



Is the U.S. Fed – Addicted ?

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The U.S. is supposed to have a Capitalist Economy, founded on citizens going about their business for their personal visions of life, liberty and the pursuit of happiness: known as 'free enterprise'. Our many governments, federal, state and local, are to provide security and infra-structure to support our freedoms. 243 years after independence, however, the reality is quite different.

Re: economics. Our Federal Reserve Bank (the Fed) is the most powerful financial institution both at home and abroad. Its 12 members, all armed with similar Ivy League educations, set interest rates that directly influence the world economies and financial markets more than any other entity. This structure has been controversial since its inception in 1913. That 12 un-elected Bankers have this sort of power doesn't sit well with everyone.

Many wise historians believe various maneuvers by the Fed caused the Great Depression of the 1930's, and subsequent moves made it worse and longer. Moving forward, we and others believe the Fed's loose monetary policies were at the heart of the Great Recession 2008-09. Once the economy tanked they panicked and doubled-down on money-printing. One result, U.S. government debt rose two-fold to the current \$22.5 Trillion ! Now, most financial types wait breathlessly for the next Fed announcement:

will rates move higher, lower, or ?

Like lots of issues, there is little we citizens can do to affect the Fed's next move. As with governments most places, in spite of their poor track record they think they know what they're doing and that we're just not sophisticated enough to appreciate their wisdom.

Remember this: The Fed has one over-arching tool, to increase debt to allow the Federal Government to pay its bills (including Social Security, Medicare, etc.), consumers to borrow and buy (new houses, cars, vacations, etc.), corporations to buy-back stock, on and on.

But if you're old enough to have respect for the two edges of debt: things get easier when you borrow, and much tougher later when you have to pay it back, you probably understand there's a trap in the future. What does the Fed do when the debt it creates becomes unwieldy ?

We don't believe they have a plan for that. They are laser focused on the short-term. 10 years after the Great Recession, with the economy (according to them) doing really well, the U.S. borrowed another \$ 1 T in 2018. 2019 will be a repeat, or worse..

Be wary of the Fed. Eventually their excessive borrowing will negatively affect you and your family's financial future. There are, by the way, time-tested steps to protect yourself.

Does Financial Planning Work ?

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The FP Industry grew substantially since the 1980's. The idea of a comprehensive analysis of family finances (investments, taxes, insurance, retirement & estate) makes good common sense. Couple that with thoughtful work on goals (family protection, college & retirement funding) and, voila, you have a Financial Plan that should provide valuable direction into the future. But do they work ?

I've been doing FP professionally since 1985. Combined with my 3 associates we've been at it over 100 years. Our experience is similar to tens of thousands of others: it depends.

Step 1: You find the right experienced Planner.

Step 2: You are willing to be disciplined in following the Plan, including foregoing some current pleasantries (new car every year, etc.). A large percentage of Financial Planning clients significantly improve their long-term financial futures.

Finances are complicated, more so today than in my 34 years in the business. At the same time there are more products and services available to mitigate those issues.

Some advice: Start now planning your financial future. Done well it can dramatically improve the lives of you and your family.

WORKSHOP

Are you prepared for the next big downturn?

With assistance from the Fed, stock and bond prices are at record highs. One big problem, debt increased to levels never- before imagined, yet our Economy is still short of their growth target. Now they want to borrow more. What could go wrong ??? Lots ! And it could significantly derail your financial future. In this two-hour Workshop we'll discuss how we got here, how it might affect you and your family, and some time-tested steps to protect yourself.

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Our Workshops are Free, but space is limited,
please RSVP ahead of time.

SEPTEMBER 5th 6:30 pm—8:30 pm.

Call Jan @ (303) 770-3030 to RSVP

New location: Piney Creek Clubhouse

5800 S. Joplin Way

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