What's So Great About America

Alexander Green, Chief Investment Strategist, The Oxford Club

Please note that there is no question mark at the end of today's headline: "What's So Great About America."

That's not a typo or oversight.

Last year a *Wall Street Journal/NORC* poll found that belief in the attainability of the American Dream had fallen to a record low.

Only 36% of Americans believe it is still possible - that hard work leads to success and upward mobility.

Nearly half said the Dream was once possible but no longer is. Seventeen percent claimed it was never real. Other polls reported similar results.

I found this disturbing. So disturbing, in fact, that I wrote a book-length counterargument.

It's called, *The American Dream: Why It's Still Alive... and How to Achieve It*. The book is now available for pre-sale on Amazon.

One reason many Americans doubt the Dream is that they've lost faith in the country itself.

They've been inundated by academics, journalists, and pundits who frame the United States as a deeply flawed nation - one in decline, unworthy of admiration.

This narrative has gained traction, particularly among younger Americans, even though the United States is the richest, most inclusive, dynamic, and powerful nation the world has ever known.

Consider a few reasons why this is so.

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Consider a few reasons why this is so.

Fireworks fill the skies each Fourth of July because our nation's birth was *revolutionary* - not in the sense of replacing one set of rulers with another but in placing political authority in the hands of the people.

Our Declaration of Independence is a timeless statement of inherent rights, the true purposes of government, and the limits of political authority.

Our core beliefs are enshrined in the Constitution and Bill of Rights, the longest-serving foundation of liberty in history.

Here are just a few things that make the United States an exceptional nation:

- Americans are just 4.3% of the world's population, yet we create almost a quarter of its annual economic output.
- Our economy is No. 1 by a huge margin. It is larger than Nos. 2 and 3 - China and Japan - combined.
- We are the world leader in technological innovation. The telephone, television, airplane, and internet were all invented here. So were blood transfusions, heart transplants, and countless vaccines.
- If we are no different from other Western democracies, why were transformative companies like Apple, Google, Facebook, Amazon, Microsoft, Twitter, Netflix, Snapchat, Instagram, PayPal, Tesla, Uber, and Nvidia - to name just a few - all founded here?

- The United States accounts for 22% of the patents in force abroad, up from 19% in 2004. That's more than any other nation.
- Our space probes and orbiting telescopes explore and explain the cosmos. We put astronauts on the moon more than half a century ago. And recent launches by SpaceX and Blue Origin demonstrate the technological prowess of our private sector.
- The U.S. dollar is the world's reserve currency. (This "exorbitant privilege" lowers our borrowing costs, reduces exchange-rate risk, and increases access to capital.)
- The American military is the primary defender of the free world. (See World War I and World War II for details.)
- American agriculture is the envy of the world. Our farmers now grow five times as much corn as they did in the 1930s - on 20% less land. The yield per acre has grown sixfold in the past 70 years.
- For decades, experts warned us that we had to end "our addiction to foreign oil." Yet thanks to new technologies - like hydraulic fracturing and horizontal drilling - we are not just the world's leading oil producer but a net exporter.
- The United States is home to 8 of the world's top 10 universities, according to the latest QS World University Rankings.
- American workers are the most productive in the world, consistently ranking at the top in output per hour worked.
- American entrepreneurship is unmatched. The United States ranks among the easiest places in the world to start and scale a business - just ask any immigrant founder of a billion-dollar startup.
- The United States is first in pharmaceutical innovation, accounting for more than half of all new drugs introduced globally over the past decade.
- The United States also leads the world in science, engineering, entertainment, and the arts.
- Since 1950, about 40% of all Nobel Prize laureates have been Americans. That accounts for more winners than the next five countries combined.
- No nation has produced more Olympic champions.
- No nation attracts more immigrants, more students, or more foreign investment capital.
- Americans adopt more foreign-born children each year than any other nation.

- And Americans are the most charitable people on Earth, both in the aggregate and per capita. The Giving USA Foundation recently reported that U.S. charitable donations were almost a half-trillion dollars in 2024.

How did our small republican experiment transform and dominate global culture and the world economy?

Geography played a big role. Buffered by two oceans and a rugged frontier, we had plenty of cheap land and vast natural resources. (But then so did countries like Russia and Brazil.)

I'm not suggesting that other nations don't have proud histories, unique traditions, or beautiful cultures.

I'm delighted when I get a chance to visit South Africa, Australia, or Argentina, not to mention cities like Paris or Rome

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There's a lot to love about day-to-day life in other countries.

However, people around the world don't talk about the French Dream or the Chinese Dream.

Only one nation is universally recognized as the Land of Opportunity.

That's because America cultivates, celebrates, and rewards the habits that make men and women successful.

Anyone with ambition and grit can move up the economic ladder. Everyone has a chance to improve their lot, regardless of their circumstances.

Jamie Dimon, CEO of JPMorgan Chase, put it this way in the *Wall Street Journal*...

The U.S. has the best universities, hospitals and businesses on the planet, and our people are the most entrepreneurial and innovative in the world, from the factory floor to the executive suite. We have by far the widest, deepest and most transparent capital markets, and a citizenry with an unparalleled work ethic and "can do" attitude.

American ingenuity, technology, and capital markets have created dramatic improvements in communications, transportation, manufacturing, computing, retailing, food production, construction, health care, finance, pharmaceuticals, robotics, sensors, artificial intelligence, genetics, 3D printing, and dozens of other industries.

These have benefited citizens not just here but all over the world.

Britain's *Economist* magazine recently published a report on American economic performance over the last three decades.

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It concluded that the U.S. economy isn't just dominant. That dominance is *accelerating*.

In 1990, the U.S. economy accounted for 40% of the gross domestic product of the G7 nations. By 2022, it accounted for 58%.

In 1990, American income per person was 24% higher than the income per person in Western Europe. Today it is about 30% higher.

The productivity rate since 2010 of U.S. workers is double that of the euro zone, Canada and Britain.

(And U.S.-led artificial intelligence innovation will widen the productivity chasm even more.)

The U.S. has several structural advantages. High taxes and overregulation of labor and business in other countries have been detrimental to long-term growth.

Plus, U.S. financial markets are the only ones big enough to absorb global capital flows.

Other countries would need to build liquid, scalable equity and debt markets to attract global capital in the way we do.

That's not likely to happen anytime soon. Nvidia is larger than the entire London Stock Exchange. Apple is bigger than the Paris Stock Exchange. Amazon is bigger than the German Stock Exchange. Meta Platforms is bigger than the Nordic Stock Exchange. And Microsoft is bigger than the Swiss Stock Exchange.

The U.S. accounts for 64% of the global equity market capitalization and 41% of global fixed income.

Approximately 58% of foreign exchange reserves are in dollars. And every business day, over half of all international transactions are settled in dollars.

The amount of seed and venture capital to fund innovations isn't available elsewhere. That's why the future is invented here.

And more than 60% of U.S. households hold equities in their brokerage or retirement accounts, an investment level unmatched in other markets.

That means Americans don't just have higher incomes and lower taxes.

They also have greater wealth. No country has more millionaires than the United States.

The Federal Reserve reports that 12.4% of American households have a net worth of $1 million or more. If you include home equity, the percentage is close to 18%.

According to Statista, the average financial wealth per U.S. adult is $580,000. The average financial wealth per European adult is less than $94,000.

(And the Census Bureau reports that American poverty recently hit an all-time low.)

The American stock market has generated the world's highest returns over the last three decades.

If you had invested $10,000 in the S&P 500 in 1990, you would have had $251,000 at the end of 2024.

If you had invested $10,000 instead in a global equity index that excludes U.S. stocks, you would have about $48,000 over the same period.

In short, Americans earn more income, have greater assets, and enjoy higher investment returns.

That's because the American brand of capitalism is tilted toward dynamism, with freer markets and smaller welfare states.

As you can see, the notion that America is an exceptional nation is not, as some would argue, just a crude strain of patriotism.

Our country embodies timeless ideals, an optimistic attitude, and an enthusiastic endorsement of the pursuit of happiness.

Yes, we've made mistakes along the way and face no shortage of problems and challenges today.

But the birth of the United States ranks among *the greatest events* in world history.

Yet for years polls have shown that our citizens believe the American Dream is fading, our children face limited opportunities, and the country - if not civilization itself - is decidedly on the wrong track.

This dour perspective - recycled 24/7 by the national media - is a gross distortion of the world we live in.

Like all countries, we face many challenges today. Yet it is our solutions - not our problems - that define the state of the nation.

That's why I wrote my new book, to share what broadcaster Paul Harvey used to call "the rest of the story."

Here's the bad news, however. My publisher - Wiley & Sons - is only printing 15,000 copies.

Apparently, they didn't realize there are more than 165,000 dues-paying Members of The Oxford Club - and that I have a few hundred thousand additional subscribers to this e-letter.

That means there is a good chance that the first printing will sell out quickly.

For this reason, I encourage Oxford Club Members - and especially those who told me they wanted copies for their kids and grandkids - to pre-order the book.

(You can find it here. Amazon will not charge your account until the book comes out. And you will receive it on the publication date.)

We Americans are among the most fortunate people on Earth. And the Dream has never been more attainable for anyone willing to work, save and invest.

Read the book to find out why. And spread the word: The American Dream is not only alive and well, it's never been easier to achieve... if you know how.

Have a great Independence Day!

Good investing,

Alex