

Should We Be Worried About Population Growth?

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As the stock market surges toward new highs (the NASDAQ is already there), fears of the ultimate impact of the coronavirus are declining even though cases are rising. At last count the global death toll from the virus was 573,000+ a scary number when these deaths have occurred in the first half of the year. A shift in investor concerns is likely to be coming at the end of August as the November election may dominate the summer doldrums. But there are other concerns out there that long-term investors should keep an eye on. The fear leading the way according to the media is global warming and the impact it is having on our planet that will affect the lives of our children and grandchildren. Thanks to improvements in healthcare, children born today should live well into the 22nd century! The coronavirus has undoubtedly contributed to the efforts of the green movement to slow global warming as fewer emissions from gas-powered vehicles have dramatically increased the quality of air in the United States. However, this trend is likely to be temporary once the economy recovers from the virus.

When we look at the billions of dollars being spent to control pollution that, in turn, is contributing to global warming, we ask whether or not these efforts are addressing what could be the major problem facing civilization in the next 100 years and how we are aiding and abetting that problem and not working to curtail it.

What requires immediate attention is the growth in the world's population! At the present time, the total population of the globe is 7.8 billion people. The births so far this year are 74 million and deaths of 31 million for a net population increase of 43 million. Imagine how much additional pollution is created by another 43 million people so far this year. On a daily basis the net new number of people joining humanity is about 200,000 a day. In other words, it takes only 3 days to replace the number of people who died from coronavirus. To give some historic perspective, the world population was 2 billion in 1927, 5 billion in 1987 and estimated to be 10 billion by 2060! Even though the growth rate has fallen from 1.85% in 1987 to 1.05% in 2020, that 1% gain equates to an additional 78 million per year. How can this growing population not disturb global economics? The irony is that governments around the globe continue to encourage having more children. Another problem is that life expectancy is increasing from 47 years in 1950 to 73 years in 2020. Rapid gains in health and the elimination of disease should extend this number. In both cases society is likely to pick up the tab for the poor. Another contributor to population growth is the dramatic decline in infant mortality. From 140 deaths per 1,000 births in 1950, that number has fallen to 26 in 2020.

Today's investors haven't been paying much attention to this population explosion but our children and grandchildren will be affected by it. Even the advocates of a green society will have to focus some attention on the major factor that may be contributing to global warming—the growth in population.