



...weekly since 1976

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Thredgold Economic Associates
(The TEA Company)
A Professional Speaking and
Economic Consulting Company
136 South Main Street, Suite 417
Salt Lake City, UT 84101
(801) 533-9663

www.thredgold.com

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Happy Talk

Written by Jeff Thredgold, CSP, President, Thredgold Economic Associates

The “dismal science” of economics typically focuses on “bad” news. The national media’s spin on the economy is so negative that 43% of Americans thought the U.S. economy was in recession as recently as last fall, even as solid growth and strong job gains continued (*The Wall Street Journal*). However, there are many favorable developments taking place within the U.S. economy. This is our semi-annual update of “Happy Talk.” This *Tea Leaf* focuses ONLY on the “good” news...

- Donations to U.S. charities set an all-time high in 2005, with a total of \$260 billion donated by individuals, foundations, and corporations. Individuals alone donated roughly \$199 billion in 2005
- During the early 1960s, the five-year survival rate from cancer was one in three. Today it is two in three...and continuing to climb
- American household net worth on March 31, 2006 reached \$53.8 trillion, the highest ever, and nearly three times the total of 18 years ago. Net worth—the difference between assets and liabilities—has risen for 14 consecutive quarters. Higher home and stock prices led the way
- Productivity of the average American worker rose an average of 3.3% annually during each of the past four years, the largest gains in 51 years. Rising productivity is a long-term key to higher standards of living
- Today’s moms and dads, whether working or at home, are spending four to six hours more per week with their kids than did the previous generation
- Global economic growth should exceed 4.0% in 2006 (after inflation) for the fourth consecutive year, the first such occurrence since the early 1970s. Strong growth allows millions of people to rise above poverty
- The U.S. rate of home ownership reached 69% of households in recent quarters, the highest ever
- During the five-year period 1997–2002, business start-ups by women were twice the rate of all start-ups, reaching 6.5 million businesses. Black-owned businesses rose by 45%, while Hispanic-owned businesses grew 31%
- Roughly 30% of trash was recycled or composted in the latest year, versus 16% in 1990
- In 1967, only one family in 25 earned \$100,000 or more (inflation adjusted to 2005). Today, one in six families does. The share of families earning more than \$75,000 annually in real dollars has tripled from 9% to 27%, while the share of families earning between \$5,000 and \$50,000 in real dollars has fallen by 19% since 1967
- Americans smoked fewer cigarettes last year. Sales were down 4.2% in 2005 and are down 20.0% since 1998
- The average U.S. jobless rate of 4.7% in 2006 is lower than the averages during the 70’s, the 80’s, and the 90’s. The U.S. economy added nearly four million net new jobs during the past 24 months
- The U.S. still accounts for roughly 40% of global research and development (R&D) spending
- Seat belt usage by Americans was a record 82% last year, versus 49% in 1990 and 14% in 1983
- Despite one shock after another, the Dow average is still up nearly 4.5% in 2006... and in my opinion, header higher
- Women now hold nearly 15.0% of board of director seats at Fortune 500 companies, up from 9.6% in 1995
- Average U.S. life expectancy has reached 77.9 years (men 75.3...women 80.5), the highest ever. This compares to 68 years in 1950 and 47 years in 1900
- The number of estimated refugees around the world fell from 15.7 million in 1994 to 9.2 million in 2004

- The rate of auto-related injury per mile traveled last year was the lowest since the Interstate Freeway System was built 50 years ago
- Some 68.6% of the 2.7 million “Class of ’05” high school graduates enrolled in colleges & universities, the highest ever
- Corporate profits now represent 12% of national income, up from 7% in 2001, and the highest since recordkeeping began in 1947. Strong corporate earnings are the backbone of rising stock prices
- Violent crime overall is down 55% since 1993, with violence by teens down 71%. School violence has declined by half from a decade ago
- U.S. economic growth has been rock-solid. The economy grew at an inflation-adjusted annual rate of at least 3.0% for the ten consecutive quarters ending on September 30, 2005, the longest such streak since the mid-1980s. Real annualized growth has averaged 3.3% since the streak ended
- Educational achievement gaps between white students and Black & Hispanic students recently fell to the lowest levels ever, with all rising
- The year 2004 was the safest ever for U.S. and global airline passengers. U.S. civil aviation accidents fell by 18% in 2004, with 9% fewer deaths
- Solid U.S. economic growth and tax cuts of recent years have led government revenues to rise an average of 14% during each of the past two years
- For every dollar of U.S. economic output generated today, we burn less than half as much oil as 30 years ago
- The upward “mobility” of the typical American remains the greatest in the world. Why? The U.S. economy “rewards” the combination of hard work and educational achievement more than ever before...and more than any other country in the world
- Children’s deaths from unintentional injury have dropped by almost 40% since 1987. Bicycle deaths fell 60%, while firearms-related deaths fell 72%
- Alcohol-related traffic fatalities in the most recently reported year dropped by more than half versus 20 years ago
- Women earned 57% of all bachelor’s degrees awarded in 2004, versus 43% in 1970 and 24% in 1950. Within four years, the number of women in undergraduate and graduate programs is expected to exceed that of men by one-third
- Air pollution declined 25% over the past 30 years even as the population and the economy grew. Water quality also continues to improve
- Flexible work schedules are now the norm for 43% of workers, up from 29% in 1992 and 13% in 1985. This allows greater flexibility for more people, especially those with children
- The number of people who have quit smoking (46 million) now exceeds the number who still smoke (45 million)
- The number of abortions performed in this country has declined by one-third since 1990 and is now at a record low
- Median (half more, half less) family income now exceeds \$54,000 annually
- Overall illicit drug use among youths 12 to 17 has declined 19% since 2001
- A record 29% of men have earned a bachelor’s degree or higher, versus 26% of women, also a record. This compares to a combined 7.7% in 1960. A record 84.6% of adults over age 25 now have at least a high school diploma, versus 24.5% in 1940
- U.S. teen pregnancy and birth rates have plummeted to all-time lows. The reasons? More widespread use of birth control, more work opportunities, and more girls who “just say no”
- Divorce rates...after doubling between 1960 and 1990...stabilized during the 1990s and declined in recent years
- The U.S. role of dominance in the global economy in recent years has been as clear-cut as at any time since the 1950s



“TEA”sers

Kids letters to God...

Dear God: Is it true that my dad won't get into Heaven if he uses his bowling words in the house?

Dear God: My brother told me about being born but it doesn't sound right.

Dear God: Thank you for the baby brother but what I asked for was a puppy. I never asked for anything before. You can look it up.



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Thredgold Economic Associates
136 South Main Street, Suite 417
Salt Lake City, UT 84101
www.thredgold.com

Graphics and layout by Kendall Oliphant
Research assistance from Shawn Thredgold