

DOUGLASBRADLEY LLC

Personal Financial Advisors

October 2009

DOUGLASBRADLEY'S MONEYWISE

Financial News and Insight from an Independent Advisor

In This Issue

[The Real Problem With Unemployment](#)

Quick Links

[About DouglasBradley](#)

[DouglasBradley's Pressroom](#)

[Join Our Mailing List!](#)

Personal Notes

All Work and No Play...

From Doug Robinson - Over a recent long weekend, the family took a trip up to Longmeadow,

Massachusetts to visit some old friends. It's a charming New England town with beautiful old homes, wide sidewalks and the classic town Commons. Good food, good friends and seven boisterous kids all getting along and developing new friendships. Good times.

From Brad Loper - I've had the pleasure of being invited to both a Nationals and a Redskins game over the past month. Being old enough to have attended a Senators game at the old RFK stadium, it was nice to visit the new team in their new home. I enjoyed the premium

The Real Problem with Unemployment

What Will Become of America's Unemployed?

There was an article in Monday's Wall Street Journal with the headline: "It Will Be Years Before Lost Jobs Return - and Many Never Will". Amongst ourselves, we've been discussing this very same issue for a number of months.

[\(Link to the WSJ Article\)](#)

The article poses the question: "The US has shed 7.2 million jobs since the recession began in December 2007. How long will it take for the economy to replace them? And where will the jobs come from?"

Answer: several years - at least. The problem isn't simply that all these jobs in the auto industry, finance and real estate have been lost. The problem is that they're gone forever. If you've spent the last decade or more in a particular industry, it's going to be very difficult to shift over to another trade. And that's assuming there are even any jobs available in another industry.

A question we've asked ourselves is what will be the new industries or technological advances that will "soak up" the unemployed workers?

Infrastructure repair and replacement is one possibility. The Federal government could go deeper into debt and dole out money to the states for capital improvement projects like new roads, bridges, hospitals, power plants, etc...

The "Green" Revolution continues to be advertised as a source of new jobs. Folks in the construction business could be put to work installing energy efficient windows and appliances or solar and wind energy devices at homes and offices. The problem we see here though, is that the American consumer is tapped out. Even with tax credits the cash isn't available for these home improvements.

Jump starting the Green Revolution on a national scale seems practical and logical to many. The US (and other countries) will need to move away from traditional power plants due to their environmentally damaging emissions and reliance on dwindling fossil fuels. As those plants are closed, new power plants using new "clean coal" technology; natural gas; safer forms of nuclear power; and, large scale geothermal, solar, and wind energy etc. can be brought online as the applicable technology is proven. Of course, this will also mean the tremendous task of realigning our nation's powerline grid to get the energy to where it is needed to meet our expanding electrical needs (e.g., the move toward electric/battery powered vehicles).

Or, maybe health care. We all know there are myriad inefficiencies in the system. Entrepreneurs who develop solutions could be very successful and create many new jobs. As it is, the health care industry is the number one employer in the United States. But you don't go from working in an auto plant to being a nurse overnight. It requires time to reeducate oneself. But it is possible in time.

Loge seating at the Redskins game; quickly realizing the luxuriousness over general seating. Having attended NFL games in sub-freezing temperatures and in driving rainstorms, covered seating, padded leather chairs, and catered food service is hard to beat. Thanks Jim and David!

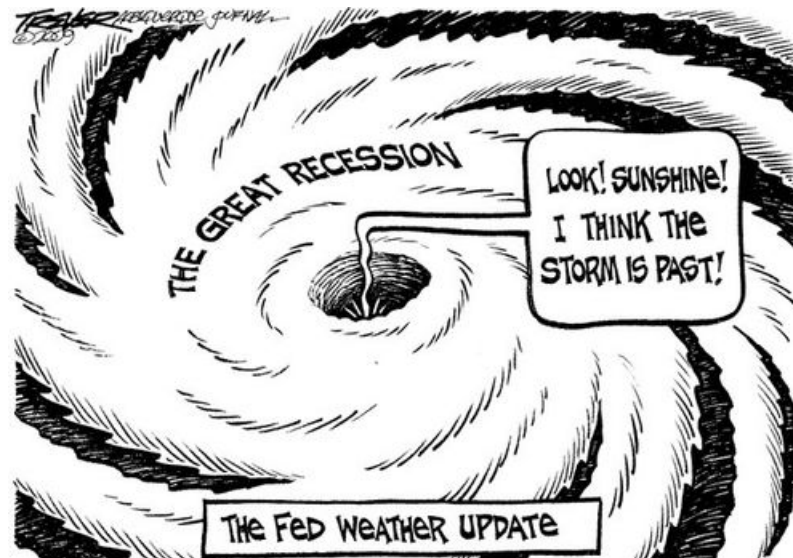
From Mahesh Desai -

We just celebrated my wife's birthday with a big bash. The timing could not have been better as it also provided us with a great opportunity to inaugurate our new deck. After a week of great weather, the clouds conspired to create a downpour just as the event was getting started. Despite it all, the mood could not be dampened and everyone had a great evening filled with friends old and new.

No doubt we'll see progress in all of these areas. But we also expect to see something else: people who don't return to work at all. We wouldn't be surprised to see many two-income households return to one-income households. The result of that is that families have to adjust their expenses to survive. That means keeping cars and appliances longer; fewer vacations and meals out; maybe selling the big house for a smaller one; finding inexpensive hobbies; etc... We might see the repair businesses take off over the next several years.

Eventually though, new opportunities will present themselves and jobs will be created. The problem at the moment is no one knows what or where they'll be. We'll be watching labor (and investment) trends closely and will share the answers as soon as they become apparent.

We wouldn't be surprised if a group of underemployed twenty-somethings put their creativity and energy to work to develop the industries that will again drive the economy forward. As the old saying goes, "necessity is the mother of invention..."



The DouglasBradley Team

Douglas O. Robinson

President
(443) 451-1884
doug@douglasbradley.com

Bradley D. Loper

Chief Investment Officer
(301) 576-0872
brad@douglasbradley.com

Mahesh P. Desai

Senior VP Retirement Planning
(301) 233-1261
mahesh@douglasbradley.com

Visit us on the Web at:

www.DouglasBradley.com