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WEALTH ADVISORS

## Low-Growth Economy

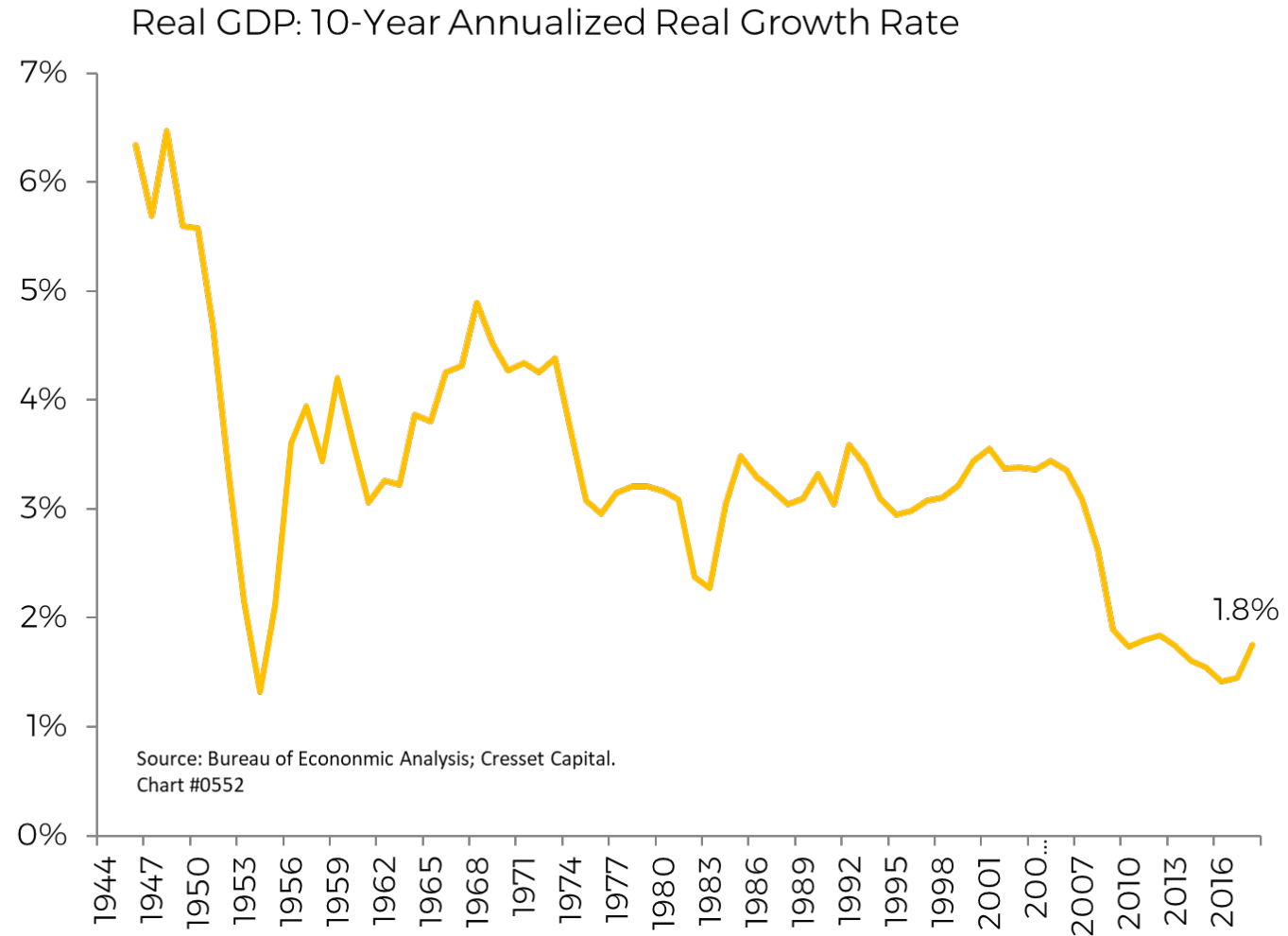
*By Jack Ablin*

May 2019

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# Why is Growth so Low?

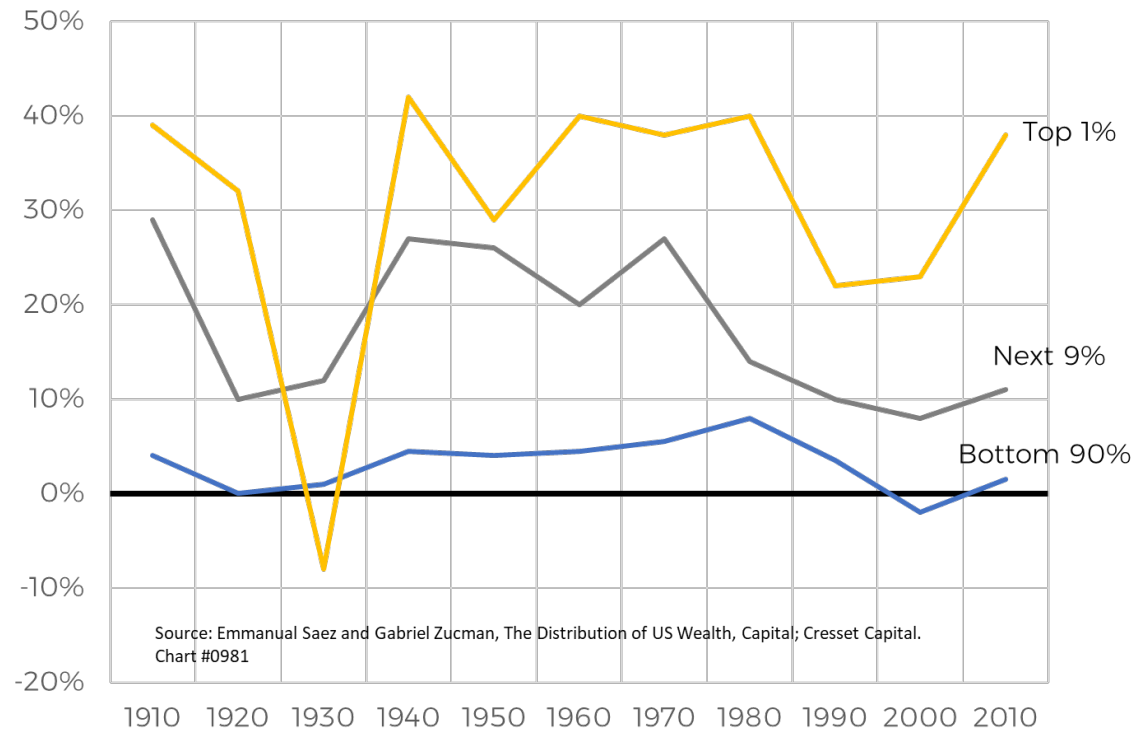




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## Income and Wealth Trends

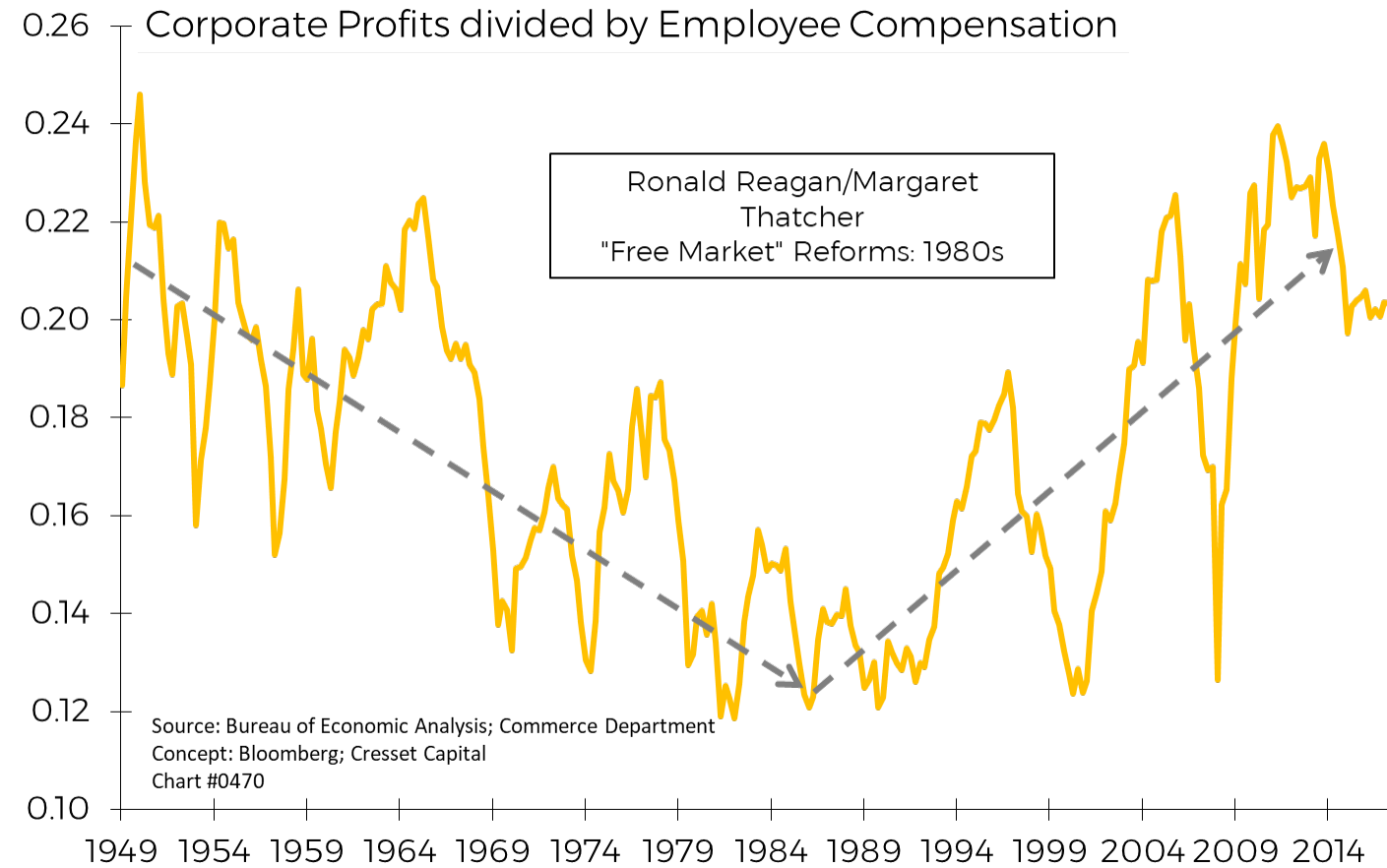
America's Savings Rates by Income Category



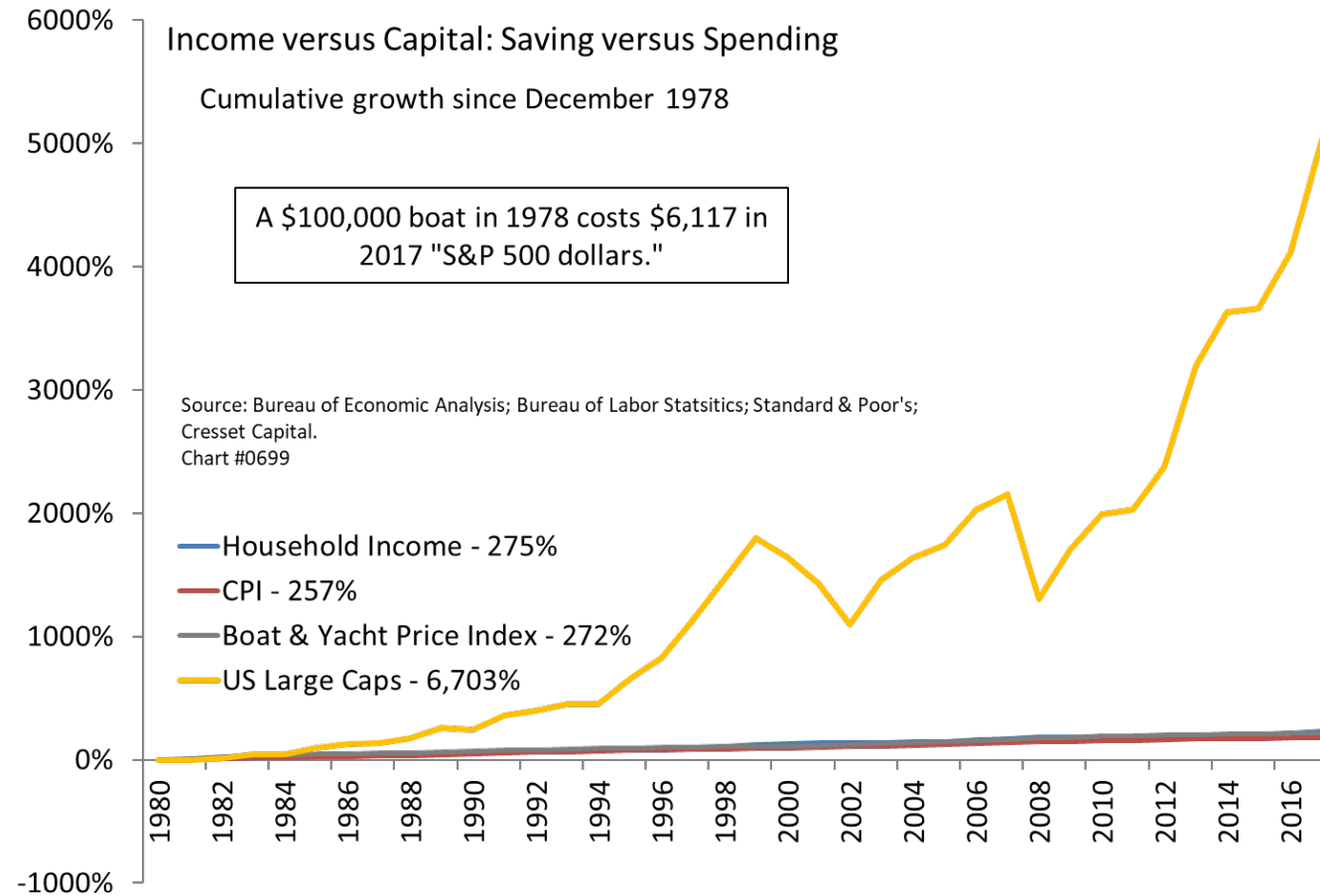
The **top 10%** of American households, as defined by total wealth, now **own 84%** of all stocks in 2016, according to a recent paper by NYU economist Edward N. Wolff.



## Income and Wealth Trends

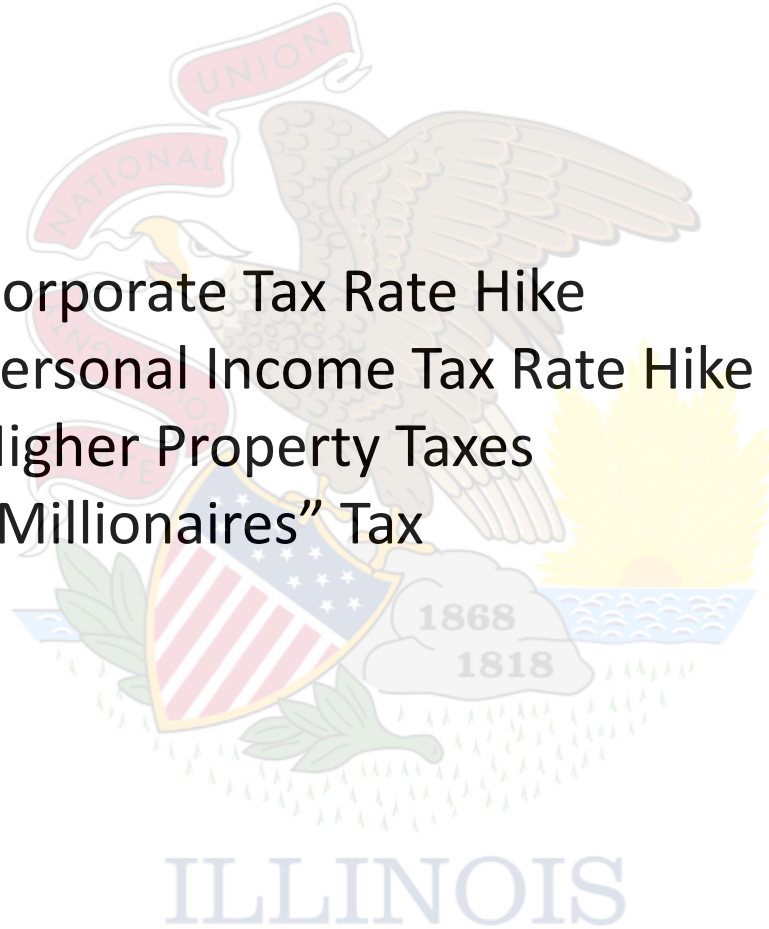


# Income and Wealth Trends



## Illinois Policy Implications

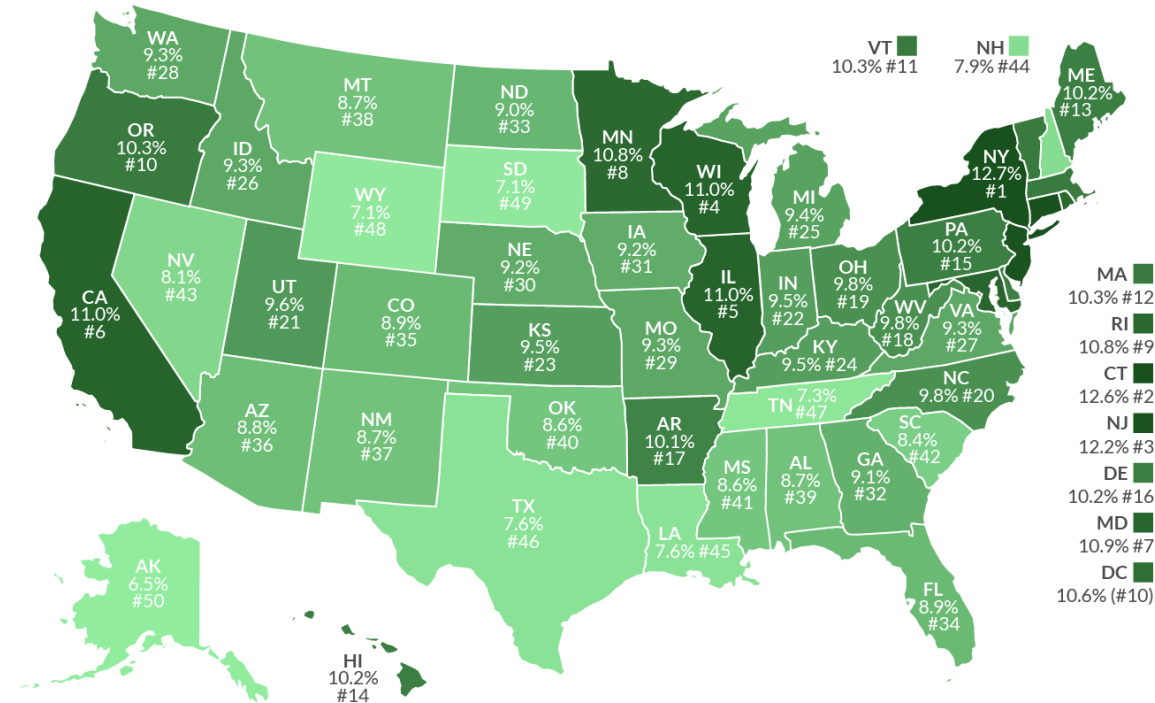
- Corporate Tax Rate Hike
- Personal Income Tax Rate Hike
- Higher Property Taxes
- “Millionaires” Tax



# Illinois Policy Implications

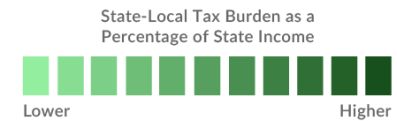
## State-Local Tax Burdens by State

State-Local Tax Burdens as a Percentage of State Income, FY 2012

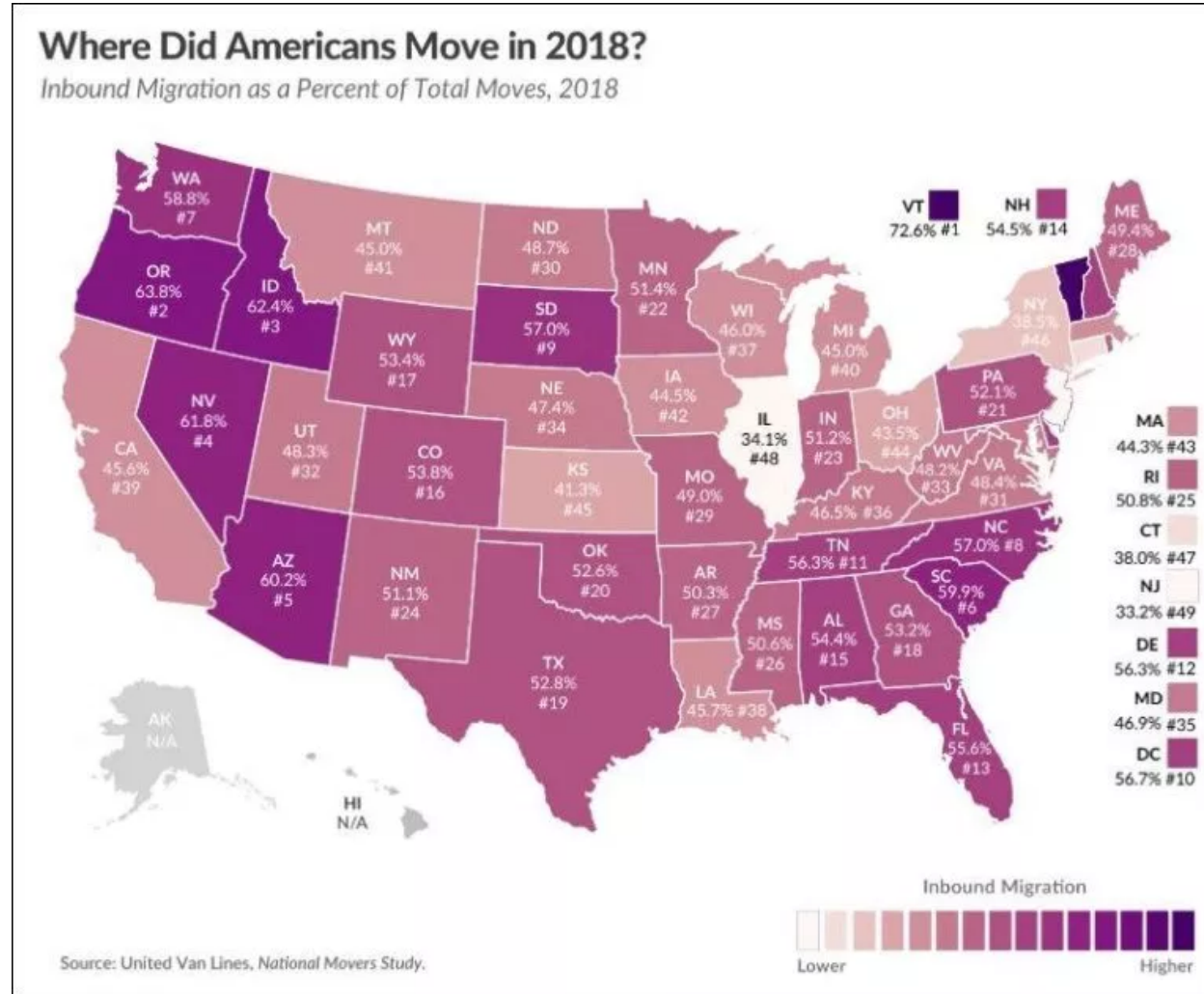


Note: As a unique state-local entity, Washington, DC is not included in rankings, but the figure in parentheses shows where it would rank.

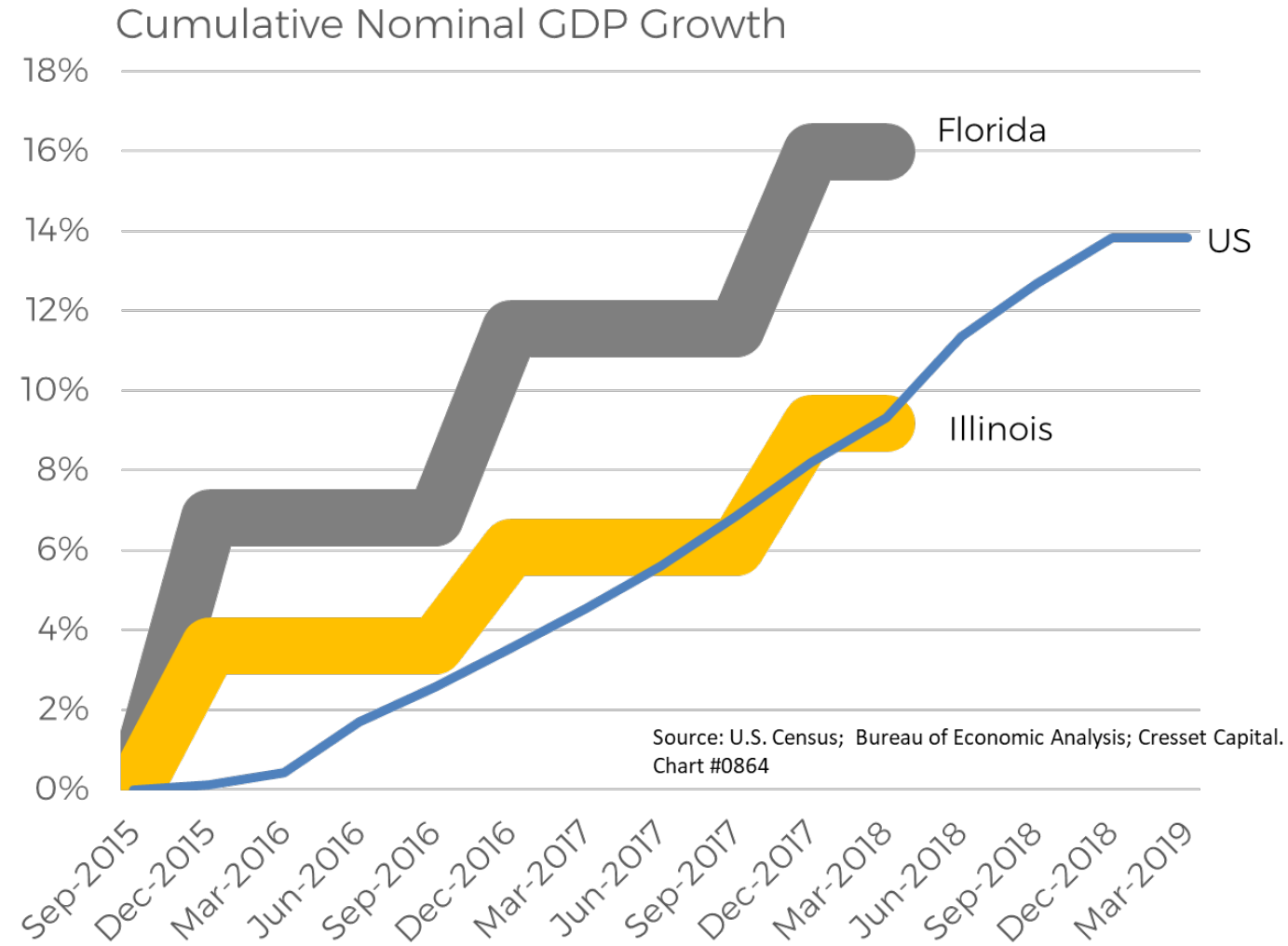
Source: Tax Foundation calculations, U.S. Census Bureau, Rockefeller Institute, Bureau of Economic Analysis, Council on State Taxation, and Travel Industry Association.



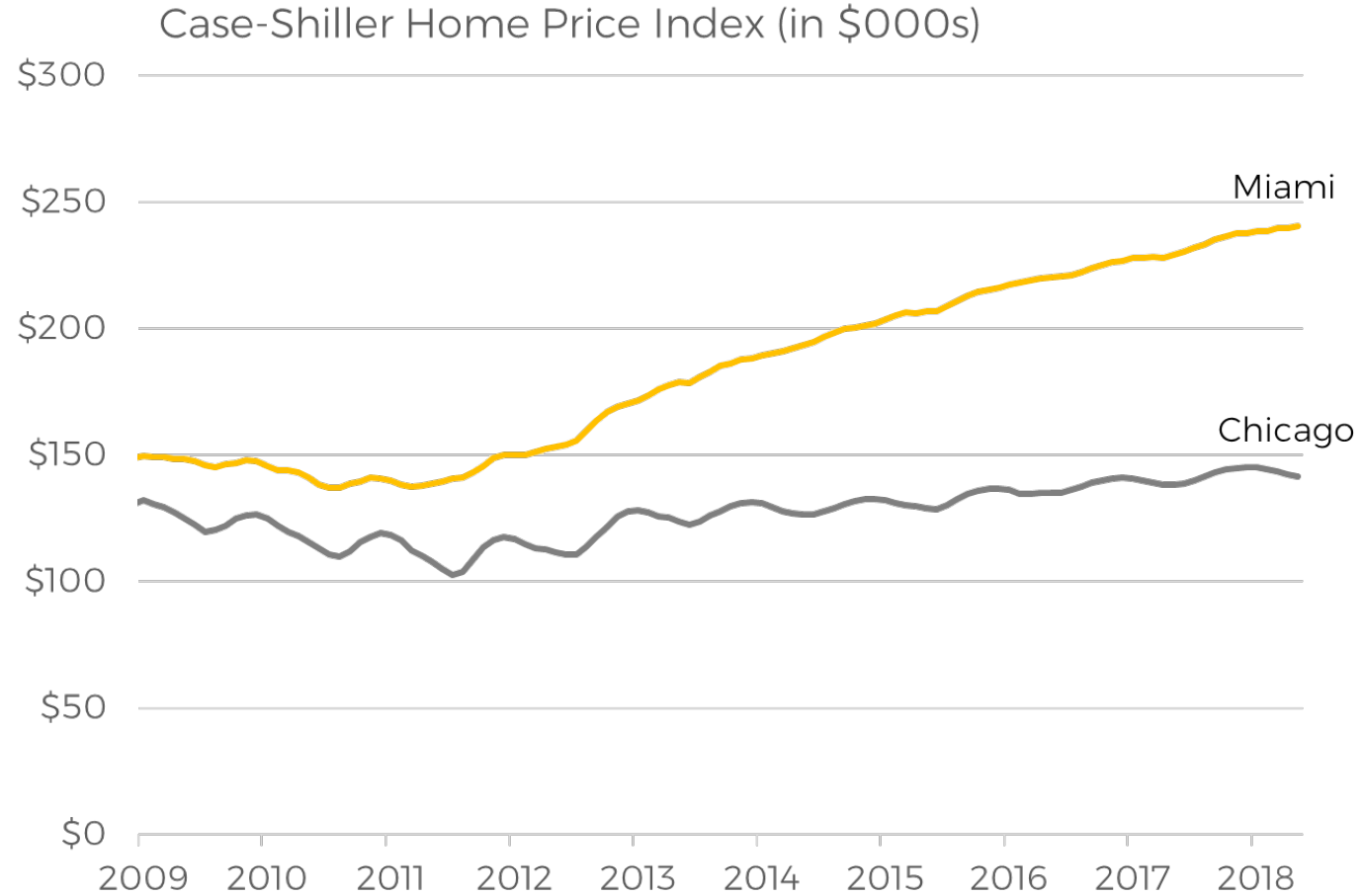
# Illinois Policy Implications



# Illinois Policy Implications



# Illinois Policy Implications



Source: Case-Shiller; Creset Capital.  
Chart #0833

# US Policy Implications

U.S. NONRETIREES WHO SAY THEY WILL NOT  
HAVE ENOUGH MONEY IN THEIR RETIREMENT

46%

GALLUP, APRIL 2-11

U.S. RETIRED ADULTS RELY ON EACH AS  
"MAJOR" INCOME SOURCE

WORK-SPONSORED PENSIONS      SOCIAL SECURITY

35%

57%

GALLUP, APR 2-11

**69% Of Americans Have Less Than \$1,000 In Savings**

"How much money do you have saved in your savings account?"



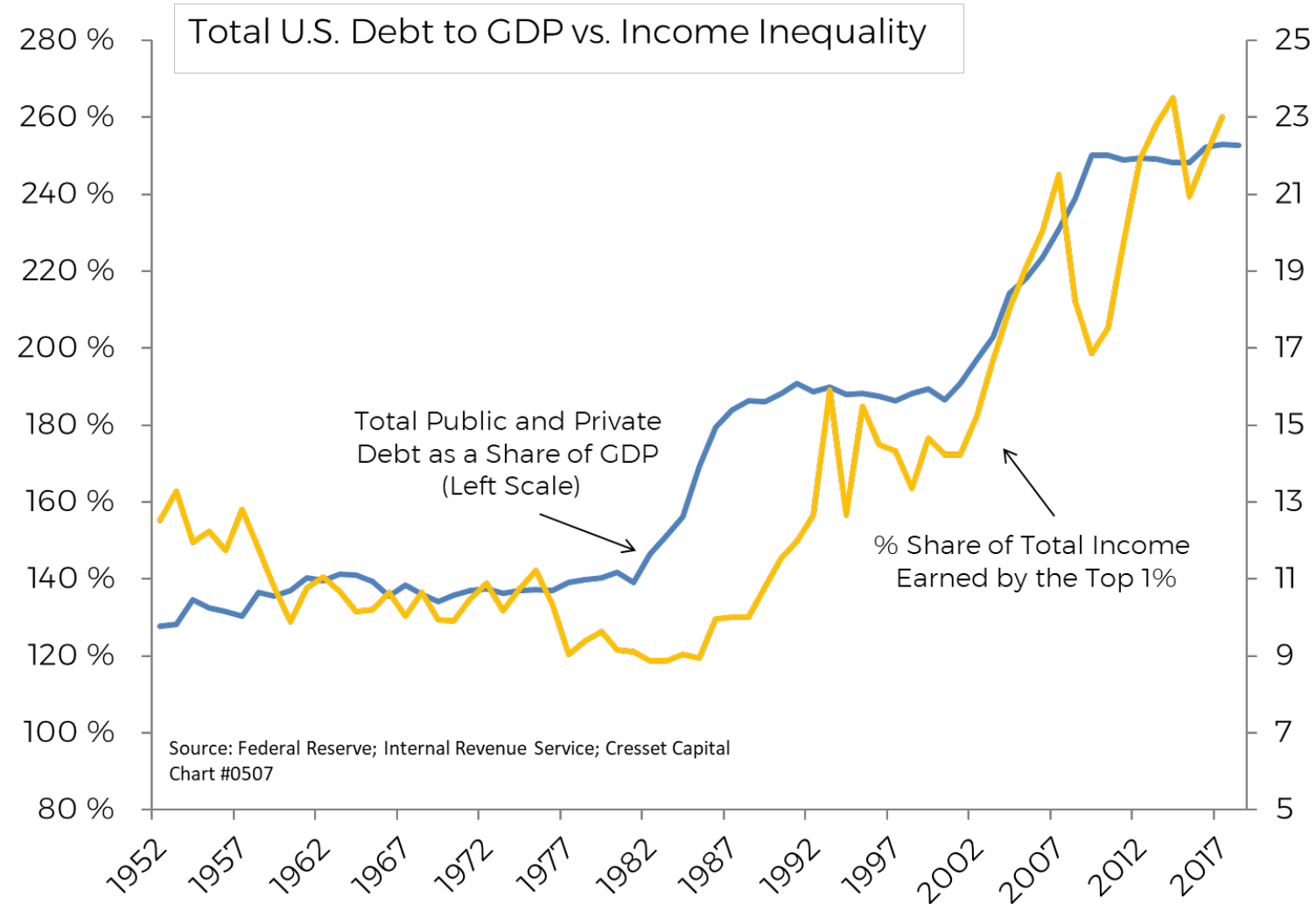
@StatistaCharts

Source: GO BankingRates


Forbes statista



# US Policy Implications



## US Policy Implications

- 
- Medicare for All
  - “Free” College Tuition
  - Student Debt Jubilee
  - Modern Monetary Policy

## Implications for the Economy and Markets

- 
- A faded background image of Wall Street in New York City. It shows a street sign for 'WALL ST' with '11-21 →' above it, and an American flag waving in the foreground. Tall buildings are visible in the background.
- Wider Government Deficits
  - Low Real Rates
  - Stronger Domestic Demand
  - Favorable Risk-Taking Environment



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