### CONTENTS KIPLINGER'S PERSONAL FINANCE // FOUNDED 1947

VOL. 68 NO. 10

#### AHEAD

**13** Topic A: The job market shows signs of life at last . . . A *Jeopardy* champ tells how she'll spend her winnings . . . Knight Kiplinger on money and ethics. **PLUS:** October money calendar.

**20 OPENING SHOT** 7 stocks for the next 15 years, by JAMES K. GLASSMAN.

**24 YOUR MIND AND YOUR MONEY** Senior money moments, by **ANNE KATES SMITH**.

**25 SUCCESS STORY** Dressing (others) for success, by **PATRICIA MERTZ ESSWEIN**.

#### INVESTING

**26 TOP PICKS OF THE TOP PROS** As a result of the long bull market, obvious bargains are in short supply. So we asked five stellar stock pickers to each give us their five best ideas for making money in the market now.

#### **32 GET RELIGION WITH THESE**

**5 FUNDS** Despite restrictions on their holdings, the managers of these faith-based funds boast solid returns.

#### **34 AIRLINE STOCKS KEEP CLIMBING**

After recent mergers, the surviving domestic carriers are actually making money. We highlight three whose balance sheets look especially strong.

**35 PRACTICAL INVESTING** Why I invested in Nu Skin, by **KATHY KRISTOF**.

**37 CASH IN HAND** Ignore the doomsayers, by JEFFREY R. KOSNETT.

**38 GOING LONG** A flawed view of capitalism, by **JEREMY J. SIEGEL**.

#### **36 MORE ABOUT INVESTING**

Don't fall for penny stock pitches (**36**). News of the Kiplinger 25 (**40**). Mutual fund rankings (**42**).



#### **MONEY // COVER**

**44 HOW MUCH YOU REALLY NEED TO RETIRE** The good news is that you could be better off than you think. The trick is to personalize your savings plan by estimating your retirement income and expenses over the long haul. **PLUS:** What you'll owe the tax man.

#### **53 THE BEST COLLEGE-SAVINGS**

**PLANS** Take some of the heavy lifting out of saving for college with a state-sponsored 529 investment plan. We help you pick one that's right for you.

52 ASK KIM Open season for Medicare.

**58 GAME PLAN** Should I invest in a deferred-income annuity?

#### **60 MORE ABOUT YOUR MONEY**

Where to earn more interest on your savings **(60)**. Yields and rates **(62)**.

#### LIVING

64 HAGGLE FOR PRACTICALLY

**ANYTHING** Our tips and strategies will help you successfully negotiate discounts on everything from a TV to a new set of tires. **PLUS:** How to buy your dream home at the right price and how to drive a hard bargain on a new car.

**69 DRIVE TIME** Cash out your lease, by **JESSICA ANDERSON**.

**70 THE LOWDOWN** What you need to know about pet insurance, by **JESSICA ANDERSON**.

#### **IN EVERY ISSUE**

**6 FROM THE EDITOR** Smile! You *can* afford to retire.

#### **10** LETTERS

ON THE COVER: Photography by Alex Martinez. Prop stylist: Giana Shorthouse.

2

# KIPLINGER.COM

#### Best and Worst College Majors for Your Career

We reveal the fields of study that most help (or hinder) grads' earning and employment prospects. Guess which list art history is on.



Kiplinger's Economic Outlook Stay ahead with exclusive forecasts of inflation, GDP, jobs and more.

kiplinger.com/outlooks

#### QUIZ YOURSELF Get Out of Debt

Paying off all your loans as fast as possible requires a plan. Take our debt quiz to fine-tune your strategy.

kiplinger.com/links/debtquiz

#### TOOL

#### **Retirement Savings Calculator**

Estimate the future value of your retirement savings. See how much you need to save to reach your goal.

kiplinger.com/links/retirementcalculator

#### ONLINE STORE Investing for Income

Kiplinger's Investing for Income shows you how to generate 4%, 5%, even as much as 6% cash yield, year in and year out—under any market conditions. Subscribe now!

#### kiplinger.com/go/cash



Best Stocks for Dividends Look to these strong companies for stability, generous yields.

kiplinger.com/links/dividendstocks



#### 1. Retiree Tax Map

- kiplinger.com/links/retireetaxmap
- 2.10 Most Tax-Friendly States for Retirees
- kiplinger.com/links/friendly
- 3.10 Worst States for Retirement
- kiplinger.com/links/worststates
- 4. Quiz: Are You Saving Enough for Retirement?
- kiplinger.com/links/retirementquiz
- 5. Best Cities for Early Retirement
- kiplinger.com/links/earlyretirement

## GET FREE PERSONALIZED FINANCIAL ADVICE

Join us online for Kiplinger's Jump-Start Your Retirement Plan Day Thursday, September 25, 9 A.M. to 5 P.M. ET

Kiplinger is teaming up with the National Association of Personal Financial Advisors (NAPFA), whose planners will answer your questions on retirement planning and other financial challenges. Submit questions & join the live chat at live.kiplinger.com

**HOW TO REACH US:** Subscriptions. For inquiries about ordering, billing or renewing a subscription, or to report address changes, please have your mailing label handy to reference your account number and visit us online at kiplinger.com/customerservice or call 800-544-0155, Monday through Friday between 7 A.M. and 9:30 P.M. and Saturday between 8 A.M. and 6 P.M. central time, closed on Sunday. You can also write to Kiplinger's Personal Finance, P.O. Box 3292, Harlan, IA 51593-0472, or e-mail us (sub.services@kiplinger.com). *Reprints*. PARS International Corp. (212-221-9595, ext. 237; e-mail, jennifer.eclipse@parsintl.com). *Content licensing*. E-mail licensing@ kiplinger.com. *Mailing lists*. From time to time we make our subscriber list available to carefully screened companies whose products may be of interest to you. If you would rather not receive such solicitations, send your mailing label to P.O. Box 3292, Harlan, IA 51593-0472 and instruct us to exclude your name.



4