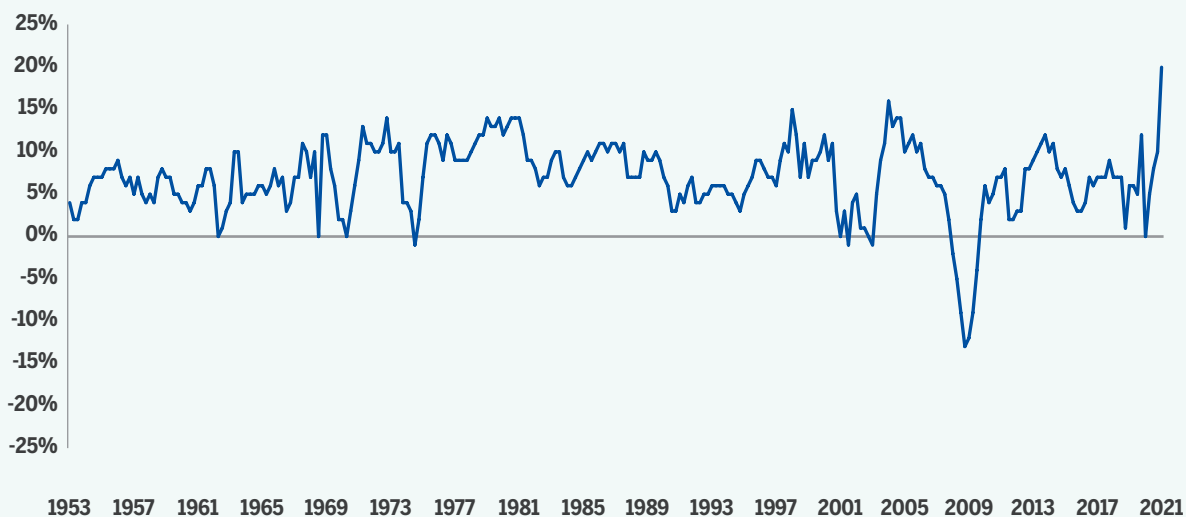


## Is Anyone Feeling Wealthier?

Americans are feeling more affluent with their increased net worth resulting from strong equity and housing markets, particularly if they have owned real estate and stocks over the past few years. Given estimates of propensity to spend, this increased net worth could lift spending by several hundred billion dollars and potentially benefit the larger economy.

### Household Net Worth Surges

#### Year-Over-Year Increase



Source: Federal Reserve. Last data point is 1Q21 estimate by ISI Evercore.

- The chart paints a favorable story in the U.S, where aggregate household net worth is approximately \$130 trillion and is estimated to have increased in the first quarter by the most in well over half a century.
- This is being driven by bull markets in American's two primary assets: 1) home values, which represent approximately \$35 trillion in wealth, are up 10% year over year and 2) stocks, which represent a similar amount, are up much more. Of course, this only applies to Americans who are invested in real estate and the stock market.
- A 20% increase in countrywide net worth would be about \$25 trillion. If 2% of that were spent, as research suggests, we could see \$500 billion of incremental spending, adding about 2.5% to GDP.
- At Alger, we believe economic growth will be robust in 2021. We are finding attractive opportunities among high-quality growth, asset light, innovative companies with exposure to recovering end-markets, such as travel and leisure, aerospace, retail, automobiles and energy.



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