

“The Global Economy”

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“ We seek no part in the destinies of the world.”

President Warren Harding, 1919

Japan

- 4th largest global economy
- 4th largest holder of US debt (approx. 711 billion)
- Massive public Debt equal to 227% size of economy
- 10th largest global population (127 million people)
- 7.5 births to 9.5 deaths
- Major industry includes electronics and motor vehicles

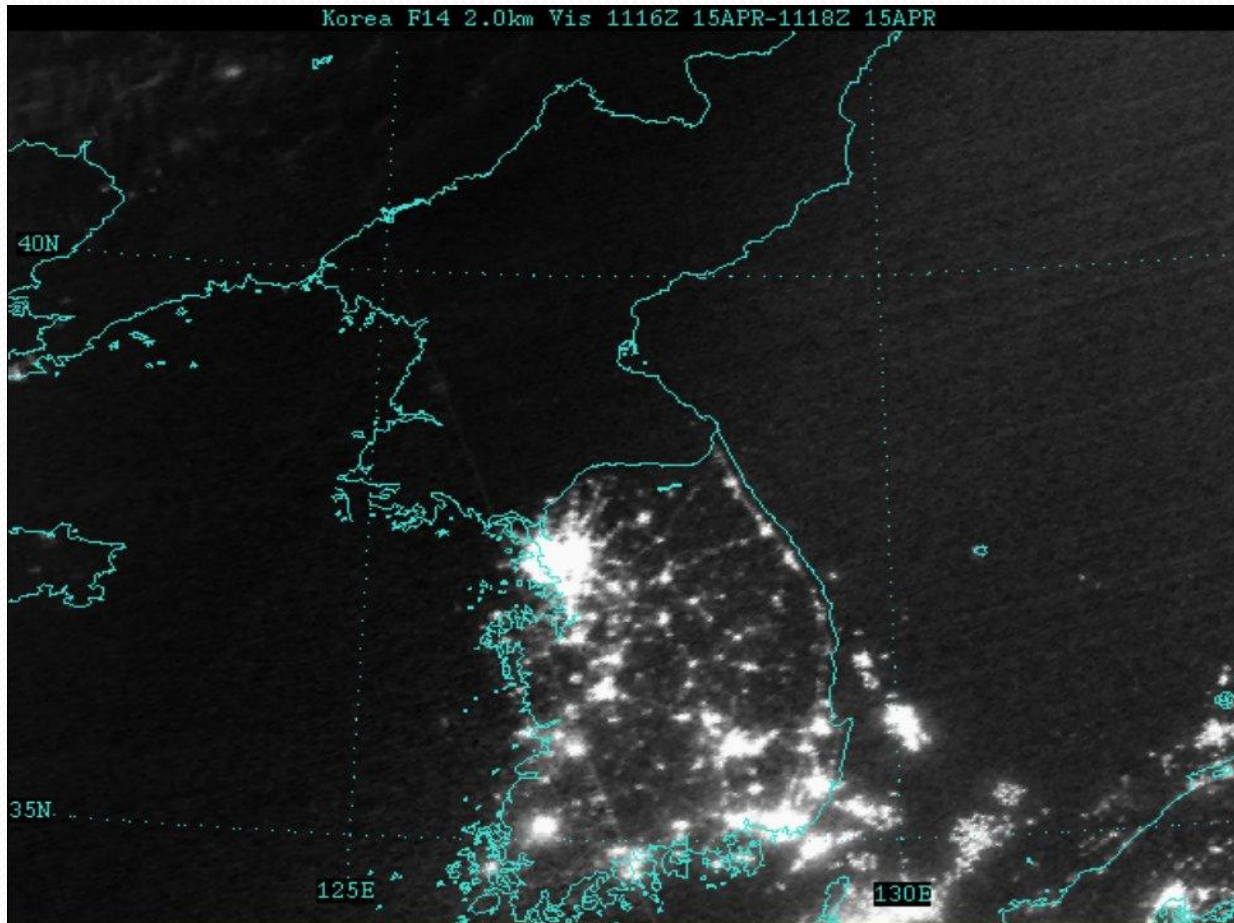
China

- World's 3rd largest economy
- 2nd largest holder of US debt (approx. 776 billion)
- Population is now over 1.3 billion
- 14 births to 7 deaths
- 2010 projected GDP 9%
- Infrastructure: steel, copper, cement, and other commodities
- Trade surplus tops 300 billion annually
- Unemployment 4% and public debt is 15% GDP

South Korea

- World's 9th largest economy with GDP of approx. 1.3 trillion
- Population is 48 million
- Public debt is 24% of GDP
- Largest industry includes: electronics, telecommunications, and automobile production
- 9 births to 6 deaths

Capitalism vs. Communism



Indonesia

- 11th largest economy
- Population now exceeds 240 million
- 18 births to 6 deaths
- Public debt is 29% of GDP
- 2010 growth projected at 6.1%
- Largest industries include: Petroleum and gas, textile, and apparel.

India

- World's 5th largest economy
- Outside US, world's oldest democracy
- Hindi is official language despite world's largest English speaking population
- Median age is 25 and 1/3 population is 0-14
- 21 births to 6 deaths and life expectancy is 69
- 2010 projected GDP growth is 7.4%
- Public debt is 56% of GDP
- 25% of population lives in Poverty and 2.4 million have AIDS.

Australia

- 14th largest economy trailing Iran, Turkey, and Indonesia
- Unemployment is 4.25%
- Public debt is 14% GDP
- Ranks 3rd on UN's Human Development Index
- Median age is 37
- 12 births to every 6 deaths
- Life expectancy is 81
- Major industry: mining, industrial production and transportation equipment

Africa: “The Lost Continent”

- ½ of the Population living in Poverty
- Average worker earns just \$237 annually
- AIDS is real: common to hire two workers for the same job
- Africa’s largest economy is South Africa where unemployment is 22%
- South Africa’s life expectancy is 48 where for every 19 births there are 17 deaths
- South Africa ranks #1 globally for AIDS related deaths

Russia

- 6th largest economy
- Greatly benefited from high oil prices of recent years
- Democracy struggles due to corruption
- Public debt is 6.5% of GDP
- Major industry includes mining, oil and gas
- Population is shrinking with 11 births to every 16 deaths
- Life expectancy is only 66 years

The Middle East Region

Ranked by size of GDP:

13th Iran

23rd Saudi Arabia

28th Pakistan

51st United Arab Emirates (free trade zones in Abu Dhabi offer 100% foreign ownership and zero taxes)

53rd Israel

European Union:

A network of 27 European Countries

- World's largest economy approaching 15 trillion in GDP
- Plagued by unaffordable entitlement programs
- Unemployment has average around 9%
- Life expectancy is now 78 with 9 births occurring for every 10 deaths.
- Industry to mention: metal production, petroleum, and Pharmaceuticals
- Top players: Germany, UK, France, Italy, Spain

Canada, Central and South America

- All have benefited greatly from free trade agreements: NAFTA and CAFTA.
- Venezuela and Hugo Chavez
- Brazil: world's 7th largest economy
 - “Hot” emerging market
 - Public debt is 38% of GDP
 - Industry includes textiles, shoe manufacturing and chemicals
 - 18 births to only 8 deaths and age 72 for life expectancy

Largest Economies

| | | |
|-----|----------------|-----------------|
| 1. | European Union | \$14.9 trillion |
| 2. | United States | 14.4 |
| 3. | China | 7.9 |
| 4. | Japan | 4.3 |
| 5. | India | 3.3 |
| 6. | Russia | 2.2 |
| 7. | Brazil | 1.9 |
| 8. | Mexico | 1.5 |
| 9. | South Korea | 1.3 |
| 10. | Canada | 1.3 |

The United States of America

- 2nd largest economy and still the envy of the world
- Recovering from the “Great Recession”
- S&P500: from October 2007 (1557) to March 2009 (667) the index lost 57% of value
- Great rebound since March 2009: +63%
- “easy money” priced in
- Expect 10% correction and a “change in leadership”
- GDP is 70% consumer, 20% government, and 10% corporate and foreign investment

The U.S. Deficit

- 2004 budget deficit = 412 billion
- 2005 budget deficit = 346 billion
- 2006 budget deficit = 410 billion
- Deficits were large but manageable at 3.2% of GDP compared to 5.3% GDP during Reagan
- The 2010 Budget includes a 1.6 trillion deficit as submitted to Congress by President Obama which equals 8.5% of GDP

What is our total debt?

\$12,200,000,000,000

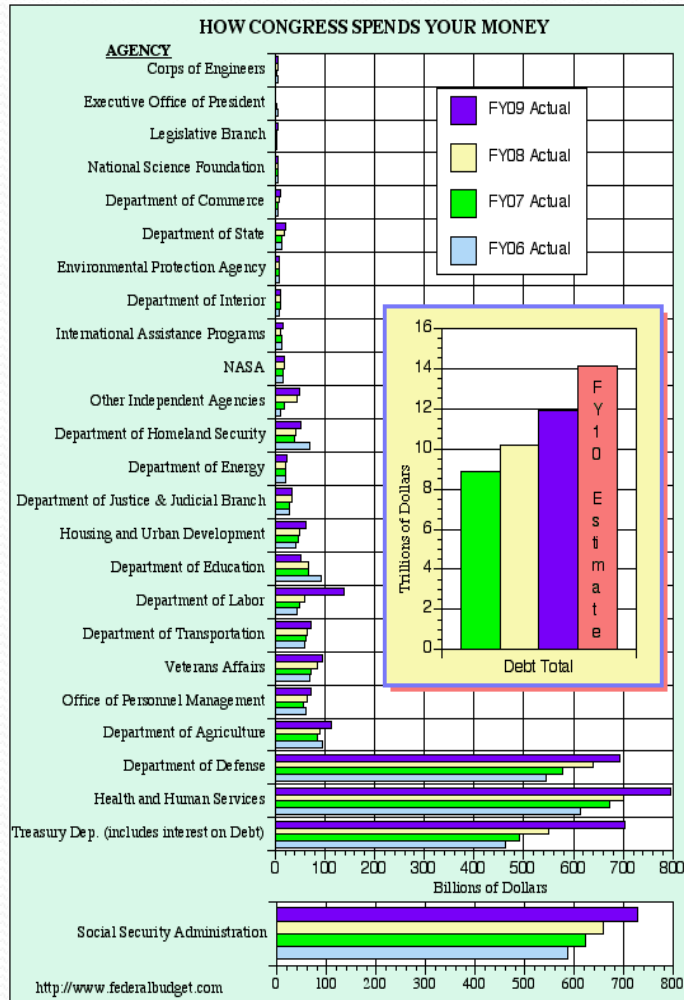
Every 5 seconds the national debt increases
\$100,000.

During my speech we will have borrowed
another \$5.4 million

Who do we owe all this money?

| | | |
|-----|--------------------------------|----------------|
| 1. | Federal Reserve Bank | \$4.7 trillion |
| 2. | China | 776 b |
| 3. | Mutual funds | 769 b |
| 4. | Japan | 711 b |
| 5. | Individuals & private entities | 629 b |
| 6. | State & local governments | 522 b |
| 7. | US Pension funds | 465 b |
| 8. | United Kingdom | 214 b |
| 9. | OPEC | 191 b |
| 10. | Caribbean banks | 189 b |
| 11. | Brazil | 139 b |
| 12. | Insurance Companies | 126 b |
| 13. | Russia | 119 b |
| 14. | U. S. banks | 107 b |
| 15. | Luxemburg | 104 b |

Where does the federal government spend our money?



What a quote!

“By 2016, the federal budget will be entitlements and interest.”

Federal Reserve Chairman, Ben Bernanke
In testimony to congress November 3, 2009

Energy Policy

- We import over 60% of our oil supply or 13 million bbl/day
- Where do we get our imported oil?
 1. Canada
 2. Mexico
 3. Saudi Arabia
 4. Venezuela
 5. Nigeria

Social Security

- Who came up with retirement?

- So what is the problem?

1960 5.1 workers to every 1 retiree

2008 3.2 workers to every 1 retiree

2030 2.2 workers to every 1 retiree

- How do we fix?

1. Raise cap on taxable wages

2. Change future benefits

3. Raise retirement age

Your “personal” Social Security Statement

“In 2017, we will begin paying more in benefits than we collect in taxes. Without changes, by 2041 the social security trust fund will be exhausted and there will be only enough money to pay 78 cents for each dollar of scheduled benefits.”

Michael Astrue, commissioner



Health Care

Right or Privilege?

Education

Are we losing our ability to compete in the market place?

Could too much technology be affecting our children's ability to communicate?

Is a lack of communication skills hurting our children's ability to think, feel and engage in relationships?

What do I mean? Do you agree?

“Dumb down” Communication

Text message received:
“make a baby or just practice”

Text message sent:
“k”

Alexander Hamilton in a letter to friend, Richard Meade – May 1782

“ It is agreed on all hands that he is handsome, his features are good, his eye is not only sprightly and expressive, but full of benignity. His attitude in sitting is by connoisseurs esteemed graceful and he has a method of waving his hand that announces the future orator.”

Mississippi

- 35th largest economy
- Unemployment rate hit 10.3% in December
- Economy is agriculture and manufacturing where top industries are: chemicals, plastics, wood processing, and fishing
- Foreign trade partners:

| | |
|----------------------|----------|
| Saudi Arabia | 5.7% GDP |
| United Kingdom | 4.9% |
| United Arab Emirates | 4.7% |
| China | 4.1% |

Mississippi positives

- State with lowest cost of living
- Tax burden per capita rank: 35th
- 72% of children attend church on weekly basis
- According to Fox news: most religious state
- According to Forbes: 9th most generous state
- 4 Miss America titles is 7th most
- Wal-Mart Supercenters per capita is 2nd most

Mississippi and the Great Recession

| | 2008 | 10 yr return |
|------------------|--------|--------------|
| MFS AL Muni Bond | -5.13 | 5.21 |
| MFS AR Muni Bond | -3.23 | 5.17 |
| MFS CA Muni Bond | -10.07 | 4.90 |
| MFS FL Muni Bond | -8.04 | 4.97 |
| MFS GA Muni Bond | -5.20 | 5.05 |
| MFS NY Muni Bond | -6.97 | 5.12 |
| MFS MS Muni Bond | -2.81 | 5.23 |

Mississippi negatives

- Median household income is 39K
- 32.5% of children are obese ranking us 1st
- Rank #1 nationally in diabetes
- Divorce rate ranks us 10th nationally
- 83% of high school students graduate ranking us 51st
- 21% of population live below poverty ranking us 1st
- Only 13% of student score proficient on 8th grade writing assessment ranking us 51st

Notable quote

“Civilizations die by suicide, not murder.”

Arnold Toynbee, English Philosopher

George Washington in his farewell address to the nation

“Of all the dispositions and habits which lead to prosperity, religion and morality are indispensable supports.”

“Let us with caution indulge the supposition that morality can be maintained without religion.”

John Adams

“It is religion and morality alone, which can establish the principles upon which freedom can securely stand.”



Patrick Henry

“Our constitution was crafted for a moral
and religious people.”

Our biggest economic threat

Ourselves and our values!

Have we lost our morality and
how does that affect our
economy? Is it relevant?

The internet

- Created in 1991
- 1995 only five public websites
- Today over 66,000 new websites daily with over 1/3 devoted to pornography
- Porn is now a 13 billion dollar industry

Is this good for the economy and how is Mississippi affected?

Top 10 porn subscribers by state

1. Utah 5.4/1000 broadband users
2. Alaska 5.3/1000
3. Mississippi 4.3/1000
4. Hawaii 3.6/1000
5. Oklahoma 3.2/1000
6. Arkansas 3.1/1000
7. North Dakota 3.05/1000
8. Louisiana 3.01/1000
9. Florida 3.01/1000
10. West Virginia 2.95/1000

The “fatherless” society

- 1995 study show 25% of white babies born out of wedlock and 69% of African-American born out of wedlock.
- 24 million white children live at home without “Dad”
- 47% of Mississippi households include married couples
- 20% of married couples live with their own children
- 51% of households both parents work outside the home

Studies continue to show -

Divorce and unwed childbearing lead to higher crime, child abuse, education failure, domestic violence, and poverty. More cost to “we the people” due to higher welfare subsidies, daycare subsidies, child support collection cost, foster care, Medicare, Medicaid and the list goes on.



“We the People”

“Civilizations die by suicide, not
murder.”

If I can help you or your
community in any way:

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