



CAPITAL BENEFITS, LLC

BY THE NUMBERS 01/17/2022 Edition

1. INVEST FOR THREE YEARS - Since 1926, 84% of the Rolling 3-year periods for the S&P 500 index (i.e., the 94 Separate 3-years beginning 1926-28, then 1927-1929 2019-21) have produced a positive return. 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. YEAR TWO IN THE WHITE HOUSE - This year (2022) is the 2nd year of Joe Biden's 1st 4-year presidential term. The S&P 500 index has been positive on a total return basis during 15 of the last 24 "presidential 2nd-years," i.e., 2nd-years dating back to 1929. The average performance for the S&P 500 index during the last 24 "presidential 2nd years" has been a gain of just +6.7% (total return) (source: BTN Research).

3. YOU'RE HIRED - US employers added 6.45 million new jobs in 2021, an average gain of 537,000 new jobs created each month. The smallest monthly jobs gains took place in December 2021 when just 199,000 new jobs were reported. By year-end 2021, 149.0 million Americans had full-time jobs (source: Department of Labor).

4. POWER TO THE WORKER - Average hourly earnings of employees in the private sector rose by +4.7% in 2021, on top of a +5.5% gain in 2020. This advancement of wages during a nationwide pandemic, a 2-year average wage gain of +5.1% per year, was double the +2.5% annual gain in average hourly earnings over the preceding 13 years, i.e., 2007-2019 (source: Department of Labor).

5. HASN'T BEEN ENOUGH - Only 1 out of every 6 workers surveyed in December 2021 (17%) believe they received pay raises during 2021 that allowed them to “keep up with inflation.” 5,365 workers were interviewed for this survey (source: Momentive Poll December 2021).

6. WAS LOW BEFORE - Inflation, as measured by the “Consumer Price Index” (CPI), was up +7.0% in 2021 after rising just +1.4% in 2020. The +7.0% annual inflation was the highest calendar year inflation since 1981 and was the highest year-over-year inflation since June 1982 (source: Department of Labor).

7. RUSH TO BUY - Americans borrowed a record \$1.61 trillion from mortgage lenders in 2021 to purchase homes, breaking the previous record high for purchase loans of \$1.51 trillion set in 2005. The purchase loan total does not include individuals who refinanced existing mortgages (source: Mortgage Bankers Association).

8. THEY OWN IT NOW - Banks foreclosed on just 25,662 homes nationwide in 2021, down 49% from 50,238 foreclosures in 2020 and down 82% from 143,955 foreclosures in 2019. The worst single year of foreclosures in US history was 1,050,500 foreclosures in calendar year 2010 (source: ATTOM Data Solutions).

9. A LOT FEWER - There were 1.53 million homes for sale nationwide as of 12/31/2018. Nearly 3 years later, there were 1.11 million homes for sale nationwide as of 11/30/2021 (source: National Association of Realtors).

10. BRAND NEW CAR - Americans bought 15 million new vehicles in 2021, down from 17 million purchases completed pre-pandemic in 2019. Automakers have blamed a semiconductor chip shortage as a key factor behind their manufacturing problems (source: Cox Automotive).

11. LEGAL EXCLUSION - Employees that obtain health insurance coverage through their employer do not pay federal income taxes (or payroll taxes) on the economic benefit of that part of their health insurance that is paid for by the employer. The exclusion from taxation of this economic benefit saves US taxpayers \$280 billion a year, the largest tax expenditure in the US tax code (source: Congressional Budget Office).

12. TOP TEN AND EVERYONE ELSE - The top 10% of US taxpayers in tax year 2019 made at least \$154,589 of adjusted gross income (AGI), received 47% of all AGI nationwide and paid 71% of all federal income tax (FIT) collected for the 2019 tax year. The bottom 90% of US taxpayers in tax year 2019 made less than \$154,589 of AGI, received 53% of all AGI nationwide and paid 29% of all FIT collected for the 2019 tax year (source: IRS).

13. ESTATE TAXES - The maximum amount that a deceased individual may pass onto his/her heirs federally estate-tax free (with proper planning) rose to \$12.06 million in 2022, up from \$11.7 million in 2021. The limit was \$1 million in 2002 or 20 years ago. Please consult a tax expert for details (source: Internal Revenue Service).

14. SAFE MONEY - From 1/01/20 (before the pandemic) to 1/05/22, the size of the money market fund industry in the USA (both taxable and tax-free) rose from \$3.6 trillion to \$4.7 trillion (source: Investment Co. Institute).

15. GO DAWGS - ESPN college football analyst David Pollack predicted on 8/28/21 that Alabama would beat Georgia in the SEC Championship game, but Georgia would beat Alabama in the national title game (source: ESPN).