

THE Rational Optimist™

It Has Never Been Better

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As I take a moment to dissect the noise surrounding us, I am reminded that the naysayers and doomsayers prefer we remain fearful of the future. It is constantly reiterated that our economy and markets are built on debt, deception, exploitation and corruption.

Consequently, many are drowning in the choppy, murky, dangerous sea of negative, gut-wrenching, fear-mongering, emotional headlines.

Before we proceed, please relax, take a deep breath. Come down off the ledge and put down the TUMS®.

Let's continue, in the short term, the media must focus on the negative to sell.

Volatility is cyclical and driven by extremes of emotion.

For instances, you have heard that “unless you are Amazon, retail is dead” - again. Yet, teenagers and young adults have increased their mall visits. Malls above movie theaters, restaurants, and sports clubs are the most popular.

The crowd is often surprised that things are not as bad as feared. The crowd is often surprised how over time, their investment portfolios continue to increase in value - given “all the bad news out there.”

Risk is everywhere. Always has been and always will be. Of course, we only perceive it differently now.

In reality, things have never been better in regards to the US economy.

A mountain of money in cash remains perched on the precipice of bank accounts and bonds, soon to create an avalanche that will fall into stocks/equities.

Business has pent-up demand. Demographically we are about to hit the largest tranche of people to enter the markets for products and services.

The “barbell economy” as coined by Demogronomics' Michael Walters is unfolding in front of our eyes, with ebbs and flows, but massive it is. It will last not only quarters but decades. The two largest cohorts of generations to ever affect the US economy are aging and moving through vital sectors.

The new waves of people growing up will drive our future as always. In the late 70s and 80s it was boomers. Now it is Gen X, Y, and Z (larger in number than boomers - by far), with their baked-in decades of demand.

It is not to deny our economy's systemic problems. Is the economy in a Stagnation? That is relative. It could be worse. Much worse. And yet this “weak recovery” is stronger than most understand.

On the other side, it could be better. Much better. I believe it will be. I believe we are still on the launching pad. Strap yourselves in.



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