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December 17, 2008

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# The Big Three

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*Note: This is an update to a piece we ran nearly three years ago. It still applies today.*

No...not U.S. automakers. The three guaranteed American growth industries of the next 30-40 years, compliments of me and 78 million other Baby Boomers.

Presented in alphabetical order...

...financial planning ...health care ...leisure & recreation

## FINANCIAL PLANNING

Baby Boomers *en masse* have not saved aggressively enough for our Golden Years. Such a painful reality is one that, in my mind, will drive millions of Boomers to save more diligently in coming years.

A similar mind-set is also likely to build as members of both Generation X and Generation Y increasingly recognize that *they* are largely responsible for the financial condition of their own retirements.

At the same time, the Congress is likely to adopt more savings-friendly legislation in coming years to help both Boomers and younger generations put more money away for retirement.

More and more individuals will acknowledge that they may not have the necessary skills to develop a sound investment program for the future.

- How much should I save?
- What kind of investment return assumptions should I adopt?
- How much can I withdraw annually in retirement?
- What if I outlive my money?

These anxieties will translate into greater use of investment experts, financial planners, and commercial bank trust departments. In addition, the ongoing shift within corporate America from offering workers "defined benefit" programs to "defined contribution" programs puts the onus on workers more than ever before to effectively manage their money...

*...the wise among us will increasingly turn to financial experts for help*

## HEALTH CARE

Common sense would suggest that Boomers will play a major role in the expansion of health care services over the next 30-40 years. Such services will include the traditional combination of public and private sector health care providers, clinics, pharmacies, and hospitals.

In addition, you can add greater demand for plastic surgery of all types:

...make these bigger or smaller...build this up or trim this down...tighten this up...raise this...lower this...the list goes on and on

Boomers will not go willingly into our senior years...we will fight it constantly...

Vanity of the Boomers? Off the charts!

Rising demand for health care services by Boomers, our parents, our children and grandchildren, and indigents will strain the system as never before. It is not at all a stretch of the imagination to suggest that health care spending will carve out a larger share of GDP over the next few decades.

Such a move towards greater health care spending was already under way. However, the move will clearly be aggravated by an



aging Boomer population. While this shift will be “good news” in regard to U.S. job creation, it will be “bad news” in terms of trimming overall productivity and optimizing utilization of resources.

Answer this question quickly...

What is your largest monthly payment obligation?

Most respondents would logically say a mortgage payment. However, for many, the answer is, or soon will be, their monthly premium for health care.

As we know all too well, monthly premiums have been rising faster than incomes for many years. As health care costs continue their unrelenting march higher, we are slowly, but surely, moving unavoidably in the direction of a government-sponsored, nationalized health care system...

*...I find the thought truly scary*

## LEISURE & RECREATION

Travel, golf, college classes, new friends, cruising, hiking, new interests, spas, reading the classics, exercise, motor homes, the grandkids and great-grandkids, second (and third) homes, etc., etc., etc.... you get the picture...

Boomers will redefine retirement, just as we redefined or greatly impacted all other facets of life. Solid dedication to the first two growth industries discussed above will provide greater flexibility than ever before to enjoy life in our Golden Years.

Boomers will travel the world as no group before them. The sharp rise in ownership of additional homes, timeshares, motor homes, etc. will continue.

More options will also be available for Boomers and older retirees to live close to downtown areas in larger cities as a means of having close access to museums, shopping, the theater, and restaurants.

Boomers will take advantage of such close proximity, while leaving the yard work or snow shoveling to someone else.

One major change that is now underway and will escalate in coming years in a big way is the idea of bridging between full-time employment and retirement. Too many of us have seen a parent, family friend, or neighbor be forced to retire at age 65, when staying on the job was desirable.

Too many of us have seen skilled workers forced out at 65, only to soon re-emerge as a greeter at Wal-Mart or as one serving fries at a burger joint...

...not so in coming years

Roughly 85% of Boomers say we never want to “retire,” but instead engage in a process where we work fewer hours in our skills area. The reality today of the slowest projected growth of the U.S. labor force in history over the next 30 years will give older workers more bargaining clout than ever before.

Millions of Boomers will politely “inform” their employers that as they approach age 65 they will wish to work perhaps three days weekly, or only mornings, or two weeks on...two weeks off, for as long as they choose. Intelligent employers, facing the loss of valued employees, and with limited ability to easily replace talented workers leaving the company, will quietly agree to reasonable worker requests.

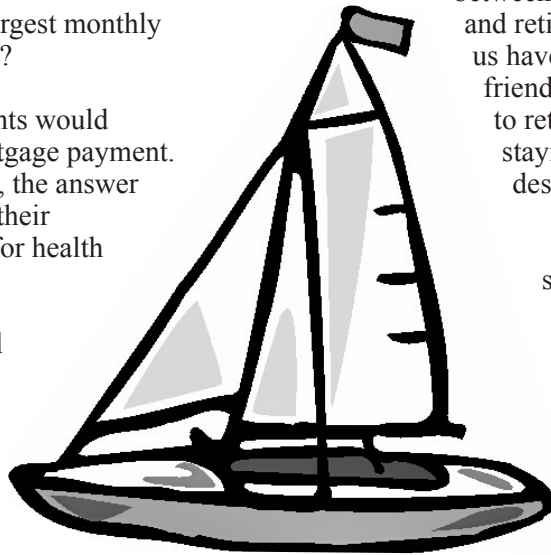
Those companies and public sector employers who wish to remain viable and competitive will by necessity soon modify their approach to flexible hours and part-time employment...even for senior people within the organization.

*...those that do not will simply cease to exist*



## “TEA”ser

A lot of money is tainted. Taint yours and it taint mine.



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