

September

What Costs More?

Inflation has been pretty benign over the last 20 years, right? The U.S. Consumer Price Index has ranged from negative 0.4% in 2009 to a high of 3.8% in the awful 2008 economic year. In 13 of those 20 years, the CPI was below 2.5%, which is hardly comparable to the double-digit inflation rates that people experienced in the 1970s and 1980s.

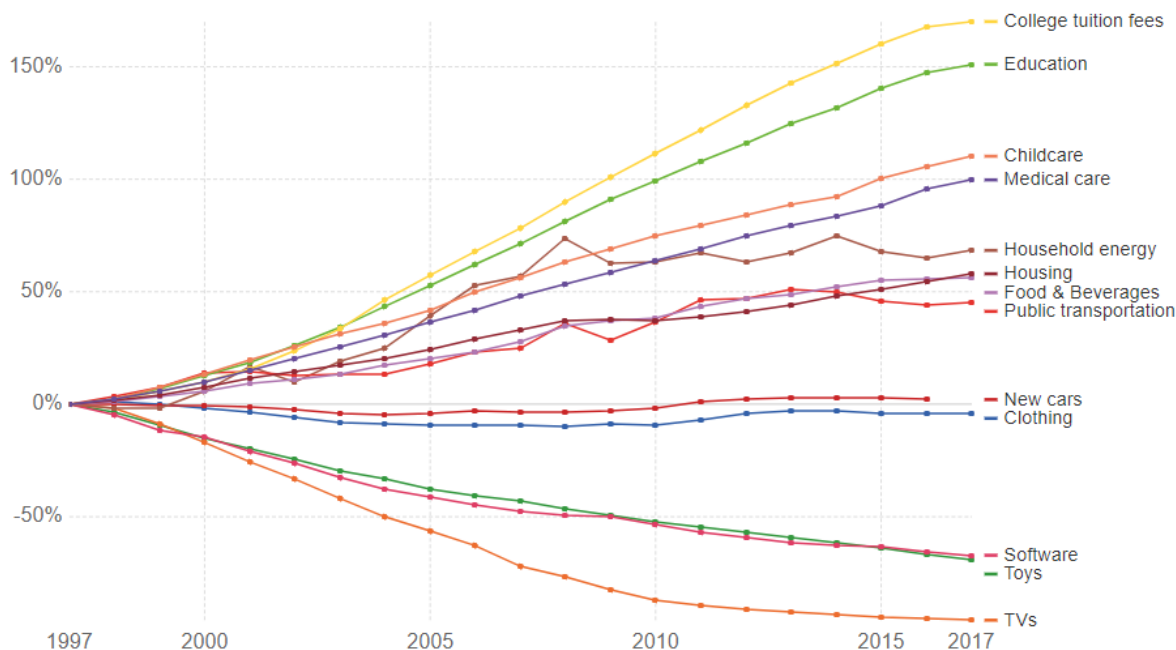
But not all expenses moved in lockstep, as you can see from the accompanying chart. Since 1997, college tuition fees, on average, have risen almost 170%, while the cost of a television set has fallen by more than 80%. Software and childrens' toys have become dramatically less expensive, new cars and clothing have largely escaped inflationary price rises, while nearly everything else has become dramatically more expensive. Childcare and medical care have risen by approximately 100% in cost over the last 20 years, and energy, housing costs, food & beverages and public transportation all cost 50% more than they did 20 years ago.

The lesson here is that your own inflation rate depends on what you're buying. If you're sending kids to college (or paying for college on your own), and/or if you require a lot of medical care, then chances are your personal expenses are rising much faster than the inflation rate. If you're mostly spending your money on toys and TV sets, then you're largely escaping the bite of inflation.

-Bob Veres

Price changes in consumer goods and services in the USA, 1997-2017

Price change in consumer goods and services in the USA, measured as the percentage change since 1997. Data is measured based on the reported consumer price index (CPI) for national average urban consumer prices.



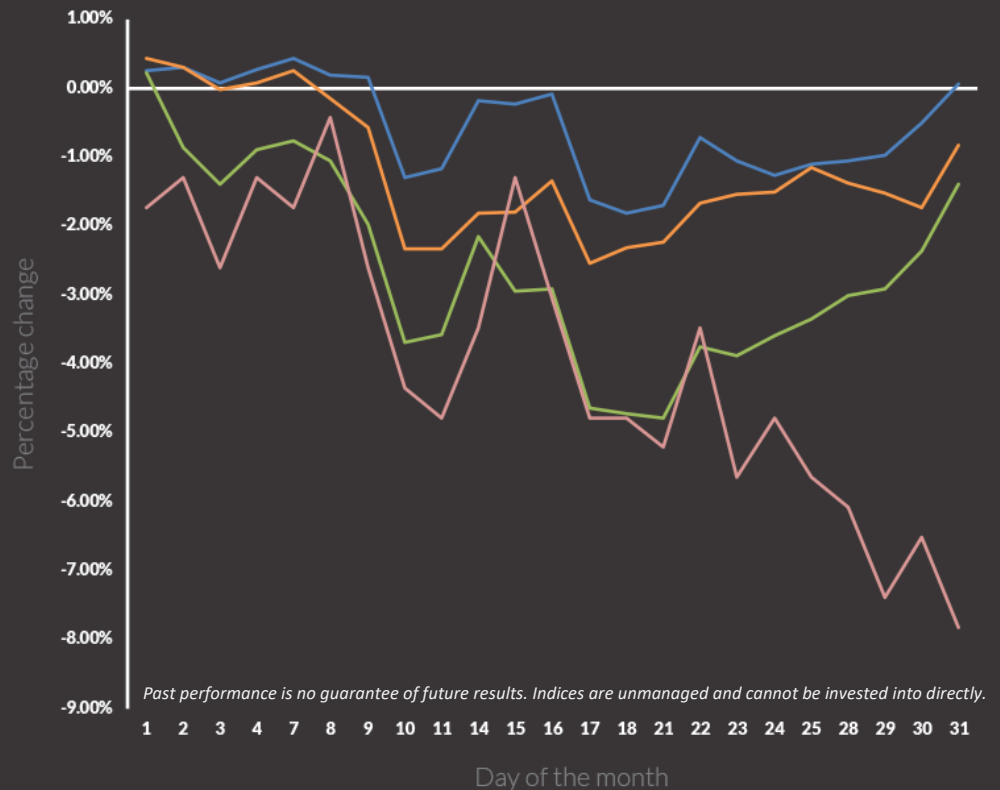
Source: United States Bureau of Labor Statistics (BLS)

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The market at a glance

August

■ U.S. Large Cap (S&P 500)	2,471.65 (0.05%) ▲
■ U.S. Mid/Small (Russell 2000)	1,405.28 (-1.39%) ▼
■ International Large (NYSE International 100)	5,519.04 (-0.83%) ▼
■ U.S. Treasuries (U.S. 10-year Treasury yield rate)	2.12 (-7.83%) ▼



The market in action

- Venezuela is continuing to battle economic and political turmoil. The country's GDP has shrunk by about 35 percent since 2013. In comparison, in the four years spanning the duration of the Great Depression, the United States' GDP decreased by 28 percent.
- Boxing legend Floyd Mayweather faced off against MMA superstar Conor McGregor on August 26 in Las Vegas in what was declared "The Fight of the Century." Though the exact numbers have not yet been released, pay-per-view purchases are expected to surpass 4.6 million, resulting in an estimated \$500 million in revenue. Live gate for the monumental event could be as much as \$90 million.
- Walmart recently filed for a patent for a "floating warehouse" that would be used as a way for drones to more easily deliver to homes. This move is said to help Walmart bring down costs for consumers and to remain competitive in the increasingly crowded online shopping space.
- The second-largest Powerball in history, worth over \$700 million if the annuity option was exercised, was won in August. The odds of winning were roughly one in 292 million.
- Disney announced that it would be removing its movies from Netflix at the end of 2018. Disney then announced that it is planning on launching its own exclusive streaming platform, tentatively scheduled for 2019.
- Productivity in the United States in the second quarter grew more than projected. According to the US Labor Department, productivity rose by .9 percent, up from just .1 percent in the first quarter.
- The price of bitcoin, the most prominent cryptocurrency in the world, skyrocketed in August, increasing by over 100 percent in the weeks following a drop in value in mid-July.
- On its first day of being operated by Amazon, Whole Foods saw prices slashed by up to 43 percent.



Estate Planning Checklist

Estate planning can be a daunting process, but by checking things off one at a time, you can ensure that important financial and medical decisions are carried out exactly as you wish. Use this checklist to give yourself and your family peace of mind knowing that you've crafted a thorough estate plan.

Yes **No** **N/A**

- Have I met with my financial advisor and any legal professional necessary to determine my estate planning needs?
- Have I spoken to my family, friends and any beneficiaries about their role in my estate plan?
- Do I own life insurance?
 - Is the policy up to date?
- Have I created a last will and testament?
 - Does my last will and testament:
 - Clearly identify me as the testator?
 - Name an executor?
 - Name beneficiaries and specify the property each is to receive?
 - Name legal guardians for my dependents?
 - Include my signature as well as that of a notary?
 - Does my executor have access to all the documents he/she will need to carry out my will?
- Have I created a living will?
 - Does my living will:
 - Designate medical durable power of attorney?
 - Designate legal durable power of attorney?
 - Include advance directives, such as organ donation specifications?
 - Include my signature and that of a notary?

- Have I created a letter of instruction?
- Does my letter of instruction:
 - Outline my funeral wishes?
 - List my personal information (Social Security number, driver's license number, important contacts, etc.)?
 - Include the location of valuable items such as spare keys or safe-deposit boxes and confidential information, such as security codes or passwords?
 - Include a complete list of my financial accounts?
 - Include copies and/or locations of valuable documents such as deeds, letter of instruction, birth/marriage/divorce certificates, will, living will, etc.?
 - Include a list of any debts (credit card, loan payments, etc.)?
- Have I calculated my net worth and considered whether estate taxes will play a role in my planning?
 - If so, have I come up with a strategy to minimize these taxes?
- Have I created a trust or trusts to hold any property I want to pass on?
- Have I considered my philanthropic wishes and established a plan to give money to charity if I so choose?
- Have I set up an account or plan to help my family cover funeral expenses?
- If applicable, have I created a business succession plan?
- Do I have a schedule set up to regularly check in with my financial advisor and legal professionals to re-evaluate my estate plan?

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