

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

## Consumer Sense

### How to Measure the Economy

Every day you are flooded with the latest economic data statistics. You may be asking yourself, what exactly do all these numbers mean? These statistics can have a huge impact on the economy so understanding what they mean is important for all investors to understand.

With the current economic situation uncertain, everyone is trying to make sense of what is going on. Leading analysts pour over these statistics to evaluate whether the economy is headed for a recovery or slowdown. These statistics are published by a number of agencies, including but not limited to the United States Census Bureau, the Bureau of Labor Statistics and The Confidence Board.

### Consumer Confidence Index

Consumer Confidence Index is a monthly measure of how consumers feel about the economy and how likely they are to spend. If consumers are confident, they are more likely to make

purchases thus stimulating the economy. If they are less confident, they will likely spend less potentially slow down the economy.

### S&P 500 Index

According to Standard & Poor's, the S&P 500 is "widely regarded as the best single gauge of the U.S. equities market. This world-renowned index includes a representative sample of 500 leading companies in leading industries of the U.S. economy." The S&P Index is probably the most widely followed index of U.S. equities. When the index is rising, this could indicate signs of an improving economy.

### Unemployment Rate

The Bureau of Labor Statistics defines unemployment as persons that do not have a job, have actively looked for work in the prior 4 weeks, and are currently available for work. Unemployed workers are less likely to spend money on goods and services potentially inhibiting

economic growth. High unemployment statistics often suggests a weak economy.

### Consumer Price Index (CPI)

According to the Bureau of Labor Statistics, CPI is an index designed to measure the change in price of a fixed market basket of goods and services. The market basket of goods and services is representative of the purchases of a typical urban consumer. It is used as a measure of inflation. For consumers, this means that as the CPI increases, the purchasing power of a dollar decreases.

### Who can help me?

The investment professionals at your credit union can provide guidance, and answer questions regarding a wide range of financial topics. To learn more about working with a financial representative, contact your credit union!

#### Sources:

<http://www.conference-board.org/data/consumerconfidence.cfm> ;  
<http://www.standardandpoors.com/indices/sp-500/en/us/?indexId=spusa-500-usdof--p-us-1->  
<http://www.bls.gov/bls/unemployment.htm>  
<http://www.newyorkfed.org/index.html>

## Have You Read...

Guide to Economic Indicators: Making Sense of Economics by *The Economist*. The guide explains how to understand and interpret economic figures so that you can make up your own mind about the way different economies are performing.

### 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!



Brian Fee



Ernie Howard



Pete Morris

**Financial Services**  
610-480-9996 | [www.fmfcu.org](http://www.fmfcu.org)

\*Investment products and advisory services offered through CUSO Financial Services L.P. (CFS), a registered broker-dealer and Registered Investment Advisor. Investment products are not NCUA/NCUSIF or federally insured, are not obligations of the credit union, are not guaranteed by the credit union or any other affiliated entity, and involve investment risk including the possible loss or principal. Investment Representatives are employed by and registered through CFS (member [FINRA/SIPC](http://www.finra.org)).