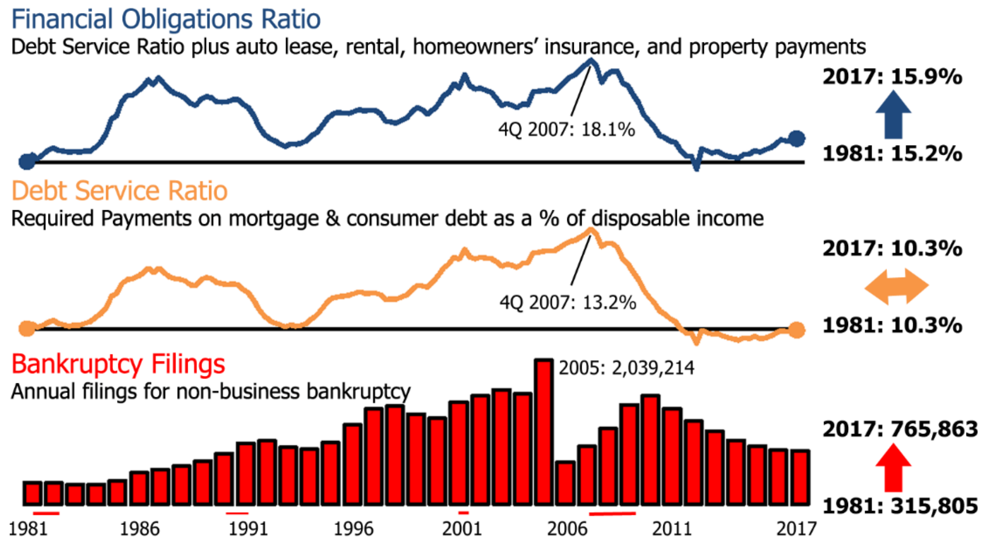
For Your Information...

Leverage Comes Full Circle

Since the height of the housing bubble, households have largely delevered.



Source: U.S. Federal Reserve, Administrative Office of the U.S. Courts

Timescale: Calendar Years 1981 - 2017
Red tick marks indication recessions.

Bellwether CONSULTING

Bellwether Consulting LLC
PO Box 31
Millburn, NJ 07041-0031

Household debt had been on the rise from the 1980's through the credit crisis of 2008 with non-business bankruptcy filings following suit. Bankruptcy filings spiked in 2005 due to the belief that The Bankruptcy Abuse Protection and Consumer Protection Act of 2005 would make filing for Chapter 7 bankruptcy more difficult.

Since 2008, many corporations and portfolios have been deleveraging. While US households appear to be back to leverage ratios seen in the 1980's, bankruptcy filings are over to twice as high.

Go to www.bellwetherconsulting.net for the December 31, 2006 and March 31, 2013 editions of Market Recap to find more discussion on the increase in leverage and its ramifications.

Bellwether Consulting is an independent investment advisor serving the needs of retirement plan sponsors and other institutional investors.

For more information please have a look at our website at www.bellwetherconsulting.net, or call us at (646) 205-9346.