



faith . discipline . patience

How often do you stop to ponder 'what could go right'?

I suspect the answer for many is 'not too often'.

This makes evolutionary sense. Fear of lions in the tall grass has been passed down to us from our ancestors. Better to be too cautious and live another day even if the lion wasn't there than the opposite.

The pessimist on the savanna would survive while the optimist sooner or later became lion fodder.

But I can't help but wonder if we today tilt the optimism-pessimism field too far towards pessimism.

This pessimism can cause us to sell during market crashes or maybe just when we think the market might crash. (I think I see grass. There could be lions out there.)

Today, the feared lions include inflation, national debt, and more pandemics.

Notice none of these animals are new.

So, how could this go right?

Well, what if inflation ebbs out slowly over the next few years. Maybe interest rates remain relatively low (sorry, bond investors) allowing us rather easily to service our debt. And pandemics hurt but we'll deal with them, and probably better than we dealt with the current one – experience is a fantastic albeit expensive teacher.

And what if innovation continues? The way it has for centuries.

Pessimism is most often static. It worries about a bad factor but doesn't allow for adjustments and innovations.

These adjustment and innovations are part of what make the future so hard to predict.

Go back to the late 90s. The investor worries of the day included currency manipulations, a hedge fund induced market collapse, and irrational exuberance pushing stocks far too high (that one, again).

Since then we've had three market crashes (four if you include the flash crash in May, 2010).

Yet, according to politicalcalculations.com, the S&P 500 with dividends reinvested since 1995 has gone up over 15 times.

Coincidentally, it was around the late 90s some geeks figured out how to look things up fast on this internet thingy, all googly-eyed, and not long after they were running a company that operates phone systems and leads the way on self-driving cars.

Another guy thought selling books online had potential, and before you know it his company delivered food to your door and stored data remotely, like it's all floating up in a cloud somewhere.

Those were two of umpteen things that went majorly right. And there really was no way for us to know that back then.

Just like there's no way for us to know today what amazing innovations are in their infancy as you read this.

I'm going to stick with history and say the world will be a better place in ten and twenty years.

If you spend a lot of time worrying about what could go wrong I encourage you to set aside time to also consider what could go right.

History is on the side of optimists. The future is exciting.

Good luck.



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