

“What careers are hot?”

By Tommy Williams, CFP®

As we begin the New Year there is much about which to speculate. Will the economic/market reaction following the election continue? The major U.S. indices have been strong performers since early November. *The Economist* suggested 2017 could hold a surprise that will negatively affect investors' expectations:



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“By definition, a surprise is something the consensus does not expect...investors are expecting above trend economic growth, higher inflation, and stronger profits...So

it is not too difficult to see how the first surprise might play out. Expectations for the effectiveness of Mr. Trump’s fiscal policies are extraordinarily high. But it takes time for such policies to be implemented, and they may be diluted by Congress along the way (especially on public spending). Indeed, it may well be that demography and sluggish productivity make it very hard to push economic growth up to the 3-4 percent hoped for by the new administration.”

On the other hand, profitability has improved. American companies have seen earnings rebound, and many companies are positioned to benefit from the corporate tax cuts promised by the new administration. However, this good news may already be reflected in current share prices. Robert Shiller’s cyclically

adjusted price-earnings (CAPE) ratio, a measure of valuation based on average inflation-adjusted earnings of companies in the Standard & Poor’s 500 index from the previous 10 years, was at 27.99 on December 23. That’s almost 70 percent above its long-term average of 16.05 and indicates markets may be overvalued.

Regardless of potential negative surprises and current market valuation, many analysts expect a positive performance from U.S. stock markets in 2017. *MarketWatch* reported, “*Most house projections from the big investment banks and brokers converge around the S&P closing the year at 2350 – a scant 5 percent above current levels. Only one strategist...dares to suggest that 2017’s gains could be as much as 20 percent.*”

AMERICA'S MOST WANTED...

Don't worry. Robots have not yet replaced human workers. In fact, according to *The World In 2017* (published by *The Economist*):

"...automation seems to be pushing people from routine jobs, such as factory work, into non-routine ones, particularly those that require cognitive and social skills. Technological progress will cause a shift in the nature of jobs available and the skills they require. It is impossible to know for sure what these new jobs will be – the Luddites who campaigned against the mechanization of weaving in the early 19th century could not have imagined that new fields such as railways, telegraphy, and electrification were coming. But two tools can help us take a stab at identifying the jobs of the near future: hard-nosed statistics and predictive intuition."

So, what do statistics tell us about the new jobs young people and career changers

should be preparing to do? The *U.S. Bureau of Labor Statistics* looked at current trends and projected the fastest growing jobs from 2014 to 2024 would be:

1. Wind turbine service technician (up 108 percent)
2. Occupational therapy assistants (up 43 percent)
3. Physical therapy assistants (up 41 percent)
4. Home health aides (up 38 percent)
5. Commercial drivers (up 37 percent)
6. Nurse practitioners (up 35 percent)
7. Physical therapists (up 34 percent)
8. Statisticians (up 34 percent)
9. Ambulance drivers (up 33 percent)
10. Physician assistants (up 30 percent)

Predictive intuition suggested quite a different set of careers. *The World In 2017* suggested there could be demand for drone technicians and support staff as the use of autonomous vehicles increases.

There may also be demand for bot wranglers, such as 'chatbot' specialists, who help bots provide customer service through speech and text. Indoor farming may prove to be a growth industry as urban populations increase. Other career possibilities included virtual fashion designers, robo-psychologists, and synthetic tissue engineers. Clearly, there is a world of opportunity for those with the right education and skills.

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