

Talking Points



JOE RAEDLE/GETTY IMAGES

Sugar, Sugar, Everywhere
In the Grocery Aisles

You may know there is added sugar in your Coke or cookies. But did you know that it's in your salad dressing, pasta sauce and bread? A team of researchers at the University of North Carolina conducted a detailed survey of the packaged foods and drinks that are bought in American grocery stores and found that 60 percent of them include some form of added sugar. When they looked at every individual processed food in the store, 68 percent had added sugar.

Post Office Branches Out

With everybody emailing and texting, instead of buying stamps, postal services could use more revenue. So in Finland, you can now have a mail carrier cut your grass for a fee. The postal workers will do the job each Tuesday — a light day for mail in Finland — and the customers must provide the lawn mower. The fee, from 65 euros to €130 (\$75 to \$149) a month, is tax deductible.



DEAN FOSDICK, VIA ASSOCIATED PRESS

In No Rush to Leave Parents

For the first time in modern history, young adults ages 18 to 34 are more likely to live with a parent than with a romantic partner, the Pew Research Center reports. Millennials reached that milestone in 2014, when 32.1 percent lived in a parent's home, compared with 31.6 percent who lived with a spouse or a partner. Other accommodations are also becoming more common: About 22 percent of young adults now live in a dormitory or a prison, or with a relative like a grandparent or a sibling — compared with 13 percent in 1960.



MEREDITH LEE/HUMANE SOCIETY INTERNATIONAL, VIA HUMANE SOCIETY INTERNATIONAL VIA AP IMAGES

New Lives for Korean Dogs

Humane Society International has begun a campaign to get South Korean farmers to stop raising dogs for meat and to switch to growing blueberries or other crops. The group, which offers farmers as much as \$60,000 to give up their dogs to be adopted as pets in the United States and elsewhere, says it has shut down five farms since last year.

Investment Fees Sap a Portfolio

STRATEGIES
JEFF SOMMER

Small charges add up over a long period of time and cut into a nest egg.

Stay the course, pay attention to the big picture, and don't sweat the details. That mantra makes sense for saving and investing, but only up to a point. Once you start paying attention to fees, it becomes clear that details matter.

Years ago, I began to notice that although I was faithfully socking away money into an I.R.A., my account wasn't growing much — not compared with the overall returns of the stock and bond markets. The main problem turned out to be fees. No single charge was a deal breaker, but over time the damage was large. That is a sad truth of investing: Little fees weigh heavily over extended periods.

The addition of 1 percent in fees annually, over a 35-year career, can reduce your nest egg by 28 percent, according to the Labor Department. Higher fees hurt even more.

In an ideal world, you wouldn't have to worry about details like mutual fund commissions and fees: You could stuff savings into a reliable fund and reap the rewards later. You could, in short, assume that the people handling your investments were always acting in your best interest.

But we don't live in that kind of world. Even with the prospect of tighter requirements for financial advisers beginning next year, investors need to watch out for themselves. The Labor Department has proposed rules that should provide a greater degree of protection for many investors starting in April 2017. That assumes that the rules are not watered down further or blocked by the financial services industry.

If the rules take effect, financial advisers dealing with retirement accounts will generally be required to act in a client's best interest. But the rules contain exceptions. For one, they don't affect nonretirement accounts. And the Labor Department's rules contain vagaries and loopholes. For example, they don't say what specific fee levels are permissible or how "best interest" is to be construed.

They give brokerage firms a way of defining the requirement to act in the best interest of customers through "negative consent." This means that if you have a brokerage account and don't respond in writing to the broker's document, you have given your consent.

Not everybody responds in writing to boilerplate notes from brokerage firms and financial advisers, said Jerry Schlichter, a St. Louis lawyer who has been a pioneer in class-action suits involving excessive fees in 401(k) retirement accounts. "Behavioral economics tells us that in a situation like this, many people won't even read the documents, and that is a big problem with the rules as they



MINH UONG/THE NEW YORK TIMES

now stand," he said.

When and if the rules eventually do take effect, he said, "it will be important for the Labor Department to send a signal that it is serious about them" by taking enforcement action. And if it becomes clear that "companies or individuals have engaged in systematic violations," he said, the new rules raise the possibility of class-action suits on behalf of investors with I.R.A.s.

In May 2015, Mr. Schlichter won a landmark decision before the Supreme Court, which held that in 401(k) accounts, sponsors have "a continuing duty" to act in employees' best interests, by monitoring investments and removing "imprudent" or needlessly costly ones.

Knut Rostad, founder and president of the Institute for the Fiduciary Standard, a nonprofit advo-

cacy group, said, investors should demand their advisers do three things: provide a written pledge to uphold a fiduciary standard, disclose potential conflicts of interest as well as an indication of how such conflicts will be remedied, and list all investment costs.

Many of these costs are lurking somewhere on a firm's website or in a mutual fund prospectus. An earlier version of the new rules would have required publication of such expenses, and projected returns, in account statements, but it was removed under pressure from financial firms.

Unless they check, investors may not always understand when they are paying high fees, like "loads" or commissions on mutual funds. Plenty of no-load funds — those without such commissions — are sold today. Among them, index funds gener-

ally have very low fees and over extended periods have usually outperformed most actively managed funds.

Hundreds of funds with loads of at least 5 percent are being sold, according to Laszlo Birinyi Jr., president of Birinyi Associates, a research firm in Westport, Conn.

Presumably, advisers acting in investors' best interests would need to examine such costs carefully. "With the new Department of Labor rules coming into effect, I wouldn't want to be in the position of trying to sell load funds," Mr. Birinyi said.

The new rules may be an improvement, but it's evident that they won't be enough. Advisers with investors' best interests at heart can help. But investors will have to peer through the murk of excess fees and find ways to protect themselves.

Lessons From Family's Dominican-Bred Frugality

EDUCATION
ISABELLA DESIMONE

Of the more than 200 college application essays that students sent The Times this year, this is one we liked best. The essays reveal that children are watching and listening when parents talk about money, and learning important lessons.

My small body and head of curly hair trotted over to the refrigerator in search of some butter for my bread. I shifted opened cans of Goya beans and the remnant of a brick of dulce de leche. After much shuffling, I spotted the big brown container of margarine. Reaching for my "feast," I opened the container. To my dismay, it was filled with arroz con pollo. My eyes tightened and my stomach made Chewbac-

ca noises. Maybe I could mash the dulce de leche on top of the bread.

My finding was not a surprise. Rather it was lesson number 73 in the book of Dominican-bred frugality. Why buy 99 cent storage containers when the products we buy already provide them for free? It is a struggle for immigrant parents to successfully pass on values of frugality to their children while living in a developed country with a perceived flow of plenty. But my mother's iron will was the perfect match for those incongruities.

For a child, things like magic, fairy tales, and free MacBook offers make it difficult to grasp the value of money and to quantify the struggles that some families face to make ends meet. The collective hope is that through hard work and a miracle, one ends up figuring out how to make five dollars out of five cents.

My trailblazing family's thrifty efforts were legendary in our neighborhood. We started reusing and repurposing way before it was trendy. We made do with what we had and made what we had do more in order to awkwardly swim toward the Dominican American dream.

Frugality is a game, or at least we made it into one. A game of who can save the most money by turning off lights, keeping the heater off and going to the library when the apartment got too hot. A game of who could make a skirt out of a short dress or find a scholarship for swimming lessons at the Y.M.C.A. The act of conserving money, the audacity to solve problems is what set my family apart. Together we share our victories in a little tribe of four Amazon warriors partaking in our own version of the show, Survivor: NYC edition.

The phrase "making do" could evoke connotations of stagnation and despair for some; but for me it is about understanding my situation and being proactive. Making do gifted me with resiliency and gratitude. Making do allowed me to internalize acceptance and to value effort.

Lesson 978 took place last winter. I woke up at home with numb toes. The temperature inside the house was evidently no different from outside. I questioned my seemingly crazy mother to which she replied, "Come cuddle with me." With closer inspection, I found my two sisters under the covers. The average family can spend up to \$1,000 on heating their apartment, but my home is already comforting in its own way. A small bed with too many people in it, arms and legs perfectly intertwined. It doesn't get better than

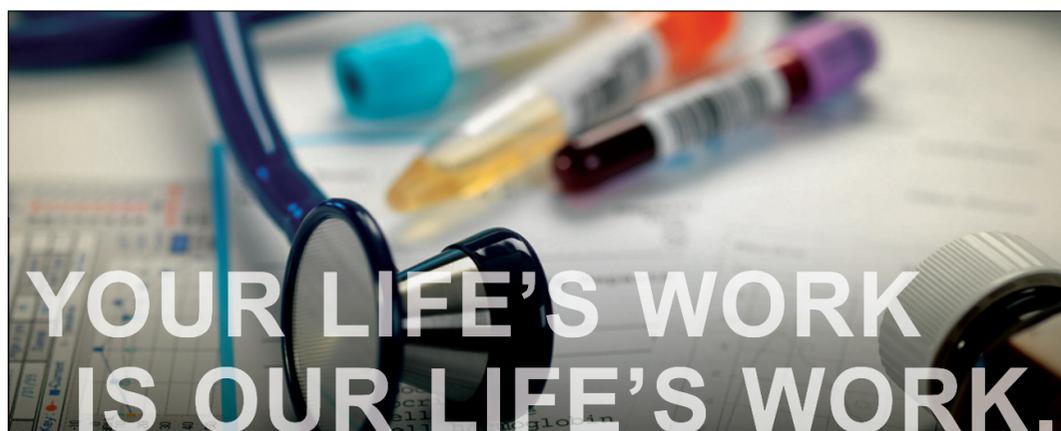


JESSICA HILL FOR THE NEW YORK TIMES

LEGENDARY THRIFT Isabella DeSimone, who will attend New York University, learned early to "make do."

that on a cold morning.

The laughs we exchange keep me warm, my grandmother's advice, *sigue adelante*, or keeping moving forward, resonates with me, the *arroz con pollo* in the butter container satisfies me and our love for each other fuels me with drive to excel. We make do everyday and through our doing and making I know in my heart, the best is yet to come.



You've worked, sweated, and sacrificed. You've made good on a few of life's dreams. Our team will honor this lifelong effort with the same level of dedication—and the same work ethic—that it took to realize your dreams.



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