

USA FINANCIAL  
**TRENDING REPORT**

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**VISUAL  
REFERENCES**

**July  
2020**

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Mike Walters, CEO

# The Great Financial Disconnect

The stock market and economy are drifting unusually far apart

July 9, 2020

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# Economy **v.** Stock Market

## or

# Economy **+** Stock Market

## (during a historic period of pandemic)



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worldometer

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Last updated: July 08, 2020, 15:34 GMT

 **United States**

Coronavirus Cases:

**3,114,458**

Deaths:

**134,140**

United States Population (LIVE)

**331,047,441**



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The pandemic forced the economy to contract sharply, ending a record expansion and prompting the group that dates U.S. business cycles to formally declare a recession.

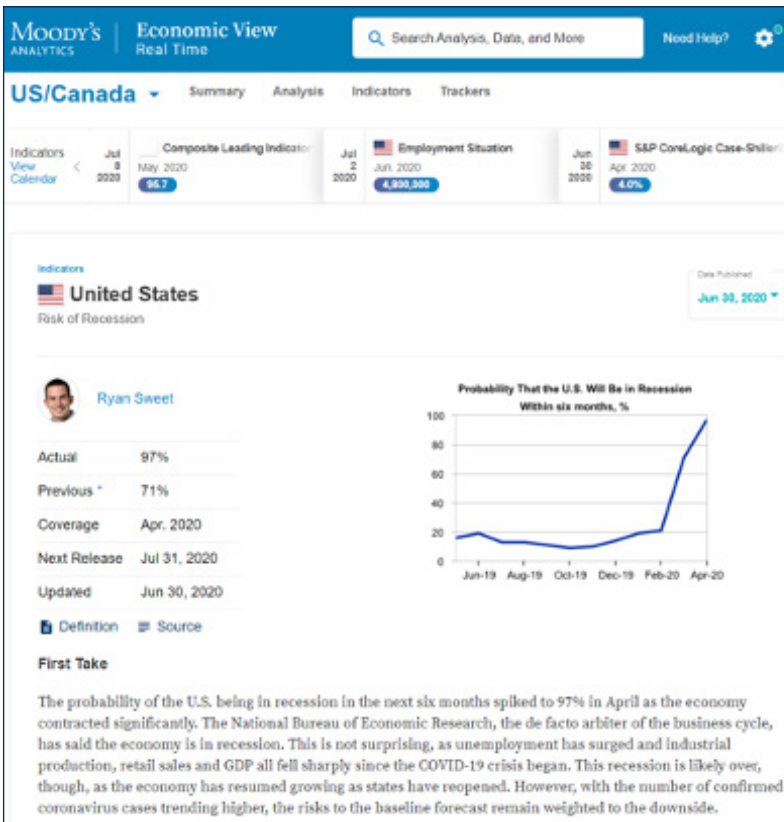
The sharp decline in economic activity in February marked the end of the longest expansion in the U.S. since at least 1854, according to the National Bureau of Economic Research. Here are expansions compared with G.D.P. since the end of WWII.



Various economic indicators, reported at one-month intervals, June 2019 through June 2020



SOURCES: YAHOO FINANCE, OECD, FEDERAL RESERVE BANK OF ST. LOUIS



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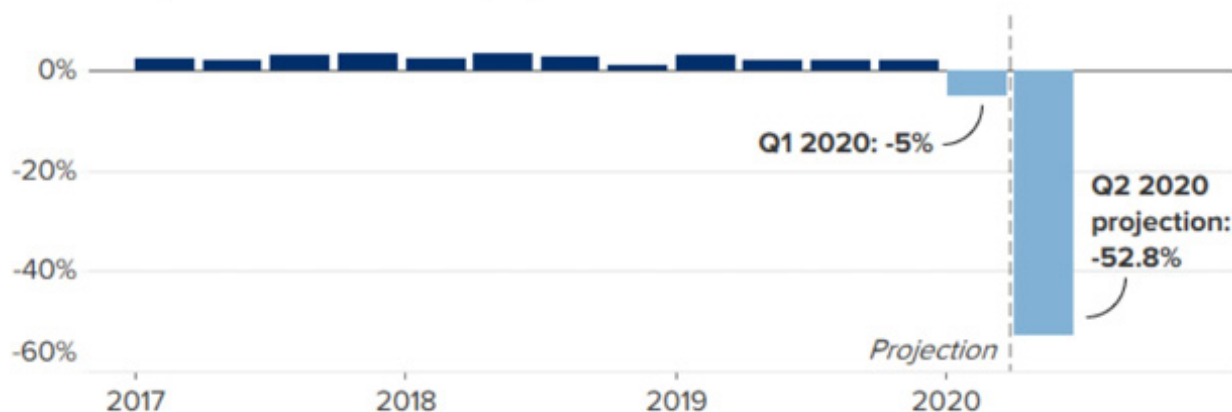


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## Steep drop in GDP projected for second quarter<sup>1</sup>

U.S. gross domestic product, change from prior quarter. Data for the second quarter of 2020 is a projection from the Atlanta Fed.



SOURCE: Bureau of Economic Analysis (through Q1 2020), Federal Reserve Bank of Atlanta GPNOW model (Q2 2020 projection). Data as of 6/2/2020.



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#### United States Initial Jobless Claims 1967-2020 Data | 2021-2022 Forecast | Calendar

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The number of Americans filing for unemployment benefits eased slightly to 1.427 million in the week ended June 27th, above market expectations of 1.355 million. The jobless claims have been steadily falling since hitting a record high of 6.86 million in the week ended March 28th, but have been consistently coming above market expectations. The latest number was more than double its peak during the 2007-09 Great Recession, lifting the total reported since March 21st to 48.7 million. The 4-week moving average, which removes week-to-week volatility, eased to 1.504 million, while continuing jobless claims increased to 19.290 million in the week ended June 20th, above market forecasts of 19 million.

1Y 5Y 10Y 25Y MAX Chart Compare Export API Embed



SOURCE: TRADINGECONOMICS.COM | U.S. DEPARTMENT OF LABOR

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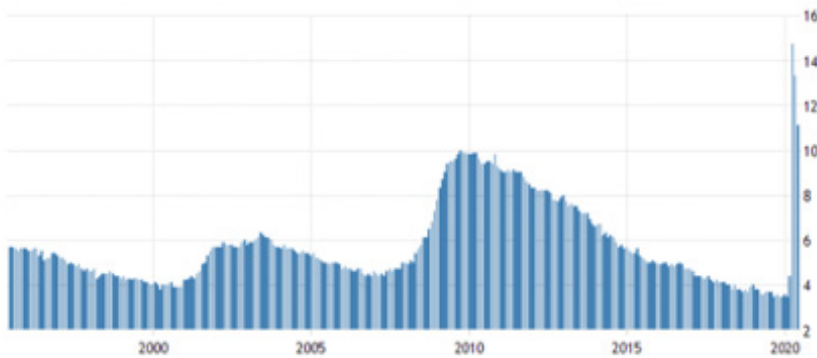
Calendar News Indicators Markets Forecasts

United States Unemployment Rate 1948-2020 Data | 2021-2022 Forecast | Calendar

Summary Calendar Forecast Stats Download Alerts

The US unemployment rate dropped to 11.1 percent in June 2020, easing further from an all-time high of 14.7 percent reached in April and remaining below market expectations of 12.3 percent, as many people returned to the labor market following weeks of coronavirus-induced restrictions. The number of unemployed persons fell by 3.2 million to 17.8 million, while employment rose by 4.9 million to 142.2 million. Although unemployment fell in May and June, the jobless rate and the number of unemployed are up by 7.6 percentage points and 12.0 million, respectively, since February.

1Y 5Y 10Y 25Y MAX Chart Compare Export API Embed



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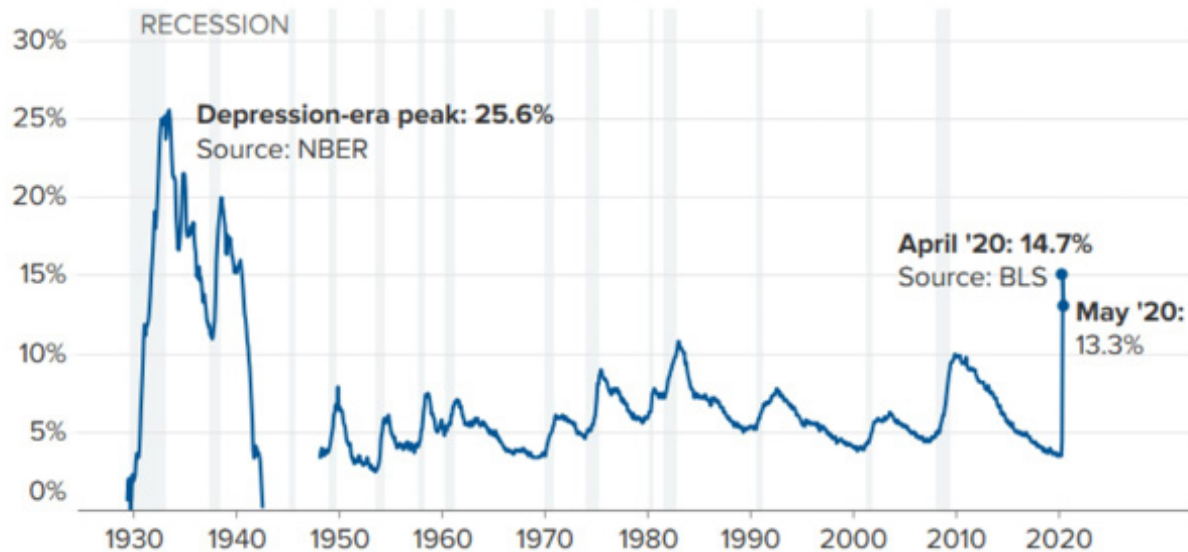
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## Jobless rate compared to Great Depression-era levels

Monthly unemployment rate from the National Bureau of Economic Research (1929-1942) and Bureau of Labor Statistics (1948-present)



SOURCE: National Bureau of Economic Research, retrieved from FRED (data from 4/1/1929-6/1/1942), Bureau of Labor Statistics (data from 1/1/1948-present). Data for both the NBER and BLS series is seasonally adjusted.



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## 2018 SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION  
**OFFICE OF ADVOCACY**

REGULATION • RESEARCH • OUTREACH

### UNITED STATES



30.2 million Small Businesses  
99.9% of United States Businesses

58.9 million Small Business Employees  
47.5% of United States Employees



**EMPLOYMENT**  
1.9 million  
net new jobs



**DIVERSITY**  
8.0 million  
minority-owned  
businesses



**TRADE**  
287,835  
small business  
exporters



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### Where \$521 Billion in U.S. Small-Business Aid Went

By Jason Gersht, Zachary B. Miller, Cedric Sam and  
Jeremy Scott Diamond  
July 6, 2020, 7:30 PM EDT



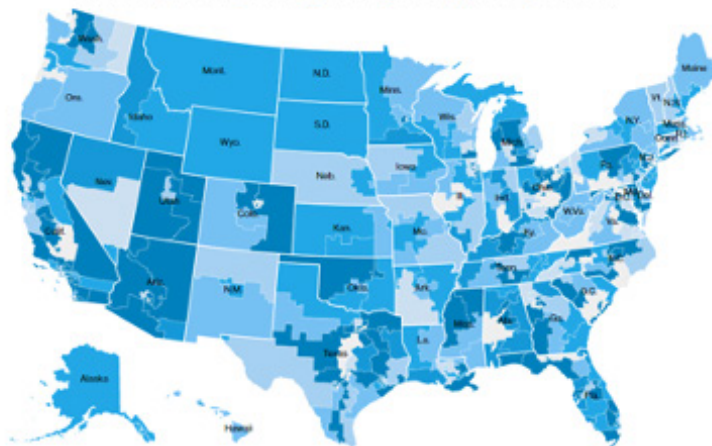
The government disclosed detailed information Monday about hundreds of billions of dollars in aid to small businesses suffering from the economic effects of the coronavirus pandemic. Here's a look at where it went.

The Paycheck Protection Program distributed \$521 billion in loans to almost 4.9 million small businesses as of June 30. These loans will be forgiven if businesses maintain jobs or rehire laid-off workers and if most of the money goes to payroll. Overseen by the Small Business Administration, it's the centerpiece of the government's economic response to the pandemic.

#### How Many Loans Went to Each Congressional District

The percentage of small businesses receiving loans, and the jobs they support as a share of total small-business staff in the district

Select State to View ▾ % Receiving Loans % Jobs Supported  
40% or less 40-50% 50-60% 60-70% 70-80% 80-90% 90% or more



Note: "% Receiving Loans" shows the number of loans divided by the number of small businesses with employees in an area. "% Jobs Retained" shows the number of jobs retained as a result of PPP loans divided by the number of employees at small businesses in the area. Because some PPP loans went to self-employed people, the number of loans and the number of jobs retained in some places is greater than 100%. Also, some loan recipients operate in multiple congressional districts, but all of a business's jobs are attributed to its main location.



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USA Financial Formulas Models	Primary Universe	Current Investment Status	
		Primary Universe	Defensive Status
Bond Bull-Bear	Bond Funds	100%	100%
Index Bull-Bear	Equity ETFs	0%	100%
International Bull-Bear	Equity ETFs	0%	100%
Sector Bull-Bear	Equity ETFs	0%	100%
Freedom SP500 Social w/RAM	Individual Stocks	0%	100%
Freedom DJ30 w/RAM	Individual Stocks	0%	100%
Freedom R2000 w/RAM	Individual Stocks	0%	100%
Freedom R3000 w/RAM	Individual Stocks	0%	100%
Freedom NSDQ w/RAM	Individual Stocks	0%	100%
Freedom SP500 w/RAM	Individual Stocks	0%	100%
Freedom SP100 w/RAM	Individual Stocks	0%	100%
Freedom R1000 w/RAM	Individual Stocks	0%	100%
Freedom N100 w/RAM	Individual Stocks	0%	100%
Freedom DJ30	Individual Stocks	40%	60%
Freedom SP100	Individual Stocks	100%	0%
Freedom R2000	Individual Stocks	100%	0%
Freedom NSDQ	Individual Stocks	100%	0%
Freedom SP500	Individual Stocks	100%	0%
Freedom N100	Individual Stocks	100%	0%
Freedom R1000	Individual Stocks	100%	0%
Freedom R3000	Individual Stocks	100%	0%
JUST Capital 100 Freedom	Individual Stocks	100%	0%
JUST Capital Industry Leaders Freedom	Individual Stocks	80%	20%
JUST Capital 100 VLR	Individual Stocks	100%	0%
JUST Capital Industry Leaders VLR	Individual Stocks	100%	0%

**In these unprecedented times it is vital that you stay in close contact with your financial advisor. Consider revisiting and/or recalibrating your risk profile and risk management strategy as needed within the components of your overall portfolio and financial plan.**

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