

money

HEALTH CARE

Repeal of health law could mean women return to paying more for less coverage **Story, C-2**

Stock	Change	Stock	Change	Stock	Change	Stock	Change
Allstate	77.40 +2.16/+2.9%	Liberty Property	38.15 +.57/+1.5%	Rayonier Inc.	28.26 +.38/+1.4%	FNFV Group	12.45 -.55/-4.2%
						Parkervision	2.12 -.09/-4.1%
						Stein Mart	3.57 -.12/-3.3%

More 401(k) contributions, less borrowing

Fidelity looked at how workers are handling retirement plans

By Stan Choe
Associated Press

NEW YORK | A rare double shot of encouraging news on retirement savings: Workers are contributing more to their 401(k) accounts, and they're taking out fewer loans from them.

So says Fidelity, which looked at how 14.5 million savers are behaving in retirement plans that it administers. The combina-

tion means that the average 401(k) balance was \$92,500 at the end of 2016, up nearly 5 percent from a year earlier.

"Fewer people have pension plans now, and they're more reliant on a 401(k), so I think people realize the importance of savings," says Jeanne Thompson, senior vice president at Fidelity.

Paychecks finally seem to be on the upswing for

families outside the top earners, and the median household income climbed 5 percent in 2015 to \$56,516. That, plus the strengthening job market, had workers feeling confident enough to set aside 8.4 percent of their paychecks during the last three months of 2016. It's the highest quarterly level for 401(k) contributions since the spring of 2008, just before the worst of the financial crisis.

Employers are also playing a role. About one in four workers last year raised their contribution rate for their 401(k) accounts, and

only half of them did so on their own. The other half of the increases were part of automatic programs set up by employers.

"Many employers are starting to realize, as they freeze their pension plans, they do want to set people up for success," Thompson says. That has employers not only automatically enrolling their workers into the 401(k) plan but also discouraging loans from them.

Only 21 percent of workers have a loan outstanding from their 401(k) accounts, the lowest level in seven

years.

Having the option to take out a 401(k) loan has some benefits. Employees are more likely to participate in plans that allow them and may even contribute more than they would have otherwise, researchers say.

Taking a loan can be a risky move. Most loans get repaid, but defaults do occur when workers leave their jobs. Loans from 401(k) accounts can become due immediately when workers retire, get laid off or quit.

401(K) continues on C-2

A.M. BRIEFING

Chipotle sales still haven't recovered

NEW YORK | Chipotle reported a sharply lower quarterly profit from a year ago as it spends on promotional efforts to recover from a series of food scares.

Sales still haven't bounced back, and were down 4.8 percent at established locations from a year ago. The Denver-based company reported its preliminary sales results last month.

For 2017, Chipotle Mexican Grill Inc. repeated that it expects sales to rise in the "high single digits" at established locations as sales rebound. The company has said it plans a major advertising campaign in April, and that it might start offering a dessert. Already, its efforts have included promotions for free burritos and the rollout of chorizo, a new topping for its burritos.

Associated Press

Court orders review of Target settlement

DES MOINES, IOWA | A Minnesota federal judge must hold hearings to determine whether a proposed settlement for about 100 million Target customers who were victims of a 2013 security breach treats all customers fairly, a federal appeals court says.

The 8th U.S. Circuit Court of Appeals said in an opinion filed Wednesday that Judge Paul Magnuson must review the class certification he approved in November 2015.

Under the settlement, Minneapolis-based Target must establish a \$10 million fund. Consumers can claim up to \$10,000 if they can document unreimbursed losses. After those claims are paid out, the remaining settlement funds will be divided among consumers who state under oath that they suffered a qualifying loss, but don't have documentation. Those who suffered no monetary loss from the security breach but could face future identity theft issues receive nothing.

Associated Press

Ralph Lauren CEO departs after 2 years

NEW YORK | Stefan Larsson, who took over as CEO at Ralph Lauren Corp. less than two years ago in hopes of revitalizing the iconic brand, is leaving the company.

The namesake founder, who said at the time that Larsson "understands what dreams are," maintains that he pushed the company in the right direction.

Apparently, Lauren's dreams clashed with Larsson's. The two split on how best to turn the business around. Larsson says the decision to part ways is mutual. Larsson will remain with the New York company until May.

Associated Press

Jobless claims slide; down 8% from 2016

WASHINGTON | Fewer Americans applied for unemployment benefits last week, another sign that U.S. workers are enjoying job security.

The Labor Department said Thursday that claims for jobless aid fell by 14,000 last week to a seasonally adjusted 246,000. The less-volatile four-week average rose by 2,250 to 248,000. Overall, 2.06 million Americans are receiving unemployment benefits, down more than 8 percent from a year ago.

Jobless claims are a proxy for layoffs. The low levels suggest that employers feel they need to hang on to their workers in a tight labor market.

Associated Press

Amazon looks like it wants to be its own deliveryman

But company says air cargo hub is to speed deliveries, lower costs

By Mae Anderson
Associated Press

NEW YORK | Amazon isn't content just being the "everything store." Increasingly, it looks like it wants to be its own deliveryman, too.

Its Monday announcement of a new air cargo hub in Kentucky is merely Amazon's latest foray into building out its own shipping and logistics unit. If successful, the move could ultimately mean lower costs for Amazon — and possibly faster delivery and low prices for consumers. But it could also pit Amazon against package deliverers like FedEx and UPS.

Amazon has long plowed its profits back into its business investments. In order to speed up its delivery, it has invested in opening new distribution centers and leasing fleets of trucks. In May, Amazon leased 40 Boeing jets from Atlas Air Worldwide Holdings and Air Transport Services Group Inc., a fleet it dubbed "Prime Air."

The moves come as e-commerce continues to outpace retail sales. Amazon said Thursday the number of items it sold in the fourth quarter rose 24 percent compared with a year ago. Its revenue rose 22 percent to \$43.74 billion, slightly missing analysts' expectations.

Meanwhile, profits rose 36 percent to \$749 million, or \$1.54 per share, ahead of expectations.

NEXT STEP

On Monday, Amazon took the next step, announcing plans to build a worldwide air cargo hub at a northern Kentucky airport about 13 miles southwest of Cincinnati. The nearly \$1.5 billion investment is expected to create 2,700 jobs.

It's an auspicious location, since UPS has a big air hub in Louisville and DHL has an interna-

AMAZON continues on C-2

Many things made in Mexico may cost more



Vendor Luis Alberto Bautista arranges strawberries as he lays out fresh produce at the start of the day in his vegetable stand in Mexico City. Mexican berries, vegetables and beef born south of the border abound at American supermarkets. (Rebecca Blackwell/Associated Press)

Border tax could drive up price on cars, trucks, TVs

By Mark Stevenson
Associated Press

MEXICO CITY | If the United States imposes a border tax on Mexican imports, it's not just tequila, beer and avocados that would jump in price.

Mexico is the world's leading exporter of refrigerators and flat-screen TVs. Cars and trucks such as the Ram 1500 crew cab, Ford Fiesta and Chevrolet Trax fill U.S. dealer lots. Mexican berries, vegetables and beef born south of the border abound at American supermarkets.

It is an amazing state of affair for a country that, as late as the 1980s, basically exported just oil — a country transformed by embracing the open markets promoted by its U.S. neighbor.

"In just three decades, we



Cars and trucks such as the Ram 1500 crew cab, Ford Fiesta and Chevrolet Trax fill U.S. dealer lots. (FCA)

changed from an economy that was basically exporting raw materials. ... Eighty percent of our exports were oil," President Enrique Pena Nieto said at a ceremony promoting made-in-Mexico goods this week.

"Back then, we were rather uncompetitive, and we would have a hard time competing [abroad] with the products produced here."

MEXICO continues on C-3

American forging ahead with flights to Cuba

Office opened in Havana; 13 daily trips from Miami, Charlotte

Associated Press

HAVANA | American Airlines formally opened an office in Havana on Wednesday, and an executive said the company will move ahead with its plans for Cuba despite uncertainty over what President Donald Trump's administration will bring.

The inauguration came two months after American Airlines flew the first scheduled commercial

flight from the U.S. to Havana in more than 50 years. Several airlines had begun routes to other Cuban cities earlier and before that there were costly charter flights.

The U.S. company said the flight and the office reflected the company's commitment to doing business on the island after President Barack Obama initiated detente with Cuba. Obama's successor has criticized that move, and before his inauguration tweeted that he might "terminate" detente between the U.S. and Cuba.

"We cannot speculate about what [Trump's] next

step will be, but I can assure you that we are moving our machine forward," said Galo Beltran, the Cuba manager for American Airlines. "You are a witness to the investment and how important Cuba is to America as a U.S. entity doing business."

Beltran said the airline is scheduling 13 daily flights from Miami and Charlotte, N.C., to the Cuban cities of Havana, Camaguey, Cienfuegos, Holguin, Santa Clara and Varadero.

A half dozen airlines have received authorization from the U.S. government to fly to Cuba.



American Airlines has opened an office in Havana and officials say they will move ahead with their plans for Cuba despite uncertainty over what President Donald Trump's administration will bring. (Desmond Boylan/Associated Press)

AMAZON

tional shipping hub at Cincinnati/Northern Kentucky International Airport. Amazon has long battled down rumors that it plans to start its own package delivery service, saying it's just trying to speed up deliveries and lower costs.

"It's not a big surprise," Cathy Roberson, founder of consulting firm Logistics Trends & Insights, said of Amazon's Kentucky announcement. "By utilizing that location they can reach anywhere in the U.S. in two days."

E-COMMERCE EXPLOSION

If Amazon succeeds in building out its delivery infrastructure, it could ultimately reduce package volume for companies like FedEx and UPS, Roberson said. On the other hand, e-commerce volume is growing so fast there may be room for everyone, she said.

For example, UPS reported Monday that 55 percent of its fourth-quarter deliveries — and 63 percent of those in December — were directly to consumers, setting records in both cases.

THE RUB

It's no sure bet that Amazon will succeed in the highly competitive and complex delivery space.

"It's hard to scale up, to have a network as built out and mature as FedEx, UPS or DHL," Roberson said. "Amazon is still not mature." To really go up against that big three, she said, Amazon will have to invest "an awful lot of money in networks and more facilities" — at least double what it's already spending, she estimates.

Still, Amazon has a history of developing services for its own use and then offering them to other customers. It built Amazon Web Services, its cloud computing business, for its own purposes; that service now generates annual revenue of more than \$12 billion.

"You could see a scenario in the future where they perfected their delivery network and become a carrier for other retailers," said Rob Convey, CEO of Convey, a company specializing in improving retailer shipment delivery.

401(K)

Not only that, taking out a 401(k) loan pushes many workers to cut back on their contributions, and many don't get back to their prior levels of savings until after they've repaid the loan. Workers miss out on the returns the forgone contributions, and the cash that was borrowed, would have made had it been invested in the stock market.

Of course, the encouraging numbers from Fidelity cover only a slice of the retirement-savings landscape. Not everyone can save in a 401(k), even if they wanted to.

Roughly one out of every three workers in the private sector has no access to a 401(k) or similar retirement plan through work. Lower-income workers generally have disproportionately less access to these plans than those with higher incomes. So do workers at smaller companies.

DOW 19,884.91 -6.03

NASDAQ 5,636.20 -6.45

S&P 500 2,280.85 +1.30

10-YR T-NOTE 2.48% +0.1

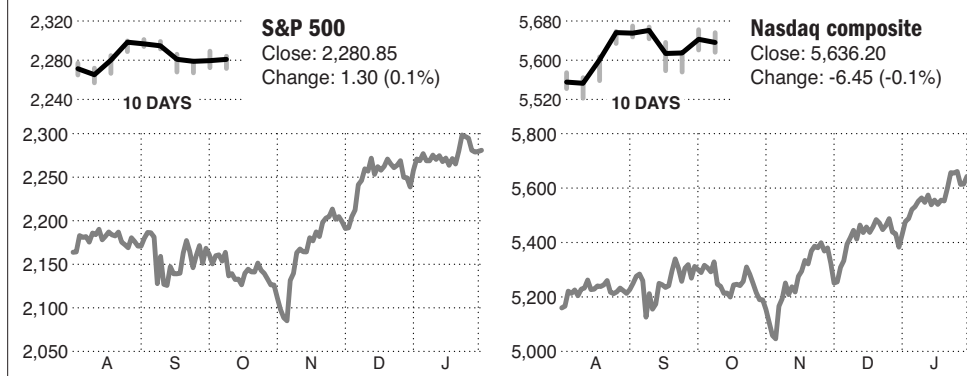
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CRUDE OIL \$53.54 -.34

GOLD \$1,216.70 +11.10

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Stocks recap

Table with columns: NYSE NASD, Vol. (in mil.), Pvs. Volume, Advanced, Declined, New Highs, New Lows, DOW, DOW Trans., DOW Util., NYSE Comp., NASDAQ, S&P 500, S&P 400, Wilshire 5000, Russell 2000, HIGH, LOW, CLOSE, CHG., %CHG., WK MO QTR, YTD

Local stocks

Table with columns: NAME, TICKER, PE, CLOSE, CHG, CHG YTD, NAME, TICKER, PE, CLOSE, CHG, CHG YTD. Lists various local companies like AK Steel, AT&T, Adv Micro Dev, etc.

Interestrates



The yield on the 10-year Treasury rose to 2.48 percent Thursday. Yields affect rates on mortgages and other consumer loans.

Table of interest rates for Treasuries (3-month, 6-month, 2-year, 5-year, 10-year, 30-year) and Bonds (AP Muni Bond, Barclays Glob Agg, Barclays US Agg, Barclays US Corp, Barclays US High Yield, Moody's AAA Corp, 10-YR TIPS).

Commodities

The price of U.S. crude oil edged lower Thursday.

Wholesale gasoline and heating oil also declined, while the price of natural gas rose.

Among metals, gold rose. Silver and copper fell.



Table of commodity prices for Fuels (Crude Oil, Ethanol, Heating Oil, Natural Gas, Unleaded Gas), Metals (Gold, Silver, Platinum, Copper, Palladium), and Agriculture (Cattle, Coffee, Corn, Cotton, Lumber, Orange Juice, Soybeans, Wheat).

Foreign Exchange

The dollar rose Thursday versus several other currencies, including the euro, pound and Swiss franc.

Table of foreign exchange rates for Major currencies (USD per British Pound, Canadian Dollar, USD per Euro, Japanese Yen, Mexican Peso) and Europe/Africa/Middle East (Israeli Shekel, Norwegian Krone, South African Rand, Swedish Krona, Swiss Franc).

ASIA/PACIFIC

Table of Asia/Pacific exchange rates (Australian Dollar, Chinese Yuan, Hong Kong Dollar, Indian Rupee, Singapore Dollar, South Korean Won, Taiwan Dollar).

Health care repeal could leave women worse off

They might face higher premiums based on gender for fewer services

By Ricardo Alonso-Zaldivar & Kelli Kennedy Associated Press

WASHINGTON | From a return to higher premiums based on gender, to gaps in coverage for birth control and breast pumps, experts say women could end up paying more for less if the Obama-era health care law is repealed.

The 2010 law ended a common industry practice of charging women more than men for policies purchased directly from an insurer. It made maternity and newborn care a required benefit for individual health plans. And it set a list of preventive services to be provided at no extra cost to women, including birth control and breast pumps used by nursing mothers.

Nearly half of pregnancies are unplanned, and prior to Obamacare some women would get pregnant only to learn that their insurance did not cover maternity and delivery, said John Meigs, a longtime family practitioner in the small town of Centerville, Ala.

"A lot of women were delaying their prenatal care until they could figure out what to do," said Meigs, president of the American Academy of Family Physicians. Pregnancy "is one of those things that ought to

be covered, because it happens."

Democrats are keying in on the issue as they try to block or blunt the GOP drive to repeal the Affordable Care Act. "We don't want our country going backward when it comes to women's health," said Sen. Patty Murray, ranking Democrat on the Health, Education, Labor and Pensions Committee.

Women are widely seen as having benefited from the health law. In a recent AP-NORC poll, 44 percent said they thought women were better off as a result of the law, while only 24 percent said women were worse off.

"The ACA set minimum levels of benefits that health plans have to cover and many are highly used, or exclusively used by women," said Usha Ranji, a health policy expert with the nonpartisan Kaiser Family Foundation. "Repeal and replace could take away that minimum level of benefits, which includes really commonly used services like contraception and maternity care."

Nashville-based singer Rachel Potter worries about what it could mean for her. She says she was lucky to be covered under the ACA when she unexpectedly became pregnant last year.

Bleeding early on and other complications sent her to the doctor's office frequently.



Rachel Potter holds her son, Jude, at their home in Nashville, Tenn. Potter said she couldn't afford insurance before the Affordable Care Act. President Donald Trump's vow to repeal his predecessor's health care law is raising concerns about the impact on women's health.

"We were able to monitor the pregnancy really closely," said Potter. "I was able to go to an amazing ob-gyn and I wouldn't have had access to that care if I had not been on this insurance."

Her son Jude was born in December and is already on the road with her.

Potter's medical bill came to more than \$40,000, but she only paid about \$2,000 of that.

She's now thinking about getting a long-lasting form of birth control while her insurer is still required to cover it at no charge to her. "I don't know the future of the health insurance situation," said Potter.

stetricians and Gynecologists, the American College of Physicians, and the American Osteopathic Association.

A Trump administration spokesman says speculation about components of an Obamacare replacement is premature. Recently introduced legislation that seeks a middle path on health care would keep some of the Obama-era requirements, but make others a state option.

The bill co-authored by Sen. Susan Collins, R-Maine, would allow states to keep the ACA or substitute an alternative with fewer federal requirements.

Under that approach, insurance plans in states that pick the alternative would not be required to cover maternity and newborn care. However, plans in all states would have to cover the ACA's preventive benefits, including birth control. Collins staff said the draft

Dilbert



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