



Azalea Festival  
Honor Heights Park, Muskogee, OK  
April 1-30

# More than Money

April 2021



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Thank you for allowing me to partner with you in pursuing your financial goals. I'd love you to share this newsletter with friends and family. You can learn more about our approach to investing at my [website](#). John

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## Fear of Inflation

*- and other things that go bump in the night*

Over the last month I have had one discussion over and over again. No, it has nothing to do with finding shrimp in your [Cinnamon Toast Crunch](#) breakfast cereal, or double parking a container ship in the [Suez Canal](#). What almost everyone is talking about is **INFLATION** – and the fear that there will be lots of it.

The set up for this conversation typically includes these facts: The U.S. government has printed record amounts of money to provide stimulus and sub-

sidies. This will in turn create record debt and cause inflation and interest rates to spike.

The facts above are true, but they do not sit on the seesaw by themselves. Let's start looking at this by asking a slightly different question. Why has there not been any significant inflation in the last 10 years? With crazy low interest rates (almost free money) and increasing federal debt, what has been holding inflation back till now? The answer is sitting on the other side of the seesaw – **DEFLATION**. Deflation is roughly defined as the decline in prices of goods and services. With deflation, your dollar goes further.

We have all seen deflation over the last several years. Big screen TVs and computers used to cost thousands. Now they cost hundreds. Many things we used to buy required a trip to the store. Now we get better prices, free shipping, and a bonus lifetime supply of fresh cardboard boxes. Maybe one of the biggest factors keeping inflation at bay is the fact that wages have been pretty stagnant (<https://www.epi.org/nominal-wage-tracker/>) for a long time.

## The Fear of Inflation — continued

The Federal Reserve Board has been aiming at a sustained inflation target around 2%. Until recently they have struggled to reach this goal. While it seems that stimulus and a recovering economy are starting to bring the beginning of inflation, the *fear* of inflation seems much bigger than inflation itself. “The kind of troubling inflation that people like me grew up with seems far away and unlikely,” says Fed Chairman Jerome Powell.

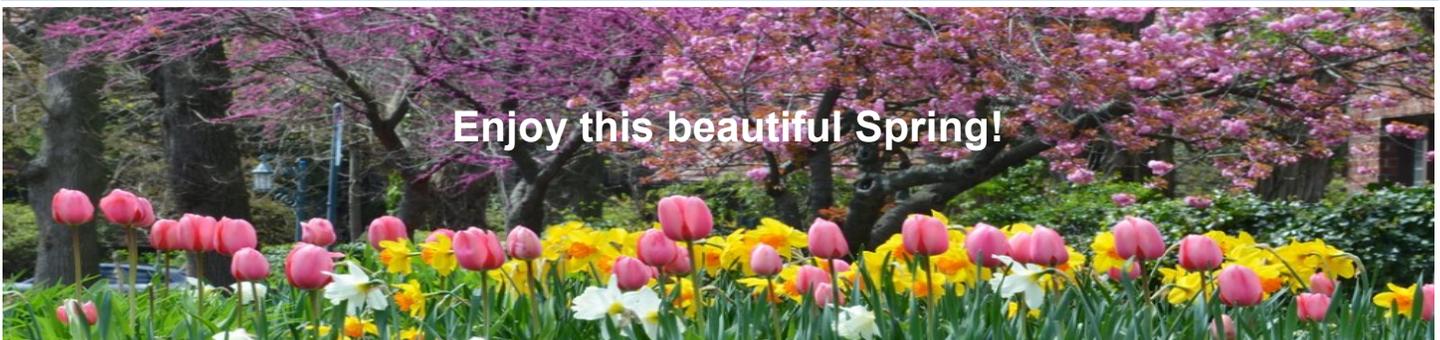
I want to remind everyone that it is very normal to see a spike in inflation at the beginning of a recovery. But I also want to mention that we have all been living in crisis mode for well over a year. Most of us (myself included) need to be reminded that not every bright light is an oncoming train. The world and the economy has gone through more change in the last year than I have ever seen – and I include the 2008 financial crisis in this thought.

Going forward, we will continue to see change — change in how we work, travel, shop, pay for things, and who knows what else. But fear itself has no power to change how we navigate what’s ahead. I am reminded of a great quote from an old sci-fi book I read long ago:

“I must not fear. Fear is the mind-killer. .” — Frank Herbert, *Dune*

As the economy resets, we will continue to evaluate risks and the need for portfolio adjustments. If you have questions about any of this, please call.

Let us help!



Enjoy this beautiful Spring!

We are offering a safe and secure way to shred your confidential documents at the close of this tax season. With the services of The Meadows Center for Opportunity, we will have secure recycling bins here at the office to accept your personal paperwork.

Beginning Thursday, April 1 through Friday, April 23 drop your documents here at the office. You can walk away with a load off your mind mentally and a load out of your house physically.



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