Money

\+ Midyear Investor's Guide

JULY 2017 / MONEY.COM

SECRETS OF THE KINGDOM!

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From Washington to Trump—in Their Own Words

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Money FEATURES

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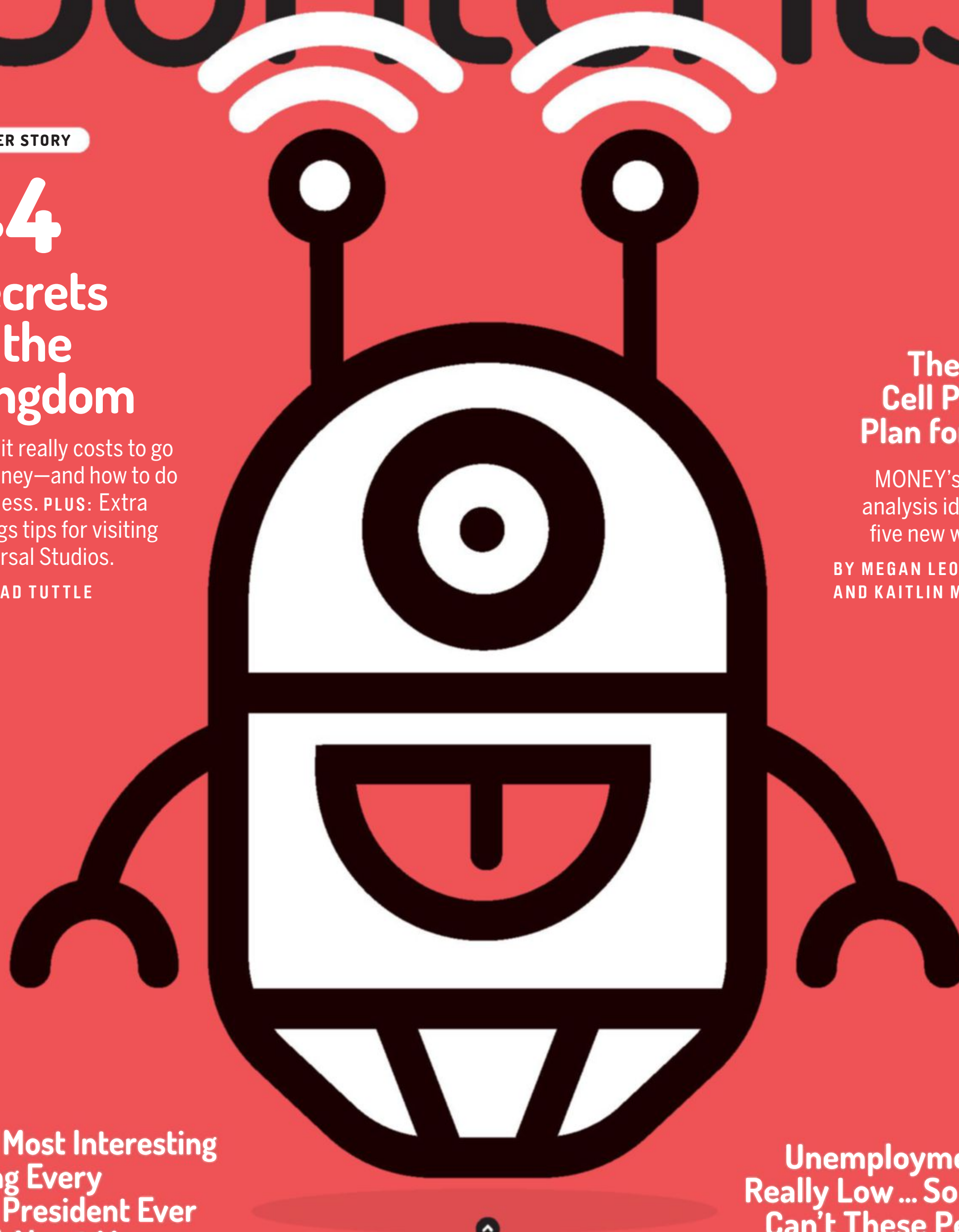

Use MONEY's online tool—at **money.com/cellphones**—to get a personalized plan recommendation.

ROBOT: OKSANA LATYSHEVA-NOUN PROJECT


synchrony
BANK

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Undersea attractions make this Egyptian resort a diver's paradise. See page 12.

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Cover photograph (Disney World castle) from Look Photos GmbH/Alamy

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THE INTELLIGENT INVESTOR

MY MONEY STORY

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"GO AHEAD—INVEST ALREADY" [MAY]

The argument against dollar-cost averaging

seems to assume that the market is valued near or below historical averages. But stocks are currently overvalued by most measures. Considering these facts, I think investors would be wise to seriously question a recommendation to invest a large amount of new money into stocks all at once, at least in today's market. **GREG AREND,** CASTLE ROCK, COLO.

COUPLES BUDGETING TIP

Thanks for the article on newlyweds' finances. ["The Newlyweds' Guide to Financial Success," June]. I want to share the system my partner and I used when we became a couple. It served us well for 32 years until his untimely death from pancreatic cancer. All necessities like rent, food, and utilities are shared strictly 50/50, so no one partner feels inferior or superior to the other. But any luxuries, such as restaurant meals, movies, or vacations are paid for by the person who makes more money. Using this system, I paid for some fabulous vacations when I made more money early in our life together. Later on, he made more and was able to assume that role. We both enjoyed the arrangement.

MICHAEL SCHMIDT
Washington, D.C.

TAX SOLACE FOR VICTIMS

The romance scam victim ["The Terrifying True Story of a $1 Million Scam," June] may be able to take a tax deduction for her financial loss to the thief. This might help offset some capital gains taxes resulting from her untimely sales of her investments. She should check with her tax adviser.

MARTIN GLATT
Calabasas, Calif.

OUR FAVORITE COMMENT

MONEY's advice has benefited me in many ways. An early article on John Bogle and the virtues of index funds, published when I was disappointed with brokers and frustrated at the time required to manage my savings, made his idea appealing. I acted on it, stayed patient, and now enjoy a very satisfactory retirement fund. **WAYNE PLASTER,** TAMPA

FACEBOOK COMMENTS ABOUT RECENT STORIES ON MONEY.COM

Definitely some valid points here. However, you can't build wealth by skipping $4 Starbucks ... Expenses aren't nearly as important as income.

VITO MARETSKI
Re: "Millionaire to Millennials: Stop Buying Avocado Toast if You Want to Buy a Home."

Good to pay back when you can. They all should do that. It would make the world a better place.

ERROL PETERS
Re: "Nicki Minaj Offers to Pay College Tuition for Fans"

There is no age to be embarrassed about if you actively contribute to your parents' household.

NIKKI MORTON
Re: "Here's the Age Millennials Say They'd Be Embarrassed to Still Live With Their Parents"

We need to properly define success: 90% having professional careers and 40% in the top pay tier is not too shabby.

SUSAN CLEMENS
Re: Ever Wondered What Became of High School Valedictorians?

Write to MONEY: **letters@moneymail.com**

ILLUSTRATION BY KARSTEN PETRAT

First

How This 29-Year-Old Makes a Living as a Professional Bridesmaid

Brides shell out thousands for someone to say, "You can chill about this." BY KRISTEN BAHLER

ATTENDANT-FOR-HIRE
Jen Glantz has seen it all: demands that bridesmaids dye their hair, get spray tans, even lose weight. That's not the worst of it, either. "There was one August wedding where I found the bride downing a bottle of vodka," Glantz recalls. "She got blackout drunk and started screaming that it was the worst night of her life."

But that's why Glantz, who maintains the dogged positivity of a Dallas Cowboys cheerleader, earns about $2,000 per wedding. "Friends don't know how to handle brides in stressful wedding situations," she adds. "It becomes a bit of a nightmare. I'm that third-party person who can say, 'You can chill about this, because you can trust me.' I bring them back to reality."

A Florida native, Glantz got her start in 2014 when she posted an ad on Craigslist for brides who "need someone to take control" and got over 100 responses in two days.

It's not all about drama. With Glantz's "Day-of Coordinator" packages ($1,200 to $2,000), she's essentially a wedding-planner lite—an extra pair of hands to make sure everything from picking up the dry cleaning to tossing the bouquet runs smoothly. For Glantz to actually walk down the aisle alongside the bride—to replace a missing or estranged friend—it will cost you $2,000 and up.

"It happens more than you'd think," Glantz says.

Always a bridesmaid? Pro Jen Glantz had 20 clients lined up for this spring's wedding season.

PHOTOGRAPHS COURTESY OF SUSAN SHEK (2); STARFISH STUDIOS (2); JEN GLANTZ (9)

7 Amazing Adventures That Won't Cost a Fortune

Go bold without going broke. MONEY looked far afield to identify international vacations that will take you beyond the ordinary. BY MEGAN LEONHARDT AND KERRI ANNE RENZULLI

IF PARIS IS TOO PASSÉ for your next international vacation, it's time to consider a more off-the-beaten-path experience. A number of destinations deliver great value with fewer tourist hordes. MONEY has scoured its Best in Travel database to identify seven cities that may not be at the top of tourists' lists—yet—but are packed with incredible things to do, delicious flavors to try, and reasonably priced places to stay.

1. Oaxaca, Mexico

TOTAL COST OF A WEEK FOR TWO: $1,948

WHAT TO DO THERE: Visit the ruins at Monte Albán; snack your way through Mercado 20 de Noviembre.

2. Xi'an, China

TOTAL COST OF A WEEK FOR TWO: $2,828

WHAT TO DO THERE: Visit the 8,000 figures in the famed Terra-Cotta Army.

3. Hoi An, Vietnam

TOTAL COST OF A WEEK FOR TWO: $2,684

WHAT TO DO THERE: Take a river tour in a traditional wooden long-tail boat; walk through the historic district.

4. Siem Reap, Cambodia

TOTAL COST OF A WEEK FOR TWO: $2,445

WHAT TO DO THERE: Set aside several hours to visit Angkor Wat and surrounding temples.

5. Kraków, Poland

TOTAL COST OF A WEEK FOR TWO: $3,200

WHAT TO DO THERE: Wander the Old Town and see St. Mary's Basilica.

6. Sharm el-Sheikh, Egypt

TOTAL COST OF A WEEK FOR TWO: $3,306

WHAT TO DO THERE: Scuba dive at Ras Mohammed National Park.

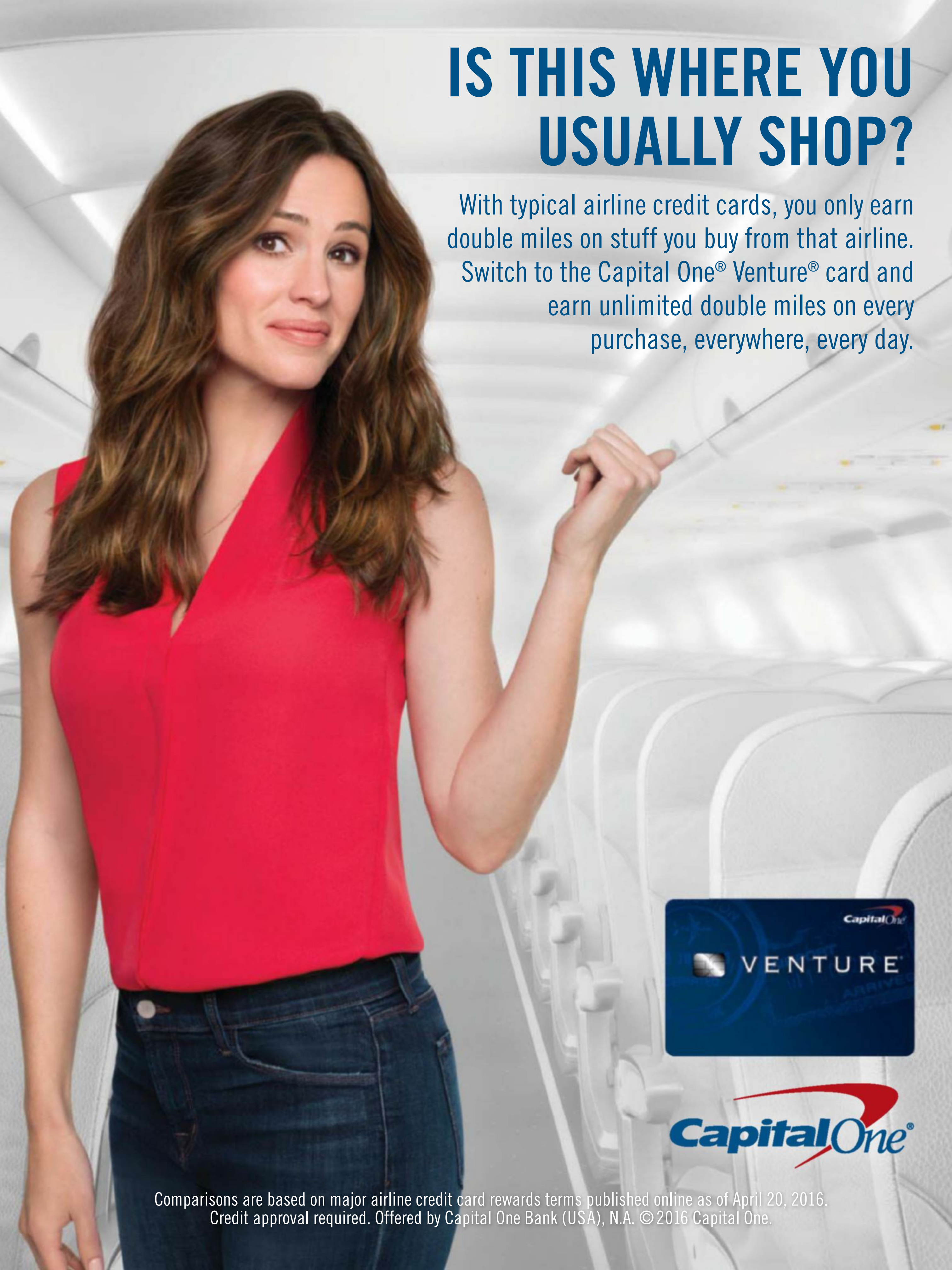
7. Sofia, Bulgaria

TOTAL COST OF A WEEK FOR TWO: $2,725

WHAT TO DO THERE: Tour Alexander Nevsky Cathedral and the underground museum at St. Sofia Church.

Methodology: To make these selections, MONEY weighed more than 14,500 data points for over 200 of the most popular international destinations. Then we ranked the seven cities that scored best on overall cost factors, giving the most weight to the price of airfare, lodging, and food, as well as the biggest year-over-year price drops. We also considered the number of restaurants and attractions each city offered, as well as experience factors like low crime rates, pleasant weather, and ease of access to public transportation. Only one winner was chosen per country.

1: CECILIA COLUSSI STOCK—ALAMY STOCK PHOTO. 2: WOLFGANG KAEHLER—LIGHTROCKET VIA GETTY IMAGES. 3: JOHN S. LANDER—LIGHTROCKET VIA GETTY IMAGES. 4: ASHIT DESAI—MOMENT/GETTY IMAGES. 5: VAN NESTEROV—ALAMY. 6: NARCHUK.COM/MOMENT/GETTY IMAGES. 7: ROBERT HARDING—ALAMY


IS THIS WHERE YOU USUALLY SHOP?
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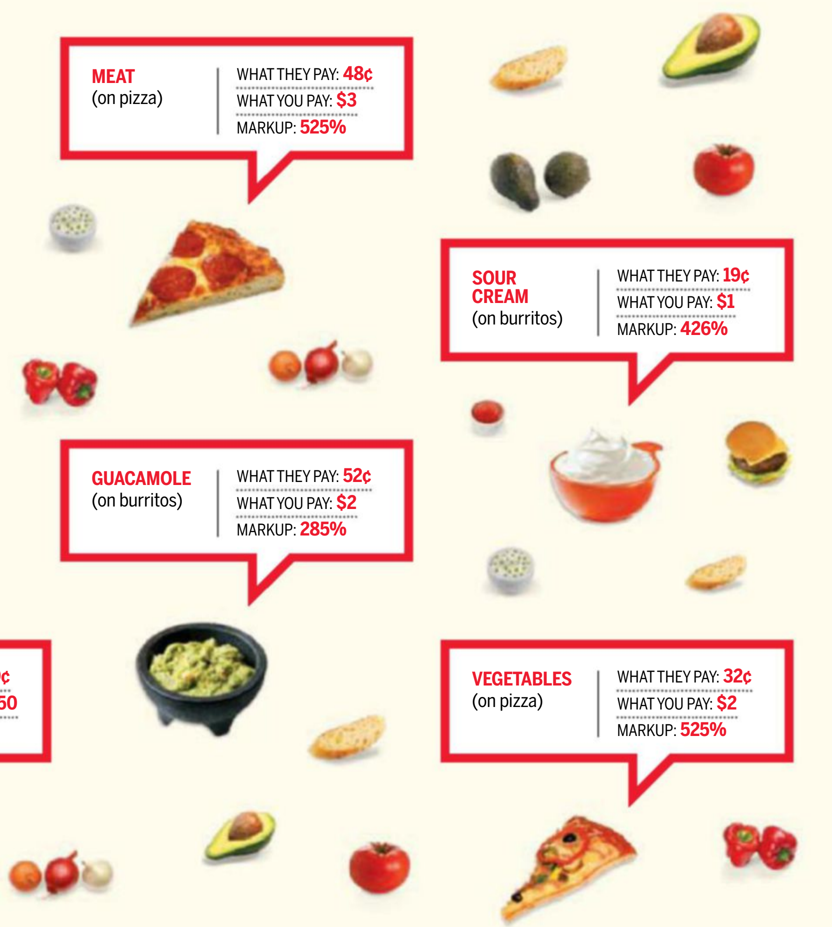
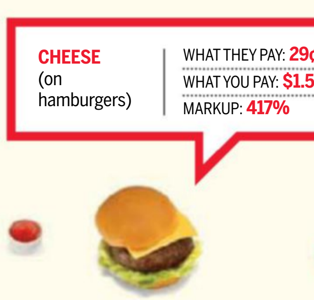
5 Cheap Things Restaurants Love to Overcharge You For

Add-ons like sour cream or pizza toppings really cost you. BY JENNIFER CALFAS

RESTAURANTS mark up ingredients by 300% on average, according to software company PlateIQ, which analyzed invoices from more than 1,000 eateries earlier this year. Before you get too indignant, remember that you're paying for a full dining experience—not just for sustenance. Typically 60% of a restaurant check goes to labor and rent and 30% to 33% to food, with less than 10% left as profit. ■





FOR $100 YOU CAN GET FIRST DIBS ON LARRY PAGE'S FLYING CAR

The upfront fee entitles you to a $2,000 discount when the Google cofounder's Kitty Hawk Flyer becomes available later this year. One big catch: Page hasn't said what the "all-electric" vehicle, designed for cruising above lakes, will actually cost. —J.C.

BREAD: JOFF LEE—GETTY IMAGES; CUT AVOCADO: IAN O'LEARY—DORLING KINDERSLEY/GETTY IMAGES; AVOCADO: MALCOLM PARK—GETTY IMAGES; TOMATO: SCIENCE PHOTO LIBRARY/GETTY IMAGES; PIZZA: RENEE COMET—GETTY IMAGES; PEPPERS: LONGHA2006—GETTY IMAGES; ONIONS: SPATHIS AND MILLER—GETTY IMAGES; KETCHUP: KELENART—ISTOCKPHOTO/GETTY IMAGES; SOUR CREAM: VIKIF—ISTOCKPHOTO/GETTY IMAGES; BURGER: ENVISION/GETTY IMAGES; GUACAMOLE: GRANDRIVER—GETTY IMAGES; VEGGIE PIZZA: PAUL SEHEULT—EYE UBIQUITOUS/GETTY IMAGES; FLYING CAR: DAVIS ELEN—KITTY HAWK

What to Do if You Get Bumped

Kicked off a flight? Here's how to score full compensation. BY MEGAN LEONHARDT

THE DISTURBING video of a passenger being dragged off a United Airlines flight in April should raise alarm bells for anyone who flies these days.

If you haven't volunteered to give up your seat, and an airline employee insists on removing you from the plane, experienced travelers and fliers' rights organizations suggest this five-step action plan to save your vacation and avoid bloody noses.

OBEY

The Patriot Act makes it a felony for passengers on planes to disobey airline staffers. That law gives them the right to remove any passenger. Object too much and you can face a large fine and even prison time.

KNOW YOUR RIGHTS

Federal rules require airlines to provide you with a written statement explaining your rights and why you're being bumped. Since airline staffers often neglect to do so, Charlie Leocha, president of Travelers United, advises passengers to use their smartphones to search for the U.S. Department of Transportation's rules for being "involuntarily denied boarding." Also, pull up the airline's "contract of carriage" and search for similar terms. Leocha cautions that fliers can generally get compensation only if they are bumped because of overbooking. Fliers have fewer rights—and no guarantee of compensation—if airline staffers remove you for safety concerns, such as weight-and-balance issues on small planes, or if your flight is canceled for weather reasons.

GET REBOOKED

No matter why you've been kicked off, the airline is supposed to rebook you to your destination as soon as possible.

DEMAND A CHECK NOW

If your removal is due to overbooking and you'll be more than one hour late to your destination, the government requires airlines to compensate you. Federal law states you should be paid $1,350 if the alternate routing gets you to your final destination more than two hours later than planned (four hours for international flights). While many airlines try to compensate passengers with credit vouchers, you can—and should—insist on a check, says Paul Hudson of Flyerrights.org. In fact, you should be able to collect your compensation immediately at the airport. If that's not possible, keep your documents and notes on what took place to file a claim later, advises AirHelp.com.

FOCUS ON THE POSITIVE

Angry rants won't get you much extra from stressed-out gate agents. So try to keep calm by focusing on the money you'll be getting, suggests Laura Begley Bloom, a travel journalist whose family made $11,000 by volunteering to get bumped one weekend. Spend some of that loot to lighten your mood. "A lot of airports have massage kiosks. Buy some Twizzlers. Have a glass of wine. It's 5 o'clock somewhere," she says. M

ORIGINAL PHOTOGRAPHS, MAN: CRAFTVISION/GETTY IMAGES; CANE: GETTY IMAGES/ISTOCKPHOTO

ILLUSTRATION BY JOSUÉ EVILLA

How to Talk About Getting a Will

An easy guide to an uncomfortable topic.

BY KERRI ANNE RENZULLI

NO ONE WANTS TO PLAN for his or her own death. Maybe that's why about half of Americans don't have a will. But people who die without written instructions force their families to endure potentially long and expensive probate court cases, and could subject minor children to the care of a hated relative. So do your friends and family a favor, and broach the topic of drafting a will. Here's how to do that gently:

PREP WORK

The first step is to find out exactly how much and what there is to bequeath. So it is crucial to inventory the assets—financial accounts, jewelry, real estate, family heirlooms, and the like. Some financial accounts, such as life insurance policies, 401(k)s, and IRA balances can be handed over directly without reference to a will. It's best to assign or update beneficiaries to those accounts immediately.

OPENING LINE

"I saw what happened to Jill's family when she died without a will. What can we do to avoid that?"

Use a friend's passing (or perhaps news of a court battle over a will-less celebrity like Prince) to ease into the conversation while providing some emotional distance. Though inevitable, our mortality is something most of us avoid contemplating. So focus instead on providing for loved ones. Start by deciding whom to include as heirs, and whom to name as executor, the person responsible for paying claims against the estate and distributing assets to beneficiaries. A trusted friend, relative, or financial institution can play this role. If you're going with a professional executor, remember to set aside funds to pay for his or her fees.

TALKING POINTS

"Kara is old enough to support herself, but what about Jason? Who would look after him if something happens?"

The single most important aspect of a will is also often the hardest: Who will take custody of minor children? Consider the personal bond between the child and potential guardian, as well as factors like their location, dependents, age, and other financial obligations. Remember: If you don't make a selection, a judge will make the choice.

WOMAN: DANIEL GRILL—GETTY IMAGES; MAN: 4X6—ISTOCK/GETTY IMAGES

"It's tempting to split the money evenly between kids, but what if one is earning a lot more?"

"Everyone's default when planning is to treat heirs equally—but fair isn't always equal," says Raleigh, N.C., financial planner Mike Palmer. Typical issues: Did one child receive a gift—say, financial support for an advanced degree—that the others didn't? Should a low-earning child receive more support than a high-earning one? Will biological and stepchildren be treated differently? If you are having difficulty deciding, try asking the heirs directly about what they think would be fair. You don't have to follow their wishes, but their input could help you find common ground.

"Do you feel comfortable giving the children their inheritance all at once? They are still so young—who knows what they'd spend it on?"

If you want to influence either the timing of the inheritance or the way it gets spent, you'll need a trust. Incentive trusts can require, for instance, that an heir earn a college degree or pass a drug test before collecting money. Staggered trusts let your estate be paid out over a certain time span.

NEXT STEPS

Hire a lawyer to execute the plan you've outlined. A will drafted by an attorney averages about $375, according to LegalZoom.

Finally, tell the heirs. You don't need to spell out how much they'll inherit, but you should talk about big decisions you've made. Says Cincinnati financial planner David Nienaber: "People are more upset when you die and they're left to figure out with their siblings why you did what you did."

ILLUSTRATION BY JOSUE EVILLA: ORIGINAL PHOTOGRAPHS. WEIGHT: ISTOCKPHOTO/GETTY IMAGES; WOMAN: PM IMAGES/GETTY IMAGES

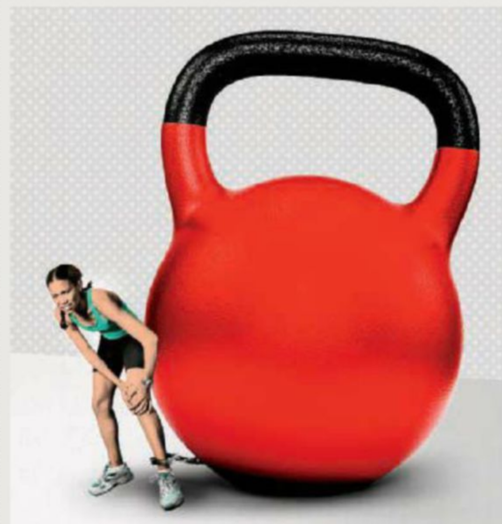
Escape Gym Fees!

Canceling a fitness club contract can be a workout.

BY ALICIA ADAMCZYK

Half of all gym members—more than 20 million Americans—are probably not going to the gym often enough to justify the monthly fees, studies show.

But many fitness club contracts lock customers into payments for at least a year. If you're tired of paying for missed yoga classes, lawyers and gym experts suggest trying these money-saving poses.



CHECK THE FINE PRINT
Most gyms allow you to cancel for reasons such as illness, injury, job loss, or relocation.

Look at your sales material too: If the salesperson misled you, or failed to notify you of, say, revocation rights, state laws typically allow you to void an agreement.

NEGOTIATE
If your club requires arbitration and pays all arbitration fees, "that gives you some leverage," says Columbus attorney Troy Doucet. You can point out how much a dispute will cost them and try to negotiate a buyout.

BEG
Try asking a membership representative for leniency. "Unhappy members can create problems on social media," notes Tom Holland, a former gym owner who is now a fitness coach. If the local staff says no, appeal to the corporate headquarters, suggests Shaolaine Loving, a Las Vegas contract attorney.

DOCUMENT
Send a printed cancellation notice, along with paperwork such as contracts and membership cards, via registered mail. Equally vital: "Seek a written acknowledgement that your request was received," advises Samuella Becker, a New York City PR consultant, who says her emailed cancellation was ignored for weeks, costing her an extra month of fees.

MOTIVATE
If you can't get out of paying the bills, keep doing so. Otherwise, a debt collector could turn up at your door. Either use the bills to motivate yourself to get back on the treadmill, or frame your contract and hang it up where it'll be a stark reminder to think through your next big purchase.

4 Ways to Cut Your Medical Bills

A physician outlines steps patients can take to slash the costs of their routine health care.

BY ELIZABETH O'BRIEN

MEDICAL SERVICES have long been one of families' biggest budget busters. To diagnose an injured knee, for example, some hospitals post cash prices (the price paid by the uninsured) of more than $4,000 for an MRI. But patients are increasingly able to safely reduce their nonemergency medical bills, says Elisabeth Rosenthal, editor-in-chief of *Kaiser Health News* and author of *An American Sickness: How Healthcare Became Big Business and How You Can Take It Back.*

If you have the time and energy for a little polite questioning of your doctor, a few phone calls, and some web research, you can often dramatically slash your medical bills. In the case of MRIs, for instance, by as much as 75%. Rosenthal, who is also a former practicing physician and former *New York Times* medical correspondent, suggests trying these four actions:

CANCEL UNNECESSARY TESTS
Ask a doctor who suggests a test how the results might change your course of treatment. If the answer is "not much," then press for why it is needed. Consider skipping it if you don't get a good answer. Unnecessary procedures are surprisingly common: One study found they make up 7% of health care spending.

SEARCH FOR OPTIONS
Inquire where you can get the work done. Physicians often operate at different locations on different days of the week. If it is safe and convenient to have the procedure done in an office, rather than a hospital, that often results in big savings. Also use your insurer's web cost estimator tool to see if you can get your tests done at lower cost nearby, and then bring the results to your doctor to analyze.

COMPARISON SHOP AHEAD OF TIME
Ask: "How much will that cost?" If the doctor doesn't know, insist on talking with the billing specialist at the office or hospital. You may have to be persistent to get beyond "It depends on your insurance," Rosenthal warns. At a minimum, she says, the facility should be able to provide the cash price. Check your insurer's online estimator tool (or call your insurer) to see if it has information on less expensive options in your community.

VET THE PROFESSIONALS
You don't want surprise bills from other doctors who might participate in your care. Remember that you might not meet providers who, say, read a scan off-site, or treat you when you're under anesthesia. So ask whomever you choose to oversee your care: "What are the names and roles of the other medical professionals who will be involved, and are they in my plan's network?" It pays to double-check their names with your insurer. You can ask your physician to swap out-of-network providers for in-network replacements. "I see the anesthesiologist isn't in my network—is there someone else who can treat me who is?" But doctors don't (or can't) always honor such requests. If they don't, you'll have to take your business elsewhere, or budget for much higher costs.

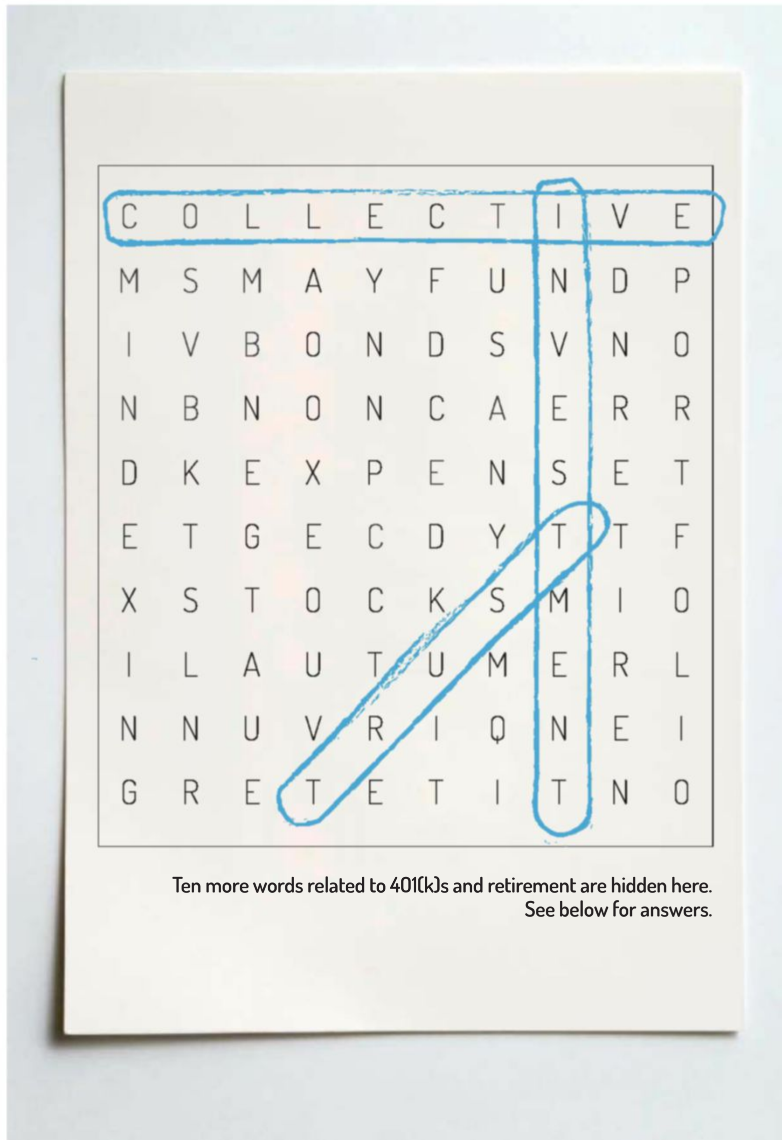
FMAJOR/GETTY IMAGES

Retire

Low-Fee 401(k) Choices Are Hiding in Plain Sight

Many plans are replacing old-style mutual funds with trusts. Here's the lowdown for savers.

BY ELIZABETH O'BRIEN



Ten more words related to 401(k)s and retirement are hidden here. See below for answers.

THERE'S A STEALTH investment vehicle that's making its way into more 401(k) plans: the collective investment trust (CIT). You might own one or more, especially if you work for a large company, and not even know it.

Also known as collective investment funds, these holdings are similar to mutual funds in owning baskets of securities. But they are open only to retirement plans and some other institutional investors, and they aren't subject to the same disclosure rules and other requirements as mutual funds. That leads to the primary attraction of CITs: lower fees.

While the trusts are not new—in fact, like mutual funds they've been around for many decades—they've been growing in popularity. Recent lawsuits filed by retirement-plan participants accusing companies of having excessive 401(k) fees have put a spotlight on what savers pay. Also, the onus on plans to lower fees has grown over the past decade owing to a requirement that plans disclose all fees to participants.

In 2016, 65% of larger 401(k)

PAPER: KYOSHINO/GETTY IMAGES

ANSWERS: BONDS, EXPENSE, FUND, INDEXING, MONEY, MUTUAL, PORTFOLIO, RETIRE, SAVE, AND STOCKS.

plans included at least one trust on its menu, vs. 48% in 2012, according to Lori Lucas, defined contribution practice leader at Callan Associates, an investment consulting firm. “The financial services industry has seen an increased use of trusts due to fee sensitivity,” says Kevin Jestice, head of institutional investor services at Vanguard.

Here’s what you need to know if you own a collective investment trust now, or may in the future:

HOW TO SPOT THEM

The tip-off that some of the options in your 401(k) are CITs? On the list of investments, look for “Trust” or the abbreviated “Tr” in the name—and also the absence of a ticker symbol. Don’t assume your investments are funds because you see the names of big fund companies like Vanguard and Fidelity; they are also big providers of CITs, typically through their own trust-company subsidiaries.

As investments, trusts “look and feel a lot like a mutual fund,” Lucas says. For example, a trust could track the S&P 500 stock index, just like an index mutual fund. There are also target-date trusts: Some plans might offer the Vanguard Target Retirement 2030 Fund, and others, the Vanguard Target Retirement 2030 Trust. You can typically move money into or out of a trust daily, just as you can with the funds in a 401(k).

THE COST SAVINGS VS. FUNDS

Some 401(k)s have trimmed their expenses by switching from ordinary mutual funds for individual investors to lower-cost institutional funds—and cut them again by switching to CITs. As seen in the graphic below, a typical mix of CITs in a large 401(k) plan might cost 0.35% of assets in annual fees, less than half the cost of ordinary mutual funds, according to Callan. A 0.35% expense ratio is equal to just $350 a year on a $100,000 balance.

The very cheapest institutional funds and CITs are far cheaper than the averages—under 0.1% or even under 0.05%, says Michael Miller, managing director of the PFE Group. Trusts are typically a hair cheaper than the funds.

POTENTIAL DRAWBACKS

Trusts can have a disadvantage when it comes to transparency and the ease of reviewing all of your investments in one place. “These aren’t investments you’d generally see in the newspaper,” says Bob Salerno, a senior vice president at Fidelity. You can’t look them up on websites like Yahoo Finance either.

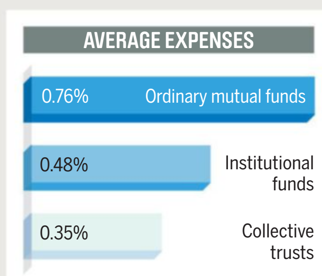
Instead, you’ll have to log in to your account on the website of the financial company that administers your 401(k) plan. Much of the information you’ll see on the trusts is likely to be similar to what is provided for the mutual funds in the plan. For instance, you will often be able to see how a trust has performed compared with an index benchmark or category average, says David Blanchett, head of retirement research for Morningstar.

Another downside to collective investment trusts is that it’s harder to integrate them into online portfolio management tools. For example, Personal Capital offers free financial software that allows users to track investments held in multiple accounts and at various firms. The software automatically grabs data about the securities inside mutual funds, but for CITs the user would have to manually add a ticker symbol for an equivalent fund to use as a proxy, a spokeswoman says. Ditto for investors using Morningstar’s portfolio tracking tool.

Similarly, portfolio management firm Betterment says it can’t advise clients about the CITs inside their 401(k)s as it does about mutual fund holdings in those company plans.

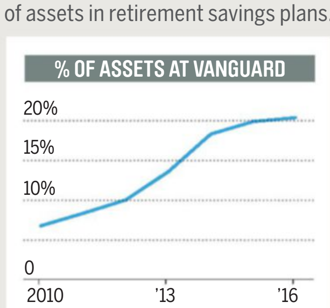
401(k) Makeover

Collective investment trusts carry lower fees than mutual funds ...



NOTE: *Weighted based on typical asset mix of large plans.*

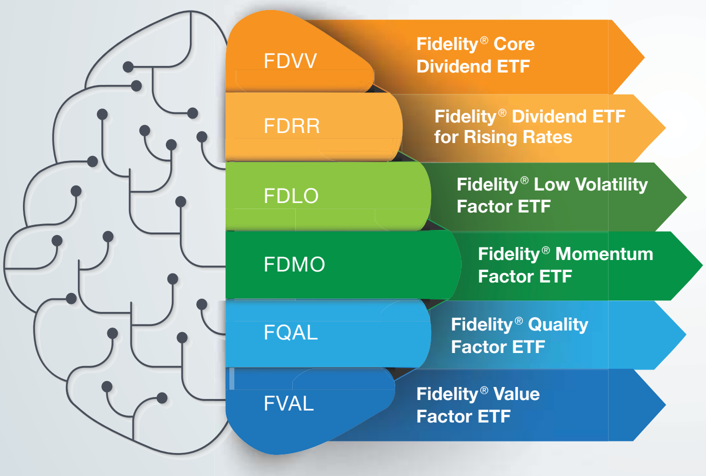
... And are growing as a percentage of assets in retirement savings plans.



SOURCES: *Callan Associates (fees), Vanguard*

Smart(er) Beta ETFs?

We certainly think so. Introducing 6 new ETFs created by Fidelity's experts — with your objectives in mind.



Most companies offer smart beta ETFs that follow third-party indices. We think you deserve more. We used our decades of investing experience and powerful research capabilities to create indices* that are designed to be highly focused on specific outcomes. That's six new, low-cost ETFs you can buy commission free online. Invest smart(er). At Fidelity.

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Free commission offer applies to online purchases of Fidelity ETFs in a Fidelity brokerage account with a minimum opening balance of $2,500. The sale of ETFs is subject to an activity assessment fee (from $0.01 to $0.03 per $1,000 of principal). Fidelity ETFs are subject to a short-term trading fee by Fidelity if held less than 30 days. ETFs are subject to management fees and other expenses.

Investing involves risk, including risk of loss. See more details about each fund at Fidelity.com/factorETF.

*The indices were created by FMRCo., Inc., using a rules-based, proprietary index methodology, and the performance of the funds and their indices may vary somewhat due to various factors, including fees and expenses. You cannot invest directly in an index.

Beta is a measure of risk. It represents how a security has responded in the past to movements of the securities market. Smart beta represents an alternative investment methodology to typical cap-weighted benchmark investing and there is no guarantee that a smart beta or factor-based investing strategy will enhance performance or reduce risk.

ETFs are subject to market fluctuation and the risks of their underlying investments. Unlike mutual funds, ETF shares are bought and sold at market price, which may be higher or lower than their NAV, and are not individually redeemed from the fund.

Before investing in any exchange-traded fund, you should consider its investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus, offering circular, or, if available, a summary prospectus containing this information. Read it carefully.

The Military's Got a New Spin on Retirement

A "blended" design is intended to attract younger people, while most of today's service members have a choice to make. BY DAN KADLEC

IN A BID TO LURE MILLENNIALS, the U.S. military is making the most sweeping changes to its retirement program since World War II. No longer will only 20-year veterans leave the service with a benefit for later life. Going forward, those who serve as little as two years will be assured of returning to civilian life with at least some retirement savings.

People who have served at least 12 years will remain in the current pension system. Above: Marines train in Kuwait in 2003.

The new Blended Retirement System introduces matching contributions to a 401(k)-type savings plan while downsizing the traditional pension benefit—a trade the corporate world has been making for 35 years. About 88% of current active-duty military, or 1.15 million service members, will get to choose between the old and new designs.

Under the new plan, 85% of those serving in the future will leave the service with a retirement benefit, the military says. That compares with less than 19% under a system that has been in force since the days of MacArthur and Patton. The idea is to attract more men and women who aren't inclined to make the military a longtime career.

The new plan "is a key step in modernizing the department's ability to recruit, retain, and maintain the talent we require of our future force," a Pentagon spokesman said in 2015, when the Defense Department submitted its proposal to Congress. The changes in military retirement plans will also save the government about $2 billion a year.

The shift kicks in Jan. 1. Those who enroll after that date get the new plan, while those with more than 12 years of service will remain under the old system. Anyone with less than 12 years of service on that date will have one year to make an irrevocable choice between the two programs. (See the next page for tips on choosing.)

The switch highlights some of the tradeoffs between pensions and 401(k)s that workers in private industry have long been grappling with. Pension plans can provide worry-free income for life, but the benefits go mostly to long-tenured workers. With savings plans, far more people get a retirement nest egg. But workers bear much of the responsibility for diligently saving and making reasonable investment choices.

With the blended program, "there are a lot of ifs," says Kathleen Brinker, relationship manager with AAFMAA Wealth Management, a financial adviser

JOE RAEDLE—GETTY IMAGES

for military personnel. “The new plan works *if* you contribute enough to get the full match, *if* you invest prudently, *if* you don’t take money out early, *if* you have enough time for your money to grow.” The military is rolling out a stepped-up education effort along with the changes.

In the new blended plan, the pension benefit after 20 years of service will be 20% less than under the old plan. But participants will receive a contribution of 1% of base pay to the government’s 401(k)-like Thrift Savings Plan (TSP). They fully vest in the TSP in two years, so they can take all those dollars with them if they leave at that point. They will also receive a matching contribution of up to another 4% of earnings.

Contributing the 5% of pay required to get the full match could be a challenge for some military families. Many military men and women struggle with the demands of serving and managing their financial affairs at the same time. Too often, they return to civilian life with no retirement benefits for the future but having taken on debt that weighs on their family finances.

Veterans are twice as likely as other Americans to carry debt from month to month, according to a 2014 survey conducted by Harris Poll for the National Foundation for Credit Counseling. More than half said they were unprepared for a financial emergency. Such statistics explain why the government has been pushing the military to better educate its members on money.

Another challenge is that most service members are risk-averse investors, says Ross Cutler, an AAFMAA adviser. Matching funds under the new system go into a low-risk fund that yields about 1%. But financial advisers say service members, like other retirement savers, should plan to put a significant chunk of their money into stocks for the higher returns they have delivered on average over long periods.

For some, that will require getting comfortable with holdings whose values can swoon in some periods while soaring in others.

“Most [veterans] retire from the service and have second careers,” which means they can hopefully leave their military retirement savings alone to keep growing, says Cutler. If these men and women aren’t going to tap those dollars until they are in their sixties, “it’s easier to make the case for more aggressive investing with equities,” he says. ■

CURRENT OR “BLENDED” PLAN? TIPS ON THE RIGHT CHOICE FOR YOU

IF YOU’RE WELL ON YOUR WAY: The old retirement system will generally be better for people who have several years of military service under their belt and plan to stay for at least the 20 years required for a pension. You probably won’t have enough time to make up for the new plan’s smaller pension by saving in the Thrift Savings Plan and getting matching contributions.

IF YOU’RE JUST STARTING YOUR CAREER: The choice is tougher if you’ve only got a year or two of service but plan to retire from the military. Many additional years of matching contributions and compound growth in the TSP can close the gap with the old pension plan—and then some. But the blended program requires savings discipline and hands-on attention.

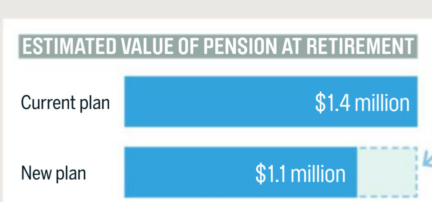
And keep in mind that military personnel are subject to involuntary layoffs, like everyone else. The Army announced a forced troop reduction of 8% just two years ago. If you choose the old pension plan and get downsized before you’ve got 20 years in, you lose.

IF YOU’RE PLANNING TO MOVE ON: If you think you won’t stay the 20 years required for a pension, go with the new system because it guarantees you will leave with some savings.

A TOOL THAT CAN HELP: The military in May rolled out its Blended Retirement System Comparison Calculator, at militarypay.defense.gov/Calculators/BRS.

A Big Savings Challenge

Under the military’s new plan, an officer serving 20 years would need about $300,000 in savings at retirement to offset a smaller pension.



NOTES: *Based on inflation-indexed pensions starting at $53,000 and $42,000, for 40 years.* ***SOURCE:*** *AAFMAA Wealth Management*

Your IRA Withdrawal May Be Reversible

There are certain situations where you can change your mind—and avoid taxes and penalties. BY KAREN DAMATO

SOME FINANCIAL MOVES are easily undone. You can sell a stock, for instance, and change your mind and buy it back the following week. But when it comes to individual retirement accounts, which give you tax breaks for saving, there are only limited circumstances in which you can pull your money out of that tax-advantaged bubble and pump it back in.

Why might you want to do that? Maybe you assumed there were no other options besides tapping your IRA to cover a financial emergency, but then a family member stepped in to help. If you're dealing with a traditional IRA in which you made tax-deductible contributions, reversing the withdrawal could save you from a big tax bill and also the 10% early-withdrawal penalty if you are younger than 59½. You would delay the tax bill until later in life and, perhaps more important, you would leave your nest egg alone to keep growing for your retirement years.

Here's a look at the rules for four instances in which you might dip into an IRA and then want a do-over.

You're under 70½ and tapped your IRA, but now don't need the cash. You have a 60-day window to get that money back into an IRA. The key to the do-over option is a tax rule that people often use to roll IRA money from one financial institution to another. If you take a distribution from your IRA at Company A today and deposit those dollars in an IRA at Company B within 60 days, there's no tax bill due.

You can also use this 60-day rule to deposit the money you withdrew back into your original IRA, says Suzanne Shier, chief wealth planning and tax strategist at Northern Trust: "You just have to put it back into an IRA. It doesn't have to be at another institution."

There are a few things you need to know: You can use this 60-day rule only once a year. However, there are no limits on transactions in which you direct your IRA custodian to send the dollars directly to another provider. And last year, the IRS granted a little more flexibility to IRA investors who accidentally go beyond the 60-day period for reasons such as a family death or home damage.

You withdrew to buy your first home, but there was a problem. As a first-time homebuyer, you can avoid the usual penalty for IRA withdrawals before age 59½. And you get extra time to undo a withdrawal as well: If the money isn't used for the home purchase because of delay or cancellation, you have 120 days to put it back in.

You tapped the account after 70½ but wish you had made a direct charitable contribution from your IRA instead. This one is tricky. Once you reach the age for required minimum distributions (RMDs) from traditional IRAs, the first dollars you pull out each year are counted as that. And RMDs are not allowed to be redeposited.

So if your RMD for this year is $20,000, and you withdrew that amount, you can't change your mind to do a $20,000 charitable transfer. However, if you pull out $30,000, you could change course on the $10,000 above your RMD.

You withdrew from an inherited IRA in which you're the beneficiary. You're out of luck. "There is no 60-day rule" in this case, Shier says, so you can't put the money back. There is a wrinkle, though: If you inherited an IRA from your spouse, you can roll those dollars into your own account, which might open up the do-over option for the future.

THE DEAL WITH DO-OVERS

Here are the windows in which you can reverse an IRA withdrawal:

60 DAYS
This is the standard rule if you're younger than 70½.

120 DAYS
If you're buying your first home and you hit problems.

OUT OF LUCK
If you withdrew from an IRA you inherited from a non-spouse.

(OLD MAN) ALBERTO MIRANDA–NOUN PROJECT


TOTAL USD
BONDS
IUSB
INSPIRED BY A
GREAT SECOND ACT.
U.S.
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AGG
Build income in retirement with iShares Core bond ETFs.
iShares Core bond ETFs give you broad exposure to bond indexes at 1/10th the cost of comparable mutual funds.[1] So you can keep more of what you earn along the way. Start building at iShares.com/buildincome
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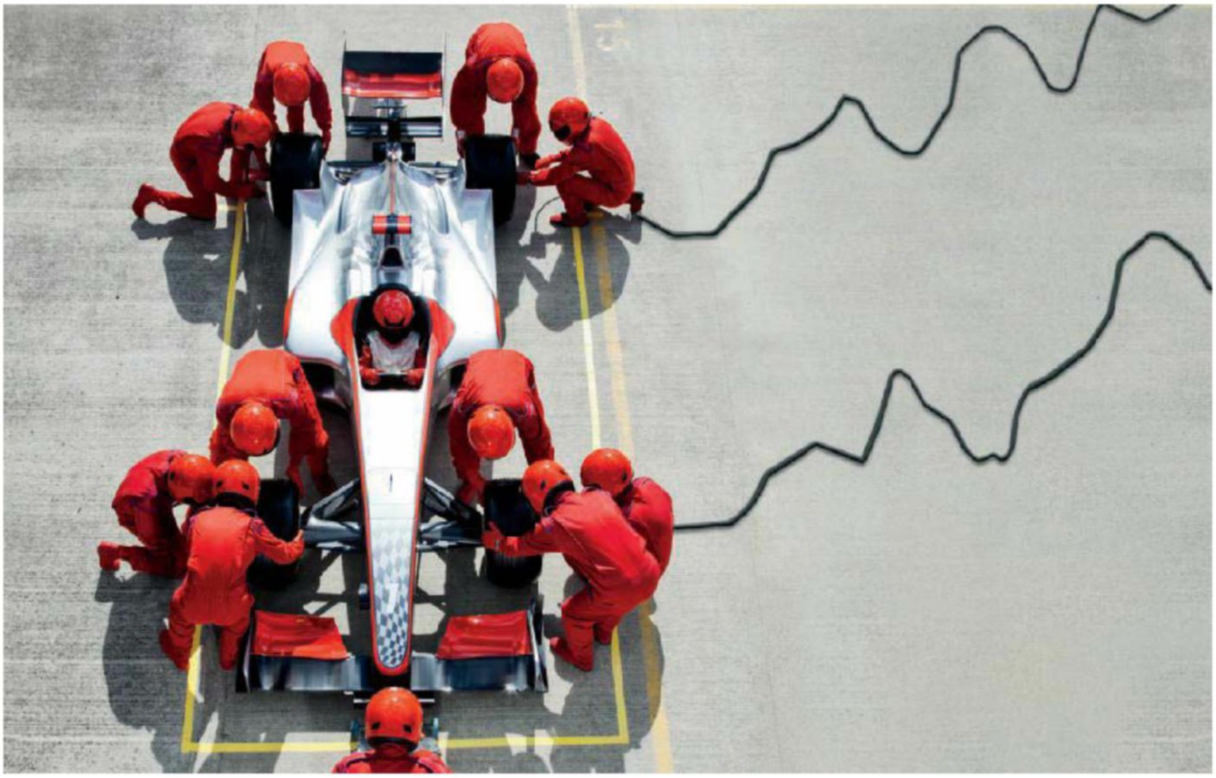
Invest



PHOTOGRAPH BY MARTIN BARRAND/GETTY

MIDYEAR INVESTOR'S GUIDE

Time for a Portfolio Pit Stop

Use the midyear lull in the market to refuel and repair your investments to keep racing on.

BY CARLA FRIED

AFTER GETTING OFF TO a fast-and-furious start following the presidential elections—with the Dow Jones industrial average racing past the 21,000 mark for the first time in history—the stock market shifted into neutral in early spring. And then it was thrown for a loop, as controversies and investigations in Washington threatened the Trump administration's agenda of infrastructure spending and tax cuts.

Time for investors to slam on the brakes? Hardly. You shouldn't assume that the growing hazards on Wall Street are a sign that the eight-year-old bull market is nearing an end.

Instead, consider this moment as the stock market's equivalent of a yellow flag, offering investors a much-needed break to slow down and make any needed fixes or adjustments to their investments, not just for the next few laps but for the long race ahead.

To be sure, a midyear portfolio review may not seem all that necessary, given how well benign neglect has been working in your favor lately. Over the past five years, for example, U.S. equities have delivered annualized total returns of 15%. That's five percentage points higher than the long-term historical average for stocks—with nary a bear market in sight.

What's more, even with the recent slowdown in stocks, the S&P 500 index is still up 8% so far in 2017 while the Nasdaq composite index has gained more than 15%. Both indexes have recently hit their all-time highs.

Even if you haven't been a dedicated rebalancer—that is, if you haven't periodically reset your mix of stocks, bonds, and other asset classes back to your desired allocations—you really haven't paid a price for letting your winners run. And run. And run.

At least so far. "Bull markets can lull you into doing nothing as they make all investors look smart," says Hans Scheil, chief executive officer of Cardinal Retirement Planning in Cary, N.C. "But the time to review your portfolio is before a market correction, not after."

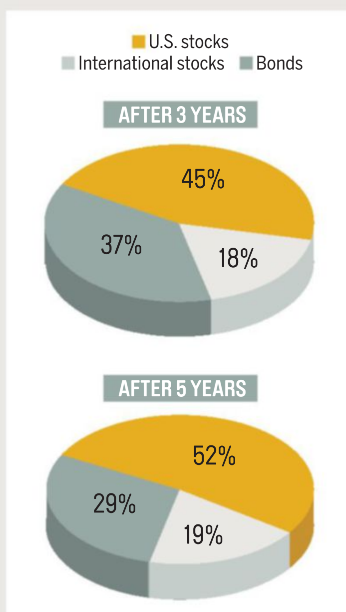
What's more, the odds are good that after an eight-year-old bull market—which ranks as the second longest rally in history—your perception of risks may be somewhat diminished. Behavioral experts refer to this as recency bias, when investors are predisposed to believe that their investments will continue to perform as they have been doing.

On the other hand, your tolerance for investment risk probably has not changed all that much. If anything it has gotten more conservative as you are now nearly a decade closer to your financial goals, including funding a long and comfortable retirement. "I tell people to enjoy this bull market but make sure that you're not taking on more risk now," says New York City investment adviser David Schneider.

Here's how to make sure your investment risks are under control and give your portfolio a thorough once-over to ensure that it—and you—are ready for the long road ahead:

Portfolio Drift

If you didn't rebalance your 40% U.S. stock/20% foreign stock/40% bond portfolio, it will have shifted on its own.



SOURCE: *Morningstar*

GET BACK INTO THE PROPER LANE

Chances are your strategy has strayed, even if you haven't touched your portfolio lately.

How? The bigger-than-average gains for U.S. equities over the past five years—coupled with the modest performance of bonds and the downright disappointing returns for foreign investments—have likely altered your allocations to stocks, bonds, and other assets. This is especially true if you haven't been steering your investments back to your original weightings on an annual basis.

For instance, say you started out five years ago with a balanced portfolio that consisted of 40% U.S. stocks, 20% international equities, and 40% in core bonds. And let's assume you didn't rebalance that portfolio anytime since. By simply letting your winners (and losers) ride, market forces will have morphed that 40-20-40 portfolio into one that's 52% invested in U.S. stocks, 19% in international equities, and 29% in bonds (see chart at left).

This may not seem like a big deal. But for one thing, you now have a portfolio that's roughly 70% stocks and 30% bonds, instead of the more conservative 60% equities/40% fixed-income mix. And considering that you're now five years closer to retirement, even keeping 60% of your retirement savings in stocks may be too risky, depending on your age and current circumstances.

Moreover, this new strategy leaves you overexposed to the priciest part of the global markets that have done the best lately—U.S. stocks—while being light on those investments that are relatively cheap (foreign equities) and provide ballast for your portfolio when U.S. stocks falter (fixed income).

"Over time the only way to make money is to be a contrarian," says

Scott Clemons, chief investment strategist at Brown Brothers Harriman. "Rebalancing is forced contrarianism in that you sell some winners and move money into the other parts of your portfolio that have lagged" and are cheaper as a result.

But rebalancing doesn't simply mean selling some stocks and using that money to replenish your bond exposure. Within your equity portfolio, there are some moves to consider as well:

> "ENJOY THIS BULL MARKET BUT MAKE SURE THAT YOU'RE NOT TAKING ON MORE RISK NOW."
>
> —DAVID SCHNEIDER, INVESTMENT ADVISER

Reset your mix between domestic and foreign shares. Going back to our prior example, if you started out with a 60% stock/40% bond portfolio in which two-thirds of your stocks were held in domestic shares, that strategy has shifted too. If you had not rebalanced over the past five years, the equity portion of your portfolio would be more like 75% U.S. and 25% international today.

So now is the time to sell some of your domestic exposure and use those proceeds to shift into cheaper foreign equities (more on this in a moment).

Rebalance your U.S. stock holdings as well. The domestic stock universe is generally divided into two groups: "value"-oriented shares of beaten-down or overlooked companies; and "growth" stocks, which are shares of fast-growing companies that are firing on all cylinders.

Normally you'd want to split your equity stake down the middle, with about half in growth and half in value. But so far this year, growth stocks in the S&P 500 have returned about 13% while value has gained just 3%. And over the past decade, growth shares have returned about 7.5% annually—two and a half percentage points better than value stocks.

So consider trimming your growth winners and redeploy that money into value to restore that balance. Why? For starters, if a market correction is lurking around the corner, stocks with loftier valuations tend to suffer bigger losses. And value stocks tend to trade at far more attractive prices. The typical stock in the S&P 500 Value stock index sports a price/earnings ratio of 17, vs. 23 for growth stocks in the S&P 500 index. Because of that valuation advantage, value stocks also tend to outperform growth shares over very long periods of time.

Check out our MONEY 50 list (see page 78) for solid value-minded funds. Among the best options on our recommended list of funds and ETFs are **Dodge & Cox Stock Fund** (DODGX) and **PowerShares FTSE RAFI U.S. 1000 ETF** (PRF).

AVOID COSTLY TOLLS

Rebalancing inside your retirement accounts is easy, as there is no tax bill when you sell stock, fund, or ETF shares within a tax-sheltered 401(k) or IRA. Selling shares in a regular, taxable account is trickier.

If you've owned the investment for at least a year, you must pay the long-term capital gains tax, which currently stands at 15% for most investors. And right now it's probably unlikely you can find sizable losses in your portfolio that you can also sell to offset those gains to lower your taxes.

You're not completely out of luck, though. This bull market has likely set you up for the opportunity to score a rebalancing and tax win by donating shares of appreciated assets to a charity.

When you donate appreciated shares you get a rare twofer. You owe no capital gains tax, and you get to claim the donation as a charitable contribution on your itemized return. For example, if you had a $25,000 capital gain when selling a holding from a regular account, your federal capital gains bill could be $3,750.

Donate the winning investment and you avoid the $3,750 tax bill, and your charitable deduction would be worth $7,000 if you are in the 28% federal income tax bracket.

Not all charities are equipped to deal with donated assets, so you'll need to ask upfront. Another option is to set up a donor-advised fund (DAF). With a DAF you donate your stock into an account that you agree to disburse to charity. You can make those gifts pronto or wait years until you're ready to make the donation. But the minute you move an asset into a DAF you avoid the capital gains tax and are entitled to a charitable deduction for the current tax year.

This could be an especially good time to consider donating appreciated stock and fund shares. If the Trump administration and Congress push through lower income tax rates for 2018 and beyond, the value of a 2017 deduction will generate more tax savings. Fidelity, Schwab, and Vanguard offer donor-advised fund programs.

VENTURE FAR AFIELD

In addition to rebalancing your exposure to foreign stocks, now may be a good time to think about increasing your weighting as well.

There are a couple of reasons why: First, foreign stocks have lagged U.S. shares for several years now. Over the past decade, international stocks have returned a mere 1% a year, while domestic equities have delivered annual returns of about 7%, according to Morningstar.

"If you look back over many, many decades, what you find is that there's a long-term mean reversion where things that do well for a period of years end up doing poorly over the next few years—and vice versa," says Chris Brightman, chief investment officer for Research Affiliates.

Just refer to recent history. "If you looked at the decade that ended in 2000, U.S. stocks were the leading asset class. But if you looked at the decade that ended in 2010, it was quite the reverse," Brightman says, noting that foreign stocks trounced the S&P 500 index during what was considered a "lost decade" for domestic equities.

THE CASE FOR INVESTING ABROAD

With U.S. corporations generating so much of their revenues overseas, there's been a growing debate about whether you need direct foreign exposure. The answer is yes—and here's why:

OPPORTUNITIES Jack Bogle, founder of the Vanguard Group, recently argued that investors get sufficient foreign exposure indirectly through U.S. multinationals. According to FactSet, about a third of aggregate revenues for the S&P 500 index of U.S. companies is generated abroad. That's true. But what you don't get by simply investing in the S&P 500 is the chance to generate higher returns from a broader array of companies. This year, for example, U.S. equities are up about 8%. But European stocks are up 15%. India is up 19%. Mexico is up 20%. China is up 23%. And the stocks in Poland have soared 36% year to date.

DIVERSIFICATION In periods of turmoil and crisis, stock markets around the world tend to fall in unison. That was certainly the case in the global financial panic of 2008. So holding foreign stocks doesn't always protect you. But over longer stretches, "owning a globally diversified portfolio opens you up for less risk of a really bad outcome," says Ben Inker, head of the asset allocation team at GMO. While global stocks are somewhat correlated with one another, individual markets tend to move in sync with the stock sectors that dominate their economies. For instance, "the U.S. market acts like a tech stock ETF," says Jeffrey Kleintop, chief global investment strategist for Charles Schwab. "Japan tracks the financial sector. Germany tracks autos. And Canada's stock market tracks energy stocks." Therefore, having broad global exposure helps diversify your sector bets too.

INFLATION PROTECTION "One of the most underappreciated reasons for foreign exposure comes with currency. The foreign currency you get from owning foreign stocks provides investors with a hedge against inflation," says Brian Singer, a portfolio manager with the asset manager William Blair. If inflation were to climb, reducing the purchasing power of the dollar, "it would be nice to have some nondollar exposure in your portfolio," says Inker. With inflation growing at 2.2%, this may not seem like a priority now. But if the U.S. economy heats up, the case for going abroad will be that much stronger. *—Paul J. Lim*

Foreign Sale

While U.S. stocks are pricey, foreign equities are on deep discount relative to history.

STOCKS	P/E RATIO TODAY	HISTORICAL MEDIAN P/E
United States	29	16
Foreign	15	22
Emerging markets	13	17
China	12	17

SOURCE: *Research Affiliates*

love
has
no
gender
before anything else, we're all human
rethink your bias at lovehasnolabels.com
love
has
no
labels
Ad Council

> "WHAT YOU EARN OVER THE NEXT FIVE YEARS IS NOT LIKELY TO MATCH THE PAST FIVE YEARS."
>
> —KATE WARNE, INVESTMENT STRATEGIST FOR EDWARD JONES

The other reason to be bullish on overseas stocks is that they're one of the few attractively priced assets in today's market. U.S. shares are currently trading at a price/earnings ratio of 29, based on 10 years of averaged profits. That's 80% higher than the historical median P/E of 16. The market has been this frothy only twice before: in the late 1990s, during the dotcom bubble, and just prior to the start of the Great Depression in 1929.

By contrast, foreign stocks in Europe and Japan are trading at a P/E of 15, which is roughly 30% below their historical levels, according to Research Affiliates. And foreign stocks based in the emerging markets are trading at a P/E of 13, down from the typical 17.

Today, investors between the ages of 35 and 50 invest only 14% of their stock portfolios abroad, according to Fidelity. That's down from an 18% allocation in 2009. Younger investors have even less exposure—just 13% on average.

Yet a study by Vanguard found that the optimal strategy is to keep at least 30% and up to 40% of your stocks overseas.

"Though there is no expiration date on the U.S. bull market, now is an opportunity to rebalance into non-U.S. stocks, where valuations are much better," says BBH's Clemons.

His firm is advising clients to shift three to four percentage points out of their U.S allocation into international equities. In other words, if you normally keep 45% of your portfolio in U.S. shares and 30% in foreign, you should shift that to about 42% in the U.S. and 33% abroad.

ACCELERATE YOUR SAVINGS

It's human nature to assume that the stock market's stellar performance in recent years will persist for years to come. But history shows that the more expensive stocks are, the less likely they are to deliver decent returns over the subsequent decade.

AQR Capital studied the historical performance of stocks based on P/E ratios using 10 years of corporate profits. It found that when the market's P/E was above 25—as it is now—the average annual real return after inflation has historically been less than 1% over the subsequent decade. By contrast, when the market's P/E is below 10, stocks have historically produced double-digit gains.

"This doesn't mean U.S. equities will do poorly," says Kate Warne, investment strategist for the brokerage Edward Jones. "They will likely outperform bonds. But just understand that what you earn over the next five years is not likely to match the past five years."

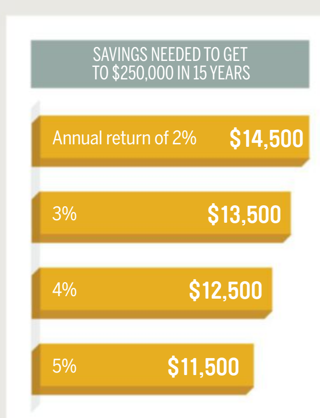
The surest way to counteract this isn't to take on more investment risk by increasing your exposure to the riskiest stocks. Rather, it's to boost how much you save and invest.

Say, for instance, that you want to amass $250,000 over the next 15 years. Over the past 15 years, a balanced portfolio of 70% stocks and 30% bonds produced annual returns of about 7%. That meant you could reach that goal by saving about $10,000 a year.

But if that same balanced portfolio produces only 4% going forward, you could still reach your goal by saving $2,500 more a year. So rather than roll the dice with your strategy, boost your 401(k) contribution rate by a percentage point or two. It's the market's surest bet.

Why Savings Matters

Lower investment returns mean you'll have to save more to achieve the same results.



SOURCE: *MONEY research*

How to Use ETFs to Pick Other ETFs

As exchange-traded funds grow, a new group of ETFs are investing exclusively in other ETFs. BY JOHN WAGGONER

THERE ARE NOW more than 2,400 exchange-traded funds to choose from. Some are terrific low-cost investments, while others are the financial equivalent of hemlock. So how do you choose?

You could hire an adviser, but that might cost 1% of assets or more a year, neutralizing the low-cost reasons for buying ETFs in the first place. Or you could look to ETFs that invest in other ETFs.

"ETFs of ETFs" isn't a new concept. Mutual funds investing in other funds have been around for years. Just as with those "funds of funds," you have to be mindful of high fees. These ETFs "are hardly cheap, but they're not egregious," says ETF.com's Dave Nadig. You just have to know how to use them:

THE NO-COST OPTION

Unlike mutual funds, most ETFs disclose their holdings daily, meaning you can piggyback on their best ideas—without being a client. For instance, by examining **Cambria Global Asset Allocation ETF** (GAA), which has beaten 95% of its peers over the past year, you'll know which real estate ETFs (**Vanguard REIT**) or inflation-protected bond ETFs (**SPDR Bloomberg Barclays TIPS**) that it thinks are best.

THE LOW-COST OPTION

Some ETFs of ETFs expose you to specific timely strategies, while others are all-in-one portfolios of stock, bond, and other ETFs that you can buy and hold. The latter ones tend to be the better deals.

That's partly because they must compete with low-cost asset-allocation funds and therefore must be cheap themselves. Plus, ETFs are a cost-effective way to gain exposure to really broad asset classes. Take **iShares Core Moderate Allocation** (AOM). This balanced ETF invests in a mix of iShares-run ETFs that hold U.S. stocks, foreign equities, and bonds—and rebalances annually. The fund has beaten 60% of its peers over the past five years, and charges just 0.25% in expenses.

THE HIGHER-COST OPTION

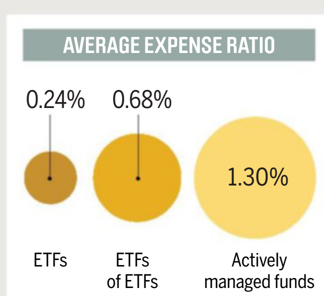
ETFs of ETFs that focus on specific stock strategies have had a more difficult case to prove. **First Trust Dorsey Wright Focus 5 ETF** (FV) invests in the five First Trust–run ETFs that exhibit the greatest momentum and reviews that portfolio every two weeks, making changes as necessary.

Holding this ETF back: Its 0.89% expense ratio, its attempt at market timing, and its increasing size. And when you have just five holdings in a $2.5 billion fund, selling one holding can cause a big jolt to that underlying ETF, says Todd Rosenbluth, senior director of ETF and mutual fund research at CFRA.

To be sure, all-in-one ETFs of ETFs may also invest in only half-a-dozen or so funds. But those asset-allocation ETFs don't make adjustments on a weekly basis. Plus, "getting the asset allocation right can matter a lot more than individual securities selection," Rosenbluth says. "And if funds can do it cheaply, all the better." ■

Cost of Convenience

While some exchange-traded funds help you pick other ETFs, you have to be mindful of the added costs.



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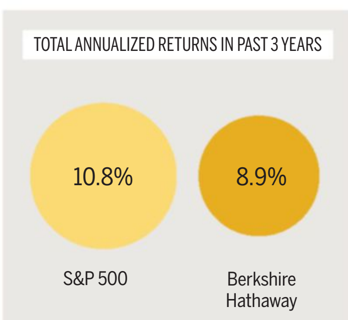
Stock X-Ray: Berkshire Hathaway

With growth slowing lately, could Warren Buffett be losing a step or two? BY TAYLOR TEPPER

THE ORACLE OF OMAHA has always carried an aura of clairvoyance. By divining the stock market, Warren Buffett turned what was once a struggling textile manufacturer into a diverse conglomerate that's now the fourth-largest company, based on total revenues, in the *Fortune* 500. And since he took over, Berkshire shares have gained more than twice as much as the S&P 500 index. Still, Buffett's crystal ball may need a bit of a shine. He has recently admitted to missing out on game-changing companies like Amazon.com while misjudging his own top picks, including IBM. That's partly why Berkshire shares have lagged the S&P over the past one and three years.

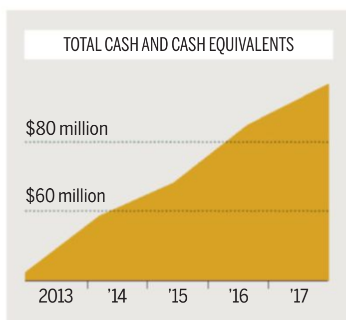
NO WONDER BUFFETT TALKS UP INDEX FUNDS—THEY'VE BEEN BEATING HIM LATELY.



As recently as a year ago, Buffett was heaping praise on longtime holdings such as Wells Fargo and IBM, which he described as "excellent businesses" run by talented and shareholder-oriented managers. Yet several of those big bets have blown up recently.

Wells, which is still engulfed in a scandal surrounding its sales tactics, has lagged the S&P over the past one, three, five, 10, and 15 years. Berkshire recently trimmed its stake to keep from owning more than 10% of the bank. And after IBM posted its 20th straight quarter of declining revenues, Buffett sold about one-third of the 81 million shares Berkshire owned at the end of 2016. Buffett, who declined to comment, told CNBC: "I've revalued it somewhat downward."

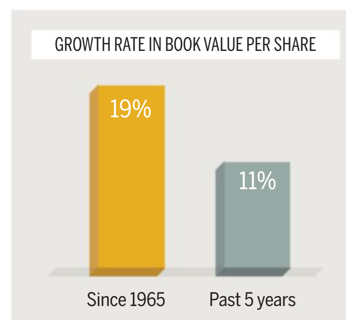
AS BUFFETT PATIENTLY WAITS FOR DEALS, CASH IS PILING UP—DRAGGING HIS PERFORMANCE.



In addition to its stock holdings and wholly owned private businesses, such as Geico, Berkshire holds another big asset: more than $90 billion in cash, earning practically nothing thanks to low interest rates. Conventional wisdom says Buffett is building up cash because he sees a big buying opportunity on the horizon. Rumors of his desire to make a splashy acquisition were fueled earlier in the year when Kraft Heinz, which Berkshire is among the largest shareholders of, made a failed bid for Unilever.

The Oracle is on record as saying cash is "a holding position until you find something else." But cash could be building simply because Buffett sees little value in today's frothy market, so he's sitting on the sidelines rather than overpaying.

BERKSHIRE HATHAWAY MAY BE SLOWING DOWN SIMPLY BECAUSE OF ITS SHEER SIZE.



Berkshire's scale—its revenues rival Apple's and its market cap is on par with Facebook's—presents investors and Buffett with certain challenges. As he wrote to shareholders: "Our size precludes a brilliant result: Prospective returns fall as assets increase."

There's something else that could slow Berkshire's roll. For years, investors gave Buffett a pass on dividends, believing it was better to allow the Oracle to reinvest that cash to grow the business. But as Buffett's performance cools, and as his cash builds, and as his impending retirement looms (he's 86), expect investors to clamor for income. Buffett acknowledged that repurchases and payouts could be coming. Yet that obligation could further slow Berkshire's growth.

PHOTOGRAPH BY DANIEL ACKER/GETTY

SOURCES: *Morningstar, Berkshire Hathaway*

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Guests are all ears as they make their way toward the Magic Kingdom's Cinderella Castle.

Secrets of the Kingdom

WHAT IT REALLY COSTS TO GO TO DISNEY—AND HOW TO DO IT FOR LESS.

By BRAD TUTTLE

Walt Disney World

sits right at the red-hot center of the family vacation universe. The flagship Florida-based Magic Kingdom park is one of the world's biggest tourism magnets, welcoming over 20 million visitors a year. Sister Disney parks Epcot, Animal Kingdom, and Hollywood Studios each attract over 10 million guests annually as well.

The record crowds will only keep increasing, even with a recent admissions price hike introduced earlier this year. A *Frozen*-themed ride and a *Star Wars* fireworks and laser show have been added in recent months, and May 27 marked the opening of the long-awaited *Avatar*-themed area.

Before booking your dream Disney adventure, crunch the numbers as realistically as you can and figure out: How much will the big trip actually cost?

It's not cheap. A single day's adult admission at the Magic Kingdom now runs as much as $124, compared with $105 in 2015 and $79 in 2010. Food easily costs more than $10 per person per order, even at Disney's to-go type restaurants, and sometimes over $50 per person for special meals hosted by characters like Ariel and Winnie the Pooh.

Don't forget about souvenirs: T-shirts go for about $30, a set of Mickey ears runs around $20 if you get it monogrammed—and you probably will. We haven't even mentioned lodging and transportation yet.

All that said, there are ways to decrease how much you'll spend. "The biggest mistake people make is choosing a hotel that's too expensive," says Jason Cochran, author of *Frommer's EasyGuide to Disney World, Universal and Orlando* and editor-in-chief at Frommers.com. The typical visitor spends 12-plus hours each day touring the parks, so it can seem like a waste to pay top dollar for a hotel. "If you're spending that kind of time out of your room, it doesn't matter if there's a view, and it barely matters if it's on Disney property."

Which brings us back to the big question: How much does a Disney World vacation actually cost? Because there are so many visitor options, and travelers go in with widely varying expectations—for instance, do you consider Goofy tchotchkes a must-have?—there is no single answer.

Before launching into the particulars, it's worth mentioning that because Disney can be so overwhelming, it may be wise to book the trip with a Disney-certified travel agent (yes, there is such a person). A knowledgeable agent will answer all of your questions, make the most of whatever budget you bring to the table, and eliminate hassles and confusion in general. Using an agent shouldn't cost you anything extra either—they are paid on commission. Just make sure you're getting exactly the trip that you want and that you're not being steered into pricey extras simply because "that's what everyone does." To find a good agent, ask Disney-loving friends for recommendations.

Now, on to sample pricing. We did the math based on four different categories of visitors. In each case, the numbers are based on a four-night vacation for a family of four, with two adults and two kids who qualify for the child admission rate (ages 3 to 9).

Lodging prices can vary dramatically throughout the year, and you might find rates that are different depending on your specific dates and whether certain promotions are available at the time. The rates cited in this article are based on dates in early or late summer, when prices are fairly high—but not as high as those in July or in the period around Christmas and New Year's.

PREVIOUS SPREAD: HELEN SESSIONS—ALAMY; THIS PAGE, 1: STEVEN DIAZ—DISNEY; 2: MATT STROSHANE—DISNEY

1. AVERAGE DISNEY VACATION

According to the Department of Transportation, the average national roundtrip flight to Orlando in 2016 cost roughly $350, down from about $400 in 2014. Obviously, your airline bill will fall significantly if you can find cheaper flights for the entire family.

Meanwhile, the average Disney on-site hotel costs $388 per night, plus 12.5% in taxes, for a total of $436.50, according to Hipmunk data.

Disney offers a variety of meal plans for on-site hotel guests, and while some visitors love the convenience, the plans are generally pretty expensive. "I don't find the Disney Dining Plan to be a great value for guests who plan to be on the go a lot," says Cochran of Frommers.com.

He describes the value as "borderline" for guests who want to regularly enjoy sit-down meals, and he recommends that budget-conscious visitors look out for special deals in the fall, when Disney often includes free meal plans with hotel bookings.

To calculate the "average" Disney food tab, we factored in the resort's "Standard" dining plan, which includes one quick-serve meal, one table-service meal, two snacks daily, and a refillable drink mug. The cost for our hypothetical group: $754. The plan wouldn't cover all meals, so we budgeted an extra $100 per day for food.

For admissions, we're assuming that you'll want four days' worth of Park Hopper passes to take full advantage of all the new additions, including Pandora: The World of Avatar, which just opened at Disney World's Animal Kingdom (photo No. 1). Park Hoppers are pricier than base tickets but allow you to visit multiple parks on the same day.

+ HOTEL: **$1,746**
+ TRANSPORTATION: **$1,400**
+ ADMISSION: **$1,660**
+ FOOD: **$1,154**
+ SOUVENIRS & EXTRAS: **$400**

TOTAL: **$6,360**

2. BUDGET DISNEY VACATION

Disney has several basic hotels dubbed "Value Resort" properties, including Pop Century and the Art of Animation, with its themed wings that pay homage to Disney classics such as *The Little Mermaid* and *The Lion King* (photo No. 2). Rooms at these hotels cost around $150 a night.

While cheaper than Disney's high-rise hotels, these resorts still come with the perks of on-site lodging, including free shuttles to the parks and free transportation to and from Orlando's airport.

This is the type of lodging we factored into this budget category. We also trimmed the bill by opting for a more basic meal plan ($553, plus an allotment for snacks beyond the plan) and by scaling back on souvenirs.

As for admissions costs, they're the same as the "average" category—based on four days' worth of tickets with the Park Hopper option included.

+ HOTEL: **$672**
+ TRANSPORTATION: **$1,400**
+ ADMISSION: **$1,660**
+ FOOD: **$953**
+ SOUVENIRS & EXTRAS: **$200**

TOTAL: **$4,885**

3. NO-FRILLS DISNEY VISIT

Staying off-resort will save you significantly not only on lodging, but on food as well—because many hotels provide free breakfast. And you can cook, or at least eat at non-Disney restaurants.

According to Hotels.com, the average nightly rate for a hotel in Kissimmee—only 14 miles away—was $114 in 2016, vs. $393 for a Disney property. And rooms in Kissimmee can be found for well below that average price—for instance, starting around $40 a night for a basic motel.

For this category, we assumed that travelers would want to stay in a decent three-star motel, and we found plenty that come with a pool, complimentary breakfast, and a free shuttle to Disney for about $60 a night plus taxes. On the other hand, we had to up the transportation budget here because of the need for a rental car and parking fees.

To save some money on admissions, we skipped the Park Hopper option in this category, meaning that guests will be able to visit only a single park each day. We've also reduced the number of days' admission to three rather than four. On the off day, guests might hang out by the pool and decompress, away from the crowds. Or you can take advantage of other nearby entertainment, such as the retro vibe of Old Town in Kissimmee (photo No. 3).

+ HOTEL: **$269**
+ TRANSPORTATION: **$1,600**
+ ADMISSION: **$1,120**
+ FOOD: **$425**
+ SOUVENIRS & EXTRAS: **$150**

TOTAL: **$3,564**

4. DELUXE DISNEY VACATION

Disney guests seeking to stay in style, with a decent amount of space and convenient access to the parks, might go with a one-bedroom villa at the Grand Floridian, near the Magic Kingdom (photo No. 4). The hotel is connected to Disney's monorail (which takes you right into the Magic Kingdom) and costs $955 per night for our group on theoretical bookings this summer.

Even though the vacation is only four nights, we went with five days' worth of admissions because it's often possible to squeeze in some extra rides on one of your travel days. This category also incorporates a bigger budget for food and shopping.

+ HOTEL: **$4,278**
+ TRANSPORTATION: **$1,400**
+ ADMISSION: **$1,740**
+ FOOD: **$1,563**
+ SOUVENIRS & EXTRAS: **$800**

TOTAL: **$9,781**

3: AVALON/ALAMY; 4: KENT PHILLIPS—DISNEY

7 SECRETS TO A CHEAPER DISNEY VACATION

Dreaming of a Disney adventure? It doesn't always come cheap. We asked a handful of theme-park experts for their best tips on how to save—no matter when you're visiting. Their best nuggets of advice are below:

HELEN SESSIONS—ALAMY

Never buy admissions at the gate.
Instead, purchase online via the resort's website. You'll save an easy $20 per ticket on passes good for three or more days at Disney. It saves time too, because you'll get to skip the ticket-buying lines.

To save even more, using reputable third-party wholesalers for multiday tickets can save you "up to $50 per ticket vs. buying at the parks," says Len Testa, co-author of *The Unofficial Guide to Walt Disney World*.

Testa is a contributor to the theme park–focused site TouringPlans.com, which has a neat tool that finds the lowest prices on the kinds of tickets you want by searching deals from sellers such as OfficialTicketCenter.com, ParkSavers, and MouseSavers.

Take a day off.
The simplest way to save is to buy an admissions pass with one fewer day than your vacation allows. On your day off, you can sleep in, hang out by the hotel pool, and maybe do low-key meals by hitting a supermarket—or dining at non-resort restaurants that are always less expensive.

Disney lovers often balk at this advice, but few who stay away from the parks for a day wind up regretting it. Not only will the strategy lower your admissions and food costs, this little vacation within the vacation is bound to be the most relaxing part of your trip.

Buy food à la carte.
The menus at quick-serve restaurants inside the parks generally list food in combo packages, with a main dish, fountain drink, and a side of fries or chips included for one price.

"You don't have to buy the whole package," says Jason Cochran of Frommers.com. "Tell them you don't want, say, the fries, and you'll get a discount of a few bucks."

The full meal is often too much for a child to stomach anyway, and the savings will add up when you use this strategy multiple times throughout your vacation.

Order groceries for your room.
You'll be saving money every time you can feed the family somewhere outside of a resort restaurant. Rather than gathering groceries during your precious vacation time in Florida, have an order delivered to your room by services like Instacart, Garden Grocer, or Amazon.

First, double-check to see if your room has a refrigerator. If yes, find out how big it is, and order accordingly. Also, make sure that your hotel accepts food deliveries (most do), and ask if there's a fee for the service.

BYO stroller.
Disney charges $15 a day for a single-child stroller and $31 for "double" strollers, recommended for two kids. "That's more expensive than a car rental in Orlando," says Testa. "It would be cheaper if we all drove Chevy Aveos down Main Street U.S.A."

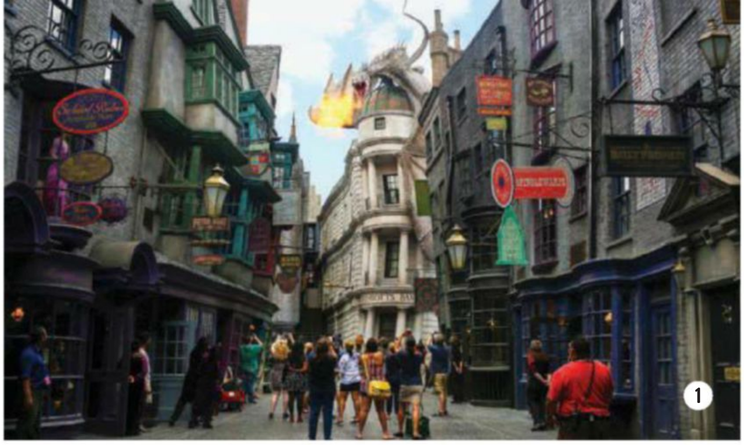
The solution is to bring a cheap umbrella stroller from home, or even buy one in Florida just for the trip and donate it to Goodwill when you're done.

Skip the souvenirs—unless they're truly special.
Robert Niles, founder of ThemeParkInsider.com, says it makes no sense whatsoever to buy stuffed animals or other Disney toys and T-shirts that are readily available from Walmart, Amazon, or your mall's Disney Store.

"Never buy souvenirs in the park that you can find outside the park or online," he says. "You'll almost always find a better deal on merchandise outside the park than in it. Save your money for special things sold exclusively in the park."

Use your military ID.
Active and retired military can get significantly discounted admissions at Disney parks by purchasing them at military sales outlets.

For example, a five-day Park Hopper pass at Disney World costs as little as $224 with the military discount, compared with $445 normally. The discount is good for up to six family members too.



1: EVE EDELHEIT—TAMPA BAY TIMES/ZUMA PRESS INC./ALAMY; 2: CABANA BAY: JAMES KILBY—UNIVERSAL ORLANDO

When Universal Studios Florida in Orlando first opened in 1990, it was seen as a daylong distraction from the thrills of Disney World. Not so much anymore.

The theme park has swelled to a massive experience, with two main parks: the titular original and Islands of Adventure, both now attracting close to 10 million visitors a year, up from roughly 5.5 million in 2009. That's despite ticket price increases that pushed the one-day cost of admission to both parks up as high as $179.

What's their secret? With the Wizarding World of Harry Potter expansion at Islands of Adventure in 2010, followed by the Diagon Alley area in 2014, Universal tapped into a massive J.K. Rowling fan base. And newer attractions such as the Skull Island: Reign of Kong ride and Volcano Bay are giving fans fresh reasons to visit beyond Harry Potter.

Just as with Walt Disney World, Universal's vacation prices can vary wildly based on when you're traveling. An off-peak visit in the fall might cost half of what the same trip would be in the summer or spring-break weeks. But Universal offers a staggering number of complicated upsells, including dining packages ($23 to $45 daily for adults), souvenir cups with unlimited Coca-Cola beverage refills ($14 per person), VIP tours (from $190), and Universal Express passes that allow guests to skip lines for an extra $40 to $150 daily.

But if you want an idea of how much some standard Universal Studios Florida vacations might cost, look to the right. In both cases, pricing is based on travel this summer for a family of four—two adults and two kids ages 3 to 9.

1. QUICK & CONVENIENT

How many days should you spend at Universal Studios Florida? "You can definitely do the big stuff in two days, provided the lines aren't too long," says Cochran of Frommers.com. In September and late January, for example, when crowds are the smallest, you could even squeeze in all the main attractions at both parks, including the Wizarding World of Harry Potter (photo No. 1) in a single marathon day.

Or during busier periods (which is anytime that school is out), it's "possible to do most of the big-ticket rides at both parks on a single day if you have an Express pass that gets you into shorter versions of the ride queues," Cochran adds. But Express passes cost extra—over $100 more on top of normal admission in summer. So for the purposes of calculating this package, we've skipped that option here.

As for how to best plan a quick, action-packed Universal Studios vacation, you might naturally look into packages. But we sifted through many options, and it generally cost the same no matter whether you are booking hypothetical packages or purchasing rooms at Universal's Cabana Bay hotel and tickets à la carte.

+ HOTEL (2 NIGHTS): **$369**
+ TRANSPORTATION (FLIGHT PLUS CAR RENTAL): **$1,500**
+ ADMISSION: **$1,065**
+ FOOD: **$600**
+ SOUVENIRS & EXTRAS: **$100**

TOTAL: **$3,634**

2. THE LONG WEEKEND

By tacking on a third day to play at the parks, you can go back and take in your favorite attractions more than once. Moreover, you'll be able to hang out and explore the shops and restaurants at Diagon Alley without feeling rushed. And by opting for a 3-Park pass, you can hit the slides and other rides at Volcano Bay—Universal's new water park that opened in late May (photo No. 2)—too. "It's the coolest water park in Orlando by far right now," says Cochran.

For this package, we assumed a three-night stay in August at Universal's Cabana Bay (which is next door to Volcano Bay) with a courtyard poolside suite, giving you a bit more space to spread out compared with the standard room included in the previous option. The price for our group: $1,940.

The package came with three days' worth of 3-Park admissions, allowing guests to come and go as they please on the same day to any combination of Universal Studios, Islands of Adventure, and Volcano Bay.

When we hypothetically booked these items separately, the total was virtually identical, with the hotel coming to $620 and tickets costing $1,321.

+ HOTEL (3 NIGHTS): **$620**
+ TRANSPORTATION (FLIGHT PLUS CAR RENTAL): **$1,550**
+ ADMISSION: **$1,321**
+ FOOD: **$900**
+ SOUVENIRS & EXTRAS: **$150**

TOTAL: **$4,541**

THE SMARTEST, MOST INTERESTING THING EVERY U.S. PRESIDENT EVER SAID ABOUT MONEY

Donald Trump may be the richest person ever to hold the office of President of United States. But his predecessors had plenty of wise—and controversial—advice about government and personal spending, successful careers, and what really matters to a healthy economy.
By Ian Salisbury

Illustrations by
Andy Rash

THE SMARTEST, MOST INTERESTING THING EVERY U.S. PRESIDENT EVER SAID ABOUT MONEY

1. George Washington

1789–1797

"Cherish public credit."

The newly created nation needed a line of credit to fund economic expansion—and to prove its creditworthiness, it needed to make good on the unpaid Revolutionary War debts incurred by the individual states. Paying them off was politically fraught, however, since a federal plan would reward speculators and favor Northern states over Southern ones. As anyone who has seen *Hamilton* knows, Washington chose the divisive "assumption" program put forward by his new Treasury Secretary. It was an "extraordinary" success, wrote historian John Steele Gordon: U.S. bonds were soon selling in Europe at a premium, because they were considered so safe. Confidence in the U.S. government has since helped make the dollar the peg for currencies around the world.

"Property must be secured, or liberty cannot exist."

2. John Adams

1797–1801

Respect for property rights remains a cornerstone of American law: Americans regularly protest tax hikes as a fundamental assault on their rights, and eminent domain remains a potent political issue. Yet foreign investors rush to buy U.S. assets—from New York City apartments to Treasury bonds—because they know U.S. law will respect their ownership. That's a concept that dates back to America's Founding Fathers, who codified it in the Fifth Amendment—noting that the government cannot seize property without "just compensation."

3. Thomas Jefferson

1801–1809

"Those who labor in the earth are the chosen people of God."

For much of its early history, the U.S. was a nation of farmers. Agricultural laborers accounted for nine-tenths of the workforce in 1790 (and roughly one-fourth as recently as 1920), and Jefferson credited planters like him with the independence, hard work, and self-sufficiency to make them ideal citizens. While farmers are now just 3% of the workforce, politicians still hail "Main Street" values and praise manufacturers and small-business owners—as opposed to greedy and decadent big-city elites—preserving at least a nod to Jefferson's attitude.

4. James Madison

1809–1817

"Traffic in enslaved Africans [is] equally in violation of the laws of humanity and in defiance of those of their own country."

5. James Monroe

1817–1825

"It may ... be advisable to extend to the purchasers of these lands ... a reasonable indulgence."

Real estate bubbles are nothing new, and Monroe was President during the new nation's first one. The purchasers Monroe referred to had borrowed heavily to buy Western lands from the federal government, then struggled to repay when crop prices plunged. Monroe was sympathetic to the debtors, but not everyone shared his view. The question persists in economists' discussion of "moral hazard"—the notion that forgiving irresponsible behavior will induce more of the same.

6. John Quincy Adams

1825–1829

“My wants are many and, if told, / Would muster many a score.”

Adams had wealth, sophisticated tastes, a worldly existence, and public acclaim. Son of a President, he grew up accompanying his father on diplomatic missions, became an envoy to the Netherlands before turning 30, and then served as President himself. He was also a noted abolitionist and a published (if somewhat mediocre) poet. But as Adams reminds us, it’s hard to satisfy the human desire for more. In his 1841 poem “The Wants of Man,” the speaker itemizes his desire for fancy meals, “elegant attire,” love, power, and adulation, but also confesses: “And were each wish a mint of gold / I still should long for more.”

7. Andrew Jackson

1829–1837

“Every man who has been in office a few years, believes he has a life estate in it, a vested right.”

Donald Trump isn’t the first President to rail against entitled, out-of-touch federal bureaucrats. During Jackson’s eight-year tenure, he removed up to a fifth of government workers, who, he argued, had acquired “a habit of … tolerating conduct from which an unpracticed man would revolt.” The problem? Jackson replaced them with his own, often more corrupt, political supporters. Other Presidents imitated Jackson’s “spoils system” of rewarding party hacks with government jobs, eventually inspiring a new reform movement.

8. Martin Van Buren

1837–1841

“A practice which forces … fellow creatures … into the dreary walls of a prison … for the misfortune of being poor.”

In the early 19th century, Americans were routinely jailed for being unable to repay loans. Van Buren and other like-minded reformers, however, argued that debtors’ prisons were not only unfair, but counterproductive—as they ultimately made it less likely that debtors would get back on their feet. Such punishment largely disappeared before the Civil War, but a debate continues over how much personal responsibility individuals should bear for their financial misfortunes. Academic studies—including ones written by now-Sen. Elizabeth Warren—that blame big medical bills for many modern bankruptcies have been a frequently cited argument in favor of the Affordable Care Act.

“All the measures of the government are directed to the purpose of making the rich richer and the poor poorer.”

9. William Henry Harrison

1841–1841

Income inequality isn’t a new concern. The campaign of 1840 was fought during a depression that had lasted three years and would go on for another four, and Harrison ran on a platform of financial reforms—reestablishing a central bank to shore up the economy and eliminating Jackson’s spoils system, which had already come to be associated with corruption. Harrison would die in office after just a month, making his campaign promises moot. But many—like economist Thomas Piketty, whose 2013 tome *Capital* was a surprise bestseller—still worry that our economic system tends to amplify inequality.

10.
John Tyler
1841–1845

"Foreign trade ... the enlargement of the market for our manufactures, a constantly growing market for our agricultural productions ... would rapidly [follow] annexation."

The complex U.S. relationship with Mexico dates back to the 19th century. Tyler worked hard to bring the fledgling Texas republic—newly independent from Mexico—into the union, signing a bill offering annexation during his final days in office, and showing a prescient appreciation for Texas's economic potential. But the annexation of Texas also fueled what has become an ongoing conflict between the U.S. and Mexico over trade and management of the border.

"No President who performs his duties faithfully and conscientiously can have any leisure."

11.
James K. Polk
1845–1849

Polk served for just one term but is often regarded as one of the most effective Presidents, in part because he was a workaholic. "Pursue a vision, but mind the details," the *Harvard Business Review* recently noted in summation of his management style. He set a small number of clear goals—acquiring California from Mexico, and Oregon from Great Britain, reorganizing the Treasury, and lowering the tariff—and pursued them single-mindedly until they were largely achieved. While more recent Presidents have faced criticism over vacation plans and leisure pursuits, it's worth noting that the strains of office wore Polk out entirely: He died within months after retiring.

12.
Zachary Taylor
1849–1850

"The great mineral wealth of California ... make[s] it certain that there will arise in a few years large and prosperous communities on our western coast."

13.
Millard Fillmore
1850–1853

"$30,000 was not much for the nation to pay on a contingency of this kind."

Before Fillmore was President, he was a U.S. congressman whom Samuel F.B. Morse impressed with "a rude model" of what would become the telegraph. Fillmore wrangled $30,000 ($880,000 in today's dollars) in federal funds to help build an experimental line between Washington, D.C., and Baltimore—an innovation that would come to radically remake communications. From space satellites to the Internet, the government has continued to play a key role in promoting technology and infrastructure that help private businesses transform the economy.

14.
Franklin Pierce
1853–1857

"The revenue of the country, levied almost insensibly to the taxpayer, goes on from year to year, increasing beyond either the interests or the prospective wants of the government."

15. James Buchanan

1857–1861

"Prevent the American people from crossing the Rocky Mountains? You might as well command Niagara not to flow."

Like many U.S. Presidents, Buchanan believed in "manifest destiny"—the idea that white settlers must extend "the blessings of Christianity and of civil and religious liberty over the whole North American continent." Getting rich was, of course, also part of the bargain. Buchanan was right in one sense: Holding back the economic forces that propelled settlers along the Oregon and California trails was probably futile. But as we now appreciate, America's westward drive came at devastating human cost—in particular for the Native Americans who were uprooted from their lands and forcibly resettled on reservations.

16. Abraham Lincoln

1861–1865

"Each man shall pay taxes in exact proportion to the value of his property."

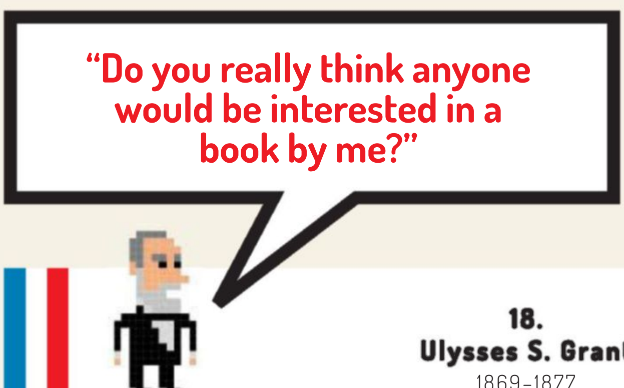
While Lincoln himself is widely beloved, he created two institutions Americans love to hate: the income tax and a forerunner of the Internal Revenue Service to collect it. Lincoln's tax, instituted to fund the Civil War, was progressive—the first $600 in earnings were exempt—and relatively light, with rates that topped out at 5% of income. The tax was repealed a decade later, although the 16th Amendment brought it back in 1913. Even Lincoln acknowledged the system's imperfections: "If we should wait before collecting a tax to adjust the taxes upon each man in exact proportion with every other man, we should never collect any tax at all."

17. Andrew Johnson

1865–1869

"I am a-goin' for to tell you here to-day; yes, I'm a-goin for to tell you all, that I'm a plebeian!"

While modern politicians play up their folksy roots, Andrew Johnson was the real deal. Like Lincoln before him, Johnson was born in a log cabin. Apprenticed to a tailor at 10, he did not learn to write or do basic math until he was 18. He is believed to have been drunk when he delivered his rambling, defensive vice presidential speech, quoted above, which dumbfounded his audience and left him humiliated. While his humble roots helped him connect with voters, his clumsy heavy-handedness undermined his presidency, leading to bitter battles with Congress and undermining federal efforts to rebuild the South and enfranchise former slaves.



18. Ulysses S. Grant

1869–1877

It's now widely considered one of the best pieces of writing by a President—but Grant's autobiography emerged out of financial necessity. Several years after retiring from the Oval Office, the President and general who had outmaneuvered wily Confederate leader Robert E. Lee fell prey to a fraudulent investment scheme, losing his family's fortune. Determined to provide for his heirs, Grant (who may have been speaking with a touch of false modesty) resolved to write his memoirs—even as he fought the cancer that would eventually kill him—and the resulting volume, published by Mark Twain, became a bestseller.

THE SMARTEST, MOST INTERESTING THING EVERY U.S. PRESIDENT EVER SAID ABOUT MONEY

19. Rutherford B. Hayes

1877–1881

"Strikes and boycotting … can be justified only on grounds analogous to those which justify war, viz., intolerable injustice and oppression."

As the economy leapt into the industrial age, violent labor battles became a more frequent occurrence. Hayes used federal troops to maintain order during "the Great Railroad Strike"—a disturbance prompted when the Baltimore & Ohio Railroad announced a 10% pay cut—which grew to involve 100,000 workers and led to as many as 100 deaths. While Hayes's intervention aided the railroads, 19th-century working conditions were indeed unjust and oppressive—certainly by 21st-century standards—and workers didn't win significant improvements in pay and working conditions until the Progressive Era.

20. James Garfield

1881–1881

"Next in importance to freedom and justice is popular education."

Garfield worked as a schoolteacher before joining the Union Army and later entering politics. He continued to believe in the power of education to let Americans climb the economic ladder—particularly for poor blacks struggling to escape both the legacy of slavery and the South's emerging Jim Crow system. As a congressman, he helped create a forerunner to the Department of Education. And in his inaugural address he proposed a federally funded program to promote "universal education." He was shot and killed months into office—and the federal government did not commit to African-American education in the South for another 70 years.

"I pity that man who wants a coat so cheap that the man or woman who produces the cloth or shapes it into a garment will starve in the process."

23. Benjamin Harrison

1889–1893

American manufacturing workers were struggling. Believing that import tariffs would aid workers, by protecting them from low-cost competition abroad, Harrison signed a tariff that lifted import duties nearly 50% on many goods. Opponents argued the move would backfire by raising the cost of goods for many of the poor workers it was trying to help. Sound familiar? The tariff proved unpopular, and Harrison lost his reelection bid to Grover Cleveland, whom he'd defeated four years before.

21. Chester A. Arthur

1881–1885

"Experience has shown that the trade of the East is the key to national wealth and influence."

Late-19th-century immigration debates sound shockingly familiar. The arrival of thousands of Chinese workers—drawn largely by the Gold Rush and construction of the transcontinental railroad—bred resentment among white Americans, who blamed them for crime and lower wages. In 1882, Congress passed a bill to bar Chinese immigration for 20 years. Arthur vetoed it, defending Chinese-Americans: "The States of the Pacific Slope are full of evidences of their industry." Yet after a number of Western towns burned the President in effigy, Arthur relented—signing a second bill that shortened the exclusion period to 10 years. Large-scale Asian immigration would not resume until the 1960s.

22. & 24. Grover Cleveland

1885–1889, 1893–1897

"A public office is a public trust."

25.
William McKinley
1897–1901

"Our money ... should all be put upon an enduring basis."

The election of 1896 was literally about money. McKinley favored the gold standard—a dollar peg to a fixed amount of gold—to restrict the supply of money and therefore promote stable prices. Rival William Jennings Bryan wanted a looser "bimetal" standard, with gold and silver, to allow for more inflation. (Inflation was good news for millions of debt-ridden farmers who knew devaluing the dollar would make it easier to pay back loans.) McKinley's victory put the U.S. on the gold standard, which would survive until the Great Depression. Today mainstream economists favor neither gold nor silver. But inflation questions—how much is beneficial, and who actually benefits from it—continue to vex policymakers.

"All I ask is a square deal for every man."

26.
Theodore Roosevelt
1901–1909

As America evolved into an industrialized nation, corporations took on new dominance—shaping what Americans bought and ate, how long they worked, and what wages they earned. Many middle- and working-class Americans began to seek a bulwark against this overwhelming power; "progressives" like Roosevelt delivered. Among his accomplishments: breaking up monopolies, including one of the nation's largest railroads; strict new rules for inspecting meat and medicine; and the creation of dozens of national parks and forests.

27.
William Howard Taft
1909–1913

"Insofar as ... equality of opportunity can be promoted ... all are in sympathy."

How far should the federal government go to promote fairness? As Americans came to accept Washington's new role as economic referee—balancing the interests of corporations, workers, and consumers—Roosevelt's handpicked successor continued many progressive policies. Yet Taft had a friendlier attitude toward business and a more restrained vision of the federal government than his mentor. Taft argued that Washington should focus on laws to promote "equality of opportunity," rather than outcomes—an argument many conservatives make to this day.

28.
Woodrow Wilson
1913–1921

"A great industrial nation is controlled by its system of credit."

The Federal Reserve Bank wasn't signed into existence until 1913—before which Americans suffered through a century of boom-and-bust cycles. (A successor to the bank created by Hamilton and Washington was abolished by Andrew Jackson.) One big problem with private banks: In bad times, they tended to hoard money to protect their own balance sheets, rather than lend it out. Wilson proposed a national bank that would do the opposite—helping keep interest rates low in difficult times, then raising those rates when the economy seemed likely to overheat.

29. Warren G. Harding

1921–1923

"With the nationwide induction of womanhood into our political life, we may count upon her intuitions, her refinements, her intelligence, and her influence to exalt the social order."

30. Calvin Coolidge

1923–1929

"The chief business of the American people is business."

Coolidge saw business as America's animating spirit: "Americans," he said, "are profoundly concerned with producing, buying, selling, investing, and prospering in the world." Indeed, the 1920s were a decade of remarkable material aspiration. For the first time, ordinary Americans owned telephones, washing machines, radios—and stocks. Coolidge's business–friendly administration balanced the budget, reduced the national debt, and sharply cut taxes. And the Dow in turn rose more than 250%—more than under any other 20th-century President. Of course, this sunny materialism also had a dark side, although it wouldn't come to light until Coolidge was out of office.

31. Herbert Hoover

1929–1933

"If a man has not made a million dollars by the time he is 40, he is not worth much."

The 1929 stock market crash was followed by a slew of bank closures, and the world economy began to sink. Suddenly what had seemed like sunny competence began to sound glib. Like many successful people, Hoover may have failed to appreciate how many of his accomplishments were due to tailwinds of favorable circumstance. Yet the wealthy President does not entirely deserve his out-of-touch reputation. He ran humanitarian operations that fed millions during and after World War I. And as President, he undertook activist programs that would later be associated with Roosevelt, pressing business for higher wages and promoting job-creating public works like the Hoover Dam. There were also mistakes, however—like the Smoot-Hawley Tariff Act, which most economists say choked off trade and made a bad situation worse.

32. Franklin D. Roosevelt

1933–1945

"The only thing we have to fear is fear itself."

At the height of the Great Depression, unemployment hit 25%. Yet Roosevelt was a skilled communicator who excelled at conveying confidence and optimism. During his first 100 days in office, he spurred a flurry of legislation—stabilizing the banking system, supporting crop prices, and creating thousands of jobs building roads and bridges. Today historians consider the New Deal a mixed success. The government-funded tactics Roosevelt used to jump-start growth are ones policymakers still use. (President Trump has frequently talked about a $1 trillion infrastructure plan to put Americans back to work.) But overall the economy remained lackluster until the outbreak of World War II, and the resulting spike in U.S. military spending.

33. Harry S. Truman

1945–1953

"I could never lend myself to any transaction, however respectable, that would commercialize on the prestige and dignity of the office of the presidency."

The critics who cried foul at Barack Obama's recent $400,000 speaking fee might well have found an ally in President Truman. He commanded no federal

income after he left office beyond his $113-a-month Army pension—and, despite lucrative offers, refused to capitalize on his public service beyond selling his memoirs. His situation did improve in 1958, when Congress passed the Former Presidents Act, awarding ex-Presidents a lifetime pension and Secret Service protection. Modern cash grabs did not begin until Gerald Ford, who accepted posts on corporate boards and began giving paid speeches; Ford's example has been followed by every President since.

34. Dwight D. Eisenhower

1953–1961

"We must guard against ... the military-industrial complex."

The last general to serve as President cautioned against the creeping scope of the military and, in particular, Big Government's tendency to collude with powerful industry to further their mutual growth. Last year the federal government spent $584 billion on the military and another $68 billion on veterans' benefits, compared with $91 billion on transportation and $92 billion on education. In all, defense accounts for roughly half of the "discretionary" federal budget, which excludes obligations like Social Security, Medicare, and interest on the national debt.

"My father always told me that all businessmen were sons of bitches, but I never believed it till now."

35. John F. Kennedy

1961–1963

The privileged son of a prominent businessman, Kennedy believed he could serve as an honest broker between capital and labor. But he became enraged after U.S. Steel broke a promise by raising prices after unions agreed to limit wage demands. Kennedy faced a "paradox," *Wall Street Journal* columnist Peggy Noonan recently noted: Business leaders whom he admired as "bright and enlightened" in private life, frustrated him by pursuing selfish, short-term ends at the helm of their corporations.

36. Lyndon B. Johnson

1963–1969

"I want to be the President who helped the poor to find their own way and who protected the right of every citizen to vote in every election."

37. Richard M. Nixon

1969–1974

"Pat doesn't have a mink coat. But she does have a respectable Republican cloth coat, and I always tell her she would look good in anything."

Two decades before Watergate, Nixon was nearly felled by another political scandal. He was serving as Dwight Eisenhower's running mate when opponents charged that he was using political contributions from wealthy donors to live "in style far beyond his salary," as one headline put it. Nixon responded with a nationally televised half-hour address, in which he laid bare his family finances in excruciating detail. It's easy to smirk now at the aw-shucks style of what came to be called the "Checkers" speech (after the Nixon family dog). But Nixon's version of what we might today call a "celebrity confessional" saved his career, at least in the short term—and heralded the power of television in national politics.

38.
Gerald R. Ford
1974-1977

"A government big enough to give you everything you want is a government big enough to take from you everything you have."

Since the Progressive Era, many Americans have looked to Washington to solve social problems—handing bureaucrats more money and more power over daily life. Ford, who worried that federal spending was contributing to runaway inflation, pressed for more limited government, telling Congress, "The first thing we all have to do is to learn to say no." Many Americans still want it both ways. President Trump won the 2016 election in part by promising hefty tax cuts—but also by pledging to protect Social Security and Medicare and boost defense spending. At least one nonpartisan analysis found such changes would increase the federal debt by more than $5 trillion over the next decade.

39.
Jimmy Carter
1977-1981

"Too many of us now tend to worship self-indulgence and consumption."

Materialism was overtaking the country, Carter warned in his "Malaise" speech: "Human identity is no longer defined by what one does, but by what one owns." He fretted aloud over Americans' stagnant productivity, unwillingness to save for the future, and declining respect for institutions like schools and the news media—critiques that still ring true today. Yet while Carter may have diagnosed the problem, his emphasis on self-sacrifice (such as minding the 55 mph speed limit) failed to resolve domestic woes, and his scolding tone put off voters.

"The simple answer is let's make the whole pie bigger, and everybody gets a bigger slice."

40.
Ronald Reagan
1981-1989

By the 1980s, Roosevelt's once-radical New Deal had softened into conventional wisdom: Americans now expected Washington to take an active role in shaping the economy. Regulations prodded "good" behavior by powerful businesses, and hefty income taxes (top rates were 70% when Reagan took office) promoted fairness. But Reagan, a former Democrat, became convinced that these efforts were shackling America's entrepreneurial spirit. "Government is not the solution to our problem; government is the problem," he liked to say. If we focused on growing the economy—lower taxes, less red tape—rather than redistributing wealth, everyone would be better off, he argued. Economists still debate the effectiveness of Reagan-era reforms, but he presided over a remarkable boom.

41.
George H.W. Bush
1989-1993

"Read my lips: no new taxes."

Reagan's success helped make tax cuts Republican gospel. His successor's single term revealed some of their limits. Bush had been a prominent critic of one of Reagan's suggestions that tax cuts would grow the economy enough to pay for themselves, dubbing it "voodoo" economics. Yet eight years later, on the cusp of the presidency himself, Bush doubled down on Reagan's cuts. In 1990, faced with a ballooning deficit, he relented and supported a tax hike to help balance the budget—a pragmatic approach now lauded by economists. But the flip-flop, which became a mainstay of attack ads, helped cost him the presidency in 1992.

100 YEARS OF PRESIDENTIAL PROGRESS—OR NOT

Which U.S. President saw the greatest rise in incomes—or the largest decline? Who presided over 99% annualized national debt increases? See the chart below to track a century of economic shifts.

ANNUALIZED PERCENTAGE CHANGE IN ...
(FROM FIRST YEAR IN OFFICE TO LAST)

	INCOME	PRICE OF MILK	UNEMPLOYED POPULATION	NATIONAL DEBT	DOW JONES INDEX	POPULATION
THEODORE ROOSEVELT	N/A	2.2%	12.5%	2.8%	4.2%	1.8%
WILLIAM HOWARD TAFT	N/A	1.9%	−2.5%	2.2%	−2.8%	1.3%
WOODROW WILSON	10.3%	11.0%	2.6%	98.7%	−1.1%	1.2%
WARREN G. HARDING	6.6%	−1.6%	−26.5%	−2.3%	6.1%	1.0%
CALVIN COOLIDGE	1.0%	1.2%	−3.2%	−3.4%	29.8%	1.1%
HERBERT HOOVER	−11.2%	−6.4%	163.3%	3.8%	−18.9%	0.6%
FRANKLIN D. ROOSEVELT	16.4%	4.2%	−7.9%	66.0%	4.5%	0.9%
HARRY S. TRUMAN	8.2%	6.9%	7.2%	NO CHANGE	6.4%	1.6%
DWIGHT D. EISENHOWER	3.8%	1.4%	11.2%	1.0%	14.9%	1.6%
JOHN F. KENNEDY	2.7%	−0.3%	−5.0%	1.9%	1.5%	1.0%
LYNDON B. JOHNSON	5.9%	3.0%	−6.2%	2.3%	1.6%	0.9%
RICHARD M. NIXON	6.2%	3.7%	10.0%	5.7%	−3.8%	0.9%
GERALD R. FORD	4.1%	2.7%	−4.7%	8.2%	8.9%	0.5%
JIMMY CARTER	7.7%	6.9%	NO CHANGE	7.5%	4.0%	0.8%
RONALD REAGAN	6.2%	0.5%	−3.5%	20.1%	18.5%	0.8%
GEORGE H. W. BUSH	1.6%	2.4%	10.4%	10.6%	5.0%	0.8%
WILLIAM J. CLINTON	4.7%	NO CHANGE	−5.3%	3.6%	23.4%	1.2%
GEORGE W. BUSH	2.2%	3.9%	2.9%	9.1%	−1.6%	0.8%
BARACK OBAMA	2.4%	0.4%	−5.9%	8.0%	11.2%	0.7%

SOURCES: DOW JONES INDEX: BLOOMBERG; POPULATION: CENSUS BUREAU; NATIONAL DEBT: U.S. DEPARTMENT OF THE TREASURY; UNEMPLOYMENT: BUREAU OF LABOR STATISTICS; CENSUS BUREAU; INCOME: THOMAS PIKETTY/EMMANUEL SAEZ UP TO TRUMAN (PER TAX UNIT), CENSUS BUREAU THEREAFTER (PER HOUSEHOLD); CENSUS BUREAU; MILK PRICE: USDA; CENSUS BUREAU; BUREAU OF LABOR STATISTICS

THE SMARTEST, MOST INTERESTING THING EVERY U.S. PRESIDENT EVER SAID ABOUT MONEY

42.
William J. Clinton
1993–2001

"If you work hard and play by the rules, you should be given a chance to go as far as your God-given ability will take you."

This message from "the man from Hope" resonated deeply with voters in 1992; it remains an articulation of how most of us believe the economy should work. In hindsight, though, it may feel overly optimistic. During the past generation, market forces have prodded U.S. corporations to lay off millions of workers, while hiking CEO pay in the name of "shareholder value." Wall Street firms paid traders millions for their supposed financial acumen, only to demand government bailouts when investment bets went bad. And Silicon Valley executives like Steve Jobs have made billions of dollars while bragging that "it's better to be a pirate than join the Navy."

"If money isn't loosened up, this sucker could go down."

43.
George W. Bush
2001–2009

In late 2008, George W. Bush tried to ward off a global financial panic following the collapse of investment bank Lehman Brothers. This plain-spoken assessment came as Congress failed to pass the $700 billion bailout he had requested. Lawmakers eventually relented, helping the nation avoid economic catastrophe. Bush exited office with historically low approval ratings owing to both the Iraq War and the financial crisis. A few months later, the stock market hit bottom and began to rebound.

44.
Barack Obama
2009–2017

"If you were successful, somebody along the line gave you some help."

Is the economy basically a team sport or a solo competition? As Obama saw it, the economy was not made up of hero entrepreneurs, or Jeffersonian planters, reaping the rewards of toil and self-reliance. It was a community in which everyone plays a crucial part. His biggest legislative achievement, Obamacare's promise of health coverage for every American, underscores that ethos. Yet during the same speech, which echoed an Elizabeth Warren theme, Obama went on to utter a less apt phrase: "If you've got a business, you didn't build that. Somebody else made that happen." His opponents pounced, arguing he was dismissing individual achievement. The question continues to divide us.

45.
Donald J. Trump
2017–

"You can't con people, at least not for long."

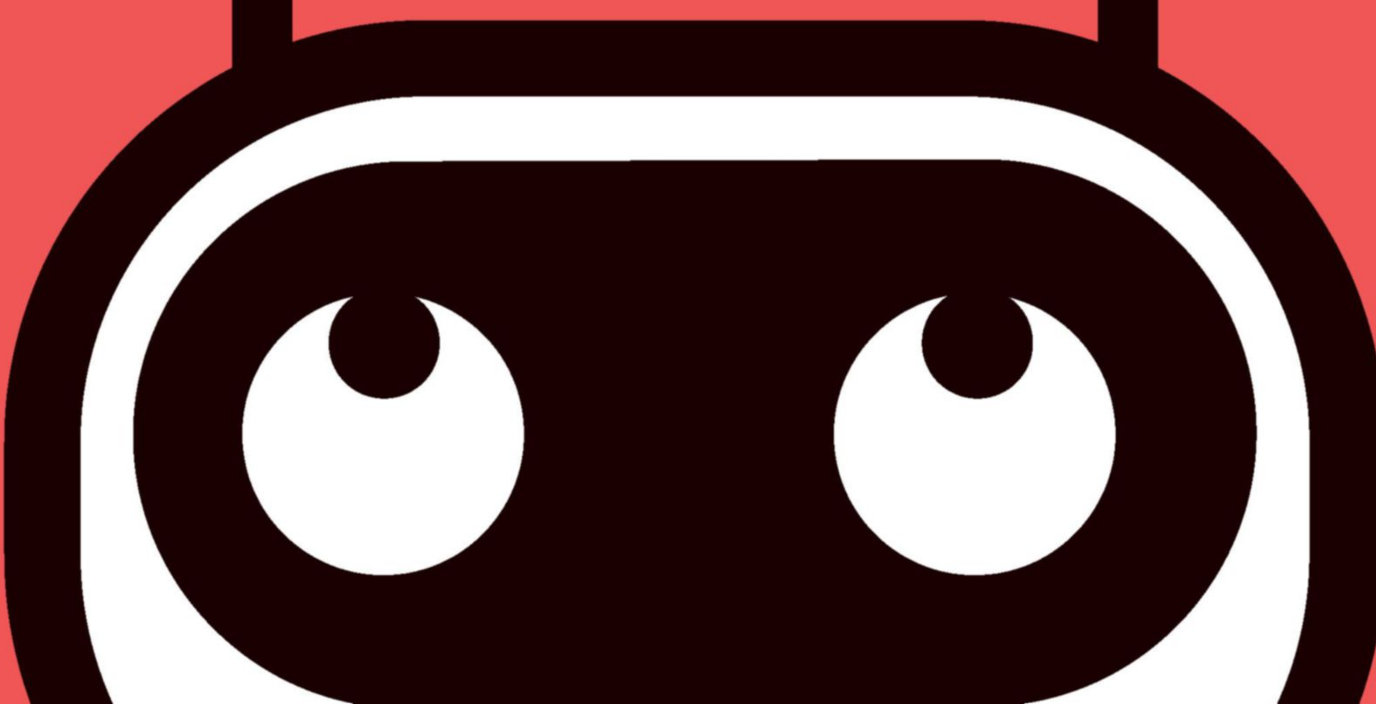
Trump came into office making big promises—but, as he noted in the preceding quote (from his bestseller *The Art of the Deal*), at a certain point you've got to produce results. After his first attempt at repealing and replacing Obamacare stalled out, it became clear: This stuff is complicated. With a health care bill finally having passed the House and currently awaiting action from the Senate, and tax reform scheduled next, Americans are watching to see if Trump can deliver the goods.

GOT A FAVORITE PRESIDENTIAL QUOTE ABOUT MONEY? *Write to us at letters@moneymail.com.*

The Best Cell Phone Plan for You

MONEY's annual review of cell pho plans finds five new winners.

BY MEGAN LEONHARDT AND KAITLIN MULHERE



If you feel incomplete without a phone in your hand, you're in good company. About three-quarters of Americans now own a smartphone, Pew Research Center reports. And roughly 45% of people say they are constantly connected during the workday, according to the American Psychological Association.

The average person uses about 4.5 gigabytes of data a month, up more than a third from the 3.3GB used on average a year ago, according to Brad Akyuz, a director at the NPD Group research firm who specializes in the mobile industry.

That's partly because of increased video streaming, largely driven by social media use. Last year, more than 54% of all videos were watched on a mobile device—up from 17% in 2013, according to online video technology company Ooyala. "When you stream video, the data numbers go up exponentially," Akyuz says.

Until recently, powering your data usage could be tricky—and expensive. But a radical reshaping of the mobile landscape means that's no longer the case. Over the past year, the Big Four carriers—AT&T, Sprint, T-Mobile, and Verizon—have rolled out new, fiercely competitive unlimited data plans that eliminate once-burdensome overage fees.

It all started with T-Mobile, says Kristin Paulin, a senior telecom analyst at research and consulting firm Ovum. Last September, T-Mobile eliminated all of its traditional plans with specific data quantities, subbing in a single, competitively priced unlimited plan: T-Mobile One. Sprint followed closely behind, shaving $20 a month off its unlimited plan; AT&T also reshaped its own offerings. Finally, in early 2017, Verizon caved as well. "Verizon essentially had to succumb to the competitive pressure," Paulin says.

The resurgence of unlimited plans has brought other shifts, experts say. The Big Four have sharply cut the number of plans they offer—to 35 from the 49 offered a year ago. That's not necessarily a bad thing, says mobile technology expert Logan Abbott: It simplifies the choice for heavy data users. "Most people just want the right amount of data for their usage," he says.

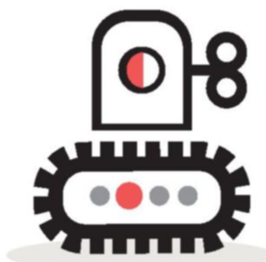
The major carriers have also cut prices for those unlimited plans, making them more practical for more people. "Even if you technically don't need an unlimited plan, it's an affordable option," says NerdWallet's cell phone expert, Kelsey Sheehy.

All of these industry changes created a different set of parameters for this year's Best Cell Phone Plans analysis. Download speeds and the quality of superfast 4G/LTE networks took on greater weight, as did concerns over various data restrictions imposed by carriers. "As smartphones have become lifelines, users expect these devices to work and also to work well," Paulin says.

To choose the following winners, MONEY evaluated almost 100 plans from 15 companies. We compared cost per gigabyte, hidden fees, and national network quality, as well as data limits and speeds. We also ruled out providers who failed to meet our thresholds for customer service, data, and voice network quality.

What follows are MONEY's selections for five of the best plans on the market now.

The Winning Cell Phone Plans



Basic Plan

Even if you use your phone mainly for texting and talking, you'll need a little data for things like checking email or exchanging photos via text. The challenge is, as a light data user, you're in the minority—so there's less competition among plans that fit your needs. For this category, we looked at plans with less than 4GB of data.

MONEY'S PICK

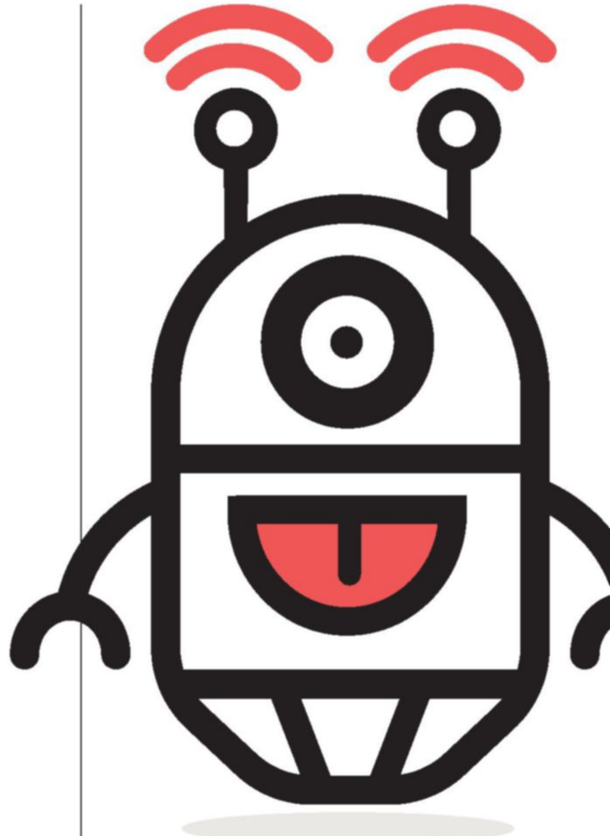
REPUBLIC WIRELESS 30

Why it wins: You may have never heard of Republic Wireless, but the five-year-old company has developed a cult following, says NerdWallet's Sheehy. The backbone of Republic Wireless is hybrid calling, a technology that seamlessly transfers users between Wi-Fi and cellular networks for voice calls. Republic Wireless also prioritizes Wi-Fi for data use, so you'll consume less than you would with traditional carriers. Pricing is transparent, with no fees, and if you have a heavy month of data usage, you can jump up from this $30-a-month plan to the next level—paying only the difference between the two plans—and then drop back again the following month.

Tradeoffs: Whenever you don't have a Wi-Fi connection, your phone will switch to Sprint and T-Mobile networks, which MONEY found to be less reliable than those of the other two big carriers. And while Republic Wireless has increased the number of compatible devices you can bring to its network, you can't currently use Apple products.

Terms:

- **DATA:** 2GB
- **NETWORKS USED:** T-Mobile, Sprint
- **ANNUAL COST:** $360



Everyday Plan

If you're using social media, browsing the web, and occasionally streaming videos—which you're probably doing more often, thanks to the rise of autoplay—you'll need a plan with a decent amount of data. Smartphone users now generally consume about 4.5GB of data every month, so MONEY considered only plans that offered at least 4GB for this category.

Unlimited Plan

If you're streaming your favorite Netflix shows during your daily commute, you're not alone—but you may need an unlimited plan to handle your video addiction. Despite the name, even unlimited plans may stumble on poor connections or data usage restrictions. For this category, MONEY prioritized network quality over price.

MONEY'S PICK

T-MOBILE ONE

Why it wins: T-Mobile has revamped its unlimited plan since last September's initial rollout and now offers the best value in this category. For $75 a month you get 4G/LTE data speeds—the fastest available—plus unlimited data at 3G speeds to turn your phone into a wireless hotspot. (Like most "unlimited" plans, T-Mobile's may eventually tighten data speeds—but not till you've hit a very generous 30GB.) The plan also works well for travelers, as it includes unlimited texting and data abroad, plus an hour of Gogo Wi-Fi on every flight. And T-Mobile's 4G/LTE network is widely available, with users reporting access to the highest data speeds 87% of the time, according to wireless research firm OpenSignal.

Tradeoff: T-Mobile One isn't the cheapest unlimited plan on the market. If price is the most important consideration, Boost Mobile (which runs on the Sprint network) charges $50 a month for the first line. "If they have coverage in your area, it's hard to beat that deal," Abbott says.

Terms:
- **DATA:** Unlimited
- **ANNUAL COST:** $840 with autopay discount

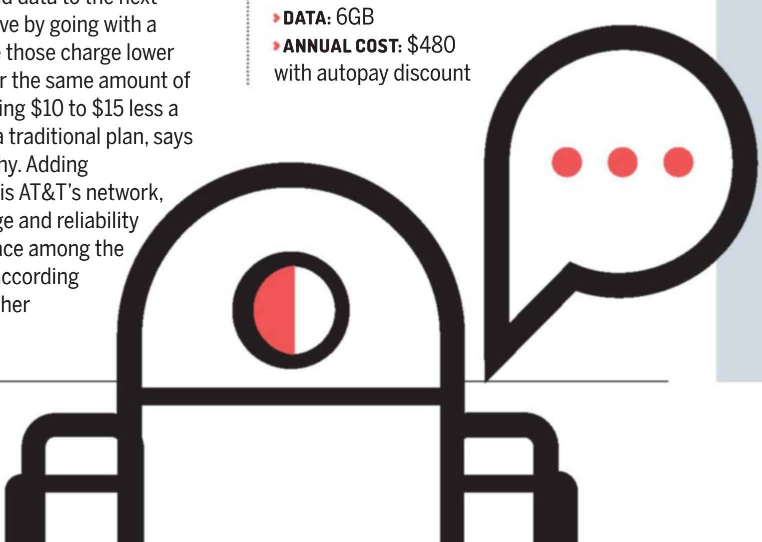
MONEY'S PICK

AT&T GOPHONE 6GB

Why it wins: With more than enough data for the average user, this $45 AT&T prepaid plan offers incredible value. It's 20% cheaper than other plans with 4GB to 6GB of data a month—and you're able to roll over any unused data to the next month. You also save by going with a prepaid plan, since those charge lower taxes and fees. "For the same amount of data, you're spending $10 to $15 less a month" than with a traditional plan, says NerdWallet's Sheehy. Adding to the plan's value is AT&T's network, whose LTE coverage and reliability put it in second place among the Big Four carriers, according to network researcher RootMetrics.

Tradeoffs: As with most prepaid plans, AT&T's 6GB offering does have some compromises. This plan caps download speeds, which means the network may feel like a slower 3G connection. And it defaults to streaming video in standard definition to save on data. For HD streaming, you'll need to change your account settings. If you go over 6GB per month, you won't face overage fees, but data speeds will slow to a crawl.

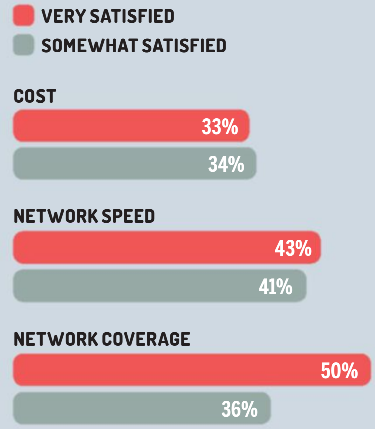
Terms:
- **DATA:** 6GB
- **ANNUAL COST:** $480 with autopay discount



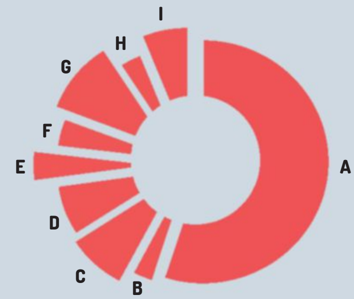
STICKING WITH THE PLAN

Users are generally happy with the plans they have—but they're always open to a bargain.

How satisfied are you with your cell phone plan?



What would make you switch plans?

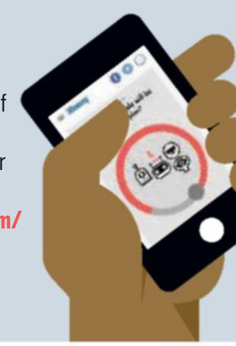


A Lower cost **55%** **B** Higher quality of voice calls **3%** **C** Better network coverage **8%** **D** Faster network speed **7%** **E** More new phones and options **4%** **F** Better wireless and hotspot capabilities **4%** **G** More monthly data **10%** **H** Better selection of phones to purchase **3%** **I** Other **6%**

NOTE: From survey of almost 1,900 cell phone customers conducted for MONEY. SOURCE: Morning Consult

PICK A PLAN

If none of these suits your family's needs—if you require different data levels, or another number of users—try the tool at **money.com/cellphones** to get a customized result.



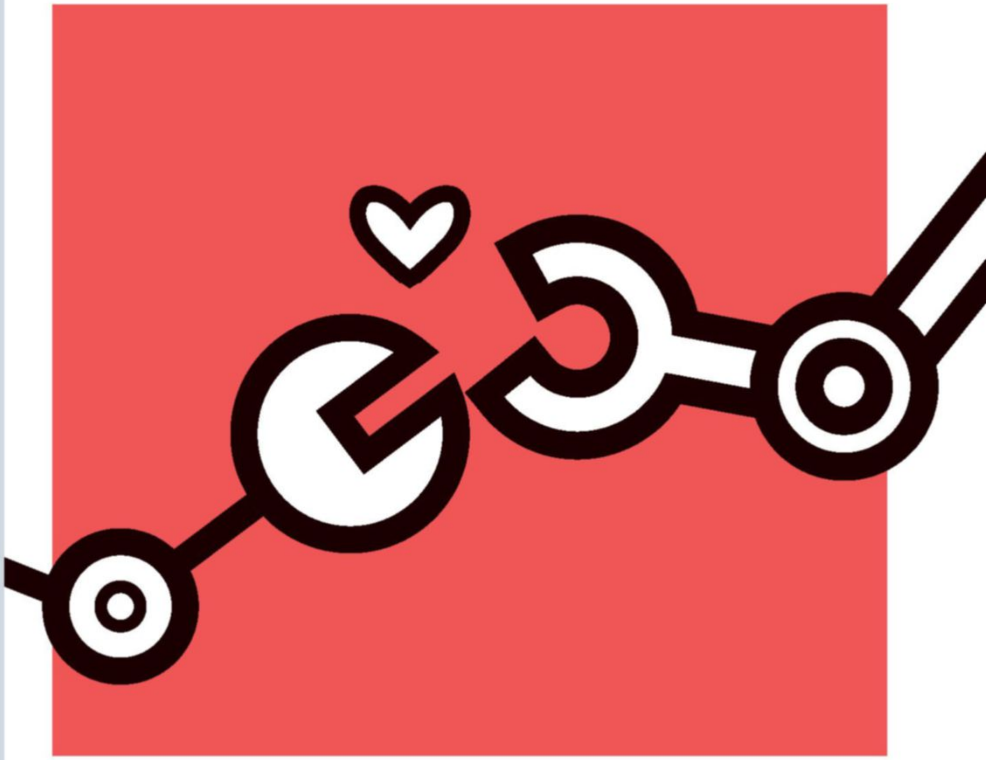
Why Isn't My Carrier Here?

Each year MONEY hears from readers wondering why their carrier or plan isn't among the winners. One common reason: The market teems with nearly 100 secondary players, which lease wireless and data services from the Big Four—and it's nearly impossible to do a truly comprehensive evaluation of every plan offered. These smaller companies, known as mobile virtual network operators (MVNOs), can come and go quickly, says Joseph Paonessa, founder of BestMVNO.com, but they also can deliver a lot of innovation and niche offerings.

TING, for example, was the first MVNO with an à la carte menu that lets customers mix and match levels of voice minutes, text, and data; you don't pay for anything you don't use. Ting is also known for strong customer service. But none of its offerings include unlimited talk and text, which we required to make fair price comparisons, so they didn't make the final analysis.

TRACFONE, another popular MVNO, was in a similar position. It was once the go-to provider for prepaid plans, Paonessa says, and its market share still tops any company outside the Big Four. Yet TracFone remains competitive mainly with inexpensive plans designed for very light users—too basic for the categories we selected.

Finally, we considered Google's **PROJECT FI,** a unique service run on a combination of Wi-Fi and cellular networks that reimburses customers for unused data. Ultimately, we found it too niche an offering. But its ultracheap prices may make it a good fit for someone who lives in an urban area, frequently travels internationally, and is willing to use one of the four Android models it allows.



Couples Plan

If you and your partner are both average users, you can probably save some cash by signing up for one plan with two lines. For this category we considered only plans with at least 4GB each, to ensure you'd have enough data for using social apps, streaming music, and watching some video.

MONEY'S PICK

CRICKET WIRELESS SMART

Why it wins: This plan provides 8GB per person—almost double what the average user needs—but at $85 a month with an autopay discount, it's pretty tough to beat its value. You're paying 15% to 38% less per gigabyte than you would for other plans in the same data range. Cricket also has an above-average customer service score from J.D. Power, and it runs on AT&T's network, which is among the nation's best.

Tradeoff: As a secondary carrier, Cricket is subject to an AT&T cap on download speeds at 8Mbps. That's significantly slower than the fastest networks, which offer speeds consistently above 20Mbps. To conserve data usage, Cricket automatically streams video in standard definition unless you're on a Wi-Fi connection. That's good if you want to avoid maxing out your data limit, but you may notice the diminished video quality.

Terms:

- **DATA:** 8GB per person
- **NETWORK USED:** AT&T
- **ANNUAL COST:** $1,020 with autopay discount

ILLUSTRATIONS BY OKSANA LATYSHEVA—NOUN PROJECT

LOVE YOUR PLAN? HATE IT? Tell us why at letters@moneymail.com.

Family Plan

The younger the user, the higher the data consumption. For the family category, we looked at plans that offered two lines with at least 10GB—enough for extensive music and video streaming, for instance. The other two lines needed to offer at least 4GB of data, which should suffice for an average user.

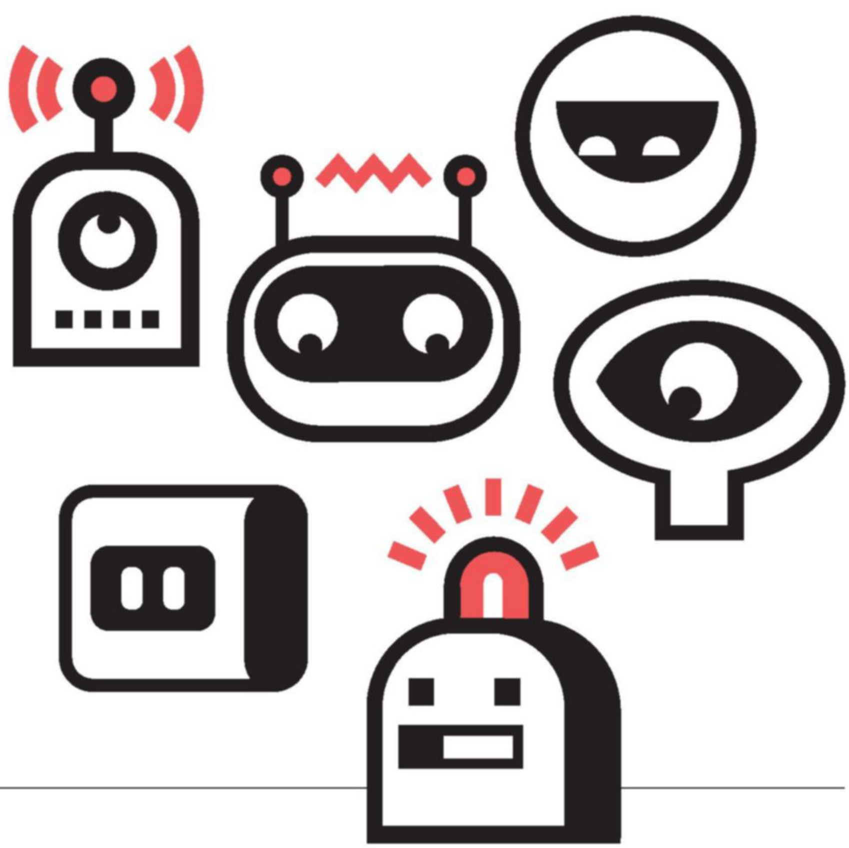
MONEY'S PICK

T-MOBILE ONE

Why it wins: Deep multiuser price breaks on T-Mobile's unlimited plan make it an excellent value for a family. T-Mobile says it has focused on significantly expanding its 4G/LTE network in the past two years, and the resulting improvements have helped make the carrier's offerings more attractive. For $140 a month with an autopay discount, you get access to an above-average network and a carrier that has the third-highest J.D. Power customer service rating of the 15 carriers we evaluated. The price includes taxes and fees—a no-surprises approach that's unusual among the Big Four carriers—and data is unlimited, so you don't have to worry about having your kids push you into overage charges. Like most unlimited plans, T-Mobile does start to restrict data speeds, but not until you hit 30GB, higher than nearly every other plan MONEY evaluated.

Tradeoff: If you value high-definition video streaming, you'll need to pay an extra $5 per person each month. Otherwise the plan limits you to DVD-quality playback.

Terms:
- **DATA:** Unlimited
- **ANNUAL COST:** $1,680 with autopay discount



HOW MUCH DATA?

The younger the users, the more data they're likely to need.

AVERAGE MONTHLY DATA USE BY AGE

- 6.19GB ages 18 to 24
- 5.75GB ages 25 to 34
- 4.28GB ages 35 to 54
- 3.26GB ages 55+

NOTES: *Based on* NPD Connected Intelligence Data Consumption Report, *March 2017. Overall average data use is 4.5GB per month.* **SOURCE:** *The NPD Group*

Methodology

MONEY evaluated roughly 100 prepaid and postpaid plans from 15 carriers. We narrowed the set to include only plans with unlimited calls and texts, and at least 1GB of data per month. To make an apples-to-apples comparison, we looked at the annual cost of each plan, factoring in any device access costs, activation fees, and SIM card pricing, as well as applicable discounts such as autopay.

For an objective measure of customer service, MONEY used the ratings featured in J.D. Power's 2017 *U.S. Wireless Customer Care Performance Study,* plus information gathered through reporting. We also evaluated each carrier's voice and 4G/LTE data network footprints, and took into account published reports by RootMetrics and OpenSignal.

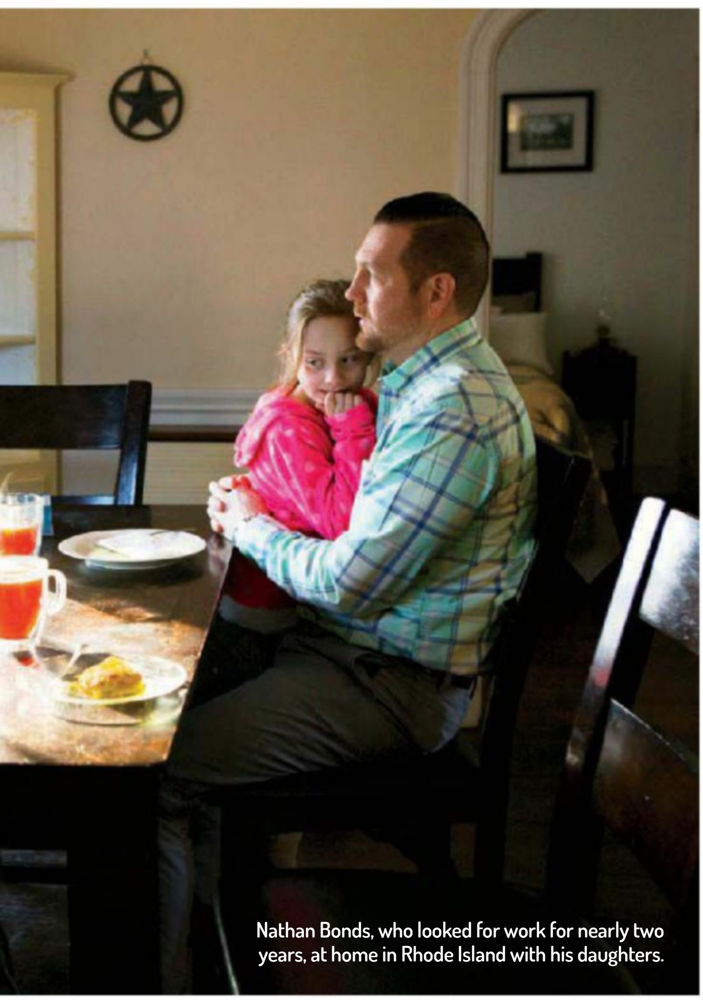
Winners were chosen on the basis of price, data allowances, and plan features. All of MONEY's best plans are from carriers that were at least above average on network quality, coverage, and customer service. The data was collected in April and May 2017.

UNEMPLOY
IS REALLY
LOW.

(SO WHY CAN'T THESE PEOPLE FIND JOBS?)

MENT

BY KRISTEN BAHLER



Nathan Bonds, who looked for work for nearly two years, at home in Rhode Island with his daughters.

NATHAN BONDS' BREAKING POINT came after 19 months of unemployment, 23 interviews, and 200 applications.

His résumé had been rejected by a string of minimum wage jobs—including ones at the local L.L. Bean and J. Crew outlets—and Bonds, who lives in Cranston, R.I., was scraping by on temporary construction work. By the time a friend offered him a $10-an-hour delivery gig, he could barely afford rent—much less the fees needed to update his license. So he didn't get that job either.

"That was my lowest point," the 41-year-old father of five says. "It was like my life was in a vise, and I could not move forward."

Bonds, a former quality manager at a manufacturing plant, is a highly skilled worker in an industry in need of highly skilled workers. His long bout of unemployment, and his struggle to find work even at minimum wage, flies in the face of stellar jobs reports that have made headlines over the past several years.

It's also not that uncommon.

As of April 2017, 1.6 million unemployed Americans have been out of work for six months or longer, according to data from the Bureau of Labor Statistics. Nearly a million have been jobless for more than a year.

"Long-term unemployment," as it's called, isn't a new phenomenon. In 2010 it peaked at 6.8 million and has been trending downward in the wake of the recession. But those numbers offer little comfort to the 22.6% of jobless Americans who fall into that category today—a ratio that remains stubbornly high compared to pre-crisis levels.

Ever since economists started tracking this figure in 1948, the share of long-term unemployed to total unemployed has topped 20% only at the height of a recession or in its direct aftermath. If the official unemployment rate included the millions of people working part-time because they can't find full-time work, or those who want to work but haven't looked for a job in at least four weeks, the ranks of long-term unemployed would be even higher.

Now experts worry that a large percentage of long-term job seekers have been pushed out of the market completely—and that the new presidential administration is ill-equipped to rope them back in.

"It's uncharted territory to have this level of long-term unemployment this far out of recession," says Ofer Sharone, a sociologist at the University of Massachusetts at Amherst who studies employment trends. "Something new is going on, making it harder for people who have been out of the market for a long time."

IT'S HARD TO PINPOINT exactly what's keeping people out of work for so long, but economists have a few theories.

Hiring discrimination is one possibility. Often, job seekers with long career gaps face inherent bias from employers, who assume their skills are rusty or that they are otherwise unemployable. On top of that, new technology, like applicant tracking systems that sort through the high volume of résumés each job posting receives, can negatively affect the long-term unemployed. Certain screens, like those that ask applicants for dates of employment, can filter out candidates who have been looking for work for many months.

"Bias happens all the time," says Linda Sharkey, coauthor of *The Future-Proof Workplace* and an HR expert who has overseen hiring for companies like HP and GE Capital. "If someone doesn't show employment for a period of time, their application can get kicked out, never to see the light of day."

Another commonly cited culprit is the so-called skills gap, the idea that millions of jobs go unfilled because of the disparity between the skills employers want and those applicants have. Not everyone agrees that such a gap exists, and among those who do there's a range of opinions about how to fix it. If the gap does exist, though, the long-term jobless are more likely to fall into it, says Princeton economist Alan Krueger.

"Skills deteriorate the longer job seekers are out of the workplace," Krueger says. "That often leads the long-term unemployed to face particular difficulties."

Whatever the reason, mounds of research show that the odds of landing a new job are demonstrably harder for the long-term unemployed than for others. One study from the Federal Reserve Bank of Boston says a job seeker's chances of finding work drop dramatically after six months of unemployment. Another study from the Brookings Institution—led by Krueger and two other researchers—found that, after 15 months, the long-term unemployed are more than twice as likely to have left the market as to have settled into steady, full-time work.

Older workers are at a particular disadvantage, says Joseph Carbone, president and CEO of the Bridgeport, Conn., jobs development group The WorkPlace.

"If you're 50 or older, you face an almost impenetrable wall of discrimination," he says. "Companies have a very narrow view of what they want. When you walk into an interview with a lot of gray hair, it's usually over very quickly."

For 60-year-old Stephen Wayman of Landing, N.J., who has two degrees

NATHAN BONDS
MANUFACTURING QUALITY MANAGER, 41

Nathan Bonds (right) talks with Christian Cowan, the center director for Polaris MEP.

in mechanical engineering and more than 20 years of experience, the gap on his résumé is like a scarlet letter. Wayman lost his job as director of facilities and real estate in 2015 and has struggled to find another one. To keep busy, he teaches a class on project management at a local university and takes online courses in computer programming.

"I've been asked, Why should we hire you when we have other applicants who haven't been out of work?" he says. "I tell them I've been using this opportunity to learn new things. I have new knowledge of computer science; I've gotten into teaching."

These interviews go well, or he thinks they do, but he has yet to get an offer.

"Who knows what people really think, and why they don't bring you on," he says. "I suspect younger [hiring managers] don't give me the benefit of the doubt."

Wayman doesn't have young children to provide for, but he's living off his pension and savings account—something he didn't plan on doing at age 60. But more than the lack of a salary, Wayman misses having an opportunity to grow.

"I feel like I have a lot of gas left in the tank," he says.

STEPHEN WAYMAN ›
MECHANICAL ENGINEER, 60

Stephen Wayman after a speech at a leadership development meeting in New Jersey.

SHARE YOUR EXPERIENCES COPING WITH LONG-TERM UNEMPLOYMENT *at letters@moneymail.com.*

NATHAN BONDS' STORY has a happy ending.

In March he landed a role as a project manager for the manufacturing consultancy Polaris MEP, with help from Platform to Employment (P2E)—a program from Carbone's The WorkPlace, which uses government and private funding for job training and wage-subsidy efforts.

Other workforce agencies, like the Rhode Island Department of Labor and Training—whose Real Jobs RI program gives companies

KAREN JOHNSON
ATTORNEY, 47

Karen Johnson picks up her son, Robert Mitchell, from school in northwest Washington, D.C.

grants to hire and train job seekers—rely heavily on a mix of state and federal funds. Bonds' new employer benefits from such funding.

If President Trump's federal budget passes as proposed, states will be forced to do more with less. Workforce agencies, job centers, and ultimately the long-term unemployed could suffer.

Under the administration's most recent 2018 budget proposal, the Department of Labor would lose $2.4 billion, or 20% of its operating budget.

The budget specifically calls for less federal support for job training and employment services grants, a move that puts the core programs at more than 2,500 American Job Centers at risk. Those centers provide a range of free services for all job seekers, like career counseling, résumé building, and job-search assistance. Some centers also provide specific outreach and coaching for the long-term unemployed and space for long-term-unemployment development groups to meet.

A number of additional grants that fall under the Workforce Innovation and Opportunity Act (WIOA), which was signed by President Obama in 2014 and funds state programs for dislocated workers, would also be reduced.

The proposal also decimates federal funding for the Department of Commerce's Manufacturing Extension Partnership (MEP), a private-public partnership that helps small and midsize manufacturers like Bonds' new employer compete.

In addition to the cuts, the budget does expand some programs designed to assist the unemployed, like the Reemployment and Eligibility Assessment program, which helps people receiving unemployment benefits reenter the workforce.

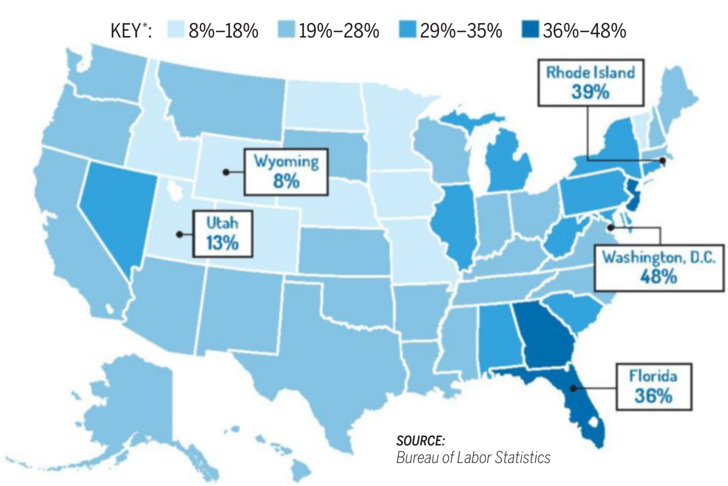
The President's proposal isn't set in stone. But it does shine a light on what long-term unemployment could look like in the Trump era—and it's very different from what was promised on the campaign trail.

In a July 2016 tweet, candidate Trump acknowledged that long-term unemployment is indeed a problem ("We are suffering through the worst long-term unemployment in the last 70 years. I want change—Crooked Hillary Clinton does not"). But experts say his actions prove otherwise.

"The message that comes across is, We don't care," Carbone says. "A lot of the folks who need assistance to help overcome barriers to opportunity are just not going to get it."

THE DAY-TO-DAY SCRIPTS that dictate a modern job hunt—online applications, follow-up emails, résumé updates—

WHERE LONG-TERM UNEMPLOYMENT HITS HARDEST



*The rates are the percentage of the total unemployed populations who are unemployed for 27 weeks or more.

PHOTOGRAPH BY **SUSANA RAAB/INSTITUTE**

can be particularly draining for the long-term unemployed. For many, the mystery of why they're rejected is a confusing constant.

Karen Johnson, 47, is running on fumes.

In 2015, Johnson's executive legal position was cut from the technology company where she had worked for 10 years. At first the Washington, D.C., resident wasn't worried.

"I thought it was going to be easy," she says. "I hadn't looked for a job in 20 years. I didn't get it at all."

Since then, Johnson has applied to a range of positions, but nothing has materialized. Her family's resources are thinning—her iPhone is duct-taped together ("I'm afraid to spend money on it," she says), and her daughter, a senior in high school, is taking a gap year before college until the family gets back on its feet.

Johnson is an optimist, but she's starting to burn out. It's frustrating to spend two decades climbing the career ladder—working nights, weekends, and through every vacation—with little to show for it. As a black woman, Johnson is worried she faces an extra layer of discrimination in a job market that's already stacked against her.

For now, Johnson is updating her résumé with a skill set worthy of today's landscape. She's learning to code and is practicing soldering, welding, and laser cutting at a local do-it-yourself community "makerspace." She's the proud owner of a new 3D printer.

But she feels uncertain about the future. Johnson watches how our new President talks about jobs and how blue-collar workers are driving the conversation. So far there's been no message from the top about the highly skilled, highly educated workers who are also struggling to make ends meet. That troubles her.

"Where do I go?" she says. "I'm not going to be a coal miner."

SOLUTIONS TO END YOUR JOB DROUGHT

Searching for a job can be particularly stressful if you've been out of the workforce for six months or longer. Here's how to recalibrate and move forward.

1. STAY BUSY

The lack of a normal workday is disorienting, says Marc Cenedella, founder and CEO of careers site The Ladders.

He suggests finding a regular commitment to fill your downtime such as fundraising for a local charity, consulting pro bono for a nonprofit, or mentoring young people in your field. You'll maintain a sense of normalcy, and you'll have something to chat about when a hiring manager asks what you've been up to.

2. DON'T MIND THE GAP

During interviews, long-term job seekers tend to spend too much time talking about the gap on their résumé, and too little about why they're the best person for the job they're applying for, Cenedella says.

You can't avoid it completely, but waxing poetic about why you're still out of the market won't help your case.

"Just address it and move on," he says. "Your current unemployment has nothing to do with how well you can do your next job."

3. UNPLUG

Online job boards have made it easy to find and connect to an an enormous number of openings. But when it comes to quality connections—those that can lead to an offer—nothing beats face-to-face networking, says career coach Nancy Burke of Minneapolis.

"The résumé shouldn't be doing all the work for you," she says. "Commit yourself to spending 80% of your time building a network and connecting with people, and the other 20% online."

If you're new to networking, social sites like LinkedIn and Meetup can help you identify some industry-specific events in your area. Getting involved on a logistical level, like passing out pamphlets at a meeting, makes for an easy icebreaker.

4. SEEK SMALL

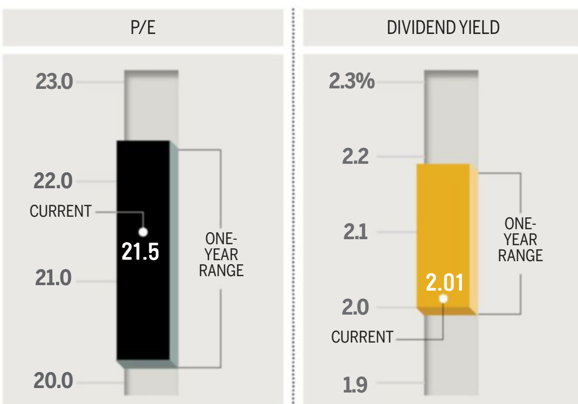
Job seekers tend to eye industry giants for vacancies, neglecting small and medium-size employers in the process, Burke says.

Your local library or Chamber of Commerce can be a good resource for small-business guides and directories. Scan those—and the local business journal, if your city has one—for companies that are in growth mode. Chances are some of them are looking for experienced candidates. —K.B.

Tech Shares on a Tear

EVEN AS THE BROAD STOCK MARKET has stalled, technology shares soared 4.4% in the four weeks ended May 17. Thanks to outsize gains for Facebook, Amazon, Netflix, and Google—the so-called FANG stocks—the sector is up nearly 36% over the past year.

S&P 500 RATIOS



BENCHMARKS

INDEX	TOTAL RETURN ONE MONTH	ONE YEAR	THREE YEARS[1]
S&P 500	**0.6%**	17.6%	10.2%
Nasdaq[2]	**2.6**	27.5	13.7
Russell 2000	**−0.3**	25.3	8.6
Morgan Stanley EAFE	**6.0**	17.8	1.8
Dow Jones industrial average	**0.2**	20.7	10.5
Barclays U.S. aggregate bond index	**0.5**	1.2	2.6
SECTOR			
Information technology	**4.4**	35.7	18.0
Consumer discretionary	**0.9**	15.5	13.3
Basic materials	**0.5**	14.1	4.8
Industrials	**0.5**	18.8	9.3
Health care	**0.4**	9.3	10.4
Consumer staples	**−0.4**	7.9	10.4
Utilities	**−0.4**	10.1	11.0
Financials	**−1.0**	26.7	11.5
Energy	**−2.9**	2.6	−7.6
Telecom services	**−7.3**	−3.8	3.2

NOTES AND SOURCES: Stock index data as of May 17 from Lipper, New York; 877-955-4773. Sector returns from Bloomberg. Bond index data from Barclays. Monthly S&P 500 ratios are from Standard & Poor's. P/E ratios are based on previous four quarters of operating earnings. Biggest funds ranked by total net assets. [1]Annualized. [2]Price change only.

BIGGEST MUTUAL FUNDS BY CATEGORY

CATEGORY	TOTAL RETURN ONE YEAR	THREE YEARS[1]	EXPENSES (AS % OF ASSETS)
LARGE-CAP STOCKS			
Fidelity Contrafund (FCNTX)	19.7%	11.6%	0.68
American Funds Growth Fund of America (AGTHX)	21.6	11.0	0.66
Dodge & Cox Stock (DODGX)	27.6	9.4	0.52
American Funds Investment Co. of America (AIVSX)	16.5	8.7	0.59
American Funds Wash. Mutual Investors (AWSHX)	15.8	8.6	0.58
MIDCAP			
Vanguard Mid-Cap Index (VIMAX)	17.0	8.9	0.06
Fidelity Low-Priced Stock (FLPSX)	15.6	7.0	0.88
Vanguard Extended Market Index (VEXAX)	21.4	7.9	0.08
Fidelity Spartan Extended Market Index (FSEVX)	21.3	8.0	0.07
Vanguard Strategic Equity Fund (VSEQX)	21.2	8.9	0.18
SMALL-CAP			
Vanguard Small-Cap Index (VSMAX)	19.9	8.1	0.06
Vanguard Small-Cap Value Index Fund (VSIAX)	19.5	8.7	0.07
Vanguard Explorer (VEXRX)	23.0	7.7	0.34
T. Rowe Price Small-Cap Value (PRSVX)	26.4	8.4	0.92
Vanguard Small-Cap Growth Index (VSGAX)	20.5	7.4	0.07
BALANCED			
American Funds American Balanced (ABALX)	11.4	7.4	0.59
Fidelity Balanced (FBALX)	12.9	7.2	0.55
Vanguard Balanced Index Fund (VBIAX)	11.2	7.0	0.08
Fidelity Puritan Fund (FPURX)	12.3	7.4	0.56
Vanguard STAR Fund (VGSTX)	13.5	6.0	0.32
INTERNATIONAL			
Vanguard Total International Stock Index (VGTSX)	18.9	1.7	0.18
Harbor International (HAINX)	14.9	−0.1	0.79
Oakmark International Fund (OAKIX)	33.5	3.8	1.05
American Funds EuroPacific Growth (AEPGX)	20.0	3.7	0.83
Vanguard International Growth Fund (VWILX)	26.1	5.1	0.33
EMERGING MARKETS			
American Funds New World (NEWFX)	21.0	2.2	1.07
Vanguard Emerging Markets Stock Index (VEMAX)	25.6	1.3	0.14
T. Rowe Price Emerging Markets Stock (PRMSX)	29.9	4.9	1.26
Fidelity Emerging Markets (FEMKX)	23.6	3.5	1.01
Northern Emerging Markets Equity Index Fund (NOEMX)	28.2	1.0	0.31
U.S. GOVERNMENT BONDS			
Fidelity Government Income (FGOVX)	−0.1	1.9	0.45
American Funds U.S. Government Securities (AMUSX)	0.1	1.9	0.63
MFS Government Securities (MFGSX)	−0.6	1.4	0.88
Sit U.S. Government Securities (SNGVX)	0.3	1.4	0.80
JPMorgan Government Bond (OGGAX)	0.0	2.0	0.75
INVESTMENT-GRADE			
Vanguard Total Bond Market Index (VBTLX)	1.0	2.4	0.09
Vanguard Total Bond Market II Index (VTBIX)	1.2	2.5	0.05
Dodge & Cox Income (DODIX)	4.5	3.0	0.43
Vanguard Short-Term Investment-Grade (VFSUX)	2.1	2.0	0.10
T. Rowe Price New Income (PRCIX)	1.5	2.4	0.54
HIGH YIELD			
Vanguard High-Yield Corporate (VWEAX)	10.4	4.7	0.13
American Funds American High-Income Trust (AHITX)	13.5	2.8	0.71
Fidelity Capital & Income (FAGIX)	14.2	5.5	0.75
Fidelity High Income (SPHIX)	14.5	4.2	0.73
Northern High Yield Fixed Income (NHFIX)	12.2	3.0	0.81
TAX-EXEMPT			
Vanguard Intermediate-Term Tax-Exempt (VWIUX)	0.2	2.9	0.09
Vanguard Limited-Term Tax-Exempt (VMLUX)	0.7	1.3	0.09
Vanguard Tax-Exempt Money Market (VMSXX)	0.5	0.2	0.15
Vanguard Short-Term Tax-Exempt Fund (VWSUX)	0.9	0.7	0.09
Fidelity Municipal Money Market (FTEXX)	0.3	0.1	0.41

Foreign Funds Keep Winning

IN A MONTH DOMINATED by political rows in Washington—from President Trump's firing of FBI director James Comey to the naming of a special counsel to probe possible Russian involvement in the U.S. elections—the biggest market moves actually took place overseas.

Thanks in part to a weakening dollar and the defeat of far-right nationalist presidential candidate Marine Le Pen in France, international stock portfolios on our recommended list of mutual and exchange-traded funds soared in the four weeks ended May 17. Oakmark International, which keeps nearly three-quarters of its assets in Europe, gained 7% in the month and is up more than 33% for the year. Vanguard International Growth—which also has a big stake in Europe, as well as in China—has returned more than 25% year to date, thanks to double-digit gains for European equities. –TAYLOR TEPPER

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	ONE YEAR	THREE YEARS[1]	EXPENSES (AS % OF ASSETS)	PHONE NUMBER (800)
BUILDING-BLOCK FUNDS					
Large-Cap					
Schwab S&P 500 Index (SWPPX)	**0.6%**	17.5%	10.1%	0.03	435-4000
Schwab Total Stock Market Index (SWTSX)	**0.4**	18.2	9.7	0.03	435-4000
Midcap/Small-Cap					
iShares Core S&P Mid-Cap (IJH)	**–0.3**	19.5	9.4	0.07	474-2737
iShares Core S&P Small Cap (IJR)	**–0.3**	23.9	10.2	0.07	474-2737
Foreign					
Fidelity Spartan International (FSIIX)	**5.3**	17.4	1.5	0.19	544-8544
Vanguard Total Intl. Stock (VGTSX)	**4.1**	18.9	1.7	0.18	662-7447
Vanguard FTSE A/W ex-U.S. Small (VFSVX)	**3.5**	16.0	2.7	0.27	662-7447
Vanguard Emerging Markets (VEIEX)	**1.9**	25.4	1.2	0.32	662-7447
Specialty					
Vanguard REIT Index Investor (VGSIX)	**–4.8**	1.4	7.2	0.26	662-7447
Bond					
Vanguard Total Bond Market (VBMFX)	**0.5**	1.1	2.4	0.15	662-7447
Vanguard Short-Term Bond (VBISX)	**0.2**	0.9	1.2	0.15	662-7447

FUND (TICKER)	TOTAL RETURN ONE MONTH	ONE YEAR	THREE YEARS[1]	EXPENSES (AS % OF ASSETS)	PHONE NUMBER (800)
Vanguard Inflation-Protected (VIPSX)	**–0.4%**	1.0%	1.1%	0.20	662-7447
Vanguard Short-Term Infl.-Prot. (VTIP)	**–0.2**	1.3	0.2	0.07	662-7447
Vanguard Total Intl. Bond Index (VTIBX)	**0.0**	1.3	3.8	0.15	662-7447
CUSTOM FUNDS					
Large-Cap					
Dodge & Cox Stock (DODGX)	**0.2**	27.6	9.4	0.52	621-3979
PowerShares FTSE RAFI U.S. 1000 (PRF)	**–0.8**	16.4	8.0	0.39	843-2639
Sound Shore (SSHFX)	**1.2**	19.5	7.1	0.93	551-1980
PowerShares S&P High Qual. Port. (SPHQ)	**–0.2**	13.0	11.1	0.29	983-0903
Primecap Odyssey Growth (POGRX)	**2.7**	29.1	13.3	0.64	729-2307
T. Rowe Price Blue Chip Growth (TRBCX)	**3.5**	22.7	13.1	0.71	638-5660
Midcap					
Vanguard Mid-Cap Value Index (VOE)	**–1.0**	17.9	8.8	0.07	662-7447
WisdomTree MidCap Dividend (DON)	**–2.2**	13.4	9.7	0.38	909-9473[2]
T. Rowe Price Div. Mid Cap Gro. (PRDMX)	**2.3**	18.8	10.7	0.87	638-5660
Small-Cap					
PowerShares FTSE RAFI U.S. 1500 S-M (PRFZ)	**–0.5**	23.1	7.9	0.39	843-2639
Vanguard Small-Cap Value (VBR)	**–1.6**	19.5	8.7	0.07	662-7447
WisdomTree SmallCap Dividend (DES)	**–1.9**	19.3	8.7	0.38	909-9473[2]
T. Rowe Price QM U.S. Small-Cap Gro. (PRDSX)	**1.5**	22.5	10.9	0.82	638-5660
Specialty					
PowerShares Intl. Div. Achievers (PID)	**0.4**	10.1	-4.0	0.58	983-0903
SPDR S&P Dividend (SDY)	**–1.1**	11.6	10.3	0.35	787-2257[2]
Cohen & Steers Realty Shares (CSRSX)	**–3.5**	3.5	8.0	0.96	437-9912
SPDR Dow Jones Intl. Real Estate (RWX)	**1.0**	0.8	0.9	0.59	787-2257[2]
iShares N. American Nat. Resources (IGE)	**–3.9**	3.5	-8.8	0.48	474-2737
Foreign					
Oakmark International (OAKIX)	**7.0**	33.5	3.8	1.05	625-6275
Vanguard International Growth (VWIGX)	**6.8**	25.9	5.0	0.46	662-7447
T. Rowe Price Emerging Markets (PRMSX)	**5.6**	29.9	4.9	1.26	638-5660
Bond					
Dodge & Cox Income (DODIX)	**0.7**	4.5	3.0	0.43	621-3979
Fidelity Total Bond (FTBFX)	**0.5**	3.9	3.2	0.45	544-8544
Vanguard Short-Term Inv. Grade (VFSTX)	**0.3**	2.0	1.9	0.20	662-7447
iShares iBoxx $ Inv. Grade Corp. (LQD)	**1.2**	3.7	3.6	0.15	474-2737
Loomis Sayles Bond (LSBRX)	**0.6**	8.5	1.5	0.89	633-3330
Fidelity High Income (SPHIX)	**1.3**	14.5	4.2	0.73	544-8544
Vanguard Intm.-Term Tax-Ex. (VWITX)	**0.6**	0.1	2.8	0.19	662-7447
Vanguard Limited-Term Tax-Ex. (VMLTX)	**0.4**	0.6	1.2	0.19	662-7447
Templeton Global Bond (TPINX)[3]	**–1.2**	10.8	1.5	0.93	632-2301
Fidelity New Markets Income (FNMIX)	**1.1**	13.6	6.1	0.86	544-8544
ONE-DECISION FUNDS					
Balanced					
Fidelity Balanced (FBALX)	**0.5**	12.9	7.2	0.55	544-8544
Fidelity Global Balanced (FGBLX)	**2.9**	6.8	2.1	1.02	544-8544
Vanguard Wellington (VWELX)	**0.9**	12.6	7.0	0.26	662-7447
Target Date					
T. Rowe Price Retirement series (STOCK/BOND ALLOCATION)					
Example: 2005 Fund (45%/55%) (TRRFX)	**1.1**	8.6	4.1	0.60	638-5660
Example: 2020 Fund (68%/32%) (TRRBX)	**1.7**	12.8	5.7	0.66	638-5660
Vanguard Target Retirement series					
Example: 2025 Fund (70%/30%) (VTTVX)	**1.3**	12.3	5.7	0.14	662-7447
Example: 2035 Fund (84%/16%) (VTTHX)	**1.6**	15.0	6.3	0.15	662-7447

NOTES: *As of May 17, 2017. Load funds are included for those who prefer to use a broker.* [1]*Annualized.* [2]*Phone numbers are 866.* [3]*4.25% sales load.*
SOURCES: *Lipper, New York, 877-955-4773; the fund companies*

Kornelis's college jazz teacher, Dan Bukvich.

What My Music Teacher Taught Me About Money

BY CHRIS KORNELIS

AFTER I DELIVERED MY MOST RECENT BOOK, a former colleague asked if I'd be interested in filling in as a reporter at my local newspaper. Assignments included writing about puppies being reunited with their mother—literally a fluff piece—and it wasn't how I wanted to spend my time.

It's not that I felt above it. But it wasn't part of the plan. I was an author now. But I thought about the regular paychecks, my nonexistent savings account, and the family of four I support. And I started thinking about a lesson I had learned decades ago as a young musician: If you don't want to do it, you probably should.

When I entered my freshman year at the University of Idaho, I started taking music classes from the university's director of jazz choir, Dan Bukvich. The classes had fun titles like DancersDrummersDreamers. But it didn't matter what class Bukvich taught—he was always teaching the same thing.

"Don't let someone else ruin your experience!" he'd holler. (In a choir with 200 voices, there was ample opportunity to point fingers.) "If you don't want to do it, you probably should," he'd say when the suggestion came up during music theory that copying rhythms was beneath our intellect. I'll never forget his most famous lesson, the one they'll likely chisel onto his tombstone: "If you can't get out of it, get into it."

It was more than how to sing the correct bass part to the Beach Boys' "In My Room." He knew that few of his charges would be singing for a living, so he taught something bigger. During those semesters and summers, over years in school, he was teaching us how to be professionals and, for lack of a better word, adults.

He understood that every job—whether it's singing in a band or pushing paper behind a desk—comes with mundanities and frustrations. But they are inescapable. Since they cannot be avoided, he taught us to embrace them.

Now, when classic office minutiae like assets, deliverables, and conference rooms present themselves to me, I like to think Bukvich is the angel on my shoulder with the perfect backbeat, reminding me not to waste these prescribed breaks, but to mine them for inspiration and some much-needed extra cash.

There have been other "interruptions" to my "plan," of course. I often get into them for the money, but I get far more out of them.

Chris Kornelis is a writer living in Seattle. His latest book is Rocking Fatherhood: The Dad-to-Be's Guide to Staying Cool.

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Do you have a story about money you'd like to share? Write to us at **letters@moneymail.com.**