Job Hunting in the Digital Jungle

Gone are the days when job hunting meant simply opening a newspaper and browsing the classified ads. Today, the digital age has made job searching more complicated. Fortunately, the online jungle of job opportunities and professional advice is easier to navigate when you know a few key strategies.

Hone your navigation skills
You won’t know what kinds of employment opportunities are available if you don’t understand where to look. Start with a simple search of the numerous online job sites in existence. You can pick and choose the sites that will be most helpful to you according to the employment opportunities that interest you. If you’re interested in a government job, visit USAJobs.gov to find federal opportunities, as well as listings according to your state’s career service department. If you’re struggling with creating your resume or sharpening your interview skills, there are sites providing guidance. Once you know where to look, the path to employment will be easier to navigate.

Use social media
The use of social media for employment is a hot topic these days for a reason. It helps employers find an exact fit for an open position by allowing them to browse through profiles to get a feel for a candidate’s personality and professionalism. You can showcase your qualities by keeping your employment history up-to-date and thinking before posting or sharing questionable statuses on your personal page. Bear in mind that it’s easy for a potential employer to find you online, so you need to be careful about the information you choose to share about yourself.

Know your buzzwords
Employers sometimes receive hundreds of online applications for a single position. This can be overwhelming, and they don’t want to waste their time reading them individually. Instead, employers might create filters that are designed to eliminate resumes that don’t contain keywords. Often it’s useful to look at the description of the job you’re applying for while you create your resume. That way, you can figure out which buzzwords employers will look for when they read your resume. Nouns, verbs, and phrases that describe the kind of work you excel in can help you stand out from your competition. Make use of any resources available to you online if you have trouble figuring out what defines a buzzword.

Never underestimate the importance of a cover letter
A cover letter is your chance to make a personal connection with a potential employer. It might be tough to make a cover letter describing your employment history to sound both engaging and informative. Don’t waste precious space by including information that will be obvious from your resume. And as tempting as it might be, don’t rely on cover letter templates when drafting your own. It may save time, but employers don’t want to read identical cover letters from prospective employees. Remember, a cover letter is your chance to express your writing skills and professional voice. Put the necessary time and effort into writing a good one, and you could reap the benefits.

Remember personal relationships in a digital job hunt
The traditional method of meeting face-to-face with a prospective boss is obsolete when applying for a job online. While it may seem impersonal to send your resume and cover letter via e-mail without ever seeing a face or hearing a voice, your application is being read by another human being. Add touches of your personality to your social media profiles and whenever you reach out to potential employers so you can truly connect. If you bear this in mind, then personal connections won’t get lost in cyberspace.
No Matter What Your Age, Your Social Security Statement Matters

Fifteen years ago, the Social Security Administration (SSA) launched the Social Security Statement, a tool to help Americans understand the features and benefits that Social Security offers. Since then, millions of Americans have reviewed their personalized statements to see a detailed record of their earnings, as well as estimates of retirement, survivor, and disability benefits based on those earnings. Here's how to get a copy of your statement, and why it deserves more than just a quick glance, even if you're years away from retirement.

How do you get your statement?

In September 2014, the SSA began mailing Social Security Statements to most workers every five years. Workers attaining ages 25, 30, 35, 40, 45, 50, 55, and 60 who are not receiving Social Security benefits and are not registered for an online account will receive a statement in the mail about three months before their next birthday. Workers older than age 60 will receive a statement every year.

But why wait? A more convenient way to view your Social Security Statement is online. First, visit socialsecurity.gov to sign up for a personal my Social Security account (you must be 18 or older to sign up online). Once you have an account, you can view your Social Security Statement anytime you want, as often as you want.

Check your estimated benefits

Your Social Security Statement gives you information about retirement, disability, and survivor benefits. It tells you whether you’ve earned enough credits to qualify for these benefits and, if you qualify, how much you can expect to receive. As each Social Security Statement notes, the amounts listed are only estimates based on your average earnings in the past and a projection of future earnings. Actual benefits you receive may be different if your earnings increase or decrease in the future. Amounts may also be affected by cost-of-living increases (estimates are in today's dollars) and other income you receive. Estimated benefits are also based on current law, which could change in the future.

Retirement benefits

Although Social Security was never intended to be the sole source of retirement income, retirement benefits are still very important to many retirees. Your statement shows estimates of how much you can expect to receive if you begin receiving benefits at three different ages: your full retirement age (66 to 67, depending on your birth year), age 62 (your benefit will be lower), or age 70 (your benefit will be higher).

When to start claiming Social Security is a big decision that will affect your overall retirement income, so if you're approaching retirement, this information can be especially useful. But even if you're years away from retirement, it's important to know how much you might receive, so that you can take this information into account as you set retirement savings goals.

Disability benefits

Disability is unpredictable and can happen suddenly to anyone at any age. Disability benefits from Social Security can be an important source of financial support in the event that you're unable to work and earn a living. Check your Social Security Statement to find out what you might receive each month if you become disabled.

Survivor benefits

Survivor protection is a valuable Social Security benefit you may not even realize you have. Upon your death, your survivors such as your spouse, ex-spouse, and children may be eligible to receive benefits based on your earnings record. Review your Social Security Statement to find out whether your survivors can count on this valuable source of income.

Review your earnings record

In addition to benefit information, your Social Security Statement contains a year-by-year record of your earnings. This record is updated whenever your employer reports your earnings (or if you're self-employed, when you report your own earnings). Earnings are generally reported annually, so keep in mind that your earnings from last year may not yet be on your statement.

It's a good idea to make sure that your earnings have been reported correctly, because mistakes do happen. You can do this by comparing your earnings record against past tax returns or W-2s you've received. This is an important step to take because your Social Security benefits are based on your average lifetime earnings. If your earnings have been reported incorrectly, you may not receive the benefits to which you're entitled.

What if you find errors? The SSA advises you to call right away if any earnings are reported incorrectly. The SSA phone number is 1-800-772-1213 (TTY 1-800-325-0778).

All About IPOs

Maybe you've heard someone talking about investing in "a hot new IPO" and wondered what all the fuss was about. Or maybe you've heard about a company "going public" and thought about whether you should invest in it. If you're unfamiliar with initial public offerings (IPOs), here's a review of some basics.

What is an IPO?
As the name implies, an initial public offering represents the first time a company issues shares of stock that are available for purchase by the public (in other words, when it "goes public"). The sale of the company's stock is typically intended to attract new capital that the company can use to expand. IPOs might be considered the rock stars of the investing world; when the company has generated a lot of interest leading up to its IPO, the initial response from investors can make headlines.

How does an IPO work?
Once the decision is made to go public, a company hires an investment bank to coordinate underwriting issuance of the IPO shares. The underwriter (or team of underwriters) guarantees it will purchase all of the company's shares on the day the stock is issued. However, underwriters typically do not intend to keep all of those shares, so they market them to other firms and financial institutions in advance of the actual IPO date. Firms that want to subscribe to the IPO indicate their interest in buying a certain number of shares (though they're not bound to follow through on that purchase). This process gives the underwriting firm(s) an idea of how much interest the IPO will generate. If there's a lot of interest and a large number of subscribers, the offering price can rise before the IPO date; if interest is low, the offering price will likely reflect that as well.

However, the offering price may be very different from the price at which the stock trades on its first day. That's because once the subscribing firms have begun trading shares they've bought, the price can change dramatically, depending on the overall level of market interest. At that point, as with any stock, shares are sold to the highest bidder. The more limited the supply of shares available, the higher those bids are likely to be. That's why you may sometimes read headlines about the price of an IPO jumping on its first day.

What happens after the IPO?
Even if an IPO is eagerly awaited, there's no way to know exactly what will happen once the stock starts trading. Yes, an IPO's price can skyrocket, but it can also go nowhere or disappoint—or skyrocket and then disappoint. Facebook's May 18, 2012, IPO was one of the most highly anticipated IPOs in recent years. And yet on its first day of trading, after an initial pop it closed up only 23 cents—roughly .006%—from its offer price; at the close of trading three weeks later, it was down roughly 30% from its offer price (though it subsequently rebounded and as of October 2014 had roughly doubled from the first-day close).*

What's behind such volatility? One reason is that after any initial jump in price, the institutional firms that have subscribed to the IPO may want to take any profits quickly. Also, executives at companies that go public often have signed what's called a "lock-up" agreement; for a certain time after the IPO, they're prohibited from selling shares that may have been granted as part of their compensation package. Such agreements are designed to help support the stock's price during the lock-up period, which lasts at least 90 days but can be longer. However, once the lock-up expires, executives are free to trade their stock. If many of them sell simultaneously, the sudden increase in the supply of shares on the market may cause the stock's price to fall.

What if I want to invest in an IPO?
One challenge with trying to invest in an IPO is simply gaining access to the shares. In the case of a stock that's in high demand, firms typically reserve IPO shares for their largest or most valued clients. For example, a firm might offer its IPO shares only to investors who have a certain level of assets with the firm or a minimum trading volume. If you're a small investor and are being offered IPO shares, it could be because the demand for them is less than expected, which could have implications for your investment in them.

Even though past performance is no guarantee of future results, an IPO can be especially difficult to analyze for its long-term potential because it doesn't even have a track record to review. One tool is what's known as a "red herring." This is an initial prospectus that contains pertinent information about the company; it's issued after the Securities and Exchange Commission declares the registration statement effective. However, be aware that though the red herring is subject to SEC reporting regulations, it's part of a sales campaign by the underwriters to try to drum up interest in the IPO. Don't be tempted to invest in an IPO just because it's an IPO; think about whether it fits into your overall investment strategy and tolerance for risk.

*Data source: Yahoo! Finance historical prices for Facebook, Inc. (FB) on May 18, 2012; June 8, 2012; and October 7, 2014.
Is it possible to accidentally disinherit my heirs?

Yes. One of the most tragic estate planning mistakes is unintentionally disinherit an heir. Here are some of the most common ways this unfortunate situation can occur.

One cause of accidental disinheritance may be the simplest: failure to make a will. In this case, property generally passes according to the intestacy laws of the state in which you’re “domiciled,” and these laws vary widely from state to state. For example, if you are married and have children, state intestacy law might leave one-third or one-half of your estate to your spouse and the balance to your children. This may or may not be what you would have wanted.

Making an ineffective or faulty will can also result in misdirected allocations. For example, you may fail to provide for children born after you make your will (this is what happened to Anna Nicole Smith and Heath Ledger). The lesson here is to forgo the do-it-yourself kit and hire an estate planning attorney to draft and execute your will, which should be reviewed every year or two.

How do I purposefully disinherit an heir?

While you can easily disinherit a nonheir by not mentioning him or her in your will, the rules are more complicated when it comes to your heirs.

Merely not mentioning the name of a child or spouse in your will might not disinherit him or her, and doing so can even open the door for a will contest. In a will contest, the heir who is left out could argue that he or she was mistakenly overlooked. The outcome of a will contest depends in part on your state’s law regarding an omitted (referred to as “pretermitted”) spouse or child.

To be sure that your intent to disinherit an heir is unequivocal, you should consider including a disinheritance clause in your will. Such a clause can discourage the disinherited heir from contesting your will. This clause would indicate the exact name of the heir you wish to disinherit, and explicitly state that the reason he or she is not included is because you wish to disinherit him or her.

Be aware that, in most states, you cannot disinherit your spouse completely. If you live in a community property state, your spouse automatically owns one-half of the community property, which generally includes property that either of you acquired during your marriage. In all states, spouses are protected from disinheritance because they’re allowed to claim a statutory share (also known as “electing against the will”). A statutory share can run anywhere from one-quarter to one-half of an estate, regardless of the terms of your will.

Even though you have the right to disinherit a child, be aware that this right is restricted by laws granting certain inheritance rights to minors and protecting children of any age from accidental disinheritance.

If you are concerned about whether your heir can manage an inheritance but don’t want to disinherit him or her, you might consider a trust. For example, the effective disinheritance of children when Mom or Dad remarries and everything passes to the new spouse. Make it a rule to review and update your will periodically, especially after major life events such as marriage, a birth or adoption, divorce, or a death in the family. Also consider updating beneficiary designations (for life insurance policies, retirement accounts, payable on death accounts, etc.) annually. And remember that beneficiary designations trump provisions made in your will.

Failing to update your will can also result in allocations that are made according to an old will. This can lead to unwanted allocations (for example, the effective disinheritance of children when Mom or Dad remarries and everything passes to the new spouse). There is a rule to review and update your will periodically, especially after major life events such as marriage, a birth or adoption, divorce, or death in the family. Also consider updating beneficiary designations (for life insurance policies, retirement accounts, payable on death accounts, etc.) annually. And remember that beneficiary designations trump provisions made in your will.

A fourth cause of accidental disinheritance is what’s known as “ademption.” This is the failure of a specific bequest made in a will because the property no longer exists in the decedent’s estate for some reason. For example, you might leave your car to your son in your will, and then sell or gift it to someone else before you die. A similar situation can occur when a life insurance policy is allowed to lapse (so check your policies and don’t forget to make the premium payments).