

Foundational **FACTS**

For a Better Future



A SUPPLEMENT TO
It Has Never Been Better
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The Rational Optimist™

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We at Summit would rather bask on the beach of: facts; goals-based; simple; long-term planning; disciplined diversification; and prudent behavior.

Volatility is not risk, unless you react to it.

Here is why we do not react to volatility...

1. China car sales and registrations are setting records - to the point where the ChiComms restrict and delay sales/registrations to deal with increasing traffic jams. They now have the beginnings of inflation.
2. Global total crop and livestock output worldwide has expanded by 2.52% per year since 2001. This creates higher food security and increases well-being and self-sufficiency everywhere, especially in the poorest parts of the world.
3. Global asset managers are holding the highest levels of cash in 15 years.
4. In spite of UK's Brexit, the Eurozone announced near record car sales.
5. \$100 trillion of combined World GDP grows at 2%. There are \$2 trillion new businesses every year.
6. US initial jobless claims have dropped to the lowest rate since before 2005 and continuing unemployment claims are the lowest since 2000.
7. Job openings are at a record high and full time workers are at a new record high of 124.3 million.
8. US Producer Manufacturing Index is 53.2 versus 51.2 consensus and 51.4 prior. Same in the Eurozone: 53.3 versus 52.6 forecast.
9. ISM Non-Manufacturing Index is near all time highs.
10. Home supplies, even with an annual pace of 783,000 new housing starts (an 8.1% surge), are depleted to the lowest level since the 1980s, with population demand rising - rapidly. There is 50-year low homeownership rate. The new generations are just beginning to buy homes. Tens of millions of young will move out of their parents' or roommates' places, and into a limited supply in the pipeline. The Age Wave has passed. The new wave of young people is on the way.
11. Net household wealth in America is \$90 trillion. That is 40% greater than the total value of Global stock markets.
12. Net household debt ratio to assets is the lowest since 1980s. The typical household cut its debt by over 30% since 2009.
13. In the past 10 years (which includes the Great Recession) incomes are up 9.2-11.9%, while the average debt balance of \$8,240 is the same as in 2008's record high, and thus household savings have doubled to \$6,860.

- 14.** US real estate holdings' value is higher than the "bubble" of 2006.
- 15.** \$9 trillion is sitting in savings deposits and incurring investment gains since 2006.
- 16.** US real personal income is up: \$11 trillion in 2000, \$11.6 trillion in 2005, \$11.9 trillion in 2010, and \$14 trillion in 2016. This despite or because of (depending on your political position) wages and salaries rising in the same period from \$5.8 trillion to \$7.4 trillion; disposable income from \$8.7 trillion to \$12 trillion; government transfer payments to social benefits from \$1.2 trillion to \$2.4 trillion.
- 17.** US farm output is 2.7 times greater than in 1948, and growing at a rate 1.52%.
- 18.** Crude oil inventories for 2016 was 500 million barrels, while 2015 was 475, 2005 was 380 and 1980s was only 320 million barrels.
- 19.** Truck tonnage index is up over the last 15 years from 100 to 145.
- 20.** Based on the S&P Q3 2016 earnings, 79% have reported earnings exceeding estimates by an average of 7.3%, with average earnings gains of 4%. 2017 estimated earnings are at a record \$133, forward P/E 16.5 (long-term average of 15.9, while US Treasuries average 4.5%).
- 21.** US emissions of particulates, metals, ozone, lead, carbon monoxide, nitrogen and sulfur fell 70% from 1970. Technologies like catalytic converters aided this boost to our environment.
- 22.** As we FedEx more of our economy, robots will do more of the "handling and shipping" in distribution centers, more of the burger flipping, order taking, bill paying, lawn mowing, painting, assembly, etc. Robots may cost \$40-80 million, yet make us more efficient and someone has to manufacture, service, and operate them. Higher pay for higher skills.
- 23.** From medicines to artificial intelligence to self-driving cars, drones and robots, to Nano-technology, faster and bigger technological breakthroughs are the continuing themes.

This list of facts was compiled using information from The United States Department of Labor, The Wall Street Journal, Bloomberg, and Investopedia. Additional websites containing similar facts are listed below.

www.dol.gov

www.wsj.com

www.bloomberg.com

www.investopedia.com

www.climatefeedback.org

www.financialsense.com

www.justfacts.com