



Surprising Resilience

April 11, 2025

It's not political to say that the recent actions coming from the White House have been reckless with regards to the economy. There may be a long-term plan (having everything manufactured in the U.S., giving American companies free rein from regulatory oversight), but it would be hard to find an economist who thinks that trade wars are ever beneficial in the short term, or a huge projected increase in the federal deficit (and counting on angry trade partners to buy our debt) will be beneficial in the long term.

But when you look at the actual numbers, the U.S. economy has been quite resilient. There's a good scorecard published by Trading Economics (<https://tradingeconomics.com/calendar>) which shows that the inflation rate is still around 2.0%, wholesale prices are only slightly above projections, the U.S. is experiencing a 6.2% increase in overall industrial production year-over-year, retail sales are running at 3.7% above last year and the unemployment rate is still down around 5%. All those numbers could change, but so far the economic record has been far from what some headlines have suggested.

There are many investors who are alarmed at what they perceive to be an attack on traditional capitalism and are calling their advisors to see if they should retreat to cash for the next four years. But the markets are not the economy, and the economy is not the actions in the White House. Companies that have been hit with multiple tariffs to their supply chains have had months to prepare and adjust, and manufacturers who sell abroad will reduce margins to cling to market share. For anybody who believes that the capitalist system is in danger of not surviving the next four years, the very best investment portfolio is a cabin in the woods, lots of seeds, guns and plenty of ammo, and Krugerrands hidden away on the floorboards. And if companies do manage to adjust, then getting out of the market now might sidestep some of the uncertainty, but when would you get back in?

Anybody who thinks that it's easy to predict the market movements and sidestep downturns might look to the world's greatest market timers, the people who are famous for having the ability to accurately forecast the future. If you can't name anybody who fits that description, then you, we or any of us probably have a low probability of being the first.

If you have any questions about this article or want to discuss your family finances, investment portfolio, or financial planning advice, please call on me anytime at my number [\(215\) 325-1595](tel:2153251595) or you can [click here to schedule a meeting](#).

Please feel free to forward this article and offer to anyone you know who might have financial questions or need some unbiased advice. Most financial advice is sales advice. In stark contrast, we are fee-only (non-commissioned) fiduciary advisors. We just provide truthful, unbiased advice to our clients.



Jeffrey Broadhurst
MBA, CFA, CFP
Broadhurst Financial Advisors, Inc.



****PRIVACY NOTICE****

This message is intended only for the individual or entity to which it is addressed and may contain information that is privileged, confidential, or exempt from disclosure under applicable federal or state law. You are hereby notified that any dissemination, distribution, or copying of this communication, except in accordance with its intended purpose, is strictly prohibited.

Our physical and mail address:

1911 West Point Pike
P.O. Box 301
West Point, PA 19486-0301

Contact us:

Phone: (215) 325-1595
Email: jeff@broadhurstfinancial.com