

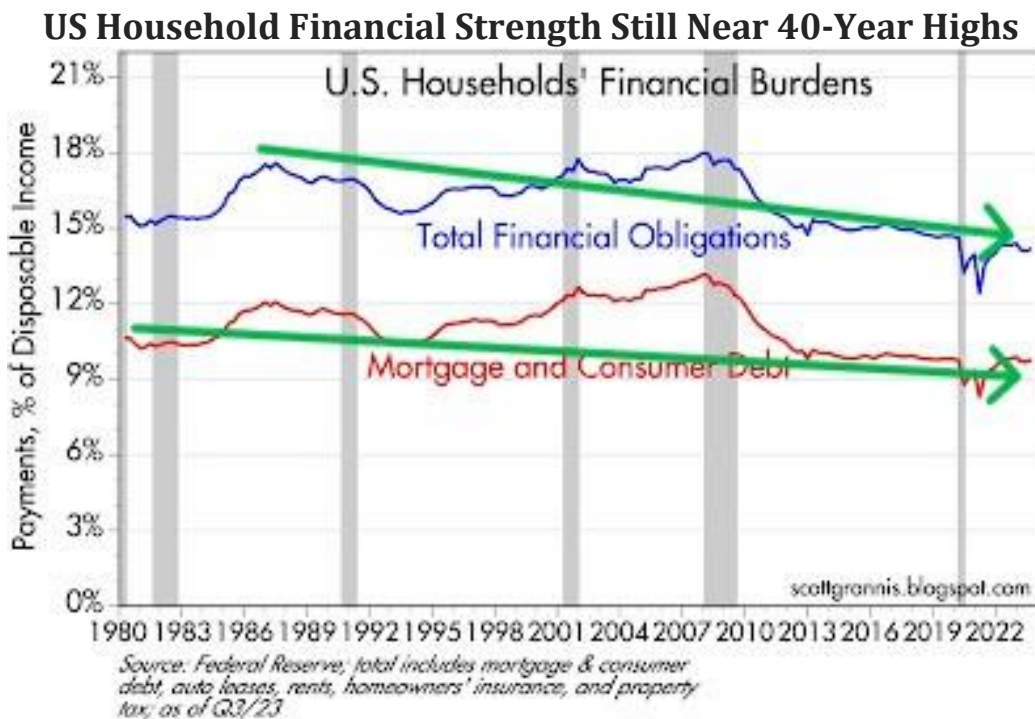
The Outlook: March 12, 2024

Tolerating “the general level of background worry.”

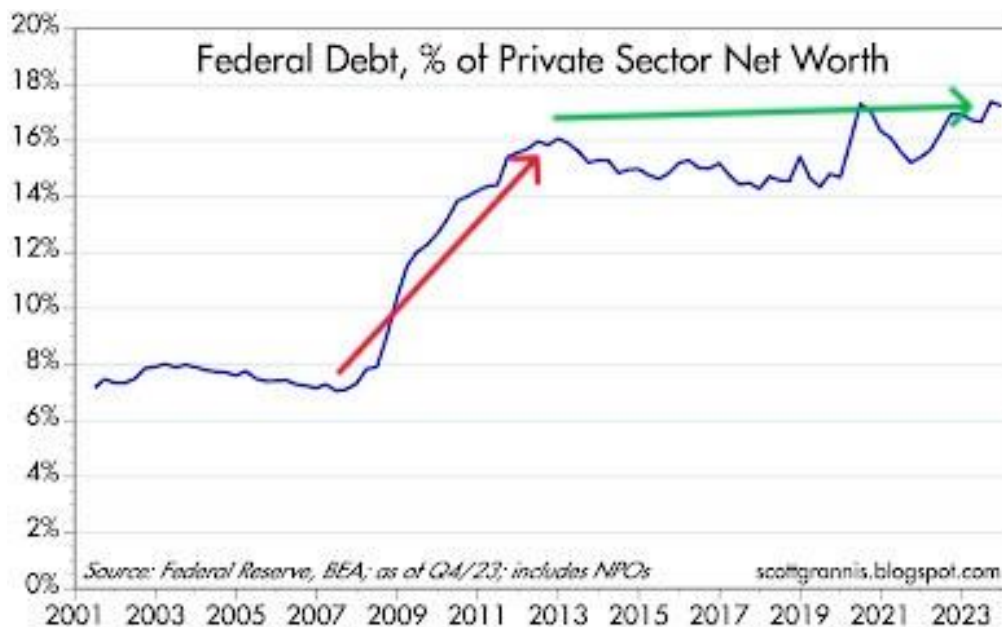
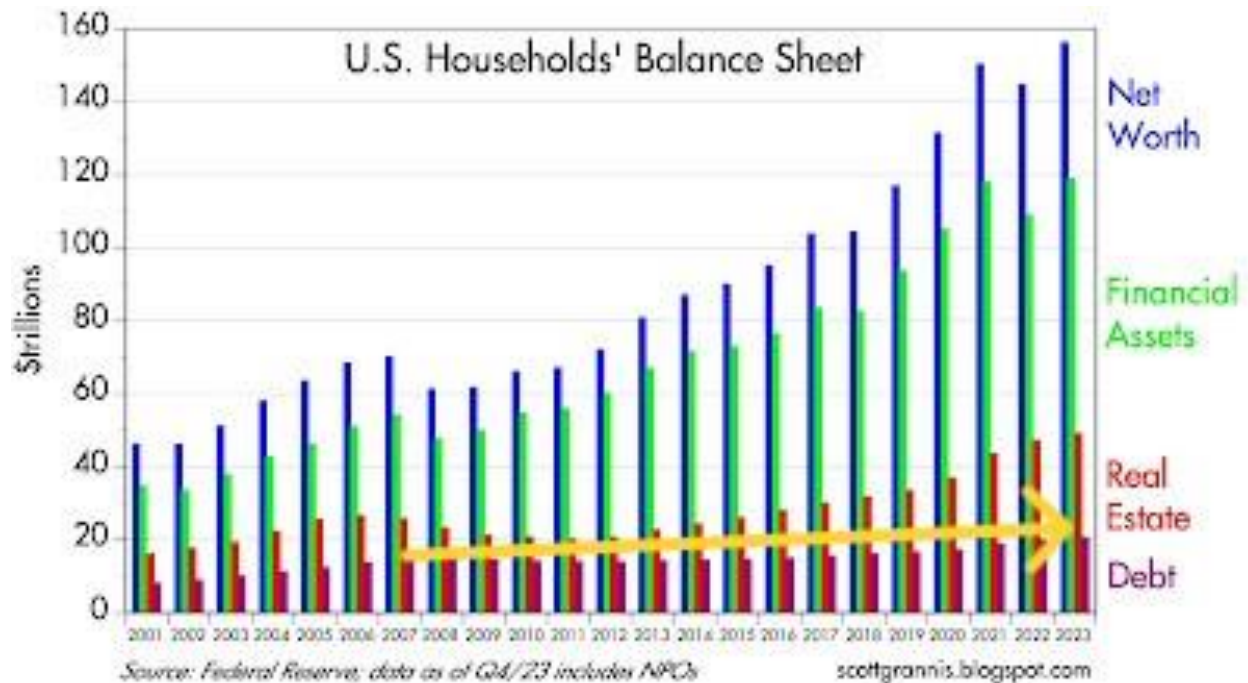
Most of us live with a kind of “general background level of worry” through our days and nights . . . with our constant worry-level slowly but steadily growing with the passing years. Unfortunately what we worry about isn’t the least bit imaginary, but dead serious: with health, family and money topping the list.

At Outlook our business is the “money” world of worry. We wallow in that world of worries every single day, mainly because the money world overflows with media and other experts who are constantly telling us how worried we ought to be about . . . many things. There’s only one cure: perspective. Yes, Outlook’s Golden Rule: “Never gaze only at one corner of the big picture, no matter who thinks we should. Always look at the whole picture.”

Here’s the big picture these days. The economic and investment world has a world of dangers to worry about, a world of burdens to bear; but it also has a truly extraordinary level of strength for bearing them. Let’s glance at some recent pictures, courtesy of economist Scott Grannis and others.



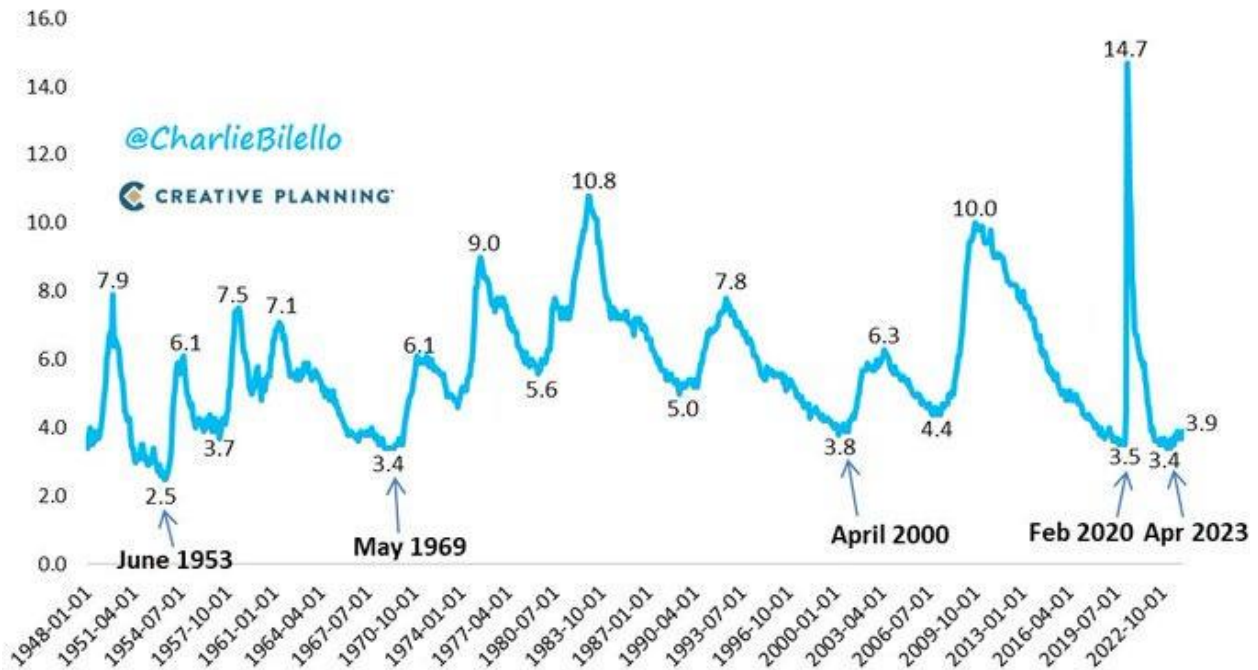
Here’s a different look at the same thing. Household net worth has risen so much because the stock market has risen so much, mainly. But the truly jaw-dropping part of this picture is that yellow arrow. Household debt has hardly inched up over these 20 years. 15 years ago, Outlook’s guess is that not one single expert would have said such a thing was conceivable. But it’s been not just conceivable, but sensible: people react to frightening events by strengthening themselves in the future.



On the long list of things “we are constantly told to worry about,” lately, is the government budget deficit and exploding volume of debt. We should worry about them. Debt is a killer. But we still need perspective. This picture shows that “Main Street’s wealth” is still pretty huge, compared to “The Government’s Debt” . . . and Main Street’s wealth has been growing almost as fast as that Debt. Debt is a killer . . . but not tomorrow, or the next day, or the next years.

We are going a little crazy with charts here . . . sorry! Here’s the unemployment rate: still very near 75-year lows. It’s yet another thing that no expert thought remotely possible back in the 1970’s “stagflation years,”—when a young investment manager began his career.

U.S. Unemployment Rate (%)



75-Year Miracle: the Unstoppable Growth of General Wealth



That 75-year miracle only happened because of free markets and free people, able to use their ingenuity and determination to better themselves. Long ago, when a young analyst entered the investment world, he briefly worked under a boss who always wallowed in the darkest corners of every picture . . . and thought anyone who didn't was, well, foolish. Luckily that boss's boss took the young man aside one day, showed him a picture along the lines of the above, and said, "That did not happen by accident, but for a reason: because of free markets, free people and human ingenuity. That's the big picture—not the

frightening dark corners which fascinate so many. Think about it.” He did, thank goodness—and that “general level of background worry” has been pretty tolerable ever since.

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