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MONEY AT WORK



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AI Can Build a Budget, But Does It Know the Person Behind It? Why Your Financial Plan Will Benefit From the Human Touch



AI can help you clarify information, but for key financial decisions, it shouldn't replace an adviser who knows your family, your history and your values. Here's why.

What AI does well, and where it falls short

AI can model a real estate transaction. It can simplify dense information. It can tell you the fastest path out of debt or project the growth of a retirement account over 30 years. It solves the blank-page problem: When you don't know where to start, it gives you somewhere to begin.

What it doesn't have is intuition, emotion, common sense or imagination. Those four things are what determine whether a financial plan actually works for the person who has to live it.

Consider something as straightforward as a mortgage. When interest rates were near historic lows, the math was clear: Keep the debt, invest the difference, earn a greater return. That spreadsheet was right.

But for some clients, the idea of owning their home outright matters more than any rate-of-return calculation. It's visceral. It's about security and identity and a feeling that no model captures.

The machine doesn't know you

Risk tolerance is another place where this shows up clearly. A portfolio model can tell you that, based on your age, timeline and assets, you should be fully invested in equities. And maybe you should.

But if you're the kind of person who can't sleep when markets fall — who will sell at exactly the wrong moment because the pain has become unbearable — that "optimal" allocation was never right for you to begin with. Human nature is undefeated. The best financial plan is the one you can actually live with.

And then there's the kitchen table. So many of the financial decisions that shape a family's life happen in conversation — over a meal, in the car, in the quiet after the kids go to bed. Those conversations draw on decades of shared history.

You know what makes your spouse nervous and what makes them feel safe. You know what your parents modeled, what worked and what didn't, and what you want to do differently.

The machine doesn't know any of that. It can't ask the right follow-up question, sense that something is being left unsaid, or recognize that the numbers are only half the story.

A partner, not a substitute

AI works best as a partner in this process, not a replacement for it. Use it to educate yourself, clarify your thinking, and to prepare for the conversations that actually matter.

But before any decision that carries real weight, like a retirement, an inheritance or a major life transition, bring it to someone who knows not just your portfolio, but your history, your family, your values, and what you actually want your money to do for your life.

The goal of financial planning has never been to produce the most mathematically elegant outcome. It's to help people build lives they feel good about. That work has always required something a machine can't replicate: The ability to understand a person, in full, and help them move toward what they actually want.

AI can build a budget. It can't build a life. That part is still ours.

4 Things to Know Before Applying for Social Security



Planning your retirement? Avoid permanent reductions to your payout by understanding these four crucial rules before you apply for Social Security.

Applying for Social Security benefits is the easy part. You can apply online, by telephone or at your local Social Security office. The hard part is deciding when to apply for your Social Security retirement benefits and rounding up all the documents you'll need when you do.

To be eligible to apply for Social Security benefits you must be at least 61 years and 9 months old and have worked at least ten years total at jobs where you earn Social Security credits. How much you receive in benefits is determined by your earnings history and the age at which you begin receiving benefits.

Here are four things every 2026 Social Security applicant needs to know before filing a claim:

1. When to apply (It matters!)

Your claiming age goes a long way in determining your monthly benefit. For most workers today, the full retirement age (FRA) is 67, but it can be as young as 66 for those born between 1943 and 1954. Regardless of your FRA, you're able to sign up for Social Security as early as 62. However, the government penalizes you for applying before your FRA by reducing your benefits.

The decision to apply early for benefits reduces your retirement benefit by:

- 5/9 of 1% per month for the first 36 months of early claiming
- 5/12 of 1% per month for any additional months of early claiming for month 37 and beyond

When you claim at 62, you incur the maximum penalty of 25% if you have an FRA of 66, or 30% if your FRA is 67. For example, if you were born after 1960, your full retirement age is 67. If you start your benefits at age 62, a \$1,000 monthly benefit would be reduced to \$700. And if you are married, your spouse's monthly benefit would drop from \$500 to \$350.

2. How much you'll get monthly from Social Security

You can estimate your Social Security benefit in two ways: Create a my Social Security account or use the Social Security calculator.

Understanding how much your monthly benefits will be can help you decide if you can delay collecting benefits by using your retirement savings to build an income bridge until you turn 70.

Note that you may owe taxes on up to 85% of your Social Security benefits in 2026.

When to expect your first check. Your first check won't arrive until the month after the one you pick in your application. If needed, you can time your first benefit payment to avoid a gap in income. You can apply any time up to four months before the month you pick.

3. What you need to apply online or in person

Preparation will make the process faster and less stressful. Before you make an appointment with a local SSA office or start your online application, go through your records and gather the necessary information. The application requires some current and historical information. Going over the required documentation will give you the time to gather any missing information from the IRS or previous employers.

You can use the list below to get started.

- **Basic information about yourself:** Social Security number, Original birth certificate or proof of U.S. citizenship or resident alien status
- **Your earnings history:** Verification of your record of earnings
- **Direct deposit for benefit payment:** Routing and account number for your bank account
- **Employer details for current year and prior 2 years:** Employer name, start and end dates of employment
- **Self-Employment Details for Current Year and Prior 2 Years:** Business type, total net income
- **Current and past marriage:** Your spouse/former spouse's Social Security number and birth date, Date you got married/divorced and where you got married (city, state, country)
- **U.S. Military Service:** Type of duty and branch, and service period dates. Military service papers if you served before 1968
- **Names of your children:** Some children may be eligible for benefits based on your work history. Unmarried children under the age of 18 or disabled children under the age of 22 may qualify for some type of benefit based on your work history.

4. Social Security's birthday rules

Your birth date determines when you are eligible to apply for benefits. However, the Social Security Administration has some specific rules for those born on the 1st day of a month, January 1 and February 29. If you fall into any of these three categories, you will use a different date than your birth date to claim your benefits:

- **First of the month:** If you were born on the first of the month, Social Security will figure your benefit (and your full retirement age) as if your birthday was in the previous month. This is the case if you were born on the first of the month from February to December, but not January.
- **First of January:** If you were born on January 1, your Birth Month is December, and your Birth Year is the year prior to your actual birth.
- **February 29:** Even though your birthday only comes once every four years, your benefits won't be affected. So even though your actual date of birth doesn't come every year, the month does, and the Social Security Administration counts February as your Birth Month.

Why you should have a “my Social Security” account

Setting up an online Social Security account gives you access to important information and streamlines the application process. A my Social Security account is free, secure and can help you with many tasks. You can estimate your benefits, track your earnings history, and request a replacement Social Security card.

Protects your benefits. By claiming your account, you can help prevent fraud and identity theft of your Social Security information and benefits. If criminals obtain your Social Security number, they may try to open a my Social Security account in your name and redirect your benefits to an account they control. But if you open your my Social Security account now, you can help prevent this scenario, since any individual can only have one my Social Security account open per Social Security number.

Easy access for those living abroad. These accounts are a valuable resource for Americans living abroad. There are no Social Security offices outside the U.S. However, there are American embassies and consulates with trained personnel to assist you in seeking Social Security services. Through your account, you can print benefit verification letters often needed to demonstrate a steady source of income when applying for or renewing visas. You can also retrieve and print your SSA-1099/1042S tax statement to prepare your tax return, as Social Security is unable to mail replacement statements to a foreign address.

Mellody Hobson Shares the No. 1 Mistake Derailing Retirement Savings



Ariel Investments Co-CEO Mellody Hobson explains how retirees and pre-retirees often harm their retirement — and how to course-correct today.

The road to retirement is filled with potential missteps, but one of the most serious — affecting how you live your golden years if you aren't careful — is being too conservative with your retirement investments. It's the biggest mistake Mellody Hobson, co-CEO and president of Ariel Investments, sees retirees and pre-retirees make all the time.

"People think they are winning by not losing when over time it's not outpacing inflation," Hobson told Kiplinger.com in an exclusive interview. "You need your money for years, and the only way for it to grow is to have equities. People pull back too fast, too soon." Pre-retirees, especially those nearing retirement, are guilty of the same mistake, says Hobson. They see the off-ramp getting closer, and they get conservative too quickly.

A healthy mix of equities and fixed income wins the race

Hobson isn't advocating for retirees to be super aggressive with their retirement investments either. She says retirees should have a well-diversified nest egg that outpaces inflation and can last for what may be 30 years in retirement. After all, at last check, the life expectancy for women in America is 81.4 and 76.5 for men, but people live well past that.

If you are a retiree, or pre-retiree who has gotten too conservative, don't panic; you can fix your mistake. But don't go crazy buying stocks all at once. Either work with a financial adviser to allocate more of your portfolio to equities or consider dollar-cost averaging over six months or a year, says Hobson. This strategy involves investing a fixed amount of money at regular intervals, regardless of how the markets perform.

Beyond dollar-cost averaging, another way to protect your portfolio is the bucket approach to spending, with one bucket for short-term needs, one for medium-term needs, and one for long-term needs. You invest the money in the long-term bucket in growth-oriented stocks.

Hobson's runner-up mistakes

Beyond being too conservative, Hobson sees other mistakes retirees make that can quickly derail their retirement, and two big ones are taking a lump-sum payout from their 401(k) when they retire and supporting adult children at their expense.

Take the lump-sum payout for starters. Hobson isn't saying retirees shouldn't enjoy their hard-earned retirement savings; quite the contrary, but she does think taking a lump-sum payout means less money growing and compounding to live off later. They could also face a big tax hit if the withdrawal comes from a traditional 401(k), which is treated as ordinary income.

"We have this impulse to buy something, to use that money for a boat, vacation, or something, but that money has to be for the long term," says Hobson. "You don't have to buy the boat; you can go on a boat trip. You have to resist the impulses because ultimately you sacrifice your long-term financial security."

As for supporting adult children in retirement, Hobson says it's become an epidemic in recent years and, if left unchecked, can severely impact a retiree's financial security. "You have to get very serious about family members standing on their own two feet, or come up with some kind of clear expectation about what the support needs are long term," says Hobson. Retirees have to "take the training wheels off."

It's never too late

Whether you are being too conservative, indulging a little too much, or feeling like an enabler to your adult children, the good news is that it is never too late to correct course.

That is the message Hobson wants everyone to walk away with. Just because you are in retirement doesn't mean you can't make changes, and they don't have to be big, grand gestures. They can be small bites that add up over time.

"Don't give up on the opportunity at the point of retirement," says Hobson. "You are still working toward financial security. There is no real finish line."

What to Do When You're the Executor of an Estate



You'll likely need professional help, including an attorney with estate-planning experience, a tax pro and a financial adviser.

At some point in your life, there's a good chance you'll be tasked with acting as the executor of an estate. The designation is both an honor and an obligation.

Depending on the size of the estate and your relationship to the deceased, performing the duties of an executor can feel like a second job, says Patrick O'Brien, cofounder of [Executor.org](#), an online tool designed to help executors manage an estate. O'Brien launched the tool after he served as executor of his father's estate.

Even though the estate was fairly modest, "I was shocked at how difficult and complicated it was," he says.

The task is particularly challenging for adult children who are responsible for executing the estate of the last surviving parent. Those executors are often required to distribute assets among several beneficiaries, sell the family home, and comb through decades of family belongings, some of which may be valuable. If the family is fractious, the estate is large or the parents' estate planning was haphazard (or nonexistent), the task becomes even more time-consuming.

While every situation is different, here are some basic steps most executors should follow.

Obtain copies of the death certificate and file the will.

One of the first duties you must perform as executor is to obtain copies of the death certificate, usually available from the funeral home, and file the will and death certificate with the county probate court. The deadline for filing the will varies by state, but it can range from 10 to 90 days after the date of death.

If probate is required, you'll need to obtain a letter from the court, known as a letter of testamentary, that gives you legal authority over the estate. You need this letter because "the executor doesn't have authority until they get something from the court that says they have that authority," says Rich Yam, director of trusts and estates at BBR Partners.

Assemble a team.

In most cases, you're going to need professional help, including an attorney with estate-planning experience (who can help you navigate the probate court) and, depending on the size and complexity of the estate, a tax professional and certified financial planner.

The attorney who helped the deceased draw up his or her will is a good option, because he or she is probably familiar with the estate.

Create an inventory of assets.

Ideally, the deceased kept good records of bank and brokerage accounts, insurance policies, tax returns and other documents, but that's not always the case. You may need to act as a detective to track down some of these accounts, and it's not unusual to unearth an insurance policy or bank account months after an individual has died.

When O'Brien was going through boxes in his parents' basement, he found a 1952 stock certificate for a company he had never heard of. The stock turned out to be worthless, but a stock certificate for a company that has been taken over several times could be worth real money.

Protect personal property.

If the estate includes a home, you'll be responsible for maintaining the property and paying the mortgage, taxes and insurance until the house is sold.

In addition, you may need to change the locks to prevent overeager heirs from taking possession of valuable items, such as your father's vintage baseball card collection. You'll also need to make sure the deceased individual's vehicle is up to date so it's not towed.

Set up a separate bank account.

Throughout the process, you'll need to pay bills and make deposits on behalf of the estate. To accomplish this, you should set up a bank account in the name of the decedent's estate. This account will also provide a record of transactions that will prove useful if anyone challenges your administration of the estate.

Pay the decedent's debts.

This step is critical, because if unpaid bills and other debts aren't paid before the estate is distributed to heirs, creditors could sue you, Yam says. You're also responsible for filing a state and federal tax return so you can pay any taxes owed (or claim a refund).

Communicate regularly with the beneficiaries.

Don't leave other heirs in the dark, particularly if the process is taking longer than expected. O'Brien recommends updating other heirs on a weekly basis. Keeping good records will also assure other heirs that you're acting in their best interest.

Distribute the assets.

This is the final step in the process and can only be completed after all debts are paid. Depending on your state, you may first require court approval.

Distributing personal property can be the most challenging part of this process because items that have been in your family for years may have sentimental value for more than one heir. Ideally, you'll receive some guidance from the deceased individual's will. If not, an inventory of all of the items will help you come up with an equitable way to divide them.

Finish the process.

Once you've distributed the assets, it's a good idea to get a release from all beneficiaries acknowledging that they have received their inheritance. This will protect you from lawsuits from disgruntled heirs, Yam says.

If all of this sounds like more than you can handle, you have the right to decline to act as an executor — and sometimes that's the right choice, O'Brien says. Another family member may be willing to step up, and if that's not an option, you can hire a professional to do the job.