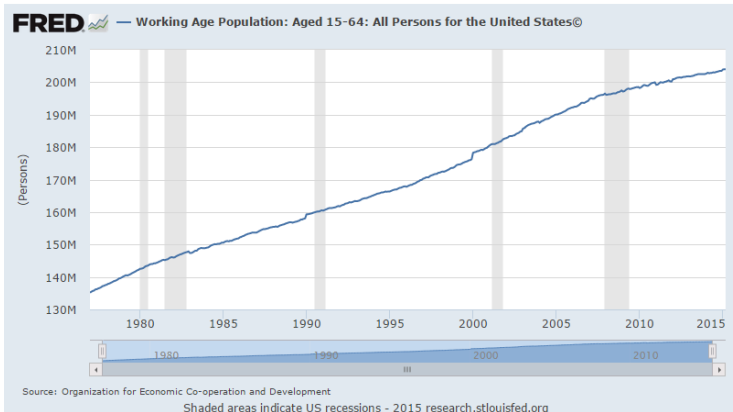


The Population Statistics

America remains awesome, but some scary things are happening from a leadership perspective that can change if common sense doesn't return to our collective leaders pretty soon. We have roughly 320 million people living in our nation today. Of those, there are 204 million working age people. See the graphic below to illustrate the clear trend that those in the workforce, or who would like to be in the workforce, are continuously rising as our population rises. This all makes perfect sense.



People are having a difficult time finding a job today as there just aren't that many good to great jobs available. There are a ton of service jobs such as waiters, waitresses, bartenders, baristas, etc. Manufacturing jobs are harder to come by and it's not that they're not there but there is a lack of interest and skill set by younger workers to fill these voids. This a huge opportunity for young people who are skilled with their hands and have a vision. Everyone seems to want to work in an office today but we still need to make and fix all of the things our world needs to run every day. Not to mention all of the new cool inventions that continuously come down the pike every day.

In 2008 when the great recession started our awesome American economy has lost 14.9 million jobs, jobs of all sorts and unfortunately a lot of those

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The 10 Commandments

The 10 rules we're all supposed to live by are simple and straight forward. Here is the list just in case you forgot them! 😊

- You shall have no other Gods before me
- You shall not make idols
- You shall not take the name of the lord your God in vain
- Remember the Sabbath day and keep it holy
- Honor your father and your mother
- You shall not murder
- You shall not commit adultery
- You shall not steal
- You shall not bear false witness against your neighbor
- You shall not covet

If we could follow these simple tenants the world would be a much better place. It's overly complicated in our society today where the perpetually offended are always whining about something and many people don't have any faith or believe in another faith. Churches are struggling to keep their memberships up and congregations alive as the population becomes so busy they move the prioritization of faith down the list.

We do well in condemning some of these acts, but others have sadly become socially acceptable. None of us accept murder or theft or lying on the stand, but the others seem to have gone by the wayside. It's apparently okay for the elected leaders to commit adultery as well as anyone else. Sad, pathetic, however you describe it there is no way to put a positive spin on what's "acceptable" by some today.

Moving past the scriptures we have a society that loves rules and laws that man has created and those too are not universally enforced. Here in America we're back on the regulation nation train as all bodies of government are on a rule and law creating frenzy. We of course need rules and laws to have an orderly society. The big question comes in with do we simply continue to make new rules and laws and keep piling them on or do we at some point go through and clear out the old ones and update them? We've gone through this in our church and it was necessary but it was very easy comparatively. The church has a 20 page document that is the bylaws but the government is a whole different animal. The current regulatory environment has about 80,000 pages of federal rules, the IRS has another 75,000 pages, this is complicated stuff and clearly seems to need an update.

The 10 Commandments, continued on page 3

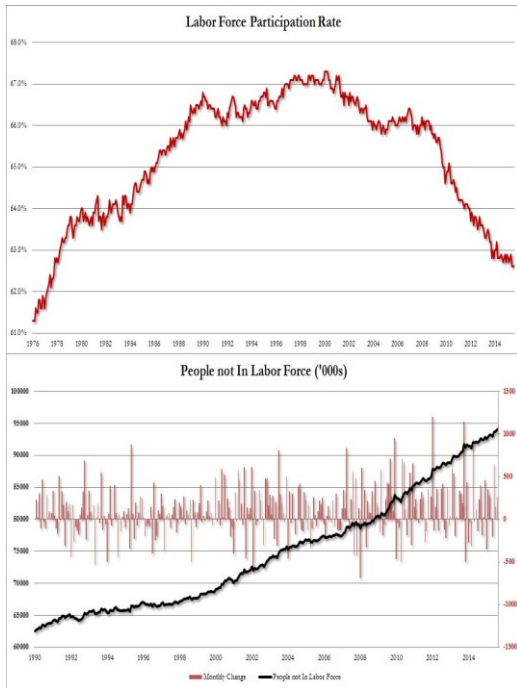
The Population Statistics

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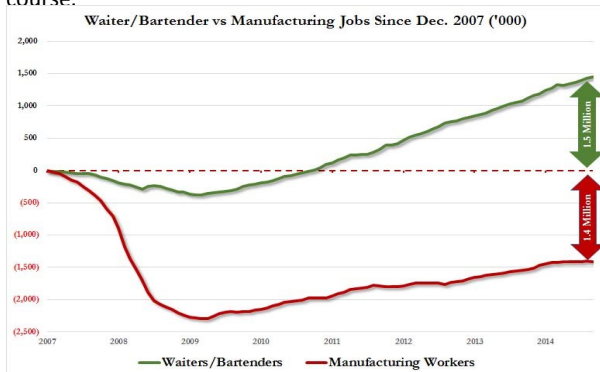
manufacturing jobs we're talking about here. We have since begun to rebuild and have created some new jobs, 4 million new jobs in fact since the great recession.

One important point to note, no politician is a big job creator, as they run around claiming job creation numbers that is a joke, businesses create jobs and don't buy the spin the political class puts on just about everything today. They certainly create government jobs

Now we must look at the people who are working in our economy as a percentage of those eligible to work. This stat is called the labor force participation rate and it is looking a bit different from the growth rate of the population and the working people.



This paints a somewhat different picture of the health of our economy. We ask how the unemployment rate seems so low yet there aren't many jobs, this is the reason why, they've pulled tens of millions of people out of the ranks of those looking for work to make the stats look better. Now let's look at service jobs against manufacturing jobs. We have a lot more service workers since 09 but a lot less manufacturing jobs. This needs to reverse course.



Internal Happiness

Can we be internally happy, somehow hardwired to be happy and optimistic rather than sad, stressed and pessimistic? I've read true happiness comes from your actions matching in perfect harmony with your beliefs and values. This makes perfect sense as we know internally we're doing the right things! Our material possession obsessed world makes all of us think that if we just buy the new car, handbag, shoes, boat, gadget, etc. we'll be eternally happy. That's the exact wrong exercise, in fact we've witnessed many people become very financially successful and accumulate a ton of material wealth but not be happy at all.

We've been through some tuff times with folks and lived through breakdowns, breakups, divorces, depressions, etc. None of this is easy stuffy but at the end of the day you learn invaluable lessons from these very trying times. We're lucky in that we've been able to live vicariously though many wonderful people to pick up lessons we'd never have been exposed to otherwise.

Recent science is attempting to find ways to make people happier and this is what the research is showing. Happy people accomplish more, period. Exercise makes people happier, research shows only 7 minutes of it each day will move the needle and we can all add 7 minutes to our hectic schedules. A study was done on a group who had experienced depression and those who used medication to treat it only had a 38% relapse rate where those who didn't use medication but exercised had only a 9% relapse rate. That's a powerful statistic! More sleep also helps us be happier, another study result shows a chemical showed the sleep deprived remember 81% of bad memories and only 31% of positive ones. Ouch! Naps anyone?

Spending more time with loved ones, family and friends, is a huge contributor to happiness. It doesn't matter where you spend this time, just being together and having fun are the key ingredients to happiness. The material possessions we all chase are found to be just new ways of getting more family and friends deep within the human psyche. The next element is where are you, those who are outside more are happier than those cooped up in a building. 57 degrees is found to be the ultimate temperature for the body, a far cry from the tropical temperatures most people vacate or retire to! ☺

Helping others is also a big deal to be happy. If you help others, 2 hours per week is apparently the magic number. It doesn't have to be volunteering for charity, it could be making dinner for a sick friend, bringing someone to the Dr. or the kids to a movie, just help others in any way. Smiling is powerful, the act itself beats sadness. How can you be sad when you're smiling? Meditation, a short commute and gratitude are the last factors that help people increase their chances for internal happiness. The science seems to prove much of what we've witnessed over the year of seeing people go about their lives.

Noteworthy News!!!

- Congratulations to Patricia Crilley & Arlene Murray on the purchase of their new home! ☺
- Our condolences to the Telash & Barron families on the passing of John, a wonderful man, husband, father, brother, grandfather, person and friend.
- Congratulations to Meg Porcella Friedrich on her new job! ☺

Question & Answer

Ask any financial question you have and we'll address it here.

Q: MY CPA/Attorney or other smart, respectable associate or advisor of mine continues to suggest just buying general market based fund, why don't we ever do that?

This is the classic example of a contra-indicator and a really bad move, really bad. When people are suggesting one thing, it's typically time to do the exact opposite thing. These advisors, associates and friends are typically very smart and nice people, but they don't truly understand the investment business or psychology of markets. They're making that suggestion to you because that's what has just done well over the past few years. How short our memories are, nobody wanted to buy one when stocks were actually cheap, but now that they're grossly overvalued based on any price metric, people are rushing to buy them. This is exactly why people are horrible investors, they buy when things are high. Folks, we want to buy what is cheap and not what is expensive, the successful investor is a maverick, going after things when everyone else is selling and vice versa.

When markets are ugly nobody wants to buy an index fund. Ironically the last time we heard the masses say buy a tracking type fund was in 2007. Before that it was in 1999. Look at this chart of the S&P 500 for the past 20 years. Notice how these funds are "buys" when they're high. Why isn't anyone calling to buy them when they're actually a good value? People are emotional, don't drink the cool aid!

Here is the S&P 500 over the past 20 years. Note the times when the "smart" people were saying buy tracking vehicles were the 1999 era, the 2007 era and today, none of which played out well for them.

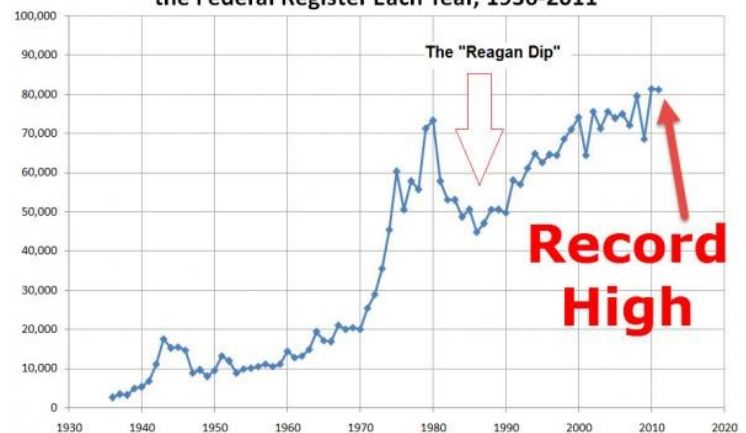


The 10 Commandments

(Continued from page 1)

There are so many rules and laws today we cannot possibly follow them all simply because we don't know they exist nor can we remember 165,000 pages of regulations. We're not even including the state rules and laws. Here is a great graphic of how the rules are stacking up. We had a nice decline in the rule making or a nice jump in rule consolidation activities in the 80's, but from the early 90's to today we're on a big upturn in making new rules. It appears that when the economy is shaky they make more rules, look at the 70's it went vertical. Now we may be in another phase moving forward when they come down simply because we need efficiency in government and life.

Number of Pages of Regulations Added to the Federal Register Each Year, 1936-2011



Here are some of the results of the rules we're set up with today.

- Federal regulations cost American consumers and businesses 1.88 Trillion in 2014
- Regulatory costs equal \$14,976 per household today, this is 29% of the average American family budget. Sustainability rings in my mind here! ☺
- The ratio of rules created by unelected agency officials compared to those enacted by elected officials is at all time highs. In 2014 there were 16 new regulations for every new law. There were 224 new federal laws in 2014, but 3554 new regulations. The EPA has gone wild! ☺
- There are currently 60 agencies with 3415 new rules in the pipeline about to be unleashed on the public.

Clearly we need more than the 10 commandments to run a society as large and complicated as ours, but perhaps we'll find a way to incorporate the basic 10 with common sense, and a more reasonable number of them moving forward.

Money Quiz



This month's challenge is to talk college costs, which are clearly out of hand. We've got 40 million students holding college loans today, we're interested in knowing what percentage of them are in default? How much is last year's worst performing stock up this year? Last month's quiz wasn't won. Winner goes to Ruby Tuesday on us! 08/10/15:3

ATM Safety

You need to be careful when using your ATM card as people are always trying to come up with creative ways to steal both your card and your pin number for unlimited access to your bank account. The ATM card is a much more dangerous card for the consumer because if you suffer a loss, the money isn't "safe" as your credit card money is and the bank will not be as quick to refund your losses or in some cases will not refund your money at all because they cannot prove you didn't use the cash.

The first rule is to keep your card safe and to cover the pin pad when you're entering your pin number so if someone is peeking over your shoulder or is looking at the machine from afar with a device they won't have the secret combination. The next thing we must protect against is our card being "copied" with a card reader. These card readers are devices that copy the information on your card when you swipe it through so the crook can then copy it onto a blank card and then have an exact duplicate of your ATM card. Should they get your PIN, now they have direct, unfettered access to your bank account. Here is a great example of an ATM machine with a card reader on the end, the machine on the left isn't one you'd ever want to swipe your card through. The one on the right is "normal" and safe. Be aware when you're out in the jungle of our world, don't get scammed! ☺



Viral Videos

We all seem to love to watch a cool video that almost everyone enjoys and they spread through our society like wildfire. The old definition of a viral video is one who gets 1,000,000 views in a 3-7 day period. Now they say it takes 5,000,000 views in the same time period to make the video viral. We think it's like the internet's version of hitting the lottery. Your chances of this happening are not very good, but when they do happen holy cow, move over things are going to rock. It's really neat how in minutes millions of people can be directed towards a video or news item and the speed at which this news passes today across the globe is truly mindboggling!

What do these viral videos have in common? They touch us on an emotional level, they make us laugh, they inspire us, they're sarcastic, they pull our heart strings. We often have busy and intense lives and a few minute clip that touches us in a nice way for the day. These videos make certain juices flow within us where we "feel" good, laugh or otherwise produce endorphins or another feel good chemical.

Many of these videos have animals, children, charity, beauty, low probability acts, spontaneous acts, sarcasm or charity in them. I've noticed lately some of the videos going viral are those that poke fun at the politically correct state we find ourselves living in today.

Most of the videos are short and sweet, we live in a generation of tangential thinking and short duration news blasts. Most people decide in the first 30 seconds if they're going to continue to watch the remainder of the video, even if it is only a 2-5 minute clip in total. The videos are often upbeat and positive in general and the research has found that the more emotion the video evokes, the better the chances are of it going "viral."

The most successful videos are timely in that they hit current events or hot topics in the news today. There will be plenty of political folly to play with in the next fourteen months as the elections come I suspect we'll see a lot of these videos poke fun at the joke our elected officials have become. The level of personal engagement also is key to virality. If you can touch a nerve with a devote and loyal audience the chances of it hitting hard and spreading quickly go up exponentially. This is also dangerous, if people are easily swayed the crazies out there can talk people into believing crazy things like the end of the world, building a bunker underground for the coming armageddon, etc.

My princesses spend a lot of time on the internet looking for good ideas or better ways to do things. It could be planning a party, some other form of "life hack", cooking, doing anything, etc. The more useful the video the better and if you can show people how to save time, money, aggravation, etc. and do it with an element of fun it's got the right ingredients to be a very sharable online element. This is a generation thing, we never had this ability back in the day we used to just go ask friends. Information is power and it's readily available everywhere! ☺ Now the secret sauce of turning a sharable thing into a viral video is something we'll never really know. I love the concept and hope some of you create a sharable piece that goes global! ☺

Inspirational Quotes

- Age wrinkles the body, quitting wrinkles the soul, Douglas MacArthur
Our greatest glory is not in never failing, but in rising every time we fail, Confucius
Our prime purpose in this life is to help others. If you cannot help them, at least don't hurt them, Dalai Lama
The gem cannot be polished without friction, nor man perfected without trials, Confucius
It always seems impossible until it's done, Nelson Mandela
A river cuts through rock not because of its power, but because of its persistence, Jim Watkins
Excellence is more fun than mediocrity, Denis Waitley



We can piece the puzzle together and make your money work for you!

Let them lose! Our little ones need to experience loss, struggle and tough times to grow up to be normally adjusted adults. Not every kid is a piano prodigy, a star athlete or the next big thinker or leader in the world. Every kid does have certain talents and when they lose at something they have to work harder at it and come back stronger than ever or they go another route and find their true gift and love. Our society of the perpetually offended and weak is not a good thing for our kids. The concept of everyone get a trophy, everyone is a winner, no kid should ever have their feelings hurt that is not good at all. We're now shutting the schools down in the summer because it's too hot? Wow, when we were kids we didn't walk to school uphill both ways but we certainly never whined about the heat and we still couldn't wait to get to gym class regardless of the outdoor temperature.

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