



American Heritage Financial

June Update

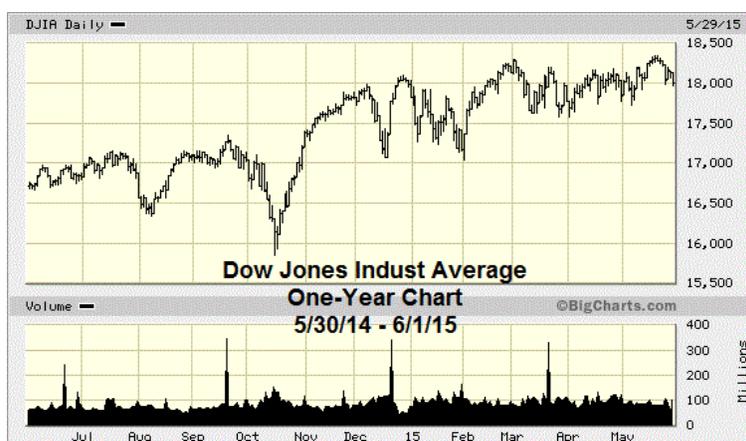
June 2, 2015

Commencement Address

Many traditions of graduation never change over the ages, including overheated ceremonies, sleepy and hungover new graduates, proud parents and the obligatory **commencement address**. Since May and early June is the time for graduation ceremonies and the look toward the future required by commencement speeches, we found a recent article by our friends at Oppenheimer Funds very timely. Our message this month borrows extensively from their article [Graduating? The Future is Brighter Than You Think](#). Please click the link if you would like to read Oppenheimer's original article.

While the **tradition** of the commencement address hasn't changed, the **choice of speakers**, in many cases, has. There was a time when our nation's premier universities looked to the highest leaders in the land for their seminal speech; including Presidents, Senators, Supreme Court Justices, Generals, authors, and business leaders. This year, you will find the likes of Jimmy Fallon, Stephen Colbert, and the actress that plays Flo on the Progressive Insurance commercials providing inspiration to new graduates. Oppenheimer believes some of the messengers in this year's commencement addresses, as well as their messages, are off base.

Many of these speakers will regurgitate the mantra relentlessly repeated in the media, telling today's graduates they will be the first generation in our nation's illustrious history to fail to maintain, much less exceed, their parents' standard of living. They will say today's graduates will preside over the decline of the United States as a global power and powerful economic engine. They will tell them that their diplomas will be of little value as they begin their formidable journey into a difficult job market.



	5/29/15	2015	52 WK
INDEX	CLOSE	YTD	CHG
Dow Ind	18010.68	1.1%	7.4%
Dow Tran	8299.75	9.2%	2.4%
Dow Util	586.98	-5.0%	7.7%
S&P 500	2107.39	2.4%	9.6%
NASDAQ	5070.03	7.1%	19.5%

While such ideas may be the content of commencement speeches, it will not be the first time for such concepts. Oppenheimer emphasized this point by a list of quotes and excerpts, such as: *"The U.S. economy remains almost comatose. The structural faults represent once-in-a-lifetime dislocations that will take years to work out. Among them include the job drought, the debt hangover, the banking collapse, the real estate depression, the healthcare cost explosion, and the runaway federal deficit."* That was from a Time magazine article from September 28, 1992. They also offered numerous notable quotes,

including, *"We could use up all of the proven reserves of oil in the world by the end of the next decade."* which was from Jimmy Carter in 1977. Another was, *"the battle to feed all of humanity is over. Hundreds of millions of people will starve to death in the next decade."* from the best-selling author Paul Ehrlich in 1968. Possibly the most dramatic quote was from Thomas Malthus way back in 1798, *"the power of population is infinitely greater than the power in the earth to produce subsistence for man."*

The point, of course, is that there has rarely been a time when doomsayers didn't control the public discourse and yet, somehow, we seem to muddle through. Actually, we have done a whole lot better than muddling through – **the United States has created the most prosperous, open and inclusive society in the 6,000 years of recorded history.** Hopefully, today's graduates will do as most all those before them have done; ignore the naysayers and focus on the enormous opportunity that awaits them. They are among the most highly educated, well-traveled, technologically-savvy, culturally-diverse and ethically-grounded generations this nation has ever produced. Our new graduates will tackle the challenges of harnessing the powers of artificial intelligence and robotics, creating the next generation of life sciences that will cure debilitating diseases, help continue evolving energy sources, and develop new technologies and new industries that are unfathomed today.

This message to graduates can also be applied to investors. Critics and doomsayers are ubiquitous—and whether we are talking about the economy, society, the environment or politics—critical debate and abundant alternate opinion is our greatest strength. But there remains much **more reason for optimism than pessimism when considering the future of our markets and economy.** The business cycle will continue to preserve and there will be down cycles again but the current “up” cycle in both the economy and the market appears to have further room to run—possibly years more. We continue to focus on this optimistic outlook to find growth opportunities to help you reach your long-term financial goals.

Best regards,

Ted Ingraham

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Questions or comments?

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