



# By the Numbers

1. **AFTER TEN MONTHS** - With just **2 months to go** in calendar year 2020, the S&P 500 is **up +2.8% YTD** (total return) as of the close of trading on Friday 10/30/20. Over the **last 30 years** (1990-2019), **November and December** have ranked as the **# 1 and # 3 "best months"** for the S&P 500. 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. **BONDS BEAT STOCKS?** - The **bond market** was **up +6.4% YTD** (total return) through last Thursday 10/29/20. Bonds **have beaten** the performance of stocks (using the S&P 500) in **2 of the last 10 years** (2011 and 2018). The Bloomberg Barclays Aggregate bond index, calculated using 6,000 publicly traded government and corporate bonds with an average maturity of 5 years, was used as the bond measurement (source: BTN Research).
3. **OWNERS AND RENTERS** - The 126.7 million **households** in the United States **as of 9/30/20** were split **67/33** between **85.4 million owners** and **41.3 million renters** (source: Census Bureau).
4. **BEST EVER** - The US economy **rose a record +33.1%** in the 3rd quarter 2020, i.e., quarter-over-quarter change **expressed as an annualized result**. In reality, the economy as of 9/30/20 is only **+7.41%** larger than the size of the economy as of 6/30/20 after **removing the impact of inflation**. A **+7.41% gain occurring for 4 consecutive quarters**, i.e.,  $(1.0741)^4 = 1.331$ , equals a **+33.1% annualized advance** (source: Department of Commerce).
5. **BAD, BUT NOT THAT BAD** - The 3/27/20 **CARES Act** included **\$139 billion** of relief for the 50 US states. From 2/29/20 to 8/31/20, the **tax revenue** collected by all US states is **down \$30 billion** over the same 6-month period from a year earlier. When the **CARES Act** was being debated in Congress, **US governors** requested financial support of **\$500 billion** from law makers (source: National Governors Association).
6. **RENTING IN THE BIG APPLE** - As of 9/01/20, the **median rent of apartments** in Manhattan (NY), was **down 11%** on a year-over-year basis. The median rent of Manhattan **studio apartments** is **down 17%** year-over-year (source: Miller Samuel Inc. and Douglas Elliman Real Estate).
7. **MORE NOVACANE PLEASE** - Americans are projected to **spend 38% less** at the **dentist** in 2020 than they did in 2019 (source: American Dental Association).
8. **THE MOST PAID** - The **maximum Social Security benefit** paid to a worker retiring at **full retirement age** in 2021 is **\$3,148 per month**, more than double the **\$1,536 per month** maximum benefit paid **20 years earlier** in 2001 (source: Social Security).
9. **PURE MICHIGAN** - The **\$18 billion of municipal bonds** that the city of Detroit **defaulted on in 2013** is the **largest municipal bond default** in US history (source: Federal Reserve Bank of St. Louis).
10. **A LOT LESS RISKY** - In the **10 years** prior to **February 2020**, only **5% of municipal bonds offerings** (measured by dollar) included **insurance coverage** purchased by the borrower, i.e., insurance that would **make municipal bonds investors whole** in the event of a **default by the municipality** (source: Municipal Market Analytics).
11. **WORK FROM HOME** - 65% of Americans surveyed in late June 2020 have **internet capabilities** that are **fast enough** to support **workable video conferencing** (source: Stanford Institute for Economic Policy Research).
12. **THE ONLY GAME THEY PLAY** - The **breakeven price of oil** for Saudi Arabia in 2020 is **\$78 a barrel**. 80% of the **total government revenues** in Saudi Arabia come from **the sale of oil**. The price of oil closed at **\$35.79 a barrel** (West Texas Intermediate) on Friday 10/30/20 (source: Statista).
13. **BUCKEYES KNOW** - The state of Ohio has **correctly backed** the winner of the **US presidential election** in each of the **last 14 races** for the **White House**, i.e., 1964-2016 (source: USConstitution.net).
14. **WHOOOPS** - On the day of the **11/08/16 election**, the political website "FiveThirtyEight" projected a **71.4% chance** that **Hillary Clinton** would win in the 2016 presidential election with **302 Electoral College votes**, 70 votes more than she ultimately received (source: fivethirtyeight.com).
15. **THEY DO GET A FREE EDUCATION** - If Alabama was to pay Head Coach Nick Saban **\$2.37 million** in an annual salary and pay every one of the **126 players** on the Alabama football roster **\$55,000**, they would be **out-of-pocket** the same **\$9.3 million** they currently pay Saban and **\$0 they pay** to the 126 players. **\$2.37 million** is the cutoff to rank in the **top one-tenth of 1%** of all US taxpayers. **\$55,000** is the cutoff to rank in the **top 40%** of all US taxpayers (source: University of Alabama, IRS).

**No forecasts can be guaranteed. Past performance is not a guarantee of future results.** This has been provided for informational purposes only, reflects the current opinion of the author which is subject to change without notice, as are statements of financial market trends, which are based on current market conditions. Michael Higley is not affiliated with MFS<sup>®</sup> Investment Management nor any of its subsidiaries. Copyright © 2019 Michael A. Higley. All rights reserved. Reproduction Prohibited without Express Permission.

Distributed by: **U.S.** - MFS Institutional Advisors, Inc. ("MFSI"), MFS Investment Management and MFS Fund Distributors, Inc.; **Latin America** - MFS International Ltd.; **Canada** - MFS Investment Management Canada Limited. No securities commission or similar regulatory authority in Canada has reviewed this communication; **U.K.** - MFS International (U.K.) Limited ("MIL UK"), a private limited company registered in England and Wales with the company number 03062718, and authorized and regulated in the conduct of investment business by the U.K. Financial Conduct Authority. MIL UK, an indirect subsidiary of MFS, has its registered office at One Carter Lane, London, EC4V 5ER UK and provides products and investment services to institutional investors globally. This material shall not be circulated or distributed to any person other than to professional investors (as permitted by local regulations) and should not be relied upon or distributed to persons where such reliance or distribution would be contrary to local regulation; **Singapore** - MFS International Singapore Pte. Ltd. (CRN 201228809M); **Australia/New Zealand** - MFS International Australia Pty Ltd ("MFS Australia") holds an Australian financial services license number 485343. In Australia and New Zealand: MFSI is regulated by the US Securities & Exchange Commission under US laws and MIL UK is regulated by the UK Financial Conduct Authority under UK laws, which differ from Australian and New Zealand laws. MFS Australia is regulated by the Australian Securities and Investments Commission; **Hong Kong** - MFS International (Hong Kong) Limited ("MIL HK"), a private limited company licensed and regulated by the Hong Kong Securities and Futures Commission (the "SFC"). MIL HK is approved to engage in dealing in securities and asset management regulated activities and may provide certain investment services to "professional investors" as defined in the Securities and Futures Ordinance ("SFO"). **For Professional Investors in China** - MFS Financial Management Consulting (Shanghai) Co., Ltd. 2801-12, 28th Floor, 100 Century Avenue, Shanghai World Financial Center, Shanghai Pilot Free Trade Zone, 200120, China, a Chinese limited liability company regulated to provide financial management consulting services; **Japan** - MFS Investment Management K.K., is registered as a Financial Instruments Business Operator, Kanto Local Finance Bureau (FIBO) No.312, a member of the Investment Trust Association, Japan and the Japan Investment Advisers Association. As fees to be borne by investors vary depending upon circumstances such as products, services, investment period and market conditions, the total amount nor the calculation methods cannot be disclosed in advance. All investments involve risks, including market fluctuation and investors may lose the principal amount invested. Investors should obtain and read the prospectus and/or document set forth in Article 37-3 of Financial Instruments and Exchange Act carefully before making the investments.

**FOR INVESTMENT PROFESSIONAL AND INSTITUTIONAL USE ONLY.** Should not be shown or distributed to the public.