Cheraw Arts Commission Presents Oil Painting Workshop in February

Charleston artist Joyce Hall will return to Cheraw on February 23-25 for a three-day oil painting workshop. Joyce is an international award-winning oil painter and has exhibited in galleries and museums nationally. *www.thestudiosc.com*

The focus of the February workshop is Painting Water, Surf and Reflections. The classes will be held at the Cheraw Community Center - 200 Powe Street from 9:00 am until 4:00pm. Space is limited.

Cost for the three-day workshop is $200.00. A supply list will be provided upon registration. Contact the Cheraw Arts Commission for additional information @ 843.537.8420 x 12.

Theft Prevention: Tips for Securing Your Home

Your home is your greatest monetary asset and you should take steps to ensure its safety. Good safety measures are habit forming, and law enforcement experts from the North Carolina Department of Public Safety came up with some easy to follow tips for securing your home to help keep it safe.

Install a security system with security cameras Obtaining a security system is easier than ever today and are available at various costs and levels of protection. They can be purchased at big-box stores for self-installation, or there are a variety of security system businesses to select as a service provider. Whichever route you take, find a system that will monitor your home while you are there and away that features video surveillance.

Secure doors and windows It sounds simple, but make sure all doors and windows are locked and secure. The door frames should be strong and hinges should be protected. If the door does not have a deadbolt lock, install one. A glass break sensor is a nice option to have with your security system for added protection with windows. Thorny plants planted underneath windows are also a deterrent for a possible burglar.

Make your home look occupied Utilize smart home devices to schedule your lights to turn on when you are not at home. You can also use them to turn on a TV or to play music. Noise is a good deterrent for potential burglars to think you are at home.

Use outside lighting Burglars like to find homes and businesses where they will not be seen committing their crime. In other words, they like to find dark, poorly lit areas. So, make sure outside your home has plenty of exterior lights. Install lighting around corners, near garages and even around flower beds. Maintain landscaping that may block lighting or create locations for burglars to hide.

What about the garage? There are plenty valuables and equipment stored in your garage. You want to keep the garage door locked and the door to the house locked as well. Try to avoid objects being seen through the door windows if possible. If your garage door uses a security code, NEVER share it or enter it in front of someone who does not live in the home. You can also use a sensor to alert you that the garage door has been opened.

Schedule security checks Contact your local Police Department or Sheriff's Office. Many offer a home security check program for residencets who may be away from their home for extended periods of time.

Lock down your Wi-Fi It's not brick and mortar, but protecting your cyber home is just as important. Lock down your home's Wi-Fi with a password. A weak password could allow others to access your router and conduct illegal activity through it. A strong password makes this more difficult.

Social Media Safety While away on vacations or extended periods of time, limit postings on social media of your absence. You may want to avoid "check- ins" or wait until your return before posting photos from you trip.

For more information on theft prevention and home/business safety, visit:

- Safety tips for homes and apartment complexes: (*ncdps.gov/dps-services/safety-tips/home-safety*)
- Preventing theft from your place of business: (*ncdps.gov/dps-services/safety-tips/business-theft-prevention*)
- Business fraud prevention: (*ncdps.gov/dps-services/safety-tips/protect-your-business-fraud*)

You Decide: Why Stop at an Inflation Rate Target of 2%?

At their recent meeting, the leaders of the Federal Reserve (Fed) indicated they would likely reduce their key policy interest rate in 2024, perhaps multiple times. If the Fed indeed does this, most interest rates in the economy would also drop. This would especially be good news for households wanting to borrow for big ticket purchases, like homes, vehicles, appliances and furniture. Lower interest rates would also boost economic growth.

The Fed began raising its key interest rate in early 2022 in an attempt to stop the surging inflation rate, which peaked at a year-over-year rate of 9.1% in June 2022. Results show the Fed is succeeding. The most recent year-over-year inflation rate for November came in at 3.1%.

The Fed has stated on numerous occasions that its goal is an annual inflation rate of 2%. This is close to the inflation rate prior to the pandemic. However, the Fed's stated goal raises the obvious question: Why stop at a 2% inflation rate? Why not go to zero price inflation, or even better, why not have a goal of negative inflation, meaning prices are falling? These are excellent questions. In today's column, let me try to explain why the Fed wouldn't want to pursue a zero or negative inflation rate, and then let you decide if the Fed's reasoning makes sense.

The first reason is based on the Fed's mandate. Congress has directed the Fed to use its tools to accomplish two goals — keeping the economy growing fast enough to maintain low unemployment while also keeping the inflation rate low. One of the major tools the Fed uses to meet these goals is moving interest rates up and down. If, as we've seen recently, the inflation rate is too high, the Fed will use its power to raise interest rates and slow growth in the economy. As the economy slows and spending moderates, upward pressure on prices will be curtailed. We've seen this result in recent years.

Conversely, if the economy is growing too slowly, or even more importantly, if the economy is near or already in a recession, the Fed will lower interest rates. We saw this action during the two most recent recessions, the COVID-19 downturn and the downturn during the housing crash in the late 2000s. Yet there's a potential problem with this policy if the inflation rate is very low: a link between the inflation rate and interest rates. Because lenders must receive payments high enough to compensate for inflation, inflation and interest rates move together. That is, if the inflation rate is low, interest rates will also be low. If the inflation rate is higher, interest rates will be higher. The problem is, if inflation is very low — for example, near zero or even negative — then the Fed won't have much room to lower interest rates to counter a recession. During both the tech recession of 2001 and the housing crash recession of 2007-09, the Fed pushed its key interest rate down 5 percentage points. This wouldn't have been possible if, for example, the inflation rate was zero and interest rates were 3%.

The second concern about very low inflation comes when the inflation rate goes into negative territory, meaning average prices are falling. On the surface most would expect negative inflation — technically called deflation — would be a good thing. But actually, economists argue deflation can lead to bad things, such as a recession. How so? There are two possible adverse results. First, if consumers observe prices falling, they may reasonably expect the price declines to continue. This expectation could motivate consumers to delay buying products now with the thought the products will be cheaper later. Of course, delays can't occur for all products, such as necessities like food and energy, but they could result in big reductions in sales of homes, furniture, vehicles and other large purchases. Since consumer spending accounts for 70% of the economy, a significant reduction in spending due to falling prices could ironically bring about a recession.

For businesses and their workers, falling prices create a second type of problem. Let's say prices are dropping by 5%. For a representative company, this means the price of the company's product is down 5%. It also means the prices of inputs the company uses are falling 5%. But what about labor costs? Will workers be happy with a 5% cut in their pay? From a company's point of view, if everything costs 5% less, workers won't be harmed by a 5% wage cut. Still, the psychology of a pay cut — even if it doesn't reduce workers' standards of living — will likely cause many workers to resist. The result may be mass firings, disruption of production and economic turmoil: in short, a recession.

There is a final concern many readers will discard, but it does carry some significance. The concern is flaws in the measurement of inflation that result in the inflation rate being overestimated — that is, being higher than it actually is. Due to the challenge of adjusting prices for product improvements and even for new products, research suggests the official annual inflation rate overstates the actual rate by one percentage point. Hence, another reason for an inflation target rate of 2% is to prevent the actual rate from being close to zero or even negative.

So, what do you think? Is there a case for targeting the inflation rate at 2%, as the Fed is doing? Are there legitimate reasons for doing this? Or should the Fed go further and attempt to move the inflation rate to zero or even to a negative rate? You decide.

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