

money

COSTLY HURRICANE HARVEY

Allstate reports \$593M in losses for August

Story, C-2

<p>▲ Banco Bilb Viz Arg 8.97 +.08/+9%</p>	<p>▲ Atlantic Coast Fin 8.70 +.08/+9%</p>	<p>▲ BB&T Corp 45.24 +.38/+8%</p>	<p>LOCAL MOVERS</p>	<p>Fidelity Natl Fincl 47.39 -.91/-1.9%</p>	<p>▼ Procter & Gamble 92.64 -1.76/-1.9%</p>	<p>▼ Parkervision 1.67 -.02/-1.2%</p>
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Surging stock market powers U.S. wealth

Fed report also showed worsening income inequality

By Christopher S. Rugaber
Associated Press

WASHINGTON | A healthy gain in the stock market and steadily increasing home prices boosted Americans' household wealth this spring, a trend that likely adds to the na-

tion's inequality. The Federal Reserve said Thursday Americans' net worth rose 1.8 percent to \$96.2 trillion in the April-June quarter. Stock portfolios and mutual funds jumped \$1.1 trillion. Home values climbed \$600 billion.

The solid gain in wealth could make many Americans more confident and spend more, which typically fuels economic growth. Consumer spending accounts for about 70 percent of U.S. economic activity. But the increases in

wealth aren't widely shared, which many economists worry limits its economic benefit. Wealthier Americans are less likely to spend additional income and wealth gains. Roughly 10 percent of Americans own 80 percent of the nation's stock market value. And the wealthiest one percent held 42 percent of the na-

tion's wealth in 2012, the latest data available, according to research by economists Emmanuel Saez and Gabriel Zucman of the University of California-Berkeley. Meanwhile, housing is the main wealth accumulation vehicle for the middle class. Home prices

WEALTH continues on C-2

A.M. BRIEFING

Rates for long-term mortgages increase

WASHINGTON | Long-term mortgage rates rose this week, lifting the 30-year fixed mortgage from the lowest levels of 2017. Mortgage buyer Freddie Mac said Thursday the 30-year fixed mortgage rate was 3.83 percent, up from 3.78 percent last week and above last year's average of 3.65 percent. The 15-year fixed rate, popular with homeowners who are refinancing their mortgages, rose to 3.13 percent from 3.08 percent last week. Rates on long-term home loans typically track the yield on 10-year Treasury notes, which moved higher this week. Rates on adjustable five-year mortgages rose to 3.17 percent from 3.13 percent last week. To calculate average mortgage rates, Freddie Mac surveys lenders across the country between Monday and Wednesday each week. The average doesn't include extra fees, known as points, which most borrowers must pay to get the lowest rates. One point equals 1 percent of the loan amount. The average fee for a 30-year mortgage was unchanged at 0.5 point. The fee on 15-year home loans also remained at 0.5 point. The fee on an adjustable five-year mortgage was unchanged at 0.4 point.

Alberstons acquires portable meal service

BOISE, IDAHO AND NEW YORK | Albertsons Companies, one of the nation's largest grocery retailers, has announced the acquisition of Plated, a meal kit service. Plated will operate as a wholly owned subsidiary of Albertsons Cos. The transaction is expected to close later this month pending customary approvals.

Toys 'R' Us is hiring despite bankruptcy

NEW YORK | Toys 'R' Us may have filed for Chapter 11 reorganization, but the toy chain is revving up its holiday hiring. The Wayne, N.J.-based chain said Thursday it will be accepting job applications for part-time holiday positions at stores and distribution centers in the U.S. That includes a new position called a toy demonstrator, who will help kids test out toys. Toys 'R' Us plans to hire more than 12,500 for the top six markets, including Groveport, Ohio, where it will be looking to staff more than 2,400 for its distribution facility that handles online orders. It declined to offer actual overall hiring figures for the holiday season, but in the past, overall holiday hiring was about 40,000.

Riding debts causes China's credit to slip

BEIJING | The Standard & Poor's rating agency cut China's credit rating Thursday due to its rising debts, highlighting challenges faced by Communist leaders as they cope with slowing economic growth. The downgrade added to mounting warnings about the dangers of increasing Chinese debt, which has fueled fears of a banking crisis or a drag on economic growth. Moody's Investors Service cut its own rating for China in May. S&P lowered its rating on China's sovereign debt by one notch from AA- to A+, still among its highest ratings. The agency had given a warning sign of a possible downgrade in March 2016. The ratings cut, announced after Chinese financial markets closed for the day, could raise Beijing's borrowing costs slightly, but the more significant impact is on investor sentiment.

From news services

Assembly required at Ikea



Workers set up the cafeteria inside the new Ikea home furnishings store at Gate Parkway. (Will Dickey/Florida Times-Union)

Furniture store is building showroom with fall opening date undetermined

By Roger Bull
roger.bull@jacksonville.com

Officials at Ikea aren't saying exactly when the Jacksonville store will open, only that it will be this fall. One of the reasons is that everything has to be assembled.

Inside the new store at Gate Parkway and Interstate 295, the walls that break much of the store into 42 spaces for room settings are up. That's how Ikea displays much of its furniture — set up as living rooms, media

rooms, kitchens or bathrooms. Shelves are going up and some of them are stocked. Pallets of pillows and glasses and utensils have been placed in the store's marketplace area. But through most of the furniture showroom, the store famous for "assembly required" is having to assemble everything. "That's why it's difficult until we reach that exact point for us to say when we're going to open," said Leontyne Green

IKEA continues on C-3



Patrick Greene (left) and Michael Worley carry plans for the store layout Thursday inside the new Ikea home furnishings store.



Employee Jairo Gomez sets up a kitchen display at the new Ikea store.



Workers set up a children's activity area.



Ken Whitfield looks at plans as he sets up shelves inside the new Ikea store.

ATM at 50: A radical move that changed behaviors

Even as cash is used less, and credit more, ATMs aren't going anywhere

By Ken Sweet
Associated Press

NEW YORK | An automated teller machine. The cash machine. In Britain, a cashpoint. ATMs, known for spitting out \$20 bills (and imposing fees if you pick the wrong one), turn 50 years old this year. They're ubiquitous — and possibly still a necessity, despite the big changes in how people pay for things.

It was a radical move when Barclays installed cash machines in a London suburb in 1967. The utilitarian machine gave fixed amounts of money, using special vouchers — the magnetic-striped ATM card hadn't been invented yet. There was no way for a customer to transfer money between accounts and bank employees tabulated the transactions manually at the end of each day.

As the ATMs became familiar, though, they changed not only the banking industry, but made people comfortable interacting with kiosks in exchange for goods. Now that means getting movie tickets and boarding passes, self-checkout at grocery stores, and online shopping that brings products to your door with a few clicks. All are based on the idea people can handle routine transactions by themselves without a teller or cashier. "The ATM tapped into that innate force in people that gives gratification for

doing a task on their own and it grew from there," said Charles Kane, a professor at the MIT Sloan School of Management. It was a radical concept at the time. The ATM wasn't the first self-service device — vending machines and the automat had been popular before. But those dispensed items people could hold in their hand. Bernardo Batiz-Lazo, a business professor and ATM historian (yes, they exist) at Bangor University in Britain, said early users of automated tellers were often checking their

balances twice: once to see how much was in their account, then again after withdrawing money to see if it registered. "They were popular, but it took a long time to slowly convince customers to learn about ATMs and use them regularly," Batiz-Lazo said. For the banking industry, ATMs meant banks could be in thousands of places at once, not just in branches, and earn billions of dollars in fees from non-customers. Banks used to staff

ATM continues on C-2

Insurers cutting back on drug coupons, discount cards

Concerns of increasing health costs cited as cause

By Lisa Schencker
Chicago Tribune

CHICAGO | With many drug prices rising, consumers often pull out coupons or discount cards from drug-makers to save money when they buy medications at pharmacies.

But some insurers are limiting how those discounts may be applied amid concerns they're driving up health care costs for everyone. Curbing the coupons could mean more money out of consumers' pockets in the short term, but in the

long run could also help hold down drug prices and health care costs, say critics of the cards and coupons.

Blue Cross and Blue Shield of Illinois told its members with individual plans this year they can still take advantage of the discounts, but they won't get credit toward their deductibles or out-of-pocket maximums. Cigna only allows coupons to be used for specialty drugs — medications used to treat rare or complex conditions. UnitedHealthcare and Aet-

na declined to comment on their policies on the discounts.

A number of experts and advocates for lower drug prices applaud any actions aimed at stemming the use of cards and coupons, which are available online, through the mail or from doctors.

Typically, patients with individual and employer-based plans can use the cards or coupons to save money on their insurance copays for certain prescription medications at the pharmacy. While a

coupon can reduce all or part of a patient's copay, the insurance company still has to pay its full portion for what might be a high-priced drug — a cost opponents say is ultimately passed on to all consumers in the form of higher insurance premiums.

Such discounts made news last year amid outcry over the skyrocketing costs of EpiPens, sold by Mylan. As part of its response to the uproar, Mylan offered \$300 savings cards to patients with nongovernment insurance to help lower their out-of-pocket costs. Mylan still faced criticism the discounts wouldn't

help everyone as much as lowering the price would.

Pharmacy benefit managers, who act as middlemen between pharmacies and insurance companies, don't like the coupons either. The coupons are often used to drive patients to higher-cost brand drugs instead of generics, said Mark Merritt, president of the Pharmaceutical Care Management Association.

Drug companies, however, defend the practice as a way to make sure patients have access to the medications they need. The coupons "can provide a valuable source of assistance for many commercially

insured patients to afford out-of-pocket costs associated with insurance coverage for their medications," said Holly Campbell, a spokeswoman for the Pharmaceutical Research and Manufacturers of America.

Lawmakers in some states already are taking action. California lawmakers have been considering a bill that would prohibit the use of coupons for drugs when other, less expensive drugs are available. A New Jersey lawmaker introduced a similar bill last year. Massachusetts already bans coupons for branded drugs with generic equivalents.

E-commerce website combines Pinterest, Amazon to sell items

By Gene Marks
Special to The Washington Post

Although the company says it has more than 300 million users, you've probably never heard of Wish. But now that you have, you're going to be impressed.

According to this report in Forbes, the seven-year-old start-up just closed a \$250 million financing deal that places its value at \$8.5 billion. That's higher than the valuations of Sears, Macy's and J.C. Penney combined. Oh, and its value

doubled in just the past six months.

What is so special about Wish? As an e-commerce platform with a Pinterest-like experience, it's certainly fun to browse for products. But more importantly Wish is cheap. How cheap? How about a \$1 wristwatch or an \$8 sweater? Or better yet, how about paying just the shipping costs — and almost nothing more — for a necklace, a plastic toy or lipstick? All of this is yours if you don't mind waiting two-to-four weeks.

The low prices are due to where the products are coming from: direct from Chinese manufacturers with no middleman. Shoppers looking for bargains have driven Wish's 50 percent annual growth since the first half of 2017.

Despite its value, Wish is not yet profitable. But its revenues are reportedly in the single digit billions and, according to its website, the company predicts itself to soon be "the sixth largest e-commerce company in the world and we're shooting for No. 1."



Workers set up tables and chairs inside the new IKEA home furnishings store scheduled to open in the fall at Gate Parkway. (Will Dickey/Florida Times-Union)

IKEA
Continued from C-1

Sykes, the store's manager. "We can't even tell our co-workers yet."

So the only official word about opening is "late fall." "But fall ends on Dec. 21," she said, "and we're not saying it will be winter."

Sykes she's hired about 200 of the 250-plus employees needed. But there will also be another 60-75 seasonal workers. It is ac-

tually one of the busiest times of the year at Ikea as the annual catalogs came out late summer and students returned to class.

About 700 workers are in the 290,000-square-foot building each day, she said. The construction companies are still there, finishing up their final touches. But the store's employees as well as vendors and those borrowed from other Ikea stores are also busy opening boxes, assembling furniture and arranging

room settings according to blueprints taped on the walls.

Summer rains often flooded the floors before the roof was finished. By the time Hurricane Irma roared by, the roof was dried in. But some solar panels on the roof were dislodged and damaged and have been replaced. Newly planted palm trees in the parking lot were blown over and had to be replanted.

Roger Bull: (904) 359-4296

Tesla denies that it tried to block union

Associated Press

DETROIT | Tesla Inc. is denying claims it threatened to fire pro-union workers at its Fremont, Calif., factory and tried to prevent them from passing out union literature.

The National Labor

Relations Board filed a complaint against Tesla earlier this month, citing multiple incidents in which Tesla security guards allegedly refused to let off-duty employees hand out leaflets about the United Auto Workers union near the doors

of the company's factory. Tesla workers further allege that they were prohibited from discussing worker safety concerns and were interrogated about union organizing efforts by Tesla human resources employees, according to the complaint.

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