

Profitable INVESTING Tips

Stock Market Investing Tips, Techniques, and Resources



Stimulus Money and Stock Market Investments

By www.ProfitableInvestingTips.com

The Democrats are barreling past Republican opposition in the U.S. Senate to pass Biden's stimulus bill. The \$1.9 Trillion relief package will include funds to fight Covid-19, money to states to support vital work, and \$1,400 each to Americans who make less than \$50,000 a year. There will be some money for folks making more but it will taper off and be gone for those making \$100,000 a year. Our interest at this point is the relationship between stimulus money and stock market investments.

Stimulus Rally of the Stock Market

The Biden stimulus payments will affect the stock market in two different ways. The economy will improve and stimulus checks will go directly into the stock market. *Barron's* published an insightful article about how the [stock market stands to win big](#). It turns out that young investors who will get stimulus money plan to immediately put it in the market! Young millennials aged 25 to 34 plan to put half of their stimulus money into stocks according to a survey by Deutsche Bank. Gen Z 18 to 24-year-olds are planning to invest 40% of their stimulus money. The proportion goes down as age goes up as the 35 to 54-year-old group plans on investing 43% while baby boomers over 55-years of age plan to invest only 16% of their stimulus payment in stocks.

Who Will Get Money to Invest?

The original stimulus or rescue bill had a cutoff of \$75,000 for those to receive \$1,400 and the amount was to taper down until someone earned \$150,000 a year. As the bill has been reworked the top amount for the full \$1,400 is \$50,000 a year and that payment will taper to nothing by the time someone is making \$100,000 a year. Our belief is that many of the folks surveyed by Deutsche Bank have not been excluded from potential payments. Nevertheless, a significant portion of the money included in the bill will end up going directly into the stock market and causing a mini rally.

Investing in the Economic Stimulus of the Biden Rescue Plan

When Congress passed the rescue plans in 2020, both the early and the late bills paid money directly to people and resulted in stimulus of the economy and a bump in the stock market. Consumer stocks will be the first to benefit from the \$1,400 payments. The bulk of people who get the money will immediately buy food, clothing, medicines, and other necessities. Money will go into catching up on rent as well. As we saw last spring, this amount of money will help the economy and bring back some jobs as it throws a lifeline to hurting and hungry families. The extension of other benefits such as for children will provide needed relief but also add stimulus. We expect to see stimulus payments go into the market and stimulus payments go into consumer goods that will help drive the market up. The next wave will be the infrastructure plans which will be meant to create American jobs as well as bringing infrastructure back from its current sorry state.

For more insights and useful information about investments and investing, visit

www.ProfitableInvestingTips.com.

FREE training materials.

Free Weekly Investing Webinars

Don't miss these free training events!

<http://www.profitableinvestingtips.com/free-webinar>

Forex Conspiracy Report

Read every word of this report!

<http://www.forexconspiracyreport.com>

Get 12 Free Japanese Candlestick Videos

Includes training for all 12 major candlestick signals.

<http://www.candlestickforums.com>

Disclaimer: Trading and investing involves significant financial risk and is not suitable for everyone. No content on this document should be considered as financial, trading, or investing advice. All information is intended for educational purposes only.

