

Have we met before?

Cyclical history telling through generations

Unprecedented?
Are we over the
worst?



[https://www.youtube.com > watch](https://www.youtube.com/watch) ⋮

[Lyn Alden: "It Continues To Resemble The 40's" - YouTube](#)



Video content: **Lyn Alden**, Restart, reset, the big reset, banks USA, ... real estate, money, future, **inflation**, recession,...

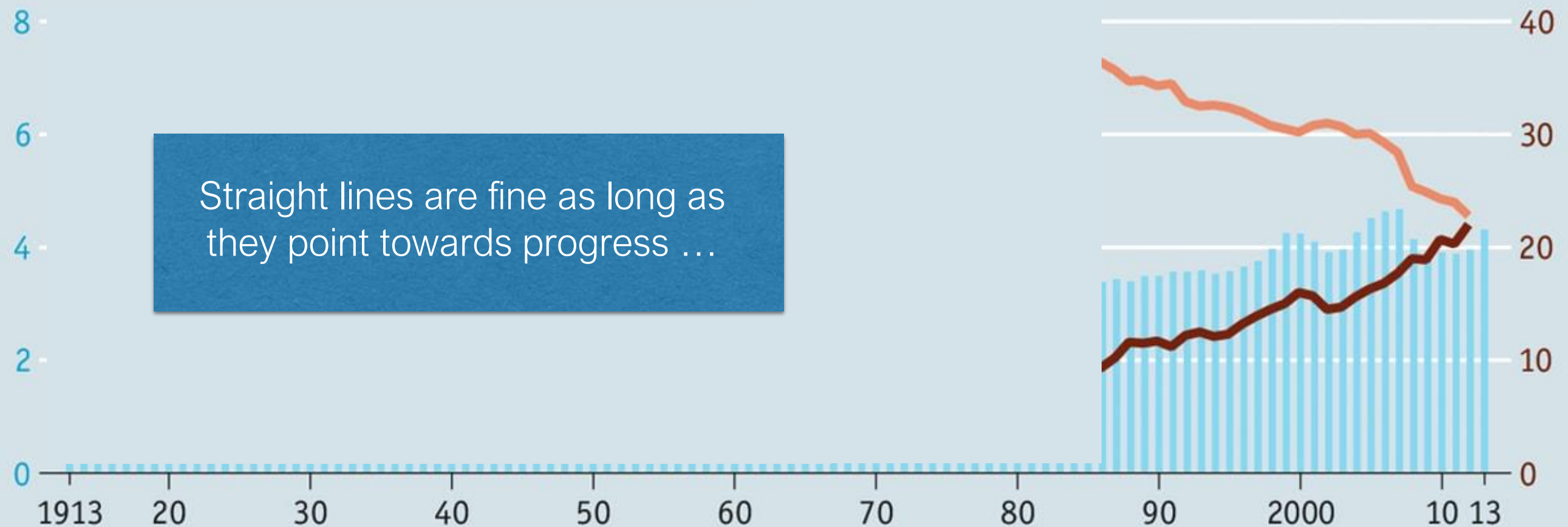
YouTube · CFN - Compact Financial News DAILY · May 15, 2022

First about our horizon... straight line?

Piketty split

United States

Ratio of total household wealth to national income



Source: Emmanuel Saez and Gabriel Zucman. NBER working paper 20625

Not, if we extend our horizon

Piketty split

United States

Ratio of total household wealth to national income

Percentage of total net household wealth held by:

top 0.1% **bottom 90%**

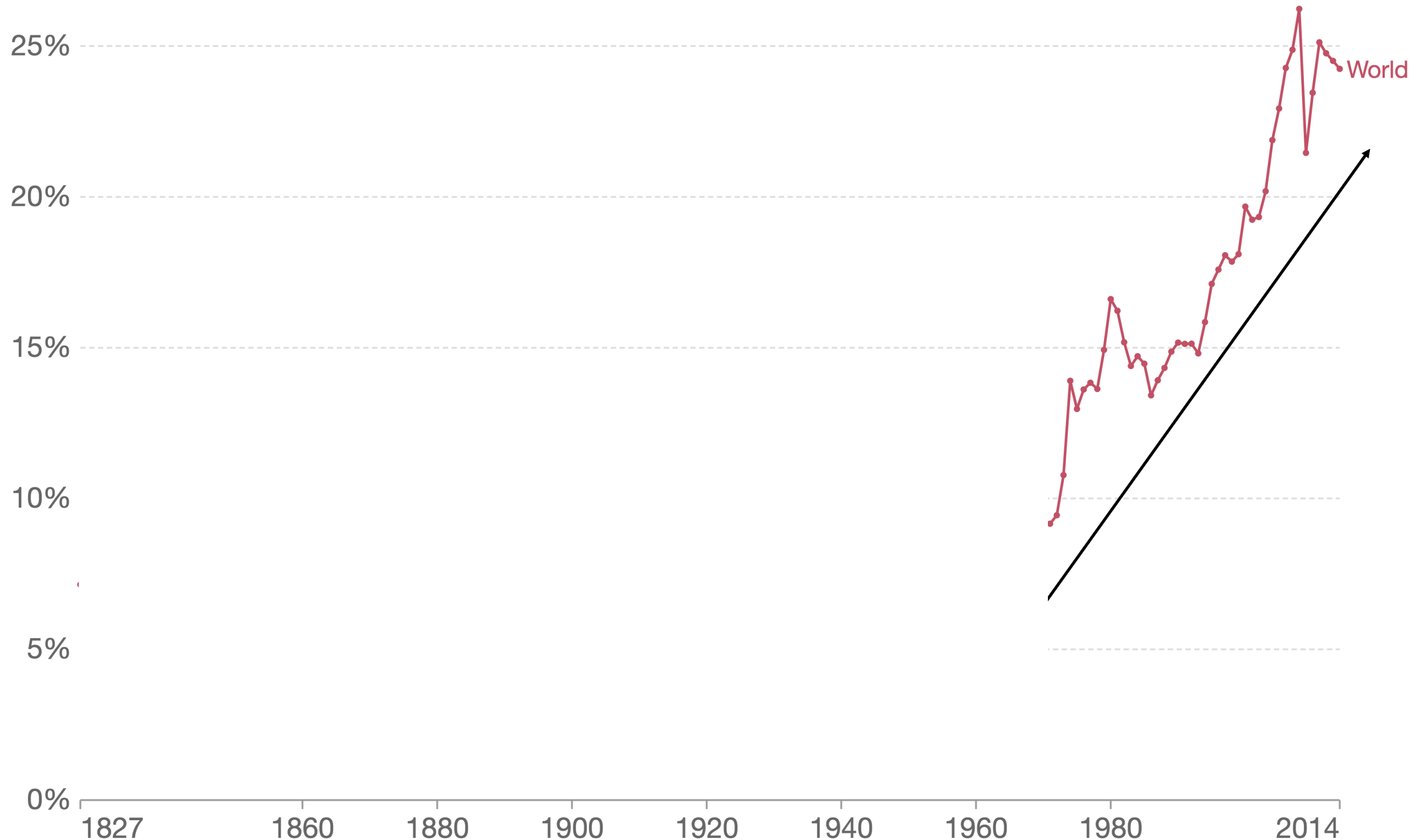


Source: Emmanuel Saez and Gabriel Zucman. NBER working paper 20625

Globalization is unprecedented ...

Value of exported goods as share of GDP, 1827 to 2014

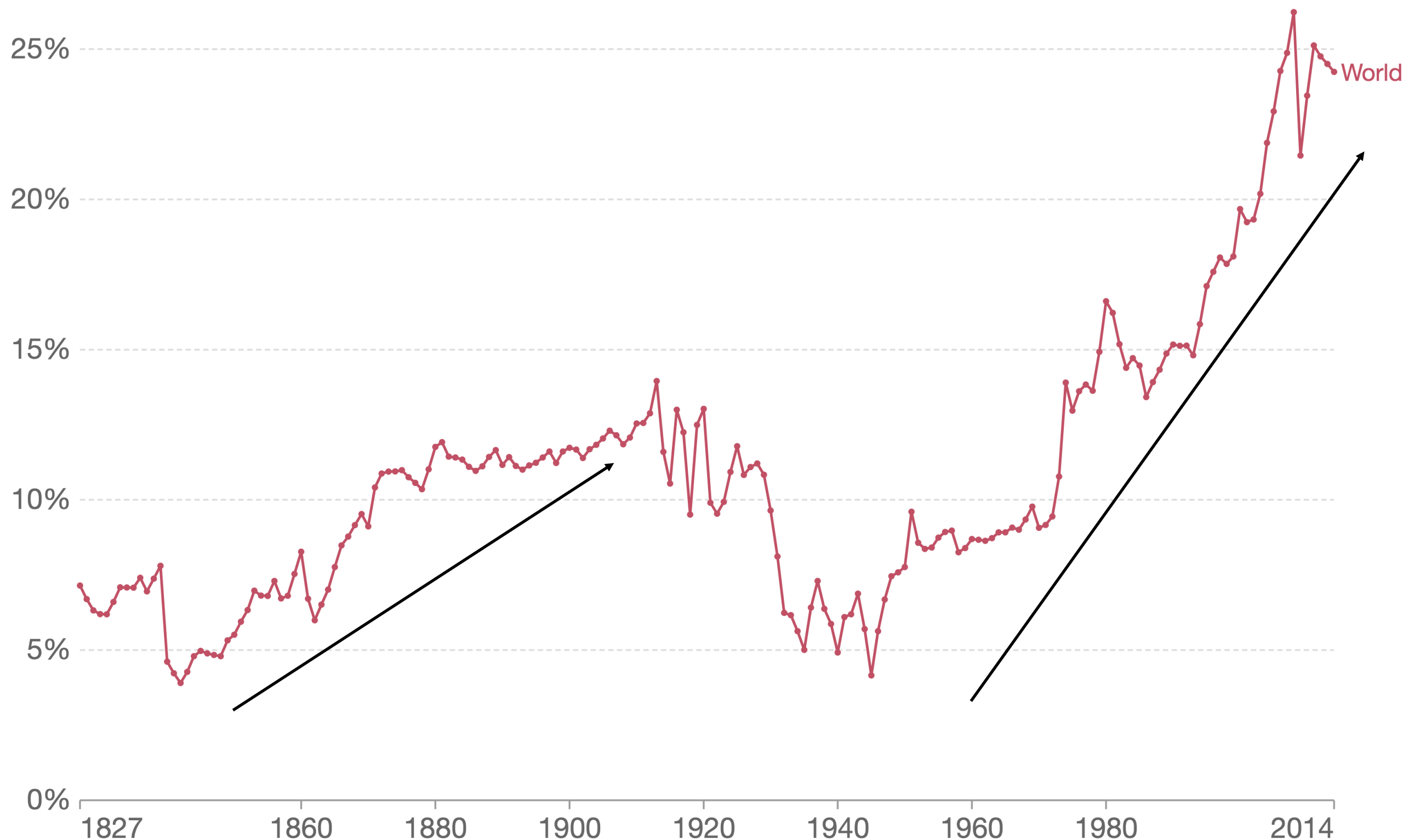
Estimates correspond to merchandise export-to-GDP ratios.



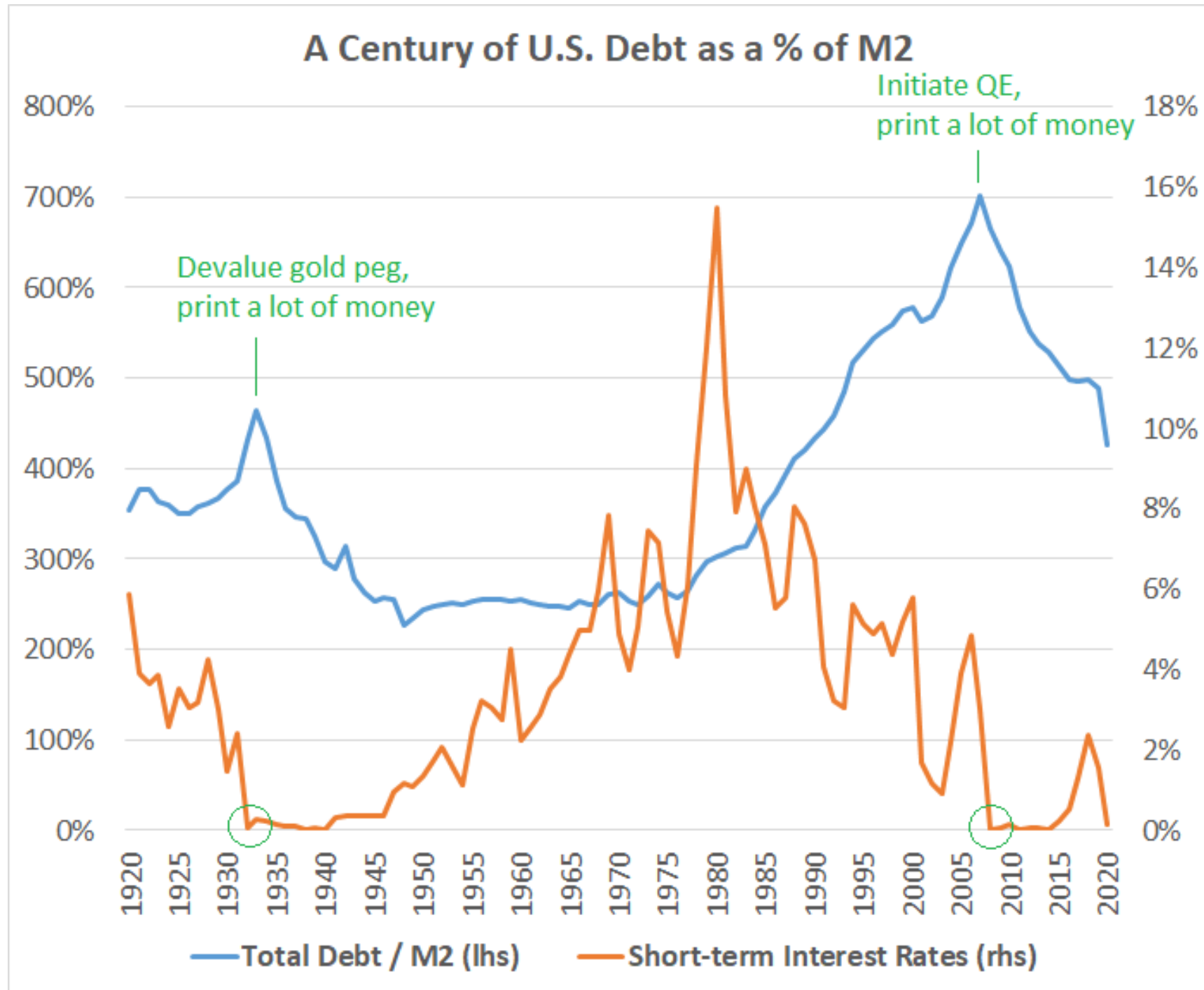
... but it is not unheard of

Value of exported goods as share of GDP, 1827 to 2014

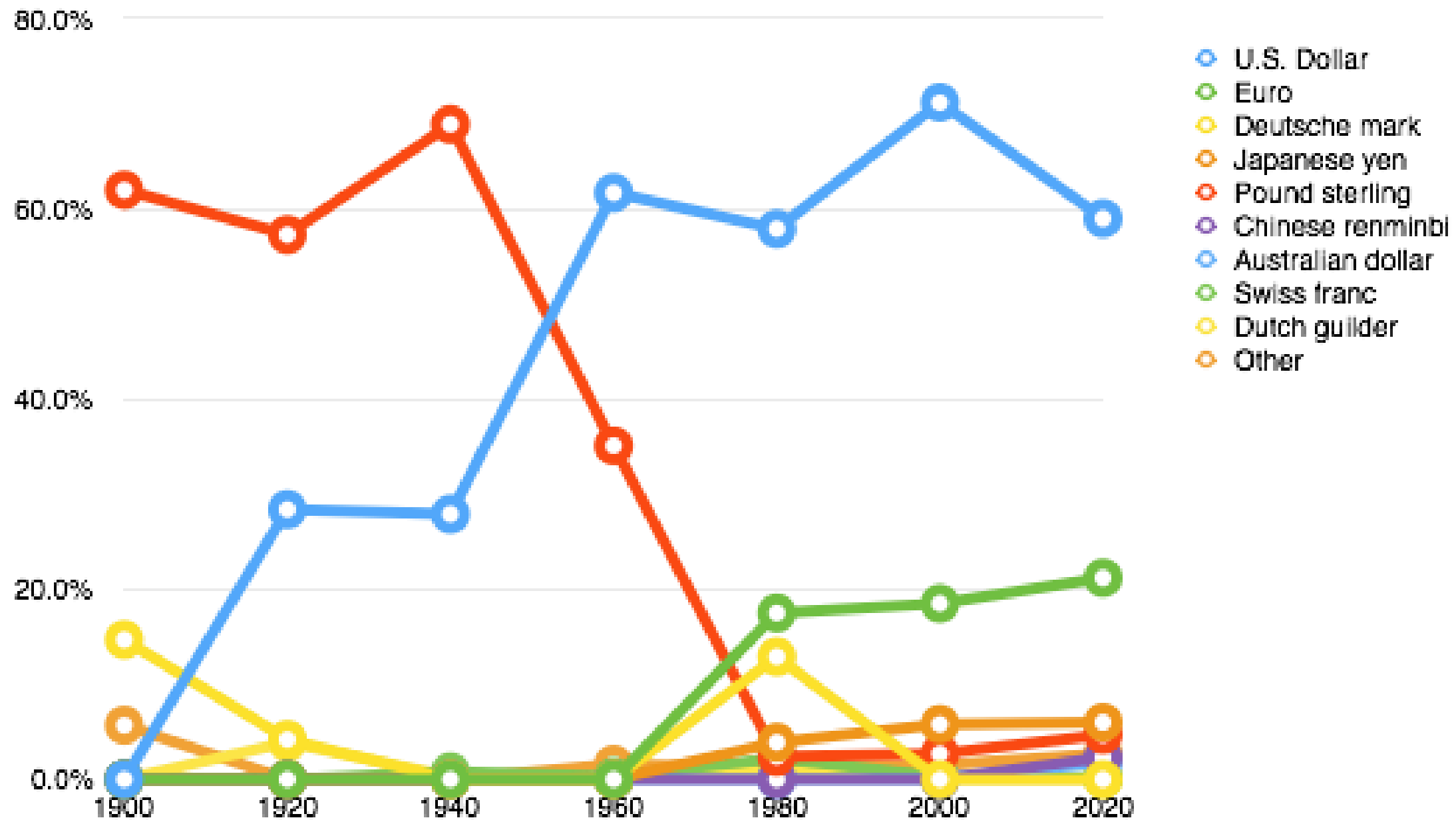
Estimates correspond to merchandise export-to-GDP ratios.



Long term debt cycle



Moment of discontinuity - world's reserve currency



Reserve currency rhythm

Reserve currency status has both benefits and drawbacks. The benefits are lower exchange rate risk and greater buying power, and the drawbacks are artificially low-interest rates that can spur asset bubbles. Since 1450 there have been six major world reserve currency periods.

- Portugal (1450–1530),
- Spain (1530–1640),
- Netherlands (1640–1720),
- France (1720–1815),
- Great Britain (1815–1920), and the
- United States from 1921 to today.

If you notice the average currency span is **94 years**. The US dollar presently has been the world's reserve currency for roughly 99 years.

War and peace rhythm

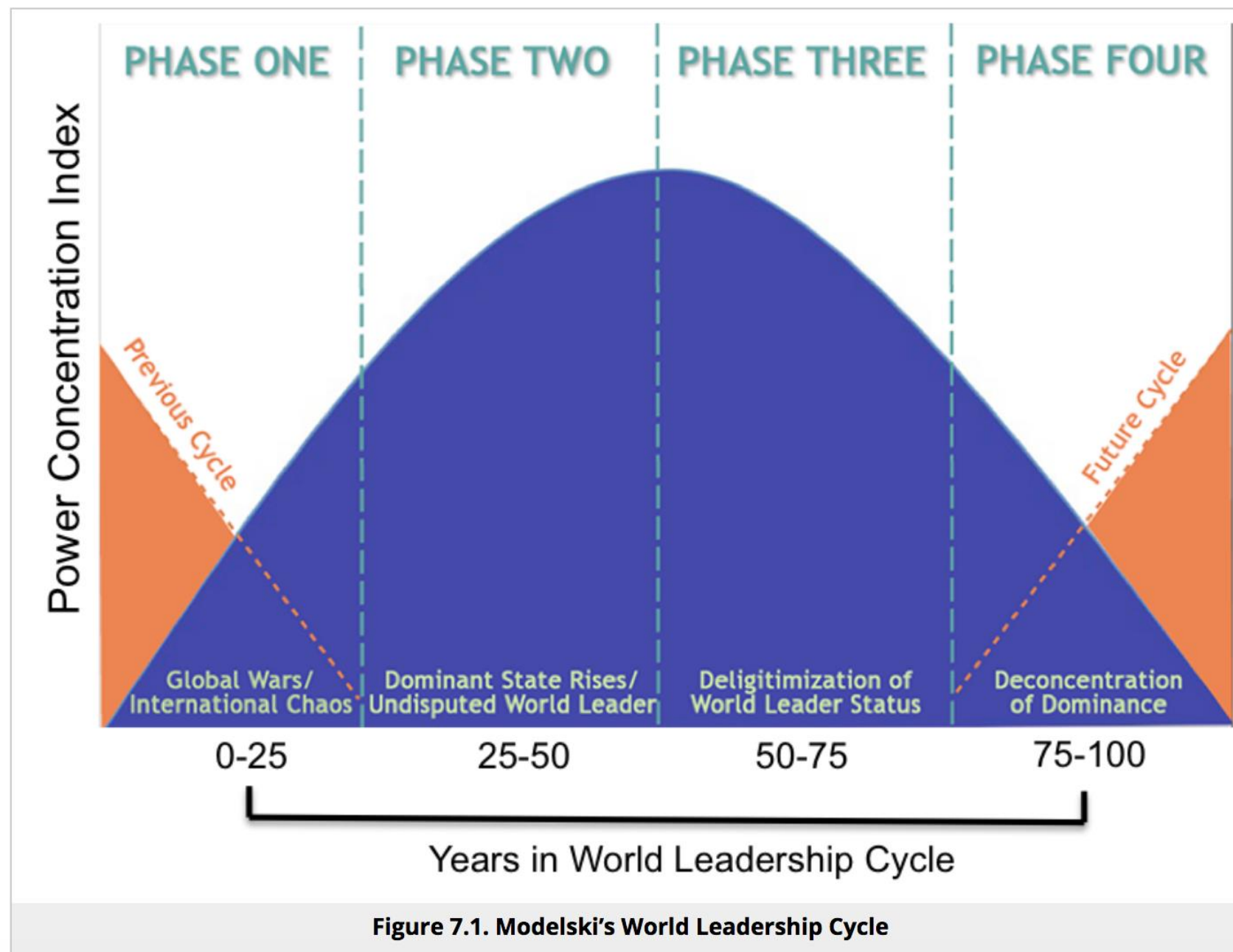
Arnold Toynbee, British contemporary historian finds that major wars and peace follow a 100 years old cycle, starting with a major war lasting for about a quarter of century:

- Philip II's Imperial Wars - (1568 - 1609)
- War of Spanish Succession (1672–1713),
- French Revolution and Napoleonic Wars (1789–1815)
- WW I - II (1914 - 1945)

Similar pattern was found in ancient Chinese and Hellenistic history.



George Modelski's model of world leadership



Modelski's model of world leadership

Replace outer world political structures

Modelski Phase	Preference for World Order	Availability of World Order
Global War	High	Low
World Power	High	High
Delegitimization	Low	High
Deconcentration	Low	Low

Renovate inner world structure of culture and values

Are these cycles self generating?

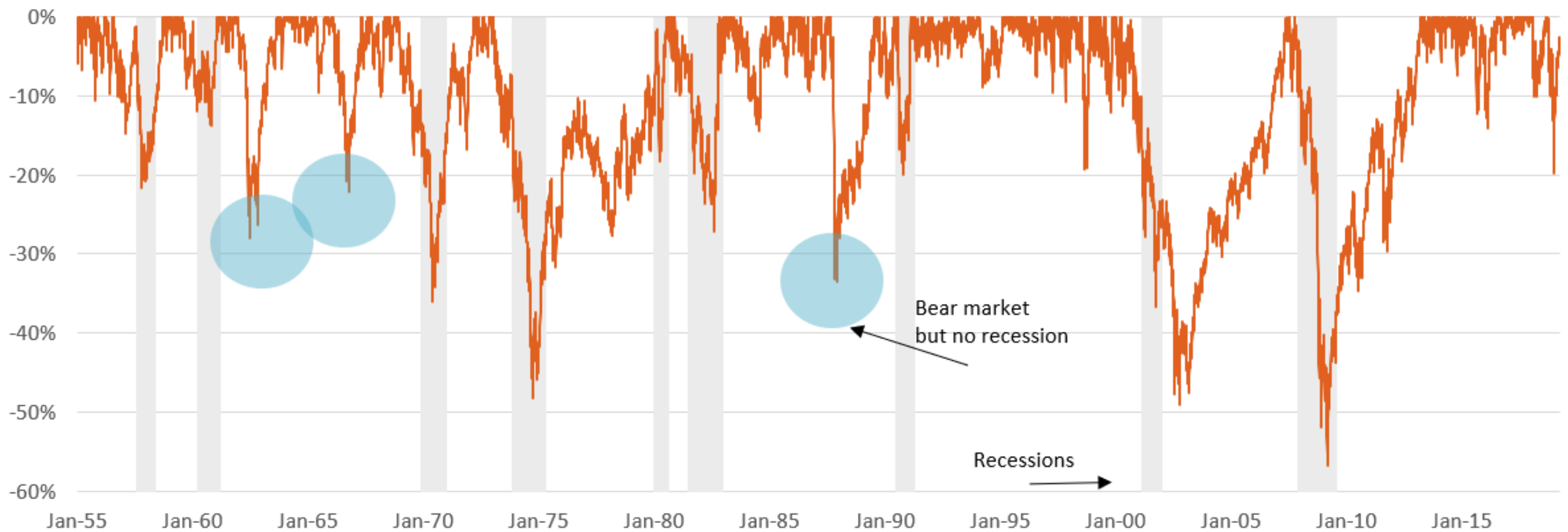
Pick a society which is

- Never had a powerful neighbor
- Isolated from foreign influence
- No time-honored traditions
- Believes in linear progress, linear time

... America

But first an example: US business cycles

S&P 500 Daily Drawdown Curve



Source: Bloomberg, BetaShares

Oil crisis

LTCM

Dotcom

Financial crisis

Quite a few **self generated** crisis in the US

What would bring cyclical behavior?

Modern cultures, where people live in **linear time** (progress), **exercise their freedom to reshape** their own environment. Their innovative energy **typically reflects their own lifetime experience**, future generations would modify or reverse this direction.

Turnings

The First Turning is a “**High**.” A High is a period of rising productivity, high economic growth, and widespread prosperity. Institutions are perceived to be strong and the public is unified on major policy issues. The last First Turning was from 1946-1964. It began after World War II and ended with the assassination of John F. Kennedy.

High

Awakening

The Second Turning is an “**Awakening**.” The Awakening is a period marked by a rising sense of personal autonomy. People begin to rebel against social norms and crave cultural renewal. The last Awakening was from 1964-1984. “Beatlemania” and the counterculture movement occurred during this era.

Unraveling

The Third Turning is an “**Unraveling**.” An Unraveling is the opposite of a High. During this period, institutions become weaker as the public loses faith in its leadership. It is a time of broadening cynicism. The last Unraveling was from 1984-2008. It began with Ronald Reagan’s commercials touting individualism using the theme “Morning in America,” and ended on the eve of the Great Financial Crisis.

Crisis

The Fourth Turning is a “**Crisis**.” This is an era when institutions fail and are rebuilt from the ground up. Fourth Turnings are volatile periods that alter national identities. The Revolutionary War, Civil War, Great Depression and World War II were all Fourth Turning events.

Current tensions in places like **Russia/Ukraine** and **China/Taiwan** are normal in a Fourth Turning. So are big economic shifts, which may explain why we are seeing new currencies like **Bitcoin** emerge.

Turnings in recent American history

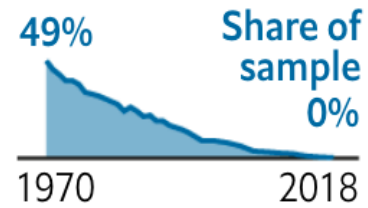
<u>Cycles</u>	<u>Turnings</u>	<u>Wars</u>
(1) Revolutionary (1704-1794)	1- High; 2- Awakening 3- Unraveling (1748-1773) 4- <i>Crisis</i> (1773-1794)	French and Indian Wars American Revolution
(2) Civil War (1794-1865)	1- High; 2- Awakening 3- Unraveling (1844-1860) 4- <i>Crisis</i> (1860-1865)	Mexican War The Civil War
(3) Great Power (1865-1946)	1- High 2- Awakening (1888-1908) 3- Unraveling (1908-1929) 4- <i>Crisis</i> (1929-1946)	Spanish-American War World War I World War II
(4) Millennial (1946-2026?)	1- High; 2- Awakening 3- Unraveling (1984-2008) 4- <i>Crisis</i> (2008-2026?)	Iraq Wars War in Afghanistan World War III (?)

Does not have to
be a war, but
typically it is

Why do generations matter?

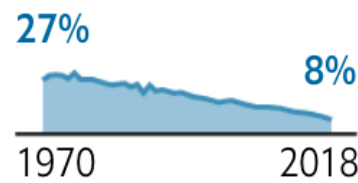
"Greatest" generation*

Born before 1928



Silent generation

Born 1928-45



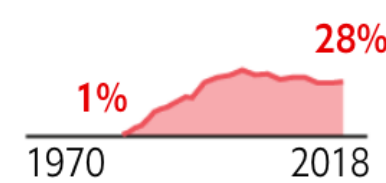
Baby-boomers

Born 1946-64



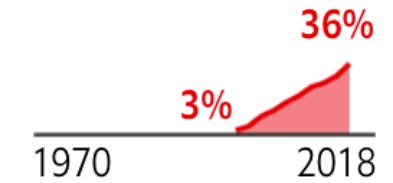
Generation X

Born 1965-80



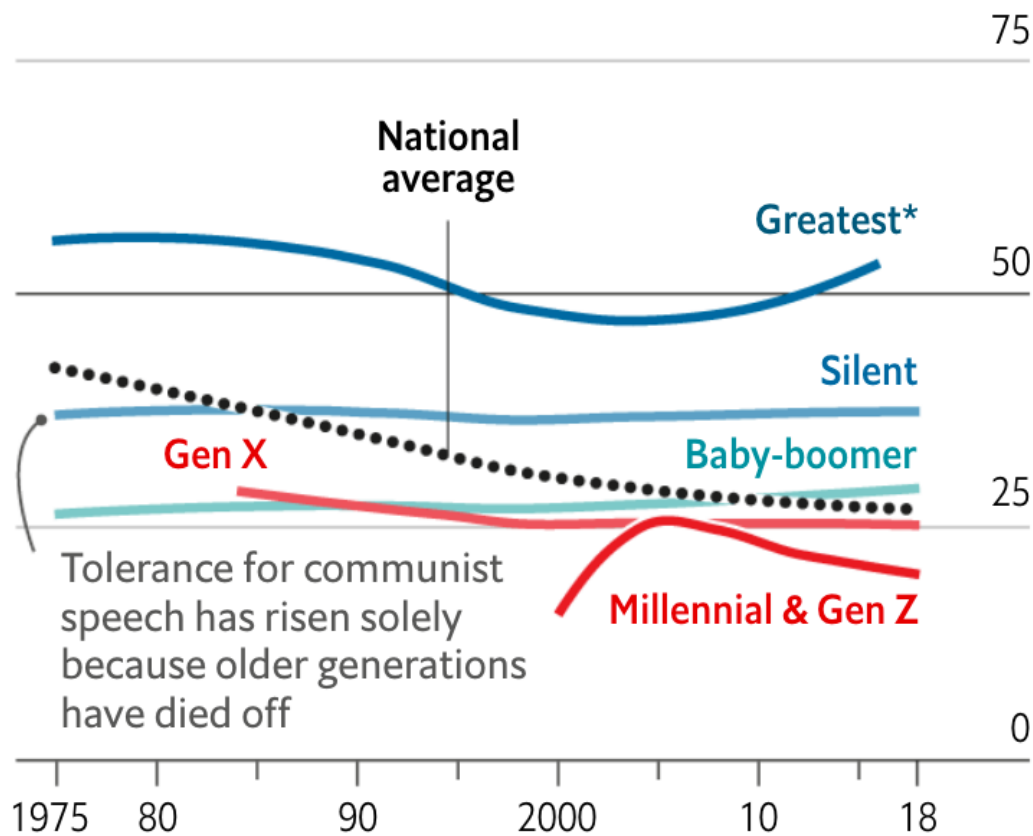
Millennials and Generation Z

Born after 1980

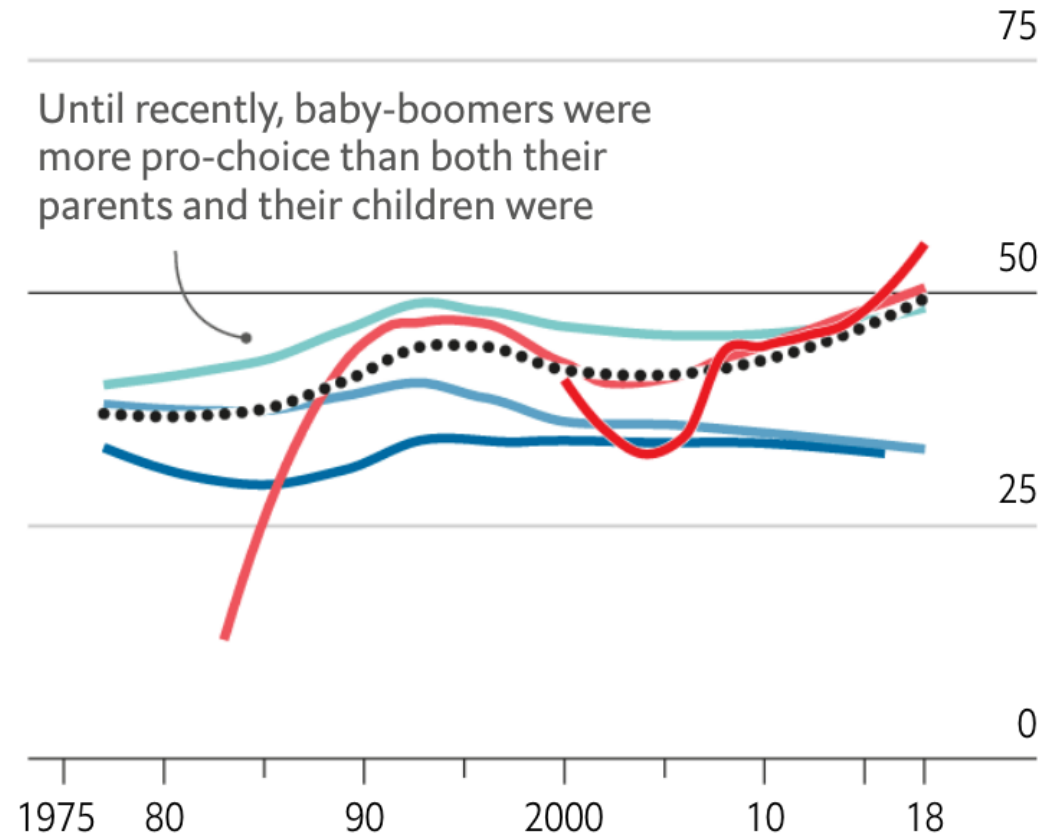


United States, % agreeing by generation

Communist books should be removed from public libraries



Abortion should be allowed for any reason



Generations and History

Crisis (major war):

- Children: deference to elders, good kids
- Young Adult: taking actions, taking risk
- Midlifers: organizing the country, managing
- Elders: setting strategy, provide purpose

Generations and History

Generations **affected by Crisis** (success):

- Young adults: heroes, hybris when midlifers, more rewards as elders (GI: great society teamwork, lot of presidents)
- Children: more deferential personality (Silent: process, fairness)
- Born after GE: golden age children for whom the triumph were won (Boomers: enormous optimism, too young to recall the absence of father in war)
- Gen X: came age without heroes, war-era sense of community is forgotten.

Generations and History

Generations during **Awakening**:

- Children: growing up hard (vs goody two-shoes)
- Young adults: narcissists (vs soldiers)
- Midlifers: sensitive navigation (vs pragmatists)
- Elderly: defenders of rational establishment (vs moralists)

Generations have a pattern, 100-year cycle



Generational archetypes

Prophet (Idealist) generations enter childhood during a High, a time of rejuvenated community life and consensus around a new societal order. Prophets grow up as the increasingly indulged children of this post-Crisis era, come of age as self-absorbed young crusaders of an Awakening, focus on morals and principles in midlife, and emerge as elders guiding another Crisis. Examples: Baby Boomers.[57]

Hero (Civic) generations enter childhood during an Unraveling, a time of individual pragmatism, self-reliance, and laissez-faire. Heroes grow up as increasingly protected post-Awakening children, come of age as team-oriented young optimists during a Crisis, emerge as energetic, overly confident mid-lifers, and age into politically powerful elders attacked by another Awakening. Examples: G.I. Generation, Millennials

Nomad (Reactive) generations enter childhood during an Awakening, a time of social ideals and spiritual agendas, when young adults are passionately attacking the established institutional order. Nomads grow up as under-protected children during this Awakening, come of age as alienated young adults, become pragmatic midlife leaders during a Crisis, and age into resilient post-Crisis elders. Examples: Generation X.

Artist (Adaptive) generations enter childhood during a Crisis, a time when great dangers cut down social and political complexity in favor of public consensus, aggressive institutions, and an ethic of personal sacrifice. Artists grow up overprotected by adults preoccupied with the Crisis, come of age as the socialized and conformist young adults of a post-Crisis world, break out as process-oriented midlife leaders during an Awakening, and age into thoughtful post-Awakening elders. Examples: Silent Generation.

Generational archetypes

PROPHET

- REFORMATION
- PURITAN
- AWAKENING
- TRANSCENDENTAL
- MISSIONARY
- BOOMERS



ARTIST

- HUMANIST
- PARLIMENTRY
- ENLIGHTENMENT
- COMPROMISE
- PROGRESSIVE
- SILENT



HERO

- ARTHURIAN
- ELIZABETHIAN
- GLORIOUS
- REPUBLICAN
- G.I.
- MILLENIAL

NOMAD

- REPRISAL
- CAVALIER
- LIBERTY
- GILDED
- LOST
- GEN X (13TH)



Generations live through periods of history “diagonal”

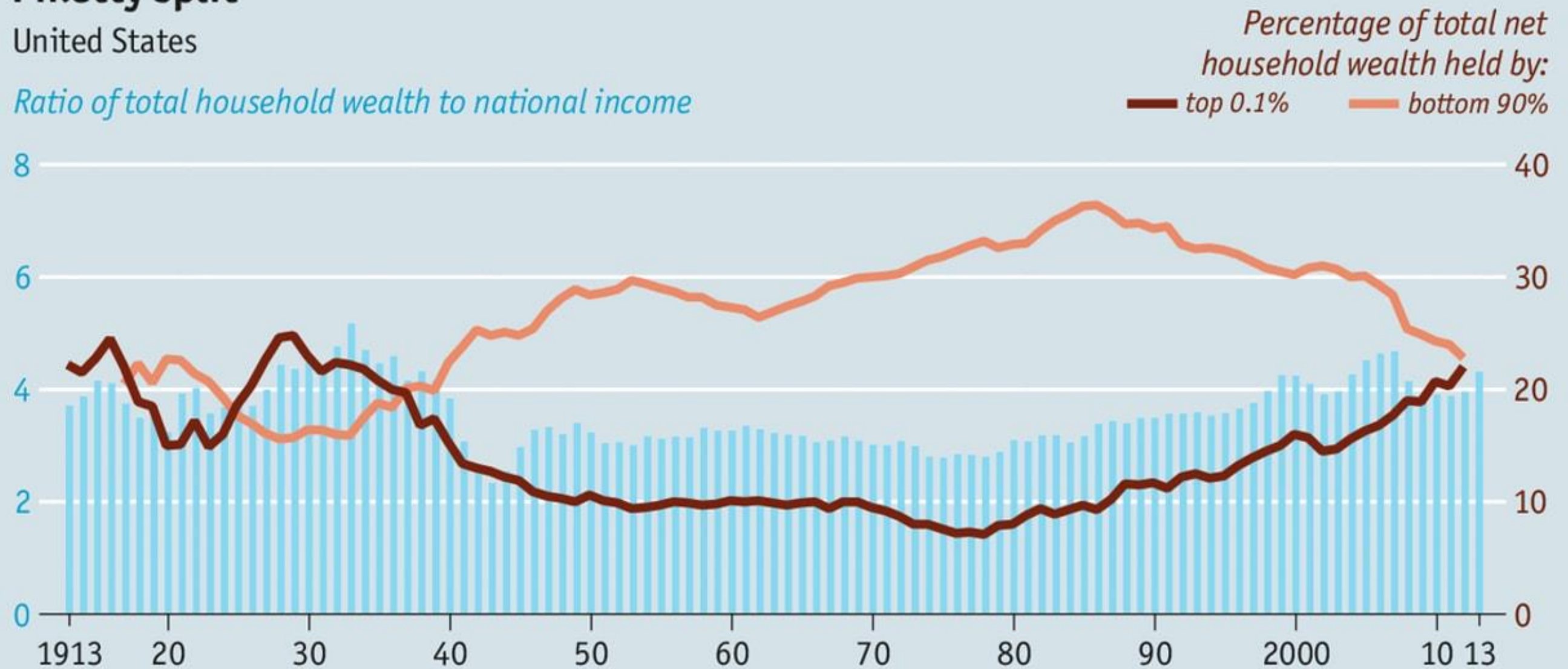
	Unraveling (Inner-driven) Era	Crisis Era	High (Outer-driven) Era	Awakening Era
ELDERHOOD	ARTIST (Adaptive) sensitive	PROPHET (Idealist) visionary	NOMAD (Reactive) reclusive	HERO (Civic) busy
MIDLIFE	PROPHET (Idealist) moralistic	NOMAD (Reactive) pragmatic	HERO (Civic) powerful	ARTIST (Adaptive) indecisive
RISING ADULTHOOD	NOMAD (Reactive) alienated	HERO (Civic) heroic	ARTIST (Adaptive) conformist	PROPHET (Idealist) narcissitic
YOUTH	HERO (Civic) protected	ARTIST (Adaptive) suffocated	PROPHET (Idealist) indulged	NOMAD (Reactive) criticized

The model explains: income and class inequality

Piketty split

United States

Ratio of total household wealth to national income



Source: Emmanuel Saez and Gabriel Zucman. NBER working paper 20625

High

Awakening

Unraveling

Crisis

The model predicts: shall I retire now?

Forbes

Don't Fight the Sine Curve

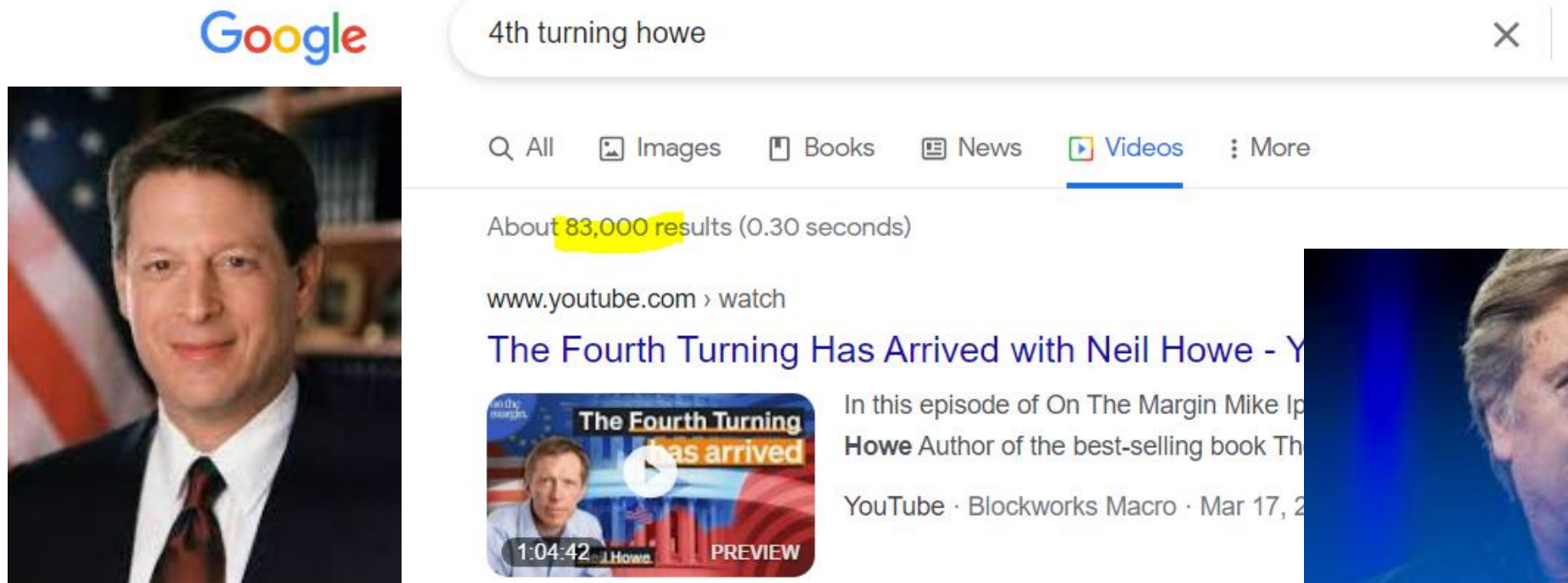


Sources: The Fourth Turning by Neil Howe & William Strauss, Hedgeye Research SILVERLIGHT ASSET MANAGEMENT, LLC

The model comforts

History speeds up in fourth turnings and is characterized as having an urgent view of the future. Change, risk, and uncertainty reach their peak.

Reception



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4th turning howe

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About 83,000 results (0.30 seconds)

www.youtube.com › watch

The Fourth Turning Has Arrived with Neil Howe - YouTube

In this episode of On The Margin Mike Ip...
Howe Author of the best-selling book Th...
YouTube · Blockworks Macro · Mar 17, 2020

1:04:42 J. Howe PREVIEW



Further reading

- <https://www.midasgoldgroup.com/news/world-reserve-currencies-since-1450/>
- <https://www.e-education.psu.edu/geog128/node/646>
- https://en.wikipedia.org/wiki/Hegemonic_stability_theory
- <https://www.youtube.com/watch?v=G5tJcHjapnE>
- <https://www.youtube.com/watch?v=xeVyfiP0cLk>
- <https://www.youtube.com/watch?v=8Yfb2zQjKWE>