



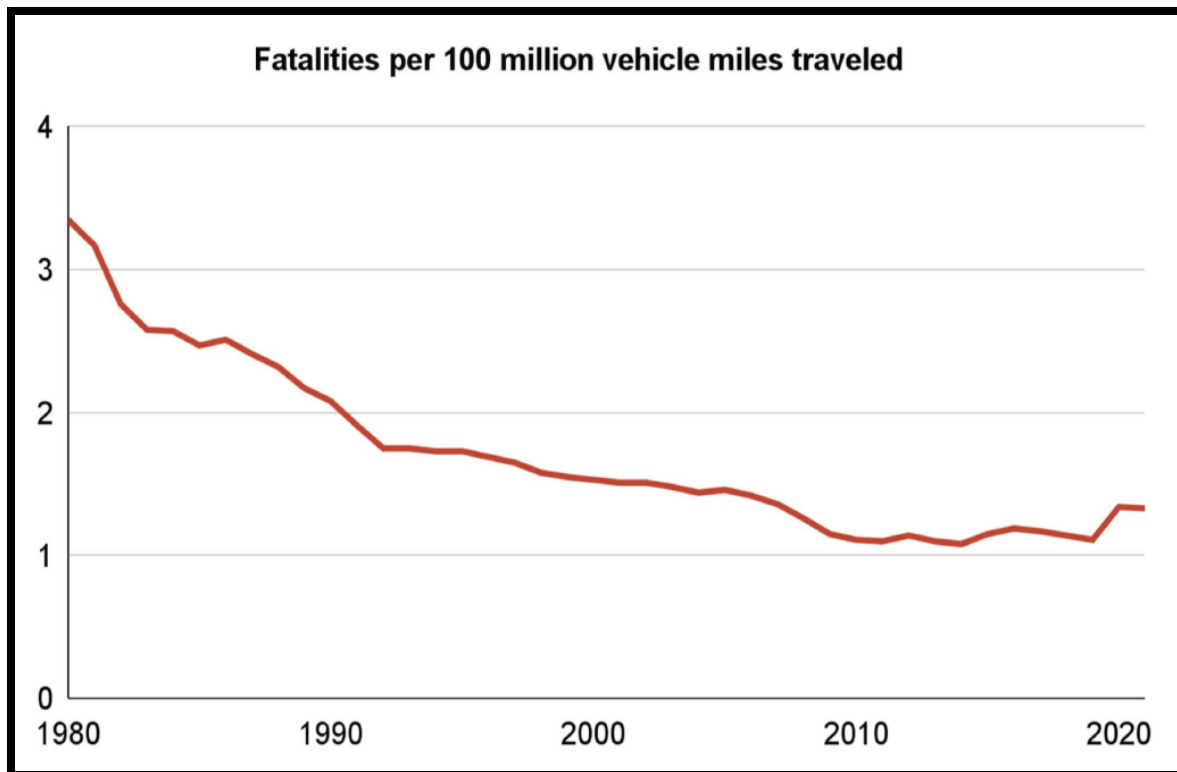
Are We Better Off

September 12, 2023

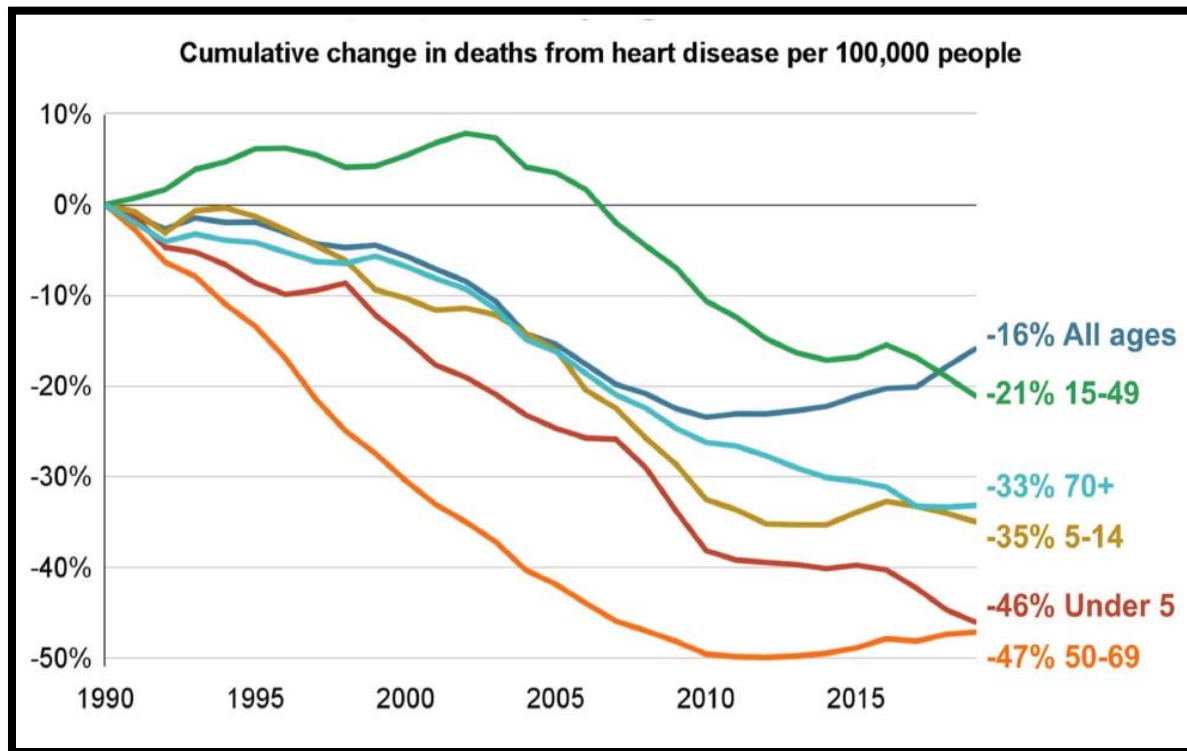
Are We Better Off Than We Were in the 1980s?

The world is going to hell in a handbasket—at least, that’s what you hear in some of the gloomier corners of the Internet and much too often in the mainstream press, and it’s a constant refrain from the political class that wants your vote. But has anyone ever objectively looked at our circumstances today vs. the 1980s?

Recently, someone had: a website called Full Stack Economics has examined a variety of issues in our current environment and found a real-world way to compare them with how we were living, and how much we were paying, 40 years ago.



The results might surprise you—in a good way. For example, fewer of us are dying in auto accidents than we were in the 1980s—indeed when measured in fatalities per 100 million vehicle miles traveled (see chart), our death rate has more than halved. There are a variety of reasons for this, including better highway designs and campaigns against drunk driving. But a bigger factor is the fact that cars today all come with airbags and anti-lock brakes, and many vehicles have been redesigned with crumple zones in the car bodies that protect drivers and passengers even in high-speed collisions.



We're also much less likely to die of heart disease and many forms of cancer than we were at the end of the 1980s, 41% and 35% less likely in the case of stomach and breast cancer.

Okay, but long-term inflation is eroding our lifestyles, right? The Full Stack Economics team found a way to compare real-world buying power with real-world prices and came up with a measure that compares how long a typical wage-earner would have to work in order to buy certain common items. The 1980 prices were lifted from Sears catalogs, and today's prices are from amazon.com, Costco, and other online outlets.

You can see in the chart that, when measured by time worked, prices have come down dramatically. A 1980 issue of the Sears catalog offered a hammer with a fiberglass handle for \$9.50; today you can buy the same hammer on Amazon for \$13.98. But back then a typical worker made \$6.86 an hour, compared with \$27.33 today. That means a hammer in 1980 cost about 1.4 hours of work, compared with about 30 minutes today. That's a 63% decline.

Comparing TV sets, the team discovered that we can buy a 25-inch television today that is superior in every way to what was available in 1980 for about a quarter of the price paid back then—even before you adjust for inflation.

Finally, look at the percentage of households that own modern conveniences. As you can see from the chart, just 70% of households owned a washing machine in 1980, and 61% owned a dryer. (Remember clothes pins?) Today, those percentages stand at 84% and 83%. Ownership of dishwashers has risen from 37% to 73%, and 66% of households have central air conditioning, compared with 23% in 1980.

We can complain about our lives and reminisce about the ‘good old days,’ and there will always be articles and blog posts (and political pitches) that tell us how our lives are less convenient and prosperous than in some prior golden age. But the actual truth is that these are the good old days, and the next 40 years will probably see similar improvements.

Source:

<https://www.fullstackeconomics.com/p/24-charts-that-show-were-mostly-living-better-than-our-parents>

If you have any questions about this article or want to discuss your family finances, investment portfolio, or financial planning advice, please call on me anytime at my number [\(215\) 325-1595](tel:2153251595) or you can [click here to schedule a meeting](#).

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