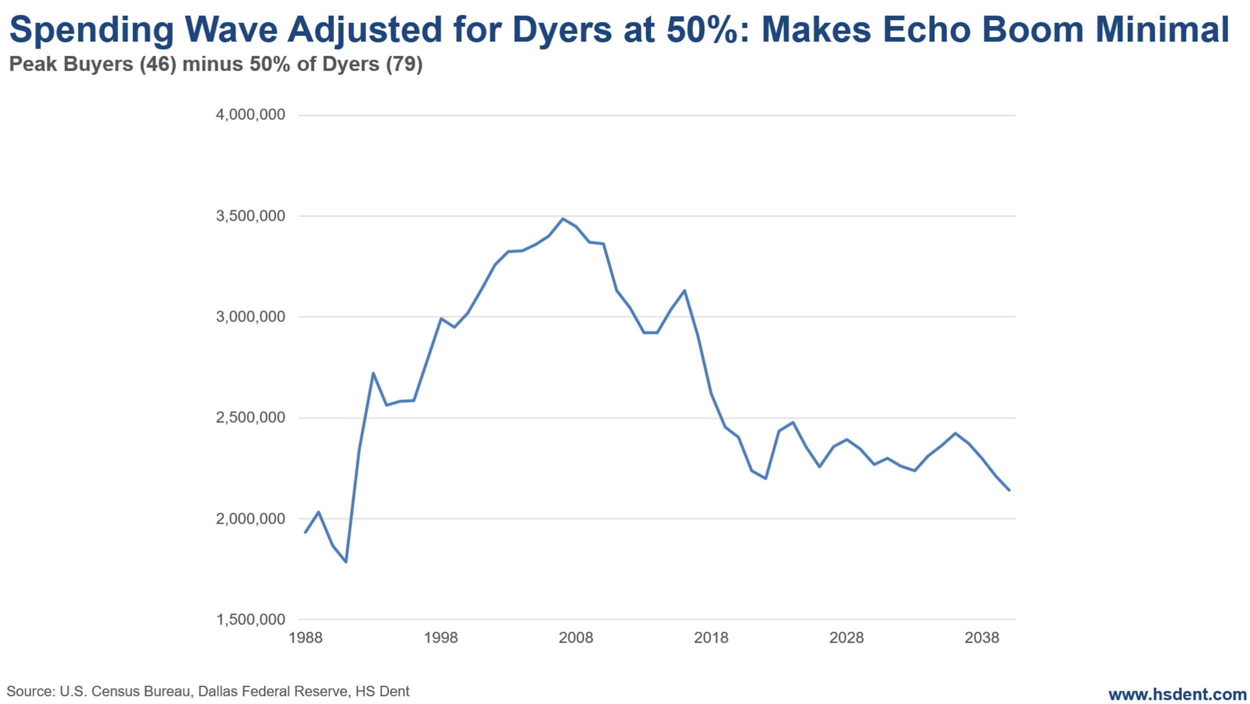
Harry's Take

September 23, 2025

A Bit of a Shocker: Millennial Spending Wave Minimal if Adjust for Dyers

I was looking at my real estate indicator which was a major breakthrough years ago. I realized that since real estate lasts near forever, that I needed to adjust peak buyers at age 42 for dyers who don't just trade down as some do after their historic peak housing spending around age 42, they disappear! They become sellers… Even if they pass that home down to their kids, that replaces a purchase they would make otherwise, and would hence make it a clear minus, similar to a final sale. Think of it as a **negative purchase**! That simple and credible adjustment makes a huge difference, and on the downside… The Millennial generation largely disappears by cancellation from dying Boomers, even subtracting at the actual 50% average spending at death compared to our peak!



This is the first time in modern history that a new generation has not taken us to new heights in inflation-adjusted peak spending, leaving only productivity as the driver of growth – and even that is less in an aging society rather than a younger one. Peak births of the Millennials were not higher than those for the Baby Boom… And the greatest productivity surge comes from younger workers entering the workforce and moving towards their peak earning and spending around age 46 – 47 on average.

Another way to put this. If an older, retired worker stayed in the workforce well past retirement, or re-entered the workforce, say because their spouse died and they needed to replace some income… that older person's productivity would not likely rise nearly as fast as a younger person entering the workforce for the first time… in fact, such productivity will more likely decline a bit.

Hence, I finally thought it did make sense to adjust my Spending Wave Indicator for dyers as well with one caveat. By the time they die, they are actually on average earning and spending very close to half as much as at their peak, which is what drives the Spending Wave.

Does this mean that if the Great BS $29T Stimulus since 2008 tapers off naturally as planned, we quickly find that we have to live off ever-rising stimulus forever if we are to grow 3% plus as historically desired? That the Millennials will not bail out the Boomers! And only finally then, it becomes more obvious that our strategy is: SIMPLY NOT POSSIBLE!!!

More on this topic in the full newsletter including timely updates. If you are not a paid subscriber and thinking of subscribing, this would be a good time. Things are not just about to get very ugly soon, they are looking more like they may stay somewhat ugly longer term… just ask the Japanese. The Nikkei took 36 years to hit a new high after its first dramatic 1990 – 92 crash when their Boomers peaked – and they will crash hard again like us. It will likely be at least 30 years before we have a shot at new highs, and possibly not even then given our "Long Demographic Plateau" all the way into 2054… and we're rapidly cutting back on immigration, our only source of demographic growth left. Wake up call!

Harry

Got a question or comment? You can reach us at info@hsdent.com.