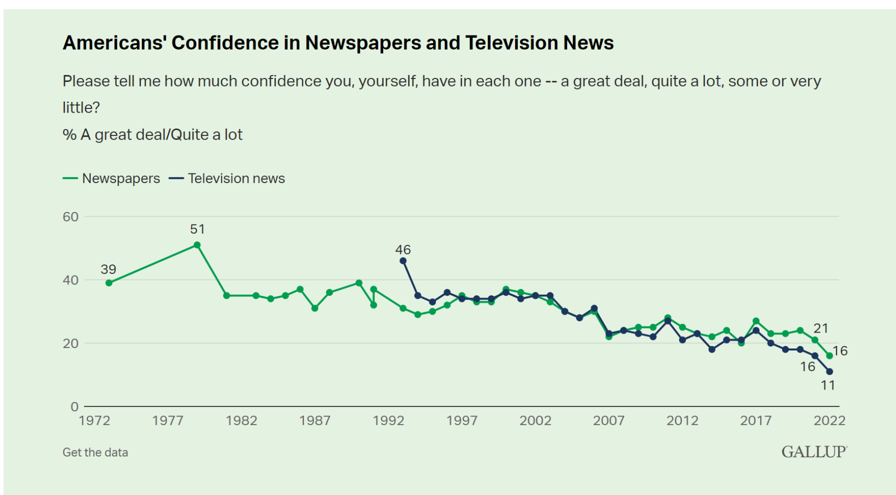
July 21, 2022

UNDERSTANDING TRUE INFLATION—THE FINANCIAL DANGER ZONE

A recent Reuters Institute survey found that America's trust in the news media is at an all time low. Only 11% of respondents indicated that they have "some degree of confidence" in television news. Newspapers fared slightly better at 16%.

One of the reasons for this could be the fact that the mainstream media has been derelict in helping the public understand (a) how the global economy is evolving and (b) how to position oneself to achieve and maintain financial independence in this ever changing environment. A prime example of this negligence is the media's insistence on merely parroting government financial data instead of examining that information in detail and then explaining the ramifications.

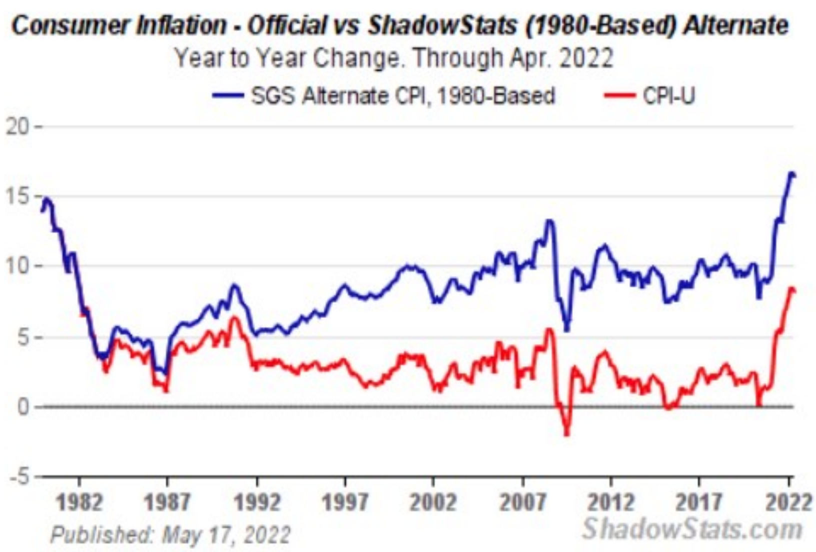


July 21, 2022

UNDERSTANDING TRUE INFLATION—THE FINANCIAL DANGER ZONE

Case in point, the media at large is reporting that the June 2022 Consumer Price Index (CPI), also known as the inflation rate, as recently published by the Bureau of Labor Statistics (BLS) is 9.1%. No mainstream outlet has taken the time to explain how BLS arrives at this figure and how the methodology is different from what it once was.

Never fear, this is not going to turn into a math class. However, it is vital that you have an understanding of what TRUE inflation is. In this way you can develop a clear plan to acquire assets that keep pace with or, optimally, beat inflation. If you are focused on 9.1% and true inflation is over 17%, then a 5% raise at your job still has you in the negative by 12%.



MCE FinTec
SERVICES BROKERED BY:
AEGON
TYRONE KEYS - MANAGING PARTNER
2500 WRANGLE HILL ROAD
SUITE 129
BEAR, DE 19701
443.329.4359
MCENOW.COM

July 21, 2022

UNDERSTANDING TRUE INFLATION—THE FINANCIAL DANGER ZONE

Properly defined inflation is simply an expansion of the money supply. The Federal Reserve Bank controls what is known as Monetary Policy and has purview over the country's money supply. President Nixon removed the US Dollar from the gold standard in 1971. In the wake of this decision the United States initiated a program of massive federal spending. A trend that has only accelerated through the current day and has resulted in over $244,000 in total federal tax debt, and rising, per taxpayer.

In order to engage in this profligate spending the definition of inflation was adjusted to reflect the rising cost of a particular basket of goods and services. This was thought to be a measure of the quality of life associated with an American's buying power. Then in 1980 the inflation definition was tweaked again. No longer measuring the cost fluctuations of a basket of goods, the new measure would reflect costs associated with a "quasi substitution based basket of goods".

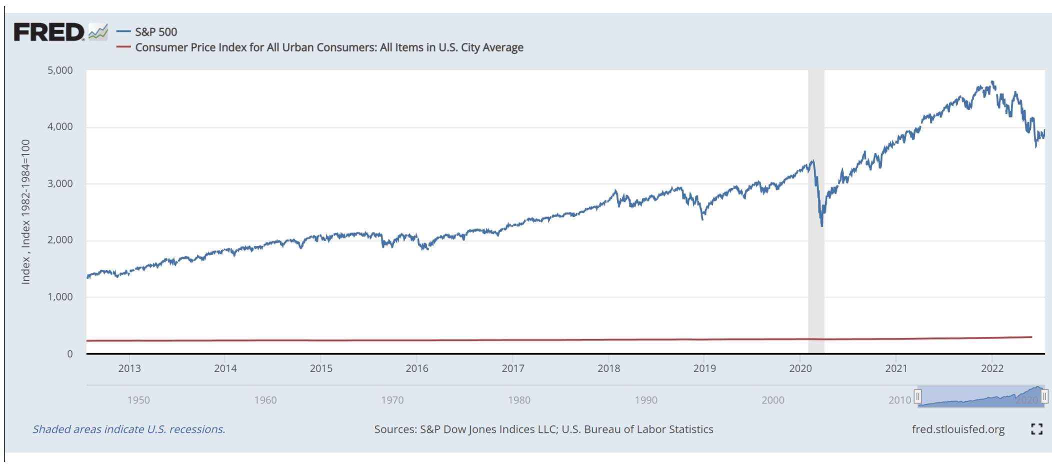
This methodology included all manner of abstract calculations that allowed more flexibility than ever in manipulation potential. For example, advances in technology are now used to counterbalance price increases. Literally, if a computer is 15% faster than it was the year before but still sells for the same price the new measure of inflation allows the federal government to claim the computer has dropped in price by 15%.

July 21, 2022

UNDERSTANDING TRUE INFLATION—THE FINANCIAL DANGER ZONE

You may be asking why the government would engage in this type of subterfuge. In addition to being able to spend capriciously there are two main reasons. #1—reporting a lower number is politically advantageous to both sides of the aisle. #2 - certain government benefits have Cost Of Living Allowances linked to the CPI number. Social Security, a government entitlement program scheduled for insolvency by 2034, would go defunct sooner if the benefit amount we're based on the classic definition of inflation.

Maneuvering of this type is dangerous and puts the public at great economic risk. If an investor, employer or employee is basing their ROI, human capital expenses or wages, respectively, on the popularly reported CPI then they are operating in a data deficit. A 9.1% raise, while unlikely, would still be far lower than the inflation rate. Thereby placing more dollars in the employee's pockets while at the same time making them poorer. The same is true with regard to a 9.1% return on investment.



TYRONE KEYS
- PRESENTS -

MCE
ECONOMIC INSIGHTS

MCE FinTec

July 21, 2022

UNDERSTANDING TRUE INFLATION—THE FINANCIAL DANGER ZONE

A solution to this issue is found within the S&P 500. Over time it has consistently beaten inflation.

Another asset that has the potential to outpace inflation and has historically done just that is a well managed small business. According to Kabbage the return expectation for a proficiently run entrepreneurial enterprise is between 15% and 30%.

***

If you'd like additional insight into any of the topics covered, or if you'd like a complimentary Financial Needs analysis, please contact us today.

***

We're always on the look out for licensed financial services professionals who understand the importance of democratizing economics. We want to help more people achieve and maintain financial independence. If your mission aligns with tis philosophy contact us.

MCE FinTec

SERVICES BROKERED BY:

AEGON

TYRONE KEYS - MANAGING PARTNER
2500 WRANGLE HILL ROAD
SUITE 129
BEAR, DE 19701
443.329.4359
MCENOW.COM

LEGAL DISCLAIMER

MCE FinTec, LLC (MCE) and its members, officers, directors, owners, employees, agents, representatives, suppliers and service providers (collectively "MCE") provides this website (the "Site") for informational purposes only. Use of and access to the Site and the information, materials, services, and other content available on or through the Site ("Content") are subject to these terms of use and all applicable laws.

NO INVESTMENT ADVICE

The Content is for informational purposes only, you should not construe any such information or other material as legal, tax, investment, financial, or other advice. Nothing contained on our Site constitutes a solicitation, recommendation, endorsement, or offer by MCE or any third party service provider to buy or sell any securities or other financial instruments in this or in in any other jurisdiction in which such solicitation or offer would be unlawful under the securities laws of such jurisdiction.

All Content on this site is information of a general nature and does not address the circumstances of any particular individual or entity. Nothing in the Site constitutes professional and/or financial advice, nor does any information on the Site constitute a comprehensive or complete statement of the matters discussed or the law relating thereto. MCE and Tyrone Keys are not fiduciaries by virtue of any person's use of or access to the Site or Content. You alone assume the sole responsibility of evaluating the merits and risks associated with the use of any information or other Content on the Site before making any decisions based on such information or other Content. In exchange for using the Site, you agree not to hold MCE, its affiliates or any third party service provider liable for any possible claim for damages arising from any decision you make based on information or other Content made available to you through the Site.

INVESTMENT RISKS

There are risks associated with investing in securities. Investing in stocks, bonds, exchange traded funds, mutual funds, and money market funds involve risk of loss. Loss of principal is possible. Some high risk investments may use leverage, which will accentuate gains & losses. Foreign investing involves special risks, including a greater volatility and political, economic and currency risks and differences in accounting methods. A security's or a firm's past investment performance is not a guarantee or predictor of future investment performance.

LEGAL DISCLAIMER (Cont.)

THIRD PARTY LINKED SITES

As a convenience to you, MCE may provide hyperlinks to web sites operated by third parties. When you select these hyperlinks you will be leaving the MCE site. Because MCE has no control over such sites or their content, MCE is not responsible for the availability of such external sites or their content, and MCE does not adopt, endorse nor is responsible or liable for any such sites or content, including advertising, products or other materials, on or available through such sites or resources. Other web sites may provide links to the Site or Content with or without our authorization. MCE does not endorse such sites and shall not be responsible or liable for any links from those sites to the Site or Content, or for any content, advertising, products or other materials available on or through such other sites, or any loss or damages incurred in connection therewith. MCE may, in its sole discretion, block links to the Site and Content without prior notice.

YOUR USE OF THIRD PARTY WEB SITES AND CONTENT, INCLUDING WITHOUT LIMITATION, YOUR USE OF ANY INFORMATION, DATA, ADVERTISING, PRODUCTS, OR OTHER MATERIALS ON OR AVAILABLE THROUGH SUCH WEB SITES, IS AT YOUR OWN RISK AND IS SUBJECT TO THEIR TERMS OF USE.