

Trends and Countertrends Examined

By James O. Armstrong

From the Heartland of North America, economics takes on the familiar face of someone you know, who may have recently lost his/her job.

Should we blame the politicians of this party or that? Probably not. On the other hand, should we blame members of organized labor or union bosses for asking for too much money? “No” because it’s their job to at least ask the question. Or, perhaps, we may be tempted to blame senior management executives for their alleged corporate greed. Once more, the answer comes back as “No” from analysts without an ax to grind.

And, so, who is to blame, you might logically ask for the loss of so many manufacturing jobs in North America during a time when most forecasters and government statisticians have said our economy is recovering? The real answer is the advent and increasingly rapid adoption of a global economy for our model, where everyone from all over the world becomes increasingly woven together. The short-term winners in this scenario become China, India and Mexico, in particular—in relationship to the loss of North American manufacturing jobs, due to an ever improving infrastructure in those countries plus cheap labor.

Never did this point become clearer than when a headline in *The Financial Times* (the global business and financial community newspaper) proclaimed that Levi’s was ending its production in North America. And yet, what could possibly be more North American than a pair of Blue Jeans?

What are the politicians to do? The professional economic development community of city planners and Vice Presidents of Economic Development for regional chambers of all sizes in North America have begun to mobilize. Yet, the answers are hard. Many people frankly do not want to have the questions asked, much less begin to listen to the solutions.

But, please understand this point. According to a 2004 Study from the AARP, 79% of our baby boom generation of men and women born between 1946 and 1964 currently expect to work in some type of capacity. However, approximately one quarter of the 77.5 million men and women, who fall into this category, expect to do so because they think they’ll need the money. Sometimes, there may not be any choice.

So, all of us need to be willing to demonstrate a greater degree of flexibility. Specifically, if we find ourselves out of a job in one place in North America, we need to be prepared to move somewhere else, where jobs in our field/industry may be more plentiful. Also, we need to be willing to take advantage of government-sponsored job training programs. In this way, our basic skill set can be improved, which will also lead to a higher pay level. We also need to consider going back to school, depending on our current age.

In addition, someone also needs to say loud and clear that there are already growing shortages of qualified workers to teach the children in our schools. We are also beginning to experience nationwide shortages of nurses and pharmacists, as our baby-boom generation begins to retire.

Of course, you may have no interest in those options. And, so, please also understand that our largest trucking companies are always looking for men and women, who are willing to be trained as drivers. While these jobs are difficult, they can pay between \$40,000 and \$60,000 per year or more. For more information from a listing of these companies, please visit www.InboundLogistics.com. Our economy will also increasingly require workers at different skill levels to work in



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our distribution centers/warehouses. These jobs for unskilled labor will range in pay from \$7/hour to approximately \$20/hour, depending on the center’s proximity to a major city.

Are there jobs in North America? “Yes,” but our attitude can and will make a huge difference. The old job models have changed at the same time

many of us may still be clinging to those old ideas and attitudes about what constitutes work in North America for blue-collar and white-collar employees alike.

Downsizing Hurts People

The appropriate word is “Ouch!” Invariably older employees are the ones being downsized or “right-sized” in Corporate North America. Of course, all HR departments will deny the truth of this statement. But, I offer one simple question as a means of illustrating this most appropriate point. Specifically, when a down-sizing formula is developed, how often is the winning formula some type of combination of years of service (which suggests an older employee) plus age (which again requires an older employee in order to max out on the formula)?

This writer has seen full retirement benefits provided for friends who are age 50 or 55 consistently on the basis of the use of this type of formula, which in some cases, can even be enhanced by the addition of additional years of age or service. This development suggests that younger and younger employees are taking advantage of such provisions for financial reasons. By younger on this point, I mean age 50 and over.

But, make no mistake about it: Age is the “key” factor involved in corporate reorganizations.

Healthcare Costs Are the Real Culprit

Have you asked one of your previously down-sized friends how much he/she pays for healthcare lately? When the post-employment healthcare formula runs out after 18 months, you may be amazed to find out that a married couple in Illinois, for example, may pay \$15,000/year for their coverage, assuming that there's nothing really wrong with them. In that event, the most economical health insurance providers will simply deny them coverage. Then, think about adding another, large chunk of money to that amount for the coverage that employees previously took for granted at ridiculously low rates, which were even subsidized by corporate North America.

Here's a twist on the above formula. Have you met or talked with one of your friends lately, where his wife is actually working for 24 hours (i.e. 3 days) each week as a city librarian, essentially because of the full-time employee status she gets, which then qualifies her to cover her family on a group health

insurance basis for a "low cost?" A medical/dental/prescription drug benefit coverage on a low cost basis, without his/her spouse being disqualified due to some condition such as high blood pressure or diabetes, becomes a very tempting reason to take a lower-paying job for the benefit of your family.

The Medicare Gap Dilemma

When someone leaves the employment of a large or mid-sized company or government job, the days of excellent and inexpensive health insurance are over. And, so, strategies for receiving lower cost health/dental/prescription drug coverage during the "gap" years becomes an important objective and necessity.

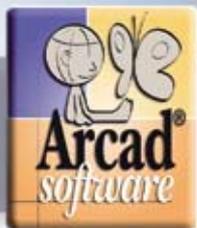
No one I know wants to run the risk of no insurance coverage in case of some type of unforeseeably expensive hospital stay for a family member. A no-insurance strategy for anyone with assets at all is simply not an option outside of a personal bankruptcy. Of course, that type of personal risk management represents no strategy at all.

The Self-Employment Model Gains Momentum Today

After being downsized a time or two, how many of your friends have now come to the same inevitable conclusion, that regardless of where they live, regardless of their education level or occupational category and regardless of their gender or race—self employment is the answer? Plenty of them, according to my own experience in this area.

Just think about it. On the first day of your own business, you can get up and begin to wash your face/shave. As you do so, you should take a moment to stop and look at your best employee in the mirror. A suggested next statement from you might/should go as follows: "Jim, you're the very best employee I've got. And, I promise I will never fire you or downsize you from this company. Go get 'em, Tiger!"

Of course, while there are risks inherent in pursuing this type of vision, there are also obvious rewards, too. Many men and



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women, with long employment histories at some large company who then receive a large severance check as each one exits, will now wake up to the starting capital they require to pursue this dream. I have been blessed to meet a large number of men and women, who fall into exactly this category. This very circumstance may be precisely what you needed to take this step since the necessary capital is now available.

Future Labor Shortages Will Rule the Day

The best news for you as a 50+ year old is this: Because of the upcoming retirement of the largest age bloc in North America, labor shortages will actually begin to develop in virtually every type of conceivable labor category there is in our countries. This development, in the future, will benefit all employees/self-employed men and women in the labor market.

Increasingly, we will be able to work on terms which will best suit us and our unique circumstances. We will be able to work part-time for three days each week, two days/week, three days each week on a 4 hour/day basis and many other versions thereof. We will also, in the future, be asked to continue to work past normal retirement age or we will be asked to continue working at “the company” as an independent contractor after our “official retirement.”

The demand side of the labor equation will simply flip from employer to employee/independent contractor in the near future. Otherwise, how will all of the work get done 10 years from now, for example? Just smile, as you think about this statement, because most of us, who are reading this prediction, will no doubt live to see this development take place. We will likely even be courted to continue working on some type of basis due to this upcoming labor shortage.

Companies may even develop some type of “special” benefit package for older employees/independent contractors.

Perseverance Today Will Pay Off Tomorrow

Despite the fact that today’s situation may not look as bright as it will later, keep your head up, keep your attitude up, continue to make the calls and ask the questions—plus don’t forget to pray to the Lord, in the process, also. And, remember “Never Give Up.” That three-word summary of one of Winston Churchill’s most famous speeches says a lot about our attitude.

“Yes,” we can choose to play the blame game of blaming someone else or “the company” or our unique circumstances or our parents or our wife/husband. But, at age 50+, my question to you (should you find yourself in the position of wanting to play this unfortunate game) is this: “When do we actually grow up enough to take adult responsibility?” Hopefully, today is that day.

In addition, forgiveness is also the key to being able to move forward in the process of reinventing yourself after age 50. No one really wants to hear a long version of your story, even your spouse/significant other. By now, they have already heard it perhaps 50 times. Today, why not choose to simply give them a break from hearing it re-stated for the 51st time? It’s your choice.

Just ask yourself: would you really like someone else to tell you this story again, if you had to be on the “hearing” end of this equation? Today is also the day to begin to simply “Get over it.” Forgive and go forward.

Simply choose to make the effort to reinvent yourself today, regardless of why you are having to make such an effort. The “why” is much less important because it relates to your past. But, the point of www.nowwhatjobs.net more than anything else is to get to where you want to be for the rest of your working lifetime or during this next chapter of your life.

The choice is up to you. But, the time to begin to think differently, to act differently and to take steps leading to a different outcome for your life is NOW.



James O. Armstrong, is President and Editor of *NowWhatJobs.net, Inc.* In addition, he is the author of “*Now What: Discovering Your New Life And Career After 50*” and the President of *James Armstrong & Associates, Inc.*, which is a North American media representation firm.

The 5th Wave

By Rich Tennant



“My God! I’ve gained 9 pixels!”

The young man may know the rules, but the old man knows the exceptions...