

Companies take different roads on driverless vehicles, F3

Small-cap, growth stocks keep markets afloat, F7



Scott Burns
Personal Finance

Getting the most of Social Security

How can you get your money's worth out of all that you pay into Social Security? There are things you can do to increase your benefits somewhat, such as defer them. But the big levers are in the structure of our society, not in machinations we can do with advisers who offer help. We can see this in a regular exercise done by actuaries in Social Security's Office of the Chief Actuary.

The actuaries figure the present value of your tax dollars. They calculate present values by adjusting dollars paid in for the interest rate earned on the Social Security trust fund.

Then they compare that number to the present value of the stream of benefits you are likely to receive if you live a typical lifespan. It's called the Money's Worth ratio.

Obviously, you can do better by living longer – or worse by dying younger. One thing the actuaries are at pains to point out is that Social Security isn't like a pension plan. The program skews benefits higher for people with lower incomes. And it skews them lower for people with higher incomes. In pension plans, benefits are proportional to contributions.

A single man with low income retiring in 2014, for instance, will enjoy benefits that are 1.44 times what he paid in. That's nearly three times the 0.53 a single man at the top of the wage base would receive.

In fact, the actuaries suggest the gap is larger. Why? Because they didn't adjust for the taxes on Social Security benefits paid by higher-income retirees.

Are there other differences? You bet. Here are some big ones.

The best time to be born or retire was long ago. Workers at medium earnings levels born in 1920 and retired at 65 in 1985 did well. A single male receives \$1.37 for every \$1 committed. The next generation, those born in 1943 and retired in 2008, gets only 74 cents on the dollar. Their children, born in 1964 and retiring in 2029, will do somewhat better, at 94 cents on the dollar.

But that 94-cent figure depends on Social Security paying full benefits after the trust fund is empty. This will happen, the actuaries say, around 2033. If benefits are paid from available employment taxes, their money's worth will decline to 81 cents.

Married couples with one medium earner do better than

Burns continued on F2

PERSONAL FINANCE EXTRA



Assessing the lure, and the risk, of the 0% auto loan, F7

Farm-style houses, and an actual orchard



Shonda Novak
Real Estate Beat

In Central Texas' booming housing market, it's no secret that competition is keen among homebuilders, with each touting features, upgrades and amenities designed to lure buyers and grow market share.

Now comes a project with an unusual twist – 38 “farm-house-inspired” homes clustered in an East Austin development that will include an orchard that in a few years will bear peaches and pears that residents can harvest and enjoy year-round. Each of the houses also will have a fruit tree, which will include per-

simmon and apple trees.

A lot of announcements about new developments come my way, but the orchard was something different. The developer, MX3 Homes and one of Austin's fastest-growing homebuilders, believes it is the first example of an orchard being incorporated into a multi-unit community in Austin.

The \$14 million project, under construction at Pleasant Valley Road and Webberville Road, next to LifeWorks, has a nostalgic theme that harkens back to a time when the world was simpler.

“It's the best of a bygone era, reimagined for today's modern homebuyer and lifestyle,” says Sal Martinez, MX3's founder and president.

The model home is complete, and more than a dozen more houses will be completed by year-end. So far 17 houses have been pre-sold, and the entire project is due to com-

plete in 2016.

Prices for the three-story units range from \$330,000 to \$450,000.

Martinez says the project is a nod to the core ideals of farm life: connection to the land and to one's neighbors. It is MX3's first multi-unit project, although the firm has built about 100 standalone homes and duplexes on the east side.

The Orchard was inspired by Martinez's vision to pay tribute to East Austin's diversity and vibrant culture, and to build an even greater sense of neighborhood.

“I've always been drawn to the unique, indie, artistic vibe in East Austin,” Martinez says. “I love the food trucks, small cafés, urban farms, coffeehouses, hangouts like Weather Up or Hillside Pharmacy, tattoo shops and mostly the Mexican food. While the area offers

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The Orchard

The developer's plans for the 38-unit project include having an orchard, along with fruit trees in front of every home.



Source: MX3 Homes
ROBERT CALZADA / STAFF

PERSONAL FINANCE

Same-sex couples in Texas face new financial decisions



State District Judge Chris Duggan marries Todd and Evans Touchet in a Bastrop County courtroom on June 29. The couple were the first same-sex couple to get a marriage license in the county. For them, the welfare of their children was paramount. JILLIAN BECK / BASTROP ADVERTISER

Mix of financial costs, benefits differs from couple to couple.

By Dan Zehr
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Amy Ford still has the list of key financial and legal issues she would hand out to clients and the same-sex couples who attended her seminars.

The list included a summary of the details that committed but unmarried couples would have to address to preserve their wishes and rights. Property ownership, wills, adoption, power of attorney – most of them benefits married couples could take for granted.

“This list contains the items our families require to keep us safe,” said Ford, an Austin-based agent with New York Life. “With marriage equality, the list is eliminated because these are the legal rights and



Toma Miller (left) and Teresa Zunker are married by Judge Gisela Triana at Travis County Courthouse on June 26. The U.S. Supreme Court ruled for same-sex marriage that day. DEBORAH CANNON / AMERICAN-STATESMAN

benefits of marriage in this country.”

Before June 26, when the U.S. Supreme Court ruled that same-sex couples had the right to marry, those couples had to pay an attorney to draft many

financial documents. Without them, Ford said, Texas and many other states would default to family or next of kin on a range financial and legal matters.

Ford recalled a client who

couldn't claim his recently passed partner's body for burial. Another set of clients carried copies of their financial and legal documents everywhere they went, lest their directives be ignored if something catastrophic befell them.

“With marriage equality, that's automatically assured as a spouse,” Ford said.

To be sure, Ford and other Austin financial experts said, love and commitment still govern most couples' decisions to tie the knot. But for many couples, the financial and legal benefits that accrue with marriage far outweigh the costs.

That's not to say there aren't significant costs, the advisers cautioned. For many couples, a domestic partnership might make more financial sense than marriage. The mix of costs and benefits differs from couple to couple, whether same- or

Finances continued on F2



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