



This Publication Brought To You Courtesy Of:

STEVEN F. CARTER
CERTIFIED FINANCIAL PLANNER™, Practitioner

4225 Executive Square, Suite 1030
La Jolla, California 92037-1486
Phone: (858) 678-0579 · Fax (858) 546-0792
E-mail: steve.carter@lpl.com
www.stevencarterfinancial.com



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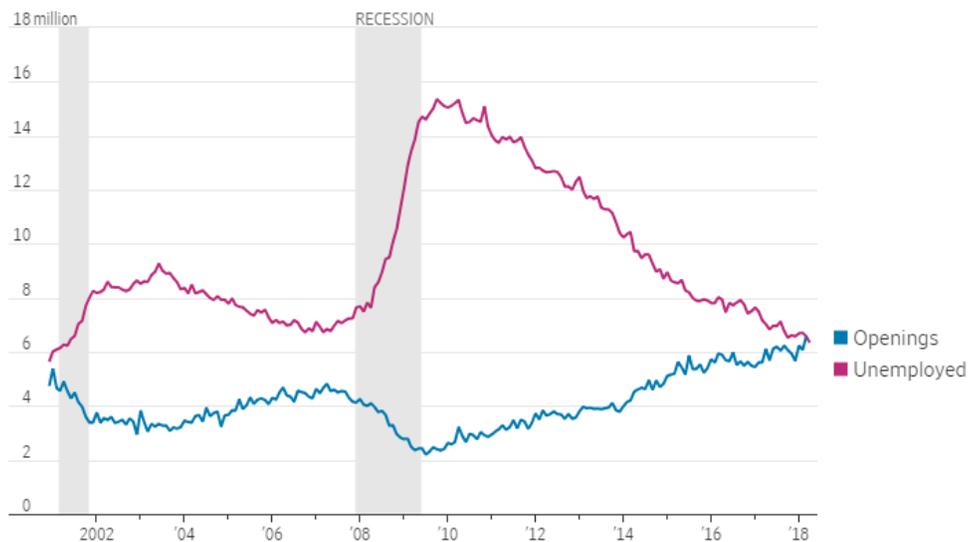
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➤ *Global Good Times*

The US labor market has rarely been stronger. Recent statistics show US businesses had a total of 6.55 million job openings in March vs. 6.585 million people who were unemployed - a gap of only 35,000 workers. This gap is much smaller than the gaps that existed at the end of the economic expansion that ended in 2007 (2 million) and the end of the previous expansion in January 2001 (638,000). The chart below powerfully illustrates the same data. The shaded areas represent recessions. Of course, the situation isn't perfect – some of the jobs are unfilled because there are no qualified workers for them and some of the workers are under-employed – but these situations always exist no matter the state of the economy.

A Worker for Every Job?

Level of unemployment and job openings in the U.S.



Note: Seasonally adjusted
Source: Labor Department

➤ *Worker Cost*

The average employer in the private sector pays 44 cents in benefits (e.g., Social Security, Medicare, unemployment insurance, workers' compensation, life and health insurance, paid leave, retirement plans) for every \$1 paid in salary (source: Department of Labor).

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

➤ ***Watch Out for Ladders***

In the past, individuals who built a portfolio of sequentially maturing individual bonds – a practice known as laddering – did so partly because they thought it was an inexpensive way to hold a bond portfolio. Beginning 5/14/18, however, new rules require brokerage firms to begin disclosing the markup they take when they buy or sell some state and local municipal bonds. A markup is how a brokerage firm makes money when they sell a bond to individuals - they “mark up” the price when they sell it. In the past, individuals never saw what this markup was and thought they were buying the bond at no cost. These markups can be substantial, averaging 1.1% on investment grade bonds in 2016. Now those individuals will see how costly it was to purchase individual bonds. This revelation could accelerate a shift towards mutual funds, ETFs and other pooled investments by individual investors. A big step forward for transparency.

➤ ***Retire Here***

Only 13 of the 50 US states count Social Security benefits as taxable income at the state level (Source: Internal Revenue Service).

➤ ***Blockchain***

Blockchain, the underlying technology that helped spawn recent flash-in-the pan investment crazes, could have an enduring economic impact. Blockchain changes the way data is stored and accessed in order to improve the transparency of transactions and reduce transaction costs. Specifically, Blockchain is a public ledger of data that is saved in encrypted files called **blocks** that are connected in sequential **chains**, hence the term Blockchain. This public ledger is shared (everyone on the Blockchain can see and verify the information) and decentralized (i.e. no central authority like a government is involved) meaning users can conduct transactions without middlemen. As an example, if you want to send money to a friend or loved-one, you use a service like PayPal or Western Union to complete the transaction on your behalf. The concerns with this arrangement are security (your information is stored in a central database that is subject to breach) and speed (the middleman slows down the transaction). Blockchain technology eliminates these two concerns.

➤ ***Let the Energy Flow***

The global consumption of crude oil is projected to exceed 100 million barrels a day in the 3rd quarter of 2018, the first time ever that consumption has reached that level. In 2017, the U.S. alone consumed 19.9 million barrels a day of crude oil that had been refined into gasoline, diesel fuel, heating oil and jet fuel (source: Energy Information Administration).

➤ ***Break ‘Em Up?***

CEO Mark Zuckerberg has taken his lumps in the U.S. and Europe over Facebook’s fake-news and privacy scandals, but it is hard to see the political backlash going too far. Politicians won’t get much traction standing before the American people and pushing to break up Amazon, Google and Facebook. Unlike banks and insurance companies, these are well respected, well liked companies for the most part and consumers love their products and services.

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