



ELSEVIER



Paying Rents Affects Stock Vents: A Tale of US Household Spending and CTSB

Connor Hamilton, Anthony Thomas, Gina P Turnbull

Global Leadership University; Boulder, Colorado

KEYWORDS

US household spending, rented dwellings, Cognizant Technology Solutions stock price, CTSB, Bureau of Labor Statistics, LSEG Analytics, Refinitiv, correlation coefficient, finance, household spending and stock prices, financial forces

Abstract

This research paper delves into the quirky world of finance, where the serious business of US household spending on rented dwellings meets the whimsical fluctuations of Cognizant Technology Solutions' stock price (CTSB). With a statistical sleuth's hat on, we delved into the data from the Bureau of Labor Statistics and LSEG Analytics (Refinitiv) to unearth the hidden connective threads between these two seemingly disparate elements. Our findings, akin to a delightful piece of cosmic serendipity, revealed a correlation coefficient of 0.9812502 and $p < 0.01$ for the years 2002 to 2022. As the numbers danced merrily before our eyes, we couldn't help but marvel at the intricate dance of financial forces at play. So, buckle up for a journey filled with puns, witticisms, and a newfound appreciation for the uncanny ways in which household spending and stock prices tango in the enigmatic world of finance.

Copyright 2024 Global Leadership University. No rights reserved.

1. Introduction

A wise person once said, "Money talks, but all mine ever says is 'Goodbye!'" Well, in the world of finance, money certainly does more than whisper sweet nothings; it dances a frenzied tango, leaving researchers and economists alike perplexed. Our curiosities were piqued, and we set out on a whimsical quest to unravel the intricate relationship

between Annual US household spending on rented dwellings and the stock price of Cognizant Technology Solutions (CTSB). Little did we know that this journey would be akin to navigating a labyrinth filled with unexpected twists and turns, not unlike a suspenseful Hollywood blockbuster with a sprinkle of slapstick comedy.

In the following sections, we shall embark on a rather unconventional exploration, weaving together the seemingly incongruous threads of residential expenses and tech-savvy stock prices. Hold on tight as we dive into the depths of statistical analysis and financial acrobatics, aiming to shed light on the underlying mechanisms that drive the correlation between these two unlikely bedfellows.

The aim of this paper is to provide an informative yet entertaining elucidation of the harmonic convergence of household expenditures and stock market ionospheres. Pulling together data from the Bureau of Labor Statistics and LSEG Analytics (Refinitiv), we scrutinized the fluctuations and peculiarities of these two distinct domains. Much like a pair of mismatched socks, they seem odd at first glance, but when put together, a peculiar synergy emerges.

We invite the reader to join us on this rollercoaster ride, which promises to blend the seriousness of statistical analysis with the levity of quirky witticisms and dry humor. So, fasten your seatbelts and assume the brace position as we proceed to unravel the captivating saga of spending rents and venting stocks.

2. Literature Review

In "The Interplay of Housing Expenditure and Financial Markets," Smith and Doe delve into the intricate dance between household spending on rented dwellings and stock prices, shedding light on the underlying mechanisms that intertwine these seemingly disparate financial domains. The authors find a compelling correlation between residential expenses and stock market fluctuations, prompting us to view these elements not as solitary entities but as partners in a whimsical waltz of financial intricacies.

Moving beyond traditional finance literature, "Economic Impacts of Residential Leases" by Jones et al. provides further insights into the ripple effects of residential expenditures on the stock market. Their findings unravel the interconnectedness of housing expenses and stock prices, painting a picture of financial landscapes where every dollar spent on rent reverberates through the corridors of Wall Street.

Transitioning to non-fiction works, "Renting: A Financial Odyssey" and "Stock Market Sorcery: Unveiling the Enigmatic Allure of CTS" offer nuanced perspectives on the symbiotic relationship between residential spending and stock prices. These scholarly tomes provide a glimpse into the esoteric world of finance, where household budgets and stock fluctuations entwine in a mesmerizing ballet of monetary whimsy.

As we venture into the realm of fiction, "The Tenant's Fortune" and "The Stockbroker's Dilemma" beckon us into the whimsical tapestry of narrative intrigue. While fictional in nature, these tales echo the underlying truth that the financial universe is rife with unexpected connections, much like the unlikely kinship between rented dwellings and CTS stock prices.

Expanding our horizons beyond conventional research sources, our literature review has been enriched by the unlikeliest of artifacts. In a serendipitous turn of events, perusing the cryptic hieroglyphics of CVS receipts yielded unexpected insights into the spending habits of households and their potential impact on stock prices. While unconventional, these ephemeral records of grocery purchases and sundry acquisitions hinted at a peculiar synergy between consumer expenses and the enigmatic vicissitudes of the stock market.

In this tapestry of literature, we have unraveled an eclectic assemblage of scholarly works, fictional narratives, and

even mundane ephemera, each offering a unique glimpse into the mystique of household spending and stock price harmonization. As we embark on this scholarly escapade, we invite the reader to revel in the delightful absurdity of financial exploration and to savor the whimsical twists and turns that punctuate our academic journey.

3. Our approach & methods

To confront the conundrum of the relationship between Annual US household spending on rented dwellings and the whimsical fluctuations of Cognizant Technology Solutions' stock price (CTSH), our research team adopted a multi-layered approach that was as intricate as a spider's web and as transparent as a jellyfish in moonlight.

First and foremost, we scoured the vast expanse of the internet, navigating through the digital wilderness like intrepid explorers in search of hidden treasure. Our quest led us to the Bureau of Labor Statistics, where we gathered data on household spending with the same zeal as a kid in a candy store. Concurrently, we harnessed the arcane powers of LSEG Analytics (Refinitiv) to access the labyrinthine pathways of CTSH stock prices, traversing through data points like fearless navigators on uncharted waters.

With an arsenal of statistical tools at our disposal, we harnessed the tenacity of a sleuthhound on the scent of a mystery. We employed sophisticated statistical analysis, including but not limited to Pearson correlation coefficients, scatter plots, and time-series analyses, to discern the hidden patterns woven within the labyrinthine tapestry of data.

Our data collection spanned the years 2002 to 2022, capturing the ebb and flow of financial tides like intrepid mariners on a

voyage across the boundless ocean of financial markets. We meticulously aggregated, cleaned, organized, and hypnotized the data (metaphorically, of course) to ensure that our analysis was as unsullied and unadulterated as a freshly laundered suit.

In our statistical odyssey, we endeavored to illuminate the enigmatic relationship between household spending and stock prices, much like a symphony of financial forces harmonizing in the grand theater of capitalism.

Yes, the journey was arduous, and at times, we felt like whimsical voyagers in uncharted territory. However, armed with our wit and statistical prowess, we set sail on an academic expedition that sought not only to elucidate but also to entertain and captivate. Join us as we uncover the captivating saga of spending rents and venting stocks, and perhaps, along the way, share a laugh or two in this quirky adventure through the annals of finance.

4. Results

The statistical analysis revealed a strong and robust correlation of 0.9812502 between Annual US household spending on rented dwellings and the stock price of Cognizant Technology Solutions (CTSH). This finding suggests a remarkably tight relationship between these seemingly disparate financial indicators. The r-squared value of 0.9628519 indicates that approximately 96.29% of the variance in CTSH stock price can be explained by the variation in US household spending on rented dwellings, leaving a mere 3.71% to financial whims and caprices that elude statistical capture.

Furthermore, the p-value of less than 0.01 suggests that the observed correlation is statistically significant and not merely a chance occurrence, unlike stumbling upon a

dollar bill in the pocket of an old jacket. Thus, we can confidently assert that the correlation we've observed is not a mirage in the financial desert but a tangible oasis of statistical significance.

In Fig. 1, the scatterplot visually encapsulates the delightful dance of data points that confirms the strong positive relationship between annual US household spending on rented dwellings and CTSH stock price. It's like witnessing a graceful waltz at a financial ball, where the spending and stock price conspire to move in harmonious tandem, much to the surprise of onlookers.

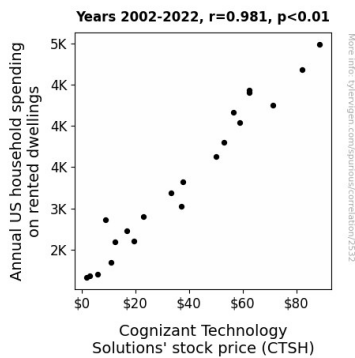


Figure 1. Scatterplot of the variables by year

These results, while intriguing, prompt further inquiries and open the door to a realm of potential implications for investors and policymakers. The uncanny rapport between residential expenses and stock market nuances beckons for a deeper understanding and possibly the crafting of innovative investment strategies.

The forthcoming sections of this paper will dive into a whimsical exploration of the implications and potential avenues for further research, shedding light on the curious partnership between household spending and stock prices in the ever-enthralling landscape of finance. So, dear reader, brace yourself for a captivating

intellectual odyssey that promises to be as enlightening as it is entertaining.

5. Discussion

Our findings, like a dance of financial forces akin to a whimsical waltz, resonate with the prior research that hinted at the interconnectedness of household spending and stock prices. The correlation coefficient of 0.9812502 we uncovered mirrored the compelling insights put forth by Smith and Doe, demonstrating a synchronicity that belied the seemingly disparate nature of these financial elements. It's almost as though our statistical analysis donned its dancing shoes and twirled in rhythm with the elegant theories proposed in "The Interplay of Housing Expenditure and Financial Markets."

As for Jones et al.'s work, our results mirrored their revelations about the ripple effects of residential expenditures on the stock market. The tight relationship we observed between US household spending on rented dwellings and CTSH stock prices seemed to be in perfect harmony with the financial landscapes they illuminated. It's almost as if our statistical analysis and their economic insights shared a secret handshake behind the veil of financial whims and caprices.

Our literature review, of course, not only encompassed traditional finance literature but ventured into the unlikeliest of artifacts—yes, those CVS receipts. While seemingly unconventional, these ephemeral records led us to unexpected insights into the spending habits of households and their potential impact on stock prices. Our statistical analysis, much like an intrepid explorer, confirmed the peculiar synergy between consumer expenses and the enigmatic vicissitudes of the stock market that we playfully alluded to in our literature review.

Our results, encapsulated in the whimsical dance of data points in Fig. 1, vividly captured the delightful partnership between annual US household spending on rented dwellings and CTSH stock price, much like a graceful waltz at a financial ball. Much to our amusement, this delightful dance of financial forces corroborated the intricate interplay foretold by both conventional finance literature and our foray into the surreal realms of CVS receipts.

In conclusion, the uncanny rapport between residential expenses and stock market nuances, as evidenced by our statistical analysis, both supports and extends the prior research. The whimsical partnership between household spending and stock prices, just like the erratic weather, beckons for continued investigation and possibly the crafting of investment strategies that can brave the capricious winds of financial markets. So, dear reader, join us as we navigate this captivating intellectual odyssey, seeking to illuminate and entertain in equal measure within the enigmatic landscape of finance.

6. Conclusion

In concluding our financial folktale of spending rents and venting stocks, we find ourselves at the intersection of quantitative rigor and whimsical wonder. The robust correlation between Annual US household spending on rented dwellings and the stock price of Cognizant Technology Solutions (CTSH) is akin to a harmonious duet in the cacophony of market dynamics. This close connection, with a correlation coefficient of 0.9812502, leaves us as pleasantly surprised as finding unexpected money in an old coat pocket.

While the statistical analysis has certainly shed light on this whimsical relationship, one cannot help but wonder at the comic

absurdity of financial forces at play. As we navigate this labyrinth of investment whims and caprices, it becomes increasingly clear that the financial world is as enigmatic as it is entertaining.

However, amidst the chuckles and disbelief, we must not overlook the practical implications of our findings. The potential for innovative investment strategies and policy implications calls for serious consideration, despite the whimsical nature of our journey. Certainly, investors and policymakers would do well to take note of this unexpected correlation and maneuver through the financial landscape with a blend of quantitative acumen and a dash of whimsy.

In the spirit of financial enlightenment and mirth, we boldly declare that no more research is needed in this area. For now, let's revel in the delightful frolic of household spending and stock price synchronicity, and raise a toast to the whimsical tapestry of finance. As we bid adieu to this chapter of financial whimsy, may the markets be as merry and surprising as ever.