

Top State Exports!

There are a plethora of businesses in every state, yet one industry will ultimately dominate every state. Very interesting how our country does lots of things in certain geographies. Here we go:

State	Top Export
Alabama	Auto Parts
Alaska	Zinc (Wow!)
Arizona	Airplane Parts
Arkansas	Airplane Parts
California	Airplane Parts (Wow again!☺)
Colorado	Electronic Circuits
Connecticut	Airplane Parts
Delaware	Medicine
Florida	Airplane Parts
Georgia	Airplane Parts
Hawaii	Airplane Parts
Idaho	Electronic Circuits
Illinois	Petroleum
Indiana	Medicine
Iowa	Corn
Kansas	Airplane Parts
Kentucky	Airplane Parts
Louisiana	Petroleum
Maine	Lobsters

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The College Class

We've been traversing the country for the past few months looking at colleges as the princesses are now getting close to leaving the nest. This fall we'll have a senior and a junior, both now actively looking at colleges for their future.

Being a research oriented person and with the apples not falling too far from the tree, we've unsurprisingly visited about 30 schools thus far. We've got about 6-10 more to go to put Hannah's options to bed and then Sammy will add more to this list and we'll visit them as she completes her junior year. It's been an eye opening process for me just going to the campuses to visit and "feel" the vibe. I've done this countless times from a financial perspective for hundreds of families and it's been a joy to actually meet many of the people I've spoken to and emailed hundreds of times at these various schools as we try to find the right fit for the kids.

The process not only has been a whole lot of fun spending so much time with the girls one on one just picking their brains and seeing how their dreams look from their perspective. It's been an education for us and especially useful for me in business as I now have that much more non-financial information to share with each of you now. The non-financial or soft parts of college are very interesting, each campus has its own feel, a vibe or a scene as the millennials like to call it. What the school can offer from an academic perspective can all be had online, you can view the course catalog, and you can look at all of the data online. Until you get there and talk to the people and find out how they feel after getting there, the full picture cannot be had.

We've found that the typical admissions session and subsequent campus tours are fine and informational, but nothing compares to talking to current students, faculty and alumni about their experiences one on one. We happen to be on a campus while the class of 55 was having their reunion (I won't mention what year reunion that was!☺) but those conversations were invaluable. We had a hundred or so people who all had wonderful stories to tell about the school, their life experiences and how having a degree from that particular institution changed their trajectory in life.

The schools do a great job in general of selling their offerings, or their secret sauce and we need to be exceptional consumers in this area as the prices have become over the top. It's no longer like buying a car when you send your kids to college, it's often like buying a home. What is very important to understand is each school is trying to make a perfect class in their eyes. Let's say the school is taking in 1000 freshman, and this particular institution wants to have a lot of various boxes checked in the

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Top Exports per State! (cont'd from pg. 1)

<u>State</u>	<u>Top Export</u>
Maryland	Auto Parts
Massachusetts	Medical Equipment
Michigan	Auto Parts
Minnesota	Medical Equipment
Mississippi	Petroleum
Missouri	Auto Parts
Montana	Copper Oxides
Nebraska	Beef
Nevada	Gold
New Hampshire	Phones
New Jersey	Petroleum
New Mexico	Electrical Processors
New York	Diamonds
North Carolina	Auto Parts
North Dakota	Crude Oil
Ohio	Airplane Parts
Oklahoma	Airplane Parts
Oregon	Electronic Processors
Pennsylvania	Coal
Rhode Island	Iron & Steel Waste (really?)
South Carolina	Auto Parts
South Dakota	Brewing Waste
Tennessee	Medical Equipment
Texas	Petroleum
Utah	Gold
Vermont	Electronic Processors
Virginia	Electronic Circuits
Washington	Airplane Parts
West Virginia	Coal
Wisconsin	Medicine
Wyoming	Soda Ash

Eye popping data, auto and airplane parts dominate our exports per state. We take for granted all of the cars and planes and what it takes to make them all come to be! 😊

Source: Cass Transportation

Equality Lunacy

I'm for treating everyone equal, regardless of age, sex, race, etc. but this notion we've developed today where we want equal outcomes vs. equal opportunities is simply insane. God made all of us and we all put our pants on the same way each day so we need to treat each other with respect and dignity. Nobody should be bullied, people are all the same and we do all deserve the same opportunities. For those at a disadvantage in life I'm all for giving them opportunities of every kind, it is what any normally well adjusted adult would do, our hearts should pour out for those at any type of disadvantage.

Our youth today seem obsessed with equal everything and again I agree with this 100% in terms of opportunity. The youth don't stop here, they demand equal outcomes, which cannot be legislated outcomes will be a factor of both opportunity and work, they cannot be equalized. The kids love the concept of socialism but really don't get it, they protest the ideas of capitalism while on the campuses of elite educational institutions whose existence today is because of great ideals and a plethora of benevolent capitalists. The campuses these days are the most inclusive places on the planet, perhaps too coddling as the youth are failing to learn new ideas instead they seek to simply have their current beliefs reinforced rather than expand their minds and be challenged.

If socialized single payor medicine is so great why is there a world outpouring of support for baby Charlie Gard who needs England's highest court to rehear his case for medical treatment. The world is trying to send this poor child to America to have treatment because we have hope and it only comes in our system, nowhere else.

Let's look at a case study recently done by Bloomberg on the welfare state of Norway. They have a stunning 3% unemployment rate, you would think this is the best country in the world to live in, yet reality will hit you like a brick wall as you learn more. In America Googling has become a verb if you want to look things up on the web, in Norway their verb is NAV, which is the name of their welfare system, the Norwegian Labor and Welfare Administration. There to NAV is to be on benefits, and the country spends taxpayer money to support 40% of the population, who now all NAV together. The unemployed working age population in Norway is 29.4%, a staggering statistic not reflected in the 3% unemployment rate. This of course accounts for the massing number of people on the NAV.

The country is now working to attract business as it no longer wants to be the world's top welfare state. It's going to be a real challenge, the culture there is scary from an employers perspective and they know the only answer is through business. The oil rich nation is feeling the impact of lower oil prices in the past few years and the only way out is through the opposite system that put them where they are today. It is truly mind boggling to me how our youth can be supposedly so smart on the campuses of the world's best universities yet not understand these basic economic concepts. It's time for economics 101!

Source: Bloomberg

- Congratulations to the Duba family on the birth of baby Charlotte Jane, the 1st grandbaby with hopefully many more to come! 😊
- Congratulations to the Fador family on the birth of baby Trey, who joins his big brother Jake making this a happy family of four! 😊
- Congratulations to Pat Loller on her new position at University of Vermont! 😊
- Congratulations to Clive Baveghems on his new position Post at Boston University! 😊

Question & Answer

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

Q: What is the VIX and what is everyone talking about with the low levels that are not typical?

This Vix is a fear gauge of financial markets and measures the 30 days volatility of the S&P 500. It is constructed using options and normally when the VIX goes up markets are either highly volatile or going down and when the VIX goes down, markets are going up or are very calm.

Today is a very odd time in that we're seeing record lows in the VIX, here is a great dataset from our friends at Factset.

	Jan 4, 1993 – April 30, 2017	May 1, 2017 – July 14, 2017
Total No. of trading days	6126	53
No. of trading days VIX <10	20	21
% of occurrence	0.33%	39.62%

As you can see these are very uncommon times, the VIX is normally at a range of 15-30 and it is now under 10. It's not under 10 much at all as you can see. Since 1993 there have been 41 days when the VIX has been lower than 10. 21 of those days have occurred in the last few months.

This is the definition of the calm before the storm and very much a contra indicator. Remember this saying, when people are greedy be fearful and when people are fearful be greedy. Today we're seeing record greed and virtually no fear all with the backdrop of the weakest economic recovery ever and global debt at the highest levels ever. It certainly doesn't take a rocket scientist to figure out this perfect storm of ingredients is about to unleash something most cannot fathom.

We're in a world where fundamentals don't matter for the time being, but the very much matter in the bigger picture. The past decade has been an era of political promises and massive debt. This ends as do all cycles and when it does it'll end in spectacular fashion. It's going to be a very exciting ride, just be careful along the way!

freshman class. They not only want really smart kids who make their academic merits look stellar, but they've got a plethora of other boxes they're trying to check so that they can subsequently say their catering to all of these groups. We're seeing the highest end of the educational spectrum spending a lot of time on this process and in the past few years the diversity and inclusion boxes have gained mind boggling traction on the college campuses nationwide.

In some respects this inclusion is wonderful in that kids from very low economic and socioeconomic households or areas of the world will get an absolute free education at the best universities in the world if they can gain admission. Beyond the socioeconomic status, the list of boxes schools want checked goes deep. They obviously want the athletes as the sports are big money makers for a lot of colleges today and they all want to boast about how their winning academic tradition also applies to sports. The schools want kids from states (all 50 states if at all possible) and as many countries as possible, many very far away, they want kids that are of various races, ethnicities, religions, etc. This is all part of building a diverse group so the young brainiacs can all learn about cultures, value systems and beliefs they would not have experienced had it not been for this exposure. This is truly invaluable as I can attest to personally, growing up in Thomaston was a very vanilla experience and when I hit UCONN it was an eye opener, but a very good one at the end of the day.

In this quest for diversity advantages and disadvantages are everywhere. If you want to go to an elite college in New England coming from an average white family in CT, Jersey or New York puts you at a disadvantage. That same kid from North Dakota with the exact same scores has a far better chance of admission. Likewise the same kid from CT will have a far better chance at admission to an elite West Coast school if that box isn't yet checked.

A great but very poorly exposed tool to use for college information is the common data set. This is a publication that is put together in a standard format by every school and has all of the information in the same place. It's very spreadsheet like, but it's also very easy to quickly find data that may otherwise take a lot of time to find on websites or through phone calls.

It does take some time to get used to the layout and know where the information is and key in on it. We've been using it in addition to all of the commonly used public information to help narrow down the list even further. Many schools will publish the material online as well as in a downloadable spreadsheet or PDF format so you can peruse it. The historical data is also available from many schools so you can see how the data is trending over time, very eye opening to see which schools are going in which directions as time unfolds. Here are links to a few:

UCONN <http://www.oir.uconn.edu/CommonDS.html>

Yale <https://oir.yale.edu/common-data-set>

CDS Initiative: <http://www.commondataset.org/>

Money Quiz



This month's challenge is on protecting your income, most likely your most valuable asset. What % of American's working in the private sector have long term disability insurance? Last month's quiz was won by Josh Smith there are 23% of millennials believe the education they received in college isn't worth the debt incurred. © 06/19/17: 13

Cryptocurrencies

This is a relatively new phenomenon in the world and the most popular of these is by far Bitcoin. These cryptocurrencies are alternative, digital currencies that cannot be manipulated by governments across the world. You cannot go into a bank or store to buy these cryptocurrencies, they can only be had online and they remind me of a story from a family member many years ago. One of our aunts went to the department store to buy her daughter MP3's of the songs she wanted and the clerk tried explaining to her that you cannot buy an MP3 ins the store, you must buy it online and download it onto your device, computer etc. She simply didn't get it and walked away, but then after an afternoon of a conversation at a subsequent social event she finally got it. Similar to MP3's, cryptocurrencies cannot be purchased at the local bank or store, they're an online only phenomenon.

They're popular today because people are very worried about the currencies of almost every major country as the debt levels today are simply unsustainable and at some point they'll blow up. When the debt of a country does eventually blow up they have a few ways of dealing with it. The most popular was is for the country to simply print endless money and cause runaway inflation, making the debt cheaper to pay off from the government's perspective, but simultaneously hurting the citizens because their buying power is decimated.

The other way a country can deal with a debt bomb is to simply go bankrupt and start over. This is a much cleaner way to address this problem, is better for the citizens of the affected country but it is a far rarer occurrence as the political class has a difficult time making adult decisions and failure looks bad. Kicking the can as they've now done for decades while simultaneously spending beyond their means is the easiest way to stay in office and keep the status quo, regardless of how unsustainable the entire situation is.

You can only hear them if you're paying attention to the details. There have been signs for some time that the financial markets are completely out of touch with reality. The bells are beginning to ring a lot louder these days. In April of 2017 Charles Schwab announced the number of new brokerage accounts skyrocketed 44% during the first quarter of 2017. Interestingly they noted that individuals are opening stock accounts at the fastest pace that company has seen in 17 years. If we think back to 1999 - 2000 era where were we? We were in the midst of the peak of the dot.com bubble. Investors were exuberant and wanted in on the magic printing press of the stock market's most popular tech stocks.

These popular tech issues of the time were virtually all NASDAQ stocks and on March 10, 2000 the NASDAQ peaked at 5132.52. Over the next 30 months we watched the NASDAQ drop down 80% to settle in at just 1108.49. That's a painful pill to swallow and looking at this process from an emotional perspective we're currently seeing history repeat itself. It's not going to be identical of course but it'll be similar. Many stick with notion of history doesn't repeat itself but it rhymes. We're in the midst of the everything bubble right now, unlike in 1999 it was mostly tech stocks. Now it's every kind of stock, real estate, bonds, anything that moves is high with the exception of commodities and gold, the things we're most interested in at this point.

The irony of what is happening today is investors are clamoring to buy stocks at levels we haven't seen since 1999. Back then I was teaching an investment class at a local college and one of the students asked me about a stock he wanted to buy. This company happens to build appliances to connect devices to the internet, which was new back then and this company appeared to be on fire with no end in sight. I cannot name the company because of insane compliance requirements today but the story is a perfect repeat of what we're seeing today. Politicians can get on national TV and lie to your face about everything yet I cannot educate my audience on finances as a financial advisor. Alfred Hitchcock where are you now?

We all know markets have measurable metrics we use to determine if buying now is wise or not and at the time, this particular company was trading at 200 times forward earnings. (The average is 15 times for markets) I suggested this was risky as that's a big premium to be paying for a stock and the only way to justify that valuation is for the earnings to accelerate at such a mind boggling pace for some time with no progress in the stock price so the multiple can eventually catch up to the stock price. Fast forward a couple of years and that stock went from a split adjusted \$164/share to \$8.xx/sh. Today it stands in the low 30's. What you pay for an investment dictates your future returns. Back then there were a couple dozen companies demanding insane valuations contained only to the tech space. Today there are hundreds, in virtually every industry. Today we have utilities and REIT's at 30 - 40 times earnings and pre-revenue companies at nosebleed valuations. The bells are ringing loudly, the music will stop, where will you be?

Inspirational Quotes

- Happiness is not something ready-made. It comes from your own actions, Dalai Lama
- The time is always right to do what is right, Martin Luther King Jr.
- Be who you are and say what you feel because those who mind don't matter and those who matter don't mind, Dr. Seuss
- If you take responsibility for yourself you will develop a hunger to accomplish your dreams, Les Brown
- It is our choices that show what we really are, far more than our abilities, J.K. Rowling
- The important thing is not to stop questioning, Albert Einstein
- We build too many walls and not enough bridges, Isaac Newton
- Being challenged in life is inevitable, being defeated is optional Roger Crawford



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

Kids Korner

Screen time with kids is always an interesting conversation. I think we not only need to limit the screen time but we must be diligent in monitoring how our kids communicate. I'm seeing kids don't want to have actual conversations with people, they'd prefer to text, snap, Instagram, text, etc. This is a very dangerous trend or habit, as in order to be fully functional adults in society they'll need to be very comfortable having a face to face conversation with anyone as necessary. I'd say as a second source of communications they should be on the phone. The new technology today in communications has enabled a generation to be very comfortable typing or dictating into a device, but not necessarily having a face to face conversation with someone.

This is especially evident when things get tough. Pay attention to when your kids or grandkids are stressed out going through something tough for them, see what communication's medium they go to as their default. I've noticed they go right to the electronic mediums when of course we want them to come to us and have a face to face conversation to work through whatever issues are at hand. They're going to have to learn to do this sooner or later, and the earlier they get this habit built into their lifestyle, the easier life will be for them.

Don't make excuses; make things happen; make changes; make history, author unknown!

If anyone you love or care about would benefit from receiving our newsletter, tell us who they are and they will be included on our mailing list. They'll certainly appreciate you thinking about them and having their best interests at heart!

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