

# NEWS You Can Use

retirevo

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## The Case for Reduced Debt in Retirement

Research conducted by the AARP Public Policy Institute concluded that Americans over the age of 50 carry credit card debt more than any other type of debt.



AARP's 2023 AARP Debt Survey questioned 7,400 adults over the age of 50. Of those surveyed, nearly 61% of those with debt admitted to feeling that their debt level is a problem. 16% indicated that their debt is profoundly impacting their lives. These adults cited various reasons for their high levels of debt, including rising housing costs

and vehicle maintenance. Some have taken on more debt due to early retirement or loss of employment due to disability or chronic illness.

Over a third of adults over 50 carrying debt report feeling stress and depression as they deal with these issues.

The mental impact is worsened by cut backs on vacations and essentials, and saving less for retirement. 68% of survey participants believe debt has hampered their efforts to save.

[aarp.org/pri/topics/work-finances-retirement/financial-security-retirement/older-adults-debt-survey.html](https://aarp.org/pri/topics/work-finances-retirement/financial-security-retirement/older-adults-debt-survey.html)

[nerdwallet.com/article/investing/social-security/debt-in-retirement](https://nerdwallet.com/article/investing/social-security/debt-in-retirement)

## Financial Facts



In 1913, the Federal Reserve Note was authorized as U.S. currency.

### President Andrew Jackson appears on the \$20 Bill.

Ironically, Jackson was vehemently opposed to paper money, believing only gold and silver should be used as legal tender.

Over two-thirds of all US \$100 bills are held outside the United States.

North Korea is the largest counterfeiter of US currency.

Dollar bills can be folded at least 8,000 times, which is 20x more than a normal sheet of paper.

Today's pennies are only 2.5% copper, with the remainder being 97.5% zinc.

The average lifespan of a coin is 25 years, according to the U.S. Mint

<https://www.theprairiehomestead.com/2024/04/best-mulch-for-vegetable-garden.html>

## The 1031 Exchange: What It Is and How it Works

A 1031 exchange, as described in section 1031 of the IRS Code, is an effective way for a real estate investor to defer capital gains taxes when they sell an investment property. By using a 1031 exchange, you will pay zero taxes on an investment you sell as long as you use the gains to purchase another "like-kind" property.

underperforming properties or transitioning from single-family properties to multifamily projects.

1031 exchanges won't benefit every real estate investor. There are many specific rules to which you must rigidly adhere, and it's easy to make a mistake that could cause your deal to go



When properly structured and administered, a 1031 exchange is a powerful and efficient tool for investors. It lets them change the focus of their portfolios while legally deferring their capital gains taxes. A 1031 approach means real estate investors can free up cash needed to expand their portfolios. Using 1031s also gives investors a means of more easily divesting themselves of

sideways and cost you a lot of money. Consulting with a qualified tax attorney or CPA who has specific experience with 1031s can ensure the intended outcome: tax deferral and growth of your real estate portfolio.

[investopedia.com/financial-edge/0110/10-things-to-know-about-1031-exchanges.aspx](https://investopedia.com/financial-edge/0110/10-things-to-know-about-1031-exchanges.aspx)

## Father's Day Dad Jokes



"When does a joke become a dad joke? When it becomes apparent."

"What did the fish say when he hit the wall?  
Dam."

"What did the ocean say to the beach? Nothing, it just waved."

"How do you get a squirrel to like you? Act like a nut."

"That car looks nice but the muffler seems exhausted."

"I used to play piano by ear. Now I use my hands."

"Did you hear about the guy who invented the knock-knock joke? He won the 'no-bell' prize."

"What's a robot's favorite snack? Computer chips."

"Mountains aren't just funny. They're hill areas."

[countryliving.com/life/a274524/12/best-dad-jokes](http://countryliving.com/life/a274524/12/best-dad-jokes)

## Could the Windfall Elimination Provision Affect Your Social Security Payments?

The "windfall elimination provision" (WEP) is generally associated with government employees or those who worked overseas, but applies to anyone with "non-covered" pensions. Non-covered pensions refer to retirement disbursements from employers who did not withhold Social Security taxes from their employee's paychecks.

WEP, which applies to employees who receive pensions from employment where the company did not take Social Security taxes from their paychecks, and government pension offsets. (GPO)

To be exempt from the WEP, you must have worked more than 30 years in other jobs



Unfortunately, many people in this situation don't realize that their employer did not withhold Social Security until it's time to apply for benefits. These employees will typically have any potential Social Security benefits reduced or eliminated. Many teachers will discover they are in this situation.

Two Social Security regulations apply in these situations: the

where your employer withheld Social Security taxes.

Working for 30 years in a private sector job where Social Security was withheld, then moving to a government job to work ten more years would meet the minimum thresholds, so in that case WEP would not apply.

[ssa.gov/pubs/EN-05-10045.pdf](http://ssa.gov/pubs/EN-05-10045.pdf)

## It Happened In ...



**June 5, 1723** – Adam Smith was born in Kirkcaldy, Scotland. He authored *An Enquiry into the Nature and Causes of the Wealth of Nations*, published in 1776.

**June 5, 1883** – John Maynard Keynes was born in Cambridge, England. He authored *The General Theory of Employment, Interest and Money* in 1936.

**June 14, 1777** – John Adams introduced a resolution before Congress mandating a United States flag, describing thirteen stripes to alternate red and white with thirteen stars, white on a blue field. This anniversary is celebrated as Flag Day.

**June 30, 1971** – The 26th Amendment to the U.S. Constitution was enacted, granting the right to vote in all federal, state and local elections to American citizens 18 years or older. The minimum voting age in most states had been 21.

<http://www.historyplace.com/specials/calendar/june.htm>

## American Anxiety Over Inflation Continues for Third Year in a Row

Gallup's annual **Economy and Personal Finance** poll, conducted **April 1-22, 2024**, indicates that for the **third year in a row** Americans cite the **high cost of living as the most critical threat to their financial well-being**.



41% of those polled name inflation as their primary concern, up from 35% in 2023 and 32% in 2022. Gallup has asked Americans annually since 2005 to name the top financial problem they're facing and inflation has topped that list for the last three years. Home ownership and renting costs ranks second on the list of concerns at a new high of 14%.

According to Gallup, inflation is particularly worrisome for

key subgroups such as older Americans, middle-income earners, and Republican voters. A declining standard of living, not having enough money in retirement, and unexpected medical bills are three economic matters Americans worry about the most. 36% of poll respondents

rated their personal finance situation as "only fair," with 17% saying their situation is "poor." A slim majority (52%) believe their finances are improving.

**While the government maintains the US inflation rate has declined since 2022, Americans' money concerns persist.** Inflation will be a crucial issue as the 2024 election approaches.

[news.gallup.com/poll/644690/americans-continue-name-inflation-top-financial-problem.aspx](https://news.gallup.com/poll/644690/americans-continue-name-inflation-top-financial-problem.aspx)