



Good morning!

At 2907, the S&P 500 closed last Friday (4/12/19) at a 2019 calendar year high. The stock index now has to gain less than +1% to eclipse its all-time closing high (2931) set just under 7 months ago on 9/20/18. But success in the stock market has historically been best enjoyed over the long haul. The split between “up” and “down” time periods for the S&P 500 since 1950, i.e., over the last 69 years, is 54/46 when the investing time horizon is measured by days, 60/40 for months, 66/34 for quarters, 72/28 for years, 78/22 for rolling 5-year periods, and 88/12 for rolling 10-year stretches (source: BTN Research).

American home builders began construction on 876,000 single-family homes in 2018, the 7th year of increasing home starts since this measurement bottomed at 431,000 in 2011. The all-time US record for home starts in a single year was 1.72 million in 2005, a total achieved during a period that saw at least 1.36 million new home starts for 5 straight years through 2006 before the real estate market collapsed (source: Census Bureau).

As of today (4/15/19), the US banking system has gone 16 months since our nation’s last bank failure took place on 12/15/17. That’s the longest stretch without a bank bailout in our country since February 2007 or more than a dozen years ago. Over the last 10 years, 480 banks failed nationwide, including 157 during calendar year 2010 alone (source: Federal Deposit Insurance Corporation).

Notable Numbers for the Week:

1. **IMPACTS THE SIZE OF CONTRIBUTIONS** - The average **assumed rate of return**, i.e., the **discount rate**, used by the pension plans maintained by **state and local governments** has dropped **from 7.9% in 2010 to 7.3% today** (source: National Association of State Retirement Administrators).
2. **LOWEST IN YEARS** - The percentage of Americans that are **unemployed or are working part-time** only because they are **unable to find full-time work** has fallen to 7.3% of the **civilian labor force** as of March 2019, the lowest percentage reported for this statistic **since December 2000** (source: Department of Labor).
3. **ONE FOLLOWS THE OTHER** - From the end of 2018 to the close of trading last Friday 4/12/19, **the price of a barrel of oil has increased +41%** (from \$45.41 to \$63.89 a barrel) and **the price of a gallon of gasoline has increased +24%** (from \$2.266 to \$2.811 a gallon) (source: NYMEX, AAA).
4. **IN LESS THAN A GENERATION** - The average cost of **1-year of college** at an average **4-year public institution** (including tuition, fees, room and board) has **tripled over the last 22 years**, rising from \$7,142 for academic year 1996-97 to \$21,370 during academic year 2018-19 (source: College Board).

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Town Center, 29 South Main St. | West Hartford, CT 06107
Phone 860.561.1162 | Fax 860.561.1018 | Toll free 877.561.1162
www.pcgct.com



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