Good morning!

The rising and falling of the “cost of money” impacts financial decisions of American consumers. For the last 30 years, the cost of borrowing (home mortgages, auto loans, business loans, lines of credit) has trended downward, setting the stage for a lower “normal” interest rate. The yield on the 10-year Treasury note, considered the most popular debt instrument in the world, was yielding 9.06% on 4/18/89 (30 years ago), falling to 5.23% on 4/18/99 (20 years ago), to 2.98% on 4/18/09 (10 years ago), and finally to 2.56% on 4/18/19 (source: Treasury Department).

It happened in the United States within the last decade, but the numbers are unbelievable. In the depths of the real estate crisis, American banks repossessed 1,050,500 homes in 2010, an average of 87,542 per month. By calendar year 2018, only 230,305 homes were repossessed (equal to 19,192 per month). Improvement in that statistic has continued into the 1st quarter 2019 as US banks took back 35,787 homes, or 11,929 per month, a drop of 86% from the carnage of 2010 (source: ATTOM Data Solutions).

The 1975 Congressional ban on most US crude oil exports, a reaction to the 1973 oil crisis in America, was designed to reduce our nation’s reliance on imported crude oil. Congress and President Barack Obama lifted that ban in December 2015, setting the stage for a surge in crude oil exports. For the week ending Friday 4/12/19, the United States exported 2.4 million barrels of crude oil per day. Just 5 years earlier (4/11/14), the US was exporting only 67,000 barrels of crude oil per day or just 3% of its current export level (source: US Energy Information Administration).

Notable Numbers for the Week:

1. ***A LOT IN A FEW*** - Half of the **net wealth created** in the US stock market **going back to 1926** was produced by just **90 publicly held companies** (source: Hendrik Bessembinder, Arizona State University).
2. ***NOT WHERE YOU’D THINK*** – The state of **North Dakota** has the **highest percentage** of adult residents who have a **net worth of at least $5 million** (source: Internal Revenue Service).
3. ***GOTTA HAVE IT*** – Americans pay “**out-of-pocket**” on average just 15% of the **total health care expenditures** they generate in a year. “**Out-of-pocket**” expenses include deductibles and co-payments for services and prescription drugs but **does not include** the cost of health insurance premiums. The **remaining 85%** of annual health care expenditures is **covered by insurance** (source: Health Care Cost Institute).
4. ***TALENT DROP-OFF*** - 44% of employers surveyed report they are “**having difficulty**” hiring new employees with **skills** equal to that of the firm’s **retiring employees** (source: Robert Clark, Willis Towers Watson).

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