

Lose the gloom; economic good times will last awhile

Boomers producing prosperity

By Rick Maier

All of a sudden there's a lot of talk about an economic slowdown or even a recession in the news. Where did all this pessimism and gloom come from? Those media writers and financial news talking heads must not have heard the Harry Dent perspective!

How's this for a great headline: 2001 through 2008 will be the most prosperous economic period in the history of man. Better than the 1920's, and better than the 1990's. The stock market could triple. The quality of our lives will improve dramatically.

The little bump we're experiencing at the start of 2001 may just be some statistical static in comparing to the Y2K-manic prior year, or a short pause on our steady upward climb.

It's not about Greenspan. No, this is not a plug for the Republicans. George W. should not take any credit for what is about to happen. It also follows that Bill Clinton had nothing to do with the recent years of prosperity (even his early tax increases could not douse the economic fires). And Jimmy Carter deserved no blame for the high inflation we had in the late 1970's.

Identifying the engine

Dent's position is that the real force behind economic cycles is much bigger than any U.S. President, Federal Reserve chairman or even Congress.

So what is this economic mega-force? Who is responsible for the good times to come?

And they said we wouldn't amount to much. The credit goes to all of us free-spending baby-boomers, of course!

Those of us born in the 1950's and early 1960's represent the largest population spike in history. And we are entering the range of years when, statistically, we spend the most – a period that peaks when we reach an average of 46.5 years of age.

The birth index follows eighty-year patterns, and Dent says you can watch the boomer generation move through recent decades like a "pig through a python" – overcrowded schools in the 1960's, high inflation in the seventies, real estate and debt surges in the eighties, and the stock market rally of the 1990's.

On top of the converging population and spending spikes, there has been a huge increase in immigration, which adds to the surge of new consumers. Plus, we are entering the payoff stage of the Information Age, where decades of technological advances will make us much more productive and improve the quality of our lives.

My source for all this enlightenment? I never could make sense of all those curves and formulas in Economics 201 classes. Since college I have observed that the accuracy of an economist's predictions are inversely proportional to the quality of their presentation.

Clearly light amid fog

When I saw forecaster Harry Dent (www.hsdent.com) speak at a national industry association conference a few years ago, it was as if clear, bright light had penetrated the foggy recesses of the left side of my brain for the first time. He presented simple theories, tested them with historical data, and predicted the future.

Back in the mid-nineties, Harry foresaw long term prosperity when every other economic pundit was saying that the record expansion could not last much longer. His theories are basic ("the best leading indicator for our economy is birth rates"), cheerful ("prepare for the greatest boom in history") and entertaining ("sex drives our economy - and that's precisely why the economists have never figured it out").

There is one downside to Harry's forecast. These spectacular next few years will be followed by one of the toughest depressions modern man has ever experienced – much like the depression in the 1930's that followed the roaring 1920's. Well, at least we can brace ourselves for what's to come.

I'm sure that financial experts much brighter than I can punch holes all through Harry's vision. But each of us needs an economic platform to guide us through our many career, investment and lifestyle choices - and I love Harry Dent's strategies. I encourage you to read his books or catch him on tour (many of my thoughts above came from his latest book, *The Roaring 2000's*).

Now let's stop all this negative press and get back to enjoying our great fortune to be living in this country in these times.

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