



Today's Headline May Be Tomorrow's Joke

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"We do not talk - we bludgeon one another with facts and theories gleaned from cursory readings of newspapers, magazines and digests." – Henry Miller

More than ever, it seems, people are consumed with the day's events (and so-called "breaking news" like a cat stuck in a tree) and weaponize their daily dose of news to then argue with anyone who disagrees with their point of view. But too often they are not stopping to consider that their point of view may be influenced by the media, much less consider that the media consumed may be wrong or just speculative. Thus, it may be that the soup-du-jour of worrying about inflation due to massive governmental debt is misplaced. For my part, I believe there are consequences to everything, and the massive debt will need to be repaid one way or another. But my point here is that the news reports that may cause anxiety about rising interest rates and inflation may be correct – but they may also be incorrect; as I like to say, the future is unknown and unknowable, so it's prudent to remain open to different points of view when talking about what may or may not happen in the future.

Borrowing some research from Dimensional, we wanted to remind you that even though "everything screams inflation" right now, your reliance upon today's events to justify tomorrow's occurrences may be misplaced (see some historical news reports below that were scary when issued but may not have come true much less affected long-term stock returns). Recent price increases of everything from food to travel to used cars do not necessarily translate into persistent inflation. These price increases could be signs of inflation to come due to the massive amount of spending by the government, but they could just as easily be transient factors that accompany the recovery from a global pandemic; no one knows – again, because the future is unknown and unknowable. So, as we have always advocated, it's best to be proactive with the design of your investment portfolio to be able to not only enjoy the good times but weather the bad times as well. Sorry for sounding like a broken record, but I have been at this for over twenty-five years, and I always have and always will counsel you to get ready for good times and bad during good times and bad.

So take whatever you read about today's events, and their *possible* future implications, with a big grain of salt because they may or may not come to fruition. And let's stop with all the negativism; let's stop trying, as Henry Miller said, to bludgeon your fellow man or woman with your interpretation of the news - for it does nothing other than help those who wish to bring the U.S.A. down a notch.

As always, thanks for friendship and trust, and have a great rest of the Summer!

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Publish Date	Commentary	S&P 500 Index Annualized Returns Since Start of Publishing Month			
		1yr	3yr	5yr	10yr
<p>1970</p> <p>May 17 New York Times</p>	<p><i>"Behind the pervasive bearishness was the same litany of problems that has depressed the markets for almost a year and a half—concern over inflation, tight money, the uncertain economic picture, social unrest, wariness over the war in Indochina and other international tensions."</i></p> <p>Thomas E. Mullaney, "Inflation Spurs Growing Gloom in the Markets"</p>	32.23	13.01	5.05	7.04
<p>1973</p> <p>June 18 Time</p>	<p><i>"The economy's inflationary temperature has climbed to its highest point in two decades. The situation has helped create near chaos in stock and dollar-exchange markets."</i></p> <p>"Nixon's Other Crisis: The Shrinking Dollar," Time</p>	-13.79	2.60	2.85	9.58
<p>1983</p> <p>August 4 New York Times</p>	<p><i>"Interest rates will rise as an inevitable consequence of the monetary explosion we've experienced over the past year."</i></p> <p>Milton Friedman, 1976 Nobel laureate, quoted in "Which Way Interest Rates?"</p>	-2.92	18.29	15.28	14.73
<p>1992</p> <p>September Bankruptcy 1995</p>	<p><i>"In 1995, the USA, as we know it today, will cease to exist. ... We'll get a taste of both hyperinflation and panic."</i></p> <p>Harold E. Figgie Jr. and Gerald Swanson, PhD, <i>Bankruptcy 1995</i> (Boston: Little, Brown & Co.)</p>	15.21	13.85	19.77	10.39
<p>1996</p> <p>February Worth</p>	<p><i>"Thus, in the 1990s we have worldwide low production capacity, worldwide growth in demand, worldwide low inventories, and a worldwide surge in liquidity. To anyone trained in global economic patterns, this mixture can have only one outcome."</i></p> <p>Jim Rogers, "The Specter of Inflation"</p>	26.34	28.55	11.75	8.99
<p>2003</p> <p>January 20 Barron's</p>	<p><i>"Curiously, however, one reads almost nothing about what may be the biggest bubble of them all—the huge ballooning of total debt in the U.S."</i></p> <p>Jonathan R. Laing, "The Debt Bomb"</p>	28.69	14.39	12.83	7.10
<p>2013</p> <p>March 31 New York Times</p>	<p><i>"Eight decades of borrowing, spending and money-printing by the government have bankrupted America."</i></p> <p>David A. Stockman, director of the (US) Office of Management and Budget (1981–1985), "Sundown in America"</p>	25.37	10.75	14.73	—

Headlines are sourced from publicly available news outlets and provided for context not to explain market behavior. Referenced performance is historical and is no guarantee of future results. All indices are unmanaged and may not be invested into directly.

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