

## The Era of Instant!

We live in a time when people think everything should be instant. Instant gratification on every level. They want to buy a home that is perfect, not spend a few years fixing it up like we did. We have gadgets that provide instant everything, we can send a note or a video to someone on the other side of the planet and we fully expect a response in seconds, if not a live face to face 2 way video dialogue.

Governments no longer look to the long term, they're focused on just getting elected again and kicking the can of our bigger problems down the road. Government officials now come onto the television or other media after any type of national news and proclaim the next wave of regulation they propose as a knee jerk reaction to what just happened. Let's not think about things and come up with a long term solution, but just tout off anything off the cuff immediately after a media event. Would it be safe to say we have jerks acting knee jerk wise running the show? The economy is now built on an instant mentality, everything is for the here and now and earning it seems not to matter anymore.

The governments across the land are not saving, have raided rainy day funds and cannot fund towns and schools, all while the economy is the best it's been in decades. How do they plan on operating when the economy takes a turn for the worse? It's appalling how people in positions of power act today. I propose a rule that says anyone in public office has to have their credit checked annually and take fiscal and ethics training and need to pass these trainings with acceptable scores in order to be considered for public office.

It's been shown in recent history how politicians and even judges are a fiscal train wreck personally, yet they are making the decisions that will impact many on a financial basis as the creators or enforcers of the law. We need this badly and if it is embraced, we'll see a whole new breed of action taken that is fiscally sane.

The government is in the business of printing money these past few years.

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## Smartphone Dumb People?

When they arrived we all thought they were pretty amazing, these "phones" were really computers with a phone add on. They did so much and they continue to evolve to do even more. They're the remote control, the workout buddy, the note list, the reminder, the alarm clock, the list goes on and on. They do a whole lot of things for us that we "need" today in our busy lives.

But what about the things we don't necessarily see about these devices that are not helping us but may actually be harming us? We've noted a few things recently that have been pointed out by some tech and psychology guru's that we need to think about.

- These tools are not good for our sleeping – they contribute to sleep issues and should be avoided at night altogether.
- They can ruin romantic relationships. What's more important that awesome person next to you or across the table from you or that bloody device?
- They can destroy friendships for the same reason as above
- They don't allow our children to build traditional communications skills that are one on one, eyeball to eyeball
- They disrupt parenting – you cannot be on your smartphone and be fully engaged with your kids. And the smartphone may buy you free time with little kids, but at what cost?
- They're replacing in person communications when there is conflict. We need to talk person to person more, especially when there is conflict!
- People are expected to be online, all the time and connected to be at anyone's beck and call.
- Some people are basing their self-worth on social media "likes"
- They encourage people to feel FOMO – the fear of missing out! Missing out on what, more nonsense!
- Reading on a smartphone is worse for comprehension, we need to get back to true print media for true learning.
- People are having difficulty making friends in real life, not in social online crypto world.
- Smartphones encourage mental laziness and are not good for our brains. Have you seen people pull out the phone to do some simple math? Looking everything up rather than thinking it through can slow down the thinking processes of your brain.

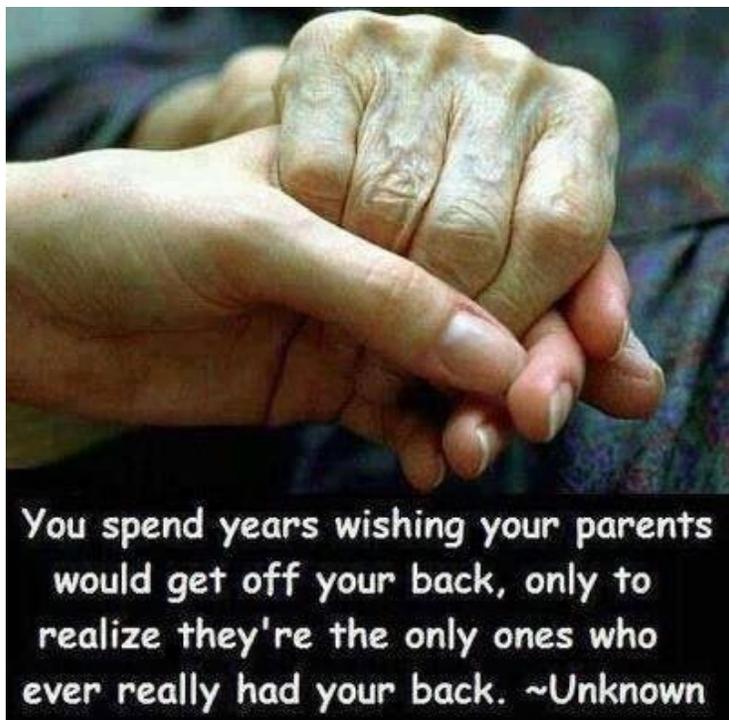
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If they don't have enough money to balance their budget, they just print more and don't even make an attempt to be fiscally prudent, why would they? They have a seemingly unlimited printing press that can satisfy their needs. Folks, this isn't unlike an addict constantly needing more or larger hits of their chosen drug. You and I could never do this when looking at our monthly or annual budget. Some have tried, and they live on credit cards for a while, but eventually the noose gets tighter and tighter and all credit is exhausted, and the final chapter of that story is bankruptcy.

The story for where our governments are going is no different, none at all, but they're just able to push it off a lot longer as they're making the rules of the game on an as we go basis. A business also needs to make money to survive. In this era, we've got companies that are started and get massive in size, all the while they're losing money. They exist on massive piles of investor cash as they spend big and grow like wildfire to hopefully get to the point of profitability somewhere down the road. This isn't just small companies, the largest retailer in the world just turned profit after what, 20 years? The big electric car company has yet to turn on and many believe will not be in business in a few short years.

Here is a ridiculous statistic, 76% of companies that went public last year did so with negative earnings. This means the companies were all losing money at the time their shares were sold to the investing public for the first time. This data comes from Jay Ritter, a professor at the University of Florida's College of Business. Ironically in 2000 at the peak of the dot com bubble 81 percent of newly public companies were not profitable. How history repeats itself with different actors and a similar storyline? This is crazy just how close the story is.

Speaking of instant, our kids may think we're not on the same page as they are and clearly different eras. It may make sense to show the below, when all is said and done it's as true as it gets! ☺



We don't do a ton of social media around here. We'll post things for information on the various platforms but we never use it personally. We've just discovered some patents the mother of all social media companies has obtained and they go against any privacy we thought we had. I'd urge people not to use these applications often, perhaps not much at all once you see just how powerful some of these tools are:

1. Reading your relationships – this patent discusses predicting whether you're in a romantic relationship using information such as how many times you visit another past, number of people in your profile, and percentage of friends of the opposite gender.
2. Classifying your personality – this patent uses your posts and messages to infer personality traits. It even describes judging your degrees of extroversion, openness or emotional stability, then using these characteristics to select which news stories or ads to display
3. Predicting your future – this one describes using your posts and messages in addition to your credit card transactions and location to predict major events in your life are likely to occur, such as birth, death and graduation
4. Identifying your camera – this one analyzed your pictures to create a camera signature that uses faulty pixels or lens scratches. The signature would allow them to know exactly which picture's you took on which device and if someone else is using your device and uploading pictures. It also uses the "affinity" between you and a friend based on how frequently you use the same device.
5. Listening to your environment – this one explores using your phones microphone to identify which shows you're watching and whether ads are muted. It also proposes using electrical interference patterns created by your TV power cables to guess which show is playing.
6. Tracking your routine – this one watches your weekly routine and then sends notifications to other users of deviations from this routine. In addition, it uses your phones location in the middle of the night to pin down your home address
7. Inferring your habits – this one uses correlation data between the location of your phone and your friends phones to deduce whom you socialize with most often and where. It also monitors your phone when it is stationary, day and night to determine how many hours you work and sleep.

You won't find me being a fan of this activity. I suspect in time the government will give us back control of our privacy.

### Noteworthy News!!!

- Congratulations to Anthony DeAngelis on his new position with the National Institute of Health! 😊
- Congratulations to the Lauretano family on their move to Canton! 😊
- Congratulations to Eric Mueller on his retirement from the Hopkins School 😊
- Congratulations to Jan Lenkoski-Mueller on her retirement from Yale! 😊
- Congratulations to Jan & Eric Mueller on their move to Cape Cod! 😊
- Congratulations to Gail Lascko on her retirement! 😊

### Question & Answer

Ask any financial question you have and we'll address it here.

*Q: Why is the deficit going up when interest rates are also going up?*

I've been asking myself this debt question now for years. Many agree with this reader in that if rates are going down it's fine to borrow more as the costs are lower on a monthly basis. That's fine conceptually but at some point the debts need to be repaid or there is going to be a train wreck if America is viewed as unable to pay her debts.

Bottom line is with this new rising rate environment, which should have been here a long time ago the debt service is getting a lot more expensive to maintain. Now the deficit and debts are also going up, it's a triple whammy to the budget of the government.

I'm truly disgusted at the fiscal ineptitude of government over the past few years. The national government has been foolish, many states, CT, NY, IL, CA, NJ as prime examples have exemplified fiscal foolishness on every level. As these moving parts all point in the direction of more pressure on budgets, the margin for error is getting smaller and smaller. At some point we expect one of the fiscally foolish states to declare bankruptcy. They've been going down the road of ignoring finances and just printing money and increasing debts, but we all know this isn't even close to sustainable. As the noose tightens and they keep raising taxes, the people with money and smarts just move out and go south to the tax friendly states. We'll see how long this trend lasts, CT, NY, IL, CA are bleeding people and they're fleeing to TN, TX, FL and the Carolina's primarily.

The personal savings rate in America is at a pathetic 2.8%, the governments are not saving at all, many of them don't even have rainy day funds anymore they've burned them with forever bigger government. We'll see how this plays out, but raising government spending, raising deficits at the end of an economic cycle with rates going up is unprecedented. We tend to see things farther out than most, and we don't see an easy way out of this so expect some bumps along the way. We do see opportunities to profit from the shakeout after it happens. 😊

- Studies show increased smart phone use can lead to depression. The more kids use Facebook, the more their wellbeing decreased on studies of college students.
- Much of the above data comes from a study by Dr. Suzana E. Flores, a clinical psychologist and author of "Facebooked: How Facebook Affects our Emotions, Relationships, and Lives"

We hear people complaining that the kids are constantly on their phones. I see it with adults too, some people carry them on their person at all times. Cup gets mad because I rarely have my phone on me and she cannot get ahold of me. What if an emergency happens? In the 29 years we've been together has there once been a time when you needed me immediately, no! I get it, it's a comfort thing but I'm just not carrying around the electronic leash at all times. I'll have it with me in the car as it is my navigation tool and sometimes I'll bring it inside the office, but at home it sits on the windowsill and when I'm out and about it's in the car.

That's not how most people work their phones and amazingly the tech insiders have confessed that the phones are designed so that the users check them many times per day. When we say many we're talking 5 or 10. The many they define as any notification, notice, buzz, or other means of getting our attention that are actually designed to hijack our minds and our society. The idea is to get you to engage with the device so they can increase how much time you spend in front of the screen. There is a group now formed, of former executives of some of the top tech companies, called The Center for Humane Technology. This group is trying to get the tech industry to slow down the proliferation of applications and devices that are not good for human beings. They have concerns over the reach, power and influence of tech as the industry grows.

We're of the opinion that at some point the giant tech companies will get broken up by the government and privacy laws will be passed to give us control of our data once again. The more hard to imagine things that tech is pursuing in terms of mind control are truly scary. The problems we've seen in data leaks, password breaches, election interference and privacy invasions are just the tip of the iceberg in terms of where tech is going and the possible problems that could unfold if it continues.

A few hints to help with the negative impact of gadgets is to turn off notifications that cause you to look at or pick up the phone. Use grayscale settings to get rid of the hot colors that many apps use to get your attention. Use only essential apps on the home screen such as the phone and maps and calendars. Turn off notifications, only check them a few times per day at your convenience, not theirs. Do not leave the phone in your bedroom. Remove social media apps from the phone, use them via browser only. Send audio messages or make calls over texting. What about just not using it as much? Good luck, let us know what works!

# Money Quiz



This month's challenge is on tax returns, what percentage of the roughly 176.1 million tax returns that are filed will owe zero taxes? Last month's quiz wasn't won, 28% of American jobs do not require any formal education. We'll see what AI and robots does to this statistic moving forward! Winner goes to Ruby Tuesday on us! 06/01/18:09

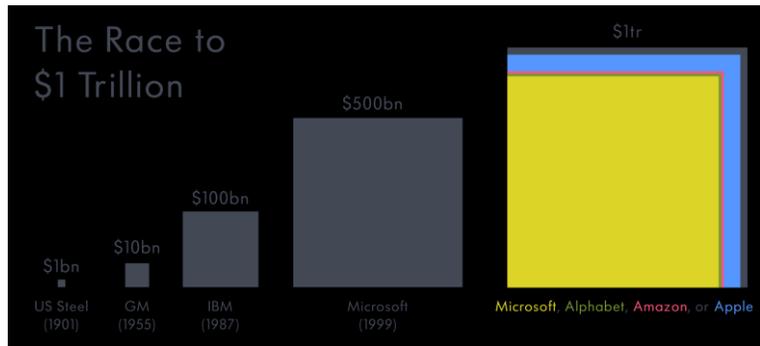
## Open Position @ CFA

If you know anyone who is looking for a front office position please think about contacting us. The person we're looking for is someone who has great people skills, is highly organized, and detail-orientated. They must be proficient with computers, Microsoft Office & CRM. We know there are plenty of great people locally who are looking for a job and it's just a matter of making the fit. We're looking for another person with high moral character to join our team! 😊

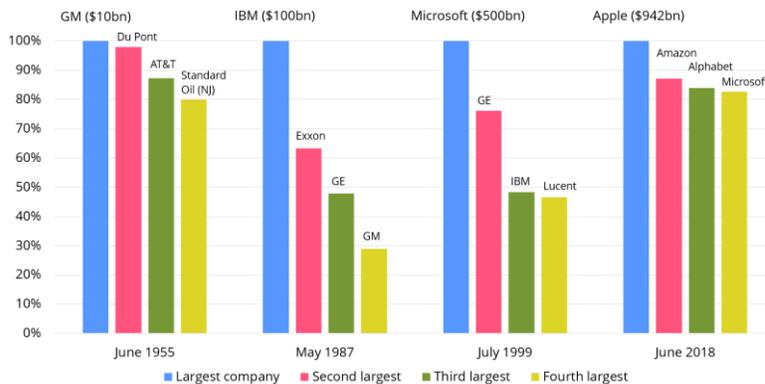
## Billion Dollar Companies

A trillion dollar market capitalization is a big deal and we've never had one, yet. Back in 1999 during the internet bubble there were a few stocks approaching that magic number, but none of them actually made it there. In history many companies that dominated the landscape were huge, and in terms of the era they had different impacts on the overall financial ecosystem in their era's.

In the race to huge, here are a few great graphics to show the history of big, thanks to our friends at Winton for the charts!



Relative Sizes of Four Largest Companies Around Market Cap Milestones



This article is provided for historical perspective and for informational purposes only. Discussions should not be considered a recommendation or solicitation for any investment product. Please speak to your advisor prior to making investment decisions.

## Our Brains & Sugar!

A few of my college buddies call me an anomaly. I've never smoked or drank and have no desire to do so. Many say it's a "learned taste" yet I think it's all gross on every level. If I need to learn how to poison my body why on earth would I do that? Apparently most people do so if I'm nuts I'll take it.

I think I'm less nuts when it comes to sugar. I love sugar and sadly junk food but a recent study I just found sheds a ton of light on what sugar does to us. A recent study of our brains shows that sugar and carbs put a super charged dose of activity in our brains reward center so the next time you look at that donut or ice cream, candy or baked goods it'll make a little more sense as to why some of us are so moved to consume that food that tastes so good but we know it is truly garbage for us.

Dana Small at Yale and colleagues scanned brain activity of hungry volunteers as they were shown images of food that were high in carbs and sugar. After the scans the volunteers were given money and asked to bid for the foods in an auction style process for the snacks they wanted to have. This was made for me – money and sugar! 😊

The team found that foods containing sugar and carbs were the foods that fetched the highest prices by the bidders. Despite the fact that all foods shown had the same caloric value, the bidders were willing to pay the most for those foods containing sugar and carbs. Small thinks we may have separate systems in the brain for evaluating fatty and carb heavy foods. If both of these systems get activated simultaneously it produces a larger amount of dopamine and we hence feel a bigger "reward." That reward may be short lived of course because we'll need a nap after indulging! 😊

They did a study on rodents and found that if the rodents were given foods that were high in fat or carbs the rodents did a fine job keeping a normal body weight. If the rodents were given food options that were high in both carbs and sugar they experienced weight gain. Small suspects that the hunter gatherer mentality we started with was never intended to see such foods that we have today and they can "trick" the systems in our body to consumer more of the wrong things, hence giving us an unhealthy outcome. Sounds like we just need to stick to natural foods and limit the goodies. Sugar and carbs are addictive, just like crack and meth apparently! Chip you rock!

## Inspirational Quotes

- Inspire people with purpose, author unknown.
- No school teacher has EVER had a former student return to say a standardized test changed his or her life, Joe Martin
- Leap, and the net will appear, Julie Cameron
- IN order to attain the impossible, one must attempt the absurd, Miguel de Cervantes
- I love the man who can smile in trouble, gather strength from distress and grow brave by reflection, Thomas Paine
- He is a wise man who does not grieve for the things which he has not, but rejoices for those which he has, Epictetus
- The greatest happiness is to transform ones feelings into action, Madame de Stael



**We can piece the puzzle together and  
make your money work for you!**

## Kids Corner

We've got a couple of kids who want to forge their own path and that's great as long as that path is a healthy one. We've tried as hard as possible to get the two young princesses to not flirt with the most dangerous things in the world such as smoking, drinking, drugs and the things that'll really either kill you or ruin your life. At the same time we tried to keep them street smart and have given them the opportunity to fail. We see many of their peers parents give the kids no flexibility or opportunities to try out life. We're worried that for the kids who have no rope while living at home and cannot try out anything when they finally get out on their own or go to college these kids will fly off the deep end of life.

Let's face it, the kids are going to do things, they're going to experiment, they're going to test limits, no kid is perfect. We'd prefer they did these things knowing we did them too and they can talk to us about them and they shouldn't do them in secrecy or hide things from us. We offer the kids to have friends over all the time, have as many over as you'd like and at least now we know what is going on and can work through the dumb things they'll inevitably do. They call these things rights of passage, but maybe they should rename it? I had a ton of rope as a kid and was very good about staying away from drugs, smoking, drinking etc. I never touched any of that nonsense and that continues today. Where I made my mistakes was with speed, anything that went fast I was attracted to. Cars, motorcycles, snowmobiles, dirt bikes, boats, the stupid things I did with speed makes me feel very lucky to be on the planet today. Cup was the opposite, she had no rope and did nothing wrong, ever. Never did drinking, drugs or smoking, never partied, was an angel even at college. Our hope is the girls land somewhere in between us!

If anyone you love or care about would benefit from receiving our newsletter, tell us who they are and they will be included on our mailing list. They'll certainly appreciate you thinking about them and having their best interests at heart!

Name \_\_\_\_\_ Email \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

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