



Thomas Cymer, CFP(r), CRPC(r)  
President and Financial Professional  
[Opulen Financial Group, LLC](#)

---

.

Opulen Financial Group, LLC.

Thomas Cymer CFP® CRPC® Presents:

# WEEKLY ECONOMIC UPDATE

September 29, 2014

**WEEKLY QUOTE**

"No law or ordinance is mightier than understanding."  
- Plato

**WEEKLY TIP**

Schedule your yearly financial review to coincide roughly with an anniversary or a birthday. The life event will provide a ready reminder.

**WEEKLY RIDDLE**

What 2 common English-language words both contain 2 Cs in a row, 2 Ss in a row and two Ls in a row?

**Last week's riddle:**

What word measures weight and turns negative if spelled backwards?

**Last week's answer:**  
Ton.

**NEW HOME SALES JUMP, REALESSES DIP**

Existing home sales slumped 1.8% in August - their first retreat since March, according to the National Association of Realtors. This followed gains of 2% or more in each of the previous three months. News about new home purchases was better: the Census Bureau recorded an 18.0% increase for August, more than making up for two months of declines. Keep in mind that these numbers may be significantly revised (as an example, May's apparent 18.6% advance in new home buying was reduced to an 8.3% gain a month later).<sup>1,2</sup>

**CONSUMER SENTIMENT RISES**

At a final September mark of 84.6, the University of Michigan's much-watched consumer sentiment index climbed 2.1 points above its final August reading. Economists polled by Bloomberg expected it to reach 84.8, however. This month's preliminary reading for the index was also 84.6.<sup>3</sup>

**AN 18.2% DROP FOR HARD GOODS ORDERS**

The August descent was the biggest monthly dip ever recorded by the Commerce Department, following the biggest monthly rise ever seen - the revised 22.5% gain in July. Major variations in aircraft orders affected those percentages. Minus the transportation sector, durable goods orders were up 0.7% last month.<sup>4</sup>

**5 VOLATILE DAYS ON THE STREET**

U.S. air strikes against ISIS. Key economic indicators soaring and plunging. An Apple selloff. Q2 GDP revised up to 4.6%. Bill Gross leaving PIMCO for Janus. All this made for a choppy week on Wall Street, with 5-day performances of major indices as follows: S&P 500, -1.37% to 1,982.85; NASDAQ, -1.48% to 4,512.19; DJIA, -0.96% to 17,113.15.<sup>5</sup>

**THIS WEEK:** August personal spending statistics and August pending home sales figures arrive Monday, along with earnings from Cintas. Tuesday offers the latest Conference Board consumer confidence index, July's Case-Shiller home price index, September's HSBC manufacturing PMI for China, September readings on eurozone unemployment and inflation and earnings from Walgreens. Official September factory PMIs for China, Japan and the euro area come out on Wednesday along with September's ISM factory PMI for the U.S.; investors will also consider the latest ADP employment report. The European Central Bank holds a policy meeting Thursday, and that day also brings a new initial jobless claims report, August factory orders data and Q3 results from Constellation Brands. Friday, the Labor Department issues its September jobs report and ISM releases its September non-manufacturing PMI.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+3.24	+11.64	+15.41	+7.13
NASDAQ	+8.04	+19.14	+23.16	+14.26

S&P 500	+7.28	+16.73	+17.97	+7.97
<b>REAL YIELD</b>	9/26 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.57%	0.47%	1.60%	1.72%

Sources: online.wsj.com, bigcharts.com, treasury.gov - 9/26/14<sup>6,7,8,9</sup>

Indices are unmanaged, do not incur fees or expenses, and cannot be invested into directly. These returns do not include dividends.

**Please feel free to forward this article to family, friends or colleagues. If you would like us to add them to our distribution list, please reply with their address. We will contact them first and request their permission to add them to our list.**

## The A, B, C, & D of Medicare

*Breaking down the basics & what each part covers.*

Provided by Thomas Cymer CFP® CRPC®

Whether your 65th birthday is on the horizon or decades away, you should understand the parts of Medicare - what they cover, and where they come from.

**Parts A & B: Original Medicare.** America created a national health insurance program for seniors in 1965 with two components. Part A is *hospital insurance*. It provides coverage for inpatient stays at medical facilities. It can also help cover the costs of hospice care, home health care and nursing home care - but not for long, and only under certain parameters.<sup>1</sup>

Seniors are frequently warned that Medicare will only pay for a maximum of 100 days of nursing home care (provided certain conditions are met). Part A is the part that does so. Under current rules, you pay \$0 for days 1-20 of skilled nursing facility (SNF) care under Part A. During days 21-100, a \$152 daily coinsurance payment may be required of you.<sup>3</sup>

If you stop receiving SNF care for 30 days, you need a new 3-day hospital stay to qualify for further nursing home care under Part A. If you can go 60 days in a row without SNF care, the clock resets: you are once again eligible for up to 100 days of SNF benefits via Part A.<sup>3</sup>

If you have had Medicare taxes withheld from your paycheck for at least 40 calendar quarters during your lifetime, you will get Part A coverage for free.<sup>1</sup>

Part B is *medical insurance* and helps pick up some of the tab for outpatient care, physician services, expenses for durable medical equipment (scooters, wheelchairs), and other medical services such as lab tests and varieties of health screenings.<sup>1,2</sup>

Part B isn't free. You pay monthly premiums to get it and a yearly deductible (plus 20% of costs). The premiums vary according to the Medicare recipient's income level; in 2014, most Medicare recipients pay \$104.90 a month for their Part B coverage. The current yearly deductible is \$147. Some people automatically get Part B, but others have to sign up for it.<sup>2,4</sup>

**Part C: Medicare Advantage plans.** Insurance companies offer these Medicare-approved plans. Part C plans offer seniors all the benefits of Part A and Part B and a great deal more: most feature prescription drug coverage and many include hearing, vision, dental, and fitness benefits. To enroll in a Part C plan, you need have Part A and Part B coverage in place. To keep up your Part C coverage, you must keep up your payment of Part B premiums as well as your Part C premiums.<sup>2</sup>

To say not all Part C plans are alike is an understatement. Provider networks, premiums, copays, coinsurance, and out-of-pocket spending limits can all vary widely, so shopping around is wise. During Medicare's annual Open Enrollment Period (Oct. 15 - Dec. 7), seniors can choose to switch out of Original Medicare to a Part C plan or vice versa, although any such move is much wiser with a Medigap policy already in place.<sup>5</sup>

**How does a Medigap plan differ from a Part C plan?** Medigap plans (also called Medicare Supplement plans) emerged to address the gaps in Part A and Part B coverage. If you have Part A and Part B already in place, a Medigap policy can pick up some copayments, coinsurance and deductibles for you. Some Medigap policies can even help you pay for medical care outside the United States. You have to pay Part B premiums in addition to Medigap plan premiums to keep a Medigap policy in effect.<sup>6</sup>

Medigap plans now look like poor cousins of Part C plans. In fact, seniors haven't been able to buy a Medigap policy offering prescription drug coverage since 2005.<sup>6</sup>

**Part D: prescription drug plans.** While Part C plans commonly offer prescription drug coverage, insurers also sell Part D plans as a standalone product to those with Original Medicare. As per Medigap and Part C coverage, you need to keep paying Part B premiums in addition to premiums for the drug plan to keep Part D coverage going.<sup>1,2</sup>

Every Part D plan has a formulary, a list of medications covered under the plan. Most Part D plans rank approved drugs into tiers by cost. The good news is that Medicare's website will determine the best Part D plan for you. Go to [medicare.gov/find-a-plan](http://medicare.gov/find-a-plan) to start your search; enter your medications and the website will do the legwork for you.<sup>7</sup>

**Part C & Part D plans are assigned ratings.** Medicare annually rates these plans (one star being worst, five stars being best) according to member satisfaction, provider network(s) and quality of coverage. As you search for a plan at [medicare.gov](http://medicare.gov), you also have a chance to check out the rankings.<sup>8</sup>

Thomas Cymer CFP®CRPC® may be reached at 571-299-2053 or via email at [tcymer@opulenfg.com](mailto:tcymer@opulenfg.com) . 1001 19<sup>th</sup> St. N Suite 1200, Arlington VA 22209

Securities and Investment Advisory Services offered through NEXT Financial Group, INC member FINRA/SIPC

#### Citations.

- 1 - [dailyfinance.com/2013/05/14/medicare-explained-part-a-b-c-d/](http://dailyfinance.com/2013/05/14/medicare-explained-part-a-b-c-d/) [5/14/13]
- 2 - [info.tuftsmedicarepreferred.org/medicare-matters-blog/bid/74844/Medicare-Part-A-B-C-and-D-What-does-it-all-mean](http://info.tuftsmedicarepreferred.org/medicare-matters-blog/bid/74844/Medicare-Part-A-B-C-and-D-What-does-it-all-mean) [10/1/13]
- 3 - [medicare.gov/coverage/skilled-nursing-facility-care.html](http://medicare.gov/coverage/skilled-nursing-facility-care.html) [9/17/14]
- 4 - [medicare.gov/your-medicare-costs/part-b-costs/part-b-costs.html](http://medicare.gov/your-medicare-costs/part-b-costs/part-b-costs.html) [9/17/14]
- 5 - [medicare.gov/sign-up-change-plans/when-can-i-join-a-health-or-drug-plan/when-can-i-join-a-health-or-drug-plan.html#collapse-3192](http://medicare.gov/sign-up-change-plans/when-can-i-join-a-health-or-drug-plan/when-can-i-join-a-health-or-drug-plan.html#collapse-3192) [9/17/14]
- 6 - [medicare.gov/supplement-other-insurance/medigap/whats-medigap.html](http://medicare.gov/supplement-other-insurance/medigap/whats-medigap.html) [9/17/14]
- 7 - [medicare.gov/part-d/coverage/part-d-coverage.html](http://medicare.gov/part-d/coverage/part-d-coverage.html) [9/17/14]
- 8 - [medicare.gov/sign-up-change-plans/when-can-i-join-a-health-or-drug-plan/five-star-enrollment-5-star-enrollment-period.html](http://medicare.gov/sign-up-change-plans/when-can-i-join-a-health-or-drug-plan/five-star-enrollment-5-star-enrollment-period.html) [9/17/14]

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. The NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. It is not possible to invest directly in an index. NYSE Group, Inc. (NYSE:NYX) operates two securities exchanges: the New York Stock Exchange (the "NYSE") and NYSE Arca (formerly known as the Archipelago Exchange, or ArcaEx®), and the Pacific Exchange). NYSE Group is a leading provider of securities listing, trading and market data products and services. The New York Mercantile Exchange, Inc. (NYMEX) is the world's largest physical commodity futures exchange and the preeminent trading forum for energy and precious metals, with trading conducted through two divisions - the NYMEX Division, home to the energy, platinum, and palladium markets, and the COMEX Division, on which all other metals trade. Additional risks are associated with international investing, such as currency fluctuations, political and economic instability and differences in accounting standards. This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. Past performance is no guarantee of future results. Investments will fluctuate and when redeemed may be worth more or less than when originally invested. All economic and performance data is historical and not indicative of future results. Market indices discussed are unmanaged. Investors cannot invest in unmanaged indices. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is

needed, the reader is advised to engage the services of a competent professional.

**Citations.**

- 1 - investing.com/economic-calendar/ [9/26/14]
- 2 - forbes.com/sites/erincarlyle/2014/07/24/new-home-sales-slip-8-1-in-june/ [7/24/14]
- 3 - businessweek.com/news/2014-09-25/asia-stock-index-futures-fall-after-u-dot-s-dot-drop-dollar-holds-gain [9/25/14]
- 4 - marketwatch.com/story/us-durable-goods-orders-sink-record-182-in-august-on-fewer-jet-contracts-2014-09-25 [9/25/14]
- 5 - markets.on.nytimes.com/research/markets/usmarkets/usmarkets.asp [9/26/14]
- 6 - markets.wsj.com/us [9/26/14]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=9%2F26%2F13&x=0&y=0 [9/26/14]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=9%2F26%2F13&x=0&y=0 [9/26/14]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=9%2F26%2F13&x=0&y=0 [9/26/14]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=9%2F25%2F09&x=0&y=0 [9/26/14]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=9%2F25%2F09&x=0&y=0 [9/26/14]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=9%2F25%2F09&x=0&y=0 [9/26/14]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=9%2F27%2F04&x=0&y=0 [9/26/14]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=9%2F27%2F04&x=0&y=0 [9/26/14]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=9%2F27%2F04&x=0&y=0 [9/26/14]
- 8 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield [9/26/14]
- 9 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll [9/26/14]

Week of Se ptember 30th, 2013



[Forward email](#)

 SafeUnsubscribe®

This email was sent to [tcymer@opulenfg.com](mailto:tcymer@opulenfg.com) by [tcymer@opulenfg.com](mailto:tcymer@opulenfg.com) |  
[Update Profile/Email Address](#) | Rapid removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).



Opulen Financial Group, LLC | 1818 Library St. Suite 500 | Reston | VA | 20190