

Sacrifice, Critical Thinking Equal Optimism

REAL MONEY column for The Santa Fe New Mexican

By Rob Rikoon

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It's easy to complain about how bad things are, heck, I catch myself doing it all too often. Between the wars going on and radiation spreading from Japan, global warming and local drought, government deficits and businesses closing, stagnant housing prices and family members looking for work, it's darn hard to feel optimistic about the future.

Nonetheless, I find my natural optimism reflected in a recent study by global consulting firm McKinsey & Co. Faced with hard facts about the decline of our nation's transportation, energy and social infrastructures, I applaud these smart folks' efforts to define potential areas where we can hike up our pants and get back to work improving our nation's future prospects.

For me, it's all about people and how can we put our most precious resource to creative and productive work without destroying the environment. In the very near future, demographic and natural resource use trends will require that we figure out how to organize and accomplish the tasks of life in a radically different way than we approach them now. Technology will impact, but not solve, our present headaches in healthcare, education, travel, and work. What will?

By international standards, our society overpays and underachieves in most of its schools and medical facilities. Value lost is in the trillions of dollars annually. Twenty percent of our economy is devoted to these two underperforming areas and when combined with the rest of various government service sectors, over half of America's efforts are sliding downhill. Who is doing better than us and why? Let's take what we can learn from them and apply it here.

If the Germans know how to manufacture through small, family owned factory networks, why not go there and copy what works? The Danes, the Swedes and the Dutch all know how to keep their people healthy without going bankrupt. How are they organized and what will it take to get rid of the inefficient morass we call "managed" health care? Why do we continue to let insurance companies control the nation's health system?

McKinsey estimated the U.S. will face a shortage of over two million skilled laborers in the next ten years. Is this possible with real unemployment rates just under 20%? It is because we do not have a system of vocational/technical training or apprenticeships for large numbers of people in the nursing/ health care fields or for the analytical jobs that are already out there. Why not? The community college system is a great start and can and should be expanded upon.

Large scale investment in local technology and infrastructure are essential. Who is going to fix the roads, mass transit, and high speed broadband penetration? Google just announced they are going to rewire Kansas City at no cost to taxpayers because they have the money on hand to do it and they can profit by increasing market activity there. London charges higher tolls to commuters who use certain roads at certain times. China spends twice what we do, 35 billion dollars, every year to increase their dominance in the solar and alternative energy field. Hmmmm... I wonder what Exxon and Chevron are doing with their annual profits of roughly the same amount?

Getting bureaucrats out of entrepreneurs' hair is another way to increase opportunities for mobile talent and foster job growth. For example: why are there 50 different legal and 50 different medical cartels that use exam and registration requirement to keep practitioner numbers down in our one country? These are effectively state sanctioned monopolies that shut out competition, increase prices and stifle innovation. At the same time, we need to look at how other countries have done away with the onerous overhead costs and threat of malpractice suits so we can free up resources to do productive work.

Please don't misunderstand me, I don't believe that legislating or litigating leads to real solutions. Take energy efficiency: we know that cars can be made that go further on less fuel than they do now and that all of us waste energy by doing non essential things with our vehicles. Would most Americans trade less comfort and higher fuel costs for a cleaner greener sustainable environment? Probably not if asked to do so one by one as individuals. As a group, however, if everyone made the change at the same time, I bet we would. Making sacrifices used to be an American tradition, its how all of our immigrant forbearers came here and got established. I think we have it in us to do it again!

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