



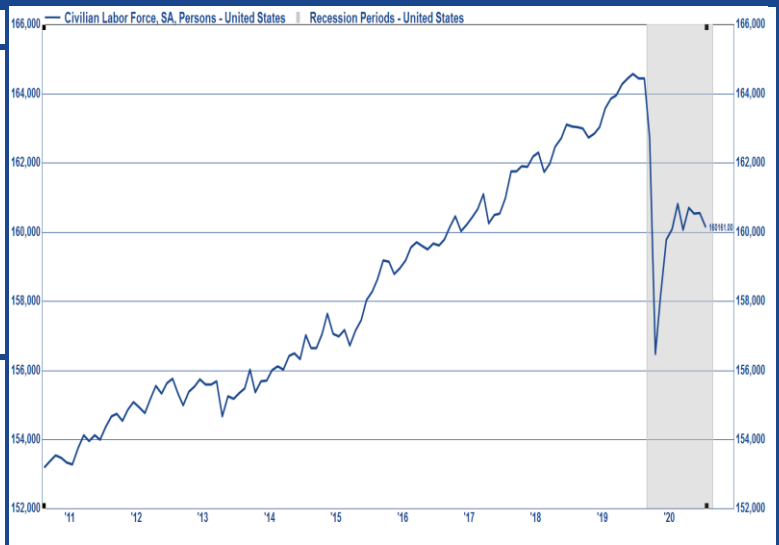
Economic & Market Commentary

The unemployment rate currently stands at a respectable 6.3%, which is down considerably from the April 2020 all-time high of 14.8% and in line with the 42-year average of 6.2%. Looking at the unemployment rate of 6.3%, one would think the labor market is in good shape but that is not the case. Digging into the labor market data tells a much different story. Since the onset of Covid-19, 4.3 million people have dropped out of the civilian labor force and these people are not counted in the unemployment rate for they are not actively looking for work. The number of unemployed presently stands at 10.1 million, which is down from 22.4 million last spring, but is still extremely high from a historical perspective. Roughly 6.0 million people who want to work full time are working part time due to weak business conditions. Finally, as of January 30, 2021, the total number of continuing unemployment insurance claims stands at 18.3 million. Compared to the same week one year ago, continuing claims were only 2.1 million. With so many still unemployed, why is it that many businesses, both large and small, are struggling to find skilled and unskilled labor to keep up with demand? The answer is obscure and very complex. One reason may be that many workers are simply afraid to go back to on-site jobs and would prefer to work remotely, but in many service type industries this is not possible. Another reason is related to Covid-19 restriction mandates. Many of these jobs will not be coming back as businesses have permanently closed, are struggling to remain open during capacity restrictions, or have utilized technology to provide the service. Lack of child care is another reason why as parents are sidelined to care for kids due to the lack of available daycare or to stay at home with kids who are attending school remotely. Unemployment compensation may be another reason as the combination of state and pandemic unemployment in Michigan equated to \$24.05 an hour (\$50,024 per year) last year and may reach \$19.05 (\$39,624 per year) if the new \$1.9 trillion relief package is passed.

Total Returns - February 19, 2021

	1-Wk	YTD	1-Yr
Russell 2000	-0.98	14.88	35.68
MSCI-Emerging	0.09	10.88	32.40
S&P 400	-0.34	10.07	22.77
NASDAQ	-1.54	7.75	42.53
S&P 500	-0.68	4.23	17.44
MSCI-Developed	0.27	4.07	13.09
Dow Jones	0.16	3.17	9.70
Barclay's U.S. Bond Index			
High Yield	-0.05	1.30	7.17
Municipal	-0.77	0.24	3.44
5-year Muni	-0.48	0.02	3.02
Int. Gov. Credit	-0.32	-0.71	4.31
Aggregate	-0.57	-1.80	3.51

U.S. Civilian Labor Force



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	0.07	0.06	1.48
U.S. 2-Yr	0.11	0.10	1.42
U.S. 3-Yr	0.22	0.19	1.39
U.S. 5-Yr	0.59	0.48	1.41
U.S. 10-Yr	1.34	1.20	1.57
U.S. 30-Yr	2.14	2.00	2.01

S&P 500 - Sector Total Returns - February 19, 2021

Sector	1-Wk	YTD	1-Yr
Energy	3.46	22.00	-11.16
Financials	2.83	10.00	6.93
Communication Services	-0.93	6.28	23.35
Consumer Discretionary	-0.52	4.55	30.99
Info Tech	-1.87	4.39	34.03
Real Estate	-0.72	4.13	-4.45
Materials	0.93	3.46	26.80
Industrials	0.78	2.68	10.45
Health Care	-2.45	0.83	12.03
Utilities	-1.94	-2.12	-9.43
Consumer Staples	-1.12	-3.91	3.76

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	0.83	0.68	1.29
U.S. AA	0.90	0.75	1.35
U.S. A	1.23	1.08	1.63
U.S. Baa	1.76	1.61	2.06
U.S. Municipal	1.05	0.90	1.47
Michigan	1.10	0.96	1.57

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	22.28	15.99	1.44
S&P 400 - Mid Cap	19.85	15.79	1.28
S&P 600 - Small Cap	19.92	15.71	1.29