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KWB & Associates, Inc.®

Wealth Managers Group

WEEKLY COMMENTARY

September 5, 2017

The Markets

When it comes to economic growth, the government doesn't measure twice. It measures three times.

Last week, the *Bureau of Economic Analysis* revised its initial estimate that the gross domestic product (GDP), which is the value of all goods and services produced by a country or region, grew by 2.6 percent during the second quarter of 2017. The second estimate indicated the economy grew by 3.0 percent from April through June. The third and final GDP estimate for the second quarter will become available near the end of September.

The New York Times reported:

> "If the economy were to sustain the current pace of expansion, it would be a significant uptick from the 2 percent annual growth rate that has mostly prevailed since the recovery began. A difference of a single percentage point may not sound like much, but the stakes are huge in a $19 trillion economy. The acceleration could also help lift wage growth, which has been frustratingly slow for years despite steady hiring, a surging stock market, and rising home prices."

While second quarter's growth spurt was welcome news, it was overshadowed by the devastation wrought by Hurricane Harvey in Texas and across a swath of the Gulf Coast. Initial estimates of the property damage inflicted by the storm stand between $30 and $40 billion, reported Yahoo! Finance.

Historically, hurricanes have impacted U.S. economic growth and Harvey is likely to be no different. An economist from Goldman Sachs explained the usual progression of economic consequences to *Yahoo! Finance:*

> "…major hurricanes in the past have been associated with a temporary slowdown in retail sales, construction spending, and industrial production, as well as a pickup in jobless claims…However, GDP effects are ambiguous, as the level of economic activity typically returns to its previous trend – or even somewhat above – reflecting a boost from rebuilding efforts and a catch-up in economic activity displaced during the hurricane."

We send our thoughts and prayers to all of those affected by Hurricane Harvey.

Data as of 9/1/17	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	1.4%	10.6%	14.1%	7.3%	12.0%	5.2%
Dow Jones Global ex-U.S.	0.7	17.4	16.0	0.6	5.5	-0.5
10-year Treasury Note (Yield Only)	2.2	NA	1.6	2.4	1.6	4.6
Gold (per ounce)	2.7	13.9	0.8	0.9	-4.8	7.0
Bloomberg Commodity Index	2.0	-2.9	3.5	-12.1	-10.3	-6.5
DJ Equity All REIT Total Return Index	0.7	7.0	2.2	8.5	9.7	6.5

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; the DJ Equity All REIT Total Return Index does include reinvested dividends and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods. Sources: Yahoo! Finance, Barron's, djindexes.com, London Bullion Market Association.Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

IF YOU DON'T LIVE NEAR YOUR PARENTS AND OLDER FAMILY MEMBERS, you may want to learn more about Social Security's Representative Payment Program (RPP). The *Center for Retirement Research at Boston College* (CRRBC)

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published a brief in August that provided some insight into the need for the program:

> "Many older individuals with cognitive impairment, including the vast majority of people with dementia, need help managing their finances. For retirees receiving Social Security benefits, the Representative Payee Program can serve as one source of this help. In the Representative Payee Program, a retiree's benefit is sent to another person (often a relative) who spends it on the retiree's behalf and submits records to Social Security documenting that the expenditures were in the beneficiary's best interest."

Currently, not many people take advantage of the program. More than 10 percent of people who are age 65 or older have dementia, but just 9 percent of that group has a payee.

That doesn't mean retirees aren't getting the help they need. Most are, according to *CRRBC*. Ninety-five percent of people with dementia have someone to help – an unimpaired spouse, nursing home staff, or adult children. Two-thirds have assigned power of attorney to a trusted party.

If your parents are older and you haven't talked with them about how to handle issues related to finances and aging, it may be a good time to open a dialogue. Daily Caring suggests you, "Approach the conversation around the most important considerations for older adults: safety, freedom, peace of mind, social connection, and being able to make choices."

Weekly Focus – Think About It

"Best thing about being in your 90s is you're spoiled rotten. Everybody spoils you like mad and they treat you with such respect because you're old. Little do they know, you haven't changed. You haven't changed in [the brain]. You're just 90 every place else…Now that I'm 91, as opposed to being 90, I'm much wiser. I'm much more aware and I'm much sexier."

— Betty White, American actor and comedienne

Sincerely for the firm,

Kerrick W. Bubb

President, KWB Wealth Managers Group

LPL Registered Principal