



The Road Less Traveled: Economic Insights for Success

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Pacific Coast Banking School**

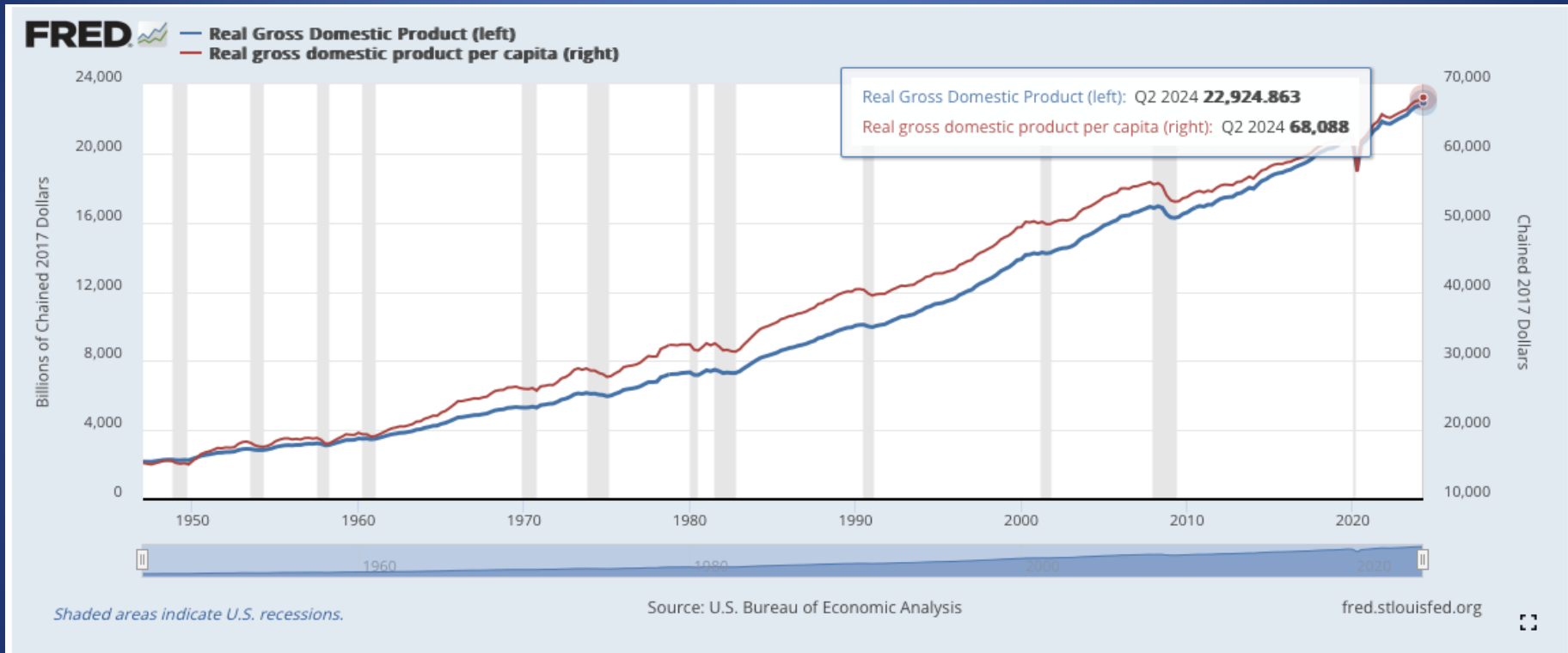
Which *Path* Should We Choose?



The Road Not Taken

- Robert Frost's poem has two meanings
 - The popular meaning is that the best path is the one we forge ourselves.
 - The academic meaning is that we convince ourselves *after the fact* that we forged our own path
- "I took the one less traveled by, And that has made all the difference."

What is the *Goal* of Our Economy?



We Need To Acknowledge the Elephant in the Room



Who Matters Most?

- Households
- Consumers
- Labor
- Wage Workers
- Entrepreneurs
- ??????
- *Silent Generation*
- *Baby Boomers*
- *Gen X*
- *Millennials*
- *Gen Z*
- *Gen Alpha*

Who has the wealth?

Who has the managerial power?

Who has the consumer power?

Who are the workers?

Who are creating jobs?

What Matters Most?

- Solow Growth Model
- Labor (Population)
 - Quality and quantity - Productivity
 - Demographics - U.S. and World
- Capital
 - Quality and quantity - Productivity
- Technology
 - Ideas & Entrepreneurship

Compare to the factors of production: Land, Labor, Capital, & Entrepreneurship

Who is behind the Door?



Demographic profiles and party identification of regular social media news consumers in the U.S.

% of each social media site's *regular* news consumers who are ...



* Estimates for Asian adults are representative of English speakers only.

Note: Snapchat, Twitch and WhatsApp not shown due to small sample sizes. White, Black and Asian adults include those who report being only one race and are not Hispanic; Hispanic adults are of any race.

Source: Survey of U.S. adults conducted Sept. 25-Oct. 1, 2023.

PEW RESEARCH CENTER

News?

Who is our hero?



What is behind the **WHO** Door?

- Take a moment and think about five demographic characteristics that describe you
- What song best defines your generation?
- What movie or show best defines your generation?

How do we have an economy with people so different from us?

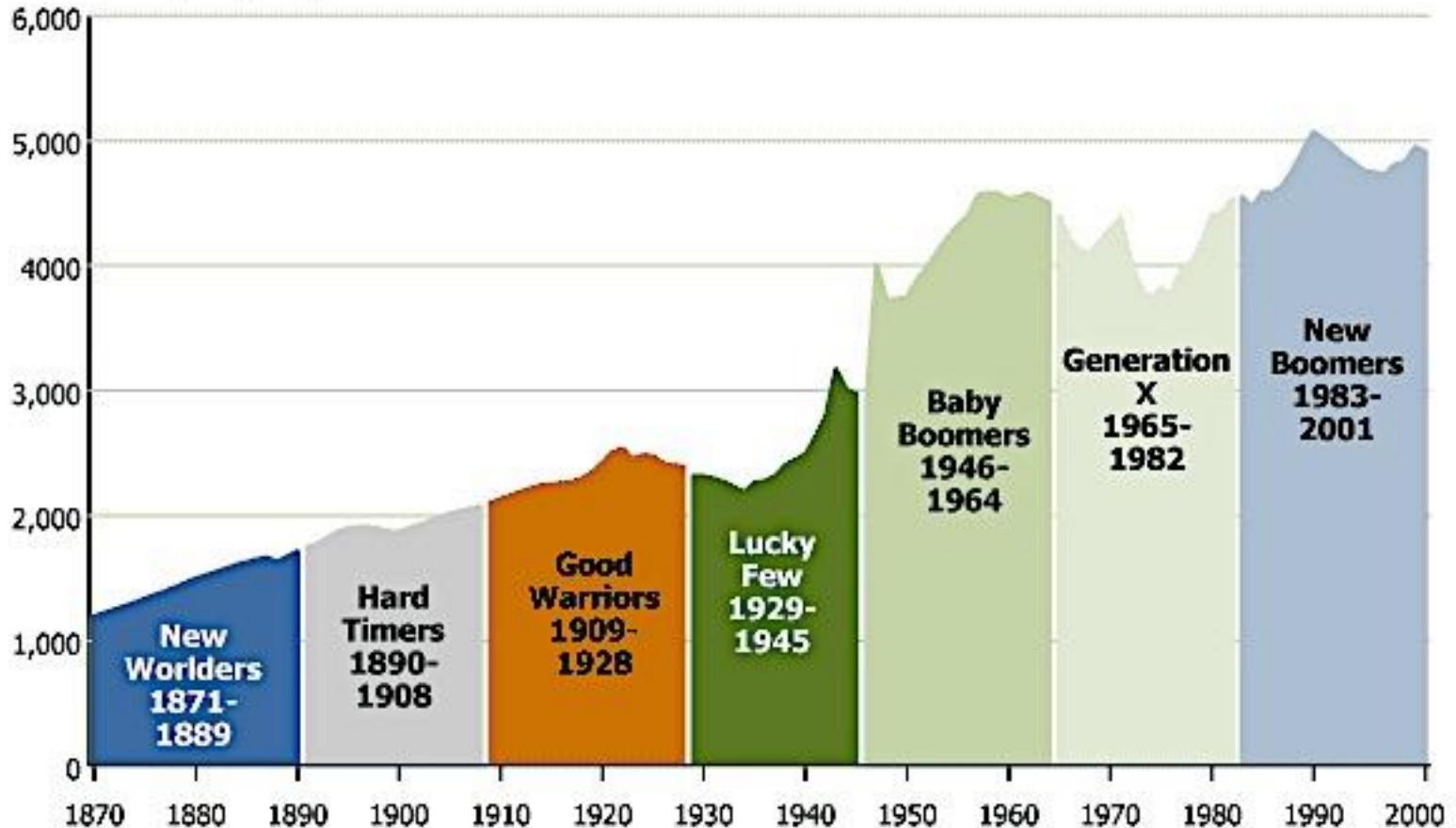
Name That Song



Generations at Age 30

U.S. Generations at Age 30 (with projections for births after 1978)

Thousands of people, by year of birth



Population changes affect long-run economic growth

- The Greatest Generation – born 1901-1924
- The Silent Generation – born 1925-1945
- The Baby Boomer Generation – born 1946-1964
- Generation X – born 1965-1979
- Millennials – born 1980-1994
- Generation Z – born 1995-2012
- Gen Alpha – born 2013 – 2025

1995 or 1996 or 1997 or 1998?



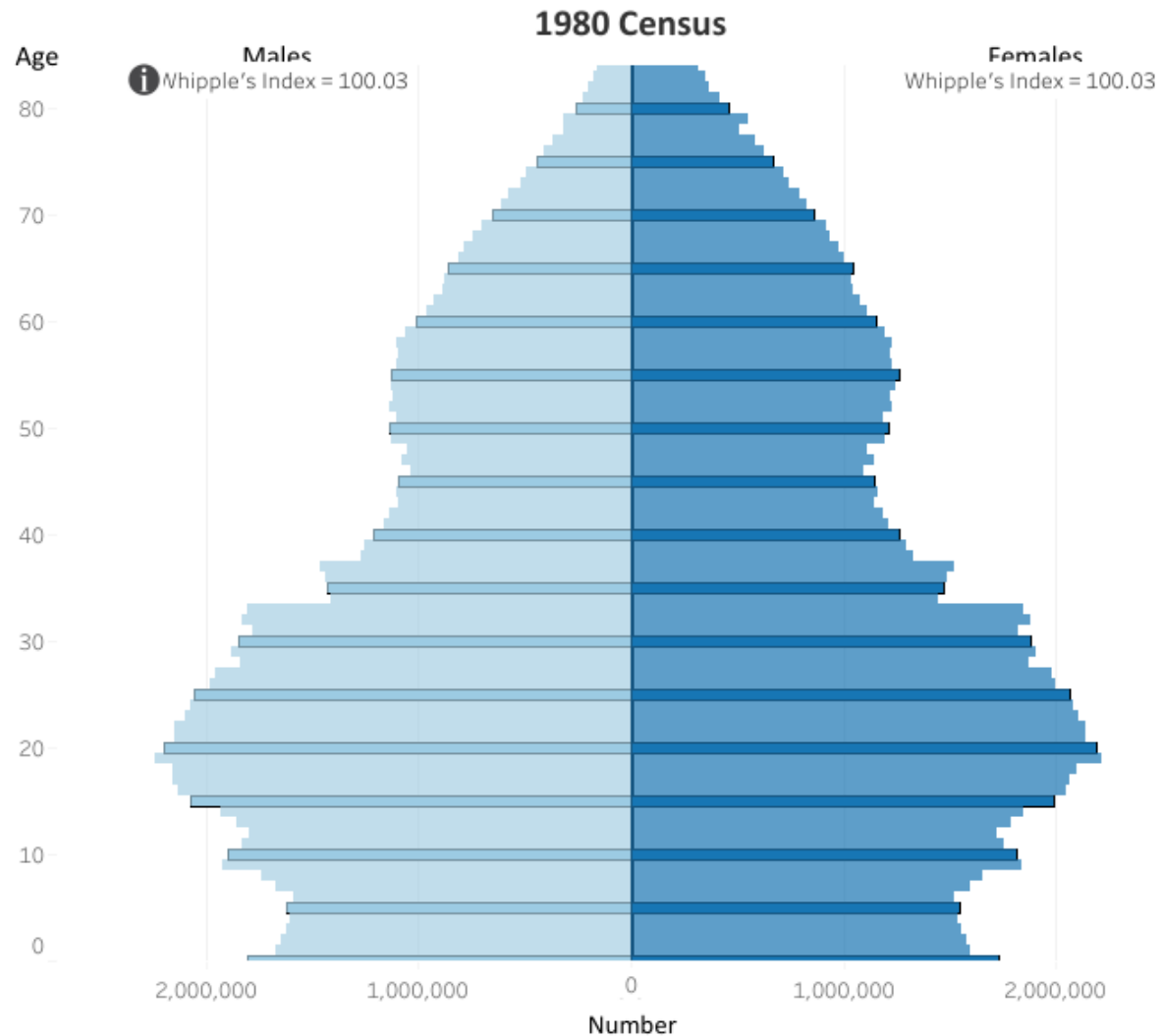
Age-Sex Pyramid for the United States

(Aged 0 to 84. Outlined bars represent ages ending in "0" or "5")

1980 Census

Show history

Press play to watch the pyramid change



United States[®]
Census
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U.S. Department of Commerce
U.S. CENSUS BUREAU
[census.gov](https://www.census.gov)

Source: 1980 Census Summary File 2C (SF2C), 1990 Census Summary File 2C (SF2C), Census 2000 Summary File 1 (SF1), 2010 Census Summary File 1 (SF1), 2020 Census Demographic and Housing Characteristics File (DHC)

PCBS

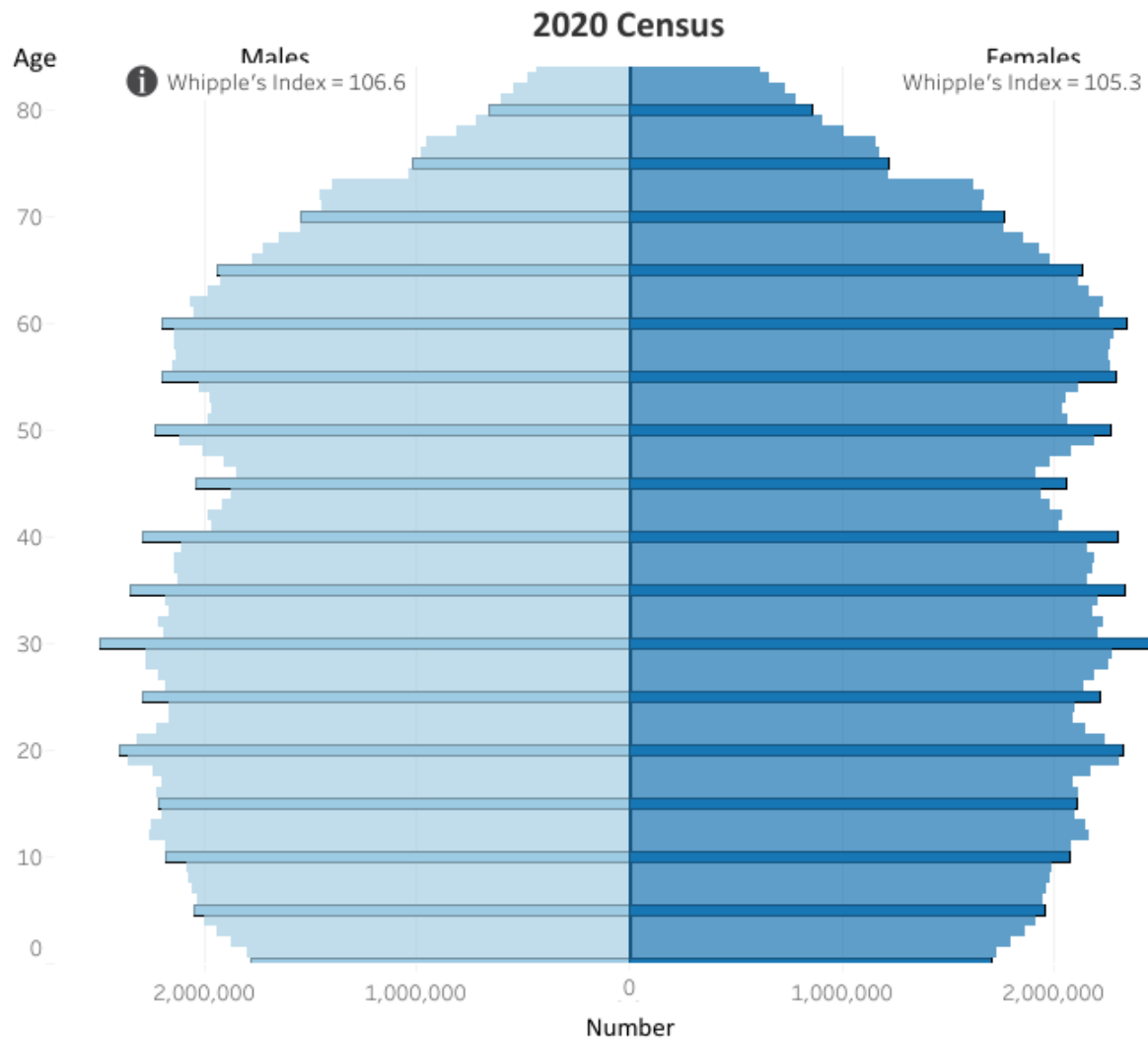
Age-Sex Pyramid for the United States

(Aged 0 to 84. Outlined bars represent ages ending in "0" or "5")

2020 Census

Show history

Press play to watch the pyramid change



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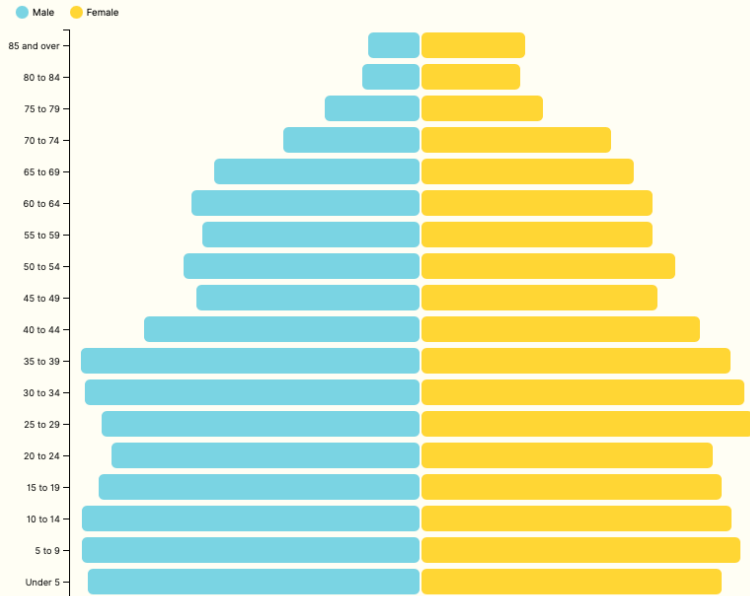
Source: 1980 Census Summary File 2C (SF2C), 1990 Census Summary File 2C (SF2C), Census 2000 Summary File 1 (SF1), 2010 Census Summary File 1 (SF1), 2020 Census Demographic and Housing Characteristics File (DHC)

PCBS

Check Your City

How does your community stack up?

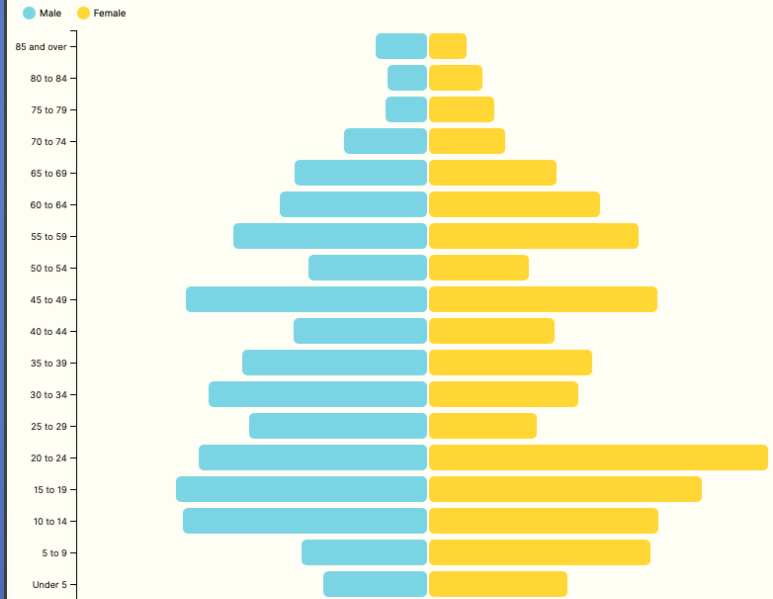
Amarillo, TX



Amarillo city, Texas

How does your community stack up?

Search for your community



ZCTA5 79015

Exploring Age Groups in the 2020 Census

Learn About Age, Sex, and Racial and Ethnic Diversity for States, Counties, and Census Tracts

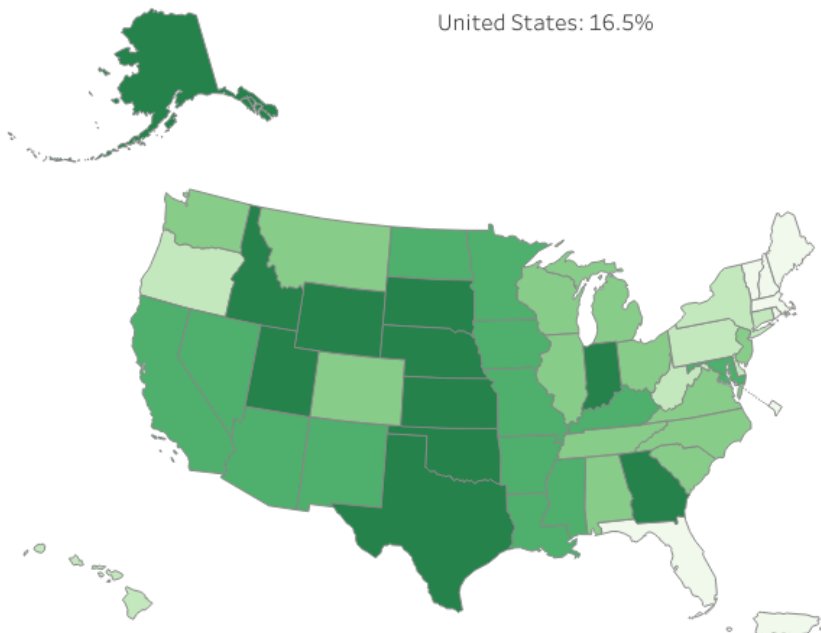
Select an age group:
5 to 17 years

Select a characteristic:
Percentage of population

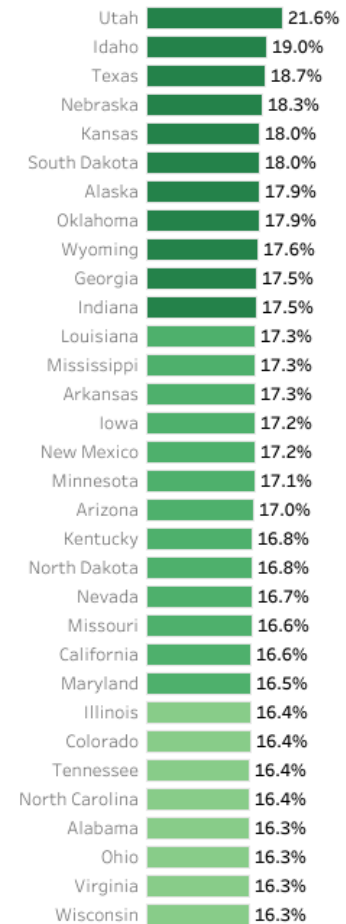
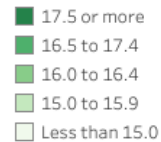
Select a geography level:
States
Counties
Tracts

Percentage of Population Aged 5 to 17 Years

United States: 16.5%



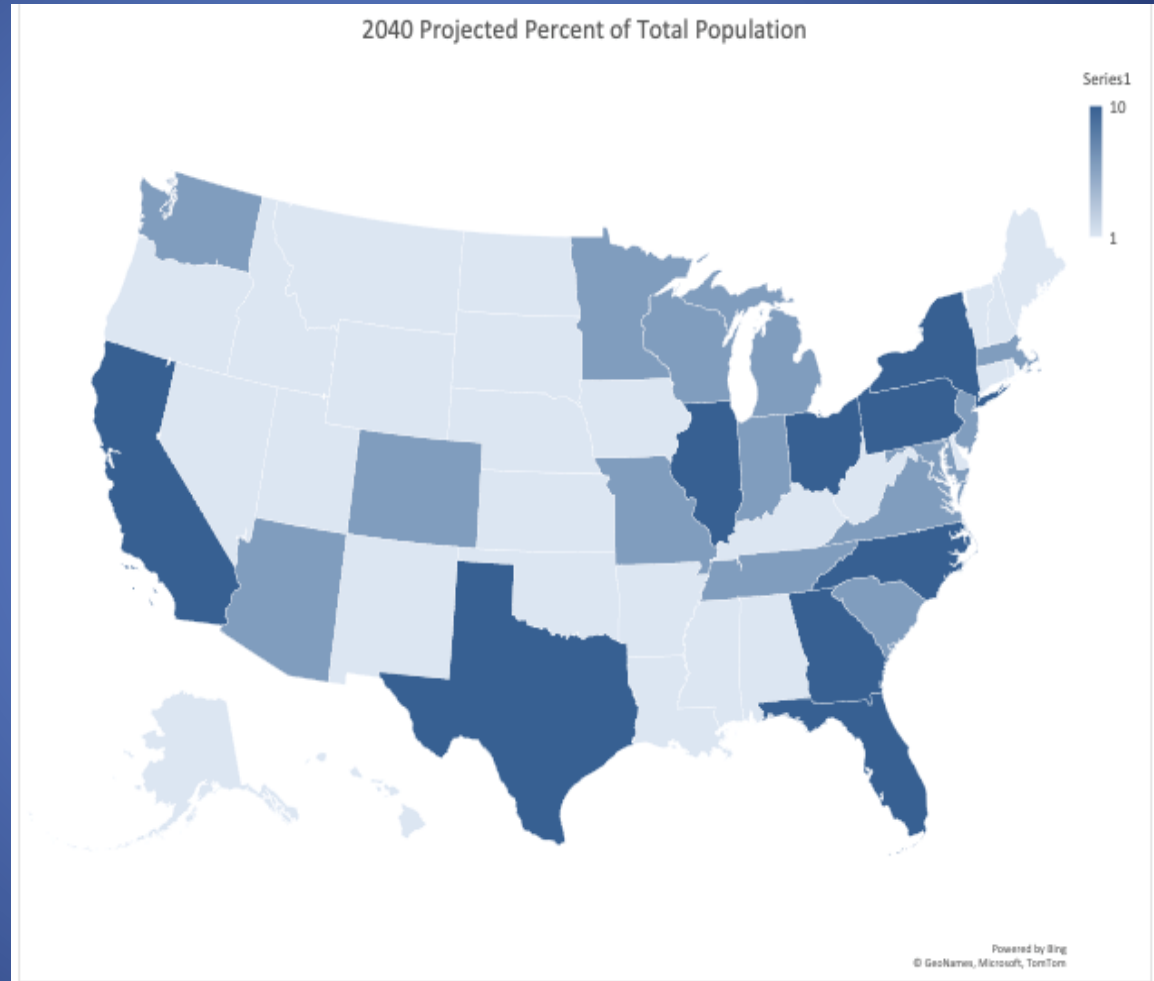
Percent population



Does Political Power Matter?

Dark Blue is 50% of
Expected 2040
Population

Medium Blue is
80% of 2040
Population



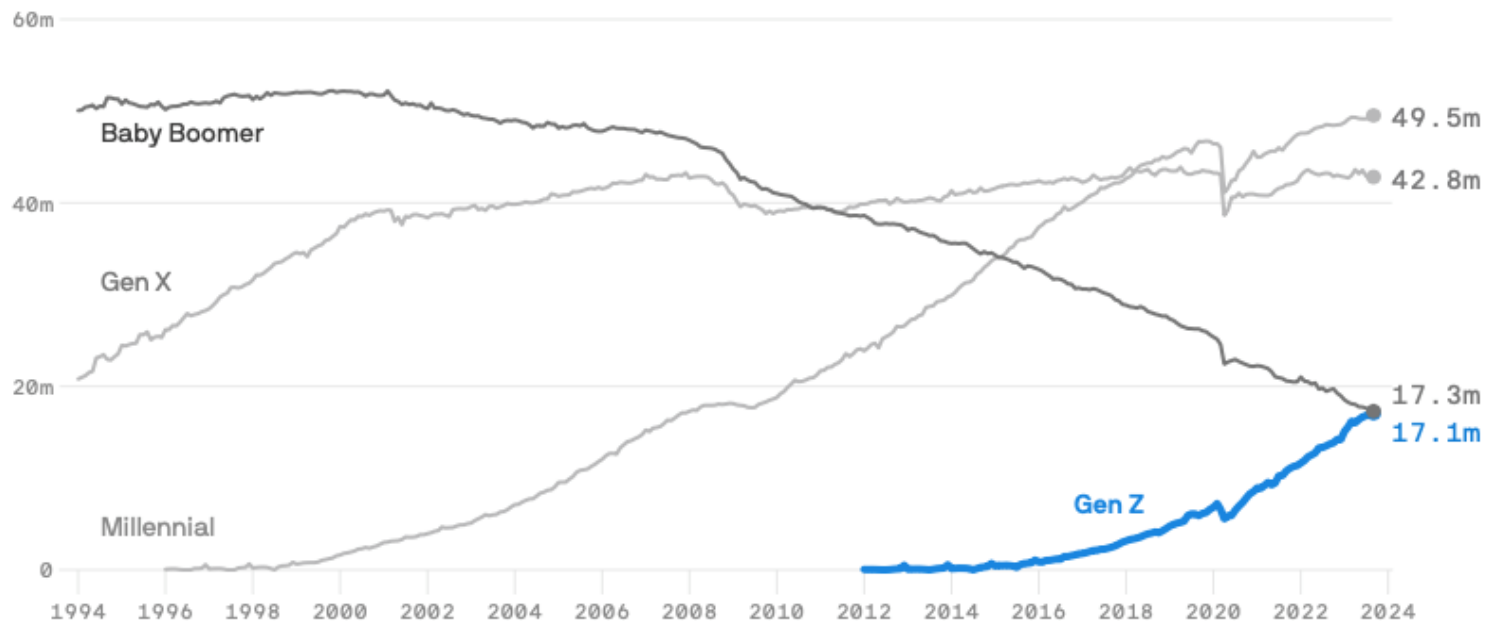
The *Regulation* Door: Senate vs. House

- Which *policies* and *regulation* will the Senate want? The House?
- Which door is your family, business, community behind?

Millennials Are In Charge

U.S. full-time workforce, by generation

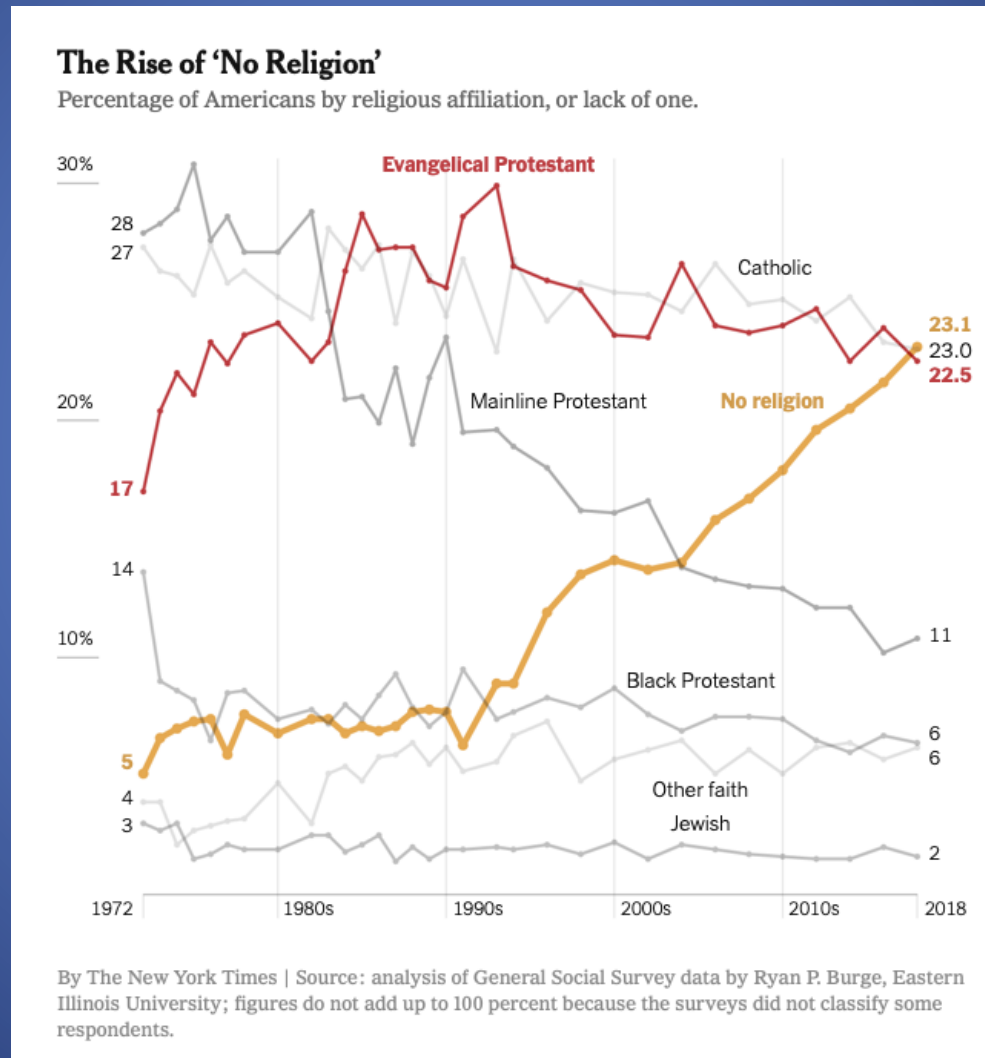
Seasonally adjusted; Monthly, January 1994 to September 2023



Gen Zers are expected to overtake Baby Boomers by early 2024

Data: Glassdoor analysis of Census Bureau data; Chart: Simran Parwani/Axios

Does Religious Background Matter?



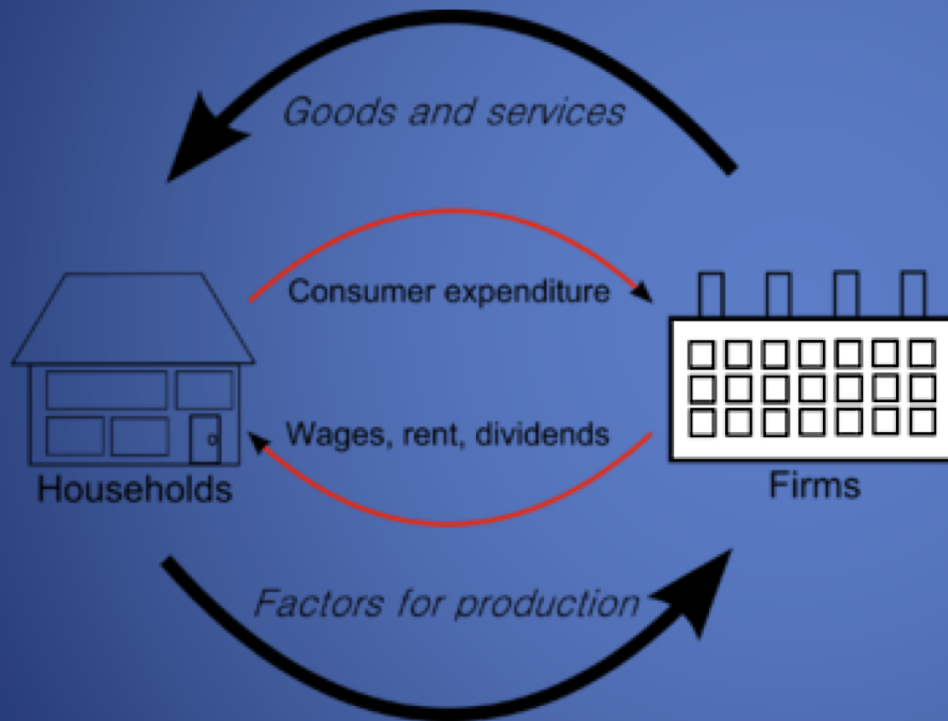
Archetypes in History

	ARCHETYPE			
	<i>Hero</i>	<i>Artist</i>	<i>Prophet</i>	<i>Nomad</i>
GENERATIONS	Arthurian Elizabethan Glorious Republican — G.I. Millennial	Humanist Parliamentary Enlightenment Compromise Progressive Silent Homelanders	Reformation Puritan Awakening Transcendental Missionary Boom	Reprisal Cavalier Liberty Gilded Lost Generation X
REPUTATION AS CHILD	good	placid	spirited	bad
COMING OF AGE	empowering	unfulfilling	sanctifying	alienating
PRIMARY FOCUS COMING OF AGE	outer-world	inter- dependency	inner-world	self-sufficiency
YOUNG ADULTHOOD	building	improving	reflecting	competing
TRANSITION IN MIDLIFE	energetic to hubristic	conformist to experimental	detached to judgmental	frenetic to exhausted
LEADERSHIP STYLE ENTERING ELDERHOOD	collegial, expansive	pluralistic, indecisive	righteous, austere	solitary, pragmatic
REPUTATION AS ELDER	powerful	sensitive	wise	tough
TREATMENT AS ELDER	rewarded	liked	respected	abandoned
HOW IT IS NURTURED	tightening	overprotective	relaxing	underprotective
HOW IT NURTURES	relaxing	underprotective	tightening	overprotective
POSITIVE REPUTATION	selfless, rational, competent	caring, open-minded, expert	principled, resolute, creative	savvy, practical, perceptive
NEGATIVE REPUTATION	unreflective, mechanistic, overbold	sentimental, complicating, indecisive	narcissistic, presumptuous, ruthless	unfeeling, uncultured, amoral
ENDOWMENTS	community, affluence, technology	pluralism, expertise, due process	vision, values, religion	liberty, survival, honor



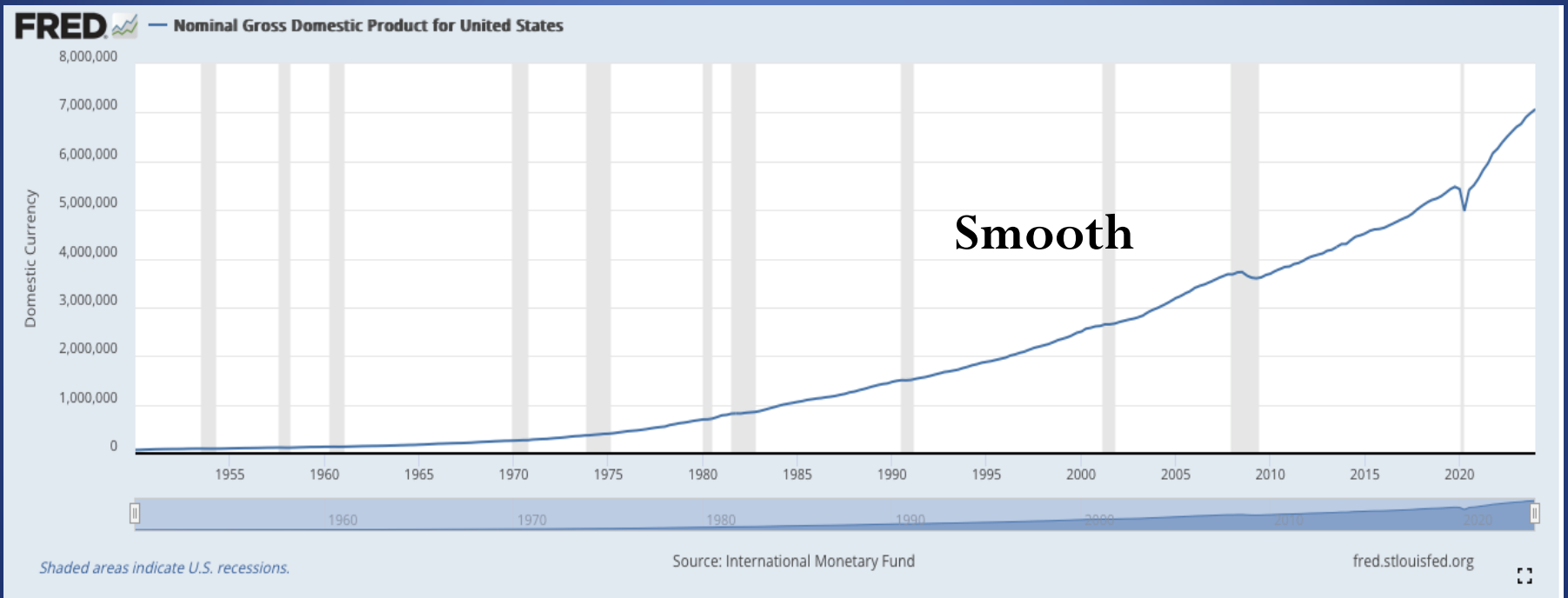
- What are some differences between the generations that you see in your position?
 - What does it mean for your bank?
- Who in your market is doing a good job of *capturing that value*?

How Do We Interact?



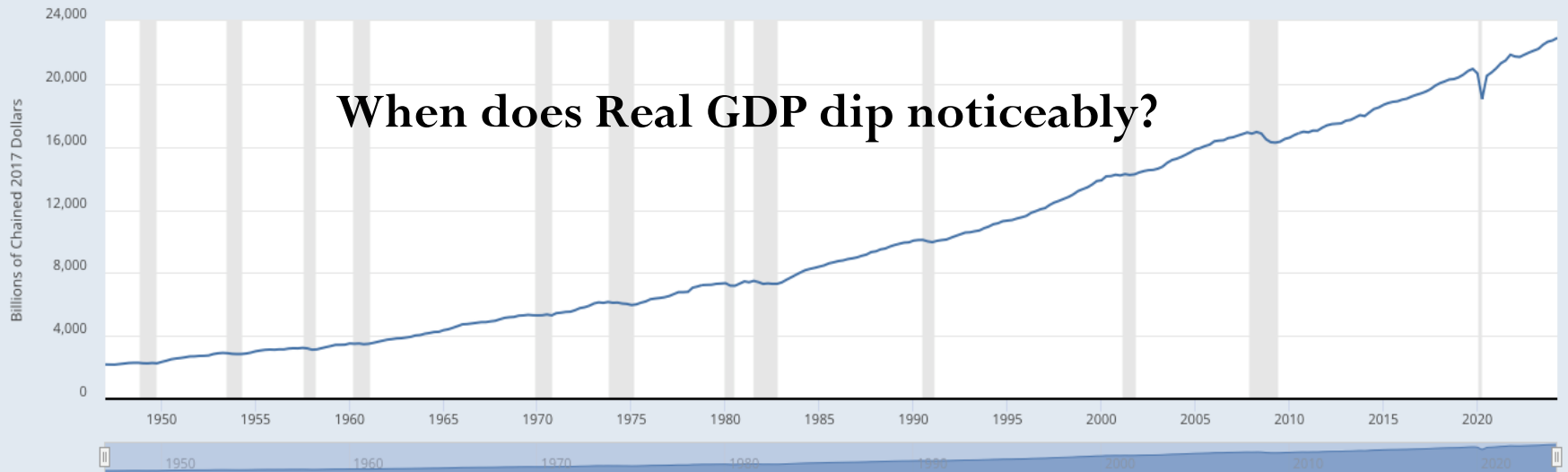
- Output
- Employment
- Inflation
- Interest rates

Nominal GDP Since 1947



Real GDP Since 1947

FRED — Real Gross Domestic Product



Shaded areas indicate U.S. recessions.

Source: U.S. Bureau of Economic Analysis

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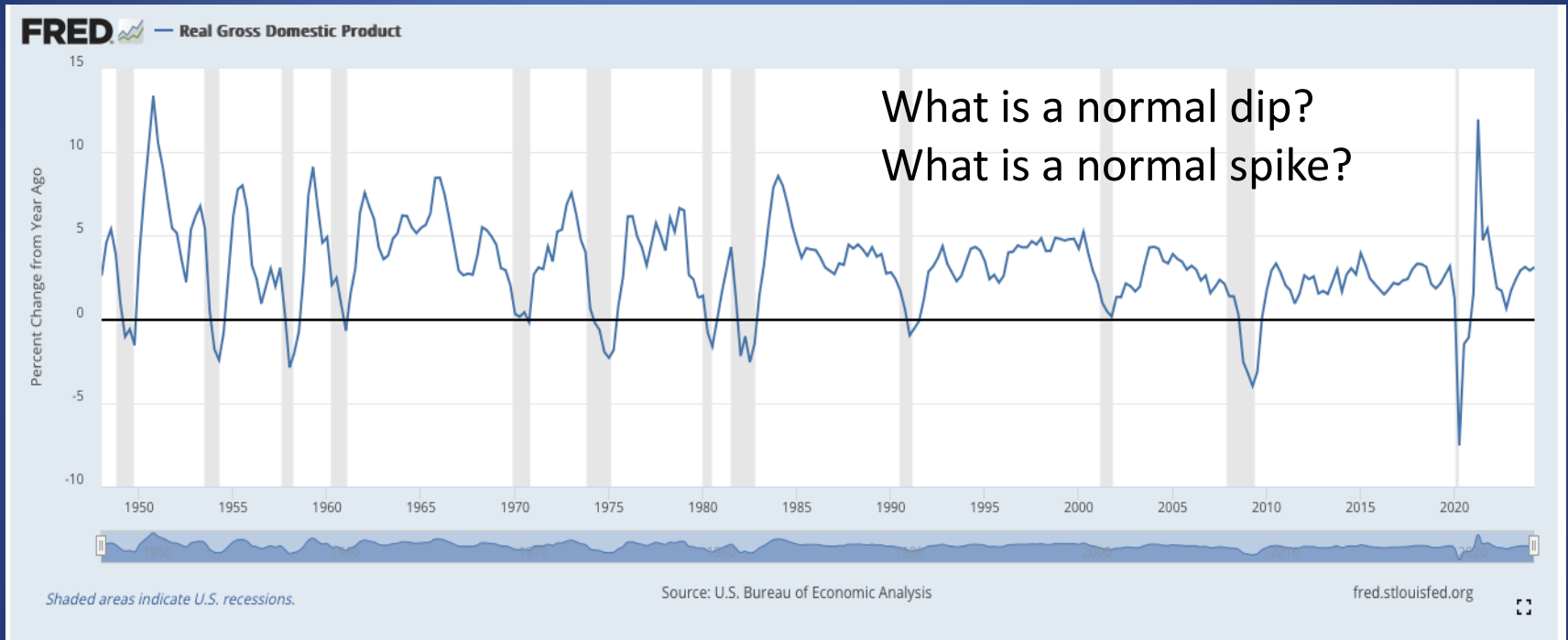
Joseph Schumpeter (1883-1950)



Creative Destruction

- Most modern economic theory and policy is viewed as post-WWII
- Why? (This is in terms of prior centuries)
 - Economy is more stable
 - Economy is steadily growing
 - Economy's fluctuations are less frequent with shorter shadows
 - One dominant generation and viewpoint This is changing!
 - This is an oversimplification, but we need to understand the perspective from which the theory and policy originated

Real GDP Percentage Change



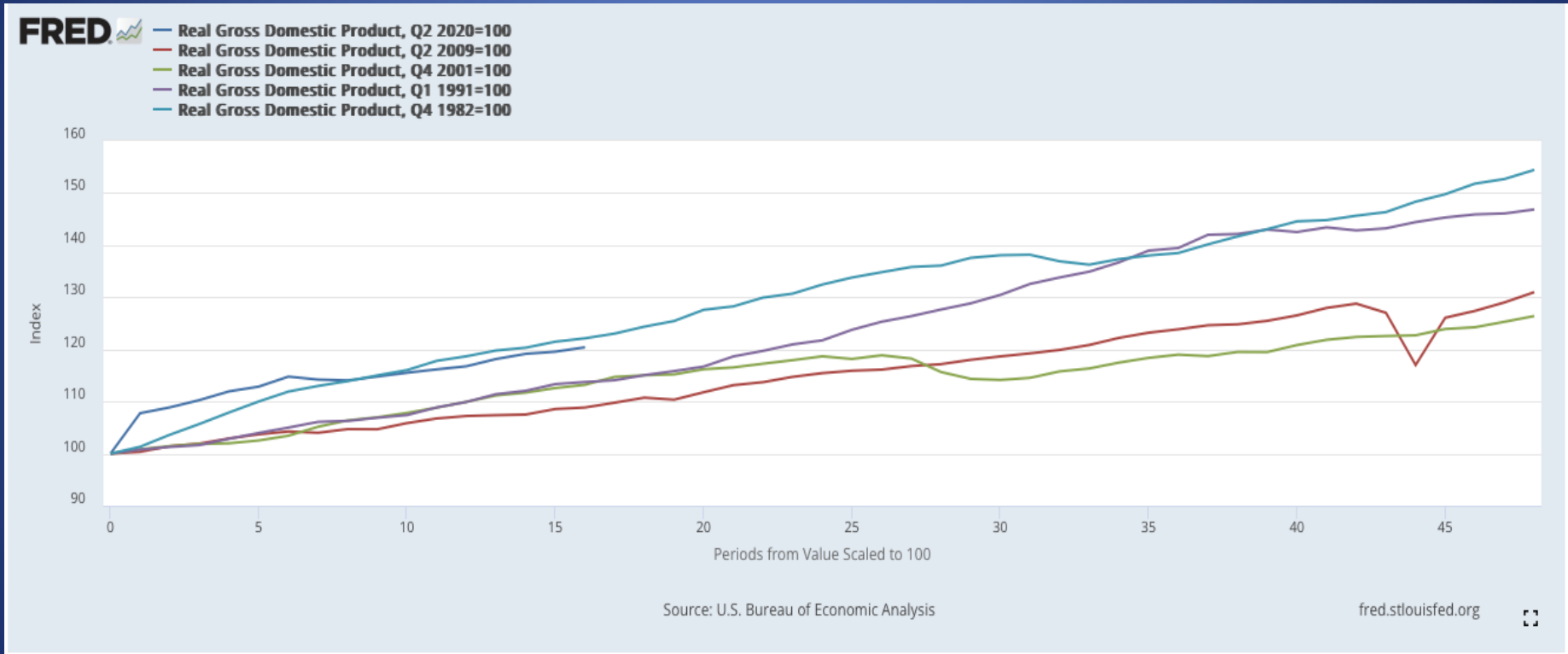
Economy is supposed to be more stable with less fluctuations.
What do you see with the recent fluctuations?

Recessions



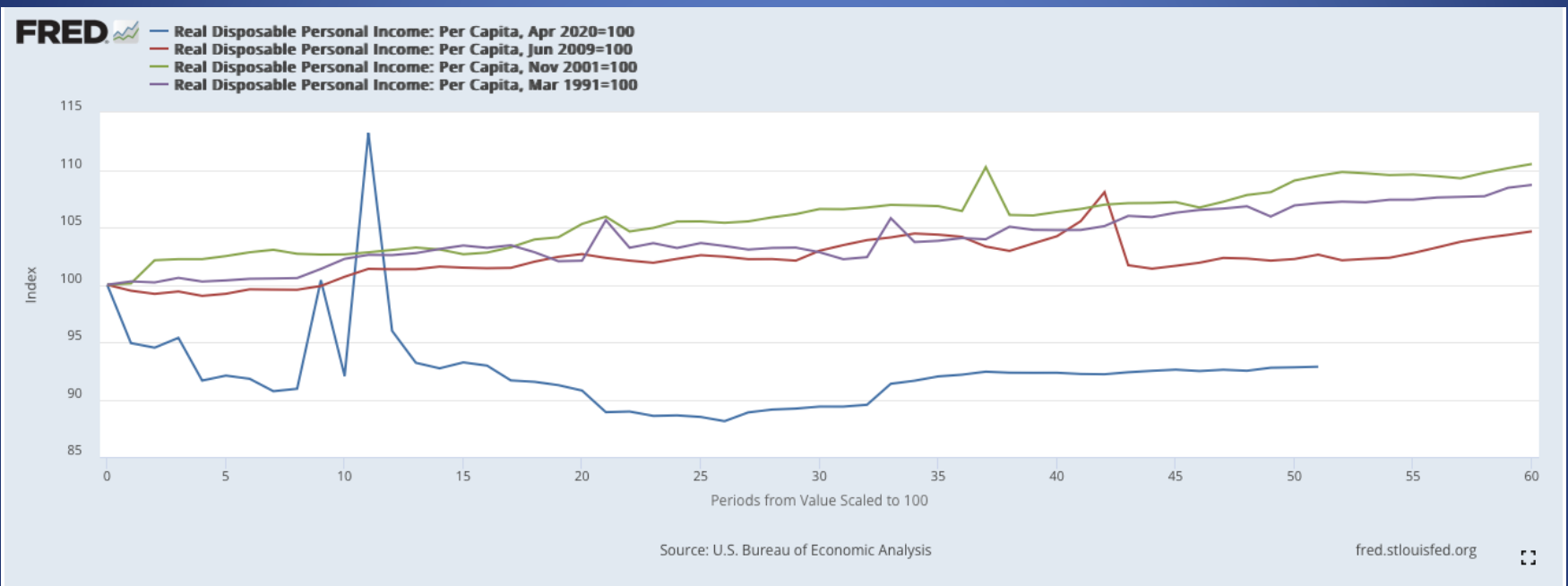
- <http://www.nber.org/cycles.html>
- February 2020 to April 2020 – 2 months
- December 2007 to June 2009 – 18 months
- March 2001 – November 2001 – 8 months
- July 1990– March 1991 – 8 months
- July 1981 – November 1982 – 16 months

Real GDP-post recessions



Were Millennials Hurt by the Slow Recovery after 2008-09 recession?

Real Disposable Personal Income: Per Capita





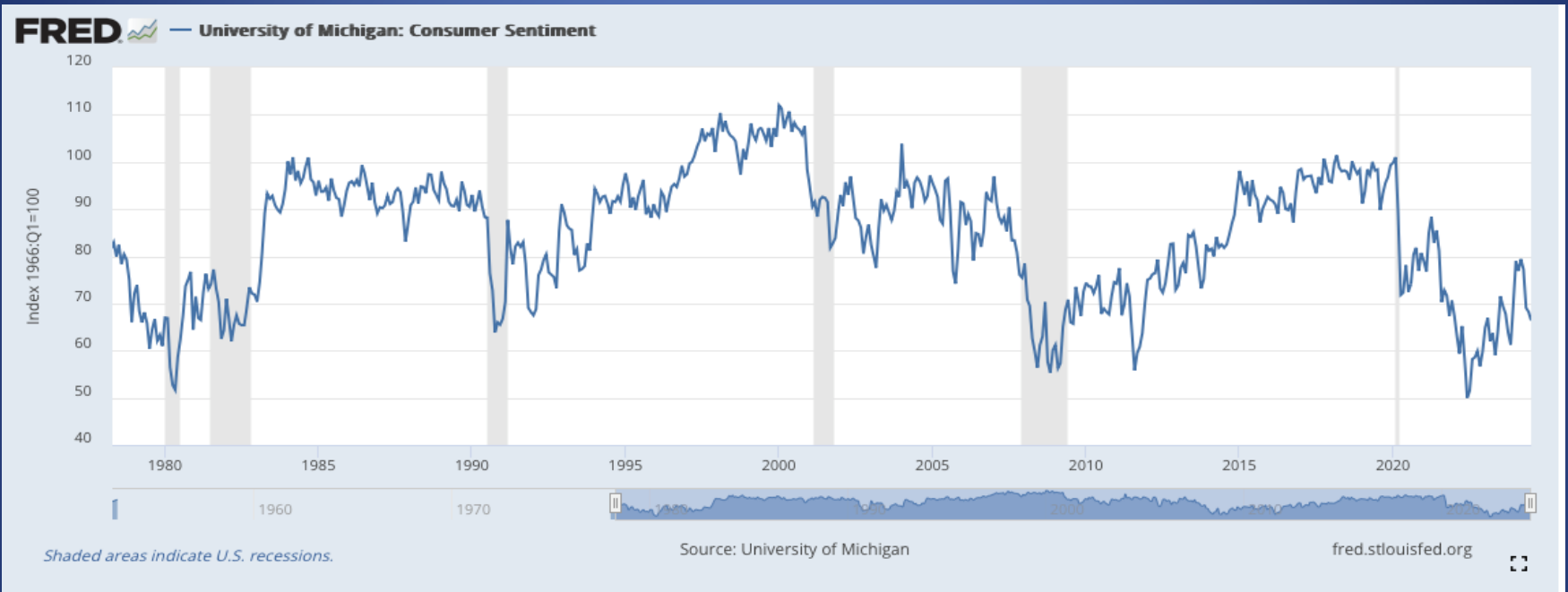
The data shows that the U.S. has had steady growth since WWII

- Recessions are less frequent
- Income has risen
- Ability to consume has risen

Next question is: Has the growth been even?

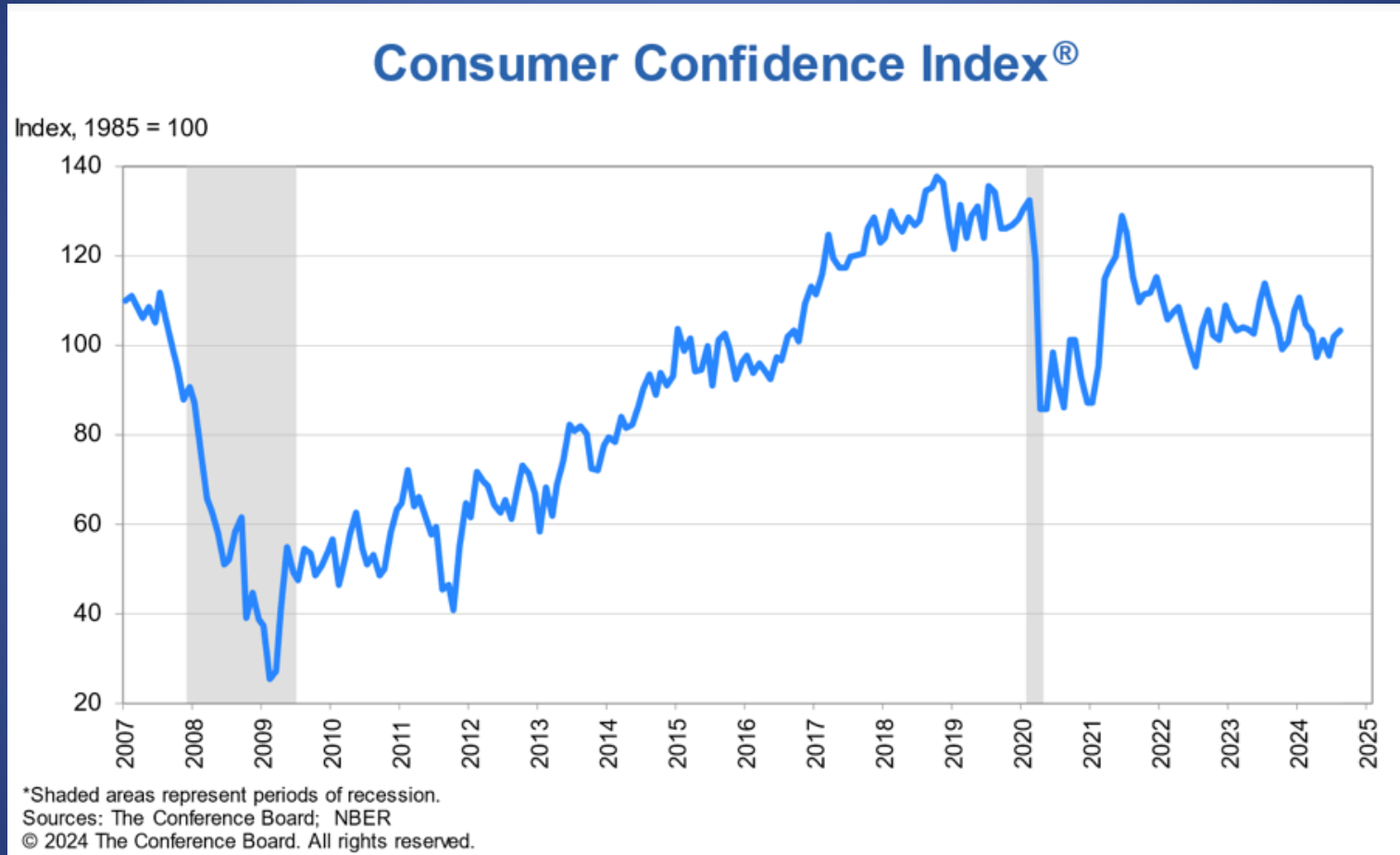
- Notice that recent recessions and measures of wealth have had more, larger, longer downswings

Consumer Sentiment



Why does this variable matter?
Focuses more on consumer spending

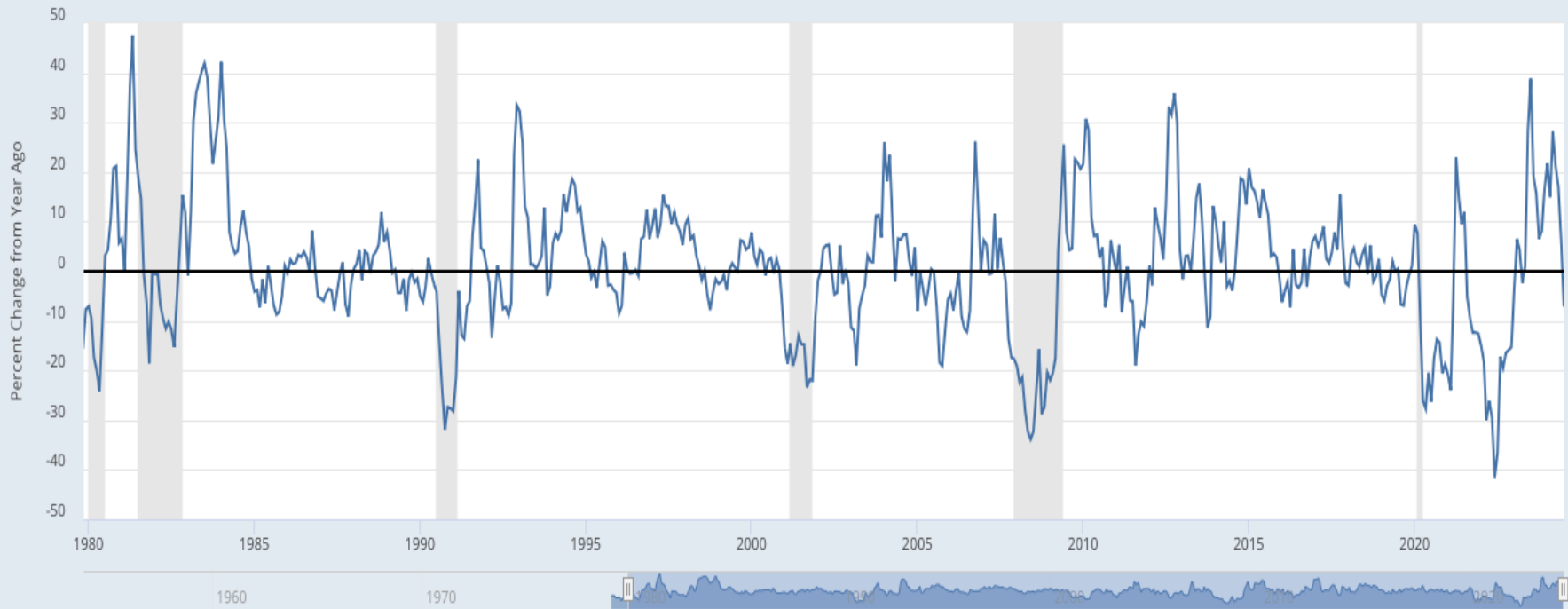
Consumer Confidence



Why does this variable matter?
Focuses more on labor market

Change in Consumer Sentiment

FRED — University of Michigan: Consumer Sentiment



Shaded areas indicate U.S. recessions.

Source: University of Michigan

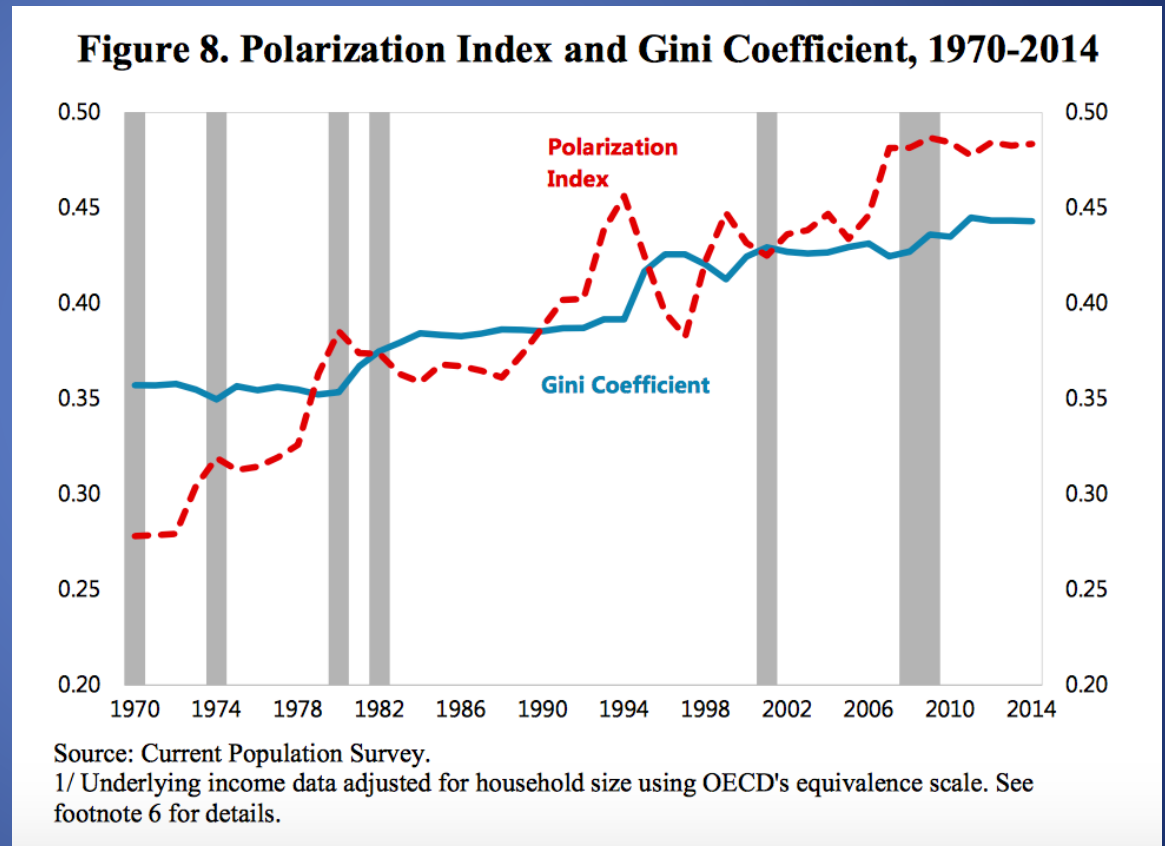
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Income Concepts

- Income Inequality
- Income Polarization
- Income Mobility

Current FRED Gini Index = 41.3



Why the Imbalance?

- Technological Progress
- Declining Unionization
- Taxation
- International Trade
- Education
- Immigration
- Household Structure
- Demographics

“Hollowing out” of the Middle Class

- Which is the one reasons that matters most for your city/region?
- IMF paper:
 - Round one was inequality
 - Round two is polarization

Gini Coefficient by State

Income Inequality by State 2024



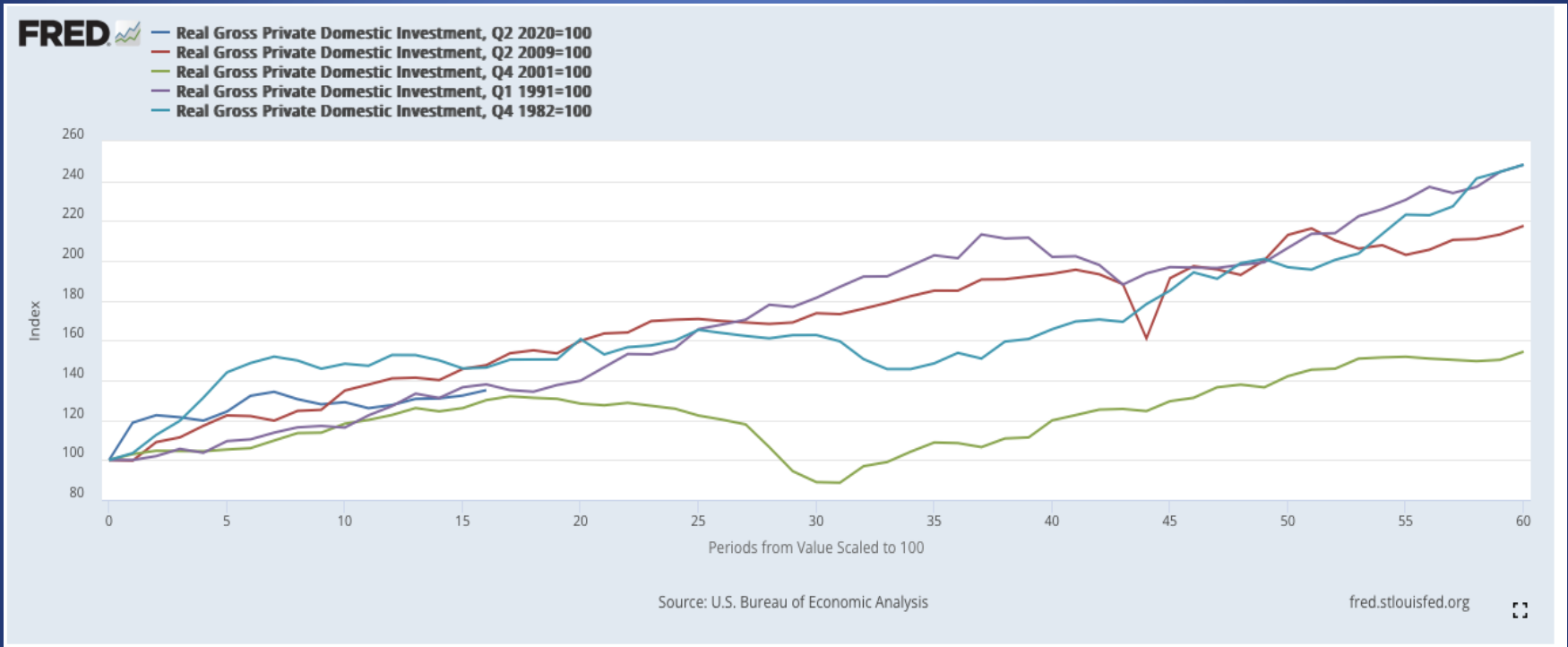
Gini Coefficient 2021





- Which reason(s) jammed your city/region's door?
- Every jammed door is a profit opportunity
 - Is your city/region handling the jammed door well?
 - Is your bank handling this well?
 - Is the current economy and political landscape unjamming doors?

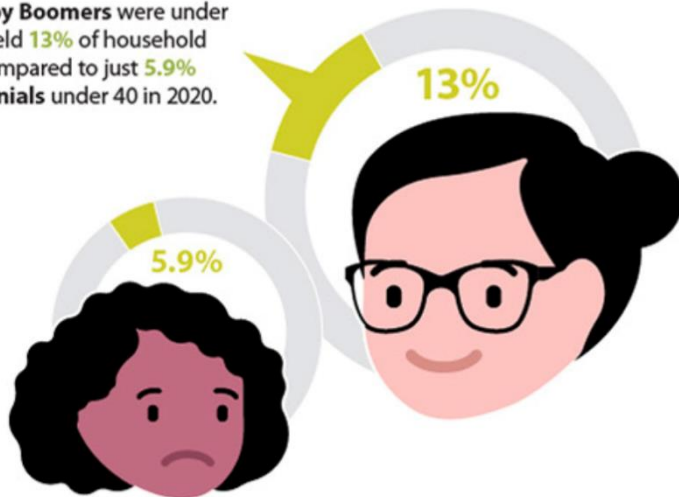
Real Investment Post Recessions



Are we expanding for the future?

Notice importance of home as an asset

When **Baby Boomers** were under 40, they held **13%** of household wealth, compared to just **5.9%** for **Millennials** under 40 in 2020.



Real estate accounts for **37%** of the wealth for Under 40, the largest share amongst any age group.



Will the BB wealth transfer solve some of the wealth issue?

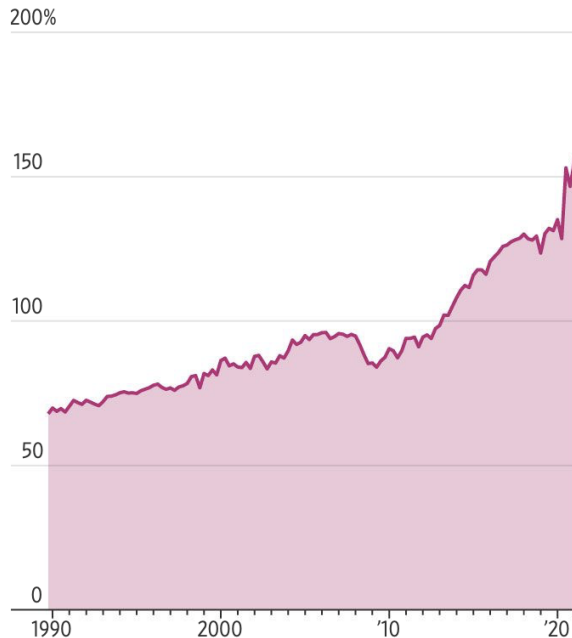
- Retiring Boomer business owners will sell or bequeath \$10 trillion worth of assets over the next two decades.
- These assets are held in more than 12 million privately owned businesses.
- More than 70 percent of these companies are expected to change hands.
- The sale of almost 12 million businesses over the next 10 to 15 years represents a significant increase in the annual number of businesses that will be sold.

Where is the wealth going?

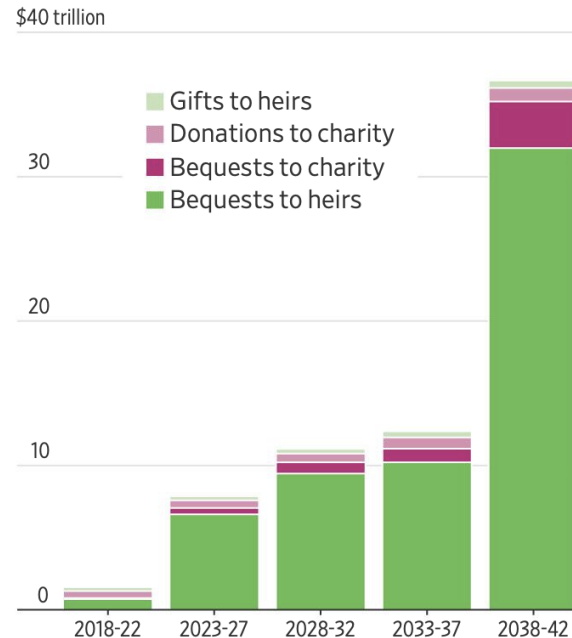
Generational Shift

Older Americans have accumulated a record amount of wealth, and are projected to hand down some \$70 trillion by 2042.

Net worth of people 70 and older as a share of U.S. gross domestic product



Wealth transfer*



*Figures in 2018 dollars. Totals represent the transfer for the five-year increment indicated (not cumulative).
Sources: Federal Reserve (net worth); U.S. Bureau of Economic Analysis (GDP); Cerulli Associates (wealth transfer)

Millennial Wealth Gap



- Average millennial has less wealth at the age of 35 than previous generations
- The top 10% of millennials have 20% more wealth than the top baby boomers at the same age

New American Job Market?

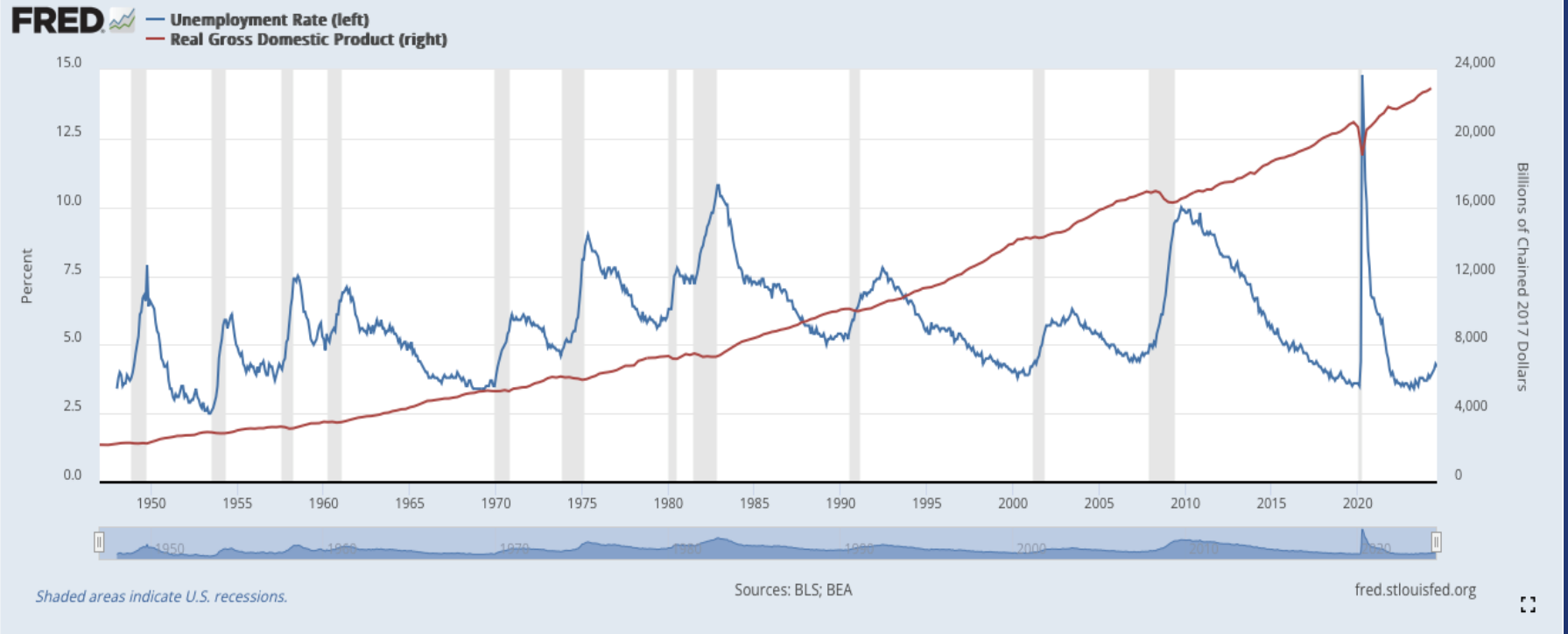
- Split between high-skill, medium-skill, and low-skill
 - Automated or not?
 - Blue-collar production and white-collar clerical jobs that can support a family are disappearing
 - Low-skill, low-wage service are replacing these jobs
 - Job losses in middle skill – middle-wage careers
 - Who has the skills – natives or immigrants?

Job Polarization



How does AI exacerbate this polarization?

Real GDP & Unemployment Rate



Sahm Rule

★ Real-time Sahm Rule Recession Indicator (SAHMREALTIME)

DOWNLOAD 

Observation:
Aug 2024: **0.57**
(+ more)

Updated: Sep 6, 2024 7:58 AM CDT

Units:
Percentage Points,
Seasonally Adjusted

Frequency:
Monthly

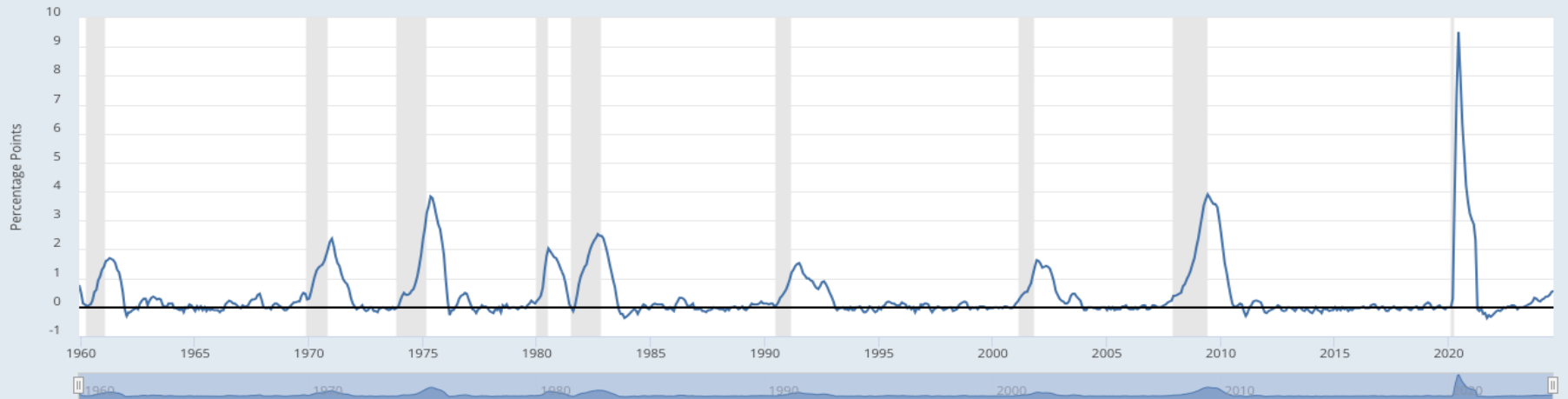
1Y | 5Y | 10Y | Max

1959-12-01

to 2024-08-01

EDIT GRAPH 

FRED — Real-time Sahm Rule Recession Indicator



Shaded areas indicate U.S. recessions.

Source: Sahm, Claudia

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U6 Rate – Marginally, PT, and Discouraged

★ **Total Unemployed, Plus All Persons Marginally Attached to the Labor Force, Plus Total Employed Part Time for Economic Reasons, as a Percent of the Civilian Labor Force Plus All Persons Marginally Attached to the Labor Force (U-6)** (U6RATE)

DOWNLOAD

Observation:
Aug 2024: **7.9**
(+ more)
Updated: Sep 6, 2024 7:46 AM CDT

Units:
Percent,
Seasonally Adjusted

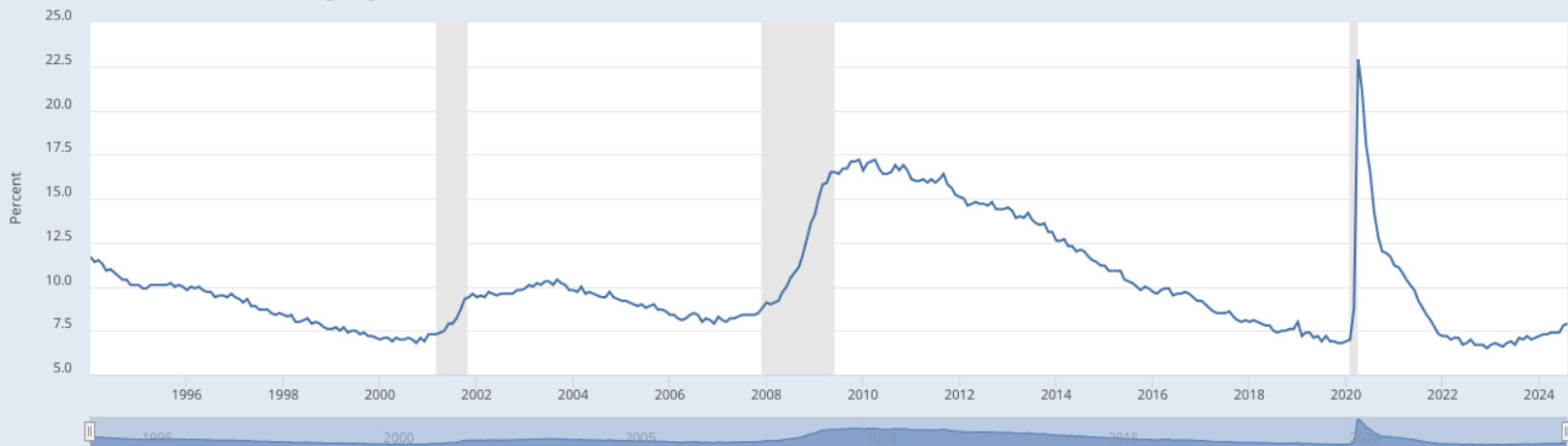
Frequency:
Monthly

1Y | 5Y | 10Y | Max

1994-01-01 to 2024-08-01

EDIT GRAPH

FRED — Total Unemployed, Plus All Persons Marginally Attached to the Labor Force, Plus Total Employed Part Time for Economic Reasons, as a Percent of the Civilian Labor Force Plus All Persons Marginally Attached to the Labor Force (U-6)

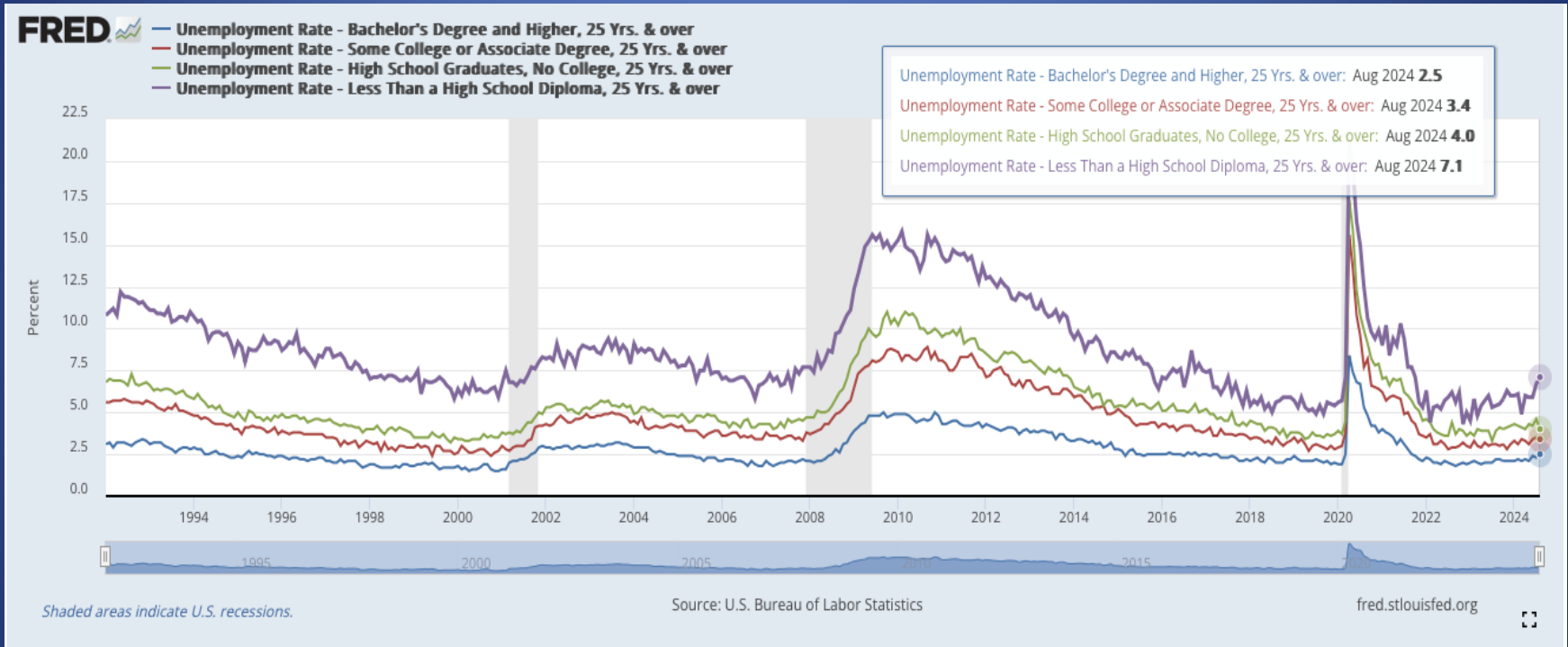


Shaded areas indicate U.S. recessions.

Source: U.S. Bureau of Labor Statistics

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Unemployed Based on Education

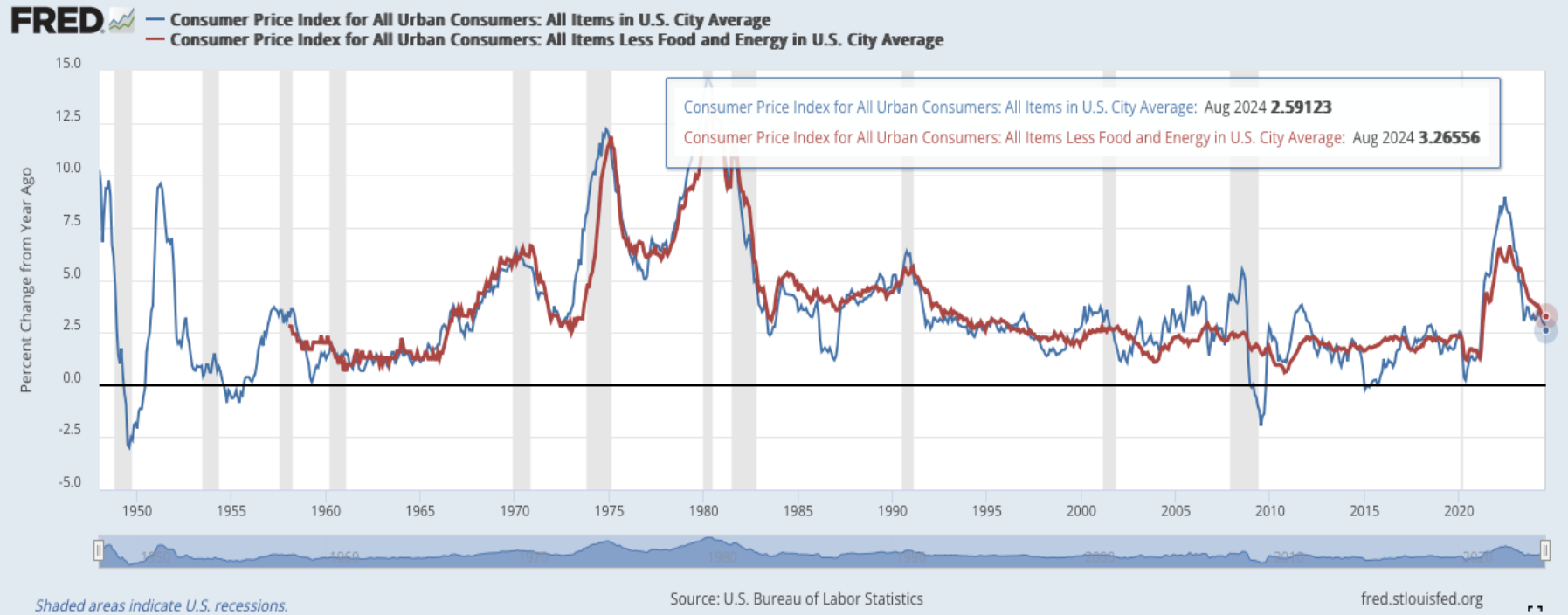


Does college pay?

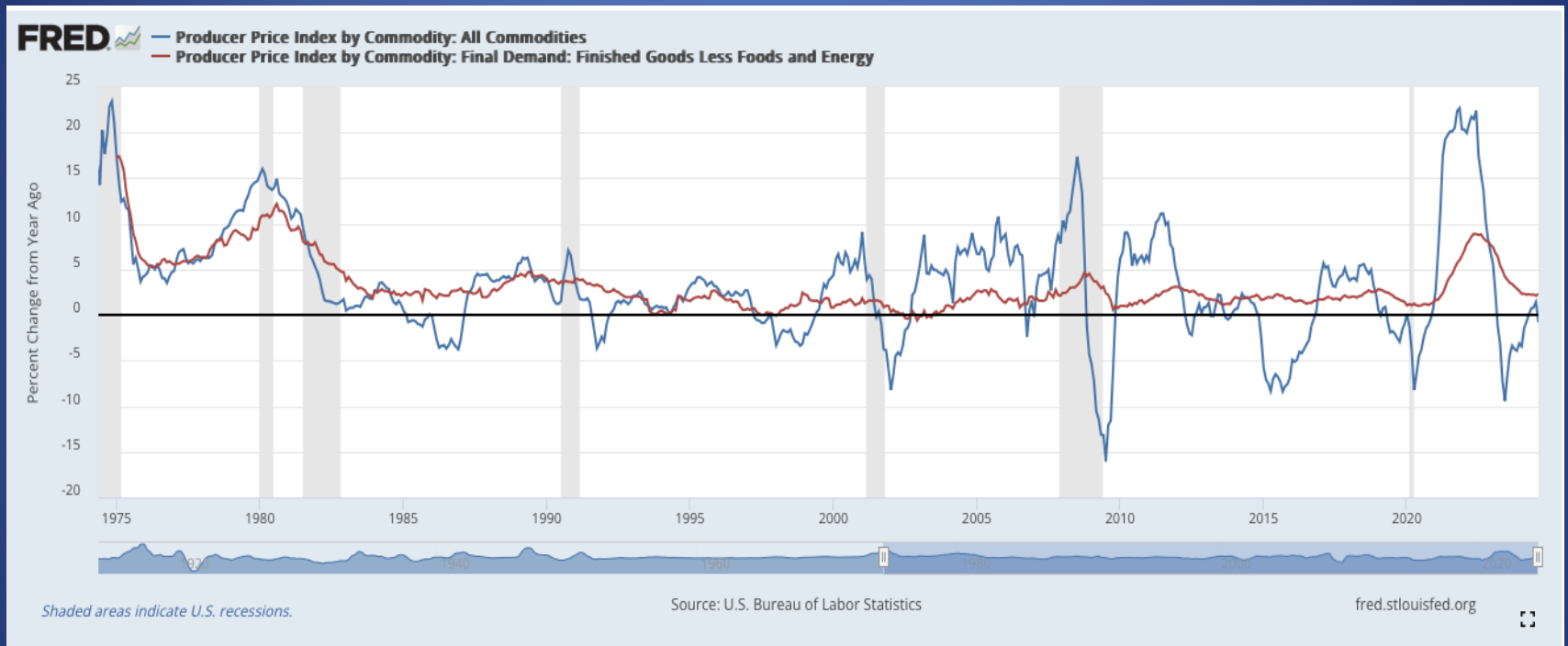
Efficiency Wage

- Pay a higher than market wage
 - Reduce adverse selection in hiring pool
 - Reduce shirking
 - Reduce turnover
- Workers need to demonstrate why they should be paid an efficiency wage
 - Certifications
 - Experience

Change in CPI



Producer Price Index



When do price changes from producers pass to consumers?

Are small businesses struggling?

CBS's Price Tracker

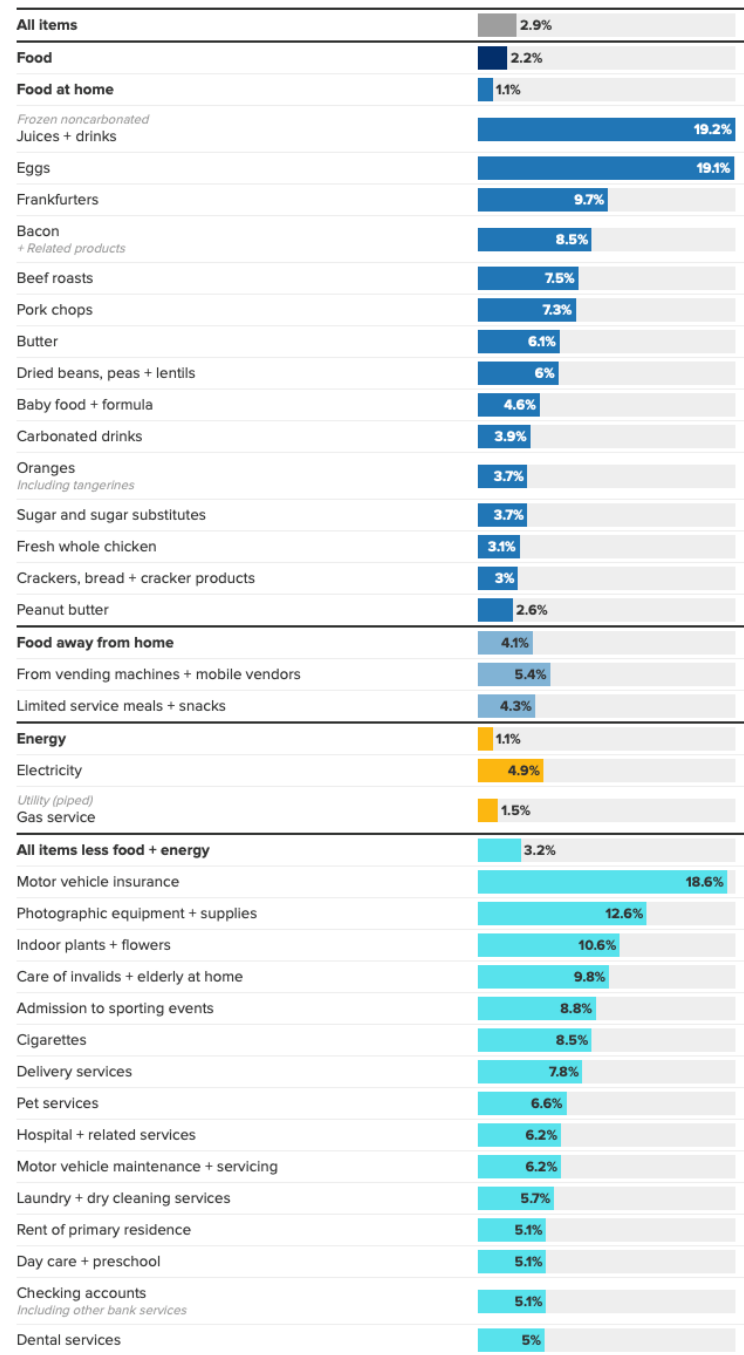
Prices are at a new level.

Did your income increase too?

Item	2019	2024	▼ % Increase
DOZEN EGGS	\$1.20	\$2.72	126
FROZEN ORANGE JUICE	\$2.49	\$4.26	71
LOAF OF BREAD	\$1.28	\$1.97	54
COFFEE (POUND)	\$4.17	\$6.25	50
YOGURT (8 OUNCES)	\$1.13	\$1.67	48
GROUND BEEF (POUND)	\$3.81	\$5.47	44
COOKIES	\$3.50	\$5.02	43
UTILITY GAS	\$1.04	\$1.41	36
POTATOES (POUND)	\$0.74	\$0.99	34
CHICKEN BREAST (POUND)	\$3.05	\$4.05	33
ICE CREAM (HALF GALLON)	\$4.63	\$6.14	32
REGULAR UNLEADED GASOLINE (GALLON)	\$2.75	\$3.60	31
MILK (HALF GALLON)	\$3.05	\$3.96	30
2-LITER SOFT DRINK	\$1.58	\$2.02	28
ELECTRICITY (KW HOUR)	\$0.14	\$0.18	28
RICE (POUND)	\$0.80	\$1.02	27
BUTTER (POUND)	\$3.92	\$4.70	20
SPAGHETTI AND MACARONI	\$1.19	\$1.44	20
BACON (POUND)	\$5.88	\$6.83	16
TABLE WINE	\$11.95	\$13.88	16
BANANAS (POUND)	\$0.57	\$0.63	9
CHEDDAR CHEESE (POUND)	\$5.25	\$5.54	5
TOMATOES (POUND)	\$1.81	\$1.84	2
STRAWBERRIES (PINT)	\$2.07	\$2.06	0

Table: John Kelly • Source: CBS News analysis of data from Consumer Price Index. The average price in U.S. cities for common items. Data through last month and compared to the same month of prior years based on average price.



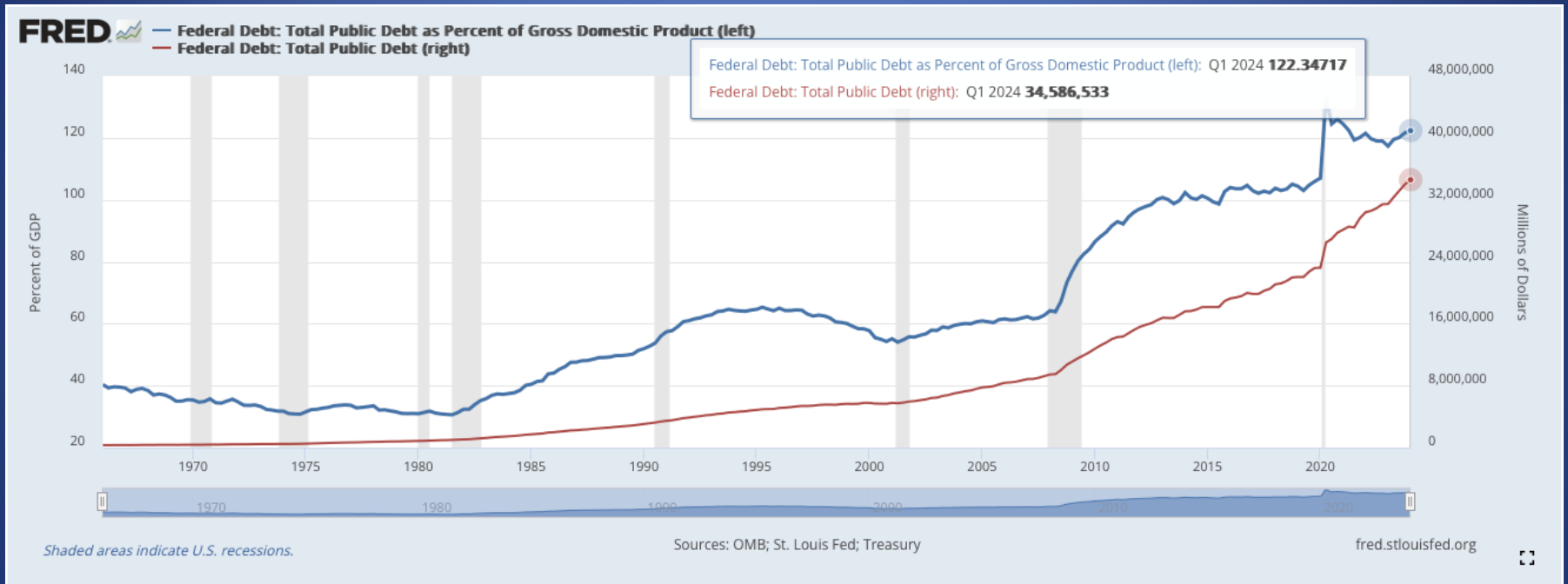


Households have
to make choices

Fees



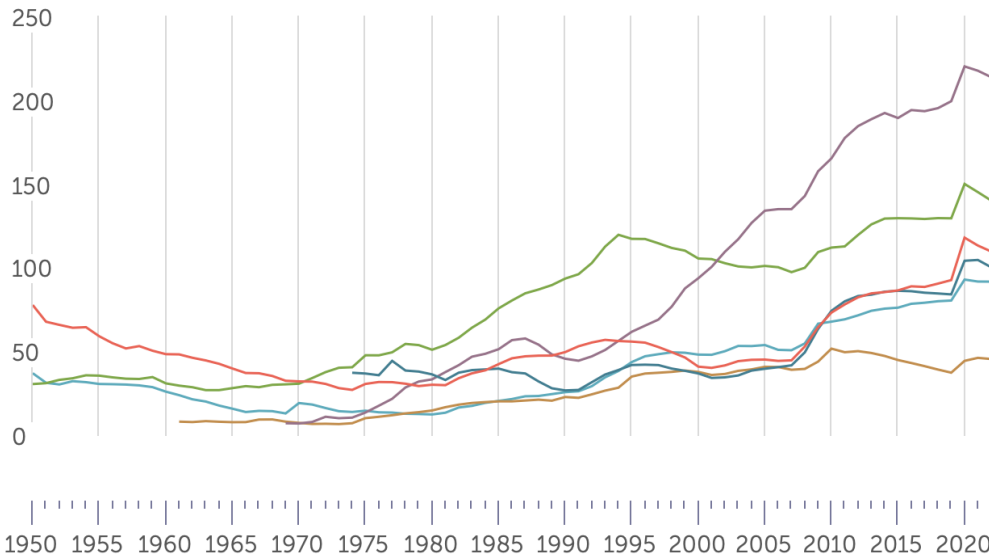
Total Public Debt to GDP



How Do We Compare?

TREND (1950-2022)

Percent of GDP



SELECTION (2022)

China, People's Republic of	no data
France	92.15
Germany	45.95
Italy	140.57
Japan	214.27
United Kingdom	100.75
United States	110.15

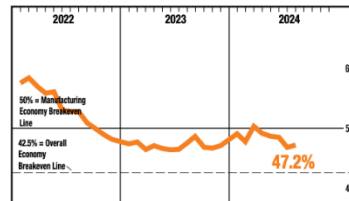
ADD AN ITEM TO THE CHART

RESET

Institute of Supply Management

MANUFACTURING PMI® at 47.2%

The U.S. manufacturing sector contracted for the fifth consecutive month in August, as the Manufacturing PMI® registered 47.2 percent, up 0.4 percentage point compared to July's reading of 46.8 percent. After breaking a 16-month streak of contraction by expanding in March, the manufacturing sector has contracted the last five months, but at a slower rate in August. Of the five subindexes that directly factor into the Manufacturing PMI®, only one (Supplier Deliveries) was in expansion territory, the same as in July.



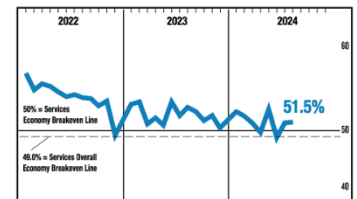
Manufacturing at a Glance

INDEX	Aug Index	Jul Index	% Point Change	Direction	Rate of Change	Trend* (months)
Manufacturing PMI®	47.2	46.8	+0.4	Contracting	Slower	5
New Orders	44.6	47.4	-2.8	Contracting	Faster	5
Production	44.8	45.9	-1.1	Contracting	Faster	3
Employment	46.0	43.4	+2.6	Contracting	Slower	3
Supplier Deliveries	50.5	52.6	-2.1	Slowing	Slower	2
Inventories	50.3	44.5	+5.8	Growing	From Contracting	1
Customers' Inventories	48.4	45.8	+2.6	Too Low	Slower	9
Prices	54.0	52.9	+1.1	Increasing	Faster	8
Backlog of Orders	43.6	41.7	+1.9	Contracting	Slower	23
New Export Orders	48.6	49.0	-0.4	Contracting	Faster	3
Imports	49.6	48.6	+1.0	Contracting	Slower	3
Overall Economy				Growing	Faster	52
Manufacturing Sector				Contracting	Slower	5

*Number of months moving in current direction. Manufacturing ISM® Report On Business® data has been seasonally adjusted for the New Orders, Production, Employment and Inventories indexes.

SERVICES PMI® at 51.5%

In August, the Services PMI® registered 51.5 percent, a 0.1-percentage point increase compared to the July reading of 51.4 percent. A reading above 50 percent indicates the services sector economy is generally expanding; below 50 percent indicates it is generally contracting. A Services PMI® above 49 percent, over time, generally indicates an expansion of the overall economy. Therefore, the August Services PMI® indicates the overall economy is expanding for the second straight month.



Services at a Glance

INDEX	Aug Index	Jul Index	% Point Change	Direction	Rate of Change	Trend* (months)
Services PMI®	51.5	51.4	+0.1	Growing	Faster	2
Business Activity	53.3	54.5	-1.2	Growing	Slower	2
New Orders	53.0	52.4	+0.6	Growing	Faster	2
Employment	50.2	51.1	-0.9	Growing	Slower	2
Supplier Deliveries	49.6	47.6	+2.0	Faster	Slower	2
Inventories	52.9	49.8	+3.1	Growing	From Contracting	1
Prices	57.3	57.0	+0.3	Increasing	Faster	87
Backlog of Orders	43.7	50.6	-6.9	Contracting	From Growing	1
New Export Orders	50.9	58.5	-7.6	Growing	Slower	4
Imports	50.3	53.3	-3.0	Growing	Slower	2
Inventory Sentiment	54.9	63.2	-8.3	Too High	Slower	16
Overall Economy				Growing	Faster	2
Services Sector				Growing	Faster	2

*Number of months moving in current direction. Services ISM® Report On Business® data has been seasonally adjusted for the Business Activity, New Orders, Employment and Prices indexes.

Federal Reserve Policy

Fed interest rate changes in election years

Federal Reserve interest rate changes - up and down - are very common in U.S. presidential election years.

Year	Net fed rate change	Winner	Fed chair
1972	1.50	Richard Nixon (R), incumbent	Arthur Burns
1976	-0.13	Jimmy Carter (D), challenger	Arthur Burns
1980	-2.00	Ronald Reagan (R), challenger	Paul Volcker
1984	2.56	Ronald Reagan (R), incumbent	Paul Volcker
1988	0.94	George H. W. Bush (R), incumbent	Alan Greenspan
1992	-1.00	Bill Clinton (D), challenger	Alan Greenspan
1996	-0.25	Bill Clinton (D), incumbent	Alan Greenspan
2000	1.00	George W. Bush (R), challenger	Alan Greenspan
2004	0.75	George W. Bush (R), incumbent	Alan Greenspan
2008	-2.75	Barack Obama (D), challenger	Ben Bernanke
2012	0.00	Barrack Obama (D), incumbent	Ben Bernanke
2016	0.00	Donald Trump (R), challenger	Janet Yellen
2020	-1.50	Joe Biden (D), challenger	Jerome Powell
2024	-0.50	?	Jerome Powell

Note: Net change is measured in percentage points from January through October. In years with no sitting president seeking re-election, the outgoing president's party is considered the 'incumbent.'

Source: Federal Reserve

What interest rates have done in election years and which candidate won

Fed rate cut cycles starting in election years

Contrary to conventional wisdom, interest rate cuts beginning in election years don't often help incumbents.

Date of First Cut	Proximity to Election Day (in weeks)	Total cuts in cycle	Total reduction in rates (in basis points)	Election winner
Oct., 1976	4	4	75	Jimmy Carter (D), challenger
April, 1980	27	3	550	Ronald Reagan (R), challenger
Aug., 1984	9	11	344	Ronald Reagan (R), incumbent
March, 2020	35	2	150	Joe Biden (D), challenger
Sept., 2024	7	?	?	?

Notes: Month of first cut is defined as a reduction following at least one rate increase or after a pause in rate changes lasting at least 5 months. Easing cycles that began in non-presidential election years and continued through the election year are not included. In 1980 rate cuts ended in August, and the Fed then raised rates in October, two weeks before Election Day.

Source: U.S. Federal Reserve, LSEG

Summarizes Fed rate cut cycles that began in election years

Misery Index

UNITED STATES MISERY INDEX - HOW MISERABLE DO YOU FEEL?

Misery Index (7.07) equals Unemployment rate (4.1) plus Inflation rate (2.97)

Misery Index by President

President	Time Period	Start	End	Change	Average
Richard M Nixon	1969-01 - 1974-07	7.80	17.01	9.21	10.57
James E Carter, Jr.	1977-01 - 1980-12	12.72	19.72	7.00	16.26
Dwight D Eisenhower	1953-01 - 1960-12	3.28	7.96	4.68	6.26
Lyndon B Johnson	1963-11 - 1968-12	7.02	8.12	1.10	6.77
Donald J Trump	2017-01 - 2020-12	7.30	8.06	0.76	6.91
George H.W. Bush	1989-01 - 1992-12	10.07	10.30	0.23	10.68
George W Bush	2001-01 - 2008-12	7.93	7.39	-0.54	8.11
Joseph R Biden Jr.	2021-01 - 2024-06	7.70	7.07	-0.63	9.44
Barack H Obama	2009-01 - 2016-12	7.83	6.77	-1.06	8.83
John F Kennedy	1961-01 - 1963-10	8.31	6.82	-1.49	7.14
William J Clinton	1993-01 - 2000-12	10.56	7.29	-3.27	7.80
Gerald R Ford	1974-08 - 1976-12	16.36	12.66	-3.70	16.00
Ronald W Reagan	1981-01 - 1988-12	19.33	9.72	-9.61	12.19
Harry S Truman	1948-01 - 1952-12	13.63	3.45	-10.18	7.88

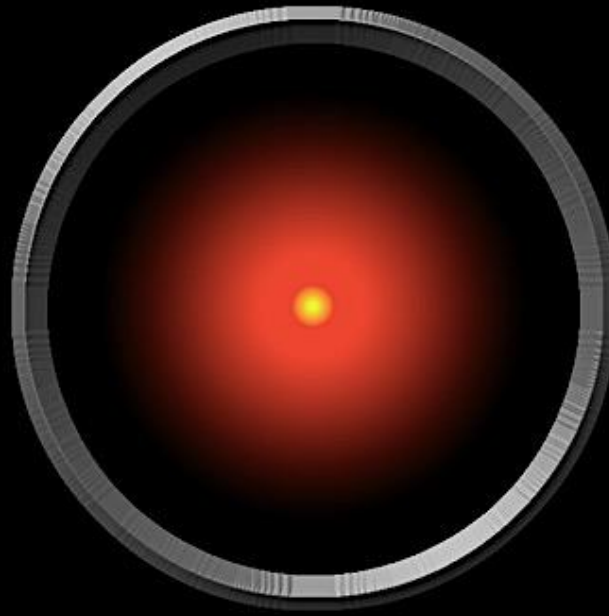


- Which door do we choose regarding inflation?
- Which door do we choose regarding unemployment?
- What about government debt?
- What about tax bracket creep?

Technology Change

HAL is here

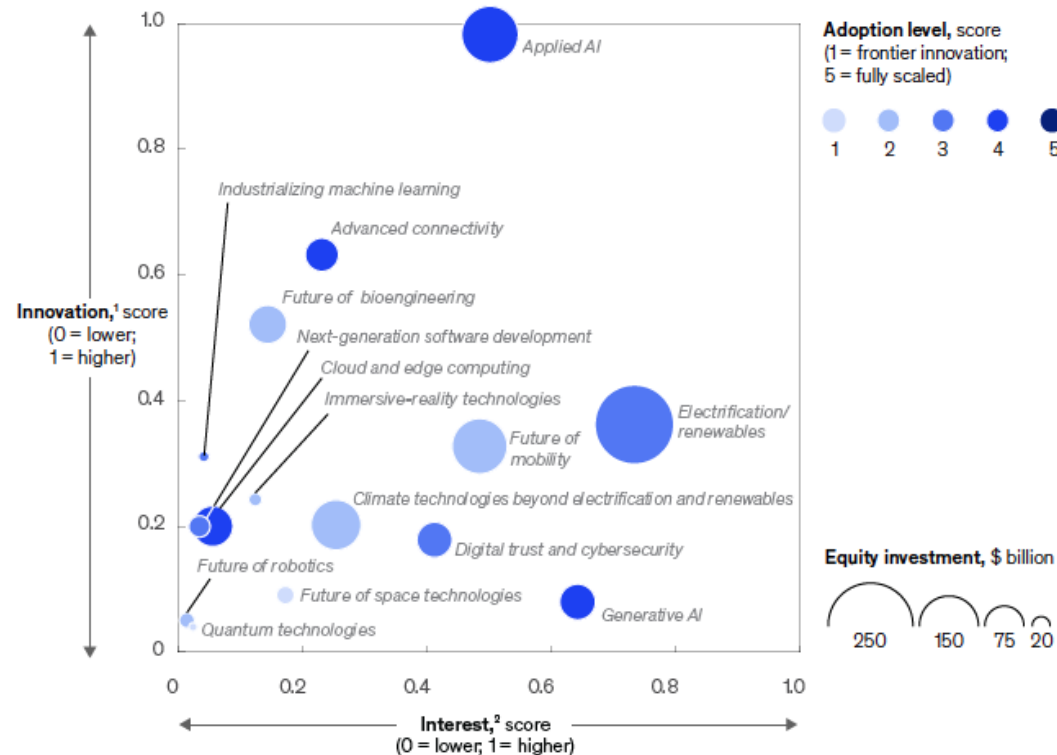
I'm sorry Dave,
I'm afraid I can't do that.



McKinsey's Tech List

Each trend is scored based on its level of innovation, interest, investment, and adoption.

Innovation, interest, investment, and adoption, by technology trend, 2023



Note: Innovation and interest scores for the 15 trends are relative to one another. All 15 trends exhibit high levels of innovation and interest compared with other topics and are also attracting significant investment.

¹The innovation score combines the 0–1 scores for patents and research, which are relative to the trends studied. The patents score is based on a measure of patent filings, and the research score is based on a measure of research publications.

²The interest score combines the 0–1 scores for news and searches, which are relative to the trends studied. The news score is based on a measure of news publications, and the searches score is based on a measure of search engine queries.

Employment Opportunities

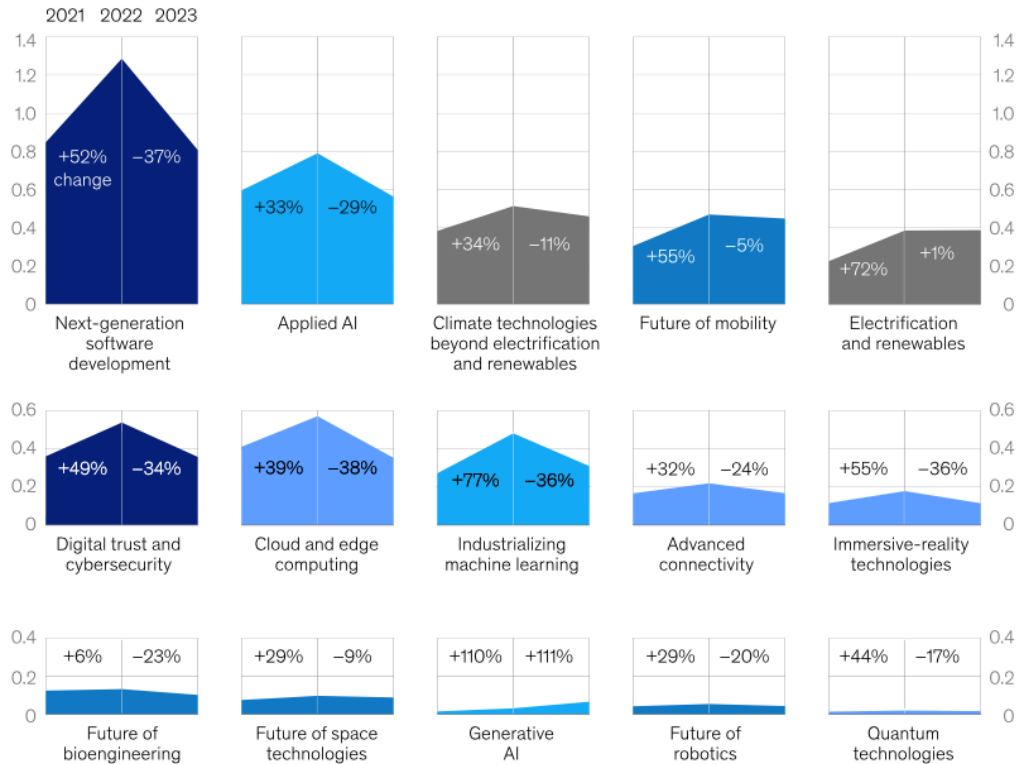
Despite a one-year drop in job postings, demand for jobs in many technology trends has increased over two years.

Tech trend job postings,¹ millions

2021–23 annual change, %

2021–23 cumulative change, %

■ AI revolution ■ Building the digital future ■ Compute and connectivity ■ Cutting-edge engineering ■ A sustainable world



¹Out of 130 million surveyed job postings (extrapolated Jan–Oct 2023). Job postings are not directly equivalent to numbers of new or existing jobs. Source: McKinsey's proprietary Organizational Data Platform, which draws on licensed, de-identified public professional profile data

What do you notice about the trends?

- Is it focused on products or services?
- Is it making products/services commodities or individualized?
- Do these firms exist in your community?
- What is the next round?

What Does This Imply?

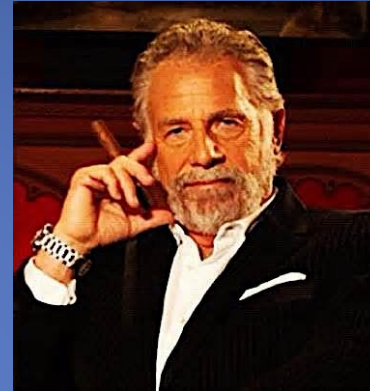
#1: Winners will still win



- Winner-take-all theory will continue to dominate with more superstars approaching winner-take-all results (e.g., some can influence both labor P and Q)
 - List the top five Cellists (musicians) in the world?
 - What happened to the man/woman that processed loan applications in the past?

What Does This Imply?

#2: Which skills are valued?



- Skills needed for the future are communication, negotiation, persuasion, creativity, and design
- Behavioral economics/finance, computer information systems, and accounting are key academic areas in business
- Will need less training on personality styles, color analysis, leadership styles, and managerial intuition
- Certifications help people differentiate themselves
 - Certifications and degrees matter if not everyone can get it

What Does This Imply?

#3: Utopia or dystopia future?



- More time for pleasure pursuits or no jobs?
- Silicon Valley folks already living utopia versus others that are clearly not living the American dream as we have the hallowing out of the middle class

My 2 cents

Future is bright

- I do not think the computers will take over and we will have to fight “terminators” for the planet
- Negative economic predictions about the future of humanity are not new but have almost always failed to consider the positive impact of increased productivity (Malthus)
- Quality of life on average will increase with more consumption and more leisure for the majority of people
 - How much vacation time do you have versus what your grandparents had?
- The multi-generational family unit will become more important as the middle class shrinks and the “superstar” of the family helps other members that work in “routine” jobs

Behind Which *Door* Are the *Winners*?



Future Customers

- Who has the assets?
- Who can earn income?
- What do the superstars want to buy?
- Distribution – key idea for the future
 - Assets
 - Education
 - Income
 - Goods/Services

To Which *Path* Does the *Door* Lead?



Thank You



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