Grandpa Stocks

There are young companies out there that are exciting, growing quickly, and very clearly have the world in front of them. Even before COVID-19, many of us were already enamoured with these businesses that are changing the way we do things. If anything, the pandemic has further revealed how tremendously vibrant these developing businesses are. In fact, at least relatively, they are even *benefitting* from the nervousness surrounding the virus. You know who they are.

They aren't as affected by the economy as the old companies. They aren't as laden with debt. Meanwhile the old companies just aren't growing any more. Sure, they have more experience, and may even be more productive for now, but they aren't learning; and frankly. they don't have a lot of time left. Younger, more energetic, technology-driven businesses are eventually going to squeeze them out. Some of them, I'm pretty sure, won't be around in ten years. They may even still produce things that people want today, but less people will want them next year, and less the year after that. Some of us are eager to see these companies disappear. We're ready for the new world. We are so ready for the new world that we don't want to pay much attention at all to the old companies. Instead, we lavish accolades on these younger companies that are going to bring us our future.

It is what it is.

For stock-pickers, this attraction to new-age businesses brings us to the obvious question. The question we and many others have been writing about recently. Are people paying too much for growth at the expense of value?

What's your answer?

Now go back to the first two paragraphs and replace the words "companies" and "businesses" with the word "people."

What's your answer now?

Is there not some life left in these grandpa stocks? With a 30% FCF yield, grandpa doesn't have to live another lifetime to add a great deal of value to a portfolio.

I can still get it done, partner.