

Nancy J. LaPointe

MBA, CFP®, ChFC®, CLU®, CASL®, RICP®
*Financial Planner, Wealth Manager,
Investment Adviser Representative**



NAVIGATE FINANCIAL
Charting Your Journey

Thoughts for 2024

By Nancy LaPointe

2023: “The Year of Doom and Recession” became the year of no recession and the world did not end.

I do not expect 2024 to be without instability, volatility, and uncertainty. The worries of 2023 have not gone away. What has proven true is our resilience, that the breadth of our industry/services again gave us the means to thrive. What has been happening for years, occurred again in 2023. That is change. The partial disappearance of “stable” and “fad” businesses and careers happened in 2023. Over our lifetime we have experienced the effective elimination of careers/jobs. At one time a person could make a living being an elevator operator. No longer. Being a taxicab driver in New York or even Cleveland was a reliable source of income, but that world has been turned upside down. Also, three generations working at GM, is that even happening now? The time of the fourth industrial revolution may be at its beginning, or it may be in the middle. It is happening now, and it is not over.

There are new careers over the last 30 years, such as graphic designers, software developers, cad operators, etc. Then there are even newer careers over the last 4-5 years such as drone operators, telemedicine doctors/therapists, online fitness instructors, driverless car engineers, contact tracers and on and on. Change is the one constant, and I do mourn at times. I mourn for good people like my father and many of my cousins whose skill level and companies left them in the dust. The need to be adaptable may be higher now than it has been over many generations. Being grumpy or sad about this are true emotions that need to be recognized and processed. We cannot live in despair and expect improvement. AI (Artificial Intelligence) is not going to go away, and the world is going to keep evolving. Transition is hard.

I strongly suspect that 2024 will be a year of moving forward and falling back in many areas. The great thing about our country is that moving forward is in our genes. The challenge is that as humans, we tend to be set in our ways. We are at conflict with what we want and what is reality. We are hardwired to focus on the negative and the struggles, rather than seeing what is going right. Looking forward, the vast majority of the ups and downs we will deal with will be temporary. Either way, we can adapt as individuals and as a nation. The breadth of our industries and services should not be taken for granted. Innovation and experimentation are to be encouraged and questioned at the same time. That tension is vital. From many comes amazing things. Edison did not invent the light bulb on his own, nor was Steve Jobs the only one to create Apple. These game changers came to be from input from those before them and beside them.

Positive trends are expected to continue in the financial markets. Reminder: the economy and financial markets do not walk side by side. The financial market focuses ahead, forecasting what is expected to happen. The economy looks at what happened in the near and distant past. The overall belief in 2023 was based on the forecast that a recession would happen. In reality, the economy and economic data demonstrated we, as a whole, were doing quite well. Once the financial markets started “believing” the data, their forecast changed to positive. At the time of this writing, the markets are at historical highs. It will be different when you read this. The market will change as new economic data and new “market” forecasts are acted upon.

Facts:

- We still have two globally impactful wars going on.
- There is a strong disconnect between the skill level needed now and into the future and the talents of our workforce.
- Our population is growing older.
- Feds still feel that 2% inflation is the goal, so money tightening and interest rates remaining high is likely to continue.
- Employment is still high, and consumer spending is still at a healthy level. Companies are embracing the concept of tighter supply chains and less dependence globally. New industries and business are being developed.

All of this indicates a resilience and the tension of transition. As the song says, “Don’t go hitting that panic button.” Also don’t start singing “Happy days are here again”. Stick with your long view. We will have downturns, and overtime sticking to your plan works best. Make changes because of your timeline or because your goals have fundamentally changed, not because the market is acting as it should. Downturns remind us that risk exists and we need to manage things with that in mind. Without risk we do not have the means to reach our goals.

Housing and grocery price increases hit us quickly and once they go up, it can be a challenge to bring them back down. Normal mortgage rates are between 4-6%. It is going to take time for us as a nation to except this as the new normal. Gas prices and some items in grocery stores are actually going down. I agree that it is not enough for you and me as a consumer, however. Lowering inflation includes reducing spending. That, in turn, reduces employment and services and facility growth. Emotions play a part as well. Lack of hope or opportunity results in loss of initiative and involvement. Too much pain does not bring growth. Intermediate pain is a good place to be. Intermediate pain encourages innovation and invention. Our nation’s strongest assets; Us, the people.

It’s time for me to get off the soapbox and back to number crunching. Remember we are here for you, and these matters are always on our minds.

A handwritten signature in black ink, appearing to read "Nancy". The signature is fluid and cursive, with a large initial "N" and a long, sweeping underline.

Nancy J. LaPointe is a financial advisor located at Navigate Financial, 3663 College St. SE, Suite B, Lacey, WA 98503. She can be reached at 360-628-8175 or at nancy@navigatefinancialNW.com. Securities and advisory services offered through Commonwealth Financial Network®, Member FINRA/SIPC, a Registered Investment Adviser. Financial planning services offered by Navigate Financial, a WA Registered Investment Adviser, are separate and unrelated to Commonwealth. Fixed insurance products and services are separate from and not offered through Commonwealth.