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later

Dec. 23, 2013

Americans have very low expectations for an economic revival in 2014, according to money management company STA Wealth Management's end of the year financial survey. This year's continuing volatile markets, a 16-day long government shutdown and a prolonged artificial stimulus program have all contributed to the public's general doubt in U.S. economic stability.

“Markets are at an all-time high, but this year has been a bumpy road for Americans and corporations,” said CEO Lance Roberts. “Between uneasy economic numbers throughout 2013 and instability in Washington D.C., the unpredictable nature of our economic climate has led many to concentrate on keeping their finances in-line at home.”

Apprehensive Investors

With almost half (47%) of the 1,639 survey participants having low confidence in economic recovery next year, respondents were weary of investing in the markets. Many (43%) would like a return on their money from financial advisors, but cannot afford the risk of major losses.

“The record high performance by the markets this year coupled with a stagnant economy has average Americans unsure about what to do with their money. They want huge returns but they want low risk. They are skeptical of the markets but want to see market-type returns,” Lance said. “Investor uncertainty and a 21st century market that is impacted so easily by the Fed, high frequency trading and news out of Washington D.C. has caused us to somewhat re-evaluate how we invest our clients' money.”

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increase in sales for U.S. companies, but I think it could be a glimmer of hope that people will be more financially stable in 2014.”

Slow Markets in 2014, QE Infinity Expected

As 2013 comes to a close, 32 percent of survey respondents in early December believe that the markets will see little in the way of a bump next year, with less than a 10 percent increase. Much of these sentiments are a result of lack of change coming out of Washington, with 52 percent of participants believing that perspective Federal Reserve Chairperson Janet Yellen will continue Q.E. during her tenure.

In addition, a large number of respondents (67%) thought that the Fed was hurting the U.S. economy by contributing to an asset bubble from artificial cash flow.

“We are opening an old chapter in economic policy in 2014,” Lance said. “With the likely approval of Janet Yellen as Fed Chair, we are ushering in the same tired tactics that will do nothing to boost the economy, and in the long-term, actually do significant damage.”

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