

Good morning!

It's the “infrastructure two-step” that will play out in Washington this week and the financial markets want to know what it means for our *spending*, *taxes* and *interest rates*. Step # 1 will be the \$1.2 trillion “traditional” infrastructure bill (i.e., improving roads, bridges, airports, and waterways) that has garnered wide bipartisan support in Congress. Step # 2 is the more controversial \$3.5 trillion “human” infrastructure bill (i.e., an expansion of Medicare, universal pre-K, paid family leave, extending the “child tax credit” and immigration reform). The Senate parliamentarian (Elizabeth MacDonough) will have the final voice in determining whether any of the “social spending” priorities don't follow Senate rules and would have to be eliminated. The stock and bond markets want to know “how much” is going to be spent by the government, “who” is going to pay for it, and “what” impact it might have on interest rates (source: Congress).

Despite an increase in the price of oil in 2021, the production of crude oil is relatively flat this year. Crude oil was \$48.52 a barrel as of 12/31/20, increasing to \$71.81 a barrel as of Friday 7/16/21. The US field production of crude oil was 11.0 million barrels a day as of 1/01/21, up to 11.4 million barrels a day as of 7/09/21 (source: Department of Energy).

American banks repossessed 9,730 homes during the first 6 months of 2021, down 74% from 37,917 repossessions from the first half of 2020. Homeowners struggling to pay their monthly mortgage as a result of the pandemic have benefited from the foreclosure moratorium on federally backed homes loans that remains in effect until at least 7/31/21. No moratorium was in place during the first half of 2010 when banks repossessed 527,906 homes during the global mortgage crisis (source: ATTOM Data Solutions).

### Notable Numbers for the Week:

1. **WHAT'S YOUR HOME DONE?** - The average single-family home in the USA has appreciated +15.7% over the 1-year ending 4/30/21, up +7.9% per year over the last 5-years, up +6.4% per year over the last 10-years, and up +4.1% per year over the last 20-years (source: Federal Housing Finance Agency).
2. **BIG SKY BENEFIT** - The state of Montana has been paying a \$1,200 “Return-to-Work Bonus” since 5/04/21 to jobless individuals who were receiving unemployment benefits, and then went back to work for at least 4 weeks (source: Montana.gov).
3. **CHANGED MY MIND** - 25% of 1,006 “soon-to-graduate” college students who were surveyed in the first quarter of 2021 said the 2020 pandemic caused them to change the industry they intend to work in following their college years (source: Joblist).
4. **LOTS OF PEOPLE NEED HELP** - Medicare covers 61.2 million Americans, while Medicaid covers 73.8 million low-income Americans (source: Centers for Medicare & Medicaid Services).

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