

The Oxford Report

ENTREPRENEURIAL FORECASTS AND FUTURES FOR LEADERS
31B Johnson Ferry Road, Marietta, GA 30068 • Vol. 9, No. 4

Dear Member,

FORECASTS

Here is a forecast that you can take to the bank or perhaps put under your mattress. The consumer will be the lead dog for any recovery in the U.S. economy. The government can keep things from getting worse, but it cannot make things better. Until the consumer starts spending again, there will not be one - a recovery. And right now, consumers have a big case of "recessionista" - frugal is fashionable. What we have to figure out is what will be the catalyst for the consumer to start spending again? The bailouts and stimulus packages to the frightened consumer are the equivalent to seeing two shark's fins as you are about to put your feet back in the water. In short, the U.S. economy is all about CARE - Consumers Are Really Everything. Do not believe any forecasts that do not include the Consumer Price Index (see Figure 1).

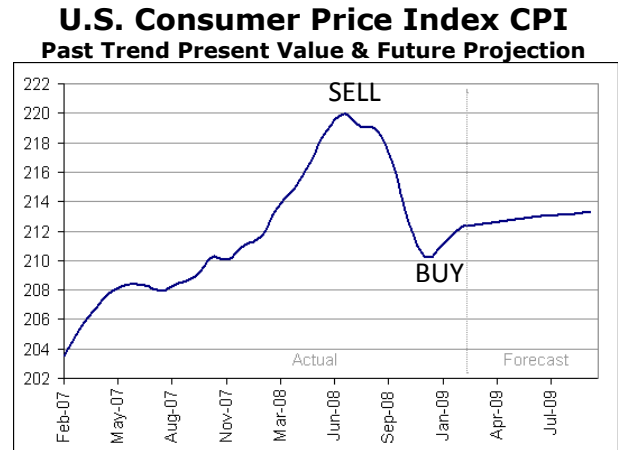


Figure 1

STOCKS

If we had only done this with the \$780 billion: cut capital gains taxes to zero for 24 months, do an across the board 50% reduction in FICA taxes, offer tax credits to emerging businesses for hiring, and give the remainder of the money back to consuming taxpayers with one caveat - use it or lose it within 90 days.

With some creativity and entrepreneurship in the bailout plan, we could have seen this: unemployment decrease by 50%, the stock market move back to 10,000 in 60 days, and consumer spending increase with a jolt that may have given life back to Starbucks. With a government led plan, the cornerstone of your 2009/2010 marketing plan should be focused on how to take market share from competitors. This requires a different strategy than when we are in a growth economy.

ECONOMICS

But what about the stock rallies? Between 1929 and 1932 there were 22 "rallies" before the market bottomed out. Here is a fact - there are \$1.2 trillion in bad loans on the banks' balance sheets - but we still want a miracle. It appears that 95% of all wealth advisors are waiting for that tug and rise of a bull market that makes everyone look like the sharpest knife in the drawer. These rallies will not cut butter. What many do not realize is that this financial downturn has changed wealth as we know it. The golden allure of Wall Street does not exist anymore, and people are no longer going to turn their money over and pay a fee to the wealth advisors that led them right into the teeth of a financial meltdown. Smart financial advisors will reinvent themselves with a focus on results and daily added value for wealth creation.

OIL/NATURAL
RESOURCES

Recommendation: printing money and deficits have consequences - buy gold, platinum and oil then back up the truck and buy more.

LIFESTYLE

How do you know when a recession turns into a depression? When the private school mom starts bragging about "Stay Vacations" - staying at home during spring break with a visit to the World of Coke and the aquarium. We are not in a depression, but this can be called a great recession. One thing for sure, there will be a great expansion - just keep moving with one foot ahead of the next. This is the best advice you can get.

RELIGION

How in the world can Rush Limbaugh claim the high ground in his fight to take back America? We understand redemption, but this is ridiculous. It probably explains why "organized" religions have seen a 10% decline in attendance across the board, except for Southern Baptists who have seen only a 3% decline. By the way, have you attended Sunday school on a social media website yet? It is a genuine, spiritual experience without an offering plate. Yet for the most part, online you cannot see and be seen.

ENTREPRENEURS
SCIENCE

Mixing entrepreneurs and science. As it stands now, Seattle and Silicon Valley are in fierce competition to be known as the Capital of Entrepreneurship. It has been going on since the days of Microsoft and Apple. Surprisingly, Seattle is moving closer to winning with the new capitalism of the green movement. They have diversified more from technology than Silicon Valley. For example, check out MicroGreen Polymer (microgreeninc.com). A company that is licensing a patented technology to create the first 100% renewable "to go" cup; an environmentally benign cup that works just as well as paper or Styrofoam. The concept behind MicroGreen can be traced back to 1998 when Krishna Nadella and co-founder Greg Branch were doing graduate work in mechanical engineering at the University of Washington.

INTERNATIONAL

The impact of the financial crisis on developing countries may be less severe in the short-term, but it will have longer-term implications. Over the past couple years, the belief has been that emerging markets, particularly the big four (China, India, Brazil and Russia) have decoupled from the U.S. and are capable of carrying world growth on their own. This is a myth. We are definitely in a global economy that depends on the U.S. and the U.S depends on the world. The U.S. is the only country on both sides of the equation. You have to hand it to them - global U.S. entrepreneurs are getting it done all over the world. The best companies to invest in for the global comeback are surprisingly U.S. global brands. Buy Coke, Nike, Yum! Brands (KFC) and more. These are better investments than companies in developing countries. This is totally against conventional Wall Street thinking.

SAVE MONEY
WITH A SMILE

Visit a National Park.

Best,



W. Cliff Oxford