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Predictions for 2010 and beyond

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One of the most interesting challenges of working as a financial advisor is figuring out how to stay up to speed on everything that's going on. Stock market movements, company and advisor scandals and scams, interest rate adjustments, tax changes, new planning and investing strategies, and the reliability of investment companies are just a few of the areas that require monitoring.

Of the numerous methods I use for keeping up to date, one of my favorites is to attend planning conferences. In addition to getting to hear world class speakers on a wide range of topics, it gives me the opportunity to talk to other advisors about all kinds of different investments and planning strategies they're using with their clients.

I just returned from a four day conference in Dallas. One of the most interesting speakers of the event was economist and best selling author Harry Dent, Jr. You may be familiar with Mr. Dent's work. He correctly predicted the booming economy and stock market in his 1993 book, *The Great Boom Ahead*. His most recent book was released in 2009 and is titled: *The Great Depression Ahead*. With a title like that, I bet you can guess what type of pre-

dictions he made during his talk!

I've been following Mr. Dent since I first saw him speak in person way back in 1999. I've read all of his books as well as updates he's released since his most recent book came out. While no one is able to accurately predict everything (and he certainly isn't correct ALL the time), I'm struck by how often he comes close to the mark. With that in mind, I thought I'd share with you some of the predictions he made during his session:

The stock market has been boosted temporarily by the unprecedented government stimulus and should reach it's peak in the coming months. He expects the Dow Jones to peak between 11,400 and 11,800.

He predicts a steep drop in the market after hitting it's high. His best estimate of the Dow Jones bottom over the next year or two is between 3,800 and 5,000!

The mortgage industry (and therefore banks) will face another time of significant challenges as more mortgages face adjustments in August and September.

What do these predictions mean for you? Are you prepared if any or all of them are accurate? I'd love to hear your thoughts on his predictions. Agree? Disagree? Shoot me an email and let me know!