-asset portfolios at Westwood, a Dallas-based investment and asset management firm. "This is one of the reasons we saw stocks rally in the first quarter."

Following the financial crisis, the Fed dropped its target rate to close to zero and held it there until 2015. Policymakers had been gradually bringing that up to the current target of 2.25% to 2.5% and were on track to raise that to 3% by the end of 2019. Then, following weaker-than-expected economic data—not to mention the nearly 20% stock market plunge in the fourth quarter—the Fed had a change of heart. The first hint of a pause came at the end of January, and on March 20, Federal Reserve Chairman Jerome Powell reaffirmed that view, saying rate hikes could be on hold for "some time."

All things being equal, lower borrowing costs are good news for the stock market—at least in the short term. There is also the potential that this time-out could create a virtuous cycle by nudging consumers to spend a little more and companies to invest in productivity-boosting capital, ultimately improving real earnings growth. Although two-thirds of CFOs surveyed for Duke University's Global Business Outlook predict a recession by the third quarter of 2020, they also expect capital spending and revenue to increase by 5% over the next 12 months. In keeping rates in check, "the central bank gave an extraordinary handshake to CFOs and investors and said, 'We will be there for you,'" Helfert notes.

CAVEAT

As much as investors love this rally, many worry—and rightly so—that Fed stimulus at this stage might be the economic equivalent of pounding espresso shots at 2 a.m. "This economic expansion is almost 10 years old, and though monetary policy is neutral, there aren't a lot of levers left to fuel further growth in the economy," says Cecilia. It's possible that this pause could give a new gear to growth, but it may just be delaying the inevitable.

ILLUSTRATIONS BY **SAM ISLAND**

2

The Curve Swerves

IN LATE MARCH, BOND MARKET INVESTORS witnessed something they had been waiting for—and dreading—for months. The event, known as a "yield-curve inversion," took place when yields on short-dated three-month Treasury bills slipped above those of much longer 10-year bonds. While that may seem like a statistical oddity, to bond investors it's a notorious omen. A recent Federal Reserve study noted a yield-curve inversion preceded each of the past seven recessions by roughly a year. The last time short-term yields eclipsed longer-term ones was in August 2006, roughly 15 months before the onset of the financial crisis.

It's not hard to understand why the situation is unusual. Bond investors are essentially lenders, and they demand higher interest rates for longer-term loans since risks—like a jump in inflation or interest rates—are greater. Plotted on a graph, these progressively higher rates make an upward-sloping curve—the yield curve. Ahead of a recession, however, the calculus can change. Expecting the Federal Reserve to cut interest rates to boost the pace of growth, bond investors scramble to purchase longer-dated bonds and lock in today's higher rates for as long as possible. The demand pushes long-term yields downward, sometimes even below short-term yields, reversing or "inverting" the slope of the yield curve.

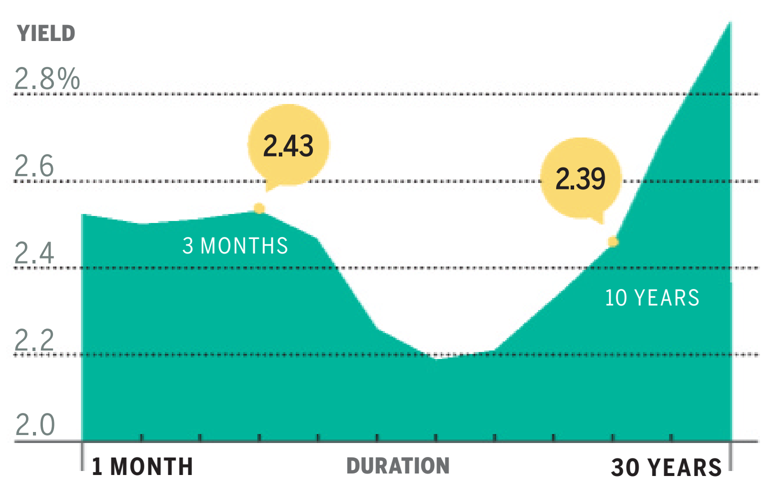
CAVEAT

While every recession in recent history has been preceded by a yield-curve inversion, not every inversion has been followed by a recession. Federal Reserve researchers noted at least two "false positives," in 1966 and 1998, that were not followed by a recession. What's more, while the yield curve often inverts for weeks or months before economic growth begins to slow, March's inversion proved vanishingly brief—lasting just five days.

Even if you expect a recession in the coming months, that doesn't mean you should panic and sell all your stocks. A recent study of past yield-curve inversions by investment firm LPL found that the stock market continued to rise for anywhere from eight months to nearly two years afterward. During those periods, investors frequently reaped double-digit gains.

THE INVERTED YIELD CURVE

What the Treasury yield curve looked like on March 27.



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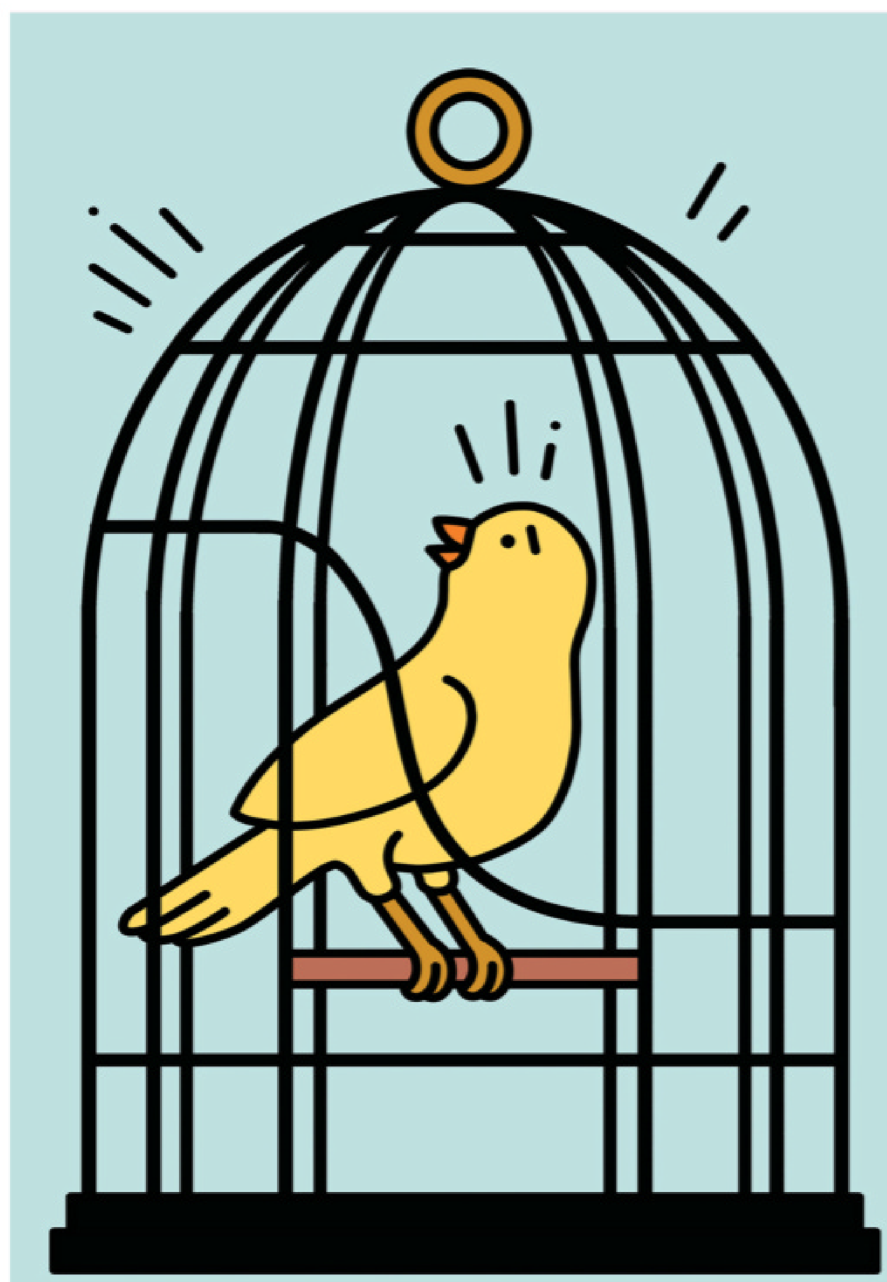


3

Profits Snap Back

ONE BIG REASON stocks took a hit last winter: weaker-than-expected corporate earnings. In fact, for the fourth quarter a whopping 25% of companies reported profits that were lower than analysts expected—the highest percentage in any three-month period since 2013.

The good news is that since then, a number of things have changed to boost profits, namely the Fed's rate-hike pause, which made it easier for companies to borrow, and better news out of China (more on that later). As of mid-April just 17% of companies missed analysts' targets the first quarter.

Investors pay such close attention to company profits because they go hand in hand with economic growth, translating into investment in new equipment and jobs for workers—in addition to funding dividends and buybacks that more directly boost share prices.

In general, earnings are expected to remain strong as the economy continues to grow, although not as quickly as some investors had hoped last year, according to Howard Silverblatt, senior index analyst at S&P Dow Jones Indices. Home prices and consumer confidence—two major growth drivers—continue to rise. With the Federal Reserve's recent decision to refrain from boosting interest rates, borrowing costs for most businesses should remain manageable. S&P 500 companies on average earned $150 per share in 2018, according to S&P Dow Jones Indices. Wall Street analysts expect earnings to grow 9.9%, to $165 per share, in 2019—and another 12.5%, to $186 per share, in 2020, on average.

CAVEAT

Last year corporate profits jumped as much as 20%, after the Tax Cuts and Jobs Act cut the corporate tax rate to 21% from 35%. While companies will continue to enjoy the new, lower rate, the dramatic jump in earnings—which helped propel stock prices upward—won't be repeated. Rising wages for U.S. workers and slowing economic growth in Europe and Asia could pose additional risks. On average, S&P 500 companies on the whole get nearly 44% of their sales from abroad. For the important tech sector, it's even higher—nearly 60%.

4

Tech's Bull Keeps Charging

TECH STOCKS HAVE BEEN the driving force behind the stock market's big gains in recent years. Still, many experts think these stocks—particularly the so-called FAANGs—can continue to pull their weight.

FAANG stands for Facebook, Amazon, Apple, Netflix, and Google. The giant valuations of these high-flying tech stocks mean they make up a disproportionate share of the market and drive a disproportionate share of its gains. Just how big is their influence? While the S&P 500 gained 9.4% over the 12 months ended March 31, without these stocks, it would have gained just 7.5%, according to Morningstar.

In other words, even if you merely invest in funds that mirror the broad market, these stocks can have an outsize effect on your returns. The good news is many experts remain bullish. Google, for example, is still the king of search, with the majority of its revenue coming from advertising. But the company is also expanding into other businesses, like self-driving-car startup Waymo and health care venture Verily. Although some of these projects have yet to generate revenue, they could tap into markets worth tens of billions of dollars within the next 10 to 15 years, according to Morningstar.

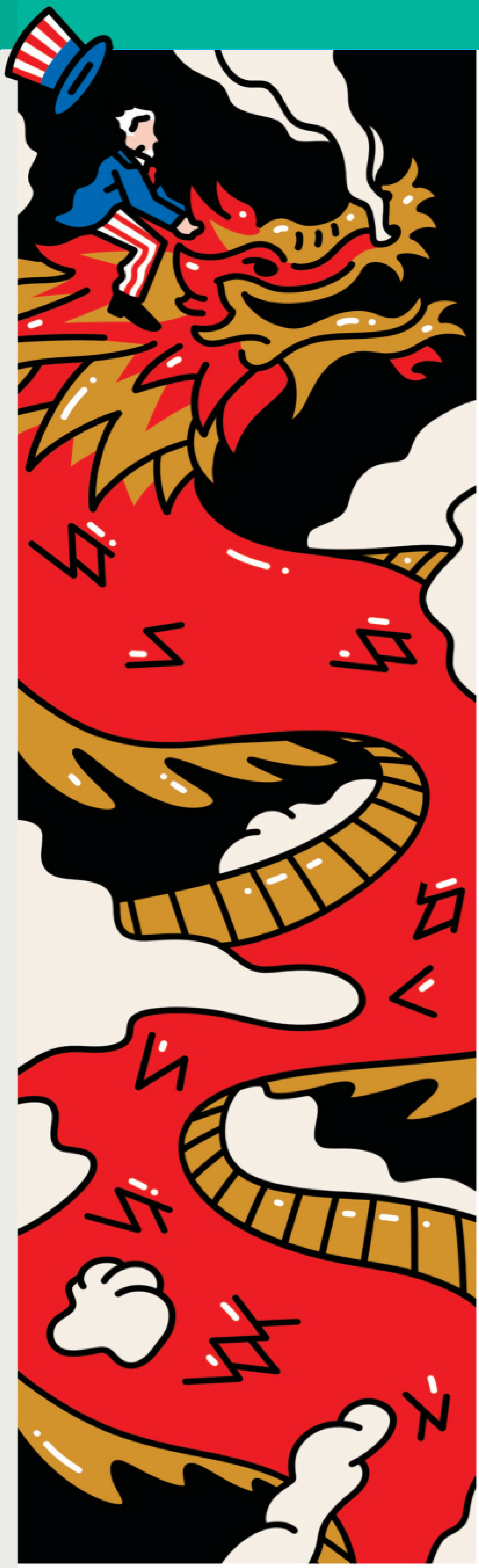
Streaming-entertainment company Netflix, which has nearly 140 million global subscribers, is expected to surpass 200 million in the next few years, according to several estimates. Those extra subscribers should help the company double the amount it earns from streaming by 2020—to $11 billion from $5.6 billion, according to brokerage Raymond James.

CAVEAT

Many FAANG stocks aren't cheap. Netflix and Amazon have high price-to-earnings ratios of 136 and 97, respectively. That means there is little room for error if the growth investors expect doesn't materialize.

While Apple, trading at 18 times earnings, is cheaper, in many ways, it's a case in point. While the iPhone transformed computing and made Apple for a time the most valuable company in the world, sales have stalled, and the company has yet to come up with a new blockbuster. During the fourth quarter, iPhone sales amounted to 65 million—down from 73 million at the end of 2010. "Apple is in for a long transition from being hardware dependent to becoming more of a services company—and it could take years for that to kick in," says Mark Baribeau, head of global equity at Jennison Associates.

BEN LABROT
FOUNDER & CEO, FLOATING DOCTORS
LOS ANGELES, CA
2000
Graduates from med school in Ireland
2004
While on vacation in Tanzania, spends an entire day treating the residents of a remote Maasai village
2008
Founds Floating Doctors. Regularly travels to Haiti, Honduras and Panama to treat patients in remote coastal areas. Lives without income for 4 years
2010
Breaks free from mooring, and crashes boat onto an island reef. Narrowly escapes with vessel intact
2015
Purchases an annuity
2030
Target retirement date
PROTECT YOUR INCOME.
RETIRE YOUR RISK.
While crashing into reefs, navigating hurricanes, and steering clear of pirates are probably not part of your day to day, you may have lived or worked with some amount of risk. But the important thing is to not retire with it.
Retiring with enough money saved isn't always as easy as it sounds. But adding an annuity to your portfolio can provide a protected income stream for the rest of your life and help keep your money working when you're ready to retire.
Find out how an annuity can provide protected lifetime income at RetireYourRisk.org.
Alliance for Lifetime Income



5

China's Back in the Game

THE WORLD'S SECOND-LARGEST ECONOMY has been a global workhorse, posting average GDP growth of about 10% since the late 1970s. And its influence grows ever more meaningful as China's share of the economic pie has increased. China has accounted for a full third of global growth since 2011, according to BlackRock. Meanwhile, 57 companies in the S&P 500 derive more than 10% of their sales from China, according to FactSet. The list is wide-ranging, from Apple and Microsoft to Nike, McDonald's, and Tiffany & Co.

So when China's economic growth slumped to 6.6% in 2018—its slowest pace in nearly three decades—investors saw it as a reason to worry. The culprit: trade tensions coupled with the Chinese government's own efforts to tighten fiscal and monetary policy.

Today, however, that seems like ancient history. Late last year, China began taking measured steps to stimulate its economy—and early numbers suggest they're working. The country reported 6.4% first-quarter growth, slightly better than what most analysts were predicting. "Most of the recent data that we've seen suggests there have been improvements in China's economy," says Kristina Hooper, chief global market strategist at Invesco, citing improvements in purchasing managers' index numbers, which is considered a leading indicator. China's stock market, meanwhile, is up 20% this year.

Just as important as how much China is growing is *how* it's growing. China has a tendency to overstimulate its economy and take on too much debt, but this time around, economists give policymakers props for showing restraint.

CAVEAT

Investors have long regarded financial data reported by the Chinese government and individual companies with skepticism. This should give you pause before betting too heavily on the Chinese stock market—and especially on individual stocks.

Of course, the real caveat to China's recovery is if, when, and how trade tensions are resolved. After weeks of what looked like progress, President Trump spooked both U.S. and Chinese investors with new tariff threats in early May. The International Monetary Fund estimates that if all goods traded between the two nations were subject to tariffs, it would shave 0.8% off total global economic growth. M

These Real-Life Golden Girls Moved in Together in Retirement

How four women took control of their finances and futures to create a place where they can grow old together.

By Alix Langone

PHOTOGRAPH BY **CARLOS OSORIO**

The Golden Foursome at home, from left: Beverly Brown, Sandy McCully, Louise Bardswich, and Martha Casson.

The housemates in their own rooms, clockwise from top left: Martha Casson, Sandy McCully, Louise Bardswich, and Beverly Brown.

IN HER LATE FIFTIES and searching for a new retirement home for her mother, Louise Bardswich realized that living in any type of care facility would never be for her.

The issues that arise from such a living situation—the lack of freedom, having to leave the comfort of your own home, and possible loneliness, among others—didn't appeal to her at all. Assisted living worked well for her mother, who liked it, but Bardswich knew it didn't fit her own lifestyle. Plus, "she had more money than me," says Bardswich, 67, of Port Perry, Ontario.

"Even if I wanted a retirement home, I just couldn't afford it," says Bardswich, a former college dean, of her decision to turn away from more traditional senior housing.

The national median cost of care in an assisted living facility is around $4,000 a month in the U.S., while a private room in a nursing home is $8,365, according to Genworth Financial. And the price tag is only going up. Living in a care facility in Ontario is cheaper than it is in the U.S.—but it is still by no means a bargain.

Instead, Bardswich embraced an unconventional housing arrangement in her later years. "I recognized that at some stage I was going to be living with other people, probably because I would become infirm enough that my family said, 'We've got to move you in with somebody else.'"

Bardswich didn't want to wait until that scenario was upon her. "If you recognize it's going to happen anyhow, then take control, figure it out, and live with people you want to live with," she says.

That take-charge attitude prompted the purchase and renovation of the home she now owns with three other retirees: Martha Casson, 70, Sandy McCully, 74, and Beverly Brown, 67. Before they moved in together, the women knew each other socially; Bardswich and Brown were in the same curling club. They've become known as the Golden Girls of Port Perry, after the popular '80s TV series in which four older women share a home.

With the help of a local builder who specializes in designing homes for seniors, they built their own version of a retirement paradise. They designed the property—a six-bedroom, wheelchair-accessible 5,000-square-foot farmhouse—to enable them to remain independent and still enjoy the benefits of companionship and the security of knowing they can stay there forever, barring any unexpected changes to their lifestyle or health status. They moved in together in November 2016.

The Golden Girls are hardly alone in wanting to lower their housing costs and enjoy a dignified retirement. The number of older adults in search of roommates is growing fast.

More and More People See the Benefits of Shared Housing

THOSE AGE 50 and over represent the fastest-growing demographic on SpareRoom, an apartment-sharing service that helps roommates find each other via online ads and in-person meet-ups. The number of users age 50 and above on the site has grown 27% in the past year alone, says Matt Hutchinson, communications director for the company.

Women are also more likely than men to share their homes, in part because they tend to make less money and can also end up in worse shape financially after a divorce, according to Anne Glass, a professor and gerontology program coordinator at the University of North Carolina Wilmington.

CARLOS OSORIO

"While it's still only a small percentage of older people, the numbers are unprecedented and rising," she says.

Many factors contribute to needing a roommate later in life, like divorce or a lack of children or other support system. But the most common reason older people bunk together is financial.

Yet cohabiting out of financial necessity turned out to be one of the best things that happened to Bardswich and her new housemates in retirement.

"What surprised me is that I like it and it works," she says. "I was really just going into it as a pragmatic solution. In that very first week, I found myself waking up in the morning and hearing voices downstairs and thinking, 'This is pretty cool. I wonder what they're talking about,' and I'd go downstairs, and coffee was ready."

But living with other people can be hard if you've been living alone for a few decades. The solution for Bardswich and her three housemates was to hire lawyers to create two legal documents—one for the joint purchase of the home (the technical real estate term is "tenants in common") and a legal operating agreement outlining the boundaries for day-to-day communal living in their new abode.

The operating agreement addresses issues like what happens if someone needs to sell her share of the house or her estate needs to sell. It also includes an approval process for new roommates: Everyone has to agree, and if no agreement is reached after one year, they put the house up for sale.

To avoid clashes when it comes to style and taste, the women hired an interior designer to decorate the common spaces.

The operating agreement also tackles other delicate but equally important issues regarding aging in place together.

"As you get older, personalities can change. If something gets truly ugly, we have a process for 'voting someone off the island,'" Bardswich says.

Sharing Finances Requires Lots of Planning

TRICKIEST OF ALL when it comes to home sharing may be having to combine resources. For Louise, Martha, Sandy, and Bev, purchasing the Port Perry property was just the beginning of pooling their money. The initial financial commitment for each was $252,800 Canadian dollars (about $189,000 U.S. dollars) to buy and renovate the home, and for any individual upgrades to their bedrooms and bathrooms. They also each put $20,000 (this and all future dollar references are in Canadian dollars) in a joint account for things like upgrading the kitchen, new common-area furniture, and extra lighting.

With guidance from the Toronto Rehabilitation Institute, they outfitted the home for aging in place. They installed an elevator that goes to all three floors, roll-in showers, extra-wide doorways, stair treads, and a full caregiver suite should anyone ever require live-in help.

The women don't plan to be one another's caretakers. "Certainly if somebody's sick we'll bring them a cup of tea, but if you need real care? No. Pay for it, and if you can't or if you need more care than can be provided in the house, then it's time to go," Bardswich explains.

But the women have talked about being able to share a live-in caretaker or at least someone who does most of their cooking and housekeeping if they need help.

After the upfront investment, they worked out the details of the daily operating costs of their retirement home. All four women contribute $1,100 a month to a joint account for expenses like utilities, taxes, maintenance, yard work, and the cleaning service that comes once a week (they wanted to avoid disagreements about frequency and quality of cleaning among themselves). Right now, they're each putting in an additional $200 a month to build up a $30,000 contingency fund should the house require a major repair like a new roof, Bardswich says.

Streamlining their grocery shopping process also helps, she says, and they now each contribute $100 a week for food, while alternating who does the shopping every week. All the food is shared.

"The rule is you never get to say, 'That's my yogurt.' If it's in the fridge or in the cupboard, you can take it," Bardswich says.

The Don'ts of the Roommate Search

- Don't invite a prospective roommate into your home—choose a public space or video chat for your first meeting.
- Don't pay anything without signing a lease agreement first.
- Don't accept an emailed scan of an ID. Insist on seeing the actual ID in the presence of the person to whom it belongs.

Built-In Companionship Has Benefits

THE WOMEN DON'T aim to be best friends. Bardswich thinks the arrangement has been healthy that way, but she says they often have dinner and one or two glasses of wine together. Maintaining open and direct communication is also a part of their agreement, and so far it has worked well. They discuss everything in advance to avoid potential conflict in the moment, and they generally share the same values.

One in three Americans over the age of 45 admits to being lonely, according to AARP, and social isolation can lead to a higher risk of hospitalization and early death.

"We now know that social isolation is as bad for you as smoking cigarettes," says UNCW's Glass. So living with companions can actually be good for your health. "Plus, there is the security of having someone know if something happens to you," Glass adds.

Overnight guests and visits from family are allowed, along with Bev's bridge club gatherings, or hosting the occasional political reception or social get-together, "spontaneous porch parties" included, all of which provide a sense of community in their home.

Bardswich says the women also get to "share grandchildren" with one another.

"My grandsons are there all the time and talk about how it's almost like having four grandmas," she says. "Sandy bakes with them, Martha gardens with them. The same thing happens with Bev's grandkids when they come over."

ADAM BERRY—REDFERNS/GETTY IMAGES

69-Year-Old Gloria Gaynor Has a Roommate

And she says more older Americans should do the same.

Gloria Gaynor may have recorded dozens of singles and sung one of the most recognizable songs of all time, but she still has a roommate.

When a friend going through a divorce needed a place to stay, the "I Will Survive" singer, who is 69, invited her to move into Gaynor's four-bedroom home in Somerset County, N.J., while she sorted out a newly single life. She never left.

"I cannot tell you how wonderful it is to have the companionship, to have the camaraderie," says Gaynor, who is the spokesperson for the Home Sharing Program run by the New York Foundation for Senior Citizens. "It's the security of having someone there with you if something happens and who cares enough to help you. Sometimes senior citizens need extra support."

Gaynor and her roommate are part of a growing cohort of older Americans who are deciding to home share or find a roommate. While Gaynor was helping a lifelong friend, the vast majority of older people turning to roommates are seniors who simply can't afford to live alone anymore. According to SpareRoom, a home-sharing and roommate-finding service, the company's fastest-growing demographic is people over 50, and the number of users in this age group on SpareRoom has surged 27% in the past year alone.

"We asked roommates over 50 why they share, and the overwhelming reason was financial," says Matt Hutchinson, communications director for SpareRoom.

TIPS FOR SHARING A HOME

If you or an older friend or family member wants to find a roommate, make sure you do it through a company like SpareRoom, which vets candidates, or a reputable municipal organization. The New York Foundation for Senior Citizens, for example, has been running a free home-sharing program for 38 years for New Yorkers who are 60 and older (55-year-olds can apply to host someone with developmental disabilities).

The foundation uses a proprietary matching system called Quick-Match to pair a "host" (someone offering a room) and a "guest" (someone looking for a room) to find compatible people. Applicants fill out a questionnaire addressing 31 lifestyle-related topics such as allowing pets, visitors, and alcohol in the home. Once a match is made, the two people meet in person to ensure they both agree. Potential roommates are vetted through personal references and social workers.

As always, it's important to be aware of your personal safety when dealing with new people. Be wary of anything that seems too good to be true, like an apartment that seems too cheap for its condition and location, and always trust your instincts if someone doesn't feel right to you.

To conduct a background check on your own, you can use a free service like Naborly, and you can request an additional credit check through a credit bureau like Experian. SpareRoom has roommates answer questions similar to those of the New York Foundation for Senior Citizens, and a team of moderators reviews the posted ads to ensure legitimacy. Using SpareRoom is free also, but to promote your room and generate quick interest, you have the option to upgrade to a premium version that starts at $10.99 a week. The company also hosts its regular "speed roommating" meet-ups so people can figure out whether they really click in person.

The benefits are clear from the get-go once you find a trusted roommate, proponents of home sharing say. "When I retired, I didn't want to have to give up a lot of things I love doing," says Janice Raiford, 70, who found a true friend and companion in her roommate, Lillian Otero, 67, through the New York Foundation for Senior Citizens. Otero took the smaller bedroom in Raiford's home, but the two pay equal rent (the foundation does not use the term "rent" in its roommate agreements and refers to payments instead as "monthly contributions"), with the extra portion of Otero's payment counting as her contribution to utilities. "I don't know where I would be today" without home sharing, Raiford says, adding, "I've got a lot of life to live and a lot of love to give." —*A.L.*

‘There is a real crisis’

Domestic workers are in high demand, but the jobs have few protections and little pay.

By Jennifer Calfas

Domestic worker turned activist: June Barrett at her home in Miami on March 29, 2019.

PHOTOGRAPH BY **MARY BETH KOETH**


JUSTICE
PROJECT

ON HER FIRST DAY as a caregiver for an elderly man in 2014, June Barrett's new client asked her to join him in bed. The next morning, he grabbed Barrett's breasts. And for weeks, he continued to sexually harass and assault her, saying explicit things and groping her repeatedly.

Barrett, now 55 years old, has been a caregiver her whole life—starting when she was just 14 years old in Jamaica. For decades, she worked for different clients, mostly in Miami, persisting through sexual harassment, working while sick, and taking home smaller paychecks than what she'd originally agreed to. That's because Barrett had little to no workplace protections or options legally to report these issues—a situation millions of domestic workers find themselves in today.

"The worst part was that I had to stay until I was able to transition from out of there," says Barrett, recalling her experience with sexual assault on the job. "Where would I go? I had my bills to pay. I'm strong, but it was horrific."

Domestic work is one of the fastest-growing professions in the U.S. It's also one of the least protected. Whether caring for toddlers or the elderly, domestic workers have historically been left out of major labor protection laws. Their employers—ranging from agencies that help place domestic workers with clients to individuals looking for nannies or home health aides—aren't required by federal law to provide paid sick leave, vacation time, or benefits like health care or retirement plans. They aren't required to pay minimum wage or follow overtime rules. And there's little oversight in how cases of sexual harassment or assault of domestic workers on the job are handled.

There are more than 2.5 million domestic workers in the U.S., and that number is expected to balloon over the next decade. The number of home health aides and personal care aides alone is expected to grow 47% and 39%, respectively, over the next seven years, according to data from the Bureau of Labor Statistics. (The number of childcare workers is expected to jump by 7% over the same period—which is about as fast as the average job growth in all occupations measured by the agency.) Because this work is often based in the privacy of individual households, "there is a lack of visibility" that makes this growth less noticeable and these workers less protected, says Peggie Smith, a law professor at Washington University in St. Louis.

On April 24, 2018, Ai-jen Poo speaks on Capitol Hill to demand on-the-job legal protections for domestic workers.

OTHELLO BANACI—NATIONAL DOMESTIC WORKERS ALLIANCE

Operating without basic protections while demand for work grows at a rapid pace is simply no longer an option, domestic workers, advocates, and researchers argue.

"People say our work is not real work," Barrett says. "It is real work and hard work. It's the work that makes your work possible, the judge's work possible, the lawyer's work possible, the doctor's work possible."

A CRISIS BREWING

THE RAPID GROWTH anticipated for these occupations is, in large part, the result of an aging baby-boomer generation that is living longer than those before them. More domestic workers are needed to keep up—especially since more families are opting for in-home care rather than nursing homes, according to the Bureau of Labor Statistics and labor economists.

"Just about everyone I talk to is struggling with finding or managing care for someone they love," says Ai-jen Poo, a prominent labor activist and director of the National Domestic Workers Alliance (NDWA).

The growing demand for caregivers has helped fuel a national movement of domestic workers fighting for basic workplace rights and better protections. The NDWA, created and organized by activists and domestic workers, has pushed for the implementation of a bill of rights for these workers to protect them from sexual harassment and racial discrimination, provide paid sick leave, and require employers to pay at least the minimum wage.

Without protections like these, advocates argue, it's hard to imagine an influx of workers willing and able to leap into this profession.

"If these jobs continue to be devalued and seen as less than work, then we're going to continue to not be able to attract people to it," says Stacy Kono, network director at Hand in Hand, a domestic employer network that has served more than 5,000 clients nationwide.

"There is a real crisis that's already here," adds Smith, the law professor at Washington University. "That's only going to get worse."

But legal change could soften the blow. Within the past nine years, eight states and one municipality have implemented their own bill of rights for domestic workers. Now the NDWA is pushing for these protections on the national level. California Sen. Kamala Harris, a 2020 Democratic candidate for President, and Rep. Pramila Jayapal (D-Wash.) plan to introduce legislation in Congress this year.

MARY BETH KOETH

June Barrett (standing) at a We Dream in Black domestic workers' meeting at Miami Workers Center, March 29, 2019.

"We've got a completely unsustainable workforce, unless we make these jobs good jobs where you can earn a living wage, get benefits, take pride in [your profession]," Poo says. "We can actually try to restore the American dream for the next generation. That, I believe, is a major opportunity in investing in the care workforce."

Some employers are taking matters into their own hands. More than 200,000 domestic employers have signed a Fair Care pledge—created by the organization Hand in Hand and Care.com in 2015—that stipulates employers must pay a $15 minimum wage for childcare providers and home attendants, grant paid time off and overtime pay, and create a written work agreement for both parties, among other guidelines.

CORRECTING A HISTORY OF PREJUDICE

DOMESTIC WORKERS and farmworkers were notably left out of the National Labor Relations Act of 1935 and the Fair Labor Standards Act of 1938, which gave workers the right to collective bargaining and provided basic protections like minimum wage and overtime pay, respectively. The caregiving profession is predominantly composed of women of color—and prejudice against them kept their jobs unprotected, scholars say.

"[Domestic work] was largely, at that time, a black, African-American workforce," explains Saba Waheed,

"I can't look back at how things have been. I want to look forward."

Silvia Gonzalez, an activist-worker in Seattle.

OPPOSITE: COURTESY OF SILVIA GONZALEZ; THIS PAGE: NATIONAL DOMESTIC WORKERS UNION (U.S.) RECORDS, SOUTHERN LABOR ARCHIVES, SPECIAL COLLECTIONS AND ARCHIVES, GEORGIA STATE UNIVERSITY

research director at the UCLA Labor Center. "Coming out of slavery, the resistance came from Southern lawmakers who did not really see women's work as real work."

That prejudice has largely continued to this day. "Home work is not valued as real work and not seen as labor," Waheed adds.

Conditions for domestic workers have improved somewhat since the 1930s on the national scale. Dorothy Bolden, a domestic worker and civil rights activist in the '50s and '60s, created the Domestic Workers Union in Atlanta, where she fought for higher wages and guaranteed Social Security benefits, encouraged members of her organization to register to vote, and set the groundwork for the advocacy workers are engaging in now.

In the 1970s, the Fair Labor Standards Act was expanded to provide more protections for some domestic workers but still excluded babysitters and health care aides. Little progress came in the decades after—and now advocates are following the lead of Bolden and other domestic workers who came before them.

"None of the work we're doing today is by chance," says Allison Julien, a former nanny who helped launch the National Domestic Workers Alliance and views Bolden as a role model.

Domestic inspiration: Dorothy Bolden in the 1970s, speaking at a Maids Honor Day event.

Today there is also a focus on protecting undocumented domestic workers. The undocumented make up about 5% of the total U.S. workforce and constitute a significant percentage of the domestic care workforce. A 2012 study from the NDWA found 36% of the domestic care workforce was undocumented. Along the border in Texas, specifically, 80% of housecleaners did not have authorization to work in the U.S., according to a 2018 study from the NDWA and several Texas-based organizations.

These studies also found that undocumented workers were more susceptible to workplace abuse and lower wages than their documented counterparts. In a national bill of rights for domestic employees, undocumented workers would be protected under the labor law, says Rocio Avila, staff attorney for the National Domestic Workers Alliance.

"Workers' rights, as with other worker protections, apply to someone whether they're documented or undocumented," says Kono, the network director for Hand in Hand. "There isn't a difference in how folks should be treated."

DOMESTIC WORKERS RISE TO THE NATIONAL STAGE

THE NDWA'S JULIEN was working as a nanny when she first met Poo in 2002. Poo, who was then the lead organizer of New York's Domestic Workers United, had been organizing workers for years, visiting playgrounds and commuter hubs around New York City with the intention of finding domestic workers on the job.

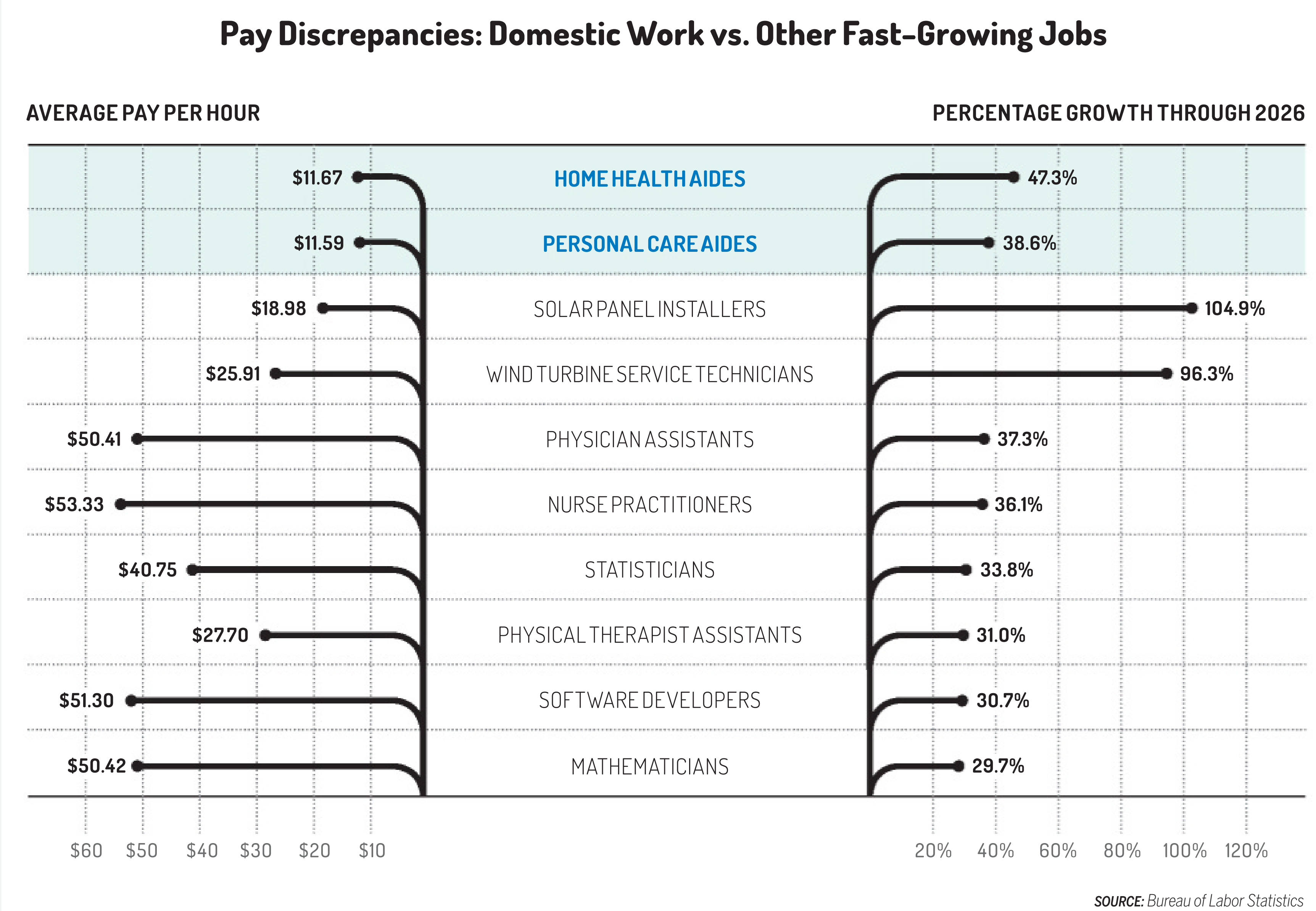
A third-generation domestic worker, Julien knew little about the restrictions and limitations of her profession before she met Poo. "Prior to this, none of this clicked," Julien, who immigrated to the U.S. from Barbados, says. "All parts of that made me know I wanted to do more."

Domestic workers and advocates who spoke with MONEY all detailed varying experiences with similar issues: long hours, few breaks, little time off, and unregulated standards.

Working as a nanny meant 10-hour-a-day shifts, no paid sick leave, and no time to go to the doctor, Julien says. She seldom booked any doctor or dentist appointments, since going to one would often mean missing work—or missing a paycheck. One time, she caught the flu from her clients' children, and her employer berated her for the "inconvenience" it posed, she recalls.

"I don't believe there should be a negotiation on how we choose to keep ourselves healthy," she says.

Change, perhaps, is on the way. In 2010, New York became the first state to pass a bill of rights for domestic workers—with seven states and Seattle following. This past winter, actress and activist Jane Fonda lobbied Congress on behalf of domestic



workers and farmworkers. In February, a number of domestic workers and advocates attended the Academy Awards in honor of the film *Roma,* which details domestic work and received multiple nominations, including Best Picture.

But the work doesn't stop once these protections are put in place. Enforcing them is a whole other issue—especially since individuals who hire domestic workers may not think of themselves as employers.

Silvia Gonzalez, a domestic worker based in Seattle, where a bill of rights went into effect in March, is educating her colleagues around the city, she tells MONEY in an interview conducted in Spanish. She's holding monthly outreach meetings through Casa Latina, a Seattle-based organization, chatting with other domestic workers on their commutes on the bus, and heading into the suburbs to meet with other workers.

"I can't look back at how things have been," says Gonzalez. "I want to look forward."

So does Barrett, the Miami-based caregiver. She recently made the decision to leave her full-time, overnight job as a domestic worker to complete a two-year fellowship with the NDWA. Now she travels the country to champion a national bill of rights, use her story to amplify the #MeToo movement in her profession, and advocate for black domestic workers with the organization's We Dream in Black program.

With decades of experience in the field of home care, Barrett says domestic work is all she knows. But she hopes her efforts will inspire others to step forward and fight for a higher standard in the profession too.

"When you suffer, it's like you're in a relationship, and it's abusive," Barrett says. "Now I get the chance to go out and tell my story. I'm seeing possibilities. I don't believe in impossibilities." M

Masiel Torres contributed to this story as a translator.

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JOSH ALTMAN'S *MILLION DOLLAR* GUIDE TO BUYING YOUR DREAM HOME

Overwhelmed by options? Have no fear. The real estate agent—and star of Bravo's reality series *Million Dollar Listing: Los Angeles*—will guide you through a smooth buying process, whether you're committing to a $14 million Beverly Hills estate or a $200,000 Pennsylvania townhouse.

By Shaina Mishkin

Altman's life isn't only "made for TV"—he still deals in high-end real estate every day.

Altman has bought and sold luxe homes like this one for everyone from *Shark Tank's* Robert Herjavec to Kim Kardashian.

STEP 1

Cast a Wide Net

TO FIND A HOUSE you like, you might first have to tour a bunch that aren't ideal, says Josh Altman. That's not unusual. (The average person looks at 10 houses before buying, according to a National Association of Realtors study.) But this can be a frustrating experience, especially when a promising day of open houses reveals dud after dud.

While every tour can't lead to a dream house, the knowledge you gain along the way is an important step in your journey, Altman says. Buyers, especially first-timers, don't always know exactly what they want. This problem is compounded by the financial pressure of choosing a place to live.

"For 99.9% of people in the world, the biggest investment of their life is buying a property," he says. "The more things they see, the better and more confident they're going to be when it comes time for writing an offer."

Altman brings his clients to a variety of houses, including those that fall a step above or below their price range. While there's a chance a house outside a buyer's price range is owned by a "desperate seller" willing to negotiate down for a quicker close, seeing what's out there helps a buyer survey the market. "You want to understand what you get for the next step up," he says.

So don't be shy about telling your agent when you see an online listing you like. Even if the 10 or 15 homes you visit aren't the right fit in the end, showing up for the open house is part of the learning experience—and ensures you won't be stuck with "the grass is greener" syndrome at closing.

STEP 2

Be Real With Your Realtor

WHETHER BECAUSE of a difference of opinion about style, location, or something else entirely, Altman knows not every home tour will end in an offer—and that's okay. When you know you're not interested, honesty is the best policy. "Don't feel you have to tour something that you don't like," he says.

Some buyers act interested in a home out of concern for the listing agent's feelings. While telling a white lie might make you feel you're being conscientious, it's actually better to be truthful with your agent, Altman says.

"I tell my clients it's my job to show houses," says the agent. "The other realtor on the other side, their job is to sell houses. Trust me when I tell you we don't take anything personally."

While it's acceptable to cut a tour short when you're not interested, that doesn't give you permission to be rude to the seller. If you know a house isn't for you, simply give your agent a heads-up. "Tell me right away," Altman says. "I'll tell the other realtor I appreciate their time, and we'll leave."

But what about when you find The One? It's only natural for buyers to celebrate when they come across a dream home, right?

Not if you want the best deal. Revealing your excitement when touring a house might feel appropriate in the moment but is the "worst thing you could possibly do," Altman says. His advice comes from seeing prospective buyers "literally hugging each other in the house, jumping up and down that they found their dream home."

This can turn on you in negotiations. "If I'm standing there, and I've got to negotiate against you, you just lost," Altman says. "I know that you need the house, so you're screwed."

Altman tells clients to stay stoic during the tour instead of celebrating and drop a secret phrase, like "Let's get coffee after this," if they really love the property. That's a signal to Altman to slow down, ask questions, and take even more time to evaluate the house.

PREVIOUS SPREAD: RANDY SHROPSHIRE—GETTY IMAGES FOR FMB DEVELOPMENT; THIS PAGE: COURTESY OF THE ALTMAN BROTHERS


Visit more than once to evaluate a house during different times of day.

HINTERHAUS PRODUCTIONS—GETTY IMAGES

STEP 3

Get Detailed

EVERY HOUSE is different, but there are certain red flags Altman always looks for, no matter the buyer. He checks for cracks in the foundation, which can signal trouble in the future, and sloping floors, an indicator of possible water damage. "I'll drag my feet when I walk" to test the floors, he says. "Water equals mold, and mold equals no deal."

Other major considerations, of course, vary from person to person. One buyer might not care about a gorgeous pool and expansive backyard, while another buyer couldn't imagine life without one. Most people walk into the homebuying experience with big-ticket wish list items, and you probably already know what your must-haves are.

But there are other potential perks—or possible deal breakers—that take a closer look to identify.

That's why Altman doesn't rush the process. "I actually prefer to do not only a second showing, but a third or fourth showing with clients before they even write an offer," Altman says.

That's because a house's soft attributes—like a bright living room or an easy commute to work—can completely change later in the day. What seems like a five-minute drive earlier in the day can turn into a 45-minute traffic jam during rush hour, Altman says. And without another visit, who's to know if that sunny kitchen stays bright for more than that half-hour when you first stopped by for a visit?

A good agent will also keep his or her eyes open for quality details. "From flipping houses over the past 15 to 20 years, you learn very quick what the cheap stuff is, even though it looks good," Altman says.

So don't be fooled. He suggests comparing a home's materials—doors, floors, tiles, and the like—with those available in showrooms. "It's very important for a buyer or an agent or an investor to go to these manufacturers and actually see what they have," Altman says, in order to know what they're getting.

And no matter what you're looking for, it's important to know what matters most to you and what you can live without.

Altman always advises his clients to make a list of the top 10 things they want in a house. The first three items on the list are must-haves, Altman explains. "No matter what I do, I have to get the top three things," he says.

As for the rest?

"Four through 10 are pawns in the negotiation game," he says—which is where you're heading next.

STEP 4

Lock It Down

A NEGOTIATION can feel like a battle, but it doesn't need to end with a winner and a loser. "I always say the best negotiation is when everybody walks away happy," Altman says. "The buyer wants to get the best deal, the seller wants to get the best deal, but there is a happy medium."

So how do you strike that kind of deal? "Give a little to get a little," Altman says. Knowing what's valuable to the homeowner, and what you can live without, can go a long way. A no-drama deal or quicker closing period can be worth more than money to the right seller, Altman says. "Let's say we made an offer, and we want to close in 45 days, but that was a real sticking point for the sellers that they need to close quicker," Altman explains. "We would say we want a $100,000 reduction in order to close quicker."

Altman also uses his clients' wish lists and pointed questions to inform negotiations. He might ask the sellers, "What would you change about your house?" and later use their answer as a bargaining chip. If the sellers say they always wished their house had a movie theater, during negotiations he'll say, "They're willing to give that [lack of a movie theater] up because they do love the house, but they love the furniture, so we're going to need that."

Altman also advises clients to be kind to the other agent—and while he admits it sounds cheesy, writing a letter to sellers can also work.

"If there are pictures of dogs everywhere, all I know is if I'm offering on that house, in that letter I'm going to tell them how much I love dogs," he says.

Figure out what your sellers wish they had.

STEP 5

Take the Plunge

THE BIGGEST obstacle to landing the home of your dreams? Sometimes, it's you.

"We see people that kind of get gun-shy," Altman says. First-time buyers in particular are at risk of backing out when it's finally time to make an offer, he explains.

Dana Bull of Sagan Harborside Sotheby's International Realty agrees: "It just becomes too real," she says, explaining that buyers may fault a contingency, "but they ultimately pull out of the deal because of cold feet and blame it on something else."

When apprehension becomes a roadblock, "a lot of times, the best thing that can happen is that they lose out on the house," Altman says, "because then they realize that they're going to have to step up to the plate eventually."

While it's not pleasant, having second thoughts is "just part of the emotional roller coaster" of buying a home, Bull says. "Pretty much every buyer has a moment at some point in the transaction like, 'Oh, my God, am I making the right decision?'" she says. "That's why I think it's so important, from the beginning, to know what you want."

Putting work into touring homes and understanding the local market is

ALTMAN: SEAN DREWS—COURTESY OF THE ALTMAN BROTHERS; HOME CINEMA: UNLIMITED STYLE REAL ESTATE PHOTOGRAPHY—COURTESY OF THE ALTMAN BROTHERS

"I always say the best negotiation is when everybody walks away happy."

The agent shares more tips in his new book, *The Altman Close.*

crucial, Altman says. Fully knowing what's out there and coming to an informed decision can make that final push toward homeownership easier.

For buyers who make it past that last roadblock, the search is over, and the house is yours. It's time to celebrate—but don't forget to change the locks. "Even if the sellers are really nice people, you never know who they gave the keys to," Bull says.

While settling into their dream home, new homeowners should make sure all the utilities are switched over to their name and understand whether paying home insurance and property taxes is their responsibility or the mortgage company's.

It's also important to keep all transaction-related paperwork together, since it will come in handy during tax season and possibly years down the line if it ever becomes your time to sell.

AARON HOFFMAN—COURTESY OF THE ALTMAN BROTHERS

ALTMAN'S ADVICE FOR SELLERS

WATCH WHAT YOU SAY

Within the first 20 seconds of walking through a house, "somebody knows if they're really interested or not," Altman says. "There's no reason for you to oversell it." Flooding buyers with extra information about your own reasons for moving won't compel them to make an offer, but it could give them ammunition for future negotiations. "In multimillion-dollar houses, those little pieces of information could end up costing your client hundreds of thousands, if not millions, of dollars," Altman says. The best advice? "Shut up and listen," Altman says.

GET A SECOND (AND THIRD) OPINION

Sellers tend to overvalue their own homes because of the many wonderful years they've spent there, which is a fact that can come back to bite them later on, Altman warns. "If you overprice, you can really end up hurting your bottom line when it comes to selling," Altman says. "The last thing you want to do in the market that we're in right now is be a stale house." So how do you keep your home feeling fresh? Develop a thorough understanding of your home's value before it even hits the market. "Meet with three different realtors before you list your house," Altman says. "Make sure you have somebody who's an expert in that area."

MIND YOUR RENOVATIONS

Try not to go crazy thinking about what people might want. Here's one tip: Open floor plans work best in modern houses. "The biggest mess-ups of people trying to go for the open floor plan are houses that are not modern or contemporary," Altman says. "They're like these beautiful traditional or Mediterranean [houses], and they do this open floor plan, which sometimes just doesn't work." If your house isn't built for openness, avoid knocking down some walls just because it's trendy. Your one-story ranch or centuries-old Victorian doesn't need to be a single room. Also, don't fall for the "cold modern" trend, as houses that feel like museums can turn buyers off.

RESPECT YOUR FIRST OFFER

It can be tempting to wait for a few offers to come in before moving forward with a buyer, but it's imperative to "hit while the iron is hot," Altman says. "Your first offer, most of the time, is going to be your best offer." While taking time to mull over multiple offers is attractive, your house will lose value as it sits on the market. That's why, when that first offer comes in, "it's so important to take it seriously," Altman says. "There's somebody who was literally waiting on the sidelines for a house like yours, that loves your house, that was willing to offer," he adds, "so you should do everything in your power to make that deal come together." M

Not every house is suited for an open and modern layout.

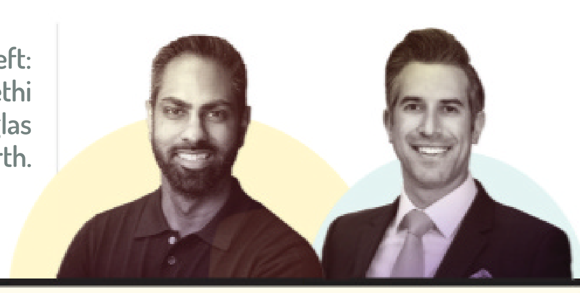
MONEY

MAKEOVER!

Twenty-nine-year-old KC Susskind has been in debt since she turned 18. Newly married, she says her financial future is "terrifying." Bring in the experts.

By Kaitlin Mulhere

AT HER DESK JOB IN THE OFFICE of a marina, KC Susskind regularly watches customers spend thousands of dollars on boat maintenance. A part of her always wants to blurt out: *How do you afford this?* ¶ KC, 29, can't remember a time when she didn't struggle with money. She's never learned how to save. She and her husband, Ryan, 28, have to scrimp to afford necessities. Now eight months into their marriage, the couple want to turn things around before financial strains burden their relationship. ¶ "It's terrifying. I'm so scared of living my life this way," KC says. "I have so many things I want to do, and I want to figure out how to do them." ¶ To help the Susskinds get started, MONEY connected them with two experts: Ramit Sethi, author of the *New York Times* bestseller *I Will Teach You to Be Rich,* and Douglas Boneparth, a New York City–based certified financial planner who specializes in working with millennials. ¶ The help is coming not a moment too soon. ¶ KC thinks about money—and how they don't have enough of it—every morning when she wakes up, she says. It's suffocating. When she buys a coffee, she thinks what bill that $3 could go toward. When she needs new clothes, she feels guilty as she walks out of the store. "It's the worst of both worlds," Sethi tells KC. "You feel guilty, but you keep doing it."



From left: Ramit Sethi and Douglas Boneparth.

THIS PAGE, FROM LEFT: COURTESY OF RAMIT SETHI; COURTESY OF BONE FIDE WEALTH, LLC

PHOTOGRAPH BY **WINNIE AU**

Meet the Susskinds, from left: Rogue, Ryan, KC, and Dolce.

After consulting with the pros, the Susskinds walked away with a three-point plan:

NO. 1

MASTER CASH FLOW

NEARLY 40% of KC and Ryan's monthly take-home pay of $4,000 goes toward rent for a one-bedroom apartment in Freehold, N.J. Car payments and insurance eat up another chunk. So does gas—KC estimates she spends about $60 a week to fill up her tank.

As for the rest? KC isn't sure. "On paper, you're thinking, I made so much money. Where does it all go?" she says.

That's the exact question Boneparth wants her to answer. KC and Ryan need to analyze 12 months of spending and categorize their purchases. That will help them understand exactly where every dollar is going so they can identify areas to cut. Boneparth recommends using Tiller, a tool that for $5 a month automatically updates a spreadsheet as you spend.

NO. 2

ATTACK HIGH-INTEREST DEBT

THE COUPLE'S credit card debt is Boneparth's primary concern. While the balances on the two cards KC has and a third they share total only $1,979, all three cards are maxed out. And the interest rates—each above 26%—are toxic.

KC recently paid off loans for her 10-year-old Jeep, which should free up roughly $300 a month to put toward those payments.

Next, Boneparth wants KC to call up the collection agency that's handling her medical debt and set up a structured payment plan or negotiate to pay a reduced amount. She has $2,015 in collections, plus $1,000 that is overdue.

KC's student loans from her communication degree at Monmouth University, which total $32,000, are the least worrisome of her debt. She hasn't made a payment in five years, however, so the balance continues to grow. KC wants to enroll in an income-driven plan that will reset her payments based on how much she earns. Boneparth agrees that's a good idea. But those plans can result in payments that are so low they don't cover interest each month. Aim to pay off at least the interest, he says.

KC and Ryan could wipe out their debt in three years—if they were willing and able to move in with relatives.

WINNIE AU

BY THE NUMBERS

$59,000
GROSS INCOME IN 2018

$4,000
AFTER-TAX MONTHLY INCOME

$1,483
RENT

$336
RYAN'S CAR PAYMENT

$320
CAR INSURANCE

$1,979
CREDIT CARD DEBT

$32,000
STUDENT LOANS

$3,015
MEDICAL DEBT

"It's easy to say, but it's hard to do," Boneparth says of changing financial habits. "We're asking people to change behaviors they've been adapted to for a long time."

CARLOS ALVARADO

Eight months into their marriage, the two are worried about financial stress.

NO. 3

BUILD SOME PROTECTION

PART OF THE REASON KC and Ryan have struggled this year is that they have no savings to protect them when they're hit with an unexpected expense. In January, for example, KC was laid off for a six-week period when business was slow at the marina. During that span, Ryan, who works at a plumbing-supply warehouse, totaled his car.

That's why they need some cash set aside. As soon as they've eliminated their credit card debt, Boneparth wants the couple to build up three months of living expenses—an amount they should be able to figure out once they've mastered their cash flow. Then they can turn to longer-term financial goals.

Now the Susskinds have to decide how uncomfortable they want to get, Boneparth says. On the extreme end, if they could move in with a relative and redirect at least $1,400 a month to debt payments, Boneparth estimates they could wipe out what they owe in three years. On a smaller scale, KC says she can start saving at least $30 a week by bringing her lunch to work.

"It's easy to say, but it's hard to do," Boneparth says of changing financial habits. "We're asking people to change behaviors they've been adapted to for a long time."

To help with that goal, Sethi wants KC to picture her life four years from now. You've done everything on Boneparth's list, he says. Your debt is gone. Your emergency savings are healthy. Where are you?

Starting a family in an apartment or home, she says. And experiencing the world without the constant worry of debt.

What would that feel like?

"A victory," she says. "A really big victory." M

Funds

Buy and Hold Wins Again

WE RARELY MAKE ADDITIONS or subtractions to our list of funds and ETFs. That's because we believe once you find the right funds for you, unnecessary course corrections rarely pay off. Investors got additional proof of this in the form of a recent study by marketing firm Dalbar. While the S&P 500 finished 2018 down 4.4%, Dalbar looked at returns realized by actual investors, many of whom yanked money out of the market as prices fluctuated. In all, the average investor lost more than 9%—essentially doubling his or her 2018 losses. While Dalbar has yet to look at 2019, with stocks back near record highs, you can bet those same fickle investors are kicking themselves.

—IAN SALISBURY

HOW TO USE OUR RECOMMENDED LIST

Building-block funds: For broad exposure to core asset classes
Custom funds: Specialized investments that can tilt your strategy
One-decision funds: If you want stocks and bonds in one portfolio

FUND (TICKER)	TOTAL RETURN: ONE MONTH	TOTAL RETURN: ONE YEAR	TOTAL RETURN: THREE YEARS[1]	EXPENSES (AS % OF ASSETS)	PHONE NUMBER (800)
BUILDING-BLOCK FUNDS					
Large-Cap					
Schwab S&P 500 Index Fund (SWPPX)	**1.9%**	9.5%	13.5%	0.02	435-4000
Schwab Total Stock Market Index (SWTSX)	**1.4**	8.6	13.4	0.03	435-4000
Midcap/Small-Cap					
Vanguard Mid-Cap Index (VIMAX)	**1.3**	6.0	11.6	0.05	662-7447
Schwab Small Cap Index (SWSSX)	**–2.1**	2.1	13.0	0.04	435-4000
Foreign					
Fidelity International Index (FSPSX)	**0.8**	–4.0	7.5	0.05	544-8544
Vanguard Total Intl. Stock Index (VTIAX)	**0.7**	–5.2	8.1	0.11	662-7447
Vanguard FTSE A/W ex-U.S. Small (VFSVX)	**0.1**	–9.9	6.5	0.22	662-7447
Vanguard Emer. Mkts. Stock Index (VEMAX)	**1.9**	–6.8	9.8	0.14	662-7447
Specialty					
Vanguard REIT Index (VGSLX)	**4.2**	20.0	5.7	0.12	662-7447
Bond					
Vanguard Total Bond Mkt. Index (VBTLX)	**2.0**	4.5	2.0	0.05	662-7447
Vanguard Short-Term Bond Index (VBIRX)	**1.0**	3.5	1.4	0.07	662-7447
Vanguard Infl.-Prot. Securities (VIPSX)	**1.9%**	2.6%	1.5%	0.20	662-7447
Vanguard Short-Term Infl.-Prot. Sec. (VTAPX)	**0.8**	2.0	1.3	0.06	662-7447
Vanguard Total Intl. Bond Index (VTABX)	**1.8**	5.2	3.2	0.11	662-7447
CUSTOM FUNDS					
Large-Cap					
Dodge & Cox Stock (DODGX)	**–0.2**	4.3	14.1	0.52	621-3979
Schwab Fund. U.S. Lrg. Co. Index (SFLNX)	**0.9**	6.9	11.1	0.25	435-4000
Vanguard Value Index (VVIAX)	**0.6**	7.2	12.2	0.05	662-7447
Diamond Hill Large Cap A (DHLAX)	**1.0**	6.0	11.4	0.96	255-3333[2]
Primecap Odyssey Growth (POGRX)	**–2.1**	–0.6	16.9	0.67	729-2307
T. Rowe Price Blue Chip Growth (TRBCX)	**1.6**	12.1	20.0	0.70	638-5660
Midcap					
Vanguard Mid-Cap Value Index (VMVAX)	**0.0**	1.1	9.8	0.07	662-7447
Vanguard Mid-Cap Growth Index (VMGMX)	**2.6**	11.1	13.4	0.07	662-7447
T. Rowe Price Div. Mid Cap Growth (PRDMX)	**1.5**	12.7	15.8	0.84	638-5660
Small-Cap					
Vanguard Small Cap Value Index (VSIAX)	**–2.0**	1.6	10.3	0.07	662-7447
Schwab Fund. U.S. Sm. Co. Index (SFSNX)	**–2.0**	1.5	10.6	0.25	435-4000
Vanguard Small Cap Gro. Index (VSGAX)	**0.3**	10.4	15.8	0.07	662-7447
T. Rowe Price QM Sm.-Cap Gro. (PRDSX)	**0.4**	7.0	14.9	0.79	638-5660
Specialty					
T. Rowe Price Dividend Growth (PRDGX)	**2.0**	12.6	13.4	0.64	638-5660
Vanguard Int. Div. Appreciation (VIAAX)	**3.0**	1.7	7.9	0.25	662-7447
Cohen & Steers Realty (CSRSX)	**4.1**	20.3	7.0	0.97	437-9912
Vanguard Global ex.-U.S. Real Estate (VGRLX)	**4.7**	1.7	8.0	0.12	662-7447
Fidelity Select Nat. Resources (FNARX)	**2.1**	–6.4	3.5	0.83	544-8544
Foreign					
Oakmark International (OAKIX)	**–2.3**	–14.1	6.4	0.96	625-6275
Vanguard International Growth (VWIGX)	**1.6**	–3.0	14.2	0.45	662-7447
T. Rowe Price Emer. Mkts. Stock (PRMSX)	**2.4**	–7.2	13.1	1.23	638-5660
Bond					
Dodge & Cox Income (DODIX)	**1.7**	4.3	3.6	0.43	621-3979
Fidelity Total Bond (FTBFX)	**1.8**	4.4	3.3	0.45	544-8544
Vanguard Short-Term Inv. Grade (VFSTX)	**0.9**	3.6	2.0	0.20	662-7447
Fidelity Corporate Bond (FCBFX)	**2.6**	5.0	4.3	0.45	544-8544
Loomis Sayles Bond (LSBRX)	**0.7**	1.7	4.8	0.91	633-3330
Fidelity High Income (SPHIX)	**0.6**	5.0	8.6	0.70	544-8544
Vanguard Intm.-Term Tax-Ex. (VWITX)	**1.3**	5.1	2.3	0.17	662-7447
Vanguard Limited-Term Tax-Ex. (VMLTX)	**0.5**	3.3	1.4	0.17	662-7447
Templeton Global Bond (TPINX)[3]	**–1.5**	1.8	3.9	0.96	632-2301
Fidelity New Markets Income (FNMIX)	**0.4**	–0.4	6.0	0.84	544-6666
ONE-DECISION FUNDS					
Balanced					
Fidelity Balanced (FBALX)	**1.5**	6.1	9.8	0.53	544-6666
Fidelity Asset Manager 60% (FSANX)	**1.4**	2.3	8.0	0.72	544-6666
Vanguard Wellington (VWELX)	**1.6**	7.0	9.5	0.25	662-7447
Target Date					
T. Rowe Price Retirement series (STOCK/BOND ALLOCATION)					
Example: 2005 Fund (45%/55%) (TRRFX)	**1.4**	3.5	5.9	0.54	638-5660
Example: 2020 Fund (68%/32%) (TRRBX)	**1.4**	3.6	8.2	0.61	638-5660
Vanguard Target Retirement series					
Example: 2025 Fund (70%/30%) (VTTVX)	**1.5**	3.8	8.2	0.13	662-7447
Example: 2035 Fund (84%/16%) (VTTHX)	**1.3**	3.6	9.5	0.14	662-7447

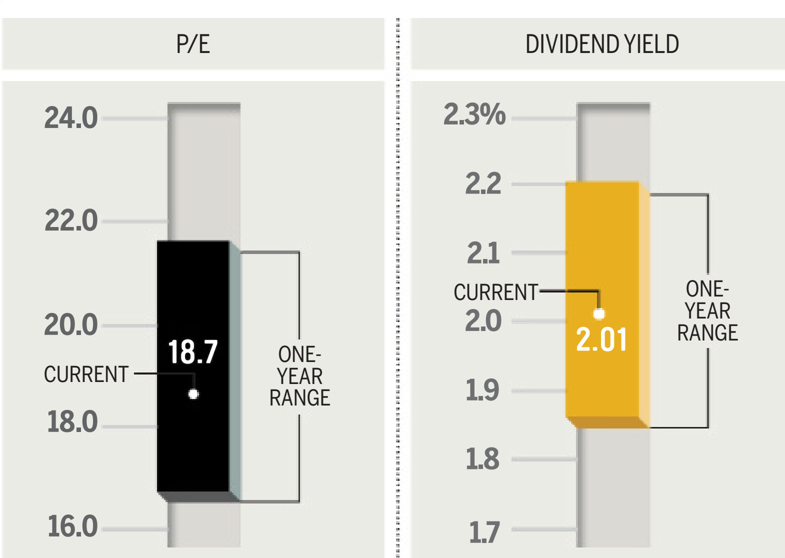
NOTES: *As of March 31, 2019. Load funds are included for those who prefer to use a broker. [1]Annualized. [2]Phone number is 614. [3]4.25% sales load.*
SOURCE: *Fund companies' websites*

ETFs

Follow Your Funds Online

WHEN *MONEY* GOES completely online next month, you will still be able to find our favorite 2019 funds and ETFs, at money.com/bestfunds and money.com/bestetfs. For updated performance, we recommend individual fund company websites or Morningstar Inc., all of which now offer frequently updated returns. Happy—and smart—investing! —IAN SALISBURY

S&P 500 RATIOS



HOW TO USE OUR RECOMMENDED LIST

Building-block ETFs: For broad exposure to core asset classes
Custom ETFs: Specialized investments that can tilt your strategy
One-decision ETFs: If you want stocks and bonds in one portfolio

FUND (TICKER)	TOTAL RETURN: ONE MONTH	TOTAL RETURN: ONE YEAR	TOTAL RETURN: THREE YEARS[1]	EXPENSES (AS % OF ASSETS)	PHONE NUMBER (800)
BUILDING-BLOCK ETFs					
▼ Large-Cap					
Vanguard 500 ETF (VOO)	**1.9%**	9.5%	13.5%	0.04	662-7447
Schwab U.S. Broad Market ETF (SCHB)	**1.5**	13.4	13.4	0.03	435-4000
▼ Midcap/Small-Cap					
iShares Core S&P Mid-Cap ETF (IJH)	**–0.6**	2.5	11.2	0.07	474-2737
iShares Core S&P Small-Cap ETF (IJR)	**–3.3**	1.5	12.5	0.07	474-2737
▼ Foreign					
iShares Core MSCI EAFE ETF (IEFA)	**0.6**	–4.2	7.5	0.08	474-2737
Vanguard Total Intl. Stock ETF (VXUS)	**0.7**	–5.2	8.1	0.09	662-7447
Vanguard FTSE A/W ex-U.S. Small ETF (VSS)	**0.7%**	–5.2%	8.1%	0.09	662-7447
Vanguard FTSE Emer. Mkts. ETF (VWO)	**1.9**	–6.8	9.9	0.12	662-7447
▼ Specialty					
Vanguard REIT ETF (VNQ)	**4.2**	20.1	5.7	0.12	662-7447
▼ Bond					
Vanguard Total Bond Market ETF (BND)	**2.0**	4.5	2.0	0.05	662-7447
Vanguard Short-Term Bond ETF (BSV)	**1.0**	3.5	1.3	0.07	662-7447
Schwab U.S. TIPS ETF (SCHP)	**1.8**	2.7	1.6	0.05	435-4000
Vanguard Short-Term Infl.-Prot. ETF (VTIP)	**0.8**	2.0	1.3	0.06	662-7447
Vanguard Total Intl. Bond ETF (BNDX)	**1.8**	5.2	3.2	0.09	662-7447
CUSTOM ETFs					
▼ Large-Cap					
Invesco FTSE RAFI U.S. 1000 ETF (PRF)	**0.6**	5.1	11.0	0.39	983-0903
Vanguard Value ETF (VTV)	**0.6**	7.3	12.2	0.05	662-7447
WisdomTree U.S. LargeCap Div. (DLN)	**1.4**	9.4	11.6	0.28	909-9473[2]
iShares Edge MSCI Min. Vol. USA (USMV)	**2.7**	15.5	12.4	0.15	474-2737
Invesco S&P 500 High Quality (SPHQ)	**3.0**	9.5	11.3	0.15	983-0903
Vanguard Growth ETF (VUG)	**3.2**	11.7	15.2	0.05	662-7447
▼ Midcap					
Vanguard Mid-Cap Value ETF (VOE)	**0.0**	1.1	9.8	0.07	662-7447
WisdomTree U.S. MidCap Dividend (DON)	**0.3**	7.2	10.3	0.38	909-9473[2]
Vanguard Mid-Cap Growth ETF (VOT)	**2.6**	11.1	13.4	0.07	662-7447
▼ Small-Cap					
Vanguard Small-Cap Value ETF (VBR)	**–2.0**	1.6	10.3	0.07	662-7447
WisdomTree U.S. SmallCap Div. (DES)	**–2.8**	3.3	9.6	0.38	909-9473[2]
Invesco FTSE RAFI U.S. 1500 S-M (PRFZ)	**–3.0**	0.4	12.0	0.39	983-0903
Vanguard Small-Cap Growth ETF (VBK)	**0.3**	10.4	15.8	0.07	662-7447
▼ Specialty					
SPDR S&P Dividend ETF (SDY)	**0.8**	11.9	11.5	0.35	787-2257[2]
Vanguard Intl. Div. Apprec. ETF (VIGI)	**3.0**	2.2	8.1	0.25	662-7447
iShares Cohen & Steers REIT ETF (ICF)	**4.3**	22.8	6.0	0.34	474-2737
Vanguard Global ex-U.S. Real Estate (VNQI)	**4.6**	2.2	8.2	0.12	662-7447
Vanguard Energy ETF (VDE)	**2.4**	–0.6	4.2	0.10	662-7447
▼ Foreign					
Invesco FTSE RAFI Developed Markets ex-U.S. (PXF)	**–0.6**	–5.8	7.9	0.45	983-0903
iShares Edge MSCI Min. Vol. EAFE ETF (EFAV)	**1.5**	1.3	5.9	0.20	474-2737
SPDR S&P Emerging Markets Small Cap ETF (EWX)	**–0.7**	–10.9	7.4	0.65	787-2257[2]
▼ Bond					
Fidelity Total Bond ETF (FBND)	**1.9**	4.6	3.5	0.36	343-3548
Pimco Active Bond ETF (BOND)	**1.7**	4.9	3.1	0.76	400-4383[2]
Pimco Enhanced Short Maturity Active ETF (MINT)	**0.3**	2.5	2.1	0.42	400-4383[2]
Shares iBoxx $ Inv. Grade Corp. ETF (LQD)	**2.9**	5.3	3.6	0.15	474-2737
Vanguard Short-Term Corp. ETF (VCSH)	**1.1**	4.4	2.3	0.07	662-7447
iShares iBoxx $ High Yield Corp. ETF (HYG)	**0.9**	6.5	7.4	0.49	474-2737
Vanguard Tax-Exempt Bond ETF (VTEB)	**1.5**	5.1	2.5	0.09	662-7447
SPDR Nuveen Bloomberg Barclays S/T Muni (SHM)	**0.4**	2.8	0.9	0.20	787-2257[2]
Invesco International Corporate (PICB)	**0.5**	–4.4	1.5	0.50	983-0903
SPDR Bloomberg Barclays Emerging Markets Bond ETF (EBND)	**–1.2**	–6.8	2.2	0.40	787-2257[2]
ONE-DECISION ETFs					
▼ Balanced					
iShares Core Aggressive Alloc. ETF (AOA)	**1.4**	2.2	9.2	0.25	474-2737
iShares Core Growth Allocation ETF (AOR)	**1.5**	2.8	7.5	0.25	474-2737
iShares Core Moderate Alloc. ETF (AOM)	**1.6**	3.3	5.8	0.25	474-2737
iShares Core Conservative Alloc. ETF (AOK)	**1.7**	3.6	5.0	0.25	474-2737
SPDR SSGA Global Allocation ETF (GAL)	**1.3**	1.6	7.1	0.35	787-2257[2]

NOTES: *As of March 31, 2019. [1]Annualized. [2]Phone numbers are 866.*
SOURCE: *Fund companies' websites*

Candid conversations with people we love.

The MONEY talk with

Chrissy Metz

The *This Is Us* star is still learning how to balance a budget.

BY JENNIFER CALFAS

MONEY*: You've talked openly about having 81¢ in your bank account when you booked *This Is Us.

CHRISSY METZ: I've never identified as a number—whether it's a number in my bank account or on the scale. I've never attached my worth to that, and I think that was really helpful in realizing that things are going to change. I might be heavier, I might be lighter. I might have more money, I might have less money. Things can be fleeting. Treat people kindly. You do good, you think positive thoughts, that's the priority. That's what's important.

Now that you have more financial security, what kinds of lessons are you learning?

First of all, nothing is personal. I always try to remind myself of that. No matter what somebody thinks of me or doesn't think of me, I can't get attached to what their thoughts are, because their perception is their reality. That doesn't mean that's what's actually happening.

I'm learning how to understand what finances mean and to have savings or an idea and a plan in place so that I don't become—goodness, God forbid if I don't have a job for a couple of years—so that I'm not going to be broke again.

When you live paycheck to paycheck, it's like, "Okay, I have my car payment, I have my bills, and if I have anything left, then maybe I can buy groceries." It's all about changes as far as how to handle it and how to organize it and have a plan in place. I never thought about having a plan in place, because why would I? There was probably something I could've done better. When we know better, we do better.

What was the first step you took to make that plan?

It was paying off my debt, paying off the people I borrowed money from. We have paychecks as actors, but people may or may not know that you owe certain percentages to your manager and to your agent and then stylist. There are all of those things I have to get in order. I thought, "Okay, I'm going to need to know every month what it is I'm paying," then adjust [spending] to that. "Can I afford to go to this event if I have to pay out-of-pocket for a particular outfit?" I paid back people I owed money to, and I thought, "Okay, what do I need to efficiently be a working actress?" Whether it was therapy or a massage, stuff that might seem extravagant. Can I afford it, or is it not going to make sense right now?

When the [*This Is Us*] pilot got picked up, I didn't come out of it with tons and tons of money. After taxes and everything, most of it was gone. So it was really kind of holding on to the idea of "Well, it's not going to be easy right out of the gate, but how can I plan so we're ready when the time comes?"

I also decided to open a SEP-IRA, pay taxes, all of those things to be very responsible—growing up about something I've never had to be grown-up about or didn't want to be grown-up about.

What's your best advice for those struggling with financial stability?

It's really about putting pen to paper and saying, "Okay, this is our budget, these are the things I'm going to want to do." Whether it's getting nicer paper for your résumé to send out or making sure that you have access to the Internet. It could be something as small as that. Just making sure you understand where you stand.

You just have to hang on and know that all that foundation you're laying is vital to building the life you want. But everybody's going to have to sacrifice at some point for what they want. ■

REBECCA CABAGE—INVISION/AP/REX/SHUTTERSTOCK