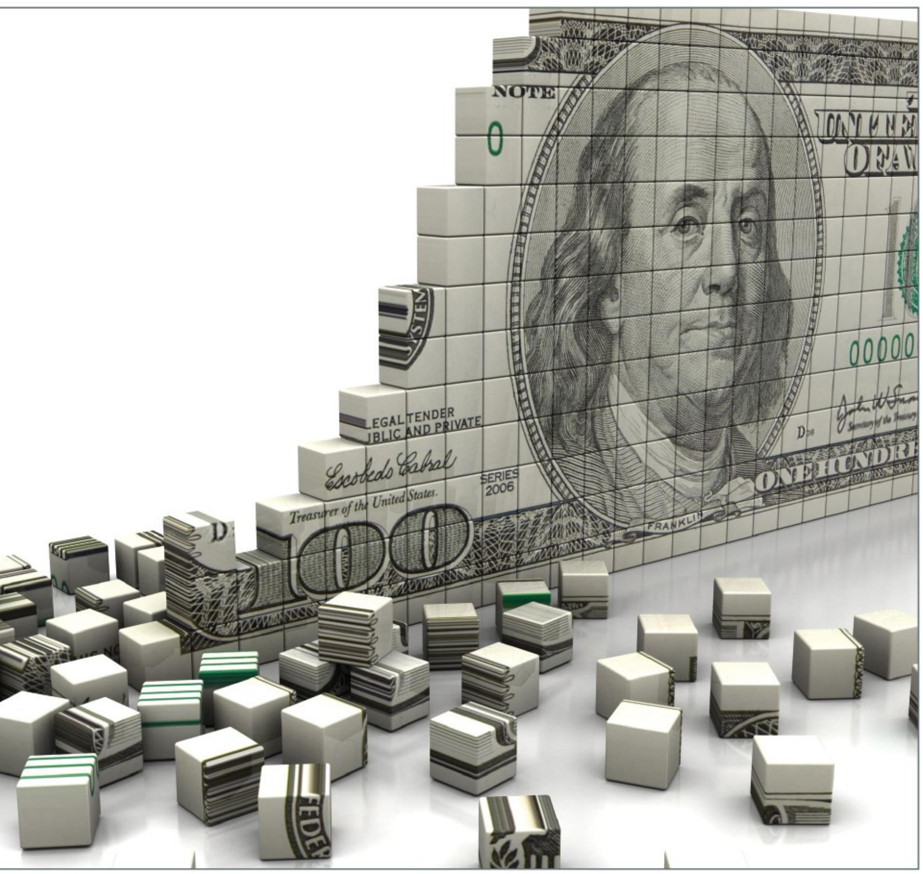
SCOTT SCHECHTER'S FINANCIAL NEWS DIGEST



MONEYLINE

Build Wealth, Secure Your Retirement

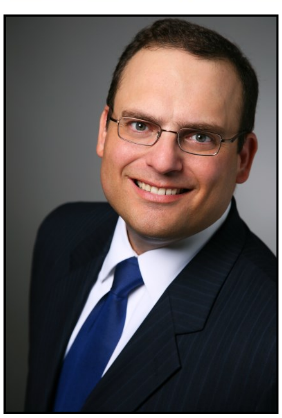
Here are a few tips on successful wealth building gleaned from some of the recent reading of the financial pundits:

Take stock of where you stand. Estimate the future value of your current savings and see how much more you'll need to save to hit your retirement goal. You can crunch the numbers with an online calculator.

Write down your plan. Create a retirement budget, devoting one column to essential costs, such as housing and food, and another to discretionary expenses, including travel and hobbies. Match expenses to guaranteed income, including any pensions and Social Security payments, plus the annual amount you plan to draw from savings. If there's a gap, reconcile yourself to spending less — or working longer.

Maximize Social Security. For every year after full retirement age (66 or 67, depending on when you were born) that you postpone claiming until you reach age 70, the benefit goes up by 8 percent. For help deciding when and how to claim benefits, bone up on your options with one of the many new books on the topic, such as Kiplinger's Boomer's Guide to Social Security.

Lastly, regularly review your progress. Financial checkups, like medical ones, should be done every year.



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Government limits on mortgages are rising for the first time since 2006. For 2017, "conventional" loans — those that meet Fannie Mae and Freddie Mac qualifications — can be as much as $424,000, up from $417,000 for a single-family home. In some areas, including Boston, New York City, San Francisco, Los Angeles and Washington, DC, the limit will rise to $636,150, up from $625,000, and even higher in parts of Hawaii and Alaska.
Source: The New York Times

AT&T customers are getting refunds for "mobile cramming." FThat is the practice of adding monthly charges to mobile phone bills without the consumer's consent. Many of these charges were for texted horoscopes, ringtones, "fun facts" and similar content. Refunds will total more than $88 million — the most ever returned to customers in a mobile-cramming case. They are going to 2.7 million current and former AT&T customers under the terms of settlements with AT&T and with the companies behind two of the cramming schemes — Tatto and Acquinity. The average refund amount is $31 and will be distributed as a bill credit or a check in the case of former customers. For more information, contact the Federal Trade Commission, FTC.gov or 877-819-9692.
Source: FTC.gov

"Creditors have better memories than debtors."
— Benjamin Franklin

How Women Should Approach Retirement

By Anya Kamenetz, Tribune Content Agency

The stubborn gender wage gap is 80 cents on the dollar. Another way to put it is that women earn an average of $4 for every $5 earned by men in the exact same job. But the retirement income gap is even larger.

According to a new report by Merrill Lynch, the median income of women in retirement is just 58 percent of men's.

The good news is there are proactive decisions women can make to increase our chances of retiring comfortably.

■ Women live longer, so we should retire later.

A 65 year old American woman can expect to live to age 85.5, whereas a 65 year old man is looking at an average life expectancy of 83, according to federal statistics.

That in itself is a good case for working and saving a few more years.

■ We should start saving earlier. We're going to need that extra time for interest to compound. If you start saving $250 per month at age 25, assuming a modest 5 percent annual return, you'll retire at 65 with a stash of $383,500. If you wait just 10 years to start saving, you'll have a little more than half as much: $212,300.

■ We should trust our own judgment when it comes to savings.

Studies show that women are more likely to participate in employer-sponsored retirement plans, that they save more of their own income, that they are more likely to simplify investing and change the mix of stocks and bonds as they reach retirement, and that they make fewer trades overall. All of these tendencies are good news for retirement planning. So trust your gut here.

■ When it comes to caregiving decisions, make sure your partnership is a real partnership.

A wife who leaves her job to stay home with the kids is gifting her husband with great peace of mind. His children will be well taken care of and he'll have the flexibility to pursue his career and maximize his earning potential. That decision comes with an opportunity cost. With each year out of the workforce, skills go out of date, lifetime earning potential goes down, and women also lose out on the power of compounding interest when they skip contributing to their own retirement.

Of course, a breadwinner husband often chooses to provide for his wife's retirement by making her the beneficiary of his own retirement accounts and/or a life insurance policy, and by putting the family home in both of their names. But if the marriage ends in divorce, as about 4 in 10 will, that form of protection can end as well.

For that reason, when families are first talking over this decision, it would be a good idea to discuss putting some of the household income toward an Individual Retirement Account in the wife's name. Or if the woman earns some extra money on the side, she should sock some of it away under her own name.

Home Fix-ups Buyers Will Love

By Patricia Mertz Esswein, Kiplinger's Personal Finance

Planning to sell your home this spring? It's a good bet that if you've lived in your house a while and haven't remodeled lately that the kitchen, bathrooms or basement rec room could use updating. Your goal is to decide how much you're willing to spend before you set a price for your home and list it for sale. That means

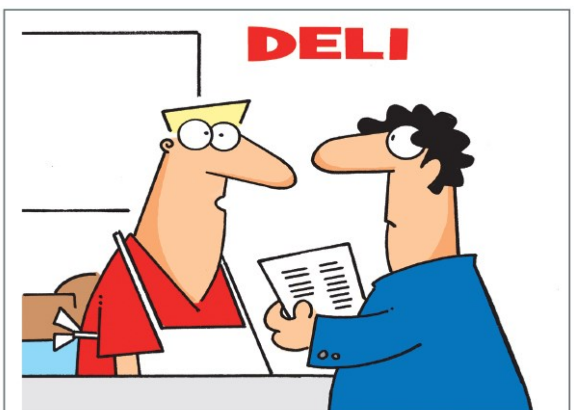
weighing supply and demand in your market, scoping out your competition, and strategically picking upgrades that will help sell the house and recover your costs.

Agents competing for your listing will give you a comparative market analysis, which includes listing information for properties for sale (or those that recently sold) that are similar to yours in size and number of bedrooms and bathrooms. The agents will then recommend the improvements that they think will provide the most bang for your buck — the quickest sale or the highest asking price. It's a good idea to verify their advice by attending open houses of comparable homes in your market.

Before you consider pricier projects, plan to declutter, depersonalize, clean and paint. Neutralize the decor of your home, eliminating a passé color scheme or anything that could turn off potential buyers, such as orange shag carpeting, faux-painting effects or custom murals. Many agents will provide or refer you to a stager, who will remove and arrange furniture to make rooms look bigger and improve traffic flow, or add furniture and decorative accents in a vacant house.

If something, say the roof, is in serious disrepair (and your home isn't a rehab or teardown), fix it if you can, even if you don't expect to get your money back. You'll avoid scaring away buyers or having the issue show up in the buyers' inspection.

If you anticipate that a major home system, such as a furnace, is reaching the end of its useful life, pay to have it inspected and serviced, says Denver agent Anthony Rael. Leave the contractor's report and bill on the kitchen counter for buyers to see. Rael also suggests that you consider buying a home warranty, which covers major appliances, wiring, and heating, cooling and plumbing systems. For about $400 to $600, it will protect you during the listing period if, say, an older appliance needs to be replaced, and it will reassure buyers that they will be protected for at least a year after they purchase the home. Real estate agents typically sell you the warranty or refer you to independent providers. (Check the warranty company's Better Business Bureau rating.) You can transfer the warranty to the buyer at closing for a nominal fee.



"The Politician's Lunch is a pork sandwich and we send the bill to your grandchildren."

Send money to foreign countries for less with these apps: Fees for money transfers abroad average 11% at banks, 6% at the US Postal Service and money-transfer firms and 4% at mobile-phone operators. New apps charge less — some are free. *Circle* has no charge to send or receive money but has a slow turnaround time of one to four days. Sending $1,000 by Circle would save $110, compared with sending it through a bank. Abra also is free, but there may be a fee to add money to an account, and recipients in the Philippines may incur fees for withdrawals. *Pangea* has no charge to receive money, $4.95 to send with a debit card, $5.99 to send when paying cash. *TransferWise* has no fees to receive, a 1% charge to send up to $5,000 and a 0.7% charge on anything above that. *Remitly* has no fees to receive money, but fees to send vary depending on the recipient's home country and desired speed. Other details vary widely, such as limits, available countries and method of receipt.
Source: CreditCards.com

"The money you have gives you freedom; the money you pursue enslaves you."
— Jean Jacques Rousseau

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Ask Kim: Can My Son Fund An IRA And A Roth 401(k)?

By Kimberly Lankford, Kiplinger's Personal Finance

Q: *My son, who is 23 years old and single, contributed the maximum $18,000 to his Roth 401(k) at work in 2016. His employer matched $9,000. Can he also make a tax-deductible contribution to an IRA?*

A: It's great that your son is maxing out his 401(k) at age 23! Anyone who participates in a 401(k) or other retirement plan at work can also contribute up to $5,500 to an IRA. But a contribution to a traditional IRA may not be tax-deductible.

Because your son is covered by a retirement plan at work, he can deduct a full $5,500 traditional IRA contribution only if his modified adjusted gross income for 2017 is less than $62,000; the right to deduct contributions gradually phases out as income rises to $72,000. There is no income limit for deducting traditional IRA contributions for those not covered by a 401(k) or other retirement plan at work.

For married couples filing a joint return who are covered by a company plan, the IRA deduction phases out as income rises between $99,000 and $119,000.

Even if your son is eligible to deduct traditional IRA contributions, he may want to contribute to a Roth IRA instead. Roth IRA contributions aren't deductible, but the money grows tax-free for retirement, and he can withdraw his contributions without penalty or taxes at any age. Because he's young and his income is likely to increase over time, pushing him into a higher tax bracket, the benefit of tax-free growth in the Roth IRA is likely to beat out the benefit of receiving a tax deduction for traditional IRA contributions now.

A full $5,500 contribution to a Roth IRA for 2017 is allowed when modified adjusted gross income was less than $118,000 if single, or $186,000 if married filing jointly. The allowable contribution is gradually reduced as income rises and disappears when it reaches $133,000 for singles, or $196,000 for married couples filing jointly.