Many of us remember from our school days the famous Robert Frost poem “The Road Not Taken”. Published in 1916, the poem has been used to symbolize many things in life, in business, and in social and spiritual settings. In the poem, a man comes upon a fork in the road while walking through the yellow wood. He considers both paths and concludes that each one is equally traveled and appealing. After choosing one of the roads, he tells himself that he will come back to this fork one day in order to try the other road. However, he soon realizes that it is unlikely that he will ever have the opportunity to come back to this specific point in time because the path he chose will lead to other forks in the road which will require new decisions. He ends on a nostalgic note, wondering how different things would have been had he chosen the other path.

Today our nation faces numerous economic forks in the road. And so far at each fork, our public officials have made short term decisions with little regard to the long term consequences, which I label taking the low road. Take the latest agreement to solve the fiscal cliff (or as we call it The Perfect Storm). Instead of working together on a plan of long term fixes to a broken tax system, they choose the easy way out. Tax rates were raised on the wealthy, and the Bush tax cuts (which were meant to be temporary) were permanently put into place for 98% of the public. The end result? Relatively small tax dollars will be raised in a time when we have a mountain of national debt... which now is on a speed course towards $20 trillion dollars.

So what would the high road look like? Let’s begin with what I believe to be an honest discussion of the following:

- **Our entitlement programs.** Nearly 10,000 baby boomers are retiring each day and we are facing a fiscal challenge unprecedented in American history. Begin by telling everyone the truth, the federal government has made promises it simply cannot keep. And as such every
American’s entitlements will have to be adjusted lower or delayed or both. Implement the Simpson-Bowles Commission recommendations and put the programs back on solid ground.

- **True income tax reform.** Instead of doing what is popular (raising taxes on the “evil wealthy class”), reform taxes for everyone. Reduce or eliminate all of the personal income tax deductions, make the rates flat and simple, and implement a consumption tax. Make America competitive by eliminating all of the special favors in the corporate tax code by making it lean and flat. Give everyone the same set of rules to operate under and I believe you will see tax revenues explode.

- **Reforming government.** If the U.S. Government were a business it would be bankrupt. Form a commission of business leaders to look at every aspect of government spending and let them examine every program and every penny spent. Modify the programs which are critical for more efficiency and eliminate the programs that are nothing but political paybacks.

- **Trusting the American people.** The people of the greatest nation in the history of mankind can accomplish amazing things as demonstrated by our history. Our country is poised for the next great growth cycle. Never before have our personal economic futures been so linked to the actions of our political leaders. By taking the **high** road, I think tax revenues would explode, deficits would vanish, and growth and full employment would be restored. My prediction is this...we address these issues while we still can or we will be forced to face them after another economic catastrophe.

In the first half of this year our public officials will face some critical forks in the road. Their decisions will slow or speed the pace of growth for 2013, but most importantly set the tone for the lives of the children pictured above.

Some of the greatest civilizations in the history of the world declined and collapsed over time. The history books teach us some crumbled due to disease, some to natural disasters, and some dissolved by their own economic arrogance and greed. While I would trust the children above to choose the proper road, I can only pray to God that the political leaders can summon the courage to do the same.

Our economy is still on the mend and continues to recover. 2013 should be a year of slight improvement from 2012. Each year has been slightly better than the year before. Business owners and executives stand poised and ready to invest in new factories, equipment and employees... if only the political officials will give them a simple set of rules to operate by and get out of the way.

The high road is the road well taken, and unlike Frost’s poem a road with no need for worry about what might have been.

As always I welcome your 2 cents... do not hesitate to email me your thoughts. We thank you for your continued business and trust and look forward to a successful 2013. Please feel free to pass along this to anyone you know who could use a trusted advisor.