



## **New Blue-Collar Rich. (Cashed-Up Bogans).**

**by Joe Average,**  
September, 2006.  
[www.lifetoday.com.au](http://www.lifetoday.com.au)

**Bogan; Generally derogatory Australian slang term for a person perceived to be unsophisticated, uncultured, or of a lower class background. A Bogan typically has a working-class background and displays speech and mannerisms that suggest a poor education. An American equivalent might be the term, "Red-neck" or "White Trash".**

### **"Shiny-assed Bastards".**

I still remember the day ten years ago when my two sons came home from high school visibly annoyed. When I asked what the problem was they told me of a conversation they'd had with three of their close school buddies (three brothers).

The guys been talking about how their final year in high school was almost over and they'd all soon be heading in different directions in pursuit of careers. The three brothers, whose father was a welder by trade and ran a small business turning out wrought iron furniture, were having a dig at my sons who were about to move away to college.

One of my boys was about to embark on a double degree in Business/ Economics, while the other was starting out with a Science Degree (he ended up a PhD in Genetics/Molecular Science).

At that particular time, the Australian economy was still recovering from recession and the building and real estate industry was just bottoming out from the property bust that followed the huge boom in the late 80's. Builders and trades people were still doing it tough and scratching around to pick up work wherever they could find it.

I gather the conversation from the three brothers went something like this;

**"How come your old man (whom they knew well enough was a dentist...after all, they'd come to his office for treatment...and been given a decent discount) and all those doctors and lawyers all charge so much? The work they do isn't that hard. My old man's work is hard...really hard, and dirty...especially when he's slaving over iron with his welding torch on a stinking hot summer day. Do you have any idea how stifling hot it gets in that big tin shed he works in? Or how cold it gets in winter when he freezes his nuts off?**

**And what about bricklayers and carpenters? They know what hard work is! Guys in a trade like that really earn their money making a decent living. They're the salt-of-the-earth. Not like those clean-nosed, shiny-assed-bastards that come out of university and get a cushy job, sitting at a desk all day in some air conditioned office. All they do all day is shine the ass of their trousers by swivelling in their chairs, blah-blah over the phone, and make a fortune by charging too much or ripping ordinary folks off!"**

So I gathered at that time that at least a few tradespeople felt some kind of resentment or envy at the "shiny-assed-bastards" that were doing it a whole lot easier in other professions.

Now let's fast-forward to 2006.

Australia has gone through a ten year “purple patch” where stock markets have shown spectacular gains, especially the past six years where real estate has experienced the mother-of-all-property-booms.

The really big money was now being made by stock brokers, real estate agents and builders who were flat-out filling their order books and trying to keep up with the crazy demand for new housing and investment properties. These were the new kings of commerce, the top of the heap. Articles appeared in newspapers telling how plumbers, bricklayers, electricians, carpenters, etc were in great demand and short supply and pulling fabulous salaries.

While most recent graduates from university were earning A\$45,000 to A\$65,000 a year... many trades-workers were earning A\$100,000 to A\$150,000. Some were photographed out on the work site, smiling and commiserating with those poor office workers that were trapped inside at their desks all day earning ordinary wages, while these more fortunate builders flitted around outside in the fresh air from one building site to another (stopping every once in a while at the local bank to see how quickly the balance sheet was growing).

It seemed that the tide had turned. The building industry had finally been awarded the recognition it deserved where those associated with real estate would no longer live in the shadow of “shiny-assed bastards”.

Just how much public perceptions and attitudes had changed in this regard was hammered home to me when I came across this advertisement last week in my local newspaper.

The ad was for a Technical College seeking enrolments in trades-courses for the building industry...where “students don’t just build their trade skills, they also build lucrative futures”.

What really impressed me, however, was the large quarter page photograph used to get the message across. Sic.



Now seeing as how I am by nature a mite cynical, I couldn’t help but wonder what might happen to all these Porsche driving builders should this global mother-of-all-property-booms be followed by what happened after so many previous booms...dare I say it?...not a “soft landing” but a real estate crash.

Never mind that Alan Greenspan and his world central banks counterparts moved quickly to avert an imminent recession post the 2000 stock market crash and flooded world markets with liquidity, instigating a global property bubble in the process.

Never mind that the number of jobs created by this stimulus resulted in one of the feeblest recoveries on record, or that 40% of those jobs created were directly associated with the property boom (i.e. realtors, builders, conveyancing lawyers, mortgage brokers, furniture and household good suppliers, etc).

Has the overbuilding we’ve experienced merely brought forward demand from the future? If things fall apart and we do experience a severe real estate crash, will the property market be affected for years to come? Will the day come when builders find their order books going forward looking decidedly sad? Will we ever again see the day (as I have in previous boom/bust cycles) where trades-workers are again standing by the side of the road holding up a placard “LOOKING FOR WORK”?

Perhaps not. But then again, youngsters enrolling in a Technical College trade course might do well not to build up their hopes too high of taking delivery of a shiny new Porsche too soon after finishing their course.

## **Cashed-up Bogans.**

Lo and behold, what should appear in the financial press about a week after the advertisement above spurred me on to write this article?... a two page spread about...

### **“The new rich, and a rude nickname.”**

**“Mitch is 26 and drives an A\$80,000 BMW X5. He recently bought a plasma TV and owns a couple of investment properties. But he’s not a derivatives trader, investment banker or real estate agent. He’s an electrician.**

**Marketing types have adopted a label for people like Mitch: CUBs, for cashed-up bogans... Another descriptor with some currency is “blue-collar rich”. Whatever the label, the spending power of this group, which includes electricians, carpenters, plumbers, mine drivers, crane operators, concreters and their ilk, is being taken very seriously.**

**Until now BMW hasn’t actively marketed to CUBs. But that’s changing, with the car group for the first time taking out ads in mass-marketing tabloids...a crane driver on a CBD building site can make \$150,000 a year.**

**BMW isn’t the only prestige marque ...It’s the same for Audi and Lexus...But BMW can’t afford to drift too downmarket. “The issue is how big can you be and still be exclusive?”**

**Many tradesmen...said they were making substantially more than \$100,000 a year...They don’t want to have their names mentioned or talk on the record about their expensive toys, as they don’t want to attract the attention of the Tax Office.**

**A lot of plumbers, builders, builders and carpenters are moving away from fishing boats to bigger boats that they can spend the weekend in... (and) buying two and three houses...a market they are close to and understand.**

**Matt (a 25-year-old carpenter) says it wasn’t just the money lured him into the building industry. As a student he noticed the tradesmen and builders down at the boat club every afternoon. “I saw they were sailing at four in the afternoon. That was the biggest factor for me. It was the lifestyle thing... (before that) I was thinking of being a teacher.”**

**But whether the trades maintain their new-found allure depends on how long the mining and construction booms last.**

**Tradesmen themselves say there’s a stigma on a tradie... “Mums and dads have a lot to answer for,” says Brian Welch, executive director of the Master Builders’ Association...He has witnessed the pure snobbery that has seen them direct their children to university, to become doctors, lawyers or engineers, rather than to the trades...(it’s about time we now see) money as the great leveller.”**

Article by Joanne Gray,

Australian Financial Review, August 19-20, 2006.

So it would seem we have finally come full circle. Like they say...“What goes around, comes around”.

Question: Does the merry-go-round, the circle of life, the business cycle, what ever you like to call it...stop here...or does it keep turning?

All the best, Joe.

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