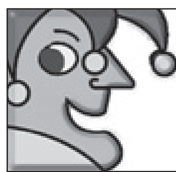

# THE MOTLEY FOOL®

*To Educate, Amuse & Enrich*

## Fool's School

### Investing in retirement

It's easy to imagine that after saving and investing throughout your working life, you'll stop doing so once you retire, perhaps selling off your stocks and parking your assets in safer places such as certificates of deposit (CDs). However, there's a strong case to be made for continuing to invest in stocks.

After all, if you retire at, say, 65, and then live to 95, you're looking at 30 years of retirement, a long period in which your money would likely have grown a lot if invested in stocks. The trick, then, is to keep out of stocks any money you expect to need within five years (or 10 years, to be ultraconservative) — because in the short term, as we've recently been reminded, anything can happen. The rest of your money can stay invested in stocks in order to grow.

You can consider bonds for some of your money, as many retirees do, but know that stocks will almost always do better over the long run. Business professor Jeremy Siegel's research has found that between 1871 and 2012, stocks outperformed bonds 78% of the time over all 10-year periods, 96% of the time over all 20-year periods, and 99% of the time over all 30-year periods.

Another smart move for retirement is to invest in healthy and growing dividend-paying stocks, as they will generate income without your having to sell off shares from your holdings. If you have, say, $200,000 invested in dividend payers that have an overall average dividend yield of 4%, you can look forward to $8,000 in annual income — or even more, as dividends tend to be increased over time, too.

By continuing to grow much of your portfolio throughout your retirement, you can protect your assets from inflation, which shrinks the buying power of money over time. Inflation has averaged about 3% annually over long periods, enough to roughly halve your money's buying power over 25 years.

If retirement planning has you confused or worried, consult a financial adviser. You can find one near you at NAPFA.org. ■

## Name That Company

I trace my roots back to Brunswick, New Jersey, in 1886, when three brothers founded me. I debuted sterile sutures in 1887, commercial first-aid kits in 1888, sanitary napkins in 1897, and adhesive bandages, still known by their brand name today, in 1920. Along with medical devices and pharmaceutical products, I'm also known for brands such as Neutrogena, Rogaine, Lubriderm, Tylenol, Benadryl, Motrin, Desitin, OGX, Sudafed, Aveeno, Visine, Nicorette, Listerine, Carefree and Stayfree. Today, with more than 130,000 employees in 60 countries and a market value recently near $400 billion, I'm a consumer products giant. Who am I? ■

Think you know the answer? We'll announce it in next week's edition.

## The Motley Fool Take

### An essential business

Shares of Walgreens Boots Alliance (Nasdaq: WBA), the parent company of Walgreens and European pharmacy and health-and-beauty chain Boots, were recently trading nearly 40% below their 52-week high. Facing challenges from both e-commerce specialists and big-box retailers, the company is nursing a stalled revenue line with the help of equally stable bottom-line profit and cash flow.

But the retailer isn't sitting still. Walgreens is reshaping its business model as we speak, planning to close 200 underperforming stores in 2020 while introducing Jenny Craig store-within-a-store concepts in other locations. The company also aims to be among the first to try a drone-based delivery service, undermining some of the advantages that online stores claim against brick-and-mortar stores.

Stable sales and cash flow aren't exactly what retailers dream of, but they're better than watching these metrics plunge under the assault of e-commerce. Walgreens keeps increasing its dividend payouts, and its yield was recently well above 4%. Its price-to-earnings (P/E) ratio was recently 11, and the company has consistently posted a profit in each of its past 10 quarterly results.

With its track record of consistent annual revenue increases and its status as a provider of essentials during the COVID-19 shutdown and beyond, Walgreens looks like a prudent investment choice. ■

## My Dumbest Investment

### Falling for hype

My dumbest investment was investing in shares of a company that had an innovative, reportedly environmentally friendly fracking technology: pumping a propane gel deep into the ground to release natural gas instead of pumping in water, which would get polluted. (The propane was recaptured above ground.) This technique was supposed to revolutionize the fracking industry, but my shares went from trading for about $10 apiece to bankruptcy, which the company filed in 2015. That was the first and last time I bought into a company without doing fundamental analysis prior to purchase. It was a great learning experience about dealing with hype.

*— S.H., online*

**The Fool Responds:** This was a classic penny-stock fiasco. Digging online, you can run across excerpts hyping the unprofitable little company with words such as this: "an extraordinary new technology ... which will fuel the fracking Mega Trend for decades." "It is a fortune in the making. Keep reading to learn how you can collect yours, starting now." "In addition to immediately solving every environmental concern over fracking in the U.S., there's a very real possibility this company's technology could actually get MANDATED ... by every oil- and gas-producing country in the world." Breathless language like this is a big red flag.

The company's technology was intriguing, but it would have been best to watch it for a while, waiting for it to establish a track record of growth and profits. ■

## Last week's trivia answer

I trace my roots back to 2006, when several guys founded me — inspired, in part, by status updates of live bloggers. Today, based in San Francisco and with a market value recently near $23 billion, I employ more than 4,800 people. Available in more than 40 languages, I'm a global communication tool, with more than 300 million monthly active users. Account holder Barack Obama has the most followers (recently 117 million), but he's not the politician most famous for using me. (Justin Bieber is the second most-followed account, with nearly 112 million followers.) My name evokes ornithology. Who am I? (Answer: Twitter)

*Write to Us! Send questions for Ask the Fool, Dumbest (or Smartest) Investments (up to 100 words), and your Trivia entries to Fool@fool.com or via regular mail c/o Florida Weekly, attn: The Motley Fool. Sorry, we can't provide individual financial advice.*

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## Ask the Fool

### Investing with values

**Q** How should I invest in socially responsible companies?

*— D.L., Monticello, Minnesota*

**A** The easiest way is to park your dollars in one or more mutual funds — or exchange-traded funds (ETFs) — that follow socially responsible guidelines. That way, you're letting the fund managers do the research and make the buy and sell decisions. Or, in the case of passively managed funds, you're simply investing in the same securities that are in a socially responsible index. Some will have the acronym ESG in their title, meaning that they focus on environmental, social and governance factors. Note, too, that some of these funds invest in companies that do well on socially responsible measures, while others simply exclude companies that don't.

Some funds you might look into include the Vanguard FTSE Social Index Fund Admiral Shares (VFTAX), the iShares MSCI USA ESG Select ETF (SUSA), and the Vanguard Global ESG Select Stock Fund Investor Shares (VEIGX).

You can also invest in individual companies you select on your own, but first you'll need to decide which issues matter most to you. For example, you might consider the environment; gender equity and diversity; workplace conditions and other human rights issues; and whether you're willing to support companies involved in gambling, tobacco, weapons and/or alcohol. Few companies will be perfect on every issue. Learn more at GreenMoney.com, CorpWatch.org and CSRwire.com.

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**Q** What's a sector?

*— C.F., Erie, Pennsylvania*

**A** The words "sector" and "industry" are often used interchangeably, but sector often refers to a larger segment of the economy. The industrials sector, for example, includes the airline industry as well as the construction industry, while the health care sector includes everything from hospitals to medical-device makers and biotech companies. ■

# Physicians' Primary Care adds internal medicine physician

Dr. Shikha Shrestha has joined Physicians' Primary Care of Southwest Florida as an internal medicine physician.

SHRESTHA

Dr. Shrestha earned her medical degree from De La Salle University College of Medicine in the Philippines.

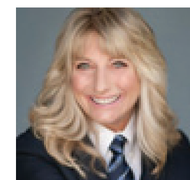
She served her residency in internal medicine at the Wright Center for Graduate Medical Education in Scranton, Pa.

Prior to joining Physicians' Primary Care, she worked as a hospitalist at Southwest Florida hospitals.

She is fluent in English, Nepalese (Nepal) and Tagalog (Philippines).

Dr. Shrestha will see patients at the Lehigh Acres office of Physicians' Primary Care at 5700 Lee Blvd.

Physicians' Primary Care of Southwest Florida, a physician-owned and operated medical practice, was formed in 1996 by local physicians. ■



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