

## Why You Should Be Bullish on the Future of the US Economy

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With inflation the highest it's been since 1982, everyone complains about higher prices.

But – as I pointed out previously – most people don't realize that the vast majority of commodities, finished goods and services have actually come down dramatically over the last 40 years when measured by how long the average worker has to labor to pay for them.

By this measure, appliances, computers, homes and other consumer goods are not just much higher in quality than they used to be...

They also require much less work to earn them.

This is one of the many surprising and counterintuitive points made in [Superabundance](#), a superb new book by Marian L. Tupy and Gale L. Pooley.

What is superabundance, exactly?

Through the analysis of 18 distinct data sets – covering everything from commodities to finished goods – the authors show that resources are increasing much faster than the population is growing.

In other words, the average American can buy *more* while working *less*.

What is most responsible for this exponential increase in abundance? Two things: people and freedom.

Freedom is crucial because it allows people to create and profit from their innovations.

(That's why goods and services have *not* become cheaper for the average consumer in Cuba, Venezuela, North Korea and other unfree nations.)

But this phenomenon is not about freedom alone. It's also about more people.

*A lot more people...*

Population growth enables greater division of labor, which makes production cheaper and more abundant. And as demand increases, so does supply.

We have increased food supply, for instance, by increasing yields from existing fields.

We've increased our agricultural efficiency so much that less than 2% of the U.S. population farms at all.

After more than a century of intensive fossil fuel use, we have more known deposits of oil and gas than ever before. (And we've surveyed only a tiny portion of the planet.)

Overpopulation is not a genuine threat. On the contrary, limiting population growth limits brainpower.

Yet generations of school children have been taught that population growth makes resources scarcer.

Indeed, academia and the mainstream media repeatedly warn us that we are consuming the planet's natural resources at an alarming rate... and that they will soon be gone.

Not true. Resource abundance is growing faster than the world population.

For example, the U.S. economy expanded nearly 15% between 2008 and 2017 yet energy use *decreased* over the period.

Our economy has reached such a level of efficiency and sophistication that we are producing an increasing amount of goods and services while using ever-fewer resources.

And thanks to gains in efficiency and emission control, the modern world is also *decarbonizing*.

Western countries have learned how to get the most energy with the least emission of greenhouse gases.

As we climbed the energy ladder from wood to coal to oil to gas, the ratio of carbon to hydrogen in our energy sources fell steadily.

As a result, fewer American cities are now shrouded in a smoggy haze.

We are living in a golden age of capitalism. Yet most people don't recognize it.

Our distant ancestors spent nearly every waking hour hunting and gathering food to live.

Yet the typical American today earns his or her food in a matter of minutes.

And we are spoiled for choice.

For example, there are 768 varieties of breakfast cereal available at Walmart. Even a worker earning minimum wage can buy most of them for less than 30 minutes of labor.

We have more goods and services available – and work less hours to afford them – than any previous generation.

The world today is incomparably richer than it was in decades past. Yet the doomsayers have never been able to see it.

As Matt Ridley wrote in *The Rational Optimist* in 2011...

*In my own adult lifetime, I have listened to the implacable predictions of growing poverty, coming famines, expanding deserts, imminent plagues, impending water wars, inevitable oil exhaustion, mineral shortages, falling sperm counts, thinning ozone, acidifying rain, nuclear winters, mad-cow epidemics,*

*Y2K computer bugs, killer bees, sex-change fish, global warming, ocean acidification, and even asteroid impacts that would presently bring this happy interlude to a terrible end. I cannot recall a time when one or other of these scares was not solemnly espoused by sober, distinguished and serious elites and hysterically echoed by the media.*

The most important resource in today's world is not oil or natural gas or some rare earth mineral.

It's people. By applying their intelligence and creativity, individual men and women make other resources more abundant.

Additional people don't just create additional demand. (Although that also creates growth and prosperity.)

They represent an additional supply of ideas, knowledge and productive work.

This helps us live longer, healthier, richer, freer lives.

We shouldn't underestimate the value of this.

Every person – rich or poor – has only 24 hours in a day and so many years left to live.

Time is the only resource that cannot be saved, recycled, duplicated or recovered.

When you spend less time laboring to feed and clothe your family, put a roof over your head, keep the lights on, and pay your bills, you are gaining the ultimate wealth: more time to do what you really want.

That's not just prosperity. It's [superabundance](#).

And yet another good reason to be bullish on the future of the U.S. economy.

Good investing,

Alex