

# EVERYDAY CENTS<sup>®</sup>

LIFE, LAUGHTER, AND PERSONAL FINANCE

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## Self-Driving Cars Could Be Coming Your Way

The U.S. Department of Transportation has chosen 10 winners to serve as “proving grounds” for the testing of automated vehicle technologies. The designees, which include cities, state departments of transportation, and other public and private entities in Florida, North Carolina, Maryland, Pennsylvania, Michigan, Wisconsin, Iowa, Texas, and California will share information that could help “accelerate the pace of safe deployment.”

Source: U.S. Department of Transportation, 2017

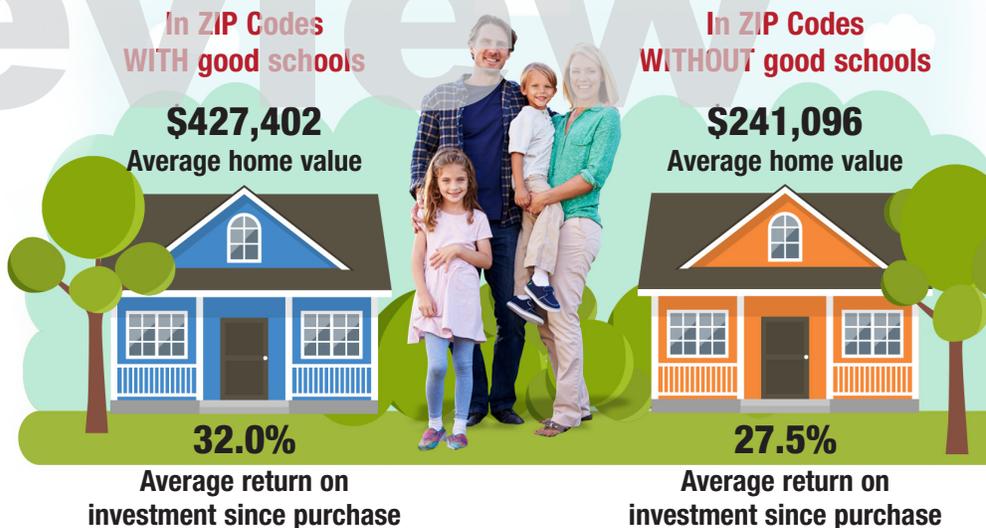


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## The Price Parents Pay for Better Schools

An analysis of nearly 19,000 schools and 45.9 million homes in 4,435 ZIP Codes nationwide found that homes in neighborhoods with a good elementary school — defined as a school with overall test scores at least one-third higher than the state average — cost 77% more than other homes. They also tend to appreciate faster.



Source: RealtyTrac, 2016 (July 2016 data)

PRACTICAL INSIGHTS FOR YOUR FINANCIAL GOALS

# Are Smarter Robots Sneaking Up on Workers?

As artificial intelligence is combined with robots, sensors, and other advanced technologies, modern society is becoming automated in ways that were once unimaginable. Fleets of driverless vehicles are hitting the roads sooner than many people expected, and computerized kiosks already check in airline passengers and take orders at fast-food restaurants.

In the near term, many advanced technologies still cost more than low-skilled and medium-skilled employees, but the shift is likely to pick up speed as automation costs drop and labor costs rise. Research on the U.S. market found that about 45% of 2,000 distinct work activities could be automated with current technologies. Only 5% of occupations could be fully automated, and 60% of occupations could be partially automated.

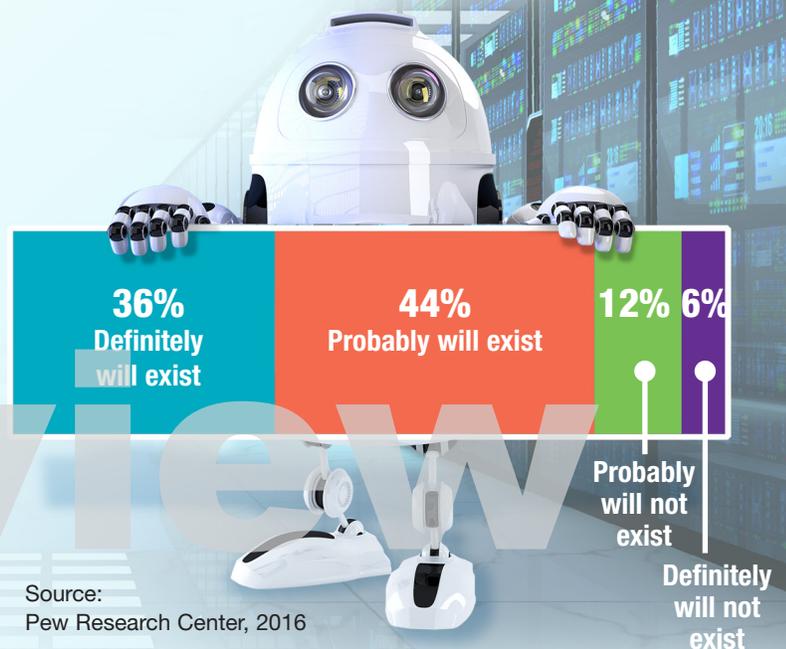
The ways in which emerging technologies might affect labor markets was a focus of the recent 2017 World Economic Forum (WEF) in Davos, Switzerland, where the world's top economists and business leaders meet annually to discuss global challenges and how to solve them.

In the past, productivity gains brought about by invention and automation have generally led to more wealth, cheaper goods, increased consumer spending, and more fulfilling jobs in new industries. But some argue that large-scale deployment of automation could drive up unemployment and hold down wages, possibly leading to greater economic inequality and social unrest.

Workforce disruption is a potential risk that could be addressed by investments in education and retraining.

**About two-thirds of Americans expect that in the next 50 years, robots and computers will do much of the work currently done by humans.**

**Even so, most workers think that their own jobs/occupations will still exist in 50 years.**



Source: Pew Research Center, 2016

Nevertheless, tomorrow's human workers will probably need to learn new skills more often — and be capable of adapting to change more quickly — than previous generations.

Sources: Reuters, January 20, 2017; McKinsey Global Institute, 2015–2017

## Two Life-Saving Smartphone Tips

For many people, it's become nearly impossible to live without a smartphone, which can cost hundreds of dollars to replace when lost or stolen. Fortunately, there are a couple of simple things you can do to help recover your phone if it silently slips out of your purse or pocket, or if you accidentally leave it on a restaurant table.

1. **Make sure to download and enable the GPS tracking app designed to help find your phone.** If your phone is lost (or stolen), you can log in to your account on another device to locate it, or even wipe sensitive data remotely.
2. **Put contact information on the lock screen.** Android models typically have a setting that allows you to keep a permanent message, such as an email address, on the lock screen. For iPhones, you can turn on the "Lost Mode" (from a different device) and type in a phone number. Also, if you use Apple's Health app to add an emergency contact, this information will be available to anyone who finds the phone and taps on "Medical ID."



# Why Inflation Is a Personal Subject

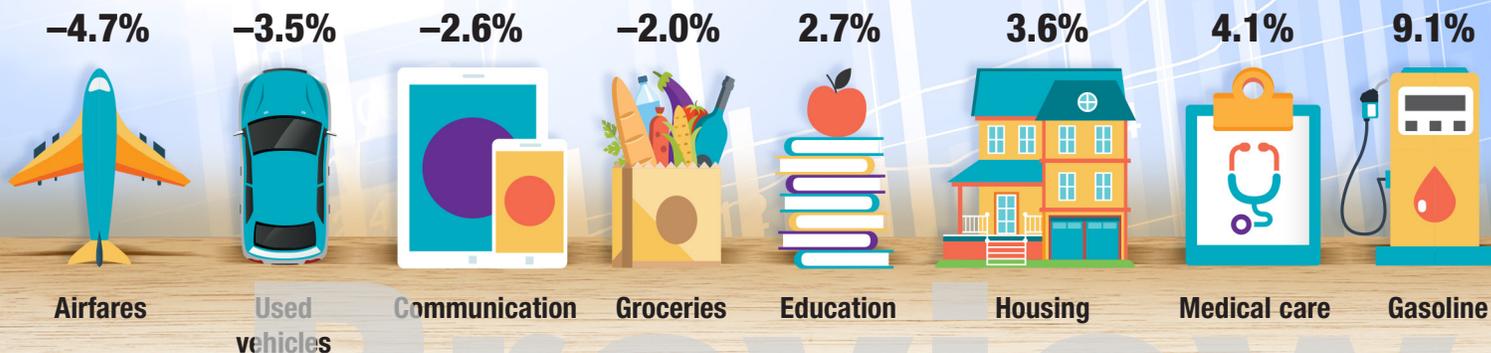
Inflation is a sustained increase in prices that reduces the purchasing power of your money over time. "Headline inflation," as measured by changes in the Consumer Price Index (CPI), ran at a moderate 2.1% annual rate through December 2016. The CPI is an index based on the price of a "market basket" of consumer goods.

For many people, the reported inflation rate may seem way off-base, because many of the 2,000 items tracked by the index are not necessarily bought on a regular basis.

So if the costs for certain goods and services you purchase frequently are rising, it could mean your personal inflation rate is much higher than the CPI suggests.

A more detailed look at prices reveals why inflation is a bigger obstacle for some consumers. For example, fast-rising housing and education costs weigh on many young families with children, while older Americans may struggle to keep up with health-care expenses.

## CPI price changes, 2016



Source: U.S. Bureau of Labor Statistics, 2017 (December 2016 data)

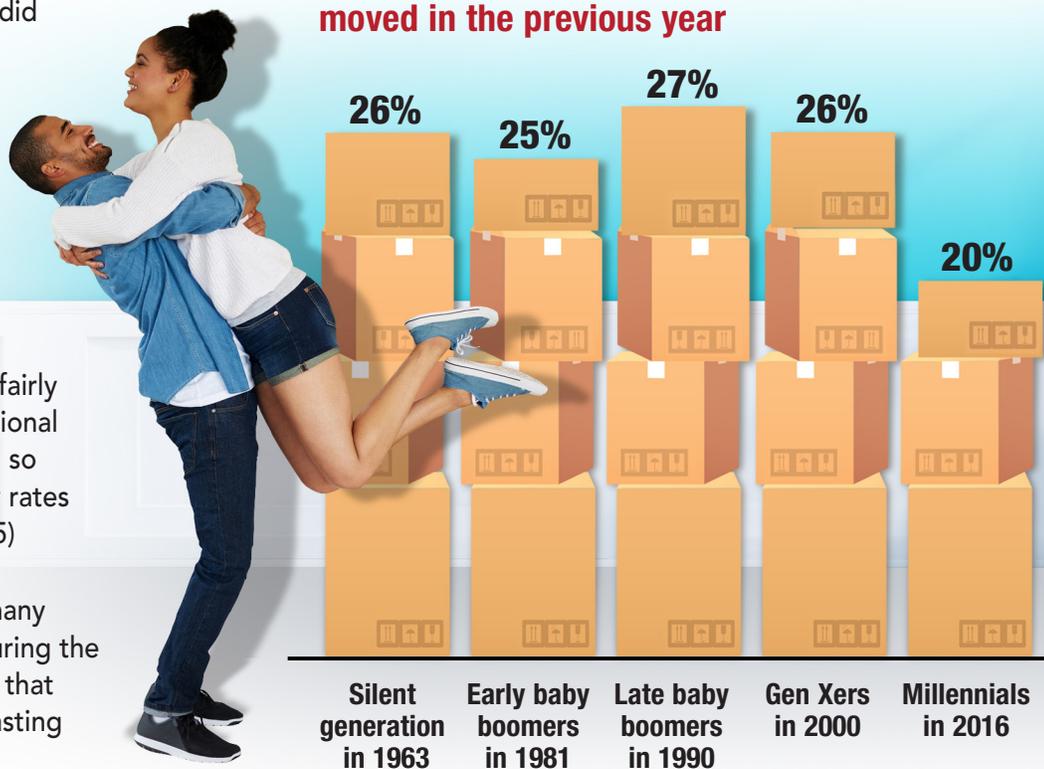
# Millennials Are Sticking Around... *Maybe Too Long*

Statistics show that millennials are moving less often than previous generations did at the same age. This revelation is somewhat surprising, because millennials are also much less likely to be married, have children, or own a home that would tie them to a specific location.

Mobility rates tend to reflect whether workers are motivated to move longer distances for job opportunities. The labor market was fairly strong throughout 2016, with the national unemployment rate at 5.0% or lower, so it's not completely clear why mobility rates for people in this age group (25 to 35) have dropped.

One possible explanation is that many millennials entered the job market during the deep recession or the weak recovery that followed, which might have caused lasting damage to their career trajectories.

## Percentage of 25- to 35-year-olds who moved in the previous year



Sources: U.S. Bureau of Labor Statistics, 2017; Pew Research Center, 2017

Source: Pew Research Center, 2017

# Sizing Up Your Credit Score

Your credit score can influence loan approvals and terms for a variety of financial transactions, not only for major purchases such as a home or auto but also for the interest rate and limits on a credit card, the cost of insurance premiums, and approval on a home rental. It might even affect a job application.

The most common credit score is based on software developed by Fair Isaac Corporation and expressed as a three-digit number ranging from 300 to 850. Here are some tips to help you maintain a high credit score.

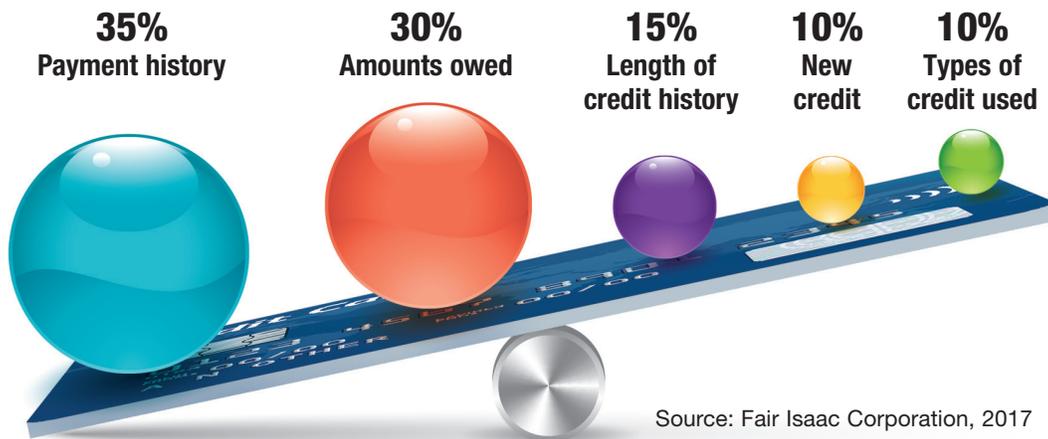
- Use at least one major credit card regularly and pay your accounts on time. Setting up automatic payments could help you avoid missed payments.
- If you miss a payment, contact the lender and bring the account up-to-date as soon as possible.
- Keep balances low on credit cards and other revolving debt. Don't "max out" your available credit.

- Don't open or close multiple accounts within a short period of time. Use older credit cards occasionally to keep them active. Only open accounts you need.
- Monitor your credit report regularly.

You can order a free credit report annually from each of the three major consumer reporting agencies at [annualcreditreport.com](http://annualcreditreport.com) or by calling (877) 322-8228. If you find incorrect information on your report, contact the reporting agency in writing, provide copies of any corroborating documents, and ask for an investigation.



## FICO® scores are calculated using five weighted components



Source: Fair Isaac Corporation, 2017

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