

**FINANCIAL SECURITY**  
**PLANNING SERVICES, INC.<sup>SM</sup>**

## Recovery May Be Slowing & A Presidential Election Webinar

September 11, 2020

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### **Economic Recovery May Be Slowing**

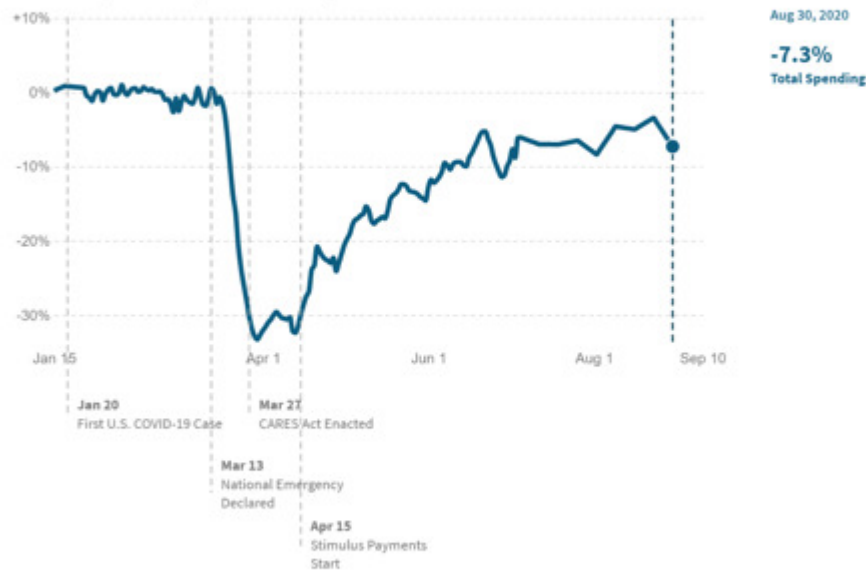
Excerpts of an article by Brad McMillan, CFA®, CAIA, MAI,  
managing principal, chief investment officer, at Commonwealth Financial Network®

**Jobs market.** The most recent initial jobless claims report shows slightly higher layoffs. The continuing unemployment claims have also risen, showing that fewer people have returned to work in the most recent weeks. Improvement in the jobs market has been a relative bright spot, but that trend may be slowing.

**Consumer spending.** Consumer spending has also weakened. In the past week, spending dropped from within 3.2 percent of the pre-pandemic level to 7.3 percent below, and consumer confidence has declined. Much of the decline in both confidence and spending appears to come from lower-income workers, where the jobs recovery has been particularly weak and who are most affected by the expiration of federal income support payments. This metric remains something to watch.

### Percent Change in All Consumer Spending\*

In the United States, as of August 30 2020, total spending by all consumers decreased by 7.3% compared to January 2020.



\*Change in average consumer credit and debit card spending, indexed to January 4-31, 2020 and seasonally adjusted. This series reflects daily data through July 5th, 2020 and weekly data after July 5th, 2020. This series is based on data from Affinity Solutions.

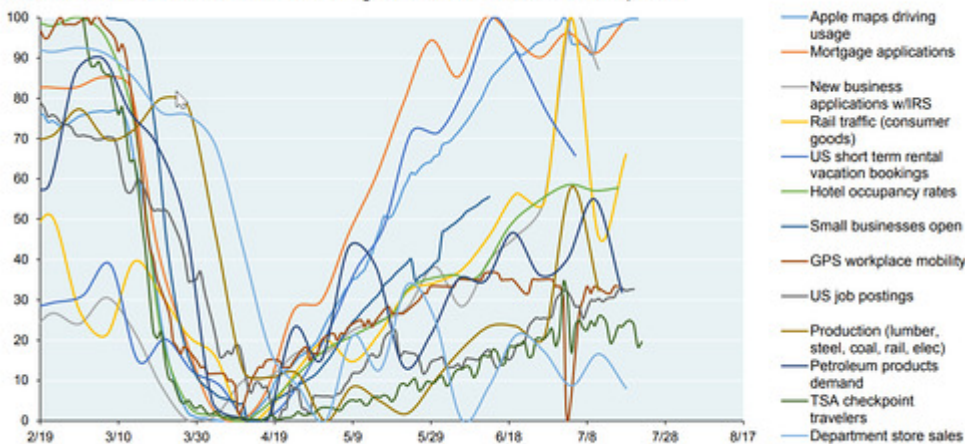
last updated: September 08, 2020 next update expected: September 15, 2020

Source: <https://tracktherecovery.org/>

**Business sector.** Even as there are signs of weakness in the consumer economy, however, the business sector continues to do well. Business confidence and investment are largely back to pre-pandemic levels, and specific higher-frequency indicators are showing improvement in many cases, as we can see in this composite of many indicators from J. P. Morgan.

#### High frequency US data tracker

Index, with 0 = lowest observed value and 100 = highest observed value, Jan 1 2020 to present



Source: WWPA, EIA, AISI, EEI, AAR, Redbook, Census Bureau, TSA.gov, Apple, Smith Travel, MBA, Google, AirDNA, ThinkNum, JPMAM. July 23, 2020.

Source: J. P. Morgan

The big picture is that the recovery is still on track but that signs of weakness bear watching. The medical risks have improved significantly, but the economic risks are still real.

### **The Markets: Hit New Highs Then Stumbled**

Financial markets dropped last week after hitting new highs. The new highs were in response to the positive medical news, including improvement in the new case count and encouraging news on vaccine development. The drop seemed to be due to worries about just how durable the economic recovery was. Given the data we reviewed above, those doubts seem reasonable, which suggests we might see more volatility ahead.

### **Free Zoom Webinar 'A Presidential Election in Unpredictable Times': MV Outdoor Art Club Hosts KGO's John Rothmann - Sept. 24, 2020**



John Rothmann

On Thursday, September 24th at 1:00 pm the Mill Valley Outdoor Art Club is hosting 'A Presidential Election in Unpredictable Times,' a talk by John Rothmann. John hosts the John Rothmann Show on KGO 810AM and a frequent lecturer on U.S. politics and the presidency. Rothmann is a veteran of numerous political campaigns on the national, state, and local levels, including Richard Nixon's in 1968. The event is free and open to all via Zoom. He is also a long-time friend of mine.

REGISTER HERE:

[https://zoom.us/webinar/register/WN\\_2pSVOCRDT6Ycd77O5drbA](https://zoom.us/webinar/register/WN_2pSVOCRDT6Ycd77O5drbA)

### **The U.S. Presidential Election is on Tuesday., Nov. 3.**

As the election nears we encourage everyone to be sure and vote.



My staff and I deeply appreciate the continuing opportunity to work with you. Please let me know if you have any questions or requests. Thank you.

Sincerely,

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