

## Unemployment Data, Uncle Sam Audits, and Tipflation

May 20, 2024

- **A Step Up** – The April 2024 unemployment rate ended at 3.9%, a slight increase from March 2024's rate of 3.8%. The unemployment rate was 3.9% in February 2024 and 3.7% in January 2024 (source: U.S. Bureau of Labor Statistics).
- **Milk Mayhem** – Starbucks stock price ended April 30, 2024 at a price of \$88.49, down from January 2, 2024's price of \$95.45. Just one day later, on May 1, the stock dropped further to \$74.44. The contributing factors include a 4.0% Q2 revenue decline and an ongoing \$5 million lactose intolerance discrimination lawsuit related to upcharges on non-dairy milk (source: Yahoo Finance).
- **Modest Movements** – The Dow Jones Industrial Average sustained a 5% loss in April 2024. This brings the total gain from January 2024 through April 2024 to a mere 0.34% (source: S&P Global).
- **Slight Slump** – Total nonfarm payroll employment increased 175,000 in April 2024, including filled positions in social assistance, healthcare, transportation, and warehousing. The April 2024 gain is lower compared to the average monthly gain of 242,000 from April 2023 through March 2024 (source: U.S. Bureau of Labor Statistics).
- **The Real Loser** – 10 out of 11 S&P 500 sectors saw positive returns from January 2024 through April 2024. The Real Estate sector is the current loser, down 9.86% during this period. (source: S&P Global).
- **Audits by Uncle Sam** – The IRS released plans to increase the audit rate for C Corporations with assets over \$250 million from 8.8% to 22.6% by 2026. Similarly, audit coverage of large Partnerships and S Corporations is expected to increase from 0.1% to 1% by 2026 (source: Reuters).
- **Back to the Shadows** – In mid-May 2024, Squarespace, a website-building platform, announced its transition back to the private sector in a \$6.9 billion all-cash deal with Permira, a private equity firm. The company went public in May 2021 and has struggled to trade above the open price of \$48 (source: CNBC).
- **Flying Solo** – Boeing was the third-worst performing stock on the S&P 500 in April 2024 down 35.6% from January 2024. Boeing's stock started the year off at a share price of \$257.28 on January 2, 2024 at market open. The company's stock price ended at \$167.84 on April 30, 2024 at market close (source: Yahoo Finance).
- **Expectations Met** – The 2024 Met Gala, a fundraiser for the costume department of the Metropolitan Museum of Art, raised more than \$26 million, a \$4 million increase from the 2023 event (source: The New York Times).

- Tipflation – A recent study by Forbes Advisor found that 32% of individuals tip less now than they did in 2021, while 27% tip more and 37% tip the same. Additionally, 40% of respondents felt that food trucks should not ask for a tip, and 38% agreed that fast-casual restaurants should not ask for a tip (source: Forbes).