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Top Trends 2008: Panic and Fear – Solutions and Hope

The “Year that Was” went out with an economic bang and a political thud. By mid Summer 2007, the financial markets were in turmoil. The most seasoned pros and old timers said they had never witnessed such volatility. Up a few hundred points one day ... down a few hundred the next.

Each passing day brought more sobering data. The nation’s biggest banks and brokerages kept reporting multi billion dollar losses ... the likes of which no one had seen before. “Writeoffs” and “writedowns,” they call them ... as though warped words could magically make the red ink disappear.

A barrel of oil nearly gushed over \$100 before pulling back at November’s end. The Yankee dollar was in free fall, heading to \$1.50 to the euro, temporarily backtracking on oil’s \$10 decline from its peak. Wholesale prices in November took their biggest jump in 34 years and gasoline prices for the month shot up an astounding 34.8 percent ... but the government doesn’t include fuel or food in their basket of deceptive “core inflation” statistics..

The two-year old US housing recession deepened, sales of new homes fell the most since 1970, foreclosures set records ... and there was no end in sight.

THE COMMANDER-IN-CHIEF

Kicked off in January, the Presidential Reality Show got a sudden boost of interest when talk show host Oprah Winfrey jumped into the ring to back her man Barak Obama who had taken the lead in Iowa. Hillary Clinton was ahead in the national polls and John Edwards was running a poor third.

On the Republican side, the 11 December 2007 headline in *The New York Times*, “Poll Finds G.O.P. Field Isn’t Touching Voters,” said it all. Mike Huckabee, a bible thumper from Hope, Arkansas had come from nowhere to take the lead from Mitt Romney and Rudy Guiliani who were fighting for second place. John Mc Cain was hardly mentioned.

Unimpressed with the presidential material presented by the two parties, 81 percent of the people expressed deep concern for a worsening future. In their vote of “no confidence,” not one of the candidates had an approval rating of 51 percent.

DEAD ENDS

Washington’s grand vision of putting together a “Coalition of the Willing” to conquer Iraq vanished. The last member – and biggest supporter of the US led war, England – declared “victory” and went home ... leaving behind a token force. With the money-losing venture topping \$2 trillion ... and with not a penny coming from rich oil profits that were promised as sufficient to cover the war costs ...

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US taxpayers were left holding the bag and footing the bills.

After years of threats and calls to action, war tensions temporarily eased between the US and Iran following American intelligence reports released in early December that, contrary to White House claims, Iran's nuclear bomb program ended in 2003.

The battle between Israel and the Palestinians dragged on as predicted. Following the US sponsored Annapolis peace conference in November, Israel announced plans in December to build more housing developments on occupied Palestinian land.

While all of the above were dutifully reported by the media from time to time, the details were manipulated by special interests, spun by political

hacks and glossed over by America's media devoted to saturation coverage of issues deemed more pressing.

With the nation on the skids and heading down ... and with bigger problems coming up on the horizon ... the biggest media mouths were busy broadcasting primetime slime for endless hours about Anna Nicole Smith, Britney Spears, Paris Hilton, lost Boy Scouts, kidnapped kids and the sexploits of Teachers Gone Wild.

Their minds saturated with junk news, bodies bloated on junk food, working non-stop, talking constantly, hardly listening, self indulged or just tuned out ... the reasons for Americans being out of touch, ignorant of the facts and unprepared for what's to come are academic. How they prepare to deal with the future is what will count.

But just as they didn't see 9/11 coming and were frozen in shock when terror struck, they'll be frozen in shock when terror strikes again.

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ECONOMIC 9/11

The financial markets took a direct hit in late July. But just as viewers watching the World Trade Center burn were told not to be alarmed ... and just as people trying to evacuate the towering infernos were told to go back to their desks and stay put ... when terror struck Wall Street in late July, the message was the same: "The damage is contained."

We saw the financial crisis coming and warned *Trends Journal* subscribers just days before the Dow and Chinese stock markets reached all time highs to prepare for an economic storm. We wrote: "*The economic data will not improve. The Spring housing market was a bust and will continue its downtrend. While we cannot pinpoint a specific date, trend indicators point to a major crisis hitting the financial markets between July and November.*"

We also provided strategies, plans and options to consider in preparation for "the worse to come."

SUMMERTIME BLUES

While the trends leading up to the crisis were long in the making, in the heat of the summer, with the nation in a vacation state of mind, most missed

the big news. Hard reality struck on 24 July when the Dow took a 226 point dive. Blaming the market fall on weak corporate profits, the most quoted “experts” shrugged off the sudden decline because “the market needs to have some profit-taking, after hitting 14,000.”

With trillions being lost worldwide, *The New York Times* ran the headline “Advisers Tell Worried Investors To Take Stock ‘Hiccup’ in Stride.” The tale began with the opening lines: “Take a deep breath. These things happen.” Quoting firms with vested interests to keep people from pulling money from their accounts (and from pulling ad space from their paper), *The Times* wrote “There is a large degree of truth to statements like these, and professional investors have a good recent track record to back them up.” (NYT 27 July 2007.)

Just as *The New York Times* had spread pre-war propaganda that Iraq was acquiring nuclear material for weapons of mass destruction, by mid August, the “large degree of truth” they were force-feeding readers turned out to be just another party line.

By month’s end, the quoted experts counseling to “Take a deep breath” were being dragged under by the rapidly sinking equity markets. Never blaming the meltdown on massive public and private debt loads, a slowing economy, the deflating housing bubble or the massive financial schemes of buyout firms, derivative players, etc., *The Times* found yet another villain: “Pack Mentality Among Hedge Funds Fuels Market Volatility.” (NYT, 13 August 2007.)

Over the following weeks, as the financial markets violently tumbled, the media’s “money honeys” and business broadcasters papered over the real events with fairytales that “Goldilocks had caught a cold” and that her not too hot, not too cold economy was done just right. “It’s a psychotic episode” ... it was weak minds not hard facts that were sinking the market ... bellowed the same business news broadcaster that admonished viewers not to over-react minutes before the second plane crashed into The World Trade Center.

BAILING OUT THE BIG GUYS

“The fundamentals of the economy are sound,” reassured President Bush in concert with the world’s

central banks injection of hundreds of billions of “liquidity” to keep money markets from drying up.

Unable to stop the spreading overseas contagion, and with fear that the nation’s biggest home lender might go belly up, just before the New York Exchange opened on 17 August, the Federal Reserve succumbed to the cry from banks and brokerages by cutting its discount rate. “The floor was elated, our system worked,” was the response from the trading firms on the Street.

The “system” didn’t work! The financial markets were out of control. It was much bigger than the so-called subprime problem of “little people” being unable to pay back mortgages whose rates kept rising. Those were just the first visible cracks of the crumbling economy.

Just as the Twin Towers collapsed from the top down, so too will the US economy from an Economic 9/11.

When the high-stakes speculators, banks, brokerages, and buyout firms that leveraged billions with millions get hit ... everything underneath them will turn to rubble.

The subprime problem was peanuts compared to the hefty bets made on commercial real estate deals, leverage buyouts, credit spreads, complex mortgage securities, and other esoteric investments that were fabricated with hardly any money down.

When the giant firms fall, they’ll crush the man on the street.

THE PANIC OF ‘08

Failing banks, busted brokerages, toppled corporate giants, bankrupt cities, states in default, foreign creditors cashing out of US securities ... whatever the spark, the stage is set for panic in the streets.

Whether market driven, inflicted by terrorists, a state of war – or delivered by Mother Nature – while we can’t pick the immediate cause or precise date, get ready, the big one’s on the way.

Like Katrina’s victims that knew the hurricane was coming but didn’t flee – and looked to Uncle Sam to save the day – those that don’t take action before panic strikes or wait for Washington to lend a hand, will suffer the most from the calamity that follows. Politicians will make promises for better days

and Wall Street will do its job to deny that Panic ever arrived.

On 11 December, as the stock market tumbled 294 points in response to the Fed only cutting rates 25 basis points instead of Wall Street's hope for 50, the brains of broadcasting were still debating the possibility of oncoming recession.

RATE RAGE ON THE STREET

Screaming mad for not lowering rates further, stock broker barkers blamed Fed Chairman Bernanke for being out of touch with the world and ignorant to Wall Street's ways. Desperate to keep their highly leveraged deals from going bust, the vicious attacks against the once exalted institution and its high and mighty were out of protocol and Wall Street's character ... but they needed money at any cost.

In an extraordinary sign of weakness and intimidation, immediately after the market closed, the Fed announced that other money-easing measures were in the works. The next day, the markets slightly rebounded when the Federal Reserve, in concert with world central banks, announced the biggest act of international economic interventionism since 9/11 terrorist attacks, by creating a temporary short-term "lending facility" to ease the credit market meltdown.

In the end it would make no difference. Had the Fed lowered rates and pushed more money into the glutted system, the battered dollar would have dived. Hold, raise or lower rates ... temporary short term "lending facilities," smoke, mirrors ... the game was over. There were no silver bullets or magic options. Nothing would stop the Panic.

Despite all the talk, all the screaming and all the efforts to skew the data, the hard facts would tell the real story.

Trendpost: *Jobless, broke and nowhere to go, "Self Storage" will soon live up to the meaning of its name. Down and out, thrown onto the streets ... homeless Americans will empty out storage lockers of useless junk ... to store themselves. When Panic strikes, it will only be a matter of time and a question of survival before they move in. Whether on their own or with family in tow, living in concrete and steel 4x8s will be a step up from sleeping in the streets or risking a night at a homeless shelter.*

Trendpost: *The implications of a nation in decline are already in the making.*

As legitimate options to earn real money dwindle, the business climate for crooks and cons of every stripe and social order to invent new scams (and bring back old ones) to fleece easy marks, will expand across the social spectrum.

Pyramid sales – termed "multi-level marketing" by the people in the business – with promises of big bucks by hitting up friends, family and strangers to buy some of what the Pyramid boss is selling, will hook flocks of hungry suckers. The informercial business will also thrive as the newly out of work and the sunk in debt toss the dice on a get rich scheme that promises a money back guarantee.

Trendpost: *Like other third world nations threatened by a heavily armed criminal class, a frightened public will be locking themselves in both day and night. Surveillance equipment, gates, bars, anti-theft devices, attack dogs, attack-proof products, security guards, identity theft and theft protection ... any businesses and service promising "protection" will proliferate.*

Trendpost: *Anti-immigration movements will intensify as many of the problems ranging from increased crime, to loss of job will be blamed (rightly or wrongly) on the illegal population. Immigration will also remain a major Campaign 2008 hot button issue. A dark horse candidate with a populist bent and a strong anti-illegals position will find a wide voter base.*

Trendpost: *Wage riots and street protests will escalate in size and intensity as demands for better pay and income distribution become calls to action from out-of-work and the low-paid masses.*

As with other nations on the skids where the police are used to protect the powers, brute force will be inflicted upon the crowds and planted shells will turn peaceful protests ugly by inciting violence.

Trendpost: *As major corporations fall and chain stores break apart, ample opportunities will be available for entrepreneurs to fill the gap the big guys left behind. Success in the downtrend climate requires knowledge of delivering goods and services with*

price points that appeal to the “affordable sophistication” sector of the marketplace. (See “Affordable Sophistication,” *Trends Journal*, Winter 2005.)

Publisher’s Note: Fallout from The Panic of ’08 will spread far and wide as the trend takes hold and the climate worsens. We will expand our coverage on changes taking place and implications to expect in future issues of *The Trends Journal*.

Of course, crime and misery won’t reign supreme from sea to shining sea. And the trends in the coming year won’t be all gloom and doom. For example, those segments of America, in settings more congenial and with outlooks geared toward greater quality of life, will escape the brunt of violence and discontent that will trouble much of the country.

Most importantly, despite the dreary conditions that exist, and what we see ahead, we don’t view the future dimly. The times we are about to enter can be among the greatest.

Never in our lifetimes has such an enormous vacuum existed. Created by the many failing institutions (government, corporate, medical, education and religious) that have left the vacuum empty, the future is waiting to be filled. If it’s filled with more of the same, expect the same. If the vacuum is filled with elements of higher quality, expect a quality future.

BYE BYE BUCKS

America’s going broke and the whole world knows it. Betting that its economy will spiral down and that the dollar will fall with it, foreign creditors are dumping dollars on the market ... and even Third World street vendors don’t want to take greenbacks any longer.

With each passing day, the sickly buck keeps trending lower. The further it falls, the less it’s worth. The less it’s worth, the less it buys. In the real world they call it “inflation.” In America they call it “good for business.”

Papering over the loss of wealth and declines in income, the media and politicians tout the dollar collapse as “beneficial” because increased tourism creates more “hospitality” jobs for its low-wage il-

legal work force and export opportunities for beleaguered manufacturers. Indeed, with the dollar so devalued, “Made in America,” long the gold standard for quality, now means, “Buy it Cheap.” (See, “The Weak Dollar Myth,” *Trends Journal*, Spring, 2005.)

HIGH ANXIETY

On Main Street, there’s “panic at the pump.” Dread and fear rush through the brain every time the nozzle meets the tank. New debt is added atop growing mountains of unpaid bills. With houses to heat, insurance to pay, mortgages to meet, mouths to feed, kids in school, wages falling and little hope for better jobs ... most Americans are experiencing a crisis like none other in their lifetimes. And it

will get worse ... much worse. (See “A Bernanke Recession,” *Trends Journal*, Summer 2006.)

The once prosperous Superpower, burdened with \$9 trillion of government debt, spending \$2

trillion to fight unprofitable wars ... and a cumulative public, private and corporate debt of over 200 percent of its GDP (higher than during the Great Depression) ... is a credit risk financiers no longer want to take.

With weak leadership in place and a woeful list of wannabes in-waiting that lack the credentials, competence, courage and character to prevent disaster and navigate the nation to safety ... there’s no hope of avoiding the crash or easing the impact.

In a blink of an eye, the United States of America has gone from first class to third rate. Just as Americans in the past could shop the globe to buy what they wanted at deep discounts with a dollar that ruled supreme ... now hordes of foreign shoppers with stronger currencies descend upon the States for bargain basement prices. Beyond the consumer shopping sprees (and with greater implications), foreign bucks will accelerate purchases of big chunks of US businesses and premier properties for dimes on the dollar. (See “Golden Bull/Dollar Bear,” *Trends Journal*, Winter 2007.)

For example, desperate and in need of quick cash, Citigroup, America’s largest bank, was forced to sell 5 percent of itself for \$7.5 billion to the Gulf Arab emirate of Abu Dhabi.

Bleeding \$6.8 billion in losses in the third

quarter and facing an estimated \$11 billion loss in the fourth, Citi paid loan shark rates for the capital injection by selling mandatory convertible securities to Abu Dhabi. These securities pay a fixed coupon of 11 percent, compared to an average yield of 9.4 percent on US junk bonds. (Saudi Prince, Walid bin Talal, who bailed out the bank in the early 1990s, holds another 5 percent stake in Citigroup.)

Trendpost: *The Trend Research Institute and The Trends Journal do not provide financial advice. As trend forecasters, we see the dollar declining much further throughout the course of the decade. And, as the facts have proven, the lower the dollar goes, the higher gold prices climb. Indeed, so far in 2007, gold prices have surged some 30 percent as the dollar fell 12.5 percent against the euro, 10 percent against the yen, and hit a record low against the Swiss franc. Therefore, gold is well poised to continue to break new records – and absent unpredictable wild card events – will likely peak when the dollar crash ends. (See “Economic Down-Trend on Track,” Trends Journal, Spring 2005.)*

Trendpost: *Most Americans have little knowledge that the dollar is diving, what it means to the future of the nation or how it affects their personal lives. According to a 30 November Bloomberg poll, only 12 percent ranked the declining dollar as a major concern. However, on the higher socioeconomic scale, the smart money is shifting out of falling dollars and into currencies from countries with sounder economies. In the “Global Age,” playing the best currency moves will become as common an investment strategy as was playing the stock market in the 20th century.*

Publisher’s Note: From the ashes of a failing and falling system, tremendous opportunity exists to create positive change and a prosperous future. More so than any other nation in modern history that has faced similar circumstances, the United States is also in a unique position to reverse many of the negative trends it now confronts. To do so will require a recapturing of its lost attributes of entrepreneurial spirit, free-thinking, professed morality,

civic courage and the “can-do” pioneering zeal that once defined the nation’s spirit.

TAX REVOLTS

It was a reason given for starting the first American Revolution and as the trends add up, it will also be a reason for starting the second. Fed up, and not willing – or able – to take it anymore, overtaxed Americans will begin the battle against politicians and bureaucrats in the fight to lower and/or repeal taxes... while demanding higher tax rates for those seen as paying too little.

With the price of nearly everything going up double digits over the past decade (while inflation adjusted median household income fell nearly 4 percent during the same period), cash crunched and debt heavy Americans will wage tax cutting wars with hopes of reversing their economic downward creep. Already unable to make ends meet and having no savings to fall back on, the bigger the bite from the taxman, the more intensive the citizen protests.

Joining the ranks of the elderly, “locals,” and those on the economic skids who’ve been forced to flee – or lost their homes for unpaid taxes – with economic hard times now spreading across party lines and income levels, “The Coalitions of the Cash Strapped,” will lead a mainstream American tax battle.

Protesting against high property tax rates and demanding that evaluations drop along with the slumping real estate market, the first tax battle salvo will be fired by homeowners.

Having seen public services (i.e. sanitation and mass transportation) steadily decrease while tax loads rapidly increased ... taxpayers will also resist demands to erect and repair municipal buildings, pay high water bills, create new government jobs, beef up police forces and increase government workers’ salaries.

In response, strikes and protests from public workers ... who’ll want more pay, promises of job security, benefit maintenance and retirement guarantees ... will challenge the call for cutbacks. However, the strikes will be short-lived and mostly ineffective. Unlike Europe where unions and inter-

union cooperation is stronger, and disruptions far reaching ... in the US, striking workers will lack outside support and disruptive clout.

Of all the coming tax battles, we forecast that the most highly pitched ... which will bring the swiftest results ... will be waged at the local level between an aging population of empty nesters and households with no children vs. families with children in public schools. Pitting neighbor against neighbor and focusing on a belief they should not have to fully pay to educate other people's children, the balance of taxpayer power will be determined by each community's demographic composition ... which in most cases favors the aging and childless.

Further fueling the school tax rebellion will be the highly flammable immigration issue and the general public's resistance toward educating non-citizens who are most likely not paying property and school taxes, and viewed as overtaxing an already overburdened and failing educational systems.

“OFF WITH THEIR HEADS”

On the national level, tax protests will be as vocal, heated and potentially more violent. With the disparity between rich and poor trending wider (1 percent took in 22.2 percent of all income in 2005, while the bottom 50 percent salvaged 12.8 percent), once the most egalitarian among its economic peers, the United States now ranks the most unequal.

According to the most recent available data, total reported income in the US increased some 9 percent in 2005, while the top 1 percent of households (about 3 million people) received nearly half of the total income gains and the top 10 percent took in two thirds.

Coupled with media coverage of CEO's earning princely paychecks for moderate performance, and disgraced ones lavished with platinum parachutes for executing mega-failures, an angry proletariat will demand action against the ultra-rich, hedge fund profiteers and other infamous taxbreak beneficiaries as their primary tax cheat targets.

More than just sour grapes and gripes from working class plebs, the “tax the rich” movement has gained the support of one of the world's wealthiest. Lashing out against America's “aristocratic

dynasty of wealth,” Warren Buffett said, “I believe in keeping equality of opportunity as much as you can in this country.” Illustrating the inequality of the 30 percent taxable income rate his receptionist pays compared to his 17.7 percent rate, Buffett said, “Equality of opportunity has been on the decline,” and that “A progressive and meaningful estate tax is needed to curb the movement of a democracy toward plutocracy.” (See “America: Plutocracy not Democracy, *Trends Journal*, Summer 2007.)

Trendpost: *As America's economy declines, new political parties will emerge calling for the elimination of “offshore” tax schemes; closing loopholes for large corporations, shutting tax shelters for the wealthy; and ending “corporate welfare” benefit packages used to entice big businesses and sports ventures. Other anti-tax party planks will include calls for a dramatic revision of the federal tax codes, elimination of various sales taxes, and locking out offshore tax-evading corporations.*

Trendpost: *As tax revenues fall and government budgets shrink, federal and state agencies will step up tax collection activities against small businesses to get a larger share of sales taxes and will target the easy prey ... mid and lower wage earners ... for a greater share of their income.*

Editor's Note: As tax-resistance momentum grows, so too will calls to vastly downsize the \$9 trillion in debt federal government whose size and power keeps expanding. Consequently, the newly flourishing state secessionist movements fighting for home rule and against federal intrusion will be playing the “taxation without representation card”... and in doing so, will gain more converts who want to break loose from Uncle Sam's big government grip.

CONSERVATION ENGINEERS

As time marches on, the world will be stepping back. Following the footsteps of admired ancestors and the ancients who were mindful of what they had and careful not to waste a scrap, “conservation” – a lost art during the age of excess – will enjoy a Renaissance in the Global Age.

Pressured by sinking wages, failing economies, tight supplies, diminishing resources and rising prices, the loudest buzzword and one of the biggest businesses in 2008 will be “conservation.” Preached for decades by those who saw the future coming ... but dismissed as senseless worry by the over indulgent ... more than just an intellectual desire, it’s the “need” to conserve that’s the driving force behind the conservation trend.

“SMART” ... NOT “GREEN”

From the homefront to the workplace, rather than felt as deprivation, “waste not, want not,” will be seen as a sensible solution for enhancing the quality of life and building a more prosperous future. Long lost Yankee frugality will be rediscovered and redesigned as old sayings such as, “Use it up; wear it out; make it do; do without,” serve as general guidelines for consumption.

At home, sounds of the past will again echo in children’s ears as parents bark orders to “Shut the lights,” “Leave the thermostat alone,” “Close the door, you’re letting the heat out,” “Stop wasting water.” (“You think I have a pull with Edison?” my Dad would scold, when any of us seven kids wasted energy that he had worked so hard to pay for.)

With more than just heavy utility bills weighing on the household, just as youngsters had been told to clean their plates because “Children in China are starving,” as today’s families trend poorer, closer attention will be paid to what’s put on the table and what goes into the garbage can. No longer able to afford the luxury of wanton waste, portion sizes will get smaller, and shopping lists will be scrutinized to cut the fat (snacks, soft drinks and sweets as well) from the family budget.

Knocked down by lower wages, hit by staggering health care costs, strapped for cash and deep in debt ... how to make ends meet and stretch a dime will become the order of the day.

On the business side, with profit margins shrinking and the cost of everything rising, conservation experts will be in high demand to decrease utility bills, create self-sustaining environments, cut production costs and develop systems to recycle resources and reduce waste. With an eye toward building the bottom line and beating out the competition, “Conservation Departments” will gain top

ranking on organizational charts among the most on-trend corporations.

Trendpost: *More powerful than high tech and paying much better than the booming health care sector, we forecast that “Conservation Engineers” and “Conservation Specialists” that are skilled in providing enviro-smart solutions will be among the most handsomely rewarded and sought after professions for the next several decades.*

Trendpost: *Schools teaching conservation engineering and practical conservation skills (more “hands on” and results oriented than environmental sciences) will attract a large student base seeking degrees that will deliver high income payback opportunities upon graduation.*

Trendpost: *The sharper image in retail will be stores specializing in merchandise and services for customers seeking money saving conservation products and opportunities. The most advanced of these retail outlets will provide “smart” shopping experiences for consumers by creating environments that are 21st century visions of progress and creativity.*

Trendpost: *As the economy weakens and tax bases shrink, from Capitol Hill to the Town Halls, citizens will push bureaucrats and politicians to dim unnecessary lights that flood empty schools and government buildings throughout the night.*

Trendpost: *With demand rapidly increasing for products that reduce fuel and utility bills, we forecast an entrepreneurial explosion as inventors, marketers and shysters try to cash in on the conservation boom. Desperate to cut costs at any price, homeowners ... particularly the elderly ... will be fleeced by frauds selling energy conservation materials and systems that deliver mostly empty promises.*

Trendpost: *New millennium construction using materials (new and old) that are the most energy efficient, easy to maintain and provide the highest levels of self-sufficiency will be among the most attractive money makers in an otherwise soft real estate market. “Getting off the Grid” will be the new mantra in the new millennium.*

SMALL IS BIG

The post WWII “bigger is better” practice which defined the American way of life is coming to a screeching halt.

Humbled by its loss of global status, declining economy, battered dollar, shrinking middle class and burgeoning undereducated/underclass population ... the nation that once thought boundlessly big, will be downsizing fast.

Unlike the years of personal prosperity and business growth long perceived a birthright ... today, as America’s fortunes dwindle, its people will be forced to adjust attitudes and alter practices to compensate for the losses. Although the oncoming national downsizing trend may be a blow to egos and painful to pocketbooks, if intelligently deployed and spiritually practiced, the “Small is Big” trend can lead to more progressive advancement and greater rewards than the supersizing trend that has been consuming much of the nation.

THE FACTS OF LIFE

The trend of big government giving the “little people’s” tax money to help big business has been long in the making and its implications long apparent. For example, in the 1950s, it was the US Department of Agriculture’s mandate to “Get Big or Get Out,” and its policies to enrich agribusiness with money, favors, regulations and laws ... that destroyed the family farm.

But in 2008, despite taxpayer subsidies and political deals for factory farm operators, “small” will be not only beautiful, but also viable and profitable. A confluence of trends hitting the pocket and attacking the body have converged that’s making big farms unprofitable to operate and their products less appealing to eat.

Based on business models requiring large quantities of product to be shipped long distances and operations requiring large quantities of energy to keep them running, skyrocketing fuel costs will force out and downsize the biggest of the industrial farms. Meanwhile, concerned consumers – rattled by massive recalls, afraid of chemically treated and

genetically engineered foods, and fearful of ingesting foreign imports – will increase the demand for higher quality, “from the source,” and microfarm foods, rather than factory fare.

From shoes to shirts, retail to wholesale, the same trends driving microfarm growth (energy costs and consumer awareness) will spur demand from an estimated 30 percent of US households to “Build it, grow it, live it ... and buy it local.”

Trendpost: *While population trends point to continued large influxes into big cities around the world, the hottest, hippest and most desirable settlements will be in small towns and little cities. Burnt out from a lifetime of work and long commutes, graying Americans, and new generations that want no part of the daily grind, will seek old fashioned communities in which to live and work. They will also settle new communities (yet built) that provide hometown benefits with 21st century flair.*

Trendpost: *The day of building big houses, driving big cars and discretionary spending in excess of earnings, will draw to a close in 2008 as reality bites. (See “The Panic of ’08,” page 3.) Those who see the rapidly changing dynamics and develop products and services that focus on compact, smart, functional, efficient, neat, clean, reusable, “less is more” and “small is beautiful” – will handsomely profit.*

Trendpost: *While the soaring \$9 trillion dollar national debt is currently not an issue among the Presidential candidates (all off whose parties are responsible for creating it), we forecast that Federal debt will become a major campaign issue.*

With the high cost of servicing the growing debt falling on the shoulders of taxpayers, there will be calls for less spending and a smaller Federal government coming from outside the two party lines. (See “Internet Candidate,” Trends Journal, Winter 2007.)

Trendpost: *The “Small is Big” trend, a keystone of secessionist movements, will gain momentum as the presidential candidates remain unable to convince a skeptical public that they and their parties*

can solve the nation's problems or reverse the troubled course.

With failures abounding throughout the Federal Government to protect food, win wars, clean the environment, upgrade infrastructures, improve living standards, provide health services or advance education – 2008 will mark the year that “state’s rights,” and “home rule” make headline news.

HEAL YOURSELF HEALTH CARE

Just as it took mountains of facts and bottom line realities to finally convince a consumption prone public that energy saving tools and environmentally sound practices bring bigger rewards and higher quality, the oncoming “Heal Yourself Health Care” trend will be as widely embraced and will prove equally rewarding.

Evolving over the past two decades, along with growing acceptance of seeking alternative medical options, the “Heal Yourself Health Care” trend is being driven by both the lack of money and the power of the mind.

With some 47 million Americans uninsured and millions more with limited coverage and/or catastrophic protection, the “lack of money” options are clear: Find affordable practitioners, seek practical solutions for health improvement ... or deteriorate further.

Energized by the “power of the mind,” and an Internet of information, even the well-to-do and the health insured are taking measures to heal themselves rather than going to the doctor or risk a hospital visit. Bombarded by a steady barrage of government warnings that popular prescription drugs can be deadly and debilitating – and understanding that US medical doctors lack education in complementary medicine and deal drugs as their first line of treatment – informed consumers are seeking safer and more effective healing solutions.

Trendpost: *Persistent reports of prescription drug risks and FDA warnings that the medicine chest of drugs that have been long prescribed for children and adults have serious side effects – such as death – will increase demand for alternative health care practitioners among the affluent and aware. Conversely, doctors delivering 20th century drug dependent rem-*

edies will cater to the less informed, the least affluent and holders of policies that favor drug treatments and invasive surgery.

Trendpost: *As the growth for alternative remedies increases and hi-tech diagnostic testing and drug/surgical intervention becomes unaffordable and/or unwanted, new health care protocols will be established. Beyond the immediate health benefits attained through the integration of diverse therapies that provide therapeutic benefits to patients ... if widely practiced, low-tech/low cost health care could serve to lower premiums.*

Editor’s Note: The rising cost of health care involves a range of complex issues, including the cost of technologies and specialty drugs, an aging society, chronic conditions arising from unhealthy lifestyles, uninsured populations, and too many more factors to mention in this trend report. However, as Americans take more responsibility for their own health, and attain health benefits through the integration of diverse therapies and better lifestyle choices, this trend could slow the increasing cost of health care.

Trendpost: *From vitamins and herbal tinctures to yoga and meditation, anything that is deemed “naturally healing” to the body, improves the mind, is danger free and can be self-administered, will continue to thrive in good economic times and in bad.*

Old time brands with proven track records and newcomers with high quality standards will gain the greatest share of the expanding “Heal Yourself Health Care” market.

Physicians – medical, Chiropractic, naturopathic, etc. – who are skilled in an array of healing arts and “teach” their patients how to get and stay healthy (as well as “treating” them) – will attract patients who want the freedom to comfortably select their health care options.

Trendpost: *With growing news that even the most expensive drugs are laced with unregulated compounds that are “Made in China” or come from “Who Knows Where,” consumer demand will grow for compounds – allotropic and natural – that come from reliable sources and contain high quality ingredients.*

Given the dynamics of the vitamin, herbal tinc-

ture and natural healing remedy business which is driven largely by “word of mouth” relative to product performance, great entrepreneurial opportunities exist to satisfy the “Buy Local” trend. As more product scares continue, whether from poison toys or tainted food for pets and humans, consumers with the money to spend on quality will prefer local goods that satisfy safety concerns and strengthen community businesses.

TECHNOSLAVES.COM

It’s a quickly spreading worldwide epidemic that will get much worse. All colors, classes, creeds and races are addicted and they can’t break the habit.

Before 2008 ends, the Technoslave trend will be so pervasive and so deeply embedded into the fabric of society that Old World communication styles will be seen as quaint and ridiculed as stupidly boring by the high-tech “hip.”

Across borders and around the world, blinking lights of blue and red flash from human ears ... electro-plastic appendages affixed to the body and controlling the mind. So self-important have society’s members become that they must be connected at all times ... to be in touch and instant messaged ... for work, play and to fill the voids of idle time.

Fingers pulsate madly on tiny keys to transmit messages about this and that. In public places for all to hear, intrusive loud mouths broadcast tales of personal problems, big deals and petty interests for which no one really cares ... or wants to hear and know.

Stereotyped with slouching shoulders, straggly hair, paunchy bellies and empty stares from eyes turned dull by flickering screens, “gamers” waste away their lives pushing buttons in an electronic comic book world.

Sports and activities once performed outdoors are dimly played inside the confines of ersatz space and virtual reality. The human smell, the feel and touch with living nature is all but gone, and Technoslaves think it’s normal.

Conversations are interrupted by intrusion from others whose calls of importance from far away trump the words of people talking in the flesh. The pressure to answer the pulse or ring

in a flash has Technoslaves hopping to grab the message ... scrambling away to find clearer signals and/or deal with the urgency of the moment as though it borders somewhere on the fringes between life and death.

Spasmodic drivers with their attention fixed on electronic babbles and text messages, navigate swerving cars at erratic speeds killing thousands, maiming thousands more, and causing tens of thousands of accidents in the US alone each year ... and the toll keeps rising. And for what ... to say hello, to bitch and moan or do business on the phone?

LIFE IS CHEAP

But the cost of it is well worth the price, since the penalties are slight compared to the crimes of death, destruction and human suffering caused by drivers on their phones. While states crack down hard on drivers that have had a few drinks – locking them up and yanking their licenses – the talking heads get easy breaks despite the fact they’re equally dangerous. (A Human Factors and Ergonomics Society study conducted in 2006 concludes that talking on a cell phone while driving is as dangerous as driving drunk, even if the phone is a hands-free model. A 2006 National Highway Traffic Safety Administration study identified cell phone distraction as the greatest factor involved in driver auto accidents.)

And just as years of scientific evidence was dismissed by those making money on products that pumped women with estrogen or fed them breast cancer drugs that were deadly to their health, so too are warnings being dismissed by respective industries that cell phone use may prove deadly. (“Israeli study says regular mobile use increases tumor risk,” *AFP*, 7 December 2007; “Cell Phone - Brain Tumor Link Seen in Research,” *Newsinferno.com*, 30 November 2007; “Only ten minutes on a mobile could trigger cancer, scientists believe,” *Daily Mail (UK)* 30 August 2007; “Mobile phone use linked to tumor,” *Telegraph.co.uk*, 26 January 2007.)

Editor’s Note: Studies suggest that 10 years is the minimum period needed for cancer to develop, which would warrant more research since cell phone usage has morphed from an elite business

tool less than a decade ago to a mass public phenomenon today. However, there is strong evidence that cell usage can be especially harmful to the young because of their thinner skulls and developing nervous systems.

Trendpost: *Parents concerned with the possibility of having their children's brains destroyed, may consider learning more about alleged dangers before wiring up their kiddies.*

Trendpost: *With trillions of dollars to lose, the cellular communication business, like tobacco companies who hid the dangers of smoking for decades ... and the complicit media who profited from their advertisements ... have downplayed the health risks and the plague of deaths that will follow if the data proves correct.*

Trendpost: *As with smoking, addicted Techno-slaves will risk their lives rather than kick the habit. Brain repair and cancer cure foods, tonics, and a medicine chest of snake oil remedies will become big business should the research prove accurate.*

Trendpost: *Despite the "Information Age" hype brought about by the high-tech boom, the more "wired" the brain, the more out of touch people become.*

Dulled by a mass media that serves news and information skewed to satisfy minds of stunted 12 year olds ... and an educational system that doesn't teach how current events form future trends ... an already information ignorant public doesn't have a

clue about what's going on in the world and how it affects them. Now, constantly "wired" and electronically tethered – further distanced from reading books and news, or learning about how today's events affect their lives tomorrow – people are missing the intelligence and knowledge needed to stay on top as conditions deteriorate.

The younger Facebook, MySpace and infant generations being weaned on technology, under the illusion that because they are techno-savvy they're somehow "special" and in control ... will hit reality as the nation's future dims and prospects for jobs and advancement decline.

Trendpost: *As the facts bear out, the more time people spend tied to technology, the fatter and weaker they become. With trend forecasts for more, not less, techno-connections and virtual lifestyles, we forecast that both weight and musculoskeletal problems will rapidly increase. Professionals in weight loss management, physical therapy and Chiropractic care should do well as health conditions decline.*

Editor's Note: *Laptops, iPods, earbuds, cell phones, Bluetooth and wired brains ... humans are being trapped in a high-tech cycle that is freezing their minds away from living in the moment, looking at life and taking in what's around them. While technology has radically altered the externals of life, it has done nothing demonstrable to enhance the internals: moral, emotional, philosophical and spiritual values. ■*

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