



STARK&STARK
ATTORNEYS AT LAW

Trends 2019

What trends are you looking at for 2019?

Trends

- Tighter Labor Market
- Rising Interest Rates
- Political Influx
- International Influx – Brexit , France, Saudi Arabia
- Sears , Toys R us , Kmart, GM
- Expansion – UNTUKit, Amazon, Royal Farms, Distilleries & Breweries, Medical, Cannabis, Sports Betting
- Demographics – Boomers, Gen-X, Millennials, Alphas

Questions to Ponder?

- Question 1. How much college debt can they absorb without hindering their future - \$25,000, \$50,000, \$100,000 or \$200,000 (Age 22 to 24)
– Answer _____
- Question 2. Will they have the income to purchase a single family home? (2000 square to 3500 square feet)
– Answer _____
- Question 3. Do they want to buy single family homes, townhomes or rent?
– Answer _____
- Question 4. Who will buy the baby boomers home? (2000 square to 3500 square feet)
– Answer _____

Trends – Debt

- The Average Debt for Those Under 35
 - Every three years, the Federal Reserve conducts a Survey of Consumer Finances. In 2013, the survey found that the average debt for households that have debt and have a head of household aged less than 35 years old is **\$82,500**. Not all householders in this age bracket have debt, which is why the Fed bases its average only on in-debt households. Mortgage debt on a primary residence in this age group averages **\$142,000**.
- The Average Debt for Those 35-44
 - Debt levels are higher for households with a head between the ages of 35 and 44. In fact, householders in this age bracket (who have debt) have the highest debt levels of any age bracket. Their average debt? **\$152,400**. Average mortgage debt on a primary residence in this age group is **\$185,900**.

Trends – Due the Math

- College debt average - \$37,100 (\$343 per month)
- **Parents paying on college debt (Delayed Retirement / Working Longer)**
- Millennials – What can they afford
- Housing - \$150,000 (\$1200 mortgage per month) Deposit - \$30,000 Where does that come from?
- Car - \$20,000 (\$500 per month)
- Food - \$10,000 (\$833 per month)
- Health & Car Insurance (\$900 per month)
- Internet & Utilities (\$400 per month)
- Vacations – Zero
- 401 K – Zero or minimum
- **Total - \$3833 per month**
- Salary – 40K (\$2500 per month) / 62K (\$3691 per month) / **83K (\$4833 per month)**

Trends – Debt

- The Average Debt for Those 45-54
 - It seems that household debt levels start to decline for householders between 45 and 54. The average debt for debtors in this age bracket is **\$150,500**. It's probably not a coincidence that the average salary for those in that age bracket is the highest for any age bracket.

- The Average Debt for Those 55-64
 - Between the ages of 55 and 64, many Americans start to think about retirement. But among heads of household who have debt and are in this age bracket, average debt levels stand at **\$131,900**. They might have assets in excess of this debt, but they might have negative net worth. In short, for some in this age group, lingering debt can be a reason to postpone retirement.

Trends – Debt

- The Average Debt for Those 65-74
 - In a perfect world, you would be debt-free by the time you retire. That scenario is not realistic for many Americans, however. Householders in this age group who have debt carry an average debt of \$108,700. Among those in this age group who have debt secured by their primary residence, average mortgage debt is \$130,700.

- The Average Debt for Those 75+
 - Seniors age 75 and older have by far the lowest average debt. Among those who carry debt, the average debt level is just \$57,500. Seniors in this age group had some advantages over other age groups. Of course, they've had more years to earn money and pay down their mortgages. But they also benefited from a time when real wages were higher. They may even have pensions from their old jobs. And their wages probably weren't affected by the 2008 recession.

- The Average Debt by Age
- Amelia Josephson AUG 20, 2018

Trends

- What type of housing will be needed in 2019?
- Rank by growth 1- 5
 - New Single Family Homes _____
 - New Townhomes _____
 - New Condos _____
 - New Apartments _____
 - New Tiny Houses _____

Trends

- What type of new development will occur in 2019?
 - Manufacturing
 - Tech Based – Go Puff, Pharma
 - Warehouse – Omni Channel
 - Retail – Smaller Faster Cheaper

Trends

- How will social media effect your business?
 - Websites – Selling / Marketing / Hiring
 - Marketing - 100% Internet Selling / 0% cold calling
 - HR – Newspapers Help Wanted (DOA)

Wages

- Can small business handle \$15.00 per hour?
- New sick day mandates
- What gives Philly's bill teeth is that, if employers change the posted work schedule after that 10 or 14 day limit, they'll also have to pay the employee a "predictability pay" fee, in addition to the employee's hourly wage for the hours in question.

Trends - Spending

- Who will buy my house in 2019?
- **How will we fill the baby gap from 2.1 to 1.61.**
- The result is "delayed marriage." This "changed marital composition explains the vast majority of changes in American fertility over the past 10 or 20 years," Stone writes.
- What are policymakers doing to respond to this abrupt demographic challenge? Approximately nothing. Stone notes that the Congressional Budget Office, the Social Security Administration and Medicare's actuaries have not "even published stress-test scenarios of long-term fertility at 1.5 or 1.6" — just below the current 1.7. NY Post

What will happen in 30 years?

- **Retirement:**
 - 401K - little or none / Social Security funds are lacking because 1.6 births
 - Renters – **No asset** to downsize & use funds for retirement
 - Pew found that only 52 percent of millennials with plans available are making contributions. In contrast, a full 80 percent of boomers and 75 percent of Gen-Xers are
 - Pensions are going away