

## **Open Q&A May 20, 2020**

### **Intro (0:00 – 1:30)**

#### **(1:30) Concerns over non-unified approach to the Coronavirus and states opening up independently. Also, concerns over the current job market and next stimulus check on the horizon.**

- 36 million people don't have jobs right now. But the stock market wants to be forward looking. Credit card spending is up, mobility is up, mortgages are picking up. So things seem to be getting better.
- Things not feeling good here in PA, but the broader stock and bond markets aren't really feeling that. The damage of March has been subsiding and it continues to inch higher. Doesn't feel like a prolonged, deep recession.
- The House passed a bill looking at trillions more of spending. The government continues to borrow money at historically low interest rates.

#### **(8:00) Stability in the markets now?**

- The doom and gloom news isn't affecting the market negatively. Popular saying "Don't fight the Fed". The Federal Reserve stepped in to support whatever is needed to help make things better and not have the market retreat. Resetting expectations in this month from a job market standpoint, economy, etc. We are on more of an upward trend and we are surprised that is happening this soon without some concrete data on why.
- Looking past this and what does the recovery look like - it is still a little early to see how the opening in certain states will affect things. A little more muted on the uncertainty than the initial shock of closure.
- Indicators of activity popping up that seems encouraging.

#### **(14:00) Real estate market opening up**

- Driving mortgage applications and refinancing

#### **(15:00) Social Security and talks of 0% Cost of Living Adjustment (COLA) in 2021 and overall stability in the system.**

- COLA increase is tied to the Consumer Price Index
- Not in an inflationary environment right now, likely because oil prices are low. They say deflation is more likely.
- This year COLA was 1.6%, 2.8% the year before and 2.0% the year before that. In 2008 and 2009 there was no COLA increase.
- It still pays to wait because there still are credits for waiting – 8% increase no matter what the cost of living is. So this isn't a situation where you say "I'll just take it"
- So far the system is OK because Social Security is funded by payroll taxes. It goes back to the number of workers so it's more about demographics than debt. There are fewer workers right now to every person taking Social Security.

- The Board of Trustees have been talking about insolvency for years, which is projected to be 2037. So Congress will not address it this far out. Government will most likely make amendments to full retirement age and taxes and it will impact future generations.

**(21:00) Where are the local areas that are in need. How do you find them?**

- Businesses getting ahead of things and promoting themselves as a safe place to get ahead of the reopening curve.
- Can deduct \$300 now as part of the CARES Act on your taxes. But still up in the air on interpretation on if this is by individual or per couple.
- Keep things local and help the local community. Ensure your money is going to the right place.
  - Check with the local Chamber or Community Partnership in your area.

**(25:30) Concerns over scamming during this time.**

- Proceed with caution on emails and other requests to donate to make sure they are legitimate.

**(27:00) Guidance for the Borough of Kutztown and businesses in particular. Is there a process?**

- No guidance directly from the government entity. They are following the State's plan.
- Kutztown Community Partnership is acting as the voice of the business community and trying to come together on what those expectations for safety are.
- Getting together and promoting businesses together as an example of what other towns are doing.

**(33:00) Open Office Hours cancelled next week. Katie McKenna next week at 5PM**

**(36:51) End**

*Tracking # 1-05013319*