

In 1983, Alan Greenspan had yet to begin his 18 ½ year run as Fed Chairman (that started 4 years later in August 1987). Yet it was in 1983 (38 years ago), that Greenspan first left his financial footprint when he chaired a committee that recommended changes to Social Security (SS) that were successfully passed in Congress. The modifications - pushing back the “normal retirement age” and raising the payroll tax rate - saved the SS program from looming insolvency and added a projected 75 years to its lifespan. Greenspan-type leadership is again needed in 2021. Last week’s release of the annual SS Trustees report stated that “the Trustees recommend that lawmakers *address the projected trust fund shortfalls in a timely way* in order to phase in necessary changes gradually and *give workers and beneficiaries time to adjust to them*” (source: SS Trustees 2021 Report).

The data from the SS trustees that raised the blood pressure of Americans was the news that the trust fund backing the payment of SS benefits (OASI retirement benefits) would be zero in 2033. A zero “trust fund” *does not mean* the payment of SS benefits would also go to zero, but rather would drop to 76% of their originally promised levels through the year 2095. When the trustees released their report in 2010 (i.e., 11 years ago), the SS Trust Fund was projected to be depleted in 2040 (source: SS Trustees 2021 Report).

A Reuters poll of economists revealed expectations of 750,000 new jobs created nationwide in August 2021, down from 943,000 new jobs in July 2021. When the actual result of just 235,000 was announced on Friday 9/03/21, analysts pointed to a slowdown in hiring in “leisure and hospitality,” a function of reduced spending at restaurants and hotels as COVID infections accelerated (source: Department of Labor).

Notable Numbers for the Week:

1. **CHEAP MONEY** - The yield on the **10-year T-note** closed at **1.303% on 8/31/21**, up from **0.913% as of 12/31/20**. The **all-time low close** for the 10-year note is **0.501% set on 3/09/20** (source: Treasury Dept.).
2. **COLA** - The annual Social Security “**cost-of-living adjustment**” has been **at least +4%** twice in the last 30 years (2005 and 2008), a level **likely to be surpassed** when the 2022 adjustment is announced in **October 2021** (source: Social Security).
3. **HALF THE COUNTRIES** - **98 countries, equal to 50% of the 195 countries in the world**, have agreed to **accept refugees** from Afghanistan (source: State Department).



4. **THE FIRST** - The Bahamas became the 1st nation to issue its official currency in digital form in 2020, i.e., a legally backed digital token developed by a central bank (source: Central Bank of The Bahamas).

09-07-2021

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Private Capital Group, LLC ("PCG"), or any non-investment related content, made reference to directly or indirectly in this communication will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Information contained in this communication is based on data gathered from what we believe are reliable sources. It is not guaranteed by PCG as to accuracy, does not purport to be complete, and is not intended to be used as a primary basis for investment decisions. Further, you should not assume that any discussion or information contained in this communication serves as the receipt of, or as a substitute for, personalized investment advice from PCG. To the extent discussed herein, investment indices are unmanaged and cannot be purchased directly. Historical performance results for investment indexes and/or categories are included for informational purposes only and generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment-management fee, the incurrence of which would have the effect of decreasing historical performance results. The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the US stock market. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing. PCG is neither a law firm nor a certified public accounting firm and no portion of the communication should be construed as legal or accounting advice. A copy of the PCG's current written disclosure Brochure discussing our advisory services and fees is available upon request.

Please Note: If you are a PCG client, please remember to contact PCG, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services, or if you would like to impose, add, or to modify any reasonable restrictions to our investment advisory services. PCG shall continue to rely on the accuracy of information that you have provided.

Disclosure from our Author:

Investment advisory services offered through PCG, a registered investment advisor. This e-mail may include forward-looking statements that are subject to certain risks and uncertainties. Actual results, performance, or achievements may differ materially from those expressed or implied. The above communication is written by Michael A. Higley. Any comments, opinions or facts listed are those of Mr. Higley.

If you do not want to receive further editions of this weekly newsletter, please contact Private Capital Group at 860.561.1162, or e-mail: privatecapitalgroup@pcgct.com, or write to us at Private Capital Group, LLC, 29 S. Main Street, West Hartford, CT 06107.