



Brought to you by:

Equitable

1. **WASHINGTON AND WALL STREET** – Democrat **Joe Biden** will be sworn in as **President # 46** on 1/20/21, and Democrats have **control of Congress** by achieving a voting majority in **both the House and the Senate**. Over the **last 60 years** (1961-2020), the S&P 500 has **gained +11.8% per year** (total return) when **one party controls the White House, the Senate and the House**. The S&P 500 consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value weighted index with each stock's weight in the index proportionate to its market value (source: BTN Research).
2. **FIFTY-FIFTY** - The **political split** in the Senate today is **technically not 50-50**, but rather is 50 Republicans, 48 Democrats and 2 Independents **who caucus with the Democrats**, effectively making it a **50-50 split**. The last time the Senate was **split 50-50** was in 2001, George W. Bush's **first year in office** (source: Senate).
3. **UP/DOWN** - The S&P 500 has been up **40 of the last 50 years**, i.e., 1971-2020, gaining an average of **+10.9% per year** (total return). The index had an average annual gain of **+18.4%** (total return) during the 40 "**up years**" while losing an average of **14.8% per year** (total return) during the 10 "**down years**" (source: BTN Research).
4. **OUR PART OF THE WORLD** - The **US stock market** had a total capitalization of **\$41 trillion** as of 12/31/20, 39% of the world's **\$104 trillion** stock market capitalization (source: S&P).
5. **WHERE DOES THIS MONEY COME FROM?** - The Fed is buying **\$120 billion of bonds** each month - **\$80 billion** of Treasury debt and **\$40 billion** of mortgage-backed securities. The Fed confirmed on 12/16/20 that the purchases will continue "until substantial further progress **has been made** toward the Committee's **maximum employment** and **price stability** goals" (source: Federal Reserve).
6. **DEBT** - The USA **increased its national debt by \$7.77 trillion** in the last **4 years**, i.e., 2017-20. The USA **increased its national debt by \$7.67 trillion** in the previous **7 years**, i.e., 2010-16 (source: Treasury Department).
7. **ONE IDEA** - President-elect Biden proposed during his campaign a **\$15,000 tax credit** for "**first-time**" **home buyers**, available to home buyers who have not owned a residence **within the previous 3 years**. The tax credit would be "**refundable**" (if you didn't use the full amount of the credit, the unused balance is refunded to you) and "**advanceable**" (you are allowed to claim the credit immediately as opposed to waiting until you file your Form 1040 for the tax year in which you purchased a home). Biden described the tax credit as a form of "**down-payment assistance**" (source: Biden 2020 Presidential Campaign).
8. **NINE ZEROS** - The **number of billionaires** in the United States has **increased +9%** since mid-March 2020 to **659** (source: Institute for Policy Studies).
9. **GOT A LOWER RATE** - Through 9/30/20, **65% of the mortgages that were originated** in the United States YTD **were refis** of existing mortgages (source: Inside Mortgage Finance).
10. **YOU THINK IT'S THIS EASY EVERY YEAR?** - More **new brokerage accounts** (an estimated **10 million**) were opened during calendar year 2020 than in **any other year in US history** (source: JMP Securities).
11. **MARGIN DEBT** - The use of **margin debt** on the New York Stock Exchange (NYSE) has increased to **\$722 billion** in November 2020, **an all-time record total**. The previous record high was **\$669 billion** set in May 2018 (source: Financial Industry Regulatory Authority).
12. **OLD AND THE YOUNG** - 81% of **COVID-19 deaths** nationwide as of 12/30/20 were Americans **at least age 65**. Just 1% of **COVID-19 deaths** nationwide as of 12/30/20 were Americans **under the age of 35** (source: National Center for Health Statistics).
13. **IN MY PAJAMAS, BUT STILL WORKING** - 67% of 451 information technology (IT) executives in the United States that were polled in June 2020 anticipate that their firm's "**work-from-home**" (WFH) policies would be **permanent** or at the very least "**long-term**" in duration (source: 451 Research).
14. **THE WORK-WORLD HAS CHANGED FOREVER** - 80% of 1,388 American workers surveyed in June and July 2020 say they would prefer to work **at least 3 days a week from home** after the pandemic is brought under control (source: Global Workplace Analytics).
15. **WHO WINS?** - Alabama faces off vs. Ohio State in **college football's national championship game** tonight (1/11/21). An Alabama victory would give Nick Saban **his 7th national title as a head coach** (6 with Alabama and 1 with LSU), breaking the record of **6 coaching titles** that he currently shares with **Bear Bryant** (source: NCAA).

Broker/Dealer Use Only, Reproduction Prohibited without Express Permission. Copyright © 2017 Michael A. Higley. All rights reserved. Past performance is not a guarantee of future results. It is not possible to invest directly in an index. This material has been provided for general information only, reflects the current opinion of the author, which is subject to change without notice. Equitable Distributors, LLC and its affiliates make no representation as to the accuracy or completeness of any statements, statistics, data, opinions, forecasts, or predictions provided herein. Equitable Distributors, LLC (1290 Avenue of the Americas, New York, NY 10104 / 212-314-4600) and its affiliates do not provide tax, accounting or legal advice or services. Equitable is the brand name of the retirement and protection subsidiaries of Equitable Holdings, Inc., including Equitable Financial Life Insurance Company (NY, NY), Equitable Financial Life Insurance Company of America, an AZ stock company with main administrative headquarters in Jersey City, NJ, and Equitable Distributors, LLC.