

# Can 800,000 All Be Wrong?

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800,000 plus people working the investment arena are slowly but surely leading the multitudes of main street investors down the path to certain low single digit returns and probably much less. What goes for economic research in our business is average to poor. What goes for investment advise is, if anything, even worse.

A strong quarter (3<sup>rd</sup> quarter just completed) is being hailed as the harborage of strong economic growth to come. However, the 70% or so of the GDP that has created this aura (consumer spending) only keeps those presently employed working. Even some of them are destined to hit the soup lines as new technology comes into use.

What our economy needs is what the Austrians call higher order spending (capital spending), which has a multiplier effect in economic terms. Many of the companies reporting profit growth are financial speculators participating in a zero sum game, which benefits nada the real economy.

We suggest all should invest as if trouble lies ahead. Debt is exploding and will need to be paid back and the question is – how?