

Information from Financial Services and CFS\* to help keep your financial life in balance

## Consumer Sense

### Gauging the Road Ahead

With the media reporting an endless stream of economic issues, it is no wonder that many of you may be feeling as if you have wandered into the desert without a map. A good way to gain a better understanding of the current economic situation and major trends is to track certain key economic indicators. Several government agencies gather economic data, conduct analyses and distribute vital statistics to the American public. The public can then use this data to better understand the performance of the nation's economy. With so much data available, it might be more effective to focus efforts on a few main indicators such as gross domestic product (GDP), consumer spending and employment.

The Bureau of Economic Analysis (BEA) prepares vital economic statistics such as national income and product accounts (NIPAs) which features estimates of the gross domestic product (GDP).

Two additional government agencies that release key economic data are the

U.S. Department of Labor and U.S. Census Bureau.

**Gross Domestic Product (GDP)** is the total market value of output produced in a nation in one year. It is the sum of consumer, investor and the government spending (plus the value of exports minus the value of imports). Generally, when the economy experiences two consecutive quarters of decline in GDP, analysts describe that as an economic recession. The gross domestic product is ranked as one of the most influential measures that affect U.S. financial markets.

### **Personal Income and Consumer Spending**

The BEA also releases a monthly report titled the "Personal Income and Outlays Report". This report measures consumers' income, personal savings and how much they are spending. If consumer income is falling then it could mean that consumers are, or soon will be, spending less. Consumer spending

accounts for a significant percentage of overall GDP. If consumer spending begins to decrease it generally means that the economy may be headed into a recession.

### **Employment Statistics**

Economists closely track the employment reports released by the U.S. Department of Labor (DOL). They use these statistics to gauge whether the economy is growing or contracting. According to the DOL, "these numbers come from a survey of about 150,000 businesses and government agencies, representing approximately 390,000 individual worksites."

**Reaching out to Your Credit Union's Investment Professionals**  
Talk to your investment professional about the financial matters affecting your life. To schedule an appointment with one of our investment representatives, ask a branch representative or go to our credit union website.

Sources:  
<http://www.bea.gov/newsreleases/national/gdp/gdpnewsr/lease.htm>  
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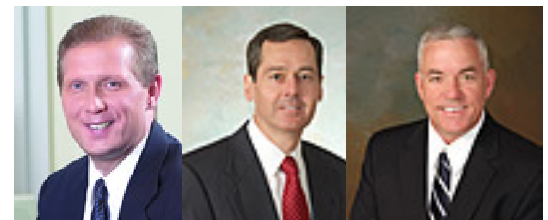
## Have You Read...

*The Secrets of Economic Indicators: Hidden Clues to Future Economic Trends and Investment Opportunities* by Bernard Baumohl. This book is considered the most up-to-date guide to economic indicators and their importance to financial markets in print.

CUSO Financial Services, L.P. (CFS) does not provide tax or legal advice. For such guidance, please consult your tax and/or legal advisor.

### Find out more.

We specialize in helping people maintain a healthy financial balance and discover smart money strategies. Call us to set an appointment to review your investment objectives, and to discuss any questions you might have. We look forward to speaking with you!



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