



## Trust, Confidence, Experience

\* A Registered Investment Advisor

# By The Numbers - January 2010

1. **Recessions** - The US had 2 recessions during the last decade. The first downturn lasted 8 months and ended on 11/30/01. The second recession began on 12/31/07 and is officially still ongoing as of today. (source: NBER)
2. **Out of Business** - The 10 largest bankruptcies in US history (based upon assets held at the time of the bankruptcy filing) occurred during the decade of the 2000s. (source: BankruptcyData.com)
3. **The Worst Storm** - Hurricane Katrina struck the southern coast of the USA on 8/29/05. Katrina had winds of 175 mph, caused more than 1,300 deaths and inflicted at least \$80 billion in damages, the costliest storm ever in US history. (source: National Oceanic and Atmospheric Administration)
4. **Pricey Homes** - The nationwide median sales price of new homes sold in the country during March 2007 reached \$254,000, an all-time record high. (source: Census Bureau)
5. **Biggest Scam** - A magazine article questioning the legitimacy of Bernie Madoff's investment strategy (titled "Don't Ask, Don't Tell") appeared in print on 5/07/01, 7 1/2 years before his record-setting Ponzi scheme was discovered in December 2008. Total customer losses in the scam were \$19.4 billion. (source: Barron's)
6. **Record Debt** - During fiscal year 2009 (i.e., the 12 months ending 9/30/09), the US collected \$2.1 trillion of tax receipts and spent \$3.5 trillion, resulting in a \$1.4 trillion deficit, an all-time record. (source: Treasury Department)
7. **Not the First** - One of President-elect Obama's campaign pledges is to implement universal health care, an effort first undertaken by President Theodore Roosevelt more than 100 years ago. (source: Newsweek) 1/19/09 issue, bullet # 11.

8. **Payback** - Every \$1 billion spent to upgrade the country's Infrastructure creates an estimated 18,000 jobs according to an economist from the University of Massachusetts at Amherst. (source: BusinessWeek) 1/26/09 issue, bullet #6.
9. **Global Business** - The annual revenues of the companies in the S&P 500 stock index are almost evenly produced from both inside and outside the USA, i.e., a 50/50 split. Eight years ago (2001), just 30% of sales for the S&P 500 companies came from outside the USA. (source: Financial Times) 2/16/09 issue, bullet # 4.
10. **Own vs. Rent** - More than twice as many families (76 million) live in homes that they own compared to the number of families (35 million) that rent a home or an apartment. (source: US Census Bureau) 2/23/09 issue, bullet # 11.
11. **Not Happy** - A weekly survey of stock investors indicated 70% of them were bearish as of 3/04/09, the highest bearish measurement ever recorded by this study. The 2007-09 bear market bottomed just 5 days later on 3/09/09. (source: American Association of Individual Investors) 3/16/09 issue, bullet # 3.
12. **Big Appetite** - The USA consumes as much oil per day as does the next 5 largest oil-consuming countries in the world combined. (US Energy Information Administration, Wall Street Journal) 3/16/09 issue, bullet # 14.
13. **Bond Data** - The historical default rate for all municipal bonds (i.e. bonds of all rating categories) is 0.1%. The historical default rate for all corporate bonds (i.e., bonds of all rating categories) is 9.7%. However the default rate drops to 2.1% for investment-grade corporate bonds. (source: Moody's, Municipal Market Advisors) 4/06/09 issue, bullet # 6.
14. **It was High** - The nation's unemployment rate averaged at least 7% during 6 of the 8 years that Ronald Reagan was president. Reagan was in the White House from 1981-88. (source: Department of Labor) 4/6/09 issue, bullet # 8.
15. **Keep Trying** - More than 4 out of 5 college graduates (80.3%) this year (i.e., the class of 2009) who have applied for jobs have been unable to find work. (source: National Association of Colleges and Employers) 5/18/09 issue, bullet # 13.

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