

Looking forward to 2010
By Jon Castle, CFP®, ChFC®

It is with a tremendous amount of optimism, hope, energy, and commitment that we at PARAGON feel as we look forward to 2010!

Those who know me well would not say that I am a rose-colored-glasses wearing optimist – but more of a pragmatic, “let’s move on with what we need to do” type of optimist. No doubt, we as a society and as a nation have a good bit of work to do – but from a historical perspective, things have never been better. I believe 2010 and the years beyond will be great, great years!

Despite the “Great Recession, as a human race, we are still undergoing the greatest creation of global wealth of all time. New and previously unimaginable inventions are being made almost on a daily basis. On a global scale, our collective knowledge is estimated to double *every 11 hours* within the next few years.¹ And as Americans, whatever your political leanings or frustrations with our government or our health care system may be – you have to admit – things are even better here than in most other places in the world.

As far as the economy goes – Capitalism is still functioning. The creation of wealth through innovation, invention and distribution of goods and services continues. As 2010 unfolds, new inventions, products and services will be unveiled – as will the jobs and benefits that accompany them. Economists who are down in the mouth about our future are looking rearward and crunching old numbers – but our world continues to march *forward*, and in most cases, the old math simply doesn’t apply.

Just to put this in perspective, I thought I’d take a little trip down history lane. While I’m not a historian per se, I do enjoy drawing comparisons and parallels to what has happened in the past with what is happening now, or may be likely to happen in the future. So, let’s have a look, shall we?

Today – most Americans enjoy luxuries beyond the imaginings of even the most powerful kings who ruled 500 years ago. Indoor plumbing. Heated living quarters. A car instead of a carriage. Medicine and scientific health care, versus wizardry and leeches. A life expectancy of 80 years instead of 45. Great kings of yesteryear would sell their kingdoms in a heartbeat to live as an average family lives in America today! Yet many people think we are “on the wrong track...”

Today – we hear and worry about the H1N1 Virus – the “Swine Flu.” Yes, we should be concerned – so far, the CDC has reported 13,915 deaths from the Swine Flu (data as of 12/09/2009, CDC.gov). But consider this: In the summer of 1918 - only 92 years ago, the “Spanish Lady” flu swept through the world, killing 22 *Million* people across the globe. 22 Million people! From the flu! One half of all of Philadelphia died! *One half* of a US major metropolitan city wiped out from an *illness*! The Spanish Lady killed 6 *million more* people than all of World War I!

Today – we text, e-mail, and call each other using cell phones anywhere around the globe. We are frustrated whenever our e-mail doesn't work, someone doesn't return our text immediately, or we have to leave a "voice mail." Yet only *20 years ago* – no one had cell phones, e-mail was brand new – and it was customary to handwrite letters which may (or may not) even reach our pen pal within weeks of sending them. In 2010 the number one source of internet access will be... you guessed it... a cell phone which has ten thousand times more computing power than the entire world had in 1960!

Today - We can order a pizza online and have it delivered to our home in 30 minutes or less. We shop online and are frustrated when it takes longer than 3 days to get our package or we have to pay for shipping. Yet only 20 years ago, it was commonplace to order from the fall or spring Sears catalog, add money for shipping and handling, and wait up to 6 weeks for delivery – which was in the store and you had to go and pick it up anyway. Which I remember vividly from my childhood, by the way.

Here are some interesting bullet facts:

- It took 38 years for radio to reach 50 Million people. It took TV 13 years. Facebook, however, added 100 Million users in 9 months! If it were a country, Facebook would be the 4th largest country in the world! For more info on that, check out this link: <http://www.youtube.com/watch?v=sIFYPQjYhv8>
- Cars are being developed now that, once on the highway, will drive themselves in convoys with other cars. Time to take a nap... on a long road trip!
- Thought controlled robotics have been invented, and initial uses are now under development. Think of the applications for the handicapped!
- In June of 2007, a patient successfully received *a whole organ transplant – grown using her own stem cells and without the need for anti-rejection drugs*. Can you IMAGINE the medical implications of this in 20 years?!?
- Nerve controlled bionic arms and legs are now in prototype stage. Remember the \$6 Million Dollar man? From the looks of it, it appears that he's about 10 years away! <http://www.youtube.com/watch?v=T6R5bm6qx2E>
- More video was uploaded to YouTube in the last 2 months – than NBC, ABC, and CBS have aired – *since 1948!* Collectively, the networks have been around over 200 years. YouTube didn't even exist 6 years ago. The world is changing with incredible speed.

And finally – take a look at this video. It truly is an example of the speed with which the world is changing. <http://www.youtube.com/watch?v=6ILQrUrEWe8>

Now what does this have to do with Wealth Management? Global wealth is primarily created through capitalism – where new ideas and products are capitalized by investors. Many innovations come out of necessity – after recessions, when people turn to themselves for support, create new businesses and generate new ideas because their old paradigms failed to provide them what they needed. Historically, the periods after recessions have been tremendously profitable ones. Remember the 80’s boom after the recession of the 70’s? Remember the 90’s boom after the recessions of ’91 – ’93? We are now finishing up one of the worst recessions in a long, long time. As the “Great Recession” winds down, I can only imagine the wonders that await us!

Happy New Year, everyone! Hang on – I believe it will be a wild, wild ride!!

1 IBM Global Technology Services. “The Toxic Terabyte – How data-dumping threatens business efficiency.” July 2006