



This Publication Brought To You Courtesy Of:



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## CLIENT BULLETIN

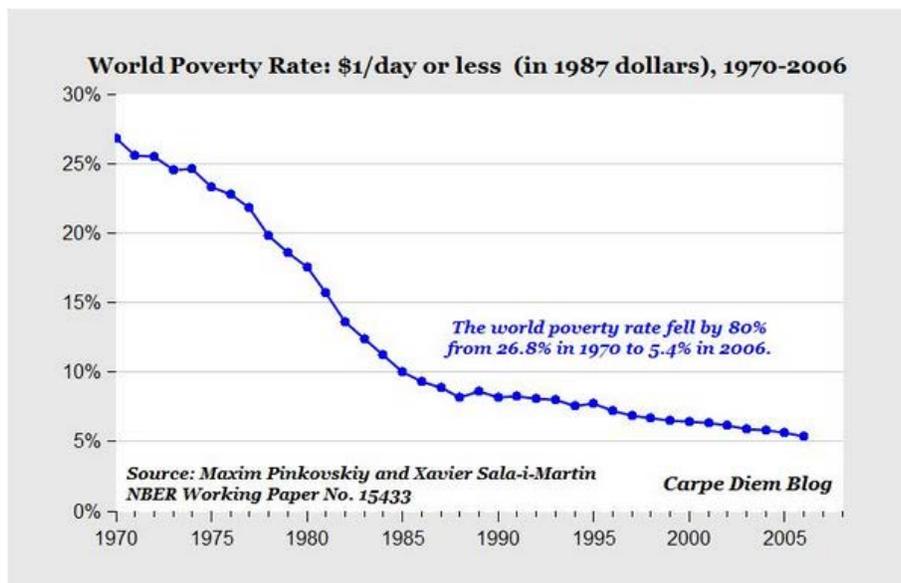
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### ➤ Surprised?

The Congressional Budget Office (CBO) reported that the Affordable Care Act (ACA) could cut the growth of full-time workers in the U.S. by approximately 2 ½ million jobs over the next 10 years. The 2 ½ million figure is the projected number of people who will choose to stay home rather than seek employment. Working would raise their income to the point where they would lose a government subsidy that pays for their health insurance. Some even suggest that these missing jobs are a positive because it will give folks who choose not to work more “leisure time to pursue their passions”. Of course, someone has to pay for this leisure time and if you pay income taxes, that someone is you.

### ➤ Good News!

While inequality is the current meme, on a global scale one of the most remarkable achievements in human history is playing out. The accompanying chart from the National Bureau of Economic Research, which will be updated with 2012 figures soon, shows the percentage of the world living in poverty as defined by living on \$1/day or less in inflation adjusted dollars. An 80%



decline in the percentage of people living in poverty is unalloyed good news, but the question is: what has caused it? You can search for your own answers, but the record of history seems clear - the only means by which large numbers of people have escaped from grinding poverty is exposure to free enterprise and free trade.

Steven F. Carter, CFP® is a Registered Principal with and securities offered through LPL Financial, Member FINRA/SIPC.

### ➤ ***Was it Worth It?***

Roughly 1 in 5 American adults have outstanding student debt accumulated from attending college. With less appealing job prospects, many people are asking the question: is getting a college degree still worth it? The answer is a resounding YES. Young adults with just a high school diploma earn 62% of the typical salary of college graduates according to the Pew Research Center. 22% of young adults without a college degree live in poverty while just 7% of college graduates do. (Source: Urban Institute).

### ➤ ***My Oh MyRA***

A new retirement proposal floating around is called myRA. It is a retirement plan that allows employees to save as little as \$25 per paycheck through payroll deductions and invest in a U.S. savings bond-type vehicle for their future. The contributions are not tax-deductible and there is no employer matching feature. While anything that calls attention to the need to invest more for retirement is positive, another type of plan isn't what is needed. The myRA is basically a Roth IRA which is already an option. The problem isn't that people don't have enough methods of investing for retirement, the problem is that they aren't doing it. Education, guidance and automatic enrollment would go a lot further toward solving the problem.

### ➤ ***Line in the Sand?***

Last year Federal Reserve policymakers made a commitment to begin raising interest rates once the unemployment rate dropped below 6.5%. With the unemployment rate hitting 6.6% last month after peaking at 10% during the financial crisis, the central bankers are rethinking the situation. The recently released minutes from their meeting on January 28-29 indicate that they are close to doing away with the 6.5% target threshold and continuing to hold interest rates at what many believe are artificially low levels despite the employment improvements. Brings to mind Groucho Marks: "Those are my principles, and if you don't like them...well, I have others."

### ➤ ***Economic Unrest***

More than 100 people have died violently in the Ukraine over the past few weeks. What, you may ask, does that have to do with economics and finance? Everything. Ukraine faces a yawning budget gap, severe unemployment and a plunging currency. Riots began when former President Viktor Yanukovich abandoned a fledgling pact for assistance with the European Union (EU) and instead turned toward an erratic Russia and Vladimir Putin. Why are Ukrainians fighting and dying to join the low-growth EU? Because the EU has a system that makes real economic growth at least theoretically possible. Russia's power structure offers no such option. A stark example of these differing economic systems was provided last month when a man whose family emigrated to the United States from Ukraine when he was 16 years old, and who lived on food stamps until they could get on their feet, sold his company to Facebook for \$19 billion.

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