

Tiny House - Tiny Future

A popular television show foretells the future for America's youth

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Have you by chance, seen any of the new television shows about small houses, that is, houses under five hundred square feet? One of the first, and my wife's favorite, is the show "Tiny House Nation", which advocates all the advantages and wonderful life style of minimalistic living. Minimum living space, minimum possessions, minimum cost and expenses. At the start of this show, they state that the average American home is 2,300 square feet, but people are shifting to one tenth that size or 230 square feet. And it's all about money! Tiny houses are just cheaper than larger conventional houses.



For the youth of America, the millennials with their ever shrinking career prospects and smaller futures, saving money has a big appeal, especially when it means getting a place of their own instead of living with mom and dad or in some dinky apartment sharing with other millennials. In the short run, it seems like an ideal answer to millennials limited financial means, especially when strapped with massive student loan debt.

The fly in the ointment is since the first oil crisis in 1973, the government's answer to obsolete people has been the service economy, or hyper-consumerism. An economy based on people buying lots of things, consumer goods, the sale of which gives jobs to other people who make, ship, store and stock those consumer goods. But tiny houses are cheaper because it takes less to build them, both the materials and labor. That means fewer jobs needed, both to build the tiny house itself, and to make, ship and sell the materials used to construct the tiny house. House building is priced by so much per square foot (floor space area), so a tiny house that's one tenth the area of a conventional house will be about one tenth the cost, and that means one tenth the labor and one tenth the building materials cost.

However, the savings doesn't stop there! The very small space means there's far less space to keep things, so the homeowner can't buy all those consumer goods which their parents and even

their grandparents bought. The implication for a hyper-consumerism based economy is obvious, there's going to be far less consumer activity, which again translates into loss jobs. With less consumer purchasing that only means a smaller hyper-consumerism economy, which means a contraction of the economy over the long run. So this makes the tiny house craze a bellwether of our hyper-consumerism, the shrinking of our economy meaning fewer jobs and opportunities for the youth of America who are already facing limited opportunities in making their way in life. In turn, these diminishing economic choices and opportunities means that for those young who are employed, they have a greater financial burden to carry (taxes), further pulling them down into an abysses.

Another major aspect of the tiny houses, that advocates are not considering, is the house has traditionally been the principle investment for people, especially for their retirement years. People depend on the value of their house increasing over time, then after they are over fifty-five years old, selling out and taking their one time tax exemption to leave them with the money to live their final years with. But one tenth the house value means one tenth the monies for retirement years, assuming that tiny house values will also increase like traditional house prices. Furthermore, diminishing sales of traditional houses from the youth opting for tiny houses creates a downward pressure on the valuation of those traditional houses. Supply and demand, so as the supply of traditional houses increase then their prices will drop. This in turn affects the financial future of the non-millenniums. More overall contraction of the economy over the long run, as more and more millennials are frozen out of the traditional American economy.

We have just concluded another national election, which has left the media gasping and sputtering over what has just happened, with Americans voting in Donald Trump as hope for real needed change. But the fly in the ointment ... is the president is not the 'King of America', so Mr. Trump is not the American government, especially on the domestic scene, since Congress is the one who is constitutionally charged with governing America. And until we have a functioning government, instead of a gaggle of professional celebrates, the problems of the millennials and their future will not be addressed, let alone any viable solutions offered. The needed change was with the Congress, which has not changed at all.

We're still in the same fix!

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