



## 2018 Market Review and 2019 Market Outlook

2018 was a great year for the U.S. economy, but not for the stock market. The average unemployment rate for 2018 was 3.9%, and it had fallen to 3.8% by the end of the year. That represented the [strongest job market since 1969](#). Wages grew at the [fastest pace in 9 years](#). Revenues of S&P 500 companies grew at almost 8% and earnings grew by over 20% to levels never seen before. Throw in high consumer confidence, low interest rates, record buybacks (companies buying their own stock), and you have a great year.

If you knew the economy was going to perform this well, what would you assume the stock market would do? You'd probably assume the stock market would rise. Sadly, it did not. The lesson is that stock prices typically reflect economic events well in advance. The great economic performance we saw in 2018 was priced into the market at the end of 2017.

Current stock prices reflect a negative outlook among investors for 2019. Any news or economic data that materializes that is better than the current (low) expectations will lift the market. For example, last Friday's job numbers were better than expected and the market (DJIA) rallied over 700 points. Naturally, if future economic news is worse than projected, the market could move lower from here. My colleagues, Robert Luna, Chief Investment Officer, and Luis Galdamez, Director of Research, have been parsing all the data and have prepared a more detailed review and outlook as well as sharing their insights about current stock valuations. [CLICK HERE](#) to check it out.

## My 2019 New Year's Resolutions

Last year I wrote an article called [3 tips for achieving your New Year's Resolutions](#). My article cited research that showed that only 8% of resolutions are kept and 80% of New Year's resolutions fail by the second week in February.

This year, I feel really good about my personal resolutions, so I want to share what I did differently from past years. One of my friends, Rob Stewart, shared this article with me: [For the new year, try 12 monthly micro-resolutions](#). The idea is to pick small, achievable goals that you can knock out each month. Rob and I each made our lists and then met a couple of times over coffee to discuss, challenge each other, and refine our goals. We each came up with 8 micro-resolutions that are assigned to specific months and 4 quarterly resolutions.

My monthly resolutions include things like:

- Clean out closet/upgrade wardrobe. I mentioned this to my neighbor, who then educated me on the [Marie Kondo method of joyful decluttering](#).
- Write my "What If" letters. If you are not familiar with the concept, check out my: ["What If" Letter template](#) in the Free Tools section of my website and/or read about the "What If" letter on pages 129-135 of [my book](#).

- Volunteer (Research volunteer opportunities to support homelessness/hunger and volunteer at least twice.)
- Camping or RV Trip (2 nights)
- Study different forms of meditation and implement 3x per week, 10x total

My Quarterly Resolutions include things like:

- Exercise at least 25 times per quarter. Exercise being defined as anything that is “reasonably strenuous” and lasts 45 minutes or more.
- One-on-one trip (weekend) with one of my children or my spouse
- Phone calls to most important friends/relatives

The process of working towards these New Year’s resolutions with a friend has been super-helpful as we are holding each other accountable.

So, what are your resolutions? It is not too late to come up with a list of your own. Just remember to include some fun stuff. 😊