

Good morning!

The Federal Reserve did not hesitate to act as the enormity of the COVID-19 pandemic began to unfold globally. Over a period of less than 2 months beginning on 3/17/20, the Fed implemented 11 different emergency facilities, 4 of which were previously used during the 2008 mortgage crisis and 7 programs that had never been used in the central bank's 106-year history. The 11 programs were designed to support corporations (big and small), cities, states, investment firms and money market funds, providing them with no less than \$2.6 trillion of short-term, low-cost loans. Surprisingly, as of late last week, the Fed had loaned out just \$104 billion of the \$2.6 trillion, i.e., only 4% of the total funds made available (source: Federal Reserve).

It was a week of extremes for pandemic data. New York City, the one-time epicenter of the virus, reported zero COVID-19 related deaths on 7/11/20. As of just last weekend, the state of Vermont had not recorded a single pandemic death over the previous 30 days. But sadly, the United States recorded more than 77,000 new COVID-19 infections on Thursday 7/16/20, a single-day high for America (source: COVID Tracking Project).

The 5 largest banks in the USA announced last week their plans to set aside \$35 billion to prepare for what could be a wave of future defaults – mortgages, credit cards, personal loans, auto loans and corporate bankruptcies (source: CNN).

Notable Numbers for the Week:

1. **OUR SPENDING DECLINES AS WE AGE** - The average retired couple spends 23% less money in their 6th year of retirement compared to what they spent in their 1st year of retirement (source: Health and Retirement Survey).
2. **BLAME IT ON COVID-19** - Crude oil production in the United States has fallen from 13.1 million barrels a day as of Friday 3/13/20 (the day President Trump declared a pandemic-driven national emergency) to 11.0 million barrels a day as of Friday 7/10/20 (source: Department of Energy).
3. **THIS FALL** - 57% of colleges anticipate they will offer “in-person” class instruction for the upcoming 2020-21 school year, just 9% will offer only online class instruction, while 29% of schools will provide a combination of “in-person” and online class instruction. The remaining 5% of schools have yet to decide as of Friday 7/10/20 (source: Chronicle of Higher Education).
4. **IT CAN WAIT** – An estimated 40% of American adults at least age 18 have delayed getting medical care over the previous month as of 7/15/20 due to the COVID-19 pandemic. American adults make up 249 million of our 330 million population (source: Census Bureau).

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