

By the Numbers

July 26, 2021

Your weekly commentary covering the markets and other financial topics.

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TIME IN THE STOCK MARKET - If you selected **any single month** at random to invest in the S&P 500 during the **30-years ending 6/30/21**, you achieved a **positive total return** 67% of the time. If you extend your investment **time horizon** to just **1 year**, you achieved a positive total return 83% of the time. If your **time horizon** was **5 years**, you achieved a positive total return 84% of the time. 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*).

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NEXT MONTH - August has been the **2nd worst performing month** for the S&P 500 index over the **last 30 years** (1991-2020), losing an average of 0.2% (total return) over the period. However, the S&P 500 **gained +7.2%** (total return) in August 2020 (*source: BTN Research*).

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THEY HAD TO BE SURE - The government announced on Monday 7/19/21 that **the recession** the United States entered into at the end of February 2020 **lasted just 2 months**, ending on 4/30/20. The recession, the **18th in the country in the last 100 years**, was the **shortest recession** in the last century. The **other 17 recessions** in the last 100 years **lasted on average 13.6 months** (*source: Business Cycle Dating Committee of the National Bureau of Economic Research*).

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WHERE THE WEALTH IS - The **amount of equity** American seniors at least age 62 **have in their homes** has **doubled since the end of 2011**, rising from **\$4 trillion** as of 12/31/11 to **\$8 trillion** as of 12/31/20 (*source: National Reverse Mortgage Lenders Association*).

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TAKE ADVANTAGE OF LOW RATES - 27% of households with an **outstanding mortgage** on their primary residence have **applied to refinance their mortgage** within the **last year** as of June 2021 (*source: Federal Reserve Bank of New York*).

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NOT AS MANY ON THE MARKET - There were **1.25 million existing homes for sale** nationwide in June 2021, **1.54 million existing homes for sale** in June 2020 and **1.92 million existing homes for sale** in June 2019 (*source: National Association of Realtors*).

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CHEAPER NOW - The median **2-bedroom apartment** in San Francisco cost **\$3,146 per month** in March 2020, but has **dropped 14%** to **\$2,695 per month** as of July 2021 (*source: www.apartmentlist.com*).

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- 8 **JUNKY STUFF** - The “**investment grade**” corporate bond market is more than **5 times** as large as the “**junk-rated**” corporate bond market, i.e., \$6.7 trillion of “investment grade” corporate bonds outstanding compared to \$1.2 trillion of “junk-rated” corporate bonds (*source: Ice Data Services*).
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- 9 **STRONG BANKS** – As of 7/22/21, the **last bank** in the United States to **require a bailout** from the Federal Deposit Insurance Corporation (FDIC) was the Almena State Bank of Almena, KS on 10/23/20 or **9 months ago**. That’s the **3rd longest stretch** without a **bank failure** in the country in the **last 20 years** (*source: FDIC*).
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- 10 **JUST TAKE UBER** - The price of **used cars and trucks** in the United States is **up +45.2%** for the 1-year period ending 6/30/21. Over the same period, the price of “**medical care services**” is **up just +1.0%** (*source: Bureau of Labor Statistics*).
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- 11 **THE HIGH COST OF CARE** - 12% of US retirees, i.e., 1 out of 8, will **spend at least 4 years** in a **nursing home** (*source: Center for Retirement Research at Boston College*).
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- 12 **HAPPENED EARLIER THAN EXPECTED** - Between March 2020 (i.e., the beginning of the global pandemic) and June 2021, **1.7 million more Americans** retired from the workforce **than would have normally retired** if historical trends had continued (*source: Schwartz Center for Economic Policy Analysis*).
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- 13 **DOWN, BUT STILL A LONG LIFE** - Life expectancy at birth dropped to **77.3 years** in 2020, down from **78.8 years** in 2019. Life expectancy at birth was **77.4 years** in 2005 (*source: National Vital Statistics Report*).
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- 14 **IDENTIFY THIEVES** - 394,000 Americans filed an **identity theft report** with the Federal Trade Commission (FTC) in 2020. According to the FTC, the criminals were using the stolen information “overwhelming” to “**fraudulently obtain unemployment benefits**” (*source: IdentifyTheft.gov*).
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- 15 **REALLY GOOD GOLFER** - When **Collin Morikawa** won the **British Open** golf tournament on 7/18/21, he became the **1st golfer in history** to win 2 different golf majors **in his debut effort**. Morikawa won the PGA Championship in San Francisco in August 2020. Morikawa **made the cut** in his first 22 professional tournaments (*source: PGA*).
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