

ARTICLE:

Eight Global Trends to Feel Optimistic About

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Lately it seems like good news comes infrequently and in small quantities. Recently, I studied a presentation from a professional conference* detailing eight global trends that are predicted to create an enormous positive global economic force. The following briefly describes these welcome trends.

HERE IS THE GOOD NEWS:

1. A global middle class is emerging at a record pace, with millions of people annually having discretionary income for the first time. This trend is projected to continue and is estimated to add \$10 trillion dollars to the global economy over the next eight years.
2. Most industrialized countries need to rebuild infrastructure including roads, highway systems, bridges, electrical grids, water & sewer systems, airports etc., fueling a global construction boom that could add trillions to the global economy. Amazingly, it is estimated that China's infrastructure spending every 2–3 months is as large as the entire Greek economy.
3. As countries develop and their economies emerge, they will increase trade with other countries and concurrently spend on building their military capabilities. However, risks of war will likely decrease since countries are reluctant to have military conflicts with their economic trading partners. This militarization will likely create demand for U.S. manufactured goods and technology to develop counter measures to terrorism, electronic crimes/attacks, and warfare.
4. There will be rapidly increasing demand and competition for commodities including energy, food and fresh water to name a few. New technologies will emerge in these areas, as we are now seeing in the United States with horizontal drilling and the discovery of natural gas and shale oil, along with the ability to economically retrieve and convert them to potentially more useful forms like liquefied natural gas.
5. There will be a huge market for retraining and skill development in the labor force as we shift to a technology/healthcare based economy. New careers will replace those lost. Productivity and natural talents will be enhanced with the aid of smart tools. Companies are already creating devices that could cut medical diagnostic costs up to 80-90 percent.

6. More and better medical treatments will become available. This could dramatically increase the health and longevity of a segment of the population enabling them to be economically productive and less expensive on the health care system for significantly more years of their life.
7. There will be the development of attractive luxuries, goods and innovative products and services for which consumers will pay a premium. Let's use coffee as an example: consumption has gone up modestly since Starbucks has become a household name, but expenditures have dramatically increased. Look for similar trends in automobiles, household appliances, and on the Internet.
8. The confluence of big picture trends such as advances in nanotechnologies, artificial intelligence, genomics, robotics and connectivity will result in an acceleration of economic forces never seen before. The combination of these advances on a giant scale is likely to produce a multiplier effect, making some economic players obsolete while others emerge. You may have heard this described as "creative destruction". One example we all have seen is the emergence of digital photography. Think about Polaroid and Kodak. While these companies have suffered, other businesses have emerged and become hugely successful and profitable. Who could have imagined that a phone would also be a camera?

Chances are, you have some awareness of these powerful economic trends, but few realize the largely positive, dramatic impact they can have on our global economy and our personal well-being. My hope is that this stimulates some thought and positive feelings about our future as we continue to navigate through a world with, reportedly, few bright spots.

If you have questions about this or other planning issues, please give us a call at 216-765-0121.

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