



Good morning!

Fed Chair Janet Yellen expressed her concerns last week before Congress about the central bank potentially “getting ahead of itself” with its current rate hike cycle. Yellen knows that if the Fed raises rates too quickly, they run the risk of having a hand in “creating” a recession. She does however expect that rising inflation will allow the Fed to keep gradually raising interest rates (something they started in December 2015), but she acknowledged that the Fed would be willing to amend its plans if inflation doesn’t pick up (source: Federal Reserve).

Social Security trustees released their annual analysis of the trust fund backing the payment of all Social Security benefits (retirement and disability). The bad news is that government actuaries believe the fund will be zero in 2034. The good news is that a zero trust fund does not mean the payment of Social Security benefits would also go to zero, but rather would drop to 77% of their originally promised levels through the year 2091. However, when the trustees released their report just 10 years ago, the fund was projected to be depleted in 2041 (source: Social Security Trustees 2017 Report).

Senate Republicans released “Better Care Reconciliation Act” 2.0 last week. To appeal to “moderate” GOP members, the bill keeps some of the taxes on wealthy Americans from the “Affordable Care Act.” To appeal to “conservative” GOP members, the bill allows for less expensive “skinny” health plans where the insured assumes more financial risk. The CBO is expected to “score” the revised BCRA this week, a prerequisite for most senators before making a final decision on the legislation (source: Senate).

Notable Numbers for the Week:

1. **BULL** - Since bottoming on **3/09/09**, the S&P 500 has **gained +334%** (total return) and set **151 record closing highs** through trading on Friday 7/14/17, equal to a **+19.2% gain per year** (source: BTN Research).
2. **GOOD MONEY** - Registered nurses working on a **part-time basis** earned an average of **\$36.94 per hour** in 2016 (source: Bureau of Labor Statistics).
3. **WHO PAYS?** - A 1986 federal law (“Emergency Medical Treatment & Labor Act”) requires hospitals to provide emergency services regardless of a **patient’s ability to pay**. Every **uninsured person** costs a hospital an average of **\$900 per year in uncompensated care** (source: Northwestern University).
4. **NOT EVERY TIME** - The Fed is currently in its **10th rate hike cycle** since 1980. Recessions have occurred **within 18 months** following the end of **4 of the previous 9 rate hike cycles** since 1980 (source: Federal Reserve).

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