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FINANCIAL FOCUS



LGT Financial Advisors LLC
A Registered Investment Advisor

Trust, Confidence, Experience

* A Registered Investment Advisor

By the Numbers

March 2010

Taking Control - 37% of American workers age 45-59 have increased their retirement savings percentage and anticipate working longer before retirement as a result of the 2007-09 bear market for stocks. (source: Center for Retirement Research)

We're Spending Less - Total retail sales in the USA in the calendar year 2009 were \$4.1 trillion, down 6.2% from its total in 2008. That's equal to a drop of \$274 billion of annual retail sales or \$1 million less in retail sales every 2 minutes. Most of the categories that make up retail sales were down for the year including motor vehicles (down 12.3%), furnishings (down 11.1%), clothing stores (down 3.1%), electronic equipment (down 7.8%), and building materials (down 11.6%). Grocery store sales were up +0.3% and pharmacy/drug store sales were up +3.3%. (source: Census Bureau)

NOT a Great Option - If every government department reduced their actual expenditures by 40% in fiscal year 2009, the nation would have had a balanced budget. Instead, our deficit last year was \$1.4 trillion. (source: Treasury Department)

Just Five Years Off - Our government's projected tax receipts of \$2.6 trillion in fiscal year 2011 (i.e., the 12 months beginning 10/01/10) is essentially equal to our government's actual spending of \$2.7 trillion in fiscal year 2006. (source: White House)

Budget Trivia - In the first 186 years of our nation's history where financial records were maintained (i.e., the period from 1789-1974), the USA spent \$3.8 trillion in aggregate. The total projected government outlays during the current 2010 fiscal year is \$3.7 trillion. (source: Office of Management and Budget)

No Kidding?! - 5 years ago, then Fed Chairman Alan Greenspan told the House Budget Committee that the US government needed to undertake “major deficit-reducing actions”. Greenspan said, “I fear we may have already committed more physical resources to the baby-boom generation in its retirement years than our economy has the capacity to deliver”. (source: House of Representatives)

Per Household - The average American household has \$7,800 of credit card debt as of the end of last year. Credit card issuers collected \$20.5 billion in penalty fees in 2009, up from \$10.7 billion in 2003. (source: Federal Reserve)

Bad Banks - The 20 bank failures that have occurred in the USA through 2/22/10 will cost taxpayers \$4.3 billion or an average fee of \$215 million per failed bank. The biggest outlay for taxpayers YTD was the failure of La Jolla Bank (La Jolla, CA), estimated to cost \$882 million. (source: FDIC)

Lacking Trust - 55% of more than 1,000 American adults surveyed in mid-January 2010 believe “quite a few” of the politicians running the government in Washington are “crooked”. (source: Gallup Poll)

Hard Worker - The average productivity of the American worker (defined as output per hour of work) has increased +30% over the last decade (i.e., 2000-2009). Mathematically this means the quantity of work done in 1999 during a 40-hour work week could now be completed in less than 31 hours. (source: Department of Labor)

No Cars to Sell - An average of 4.9 automobile dealerships went out of business each day during the 2009 calendar year. 1,772 dealerships went out of business last year. (source: National Automobile Dealers Association)

Few More Bucks - NBC paid \$820 million for the television rights to broadcast 835 hours of coverage from the 2010 Winter Olympics in Vancouver, British Columbia. 50 years earlier, CBS paid \$50,000 for the rights to broadcast 15 hours of television coverage from the 1960 Winter Olympics in Squaw Valley, CA. (source: NBC)

What A Deal - Outfielder Corey Hart of the MLB Milwaukee Brewers made \$3.25 million last season. the Brewers offered Hart a +28% pay raise (to \$4.15 million) after Hart hit .260 last year with 12 home runs and 48 RBIs. Hart took the club to arbitration and won, receiving a +48% hike in pay to \$4.8 million. (source: Major League Baseball)