

70 YEARS OF TIME....



As COVID-19 Crashes the Economy, Workers and Business Owners Wonder If Anything Can Save Them From Financial Ruin....

"The stomach-turning ride on global financial markets took a dramatic turn Monday, with U.S. stocks plunging the most since 1987 after President Donald Trump warned the economic disruption from the virus could last into summer. The S&P 500 sank 12%, extending losses as Trump said the economy could fall into a recession. Equities opened sharply lower after central bank stimulus around the world failed to mollify investors worried about the damage the coronavirus is inflicting on economies. The negative superlatives for American stocks are piling up. The S&P wiped out its gain in 2019 and is now down almost 30% from its all-time high. The Dow Jones Industrial Average lost almost 13%, falling 3,000 points to close at a two-year low. The Russell 2000 had its worst day on record, losing more than 14%. "This is different. The thing that is scarier about it is you've never been in a scenario where you shut down the entire economy," said Steve Chiavarone, a portfolio manager with Federated Investors. "You get a sense in your stomach that we don't know how to price this and that markets could fall more."

- **TIME**, March 19th, 2020 (The S&P 500 stock index closed at **2409**)

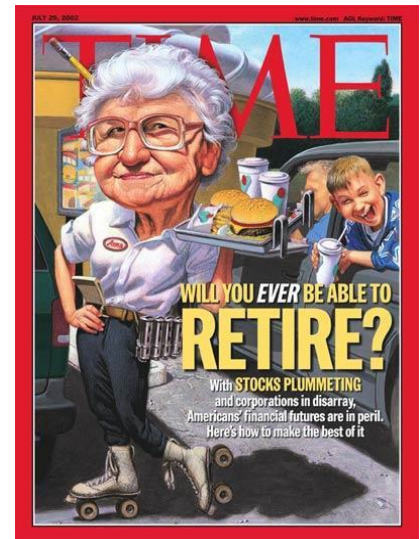
“From the beginning of May until late June, stock markets worldwide declined sharply, with losses surpassing 10%. The first weeks of July brought only marginal relief. Ominous voices began to warn that the weakness of stocks was a direct response to the stalling of an economic recovery that has lasted barely a year. Anxiety over debt-laden European countries — most notably Greece — combined with stubbornly high unemployment in the U.S. to create a toxic but fertile mix that allowed concern to blossom into full-bloom fear.”

- **TIME**, August 2nd, 2010 (The S&P 500 stock index closed at **1126**)



“Stung by a jobless recovery on the heels of the first recession in a decade and by a 2 1/2-year slide in stock prices that on Friday left the market at a five-year low, Americans are more worried about their financial future than at any other time since the turbulent '70s. They flocked to stocks in the roaring 1990s, only to see \$7.7 trillion of paper wealth incinerated. If the scandal and collapse at Enron had been isolated, the nation's deflated sense of opportunity might have been repaired by now. Instead, the lid has been lifted on bogus revenue-generating schemes throughout the energy and telecom industries; earnings deception on an even broader scale; and the frightening failure of accountants, stock analysts, board directors and regulators to protect the nation's retirement assets. "These people have all lost credibility and should be prosecuted," says Parry. "I've lost faith in the whole darn market."” Stocks and other investments are expected to grow more slowly than usual for years to come.”...

- **TIME**, July 29th, 2002 (The S&P 500 stock index closed at **899**)



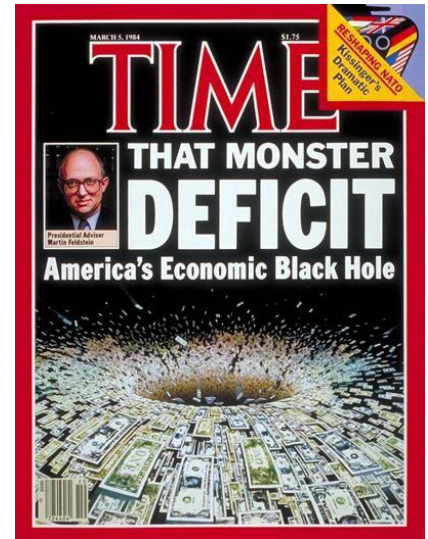
“If America’s economic landscape seems suddenly alien and hostile to many citizens, there is good reason: they have never seen anything like it. Nothing in memory has prepared consumers for such turbulent, epochal change, the sort of upheaval that happens once in 50 years. That may explain why so many voter polls, taken as the economy shudders toward the November election, reveal such ragged emotional edges, so much fear and misgiving. Even the economists do not have a name for the present condition, though one has described it as "suspended animation" and "never-never land."...The outward sign of the change is an economy that stubbornly refuses to recover from the recession. In a normal rebound, Americans would be witnessing a flurry of hiring, new investment and lending, and buoyant growth. But the U.S. economy remains almost comatose a full year and a half after the recession officially ended. Unemployment is still high; real wages are declining. At a time economic forum last week, forecasters predicted that U.S. growth would amount to only 1.8% this year and 2.6% for next, about half the speed of a normal recovery. The current slump already ranks as the longest period of sustained weakness since the Great Depression.”

- **TIME**, September 28th, 1992 (The S&P 500 stock index closed at **417**)



"At the very least, Government deficits of such unprecedented magnitude threaten to boost interest rates, reignite inflation, discourage capital investment and hinder growth. At worst, the budget imbalance could stop the recovery cold. Warns Volcker: "If left unattended, the deficits will accumulate until they undercut all that has been achieved with so much effort and so much pain." ...Unfortunately, the business cycle has no respect for the political cycle. If Congress and the White House insist on avoiding until 1985 the difficult measures needed to control the deficit, the chance to keep the recovery going and assure the future health of the U.S. economy may slip irretrievably away."

- **TIME**, March 5th, **1984** (The S&P 500 stock index closed at **158**)



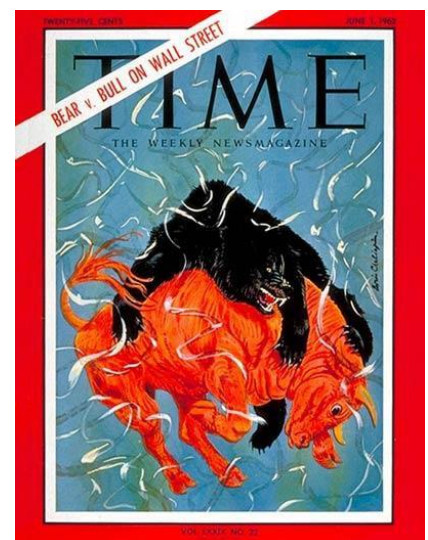
"Can a nation with a trillion-dollar economy be running out of money? That startling question is forcing itself upon every government official who must shape a budget, from President Nixon down to the head of the smallest local mosquito-abatement district. By most measures of private wealth, the U.S. is the world's richest country. But in terms of its ability to pay for the public services—health care, education, welfare, garbage pickup, pollution control, police and fire protection—that make the life of its citizens pleasant, or at least tolerable, or in some cases even possible, the country seems almost to be going broke. Today, that hubris has been drowned in a rising sea of red ink. In 1970, federal, state and local governments spent \$60 billion more than they took in, and the deficit certainly yawned even wider last year. Meanwhile, taxes keep going up and up."

- **TIME**, March 13th, **1972** (The S&P 500 stock index closed at **107**)



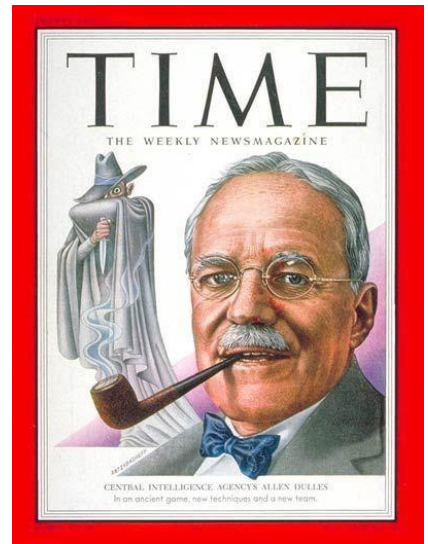
"Tens of thousands of Americans crowded into the board rooms of the nation's 3,400 brokerage offices last week, gathered for a somber performance. "Well," sighed one tape watcher in the Beverly Hills office of Ira Haupt & Co., "now I've got 30% less than I had last Friday." In one hectic week, the paper value of the 1,545 stocks listed on the Big Board plunged by \$30 billion — which is more than the combined gross national product of Australia, Sweden and Ireland. ...As wave after selling wave buffeted blue chips and glamour stocks indiscriminately, the Dow-Jones index of 30 key stocks tumbled almost 39 points last week to 611.88, the lowest level since Jan. 4, 1961. Following suit, stocks on the American Exchange and over-the-counter markets plummeted to similar lows."

- **TIME**, June 1st, **1962** (The S&P 500 stock index closed at **59**)



“Many people worry about the size of the \$272 billion federal debt. But not so many worry over a far bigger U.S. debt: the money borrowed by individuals and corporations (which, incidentally, supports the greatest peacetime boom in history). For houses alone, Americans have gone \$84 billion into debt; to expand and modernize, industry has borrowed \$200 billion. Altogether, while the national debt has remained near its wartime peak since World War II, private and corporate debt has more than doubled, to a record \$330 billion, or \$4,000 for every man, woman and child in the country. Are Americans getting in over their heads? Will the boom collapse under the weight of private credit as it did in 1929?”

- **TIME**, August 3rd, 1953 (The S&P 500 stock index closed at **25**)



“In June, the falling stock market, with \$3.5 billion in paper values wiped out in three months, had its worst bear-shaking and hit its lowest point since 1945. There was reason for pessimism. By July, unemployment, said the Administration, had almost doubled and stood at 4,000,000, the highest in seven years. Unionists grumbled angrily that the Government's figures were cockeyed, that unemployment was really much higher. Croaked Henry Wallace's Progressive Party: "The depression is here."”

- **TIME**, January 9th, 1950 (The S&P 500 stock index closed at **17**)



Well, there you have it. All the doom, gloom and despair you could ever want, hope for or imagine. These stories – **some separated by seven decades** – could easily be exchanged one for the other. After 70 years of doom, gloom, world wars, terrorist attacks, Y2K, swine flu, bird flu, **Coronavirus**, oil embargos, oil spills, increasing energy prices, nuclear meltdowns, poverty, recessions, inflation, housing bubbles, high unemployment, increasing taxes, corporate and municipal bankruptcies, hurricanes, floods, tsunamis, tornadoes, presidential assassinations, soaring national debt, threat of thermonuclear war, Communism, Nazism, Socialism, political incompetence, union extortion, corporate malfeasance and thirteen cataclysmic “end of the world” bear markets that nobody thought we could ever recover from – a hypothetical person who invested \$10,000 (one time) into the S&P 500 PR Index (excludes dividends) on January 9th, 1950, and who never, **not even once**, paid any attention to the markets or any of the media-hyped front page news events that unfolded in the world over the next 70 years – **who actually bought and held** – looked at their hypothetical account value on March 19th, 2020, only to find that their one-time investment of **\$10,000** had grown to **\$1,410,648**, averaging 7.30% per year. This **TIME** is never really different. It’s simply an unpredictable pattern of economic fluctuation within the permanent historical uptrend – that the media reports as **“the beginning of the end of the world”** in order to capture an ever-growing number of mesmerized viewers and readers for their advertisers.

It has always been this way. **It will always be this way.** This **TIME** is never really **ever** different....