



PERSPECTIVES

Summer 2016

Dear Clients, Advisors and Friends,

We hope you are enjoying all that a New England summer has to offer. In this issue of Perspectives, we highlight the second quarter's gains despite the unexpected political changes, provide a planner's view of the family vacation home, offer ways to personalize your estate plan, and share our Summer Reading List.

Best wishes for a relaxing summer,

Deirdre, Rob, Jennifer, Kelley, Sherm, Toni, Courtney and Suellen

IN THIS NEWSLETTER



From the Desk of the CIO

The dog days of summer, Brexit and election patterns.

[Read More from Rob](#)



Planning for the Family Vacation Home

Family vacation homes are a treasure to many of us, providing many fond memories and emotional attachments for multiple family generations.

[Learn More](#)



Personalizing Your Estate Plan: Letters of Intent

Many clients and friends often ask how they can personalize the estate planning process amid the technical and precise language of the law.

[Learn More](#)



Summer Reading List

While August is upon us, there is still plenty of time for summer reading. We have collaborated and assembled a collection of our current favorites, which we hope you will enjoy!

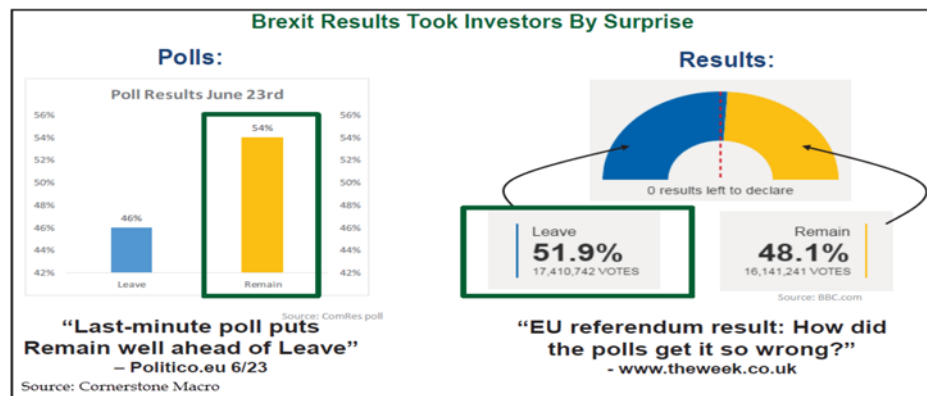
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The Dog Days of Summer, Brexit & Elections

We are smack dab in the middle of the Dog Days of summer. The Farmer's Almanac describes these "Dog Days" of summer as the forty day period that begins on July 3rd when the weather is "especially hot and humid with little rainfall." According to the Writer's Almanac the term "Dog Days" comes from the ancient Greeks and Romans who believed that Sirius, the "dog star," rose with the sun in July and August and added significantly to the sun's heat. They also believed that the weather made dogs (and perhaps citizens & politicians) go mad. The Romans tried to appease Sirius by sacrificing a brown dog at the start of the Dog Days. In modern times the term has been adopted by the stock market, because the markets tend to be slow and sluggish in summer.

While our weather is especially hot and dry, the markets have been anything but dog slow and sluggish. There have been a slew of issues for the markets to focus on ranging from elections to geopolitical uncertainties. The main event that spurred market volatility this summer was Britain's surprise vote to leave the EU. A last minute June 23rd poll of British voters had the "remain" camp ahead of those who wished to leave by a 54% to 46% margin. As the graphic below shows, the surprise vote to leave was a shocker that led to a sharp short-term market decline.



After the sharp selloff, and the resignation of Prime Minister David Cameron, investors began to reconsider what "Brexit" really meant for the world economy. While the UK economy is the EU's second largest, it represents just 4% of the world's GDP. Investors then realized that a UK departure from the EU may not have the dire effects on the British economy that the proponents projected. In addition, a realization took hold that any departure from the EU was not immediate and could take several years to play out. Investors began to focus on the world's larger economies and their relative health. Given the fierce rally that has ensued in world-wide equity markets, we can also conclude that there is an ample amount of cash that investors want to invest advantageously.

Market Recap

So, post Brexit and the ensuing rally, where are markets now? In our last newsletter, we highlighted the historical fact that the US stock market takes a significant cue from first quarter returns. In the past forty years, when the market has had a positive first quarter return, the average return for the year has been 16.4%. Following this path, the S&P 500 returned 1.35% in 1Q 2016 and is now up 7.66%. US Small Cap stocks have had nearly the identical return and US Mid Caps have posted a 10.18% gain. Emerging Markets have snapped back and are up 11.37%.

International stocks are the lone disappointment and are up 0.48% for the year. Due to higher than normal levels of investor uncertainty, there has been a strong thirst for all vehicles that pay above average cash yields. REITs (+15.46%), MLPs (+15.52%) and many dividend-focused funds have all done quite well so far in 2016. While many of our clients are benefitting by holding these higher cash paying vehicles, their valuations have become stretched and it is prudent to avoid chasing these investments currently. Bonds are enjoying nice returns in this risk adverse, thirst for yield environment. The bell weather Barclays Aggregate is up 5.94%, Municipals are up 2.92% and High Yield bonds are up 12.01%.

2Q16 INDEX TOTAL RETURN PERFORMANCE

	YTD 2016	2Q 2016	1Q 2016	1 YEAR	3 YEAR	5 YEAR	10 YEAR
	As of 7/31/16	As of 6/30/16	As of 3/31/16	As of 6/30/16	As of 6/30/16	As of 6/30/16	As of 6/30/16
US EQUITY INDEX							
S&P 500 Large Cap	7.66%	2.46%	1.35%	4.25%	11.64%	12.31%	7.40%
Russell Mid Cap	10.18%	3.12%	2.21%	0.71%	10.60%	10.91%	7.93%
Russell 2000 Small Cap	8.37%	3.81%	-1.49%	-6.06%	7.15%	8.60%	6.38%
WORLD EQUITY INDEX							
MSCI ACWI All World	5.79%	1.08%	0.43%	-3.29%	6.30%	5.80%	NA
MSCI EAFE Established Markets	0.48%	-1.40%	-2.99%	-10.73%	1.96%	1.92%	1.85%
MSCI EM Emerging Markets	11.37%	0.52%	5.55%	-11.19%	-2.09%	-4.08%	3.11%
FIXED INCOME							
Barclays Municipal Bond	2.92%	1.44%	1.24%	4.81%	3.62%	3.43%	4.35%
Barclays US Aggregate Bond	5.94%	2.21%	3.02%	5.94%	4.04%	3.66%	5.02%
Barclays US Corporate High Yield	12.01%	5.52%	3.35%	1.65%	4.18%	5.92%	7.60%
OTHER							
Dow Jones REIT	15.46%	5.34%	5.04%	22.58%	13.23%	12.04%	6.80%
S&P GSCI Commodities	-1.48%	12.71%	-3.10%	-25.03%	-20.53%	-14.68%	NA
Alerian MLP Index	15.52%	18.87%	-3.50%	-21.04%	-10.54%	-1.01%	7.64%

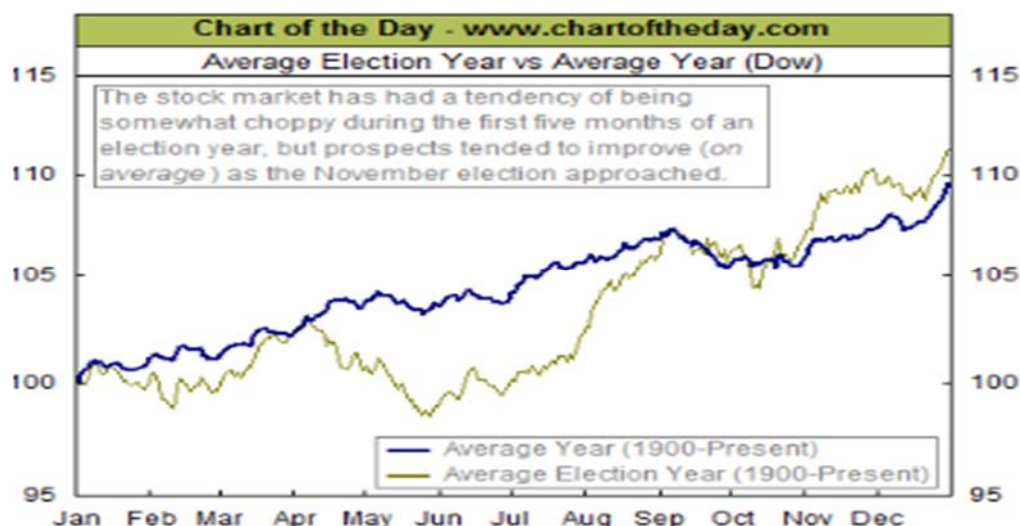
The November Elections

While this election year may seem stranger than others that we can remember, there are some historical patterns that seem to be falling into place (at least for now). However, let's first acknowledge the oddness of this situation and the abundant negative voter sentiment. Similar to disaffected voter frustration which resulted in the Brexit vote, US voters are expressing anger and resentment toward elected officials as well. These are certainly Dog Days for politicians. A Gallop poll reported last week that only 17% of Americans are satisfied with the country's condition, the same figure as at this point in 2008. In a similar vein, a July 13 NBC/Wall Street Journal poll found that a mere 18% of registered voters believe the country is "headed in the right direction", while 73% said things are "off on the wrong track." A recent Pew Research survey echoed these results and found that 71% of Americans are "dissatisfied with the way things are going in America today." With this near unanimity in recent polls, claims by politicians that the economy is good, the world is safe and the country is strong are in obvious disconnect with voter sentiment. Sentiment can change if the mood and economy improve and in past election years a seasonal turning point has occurred in the summer/fall time period.

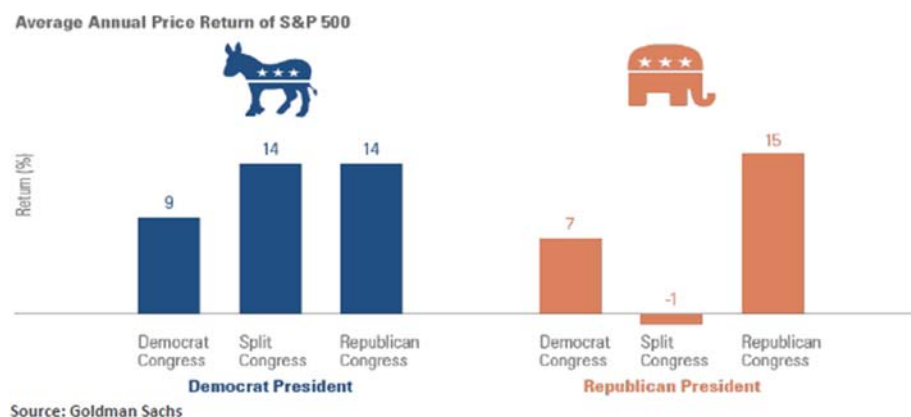
A stronger stock market and an improving economy nearly always favor the incumbent party and we are seeing both now. Despite the polling highlighted above, the economy seems to be gaining some added traction. Citibank's U.S. Economic Surprise Index (a measure of how well economic data is beating expectations) is at its highest level since 2014. This week the US Fed also reported that "near-term risks to the economic outlook have diminished." Despite the better economic data, to appear neutral, any interest rate increase by the US Federal Reserve will likely wait until after the Presidential election. A continuation of this more predictable, "lower for longer," interest rate policy is market friendly and benefits incumbents.



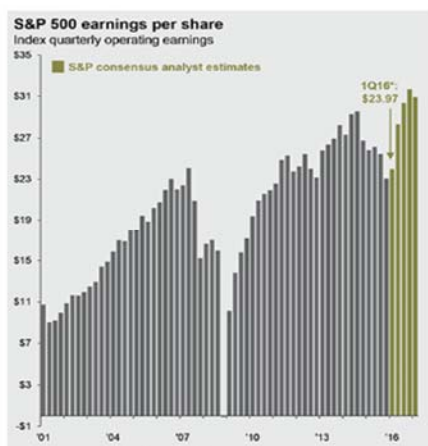
Though this election year may seem so different from those of the past, markets do appear to be following the script of a typical election year. Consider the chart below which we shared in our January 2016 Market Outlook. This graphic illustrates the average yearly return of the stock market vs. an average election year's return path. The data, which dates back to 1900, suggests that a typical election year gives us a January/February decline and June decline followed by a strong rally into year-end that exceeds the returns of a typical year. So far, 2016 is true to form.



Though the current trends of financial assets, interest rates and the economy favor the Democrats in the Presidential race, for investors, future returns have also depended on the party that controls Congress. The chart below graphs the best investor outcomes. Republican control of Congress has generally been favorable for stocks regardless of who is in the White House while same party control and split congress results have varied widely.



Elections can greatly impact the economy because elected officials, in all branches of government, can create policies that have either positive or negative effects on earnings and valuations. Earnings and valuation levels will drive returns. Currently, earnings are improving as the price of the US Dollar has moderated (helping the profits of US exporting companies) and the price of energy has improved from very depressed levels (helping the profits of the energy companies). Continued earnings growth follow through is essential to better valuations.



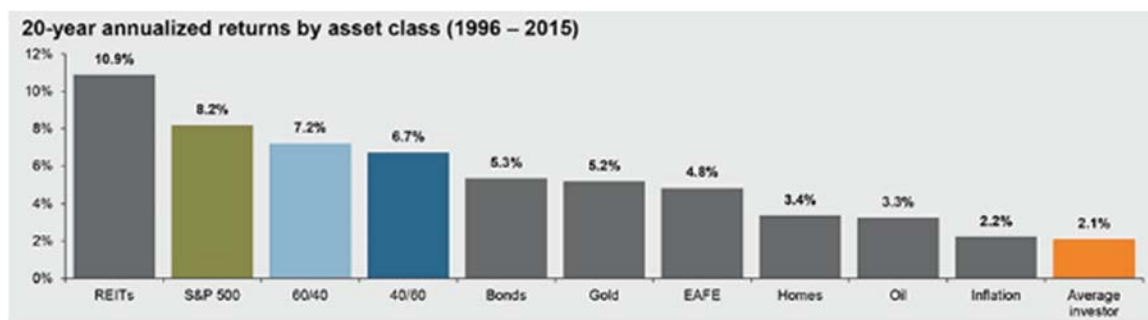
Source: Compustat, FactSet, Standard & Poor's, J.P. Morgan Asset Management; (Top right)



Source: FactSet, FRED, Robert Shiller, Standard & Poor's, J.P. Morgan Asset Management.

Sticking to Your Plan

In conclusion, we recognize that there is a seasonality to our lives and the markets. During the Dog Days of summer we normally see slow trading and we often see a summer rally. Election years have their own seasonal overlays and this year we have seen the markets performing in line with these patterns of the past. Through it all, earnings and valuations are the ultimate drivers of investor returns and elections can play a key role in these components. Many market participants would love to see our politician's focus finally on fiscal policy over tired monetary solutions going forward. Whatever direction events and elections take going forward, a well-diversified asset allocation smooths volatility, protects capital and allows for good compounded returns over time. A look at asset class returns (below) illustrates the need for the average investor to adhere to their well-diversified plan.



Source: J.P. Morgan Asset Management; (Top) Barclays, FactSet, Standard & Poor's; (Bottom) Dalbar Inc.

At the lower end of this scale is the 2.1% return for an "average investor" vs the 7.2% return of a 60% equity/40% bond portfolio. The 5.1% difference in returns stems from the average investor's tendencies toward impulsive emotions of fear, greed and extreme caution. Sticking to the plan means avoiding buying highly appreciated assets, selling at low prices when markets try to shake you out and avoiding high cash positions that prevent you from participating in rallies. The current period of lower financial returns will not last forever. History suggests that markets will suddenly improve when most investors least expect it.

Thank you again for your trust and support, and please feel free to contact us with any questions or concerns.



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Planning for the Family Vacation Home

Family vacation homes are a treasure for many of us, providing many fond memories for multiple family generations. Successful planning for a vacation home requires thoughtful consideration of the interests of all of the family members involved both now and in the future. First and foremost, it's important for the owners of the property – often the patriarch and matriarch – to consider what they envision for the home: Do they want their children and grandchildren to continue to use the property for family vacations? It is important for the property owners to have an honest conversation with the entire family to develop a plan to meet the family's goals for the vacation home.

Setting the Guidelines

As we can all attest, the best part about having a family vacation home is being able to use it. But with multiple owners come endless operating questions and concerns: Who gets to use the home? When do they get to use it? How will these guests know the house rules? We encourage homeowners to formalize an operating agreement among family members to govern the home's operation and its members' financial and managerial rights and duties. This agreement defines each family member or managers' rights, powers and entitlements, and should set forth the home's operating rules, including scheduling, use and management of the home to ensure the smooth and satisfying operation of a shared family home. The appropriate system for making the schedule will depend on the particular family circumstances, traditions, goals and needs. At the very least, the sharing system must address how time is divided and who may use the home, including parents, surviving spouses, cousins, renters, guests and even the family pets. For example, time might be divided based on ownership or may be based on a first-come first-serve basis. Guidance is needed for the daily and longer-term management decisions, such as renovations, financing, renting of the home or even sale of the home.

While the family vacation home may represent a chance to get away from the rules of everyday life, the best way to ensure a peaceful environment is to have some rules in place. Consider the following as you discuss the family vacation home with your loved ones:

- When can the home be used? Who may be invited during these time periods? Does someone oversee and approve the home's calendar during busy months?
- Who's responsible for the home's upkeep on a daily basis and longer term?
- What are the expectations for cleanliness and tidiness? Is there a regular cleaning service or one that can be called to assist? Does trash need to be taken out on certain days?
- Are there notable instructions for the alarm, media system, internet, thermostats and grilling system?
- What should a guest do when something unexpected occurs on the property? Is there a management company responsible for the home?
- How should the home be left when a guest is leaving? What would you like your guests to do with used towels, linens and food? Should the doors and windows be shut and locked?

Keeping it in the Family

If there is a collective desire to keep the vacation home in the family, there are many questions to consider:

- When should the property be transferred to the next generation? During the lifetime or passing of the senior generation owners?
- To or for whom should the property be transferred? To all of the next generation or only to some? If only to some, will there be compensating gifts or bequests to the others?
- How should the property be titled and transferred? Outright? In trust? In an entity?



- How will the property be managed, repairs and upkeep handled and bills paid? What if some family members use the property more than others or have greater financial independence than others?
- Should the family create a designated fund for maintaining the house, and if so, in what form?
- How will use of the home be scheduled? If the 4th of July is the peak holiday, and there are four children and ten grandchildren, but only four bedrooms, who has priority?

Addressing questions like these in the planning process can be difficult, but doing so can make future shared use more enjoyable and less stressful for the entire family.

Ownership Options

At its most basic, the property may be owned outright permitting the owners to use – and sell – the property as they wish. If the family's home is held by the parents as **Joint Tenants with the Right of Survivorship (JTWROS)**, the parents have an undivided right to use the property while they are alive. At the death of the first parent, the property will pass to the surviving spouse. The default solution for a surviving spouse of a jointly owned family home is to leave or give it to their children equally. However, this is exactly how the problems begin. If the surviving spouse gifts the home to multiple children or other beneficiaries, during life or at death, the recipients could face gift or estate tax issues while likely acquiring joint ownership of the property as tenants in common.

A **Tenancy in Common** is a type of shared ownership of property, where each co-tenant (or co-owner) owns a share – typically equal – of the entire property. All co-tenants have the right to occupy and use all of the property. Additionally, each co-tenant has the right to freely sell his interest in the family home to whomever he chooses, without consent from any other co-tenants. Each co-tenant's interest in the home may be subject to creditors' claims, divorce or even court-ordered partition which could result in an unavoidable sale of the home even if the remaining co-tenants do not want to sell. If the goal is to preserve the family vacation culture and memories, transferring the home to beneficiaries as tenants in common is usually not the answer. A tenancy in common by itself is more likely to lead to family conflict than to family harmony as everyone has to agree on everything, typically without a written agreement to govern decisions or behavior.

For a number of reasons, the **Limited Liability Company (LLC)** has become one of the preferred legal entities recommended by attorneys specializing in home succession planning. The LLC incorporates many of the best attributes of corporations: limited liability, simplicity, flexibility and income taxation of partnerships. They are formed under state law, but not necessarily in the state in which the family home is located, and are treated as separate legal entities. Formation of the LLC may be done during life or at death. It may be advisable to form an LLC for the family home during the owners' life to enable gifting to children and grandchildren as part of their wealth transfer plan.

One option to consider is a **Qualified Personal Residence Trust (QPRT)**. The grantor transfers property to a trust for the benefit of the family, but retains an interest in the property for a term of years and may include a reversionary interest. The value of the interest transferred to the family, deemed a gift to the family, is the full fair market value of the property minus the value of the interest retained by the grantor. The retained value will be for a predetermined term of years, so this planning option may not be advisable if the grantor may not have a long life expectancy. If the grantor does not survive the trust, the entire value of the property will be included in the estate of the grantor. At the end of the term, the QPRT may be structured to transfer the property outright to the children or to hold the property in trust for their benefit. However, once the property is transferred at the end of the term, the grantor cannot continue to freely use the property as before or it may result in the full value of the property being included in the grantor's estate. Therefore, the grantor should consider a leasing arrangement, such as renting the property for fair market value from the new owners.

Complete & Proper Planning

The family vacation home is a cherished asset and can provide generation on generation with enjoyment and lasting memories. However, keeping it in the family requires thought, planning and familial management and cooperation. As you consider your family's situation, we urge you to discuss your vision and intentions of your home with your family and your trusted advisors, to establish a rewarding arrangement that will provide a smooth transition of ownership and clear-cut guidelines for use and management of the home.





Personalizing Your Estate Plan: Letters of Intent

Many clients and friends often ask how they can personalize the estate planning process amid the technical and precise language of the law. To personalize legal documents and expresses intentions, emotions and values, we suggest you consider incorporating these items into your estate plan to add greater satisfaction to the planning process, to keep with your goals and offer peace of mind:

- Include letters of intent for entities or trusts.
- Incorporate specific language in documents to clarify intent in a binding manner.
- Write direct letters to your beneficiaries explaining the choices you have made.

Letters of Intent

A letter of intent, also known as a side letter, is a non-binding letter from the grantor to the trustee that provides guidance to the trustee. This letter allows the grantor to feel that their voice is being heard, often by allowing the grantor to put into plain English certain goals or actions which might be improper or confusing if included in the main estate planning documents. When drafted appropriately, a letter of intent can allow the trustee to identify actions that would be in keeping with the grantor's intent at the time the trust was created. Additionally, the letter may provide the trustee with comfort in knowing that the goals and objectives for the trust are being met when family circumstances have changed.

It's worth repeating that letters of intent are not legally binding. These letters are meant to be a helpful reference for the trustee and provide the grantor the ability to include candid comments. It is best to draft these letters with your attorney to avoid including too much legal direction and repeating language of the trust. If the letter is too detailed and lengthy, it could be considered a revision or codicil to a will – and thereby included in the trust documents and legally binding.

A side letter may include specific examples for the trustee as to when to make gifts and distributions or how the situation should be considered. It is also helpful to provide current references that may help a trustee in the administration of the trust. When including this kind of verbiage, it should be clearly stated and as descriptive as possible. Below are a few examples:

"Do not give money outright to my daughter as I worry about her ability to make business investments on her own; I would prefer that you consider carefully before making distributions of principal and encourage you to request a business plan or structure the distribution as a loan to be collateralized by future income distributions."

"I would like to benefit my children and grandchildren more than future generations, therefore please do not be overly focused on preservation of principal."

"Education has been a huge part of my life and is something I would encourage with our children and grandchildren if I were living. Please make generous distributions for educational opportunities."

"At the time of funding, it is my expectation that the trust will generate sufficient income to help them with the down payment on a home. A "starter home" in our area is about \$450,000. I would expect that the children should be able to finance most of the home purchase but would ask that



you be generous in making distributions outright to allow them to buy in a better neighborhood or perhaps a slightly larger home, if they seem to be financially responsible and you believe this is a good use of their inheritance.”

Power of Language

As side letters are not legally binding, it is important to remember the ability to include precatory language – otherwise known as language expressing a wish or intent – in documents to clarify the grantor’s intent in a binding manner. This type of language may be useful when property is to be divided unequally or there are clear objectives for the disposition of property. A statement such as “I am fully aware of the challenges that come with shared ownership of the family vacation property and hence, I intentionally leave the vacation home to my daughter, Jane, outright and in her sole name, with the expectation that it will pass to her children if she should predecease me” can stop a prolonged family battle and avoid challenges if the recipient of the asset happens to be the executor or the child that may be perceived to have had sway over an aging parent. Precatory language, while at times restrictive, can add guidance to standard documents and yield huge benefits in the eventual discussions with beneficiaries.

Direct Letters to Children

Another way to soften the hard language of an estate plan can be through written letters to the beneficiaries. Drafting separate letters to each beneficiary to be shared at the time of the gift with their children, or grandchildren, is a wonderful and compelling way to explain the choices made, convey beliefs and wishes and express expectations for the money directly to the beneficiaries. A direct letter could also share a bit of family history or wisdom, and may become a cherished family memento. Importantly, the letter may encourage a beneficiary to preserve the wealth for another generation or to do bigger things with an inheritance than they might have otherwise

If including letters or specific language into your estate plan may be of interest to you, please follow up with your Estate Planning Attorney or your Sandy Cove Advisor to explore next steps.

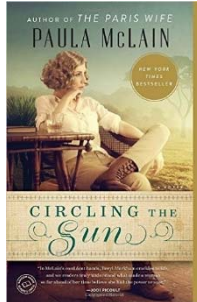


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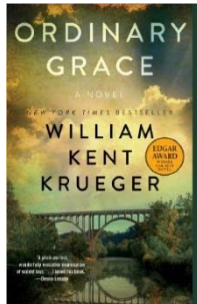
Summer Reading List: 2016

Fiction



***Circling the Sun: A Novel*, Paula McLain (4.5 stars)**

Paula McLain, author of the phenomenal bestseller *The Paris Wife*, now returns with her keenly anticipated new novel, transporting readers to colonial Kenya in the 1920s. *Circling the Sun* brings to life a fearless and captivating woman—Beryl Markham, a record-setting aviator caught up in a passionate love triangle with safari hunter Denys Finch Hatton and Karen Blixen, who as Isak Dinesen wrote the classic memoir *Out of Africa*.



***Ordinary Grace*, William Kent Krueger (4.5 stars)**

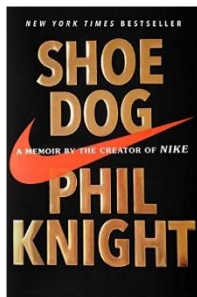
Told from Frank Drum's perspective forty years after one fateful summer, *Ordinary Grace* is a brilliantly moving account of a boy standing at the door of his young manhood, trying to understand a world that seems to be falling apart around him. It is an unforgettable novel about discovering the terrible price of wisdom and the enduring grace of God.



***Before the Fall*, Noah Hawley (4 stars)**

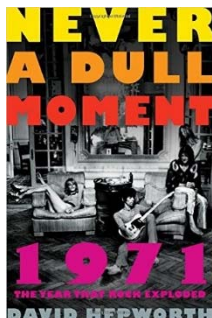
On a foggy summer night, eleven people--ten privileged, one down-on-his-luck painter--depart Martha's Vineyard on a private jet headed for New York. Sixteen minutes later, the unthinkable happens: the plane plunges into the ocean. The only survivors are Scott Burroughs--the painter--and a four-year-old boy, who is now the last remaining member of an immensely wealthy and powerful media mogul's family. Amid pulse-quickening suspense, the fragile relationship between Scott and the young boy glows at the heart of this stunning novel, raising questions of fate, human nature, and the inextricable ties that bind us together.

Biography



***Shoe Dog*, Phil Knight (5 stars)**

In this candid and riveting memoir, for the first time ever, Nike founder and board chairman Phil Knight shares the inside story of the company's early days as an intrepid start-up and its evolution into one of the world's most iconic, game-changing, and profitable brands.



***Never a Dull Moment: 1971 The Year That Rock Exploded*, David Hepworth (4 stars)**

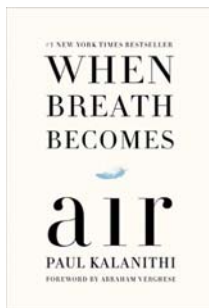
David Hepworth, an ardent music fan and well regarded critic, was twenty-one in '71, the same age as many of the legendary artists who arrived on the scene. Taking us on a tour of the major moments, the events and songs of this remarkable year, he shows how musicians came together to form the perfect storm of rock and roll greatness, starting a musical era that would last longer than anyone predicted. Those who joined bands to escape things that lasted found themselves in a new age, its colossal start being part of the genre's staying power.

Mindfulness



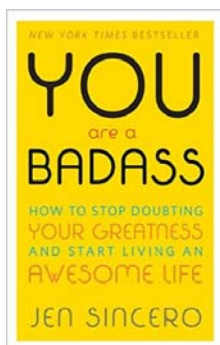
***The Sleep Revolution*, Arianna Huffington (3.5 stars)**

We are in the midst of a sleep deprivation crisis, writes Arianna Huffington, the co-founder and editor in chief of *The Huffington Post*. And this has profound consequences – on our health, our job performance, our relationships and our happiness. What is needed, she boldly asserts, is nothing short of a sleep revolution. Only by renewing our relationship with sleep can we take back control of our lives.



***When Breath Becomes Air*, Paul Kalanithi (4.5 stars)**

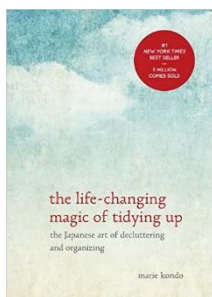
At the age of thirty-six, on the verge of completing a decade's worth of training as a neurosurgeon, Paul Kalanithi was diagnosed with stage IV lung cancer. One day he was a doctor treating the dying, and the next he was a patient struggling to live. And just like that, the future he and his wife had imagined evaporated. *When Breath Becomes Air* chronicles Kalanithi's transformation from a naïve medical student "possessed," as he wrote, "by the question of what, given that all organisms die, makes a virtuous and meaningful life" into a neurosurgeon at Stanford working in the brain, the most critical place for human identity, and finally into a patient and new father confronting his own mortality.



You are a Badass, Jen Sincero (4.5 stars)

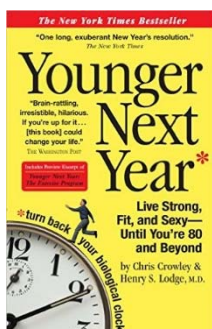
In this refreshingly entertaining how-to guide, bestselling author and world-traveling success coach, Jen Sincero, serves up 27 bite sized chapters full of hilariously inspiring stories, sage advice, easy exercises, and the occasional swear word, helping you to: Identify and change the self-sabotaging beliefs and behaviors that stop you from getting what you want, Create a life you totally love. And create it NOW, Make some damn money already. The kind you've never made before.

Life Style



The Life Changing Magic of Tidying Up: The Japanese Art of Decluttering and Organizing, Marie Kondo (4.5 stars)

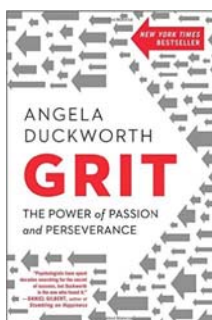
Japanese cleaning consultant Marie Kondo takes tidying to a whole new level, promising that if you properly simplify and organize your home once, you'll never have to do it again. Most methods advocate a room-by-room or little-by-little approach, which doom you to pick away at your piles of stuff forever. The KonMari Method, with its revolutionary category-by-category system, leads to lasting results. In fact, none of Kondo's clients have lapsed (and she still has a three-month waiting list).



Younger Next Year: Live Strong, Fit and Sexy – Until You're 80 and Beyond, Chris Chowley (4.5 stars)

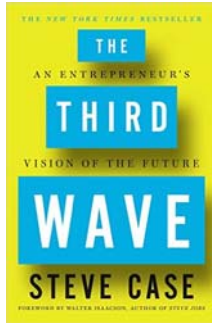
Co-written by one of the country's most prominent internists, Dr. Henry "Harry" Lodge, and his star patient, the 73-year-old Chris Crowley. These are the books that show us how to turn back our biological clocks—how to put off 70% of the normal problems of aging (weakness, sore joints, bad balance) and eliminate 50% of serious illness and injury. The key to the program is found in Harry's Rules, there are seven rules all together, based on the latest findings in cell physiology, evolutionary biology, anthropology, and experimental psychology. Dr. Lodge explains how and why they work—and Chris Crowley, who is living proof of their effectiveness (skiing better today, for example, than he did twenty years ago), gives the just-as-essential motivation.

Business



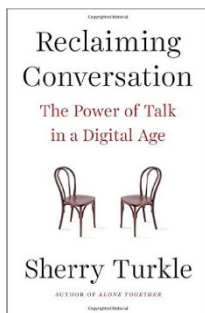
Grit: The Power of Passion and Perseverance, Angela Duckworth (4.5 stars)

UPenn psychologist uses the 'Hard Thing Rule' to teach her kids to take control of their success. In this instant *New York Times* bestseller, pioneering psychologist Angela Duckworth shows anyone striving to succeed—be it parents, students, educators, athletes, or business people—that the secret to outstanding achievement is not talent but a special blend of passion and persistence she calls "grit." Winningly personal, insightful, and even life-changing, *Grit* is a book about what goes through your head when you fall down, and how that—not talent or luck—makes all the difference.



The Third Wave: An Entrepreneur's Vision of the Future, Steve Case (4 stars)

One of America's most accomplished entrepreneurs—a pioneer who made the Internet part of everyday life and orchestrated the largest merger in the history of business—shares a roadmap for how anyone can succeed in a world of rapidly changing technology. In *The Third Wave*, which pays homage to the work of the futurist Alvin Toffler (from whom Case has borrowed the title, and whose work inspired him as a young man), Case takes us behind the scenes of some of the most consequential and riveting business decisions of our time while offering illuminating insights from decades of working as an entrepreneur, an investor, a philanthropist, and an advocate for sensible bipartisan policies.



Reclaiming Conversation: The Power of Talk in a Digital Age, Sherry Turkle (4.5 stars)

Turkle looks at how our current focus on technology is undermining our relationships, creativity and productivity. Author [Douglas Rushkoff](#) says, "Digital media were supposed to turn us from passive viewers to interactive participants, but Turkle reveals how genuine human interaction may be the real casualty of supposedly social technologies. Without conversation, there is no syntax, no literacy, no genuine collaboration, no empathy, no civilization. With courage and compassion, Turkle shows how the true promise of social media would be to reacquaint us with the lost art of making meaning together."