RETIREMENT

Continued from Page 1B

The answer isn't to cower in fear, but to plan for the inevitable downturns. Financial planners say the following actions can help make your money last.

Make sure you're properly diversified

Stocks have quadrupled since March 9, 2009, the beginning of the current bull market. Meanwhile, returns on bonds and cash remain low. Investors who haven't regularly rebalanced back to a target mix of stocks, bonds and cash probably have way too much of their portfolios in stocks.

The time to rebalance is now, before markets start bucking and making it harder to think rationally. The right asset allocation depends on your income needs and risk tolerance, among other factors, but many financial planners recommend having a few years' worth of withdrawals in safer investments to mitigate the urge to sell when stocks fall.

Certified financial planner Lawrence Heller of Melville, New York, uses the "bucket" strategy to avoid selling in down markets. Heller typically has clients keep one to three years' worth of expenses in cash, plus seven to nine years' worth in bonds, giving them 10 years before they would have to sell any stocks.

Near-retirees who use target date funds or computerized robo-advisors to invest for retirement don't have to worry about regular rebalancing — that's done automatically. But they may want to consider switching to a more conservative mix if stocks make up over half of their portfolios.

Start smaller, or be willing to cut back

Historically, retirees could minimize the risk of running out of money by withdrawing 4 percent of their portfolios in the first year of retirement and increasing the withdrawal amount by the inflation rate each year after that. This approach, pioneered by financial planner and researcher Bill Bengen, became known as the "4 percent rule."

Some researchers worry that the rule might not work in extended periods of low returns. One alternative is to start withdrawals at about 3 percent.

Another approach is to forgo inflation adjustments in bad years. Derek Tharp, a researcher with financial planning site Kitces.com, found that retirees could start at an initial 4.5 percent withdrawal rate if they were willing to trim their spending by 3 percent — which is equivalent to the average inflation adjustment — after years when their portfolios lose money.

"You don't actually cut your spending. You just don't increase it for inflation," says certified financial planner Michael Kitces.

Pay off debt, maxmize social security

Reducing expenses trims the amount that retirees must take from their portfolios during bad markets. That's why Melissa Sotudeh, a certified financial planner in Rockville, Maryland, recommends paying off debt before retirement.

She also suggests clients maximize Social Security checks. Benefits increase by about 7-8 percent for each year people put off starting Social Security after age 62. The more guaranteed income people have, the less they may have to lean on their portfolios.

If needed, arrange more guaranteed income

Ideally, retirees would have enough guaranteed income from Social Security and pensions to cover all of their basic expenses, such as housing, food, utilities, transportation, taxes and insurance, says Wade Pfau, professor of retirement income at the American College of Financial Services. If they don't, they may be able to create more guaranteed income using fixed annuities or reverse mortgages, says Pfau, author of "How Much Can I Spend in Retirement?"

Fixed annuities allow buyers to pay a lump sum to an insurance company typically in exchange for monthly payments that can last a lifetime. Reverse mortgages give people age 62 and older access to their equity through lump sums, lines of credit or monthly payments, and the borrowed money doesn't have to be paid back until the owner sells, dies or moves out.

Covering expenses with guaranteed income actually can free retirees to take more risk with their investment portfolios, which over time can give them better returns and more money to spend or leave to their kids, Pfau said.

DROUGHT

Continued from Page 1B

state.

As for Missouri's corn crop, nearly half of it was listed as poor or very poor, according to the most recent USDA progress report. Only about a quarter was listed as good or excellent.

The drought has also hurt pastures, with about three-quarters in poor or very poor conditions, according to the USDA report.

Many pastures haven't been able to support grazing cattle, prompting farmers to feed cattle with hay that might normally be saved for winter. It's also hurt the hay crop, which is down about one-third from normal.

"It has been a very bad summer following a very bad winter as far as the feed supply," said Eldon Cole, a University of Missouri Extension livestock specialist out of Mt. Vernon. "The winter was so long last year they had to feed hay until April. That caused them to run out of hay, and then we didn't have a good growing season."

Kent Arnaud, 57, said this year's drought may be the worst since 1980 at the 1,500-acre cattle farm he operates with his father and son near Monett in southwestern Missouri.

Arnaud said he and his relatives are scrambling to find enough feed for the cattle over the winter. They've even sold off some calves early so they won't have to feed them in the cold-weather months.

The calves are typically sold in November or December.

"Unless we get an awfully good fall, we're going to be pretty nervous going into the winter," Arnaud said. "We need several rounds of soaking rain and cooler temperatures."

Some farmers unable to sell drought-damaged corn were using it for cattle feed, Cole said.

The weather forecast offers some hope. Fuchs said most of Missouri is expected to get at least an inch of rain over the next week or so, and some especially dry areas in northern and southern Missouri could see 2 inches of rain.

"If we could squeeze that out of the atmosphere, that would certainly be helpful," Fuchs said.

MARKET

Continued from Page 1B

years, Facebook, wasn't even publicly traded when the bull market began. Facebook's huge run-up of more than 350 percent since going public in 2012, Apple's steady march to $1 trillion in value, and huge gains by other tech companies like Netflix have helped push the broader market higher.

Since the rally officially began on March 9, 2009, the Standard and Poor's 500 has risen 321 percent. In the 1990s bull market, the current record holder for the longest, stocks rose 417 percent.

From the start, the Federal Reserve was a big force pushing markets higher. It slashed short-term borrowing rates to zero, then began buying trillions of dollars of bonds to push longer-term rates down, too. Investors frustrated with tiny interest payments on bonds felt they had no alternative but to pile into stocks.

Companies moved fast to adapt to the post-financial-crisis world of sluggish U.S. growth.

They slashed costs and kept wage growth low, squeezing profits out of barely growing sales. They bought back huge amounts of their own stock and expanded their sales overseas, particularly to China's booming economy. Profit margins reached record levels, as wages sunk to record lows as measured against the size of economy.

"What people missed was how quickly U.S. corporations were restructuring and right-sizing themselves to regain profitability," said money manager James Abate, who publicly urged investors to start buying stocks in early 2009 when most were dumping them. "It was really a catalyst for turning things around."

China's surging growth helped the market, too. Its boom drove up the price of oil and other commodities, helping to lift stocks of U.S. natural resource companies — for a while at least.

Then came a downgrade of the U.S. credit rating in August 2011, which caused stocks to swoon, and 2013 brought another fall as Fed Chairman Ben Bernanke talked of easing off stimulus policies. In the second half 2014, oil plunged 50 percent, which rattled investors again.

Profits started falling the next year, but investors kept their nerve and didn't sell and waited for profits to rise again. In 2016, stocks gained 10 percent then jumped 19 percent the next year. Since the start of 2018, they have risen 6.6 percent, boosted by surging profits following the massive cut in corporate tax rates earlier this year.

Several dangers threaten the rally.

The Fed has hiked its benchmark lending rate twice since January, and is expected raise it twice more by the end of the year.

Stocks could suffer as higher interest on bonds convinces investors to start shifting money into this safer alternative. Higher rates also increase costs for business and make expanding operations more difficult.

More worrisome, rising rates can trigger recessions, which often kill bull markets. Three of the past five recessions were preceded by rate hikes by the Federal Reserve.

With stocks richly priced, there isn't much room for things to go wrong.

The prices investors are paying per share for companies are 2.2 times revenue per share, near historic peaks. And prices compared to long-term earnings are much higher than in 2007 before the market crashed.

For all its longevity and gains, the final verdict on the bull market won't be known until it ends.

The financial crisis of 2008 that ended the last bull market laid bare just how much debt and risk-taking had fueled gains in the previous seven years. The dot-com bust that ended the 90s rally showed how reckless investors had been.

This time, many of the unanswered questions concern the Fed's monetary stimulus.

How much did it help boost stocks, and thus the broader economy? Will the gains it helped manufacture prove ephemeral? What are the long-term costs of its unprecedented economic rescue effort as it faces the tricky task of unwinding its stimulus program?

Another question is the wisdom of so many buybacks. Companies have spent trillions in recent years repurchasing their own stock, which has helped lift prices in the short term but does nothing to expand operations, train workers and generally improve their business. Many of the purchases were made with borrowed money, adding to already sizable debts.

Abate, the money manager who urged people to buy early in 2009, says stock prices are too high given the threat to profits from higher borrowing costs as rates climb, higher input costs from Trump's tariffs and, possibly, bigger raises for workers in the future.

"Profits are peaking and valuations are extreme," said Abate, chief investment officer of Centre Asset Management.

His prediction is that stocks will plunge by the end of the year and a bear market will begin.

Others are more optimistic.

JPMorgan's Lebovitz takes comfort in the fact investors have been skeptical of the rally all along, which he says has allowed none of the excesses of prior bull markets to build up.

"This is a bull market that people love to hate," he said. "Blind exuberance hasn't been a characteristic."

Asked how much longer the rally will last, he said: "At least another year, but two might be a bit of stretch."

CYCLE

Continued from Page 1B

Cycle Oregon overnight visit is "Elgin Remembers."

This theme emphasizes the excitement and money the event brings into the community and its organizations. To show its appreciation, EDGE has planned a grand "finish" line in front of the high school and invites all Elgin residents to come to this area between 11 a.m. and 6 p.m. Sept. 11 to cheer and welcome the cyclists to town.

"This year the Cycle Oregon cyclists will be camping at the Elgin High School football field and will be using many facilities throughout Elgin," EDGE President Cindy Chandler said.

Among the hospitality plans are a stew/soup supper at the Elgin Community Center; "Picking on the Porch" and bingo at the Stage Stop Inn, 1000 Division St.; "Art Show and Sell" by Stella Mayfield students; "Fun Night and Train Tour" by WURRA; "Opera House Tours" by Friends of the Opera House; and a "Dungeons and Dragons Marathon" by Elgin High School English classes. In addition, the Elgin Public Library will offer WiFi for the cyclists.

All of the events and activities will be advertised at a booth operated by the Women's Service Club near the high school.

"Most of the riders will come to the booth to check in because they want to know what's going on," Chandler said.

Food service and a beer garden will be set up on 17th Avenue and Birch Street. The Elgin Stampeders will help man the beer garden, Chandler said, which is open to the public as well.

The sidewalk construction project from Division Street to the high school — which began the week of Aug. 13 — should be done before Cycle Oregon rolls into town, Duffy said.

"Water, sewer and utilities are all worked out and taken care of," he added. "I will be the person coordinating all emergency services."

Some downtown streets will be partially closed off for the event, but Duffy said people who need access can still get to their destinations.

In La Grande, "Cycle Oregon's campsite on Sept. 14 is going to be at Pioneer Park," McHaddad said. "There will be a stage set up for announcements and entertainment at Pioneer Park, and the (Union County) Chamber has discussed special events in town with local entertainment venues."

Cycle Oregon publishes a community guide for each of the cities the cyclists ride through, listing activities, events and restaurants/pubs that the city has to offer.

"The Chamber has submitted the operating hours of businesses in La Grande to Cycle Oregon for inclusion in their guide provided to cyclists," McHaddad said. "We are in the process of ensuring that businesses stay open extra hours and offer special deals to cyclists."

La Grande businesses are encouraged to stay open later on Sept. 14 and get in the spirit by letting the Chamber paint temporary welcome messages on storefront windows. McHaddad emphasized that this is an opportunity to showcase the town, as many of the cyclists will be looking to return in the future for vacations.

La Grande's hospitality details are being finalized for special events, deals and expanded hours with merchants. All of these details will be printed by the Chamber on a special "community card" for distribution to the cyclists, supplementing Cycle Oregon's community guide.

"One of those events is the EOU volleyball match against Evergreen State," McHaddad said. "We are also working to ensure that public transit routes are able to take cyclists through the downtown corridor."

The civic groups, school clubs and organizations involved in hosting Cycle Oregon this year in Elgin and La Grande encourage all residents to decorate their home properties and businesses and join in the festive fun this event will bring.

McHaddad also cautioned that drivers need to exercise caution around cyclists.

BRIEFLY

Continued from Page 1B

Oregon's Bounty Calendar. The award-winning calendar celebrates all aspects of Oregon agriculture and showcases photos of anything that depicts the beauty, culture, enjoyment, technology or tradition of family farming and ranching.

The Oregon's Bounty Calendar is mailed to nearly 70,000 Farm Bureau members around the state and thousands more are distributed throughout the year. It's an exceptional opportunity for both amateur and professional photographers to get their work shown broadly.

For more details, contact Anne Marie Moss, OFB Communications Director, at annemarie@oregonfb.org or 503-399-1701.