Prizant Group

RETIREMENT PLANS THAT "CLEARLY" WORK FOR YOU.

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Tighten Your Belt: To spend less money than you did before because you have less money.

Belts have holes that are used to make the belt tighter (or looser) around the waist. In difficult times people who had very little money were not able to buy as much food as usual and therefore they lost weight. Thus, they had to tighten the belt in order to keep their pants from falling down.

You would think, with prices as high as they are, that Americans would have tempered their enthusiasm for shopping of late; that they would have pulled back spending on luxury items; that they would have sought out budget and basic options, bought smaller packages, fewer

things.

This is not what has happened. Consumer spending rose 0.2 percent, after accounting for higher prices, in October, the most recent month for which the government has data. Online shopping jumped 7.8 percent over the Thanksgiving long weekend, more than analysts had anticipated. The sales of new cars, dishwashers, cruise vacations, jewelry—all things people tend to give up when they are watching their budget—remain strong. Consultants keep anticipating a recession precipitated by the "death of the consumer." Thus far, the consumer is staying alive.

People hate inflation, just not enough to spend less: This is one of the central tensions of today's economy, in which things are going great yet everyone is miserable. And in some ways, Americans have nobody to blame but themselves.

Three years ago, the pandemic gnarled supply chains around the world, leading to shortages of many consumer goods. At the same time, the American government transferred roughly $1.8 trillion to households in the form of generous unemployment-insurance benefits, an amped-up child tax credit, stimulus checks, and delayed or forgiven student-loan payments. Less supply, more demand—it was a recipe for higher costs.

Costs really rose. A dozen eggs went for $1.33 the summer after the pandemic hit; the price topped out at $4.83 last winter. Gas prices nearly tripled. Used cars started trading for as much as or even more than new cars. The cost of leasing an apartment surged. The cost of buying a house went up even more.

More recently, prices have been driven up, if more slowly, by the strong labor market. The unemployment rate is as low as it ever gets and has been for some time, with labor shortages in a number of sectors: air-traffic control, education, retail, trucking, police and public safety, nursing, plumbing, and electric. The tight labor market has forced employers to pay workers more, boosting wages, particularly at the lower end of the income spectrum. Real hourly earnings for workers in the tenth percentile of wage distribution went up more than 8 percent in the past three and a half years, the economists David Autor, Arindrajit Dube, and Annie McGrew found. And average wages have grown faster than average prices.

Sticker shock is real. And in surveys, people say that they are trading down because of cost pressures. But in fact they are spending more than

they ever have, even after accounting for higher prices. They're spending not just on the necessities, but on fun stuff—amusement parks, UberEats.

People just have a lot of money on hand. More broadly, they seem to be less likely to change their purchasing habits in response to price shifts—even when budgets are leaner. A raft of recent studies have found that American consumers have become less price-sensitive in recent decades. Households are using fewer coupons. People are spending less time mulling over what to buy when they're shopping.

Why? Maybe because, although prices of many consumer goods are higher than they were a few years back, they're still much, much more affordable than they were a few decades ago, thanks to globalized trade and manufacturing advances. (The price of a television has dropped more than 90 percent since the late 1990s.) Your grandparents might have gone to three different grocery stores to get the best deals. Would it really be worth it for you to do the same now? Maybe not. Especially not if you have a job. It used to be much more common for one partner in a marriage to make the money and the other to raise the kids and spend the cash. Today, working-age women are only a little less likely than men to be employed, giving them less time and energy to pinch pennies.

Another theory: Consumers might have become more brand-loyal, less willing to trade Coke for Squirt or Nike for Skechers. Perhaps that is because companies have gotten better at tailoring products to people's tastes. Perhaps it is just inertia: People get more stuck in their ways as they get older, as the average American has. You'll pay more for Starbucks coffee because you always get Starbucks coffee.

It should be good news that Americans are better off than they were pre-pandemic. It should be good news that people can afford more, even if prices are high. But then why is everyone so mad about prices? Higher prices are just vexing, making people do mental math every time they shop. Economists point to other psychological factors too: People seem to think of their swelling bank accounts as a result of their own hard work, but consider cost increases someone else's screwup. Nor do average consumers see inflation as something that might benefit them by, say, eating away at the value of their mortgage payments.

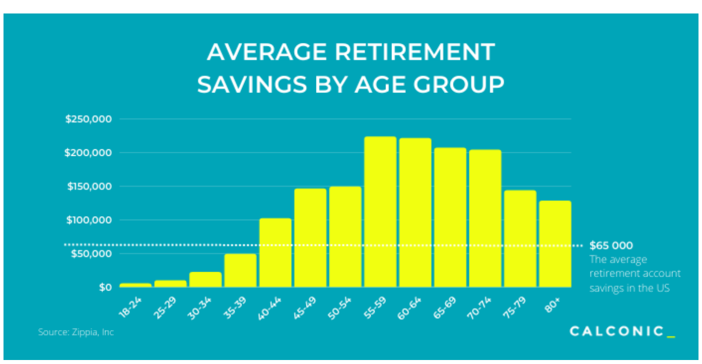
People want to blame Joe Biden for their bills. They want to accuse stores of gouging them (though the evidence for "greedflation" is scant). The strange truth is that most people really are in a more comfortable position, even if they're not happy about it. It's not like a weak economy, stagnant

wages, crummy consumer spending, and cheaper stuff would be better, after all.

American Consumer

As I look upon 2024, the Prizant Family will be going against the current of the American consumer. My wife has become a casualty of the short-sightedness of modern-day capitalism (and the ruthlessness of private equity) with the elimination of her position at the end of January. Her company's EBITDA (**EBITDA, or earnings before interest, taxes, depreciation, and amortization, is an alternate measure of profitability to net income. By including depreciation and amortization as well as taxes and debt payment costs, EBITDA attempts to represent the cash profit generated by the company's operations**. EBITDA needs to be around 18.33% per the standard private equity performance expectations. And when the PE (Private Equity) mavens spend $5.2 Billion, of which $2.5 Billion was debt obligations, you best believe that **"Heads Will Roll"** if projections are **NOT** being met!. Private Equity. In closing on the subject of EBITDA, I give you two of the most famous investors of all-time.

Munger/Buffet EBITDA



Can You Guess How Many Americans Successfully Retire With $1 Million Saved? The Percentage May Shock You

Saving for retirement is an essential goal for many Americans, but achieving the ideal savings target remains elusive for many. In 2023, the average American retiree had about $170,726 in

retirement savings, a decrease from $191,659 at the beginning of 2022. This 10% reduction is significantly lower than the recommended $555,000. Only 12% of retirees have achieved or exceeded this recommended savings amount.

The Challenge Of Insufficient Retirement Savings

A startling 37% of retirees report having no retirement savings, an increase from 30% in 2022. This lack of savings is attributed to various factors, including unplanned early retirement because of health issues, as experienced by 65% of retirees. A significant portion of retirees — approximately 71% — carry non-mortgage debt averaging $19,888, which includes medical debts and other expenses.

Only a small fraction of retirees — around 8% to 10% — have successfully saved $1 million or more. This figure highlights the substantial challenges many face in reaching such a lofty savings goal, with the majority of retirees falling well short of this mark. This situation underscores the need for more effective retirement planning and saving strategies.

Factors Impacting Retirement Planning

The retirement landscape in the U.S. has been shaped by multiple factors. Notably, 65% of retirees stopped working earlier than planned, with health concerns being a major factor. This premature retirement often results in lower overall savings. High inflation rates in recent years also have significantly affected the value of retirement savings. As a result, 83% of retirees reported that inflation impacted their retirement savings, with many experiencing major financial impacts. This economic environment has compelled retirees to reassess their living expenses, with 44% struggling to afford necessities like groceries, housing, utilities and medical expenses.

Retirees have expressed various regrets regarding their retirement planning. A majority admit they did not prepare adequately, with 51% acknowledging their lack of sufficient preparation. Common regrets include a lack of understanding about retirement savings, poor money management before retirement and underestimating the amount needed for a comfortable retirement. Many retirees also wish they had been more aggressive with their investments earlier in life.

As a result of these financial challenges, retirees have had to make significant adjustments to their lifestyles. Approximately 45% report a decline in their standard of living since retirement, leading to reduced spending on nonessential items like entertainment, travel and dining out.

Spending on essentials such as groceries, gasoline and healthcare has increased, reflecting the impacts of inflation.

Strategies For Achieving A Comfortable Retirement

Given these findings, it’s clear that achieving a comfortable retirement requires careful planning, consistent saving and strategic investment decisions.

Here are key strategies to consider:

Start saving early. Begin retirement savings early in your career to take advantage of compound interest.

Make regular contributions, even if they are small, as they can accumulate significantly over time.

Focus on debt reduction. Aim to reduce or eliminate high-interest debts, such as credit card balances.

Consider paying off mortgages before retirement to decrease monthly expenses.

Consult with a financial adviser for personalized advice tailored to your financial situation and goals. Financial advisers can help in creating a diversified investment portfolio to manage risk and maximize returns.

Contribute the maximum amount to retirement accounts like 401(k)s and individual retirement accounts (IRAs) to take full advantage of tax benefits and employer matches.

Spread investments across various asset classes to reduce risk. Include stocks, bonds, real estate and other alternative investments like art, which has seen has seen a 13.8% annualized return, surpassing the 10.2% from the S&P 500.

Regularly rebalance your portfolio to maintain the desired asset allocation.

Build an emergency fund to cover unexpected expenses. This prevents the need to withdraw from retirement savings prematurely.

Delay Social Security benefits. If possible, delay taking Social Security benefits until full retirement age or later to maximize the monthly benefit amount.

Retirement Savings

After 70+ years on this planet, I can unequivocally (i.e. leaving no doubt) say that the female gender is superior in all categories to the knuckle-dragging, pea-brain, testosterone driven male gender. (of which I am a reluctant member of), Men should be confined to "breeding corrals" and only let out at certain times of the year. I can assure you that the world would have fewer violent conflicts, more compassionate, governmental policies and bipartisanship, the erasure of mass murders, elimination of genocide, reduction in violent crimes, lessening of financial swindling, dramatic decrease in domestic abuse, sexual predators, human trafficking, prostitution, vastly improved health care, supportive programs for the elderly, funds directed towards infant care, preschools, after-school activities, and elementary education. On the business side, there would be better working conditions, stronger team building, less dogmatism, focus on collaboration, greater enhancement of listening skills, fairer compensation levels, and a "flattening out" of the archaic corporate structure.
Women

Sadly to say, U.S. women have relied on their male spouses to save for retirement. This has caused a serious gap in assets for their golden years. We, at **The Prizant Group**, are painfully aware of this ongoing situation. In our education meetings, we never forget to encourage our female audience to contribute to the retirement plan regardless of what their husbands say!. (**Note: We apply the same mantra to Common Law and Same Sex Marriages).** With the divorce rates running between 50% (1st marriage, 67% (2nd marriage) and 73% (3rd marriage), it behooves our "stronger gender" to take care of themselves. Additionally, with the increasing cost of living, a "solid marriage" will still need as much money as possible in their later years. It is our duty to end this monthly missive with the awe inspiring "I Am Woman" by Helen Reddy.

Women-Retirement Savings

I Am Woman

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