

Survive and Thrive August: Your Survival Guy Escapes a Heat Wave on the *Tom Sawyer*

Dear Survivor,

You may have experienced a heat wave this summer.

We did recently, all over New England with temps in the 90s and the “real feel” reaching the low 100s. It was a scorcher.

There’s no beating the heat, but going out on the boat is a nice break.

There’s nothing like leaving Newport at cruising speed, with Castle Hill off the port side, the Newport bridge to stern, and Jamestown, RI to starboard.

As we approached Mattapoissett harbor, we could see Ned’s Point lighthouse off starboard bow.

On the way home on Sunday, Owen and I ran into some birds working the surface which is always a good sign there’s fish.

It’s pretty peaceful waiting for them to bite.

There was a school of pogies being worked from below by some snapper blues. We caught one fish, but I don’t have a picture (I know, typical fisherman’s story).

Captain’s Log from Your Survival Guy’s Fourth of July Weekend

Here are some observations from Your Survival Guy’s Fourth of July weekend, when my family and I took our boat—the Tom Sawyer—to Mattapoissett to visit my parents, and on the way home got stuck in the fog (more on that shortly).

Family trips are a little different now than they were a few years ago when the four of us (plus our dog Louis) would travel by boat. This year our daughter had “things” she needed to do, and met us by car.

This worked out well since Louis is not a huge fan of the boat. He loves it when it’s at the dock or on a mooring. But when it’s underway, he’s less sure of his footing and needs to be held—holding a 35-pound dog for a two-hour boat ride is not fun. Louis went by car.

It was hot in Newport, so it felt great to get on the boat. One of the best feelings when powering beyond Castle Hill and leaving Narragansett Bay is the sudden drop in temperature heading into cooler waters.

It’s like driving a convertible through a dip in the road, or a valley when you can feel and smell the change in the air.

On this trip, the cruise to Mattapoisett was about an hour-and-a-half. We made great time thanks to a calm sea, cruising at 32 mph and hitting a top speed of 44 mph.

They say you can never go back home, but I do it all the time. I never get tired of seeing Ned's Point Light House as we enter Mattapoisett harbor. It's like a deep "good to be here" exhale.

Mattapoisett is a postcard type of town. In fact, my neighbor Chip's mom Mrs. Cunningham, had a yellow bumper sticker on her car that was a big seller in town which read: *Mattapoisett, It's Special*.

One summer, my family travelled across the country in a Winnebago Brave (yes, we were brave). We couldn't believe it when we saw a *Mattapoisett, It's Special* sticker on a car in the middle of the country.

We excitedly introduced ourselves. By the way, I think there's a formula that the farther you're away from home, the more excited you get when someone or something connects you to it.

Anyway, you can imagine our excitement.

I think the guy thought we were crazy because he was basically like "yeah, it was on the car when I bought it. Sounds like a nice place."

Moving on.

Every year on the Fourth there's a 5k road race in Mattapoisett. This year it was hazy, hot, and so humid you could practically see the air, and it was tough, with several runners collapsing from heat stroke. Not good.

On our morning walk to Ned's Point Light House, I felt like I was reliving my paper-route. One of the most beautiful homes I had delivered to was owned by Mr. Young, whose father "Skipper" founded the Acushnet Co., maker of Titleist golf balls. [Mr. Young provides a wonderful 70-year history of the company here.](#)

Under the heading of small world, Mr. Young was the "other" Dick Young at the Massachusetts Institute of Technology, according to Becky's grandfather who was two years his senior.

I remember delivering the newspaper to Mr. Young and waiting on him at Oxford Creamery.

The four lobster rolls he'd order by phone came to \$19.80. He'd tell me in the nicest way, "E.J. don't worry about adding it all up (we did all the orders by hand and added them up then calculated the tax) just remember the Lobster rolls are \$4.95 with tax so multiply by five and subtract the appropriate nickels."

Mr. Young had a beautiful home on the water. He had a dock out front, and his gorgeous Hinckley Bermuda 40 moored just beyond that.

When he was older, he sub-divided the waterfront property into two lots in order to build a smaller ranch for he and his wife while keeping the dock.

When Mr. Young passed away in 2015 at age 98, the ranch home was purchased by the owners of the larger house, essentially joining the property back together.

Recently, the ranch home was sold to a family from Texas that will use it as a summer house. The dock stays with the larger home, but the new owners will have rights to use it.

Times change.

Remember I told you about the bumper sticker Mattapoissett It's Special? Well, my dad was a realtor and had the listing for Mr. Young's house and it was when we were on this trip that it sold.

Heading home Becky, Izzy and Louis took the car, and Owen and I took the boat.

We hit some fog going around Mattapoissett Neck, heading west up Buzzards Bay.

There's nothing eerier than boating in the fog. It's a lot like investing. You just don't know what's ahead unless you have radar (I do but it wasn't working). And even then, you need to be careful.

There's never any harm in slowing things down.

Survive and Thrive this Month.

Warm regards,



E.J.

"Your Survival Guy"

P.S. If someone forwarded this to you, and you want to learn more about Your Survival Guy, read about me [here](#).

P.P.S. If you would like to contact me and receive a response, please email me at ejsmith@yoursurvivalguy.com.

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P.P.P.P.P.S. The IRS is coming after your IRA with a hidden tax. More sausage is being made down in Washington D.C.—never a good thing especially when “revenue” and “IRA” are used in the same sentence.

It's called the SECURE Act, which laughably stands for Setting Every Community Up for Retirement Enhancement.

It sailed through the House 417-3 and is expected to pass under unanimous consent by the Senate.

The insurance industry loves the Secure Act.

Uh-oh. At the heart of their love affair with this foul ball is the introduction of annuities as investment options for 401(k) plans.

The reason they haven't been offered in the past is because companies didn't want to be on the hook if the insurer providing the annuity went belly up.

Remember, annuities are insurance products. Their solvency depends on the solvency of the insurer providing them.

They are not a diversified mix of stocks/bonds. They are YOU and the insurer, and perhaps a state guarantee

that has hardly been tested.

The reason they'll begin to be offered in 401(k)s is the insurance lobby saw to it that the Secure Act will not hold 401(k) sponsors liable if an insurer goes bankrupt.

Swell. Release the hounds! You can bet anyone and everyone who has a 401(k) will be treed by insurance dogs attacking them with the annuity spiel.

Hidden out of site will be their high fees, high surrender charges, and dependency on the solvency of the insurer. No thanks!

Think you'll understand what you're buying? Please. The prospectus is about as clear as the tax code. 401(k) investors beware. I've never liked a business model that benefits when you die.

OK, then. The other bad news in this pathetic Secure Act is the elimination of the stretch IRA.

A stretch IRA works like this; Let's say you have an IRA, your wife is your beneficiary and your two children are the secondary beneficiaries.

When you die, your wife takes the required minimum distribution (RMD) on her life expectancy.

Then, when she dies, the kids get it and it's distributed based on their life expectancy, usually a long time, say 30-years. This long payout allows your children to avoid a massive tax obligation over a short period of time. That's gone.

The Secure Act eliminates the secondary beneficiary "stretch" or life expectancy RMD and defaults to 10-years.

That's it.

You can imagine how this plays out. Your kids are maybe in their prime earning years and inherit the IRA. They'll have to clear it out within ten years.

I would make sure you have a conversation with your wife to explain how this works, and then explain to the kids that they will need to be ready for a potential windfall that will show up as taxable income.

Strategies? There will be many.

My idea is to maybe take all of it over three to five years when the kids can somehow live off dividends and cap gains and drop their income as low as possible.

And the good? Hmmph. There's a couple crumbs I guess. The RMD age goes from 70 1/2 to 72. Big deal. And there's no age limit on IRA contributions. Not that you're going to be contributing much in retirement.

Basically, the Secure Act is a stealth tax and a fee grab courtesy of your elected bozos in Washington and the insurance lobby.