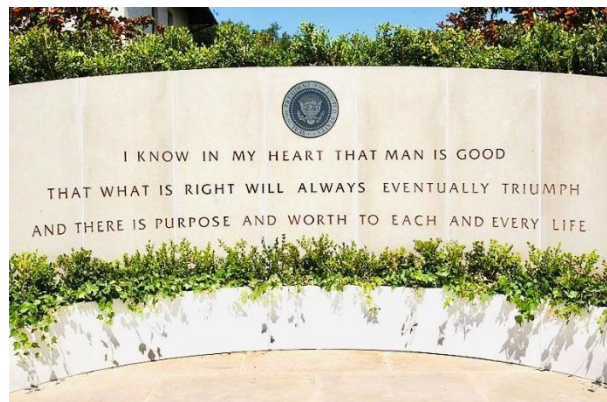


What is the Difference between a Million, a Billion and One Trillion?

By Bob Deitrick, CEO

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When clients and friends ask me how I am affiliated, my response is simple: *I am an American.* I believe our great country, despite its imperfections, is an idea articulated best through a phrase in our Constitution which reads: *"We hold these truths to be self-evident: That all men (and women) are created equal; that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness. Further, on Ronald Reagan's gravesite it reads:*



I believe in human dignity. Steven and I both strive to treat all whom we meet equally, and we strive to treat everyone with the great respect. We gave our janitors a honey baked ham dinner recently and thanked them. Why? Because they are good people doing their best with the talent God gave to them.

The COVID-19 crisis has shed light on how desperate many Americans are who live on or near the brink today. 22 million have lost their jobs in 4 weeks. The reality is 69% of Americans have less than \$1,000 in savings. Incredibly, 45% of Americans have \$0 in savings. This is not our client base, but we need to be concerned about these folks because without any savings, this group is desperate and in need of our support. Therefore, Steven and I and our board gave honey baked ham dinners to the folks at Eddie Merlot's, Polaris Grill and to a group of disabled vets recently. They need our help.

22 million Americans have filed for unemployment since the governors started stay-at-home orders. This is a staggering loss of jobs which shattered a decade of employment gains and has pushed families to line up at food banks awaiting government help. We have not seen this level of job loss since the Great Depression. Our government is struggling to respond to the crisis and the economic pain it has created. Government aid has been slow exacerbating the problem. The SBA stopped accepting loan applications last Thursday after it ran out of funds for a program to help businesses stay afloat and retain workers. State unemployment offices are overwhelmed as many wait for unemployment checks. Few states have done anything yet for the self-employed. The federal government's "stimulus checks" have been held up - only 50% of the payments have gone out so far.

*Last Friday, the Dow soared 705 points on the headline that a Chicago hospital treating severe COVID-19 patients with an antiviral called **Remdesivir** saw encouraging results. The market reaction was a signal among investors looking for daylight. The stock market has rallied this month on the hopes that the global economy may reopen soon. Sadly, we are far from being out of the woods and want to prepare you for the fact that we may re-test the lows of March 23rd before coming out of this mess.*

Every state has experienced job losses. Several key states are among those hardest hits with layoffs ranging from manufacturing to hospitality. In Michigan, a million workers - 21 percent of the workforce has applied for unemployment. Pennsylvania has lost 20%, and Ohio has lost 15%. Hawaii is the hardest hit where 22 percent are out of work as the tourism industry has been devastated there.

*These crushing jobless numbers are playing a key role in Trump's push to re-open the economy. The White House has placed those decisions in the hands of governors as Trump insists the lockdown is "ending soon". "We must have a working economy and we want to get it back very quickly, and that's what's going to happen. I believe it will boom," Trump said last Thursday. **That remains to be seen...***

So how much is COVID-19, a virus from the wet markets of Wuhan, going to cost all of us? The simple answer is – trillions of dollars. When America was created, we were a hodgepodge from every corner of the world. We borrowed to get our nation started. In 1790, we had a national debt of \$17 million. By the end of our Civil War, the deadliest war in history - the national debt had ballooned to \$2.68 billion. Before the Great Depression, our debt stood at \$17 billion. At the end of World War II, we were near insolvency with \$258 billion in debt and a debt to GDP ratio of 120%! Regrettably, we are fast approaching that ratio today! At the beginning of Vietnam, our national debt stood at ~ \$310 billion. When Reagan took office, our national debt was under \$1 trillion. By the time he had left office in 1989 it had tripled to \$2.9 trillion - the largest percentage increase of any president in history.

At the beginning of this century, our national debt stood at \$5.65 trillion. Fast forward to 2020 and we are about to surpass the \$25 trillion dollar mark this year! Donald Trump said he would create a balanced budget in eight years. Instead, we are on the glidepath to \$30 trillion in debt if things do not change. Let us examine this. What is the difference between a million, a billion and a trillion on the back of a tax cut in January of 2018 that benefited few of our clients but did benefit the top 1%?

1 million seconds is 12 days from now.

1 billion seconds is 32 years from now.

1 trillion seconds is 32,000 years from now!

30 Trillion seconds is just shy of 1 million years from today...

I believe in fiscal probity. Morally, I do not believe we should not beggar our children and grandchildren with trillions of dollars of debt. Having said that, here we are. I have said this will be a primary topic of conversation in 2020 and beyond. We will leave it here and continue these conversations weekly until this crisis is over. We will come through this and emerge stronger. That is what Americans do. Please call at any time - stay safe, enjoy HBO and Netflix, and have a great week!

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