"It's not that people don't know something, it's that they know something that is not true." – Marko Haggard

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In our information age where speed and brevity are valued, much of the complexity, interrelatedness or nuance can be lost or simply not valued. Human attention span has shrunk from 12 seconds in 2000, the beginning of the mobile age, to little more than 8 seconds in 2015. It is alleged that goldfish hold their attention for about 9 seconds. When looking deeper however, this was a Microsoft sponsored, non-peer reviewed study of 2,000 subjects to inform their advertisers. Do we have shorter attention spans, or have we evolved to have shorter attention spans only for advertising?

In the past campaign cycle we heard divergent realities about the health of our economy. Much like the attention span detail, once we look a bit deeper or from another angle, the story may be more complex. One example of this divergence is regarding our slow renaissance in US manufacturing. A Wall Street Journal (WSJ) article from 12/19/16, "Factories Rebound, but Job Gains Lag", highlighted a nuance in the manufacturing picture. With technological advances, manufacturing can be more productive with fewer workers. Industrial output has more than doubled since 1980, with 20% of the gain since the Great Recession. Compare this to manufacturing *employment* where just fewer than 20 million people were employed in manufacturing in 1980. As automation increased and the recession hit, employment fell to a low of about 11 million and was 12.3 million at the end of November. In other words, from 1980, output increased more than two fold, yet employment in manufacturing jobs dropped nearly the same amount.

The manufacturing job loss might lead to a conclusion that employment, in general, is in bad shape. However, the number of positions on US payrolls increased 11% over the past 7 years. Manufacturing jobs only increased 5% during this same period. Unemployment currently sits at 4.7% and hasn't been this low for 10 years. Looking at the aggregate numbers may distract from other realities. For those with less than a high school degree the unemployment rate is 7.9% and for those with college and graduate degrees, the unemployment rate is 2.5%. These trends illustrate the structural change our economy has been making towards a more knowledge-based economy. And, while we are at full employment, wage growth sits at 2.5% compared to a 50-year historical average of 4.2%. Clearly parts of our population are struggling while others are prospering.

Uncertainty attributed to the election has been settled and exchanged for speculation over policies a new administration and a Republican dominated Congress may enact. Unemployment remains low, inflation and other signs of healthy economic activity are present. Consistent with our philosophy of managing for that which is predictable, we continue to research our investments for fundamental strengths regardless of administration or congressional make-up. We remain optimistic in long term growth opportunities throughout the world. Prudent fiscal management sensitive to long term demographic, environmental and economic trends will continue to guide our investment decisions.