

THE STAN CLARK FINANCIAL TEAM'S

PERSPECTIVES



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Senior Wealth Advisor

This month I continue my discussion on “The Future Is Better than You Think” – contrary to the *negativity bias* fuelled by sensationalist media stories. I draw on Stephen Pinker’s book *Enlightenment Now*, with its detailed data showing how the human condition has indeed improved. For example, life expectancies: 150 years ago, people could expect to live maybe 30 years. Now the average is over 73. And Sylvia Ellis shares the annual tradition of CIBC Miracle Day, the first Wednesday of December, when we support the invaluable work of children’s charities.

Stan Clark is a Portfolio Manager and Senior Wealth Advisor for The Stan Clark Financial Team at CIBC Wood Gundy. Stan has direct responsibility for the team and oversees all areas of financial planning, investment selection and investment management.

Behavioral Finance

THE FUTURE IS BETTER THAN YOU THINK - PART 2

By Stan Clark, Senior Wealth Advisor

In last month’s issue, I discussed how our perception of the world is often far more negative and pessimistic than it should be. Various aspects of our human brain, the media and other factors contribute to our *negativity bias*. While this bias can help us avoid dangers, it can also make us feel worse than we should – and lead to some harmful consequences.

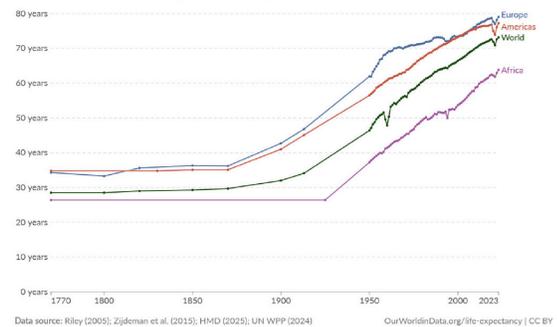
This month, I’d like to expand on the many ways our world has in fact been getting better, and why progress will most likely continue well into the future. I draw on the excellent book *Enlightenment Now* by Stephen Pinker, which presents detailed data from the past few hundred years showing where the human condition has improved. I’d like to touch on several examples that impressed me the most.

Increase in life expectancy

Perhaps the clearest and most objective measure of progress is the improvement in life expectancies. Only 150 years ago, around the time of Canada’s Confederation, the average life expectancy in the world was about 30 years. This average, despite a dip in 2020 due to Covid, is now over 73 years and the increase shows no sign of slowing. Notably, the greatest increases have been in the world’s poorest countries – and their life expectancies continue to increase, too.

Life expectancy

Period life expectancy¹ is the number of years the average person born in a certain year would live if they experienced the same chances of dying at each age as people did that year.



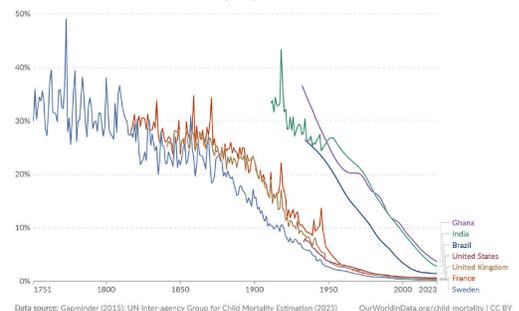
1. Period life expectancy Period life expectancy is a metric that summarizes death rates across all age groups in one particular year. For a given year, it represents the average lifespan for a hypothetical group of people, if they experienced the same age-specific death rates throughout their whole lives as the age-specific death rates seen in that particular year. Learn more in our articles:
 • Life expectancy – what does this actually mean?
 • Period versus cohort measures, what’s the difference?

Decrease in child mortality

The biggest contributor to increased life expectancy is the decrease in child mortality. The death rate of infants was previously very high. Also, the death of a two-year-old brings the average life expectancy down much more than that of a 60-year-old.

Child mortality rate

Estimated share of newborns who die before reaching the age of five.





TEAM TALK

Meghan Jones
Client Associate



Nehalem Bay State Park, August 2025

What trips or vacations did you enjoy this past year?

My husband and I took our rescue pup, Nacho, down to the Oregon Coast this past summer. Seeing him run along the never-ending beaches was such a delight!

Have you discovered any new hobbies?

Yes! I've decided to not let all of my photos sit on my phone or computer and have been slowly building a scrapbook to display all these wonderful memories. It's given me a much needed creative outlet and distraction from screen time in the evenings and on weekends! My husband and I have also been enjoying expanding our vinyl record collection. We have a beloved local record store we peruse a few times a month and are always on the hunt for them when we travel.

The huge decrease in infant mortality is one of the greatest human blessings resulting from progress. As Pinker puts it, "The loss of a child is among the most devastating experiences. Imagine the tragedy; then try to imagine it another million times. That's a quarter of the number of children who did not die last year alone who would have died had they been born fifteen years earlier."

Improved health and better nourishment

Pinker points out that much of our increased life expectancy is due to improved sanitation, vaccines, treatment of infectious diseases and other discoveries such as insulin and the different blood types. These not only save lives in the millions, but reduce much pain and suffering. Many diseases, such as yellow fever and smallpox, were terribly painful. Others, like polio, caused permanent disabilities.

Lack of food causes death or stunted growth and other physical and mental challenges. The percentage of the developing world that's undernourished has fallen considerably over the past 50 years, to 9% in 2023. And while 9% is still too high, it is better than 35% in 1970 and an estimated 50% in 1947.

These reductions have come despite the world population more than doubling over that time. Most of this improvement is due to technologies such as plant breeding, fertilizers and pest control. Since 1961, "the amount of land used to grow food increased by 12 percent, but the amount of food that was grown increased by 300 percent."

Reductions in undernourishment have also come from improvements in systems that allow food to be produced and distributed to those needing it.

Wealth

Measures of Gross World Product show increases of nearly ninefold in constant dollars since 1960, and well over a hundredfold since the industrial revolution began in 1820.

Technology has been key in the growth of Gross World Product. In 1800, all the money in the world couldn't buy you an air conditioner, a refrigerator, a musical recording, electric heat or lights, and certainly not a dose of antibiotics. These are all now easily available to almost everyone in Canada and to most of the world.

Here's another measure of increased wealth. In the early 1800s, 90% of the world lived in extreme poverty. The average income then was equal to that of today's poorest countries. Now, extreme poverty has dropped from 90% of the world's population to less than 10%. Half of that drop occurred in the past 35 years. The trajectory looks very promising. Could we see extreme poverty virtually eradicated in the next 10 years?

Reduction in violence

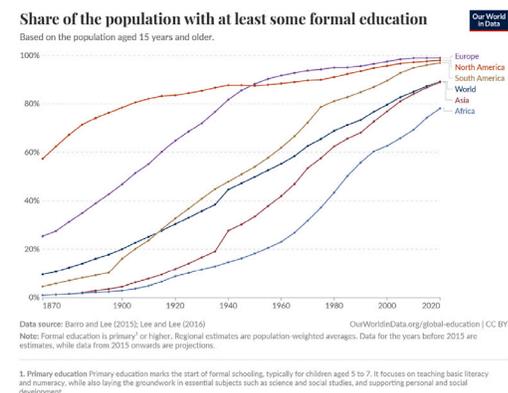
More than other events, news of violence influences our negativity bias. On the "If it bleeds, it leads" premise, the media constantly brings violent stories to our attention, and ever more graphically. Naturally, we assume there is more violence than there really is. We also forget how much violence existed in previous times, and how much it has fallen.

Pinker devotes five chapters to the reduction of various sources of violence in our world. *Intentional violence*, i.e., wars between major powers, civil wars, genocides, murders and terrorism, has lowered over the past century. *Unintentional violence*, such as car deaths, pedestrian deaths and accidental deaths from drowning, poisoning, fire and falls, has also declined. It appears those warning labels, fences around pools and decks and other restrictions are working. Even deaths from natural disasters like earthquakes and lightning strikes are down, thanks to improved building codes and safety measures.

Increase in knowledge

According to Pinker, one of the main drivers of progress is the increase in our knowledge and education. This increase also provides many people with a source of happiness and self-fulfillment. Our overall knowledge, helped hugely by the rapid growth of computers and the internet, is growing exponentially.

Spreading knowledge requires literacy and education. Literacy has improved dramatically worldwide; the percentage of the world receiving a basic education has increased from 20% in 1820 to nearly 90% today.



Even where lower levels of education persist, rates are rising due to well-focused efforts by many organizations to increase the availability and quality of schools.

Improvement in quality of life

Let's turn to what increased lifespan and wealth have brought us in quality-of-life terms. Of all our

possessions, time is our most important. How are we now spending that time in terms of work, recreation and family?

A hundred years ago, retirement was not an option for many. Over 80% of men over age 65 still worked. Today, around 20% of over-65s still work, many because they want to. And the time people lose to housework has fallen fourfold, from 58 hours per week in 1900, to 15.5 hours today. Despite the perception that people are more harried now, studies show we have 6-10 more hours of leisure per week than we did as recently as 1965.

It seems we're using most of that extra time well. We're spending more of it with our children. We're also spending more of it than ever on pursuits such as travel, museum trips, the arts, hobbies like photography and gardening, and exercise.

While it seems that our lives are busier than ever, most of that busy-ness is with things we want to do.

Inequality

The rising level of income inequality has been blamed for the current trend towards unrest and populism in many developed countries. But, when measured worldwide and across countries, inequality has actually fallen over the past 50 years. The poorest countries have been improving faster than the richest ones.

However, in some developed countries, income inequality has recently risen. For example, in the U.S. the Gini index has increased from .35 in the 1970s to .49 now, similar to the .50 level of 100 years ago. Note that Gini does not include consideration of income redistribution and free services provided by government and other organizations. When you do consider these, the disparities are not as great as they appear when you look at income alone.

While inequality remains a vital concern, progress has meant that the poor are, in most every other way, far better off than they've been at most other times in history.

The recent rise in inequality is a legitimate concern, though, and while partially offset by income re-distribution and other programs, requires continued attention.

Environment

The environment, particularly climate change, is many people's biggest long-term concern. Yet many areas related to our environment have improved. Air and water pollution have dramatically declined over the past 50 years. The smog-filled skylines of Los Angeles and London have mostly cleared up, and urban

waterways once left for dead have been recolonized by many animals, "including sometimes swimmers."

The percentage of the earth's land set aside as parks and preserves has grown from 8.2% in 1990 to 14.8% today. Marine conservation areas have improved as well, more than doubling to encompass over 12% of the world's oceans.

Many beloved animals have been pulled from the brink of extinction, including the albatross, condor, panda and tiger.

Perhaps the biggest concern is the increase in greenhouse gas emissions and their effect on global warming. The ultimate answer to the problem must come from continued progress. Our creativity and willpower have helped us solve many of the world's problems over the last few hundred years. As our concern and focus on change intensify, we can look to further improvements.

Happiness

Some people believe we aren't any happier today than we used to be. When you look closer at data, it seems we are getting happier – but you could still argue that happiness has not increased as much as it should have, given how much our lives have improved.

What makes people happy? Increased wealth helps, though there seems to be a widespread view that it only increases happiness to a point. However, more recent data don't support this view, indicating rather that happiness does increase as wealth grows. It's just that happiness increases less as you become wealthier.

Further, it seems there are things more important to our happiness than wealth; among these, community and connections with others. Humans are perhaps the most social of any animal, and we have a need to feel connected with others. Interestingly, Pinker notes, "Users of the Internet and social media have more contact with friends (though a bit less face-to-face contact), and they feel that the electronic ties have enriched their relationships."

Another major contributor to longer-term happiness is having a sense of meaning and purpose. This reflects our social nature, and that we've evolved to care about others and to want to help make the world a better place.

A future of progress

In terms of future progress, what about the many problems that still exist?

A key concept in progress is the notion of

exponential growth. Any technology based on information should grow exponentially, because that is the nature of information – it builds on itself. Humans persistently underestimate the effects of exponential growth for the likely reason that our brains are hardwired to view things linearly.

Here are some examples of exponential growth. If something doubles in speed 10 times, it becomes one *thousand* times as fast. If it doubles 20 times, it becomes one *million* times as fast. Wow! If something originally cost \$1 million, then halves in cost 10 times, its cost falls to less than \$1,000. If it halves 20 times, its cost falls to less than \$1. Again, our linearly-oriented minds have a difficult time comprehending these changes.

If a technology doubles in efficiency and halves costs every two years (which has been happening in information technology for the past 100-plus years), this will have an unbelievably profound effect on our lives – and the lives of our children and grandchildren – 20 to 40 years from now.

A good example is the story of aluminum, the third most abundant element in the earth's crust. Two hundred years ago, *refined* aluminum was among the rarest of metals, more valuable than gold. It was abundant but unavailable, because we didn't have the technology to refine it easily. Now we do, and aluminum is so abundant it has become almost a throwaway pop-can metal.

Many exponential technologies look promising for addressing the biggest problems that still exist in the world, including food, water, energy and healthcare. Many of the solutions are abundant, but unavailable or unusable in their current form. Technologies can change this. Some tech solutions seem in early stages, but thanks to expected exponential growth, can contribute in big ways before we know it.

It's hard to be positive when so much around us focuses on the negative. Yet, despite pessimism, the world has improved in countless ways. The prospects for continuing with that look good. We need to focus on problems to fix them – and as we do, it's helpful to remain positive to best harness our efforts for improvement.

¹ The Gini index is a measure of income equality ranging from 0 if everyone has exactly the same, to 1.0 where one person has everything and everyone else has nothing.



Stan Clark is a Portfolio Manager and Senior Wealth Advisor for The Stan Clark Financial Team at CIBC Wood Gundy. Stan has direct responsibility for the team and oversees all areas of financial planning, investment selection and investment management.

CIBC Miracle Day

MAKING A DIFFERENCE FOR KIDS IN NEED

By Sylvia Ellis, Senior Estate Planning Advisor

This year we celebrate our 41st annual CIBC Miracle Day, a charitable giving tradition founded on the belief that we can remove barriers to kids achieving their dreams.

CIBC Miracle Day, held annually on the first Wednesday of December, supports the invaluable work done by children's charities around the world. Since starting this giving tradition in 1984, CIBC has raised over \$280 million globally, helping to transform the lives of children and communities worldwide.

This year, CIBC held its annual Miracle Day on December 4. On that special day we at the Stan Clark Financial Team donated all fees and commissions to the CIBC Children's Foundation.

The Foundation has three areas of focus:

- help for high-needs children
- healthy, active living
- well-being and enrichment.

With its goal of improving the quality of life for children in need, the CIBC Foundation is dedicated to helping them prepare for future successes. By focusing on health, education and well-being, the Foundation provides these children with the opportunity to participate in programs that might not otherwise be accessible to them. Such enrichment opportunities are vital in supporting young people in the formative years, encouraging personal and professional growth.

The Stan Clark Financial Team is proud to be a part of CIBC Miracle Day. As we do every year, we invite you to suggest causes that are close to your heart. Last year at your suggestion, we directed funds to several charities, including:

- **Athletics for Kids** – Athletics for Kids in BC is committed to ensuring all children, regardless of financial barriers, have the opportunity to participate in organized sports. Their mission is to provide funding for registration fees and equipment, helping kids access the benefits of physical activity, teamwork, and personal development. By fostering inclusion and removing economic obstacles, Athletics for Kids empowers youth to build confidence, develop healthy habits and thrive both on and off the field.

- **Better Days Society**'s mission is to provide essential support and resources to individuals experiencing homelessness and poverty. The organization focuses on delivering food, basic necessities and outreach services, while fostering a sense of community and dignity. By collaborating with local partners and volunteers, Better Days Society aims to empower vulnerable populations, promote social inclusion, and create pathways toward stability and self-sufficiency for those most in need across British Columbia.
- **Union Gospel Mission** in BC is dedicated to supporting children through a range of compassionate programs and services. They provide nutritious meals, safe spaces and after-school initiatives that foster learning and personal growth. By offering mentorship, summer camps and family support, UGM helps children overcome barriers associated with poverty and homelessness, empowering them to build brighter futures and nurturing hope and resilience within vulnerable families across British Columbia
- **HEROS** – The Hockey Education Reaching Out Society is a volunteer-driven charity that uses the game of hockey to teach life skills to, and empower, Canada's marginalized youth. By providing a safe and stable environment for young people to succeed, connect and learn, HEROS guides its participants to become constructive citizens within their communities.

While it only takes one person to make a difference, great things happen when the Stan Clark team, together with our clients and charitable partners, all rally around the cause of helping children in need – which is the spirit of CIBC Miracle Day.

We thank you in advance for your interest and support! **And, as noted above, we warmly encourage you to let us know about any other Canadian children's charities you would like us to consider.**



Sylvia Ellis is the Senior Estate Planning Advisor for The Stan Clark Financial Team at CIBC Wood Gundy. Sylvia provides support to the team in projecting and planning client financial affairs.

SCFT Trivia

Trivia Time!

Thank you for reading this month's newsletter. Test your knowledge with our trivia questions! Each question relates to one of the articles featured in this edition. See how many you can get right, and check your answers at the bottom of the page. Good luck and happy quizzing!

Hint: You can find the answers inside this newsletter.

1. A significant measure of the human condition is the infant mortality rate. Currently the rate is:
 - a) About the same as it's always been.
 - b) Dramatically lower than a few centuries ago.
 - c) Slightly lower than it used to be.
 - d) Slightly higher than it used to be.
2. Since the mid-1900s, the world's population has more than doubled. In that time the supply of nutritious food has:
 - a) Increased, in great part thanks to technologies such as plant breeding, fertilizers and pest control.
 - b) Barely managed to keep up.
 - c) Decreased due to the popularity of junk food.
 - d) Decreased due to lack of interest in farming.
3. Knowing sensationalist stories sell, the media keeps featuring news about violence. Yet, as Stephen Pinker notes, both intentional violence, e.g., wars, genocides, murders and terrorism, and unintentional violence, e.g., car accidents, drownings and poisonings, have notably decreased:
 - a) True
 - b) False
4. CIBC held its annual Miracle Day on December 4. On that special day we at the Stan Clark Financial Team donated all fees and commissions to the CIBC Children's Foundation. The Foundation focuses on:
 - a) Help for high-needs children.
 - b) Healthy, active living.
 - c) Well-being and enrichment.
 - d) All of the above.

Answers: 1. B, 2. A, 3. A, 4. D

CIBC WOOD GUNDY

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