



Optimism and Hope Over Fear

On May 25, 1961, President John F. Kennedy declared to Congress the goal of landing a man on the Moon by the end of the decade.

On Sunday, November 15, 2020, SpaceX launched four astronauts into orbit, the first time the National Aeronautics and Space Administration (NASA) put astronauts in one of the company's capsules and SpaceX's first operational mission with humans on board. (This was not a page one story as the media was still focused on COVID and President Trump's refusal to concede the election.)

SpaceX has also received approval from NASA to ferry people routinely into space. Yes, you read that right—people will ferry to space like they ferry from Vancouver to Victoria. Hyperbole! Nevertheless, we've come to a point where a private company has been given the go-ahead to "ferry" people into space, which we think is pretty incredible.

NASA has determined that the SpaceX Falcon 9 rocket is safe to transport routine crew rotations that take as little as 27 hours to get to the International Space Station. Not bad, considering the drive from Western Canada to Phoenix is about 21 hours. Most amazingly, however, the lower portion of the rocket, including its nine main engines, returned and landed vertically on a specially outfitted ocean platform. Whereas in the past large sections of rockets were jettisoned as waste, this lower stage will be reused on future flights, which is a tremendous breakthrough for space travel.

This is a revolution that is expected to reduce space travel costs by 40% compared to the Russian rockets and capsules that NASA has been using. Yes, you read that right! NASA has been using Russian rockets since they retired the space shuttle fleet in 2011.

So, what does any of this have to do with you and your portfolio?

Innovation and the human spirit are alive and well in the world, and if there is one thing we need to remember it is that great inventions and the rule of law continue to act as the foundation to future economic growth. It is utterly fascinating that in a span of 12 years, since September 2008 when SpaceX launched a liquid-fueled rocket into low earth orbit, a private company has accomplished this feat. Governments around the world should take heed of the power of risk takers and the innovative spirit that can be and needs to be unleashed through our economies. It is this spirit that continues to make optimism the most realistic and intelligent way to view the future, and although we must always adapt and change, we should be full of hope, and not fear, as it relates to the future.

Make no mistake though, the stock market will still sell off with unexpected regularity, governments will probably continue to tax you more, and the media will continue to do what it does best, sell fear. Keep cognizant of these facts, but don't dwell on them as there are plenty of positives in the world to contemplate.

Do the smart thing, keep your near-term needs in cash, invest for the future, and do not let regular market sell offs get you off track from your financial goals. Innovation does not stop!

We welcome your questions at any time.

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Source: SpaceX, public domain.

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