



CAPITAL BENEFITS, LLC

BY THE NUMBERS 09/13/21 Edition

1. **TWENTY YEARS AGO** - The US stock market **did not open** at its regular time of 9:30am ET on Tuesday 9/11/01, shutting down after the first plane hit the **North Tower of the World Trade Center** at 8:46am ET and the second plane hit the **South Tower** at 9:03am ET. When the market did reopen on Monday 9/17/21, the **S&P 500 fell 4.9%** (total return) for the day. 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. **FROM THEN TO NOW** - The S&P 500 was already in a **"bear" market slide** when the 9/11 attacks occurred, having peaked 1 ½ years earlier on 3/24/00. That **"bear"** did not end for more than another year (on 10/09/02), subsequently followed by **2 additional "bears"** in **2007-09** and in **2020**. In spite of **3 "bears"** in the **last 20 years**, the S&P 500 has gained **+9.4% per year** (total return) from 9/10/01 to last Friday 9/10/21 (source: BTN Research).
3. **MARGIN DEBT** - The use of **margin debt** on the New York Stock Exchange fell in July 2021 to **\$844 billion**, breaking a streak of **8 consecutive months** of record-setting debt (source: Financial Industry Regulatory Authority).
4. **LUMP-SUM NEEDED** - A **present value (PV) amount of \$195,929** is required to fund a \$1,000 per month payment for **20 years** with a **+3% annual increase** for maintenance of purchasing power if a **+5% annual rate of return** is maintained into the future. The **PV amount is \$269,006** if the required payment period is **30 years**. The calculations ignore the impact of taxes and are for illustrative purposes only and are not intended to reflect any specific investment alternative (source: BTN Research).
5. **THEY HAD ENOUGH** - **3.2 million Americans retired** in 2020, a +56% increase over the average **2.05 million Americans who retired** over the previous 8 years, i.e., 2012-2019 (source: Pew Research Center).
6. **TAXES** - Congress will debate **3 major tax hikes** designed to offset the cost of the proposed **\$3.5 trillion social infrastructure bill**: 1) a corporate income tax increase (to **raise \$1 trillion** over 10 years), 2) a corporate tax on overseas income (to **raise \$550 billion**), and 3) a higher capital gains tax (to **raise \$322 billion**) (source: CNBC).



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7. **IN TROUBLE** - At least 500 US corporations have filed for **bankruptcy protection** per year since 2015, including 630 in 2020. 242 corporations **filed for bankruptcy** in the 1st half of 2021 (source: S&P Global Mkt Intelligence).

8. **NATIONWIDE AVERAGE** - The value of a **single-family home** in the United States **increased by an average of +17.4%** over the **12 months** from 6/30/20 to 6/30/21 (source: Federal Housing Finance Agency).

9. **GETTING WORSE** - The **projected 75-year shortfall** in the **Social Security Trust fund** has **tripled in the last 10 years**. The **2011 Trustees Report** forecasted a **\$6.5 trillion present value shortfall** between payroll taxes anticipated to be collected and projected benefits to be paid out over the next 75 years. The **2021 report**, released 8/31/21, now projects the **present value shortfall to be \$19.8 trillion** (source: 2021 Trustees Report).

10. **MOVED MONEY AROUND** - The **Disability Insurance (DI) Trust Fund** was projected **to be depleted** by the **4Q of 2016** per a 7/22/15 trustee report. This **forced Congress** to allocate more of the 12.4% **combined payroll taxes** collected from employers and employees **for 3 years** (2016-17-18) to the **DI fund**. The extra funds have pushed the DI Trust Fund's exhaustion date **to 2057 or 36 years out** (source: Social Security Trustees 2021 Report).

11. **MEDICARE** - Per an 8/31/21 report, the **trust fund** supporting **Medicare Part A** (hospital insurance) is projected **to be depleted** by 2026. The long-term (75-year) present value shortfall in the trust fund **could be corrected** by an immediate **0.77 percentage point increase in combined Medicare payroll taxes** (from its current 2.90% to 3.67%) or an **immediate 16% reduction** in Medicare expenditures (source: Medicare Trustees 2021 Report).

12. **DOLLARS IN, DOLLARS OUT** - At the end of 2020, Medicare was covering **62.6 million Americans** (19% of our population). The program was **cash negative** in 2020, taking in **\$900 billion** of income (including \$5 billion of interest income) while paying out **\$926 billion in benefits**(source: Medicare).

13. **NOT SLOWING DOWN** - **1.51 million Americans** became infected with the **COVID-19 virus** in **August 2020**. **4.35 million Americans** became infected with the **COVID-19 virus** in **August 2021** (source: NBC News).



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14. **TOP TWO FOR FASHION IMPORTS** - For the 12 months ending 7/31/21, **China** was the supplier of 23.3% of the USA's "apparel" imports, while **Vietnam** had an 18.9% market share (source: Commerce Department).

15. **IN TIME FOR FOOTBALL** - **23 states** offer **legalized sports betting** today, with another **9 states** having passed legislation **allowing betting** but they have yet to make the gambling operational (source: Amer. Gaming Assoc.).