

CAROC MARKET WATCH

(A Monthly Trends & Forecasting Report)
April 30, 2003

SIX TECHNOLOGIES YOU NEED TO KNOW ABOUT:

- **Wi-Fi** – Wireless Fidelity, the wire-free way to link computers over short distances and at high speeds to the Internet. Wi-Fi appeals to two rapidly growing groups: households that want to connect multiple computers and the laptop users. Look for an increase in “hot spots”, places where free Wi-Fi networks are put up (libraries, airports, coffee houses).
- **Free Software** – Open source software is not only becoming acceptable, it’s becoming a big business. Big steps have taken place to make it simpler to use and getting it to work better in networks with proprietary software.
- **Utility Computing** – Involves paying a company to provide you with computing power when you need it. Instead of buying hardware and software, companies would pay for the work delivered on those systems, much like paying for electricity rather than constructing a power plant.
- **Flat Screens** – Prices are falling, they take up less space, they’re much lighter, they require less electricity, they don’t flicker as much, and they emit less radiation than the television style monitors.
- **Web Services** – This is a catchall term for software that allows different computer systems to communicate seamlessly through the Web. Now this software is starting to link companies with disparate systems. For example, the computer system of a manufacturer can communicate directly with the system of the supplier, making deliveries and production flow more smoothly.
- **Commodity Computing** – As personal computers became more powerful, techies realized that a bunch of small machines made from inexpensive PC components could be hooked together to do the same job as one big expensive machine. This idea has remade the economics of the computer business, forcing hardware makers to produce cheaper product lines and save customers big money. Commodity computing is expected to grow even more popular this year. [Wall Street Journal](#), March 31, 2003

HOT NEWS IN BANKING: BRICKS AND MORTAR

Customers prefer branches so banks are opening them like crazy. What a reversal from the height of the Internet boom when big banks declared branch banking dead. The nation's six largest banks (JP Morgan Chase & Co., Bank of America, Citigroup, Wachovia Corp., Washington Mutual, Inc., and Bank One Corp.) plan to open 486 new branches in 2003, and 550 new outlets in 2004.

There is no longer a question about the need for branches. Despite a growing array of online options, customers continue to open 80% of new checking and savings accounts at branches. Big banks saw smaller banks that were expanding gobble up a greater share of deposit growth.

Banks believe their branches will stay profitable because regulatory changes now let them pitch a variety of insurance and financial-services products—and that is usually done in person. Banks are thinking more like retailers. They want to sell as many products possible to each customer rather than trying to cut costs.

As banks rediscover the branch biz, they are also looking radically different: mannequins, café-settings, play areas for kids, no ropes to cut off customers, kiosks. In the new model, banks want to talk with their customers—so they are eliminating their “teller” fees. BusinessWeek, April 21, 2003

HIGH DEMAND JOBS

Demand for health care workers will continue to boom for years in contrast to job weakness in other sectors. While overall employment fell .2% last year, health care jobs grew 2.6%. Salaries are also going up. Hiring bonuses are becoming common with nurses getting up to \$5,000. By 2010, there will be another 1.6 million openings for doctors, pharmacists, lab technicians, physical therapists and others. Most in demand are nurses who will make up about one-third of all new health care positions. The Kiplinger Letter, April 11, 2003

Trends & Economic Forecasting Committee – April 30, 2003

*Kim Thomason
Capistrano-Laguna Beach ROP
kthomason@capolagrop.k12.ca.us*

*Gerry Kawamura
Coastline ROP
gkawamura@coastlinerop.k12.ca.us*

CAROCP is Mission Driven – Market Smart!