



# By the Numbers

1. **WE WEATHERED THE STORM** - Over a 30-day period beginning 9/07/08, the government took over Fannie Mae and Freddie Mac in anticipation of as much as \$200 billion of mortgage defaults, the largest bankruptcy in the history of the USA took place (Lehman Brothers), the \$700 billion "Troubled Asset Relief Program" (TARP) was signed into law by President George W. Bush, and a bailout of the nation's largest insurance company (AIG) gave the government 80% ownership of the firm (source: BTN Research).
2. **IT ALL RAN TOGETHER** - During the 30 years ending 8/31/18, the best 12-month performance and the worst 12-month performance for the S&P 500 occurred over a single 24-month period. The worst 12-months (a total return loss of 43.3%) was the 1-year from 3/01/08 to 2/28/09 and the best 12-months (a total return gain of +53.6%) was the 1-year from 3/01/09 to 2/28/10. The S&P 500 consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value weighted index with each stock's weight in the index proportionate to its market value (source: BTN Research).
3. **NONE** - As of the end of 2017, 19% of Millennials and 12% of Baby Boomers had no money (either pre-tax or post-tax) invested in the stock market. Millennials were born between 1981-97 and were ages 20-36 in 2017, while the Baby Boomers were born between 1946-64 and were ages 53-71 in 2017 (source: Vanguard).
4. **BEAR THEN BULL** - Over a painful 6-months from September 2008 through February 2009 (i.e., 9/01/08 to 2/28/09), the S&P 500 lost 41.8% (total return), including a drop of 16.8% in just the month of October 2008. The index bottomed less than 2 weeks later on 3/09/09 and began a bull market on 3/10/09 that continues to this day (source: BTN Research).
5. **MORE CONCENTRATED** - America's 5 largest banks control 47% of all banking assets, up from 29% in 1998 or 20 years ago (source: Federal Reserve Bank of St. Louis).
6. **A NEW HIGH** - After adjusting numerical data from the past for the impact of inflation, the median household income in 2017 (\$61,372) is the highest ever recorded in the United States, besting the previous record for median household income (\$60,309) set just the year before in 2016. Before 2016, the peak for median household income was \$60,062 set in 1999 (source: Federal Reserve Bank of St. Louis).
7. **TAX BREAK** - US corporations had until 9/15/18 to contribute to their company's defined benefit pension plan and still deduct the amount against 2017 income, a tax break that took advantage of last year's top corporate marginal tax rate of 35%. The top corporate marginal tax rate in 2018 is 21% (source: Tax Cuts and Jobs Act).
8. **BLANK CHECK** - An estimated 44.4% of all US individual taxpayers will legally pay zero federal income tax for tax year 2018 on their Tax Form 1040 that is due 4/15/19 (source: Tax Policy Center).
9. **LESS HELD BACK** - The \$1.74 trillion of excess reserves held by US banks at the 12 regional Federal Reserve banks as of 8/29/18 is down \$470 billion from the \$2.21 trillion held a year earlier. Excess reserves are funds held that are above and beyond the federally mandated reserve requirement amounts (source: Federal Reserve).
10. **BONDS** - There is less outstanding municipal bond debt today (\$3.8 trillion) than there was in 2010 (\$4.0 trillion). Over the same time period, outstanding Treasury debt has increased +69% to \$14.9 trillion (source: SIFMA).
11. **PAID FOR HOW?** - The state of New Jersey invested \$3.2 billion during the current 2019 fiscal year (i.e., the 12 months ending 6/30/19) to fund the defined benefit pension plans of state employees. That amount is projected to more than double to \$6.6 billion by fiscal year 2023 (source: State of New Jersey).
12. **WE'RE IN A DROUGHT** - 3 states (Arizona, California and Nevada) along with Mexico receive water allotments from Lake Mead. Under current water rights agreements, if the water level at Lake Mead falls to 1,075 feet (above sea level) at the end of any year, the federal government has the right to restrict water allocations to Arizona, Nevada and Mexico. As of last Friday, the water level was 1,079 feet (source: [www.lakelevels.info](http://www.lakelevels.info)).
13. **COSTS MORE** - 44% of 1,040 retirees surveyed in January 2018 report that their health care expenses in retirement are higher than they anticipated (source: Employee Benefit Research Institute).
14. **MORE OUT THAN IN** - The total cost of the Social Security program in 2018 (\$1.003 trillion) is projected to exceed its total income (\$1.001 trillion), resulting in the program's first deficit since 1982 (source: Social Security).
15. **LONE STAR STATE** - The University of Texas is # 1 in athletic revenue generated (\$215 million) of any NCAA school. Texas A&M ranks # 2 on that list with \$212 million of revenue (source: NCAA).

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