

M-POWER

Briefing on the New Economy

January 11, 2010

10 slides

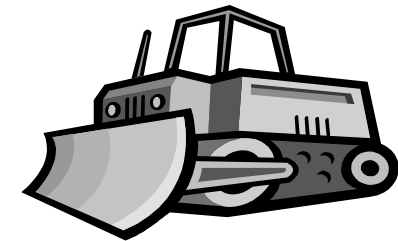


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**“There is a bulldozer of change
sweeping the planet.
If you don’t become part of the bulldozer,
you become part of the road.”**

Futurist Frank Ogden



Comparing the early 90's with circa 2009...

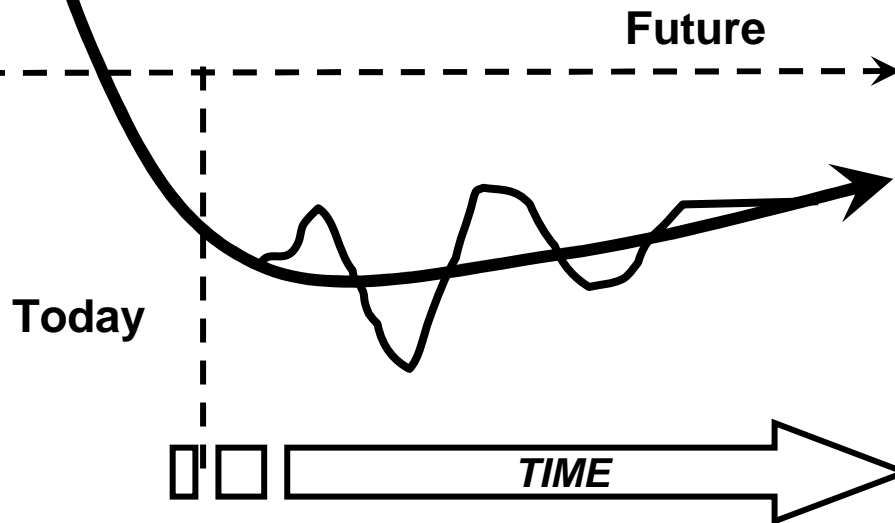
Early 90s	Circa 2009
<ul style="list-style-type: none"> • Recession in effect 	<ul style="list-style-type: none"> • Recession in effect
<ul style="list-style-type: none"> • Canadian dollar at US \$0.85 to \$0.88 • Boosted to meet NAFTA requirements 	<ul style="list-style-type: none"> • Canadian dollar at US \$0.80 to \$1.00 • High due to oil price and low U.S. dollar
<ul style="list-style-type: none"> • Elimination of tariff border means that multinational subsidiaries are no longer needed • Estimates of over 300,000 such jobs lost • Primarily a U.S.-Canada-Mexico issue 	<ul style="list-style-type: none"> • BRIC countries (reasonably) want to grow their own economy • New capabilities enable BRIC to supply globally at lower cost • North America against BRIC?
<p>RESTRUCTURING FORCES</p>	
<ul style="list-style-type: none"> • 'Auto Pact' (1965) saved the Ontario auto-industry • Large-scale plants had already been built, benefitting from economy of scale 	<ul style="list-style-type: none"> • Big 3 in decline • Remains to be seen: Big 2 or Big 1?
<p>RESTRUCTURING FORCES</p>	
<p>Recessions and currency excursions alone cause <i>cyclical</i> change BUT, in the 'perfect storm', they permit other forces to cause <i>structural</i> change</p>	



The Future Economy

Workforce and Employment

The changes occurring are **STRUCTURAL**, not **CYCLICAL** – things will look *different* on the other side



There *will* be a future
but what will it look like?

Probable characteristics :

Requiring higher levels of education

Requiring higher levels of certifiable skills

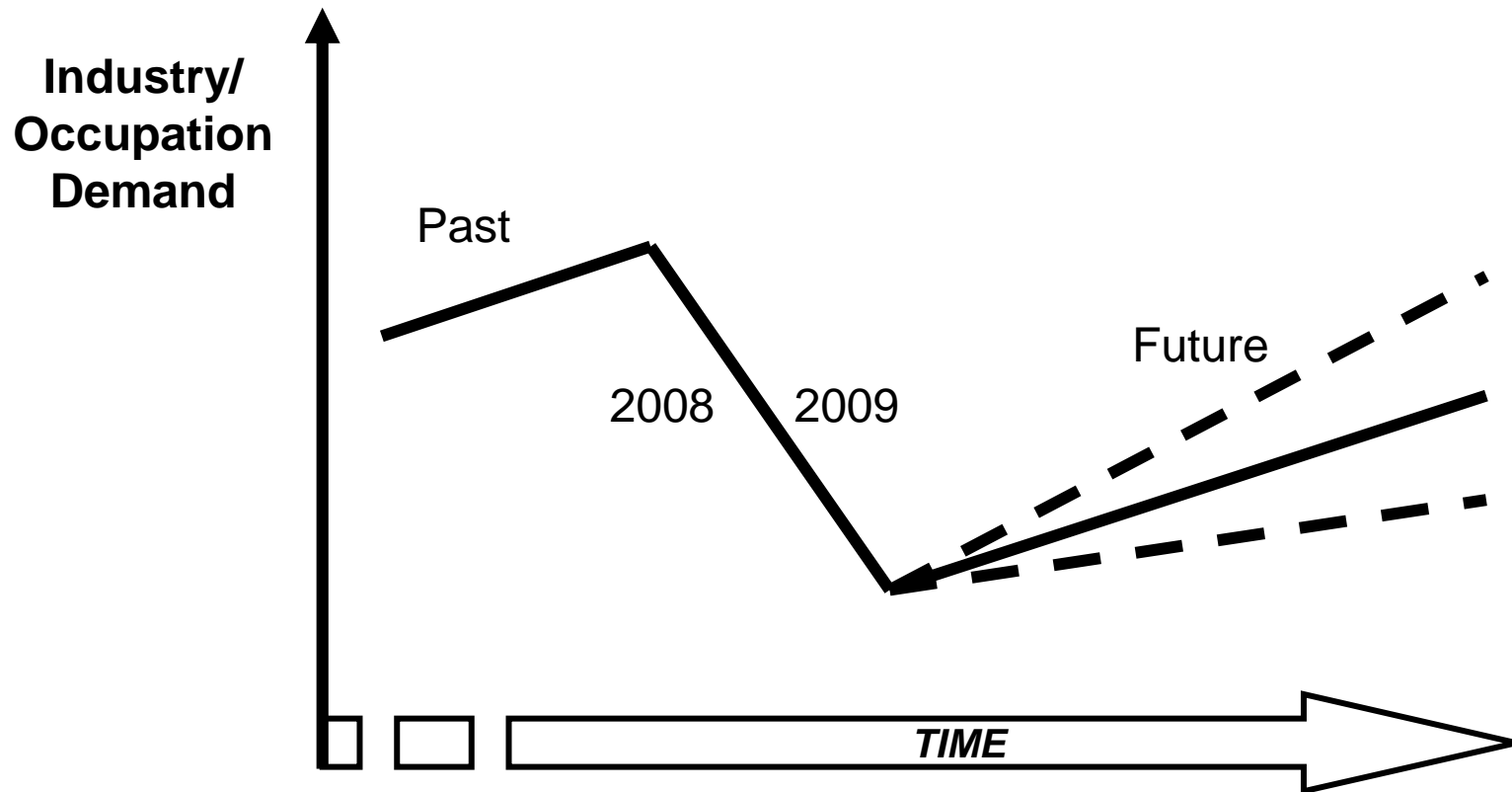
Requiring broader range of certifiable skills

Requiring adaptability and flexibility

"Those who turn Challenge into Opportunity, Win"



The 'Phoenix'



When growth returns, many industries will continue to grow in demand along the same 'slope' as they had before

These remain the **GROWTH INDUSTRIES**



Northern York Region

- **Service jobs will grow**
 - Population-dependent jobs
 - East Gwillimbury will see massive population growth: from 22,000 to 90,000 in 20 years
 - Georgina will grow also: from 45,000 to 70,000 in 20 years
- **Repetitive production-line work will decline**
 - Higher-skill custom manufacturing jobs will grow
 - Jobs requiring higher skills and higher education will grow

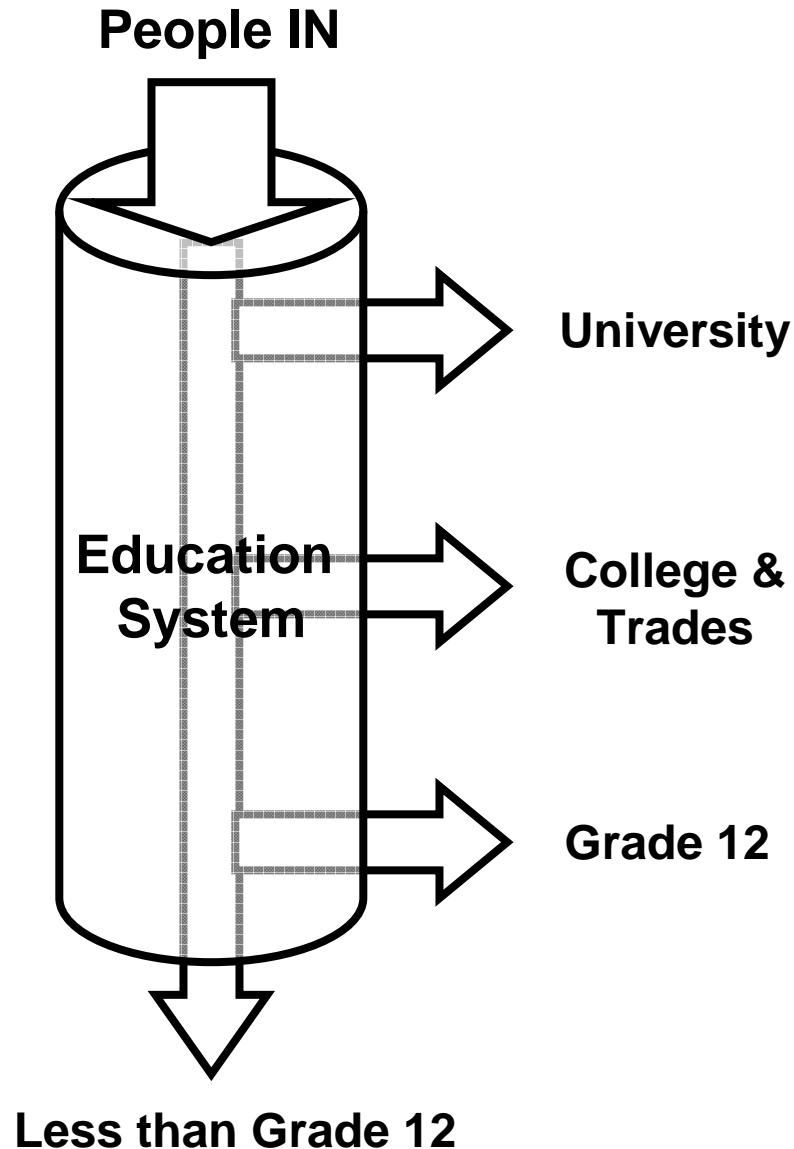


**“...the nation that
out-educates us today, will
out-compete us tomorrow...”**

Barack Obama
August 5 2009, Wakarusa, Indiana



Education and Training



- Until now, the manufacturing assembly line *had* provided a reasonably well-paying job for those with less than Grade 12
- This avenue is fading rapidly and that safety net has evaporated
- While not guaranteeing a job, *NOT having completed Grade 12 will be a characteristic of NOT becoming re-employed*



Reality

**“So, if I get a better education and skills,
are you guaranteeing me a good job?”**

**“No, but if you DON'T upgrade, you may
NEVER get a good job, ever again”**



Simple, but NOT easy

- **Take the best job available *TODAY***
– make do for now
- **Get the ‘second job’ *TODAY*** –
education and skills upgrade
- **Look for a better job *TOMORROW***

