

## **For the Skeptics who believe the economy is fine.**

In a world of terms like “soft landing”, “bubble”, and “foam”, it is easy to be misled by the media and forecasters of the economy. It is almost as though there is a conspiracy to not tell the truth because knowing that could cause a revolution.

There are some clues that should be considered.

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**Clue #1:** Characterizing the health of the economy by reporting the unemployment rate. This procedure ignores the economic difference between a motel maid and a nuclear physicist.

**Clue #2:** Taking credit for the creation of millions of jobs that was actually created by the decrease in interest rates. These construction-related jobs are now shrinking as interest rates rise and there is no industry ready to adopt the unemployed.

**Clue #3:** A federal coding product coding system that cannot tell the difference between a helicopter and a hang glider. This system is the foundation of 10 year forecasts used to justify government spending.

**Clue #4:** A government job creation program focused on those with incomes below the “poverty” level, welfare recipients, high school dropouts, ex-convicts, etc. 70% of American voters say the economic assistance programs should help all levels of income. 74% say that government should pursue policies that grow the economy, compared with just 26% who say that government should pursue policies that redistribute wealth from the richest to the middle class and poorest.

**Clue #5:** The middle class is disappearing. Middle class jobs are the path from poverty to the great American dream. Orange County California rates 92<sup>nd</sup> of the top 100 metropolitan areas in maintain a strong middle class at 33% of the population while the number one area has a 75% middle class.

**Clue #6:** A disconnect between the wishes of the voters and the actions of the government. See examples elsewhere in this dissertation.

**Clue #7:** A perilous high school dropout rate. As many as 50% of students drop out.

**Clue #8:** The impending failure of retirement programs backed by the Federal pension insurance.

**Clue #9:** The lack of recognition of the manufacturing jobs as vital to economic development. California as lost 370,000 manufacturing jobs

since December of 2000 and the loss has not been stopped. These jobs are the heart of the economic development machine.

**Clue #10:** The tendency of the government to prop up the economy with borrowed money (bonds).

**Clue #11:** An education system that results in slipping from the number one country in math education to position number 24. It is unclear if this is caused by a damaged education system or a lack of hope and thus ambition in the inner cities without positive mentorship from friends, family, church, and government.

**Clue #12:** While 81% agree that America is the land of opportunity, the idea is not something that is being realized, it is simply an abstract concept.

**Clue #13:** Today, 61% of Americans say they are not living the American Dream.

**Clue #14:** 61% of Americans who aren't living the Dream say they do not believe that they will ever reach the American Dream in their lifetime.

**Clue #15:** Just 49% of Americans agree that if you work hard and play by the rules, you can lead a solid middle class life. 51% of Americans disagree with that statement.

**Clue #16:** The rising costs of healthcare, the unaffordability of a college education and the need to self finance your retirement leaves most Americans today caught in an affordability crisis.

**Clue #17:** While 90% of voters believe that 25 years ago you could have a solid middle class life if you worked hard and played by the rules – only 49% believe the same is true today suggesting our country's Social Compact is now fundamentally broken and in need of substantial repair.

**Clue #18:** Unfortunately the consensus among the public is that neither political party, Democrats or Republicans are seen as able to address this crisis.

**Clue #19:** 77% agree that America's political system has failed to provide answers at a time when Americans are increasingly alarmed about how technology is reshaping their lives.

**Clue #20:** 72% agree that today the world has changed, but our political parties have not.

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## Is there hope?

**Clue #1:** 95% of voters agree with the statement; "Our country is strongest when it is united and together and therefore we need to find common solutions to our problems that both Democrats and Republicans agree with."

**Clue #2:** 90% of voters agree with the statement "working together, America can address all the problems we face".

(Sceptics.pdf)