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Just in case it matters to you:

CLIENT / CONTACT BULLETIN 10-13

- AN INTERESTING CONTRADICTION ABOUT THE MILLENNIALS: According to a new Pew Research Center report, young adults age 18 to 30 generally respect their elders and "are so close to their parents that college kids typically check in about ten times a week, are Facebook friends, dress alike, listen to the same music…and assert that older people's moral values are generally superior to their own." Yet, nearly 80% believe there is "a major difference in the point of view of younger vs. older people today… Having learned to leverage technology to build community (tweeting, texting and friending)… they believe that technology unites people rather than isolates them, and is primarily a means of connection rather than competition… some 83% sleep with their cell phones." Moreover, the study found that 41% of millennials are "satisfied with how things are going" compared with only a quarter of grownups, and 88% are "confident they will earn enough to lead the kind of life they want" – even those less than a third of those with jobs currently do so. Aristotle said: "Youth is easily deceived because it is quick to hope," but optimism can't hurt. [TIME – March 22, 10]

- STILL, IT'S TOUGH TO BE OPTIMISTIC ABOUT THIS 'RECOVERY.' "Just because we're recovering doesn't mean we've recovered… We still have 15M people unemployed, compounded by financial and economic anxiety… We're sitting with a financial system in worse shape than before the crash; the monetary base has roughly tripled, so we have the basis for hyperinflation; the Federal Reserve keeps buying assets with newly-printed dollars but no idea of the quality of those assets… The government is running the financial system, writing 9 out of 10 mortgages and running the biggest insurance company in the world." And get this: despite FDR's admonishment over seven decades ago about "putting an end to Wall Street's gambling with other peoples' money," IPOs (Initial Public Offerings of stock in start up companies) are getting ready for resurgence. During 2008, only 43 IPOs made it to market; during 2009, only one. But 53 companies registered last quarter (mostly technology sector) for 2010 offerings, and more are on the way. Stay cautious. [CFO – Mar 10]

- AND EVEN AS/WHEN IT DOES HAPPEN, BEWARE OF WHAT COMES NEXT. "The financial crisis of 2008 was very much caused by a perverse series of legal incentives that often made failed investments worth more than thriving ones." Today, the same players who brought this calamity to prime time are "re-creating the conditions for another crash…The post-bailout era has turned into a chaotic frenzy of high-stakes con-artistry," led predominantly by the country's six largest banks – who, after being minutes away from bankruptcy, still managed to pay executive bonuses of some *$140 billion* last year, only 15% below their take in pre-crash 2007. How? "By conniving and playing speculative long-shots in force, only this time with the full financial support of the U.S. government." One example of unabated insider system manipulation involves 'flash trading': "high-speed computer programs that can glimpse orders from investors before the deals are processed, and then make trades on behalf of the banks at speeds of fractions of seconds." The SEC voted to ban flash trading last September but "has yet to issue a regulation to put a stop to the practice…and six months after a federal prosecutor admitted in open court that Goldman Sachs trading program could be used to unfairly manipulate markets, the bank reported that a staggering 76% of its revenue came from trading both for its clients and its own account… Instead of liquidating and prosecuting the insolvent institutions that took us all down with them in a giant Ponzi scheme, we have showered them with money and guarantees and all sorts of other enabling gestures… If the bailouts validated anew the crooked psychology of the bubble, the recent profit and bonus numbers show that the same psychology is back, thriving, and looking for new disasters to create…and the biggest gift the bankers got in the bailout was not fiscal by psychological – the implicit guarantee that they're Too Big To Fail." Check out a thorough and frightening 7-page report in: [ROLLING STONE – Mar 4, 10]

- THOUGHTS FOR THE WEEK: ***One of the good news provisions of the Health Care Reform Act, also effective immediately, is that a covered employee's dependants will now be covered to age 26.***

  After charges of voter-fraud and illegal-advice against ACORN halted its government and non-profit foundations funding, many local branches simply changed names (e.g., the 'Alliance of Californians for Community Empowerment).' This week, ACORN announced they're "closing operations" nationally, but don't be so sure…

  "Value judgments concerning life, for or against, can in the last resort never be true. They possess value and come into consideration only as symptoms. In themselves such judgments are stupidities." –Friedrich Nietzsche