



# By the Numbers

1. **BULL RETURN VS. LONG-TERM AVERAGE** - The S&P 500 has gained +18.2% per year (total return) during the bull market run that began on 3/10/09 and has continued through last Friday 10/19/18, larger than the index's trailing 50-year (1968-2017) average annual return of +10.1%. 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).
2. **IF IT HAPPENED TODAY** - When the S&P 500 fell 58 points on "Black Monday" (10/19/87), the tumble represented a fall of 20.5%. A 20.5% decline on last Friday's (10/19/18) closing index value of 2768 would equate to a fall of 567 points. The largest drop for the index this year has been 113 points (source: BTN Research).
3. **WHERE ARE THE WORKERS?** - From the 2.1 million job openings in the United States reported in July 2009 while the country was mired in a recession, that number has jumped to record 7.136 million as of August 2018. The 5 million increase in job openings since mid-2009 is equivalent to 100,000 new available jobs in each of our 50 states (source: Department of Labor).
4. **EQUITY** - The average loan-to-value ratio in the US housing market as of 6/30/08 was 55%, i.e., the average home mortgage had 45% of equity behind it. The average loan-to-value ratio in the US housing market as of 6/30/18 was 40%, i.e., the average home mortgage had 60% of equity behind it (source: Federal Reserve).
5. **JUST FIVE SURPLUS YEARS** - The budget deficit for the United States in fiscal year 2018 (i.e., the 12 months that ended 9/30/18) was \$779 billion. The USA has run a budget deficit in 53 of the last 58 fiscal years, i.e., 1961-2018. The only surplus years were 1969, 1998, 1999, 2000 and 2001 (source: Treasury Department).
6. **NATIONAL EXPENDITURES** - 62% of the \$4.108 trillion of total outlays for the US government during the recently completed fiscal year 2018 was in just 4 categories – Social Security (\$988 billion), National Defense (\$665 billion), Medicare (\$589 billion) and Net Interest Expense (\$325 billion) (source: Treasury Department).
7. **BUT THE ECONOMY IS STILL GROWING?** - Corporate income taxes collected during fiscal year 2018 were \$204.7 billion, down 31.1% from the previous fiscal year (2017) total of \$297.0 billion. Corporate income taxes collected in fiscal year 2015 were \$343.8 billion (source: Treasury Department).
8. **DEFENSE DOLLARS** – America's spending on "National Defense" (stated as a percentage of total government outlays) has fallen from 43.2% in fiscal year 1966 to 16.2% in fiscal year 2018 (source: Treasury Department).
9. **THE MOST POPULAR CURRENCY** - 63% of all foreign exchange reserves are held in US dollars. Foreign exchange reserves are funds held by central banks around the world to back a country's national currency in the event of an unexpected devaluation (source: International Monetary Fund).
10. **NEW BOND BUYER NEEDED** – Since Janet Yellen announced on 9/20/17 a plan to shrink the Fed's balance sheet by having bonds mature without reinvesting the principal into newly issued bonds, the "securities held outright" by the Fed have declined by \$266 billion to \$3.98 trillion (source: Federal Reserve).
11. **SENIOR CITIZENS** - 15% of the US population was at least age 65 in 2017. By the year 2030, 20% of the US population will be at least age 65. Over that 13-year period, the number of Americans at least age 65 is projected to increase by +44% while the overall US population is forecasted to increase just +11% (source: Social Security).
12. **MOM AND DAD** - The national median cost in 2017 for an assisted living facility (private 1-bedroom accommodation) was \$3,750 per month or \$45,000 per year (source: Genworth).
13. **NOT ALL INCOME** - The maximum taxable wage base subject to the social security payroll tax is \$132,900 for 2019. An estimated 82.5% of earnings of all US workers will be subject to the social security payroll tax next year, a levy that is 6.2% for employees and 6.2% for employers (source: 2018 Trustees Report).
14. **WASN'T THIS DONE ALREADY?** - As of 11/01/18, actuaries providing annual valuations to plan sponsors of defined benefit pension plans are required to use their "professional judgement" to ascertain if additional calculations are necessary in assessing "pension plan obligations and contributions." This additional work would result in added fees that would be borne by the pension plan. Just 13% of non-union private sector workers are covered by a defined benefit pension plan (source: ASOP 51).
15. **WINNER** - Nick Saban lost 6 games as Alabama's head coach in his first year at the school (2007) but has lost just 14 games in 11 seasons since then for games played through 10/19/18 (source: Alabama Sports).

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