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Spending Well

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WORK AND SUCCESS

Talking Points



AN RONG XU FOR THE NEW YORK TIMES

Tipping Point for Games

This holiday season could be remembered as a digital watershed for the games business, when the old way of selling video games on discs in boxes finally gave way to downloads. All mobile games are delivered over the Internet, as are nearly all PC games. But the transition for console games, the biggest segment of the business, has been far slower. Now, faster broadband speeds and the bigger hard drives in the latest generation of consoles are reducing those obstructions.



AN RONG XU FOR THE NEW YORK TIMES

Exercise for a Cold?

Working out could help people fight off colds and other infections, according to a timely new study that found that regular exercise strengthens the body's immune system in part by repeatedly stressing it. The researchers said they studied animals, but the results most likely apply to people and could offer further incentive for us to remain physically active this winter. The study, by Chosun University in Gwangju, South Korea, and others, was published last month in Scientific Reports.



BARRY HUANG/REUTERS

Apple Pay in China

Apple is introducing its mobile payments platform, Apple Pay, in China early next year, a move that will significantly broaden the service's audience. The company announced a partnership with China's primary credit card network, China UnionPay, and 15 Chinese banks on Dec. 17. Chinese consumers will be able to upload their UnionPay card information to Apple Pay and use their iPhones, iPads and Apple Watches, Apple said. Apple Pay will become available to China UnionPay cardholders in early 2016, the company said.

It Went Up, and Came Back

When the Space Exploration Technologies Corporation launched a Falcon 9 rocket on Dec. 21 from Cape Canaveral, Fla., its biggest success was the return of the booster rocket to the launching site for reuse. After the second stage of the rocket with the satellites



JOE SKIPPER/REUTERS

continued on to orbit, the engines of the booster stage reignited to turn it around, back to Cape Canaveral. Ten minutes after launching, it set down six miles to the south of the launching pad. It was the company's first flight in half a year.

Even Ultrarich Have Bad Years

WEALTH MATTERS
PAUL SULLIVAN

Together, nearly half of the richest Americans lost \$760 billion.

Dov Charney, the founder of the now-bankrupt retailer American Apparel, and Sam Wyly, who has bought and sold a dozen companies over the decades, were both larger-than-life characters with checkbooks to match.

But the two self-made men have something else in common. In less than 18 months, their individual net worth fell by over 50 percent, according to research conducted for The New York Times by Wealth-X, which provides data and insights on the world's wealthiest individuals.

They were not alone. Wealth-X found that from July 2014 to July 2015, 45 percent of the ultrawealthy — defined as those with more than \$30 million — in the United States lost some part of their wealth; 11 percent lost more than half of it.

The reasons for the drop in wealth differed. But why so many ultra-wealthy people lost so much of their wealth so quickly offers lessons in financial management, no matter how much money you have.

Sure, the members of this group still have a lot of money. But they made similar mistakes: Too much of their money was tied up in one investment and too little was in cash or some other liquid investment. And too often, they didn't think enough about the likelihood that something could go wrong.

To put this loss of wealth into dollars and cents, the 11 percent who

LEFT, ANN JOHANSSON FOR THE NEW YORK TIMES; RIGHT, LUCAS JACKSON/REUTERS
BIG LOSSES Dov Charney, left, saw his \$65 million share of American Apparel turn worthless. Sam Wyly's net worth fell to \$470 million from \$970 million.

were superlosers lost \$760 billion in all in the 12-month period examined by Wealth-X, a sum that is more than the gross domestic product of Switzerland.

The average individual net worth of members of this group dropped to \$34 million per person, from \$133 million. (During that same period, 12 percent lost 25 percent to 50 percent of their net worth; 22 percent saw declines of up to 25 percent.)

In an age when technology moguls are lauded for striking it rich quick — think Mark Zuckerberg, with a net worth of \$46.2 billion — it's easy to forget that there are others from previous booms who are still rich but not as rich as they once were, like Steve Case of AOL and Craig McCaw, who sold AT&T Wireless. There are still others whose wealth is gone.

"A lot of people have this view that wealth is inherited," said Mykolas Rambus, chief executive of

Wealth-X. "That's very much not the case." Most are successful entrepreneurs who built fortunes, he said, "And most of their money is in privately held companies, not your Googles and Facebooks."

For Mr. Charney, his share of American Apparel was estimated at \$65 million in May 2014 and is now worthless. In 2007, Forbes put Mr. Charney's stake at \$550 million.

"Every financial adviser in the United States says you've got to diversify," Mr. Rambus said. "There is a lesson here about volatility and concentration."

But there is a paradox here. Generally, it was overconcentration in one, illiquid company whose value rose exponentially that made people ultrawealthy in the first place.

On the other side, those very wealthy people who maintained or increased their wealth this last year exhibited a series of traits: They were well diversified across real estate, cash and publicly traded se-

Vanishing Fortunes

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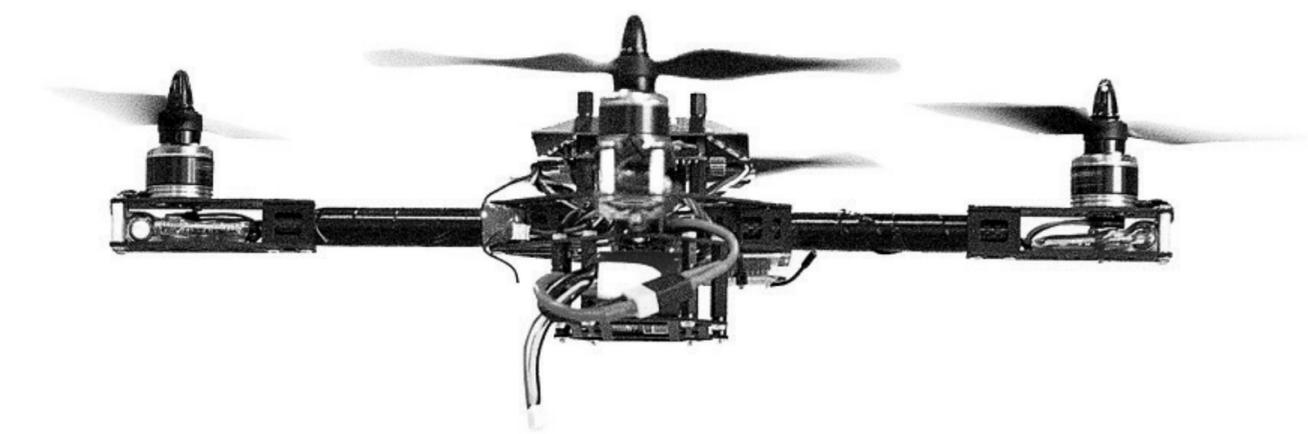
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curities, which insulated them from volatility in the business that created their wealth.

As for Mr. Wyly, 81, his drop in wealth is a combination of selling businesses and running afoul of the Securities and Exchange Commission and the Internal Revenue Service. His net worth fell to \$470 million from \$970 million at this point last year. He is also under court order to pay \$198.1 million to the S.E.C. as a penalty for hiding money in offshore entities and engaging in securities fraud. Perhaps the greatest risk to his remaining wealth is the I.R.S., which said in April that he owes \$2.03 billion in back taxes.

Chances are the I.R.S. and Mr. Wyly will reach a settlement, but there will not be as much money to leave to his heirs.



Drones May Join Households in a Grayer World

TECHNOLOGY
JOHN MARKOFF

SAN FRANCISCO — The ranks of older and frail adults are growing rapidly in the developed world, raising alarms about how society is going to help them take care of themselves in their own homes. Naira Hovakimyan has an idea: drones.

The University of Illinois roboticist recently received a \$1.5 million grant from the National Science Foundation to explore the idea of designing small autonomous drones to perform simple household chores, like retrieving a bottle of medicine from another room. Dr. Hovakimyan believes drones will become an everyday fixture in elder care.

"I'm convinced that within 20 years, drones will be today's cell-phones," she said.

Her research is just one example of many technologies being studied to help aging people.

Robotists and physicians predict advances in computerized, robotic and Internet-connected technologies will be available in coming years to help older adults stay at home longer.

For all the promising ideas, however, skeptics also note that many ideas are "technologies looking for a solution" that inevitably fail the test of practicality.



PHOTOGRAPHS BY DANIEL ACKER FOR THE NEW YORK TIMES

"We all get really excited on the upside, and then we go through this trough of disillusionment," said Laurie Orlov, a business analyst who began the Aging in Place Technology Watch blog in 2008.

Even so, examples of robotic and artificial-intelligence-derived technologies that will be commercially available in the next decade include intelligent walkers, smart pendants that track falls, home sensors that monitor health status, virtual and robotic electronic companions, and drones.

An aging population will place enormous burdens on the world's health care system by 2050, according to demographers. Globally, the number of people 60 and over is expected to more than double by 2050

YOU RANG? Naira Hovakimyan, of the University of Illinois, is researching small drones like this one that she envisions will be able to carry out tasks for older adults, like retrieving a bottle of medicine from another room.

Technology like smart pendants and intelligent walkers are coming.

and triple by 2100.

The United States appears to be lagging in the field. "In both Japan and Europe, it seems that government is more attuned to the potential of technology for aging populations," said Jeffrey A. Kaye, a neurologist at Oregon Health & Science University.

China reached out more than a decade ago to Eric Dishman, an Intel scientist who is developing technologies to assist older adults. "Now I have a team in China working with third parties, collaborating on their Age Friendly City Initiative," Mr.

Dishman said. That has led to the installation of sensors in homes to monitor up to 100,000 people.

In addition, there are efforts to add stationary robots to provide things like coaching, communications and companionship. Catalia Health, a San Francisco-based design company, has introduced the Mabu personal health care companion, an interactive robot about the size of a coffee pot. The system listens, speaks and holds a touch-tablet interface. It is designed to provide a link to doctors' offices and pharmacies.

A profound question is whether robots or virtual assistants, in tandem with Internet communications, can help forestall the effects of aging, like dementia. Isolation is one of the most vexing problems, and there is evidence that human contact can postpone intellectual decline. "It is not possible to simply tell people to go out and get more friends, so the idea here was to provide a meaningful and frequent dose of social engagement," Dr. Kaye said.

Internet, tablet and smartphone systems such as grandPad, a simplified tablet for older adults, and CareAngel, a telephone system to help younger family members stay connected, are emerging to help stave off isolation.

The ultimate test for all these ideas will be whether people will want to use them.

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