

STORM WARNINGS

Vol. II, Issue 3: November 2013
Expectations and Behaviors: The Future

– Special Edition –

Looking Back from the Future

In this Special Edition issue of Storm Warnings, we will depart from the usual Q&A format that focuses on emerging trends and listen instead to what the future is telling us. Picture this: The year is 2025, and Ted, a 28 year old man, describes the perils of living through the early stages of the perfect storm. In Ted's chilling account, find out:

- How our “play now-pay later” culture has mortgaged Ted's American Dream
- Why Ted's opportunity to enjoy the American Dream has all but vaporized
- What life is like for Ted and why he asks: “What were you guys thinking?”

Date: November 2025

Dear Gramps:

In reply to your email last week asking how I am doing, I can respond in one word: terrible. Let me explain:

I had high hopes when I graduated from college five years ago armed with my degree in Macro-Economics. I believed what you said about the American Dream and the unlimited opportunities I would have if I kept my nose clean and worked hard. With all due respect, Gramps, it may have been that way for your generation, but it's not the same for mine.

Instead, we are paying dearly for the mortgage taken on the American Dream by the SLUGs. I know the snarky “SLUG” acronym we've ascribed to all living generations preceding us is a bit harsh, and I can see why they resent being thought of as the Self-absorbed, Lackadaisical, and Undisciplined Generations, but try to see it our way: Instead of sustainable opportunities, they've left us a crushing boatload of IOUs that all but guarantee a bleak future.

In college, I thought of the things I'm about to describe as topics for debate, but I now see them as boots-on-ground land mines that threaten my very existence. For openers, the *official* unemployment rate has exceeded 12% every year since I graduated, but it's actually far worse than that. I've waited



R. Michael Conley
Founder

The *Storm Warnings* newsletter is part of a larger initiative by its founder, R. Michael Conley, to carry the message to others.

“The message is frightfully simple: We are heading into a perfect storm that will forever change our lives, and we need to act on it while there is still time,” said Conley.

Under the overall umbrella of his company, Weathering the Storm, LLC, its mission to *awaken, engage and help others weather the storm* is carried out in a number of ways.

STORM WARNINGS

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"The *Storm Warnings* newsletter, which provides an in-depth bi-monthly look at a specific topic, is one way we hope to awaken and engage people, but we encourage folks to log in to our web-site for a full menu of offerings and services," Conley said.

(www.weatheringthestorm.net)

The website will provide further details on other initiatives. Among them:

1. Lethal Trajectories – Conley's futurist novel on what it will be like to live through a perfect storm crisis
2. *Weathering the Storm Guide* – A guide on how to prepare for the storm
3. Weathering the Storm Seminars – In-depth seminars that are now available
4. Blog, links, other resources, and the Storm Warnings newsletter.

About the Founder: Mike Conley is the Founder of Weathering the Storm LLC, and currently serves as Chairman and CEO of the Conley Family Foundation. As a former Fortune 500 business executive, author, lecturer, and public policy

on tables and worked the fast food circuit since college and, though not "unemployed," I've certainly been under-employed. The good jobs just aren't there. Most of my friends are worse off with student loans that would choke a horse.

Economically, we are suffocating in the debt we've inherited from the SLUGs. Between a) the interest paid on mountains of debt, b) unfunded entitlement payments that are increasingly paid out of the general operating budget, and c) defense spending, there's little left for anything else. Uncle Sam continues to borrow and tax to keep the *Ponzi* scheme going, but the hole gets deeper. The mega-bucks taken out of the private economy to finance this trifecta of debt leaves little for consumer spending – the backbone of our economy. I know almost every buck I make goes toward bare essentials leaving little for anything else; a poor prescription for growing a consumer-based economy.

Good grief! Didn't the SLUGs do the math? By what logic did they think we could deficit-spend indefinitely and make pay-as-you-go entitlement promises we couldn't keep? With the growing ratio of retirees to active workers, the burden on workers has become a train wreck. None of us expect to receive full Social Security or Medicare benefits. So much for that dream...

I remember studying the post-2008 Recession events in college, and how shortsighted I thought the Fed, Wall Street and other key players were to think we could forever "print" money and go on a credit spree to prop up the economy without long term consequences. The fallout from this myopic thinking is strangling us economically.

I'm also terrified by the free fall of our dollar's currency reserve status because I know what it has done and will do to my future purchasing power; as though I get much for my dollar now. Though the SLUGs held all the cards when the dollar was the world's reserve currency and backbone of the *Petrodollar* system, they let it slip away. They ignored the gradual decline of the dollar and were late to appreciate the global shift to the Yuan and other alternative currency approaches. OPEC's move away from the *Petrodollar* system – a system that once recycled huge amounts of dollars back into our Treasury – was the wakeup call. The initial shock wave sent the markets reeling; central banks worldwide begin dumping their dollar currency reserves once held for global transactions. That's when things really started to go south.

It's hard to believe the *dollar* has lost its glow, but I imagine the citizens of Great Britain and the Roman Empire felt the same once about their currencies. Our fiscal and monetary policies have come back to haunt us, and we're paying a fearsome price for them now.

STORM WARNINGS

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activist, Conley has written and spoken frequently on topics related to the perfect storm. He graduated from the University of Minnesota, after serving in the United States Navy, and later completed a post-graduate program at Stanford University. He is also active on several boards and advisory groups.

Uncle Sam's attempt to attract money to finance our deficits with higher T-Bill interest rates was a dud. In fact, the ripple effect of these higher rates carried into the housing market and cratered it. With current mortgage rates in the 15% range, only the richest can afford a house. There's no recourse but to rent, and rental prices have skyrocketed. That's why I need three roommates to live in what I would call a modest apartment.

With the erosion of the dollar's purchasing power, even the SLUGs on Social security are getting clobbered. Living on a fixed income is hard. It wasn't that long ago that a ten percent raise looked good; now, with inflation exceeding fifteen percent or so, we are losing ground – even with the raise. Welcome to my world.

Didn't any of the SLUGs remember from Econ 101 that inflation occurs when too many dollars chase too few goods? Did the best and the brightest really believe we could pump trillions of paper dollars into the economy without a backlash, like, say hyperinflation? C'mon...

I wish it stopped there, Gramps, with just the economic part, but it doesn't. The throw-away culture, conspicuous consumption, waste, and the brutal devastation of natural resources have taken a heavy toll. We no longer have open access to cheap and abundant resources – the *dream enablers* that made the American Dream possible. Fresh water, in particular, is harder to come by and everything impacted by it from, fracking, recreation, agriculture, open waterways, droughts and flood patterns of biblical proportions are now in play. The rapid depletion of aquifers is reaching panic proportions in areas like the Southwest.

My generation is paying dearly for this "play-now-pay later" culture. By necessity, we have learned to downscale, reuse, repair and recycle to get by, but we have not found a way to overcome the most egregious example of this careless culture: Energy.

Looking back, I got my driver's permit about a dozen years ago. I thought gas prices back in 2013 were high; about \$3.50 per gallon if memory serves. By comparison, I now spend the equivalent of ten bucks per gallon in 2013 dollars. I'd buy a car, but I can't afford the gas.

Clearly, I'm better off living in the city and taking public transportation than folks heating their big houses in the suburbs with heavy gasoline bills for their daily roundtrips to work. Is it any surprise that the suburban housing market has cratered?

I must confess that I was one of many that bought into the shale oil hype a few years back. In hindsight, the financial media ginned up the numbers and created a false impression of our future crude oil production potential. They had us believing we were on the cusp of energy independence; some even suggested we had more oil reserves than Saudi Arabia.

We discovered too late that the shale oil boom was a bubble in disguise. We disbelieved the geologist warnings that the rapidly *declining* production rates of shale oil wells would require massive new drilling just to *maintain* production

STORM WARNINGS

Vol. II, Issue 3: November 2013

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levels; let alone grow it. We believed instead the financial writers and politicians who said all we needed to do was “drill-baby-drill.”

When we discovered that neither OPEC nor America had the proven reserves they were thought to have, and that we could no longer afford the pump prices required to exploit costly new deep water and unconventional drilling opportunities, we knew we were screwed. That’s when the economies of the world started to grind down. Conflicts over oil supply and markets are now a constant; control of undersea oil and mineral rights a triggering point. Who, for instance, could have imagined that so many nations would be vying for the deep sea oil in the Arctic – after climate-induced ice melts made them more accessible?

I’m belaboring this oil thing because here’s what really gripes me: The SLUGs squandered precious time and effort propping up this unsustainable fossil fuel energy system. They believed we could drill our way out of it and neglected to develop sustainable fuels and infrastructures while there was still time. So now, short of *affordable* oil and without alternatives to replace it, we are floundering. We feel the pinch not just at the pumps but everywhere. The price of paints, plastics, lubricants and the gazillions of products made from oil are off the charts. My childhood remembrances of family driving vacations, trips to Disney World and carefree mobility are nothing more than fond memories. Business travel and the hotel industries are slowly dying; and with their demise go a number of good jobs my generation will never have.

Climate change is another time bomb, thank you. As high school kids, we believed it was happening and many of us tried to reduce our carbon footprint. Our leaders felt differently. Some believed “the science was not all in yet,” and others were unwilling to go up against special interests; fearful, perhaps, of losing their seat. Wall Street feared the short term hit to quarterly earnings from clean energy initiatives. Far easier, it seemed, to do nothing, and my generation is now paying the price for their tunnel vision.

By the time I got out of college, climate change was a given. By then, it was too late. The CO₂ levels are now over 430 parts per million, and most experts believe we have surpassed a tipping point of no return. Ironically, if only a fraction of the disaster relief money we now spend on climate-induced storms, floods, fires, famines and droughts was spent on mitigation policies years ago, we wouldn’t have the problems we have today. One can only imagine what the recently passed “*Atlantic Seawall Security and Construction Act*” to contain rising sea levels will cost us. Too little; too late.

The price of food parallels that of oil-based energy. I’ve had to change my diet dramatically – not by choice but necessity. The price of food products heavily dependent on corn feedstock or water has all but eliminated my economic ability to enjoy those delicious grilled hamburgers we used to have out on your back porch. It’s hard to imagine eating meat every day.

While an inconvenience for me, the global food, water and weather situation is downright ugly. Rising mortality rates in underdeveloped countries are directly linked to these shortages; regional conflicts over fresh water are everywhere. The Asian-wide threat from Himalayan ice melts, pitting India against China, is chilling.

The chain reaction of these colliding forces is creating hardships not imaginable even a dozen years ago. Its exponential escalation has happened with a speed and ferocity that boggles the mind, and I shudder to think of what

STORM WARNINGS

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it will be like in a few years when so many of these tipping points gain traction. I think we're screwed; the damage is irreversible.

Civil unrest scares me. People are desperate and desperate people do desperate things. Public rage over food and energy prices, interest rates, taxes, unemployment and chronic shortages are commonplace. Local government defaults, Federal rating downgrades, political gridlock and our inability to fix anything have weakened us both at home and abroad – all things we could not have imagined possible even a few years back.

Quite honestly, I often feel like I'm living in a third world country. Some of my friends are talking about forming a commune and pooling whatever scant resources they have. I'm not there yet, but I confess it's looking better every day.

I apologize for the finger-pointing, but it is what it is. The opportunities you had are no longer available to me. They have been mortgaged; taken away before I could even get in the game. I'm disillusioned and fed up because it's unlikely I'll ever have the opportunity for the same upward mobility the SLUGs before me enjoyed. It seems like no matter how hard I try; I'll never overcome the gravitational pull of these crushing mortgages on my American Dream.

I fondly remember the many conversations we had when I was a kid and how you would tell me: "There's no free lunch." Now, as I watch everything crumble around me, I can see that I'm paying for the *lunch* that the SLUGs thought was *free*. And, as I watch things unravel and feel deep within my bones the stifling impact of the mortgages taken by the SLUGs to sustain their unsustainable life styles, I can only ask myself, "What were they thinking?"

You were one of the good guys, Gramps; I only wish there had been more like you.

Note: It's not hard to imagine these things happening within a dozen years if we remember how quickly exponentially-growing trends can exceed predictable expectations. The good news: It doesn't have to be this way, but time is running out. For more information, please visit our website and download our free Guide for Weathering the Storm."

www.WeatheringtheStorm.net