



Good morning!

Janet Yellen finishes her 4-years as head of the Federal Reserve when she hosts her 32nd and final meeting as Fed chair this week. How was Ms. Yellen's performance as it relates to "maximizing employment" and "stable prices," aka the Fed's dual mandate? The nation's unemployment rate fell from 6.7% to 4.1% over the last 4 years, while annual inflation rose slightly from +1.5% to 2.1%. The US economy continued its unrelenting march upward, growing from \$15.9 trillion in size to \$19.7 trillion, maintaining its rank as the world's largest economy (source: BTN Research).

Financial textbooks have hypothesized for years that when a country has a growing economy and rising interest rates, its national currency should strengthen. For the USA, with an economy that has grown +2.3% during calendar year 2017 to nearly \$20 trillion and a 10-year Treasury note yield that has climbed to a 3 ½ year high (2.66%) as of last Friday (1/26/18), a sliding dollar has been perplexing. One possible explanation for the weakening dollar: the potential move by the United States towards protectionism and the implications of retaliatory trade wars with countries around the world, specifically China (source: White House).

President Donald Trump will deliver his initial State of the Union address this Tuesday night (1/30/18) to a joint session of Congress and its 535 members. Trump, just a month removed from signing the nation's first major tax reform bill in 31 years, is expected to outline his 2018 agenda for immigration, border security and rebuilding the country's infrastructure (source: White House).

Notable Numbers for the Week:

1. **SALES PRICE** - The median sales price of **existing homes sold** in the United States in December 2017 was \$246,800, down from an **all-time peak median sales price** of \$263,300 from June 2017. The low point for this statistic during the 2008-12 real estate crisis: \$154,600 in January 2012 (source: Nat'l Assoc. of Realtors).
2. **HIGH MARK** - Total outstanding **credit card debt** of Americans reached **\$1.023 trillion** in November 2017, a record high, exceeding the previous record high of **\$1.021 trillion** from April 2008 (source: Federal Reserve).
3. **WHY GO?** - Just 36% of 32,585 currently enrolled college students are "**confident**" that they will graduate from college "with **knowledge and skills needed** to be successful in the workplace" (source: Gallup Survey).
4. **EDUCATION** - 90% of American adults at least age 25 have **graduated from high school**. 34% of American adults at least age 25 have a **bachelor's degree from college**. 13% of American adults at least age 25 have a **master's degree** (source: Census Bureau).

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