



Good morning!

If the US is looking for leverage in its ongoing trade war with China, it's in the numbers. China's economy grew by +6.0% in the 3rd quarter 2019, i.e., a year-over-year growth rate, its lowest performance result since the 4th quarter of 1989 or nearly 30 years ago. Chinese factory output has declined as long-standing supply chains have been redirected from China to other countries (source: Chinese National Bureau of Statistics).

The Internal Revenue Service (IRS) provided its "early release" of tax year 2017 data last week. For the first time in US history, it takes at least a half a million dollars (\$515,371) of adjusted gross income (AGI) to be in the top 1% of all taxpayers. That top 1% group received 21.0% of the \$10.9 trillion of AGI reported nationwide in 2017 and paid 38.5% of the \$1.6 trillion of federal income tax (FIT) paid nationally. The top 10% of taxpayers made at least \$145,135 of AGI, received 47.7% of all AGI, and paid 70.1% of all FIT (source: IRS).

Britain's Parliament likes its weekends off, having met on a Saturday only 3 times in the last 80 years, the last time occurring in 1982. But last Saturday (10/19/19), Parliament met and rejected Prime Minister Boris Johnson's latest Brexit proposal. As of now, the UK could still leave the EU on 10/31/19 (with or without an exit plan in place), or delay that departure to 1/31/20, or reopen the original June 2016 vote to a 2nd referendum on EU membership (source: BTN Research).

Notable Numbers for the Week:

1. **MISSING MANY WORKERS** - From the **2.264 million job openings** in America reported in **July 2009** while the country was mired in a recession, the number of job openings has jumped to **7.051 million** as of **August 2019**. The **4.787 million increase in job openings** since mid-2009 is equal to **95,740 new available jobs** in each of **our 50 states** (source: Department of Labor).
2. **EQUITY** - The average **loan-to-value ratio** in the US housing market as of 6/30/08 **was 55%**, i.e., the average homeowner had home equity of 45%. The average **loan-to-value ratio** in the US housing market as of 6/30/19 **was 36%**, i.e., the average homeowner had home equity of 64% (source: Federal Reserve).
3. **THEY'LL BE RUNNING THE SHOW** - By the year 2025, **more than 50% of the US workforce** will be "millennials" or younger. Millennials were born between 1981-97 and will be **ages 28-44 in 2025** (source: Inc. Magazine).
4. **EXPENSIVE TO LIVE** - 10% of American homeowners spend **at least 50%** of their **pre-tax income** on their housing costs. 25% of American renters spend **at least 50%** of their **pre-tax income** on their housing costs (source: Joint Center for Housing Studies at Harvard University).

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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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www.pcgct.com