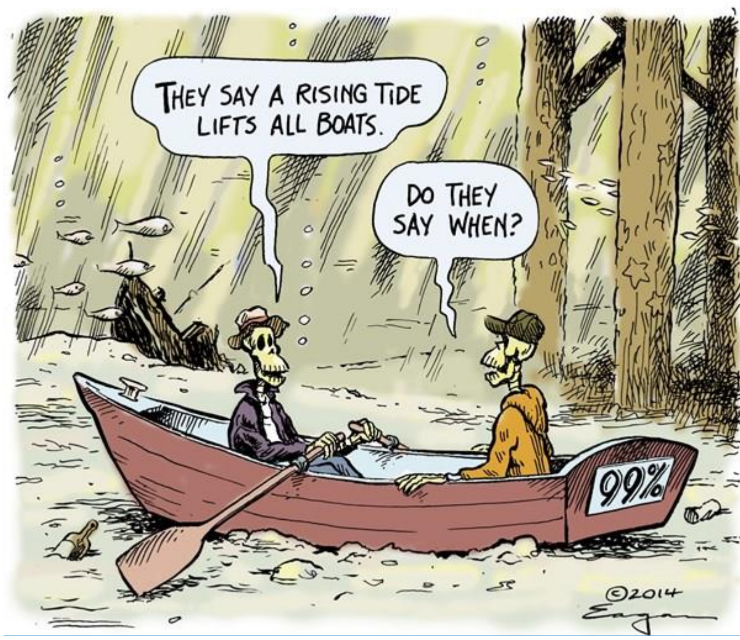
# WCM September Newsletter




**DID YOU KNOW**

## Client surveys to be delivered this past week.

If you received an email invite for the survey from: clientexperience@raymondjames.com

Please complete the survey. These Surveys help Raymond James deliver the best service and products to you!

**MONTHLY COMMENTARY**

## Rising Tides

**"The absence of a recession is not tantamount to economic growth."**

**-John F. Kennedy-**

**DOING GOOD TOGETHER**

Look to our Newsletters over the next couple of months for opportunities to join us in making a difference.

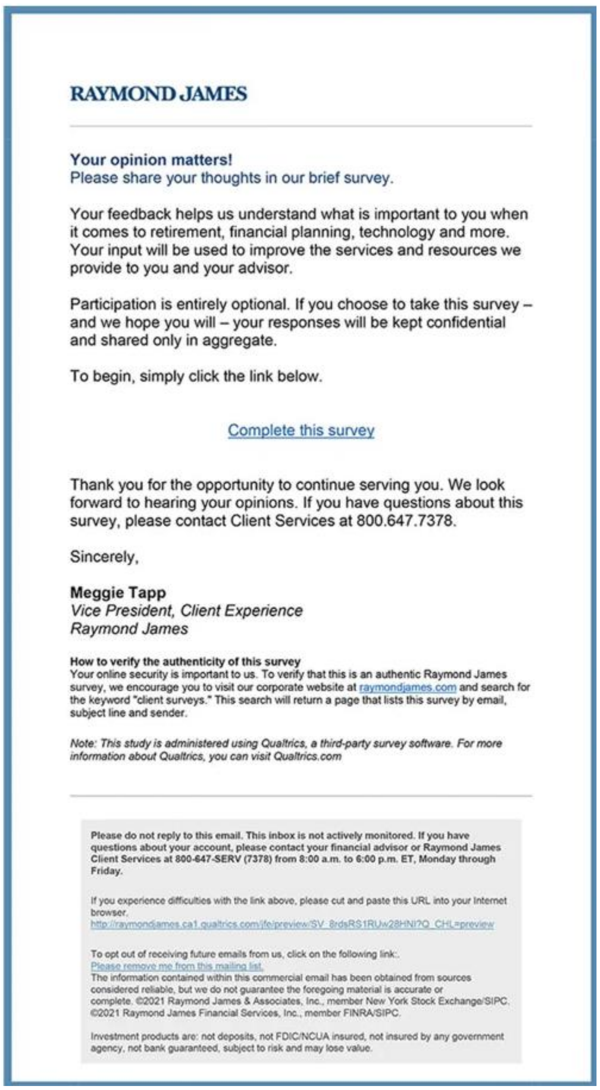

*Thank you for the continued trust you place in us and our office. Our practice continues to grow because of you. Your referrals are the best compliment that you can give.*

DID YOU KNOW?

# Client surveys to be delivered this week!

Since 2010, Raymond James has gathered survey feedback from clients to help improve service and gather insight about client needs. This quarter's survey will be emailed to a random sample of clients this week, beginning September 12. Clients are only eligible to receive a survey once every two years.

**Sample invitation**
Clients invited to take the survey will receive the invitation below from the email address **clientexperience@raymondjames.com**.



RAYMOND JAMES

**Your opinion matters!**
Please share your thoughts in our brief survey.

Your feedback helps us understand what is important to you when it comes to retirement, financial planning, technology and more. Your input will be used to improve the services and resources we provide to you and your advisor.

Participation is entirely optional. If you choose to take this survey – and we hope you will – your responses will be kept confidential and shared only in aggregate.

To begin, simply click the link below.

Complete this survey

Thank you for the opportunity to continue serving you. We look forward to hearing your opinions. If you have questions about this survey, please contact Client Services at 800.647.7378.

Sincerely,

**Meggie Tapp**
*Vice President, Client Experience*
*Raymond James*

**How to verify the authenticity of this survey**
Your online security is important to us. To verify that this is an authentic Raymond James survey, we encourage you to visit our corporate website at raymondjames.com and search for the keyword "client surveys." This search will return a page that lists this survey by email, subject line and sender.

*Note: This study is administered using Qualtrics, a third-party survey software. For more information about Qualtrics, you can visit Qualtrics.com*

**Please do not reply to this email. This inbox is not actively monitored. If you have questions about your account, please contact your financial advisor or Raymond James Client Services at 800-647-SERV (7378) from 8:00 a.m. to 6:00 p.m. ET, Monday through Friday.**

If you experience difficulties with the link above, please cut and paste this URL into your Internet browser.
http://raymondjames.ca1.qualtrics.com/jfe/preview/SV_8rdsRS1RUw28HNI?Q_CHL=preview

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Investment products are: not deposits, not FDIC/NCUA insured, not insured by any government agency, not bank guaranteed, subject to risk and may lose value.

# Rising Tides

**"The absence of a recession is not tantamount to economic growth." John F. Kennedy**

By Mark Lazar MBA, CFP®

*Mark Lazar is an independent writer with Pathway to Prosperity and is not affiliated with Raymond James. Views expressed by this writer are the current opinions of this author and not necessarily those of Raymond James & Associates.*

The 2024 presidential election campaigns are off and running. With the exception of RFK Jr., who is gunning for the Democratic ticket, the rest are vying for the Republican nomination. While campaign rhetoric and real-world policies rarely meet, it's interesting to compare and contrast ideas as to how best to boost the economy and, consequently, American prosperity.


| Item | YTD Change |
|---|---|
| Dow Jones Ind Avg | 4.75% |
| S&P 500 Index | 17.40% |
| EAFE Foreign Index | 8.50% |
| Emerging Market Index | 2.50% |
| Barclays Agg Bond Index | .89% |
| 10-Year Inflation Forecast | 2.26% |
| Unemployment Rate | 3.8% |

* Market index data as of 8/31/2023 (*The Stock Indexes mentioned are unmanaged and cannot be invested into directly. Past performance is no guarantee of future results.)*

**Good policies are neither Republican nor Democrat; they are simply good policies.**

**Conversely, the same holds true for bad policies.**

Before determining the merit of any proposed policy (fiscal, monetary, or social) it's important to understand a couple of things, the first being the correlation between economic growth and prosperity. GDP per capita, which not coincidentally is also the average income per person, can be calculated by dividing GDP, currently $26.53 trillion, by the population, 335 million, which equates to ~$79,000 per person. If the goal is to increase American prosperity, then the logical objective is to increase economic activity or GDP.

The second thing to understand is where economic growth/wealth creation come from. To put it in a single word; *innovation*. Technology, improving processes, and automation lead to increased output at a lower cost. Rising productivity is 100% correlated with rising living standards.

Now that we know what drives wealth creation and how living standards are raised, there are essentially two schools of thought as to how to accomplish this; the first is demand-side economics, a Keynesian economic theory which purports that the use of government spending and monetary stimulus increases demand for goods and services, and boosts economic activity. A recent example being Uncle Sam's COVID stimulus scheme (American Rescue Plan), which included direct payments to individuals and businesses, as well as payments to states and government agencies, not to mention massive money printing by the Federal Reserve. What was the result? Since 2020 the federal deficit has ballooned by $9 trillion, or 34%, and the (M2 measure of) money supply increased by 40% in less than two years. What was the result?

- Real wages are lower today than prior to COVID
- The stock market remains 7% below its 2021 high
- Inflation hit a 40-year high of 9.1%, and core inflation is still 4.3%, or 115% *above* the Fed's target
- To combat inflation the Fed has raised rates eleven times since March 2022, for a total of 5.25%. This rapid spike in interest rates triggered the second and third largest bank failures in US history, and caused severe stress in the banking industry and credit markets
- The total employment gap is 2 million workers, or 1.3% below the pre-COVID level

By contrast, supply side proponents contend that pro-growth economic policies, such as limited regulation and a reduction in tax burden for individuals and businesses, results in greater savings and investment in private enterprise, as opposed to funding government programs and agencies. Private sector expansion leads to an increased supply of goods and services, improvements in technology and innovation, and reduced costs.

Ronald Reagan is probably the most recognized champion of supply-side policies, however, he admittedly borrowed from a predecessor's playbook. To combat a sluggish economy and high unemployment, JFK turned his back on failed post-war Keynesian policies and, instead, embarked on a bold domestic program of tax cuts (personal and corporate) and promoted a business-friendly environment. While Kennedy didn't live to see the fruits of his labor, in the four years following JFK's plan, economic growth increased by 74% over the previous seven years. At the same time, unemployment fell 28%, from an average of 5.8% to 4.2%

Reagan enjoyed similar success, but to a lesser degree. To address high inflation and low economic growth (stagflation) that started under Nixon and increased under Carter, Reagan's Fed raised interest rates to a record 22.36%, which, not surprisingly drove the country into a severe recession. However, Fed chair Paul Volker's monetary chemotherapy rid the nation of lingering double-digit inflation, which allowed Reagan/Kennedy supply-side policies to boost economic growth by 62% between 1983–1989.

Demand-side spending policies don't create wealth. Like the American Rescue Plan, Cash for Clunkers, and the Bush stimulus checks, they instead make us feel good momentarily, but always result in increased debt with no corresponding increase in output/long-term growth. Put another way, we live like kings today, and our children and grandchildren get to write the check. Demand-side spending programs are the fiscal equivalent of dine-and-dash.

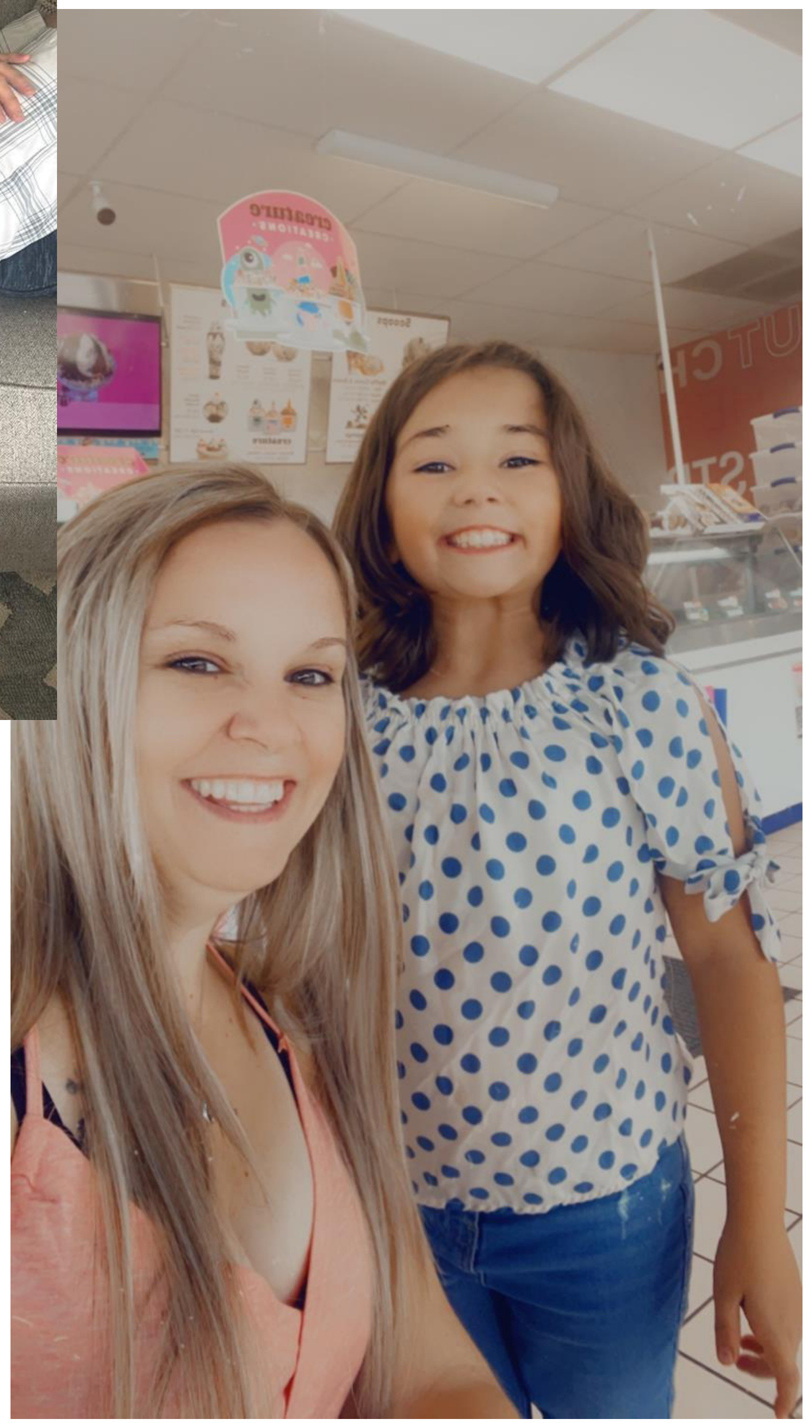
Good policies are neither Republican nor Democrat; they are simply good policies. Conversely, the same holds true for bad policies. Bold leaders, like JFK, understood this. Bucking party counsel and putting his political career at risk, he chose to embrace a program that dramatically increased the prosperity of the nation. Knowing a rising tide lifts all boats, he pursued policies that did just that. Whoever wins next year would be well-served to consider dusting off JFK's economic playbook.

**Mark Lazar, MBA**
Certified Financial Planner™
Pathway to Prosperity

# WCM Team This Month

## Stan

**Action shot of Stan and his grandson on Labor Day**



## Nicola

**I've cream date with my oldest grand baby before she started school!**

## John

**John rafting the Snake River outside of Jackson over Labor Day**

## Rees

**Rees and Rachel helping Lisa with 40th high school reunion decorations.**


## Matt

**Matt, teaching her while she's young who to cheer for.**


## Jon

**Jon and his youngest Marika hanging out at Farmington Station**

## Susan

## Jessica

**Jessica, Amelia, and Ellis visiting a Lavender Farm in Sequim, WA.**

Stan Goodell, CFP®, Managing Director - Investments | 385-275-3792
Rees Petersen, CFA®, Vice President - Investments | 385-275-3607
John Clower, CFA®, Vice President - Investments | 385-275-3590
Reed Grant, Financial Advisor | 385-275-3797
John Bergerson, CFA®, MBA, Investment Portfolio Associate | 385-275-3608
Matt Brunner, Financial Advisor | 385-275-3795
Jon Metcalfe, MBA, Senior Registered Client Service Associate | 385-275-3793
Nicola Rand, Practice Business Manager | 385-275-3585
Susan Jackey, Senior Client Service Associate | 385-275-3799
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