



...weekly since 1976

Your guide to understanding
today's economy and
financial markets

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THREDGOLD
ECONOMIC
ASSOCIATES

The TEA Company
A Professional Speaking and
Economic Consulting Company
1366 S Legend Hills Drive, Suite 150
Clearfield, Utah 84015
801-614-0403

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. We clearly face many significant challenges...no argument here. However, there are also 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...

- The consensus of forecasting economists still expects a return to positive (not impressive, but positive) U.S. economic growth during this year's third quarter
- Between 1980 and 2007, total emissions of major air pollutants within the U.S. dropped by 52%
- The number of people who have quit smoking (46 million) now exceeds the number who still smoke (45 million). Roughly 21% of adults smoke today, versus nearly half in the early 1950s
- A recent poll of more than 12,000 global business figures conducted by the World Economic Forum ranked the U.S. as the world's most competitive economy
- Traffic deaths per 100 million miles traveled during 2008 were the lowest on record
- Conventional thirty-year fixed-rate mortgages have been between 4.75% and 5.15% in recent weeks, some of the lowest levels on record
- The number of new cancer cases and deaths are falling for the first time since the government began compiling a report on long-term trends
- U.S. exports to China have risen roughly 24% per year since 2001, making China the fastest growing market for U.S. goods
- Incomes for the poorest one-fifth of all earners have grown an average of 3.9% annually since 1994, slightly outpacing the 3.4%-3.6% average gain of those in the middle three-fifths of incomes
- Average U.S. life expectancy has reached 78 years (men 75, women 80), the highest ever. This compares to 76 years in 1995, 68 years in 1950, and 47 years in 1900
- For every dollar of U.S. economic output generated today, we burn less than half as much oil as 30 years ago
- U.S. stock prices have risen roughly 25% during the past five weeks, the strongest rally in more than 70 years. The stock market—typically focused 6-9 months ahead—sees a return to U.S. economic growth
- U.S. military deaths in Iraq during 2008 plunged by two-thirds versus the prior year
- The U.S. trade deficit with the world fell for the seventh straight month in February to a nine-year low of \$26 billion
- The number of illegal immigrants in the U.S. declined by an estimated 1.3 million (to 11.2 million) between August 2007 and May 2008. Stronger enforcement and fewer job opportunities contributed to the decline
- Children's deaths from unintentional injury have dropped by almost 40% since 1987. Bicycle deaths fell 60%, while firearms-related deaths fell 72%
- Roughly 30% of trash was recycled or composted in the latest year, versus 16% in 1990
- A record 50.5 million foreigners visited the U.S. during 2008
- Men's contribution to housework has doubled over the past 40 years, while their time spent on child care has tripled
- The number of miners killed on the job in the U.S. fell to 51 during 2008, the lowest since recordkeeping began nearly a century ago
- Seat belt usage by Americans was at 82% in 2007, versus 49% in 1990 and 14% in 1983

- 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
- The number of people using public transportation hit a 52-year high during 2008
- Violent crime declined 3.5% during 2008's first half versus the prior year. Violent crime overall is down 55% since 1993, with violence by teens down 71%. School violence has declined by half from a decade ago
- Donations to charity set an all-time high in 2007, with more than \$300 billion donated by individuals, foundations, and corporations. As a percentage of GDP, Americans gave twice as much as the next most charitable nation...England
- Productivity of the average U.S. worker rose an average of 2.6% annually during the past 10 years, the largest gains in 40 years. Rising productivity is a long-term key to higher standards of living
- No passenger died in commercial air travel accidents in 2007 and 2008, a period when commercial airliners carried 1.5 billion passengers. Unfortunately, that string was broken this year
- Air pollution declined 25% over the past 30 years even as the population and the economy grew. Water quality also continues to improve. More progress will occur in coming years as companies see rising value in "going green"
- Alcohol-related traffic fatalities in the most recently reported year dropped by more than half versus 20 years ago
- The number of homeless people declined by an estimated 12% between 2005 and 2007, with an even larger decline in those who are chronically homeless
- 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
- During the early 1960s, the five-year survival rate from cancer for Americans was one in three. Today it is two in three...continuing to climb...and the highest in the world
- Substantiated cases of childhood sexual abuse have fallen 49% since 1990. Physical abuse of children is down by 43%
- More than three million girls participated in high school sports last year, part of a record 7.3 million total participants
- The number of abortions performed in this country has declined by one-third since 1990 and is now at a record low
- The U.S. rate of home ownership reached 69.2% of households in recent quarters, the highest ever, before declining slightly
- Women earned nearly 60% of all bachelor's degrees awarded in recent years, versus 43% in 1970 and 24% in 1950. Women earned a similar share of master's degrees
- Illicit drug use among U.S. teenagers hit a five-year low of 9.8% in 2006, down 16% since 2002
- U.S. teen pregnancy and birth rates plummeted to all-time lows in recent years, before a slight rise. The reasons? More widespread use of birth control, more work opportunities, and more girls who "just say no"
- 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
- Police officer deaths from gunfire during 2008 were the lowest in more than 50 years
- The Consumer Price Index (CPI) has actually declined 0.4% during the most recent 12-month period—the first 12-month decline since 1955—helping to stretch consumer incomes
- 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

You know the economy is weak when...

...you are now selling furniture for a living. Unfortunately, it's your own

...your partner asks, "How much do we have in the bank?" and you respond, "Hmmm, let me shake it."

...your seven course meal is now Rice-a-Roni and a six-pack

—with apologies to
Scott Friedman



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Thredgold Economic Associates
1366 S Legend Hills Drive, Suite 150
Clearfield, Utah 84015
www.thredgold.com

Graphics and layout by Kendall Oliphant
Research assistance by Shawn Thredgold