



2024 Top 10 Outlook

What a 2023! A majority of this year's list was pretty accurate: higher interest rates, no recession, inflation concerns still exist, and cash is still an income-generating asset.

In the coming year, I must admit the signals in the marketplace are confusing, whether it be the direction of the Fed, the bond market, international events, and signals out of nation's capital. However, my outlook is based on the approach Peter Lynch, the manager of the infamous Fidelity Magellan Fund, takes: Observe and listen to what is actually happening on Main Street, and monitor the trends of the general public and in local communities.

Having said that, my top 10 outlooks for 2024 are as follow:

- 1 Every dollar has a value of \$1.05 in the marketplace and should be considered a strong revenue-generating asset throughout the year.** And yes, short-term interest rates will remain above that range throughout 2024. It should be noted that 2024 will enable one to take advantage of a time horizon on all cash—and start laddering out matures of cash to protect and preserve your income on all cash for future years.
- 2 Inflation is still a concern of mine and will remain a central factor for the Federal Reserve.** I continue to believe it will remain above the Fed's target level of 2.0%, given pressures from labor and wage concessions, energy prices, health-insurance premiums, manufacturing costs, infrastructure projects, etc.
- 3** While a good number of economists predict a recession in the second half of 2024, I continue to believe that with the new level of manufacturing, infrastructure and ARPA projects that have begun or will be funded and underway in the new year, coupled with major green-energy initiatives on the horizon, **money will still be flowing into the economy, both publicly and privately.**
- 4** Given the success unions have had in negotiations, e.g., the automobile, entertainment, and healthcare sectors in 2023, **we can expect higher demands from public and private unions, putting greater stress on budgets flowing into inflation numbers.**

- 5 Green-energy initiatives will still be center stage**, but economic realities have yet to affect those setting policy.
- 6 Regional banks will continue to build their balance sheets** and deal with greater banking oversight and regulations.
- 7 Rating agencies will be very diligent in their reviews and will reward those public and higher Ed entities that have instilled strong liquidity-management practices.**
- 8 Four-year colleges and universities will be under ongoing enrollment pressures going into 2025-2026**, given a 10% reduction in students that will be attending schools offering four-year degrees. Community and technical colleges will continue to do better, as a growing number of students seek careers in technical and working trades.
- 9 Immigration flux will continue to put pressure on affected local communities, school systems, and healthcare facilities.** Funding needs will be a major topic of conversation for public officials at all levels.
- 10 Retention and acquisition of new talent needs to be reimaged.** Public and higher Ed institutions need to prepare young adults to be potential employees, along with those adults looking for a second careers. The greatest workforce opportunity is for those individuals that are 55 years of age and older. Higher Ed should be focusing on those between the ages of 55 to 75. Preparing them as a new work force to serve the public will be a win-win for public entities seeking to fill vacancies. For higher Ed institutions, getting more students in this age range is also a win-win, given a lower level of younger students in point 8 above.

Two absolute guarantees I can assure you will occur in 2024 are:

- 1 Next year will be the most unpredictable year of modern times.**
- 2 Cash will remain king and be a revenue-generating asset that can offset any of the pressures I have listed above.** Proactive management of your cash will help offset budget and price pressures and lead to balancing budgets or offsetting unexpected costs.

All the best in 2024!



Joe Rulison, CEO & Co-Founder