
March 5th, 2024

Off to a Solid Start... but Looming Debt Cloud Remains

Major stock indexes are up, and unemployment is down to record levels – things are going better than many would have expected, especially given the ongoing inverted yield curve that we have had. But, as we've pointed out, the stock indexes are up due to much concentration in the "Magnificent 7" mostly tech stocks, unemployment numbers have been greatly affected by government job growth and (as more and more in DC and Wall Street are writing about) the looming public debt is unsustainable. \$34 Trillion and growing (and not even counting the unfunded mandates of Social Security and Medicare) should get your attention. Part of why the stock indexes have done well is that they seem to be anticipating many interest-rate cuts this year. If inflation rears its ugly head again, that could mean a big disappointment in discounting future earnings.

But, let's face it, the U.S. economy expanded at a decent 3.3% annualized rate in Q4 of 2023, a deceleration from a very strong third quarter but well above consensus expectations for 2.0% growth. I say "decent" because I truly do believe the US economy could perform much better than that....and NEEDS to if we're to get out from under this debt cloud. Many of the underlying details looked strong but consumption, again, powered the economy in both goods and services. The biggest upside surprise was trade, which rose at a 6.3% annualized pace while inventories grew at an unsustainable pace. The U.S. economy is expected to continue decelerating in 2024, with real GDP growth forecasted to slow to a below-trend pace of 0.7%, compared to the better-than-expected 2.8% growth in 2023. This slowdown is attributed to the effects of monetary policy, fading post-pandemic tailwinds, and a more muted pace of consumer spending. Fiscal spending is also expected to shift from being a positive contributor to a modest drag on the economy.

The labor market is showing signs of normalization, with momentum starting to wane. Payroll growth is slowing, unemployment is modestly rising, and there are declining quit rates and temporary help. The unemployment rate could drift higher in 2024, but it is expected to remain low in historical context. Inflation trends are cooling, but they are likely to remain above the Federal Reserve's 2% target. The Fed Funds rate is assumed to be on hold at 5.25%-5.5% until the middle of 2024, with potential cuts to start in June.

Globally, the economy is also forecasted to grow at a subdued rate in 2024, with consensus projections hovering around the range of 2.6% to 3.8%....

Quote of the Day:

"One of the funny things about the stock market is that every time one person buys, another person sells... and both think they are astute."

– William Feather

UPCOMING WORKSHOP

March 20 – Q1 In Person Workshop at ALTIUS

RSVP for our upcoming workshop on March 20th at 6pm-8pm. This event will include a Capital Markets Outlook from Mike and a gardening presentation on tips for the 2024 season with expert Douglas Long.

TAKE A LOOK INSIDE

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Off to a Solid Start... but Looming Debt Cloud Remains (cont.)

The International Monetary Fund (IMF) forecasts a slight decline in global growth to 2.9% in 2024, down from 3% in 2023. Much of this growth is made up of emerging markets activity, while growth in advanced economies remains tepid. Overall, the economy is expected to face challenges in 2024, including slower growth, cooling inflation trends, and a potential increase in unemployment. However, the outlook suggests a soft landing rather than a sharp contraction.

Taylor's Take: Welcoming Spring



Is it just me or are we all waking up a little happier these days? I know there's still been many winter mornings for our Colorado clients, and it seems like the big snows come in later now, but the longer sunny days are hopefully raising your spirits for the spring and summertime ahead. In the mentality of springing

forward, I have a few finance tips for everyone to consider during this time of change and growth:

- Now is a great time to revisit your day-to-day expenses and increase your recurring savings, especially if you received a raise or bonus in the recent months.
- Has anything big changed in your life? Maybe now is a good time to get on the schedule and revisit your financial planning.
- Consider your risk tolerance, are you comfortable with volatility at this time and should we maintain or alter our investment strategy for you?
- Have you changed your account passwords lately? I know we all hate having to change and update these, but now is a great time to do a password refresh and update your security preferences.
- Now is a great time to check in on your goals, financial and otherwise, and decide what changes need to be made to get or stay on track. This may also be a great time to celebrate the progress you have made.

Jenn's Jangle – Schwab Alliance

Remember, there are two primary on-line portals that ALTIUS clients use: our own My Empowered Future™ (powered by eMoney) for those who want a comprehensive look at their overall financial plan, and for those who want to drill down into the investments held/managed at Schwab, we offer Schwab Alliance. In version of my Jangle, I'm referring only to Schwab Alliance. The eAuthorization process can be completed in four simple steps:

1. Client accesses a request via Schwab Alliance Message Center, email, or Schwab Mobile app.
2. Client may have to select Consent before transaction details are displayed.
3. If the transaction details are accurate, the client can select I agree, and then hit Submit.
4. If eAuthorization was successful, the client will receive a confirmation message.

Schwab considers Alliance their most secure and fastest way of authorization. This is an electronic approval process, takes place in minutes, saving hours and sometimes days of waiting for DocuSign's or mail. Using Schwab Alliance helps safeguard against rising transaction fraud. Let me know if you are not using Schwab Alliance and want me to send you an activation link. Must have a valid email address to use.

ALTIUS' 25th Anniversary Fun Facts

To celebrate our 25th Anniversary this year, we'll be including fun facts about ALTIUS' history until our 25th Anniversary Party and Client Appreciation Event on Sept. 10th (more details to come).

Why did I start ALTIUS?

I wanted to create a company that I could offer the best services and advice by my own standards. In the financial services industry, most advisory businesses are interested in and emphasize either planning OR investing. I wanted to strive for excellence in *BOTH* planning and investment results. I wanted to take the full entrepreneurial plunge to create my own identity, standards, approach while catering to my clients needs.

The Math of Money: Rolling, rolling... count 'em up...

Did you know that in ancient times, cattle were one of the earliest forms of money? They were like moveable wealth and the cows (and sheep, camels, etc.) were used as a unit of account to value other goods and services. Lots of other items were valued in terms of how many heads of cattle they were worth. For example, if a horse was worth 5 heads of cattle and a sheep was worth 1 head of cattle, then a horse was considered to be 5 times more valuable than a sheep. Each head of cattle was called a caput, which is Latin for “head.”

So, a person with a lot of cattle had lots of caputs or “capital,” which is, of course, a word still used today for many things including the head of something like a political state and, obviously, for money and wealth. There are many linguist roots connecting money and the use of the mind/head and you should ask me about this sometime. This system of using cattle as a unit of account allowed people to compare the value of different goods and services and facilitate trade. It also helped in keeping records of debts and credits. Over time, as economies evolved, more convenient forms of money were developed, such as coins and paper currency, but the concept of using a unit of account to measure value has remained an essential part of economic systems. The underlying principles of money as a medium of exchange, a unit of account and a store of value are still the same regardless of if we're counting cows or cryptocurrency, though you must wonder about how people are valuing the latter. Again, you can't eat crypto, but you can't eat dollars or gold or stock certificates either....

Book Recommendation: *Wanting What You Want* by Dan Sullivan, Reviewed by Krescent



What moves a person to go from needing to wanting? And why do most of the successful, innovative, and/or effective people in the world add more value by wanting? It's easy to look back at history and find that most of the best inventions, discoveries, and creations all come from the same place: a place of motivation and internal “wanting.”

In “Wanting What You Want,” Dan Sullivan shows and explains that there's two types of people – “wanters” and “needers.” Dan Sullivan coaches entrepreneurs, but the principles apply to anyone and this is a book you can read in less than an hour or so – it even comes with pictures for better visualization. He breaks down the differences between these two types and makes it digestible for almost all ages. The needers are always living in scarcity and reacting rather than acting. Whereas the wanters are not only active and live in abundance, but they have the freedom and drive to be pro-active.

What's so great about this book is that it has applicable strategies that show the mindset around motivation and how anyone can move from being a needer to a wanter. And in becoming a wanter, how one's success in life grows exponentially. Sullivan shows how, contrary to many of our cultural norms, people who are wanters are usually the one's who practice gratitude – being thankful for all they have now. It's maybe paradoxical but once you're honest with yourself about what you really do want (which is not that easy to identify), you have a greater clarity and ambition on how to get it, and a greater serenity about the state you're in now.

I'd recommend this book to all of our clients, but even more to their friends, loved ones, and children. If you're already with ALTIUS, we know that you're a wanter – you have goals, passions, and thoughts for the future. Many times, our goals include those around us and wanting the best for them. This book is a great opportunity to check in with them and ask, “are you a needer or a wanter?” and “what is it you really want right now?” and maybe even, “can I help you get what you want?”

Tennis Anyone?

As the weather continues to improve, I'm hoping to get out on the courts soon. I mentioned before that my daughters and I got to spend my birthday at the Australian Open. It's a goal of mine to see all the major "Grand Slam" tennis tournaments and I've been to the US Open a few times, been to Wimbledon and Indian Wells (not a Slam but a great tourney) and now checked the AO off the list. I've been to Paris before but never to Roland Garros, so 1 more to go.

For those of you who are fans, it's amazing how you can get a daily ground pass for these tournaments, see some world class tennis, and join the party for a very inexpensive ticket. Of course, we did splurge a little to get into the famed Rod Laver stadium and see some big names too.

It was a fantastic trip where we met in Sydney to explore and see an opera at the famed venue, then on to Melbourne for some tennis and beach time and then flew down to New Zealand where Aminta showed us the ropes. Finally, we helped her move home from her year long stint down there and were so glad to have her back. I'm tempted to share more memories and photos, but I also know our newsletter seems to get long. I appreciate those of you who make it to the end here and, just out of curiosity, will you please send me a quick note that you did read this – you can just put "read it all Mike" in the subject line...who knows, there may be a reward in it.



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