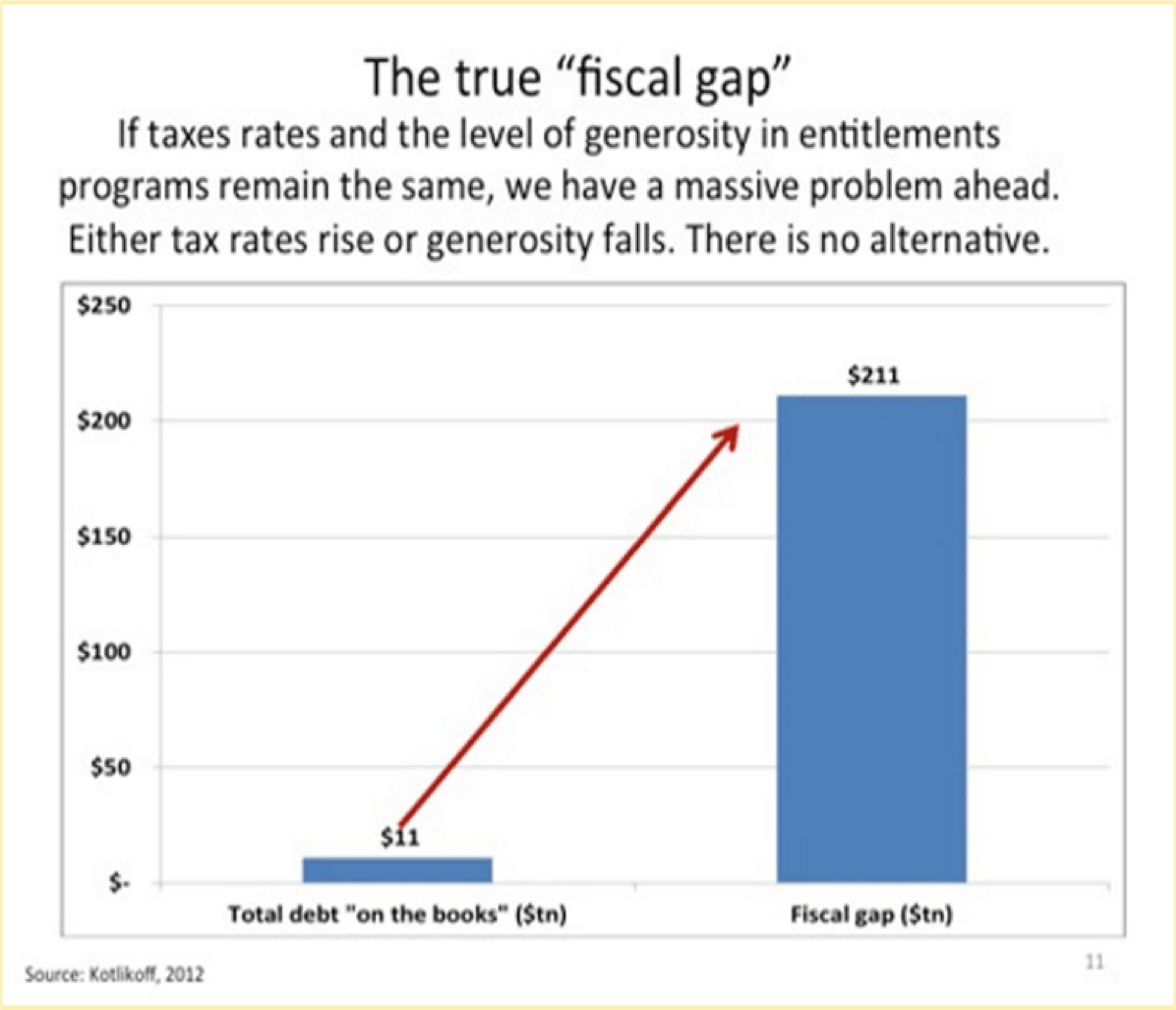
Last week, I interviewed the author of *"The Fourth Turning"*, economist and demographer Neil Howe on *"The Lance Roberts Show."* The discussion focused on•the demographic shift that is currently occurring in the United States and the impact it will have on•economics in the future. One of the most striking points of the discussion is how American's are acting in many of the same ways they did during *"The Great Depression."*• Also, he delves into the coming crisis in the next decade that will change the landscape of how American's think and behave in the future.

You can listen to the full interview by clicking here.

I bring this up because just after I had the interview with Neil, it was Stanley Druckenmiller to point out many of the same issues. The disaster that Druckenmiller sees coming for the United States is all about changing demographics and entitlement spending. The same problem Neil Howe pointed out. In 1940, entitlement payments, which include everything from disability payments to Social Security to Medicare, amounted to just over 20% of annual government spending in the United States. •Today, entitlement spending has swelled to nearly 70% of the annual federal budget. With the•20-year baby boom that took place after World War II now beginning to result in a retiree boom, the•demographic trend is going to create an entitlement spending catastrophe. Since 1980, the number of working-age people the country has had has outnumbered those age 65 and over by a count of 5-to 1. In other words, the•country had enough workers to generate the tax revenue to support the number of retirees. •By 2030, that ratio is going to drop to 2.5-to-1.



I think you will find the interview very interesting if you are a long-term investor. Looking to the•markets, if you like volatility you had to love this week with the markets dropping 22 points on Tuesday, rising 21 points on Wednesday and dropping almost 25 points on Thursday. That kind of volatility should come with a dose of "*Dramamine.*"•**The question now is whether all of the Federal Reserve *"jaw boning"*•will continue to elevate stock prices higher as we head into what will most likely be a very rough earnings season.** As John Hussman tweeted yesterday:

> Over the past year, "announcement effect" of global **central bank easing on equity markets has typically been wiped out within 2-3 weeks.**
>
> ? John P. Hussman (@hussmanjp) April 7, 2016

As I discussed last week, with the month of **April winding up the seasonally strong time of the year, earnings season just ahead and economic growth weak,** the risks to the downside far outweigh *"hope"* of higher prices. •Or, is*"bad news"* still the a bear market deterrent?

CENTRAL BANKING

- **Yelling "Stay" In A Burning•Theater** by David Stockman via Contra Corner
- **Unconventional Monetary Policy On Stilts** by Nouriel Roubini via Project Syndicate

- **Fed's Mandate Outsourced to China** by Macro Man
- **Central Banks: Enabling The Addiction** by Buttonwood via The Economist
- **Fed "Is A God That Has Failed"** by George Gilder via CNBC
- **Who's Responsible For The Next Crisis** by Narayana Kocherlakota via Bloomberg View
- **Janet Yellen Is Playing A Dangerous Game** by Joe Calhoun via Alhambra Partners
- **What Would Be Necessary For More QE Or NIRP** by Bob Janjuah via ZeroHedge
- **Heard At Every Major Peak: This Isn't A Bubble** via Reuters

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MARKETS & EARNINGS

- **Beat The Market, Trade Like A Cockroach** by Greg Guenthner via Daily Reckoning
- **Traffic Jam Of A Market** by Adam Koos via MarketWatch
- **Unintended Consequences & Market Outcomes** by John Rekenthaler via Morningstar
- **Overbought Condition Tips Scales To Bears** by Michael Gayed via Market Watch
- **A Brief Warning On Q1 Earnings** via HedgeEye
- **US Braces For Worst Earnings Since 2009** by Blaise Robinson via Bloomberg
- **S&P Repeating A Rare Event** by Harry Dent via Business Insider

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ECONOMY & OIL•

- **An Historic & Disappointing Jobs Recovery** by Derek Thompson via The Atlantic
- **$85 Oil By Christmas** by Nick Cunningham via OilPrice.com
- **Simple Math Shows America Headed For Disaster** by Jody Chudley via The Daily Reckoning
- **Proof Oil Prices Won't Recover Soon** by Matt Badiali via Growth Stock Wire
- **Oil Likely To Fall Back Below $30** via Seeking Alpha
- **Time To Weed Out MLP's** by Christine Idzelis via Investment News
- **KKR's Chilling Message About The End Of The Credit Cycle** by Wolf Richter via WolfStreet
- **If The Economy Is Better Why Is It Worse Than 6-Months Ago** by Tyler Durden via ZeroHedge

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OTHER GOOD READS

- **Albert Edwards: The Coming Recession** by Bob Bryan via Business Insider
- **Bond Yields Say "Mediocre Economy" Here To Stay** by Mark Gilbert via Bloomberg View
- **Each Fed Intervention Deprives Investor Lessons** by John Hussman via Hussman Funds
- **How Does A Market Get Cheap** by Meb Faber via Faber Research
- **The Hidden Economics Of Porn** by Joe Pinsker via The Atlantic
- **Think A Half Cycle Ahead** by David Merkel via Aleph Blog
- **Dividends: US Economy In Contraction** by IronMan via Political Calculations
- **White House Wants Your IRA** by Staff via WSJ
- **Indicator Suggests Gold Bear Market Over** by Jesse Felder via The Felder Report
- **High Beta Stocks Losing Leadership** via Dana Lyons via Tumblr

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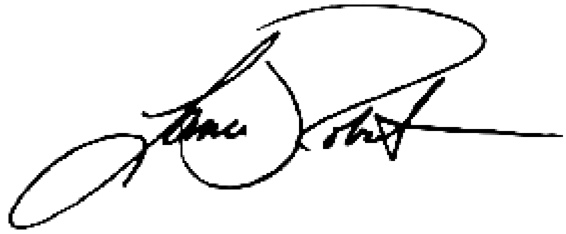
?The typical investor has usually gathered a good deal of half-truths, misconceptions, and just plain bunk about successful investing." ?Philip A. Fisher



Questions, comments, suggestions ? please email me.

Lance Roberts Lance Roberts is a Chief Portfolio Strategist/Economist for Clarity Financial. He is also the host of ?The Lance Roberts Show? and Chief Editor of the ?Real Investment Advice? website and author of ?Real Investment Daily" blog and "Real Investment Report". Follow Lance on Facebook, Twitter, and Linked-In