

January 21, 2008

Are we in a recession?

This is an important question that is being asked now by many people. Our answer is: *The US economy is in a recession*. And, we are ready. Even if we don't meet the statistical definition, let's just say it. BUT, recession is part of a normal economic cycle in a free market system. Unemployment up, consumer spending down, inflation up, new home starts down... Fears of recession typically lead to market volatility. Short-term volatility FEELS like the edge of the saw below. However, if we could apply an accordion to our saw, what would it feel like? Smooth...and that's what time does to short-term market volatility.



Most, if not all of you have heard of the Southern California burger chain called the *In-N-Out Burger*. Famous! And from what I'm told, fantastic! Well, during the market volatility we're experiencing we don't want to start another chain: *The Out-N-In Portfolio*. It's easy to get out of the market. Usually emotional getting out occurs well after a market high. And then, if the portfolio has to produce lifetime income, when do you get back in? *When things settle down*. And when is that? For most, as we've seen, *settled down* is well above where you got out...Not a wise set of decisions.



If you're nervous, let's talk. If your plan needs re-visiting, let's talk. If it's been awhile, let's talk.

As always we say a big *THANK YOU* for the confidence you have placed in us.

Sincerely,

A handwritten signature in cursive script, reading "Daniel O. Corrigan".

Daniel O. Corrigan

A handwritten signature in cursive script, reading "Mark D. Wickman".

Mark D. Wickman