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October 2026
Q4 | VOL. 37

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LEAD ARTICLE · ECONOMIC OUTLOOK

The Four Pillars of Economic Data

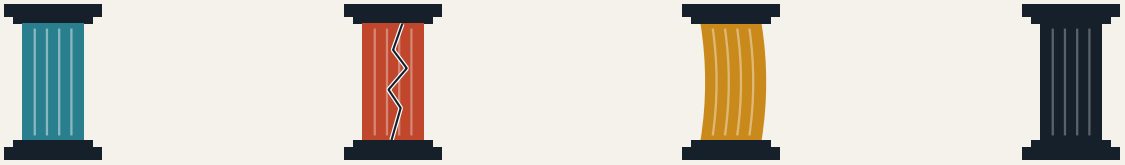
Still standing heading into the final months of 2026, with one crack worth watching.

BY: **RYAN KROPOG, CFP®, RICP®**

Our firm closely watches four pillars of U.S. economic data: jobs, inflation, spending, and corporate earnings. They work like dominoes. When people have jobs that pay wages outpacing inflation, they spend, and that spending drives corporate profits. Increasing corporate profits is what investors want to see. So, let's check in on the current health of these pillars to get a read on where we stand heading into the final months of 2026:

The Four Pillars at a Glance

EACH ONE SUPPORTS THE NEXT



Jobs	Inflation	Spending	Earnings
+162K	**3.7%**	**+1.2%**	**30%+**
August payrolls; unemployment 4.1%	PCE vs. ~3.1% wage growth; Fed target 2%	August retail sales, after a July dip	S&P 500 Q2 earnings growth
SOLID	THE CRACK	BENDING	STANDING TALL

01 Jobs

SOLID

The first pillar looks solid. Employers added 162,000 jobs in August, roughly triple what economists expected, and unemployment held at 4.1%. Paychecks have been growing too. Census data show median household income reached a record $87,460 in 2025.

~3×
August hiring vs. economists' forecast

$87,460
Record 2025 median household income

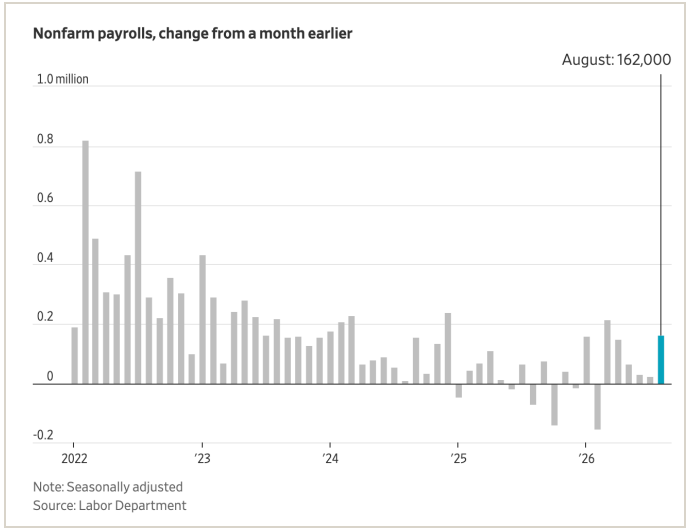


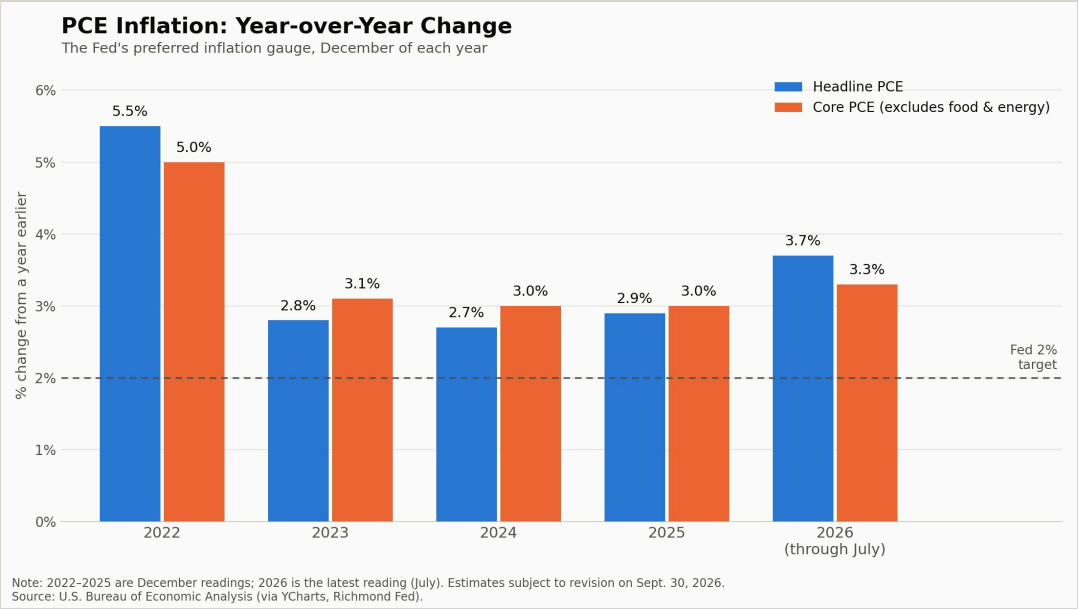
Chart: **The Wall Street Journal** · Source: Labor Department

02 Inflation

THE CRACK

Here's the crack. The Fed's preferred inflation gauge (the personal-consumption expenditures price index, or PCE) is running at 3.7%, while wage growth has slowed to about 3.1%. Energy is a major cause: Americans have paid more than $100 billion extra for gasoline and diesel since the Iran war began in February. In response, the Fed raised rates on September 16 for the first time since 2023, to a range of 3.75%–4.00%, and signaled one more hike this year. Higher rates should help cool prices, but they also make borrowing more expensive for households.

3.7%	$100B+	3.75–4.00%
PCE inflation, year over year (July)	Extra spent on gasoline & diesel since the Iran war began	Fed funds target after the Sept. 16 hike



Source: **U.S. Bureau of Economic Analysis**. 2026 reflects the latest (July) reading.

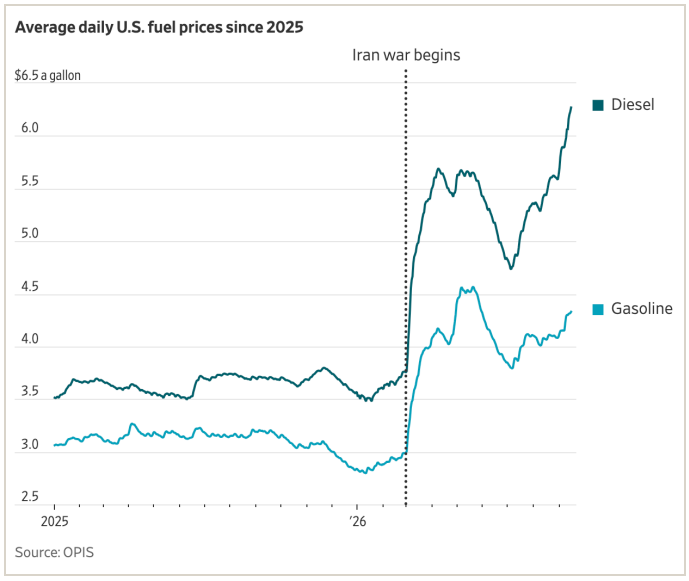


Chart: **The Wall Street Journal** · Source: OPIS

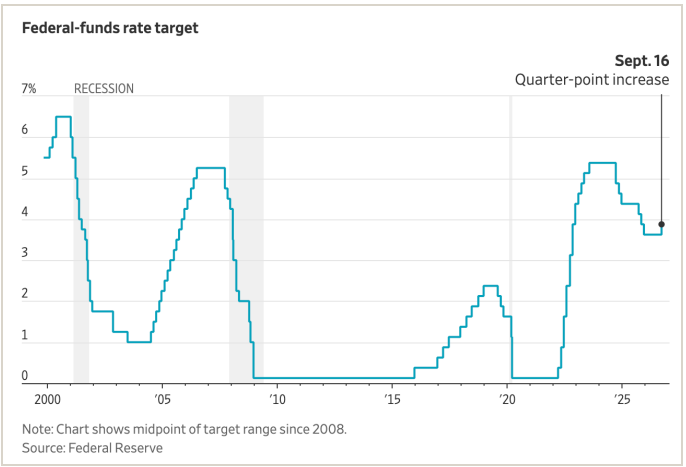


Chart: **The Wall Street Journal** · Source: Federal Reserve

03 Spending

BENDING

The squeeze shows up at the register. Retail sales fell in July, and Walmart posted its weakest U.S. sales growth in more than six years. But August sales rebounded 1.2%, which suggests consumers are bending, not breaking.

04 Earnings

STANDING TALL

The last domino is standing tall. S&P 500 earnings grew more than 30% in the second quarter, even after excluding a few large one-time gains.

> *Consumers are bending, not breaking.*

THE BOTTOM LINE

The pillars are holding, but inflation is the one to watch.

ENERGY & RATES STAY HIGH → SPENDING SLOWS → PROFITS SOFTEN → LAYOFFS RISK

If energy costs and interest rates remain elevated, then we'd likely see a gradual slowdown in consumer spending. Remember, 2/3 of U.S. economic output comes from consumer spending. Slower consumer spending often eats into corporate profits. Slowing corporate profits is not something investors like to see, and it can lead to layoffs. So, we'll continue to watch the four pillars with a close eye on whether inflation will eventually wear down the almighty American consumer.

Quick Hitters

01
A 48-year-old dad finally plays college football

READ THE STORY →

02
Colorado's I-25 wildlife overpass cuts animal collisions by 91 percent over nine months

READ THE STORY →

03
A Tennessee lemonade stand grew into a half-million-dollar business

READ THE STORY →

04
Co-creator of Hand Grenade drink, owner of Tropical Isle, dies at 80

READ THE STORY →

Lead Article Sources

1. U.S. Adds a Whopping 162,000 Jobs in a Bright Spot for the Economy – WSJ
2. Tremendous Earnings Season – LPL Research
3. Corporate America's Profits Are Booming—and Signal More Good Times Ahead – WSJ
4. Fed's Preferred Inflation Gauge Remains Above Target Range – WSJ
5. Incomes Grew Faster Than Prices in July – LPL Research
6. Weak Retail-Sales Number Adds to Softening Economic Data – WSJ
7. Walmart Shares Slump on Weakest Sales Growth in Over Six Years – WSJ
8. American Incomes Hit Record Last Year as Women Gained Ground – WSJ
9. Americans Have Spent $100 Billion More on Fuel During the Iran War – WSJ
10. Fed Delivers First Rate Hike in Years With Unanimous Vote – WSJ

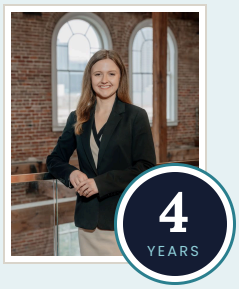
KFG News

ANNIVERSARY SPOTLIGHT

Calvin Foster-Billiot

CHIEF OPERATING OFFICER

This November marks **14 YEARS** of service for Calvin with Kropog Financial Group! Calvin joined our team in November 2012 as Office Coordinator and was promoted to Chief Operating Officer in 2024. Today, he oversees marketing strategy, business technology, compliance, client services, and operational support, keeping everything at KFG running smoothly behind the scenes. Thank you, Calvin, for your dedication and leadership. Congratulations on 14 years, and here's to many more!



ANNIVERSARY SPOTLIGHT

Courtney Valentine, MBA, CFP®, APMA®

FINANCIAL ADVISOR

This Fall, Courtney celebrates **4 YEARS** with Kropog Financial Group! Since joining our team as a licensed Financial Advisor in late 2022, she has added the CFP® designation to her MBA and APMA®, and she brings care and expertise to every client relationship. Thank you, Courtney, for all you do. We're grateful to have you as part of the Kropog Financial family and look forward to many more milestones together!

Check out what's new at Kropog!

- Contact our Director of Client Relations, **Gabrielle Walker**, with any service-related questions, and include her in all other office email correspondence. **Email:** Gabrielle@kropogfinancialgroup.com | **Call:** 985-727-6724
- Servicing our clients is the core of what we do. If you know of someone who has changed careers or recently retired and would benefit from financial planning, feel free to direct them to our website (www.kropogfinancial.com), where they can schedule a free "Initial Consultation" with us.
- Don't forget that you can text us at the office! Save us in your phone as **"KFG Texting"** with the number **(985) 807-1750**. Standard message & data rates apply.

Words to Inspire

"*A budget is telling your money where to go instead of wondering where it went.*

DAVE RAMSEY

"*Don't let making a living prevent you from making a life.*

JOHN WOODEN

"*Think you can, think you can't; either way you'll be right.*

HENRY FORD

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This research material was prepared by Ryan Kropog, CFP®, RICP®.