How The Recent Fed Rate Cut Could Impact Sales Growth In Your Business

Description

By James Schulze

This article discusses the Federal Reserveâ??s recent cut in its rate and how this change may positively impact several industries. It also discusses how you can be ready to pursue the growing opportunity in your industry.

Itâ??s the news we have all been waiting for. The Federal Reserve *finally* lowered the federal funds rate by a half percentage point. The benchmark interest rate is now within the range of 4.75% to 5.00%. While many of us were hoping for a downward adjustment of the typical 25 basis points, the Fed exceeded expectations with a reduction of 50 basis points. This dramatic slash in the Fed rate could give some industries a sales boost.

What industries will benefit from the Fed rate cut?

As the Fed rate decreases, other interest rates often follow suit. The obvious beneficiaries of an interest rate reduction are industries that rely heavily on consumersâ?? ability to borrow money. A lowered Fed rate often makes it easier and cheaper for consumers to borrow money, which benefits industries such as:

  - **Consumer Debt Consolidation** â?? Consumersâ?? credit card balances and delinquency in making payments have been on the rise. An estimated 20% of Americans have maxed out their credit cards, struggling to make even the minimum payments calculated on high interest rates. Debt consolidation loans with overall lower interest rates will offer them an opportunity to more effectively deal with their debt.
  - **Solar** â?? Despite the tremendous excitement about solar energy, consumers have pulled back on investing in solar installations in recent months. Many consumers fund solar installation projects with personal loans, which carry high interest rates. As rates are lowered, these personal loans and ultimately solar installations become more palatable.

- **Mortgage** â?? Lower interest rates often create a boon in refinancing activity. Consumers who are looking to purchase a home may be encouraged by lowering rates and seek to lock in at a lower rate.

- **Auto** â?? More than 80% of all new cars are purchased with financing. Lower interest rates will likely stimulate new car sales, and ultimately higher sales in auto insurance and auto warranties.

As consumers pay less in interest, some of their cash flow could be freed up to make other purchases that may have been back-burnered or not even a real possibility before. In that sense, an even broader array of businesses could benefit from the rate reduction. Some of these include:

- **Home Services** â?? While homeowners recognize the importance of maintaining their homes, they are likely to put off home improvements like roofing, windows, siding, gutters, and other projects in difficult economic times. With a bump in available cash flow, they may take a stronger look at obtaining a home services contract.
- **Home Warranty** â?? A home warranty is a service contract that covers wear and tear on your major appliances as well as electrical, plumbing, and HVAC systems. For many homeowners, this may be viewed as a â??nice to haveâ?• if the budget allows. With additional cash flow, more homeowners may be driven to invest in a home warranty.
- **Final Expense** â?? Most Americans do not want to burden their loved ones with their final expenses; however, with high costs and debt obligations affecting many American families, not all people can afford to purchase a final expense plan. With even a small uptick in cash flow, final expense insurance could become a realistic possibility for many.

Are you ready to take advantage of the growing sales opportunity?

Most experts agree that a Fed rate cut can stimulate business growth. Business owners can ensure they are poised to go after this new opportunity by reviewing and possibly modifying their current marketing efforts. A key element in most marketing plans is a strategy for identifying potential customers. Not just any potential customers, but those who are *warm* leads already having shown some level of interest in the businessesâ?? products and services.

The best way to take advantage of a motivated customer base in any of these verticals is to contact them with aged leads. Aged leads generated during times with higher interest rates will likely include consumers who are ready to buy as rates lower.

Opt-in aged leads offer many benefits. They are:

- **Cost-effective** â?? Most aged leads cost less than $0.50 per lead.
- **Plentiful in supply** â?? Hundreds of thousands of aged leads are available in most verticals.
- **Interested consumers** â?? All of our aged leads are opt-in, meaning that these consumers have expressed interest in the past and may now be ready to make a purchase.

The Leads Warehouse has the largest assortment of quality aged leads, ready to deliver today.

If you would like more information on how you can grow your sales, give The Leads Warehouse a call at **1-800-884-8371** or visit our website at https://theleadswarehouse.com.

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Author

jimtlw-media