



# SOUTHERN CAPITAL SERVICES, INC.

*REGISTERED INVESTMENT ADVISOR SINCE 1982*

## NEWSLETTER

SEPTEMBER 2020 • VOLUME 28 • ISSUE 9

### Figuring Out When to Start Your Second Act

Many Gen Xers and baby boomers look forward to retiring on their terms. In such a circumstance, the key question becomes when to walk away from work. According to the Center for Retirement Research at Boston College, the average retirement age is now 65 for men and 63 for women. You may retire before or after that age, depending on a few critical factors, which can vary per individual.

First, what do you see yourself doing in retirement? If you have a strong, clear vision of what you want to do, then you might be mentally prepared to retire sooner rather than later. If your sense of identity and your friendships are linked to your career, you may want to put off retiring while working on that clear vision of the

future. A second factor is your health. This argument says to retire while you are still healthy rather than working until your health compels you to retire. The third is the nature of your job. If you do hard, physical work or work that cannot be done remotely, you may want to anticipate an earlier retirement compared to some of your boomer or Gen X peers. Fourth is the amount of retirement savings you have. Should you need to increase that amount, you could delay your retirement and postpone claiming Social Security retirement benefits. Even holding off on both for a year or two might give you more compounding and more monthly retirement income.<sup>1</sup>



### Could an Income Stream Run Right Through Your Home?

Millions of Americans are working from home these days, and you may be one of them. You also may be pleasantly surprised to learn just how much you might be able to earn working from home part time in retirement.

Recently, U.S. News noted 11 jobs that can be performed from home, all of which could provide a nice income boost for those seeking to supplement Social Security retirement benefits. Consulting and coaching come to mind, of course, but have you considered options such as appliance repair and transcribing? The pay is usually in the \$15-20 per hour range

for bookkeepers, customer service representatives, teachers, transcriptions, and virtual assistants (i.e., remote executive assistants) who work from home, but some virtual assistants with top-flight social media or coding skills earn in the \$50-75 per hour range. For freelance writers and proofreaders, \$30 per hour is typical, and the fee rises with experience, especially experience in a particular field. Workplace and management consultants currently earn a median pay of more than \$40 per hour. Any part-time work you take in retirement, of course, must be considered with regards to its potential impact on your Social Security benefits and tax picture.<sup>2</sup>



## On the Bright Side

The University of Georgia's Institute of Gerontology notes that Americans older than 70 seem to be coping well with the risks and stresses of the COVID-19 pandemic. In March and April, the Institute surveyed 833 U.S. adults, and 74% of the respondents aged 71 and older said that they were experiencing little to no stress from the pandemic, ranking the experience on par with the war years they had lived through.<sup>4</sup>

## The Market Has Been Correcting

*Terry E. Nager, CFP®. CLU®. ChFC®*

Corrections are never pleasant. They are part of the market process to determine "price discovery" – which is when a willing buyer and a willing seller agree on a price and a trade occurs. The market experienced phenomenal growth from the March 23 low to the September 2 high without a correction. That torrid pace was 56.66% over a 5 and 1/3 month period. Clearly this an unsustainable pace but not necessarily the end of the bullish run.

A correction is a way of bringing some sobering reality to an overly speculative market. However, it does not necessarily mean that the bull is over and a bear market is beginning. The fundamentals that drive the stock prices upward are the ultimate key to the sustainability. These fundamentals at this time remain strong. Job creation has been very powerful with over 10 million jobs created in the last four months and the unemployment rate falling to 8.4% according to BLS (Bureau of Labor Statistics).

The New York Fed (Federal Reserve Bank of New York) has forecast a GDP (Gross Domestic Product) growth rate of 15.6% for the third quarter - on an annualized basis, and the Atlanta Fed has forecast a 29.6% rate of growth. In either case a very robust recovery.

forecast a 29.6% rate of growth. In either case a very robust recovery. Other factors include strong corporate earnings, the probability of a Covid-19 vaccine by the end of the year or early 2021 and the possibility that the two political parties will come to terms on a stimulus package. Consequently, the bullish case has some strong arguments, but only time will unfold the actual story.

Now, the 800 pound gorilla in the room is the election. At this point the market does not seem to be trading on this potentially enormous event. Should that change, we have developed a strategy for dealing with a dramatic shift in the tax and regulatory policies environment. However, at this time economics is still ruling the markets, so we do not want to interfere. Please contact us with any questions or concerns.



## BRAIN TEASER

*Belle is visiting her father to bring him muffins, but her path crosses 8 magic bridges. At each bridge, a troll must take half of her muffins as payment; he also must give one muffin back. Belle knew about the troll toll in advance and didn't want to do any extra baking. How many muffins did she start the trip with, knowing that she would end up at her father's house with two muffins?*

### STUMPED?

CALL WENDY OR ERIC FOR THE ANSWER!  
251-626-1140

#### CITATIONS

1. USA TODAY, July 22, 2020
2. U.S. News & World Report, July 1, 2020
3. The Conversation, March 3, 2020
4. University of Georgia, July 21, 2020

Except for the article by T.E. Nager, this material was prepared by MarketingPro, Inc. and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of an appropriate professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. The information presented by Mr. Nager is for informational and educational purposes only, not investment advice. Additionally, this newsletter contains information that might be dated.