

In the News....

*Growth in economy is a surprise*

“The gross domestic product grew at a 4.1 percent rate, the strongest in nearly two years. We head into next year with an economy that’s stronger than it was when we started the year; our businesses are positioned for new growth and new jobs.”



Michael Bischoff, CFP®

**Manufacturing is Back**

**Data Show Solid Pace of Expansion**

*Consumer Electronics Sales Strong, Good news for Best Buy and Target*

**NEW VEHICLES SET RECORD FUEL ECONOMY**

**Housing starts jump to  
5-year high;  
Building permits indicate the surge will  
be sustained into next year**

**Wall  
Street  
hits  
New  
High**

*U.S. Forecasts and Energy Boom through 2040;  
Natural gas to usurp coal as top source of US electricity*

**Investors Flock to Corporate Bonds**

**Online Shipping is Dingling;  
UPS wrapped up in holiday exhilaration**

**Top reasons market rallied**

- It signals the Fed’s faith in recovery. It reduces uncertainty
- It amounts to “Taper Lite” \$10 billion per month is viewed as a rather modest taper
- It caught Wall Street off guard “The market is in catch-up mode”
- It doesn’t change the Fed’s interest rate stance. The Fed now says that it will keep short-term rates at roughly 0% until we pass the time that the unemployment rate, now 7% declines below 6.5%

These are the headlines from the USA Today, Wall Street Journal, and Star Tribune over the closing two weeks of 2013. This is exactly the positive news I’ve been talking about in client meetings all year. A majority of US corporations (and the economy as a whole) are performing very well. This has vaulted the US stock market to new record highs. It’s the first year out of the past six that investors are buying more stocks than they’re selling. This is great news for investors and the markets. I see this momentum continuing to build in 2014.

Thank you for your business and continued trust. Best wishes in 2014.

## Cost Basis

Due to regulation changes, Charles Schwab and Fidelity are now required to include cost basis information on their 1099 forms. These forms are to be sent to clients by mid-February. Please note that every year a few mutual funds reclassify their distributions and must send out corrected 1099 forms. We recommend that you wait until March to submit your tax return. As a result of these changes, Webb Financial Group will not be sending out cost basis information but we are willing to assist with any questions you may have.

All of us at  
Webb Financial Group  
wish you a healthy and  
prosperous New Year.



**Best wishes in 2014!**

In compliance with the SEC rules and regulations, we would like to offer you the most recent copy of our ADV II brochure. Please call if you would like a copy.

**Webb Financial Group  
provides comprehensive wealth  
management solutions to  
individuals and businesses.  
For over thirty years, we have  
helped our clients achieve  
financial security.**

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## Update on the Economy and Unemployment

- Gross domestic product ~ the broadest measure of economic activity ~ grew at a 4.1% annual pace in the third quarter, up from the 2.8% pace that was first reported in November. Fourth quarter is looking like it will end up being even better than third quarter was.
- According to Wells Fargo economist Sam Bullard, "The current data suggests there's better traction with the consumer than initially thought". "There is more momentum in the economy than we originally expected." Increases in consumer spending as well as business investments in commercial real estate, and industrial equipment were some of the main reasons why GDP was revised higher.
- Congress passed a budget that did not extend the program that fills the gap when unemployment insurance runs out for workers who can't find jobs. The program's lapse will hurt an additional 850,000 workers who will run out of state benefits in the first three months of 2014.
- The federal benefits program signed into law in 2008, back when the jobless rate was 5.6%. The unemployment rate climbed to 10% at the height of the Great Recession in 2009. The most recent jobs report suggests the economy is growing stronger as the unemployment rate fell to a five-year low of 7%.
- Economists at Jefferies & Company expect the economy to grow 3.3% in 2014. That would be the largest level of annual growth in 10 years. Things are looking up for the Federal Reserve, which decided to start slowing the stimulus program in light of better economic data.



Gary Webb RFC®

## Nearly 70% of Self-Employed are NOT Saving Enough for Retirement

Self-employment comes with many freedoms, but also with heightened financial responsibilities. One of the biggest mistakes entrepreneurs make is not planning adequately for their retirement. According to a new survey from TD Ameritrade, 40% of self-employed are not saving regularly and 28% are not saving at all. For entrepreneurs, there needs to be a balance between investing in their business today and investing in their future well-being.



Crystal Enderson

When you are self-employed, the temptation is to think that the business will grow enough that you won't need to save today. But, you do not know when the next payout is coming, and you also do not want to forfeit the power of tax-free compound growth in vehicles like a retirement plan. Most entrepreneurs make enough to live and invest back into the company. They plan to invest all they have so their company will grow into a successful venture. However, it is never smart to put all your eggs in one basket. Business owners, entrepreneurs, and self-employed individuals really need to think about their future. They need to balance investing and saving at the same time. If they do not, they could lose everything and suffer financially during retirement.

While the traditionally employed can enroll in company-sponsored retirement plans, self-employed workers do not have this option. However, there are a variety of retirement plans available to help the self-employed and entrepreneurs save for their retirement. SEP-IRAs, Simple IRAs, or solo 401(k) plans are a few ways for self-employed individuals to save for retirement. If you are an entrepreneur or self-employed worker, we can help you set up the right retirement plan to help you save for the day when you want to retire.