



...weekly since 1976

*Your guide to understanding
today's economy and
financial markets*

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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 recession is over! The consensus of forecasting economists expects U.S. economic growth during this year's third quarter to be at a solid 3.0%-4.0% real (after inflation) annual rate, with slightly weaker (but positive!) growth in the fourth quarter and during 2010
- Violent crime dropped slightly during 2008 versus the year before. Violent crime overall is down 55% since 1993, with violence by teens down 71%. School violence has declined by half from a decade ago
- The number of American volunteers rose 2.0% to 61.8 million in 2008. Among young adults, the number of volunteers rose 5.7%
- 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”
- The Dow average has rebounded 50% since its low in early March 2009. The Nasdaq is up 68% from its low
- Alcohol-related traffic fatalities in the most recently reported year dropped by more than half versus 20 years ago
- The global economy seems to have returned to a modest growth pace after suffering its first recession since WWII
- Most companies that have suspended their 401(k) matches in recent quarters plan to reinstate them
- U.S. exports to China have risen roughly 24% per year since 2001, making China the fastest growing market for U.S. goods
- Men's contribution to housework has doubled over the past 40 years, while their time spent on child care has tripled
- Energy-efficient appliances, cars, buildings, and other technologies that already exist could lower U.S. energy usage 30% by 2030
- Women now make up a record 46% of global MBA candidates. More than 70% of students surveyed name the U.S. as the top MBA study destination
- Productivity of U.S. workers 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
- 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
- Traffic deaths per 100 million miles traveled during 2008 were the lowest on record
- The Consumer Price Index (CPI) has actually declined 1.5% during the most recent 12-month period, helping to stretch consumer incomes
- The number of people using public transportation hit a 52-year high during 2008
- Conventional thirty-year fixed-rate mortgages have been just slightly above 5.00% in recent weeks, some of the lowest levels on record
- New cancer cases and deaths are falling for the first time since the government began compiling a report on long-term trends

- 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
- The U.S. trade deficit with the world averaged \$28 billion monthly during the past six months, down more than half versus an average of \$61 billion monthly during 2008's first half
- 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
- 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 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
- 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
- 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
- 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
- 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
- Fewer people abused prescription drugs during 2008 than the year before
- 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 U.S. role of dominance in the global economy in recent years has been as clear-cut as at any time since the 1950s

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In the year 3000...

YouTube, Twitter and Facebook will merge to form one super time-wasting web site called YouTwitFace.

—Conan O'Brien



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