

CHAIRMAN'S CORNER: HOW WOULD THINGS BE DIFFERENT...?



TRUXTON TRUST
A PRIVATE BANK



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Ever find yourself wondering...how would things be different if the Pandemic had never happened?

Lately, I find myself thinking about this question more than just occasionally. In the past couple of years, during the worst pandemic of my lifetime, real estate prices in Nashville have skyrocketed. So has the stock market. So has the cost of many of the goods and services we all consume. Economically, times have rarely if ever been better in Nashville than they are right now. Job and population growth in the Nashville area puts our city among the top fastest growing cities in America, and it is difficult to find any experts predicting that our city's growth will be slowing any time soon. It's been so long since the U.S. economy experienced inflation that any noise from our nation's top economists about inflation tends to be overlooked or ignored completely. This concerns me greatly.

In 1983, the day I started work at Third National Bank in Nashville I remember the Bank's prime rate was 10.5% ... I wasn't quite 22 years old then. In the inflationary period that raged during my college years, the prime rate had reached its all time high of 21.5% (December 1980). By the time I bought my first house in 1985, fixed mortgage rates had fallen to about 15%. Inflation was more respected and feared back then. In the late 1980's, the real estate market crashed. Many blame that crash on the change in the tax law that Congress passed in 1986. And rightfully so. Our U.S. Congress today is considering significant new changes to our tax laws...

At an out of town wedding recently, I found myself besieged by fellow reception attendees who, once word got out that there was a Bank Chairman from Nashville at the party, seemed very eager to know what I thought about one particular question. *When is the next big recession coming?* Many of them felt it might be imminent and they seemed disappointed when I told them: *I don't know.*

But I do know this: another recession will come. And its severity will depend in large part on how well most of us are prepared for it. The nature of big recessions

is that they tend to take most people by surprise. At this moment, most major aspects of our lives seem to be quite frothy. The global and domestic economy. The real estate and stock markets. Political fervor over contemplated changes to income, estate and capital gains taxes. Social unrest. Lest we forget vaccines, masks and mandates related thereto. From my little corner of the world, I believe there never has been a more important time for people to have experienced, competent financial advisors working for them. If you have already hired us, rest assured we are constantly thinking about how all of the above applies to you and your family, and factoring it into the advice that we give. If you haven't hired us yet, it's (hopefully) not too late. We would be honored to help you prepare for the next recession. Even if it doesn't come soon - and we pray that it won't - we might be able to help you sleep better at night. ■