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MANAGING YOUR MONEY, WORK AND SUCCESS

Spending Well

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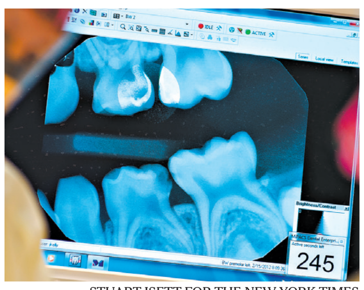
Talking Points

ROBERT WRIGHT FOR THE NEW YORK TIMES

Building a Home Without Hammer or Nail

Impelled by the pressures of climate change and population growth, and shaped by new technologies, a revolution in home-building is brewing. One innovator, Behrokh Khoshnevis of the University of Southern California, said his 3-D printing construction method, Contour Crafting, will be able to build a house in a day and cut costs by 30 percent. The Chinese company Winsun has already printed homes and apartments using a similar method.



STUART ISETT FOR THE NEW YORK TIMES

Good News From the Dentist

Your dental insurance may pay for bitewing X-rays every year, but you may not need them so often. The American Dental Association says that adults who properly care for their teeth and have no symptoms of oral disease or cavities can go two to three years between X-rays. The prices insurers or uninsured patients pay vary, but a full set of bitewings typically runs about $60.

Grounded, With No Caffeine

Airlines blame flight delays on many things, but one explanation in particular trips up some travelers: a broken coffee maker in the galley. It turns out to be a surprisingly complex problem. Onboard coffee makers cost anywhere from $7,000 to $20,000, and they are electrical, so if one isn't working, the ground crew needs to make sure there's not a problem with the circuitry that could cause a fire or other hazard.

The Lighter Side of Lifting

Upending conventions about how best to strength train, a study published in The Journal of Applied Physiology finds that people who lift relatively light weights can build just as much strength and muscle size as those who grunt through sessions using much heftier weights. Researchers said the key to getting stronger was to attain almost total muscle fatigue.

Weathering a Volatile Market

INVESTING
CONRAD DE AENLLE

Valuations are high, but earnings growth is low, as are expectations.

MINH UONG/THE NEW YORK TIMES

The stock market at midyear hovered around a record high. But after several weeks in which prices soared, then plunged, then soared again, the view from the summit, or near it, may not be so pleasant.

Stock fund owners escaped the second quarter with modest gains, but the extreme volatility leaves them to contemplate fresh uncertainties in the final half of 2016. Share prices were advancing steadily until British voters decided to leave the European Union. Although polls showed a close race throughout the "Brexit" campaign, the result came as a shock — one that evidently wore off quickly, as stocks fell precipitously but then recovered nearly all of the Brexit losses.

In June the Federal Reserve decided not to raise interest rates with Janet L. Yellen, the central bank's chairwoman, citing "uncertainty" about the economy.

The Standard & Poor's 500-stock index ended June at 2,098.86, up 1.9 percent for the quarter. The post-Brexit bounce helped to produce a 2.5 percent return for domestic stock funds in the quarter, according to Morningstar. The average international stock fund rose 1.4 percent, but portfolios in Europe lost 3.4 percent.

The S.&P. 500 ended the quarter trading at 19 times the earnings that component companies reported in the previous four quarters, compared with a historical average of about 15. And earnings growth is low and expectations are falling.

The conundrum investors face is that alternative destinations for their money aren't cheap. Yields on the benchmark 10-year Treasury note declined in the second quarter to 1.4 percent from 1.78 percent. That helped the average long-term government bond fund gain 6.5 percent, and bond funds in general rose 2.6 percent.

Some niches within the markets may offer adequate returns at acceptable risk, advisers say. But they warn that gains are likely to be meager in broad asset classes. Few options are good; some may be good enough.

"It's hard to find real pockets of value," said Rebecca H. Patterson, chief investment officer of Bessemer Trust. "I don't see much where you can say, 'Aha! This is a great opportunity.'"

Neither does Robert Arnott, chairman of the investment advisory service Research Affiliates. "The lowest-hanging fruit is emerging-market stocks," he said.

In contrast to American stocks, indexes of emerging markets are trading at less than 10 times earnings. Emerging-market bonds are similarly cheap. "When you see spreads this wide, it makes sense to put a large toe in the water," he said.

Traders displayed no such circumspection when it came to European stocks and currencies after the Brexit referendum. They took stock indexes down nearly 10 percent and sold the euro and especially the pound, which fell more than 10 percent, to its lowest level since 1985, and failed to recover with stocks.

After the referendum, Deutsche Bank called the result "a sign of Europe's increasing fragility" and warned that "this outcome points to greater risks." The S.&P. 500 could fall to 1,950, Deutsche said, and banks and companies with high European sales are vulnerable.

Focusing on the outlook for emerging markets, HSBC said there probably would not be much direct impact on business. The bank cautioned that "the U.K.'s referendum decision to leave the E.U. means we are entering an uncertain world and there will likely be pressure on emerging-market financial assets based on immediate risk aversion."

Jeremy Richardson, a manager of stock portfolios for RBC Global Asset Management, said that the world was plenty uncertain before June 23 rolled round. "A big question that hangs over all of us is, How do we move on from this world of low, even negative, interest rates that we find ourselves in?" he said.

Mr. Richardson recommends avoiding long-term bonds or the stocks of companies that investors may view as proxies for them for their stable trading patterns. Their popularity has made them expensive, he warned. He prefers stocks of "businesses that do things a little differently," including discount clothing retailers and the carmaker Tesla. He also likes companies involved in cloud computing and so-called big data, as well as immunotherapy, or the development of cancer treatments that enhance immune system responses to tumors.

"People spend so much time on what Janet Yellen is going to say next or the price of copper" instead of focusing on individual companies, Mr. Richardson said. "If you're just talking about the market, you're missing a big part of the story."

But central banks remain a big part of the story, too. However the Fed and its peers might go about extricating themselves from nearly a decade of extraordinary monetary policy, James Paulsen, chief investment strategist at Wells Capital Management, wishes they would get on with it. "We have uninterrupted growth with full employment," he said. "It's no longer appropriate "to employ crisislike policies when the crisis is long past in the U.S."

Mr. Paulsen favors sectors like financial services, industrials and materials and would avoid consumer sectors, where prices have been bid up. Foreign markets may do better than the United States, in his view, because they are less further along in the upward slope of their economic cycles.

Other niches that Mr. Paulsen would consider include market-neutral and other alternative funds, which try to achieve modest returns with minimal risk, and real estate and commodity funds.

Among the few assets preferred by Ms. Patterson, at Bessemer, are high-quality corporate bonds and shares of global companies that tend to trade with less volatility than the overall market, as long as they are reasonably priced.

If such slim pickings and the prospect of slim returns leave investors feeling disappointed, Mr. Paulsen has a simple piece of advice: Get over it.

"You've got to look at the world you live in," he said.

Calls to Expand Social Security

RETIRING
MARK MILLER

Jana Panarites was about to make a career shift in 2010 when her father died. That plan ground to a halt when, at age 50, she moved from California back to Maryland to take care of her mother.

Ms. Panarites has no regrets about the three years she spent caring for her mother. But the detour damaged her retirement security. Her annual Social Security income will be at least 20 percent less than she could have expected had she not left the work force, the Social Security Administration estimates.

A growing number of policy makers want such caregivers to get some relief as part of a broader effort to expand and modernize Social Security benefits. More than 20 expansion bills have been floated by lawmakers, with proposals ranging from targeted increases for vulnerable retirees to larger increases in benefits for all retirees. Many support dealing with Social Security's imbalance by making cuts elsewhere and raising revenue.

The trust funds for Social Security's retirement and disability benefits are projected to be depleted in 2034, according to the program's trustees. That problem could be avoided if Congress agreed to raise revenue, impose benefit cuts or do some combination of the two.

For example, a recent report by the Bipartisan Policy Center called for adjusting Social Security's progressive benefit structure to deliver higher amounts to lower-income retirees. The changes would increase benefits by $176 a month to the median recipient who files at full retirement age — an increase of 10 percent on a $1,700 benefit. It also called enhancing the program's survivor benefit. Widows and widowers now receive either their own benefit or 100 percent of a deceased spouse's benefit, whichever is higher; under the policy center's proposal, survivors would receive their own benefit plus 75 percent of their deceased spouse's benefit.

Some proposals would increase benefits for the most vulnerable.

The center recommended gradually raising the normal retirement age and adopting a less generous annual cost-of-living adjustment. How would the government pay for Social Security expansion, while also helping close its solvency gap? The main vehicle would be through changes in the payroll tax on salaries and wages, which now collects 12.4 percent — equally split between employers and employees — up to a cap of $118,500. The Bipartisan Policy Center recommends raising the payroll tax another 1 percentage point over 10 years. Others favor permitting Social Security to invest a portion of the trust fund in equities. By law, trust fund reserves must be invested in special-issue Treasury bonds that pay very low rates of interest.

PETER W. CROSS FOR THE NEW YORK TIMES

PENALIZING CAREGIVERS **The years Jana Panarites, left, spent caring for her mother will mean an estimated 20 percent cut in her Social Security income.**

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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