CLiENTFIRST
Strategy, Inc.

Written by Mitchell O. Goldberg
ClientFirst Strategy, Inc.
May 9, 2012
For immediate release

For the Economy and the Election: 3 Key Statistics

While perusing the Department of Labor's website, http://www.bls.gov/schedule/news_release/2012_sched.htm, looking for undiscovered clues regarding the direction of the economy, I decided what the 3 most important stats are that, in my opinion, will be equally critical to both President Obama and to Governor Romney come next November.

Here they are:

1. **Friday, September 7, 2012 – Monthly Employment Report for August.**
2. **Friday, October 5, 2012 – Monthly Employment Report for September.**
3. **Friday, November 2, 2012 – monthly Employment Report For October.**

Did you notice that item #3 is just 4 days before the big Election on November 6th? I believe this is significant. After all, the grandest of stats is the monthly labor report; it is the one investment managers, consumers, and politicians alike focus on the most.

In the barrage of economic statistics, headline numbers move quickly from the top of the screen to the bottom and are usually off completely before the end of the day. The term "RECENCY" means that investors and, by extension, people in general tend to focus on only the most recent stats. For example, no one talks anymore about how the 3 monthly employment reports from December '11, January '12 and February '12 showed that over 200,000 jobs were generated each month in the U.S. economy; old news!

Regarding the above 3 labor reports coming out later this year, it will be the trend (upward or downward) and the overall numeric results that may very well be all that we need to know for the November election. Everything else leading up to those stats is just for fun. Or maybe I need to read a novel instead of the U.S. Dept. of Labor website.

It was November of 2008 that I wrote the below comments after the '08 Presidential election:

(November, 2008) Politics: This is not meant to be political. This is meant to be an objective observation of a pattern that I'd like to point out. It is also the topic of conversation of the day, so it is only reasonable that it should be addressed.

Presidential cycles and economic cycles aren't always congruent and are often only correlated – meaning we can't always easily assign cause and effect to Executive Branch policies and economic conditions. **But it would seem that investors have done well to invest for the long term when new Presidents are elected during recessions.**

This has to do with the Fed and Treasury actions that took place during the time of the outgoing Administrations. Presidents who seem to have presided over economically good times were Presidents Reagan (following Carter/troubled economy) and Clinton (following H.W. Bush/spent most of his term in office during a recession and real estate bubble burst). Presidents who seem to have presided over economically tough times were Presidents H.W. Bush (following Reagan/strong economy), W. Bush (following Clinton/strong economy).

How about the incoming President Elect Obama? With massive economic stimulus, a weak economy, a stock market down by almost 50% from peak levels, one can make the very simple case that this is a good time for him to become President. The heavy lifting of Fed and Treasury policy has already been initiated. Since history is a repeating mechanism, one could argue that history is squarely on the side of investors. In fact, today's environment is so strikingly similar to that of 1992, from cabinet posts to a severe real estate glut; one can argue that history is not in the making to the extent that we may think. It is actually just repeating itself. To go from correlation to actual cause and effect, the negative economic statistics (rising unemployment, declining earnings, and even bank failures) at the ends of the Presidency's during recessions, as it turns out, are lagging indicators. This may bode well for investors, both blue and red.

(Full article available upon request or on www.clientfirststrategy.com)

Fast forward to May of '12, it looks like investors have done OK since then.

Thanks for reading! I wrote this because I believe that the subjects of economics and politics are inter-related. Simply put, one cannot advise without taking both into account.

We are registered to sell securities in the following states: AZ, CA, CO, CT, FL, IL, KS, KY, MD, NJ, NY, PA, VA, WA.

Mitchell O. Goldberg, President | Investment Professional

ClientFirst Strategy, Inc.
195 Froehlich Farm Blvd, Woodbury, NY 11797
(W) 516-921-7460 (F) 516-921-7467 (C) 516-818-0338
mgoldberg@clientfirststrategy.com | www.clientfirststrategy.com