A few of the states with the highest y-o-y increase in total tax collections were Nebraska (+15.7%), Texas (+11.8%), Louisiana (+10.0%), Massachusetts (+9.63%), New York (+9.50%), and California (+7.57%).

Data (preliminary) compiled by the Rockefeller Institute shows that total state tax collections rose 0.7% (y-o-y) in April, up from 2.3% in March, according to its own release. Moody's is forecasting a default rate of 2.3% for December 2014. The historical average for the default rate on speculative-grade debt has been approximately 4.7% since 1983. The default rate on senior loans stood at 1.01% in April, down from 1.02% in March, according to Standard & Poor's LCD. Leveraged loan portfolio managers expect the default rate to be in the vicinity of 1.90% by the end of 2014, well below the historical average of around 3.20%. Year-to-date through May 7, net inflows to high yield and bank loan (senior loan) funds totaled $3.7 billion and $6.1 billion, respectively, according to data from Lipper.

Americans withdrew approximately $57 billion from 401(k)s and IRAs in 2011 (most recent data), which resulted in close to $5.7 billion in early-withdrawal penalty payments to the IRS, according to MarketWatch.com. That represents a 37% increase over the previous decade. Taxpayers generally face a 10% penalty if they withdraw retirement savings before age 59½. The Federal Reserve reported that penalties hit 9.3% of taxpayers with retirement accounts in 2011. While early withdrawals tend to be commonplace for those individuals who choose to cash out 401(k)s balances after losing or changing their job, they can also surge during economic downturns.

Wednesday, May 14, 2014

Women are almost twice as likely as men to live below the U.S. poverty line during their retirement years, according to CNNMoney. Census data from 2012 shows that, on average, women 65 years and older live on a median income of $16,040 a year, compared to $27,612 for men the same age. Social Security benefits are a key contributor to the income disparity. Social Security benefits are based on a worker’s top 35 years of earnings, so time spent out of the workforce can result in a smaller benefit throughout retirement. On average, women work 12 years less than men do over the course of their careers, according to the AARP Public Policy Institute. The current poverty line for individuals in the U.S. (48 contiguous states and the District of Columbia) is $11,670, according to the U.S. Department of Health & Human Services.

Thursday, May 15, 2014

Goldman Sachs likes the prospects for commodities over the next few years as the global business cycle transitions into an expansion phase, according to Bloomberg. It notes that as growth accelerates, the supply/demand fundamentals in base metals are expected to tighten by the middle of 2015. A Barclays survey in early April revealed that 54% of investors planned to boost their stake in commodities in the next 12 months, compared to 27% in last year’s survey. Year-to-date through 5/14, the Dow Jones-UBS Commodity Index posted a total return of 8.65%, compared to a gain of 3.24% (USD) for the MSCI World Index and 2.96% for the S&P 500.

Friday, May 16, 2014

Data (preliminary) compiled by the Rockefeller Institute shows that total state tax collections rose 0.7% (y-o-y) in Q1/14, the 17th consecutive quarter in which revenues were up, according to its own release. It is, however, the weakest growth since Q1’10. Thirty-seven of the 46 states that have reported results experienced gains in total tax revenues. Personal income, sales and corporate tax revenues were down 0.4%, up 1.0%, and up 5.6%, respectively. A few of the states with the highest y-o-y increase in total tax collections were Nebraska (+15.7%), Texas (+11.8%), Louisiana (+10.0%), Massachusetts (+9.3%) and Oregon (+9.1%).

Institutional
- $0.36 Billion
- $11.16 Billion