

Market Outlook:

How much would you spend?

In recent weeks, I have been writing about pundits' concerns about the depletion of our natural resources, not necessarily during our generation (although it is certainly a factor) but for generations to come. If we don't start thinking about how to replenish diminishing sources of potable water, food, wood and metals, energy, arable land, and clean oceans then the solutions might be too late in coming for our heirs.

But think for a minute about what you would do if you were faced with a situation in which you had to choose between food or medicine, housing or transportation, security or survival. Believe it or not, there are millions of our fellow citizens on this planet who must do exactly that every day. And as, or if, those numbers might increase, those factors, and those citizens, will impinge more greatly upon the natural order of things for the rest of society.

What would you do if your "soylent green" was no longer available or affordable. Indeed, the stuff of movie fantasy and science fiction thirty years ago might become the reality for others thirty years hence.

How much would you spend if your survival depended upon it?

I suspect that the will to survive is so great that even the wealthiest amongst us would pay anything not to be destitute, hungry, or ill. How much pain, how much hunger is too much for some of us?

Today, for example, medical diagnostics and pharmaceuticals exist which can bring a healthy life back to those severely afflicted by disease. But those cures cost money, not to mention that our pharmaceutical and medical infrastructure operates as a "for profit" business. It is mostly the poor and indigent who have to make life or death choices, or who have no choice whatsoever. What we once experienced as premeditation and constructive consultation with our medical practitioner is being replaced by raw survival instinct.

In a culture where acquisition and "having things" becomes the standard by which we live, how much of those things (money, home, family, health) become expendable if the choices were dire. **We are becoming a marketplace of profitability at the risk of sacrificing social responsibility and empathy.**

To be sure, there will always be sickness, poverty, affluence, haves and have-nots. What seems to be receding, though, is compassion and moral obligation.

Greed: 1, Business Morals: 0

To that point, the markets last week had a schizophrenic week trying to interpret earnings reports. *Question: if a company reports higher revenue and greater profits...but starts at a lower basis, at a "deficit" from previous high-water marks...is it really a profit, or simply an improvement over the previous reporting period?*

Fed Chair Yellen said last week that the Board would spend most of its efforts trying to focus upon employment within the recovery rather than its inflation-fighting biases of previous years. You and I know from anecdotal experience, however, that prices are not going down, they are going up. Tuition, energy, food, recreation, travel, commutation and housing are not less expensive than five years ago, they are more expensive. It is surprising that the Fed would fail to discuss at length the "impoverished" condition of its constituents and focus instead upon a more ethereal "jobs market", a factor best left to the private marketplace. Yes, it is difficult to balance several balls in the air at the same time, but the reality on the ground is that many households are hurt by the concentration of wealth by a few and the failure of our banks to lend money willingly. In fact, financial institutions are already in recovery, flush with cash. **They choose instead not to lend because they still see too much risk in the economy, and because of their fear of repeating the last greed-driven cycle they helped to create.**

The general fallout from this past Great Recession is far from over. Despite falling consumer demand, global credit confidence crises, and a market which cannot determine if we're in a "bear bounce" or a "bull recovery", the stresses upon our global ecosystem and social institutions continues to exacerbate.

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