

MARKET DOWN

Stocks fell yesterday but pared their losses after House members agreed to return to budget talks. Page 30



HOME SALES UP

Sales of new homes rose in November, providing fresh evidence that the housing market is recovering nicely. Page 30

	YEST CLOSE		CHNG	PCT
DOW JONES	13,096.31	▼	-18.28	-0.1%
NASDAQ	2,985.91	▼	-4.25	-0.1%
S&P 500	1,418.09	▼	-1.74	-0.1%
DOLLAR	.7554	●	-0.00	0.0%
CRUDE OIL	\$90.87	▼	-\$0.11	-0.1%

Consumer confidence falls as fiscal cliff looms

By Kevin G. Hall
MCT NEWS SERVICE

WASHINGTON — Consumer confidence plunged sharply in December, thanks to the political drama unfolding in the nation's capital.

The falling confidence, reported yesterday in the Conference Board's monthly index of consumer sentiment, is a clear sign that the ongoing partisan wrangling in Washington

over the approaching fiscal cliff is having direct economic consequences.

But within the survey of consumer confidence, there are signs of an ongoing recovery, with fewer participants reporting worsening conditions and more citing improvement.

That was supported yesterday by positive housing and employment data. First-time claims for jobless benefits fell by 12,000

to 350,000, and to a four-week average of 356,750. That's the lowest four-week average since March 2008, several months before the near-meltdown of the U.S. financial system.

"The labor market is holding together despite lingering concerns over the fate of the fiscal cliff," Neil Dutta, head of U.S. economics for forecaster Renaissance Macro, said in a research note.

In another positive sign, sales of new single-family homes climbed by 4.4 percent in November from October, the Commerce Department said, to the highest level since April 2010. New home sales are up 15.3 percent above November 2011.

Still, sales data and jobless claims look backward, whereas the confidence measure is an indicator of future bumps in the road for the economy. The

Conference Board's consumer confidence index declined by a larger-than-expected margin, falling from November's reading of 71.5 to 65.1 in December. The drop is almost entirely caused by weaker consumer expectations.

"The sudden turnaround in expectations was most likely caused by uncertainty surrounding the oncoming fiscal

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ASK THE BIZ BRAIN

Q. A family member is considering going to a nursing home or assisted living. He has bank accounts labeled "in trust for" different family members and accounts labeled "and/or" in his name and that of siblings. He has Social Security and is receiving a pension. Do the nursing homes take the accounts and is there a penalty if he gives the monies to the assigned family members? Are the bank accounts exempt?

— Family member

A. It's a tough and confusing road to look out for the assets of an elderly person who is considering entering a care facility. There are several items for your relative to consider.

In order to qualify for Medicaid, an individual must meet certain requirements and pass certain tests.

One of these is an "asset test," said Mary Scrupski, a Robbinsville-based estate planning attorney.

"There are different tests, especially for nursing homes versus assisted living, but in general an individual cannot have more than a few thousand dollars in assets," she said. Otherwise they'll be paying the bill.

Joint bank accounts and "in trust for" accounts are counted unless the person applying for Medicaid can prove that the money in the account actually belongs to another person and was deposited into the account by the person, Scrupski said.

That doesn't sound like it's the case for your family member.

If the money in the account was deposited to the account by the person applying for Medicaid, it will be considered theirs, even if the account is a joint account, Scrupski said.

So yes, there is a penalty if the person gives money away and then applies for Medicaid.

Currently, there is a five-year "lookback" period, which means that when someone applies for Medicaid, most transfers made within five years will be considered and will result in a penalty period.

"Some transfers are completely exempt but in most cases, a penalty will result," she said. "The period is calculated by dividing the amount given away by the average cost of nursing home care in New Jersey, and this amount changes periodically."

Scrupski said it's very important to note that the penalty period basically starts when the person would otherwise qualify for Medicaid. Under prior law, the penalty started on the date of the transfer. The law changed a few years ago and, as a result, it is very important to time a Medicaid application just right, otherwise a penalty period could result.

If your relative doesn't qualify for Medicaid, he can expect to pay for this care — using those accounts — until he does qualify.

Karin Price Mueller

E-mail your questions to askbiz@starledger.com

A tech wish list for 2013

Here's hoping new year will bring better gadgets

Here it is: my holiday wish list.

What, you think it's too late?

I think I'm actually ahead of the game. This isn't my list for the current holiday season. I'm preparing my list for 2013.

That's because I already have a pretty good idea of the gadgets, services and software that I'd like to see available by this time next year. We're awash in amazing technology, but somehow the more of it we have, the more we crave. As soon as a gadget is out, we want one that's thinner, that's cheaper, that's got a better screen and longer battery life. Admit it: You'd like all of those qualities in just about every device you've got.

Yet this list isn't really about shiny new toys. If there's a theme to my list, it's the idea of refining today's cutting-edge technologies — the ones you might not yet have purchased because they're not quite there yet — and making them into hassle-free, everyday tools you don't even need to think about to use.

Yes, smart cameras exist, and, yes, there are wireless stereos, and, yes, internet-connected TVs are everywhere, but the ones out now aren't what we really want. They could be better — a lot better. And they will certainly improve over the next year, maybe even leading to next year's breakthrough technologies.

So here it is: my wish list for 2013.

■ **A TV that works**

I don't care who makes this. Apple is a leading candidate, sure, but I'd buy one from Google or Microsoft if it really delivered. With TV coming from so many sources, it's become hopelessly confusing

TECHNOLOGY
Allan Hoffman
nj.com/business



to figure out where and how to tune into shows. YouTube via the Roku? Netflix from the Wii or the TV itself? I once lost a movie (or the right to watch it in the 24-hour digital rental time) because I couldn't figure out where to locate it after renting the film. Let's have one touch-screen remote and one screen. That's it. Make it as simple to watch TV as it was when they had knobs.

■ **Cloud computing that's foolproof**

I use web-based services for everything from backing up my computer (Backblaze)

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"IF YOU THINK YOU CAN DO A THING OR THINK YOU CAN'T DO A THING, YOU'RE RIGHT." — HENRY FORD

Economic boost a bright spot after hurricane's dark clouds



JIN LEE/BLOOMBERG NEWS

A construction worker repairs a Staten Island home damaged by Hurricane Sandy. The storm is giving the Northeast, not to mention the rest of the country, an economic boost that may eventually surpass the loss of business it caused.

By Michelle Jamrisko
BLOOMBERG NEWS

The first customers Michael Guarino saw after Hurricane Sandy asked to cancel orders for furniture no longer needed in their damaged homes, threatening the survival of a business his family opened three generations ago.

Then came a different set of clients. Two weeks after Sandy made landfall Oct. 29, Guarino, owner of Michael's Furniture in Brick, began what's turned into more than a month of 80-hour workweeks to serve residents restocking their houses.

"I can't even keep up with it," Guarino, 50, said of the post-storm demand. His business added two more delivery

trucks and a warehouse. He expanded the staff to 27, from 15, with plans to hire more, even as Guarino said it's "very difficult" to find local workers while residents are consumed with cleanup efforts.

Furniture dealers are among the businesses seeing a boom in orders as consumers in the Northeast recover from the worst Atlantic storm on record. The disaster that killed more than 100 people in 10 states is also providing unexpected opportunities for companies assisting in the rebuilding and the employees they've hired to help.

Construction, plumbing, sand supply, tree removal, road repair and structural engineering

are among services spread thin.

Sandy has probably increased the demand for construction workers by at least an additional 30,000, said Bernard Baumohl, chief global economist at Economic Outlook Group, a Princeton-based forecasting firm.

The economic boost of post-storm reconstruction probably will occur over the next year or two, and Baumohl said he expects "a real big, V-shaped rebound" in construction over the next six to 12 months.

"We're going to see a significant multiplier effect with all these jobs that are going to be generating income for these

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