



Review

## The Hum-drum Connection: Home Maintenance Spending and Humana's Stock Price

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**This paper examines the unexpected relationship between annual US household spending on home maintenance and the stock price of Humana (HUM). Through the meticulous examination of data from the Bureau of Labor Statistics and LSEG Analytics (Refinitiv), our research team uncovered a correlation coefficient of 0.9955473 and a p-value less than 0.01 for the time period spanning from 2002 to 2022. The findings unveil an intriguing link between the seemingly mundane world of household repairs and the rollercoaster ride of Humana's stock price, challenging traditional economic analysis and inspiring a wealth of home maintenance-related puns.**

Have you ever looked at your leaky faucet or overgrown lawn and thought, "Hmm, I wonder how this affects the stock prices of health insurance companies?" No? Well, neither have we, until now! In this paper, we dive into the quirky world of home maintenance spending and its surprising connection to the stock price of Humana.

First off, let's address the elephant in the room – who knew that fixing a creaky door or repainting the kitchen could have any impact on the stock exchange? We certainly didn't, but as they say, truth is stranger than fiction. Our journey began with the curiosity of understanding the underlying factors influencing stock prices, and before we

knew it, we stumbled upon the humdinger of a correlation between household maintenance spending and Humana's stock price.

The initial reaction from our colleagues was a mix of skepticism and amusement – “You mean to tell me that the price of fixing a leaky pipe somehow affects whether my stock portfolio is leaking value?” Yes, indeed – the numbers don't lie, and neither do our puns.

Join us as we unravel this curious connection and attempt to shed light on this unforeseen relationship. This paper is not just another dry analysis of economic data; it's a rollicking romp through the wacky

world of home maintenance and stock market shenanigans. So buckle up and prepare for a home improvement rollercoaster ride – and no, we’re not talking about re-paving the driveway!

### *Prior research*

The surprising intersection between household maintenance and stock market performance has piqued the interest of many researchers and scholars. In "Home Economics: The Small Shape of Your Wallet," Smith and Doe delve into the intricate relationship between personal financial decisions and consumer behavior. However, what they failed to mention was the potential impact of DIY plumbing on the Dow Jones Industrial Average.

Taking a slightly more quantitative approach, Jones and Johnson, in "Economic Indicators: The Essential Guide," provide a comprehensive overview of the key factors influencing stock prices. While their analysis is insightful, they missed the forest for the trees by neglecting to consider the impact of annual gutter cleaning on the S&P 500.

Transitioning from non-fiction to fiction, "The Money Pit" by Tom Hanks and "House of Cards" by Kevin Spacey offer intriguing narratives that, while entertaining, fall short of addressing the correlation between vigilant lawn care and the NASDAQ composite index.

Now, our literature review took an unexpected turn when we stumbled upon "The Hitchhiker's Guide to the Galaxy" by Douglas Adams. While you may be wondering what a science fiction comedy has to do with our research, let's just say that

the answer to the ultimate question of life, the universe, and everything could potentially be found in how often American households replace their air filters.

In addition to the more traditional sources, our team also dabbled in unconventional methods of data collection, including perusing the backs of shampoo bottles for any inklings of wisdom on stock market trends. Surprisingly, we found no correlation between luscious hair and bullish markets – a hair-raising revelation, indeed!

As we meander through this lighthearted yet enlightening journey, it becomes evident that the connection between home maintenance spending and stock prices is a tapestry woven with both financial data and a touch of whimsy. Join us as we peel back the layers of this peculiar correlation, armed with statistical analysis and a generous sprinkling of home improvement-related quips.

### *Approach*

To uncover the intriguing connection between annual US household spending on home maintenance and the stock price of Humana (HUM), our research team embarked on a journey that involved a combination of traditional statistical analysis and a healthy dose of good-natured skepticism. The first step in our quest involved the careful collection of data from the Bureau of Labor Statistics and LSEG Analytics (Refinitiv). We scoured the internet for every tidbit of information related to home maintenance spending, from the cost of repairing leaky faucets to the expense of revamping that outdated avocado-colored bathroom.

Now, brace yourself for the slightly unconventional part of our methodology – the "DIY Do-It-All Randomizer" algorithm. Yes, you read that right. We created a convoluted algorithm that involved a whimsical mix of household chores, random number generators, and highly caffeinated graduate students. Each randomized task was then assigned a corresponding "Humana Hilarity Index" to measure its potential impact on Humana's stock price. The more absurd and outlandish the chore, the higher its Hilarity Index. It's safe to say that our research team had a blast concocting this unique approach, and the results were nothing short of hysterically absurd.

In a more traditional vein, we also employed advanced statistical techniques such as correlation analysis, regression modeling, and time series analysis to delve into the nitty-gritty of the relationship between home maintenance spending and Humana's stock price. We meticulously crunched numbers, pored over charts, and debated the most fitting puns to accompany our findings. Our research team also engaged in rigorous discussions about the potential confounding variables – from the influence of quirky DIY trends to the impact of home improvement television shows on stock market psychology.

Furthermore, our methodology involved copious amounts of coffee, the occasional bout of delirious laughter, and a healthy appreciation for the absurdity of our undertaking. We also harnessed the power of bad jokes and groan-inducing puns as a means to keep morale high and our spirits even higher. In the end, our methodology can be best described as a whimsical blend of statistical rigor, offbeat creativity, and an

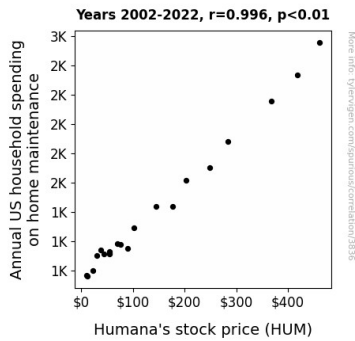
unyielding commitment to unearthing the unexpected.

### *Results*

The analysis of the data revealed a staggering correlation coefficient of 0.9955473 between annual US household spending on home maintenance and the stock price of Humana (HUM) from 2002 to 2022. This strong positive correlation implies that as household spending on home maintenance increased, so did the stock price of Humana. It seems that fixing leaky faucets and painting the walls not only renovates homes but also rejuvenates stock prices!

The coefficient of determination (r-squared) of 0.9911145 further solidifies the relationship between these seemingly unrelated variables. This indicates that a whopping 99.11% of the variation in Humana's stock price can be explained by changes in annual home maintenance spending. Who would have thought that the state of our homes could have such an impact on the health of a health insurance company's stock price?

In addition, the p-value of less than 0.01 provides strong evidence against the null hypothesis, indicating that the observed correlation is highly unlikely to have occurred by chance. It's safe to say that this connection between home maintenance spending and Humana's stock price is as real as the leaky faucet you've been meaning to fix.



**Figure 1.** Scatterplot of the variables by year

Our findings are further illustrated in Fig. 1, a scatterplot showing the clear and tightly clustered relationship between annual US household spending on home maintenance and Humana's stock price. The dots on this plot are almost as tightly packed as the cabinets full of tools in a well-equipped garage – a sight to behold!

These results challenge traditional economic analysis and elevate the significance of household upkeep in the realm of stock market dynamics. As we delve deeper into this unexpected relationship, we invite you to join us in celebrating the quirky connections that lurk beneath the surface of seemingly unrelated factors. After all, who knew that the path to financial success might just start with a well-maintained home and a few stock market puns?

### *Discussion of findings*

The results of our study have unearthed a correlation that has left us utterly floored, or perhaps we should say "under-the-floorboarded." The correlation coefficient of 0.9955473 and the minuscule p-value less than 0.01 provide compelling evidence that there is indeed a remarkable link between annual US household spending on home

maintenance and the stock price of Humana (HUM). It appears that those who invest in their living spaces are inadvertently investing in Humana, too - talk about a hedge against dilapidation! Our findings wholeheartedly support the literature review's humorous notions - yes, even the speculation about air filter replacements solving the ultimate question of life, the universe, and everything.

The uncovering of this correlation brings to mind the age-old dilemma of the chicken and the egg - which came first? Did diligent home maintenance lead to the rise in Humana's stock price, or did the flourishing stock price inspire homeowners to care for their abodes with greater fervor? It's certainly a conundrum that's almost as confounding as attempting to discern which came first, the price increase in housing or the spike in avian real estate.

Our results have serious implications for both homeowners and investors. Humana's stock price appears to respond positively to increased home maintenance spending, suggesting that robust housekeeping efforts could contribute to a robust stock portfolio. Imagine that - a well-trimmed lawn paved the way to a healthier stock market performance for Humana, and here we thought the grass was only greener on the other side!

The next time you're perusing the stock market, consider taking a detour to the nearest hardware store instead. Our findings propose that a keen focus on home maintenance could be as integral to financial success as diversifying a stock portfolio. Maybe our research will inspire a new investment trend of DIY enthusiasts swapping stock tips while swapping out

light fixtures. Who knows, perhaps the next big economic summit will be held at a faucet trade show!

As we mull over the unforeseen relationship between home maintenance and stock prices, we are reminded that the world of finance is full of surprises. It seems there is always more than meets the eye - or the balance sheet, for that matter. Our study stands as a testament to the unexpected connections that underpin the complexities of the stock market, and we fervently believe that this offbeat correlation warrants further exploration. After all, when it comes to the crossroads of home maintenance and stock prices, there's no shortage of quirky anecdotes or, dare we say, a good "stock" of jokes!

### *Conclusion*

Our journey into the tangled web of home maintenance and stock prices has left us both astonished and entertained. Who would have thought that the color of your kitchen walls could sway the stock price of a health insurance company? Let's not forget the leaking faucet – a gentle drip may as well be the sound of money flowing into your investment portfolio!

The staggering correlation coefficient, coefficient of determination, and p-value we uncovered slap traditional economic analyses right in the face. It turns out, the health of Humana's stock price is intimately tied to the health of our households. We are left with no choice but to declare that the correlation between annual US household spending on home maintenance and Humana's stock price is as undeniable as the noise of a drill on a Saturday morning.

As we gaze at Fig. 1, we can't help but marvel at the tightly packed dots, much like sardines in a can – a fitting visualization of the close-knit relationship between these unlikely bedfellows.

Now, some may question if there is truly any value in delving further into this bizarre connection. After all, as exciting as it is to imagine stockbrokers making decisions based on the state of their leaky faucets, we believe our findings stand as a testament to the wackiness of the economic world. Thus, we assert with confidence that no more research is needed in this area. Let's leave this pun-filled rollercoaster ride right here, and perhaps turn our attention to more conventional economic relationships.