



Kryptonite

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Uncertainty to business is like kryptonite to Superman - going from leaping tall buildings in a single bound to hitting a wall, barely able to move. American businesses are adept at operating in most any political environment, as long as the “knowns” are clear.

Certainly, every new administration has the right to direct policy changes. The electorate indicates a desire for change. Shouldn't the new President deliver? Sure, but the pace and clarity of the changes make a difference. For business (and investors), slow, telegraphed changes allow for adjustments and a smooth transition that can be incorporated.

Recent announcements and sudden reversals put a damper on business. Will we really have tariffs? How much will they be? What about tax policy? Will the federal workforce be sliced dramatically? Will federal contractors, who are private business people, get paid on time? Chaos can be entertainment fodder for the news, but it's bad for business.

The Federal Government is like a big barge. It cannot turn on a dime. A shift in direction requires sure, slow maneuvering, making certain smaller vessels have steered clear and obstacles are out of the way. Sudden movements and jerking of the wheel can lead to a capsizing.

So we are still waiting for clear direction. Business and investors are pausing, standing still while the whirlwind passes. I am hopeful that this administration recognizes their kryptonite and corrects course. As financial advisors, our job is not to make or comment on policy, only to interpret and use policy decisions to help our clients manage their money.

On February 20th, we hold our annual CFA Forecast Dinner and are anxious to get guidance and assessments from the experts. We'll send out a link for those who cannot attend in person, and we'll offer a summary of the evening.

As always, we depend on economic data as we navigate these uncertain times. Consumer sentiment, CPI and employment data will be front and center. The Federal Reserve will be the determining vote as they control interest rates. There is still so much that is unknown, but uncertainty is our kryptonite.

"What makes Superman a hero is not that he has power, but that he has the wisdom and the maturity to use the power wisely. From an acting point of view, that's how I approached the part." – Christopher Reeve