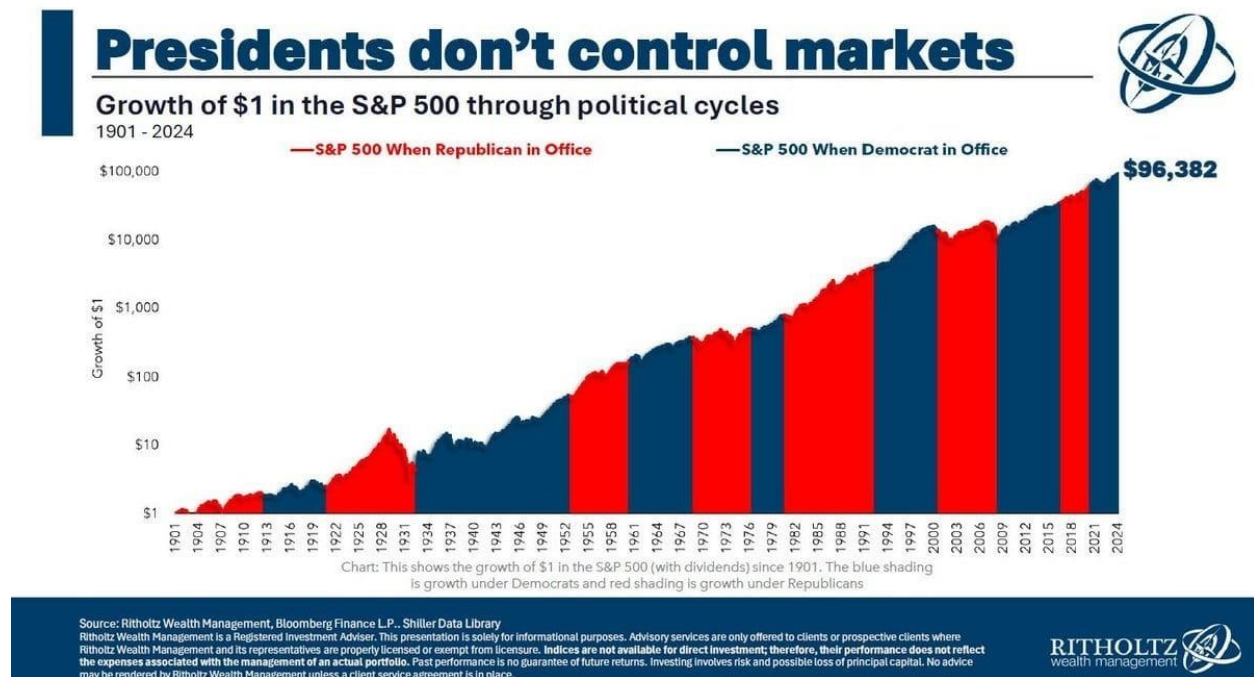


## The Outlook: Nov. 5, 2024

### *Politics matter . . . but Main Street matters much more.*

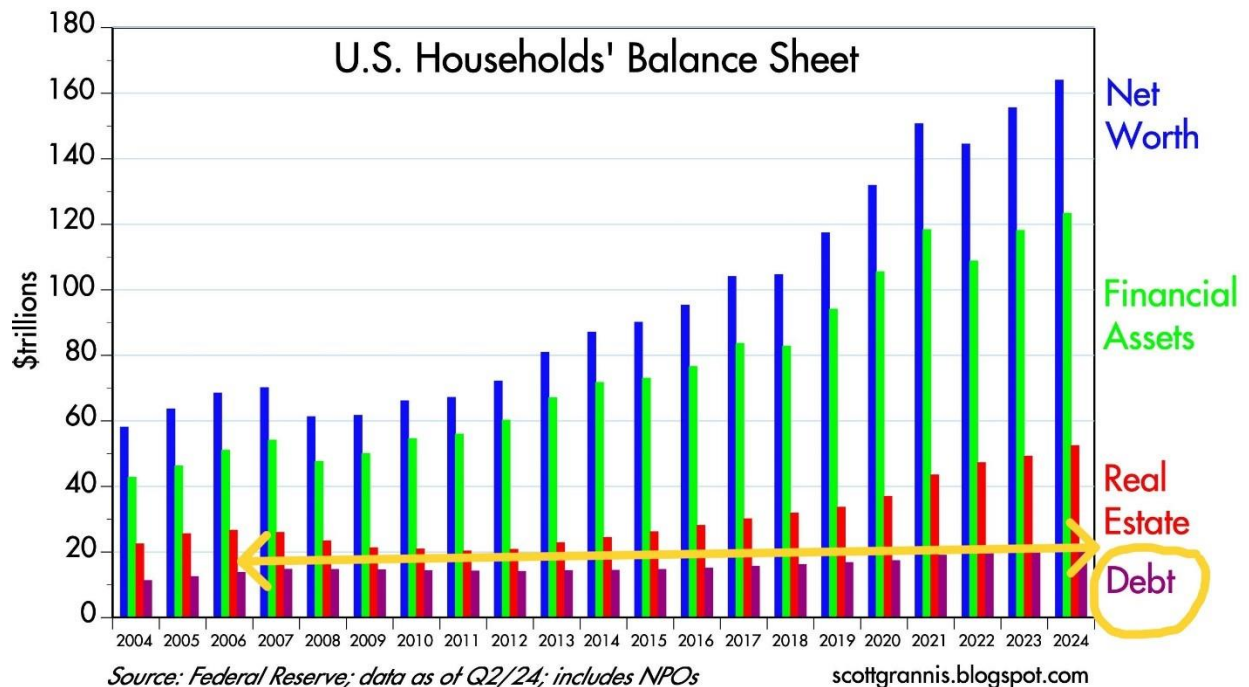
The market is a lot of things . . . but mostly it's about the growth and financial strength of Main Street USA: the economy, from households to businesses. As Outlook has mentioned a few times, politics absolutely matters when it comes to that growth and strength . . . but it just doesn't matter nearly as quickly as we're all inclined to "feel" it does. Main Street is simply too broad, deep and strong to be crippled by a "bad" President—no matter which side gets to define "bad."

Here's a refreshing reminder of that truth, courtesy of the Ritholtz asset management firm:



History buffs know there have been plenty of starkly different political philosophies on top in Washington D.C. during all those red and blue years. And the sharp differences have not been just "red" versus "blue." They've also been pretty sharp when we measure "red versus red" and "blue versus blue" over time. But Main Street found ways to adapt and keep growing, didn't it? Main Street's inventiveness, will to compete, and personal responsibility for results are much stronger tailwinds, over almost any 5 – 10 year period, than the possible headwinds fanned by the actions of DC's politicians.

Main Street's magic rests on one more foundation: financial strength. We've glanced at the next picture pretty regularly, because it's rather amazing.



There is the 20-year growth—strong growth—in Main Street Household’s financial strength. The yellow arrow points to the most remarkable thing about this picture: household debt has gone nowhere for 18 years or so.

In the 1970’s, 80’s, and 90’s it would have been impossible to find any kind of expert who would have predicted anything other than “debt will rise and rise . . . always.” The idea that it might flatline for almost 20 years, ever, would have been dismissed with one of those “C’mon. Get real,” kinds of looks. But the wonderful thing about us people is that we do surprise ourselves, sometimes, by doing something pretty good.

“Politics matter,” is an old saying. But they don’t matter like Main Street matters. At Outlook we’re holding as usual, and buying more whenever we can.

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