

The Anecdotal Investor

My wife and I just completed a 2,000-mile round trip drive through the Midwest to Madison, Wisconsin, and back home to Charlotte, North Carolina. It wasn't our planned summer vacation but rather an impromptu trip to visit her parents since it had been many months since we had last laid eyes on them. I decided to drive for the flexibility of schedule and for the opportunity to catch up on some audiobooks. I highly recommend ["James"](#) by Percival Everett, available on Amazon's [Audible](#). (Full disclosure, I love [Amazon stock](#) as a long-term investment).

We drove for hours through thousands upon thousands of acres of cornfields in southern Indiana and Illinois. This wasn't the first time we experienced driving through the farm belt of our beautiful country, but we noticed something amazing this year. Every single farm we drove past over hundreds of miles was brimming with leafy dark green corn stalks, as tall as an elephant's eye! Which reminded me of the Rodgers and Hammerstein song from [Oklahoma](#),

["Oh, What a Beautiful Morning"](#)

*There's a bright, golden haze on the meadow
There's a bright, golden haze on the meadow
The corn is as high as a elephant's eye
And it looks like it's climbing clear up to the sky*

*Oh, what a beautiful mornin'
Oh, what a beautiful day
I've got a beautiful feelin'
Everything's goin' my way*

My wife grew up in Wisconsin and commented that she had never seen corn stalks so full and tall before the 4th of July. She grew up with the old adage used by Midwestern corn farmers to measure the success of their crops, if it was "knee high by the 4th of July" they knew that they were on track for a successful harvest! This unscientific idiom got me to thinking about what a strong US economy with declining inflation we could have if we had a record corn crop in the US this summer. Corn prices should be lower with a bumper crop, leading to lower food inflation as well as lower gas prices via cheaper ethanol production. Anecdotal evidence such as this has successfully been used by investors for decades. Warren Buffett used such observations collected in a non-systematic manner to find many investment opportunities for his [Berkshire Hathaway](#) portfolio. Just by watching for increased consumer demand he has made successful investments in companies such as [Ulta Beauty](#), [Domino's Pizza](#), [Coca-Cola](#), [SiriusXM](#) satellite radio, and [DaVita](#) dialysis centers.

Twenty-five years ago, I used a similar method to teach my three young children about investing and saving. We were sitting around the dinner table one evening in the early 2000's and I explained to them that their mother and I were starting college funds for them and wanted their input on the investments. Jillian was ten years old at the time and had just gotten her ears pierced at a Claire's Store in the mall, so she suggested that we invest in Claire's stock. My son Jamie was eight and loved macaroni and cheese, so he wanted to buy stock in macaroni and cheese! I had to explain to him that Kraft's Macaroni & Cheese was owned by a bigger company called Philip Morris at that time. Emily, aged six, loved to wear band-aids all over her body, so we bought some Johnson & Johnson stock. We would periodically talk about the performance of their investments, and it helped keep them focused on why learning to save and manage your investments was so important.

Eventually, Claire's Stores got taken over by a private equity firm, and Jillian's investment doubled in short order. Philip Morris returned 100% over the next ten years, and Johnson & Johnson did as well for Emily by 2014. By the time college came around for each of them, their personalized investing ideas, along with my research guidance and other diversified investments, allowed my kids to avoid having to take out student loans for the college of their choice. My wife and I are proud that they chose wisely, with the kid's having graduated from the University of South Carolina (Med school too!), College of Charleston, Johns Hopkins and Appalachian State.

My wife and I recently had our own epiphany for an investment opportunity while driving home from our Midwestern road trip this Fourth of July holiday week. We stopped at a [Buc-ee's](#) for gas and to find out what all the buzz was about. We had heard from friends that Buc-ee's had to be experienced, but O-M-G! What an experience! We were met with a line of traffic just to pull into the parking lot and up to one of the 126 gas pumps. (Yes, apparently this was one of the smaller Buc-ee's, some have 200+ gas pumps!) Once inside, people were actually using shopping carts at an interstate highway convenience store to load up on beef jerky, candied nuts, and gas station tchotchkes. It was American consumerism at its finest. Once back in the car after filling up on gas that only cost \$2.55, I told my wife two things. One, you know the US economy is in great shape when you see summer travelers spending money at Buc-ee's like we did, not to mention the cheap gas prices keeping down inflation. (Note to my good friend [Nick Colas at DataTrek](#), you may need to start using Buc-ee's foot traffic as an economic statistic!) Two, investing in Buc-ee's would be a home run! Alas, Buc-ee's is not publicly traded but rather privately owned, so my clients at Double Eagle Partners and I won't be able to participate in this great investment idea. But at least I did enjoy the beef jerky! And my clients and I have every reason in the world to stay invested in the US stock market for the foreseeable future!

Happy summer!