

Fall
Weekly

Reader

Volume 43, Issue 107 October 24, 2013

The Plano Rotary Club
www.PlanoRotary.com

Gloom, Doom and Medicare

UPCOMING MEETINGS

October 24

Marcy Wilson, Executive Director
"Hendrick Scholarship Foundation."

October 31

Paul Geisel
Past District Governor, District 5790
"A Sociological History of Rotary."

November 7

Dr. Robert McClelland
"Remembering JFK".

November 14

Darren Collins
"The Coterie Connection".

OCTOBER BIRTHDAYS

Maucieri, Richard	Oct 05
Caldwell, John	Oct 06
Horne, Rick	Oct 08
Sullivan, Jan	Oct 10
Allman, Janis	Oct 18
Botts, Robert	Oct 20
Watson, Debbie	Oct 25
Jackson, Jessica	Oct 26
Lewis, J. Marc	Oct 27
Stewart, Casey	Oct 31

Sainted Editor **Chris Parr** should be back from Cambodia by the time you have this Reader in your hands, sitting in his proper place, retrieving the editing job from his substitute team, and once again lampooning the hard-working management of the club.

On the 17th, **Captain Kirk** rang the bell, prompted the audio technician to give him some amplification to allow him to exercise his power, welcomed us to the meeting, and thanked **Lenny Schwartz** for serving as Greeter. Lenny actually had a lot of helpers, or else a large group had chosen to meet just outside the door. **Jan Sullivan** led us in the invocation, leaning on a prayer published for Rotary. Reluctant to release control of the podium, she then donned her hat as district chairman of Polio Plus and appealed for additional funds to root out the remaining pockets of polio on the planet. Next Thursday, October 24, is World Polio Day, and everyone is supposed to wear purple. Jan was followed by recently inducted **Cathy Tyler** who ably and chattily led the pledge of allegiance to the flag.

Sergeant at Arms **Nathan Barbera** rose to acknowledge guests and visiting rotarians. From the North Texas Pioneers Club, we applauded visitors Sarah Crilley-Hill and Jeff Crilley. Skip Jenkins introduced his wife Toni. Captain Kirk failed very publicly in his effort to introduce Dean Lindsay and promptly fined himself \$1 in an effort to curtail general harassment. Sarah Crilley introduced Jena Johnson. Sara Akers introduced Ohio Rotarian Eddie Badr. Bill Dendy, our speaker and a visiting Rotarian, introduced two members of his staff, Sarah Thomas and Jerry Cornelius, who he had brought along for support.

Barbera, after a walk on the wild side last week interviewing Larry Flannery, sought a safer interview this week with **Ray Huffines**. Ray admitted to having been born in Baylor Hospital in Dallas. He grew up in Commerce and Greenville. Ray denied any involvement in sports in school. He did not serve in the military. His first job was in the

longhorn cattle business before moving on to automobiles at age 15. His first personal car was a Camaro.

He majored in business management in college. He attended college at Texas A&M, as did his father. Ray reported that he now had eight auto dealerships. Ray said his best Rotary memory was of Steve Blair and Bubba impersonating the Blues Brothers. (For the benefit of the newer members, Steve Blair was president of the Plano Rotary Club in 1992-93 when he set the record for the most meetings not attended by the president. Larry "Bubba" Jackson figured in too many stories to recount, but he was woven into much of the club's history.)

Captain Kirk took note of birthdays for **Janis Allman** and **Bob Botts**, and he thanked Janis for her birthday check.

Allen Feigenbaum and **Nancy Humphrey** were called back to the podium again this week to remind the club that we are hosting the 17th annual **Hendrick Foundation Scramble for Scholarships** on the first of November at Stonebriar Country Club. In addition to the opportunity to play in the tournament or be a sponsor, we are fortunate to be able to buy raffle tickets for \$25 each (or 5 for \$100) to win rounds of golf. There will



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also be a helicopter ball drop providing a new game of chance with tickets available for \$25 each (or 5 for \$100.) More prizes are offered such as a Florida trip with air and hotel covered. Finally, the players will have chances at hole-in-one prizes. Nancy made an urgent appeal for



more Rotarian volunteers to sign up to work this entertaining event. Despite the Friday, November 1st date of the tournament, our regular Halloween meeting on October 31 will take place as usual. Captain Kirk then added his appeal to us for participation in the tournament as players or volunteers.

Jim Cooper received his two-year perfect attendance pin. **Rick Maucieri**, previously pinned, was belatedly awarded an accompanying 25-year plaque.



Dave McWhorter, club program chairman, was called upon to introduce Bill Dendy, our speaker. Dendy is a fellow Rotarian, an attorney, a CPA, and a wealth manager and FOX News Analyst, and he is speaking on the "New" Financial Reality of Retirement. Bill helps lead the E-Club for District 5810. Last year, Bill was named Rotarian of the Year. Bill said he had been teaching retirement planning at Richland College for the last year. He has been District 5810 treasurer for the last two years.



Bill Dendy told us he had been 22 years in the financial industry, and he

has seen many changes over that period of time. Retirement is not at the same time as it used to be. Folks tend to work to older ages now. \$1,000,000 used to be the goal that people worked toward in order to "have it made." Now that doesn't feel like so much money. Recently Bill reported doing a Happy Dance upon negotiating a CD interest rate of 1.5%, not what it used to be. Back in the 10% interest days, \$1,000,000 produced an income. At 1.5%, it gives you \$15,000 a year. Now, referring to the book The Millionaire Next Door, guys with \$3 million to \$4 million look like the rest of us. Bill noted that his assistant Jared was collecting business cards to award a copy of The Millionaire Next Door to some lucky Rotarian, and he was passing out pamphlets to assuage the anguish of the non-winners.



The driving force behind the cost of retirement is the fact that baby boomers will spend more time in retirement than any previous generation. A 65-year old can now expect to live another 18-years on average. (The substitute editor, no longer able to discern that young age in his rear view mirror, crossed his fingers and prayed for more.) American seniors are living 50% longer than they were in the 1930's, when Social Security set 65 as the benchmark retirement age. Bill said his grandfather lived to 94, and Bill asked him at age 90 whether he had expected to reach 90. His grandfather said when he was younger, living in Tyler, he thought 72 was really old. His grandfather retired at 70, and then his life got to be fun. Now he sees a young man of 70 as a youngster with his whole life in front of him. At a recent Second City show in Dallas, Bill saw Ebby Halliday, age 103, at the late show. Retirement is now the next chapter of our lives, providing us with the free time to do more of what we want to do. However, there are challenges to be mindful of on the financial side.

Social Security and Medicare both are evolving with changes in caps and taxation rates. Health insurance provided by employers is changing due to ever-rising medical costs. The tax code continues to change. The estate tax now provides such large deductions (\$5,000,000) that complex trusts established in the past may now be less necessary and unnecessarily cumbersome. COLA adjustments to Social Security have been negligible in the last few years, although most of us feel that inflation has not disappeared. The government has dealt with that issue by changing the items in the market basket measuring inflation and removing troublesome things such as food and fuel from the calculation. Medicare costs have changed to provide for higher taxes for high-income earners. Demographic changes will require future adjustments to both Social Security and Medicare benefits. Bill asked how many think they will never see a social security check, and the hands shot up. (The substitute editor does not wish to pick on his friend Bill Dendy, but he has listened to similar presentations for the last 45 years, and his hand used to be the first one raised. But now the social security payments are deposited every month to his account.) Bill said that among adults under 40, more believe they will see intelligent life on other planets than So-



cial Security checks. Bill thinks we will see checks, but they will change.

Bill spoke of investment risk. Bonds sound safe to many unsophisticated investors, but they are very risky. Even people who know better seldom adjust their portfolios frequently enough. The price of bonds will go down when interest rates go up. How many people think interest rates will go down more? Longer bond maturities simply mean greater volatility and more loss when interest rates increase.

Some investors have moved to lower credit quality bonds in search of higher yield to provide regular income without fully appreciating the risk. High yield equals high risk. Businesses issuing the lower-grade bonds tend to do well in a rising market such as the present one, but they don't do as well when the market retreats. Each category of alternate investments has its own risk.

The long-term care insurance is an issue. Long-term care is generally not covered by Medicare. Generally care may cost \$4000 to \$5000 per month in this area. The insurance that has already been sold may not have calculated cost sufficiently high, and

rate may be going up in the future.

Retired persons have more control over taxes than ever before. The highest tax bracket now is 39.6%, down from the New Deal years when it could exceed 90%. It is important to talk to your CPA and ask him how to minimize taxes. Don't just rely on him to complete your tax return.

He said there was also good news. Most portfolio values are up tremendously from the low five-years ago. The market has been very good to us, and government stimulus has been good to the market. New investments are now available to ordinary investors that formerly were only for the wealthy.

Turning to the baffling issue of multiple Bill Dendy's, Bill said it was the other Bill Dendy who would soon be District Governor. Both of them have wives who are attorneys. Both do financial planning. They have compared notes and discovered common ancestors six generations back.

Captain Kirk thanked Bill Dendy for his presentation and awarded him the club's coveted clock. Then we recited the Four-Way Test to end the meeting.



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North Texas Pioneers

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2013 Citizen of the Year

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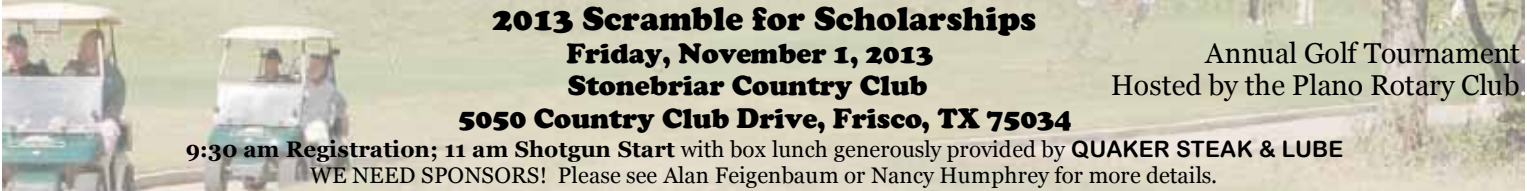


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2013 Scramble for Scholarships
Friday, November 1, 2013
Stonebriar Country Club
5050 Country Club Drive, Frisco, TX 75034
9:30 am Registration; 11 am Shotgun Start with box lunch generously provided by **QUAKER STEAK & LUBE**
WE NEED SPONSORS! Please see Alan Feigenbaum or Nancy Humphrey for more details.

Annual Golf Tournament
Hosted by the Plano Rotary Club