

June 2012



### **What is the 800 Pound Gorilla in the room?**

The term 800 Pound Gorilla generally comes from discussing a dominating and uncontrollable figure whose presence because of its size and power is overwhelming.

Whether it is the numerous maneuverings and future poll election in Greece on June 17th or Spain's teetering banking system, Europe is generally considered the 800 Pound Gorilla. Europe's troubles (with the exception of Germany) evolve from essentially no GDP growth in the past 12 years. Most of the European Countries have simply accumulated too much debt.

As a child growing up watching cartoons such as, "Popeye the Sailor man", there was a simple man, void of a main character by the name of Wimpy. Wimpy, an oversized glutton, was somewhat of a "straight man" to Popeye's antics. Wimpy is known for his huge appetite for hamburgers. His main line each show was, "I'll gladly pay you Tuesday for a hamburger today".

The phrase implied the underlying feeling of a man with an insatiable appetite for something that he could not afford to pay for at that moment. Yes, the struggling countries in Europe and we in the U.S. have become the "Wimpy's" in the Popeye World of Economics. We want it now on the hopes of a brighter day tomorrow and the ability to pay for it then.

Our Global Government leaders will have to get their acts together at some point. They do not have much choice. Regardless of who might win this next U.S. Presidential election, taxes will have to go up. Spending will have to be curtailed. Those are the cards we have dealt ourselves as a Country.

It is very easy to feel despair looking at the political and financial affairs of the world. Short-term, we may be in for some emotional up and down turns for the markets this year. The markets do not like uncertainty and we have that in spades. Longer term, the drivers are in place. Corporate balance sheets look fantastic. Historically, when corporate balance sheets look this fantastic, generally good things are in store.

In the meantime, it behooves us all to take a good look at our own spending patterns. I look at ways in my own life to become stronger financially. It is my goal to shop a little wiser, spend a little less, save a little more, and pay off debt. Taking control of my own personal future will allow me to sidestep any pitfalls that the economic storms may blow my way.

As your Financial Advisor it is my goal to always help you reduce stress, keep you on course, and allow you to sleep better at night knowing that we are looking to your long term future.

As always please call me with any questions or concerns,

Dave