



Experience has taught us that the business of money is nothing if not interesting. Today, I can add one more item to the list of odd and interesting things that have happened in the world of money: The Occupy Wall Street Movement—a motley collection of anti-capitalist protesters, angry youth, and disgruntled labor—has filed for trademark protection of the movement’s name.

The movement—which is unincorporated and whose leadership is something of a work in progress—intends to use the trademarked name to sell t-shirts and other merchandise.

Yes, dear investor, we have an anti-capitalist movement applying for trademark protection in order to sell branded merchandise at a profit—or what we like to describe as engaging in capitalism.

The Occupy Wall Street movement may or may not survive the cold Manhattan winter. 2012 being an election year, the movement might get absorbed by the Democrats much like the Tea Party movement was absorbed by the Republicans. Or, it may simply lose steam and fade into irrelevance as the media and public get bored with it. Only time will tell, and much will depend on how the respective campaigns of both parties develop.

But whether the movement has staying power or not, the popular anger and dissatisfaction almost certainly does. And there is not much that our politicians can do about it without making a difficult situation even worse.

Let’s focus today on one issue that gets a lot of headlines—unemployment.

The official unemployment rate, at 9.1 percent, has stubbornly stayed at levels last seen nearly 30 years ago. The last time unemployment was over 9 percent was 1983—in Ronald Reagan’s first term.

Then, as now, we had a large, restive generation of young people. 1960 marked the highpoint of the post-WWII Baby Boom. By the early 1980s, that massive bulge of Boomers was out of high school or college and desperately looking for work. Today, we have much the same situation. The Echo Boomer generation—the children of the Baby Boomers—had its largest birth year in 1990, 21 years ago. The U.S. economy, then as well as now, lacked the demand to absorb millions of young, untrained workers. And so unemployment remained high until the economy finally grew fast enough to absorb its excess labor.

The lesson to learn from this is that large generations take time to incorporate into the workforce. Unfortunately for today’s youth, it might take longer for them than it did for their parents. You see, the parents are part of the problem.

America’s Baby Boomers are now in a stage of life that has them aggressively saving for retirement. They are spending less and saving more, which is great for the financial health of their families but it is an absolute disaster for the economy as a whole. This is what the economist John Maynard Keynes called the Paradox of Thrift. What is good for you—to be responsible and spend less—is bad for your neighbor if they depend on you as a customer.

This does not mean that today’s restive youth will never find jobs or that the “New Normal” is to have 9 percent unemployment. Eventually, our economy will acclimate to lower spending by Boomers, and the unemployment rate will slowly fall to something closer to the long-term average.

But in the meantime, expect wage growth to be tepid and economic growth to be somewhat sluggish. And whatever happens to Occupy Wall Street, expect to see plenty more youth angst.

-Source: "Occupy Wall Street Applies for Trademark,"

http://money.cnn.com/2011/10/31/news/economy/occupy_wall_street_trademark/

Sincerely,

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