

## What's For Dinner?

This question is asked daily in every household and sometimes more than once per day, depending on how hungry the person is who is asking.

### It Seems, People Don't Want Fries with That.

You may not know the company Lamb Weston by name, but you know their product. They are the primary provider of frozen fries to McDonald's as well as a supplier of fries and frozen potatoes to several other restaurants. In their latest public filing they said the volume of fries shipped fell 8% due to fewer people visiting these restaurants.

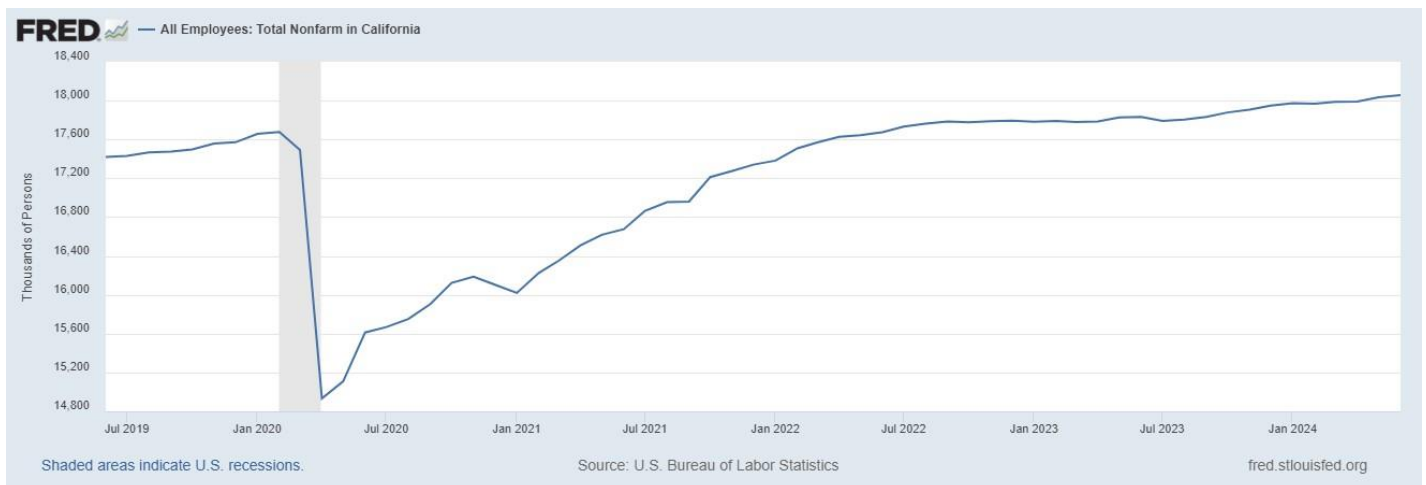
This is in line with recent quarterly data from Starbucks, Olive Garden, Capital Grille, McDonald's, Wendy's, Burger King as well as other restaurant chains that are reporting less foot traffic and lower overall sales as consumers pull back their spending.

### And Declining Traffic Goes Beyond Restaurants

Disneyland, Disney World, and Universal Studios have all reported lower theme park attendance. Airbnb and hotel operator Marriott reported a decline in bookings for the upcoming quarter due to weakening demand. TopGolf which operates a combination of driving range/bar/and restaurant also reported a drop in same store sales and Pool Corp, which distributes pool supplies and equipment, is estimating new pool units to be down 15-20% in 2024.

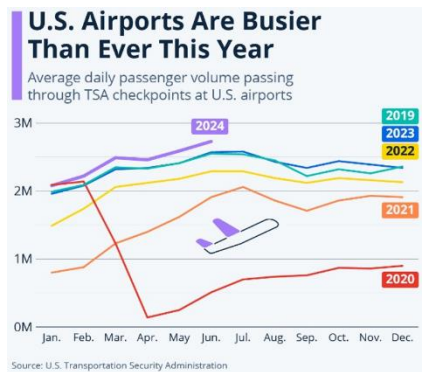
### But the Employment Market Remains Strong...

The St Louis Federal Reserve is showing the number Californians who are employed hit a new record.



## ...And Not Everyone is Cutting Back.

The Transportation Safety Administration (TSA) screened a record 3 million passengers in July. Amazingly, nine of the ten busiest days on record for the TSA were in 2024!

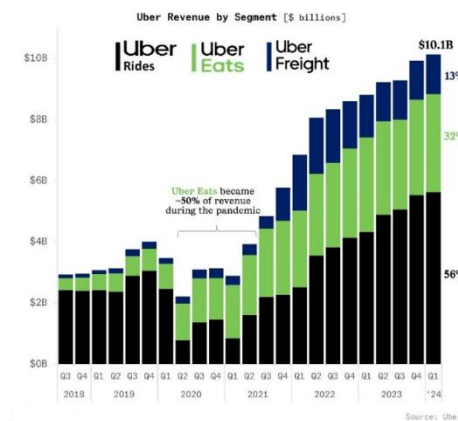


Uber reported a record quarterly revenue number as more people ordered rides and paid extra to have dinner delivered to them.

This last point I find especially telling.

Ordering food at a restaurant cost more than making it at home. Furthermore, ordering it for delivery costs more than going to get it yourself. Typically speaking, you only order at a restaurant and pay extra to have it delivered if you have both the ability to spend extra.

Besides Uber and airlines, many other companies and industries are enjoying continued sales growth.



## Savers vs. Borrowers

The above charts and data point to a rapidly expanding divide between the haves and have-nots. Those who need to borrow (credit cards, car loans, mortgages, etc.) are facing higher costs while those who have savings are enjoying the benefits of the highest income they are received on their balances for many years. This allows those with savings to spend more and requires those who borrow to direct an increasing share of their income to servicing their debt.

## Here are Some Ideas on How to Take Advantage of the Current Economic Situation:

- Just keep saving by continuing to add to 401k or other retirement accounts. Keep reinvesting those dividends and interest. Some days you will buy at the top while others you will buy at the bottom.
- Stay diversified. This is boring, but true. Having a diversified portfolio means there will always be an investment or two that you are excited about and one or two that you wish you never heard of.
- Don't over-extend. This is not the time to drive 100 mph. It is raining and the road is slippery. Drive accordingly. Be aware of what you are paying for your debt especially in loans that adjust like credit cards and Home Equity Line of Credits (HELOCs).

## ...And Most Importantly Have a Support Team in Place.

If you have questions about your account or how the economy might impact your investments, please call Mark Delp, Branch Manager at 949-681-2435. If you have questions about any contributions, distributions or any forms please call Jessica Moon, Assistant Branch Manager at 949-681-2419. If you would like to call to schedule an appointment with either Mark or Jessica please call Debbie Weinstein, Branch Administrator at 949-681-2431.

Sincerely,

Mark Delp, CFP®  
Branch Manager

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