

Good morning!

The coordinated cuts to the global supply of oil that were finalized on Sunday 4/12/20 did little to stop the free fall in the price of crude oil last week. West Texas Intermediate crude oil, already down 63% YTD as of the Easter weekend, fell to \$18.27 a barrel by last Friday's close (4/17/20) of trading, its lowest level since 2002 (and down 70% YTD). As economies globally have shut down, the worldwide demand for crude has fallen by an estimated 30%. Weak oil prices have made drilling unprofitable at these prices for some American producers, forcing them to shut down rigs. A silver lining: The United States is replenishing the nation's Strategic Petroleum Reserve (in Louisiana and Texas) to its maximum level of 714 million barrels at today's low price (source: NYMEX).

All 50 US states maintain a "rainy day" fund that may be accessed in the event of an economic emergency. As of 7/01/19, California had \$19.2 billion set aside, Texas had \$7.8 billion, New York had \$2.5 billion, and Wyoming, the smallest population state in the country, had \$1.7 billion. But other states find themselves with limited resources during the current crisis. Pennsylvania had only \$340 million set aside, Illinois had just \$4 million and Kansas had \$0 (source: National Association of State Budget Officers).

Older Americans who are already retired make up the segment of our population most likely to be economically protected from COVID-19's impact, but they are at the greatest risk of death if infected. Healthy younger citizens, still years/decades from retirement, are the most economically exposed group in our nation, but they are likely facing the least frightening health consequences. We're all at risk for something (source: CDC).

#### **Notable Numbers for the Week:**

1. **YOU GET A WHOLE ROW TO YOURSELF** – 106,385 travelers went through TSA screening at US airports last Friday 4/17/20, down 96% from the 2,457,133 screened passengers on Wednesday 4/17/19 or one year earlier (source: Transportation Security Administration).
2. **STATES NEED HELP** - The CARES Act includes \$139 billion of relief for all 50 states. US governors have requested additional support of \$500 billion from Congress (source: National Governors Association).
3. **PEOPLE ARE NOT SPENDING** - Retail sales in the United States in March 2020 declined 8.7% from the previous month to \$483 billion. The worst month-over-month decline in retail sales during the 2008-2010 mortgage crisis was a drop of just 3.0% in December 2008 (source: Census Bureau).
4. **EXPENSIVE** - The 2 highest "effective property tax rate" states are Illinois and New Jersey, defined as property taxes collected divided by the fair market value of the real estate (source: Attom Data Solutions).

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04/20/20 Monday