

## INTERESTS & TIDBITS

- “There is no greater agony than bearing an untold story inside you,” Maya Angelou.
- **Golf Tip:** Acceleration doesn’t mean swinging fast from the top of the swing. At impact, the club-head should still be gaining speed.

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## Is America Prepared to Retire?

**Only 48% of Americans say they think they are saving enough.** And 30% feel that they are not even slightly confident that they are saving enough for retirement. That finding comes from the 2015 Consumer Financial Literacy Survey conducted by the National Foundation for Credit Counseling. (The survey collected data from 2,017 U.S. adults.)<sup>1</sup>

**Only 40% of us keep a regular budget.** If you are one of those two out of five Americans,

you’re on the right track. While this percentage is on par with findings go-



**No matter what your financial situation...you need a plan.**

ing back to 2007, the study also finds that only 29% of Americans are

saving any part of their annual income towards retirement.<sup>1</sup>

**Relatively few seek the help of a financial professional.** When asked “Considering what I already know about personal finance, I could still benefit from some advice and answers to everyday financial questions from a professional,” 75% of respondents agreed with the statement. Yet only 12% indicated that they would seek out the help of some sort of financial professional if they had

## What Does the Devalued Yuan Mean to the U.S.?

**China has surprised global investors by weakening the yuan almost 5%.** Its central bank may even weaken it further.<sup>1,5</sup>

**Why did the PRC make this move?** Its long-booming economy is in a slump. Most notably, Chinese exports have taken a major fall.

In July, they were down 8.3% year-over-year. By depreciating the yuan, China is trying to help its exports maintain their competitive edge.<sup>2</sup>

Some of China’s other economic indicators have also disappointed lately. Chinese imports have retreated for nine straight months, slipping

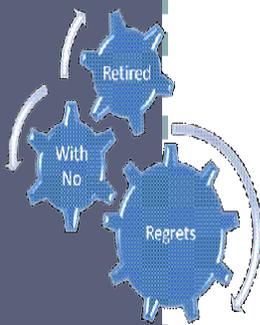
6.1% for June and another 8.1% in July. The pace of retail sales in China slowed to a 15-year low in July. Producer prices in the PRC suffered their largest annualized slip since 2009 last month. Lastly, the nation’s economy may grow less than 7% this year — which would be

## Is America Prepared to Retire? cont'd



Only two out of five Americans have a regular budget.

*“...a financial professional is something that millionaires and billionaires have, not the average American worker.” — myth*



“financial problems related to debt.” While it isn’t surprising to think that 25% of respondents would turn to friends and family, it may be alarming to learn that 18% would choose to turn to no one at all.<sup>1</sup>

**Why don’t more people seek help?** After all, Americans of all incomes and savings levels certainly are free to set financial goals. They may feel embarrassed about speaking to a stranger about personal financial issues. It may also be the case that they feel that they don’t make enough money to speak to a professional, that a financial professional is something that millionaires and billionaires have, not the average American worker. An-

other possibility is that they feel that they have a good handle on their financial future; they have a budget and stick to it, they save in an IRA (like a quarter of Americans), or a 401(k) (nearly

three out of ten Americans), and many use other investments (30%, according to the survey). But that 75% admission above indicates that a vast majority of Americans are not as confident.<sup>1</sup>

**Defined goals lead to definite plans.** If you set financial objectives and plan for them, you vault ahead of most Americans – at least according to these findings. A written financial plan does not imply or guarantee wealth, of course; nor does it ensure that you will reach your goals. Yet that financial plan does give you an understanding of the distance between your current financial situation (where you are) and where you want to be.

**How much planning have you done?** Retiring without a financial plan is an enormous risk; retiring with a financial plan that hasn’t been reviewed in several years is also chancy. A relationship with a financial advisor

can help to bring you up to date about what you need to do, and provide you with more clarity and confidence when it comes to the financial future.

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# What Does the Devalued Yuan Mean for the U.S.? cont'd

the worst showing since the 1990s.<sup>1,2</sup>

**How may this impact America?** The effects could be felt in several areas of our economy, and there could be some positives as well as negatives.

**The Federal Reserve might decide to postpone a rate hike.** Our central bank appears committed to raising interest rates before the year ends, perhaps as early as next month. A repeatedly devalued yuan might make the Fed think twice about that, however. China has effectively

strengthened the dollar versus the yuan, making Chinese imports to America cheaper. That could lower consumer inflation pressure, and since annualized inflation in this country is already low, there would be less incentive for the Fed to raise rates. That would be bad news for savers but better news for some mortgage holders.<sup>3</sup>

**Consumers could benefit more than businesses.** As referenced above, a weakened yuan makes imported goods from China less expensive for Ameri-

cans. Conversely, it also makes it that much harder for U.S. businesses to sell their products in the PRC, as Chinese consumers will have reduced purchasing power.<sup>3</sup>

**You may see less hiring.** A mightier greenback relative to the yuan means new hurdles for U.S. businesses in China, which could cut into earnings growth. While scores of American firms sell directly to Chinese consumers, others have strong ties to Chinese factories: look at Apple, (*cont'd on p.4*)

*“China has effectively strengthened the dollar versus the yuan, making Chinese imports to America cheaper.”*

## Colorado Flavors

### Summertime Cheese Dip

- 1/2 cup mayonnaise
- 3, 8 oz. packages of cream cheese
- 3, 8 oz. packages of shredded sharp cheddar cheese
- 1 Tsp. minced garlic
- 1 small can of “real” bacon bits
- 1 small jar of roasted red peppers (drained & finely chopped)
- 3 small green onions/ chives (chopped)

In a food processor, combine mayonnaise, cream cheese, shredded cheese and garlic. (You may have to add more mayo as mixture should be creamy).

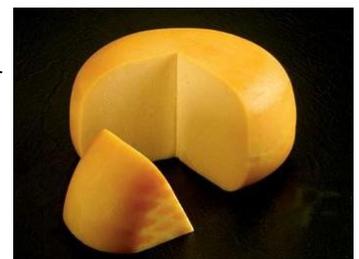
Spread mixture evenly into greased 13 x 9 glass baking dish or other large oven-safe dish. Sprinkle bacon bits, chopped green onions and roasted red peppers over top.

Bake for 30 minutes at 350 degrees or until edges are brown.

Serve right out the oven warm with pita chips or Fritos Scoops.

Serves 25 + people. You may want to cut the recipe in half for a smaller party.

\*Recipe by Lauren Gaddie-Johnson. Mrs. Johnson worked for a caterer for two years in Tallahassee, Florida, before moving to Colorado.



**Everything is better with cheese! Including a warm cheese dip for parties.**

## What Does The Devalued Yuan Mean to the U.S.? cont'd

(cont'd from p.3) which outsources the production of its iPads and iPhones to the PRC. A devalued yuan essentially whittles down the income U.S. businesses create in China and makes outsourced manufacturing costlier for American firms. You can draw a fairly direct line here: less income and lower earnings for American businesses could lead to slimmer payrolls. In particular, firms in the technology, energy and materials sectors could be impacted.<sup>1,3</sup>

**Oil & gas could become even cheaper.** Oil is a dollar-denominated commodity, so a newly weakened yuan will test China's demand for it. A stronger dollar relative to the yuan means that oil and oil-based products will be costlier in China. The Chinese might react by decreasing oil consumption. If China's demand for oil lessens, that would help to

keep oil prices low and American drivers would likely see lower gas prices as well.<sup>3</sup>

**How about the markets?** Equities seem to have regained their footing. When the PRC started devaluing the yuan on August 11, Wall Street read the move as a distress signal. The Dow opened with a triple-digit drop August 11 and lost 212 points for the day. On August 12, it took an even bigger fall at the open on news of the yuan weakening again, but it was down just 0.33 points at the close. The week's subsequent trading days brought no further dives at the opening bell. Looking at the global picture, the DAX, CAC 40, Nikkei 225, and Shanghai Composite were all up 1% or more shortly after they opened Thursday.<sup>4,5</sup>

As for the forex market, the yuan has certainly sunk versus other key currencies. By August 13, it had

lost nearly 3% against the dollar over the past five trading days, and almost 5% against the euro.<sup>6</sup>

**Is a global currency war about to heat up?** The People's Bank of China insists it does not seek to start one. A Barclays client report released August 13 noted the PBC "downplaying the need for a weaker yuan" at a press conference and refuting claims it wanted to devalue the currency at least 10% to support exports. Yi Gang, one of the PBoC's deputy governors, stated that there was "no basis for a persistent weakening in the yuan... and that the aim of the PBoC is to have the market determine the exchange rate."<sup>5</sup>

If the yuan does keep sliding and global markets slump significantly, the Federal Reserve and the European Central Bank could react supportively, providing investors with some reassurance.

*"A weakened yuan presents another challenge to the Fed's plan to tighten."*

## Colorado Happenings

### Colorado's State Fair in Pueblo

The State Fair kicks off on Friday, Aug. 28th, and runs through Monday, Sept. 7th. Tickets are \$7 for ages 13 & up, Monday

through Thursday and Labor Day. Friday through Sunday, the price increases to \$10.

Children ages 5 to 12 are \$7 every day. Children 4 & under are free with a

paid adult. More information can be found at [www.coloradostatefair.com](http://www.coloradostatefair.com).

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## Kansas Happenings

### Century II Performing Arts & Convention Center

**Saturday, Sept. 12** — Bill Maher Live — 8 p.m. Spend an evening with the humorous political commentator. Tickets start at \$59 and are available at [wchitatix.com](http://wchitatix.com).

**Saturday, Sept. 19** — Disney in Concert: Magical Music from the Movies — 7 p.m. Perfect for a family evening out or a date night. This magical night will feature music from such Dis-

ney classics as Beauty and the Beast, The Lion King, Aladdin, and more performed by the Wichita Symphony Orchestra. Watch movie clips while listening to fantastic overtures. Tick-



**Saturday, September 19th** will be a fun-filled musical night.

ets start at \$40 and are available at [wchitasymphony.org](http://wchitasymphony.org).

**Friday, Sept. 25** — “Don Carlo” by Verdi — 7 p.m. One of Verdi’s more popular operas which features more deep and complex characters. The plot centers on a love triangle between King Philip II of Spain, French Princess Elisabeth and Philip’s son, Don Carlo. Tickets start at \$40 and are available at

[wchitagrandopera.org](http://wchitagrandopera.org).