

The Client Connection

News and Updates from The Gensler Group

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The Markets

Sometime this year, you may have the opportunity to experience an event that's even more rare than a lunar or solar eclipse - an economic eclipse. The United States has had the world's largest economy since we surpassed Britain back in 1872, but our economy is about to be overshadowed by China's.



A lot of folks were anticipating an economic eclipse sometime around the end of this decade. As it turns out, the event horizon may be much, much shorter. Last week, The World Bank released its International Comparison Program (ICP) report. Every six years, in an effort to measure the real size of the world economy, the ICP surveys countries and measures their relative economic might. The ICP report was the final analysis of data collected during 2011. It found, at that time, the U.S. had the world's biggest economy. It also established that China's economy had grown much faster than ours between 2005 and 2011. China's economic growth has continued to exceed that of the United States. As a result, China's economy is expected to eclipse that of the United States during 2014.

[Click here to read the entire article.](#)

Quarterly Market Review

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U.S. Companies are Profitable



So, you've heard U.S. companies are fabulously profitable and sitting on record piles of cash. It's true. According to Moody's Investors Service, non-financial U.S. companies had hoards of cash at the end of 2013 - about \$1.64 trillion. That's about 12

percent more than the previous year's record-setting \$1.46 trillion. Technology, healthcare/ pharmaceutical, consumer product, and energy companies held the most cash.

Why are profits at U.S. companies so high? The Economist offered several possible explanations: 1) Corporate executives favored capital and not labor in recent years. An expert cited by The Economist suggested, "...Had pay kept pace with productivity in recent years, profit margins would be around their historic average, not close to a 50-year high;" 2) When the U.S. dollar loses value, which it has, the foreign earnings of American companies get a lift; and 3) Firms have limited their capital expenditures on equipment, software, and other items. As a result, depreciation charges have fallen making companies look more profitable.

[Click here to read the entire article.](#)

What is a Blog?

The word "Blog" is a truncation of the expression web log. Blogs usually provide commentary or education on a particular subject; others function as more personal online diaries.



As the Internet has become more social, blogs have gained in popularity.

Today, there are over 100 million blogs with more entering the blogosphere everyday. Blogs have become more than online diaries. In fact, blogging has

become an important part of the online and offline worlds with popular bloggers impacting the worlds of politics, business and society with their words.

The Gensler Group's Blog is meant to educate and inform our readers on various financial topics. [Click here to check out The Gensler Group's Blog.](#)

We are always interested in feedback, so feel free to leave your comments!

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