



Basis Points – November 6, 2018

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Above the Fold

- The *WSJ* reported yesterday that Amazon plans to split its planned second headquarters evenly between two locations rather than picking just one city for HQ2. The driving force behind the decision to build two equal offices is the ability to recruit enough tech talent. The move will also ease potential issues with housing and transit that will arise while hiring thousands of workers. Under the new plan, Amazon would split the workforce with 25,000 employees in each city. Amazon is in advanced talks with multiple cities but hasn't made a final decision. The paper on Sunday reported that Amazon was in late-stage discussions with Crystal City in Virginia, Dallas, Austin and New York City. A decision and announcement could come as soon as this week.
- A strong jobs report was released last Friday, which showed that employers added a very healthy 250,000 jobs to their payrolls in October. The unemployment rate held steady at 3.7 percent, a 49-year low. Wages are finally starting to rise as employers compete for scarce workers. Wages increased 3.1 percent from a year earlier, the biggest year-over-year gain for average hourly earnings since 2009. While wage gains may eventually lead to higher levels of inflation, harmful wage growth is typically not seen until wages grow at a rate of 4 percent or more.

Three Things

- The IRS announced last week that it is raising the amount that taxpayers will be able to contribute to their retirement accounts in 2019. Investors will be able to add \$6,000 to their traditional IRA accounts next year, up from the \$5,500 level that has been in place since 2013. Participants in 401(k) plans will be able to set aside up to \$19,000 before taxes next year, up from the current \$18,500 maximum. However, the limit on catch-up contributions — contributions people 50 years or older can make on top of regular limits — will not increase in 2019 from the current \$6,000 for

401(k) plans.

- Despite the efforts of the White House to reverse the U.S. trade deficit with China, the U.S. imported a record amount of goods in September, while the trade deficit with China rose to its highest level ever. The foreign-trade deficit in goods and services increased 1.3 percent from the prior month to \$54 billion in September. A surge in products purchased from abroad helped widen the gap, with the value of imported goods ballooning to \$218 billion, the highest level on record. Imports from China also rose, pushing the trade gap to \$40.2 billion, another record high.
- True celebrities make great money. Even after their own deaths. Michael Jackson continues to rake in the bucks, even 10 years after his death. The King of Pop tops this year's list of dead celebrity earnings, as Jackson earned close to \$400 million last year, a large chunk of that coming from the sale of his EMI Publishing stake. Other dead celebs on the list are Elvis (\$40 million in earnings), Arnold Palmer (\$35 million), Bob Marley (\$23 million), Marilyn Monroe (\$14 million) and Prince (\$13 million).

Did You Know

On this momentous election day, recall that women have only enjoyed the right to vote for 98 years. Although the movement demanding women's suffrage began in 1840, women in the United States had to wait 80 years until the 19th Amendment to the U.S. Constitution was ratified on Aug. 26, 1920. How far our society has advanced on the issue of gender equality has been a topic of debate ever since.

But how women are treated on Wall Street has certainly come a long way over the past 100 years. In a July 1902 article in *The New York Times*, the writer noted that New York brokerage offices had recently banned all women from opening accounts, trading in securities or even entering branch offices to transact business. It was thought at the time that women were not cut out to be investors, and it was beneath their dignity to spend time in brokerage offices.

A prominent stockbroker of that day noted to the *Times* that "In the first place, a broker's office is no place for a woman. The average woman knows little about brokerage. Business instinct is not innate in the woman, and worse than that, she can't learn. Tell her all that you know about stocks and market conditions, and the next day she will ask you the same thing again."

Another similarly charming broker noted "Women investors are sore losers. Of course, there is the occasional woman who knows the market and is as game as any man. But she is mighty scarce. The ordinary woman investor makes an awful fuss when she makes a losing investment."

With such open minds and progressive attitudes ruling Wall Street in that era, it took

decades longer for the slow evolution on Wall Street that would bring women to the fore. And it took a very determined woman to finally break down the door. Muriel Siebert began her career in 1952 working at brokerage houses on Wall Street. In 1967, she founded her own brokerage firm, Muriel Siebert & Co., and that same year applied for a seat on the New York Stock Exchange. For a long time, she could not find a member sponsor who would advance her application, but after a long struggle with the boys' club that ruled the exchange, she was finally elected to membership on Dec. 28, 1967, as the first female member of the stock exchange. She joined 1,365 other male members.

In 1994, Siebert was inducted into the National Women's Hall of Fame. Siebert was also honored on Dec. 28, 2007, exactly 40 years after her election to the membership of the New York Stock Exchange, and she rang the closing bell in celebration. Siebert died in 2013 at age 84. She was a true trailblazer on Wall Street, and left a legacy that continues to this day.

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