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## 1 – OUR PATCHWORK NATION

Proceeding on the thesis that life in America's local communities is the most significant factor in determining the life of the nation, authors Dante Chinni and James Gimpel analyzed demographic, income, employment, educational and other data in the country's 3,141 counties. The result is their book *Our Patchwork Nation*. On the basis of their findings the writers categorize the country into 9 District Types and 12 Community Types.

### DISTRICT TYPES

**Established Wealth:** High income districts principally in larger cities and their suburbs. Many family-aged residents employed in white collar jobs.

**The Shifting Middle:** Middle income districts in established suburbs and mid-sized cities. Mixed ethnic populations and a growing Latino presence.

**Booming Growth:** High population growth districts in the West primarily, with rising incomes, and large shares of residents moving in from elsewhere.

**New Diversity:** Middle income districts largely on the West Coast, with significant Asian American and immigrant populations.

**Young Exurbs:** Districts with many new fringe suburbs and mid-sized towns. Growing Latino populations and many college grads.

**Old Diversity:** Lower income big-city and some small town Southern districts with large African American populations.

**Wired and Educated:** Highly educated, youthful districts with single householders, employ-

ment in information industries. Ethnically diverse and secular.

**Christian Conservative:** White Evangelical Christian populations. Lower and middle income with sizable elderly concentrations.

**Small Town America:** Rural and small town districts. Aging and declining populations with Evangelical and Mainline Protestant presence.

### COMMUNITY TYPES

**Boom Towns:** Fast-growing communities with rapidly diversifying populations.

**Campus and Careers:** Cities and towns with young, educated populations; more secular and Democratic than other American communities.

**Emptying Nests:** Home to many retirees and aging baby boomer populations; less diverse than the nation at large.

**Evangelical Epicenters:** Communities with a high proportion of evangelical Christians, found mostly in small towns and suburbs; slightly older than the US average; loyal Republican voters

**Immigration Nation:** Communities with large Latino populations and lower-than-average incomes, typically clustered in the South and Southwest.

**Industrial Metropolis:** Densely populated, highly diverse urban centers; incomes trend higher than the national average and voters lean.

**Military Bastions:** Areas with high employment in the military or related to the presence of the military

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and large veteran populations.

**Minority Central:** Home to large pockets of black residents but a below average percentage of Hispanics and Asians.

**Monied 'Burbs:** Wealthier, highly educated communities with a median household income \$15,000 above the national county average.

**Mormon Outposts:** Home to a large share of members of the Church of Jesus Christ of Latter-day Saints and slightly higher median household incomes.

**Service Worker Centers:** Midsize and small towns with economies fueled by hotels, stores and restaurants and lower-than-average median household income by county.

**Tractor Country:** Mostly rural and remote smaller towns with older populations and large agricultural sectors.

The book reminded me of *The Big Sort* (2008) by Bill Bishop and of course, the work that's been done for decades by SRI in its VALS (Values and Lifestyles) project. I found it interesting and useful, although more descriptive than predictive.

## 2 – ANOTHER 25 YEARS OF DOT-COM

The Internet has transformed business, industry, entertainment, daily life, whole societies really. Indeed, the Internet has become the economic force of our time, delivering \$1.5 trillion in annual economic benefits to businesses and consumers. Yet this is just the beginning.

The dot-com economy is by no means mature. About 1.7 billion of the world's 6.7 billion people use the Internet, meaning 75% of us are still off the grid. Less than a third of Americans buy things online. Only about half the small businesses in the US have a Web site. So what would a "completed" Internet revolution look like?

Rob Atkinson of The Information Technology and Innovation Foundation has some ideas. As the population becomes more composed of "digital natives" (and less of "digital immigrants"), an ever increasing percentage of people will become digitally engaged, reading the news, shopping, enjoying entertainment, socializing, and tending to health, education, and work online. Faster broadband service, more affordable and accessible technology, policy initiatives that close the digital divide, and economic growth will enable

billions more people around the world to join the dot-com economy.

Already, more and more people are becoming comfortable with online self-service applications in commerce, leading to lower prices and more convenience. The advent of ubiquitous connectivity is also beginning to redefine what we once thought of as the Internet. In the future, the Internet will be integrated with the world around us, enhancing our interaction with the physical world.

In just the past few years, we have seen a range of new products, such as smart phones, netbooks and tablet PCs come to market, along with a proliferation of applications. And these are just the beginning. Increasingly fast, energy-efficient, low-cost, even wearable computing systems may some day replace "point-and-click" with "point-and-think" and augmented reality.

New applications in the emerging dot-com world will also transcend "the cool" to promote the more serious goals of energy efficiency, health care, personal safety and productivity.

- Market and industry analysis
- Strategic business direction
- Growth dynamics

- Trend identification and analysis
- Keynotes and presentations
- Proprietary research and reports

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The dot-com economy has already more than exceeded its promise as a means of generating new products, services, and business models, notes Atkinson. It is a dream come true for innovators

and entrepreneurs around the world. It is making us smarter, safer, more efficient, and better connected. Yet the best is yet to come.

### 3 – HIGH SPEED PORK

Californians have voted to tax themselves to the tune of billions of dollars to build a high-speed rail system. What will they get for this huge investment? Not much, according to economist Robert Samuelson: no meaningful reduction in traffic congestion, greenhouse gas emissions, air travel, oil consumption or imports.

Inter-city trains – at whatever speed – target such a small part of total travel that the changes in oil use, congestion or greenhouse gases must be microscopic. Every day, about 140 million Americans go to work, with about 85% driving an average of 25 minutes (three-quarters drive alone, 10% carpool). Even assuming 250,000 high-speed rail passengers, there would be no visible effect on routine commuting, let alone personal driving.

Only in places (Europe, Asia) with greater population densities is high-speed rail potentially attractive. Even there, most of the existing high-speed trains don't earn enough revenue to cover both their construction and operating costs.

President Obama calls high-speed rail essential "infrastructure" when it's actually old-fashioned "pork barrel," writes Samuelson. The interesting question is why it retains its intellectual respectability. The answer, it seems, is willful ignorance. People prefer fashionable make-believe to distasteful realities. They imagine public benefits that don't exist and ignore costs that do. Continues the author:

Consider California. Its budget is a shambles. To save money, it furloughs state workers. Still, it clings to its high-speed rail project. No

one knows the cost. In 2009, the California High-Speed Rail Authority estimated \$42.6 billion, up from \$33.6 billion in 2008 – a huge one-year increase. The CHSRA wants the federal government to pay almost half the cost. Even if it does and the state issues \$9.95 billion in approved bonds, a financing gap of perhaps \$15 billion would remain.

Somehow that is to be extracted from cities, towns and investors. The CHSRA says the completed system will generate annual operating profits, \$3 billion by 2030. If private investors concurred, they'd be clamoring to commit funds; they aren't.

All this would further mortgage California's future with more debt and, conceivably, subsidies to keep the trains running. And for what? In 2030, high-speed rail trains would provide only about 4% of California's inter-regional trips, the CHSRA projects.

The absurdity is apparent. High-speed rail would subsidize a tiny group of travelers and do little else. If states want these projects, they should pay all costs because there are no meaningful national gains. The administration's championing and subsidies – with money that worsens long-term budget deficits – represent shortsighted, thoughtless government at its worst. It's a triumph of politically expedient fiction over logic and evidence. With governments everywhere pressed for funds, how can anyone justify a program whose main effect will simply be to make matters worse?

Consulting in:

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## 4 – CALIFORNIA'S PHONY ENVIRONMENTALISM

AB 32, the “Global Warming Solutions Act of 2006”, was passed by the California State Legislature and signed by Arnold Schwarzenegger four years ago. It requires that greenhouse gas emission levels in the state be cut to 1990 levels by 2020, a process that is supposed to begin in 2012. Driven by the harm the attempt to accomplish such reductions would inflict upon the state’s economy (with no discernible affect on global warming, which is itself a highly questionable theory), and coming at a time of deep economic, fiscal and budgetary crisis, a proposition to postpone its provisions gathered enough signatures to appear on the recent 2010 ballot. It was overwhelmingly defeated.

Californians may congratulate themselves on being environmentally conscious, green energy pioneers, but the state’s energy leadership is a mirage. As Max Schulz has written on [www.city-journal.org](http://www.city-journal.org), California’s environmental policies have made it heavily dependent on other states

for power; generated some of the highest, business-crippling energy costs in the country; and left it vulnerable to periodic electricity shortages.

A dirty secret about California’s energy economy is that it imports lots of energy from neighboring states to make up for the shortfall caused by having too few power plants. Up to 20% of the state’s power comes from coal-burning plants in Nevada, New Mexico, Utah, Colorado, and Montana, and another significant portion comes from large-scale hydropower in Oregon, Washington State, and the Hoover Dam near Las Vegas.

Another secret is that California has some of the highest energy prices in the country – nearly twice the national average – largely because of regulations and government mandates to use expensive renewable sources of power. As a result, heavy manufacturing and other energy-intensive industries have been fleeing the Golden State in droves for lower-cost locales, and taking lots of good-paying jobs with them.

## 5 – ABUNDANT AND AFFORDABLE ENERGY

America’s energy policy should be grounded in realism, and should pursue the goals of keeping energy abundant and affordable. So write Ken Green and Steve Hayward of the American Enterprise Institute. We are going to need more energy in the future, and we will need to be more economically competitive.

The Department of Energy projects that the United States will need to increase its total energy supply by 15% over the next 30 years. “Renewable” energy will not get us there: wind, solar and biofuels are less abundant, less reliable and more expensive than fossil fuel energy. Adding insult to injury, the so-called renewables may actually cause more environmental harm rather than less.

There are no good substitutes or replacements for oil on a large scale at the present time, and talking about substitutes is mostly a distraction. As a source of portable liquid fuel for transportation, it is hard to match the attributes of petroleum fuels.

America’s energy policy has been a hodgepodge of technology favoritism and fantastical thinking, conclude Green and Hayward. The Left loves wind and solar; the Right loves nukes and domestic oil. But subsidizing favored technologies only makes energy less abundant and less affordable. A free market in energy would make it more abundant and affordable