

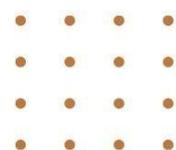
THE 2025 FINANCIAL SURVIVAL GUIDE:

ESSENTIAL STRATEGIES FOR RETIREES TO SAFEGUARD THEIR INVESTMENTS



2025

By Douglas Goldstein, CFP®



The 2025 Financial Survival Guide:

Essential Strategies for Retirees to Safeguard Their Investments

Douglas Goldstein, CFP®



Pittsburgh

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Published by Southern Hills Press, Pittsburgh, PA, USA

Cover design conceived by Cassidy Hermanowski and Douglas Goldstein, image by ChatGPT

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About the Author

Douglas Goldstein, CFP®, is the founder and director of Profile Investment Services, Ltd.

Since 1997, Doug's Israel-based company has been helping people living in Israel open and maintain U.S. investment and retirement accounts. Frequently, folks who receive an inheritance, are planning for retirement, or just need help with their stocks, bonds, and mutual funds, call him for assistance.

In 1992, Doug began his career on Wall Street at Dean Witter. After developing a successful practice in New York, he moved with his wife and family to Israel.

Doug is accredited by both the American and the Israeli securities authorities. He holds the designations of Certified Financial Planner™ in the United States, Registered Investment Advisor, Global Financial Planner, and Trust and Estate Practitioner.

Doug has taught undergraduate and graduate courses on investing. His advice appears in the weekend edition of *The Jerusalem Post*, and he hosts a weekly financial podcast, *The Goldstein on Gelt Show*, designed for Americans living in Israel. He is the author of the book *Building Wealth in Israel: A Guide to International Investments and Financial Planning*, co-author of the best-selling *Rich As A King: How the Wisdom of Chess Can Make You a Grandmaster of Investing*, and several others as well.

Why This Guide Matters to You

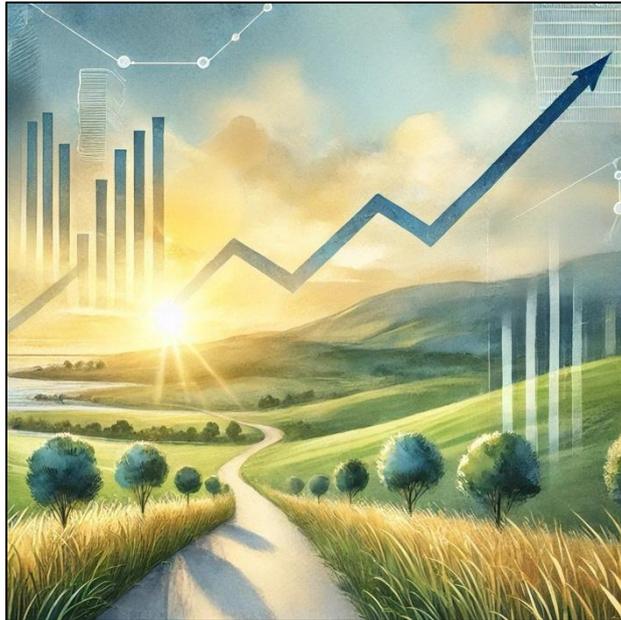
Managing money isn't just about numbers—it's about your life, your family, and your future. For retirees, especially those navigating the complexities of cross-border finances, the challenges can feel overwhelming. Between tax laws, investment management, and retirement planning, it's easy to get lost in the details.

We created this guide to cut through the noise and give you practical strategies to tackle these challenges head-on. *The 2025 Financial Survival Guide: Essential Strategies for Retirees to Safeguard Their Investments* is designed to be your go-to resource for dealing with inflation, protecting your investments in volatile markets, and preserving wealth across borders.

The financial landscape has never been more dynamic. Markets shift quickly, tax laws evolve, and retirees today face a mix of new hurdles and opportunities. But with the right tools and strategies, you can turn these challenges into stepping stones toward financial security and peace of mind.

Inside, you'll find actionable advice to help you navigate the year ahead with clarity and confidence. Whether it's safeguarding your portfolio, planning for changing costs of living, or adapting to new regulations, this guide is here to help you build a plan that works.

Note: This book is for educational purposes only and is not intended as financial, legal, or tax advice. Please consult a professional for your specific situation.



Retirement in 2025

Preparing for 2025 – A Crucial Year for Retirees

2025 is just around the corner, and with it comes a fresh set of challenges for your money. Think of Winston Churchill during the uncertain days of World War II. With no guarantees of what lay ahead, Churchill famously said, “Plans are of little importance, but planning is essential.” He understood that while we can’t predict the future, preparation gives us the resilience to face it.

For retirees living in Israel, navigating these uncertain times isn’t about following cookie-cutter advice—it’s about creating a plan tailored to your unique situation. Like Churchill’s strategic adaptability, balancing the opportunities ahead with the risks you can’t ignore takes a thoughtful and flexible approach. While no one has a crystal ball, being prepared and proactive puts you in a stronger position to handle whatever 2025 throws your way.

The Hidden Forces Eating Away at Your Savings

America’s investment scene is like your grandmother’s brisket recipe—resilient, reliable, and usually able to bounce back no matter what. But even brisket has its limits if you forget to watch the oven. Inflation, for instance, is like the neighbor who borrows a cup of sugar and never returns it—slowly but surely taking away from what’s yours. And with global supply chains still out of sync, those dollars you converted to shekels last year aren’t stretching quite as far.

Take your grocery bill. Last year, \$500 worth of shekels might have stocked the fridge and pantry with everything from hummus to schnitzel. Now? It feels like you’re debating whether

to buy the chicken or the eggs. That's not just some abstract concept called "inflation"—it's personal.

Of course, it gets more serious when you think about geopolitics. In Israel, we don't just read about political tensions; we live them. While global conflicts might feel like background noise, those ripple effects can still hit your portfolio. Think of your investments as your financial *ark*—when storms brew, it's what keeps you afloat. The good news? You don't have to drift aimlessly. With the right strategy and a steady hand, you can navigate whatever the markets throw your way.

So, whether you're battling rising prices or riding out global turbulence, remember: staying informed and prepared is the key to keeping your financial house in order—and ensuring your matzah ball soup always has an extra matzah ball or two.

Cybersecurity: An Increasingly Critical Concern

The digital age has brought unprecedented convenience, but it also comes with new threats. Cyberattacks on financial accounts are becoming more sophisticated and frequent. Protecting your wealth now means more than diversifying your assets; it also requires robust digital defenses.

Strengthening your online security with strong, unique passwords and enabling two-factor authentication won't make your accounts invincible. However, **these measures act like extra locks on your doors, deterring most intruders and adding crucial layers of protection.** Staying vigilant online is as important as monitoring your investments.

Don't Let Currency Swings Derail Your Retirement Plan

Living in Israel while holding U.S.-based investments can feel like walking a financial tightrope. You're spending shekels, but your savings are in dollars. What happens when exchange rates swing wildly? Suddenly, your hard-earned money might not pay for as much as you'd planned. It's a tricky situation, but here's the bottom line: **keeping your investments in the U.S. could be the most powerful step toward a rock-solid retirement.**

Let's get one thing straight—trying to predict currency movements is a losing game. Markets move for reasons no one can fully foresee. But there's a smarter way. **If you need to move dollars to shekels, don't exchange it all at once.** Converting gradually over time lets you ride the ups and downs of the market without being wiped out by a bad rate. Think of it like dollar-cost averaging for your currency exchanges—it's a strategy that spreads the risk and keeps you in control.

The key here isn't chasing perfection. It's about creating a plan that works even when markets don't cooperate. **This isn't just about today's rates—it's about securing your financial future, one smart decision at a time.** Stay strategic, stay calm, and keep reading to learn how to make your money work harder for you.

Adapt or Risk Falling Behind: The New Rules for 2025 Investing

The financial world is constantly changing, and holding on to outdated investment strategies could leave your retirement savings exposed. In the past, a fixed asset allocation might have been enough to keep your portfolio steady. However, 2025 is a different game—it demands **flexibility and a willingness to adapt**. No plan is risk-free, but staying open to change can help you weather the unexpected.

Take one retiree I worked with. He stuck to the same asset allocation for years because it had worked well in calmer markets. But as the economy shifted and volatility increased, his once-solid strategy started to crack. When we reassessed his portfolio and introduced more diversification, he regained balance. It wasn't about eliminating risk—it was about **positioning his investments to handle whatever came next**.

Here's the key: **adaptability isn't optional—it's essential**. Staying locked into yesterday's plan won't help you navigate tomorrow's challenges. The markets will change, but with a flexible strategy, you'll be ready to respond and protect what you've worked so hard to build.

The Secret to Outsmarting Market Panic

Keeping up with financial news is like checking the weather—you need to know if a storm's brewing. But reacting to every headline? That's like canceling your picnic because someone *might* see a cloud. Markets move all the time for reasons even the experts don't fully understand, and making knee-jerk decisions based on the latest drama can sabotage all the progress you've worked so hard to build.

Ever feel the urge to “fix” your investments after reading a doomsday article? Join the club—it's human nature. But guess what? Your financial goals, not the headline of the day, should be in the driver's seat. Sometimes the smartest move is to do absolutely nothing, even when it feels like every pundit is yelling, “Sell! Buy! Panic!” Staying calm and sticking to your plan is how you keep building stability, even when the market behaves like traffic on an Israeli highway—fast, chaotic, and full of surprises.

When the news rattles the market, ask yourself: *Does this actually change my plan, or is it just noise?* Smart investing isn't about chasing every shift. It's about staying focused, disciplined, and confident enough to know when to sit still. Because in the long run, patience beats panic—and you can still enjoy the picnic.

How to Protect Your Wealth and Sleep Better at Night in 2025

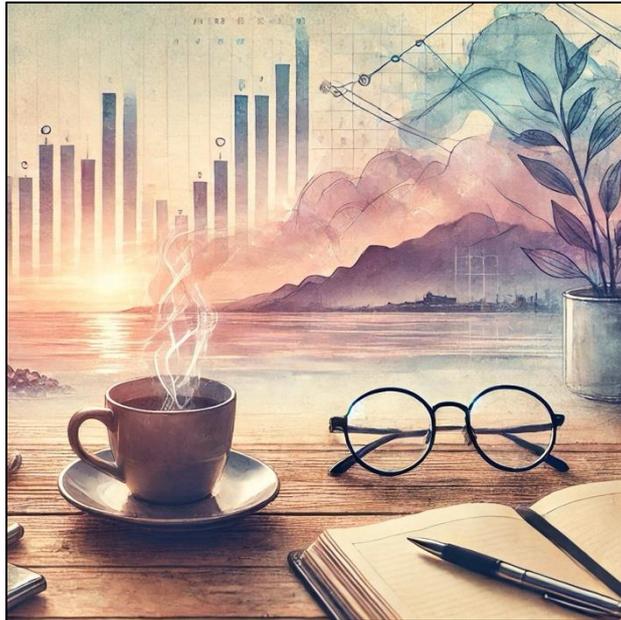
Retirement today isn't just about stepping back from work—it's about stepping into a whole new phase of life that demands **resilience and readiness**. With 2025 on the horizon, the financial landscape is changing, and retirees must adapt to challenges that weren't on the radar a decade ago. This guide is your roadmap for navigating those twists and turns. It's not filled with cookie-cutter advice—it's packed with **real, actionable strategies tailored for today's economy**.

The goal? **To help you safeguard your wealth, keep growing your savings, and sleep better at night.** By the end of this book, you'll have a financial toolkit designed to protect your wealth, prepare for the unexpected, and build a plan that's steady and adaptable. **No strategy can erase every risk, but it can give you the confidence to move forward with clarity and control.** Retirement isn't just a destination—it's a 30-year journey that deserves more planning than your last one-week trip to Eilat. Let's face it: if you spent hours debating between a hotel with breakfast or a cheaper Airbnb, shouldn't you put at least that much thought into how you'll fund the next few decades?

Guidance, Not Guarantees

This book is packed with insights to help you navigate retirement, but it's a starting point, not a personalized plan. Think of it as the foundation for informed conversations with your financial, tax, and legal advisors. **Your situation is unique, and a one-size-fits-all approach just won't cut it.**

The strategies and ideas here are designed to give you a framework—a big-picture view—but the real power comes when you sit down with qualified professionals who understand your specific goals and challenges. An experienced advisor can tailor these concepts to fit your financial journey, helping you avoid pitfalls and make the most of the opportunities ahead. Use this book as your guide, then take the next step by building a customized plan with your team of advisors. That's how you turn smart strategies into a secure, fulfilling retirement.



Chapter 1

Building Resilience: Retirement Income Strategies for Changing Times

As we head into 2025, retirees face a financial landscape that demands both flexibility and foresight. Take Benjamin Franklin, who famously said, “When you’re finished changing, you’re finished.” Franklin, a master of reinvention, understood that **adapting to new realities is the key to progress—and that’s just as true for managing your finances.**

Interest rates remain a moving target—sometimes dropping, sometimes climbing—and inflation could reshape how far your money goes. Strategies that once seemed rock-solid may now need a fresh perspective to stay relevant in today’s evolving world. If you’ve spent years building your investment portfolios, you might feel that the financial environment is presenting new hurdles. But as Franklin might remind us, embracing change with small, deliberate adjustments can help you maintain stability, protect your purchasing power, and thrive in an uncertain future.

Adapting to Changing Interest Rates: Practical Strategies for Steady Income

In this chapter, we’ll explore practical strategies to navigate these shifting financial realities:

- **Finding income in a changing interest rate environment** by considering investments like dividend-paying stocks, REITs, and short-term bonds.
- **Refreshing your bond strategy** to create a mix of bond types and durations that can weather interest rate fluctuations.
- **Using laddering techniques** with bonds or CDs to maintain flexibility while giving you regular access to cash.

By the end, you'll have some solid ideas to adapt your portfolio, explore diverse income options, and stay ready for whatever the economy throws your way. Let's dive in and build a strategy that works for you.

Outsmart Inflation: How to Keep Your Retirement Funds Strong

Inflation isn't loud or dramatic, but it quietly eats away at your purchasing power, and the effects add up over time. **Think of it as a steady drip—small at first, but eventually leaving a noticeable dent in your budget.** Essentials like healthcare, groceries, and housing often rise in cost faster than general inflation, creating an extra strain on retirees living on fixed incomes. **If you're not planning for it, inflation can silently squeeze your finances.**

Plan Ahead for Rising Essentials

Essentials like healthcare and housing are some of the biggest inflation culprits. Their costs often rise faster than other expenses, so **you'll need to budget for these increases to stay ahead.** For example, if healthcare typically climbs by 5% a year, setting aside an annual "inflation buffer" can help prevent unpleasant surprises. **Track these costs in your budget and adjust yearly to stay prepared.**

Adjust Your Withdrawal Strategy

If you're withdrawing a fixed percentage from your retirement savings every year, inflation can sneak in and reduce your purchasing power over time. **A smarter approach? Adjust withdrawals based on your actual spending needs.** During high-inflation years, try to keep your spending as steady as possible and consider scaling back withdrawals slightly to preserve your savings for the long haul. **Small adjustments now can mean more financial stability down the road.**

Use Investments That Fight Back

While no investment fully shields you from inflation, certain assets tend to hold up better than others. **Inflation-linked bonds, dividend-paying stocks, and real estate can offer some resilience against rising costs.** By diversifying your income sources across these types of investments, you're better equipped to handle the pressure of higher prices. **The goal isn't to eliminate inflation's impact—it's to balance it out and protect your financial future.**

Inflation may be inevitable, but with smart planning and thoughtful adjustments, you can stay ahead of it and keep your retirement on track. **The key is preparation, diversification, and a willingness to adapt.** Don't let the drip-drip of inflation erode your peace of mind—plan now to stay in control.

Social Security and the COLA Dilemma

Social Security's Cost of Living Adjustment (COLA) is designed to help retirees keep pace with inflation, but **it doesn't always reflect the costs that hit retirees the hardest.** COLA is tied to the Consumer Price Index (CPI), which doesn't fully account for rising expenses like healthcare. **If your benefits increase by \$40 but healthcare jumps by \$75, that extra cash from the government pension can feel like a drop in the bucket.**

Even in Israel, where retirees benefit from a world-class healthcare system, there are often out-of-pocket expenses. Whether it's for tests, procedures, or skipping the public waitlist to pay privately, **having extra funds available can make all the difference when you want or need care quickly.**

Delay Social Security for Bigger Benefits

If you can afford to wait, **delaying Social Security benefits until age 70 can be one of the most effective strategies for combating inflation** and securing a stronger financial foundation in retirement. Here's why: for every year you delay claiming benefits past your full retirement age (typically 66 or 67, depending on your birth year), your monthly payment increases by approximately 8%. This is known as the delayed retirement credit, and it can result in a significantly larger monthly check for the rest of your life.

The Social Security Administration (SSA) designed this system to be actuarially neutral, meaning that over a lifetime, the total amount you receive is roughly the same whether you start benefits early or wait. If you claim at age 62, the earliest age eligible, you'll receive smaller payments, but for more years. If you delay until 70, you'll collect fewer checks overall but at a much higher monthly rate. For most people who live an average lifespan, these two options often balance out. However, where **it can make a difference is in inflation protection and longevity planning.**

A larger monthly benefit provides more financial security as costs rise in retirement, especially since Social Security's annual cost-of-living adjustments (COLA) may not fully keep pace with inflation in critical areas. Additionally, for those who live well into their 80s or 90s, delaying benefits can be a safeguard against outliving other income sources.

Of course, this strategy isn't feasible for everyone. If you need Social Security income as soon as possible, starting earlier might be your best or only option. But if you have alternative income streams—such as savings, a pension, or part-time work—to cover your expenses in the meantime, waiting could be a smart move. It's a personal decision that depends on your financial situation, health, and goals, but for many, the payoff of delaying is worth the wait.

Use COLA as a Budgeting Tool

Think of COLA increases as a chance to recalibrate your spending. **Each year, review which costs have risen the most and adjust your budget to reflect those changes.** If necessary, look for areas where you can trim discretionary expenses to free up funds for essentials. Small fixes can help you stay ahead and create breathing room for unexpected costs.

The bottom line? **Social Security can provide a solid foundation for retirement, but it's not sturdy enough to support your financial future on its own.** By supplementing your income, delaying benefits where possible, and staying proactive with your budget, you can build a stronger financial plan that keeps up with life's rising costs.

REITs, Dividends, and More: Creative Ways to Boost Your Retirement Income

The Federal Reserve's decisions on interest rates ripple across the economy, affecting the returns on traditionally "safe" investments like bonds and savings accounts. For retirees, this often means seeking alternative sources of income. **It's like finding that your once-dependable well now delivers only a slow trickle.** Adjusting your portfolio helps ensure income stability.

Regularly reviewing your asset allocation can maintain balance as rates and returns shift. Low interest rates may affect different investments in unique ways, so consider your mix of stocks, bonds, and other assets each year. This practice aligns your portfolio with your goals and risk tolerance, allowing for timely adjustments.

Incorporating dividend-paying stocks can provide an additional income stream but involves taking on market risk. By blending dividend-paying stocks with other investments, you can pursue a moderate yield without relying exclusively on the stocks for income. This balanced approach can reduce the overall risk of your income sources.

Exploring options like REITs (Real Estate Investment Trusts) and real assets, including rental properties, may add inflation-resilient income to your portfolio. While these assets offer potential income, they come with unique risks and should complement, not replace, other income sources. On top of that, **retirees often don't want to find themselves back at work as a landlord.** They may like the idea of property, but they don't want the hassle of dealing with tenants. That's when they should investigate REITs. A REIT is like a mutual fund for real estate. Instead of buying a building yourself, you invest in a REIT, which owns and manages income-producing properties—think shopping centers, apartments, or office buildings. The best part? REITs are legally required to pay out at least 90% of their income to investors, so you can earn steady dividends without being a landlord. It's real estate investing made simple!

Using REITs as part of a broader strategy provides income diversification, though careful planning is essential to avoid taking on too much risk.

Action Steps for Building a Resilient Retirement Income Plan

- **Review and Diversify Income Sources:** Evaluate your current investments and income streams. Consider adding assets like dividend-paying stocks, REITs, or short-term bonds to create balance and reduce reliance on a single income source.
- **Create an Inflation Buffer:** Build a budget that accounts for inflation, especially in essentials like healthcare, housing, and groceries. Set aside a buffer each year to help absorb rising costs.
- **Adjust Your Withdrawal Rate:** Regularly review your retirement withdrawals to align with inflation and actual spending needs. Adjustments, especially in high-inflation years, can extend your savings over the long term.

- **Maximize Social Security Benefits:** Use the annual COLA as a prompt to review your expenses. Consider delaying Social Security benefits, if possible, to increase your monthly payments and help counter future inflation.
- **Monitor Your Portfolio Regularly:** Revisit your asset allocation each year to ensure it aligns with your goals, risk tolerance, and the changing economic landscape. Regular reviews keep your plan flexible and adaptable.

With these steps, you're building a retirement plan that's resilient, adaptable, and ready for future challenges and opportunities.



Chapter 2

Stop Cybercriminals Cold: Essential Tips for Retirees

Don't Let Cybercriminals Steal Your Retirement

In 2010, the world learned about a cyberweapon so advanced it could have been lifted straight from a spy novel. Called Stuxnet, this sophisticated computer worm targeted Iran's nuclear program, disabling centrifuges used to enrich uranium and setting back their progress by years. Unlike most malware, Stuxnet wasn't designed to steal money or data—**it was crafted to infiltrate the physical systems controlling Iran's nuclear facilities, causing machines to malfunction while everything appeared normal.** It was surgical in its precision, a feat of cyber warfare that stunned the world.

While no one has officially taken credit, experts believe the operation was a joint effort by Israel and the United States, showcasing Israel's unparalleled ingenuity in the tech and intelligence sectors. Stuxnet demonstrated how hackers—when working with a purpose—could achieve what might have taken years of conventional warfare to accomplish. But it also underscored a sobering reality: if such a sophisticated tool could be used against a well-guarded program, what could less principled hackers do to more vulnerable targets?

Today, cybercriminals are adapting the same ingenuity for far less noble ends. Retirees, with their significant savings and sometimes limited digital familiarity, have become attractive targets for phishing scams, ransomware, and identity theft.

The good news? You don't need the resources of a nation-state to protect yourself. A few thoughtful steps can dramatically reduce your risk and help you stay one step ahead of online threats. Financial security now goes beyond managing dollars and cents—it's about safeguarding your assets and your peace of mind. Let's explore practical, no-nonsense

strategies to secure your retirement in a digital world where even the cleverest hackers are at work.

Retirees as Cyber Targets: Why the Risk is Real

Cybercriminals see retirees as “**low-tech, high-value**” targets, meaning they assume you’ve built up valuable assets but may not be as familiar with online threats. **That makes you a bullseye for scams designed to steal your hard-earned savings.**

Common attacks include phishing scams—those sneaky emails that **look like they’re from your bank or a trusted source** but are designed to steal your personal information. Then there’s ransomware, which can **lock you out of your own computer or device until you pay up.**

You don’t have to be a tech genius to protect yourself. By staying aware of these threats and learning how to spot and respond to them, **you can stop scammers in their tracks and keep your retirement secure.** Let’s dig into how to build strong digital defenses and take control of your online safety.

Common Cyber Threats Targeting Retirees

Phishing Scams

Phishing scams are one of the most common forms of cyber threats, and they often begin with an email that looks like it’s from a legitimate institution, such as a bank. Imagine receiving an email that looks like it’s from your bank, complete with a logo and an urgent message asking you to “verify your account to prevent suspension.” These scams play on fear and urgency, hoping you’ll act quickly without taking time to verify. **If you click the link or provide personal information, scammers can use it to access your accounts or steal sensitive data.**

Spotting phishing emails often comes down to noticing small inconsistencies, like unusual wording or slight misspellings. **Whenever you feel pressured to act quickly on an email, take a moment to pause and verify the source.** Instead of clicking links, **call your bank or institution directly** using a number you know is legitimate, not the number in the suspicious message. This approach lets you address potential issues without risking your information.

Fun Fact: Did you know the term “phishing” was coined in the mid-1990s by hackers targeting AOL users? Back then, these scammers “fished” for victims by sending fake messages to trick them into sharing their passwords. The quirky “ph” spelling comes from the hacker culture of the time, borrowing from “phone phreaking,” an early hacking method used to manipulate telephone systems. Today, phishing has become a global menace—statistics show that over 3.4 billion phishing emails are sent every day, making it one of the most common cyber threats worldwide. So, while the term has a playful origin, the threat it represents is anything but a joke.

Identity Theft

Think of identity theft as someone pretending to be you for financial gain. By using stolen information like Social Security numbers or banking details, scammers can apply for loans or open accounts in your name, often without you noticing until it's too late. Regularly reviewing your bank statements and credit reports can help you spot suspicious activity early, giving you a chance to act before the situation worsens.

While it's impossible to eliminate all risks of identity theft, being cautious about where and when you share sensitive information can make a significant difference. If you see any unfamiliar activity in your accounts, contact your financial institution promptly to investigate.

Ransomware

Ransomware is a type of cyber-attack where hackers lock you out of your files or devices, demanding payment for access. Imagine logging into your computer one morning only to see a message that your files are “encrypted” and inaccessible unless you pay a ransom. While no security measure can fully guarantee protection from ransomware, there are proactive steps you can take to minimize its impact.

1. **Regular Backups:** By consistently backing up important files, you can avoid paying a ransom and restore your data from a safe copy if an attack occurs.
2. **Updated Security Software:** Using up-to-date security software adds an essential layer of protection, helping to identify and block ransomware before it takes hold.
3. **Awareness and Caution:** Avoid opening suspicious emails, links, or attachments, as many ransomware attacks begin with phishing schemes. Being vigilant online is a vital first line of defense.

While no approach is completely foolproof, regular backups, updated security software, and cautious online behavior can greatly reduce the risks and help you recover from a ransomware incident.

Fun Fact: Ransomware might sound like a modern cybercrime, but its roots go back to 1989. The first known ransomware attack, called the “AIDS Trojan,” was spread using floppy disks (remember those?) sent to researchers under the guise of educational software. Victims were instructed to send \$189 to a P.O. box in Panama to unlock their files. Today, ransomware is a multibillion-dollar criminal industry, with attacks happening constantly around the world. Some ransomware demands have even reached tens of millions of dollars, and payments are often requested in cryptocurrencies like Bitcoin. From floppy disks to Bitcoin wallets, ransomware has certainly “evolved” with the times.

Building Strong Passwords: Your First Line of Defense

Passwords are like keys to your digital life, and weak passwords—such as “password123” or the name of your pet—are easy for hackers to guess. Despite the growing awareness of

cybersecurity risks, many people still rely on simple, easy-to-guess passwords that leave them highly vulnerable to online attacks. It's hard to believe, but recent studies reveal that people still rely on astonishingly predictable passwords like:

- 123456
- password
- abc123

These straightforward passwords are weak defenses against cyberattacks, as bad guys can crack them almost instantly. Using unique, complex passwords is essential to protect personal data and online accounts.

A strong password, combining uppercase and lowercase letters, numbers, and symbols, acts as a unique key that's much harder for hackers to crack. **For maximum security**, aim for at least 12 characters, as longer passwords are more resistant to unauthorized access attempts. **Choose random combinations or phrases** that are meaningful to you but hard for others to guess, steering clear of easily identified information like your name or birthdate.

Here are three practical suggestions for creating strong passwords:

1. **Use Song Lyrics or Poems:** Take the first letter of each word in a line from your favorite song or poem. For example, "Twinkle, twinkle, little star, how I wonder what you are" becomes "**TtIsHiwwya!**"—easy for you to remember but tough for others to guess.
2. **Create a Unique Pattern on Your Keyboard:** Try a sequence that forms a unique shape or pattern on your keyboard. For example, a zigzag across the keyboard with upper and lowercase letters, numbers, and symbols. This way, it's memorable but random.
3. **Use a Passphrase with Symbols:** Choose a random phrase and add symbols or numbers between each word. "Walk!The!Dog!At7!" is long, unique, and more secure than a single word, with the bonus of being easier to remember.

These methods help create strong, memorable passwords that add layers of protection. *Just remember—not to use "TtIsHiwwya!" or "Walk!The!Dog!At7!" as your password. Now that it's in print, even the hackers have it memorized!*

Password manager

Using a password manager can make it easier to keep track of multiple complex passwords. This tool securely stores and organizes your passwords, so you only need to remember one master password. **While no password or manager is perfect, these measures help reduce your exposure to potential breaches.**

Adding a Second Layer with Two-Factor Authentication

Two-factor authentication (2FA) is like adding a second lock to the door. Even if someone guesses your password, he still can't access your account without a unique code sent to your phone or email. **It's a small step that significantly reduces the likelihood of unauthorized access**, particularly for accounts containing personal or financial information.

For example, imagine scammers manage to obtain your email password. If you have 2FA enabled, they'd still need the code sent to your cell phone (which presumably they don't have), making it far more difficult for them to access your account. **Enabling 2FA wherever possible**, especially for critical accounts, is one of the most effective ways to secure your information.

Keeping Your Devices Updated and Protected

Staying updated on software might seem like a small task, but it's one of the simplest and most effective ways to protect your devices from cyber threats. Software developers release updates to patch security vulnerabilities and defend against new threats, so skipping updates is like leaving the doors and windows of your digital home wide open. Hackers actively exploit outdated software to steal data, install malware, or launch ransomware attacks.

By keeping your devices updated, you're closing those gaps and strengthening your defenses. Updates ensure your sensitive information—like passwords and financial data—stays safe while protecting against the latest tricks cybercriminals use. Best of all, many devices allow you to enable automatic updates, making security effortless.

Antivirus software

In the late 1980s, as personal computers began appearing in homes and offices, a programmer named John McAfee made headlines for tackling a growing problem: computer viruses. At the time, viruses were a mysterious and terrifying threat, capable of corrupting systems and spreading quickly. McAfee created the first widely available antivirus software, a program that could scan for and eliminate malicious code. His innovation revolutionized cybersecurity and made him a pioneer in the fight against digital threats.

Today, antivirus software is still just as essential as it was in McAfee's day. Think of it as **your digital bodyguard**, scanning your computer for known threats like viruses, malware, and spyware. It compares files and programs against a database of recognized dangers, flagging anything suspicious and quarantining or removing harmful files. Many modern antivirus programs also offer real-time protection, watching your activity to block threats before they infiltrate your system.

Of course, even the best antivirus isn't foolproof—sophisticated, cutting-edge attacks can sometimes slip past. But when combined with regular updates and cautious online behavior, antivirus software dramatically lowers your risk of falling victim to cybercrime. It's your first

line of defense, handling the everyday threats so you can focus on staying safe and confident in the digital world.

Securing your home Wi-Fi with a strong password and WPA3 encryption further protects against unauthorized access.

WPA3 is the latest Wi-Fi security protocol, offering stronger encryption and better defenses against hacking attempts compared to its predecessor, WPA2. To see if your Wi-Fi network uses WPA3, check your router's settings, typically accessible via a web browser by entering your router's IP address. If WPA3 is available, enable it for enhanced security. *If all this sounds like tech-speak, don't worry—either give it a shot yourself, call in a computer whiz, or, as a last resort, ask your teenager to handle it for you!*

These measures may not eliminate all risks, but they create a more robust defense for your online activities.

Staying Alert with Financial Monitoring

Monitoring your financial accounts is a proactive way to detect potential issues before they escalate. Many banks offer alert services for large transactions, new logins, or account changes, notifying you of unusual activity promptly. While alerts won't prevent fraud, **they provide early warnings**, allowing you to take swift action if something seems amiss.

For instance, receiving an alert about a large purchase you didn't make enables you to contact your bank at once to investigate. **Regularly reviewing your credit report** can also reveal any unfamiliar accounts opened in your name. To add another layer of protection, consider placing a **credit freeze**.

A credit freeze, or security freeze, restricts access to your credit report, making it more difficult for identity thieves to open new accounts in your name. It doesn't affect your credit score or existing accounts but prevents new creditors from viewing your credit history without your permission.

How to Place a Credit Freeze with the Three Major Credit Bureaus:

To effectively secure your credit, you need to place a freeze with each of the three major credit bureaus: Equifax, Experian, and TransUnion. The process is straightforward, and you can do it online, by phone, or by mail. **Even if you're living in Israel, freezing your credit is critical.** If someone steals your identity while you're abroad, it can be much harder to detect and resolve the issue from a distance. You might not notice suspicious activity right away, especially if you're not actively using U.S. financial accounts. Plus, with time zone differences and the complexity of dealing with U.S.-based institutions from overseas, addressing identity theft can become a logistical nightmare.

Freezing your credit is an easy, proactive step to protect yourself. It prevents someone from opening new accounts in your name without your permission, giving you peace of mind—

whether you're managing investments, making *aliya*, or just enjoying life in Israel. Here's the contact information you need:

1. Equifax:

- a. **Online:** Visit the [Equifax Security Freeze page](https://www.equifax.com/personal/credit-report-services/credit-freeze/) (<https://www.equifax.com/personal/credit-report-services/credit-freeze/>) and follow the instructions to place a freeze.
- b. **Phone:** Call Equifax at 1-888-298-0045.
- c. **Mail:** Send your request to Equifax Information Services LLC, P.O. Box 105788, Atlanta, GA 30348-5788. Include your full name, address, Social Security number, and copies of documents verifying your identity.

2. Experian:

- a. **Online:** Access the [Experian Freeze Center](https://www.experian.com/help/credit-freeze/) (<https://www.experian.com/help/credit-freeze/>) to manage your credit freeze.
- b. **Phone:** Dial Experian at 1-888-397-3742.
- c. **Mail:** Send your request to Experian Security Freeze, P.O. Box 9554, Allen, TX 75013. Include your full name, address, Social Security number, and copies of documents verifying your identity.

3. TransUnion:

- a. **Online:** Navigate to the [TransUnion Credit Freeze page](https://www.transunion.com/credit-freeze) (<https://www.transunion.com/credit-freeze>) to initiate a freeze.
- b. **Phone:** Contact TransUnion at 1-800-916-8800.
- c. **Mail:** Address your request to TransUnion, P.O. Box 160, Woodlyn, PA 19094. Include your full name, address, Social Security number, and copies of documents verifying your identity.

Important Considerations:

- **Cost:** Placing and lifting a credit freeze is free of charge.
- **Duration:** A credit freeze stays in place until you choose to remove it.
- **Temporary Lifts:** If you need to apply for new credit, you can temporarily lift the freeze by contacting the bureaus and providing a PIN or password established during the freeze process.

Placing a credit freeze with the three major credit bureaus protects you by preventing new creditors from accessing your credit report. Since lenders usually need to check your credit before approving new accounts, a freeze effectively blocks anyone from opening fraudulent credit lines or loans in your name. This is a strong safeguard against identity theft and unauthorized credit activity, especially if your personal information has been compromised.

Stepping Up Your Cybersecurity Strategy

Protecting your digital life doesn't have to be overwhelming. **With a few simple steps, you're creating a solid foundation that helps guard against common cyber threats while reducing your overall risk.** Think of these strategies as essential tools for managing your financial well-being in today's interconnected world. While they can't guarantee total safety,

they support your efforts to navigate retirement with greater peace of mind. Taking a proactive approach allows you to enjoy the conveniences of the digital age without sacrificing security, helping you to focus on what truly matters in your retirement years.

Action Steps for Strengthening Cybersecurity in Retirement

- **Be Wary of Phishing Scams:** Always verify the source of emails or messages asking for personal information. Avoid clicking on suspicious links and contact your bank or institution directly if you receive unexpected requests.
- **Monitor for Identity Theft:** Regularly check your bank statements and credit reports to spot unusual activity early. If you see anything suspicious, report it to your financial institution immediately.
- **Protect Against Ransomware:** Back up important files consistently to avoid losing data in case of an attack. Keep your security software updated and avoid opening unverified attachments or links.
- **Build Strong, Unique Passwords:** Use complex passwords with uppercase and lowercase letters, numbers, and symbols. Aim for at least 12 characters and consider using a password manager to keep track of them securely.
- **Enable Two-Factor Authentication (2FA):** Add an extra layer of protection by enabling 2FA on critical accounts, especially those related to personal or financial information.
- **Keep Devices and Software Updated:** Regularly update your devices and software to close potential security gaps. Antivirus software adds an added layer of protection by scanning for known threats.
- **Secure Your Wi-Fi Network with WPA3:** Check your router settings to ensure you're using WPA3 encryption if available. A strong Wi-Fi password also helps protect against unauthorized access.
- **Set Up Financial Alerts:** Enable alerts on your financial accounts for large transactions or new logins. This allows you to act quickly if there's suspicious activity.
- **Consider a Credit Freeze:** Place a credit freeze with each major credit bureau—Equifax, Experian, and TransUnion—to prevent unauthorized access to your credit report and protect against identity theft.

With these steps, you're building a strong foundation to protect your digital life and financial security, helping you enjoy the benefits of retirement with confidence in a secure online environment.



Chapter 3

Building a Retirement Plan That Lasts

Retirement should feel like a calm stroll to the local café for a *shakshuka*, not a mad dash through the *shuk* as the vendors shout prices and inflation keeps raising them. Yet, for American retirees in Israel, today’s financial landscape can feel like navigating a traffic circle with no signs—confusing, stressful, and full of surprises. However, **a thoughtfully crafted, personalized financial plan can serve as your compass**, guiding you through these challenges and helping you make the most of what you’ve worked so hard to build.

How to Take Control

Imagine trying to wear a suit that’s a few sizes too small—it’s uncomfortable and certainly won’t look good. Your financial plan requires the same level of precision, shaped around your unique goals, risk tolerance, and life circumstances. Warren Buffett captured this perfectly when he said, “Risk comes from not knowing what you’re doing.” When your plan reflects your specific needs and aspirations, it becomes a powerful tool for managing risk. Instead of relying on generic advice, you **craft a retirement strategy that adapts to the ups and downs of your life**, providing stability and clarity in an ever-changing world.

Setting Goals and Understanding Your Comfort with Risk

Planning for retirement without clear goals is like cooking for a holiday without a menu—you’ll end up with 17 side dishes and no main course. Start with the basics: *What do I want from my savings?* Are you trying to preserve your wealth, create steady income, or leave a legacy for the next generation (or at least fund your grandkids’ *afikoman* prizes)? Clear goals give your financial plan direction—think of them as your recipe for success.

Now, let's talk about risk. Picture this: your portfolio drops, and you've got two choices—do you calmly sip your tea and say, “Markets go up and down,” or do you call your advisor like he's the fire department? Getting real about market swings is crucial—it's how you avoid tossing your strategy aside and declaring, “I'm buying a goat and going off the grid.”

Mapping Out Your Financial Timeline

Picture retirement as a journey made up of distinct stages, each with its own financial requirements. **It's often best to keep funds you'll need soon in accessible, lower-risk accounts like cash, money market funds, or short-term bonds, ensuring they're ready when you need them.** This approach creates convenient “pit stops” to cover immediate expenses without drawing from long-term investments.

When planning for expenses in the medium term, such as healthcare costs or significant purchases, investments with moderate growth potential may offer the right balance between accessibility and potential return. However, these assets may still carry some level of risk, so consider this balance carefully.

For your longer-term goals, assets with a higher growth potential, such as stocks or certain real estate investments, may be appropriate, though they need patience and a tolerance for market fluctuations. Aligning your investments with a timeline allows your funds to serve their intended purpose at the right moment, giving you flexibility and control as your needs evolve.

Building a Resilient Portfolio Through Diversification

Let's talk about diversification. Or as my grandmother might have said, “Don't carry all your bagels in one flimsy paper bag.” It's a way to protect your money by spreading it around so that one bad decision doesn't leave you staring at an empty plate come Shabbat dinner.

Think of your portfolio like a good Shabbat meal—each dish has its purpose. Stocks are the brisket, full of flavor and long-term growth. Bonds are the kugel, reliable and comforting. Real estate is the challah, giving you steady income with a solid foundation. And cash? That's the matzo ball soup. It might not be the most exciting thing on the table, but when times get tough, liquidity is exactly what you need.

Diversification works because when one part of the market decides to throw a tantrum, the others can help keep things steady. If your stocks hit a rough patch, your bonds might hold their ground. If real estate takes a hit, dividend-paying stocks can still bring in some income. It's not a magic solution—losses can still happen—but it's like having a backup challah in the freezer. You're ready for whatever comes your way.

By spreading your investments wisely and balancing diverse types of assets, you reduce the risk of being overly reliant on any single outcome. A well-diversified portfolio doesn't eliminate risk, but it gives you the flexibility to handle challenges without unraveling your entire financial plan.

My grandmother would've told you the same thing—right before reminding you to never pay retail for a bagel.

Layering Diversification: Beyond Asset Classes

In the early 20th century, Baron Edmond de Rothschild, a key figure in the Zionist movement, was determined to support the establishment of Jewish agricultural settlements in Palestine. But instead of putting all his resources into a single venture, he took a diversified approach. Rothschild invested in vineyards, orchards, grain farms, and even industries like glassmaking and winemaking. Some ventures thrived; others faced challenges. Yet, by spreading his resources across various initiatives, he built a foundation that helped entire communities grow and withstand economic hardships.

This same principle of diversification applies to your investment portfolio. Just as Rothschild didn't depend on one crop or business to succeed, you shouldn't rely on a single asset type—stocks, bonds, real estate, or cash. Diversifying across these categories helps reduce your overall risk. But, as Rothschild's approach showed, it doesn't stop there. **To truly build resilience, you need to diversify *within* each category as well.**

Take stocks, for example. Instead of focusing all your investments in one area—say, technology—you can spread them across large, stable companies, smaller high-growth ones, and various sectors like healthcare, consumer goods, and energy. Why? Because if one sector takes a hit—just as some of Rothschild's early ventures struggled—you won't feel the full impact. The thriving parts of your portfolio can help balance out the ones facing challenges.

The best part? You don't need to be a baron with unlimited resources to do this. Modern tools like index funds, ETFs, and mutual funds make it easy to spread your investments across industries and companies. These tools act like Rothschild's strategic diversification—helping you plant seeds in many areas so you can grow a portfolio that weathers challenge and thrives over time. Let's break down how to use these tools to strengthen your financial future.

Index Funds

- **What They Are:** Index funds let you invest in a “basket” of stocks that mirrors a specific market index, like the S&P 500.
- **How They Work:** When you buy an index fund, you're essentially buying a small piece of every company in the index it tracks. The goal is to match the performance of the index, not beat it.
- **Best For:**
 - People who prefer a “**set it and forget it**” approach.
 - Investors seeking **broad diversification** with minimal effort.

- **Key Point:** Many index funds are mutual funds, but some are ETFs (more on that below).

ETFs (Exchange-Traded Funds)

- **What They Are:** ETFs also offer a way to own a collection of stocks or bonds, similar to index funds, but they trade on an exchange like individual stocks.
- **How They Work:**
 - You can buy or sell ETFs throughout the trading day at market prices.
 - Some ETFs track indexes (making them index funds), while others are actively managed by professionals trying to outperform the market.
- **Best For:**
 - Investors who like **flexibility** to trade during the day.
 - Those who want options to invest in **specific sectors or strategies**.
- **Key Point:** ETFs usually have lower fees than mutual funds and are better when it comes to taxes. Here's why:
 - When you sell an ETF (Exchange-Traded Fund), you're selling it to another investor directly through the stock market. The fund doesn't have to sell any of its investments (like stocks or bonds) to give you your money. Because of this, there's no extra tax bill for other people who own shares in the same ETF. Mutual funds work differently. If lots of people decide to cash out their mutual fund shares at the same time, the fund might need to sell some of its stocks or bonds to come up with the money. This can create a tax bill for everyone who owns the mutual fund—even for those who didn't sell their shares. So, with ETFs, you don't get hit with surprise taxes caused by other investors' actions, which is why they're often considered more tax-friendly.

Mutual Funds

- **What They Are:** Mutual funds pool money from investors to buy a diversified mix of stocks, bonds, or other assets, actively managed by a fund manager.
- **How They Work:**
 - Fund managers actively make decisions about which assets to buy or sell to try and outperform the market.
 - Trades are processed at the end of the trading day, unlike ETFs.
- **Best For:**

- Investors who want **professional management** but prefer a more **hands-off** approach.
- Those comfortable with potentially higher fees for active management.
- **Key Point:** While many mutual funds are actively managed, there are also **index mutual funds** that simply track a specific index.

What's the Overlap?

- Both **ETFs** and **mutual funds** can be **index funds**, which track a specific index without active management.
- The key difference lies in **how they trade and are managed:**
 - ETFs trade like stocks and offer flexibility.
 - Mutual funds are actively managed (unless they're index mutual funds) and trade once a day.

How to Choose?

- If you want **low costs and simplicity**, consider an index fund (either as an ETF or mutual fund).
- If you value **flexibility** in trading, ETFs might suit you better.
- If you prefer **professional management** and are willing to pay higher fees, mutual funds could be the way to go.

By understanding these differences, you can choose the type of investment that best fits your financial goals and style.

Prefer to Leave It to the Experts? Here's How Professional Money Management Works

Investing isn't about jumping into the deep end without a plan—it's about building a system that works for your unique life. That's where **financial advisors** and **Separately Managed Accounts (SMAs)** come in. Together, they're like architects and builders, creating a structure that supports your goals.

The Role of Financial Advisors

Think of financial advisors as the lead architects of your financial blueprint. Their role goes beyond offering investment options—they're there to understand your vision and priorities. A skilled architect asks the right questions to design a structure that fits your needs:

- What are your goals?

- How much risk feels comfortable?
- What's your timeline?

With these answers, advisors draft plans tailored to your financial goals. But here's the twist: while they oversee the design, advisors often leave the construction to specialists. They connect you with professional money management firms—your builders—who focus on constructing and maintaining the portfolio according to the plan. Together, they create a structure that's solid, functional, and built just for you.

What's an SMA, and Why Does It Matter?

A Separately Managed Account (SMA) is like having a tailored suit instead of one off the rack. It's an investment account designed specifically for you, holding individual stocks, bonds, ETFs, or other assets. Unlike mutual funds, where you own shares of a pooled fund, an SMA gives you **direct ownership** of the investments in your portfolio, customized to fit your unique financial goals and preferences.

Here's where the magic happens:

- **Personalized Attention:** A professional money management company runs the SMA, making decisions based on your goals and preferences. They fine-tune the portfolio to match your needs, from tax strategies to specific industries you care about.
- **Transparency:** You can see exactly what you own—there's no guessing or hidden fees buried in a large fund.

The Financial Advisor Advantage

While it's possible to access SMAs on your own, working with financial advisors opens doors you might not even know exist, and often for lower minimums. Advisors:

- **Simplify the Process:** They do the legwork, finding the right managers for you and ensuring your investments align with your big-picture plan.
- **Offer Holistic Guidance:** Investing isn't just about picking stocks. Advisors help with retirement planning, tax efficiency, and navigating life changes—all of which impact your money.
- **Act as Your Advocates:** They stay in your corner, asking tough questions, holding money managers accountable, and making sure your portfolio stays aligned with your goals.

Why This Matters

Investing isn't just about growing money—it's about designing a financial future that gives you freedom and confidence. With a financial advisor as your architect and tools like SMAs as the builders, you're tapping into expertise to create something solid and lasting. Great investing doesn't mean grabbing a hammer and trying to build it yourself—it's about knowing when to call in the pros, trusting the blueprint, and maybe sneaking in a skylight or two. After all, wouldn't you rather enjoy the view than worry about whether the walls are straight?

Choosing the Right Tool for You

Whether you go with an index fund, an ETF, a mutual fund, or the help of a professional manager, your goal is to build a diversified portfolio that matches your goals and comfort with risk. Here's a cheat sheet: index funds and passive ETFs give you broad exposure for a low cost, actively managed ETFs and mutual funds give you a pro's touch, and a full-service money manager gives you a hands-off, customized approach. Ask your own financial advisor what he recommends for you.

When you layer your diversification—across and within asset classes—you build a portfolio that's ready to handle market ups and downs. Think of it like a solid foundation for your financial house. If one area takes a hit, the other areas help keep your portfolio balanced, keeping you on track toward your long-term goals. And remember, the goal is to build wealth steadily and with purpose—not to chase the hottest thing. Stick to your plan, diversify smartly, and stay focused on the future.

Creating Steady Income Streams and Maintaining Flexibility

Income-generating assets like dividend stocks, bonds, and Real Estate Investment Trusts (REITs) can provide a regular cash flow to support your retirement. Yet, it's essential to consider the possibility that investments with unusually high yields may come with greater risks. Consistent, moderate returns tend to offer more stability, though **all income-generating assets carry inherent uncertainties and can fluctuate over time.**

In the 2000s, General Electric (GE) was a stock market favorite, known for its reliability and consistent dividends. But in 2008, during the global financial crisis, GE's stock price plummeted while it kept paying the same dividend. For a moment, it looked like a golden opportunity—the dividend yield shot up as a percentage of the stock price, making it seem like a great deal. However, the high dividend was masking deeper financial troubles. Within months, GE was forced to slash its dividend, and investors who had jumped in for the “big payout” were left holding the bag as the stock continued to tumble.

A similar cautionary tale comes from oil giant BP in 2010. Following the Deepwater Horizon oil spill, BP's stock price dropped dramatically. For a brief time, its dividend yield looked unusually attractive, as the payout had yet to adjust to the crisis. But the spill created massive liabilities for the company, and BP ultimately suspended its dividend entirely to focus on recovery. Investors lured by the high yield suddenly found themselves without the income they were banking on.

These stories illustrate why a high dividend isn't always a reason to celebrate. A dividend is simply a portion of a company's profits shared with investors. When the yield looks unusually high, it's often a sign that the stock price has dropped significantly, creating the illusion of a big payout. But if the company's financial health is deteriorating—declining revenues, mounting debt, or industry challenges—that “big dividend” may not last.

Smart investors dig deeper. Is the company's payout sustainable? Are its earnings strong enough to support the dividend? High dividends can sometimes signal desperation, as companies use them to attract investors during tough times. If the underlying business doesn't improve, the dividend could be cut—or disappear entirely.

The takeaway? Don't be dazzled by a high yield. Take a closer look at the company's fundamentals and focus on the long-term health of your investments rather than chasing what looks like easy income.

Now, about creating steady, reliable income: imagine diversifying your investments like setting up a proper Shabbat dinner. You wouldn't just make *kugel* and hope everyone's satisfied. You need the *challah*, the brisket, a little salmon for Uncle Avi, and maybe a salad for that one cousin who's "trying keto again." **The same goes for your retirement income. You don't want to rely on one stock or one type of investment to cover everything.** By mixing dividend stocks, bonds, and other income sources, **you'll have a well-rounded plan that can weather any storm—or unexpected guests.** After all, the goal is financial peace, not scrambling because your one investment ran out of steam faster than the lox at *kiddush*.

Keeping a cash reserve is like having your own personal safety net—it's there to catch you when life throws a curveball. This "rainy day fund" lets you handle unexpected expenses without having to mess with your long-term investments. Whether it's a medical bill or an urgent home repair, your cash reserve covers those surprises, so you don't have to sell investments at the wrong time.

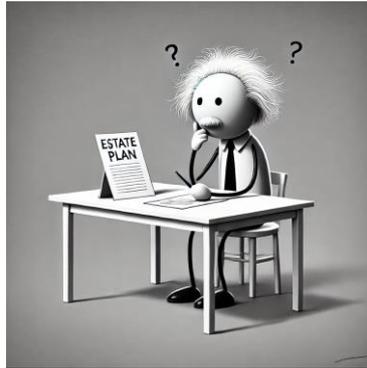
By setting aside a cash buffer, you get the best of both worlds: you can let your long-term investments keep growing, while knowing you're ready for whatever life throws your way. It's a simple step that gives you flexibility and peace of mind.

Keeping Your Plan in Check with Regular Reviews

A solid retirement plan doesn't just run on autopilot—it needs regular check-ins to stay on course. Life changes, markets shift, and your goals might evolve over time. That's why taking the time to review your portfolio is so important. It helps you make sure your investments still match your long-term plan.

Peter Lynch said it best: "*Know what you own, and know why you own it.*" That's the key. **When you understand your investments, you can make smart, small adjustments along the way.** Regular reviews keep you proactive, so you're not scrambling to make big, stressful changes later. Stay informed, stay focused, and keep your plan aligned with your goals. That's how you win in the long run.

Crafting a Legacy with Estate Planning



Albert Einstein, renowned for his groundbreaking theories, also made significant personal decisions that affected his legacy. In his will, he bequeathed his personal archives and the rights to his image to the Hebrew University of Jerusalem, an institution he co-founded in 1918. This decision has allowed the university to benefit from his intellectual property, using it to further educational and research initiatives.

However, despite this thoughtful bequest, the absence of a comprehensive estate plan led to unforeseen complications. Over the years, disputes arose over the use of Einstein's image, culminating in legal battles that questioned the extent and duration of these rights. For instance, in 2012, a U.S. District Court ruled against the university in a case involving the unauthorized use of Einstein's likeness in an advertisement, stating that the rights had expired 50 years after his death.

Einstein's experience underscores the importance of meticulous estate planning. It's not just about distributing assets but ensuring that your legacy is managed according to your wishes, minimizing potential conflicts.

Key components of a robust estate plan include:

- **A Will:** This foundational document specifies how your assets should be distributed, ensuring clarity and reducing potential disputes.
- **Trusts:** Instruments like revocable living trusts allow for the management and transfer of assets, often bypassing the probate process, which can be time-consuming and costly.
- **Beneficiary Designations:** Regularly updating beneficiaries on accounts such as retirement plans and life insurance ensures that assets are directed appropriately, especially after significant life events.
- **Powers of Attorney:** Designating trusted individuals to make financial and healthcare decisions on your behalf ensures that your affairs are handled according to your preferences if you're unable to do so.

By proactively addressing these elements, you can create a clear and effective estate plan. This not only reflects your values but also provides guidance and peace of mind to your loved ones, ensuring that your legacy is preserved as you intended.

Israel's New Durable Power of Attorney

In Israel, a new option called the **durable power of attorney** (*Yipui Koach Mitmashech*) was introduced in 2018, and it's a game changer for estate planning. This document lets you appoint someone to make decisions for you—not just for financial matters but also for personal and medical ones—if you ever become unable to manage things on your own. Unlike the traditional power of attorney, this one stays in effect even if you're incapacitated, ensuring that your wishes are respected no matter what.

Setting up a durable power of attorney in Israel involves working with a qualified attorney, who will help you outline clear instructions for the person you choose to take on this role. **You can specify exactly how you want your finances, medical care, and personal decisions to be handled.** This kind of preparation helps avoid legal hassles and family disagreements during already challenging times.

If you have children or dependents, estate planning offers an opportunity to secure their future. **Designating a guardian in your will** means you're choosing who would take on the responsibility of raising them. It's a difficult decision, but one that can bring peace of mind knowing they'll be in safe hands. For children with special needs, setting up a trust can provide lifelong financial support while protecting their eligibility for assistance programs.

An often-overlooked aspect of estate planning is its ability to protect family assets from creditors and taxes. **Certain trusts and gifting strategies can reduce estate taxes, preserving more wealth for your heirs.** This isn't just a strategy for the wealthy—these tools can be valuable for families at many income levels, helping to secure and transfer wealth across generations without unnecessary tax burdens.

One of the greatest benefits of careful estate planning is the clarity it brings. Imagine the comfort your family will feel, knowing that they can follow a clear plan designed by you rather than facing confusing decisions and potential conflicts. **A well-structured plan reduces the likelihood of disputes** and helps everyone focus on honoring your wishes rather than dealing with legal wrangling. Trusts generally preserve privacy by allowing asset distribution outside of probate, keeping your estate matters out of the public eye.

Creating an estate plan doesn't happen overnight. It begins with an honest look at your assets—your properties, investments, bank accounts, retirement plans, and personal belongings. Then, it involves asking yourself questions about your goals. Who do you want to inherit what? How should they receive it? Are there charities you'd like to support? Do you have specific wishes for your medical care or a trusted person to make those decisions on your behalf?

Once you've identified these goals, it's time to put the plan into action by working with experienced professionals. Estate planning attorneys, financial advisors, and tax experts provide invaluable expertise, especially when your assets span across borders. They can help you navigate the maze of regulations and tax implications, ensuring your plan meets both local and international requirements.

It's equally important to **make sure your estate plan remains current**. Life changes—marriage, divorce, the birth of a child, financial shifts—mean it's wise to review your plan regularly to make sure it still reflects your wishes. **An outdated plan can lead to unintended consequences** and potentially leave loved ones unprotected. Think of your estate plan as a living document that evolves along with your life, ready to adjust as needed.

Estate Tax Limits and Trump's Reelection

Let's break down estate taxes, or as some folks call it, the "death tax." This is the chunk Uncle Sam might take from the value of what you leave behind. Here's the good news: there's **an estate tax exclusion that lets you pass down a certain amount tax-free**. But don't breathe a sigh of relief yet since anything over that limit gets hammered with taxes—up to a whopping 40%! That's a massive bite out of your hard-earned legacy.

Here's where things get interesting. Back in 2017, under the Trump administration, the Tax Cuts and Jobs Act (TCJA) doubled the estate tax exclusion. For 2024, that exclusion is over **\$13 million per person** (or around \$27 million for married couples). That means most families don't need to worry about estate taxes right now because their estates fall under that limit.

But here's the catch: the doubled exclusion isn't permanent. It's set to expire—or "sunset"—at the end of 2025, unless Congress acts. If nothing changes, the estate tax exclusion will drop back down to pre-2017 levels, adjusted for inflation, which would be around **\$7 million per person**. That's a big deal, especially for high-net-worth families, because more estates would suddenly be taxable.

Now, with Trump getting reelected, some experts believe the current high exclusion might stick around. His administration originally pushed for these higher limits, and it's possible they'll try to extend them. If that happens, it could mean more years of breathing room for families with large estates. But remember, nothing is guaranteed—Congress has the final say.

Why This Matters to You

Even if your estate isn't anywhere near \$13 million, this still matters. Why? Because smart estate planning isn't just for billionaires. If you're close to these limits—or think you might be in the future—now's the time to talk to a financial advisor or estate planning attorney.

There are numerous strategies that can help minimize estate taxes and ensure more of your wealth goes to your loved ones, including:

- **Gifting assets while you're alive** to take advantage of annual gift tax exclusions.
- **Setting up trusts**, such as irrevocable life insurance trusts (ILITs) or charitable remainder trusts.
- **Using spousal portability**, which allows a surviving spouse to use any unused portion of a deceased spouse's exemption.
- **Making charitable contributions**, reducing the size of your taxable estate while supporting causes you care about.
- **Establishing family limited partnerships (FLPs)** to transfer wealth at a discount.
- **Leveraging valuation discounts** for illiquid or minority interest assets.
- **Purchasing life insurance** to cover potential tax liabilities.
- **Paying Tuition or Medical Expenses Directly** since payments made directly to educational or medical institutions on behalf of others are excluded from gift taxes, allowing for tax-free wealth transfer.
- **Converting traditional IRAs to Roth IRAs** to reduce taxable income for your heirs.

You've worked hard, sacrificed, and built something meaningful. Now, they want to tax it again—what's already been taxed once. For many, it feels like a penalty for success, a tax on your ambition and your ability to create something bigger than yourself.

Here's what often gets overlooked: wealth doesn't just sit idle. It fuels progress everywhere. It's invested in businesses that create jobs, spark innovation, and build communities. It funds scholarships, hospitals, and groundbreaking research. Even money sitting in a bank helps others achieve their dreams—banks lend it out, often at a 10-to-1 ratio, to help families buy homes, entrepreneurs launch businesses, or students afford an education. Your wealth has already become a silent partner in countless success stories, spreading opportunities far more effectively than any government program ever could.

This isn't just wealth—it's a force for good. It multiplies opportunities and empowers people to build their futures. And here's the thing: you've made these choices. You saved, invested, and directed your wealth in ways that benefit society without anyone telling you to. That's the kind of legacy that truly matters—one rooted in freedom and intentional generosity.

But when the government steps in to take a share, it's no longer your decision. It shifts from voluntary contribution to enforced redistribution. For those who've worked hard and played by the rules, it feels like a fundamental disconnect from the values that built that wealth in the first place.

Whether Trump's tax policies keep the current exclusion in place or it sunsets in 2025, one thing is certain: you need a plan. Don't wait until the rules change to figure it out—start now to protect what you've built and ensure your legacy continues to help others in ways only you can choose.

Building a Financial Plan That Stands the Test of Time

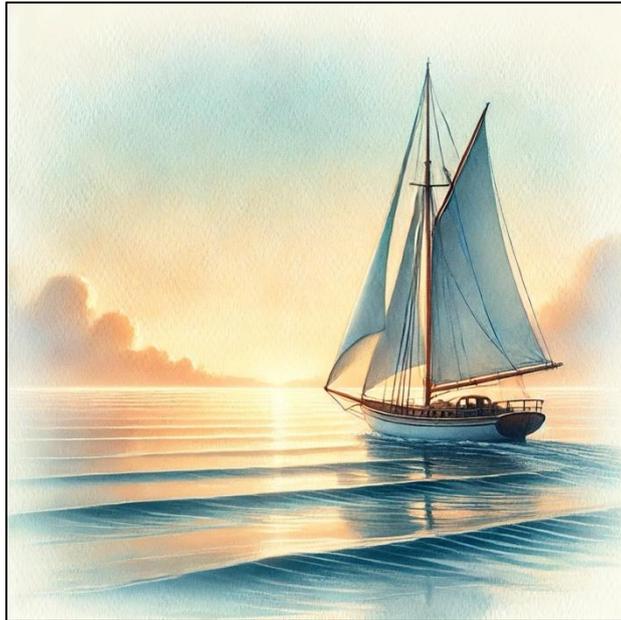
A personalized financial plan does more than just safeguard your assets—it reflects your goals, values, and the people who matter most. As you prepare for the future, remember that a well-aligned financial plan is your best foundation, tailored to your unique goals and comfort with risk while remaining adaptable to life’s changes. **Structuring investments based on your timeline** helps ensure funds are available when you need them, balancing short- and long-term priorities along the way. **Diversifying across assets and regions adds resilience**, spreading exposure to reduce risk though not eliminating it entirely. **Building steady income streams and keeping a cash reserve** provides flexibility, giving you the support to manage both planned and unexpected expenses. **Regular reviews** keep your strategy relevant, making it easier to adapt to market shifts and new needs as they arise. **Thoughtful estate planning** completes the picture, ensuring a smooth transfer of wealth and a legacy that honors your values. With a plan that’s strong, adaptable, and grounded, you can approach retirement with confidence, knowing you’re prepared for whatever lies ahead.

Action Steps for Creating a Resilient and Personalized Financial Plan

- **Clarify Your Goals and Risk Tolerance:** Define your retirement goals—whether you prioritize wealth preservation, income generation, or leaving a legacy. Reflect on your comfort with risk to ensure your strategy aligns with both your financial aims and peace of mind.
- **Map Out Your Financial Timeline:** Plan for different stages of retirement. Keep funds needed in the near term in accessible, lower-risk accounts, while allocating long-term goals to assets with greater growth potential, like stocks or real estate.
- **Build a Diversified Portfolio:** Diversify your investments across asset types such as stocks, bonds, real estate, and cash. This approach balances growth and stability, helping you withstand market fluctuations.
- **Incorporate Geographical Diversification:** If you hold assets in multiple countries, diversify across regions to reduce reliance on any single economy. Balance the benefits with considerations like currency risk and regional regulations.
- **Create Steady Income Streams:** Consider a mix of income-generating assets, like dividend stocks, bonds, and REITs, to support cash flow in retirement. Focus on moderate yields to balance income with risk.
- **Maintain a Cash Reserve:** Keep a cash buffer for unexpected expenses, allowing you to avoid selling long-term investments during downturns. This reserve serves as a “rainy day fund” for emergencies.
- **Review Your Plan Regularly:** Schedule regular check-ins to assess your portfolio, income needs, and risk tolerance. Periodic reviews help you make small adjustments and keep your plan aligned with evolving circumstances.
- **Establish a Thoughtful Estate Plan:** Set up an estate plan that reflects your values and provides clear instructions for your heirs. Include a will, update beneficiary designations, and consider trusts to simplify the transfer of assets.

- **Keep Your Estate Plan Updated:** Regularly review your estate plan to ensure it reflects major life changes, such as marriage, divorce, or the birth of a child, helping prevent unintended consequences.

By following these steps, you'll create a financial plan that's flexible, resilient, and tailored to your goals, empowering you to face retirement with confidence and clarity.



Chapter 4

The Retiree's Toolbox: Strategies for Lasting Security

Retirement is supposed to be like a calm cruise on a sunny ocean—relaxing, predictable, and full of shuffleboard. But for many retirees, it feels more like being stuck on a *mashugana* raft in the middle of a storm. The financial markets toss you one way with falling stock prices, then another with dropping interest rates, and suddenly you're clinging to the side, wondering if you'll ever see dry land.

But market turbulence doesn't have to sink your retirement dreams. **With the right tools and a solid plan, you can ride out the waves and keep your financial ship steady.** It's not about chasing every trend or trying to outsmart the market, like a *yenta* chasing after the latest gossip. You just need a good compass, a sturdy boat, and maybe a little Dramamine to keep things steady.

This chapter is your guide to navigating financial waves with confidence and resilience. Because with the right strategy, you can weather the storms, stay on course, and enjoy smooth sailing toward your retirement goals—with a side of lox and a good *schmear* waiting at the end.

The Forces Behind Market Volatility

Market swings may feel chaotic and unsettling, yet they're often responses to powerful, underlying forces that shape the larger economic landscape. Imagine these forces as ocean currents—constantly moving, sometimes shifting abruptly, but always impacting the world of investments. Just as an experienced sailor understands the tides and winds, recognizing these

economic and geopolitical currents can help you navigate market fluctuations with greater calm and clarity.

Geopolitical tensions are one of the most immediate factors that can send sudden gusts across global markets, moving prices in surprising directions. A single trade dispute, conflict, or policy change between major players can ripple through the global economy, disrupting everything from supply chains to investor confidence. For instance, when trade policies shift between the United States and China, the effects reach industries from technology to agriculture. Changes in tariffs or regulatory actions between these two powerhouses influence the costs of goods, corporate profits, and, ultimately, the stock prices of companies reliant on global trade. While no individual can control these events, understanding how they affect the market provides invaluable context when you see prices respond.

The actions of other global players contribute their own layers of complexity. China's economic policies and growth, for instance, impact commodity prices and manufacturing worldwide. Russia's geopolitical moves, particularly as a major oil and gas exporter, affect global energy prices, influencing inflation and costs for households and businesses alike. Other nations, such as India, Japan, and Saudi Arabia, each carry unique influence, from energy production to currency stabilization, that shapes the economic landscape. Recognizing these interconnections adds perspective, helping you view sudden market dips or surges as part of a larger, dynamic system.

Economic forces, like inflation and interest rates, play a similarly crucial role in market volatility. Inflation is a quiet yet steady force, slowly eroding the purchasing power of money and driving up the costs of goods and services. In response, central banks, such as the U.S. Federal Reserve, adjust interest rates to help balance inflation. These rate changes directly affect loans, mortgages, and bond values, trickling down to influence everything from individual homebuyers' mortgage rates to corporate borrowing costs. Watching these economic trends can remind you that market movements aren't random—**they're responses to interconnected financial pressures.** Unfortunately, it's not so easy to figure out the path that the markets will take as a result of the shakeups.

Trade policies further contribute to the complex global economic picture. When a country imposes tariffs, it raises production costs, which can reduce corporate profits and, subsequently, stock values. These shifts in trade policy may seem small on the surface but can cascade across industries and sectors, lowering earnings and dampening investor sentiment. Understanding these forces allows you to maintain a broader perspective and resist the urge to make impulsive, short-term adjustments based on day-to-day market news.

Tariffs Explained: What They Mean for the Economy—and Your Investments

Simply put, **tariffs are taxes placed on imported goods.** The reason President Trump advocates using them is because they make foreign products more expensive, encouraging

consumers and businesses to buy American-made alternatives. In theory, this protects U.S. industries and jobs from being undercut by cheaper imports. For instance, placing a tariff on steel from overseas helps American steel producers stay competitive. But there's a catch: tariffs can also raise costs for consumers and manufacturers who rely on those imports, driving up prices across the economy.

So why might the new president consider tariffs? Countries like China have engaged in practices that directly harm American interests. China, for example, has been accused of flooding the global market with cheap goods, undercutting American industries. In some cases, they subsidize their own companies or engage in intellectual property theft, taking American innovations and using them to dominate key industries like technology. Other countries manipulate their currencies to make their exports cheaper and more attractive, putting U.S. manufacturers at a disadvantage. Tariffs are one way to push back against these practices, sending a clear message that the U.S. won't tolerate unfair trade.

From a political perspective, tariffs can appeal to voters who want to see American jobs and industries protected. They can also serve as leverage in trade negotiations, forcing other countries to the table. But tariffs aren't without risks. Other countries often retaliate by imposing their own tariffs on U.S. exports, hurting American farmers, manufacturers, and businesses that rely on global markets. **This back-and-forth can disrupt supply chains and weaken overall economic growth, which ultimately creates uncertainty in the markets.** For retirees and investors, that uncertainty can be unsettling, making it all the more important to focus on a steady, long-term financial plan.

The uncertainty around tariffs and their economic impact can create turbulence in the markets. When investors don't know how trade policies will affect industries, they often react with caution—or panic. That's why it's so important to focus on what you can control: a balanced portfolio and a long-term plan that keeps your retirement goals in sight. Tariffs may not be purely about economics—they're also about politics and strategy—but staying informed about their potential effects can help you navigate the shifting financial landscape.

Staying in Control When Tariffs and Markets Collide

When tariffs and trade disputes shake up the markets, having a cash reserve—or emergency fund—becomes more important than ever. Tariffs can create uncertainty in the economy, raising costs for goods and services or rattling investors, which can lead to market dips. **With a cash reserve in place, you have a financial cushion that helps you ride out those unpredictable times without making panicked decisions.**

Here's how it works: let's say tariffs drive up prices at the store or cause market swings that lower the value of your investments. Without a cash reserve, you might have to sell some of your investments at the worst possible time—when the market is down—just to cover unexpected bills. That locks in your losses and takes away your chance to recover when the market bounces back. But with a cash reserve, you can cover any short-term financial needs without touching your long-term investments. It's like having a safety net that lets you handle emergencies while staying focused on your bigger goals.

Keep a cash reserve that covers three to six months of living expenses in a safe and easily accessible place, like a savings account or money market fund. This isn't money for splurging; it's your backup plan for real emergencies—whether it's an unexpected car repair, rising costs due to trade policies, or just uncertainty in the markets. **With a solid cash reserve, you're ready for whatever comes your way, even when the economy feels unpredictable.** And when you're prepared, you stay in control. That's how you win the long game.

The Psychology of Investing: Avoiding Costly Traps in Volatile Markets

One of the smartest strategies in volatile markets is to avoid emotionally driven decisions. When the market dips or alarming news stories hit, it's natural to feel anxious. But making decisions based on fear or panic can lead to costly mistakes, like selling your investments at the worst possible time or abandoning a well-thought-out plan. Instead, stay focused on your long-term goals. **The ups and downs are part of the process, and reacting impulsively will only set you back.** Remember, retirement is a marathon, not a sprint—don't let short-term noise throw you off course.

Another critical step is to resist the temptation to compare yourself to others. Everyone's financial goals, risk tolerance, and timelines are different. Your neighbor might brag about timing the market or chasing the latest “hot” investment, but that doesn't mean it's the right move for you. Following unsolicited advice or chasing someone else's strategy can derail your progress. Stick to a plan that fits your needs, and don't let comparisons distract you from your own financial journey.

Beware of the **herd mentality**, too. When markets swing wildly, it's easy to feel pressure to follow the crowd—whether that means selling during a downturn or jumping into a stock that's suddenly surging. But in reality, herd behavior often leads to buying high and selling low, the exact opposite of what you want to do. **Stay grounded in your own strategy**, focus on the big picture, and remember that short-term price movements don't change the value of a solid, long-term investment.

Another behavioral trap to watch out for is **confirmation bias**. This happens when you only seek out information that supports your existing beliefs while ignoring anything that challenges them. For example, if you're already worried about the market, you might find yourself reading only negative news or listening to predictions of doom and gloom. That can lead to making overly cautious or even irrational decisions. To avoid this, look for balanced perspectives and **stick to the facts** rather than getting swept up in sensational headlines.

Finally, keep an eye on **overconfidence bias**. This is the belief that you can outsmart the market or predict its movements better than the experts. While **confidence** is a great quality in many areas of life, **overconfidence** in investing can lead to excessive trading, risky bets, or abandoning a diversified strategy for a single “can't-miss” opportunity. Always keep in mind

that no one can predict the market with certainty—not even the pros. A steady, diversified approach is almost always the safer bet.

When markets are volatile, your mindset matters as much as your money. Keep your emotions in check, stay focused on your own goals, and avoid the psychological traps that can lead to costly mistakes. The key is to stay disciplined, trust your plan, and remember why you're investing in the first place: to secure a solid future for yourself and your family.

Geopolitics, Trade, and Your Money: Navigating the Global Market Maze

Ultimately, market swings are rarely random. They're responses to a mix of geopolitical tensions, economic forces, and trade policies that continuously shape the financial landscape. With a deeper understanding of the global forces influencing market volatility, you can approach investment decisions with greater resilience. By focusing on your strategy, diversifying effectively, and avoiding emotionally driven decisions, you'll be better prepared to weather the difficulties of the financial world. While you can't control these forces, staying informed and maintaining a disciplined approach allows you to make choices that support your financial well-being, even during challenging times.

How Volatility Impacts Key Investments

Each type of investment—stocks, bonds, and real estate—responds differently to market volatility, offering various options to consider when managing a retirement portfolio. The stock market often feels like the most turbulent part of an investment plan, reacting quickly to shifts in investor sentiment, company performance, and global events. While fluctuations in stock values can be unsettling, **stocks have historically shown an upward trend over extended periods, although this doesn't guarantee future performance.** Stocks offer growth potential, but they carry the risk of short-term declines.

FDIC-Insured and Flexible: Why Brokered CDs Are Worth a Look

Bonds are often a stabilizing force in a portfolio. When you buy a bond, you're lending money to a government or corporation in exchange for regular interest payments. They can provide predictable income and balance against riskier investments like stocks. But bonds come with challenges. For example, if interest rates rise, the value of existing bonds typically falls because newer bonds offer higher returns. On the other hand, if rates stay steady or decline, bonds you already own may regain their appeal. In today's uncertain rate environment, it's worth exploring alternatives like brokered CDs (Certificates of Deposit).

What Are Brokered CDs?

A brokered CD is similar to the CDs you'd get from your bank, but instead of being tied to one financial institution, these are bought and sold through brokerage firms. When you invest in a brokered CD, you're lending money to a bank for a set period in exchange for fixed interest payments. At the end of the term, you get back your initial investment plus the interest earned.

Unlike traditional CDs, brokered CDs can be traded on a secondary market before they mature, much like bonds. That added flexibility makes them a unique and appealing option for certain investors.

Why Consider Brokered CDs?

Brokered CDs offer key benefits, especially for investors seeking security and predictability:

Pros:

- **FDIC Insurance:** Your principal is protected up to federal limits (\$250,000 per depositor, per bank), making brokered CDs one of the safest investment options.
- **Predictable Returns:** With a brokered CD, you know exactly how much interest you'll earn if you hold it to maturity.
- **Competitive Rates:** Brokered CDs often offer better rates than standard bank CDs, making them attractive for conservative investors.
- **Bond-Like Secondary Market:** You can trade brokered CDs on the secondary market if you need access to your money before the term ends.
- **No Ongoing Fees:** Unlike some other investments, brokered CDs typically don't come with management or maintenance fees, which helps maximize your returns.

Consider the Trade-Offs

Of course, no investment is perfect, and brokered CDs have some drawbacks to keep in mind:

Cons:

- **Liquidity Risk:** If you sell a brokered CD before it matures, the amount you get back might be less than what you originally invested. This happens if market conditions have changed, like if interest rates go up, which can lower the value of your CD. However, even if you sell the CD early, **you still get to keep all the interest you earned while you owned it.** This is because the issuing bank pays interest for the time you hold the CD. The buyer who purchases the CD from you will start earning interest from the day he buys it. So, while the price you sell it for depends on the market, the interest you earned up until the sale is yours to keep.
- **Secondary Market Risk:** While you can sell brokered CDs, the market for them can be less active than for other investments, potentially limiting your options.
- **Inflation Risk:** When inflation rises, the fixed returns from a brokered CD lose purchasing power, meaning the money you earn in interest won't stretch as far when buying goods and services. In fact, this is a common risk for all fixed-income investments, including regular bank CDs, corporate bonds, and Treasuries. While your principal and interest payments remain steady, their real value declines as

inflation increases, reducing the overall benefit of these investments in a high-inflation environment.

How Do Brokered CDs Compare to Bonds?

Brokered CDs and corporate bonds share some similarities: you lend your money, earn interest, and get your principal back at the end of the term (assuming all goes as planned). The big difference is **brokered CDs come with FDIC insurance**, which protects your money up to federal limits, even if the bank that issued the CD goes under. Bonds, on the other hand, rely on the creditworthiness of the issuer—if a corporation defaults, you could lose some or all of your investment.

When it comes to interest rates, both brokered CDs and bonds can lose value if you sell them before maturity in a rising rate environment. However, brokered CDs often feel less risky because of their **FDIC insurance and predictable returns**. Bonds, while potentially offering higher yields, carry more variability, since their value is directly tied to the financial health of the issuer and market conditions. **The choice often comes down to your comfort level with risk and your need for safety versus potential growth.**

Are Brokered CDs Right for You?

While bonds are still a valuable tool for many investors, **brokered CDs offer a compelling alternative for those seeking stability and security**, particularly in an uncertain interest rate environment. They combine predictable returns with the added peace of mind that comes from FDIC insurance.

The bottom line? No one can predict exactly where interest rates will go, but brokered CDs provide a solid, relatively low-risk option that fits well in a balanced portfolio. If you're looking for a way to protect your savings and earn steady returns without taking on unnecessary risk, brokered CDs might be worth a closer look.

How High-Net-Worth Investors Can Fully Protect Large Balances with Brokered CDs

If you're looking to invest more than \$250,000 and still keep your money fully protected, brokered CDs offer a smart solution. The FDIC insures deposits up to \$250,000 per depositor, per bank. But with brokered CDs, you can easily spread your investments across multiple banks to extend your coverage well beyond that limit—all while keeping your funds under the FDIC umbrella.

Here's how it works

When you buy brokered CDs through a brokerage firm, you're not tied to just one bank. The brokerage acts as an intermediary, giving you access to CDs from many different banks. For example, if you want to invest \$1 million, the broker can split your funds into \$250,000 chunks and place each portion in a CD issued by a different bank. Since the FDIC coverage applies separately to each bank, your entire \$1 million is fully insured.

Why This Strategy Works

This setup is ideal for high-net-worth investors or anyone looking to park a large sum of money in a low-risk, fully insured investment. It eliminates the need to manage accounts at multiple banks on your own. Instead, the brokerage does all the legwork, ensuring that your investments stay within the FDIC limits for each institution.

The Benefits of Spreading Your Investment

- **Full Protection:** You get FDIC coverage on every \$250,000 increment by spreading your funds across multiple banks.
- **Simplified Management:** Instead of opening and managing accounts at various banks, you deal with one brokerage firm that handles everything for you.
- **Competitive Rates:** By shopping across a wide network of banks, brokered CDs often offer higher rates than you'd find on your own.
- **Flexible Terms:** You can customize your CD ladder or strategy to meet your financial needs, choosing terms ranging from a few months to several years.

Things to Keep in Mind

While this strategy offers full FDIC coverage and a streamlined way to invest, there are a few details to consider:

- **Record-Keeping:** Keep track of your holdings to ensure all CDs stay within FDIC limits. Your brokerage typically provides detailed records, but it's good to double-check. A quality financial advisor can help you monitor your investments and ensure every dollar remains fully insured. While it's ultimately your responsibility to stay informed, working with an experienced advisor gives you an extra layer of oversight and peace of mind.
- **Market Risk for Early Sales:** If you sell a CD before maturity, its value could fluctuate depending on interest rates. This doesn't affect FDIC coverage, but it could impact the sale price.

The Bottom Line

Using brokered CDs to spread your investments across multiple banks is one of the safest and easiest ways to grow your savings while staying fully protected. Whether you're investing \$300,000 or \$3 million, this strategy ensures every dollar is covered by FDIC insurance while earning competitive interest rates. It's a smart way to keep your money working for you without sacrificing peace of mind.

Real Estate Reality Check: What Retirees Need to Know

Real estate has its own distinct rhythm. Unlike stocks, which can fluctuate daily, property values usually shift more gradually. However, **real estate isn't immune to economic upheaval—just think back to 2008.** The global financial crisis was rooted in the housing market, and government policies played a significant role in fueling the bubble that ultimately burst.

Here's how it unfolded: In the years leading up to the crisis, government policy aimed to make homeownership more accessible. Programs encouraged banks to issue mortgages to people who traditionally wouldn't have qualified due to insufficient income, weak credit histories, or other financial challenges. These efforts, which seemed politically motivated, created an environment where banks were incentivized—or in some cases, pressured—to lower their lending standards. Loans that were once carefully vetted became increasingly risky, particularly with the rise of subprime mortgages—home loans given to borrowers with lower credit scores or weaker financial histories.

Enter Wall Street. Banks and financial institutions bundled these risky mortgages into securities, slicing and dicing them into complex financial products like mortgage-backed securities (MBS) and collateralized debt obligations (CDOs). These were sold to investors worldwide as supposedly safe investments, backed by the “ever-reliable” housing market. But as more unqualified borrowers entered the market, home prices skyrocketed, creating a bubble that couldn't last.

When the bubble burst, the fallout was catastrophic. As home values plummeted, many borrowers found themselves underwater—owing more on their mortgages than their homes were worth. Foreclosures soared, devastating families and neighborhoods. The value of MBS and CDOs collapsed, leaving investors with enormous losses. Banks that were overleveraged on these toxic assets failed or required massive bailouts, and the global economy spiraled into a recession.

This serves as a powerful warning: government interference in the free market—especially when it comes to encouraging risky financial behavior—can have devastating unintended consequences. When policy prioritizes short-term goals, like increasing homeownership at any cost, it can create long-term instability that ripples across the economy.

For retirees considering real estate, this history is a reminder that while property can provide steady income and long-term value, it also carries risks tied to broader economic trends and policy decisions. Real estate values depend on location, market conditions, and economic health, and the lack of daily pricing means you may not always know what your property is worth. Liquidity is another consideration—it's much harder to sell a house than to sell stocks or bonds when you need quick cash.

Understanding these dynamics helps retirees appreciate how different investments behave under varying conditions. By staying informed and diversifying wisely, you can navigate these risks and ensure your portfolio is resilient—even if the market faces stormy seas.

Maintaining a Steady Hand in Decision-Making

Market downturns can stir emotions and tempt investors to act impulsively. Emotional choices, however, often lead to unnecessary losses. Holding steady, even when the market feels unstable, becomes crucial.

Clear goals act as a steady anchor. Knowing what you're investing for—whether it's long-term income, a legacy, or financial security—helps you stay focused even during temporary dips. As Warren Buffett once observed, “The stock market is designed to transfer money from the Active to the Patient.” Keeping long-term goals in mind can help you avoid costly, reactive decisions.

Reviewing and rebalancing your portfolio regularly can also foster steadiness. Instead of responding to every market fluctuation, schedule periodic check-ins so you can adjust investments based on your goals rather than reacting to passing trends. **Think of it like tending a garden—trimming and shaping to maintain balance without uprooting everything whenever a storm passes.**

Stress-Free Investing: Staying Focused in Unpredictable Times

Market volatility can feel like a roller coaster, but with the right mindset and strategy, you can weather the ups and downs without losing sight of your goals. **Understanding the forces behind volatility—geopolitical tensions, economic shifts, and trade policies—helps you make informed decisions rather than reacting out of fear.** By staying focused on your long-term objectives and maintaining a disciplined approach, you can avoid the emotional traps that lead to costly mistakes. Remember, your portfolio isn't just about the numbers; it's about securing your financial future and supporting the lifestyle you've worked hard to build.

Smart diversification, keeping a cash reserve, and sticking to a well-thought-out plan are the cornerstones of navigating uncertainty. Whether you're leveraging brokered CDs for stability, managing a balanced asset allocation, or reviewing your portfolio to align with your goals, each step brings you closer to resilience. The key is staying steady, trusting your plan, and making adjustments thoughtfully—not impulsively. Volatility may be part of the market, but it doesn't have to define your financial journey.

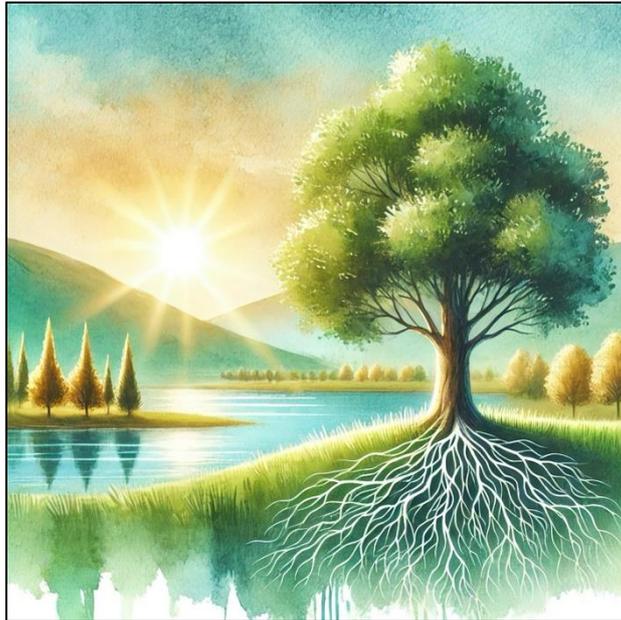
Action Steps - Questions to Ask Your Advisor

As you navigate market volatility, asking the right questions can help clarify your strategy and build confidence in your approach. Here are key questions to discuss with your advisor, tailored to each type of investment:

1. **Stocks:** “Given my goals, should I maintain my current stock allocation, or would adjusting it help me balance growth potential with market risks?”

2. **Bonds:** “How can bonds add stability to my portfolio in this unpredictable interest rate environment? Should I consider short-term or government bonds to reduce volatility?”
3. **Real Estate Investments:** “Is real estate a good fit for my retirement plan, and how can it provide a steady income stream? What are the potential risks, and how can I mitigate them?”
4. **Dividend Stocks:** “Would dividend-paying stocks be a suitable addition to my portfolio to generate income? How much risk would these investments add?”
5. **REITs and Income-Producing Investments:** “Are Real Estate Investment Trusts (REITs) a good choice for generating income in retirement? How do they fit into my overall strategy?”
6. **Brokered CDs:** “Would brokered CDs be a better alternative to bonds in today’s market? How can I use them to keep my funds FDIC-insured while earning competitive returns?”
7. **ETFs for Diversification:** “Are ETFs a good option to diversify my portfolio across asset classes or sectors? How do they compare to traditional (“open-end”) mutual funds in terms of cost and flexibility?”
8. **ETFs and Risk Management:** “Should I consider actively managed or passive ETFs to align with my investment strategy? How do they fit with my overall risk tolerance?”
9. **Money Market Funds:** “Should I consider investing in money market funds to keep part of my cash accessible? What role could they play in my overall strategy, especially during market fluctuations?”
10. **Rebalancing Strategy:** “How often should I review and rebalance my portfolio to keep it aligned with my financial goals? What signs indicate that adjustments might be needed?”
11. **Withdrawal Strategy During Volatile Markets:** “What’s the best way to adjust my withdrawals in a down market to protect my portfolio’s longevity? Are there specific guidelines we should follow when the market fluctuates?”
12. **Geographical Diversification:** “Would diversifying my investments across different regions provide added stability? Are there specific geographical risks I should be aware of?”

By asking these targeted questions, you and your advisor can refine a strategy that’s resilient and tailored to your retirement goals, helping you feel prepared for the ups and downs of the financial world.



Chapter 5

2025 Retirement Realities: Shielding Your Assets from Hidden Threats

Retirement should be about long walks, new adventures, and maybe finally figuring out the secret to your grandmother’s *gefilte fish*. But for today’s retirees—especially those navigating life between the U.S. and Israel—it can feel more like preparing for *Pesach*: a lot of moving parts, endless rules, and the constant fear you’ve overlooked something important. Between currency fluctuations, cross-border tax rules, and enough paperwork to make you wonder if the IRS is secretly run by Pharaoh, the financial landscape can be tricky.

Here’s the good news: **a thoughtful plan can make those financial challenges as manageable as a well-organized *seder*.** By addressing risks like currency swings and tax obligations early, you’ll create a retirement strategy that’s as adaptable as it is secure. And that means you can spend more time savoring retirement and less time arguing with your accountant about whether the IRS would accept *matzah* as a deductible expense.

Unseen Challenges That Could Impact Your Financial Security

Often, the most significant risks are those hidden from immediate view. These “invisible” threats—rising healthcare costs, currency volatility, and complex tax regulations—can steadily erode financial stability if left unaddressed. By understanding and planning for these challenges, you strengthen your financial footing and create flexibility for the future. **With a proactive approach, you can lay a foundation that prepares you for the unexpected while allowing room for adjustments.**

Take Control of Healthcare Costs with Smart Planning

Healthcare expenses are one of the biggest concerns for retirees, and they're not slowing down anytime soon. If you're living in Israel, you've got access to one of the best healthcare systems in the world. The country's national health insurance program covers a lot of services, often at very low costs. But for those of us who have lived here long enough, we know that **there are gaps in coverage that can hit your wallet hard** if you're not prepared.

For example, you might face out-of-pocket costs for things like:

1. **Supplementary Insurance:** Adding private plans to cover things like private surgeries, shorter wait times, or specialized treatments.
2. **Prescription Medications:** Some specialized or brand-name drugs might not be covered, leaving you to pay the full price.
3. **Dental Care:** Adults aren't covered for routine dental work, so cleanings, fillings, and other procedures come out of pocket unless you buy private insurance.
4. **Vision and Hearing Care:** The basic plan usually does not include glasses, hearing aids, or related treatments.
5. **Private Doctors:** Some people choose to pay for private specialists or doctors for faster or more personalized care.
6. **Long-Term Care:** Home nursing care or assisted living isn't fully covered and can lead to huge expenses down the road.

Your Emergency Fund: A Financial Lifesaver for Every Situation

An emergency fund isn't just a good idea—it's your financial umbrella for life's unexpected downpours. Life has a way of catching us off guard, and not always in the "your cousin decided to bring *four* desserts to Friday night dinner" kind of way. Whether it's a leaky roof, an unexpected car repair, or a sudden medical bill, your emergency fund is there to keep you dry when the storm hits.

Healthcare emergencies are some of the trickiest surprises to deal with, and they're often the most expensive. A cracked tooth, an urgent hospital visit, or needing to see a private doctor can quickly drain your budget—faster than your uncle can finish off the Chivas. That's why your emergency fund needs to be strong enough to handle not just the everyday surprises but also medical bills that pop up out of nowhere.

Think of it as your "all-purpose fund." It's not just for flat tires or broken appliances—it's there for any unexpected expense, healthcare included. A well-stocked emergency fund, topped up with three to six months' worth of spending, can keep you ready for most things that life throws your way.

The key is making sure that fund is fully equipped so you're prepared for whatever life—or your health—demands. A well-stocked fund means fewer sleepless nights worrying about surprise bills and more time deciding whether raisins belong in *kugel*.

Choosing Stability Over High-Risk Investments

In retirement, stability often matters more than high returns. While high-risk investments may tempt with their potential for fast growth, they may not suit retirees prioritizing consistency. Warren Buffett once advised, “Rule No. 1: Never lose money. Rule No. 2: Never forget Rule No. 1.” Buffett’s words highlight the importance of careful risk management, even though no investment is without risk. **In retirement, your primary goal often shifts to preserving capital over the long term rather than pursuing gains.**

Think of your retirement portfolio as a bridge designed to withstand various conditions, not a racetrack chasing exciting but uncertain rewards. **Diversifying investments** across asset types—stocks, bonds, real estate—adds balance and helps cushion market volatility. **But during retirement, those sorts of risks often need to be highly tempered in favor of safer investments like money market funds and bank deposits.** Diversification doesn’t eliminate all risk, but it softens the impact of market fluctuations, fostering a more stable financial base.

Low-volatility assets, like bonds and CDs (certificates of deposit in an FDIC-insured bank), provide safer income streams, though they still carry some risk, including interest rate shifts and inflation. While these assets don’t guarantee stability, they align with a longer-term, conservative approach that retirees may find beneficial. **Building a balanced portfolio with a greater weighting on income and safety provides peace of mind in an inherently unpredictable market.**

Why I’m Not Talking About Cryptocurrency

You won’t find cryptocurrency in this book. It’s not because I don’t understand the buzz. It’s because crypto doesn’t belong in a solid, long-term financial plan—especially for retirees.

Let me tell you a story.

Back in the 1600s, people in the Netherlands became obsessed with tulips. That’s right, flowers. Rare tulip bulbs were considered a status symbol, and prices soared as demand grew. Soon, people weren’t just buying tulips to plant in their gardens—they were buying them as investments, hoping to resell them at even higher prices. At the height of the craze, a single tulip bulb could cost as much as a house.

Then, reality hit. Tulip prices collapsed almost overnight. Those who had poured their money into tulips were left with little more than worthless flowers. The so-called “Tulip Mania” became one of history’s greatest examples of a speculative bubble.

Now, I’m not saying cryptocurrency is exactly like tulips, but the comparison is worth considering. Crypto, like tulips, has no intrinsic value. It’s not backed by anything—not a government, not gold, not a company’s earnings. Its price is based entirely on what someone else is willing to pay for it. And just like tulips, those prices can shoot up fast—but they can crash just as quickly.

So, what is cryptocurrency? At its core, it's a digital asset built on blockchain technology, a system designed to record transactions securely and transparently. Supporters say it's the future of money. Critics argue it's more like a digital lottery ticket. Financial experts often cite concerns about its extreme volatility, regulatory uncertainty, and the potential for fraud.

But here's why people still get pulled in: they hear stories of someone striking it rich. They see headlines about early Bitcoin investors who became millionaires and think, "Why not me?" It's the same emotional pull that drove the tulip craze hundreds of years ago.

Let's be clear. I'm not saying crypto has no future. The blockchain technology behind it might revolutionize industries someday. But owning cryptocurrency doesn't mean you're investing in that innovation. It's just a speculative bet on price swings.

Retirement is not the time to gamble. It's the time to focus on strategies that work—diversification, reliable income streams, and protecting what you've spent decades building. That's why this book skips the hype and focuses on practical, proven steps to help you achieve financial security.

If you're curious about crypto, approach it cautiously. Talk to a trusted, licensed financial advisor, and don't risk money you can't afford to lose. But remember, build your retirement plan based on stability, not speculation. Don't bet your future on a digital tulip.

Navigating the Currency Maze in Cross-Border Finances

Retirees managing U.S.-based assets from abroad must contend with currency risk. **Exchange rates between the U.S. dollar and the Israeli shekel fluctuate**, directly impacting purchasing power. Think of currency fluctuations as an unpredictable wave—sometimes favorable, sometimes challenging. **While no strategy can completely neutralize currency risk, certain approaches can help manage its impact.**

Currency exchange rates fluctuate due to a range of factors, including economic indicators, geopolitical events, and market sentiment. Understanding these influences can help retirees manage their finances more effectively.

Factors Influencing Currency Movements

1. **Economic Indicators:** Metrics like inflation rates, employment figures, and GDP growth signal a country's economic health. Strong indicators often strengthen a currency, while weak ones can lead to depreciation.
2. **Interest Rates:** Central banks adjust interest rates to control inflation and stimulate growth. Higher rates can attract foreign investment, boosting currency value, while lower rates may have the opposite effect.
3. **Political Stability:** Countries with stable governments and policies tend to have stronger currencies. Political turmoil or uncertainty can lead to currency depreciation.

4. **Market Sentiment:** Traders' perceptions and reactions to news and events can cause short-term currency fluctuations.

Holding accounts in both U.S. dollars and Israeli shekels offers flexibility, minimizing the need for constant exchanges and conversion fees. **This dual-account strategy allows you to manage funds in each currency, reducing the friction of frequent conversions.** While it provides options, this approach doesn't fully shield you from the effects of currency volatility.

Why U.S. Investments Make Sense for Americans in Israel

If you're an American retiree living in Israel, deciding where to keep your investments is a big deal. While there are benefits to holding some funds in Israel, keeping a sizable portion of your portfolio in the U.S. offers stability, flexibility, and possibly better opportunities for long-term growth. The key is to find the right balance based on your needs and financial goals.

Why Keep Some Money in Israel?

Living in Israel means you'll naturally have some exposure to the shekel. Whether it's through owning property, earning income, or just covering your everyday expenses, you already have a built-in connection to the local economy. Keeping money in Israel can make sense for:

- **Day-to-Day Expenses:** Having funds in shekels avoids the hassle and cost of constant currency exchanges.
- **Local Opportunities:** Certain local savings accounts or term deposits may offer competitive rates for shekel-denominated investments.
- **Emergency Access:** Keeping some cash locally ensures you can quickly handle unexpected expenses without worrying about exchange rates or transfer delays.

The Benefits of U.S. Investments

1. Diversification Across Currencies and Markets

Investing in the U.S. gives you exposure to the dollar, one of the world's most stable currencies. This helps protect your portfolio if the shekel weakens. Plus, from a U.S. brokerage account, you can easily invest globally—whether it's in European markets, emerging economies, or international ETFs. **It's a one-stop shop for worldwide diversification.**

2. Avoiding IRS Pitfalls

One of the biggest headaches for Americans abroad is the tax treatment of foreign investments, especially PFICs (Passive Foreign Investment Companies) like Israeli mutual funds and ETFs. The IRS imposes painful tax rates and complicated reporting

requirements on these products. By sticking with U.S.-based investments, **you avoid this hassle entirely** and simplify your tax filings.

3. Access to More Investment Options

The U.S. financial market is unmatched in its variety. From low-cost index funds to REITs, dividend-paying stocks, and actively managed accounts, you have countless ways to grow and protect your money. **Israel's market is smaller, limiting your options, especially for diversification and growth.**

4. Easier Tax Reporting

U.S.-based accounts integrate seamlessly into your IRS filings. You won't have to deal with translating financial statements or figuring out how foreign tax laws impact your investments. **Maintaining your portfolio in the U.S. simplifies your finances and saves you time during tax season.**

5. Stability and Regulation

The U.S. dollar is a relatively stable currency, and U.S. financial markets are heavily regulated to protect investors. This stability provides peace of mind for retirees who want to focus on living their lives, not worrying about their investments.

6. Tax-Advantaged Accounts

U.S. retirement accounts like IRAs and 401(k)s come with significant tax benefits for Americans. Israel's portfolios may not help Americans in the same way, so keeping your retirement savings in the U.S. allows you to continue growing your wealth tax-efficiently.

Finding the Right Balance

The best strategy is often a mix: **keep enough money in Israel to cover your living expenses and emergencies, but invest the majority in the U.S. to tap into its broader opportunities.** By doing so, you balance your exposure to both economies while diversifying your portfolio globally.

The bottom line? Living in Israel doesn't mean you have to give up the advantages of U.S.-based investments. By holding accounts in both currencies and understanding your exposure to each market, you can build a well-rounded financial strategy that protects your wealth and supports your retirement goals. **It's about making smart choices today for a secure tomorrow.**

Tackling the Complexity of Cross-Border Tax Planning

Taxes pose a formidable challenge for cross-border retirees, particularly those with connections to both the U.S. and Israel. While the U.S.-Israel tax treaty offers relief by helping to avoid double taxation on the same income, navigating these obligations requires careful, ongoing attention to evolving laws and regulations. Effective tax planning is not a

one-time solution; it's an ongoing strategy that adapts to new rules and circumstances to minimize tax burdens and ensure compliance.

When it comes to U.S. and Israeli tax laws, crossing your T's and dotting your I's isn't just a good idea—it's essential. For retirees with cross-border finances, **FBAR (Foreign Bank Account Reporting)** and **FATCA (Foreign Account Tax Compliance Act)** are the rules of the game and following them can save you a world of headaches.

FBAR: What It Means for You

If you're a U.S. citizen or green card holder and the total balance of your foreign financial accounts—like bank accounts, investment accounts, or even that old savings account you forgot about—hits over \$10,000 at any point in the year, you're required to file an FBAR. And no, the IRS doesn't care if that \$10,000 was just sitting there for a day. Not filing is like driving without car insurance. Sure, you might get away with it for a while, but when something goes wrong, it's a financial disaster waiting to happen.

FATCA: The Broader Scope

FATCA takes things a step further. If you hold foreign assets, such as accounts, trusts, or partnerships, over certain thresholds (starting at \$50,000 for individuals or \$100,000 for joint filers), those also need to be reported. Plus, thanks to agreements with foreign financial institutions, the IRS probably already knows about those accounts, so this is less “volunteering information” and more “getting ahead of a phone call you don't want.”

Why It Matters

These reporting requirements may sound complicated, but complying is crucial to avoid fines and penalties that could put a real dent in your retirement plans. Even if you have the best intentions, missing a deadline or misunderstanding the rules can create a problem that's way harder to fix than it was to prevent.

How to Stay on Top of It

Tackling FBAR and FATCA can feel like assembling a 1,000-piece puzzle with no picture on the box. A cross-border tax advisor has seen the finished puzzle before and can show you exactly where each piece goes. Don't struggle alone—get guidance and stay compliant.

The bottom line? Staying compliant with FBAR and FATCA isn't glamorous, but it's a whole lot easier than dealing with the penalties for ignoring them. File everything properly, and you'll have time to solve life's other mysteries—like why Ikea chairs have 37 steps but only three words of instruction.

Another complex area for cross-border retirees is dealing with PFICs (Passive Foreign Investment Companies). Many foreign mutual funds, non-U.S. ETFs, and other pooled investment vehicles fall into this category under U.S. tax law. Here's the kicker: PFICs come with some of the worst tax treatment you can imagine. Earnings might be taxed at rates as high as 37%, and sometimes, you'll owe taxes on gains you haven't even seen yet. On top of that, the IRS expects you to tackle a mountain of complicated paperwork every year. Messing

this up can lead to penalties and interest charges that could drain your wallet fast. If you're a U.S. taxpayer abroad, you've got to work with a tax advisor who knows these rules like the back of his hand.

Now, it's easy to see how someone living in Israel could stumble into this tax trap without even realizing it. You go to your local Israeli bank, and the banker recommends a mutual fund that seems like a smart, low-risk choice. But here's the problem: the banker isn't trained in U.S. tax law, and he likely has no clue that the fund is considered a PFIC under U.S. rules. That means you're the one left holding the bag when the tax man comes knocking.

This is why, **before putting your money into any investment in Israel**, you need to check with a U.S. tax or financial professional. He can help you figure out which investments won't lead to unnecessary tax headaches and make sure your financial plan lines up with U.S. tax laws. A little advice upfront is like buying insurance against future freak-outs over surprise tax bills. It's way better than playing "guess the penalty" with the IRS.

To make the most of cross-border tax planning, **keeping detailed records of foreign taxes paid is essential**. Maintaining these records can allow retirees to qualify for tax credits and deductions, reducing U.S. tax liability. For example, the foreign tax credit is a valuable tool that helps offset U.S. taxes on income that's already taxed abroad, though it is not universally applicable. A tax advisor specializing in cross-border finance can help retirees determine their eligibility for credits and deductions, optimizing their tax strategy to minimize liabilities.

Tax strategies often require regular updates, as eligibility for credits, deductions, and exemptions may shift due to policy changes or changes in personal financial circumstances. For retirees navigating the complexities of FBAR, FATCA, PFICs, and other cross-border tax considerations, a proactive approach is critical. Staying organized and engaged in ongoing tax planning safeguards finances against unexpected liabilities and helps ensure compliance with U.S. and Israeli regulations.

Could 2025 Bring Big Changes for Americans in Israel?

There's some buzzworthy news for Americans living abroad, and if the momentum keeps building, **2025 could bring significant changes**. Both the **repeal of the Windfall Elimination Provision (WEP)** and potential reforms to the U.S. tax system for expats under the Trump administration are developments worth monitoring. While nothing is set in stone yet, these changes could make life a lot easier—and more financially secure—for U.S. citizens living in Israel.

The WEP Repeal: Full Social Security Benefits on the Horizon?

The Windfall Elimination Provision (WEP) has long been a thorn in the side of many Americans in Israel who participate in both the U.S. Social Security system and Israel's pension system. Under the WEP, Social Security benefits are reduced for anyone receiving a foreign pension, even after years of contributing to the U.S. program.

The passage of the **Social Security Fairness Act of 2023** in the House of Representatives is a major step toward repealing the WEP, which would mean retirees in Israel could finally receive their full Social Security benefits without deductions related to their Israeli pensions. While the bill still needs to pass the Senate and be signed into law, bipartisan support suggests there's a strong chance of progress. **This could be a game changer for retirees in Israel who rely on both systems to fund their golden years.**

Simplifying U.S. Taxes for Expats

Another potential breakthrough could come from the Trump administration's pledge to end "citizenship-based taxation" and move to a **residence-based system**. Right now, the U.S. is one of the only countries in the world that taxes its citizens on their global income, no matter where they live. For retirees in Israel, this creates enormous headaches: double tax filings, navigating the Foreign Bank Account Report (FBAR) and FATCA requirements, and managing foreign investments that often trigger punitive tax treatment.

Shifting to a residence-based tax system would mean Americans living abroad wouldn't owe U.S. taxes on income earned outside the U.S., simplifying their financial lives. **It could eliminate the need for many retirees to spend money on expensive accountants and lawyers just to stay compliant.** This reform would make it easier to invest in local opportunities in Israel without fearing complex or excessive U.S. tax consequences.

What's Next?

While these potential changes are exciting, politics is rarely straightforward. Bills that pass one chamber of Congress can stall in the other, and campaign promises often face hurdles in implementation. Even with strong momentum and bipartisan support, there's no guarantee that these reforms will become law. **That said, these developments are worth watching, as they reflect a growing recognition of the challenges Americans abroad face.**

Stay Informed and Prepared

For now, the best approach is to stay informed and work with a trusted financial or tax advisor who understands cross-border issues. If the WEP is repealed or the tax system changes, you'll want to act quickly to adjust your plans and take advantage of the new opportunities. While nothing is guaranteed, 2025 could mark a turning point that makes it much easier for Americans in Israel to enjoy the benefits they've earned and manage their finances with less stress.

The bottom line? There's reason to be hopeful, but it's important to remain flexible and ready to adapt as changes unfold.

Stay Ready, Stay Confident: A Framework for the Future

Retirement isn't about coasting—it's about being intentional. You've got to stay proactive, plan ahead, and be ready for surprises. Whether it's dealing with rising healthcare costs, managing exchange rates, or navigating shifting tax laws, retirement isn't simple, but it

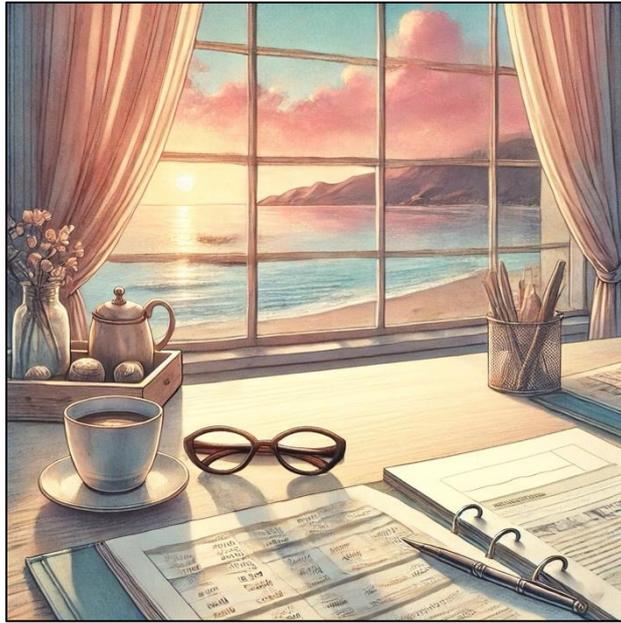
doesn't have to be overwhelming. With smart planning and the right strategies, these challenges can be just another part of your plan—not roadblocks.

Looking ahead to 2025, there's room for optimism. *Potential tax reforms could simplify life for Americans abroad*, and Social Security changes might bring long-overdue fairness. While no one can predict the future, staying informed and working with trusted advisors puts you in a position to seize new opportunities. **Retirement is a journey, and with the right mindset, you can face the future with confidence.**

Action Steps for Protecting Your Retirement Assets

- **Build a Robust Emergency Fund:** Create a well-stocked emergency fund that can cover a wide range of unexpected expenses, including healthcare surprises like urgent medical bills or private doctor visits. By having a single, flexible reserve, you'll protect your primary savings while staying financially prepared for life's unpredictable moments.
- **Prioritize Low-Risk Investments for Stability:** Build a solid foundation with conservative investments like bonds, certificates of deposit (CDs), and money market funds. These assets add stability to your portfolio, balancing out higher-risk investments and helping preserve capital in volatile markets.
- **Manage Currency Risk Proactively:** Keep accounts in both U.S. dollars and Israeli shekels if you often spend in both currencies. This strategy reduces the frequency of currency conversions and helps minimize the impact of fluctuating exchange rates on your purchasing power.
- **Stay Compliant with Cross-Border Tax Requirements:** File your FBAR and FATCA reports on time if your foreign accounts exceed the reporting thresholds. Be cautious with Israeli mutual funds, often classified as **PFICs (Passive Foreign Investment Companies)** or "offshore mutual funds," as they can lead to hefty U.S. tax burdens. Staying compliant with U.S. and Israeli tax laws helps you avoid penalties and keeps your finances in order.
- **Keep Detailed Records of Foreign Taxes Paid:** Organize records of any taxes paid abroad to qualify for U.S. tax credits and deductions. Accurate record-keeping maximizes your tax benefits, helping reduce your overall tax burden.
- **Adjust Your Budget for Inflation:** Regularly review and adjust your retirement budget to account for inflation, especially in high-impact areas like healthcare and housing. Planning for gradual cost increases preserves your purchasing power over time.
- **Diversify and Balance Your Portfolio:** Spread your investments across various asset types—stocks, bonds, real estate—to manage risk. Diversifying both within and across asset classes helps cushion your portfolio against market downturns.
- **Conduct Regular Reviews of Your Financial Plan:** Schedule periodic reviews with your advisor to ensure your financial plan stays aligned with evolving goals and economic changes. Regular check-ins keep your strategy adaptable and prepared for new financial challenges.

Taking these steps will strengthen your retirement plan, helping you address both visible and hidden risks. With this proactive approach, you'll protect your assets and enjoy a more resilient, adaptable retirement.



Important Steps to Take in 2025

Understanding the Economic Landscape: 2025 and Beyond

The road to 2025 feels like arriving at a fork, with seasoned guides pointing in opposite directions. For example, on one side stands Harry Dent, a well-known economist and author famous for his bold predictions about market cycles and demographic trends. Dent is waving a caution flag, warning of an economic downturn he believes is inevitable. He points to private debt, overvalued assets, and the long-term consequences of years of stimulus-driven growth as warning signs. To Dent, the economy’s “sugar rush” from easy money and government spending is fading, exposing vulnerabilities like slowing global growth, wobbly real estate markets, and rising consumer debt. His message is clear: a financial reckoning is on the horizon, and it’s time to prepare.

Conversely, optimists like Tom Lee, co-founder of Fundstrat Global Advisors, foresee a “melt-up” scenario. They argue that with inflation showing signs of cooling and central banks hinting at easing monetary policies, investors are poised to channel funds into equities, potentially leading to a significant surge in asset prices. This perspective suggests that a combination of renewed investor confidence and strategic central bank actions could drive substantial market gains in the coming year.

So, who’s right? Here’s the thing: **both perspectives are rooted in logic, but neither has a crystal ball.** Dent’s bearish outlook assumes that structural weaknesses will overpower any short-term momentum. The bulls, meanwhile, assume that investor behavior—fueled by liquidity and optimism—will drive markets higher despite macroeconomic uncertainty. The truth, as always, will likely land somewhere in between, though not in a way that anyone can predict with precision. Moreover, the question is not just economic. There is a political angle to consider, as well.

How Changes in Politics Can Fuel Economic Growth and Market Optimism

The Trump administration's economic strategy for 2025 could offer a significant boost to both the underlying economy and the stock market. Central to the plan are proposals to simplify taxes, reduce regulation, and incentivize business growth—policies that historically align with market strength. By easing restrictions on industries and encouraging domestic investment, these measures could spur economic activity, leading to higher corporate earnings and improved consumer confidence.

Additionally, Trump's commitment to reducing international trade imbalances, coupled with potential infrastructure spending, could create jobs and strengthen sectors like manufacturing and construction. For investors, these initiatives provide a foundation for optimism, as a robust economy tends to translate into healthier stock market performance. While the effectiveness of these plans remains to be seen, their pro-growth agenda resonates with market dynamics, making them a potential catalyst for both economic recovery and long-term investment gains.

What This Means for You

Imagine you're driving on a foggy road. Dent would tell you to slow down, maybe even pull over, because danger is ahead. The bulls might say to press on and enjoy the ride, trusting the fog will lift. Neither is entirely wrong. What's important is how you drive. Do you have good brakes (an emergency fund)? Are your tires balanced (a diversified portfolio)? And, most importantly, are you paying attention to the road signs (economic indicators) without overreacting to every bump?

The lesson here isn't to pick a side but to prepare for both outcomes. Build a portfolio that isn't dependent on one specific outcome—whether it's a crash or a rally. Rebalance regularly. Keep some cash on hand for opportunities that may arise. And, most importantly, don't let short-term predictions drive long-term decisions.

It's not about predicting the weather—it's about learning how to sail in any condition. By preparing your finances for both sunshine and storms, you can navigate 2025 with clarity, confidence, and control.

Safeguarding Your Legacy: Leaving a Lasting Impact

Why 2025 Is the Year to Prioritize Your Estate Plan

Retirement planning isn't just about making sure you have enough money to live comfortably—it's about **ensuring the people you care about most are taken care of when you're gone**. In Jewish tradition, there's a powerful lesson about leaving a legacy for future generations. Proverbs 13:22 says, "A good person leaves an inheritance to their children's children." It's a reminder that our responsibility extends beyond today; it's about building a foundation that will bless your family long after you're gone.

The events of October 7, 2023, were a stark reminder of life's unpredictability, especially here in Israel. They highlighted just how important it is to take control of the things we can plan for, like our estate. In a world where uncertainty looms, having a solid estate plan isn't just wise—it's essential.

Build a Legacy, Not a Mess

An effective estate plan does more than just decide who gets what. It tackles big issues like minimizing taxes, managing family dynamics, and making sure your assets are distributed efficiently. Without a plan, you could leave behind confusion and even conflict, which is the last thing your family needs during a tough time.

Think of your estate plan as planting a well-tended garden for your heirs—one where everything has its place, and each part thrives. Tools like trusts can help you designate money for specific purposes, like funding a grandchild's education or supporting a favorite charity, all while offering potential tax benefits.

At the end of the day, no estate plan can remove every challenge, but it can provide clarity, peace of mind, and a roadmap for your loved ones. 2025 is the perfect time to take this step. **Start the year by sitting down with an experienced advisor to ensure your plan reflects your values and protects your family.** Because the best gift you can leave is a legacy of love, not a pile of legal and financial headaches.

Creating a Legacy That Reflects Your Values

Ask yourself: What do you want your legacy to represent? Many retirees find that passing down values and wisdom means as much as passing down wealth. **An estate plan that reflects your values creates a lasting, meaningful legacy.**

Consider leaving a personal message, written or recorded, to express your intentions and values. **This touch of continuity gives your heirs context and preserves your family's sense of purpose.** By passing down not just wealth but guiding principles, you create a legacy that reflects who you are and what you hold dear.

Simplify Cross-Border Finances with the Right Help

Managing finances between the U.S. and Israel can feel overwhelming, but you don't have to go it alone. A cross-border advisor—alongside your accountant and attorney—can help you navigate tax obligations, currency issues, and investment strategies tailored to your unique situation. An advisor who takes the time to get to know you will guide you through the complexities, ensuring you stay compliant while maximizing opportunities.

At **Profile Investment Services**, we offer a **free Cross-Border Financial Evaluation** to help us understand your situation and determine if and how we can help. Visit profile-financial.com/call to schedule a call and get started. With the right plan in place, you can

handle the challenges of cross-border finances with confidence and clarity, keeping your goals firmly in focus.

Charting Your Course with Confidence and Resilience

Resilience in retirement comes from balancing preparation with flexibility. As you think about the future, remember that your financial plan doesn't have to be strict or overly complicated. By staying flexible, protecting what you've built, getting advice from experts, and taking smart steps now, you can create a retirement plan that fits your values and adjusts to life's changes. This way, you'll be ready for whatever comes your way while enjoying a secure and fulfilling retirement.

Picture your retirement strategy as a well-designed ship—one built to handle shifting tides, yet always in need of steady navigation and occasional adjustments. With a resilient plan in place, **you can look ahead with confidence, knowing you've taken steps to protect your financial well-being and the legacy you'll leave.** Here's to a 2025 that's secure, adaptable, and purpose-driven!

Five Great Resources to Help You Thrive in 2025

Essential Questions to Ask Cross-Border Professionals

Cross-border financial planning can be complex, but asking the right questions can make all the difference. Whether you're managing investments, planning your estate, or navigating tax requirements across countries, it's crucial to work with professionals who truly understand your unique needs. The decisions you make today can have long-term implications for your financial future, so being informed and proactive is key.

To help you get started, we've compiled a resource that highlights **essential questions to ask cross-border financial professionals**. These questions are designed to help you evaluate whether a financial advisor, tax specialist, or attorney is the right fit for your situation, ensuring you receive advice that aligns with your goals. [Explore the resource here.](#)

Managing U.S. Assets for Americans Who Pass Away in Israel

Planning for the future is about more than just accumulating wealth—it's about ensuring your loved ones are cared for and your financial legacy is secure. Many American residents in Israel wonder what will happen to their U.S. portfolios when they pass away. The process can feel overwhelming, but with the right knowledge and preparation, it doesn't have to be.

Our video, "**Managing U.S. Assets for Americans Who Pass Away in Israel**," provides clear, practical guidance to help you navigate this complex topic. You'll learn how to:

- Understand how various account types transfer to heirs.
- Gather critical documentation for a seamless estate transition.
- Secure your loved ones' financial future with effective planning.

Whether you have joint accounts, IRAs, or individual brokerage accounts, this video will give you the insights you need to plan effectively and ensure a smooth transition of your assets.

[Watch the video here.](#)

Tax Efficient Investing: Managing Your U.S. Inheritance from Israel

Managing an inheritance from the U.S. while living in Israel comes with unique challenges, from navigating cross-border tax regulations to ensuring your assets are managed efficiently. To help you address these complexities, we've compiled the highlights from a popular virtual event hosted by **Doug Goldstein** and **Ron Zalben, CPA**.

This guide, "**Tax-Efficient Investing: Managing Your U.S. Inheritance from Israel**," offers practical strategies to:

- Optimize your investments to minimize tax burdens.
- Understand cross-border tax implications for inherited assets.
- Ensure seamless management of your U.S. and Israeli financial portfolios.

Whether you're inheriting an IRA, brokerage account, or other assets, this resource provides the tools you need to make confident and informed financial decisions. [Access the guide here.](#)

Understanding Capital Gains Tax

Taxes can significantly impact your investment returns, especially for Americans living in Israel. Understanding how capital gains taxes work and how to manage them effectively is essential for improving your financial strategy. With the right approach, you can minimize your tax burden while staying compliant with U.S. and Israeli regulations.

The video, “**Understanding Capital Gains Tax**,” breaks down the complexities of taxation and provides actionable tips to help you:

- Navigate the differences between U.S. and Israeli tax systems.
- Plan your investments to maximize tax efficiency.
- Avoid common mistakes that could cost you in taxes.

Whether you’re managing long-term investments or considering the sale of assets, this video offers practical insights to help you make informed decisions. [Watch the video here.](#)

Free Cross-Border Financial Evaluation

Managing cross-border finances can be complicated, but you don’t have to navigate it alone. Whether you’re juggling U.S. brokerage accounts, tax regulations, or estate planning across borders, having the right financial guidance is crucial.

Our **Free Cross-Border Financial Evaluation** is your opportunity to see if we’re the right fit to help you achieve your financial goals. During this call, we’ll:

- Learn about your unique situation and challenges.
- Explore how we can help manage your U.S. investment portfolios.
- Discuss the systems we can provide to get you on the right track.

Think of it as a “get to know you” session to figure out if we’re the right match to support your cross-border financial success. [Schedule your free evaluation today!](#)