

March | 2026

Alpha Wealth Monthly Brief

“Diversification is protection against ignorance.”

- Peter Thiel

In this month’s edition of The Brief, we analyze how the current AI disruption is reshaping traditional business models while navigating a weakening labor market. Additionally, Bridgewater Associates founder Ray Dalio sounds off on the Big Debt Cycle and its implications for the United States.

The Disruption Cycle: AI, Jobs, and New Market Reality

Fifteen years ago, venture capitalist Marc Andreessen famously prophesied that "software is eating the world," a thesis that has since aged into an undeniable market reality. His core argument, that any service capable of being digitized and automated eventually would be, laid the foundation for the cloud computing and SaaS-driven economy we navigate today. However, we have moved from a world where software merely organizes information to one where artificial intelligence actively generates it. New automation tools released by Anthropic proved they could handle complex tasks like financial and legal research that previously required expensive, specialized software. This breakthrough forced investors and companies to rethink the business models of traditional software businesses. These shifts are often volatile and prone to dilemmas where yesterday’s winners struggle to adapt to tomorrow’s tools.

While the current fervor surrounding AI may feel like uncharted territory, it is actually the latest chapter in a very familiar story of technological evolution. We have seen software transition from a physical product sold in a cardboard box to the invisible backbone of our global economy, powering everything from our banking systems to our social interactions. Each of these waves inevitably bifurcates the market into an old and new economy, forcing a period of price discovery as investors determine who will bridge the gap. AI continues this trajectory serving as a tool for automation, yet it does not render human expertise obsolete.

AlphaWealth Advisors, LLC

4435 Waterfront Drive
Glen Allen, VA 23060



Troy.flinn@alphawealthadvisors.com

Griffin.flinn@alphawealthadvisors.com

Chris.hamner@alphawealthadvisors.com



(804) 346-2615

Much like a driver relies on a complex vehicle without needing to engineer the engine, AI applications will always depend on high-quality data, reliable infrastructure, and deep domain knowledge. Even as tools become more sophisticated, the core consumer will continue to value trust, personalization, and quality outcomes.

An added layer of complexity is a labor market that has shown signs of fatigue since the middle of 2025. Recent data from the Bureau of Labor Statistics reveals that job openings have fallen to their lowest levels since 2020, with the ratio of openings to seekers dropping below one for the first time in years. Economists are still debating whether this is a direct symptom of AI displacement or a broader cyclical cooldown. Historically, creative destruction eventually yields more jobs than it destroys, but the transition periods are notoriously difficult to navigate. For investors, this weakening labor data creates a tug-of-war with Federal Reserve policy. While a cooling market might suggest lower rates, it also raises concerns about the underlying strength of the consumer. Ultimately, the current market environment serves as a reminder that asset allocation remains the most potent tool in an investor’s arsenal.



Source: US Department of Labor, JPMorgan Asset Management

Ray Dalio on America's Economic Crossroads

In a recent deep dive interview, Bridgewater Associates founder Ray Dalio sat down with David Friedberg to discuss the "Big Debt Cycle" and its implications for the U.S. economy. Dalio offered a sobering look at why the next few years may be a make-or-break period for American financial stability.

1. The "Economic Heart Attack"

Dalio famously uses the analogy of a circulatory system to describe the economy. Credit is the blood, providing nutrients (capital) to the body. However, when debt grows faster than the income required to service it, it becomes plaque in the arteries.

- **The Current Status:** The U.S. debt-to-GDP ratio has climbed to roughly 125%.
- **The Tipping Point:** We are entering a "death spiral" where the government must borrow just to pay the interest on previous debt. Dalio warns that if the Federal Reserve is forced to print money to buy this debt, it leads to significant dollar debasement.

2. The 3% Solution

When asked how to avoid a total collapse, Dalio proposed a draconian but necessary fiscal target.

- **The Goal:** Reduce the annual deficit from its current projected level (approx. 7.5% of GDP) down to 3%.
- **The Method:** This requires cutting roughly \$900 billion in annual spending.
- **The Challenge:** 70% of government spending is structurally un-cuttable (Social Security, Medicare, Interest). Making the remaining 30% efficient enough to bridge the gap is a monumental task that Dalio believes requires a unified "Manhattan Project" level of government reform.

3. Tariffs and Productivity

Friedberg and Dalio debated the impact of new trade policies.

- **The Trade-off:** While tariffs can act as a revenue source and protect domestic industry, they often act as a hidden tax on consumers and can dampen GDP growth.

- **The Real Fix:** Dalio argues that the only sustainable way to win a "trade war" is through productivity. The U.S. must invest heavily in education, infrastructure, and AI to ensure we are the most efficient producers in the world, rather than relying solely on protectionist barriers.

Dalio's message is clear: History shows that when a country's debt service exceeds its income and internal conflict rises, a "Changing World Order" is imminent. To avoid the fate of past empires, the U.S. must choose productivity over-leveraged growth and fiscal discipline over political expediency.

Fast Facts

For the first time, BYD outsold Tesla in total electric vehicle sales (2.26 million vs 1.64 million). - WSJ

Amazon has confirmed that it has deployed over 1 million mobile robots across its fulfillment centers globally. That's roughly one robot for every 1.5 human employees. - WSJ

March Madness is projected to cost U.S. employers over \$13.1 billion in lost productivity this year. An estimated 1 in 4 workers admit to watching games during work hours, with the average fan spending roughly 1.5 hours per day checking scores and tweaking brackets. – Action Network

Sales of non-smart phones (think Nokia bricks) have surged 15% among Gen Z in the last month. – Morning Brew

Due to extreme weather in Brazil and Vietnam, coffee futures hit a 10-year high this month. Your daily latte could see a jump by the summer. – Morning Brew

Contact Us

As always, feel free to reach out to us if you have any questions regarding your investments or financial plan or would like to schedule a meeting with our advisors.

This material is for general information and educational purposes only and is not intended to provide specific advice or recommendations for any individual. Investing involves risk including the loss of principal. There is no assurance that the views or strategies discussed are suitable for all investors or will yield positive outcomes. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

Securities and advisory services offered through LPL Financial, a Registered Investment Advisor, Member FINRA/SIPC. Alpha Wealth Advisors and LPL are separate entities.

All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and may not be invested into directly.

