

September 2017

We live in a world of big numbers. Current global population is estimated at about 7 billion people. If we assume 10 fingers and 10 toes for each person, we have a total of 140 billion we can use to count. The recent eclipse falls within our ability using these estimates. The moon is approximately a quarter million miles from the Earth, the sun, 93 million miles. The moon currently occupies a space $1/400^{\text{th}}$ the distance from the Earth to the Sun and is approximately $1/400^{\text{th}}$ the size of the Sun, convenient. Light takes about 8 minutes to travel from the Sun to the Moon. So far, so good.

In August, we commemorated the 40th anniversary of the launch of the Voyager space crafts. Voyager 1 is traveling at about 10 miles a second and its present location in interstellar space places it about 13 billion miles from Earth. It is expected to reach the nearest star in about 40,000 years and some estimates place the useful life of its gold plate at about 2 billion years.

Back on Earth, we have had to deal with two hurricanes and the destructive power of nature. Harvey was estimated to have dumped 21 trillion gallons of water on the gulf coast. Estimates of damage range from \$100-190 billion dollars. The damage inflicted by Irma is too recent to place a firm estimate, although it was estimated that the worst case scenario could be more costly than Harvey. Thankfully the worst case was avoided, but the economic impact of the storms combined could shave 1-2% from third quarter gross domestic product. Much of this may be made up on a rebound in repair, replacement, and new construction in subsequent quarters.

Meanwhile in D.C., Congress passed an emergency relief package of \$15.5 billion for disaster relief for both Harvey and Irma. There have been estimates that only 1 of 6 Houston homeowners had flood insurance and preliminary figures from Florida were indicating only 14% had this insurance. The Congressional relief package was part of a larger deal put together to avoid shutting down the government. Temporary relief was passed that permits the suspension of the debt ceiling until December. The national debt is in the neighborhood of \$20 trillion. A continuing resolution until December appropriated funds to operate the government until December as well, in lieu of a formal budget. For the fiscal year ending this month, the Federal budget was about \$3.65 trillion. If we were to stack \$1 bills equal to the Federal budget, it would reach further than the distance to the Moon, or about 248,000 miles.

Let's go in the other direction and look at a relatively small number, three. That is the number of remaining members of the Federal Reserve Board after the Vice Chair, Stanley Fischer, announced his retirement effective the middle of next month. There are supposed to be seven members. The Fed has not been at its full complement in more than 10 years. There is a pending nomination, the only one proposed by the administration, who may be confirmed by the time you read this. Still, the current Chair's term as Chair is due to expire in February, although she could remain as a member of the Board. The Fed is the primary U.S. monetary policy maker and occupies a central role in global economic functioning. It has been engaged in efforts to normalize interest rates and to reduce its balance sheet, both of which could have a major impact on the financial markets and economic growth.

The White House is pushing for income tax reform and with the debt ceiling and budget pushed out until December, this provides a window between now and year end. That is about 3 months, 90 days, 2160 hours, or 129,600 minutes until year end. Just in case, if you check your calendar there is another event that occurs in December. If I am on your holiday shopping list, the sky is the limit!