



Basis Points – November 14, 2019

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Above the Fold

Public Impeachment Hearings — What You Should Know

The process of impeachment can be quite confusing. Put simply, the House of Representatives must first determine that a sitting President committed an impeachable offense, which ironically doesn't have to be an actual crime; and conversely, not all crimes lead to impeachment.

The House Intelligence Committee began the first round of public impeachment hearings on Capitol Hill yesterday. Sparked by an anonymous whistleblower's complaint, focused on a now-public call with Ukrainian President Volodymyr Zelensky, the inquiry is still in the fact-finding stage. Here, a simple majority of the House must determine whether to adopt the articles of

impeachment, which if voted so, would then move to a trial-like process in the Senate. At that later stage, which is akin to a criminal trial, the President would have the chance to defend himself formally. Two-thirds of the Senate would then need to convict him, at which time the President would be removed from office (which has never happened).

At the end of the day, and after all the political grandstanding, posturing and sensationalism, the Democrat-controlled House must *prove* (to both Democrats and Republicans) that the President committed an impeachable act.

Three Things

1. *Sweden Ditches Negative Rates* – As one of the pioneers of negative interest rates, Sweden's central bank will be the first to undo this dramatic action and move rates from -0.25% to 0%. Bankers are concerned that a continuation of upside-down rates could lead to major "distortions" in the financial system.
2. *Nike and Amazon File for Divorce* – In a surprise move, Nike Inc. said that it would stop selling its sneakers and clothing directly to Amazon.com Inc. for resale. Nike doesn't see Amazon as a good fit for its official merchandise as counterfeit items and unsanctioned sellers are in direct competition with Nike on the platform.
3. *Tesla Taking German Lessons* – After building a factory in Shanghai, China, for Asian orders, the electric car maker announced it will construct a new facility in Southeast Berlin to serve the European community. The German government will also help boost electric car acceptance by committing more than \$3 billion for infrastructure and recharging stations across the country.

Did You Know?

Kids, Money and Chores

A recent survey by The American Institute of Certified Public Accountants found that the majority (two-thirds) of modern parents offer an allowance to their kids, either with or without chores. On average, American kids were earning an average of \$30 per week or a little more than \$120 per month. But for those willing to put a little work in, the rewards are great, as parents' generosity has exponentially grown in the last three years.

In 2016, kids were earning an average of \$4.43 per hour to conduct chores. That pay rate has jumped 38% in 2019 to \$6.11, just \$1.14 less than the minimum wage in several states.

This may seem like good news, but several experts warn that associating earnings with chores means that children will not only be less likely to participate in any chores unless compensated, but may also refuse to do tasks once they feel they've earned enough money for a certain period.

Several experts also noted that many parents start offering allowances too late, and suggest starting kids' stipends as soon as they grasp the concept of money, usually around age 5.

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