



ASPO-Australia

Australian Association for the Study of Peak Oil & Gas

www.ASPO-Australia.org.au

Young Professionals Working Group

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Peak Oil & Young Professionals

Young professionals may well be more aware and engaged about Peak Oil than other age groups. We may also find it easier to be more frugal, have a recent broad education about the opportunities (and shortcomings) of technology and efficiency, and be able to see through the hype about hydrogen, biofuels and other alternatives which capture the attention of politicians, the media and others. Young Professionals are vulnerable to the shocks that Peak Oil will bring to our society, but we are also well equipped to tackle energy descent, perhaps more realistically than others who simplistically advocate alternative fuels and vague technological fixes.

Peak Oil – a quick overview

“Peak Oil” refers to the point at which the world reaches its maximum rate of production of useful conventional petroleum, after which oil production begins to decline. Estimates for the date of this vary from 2004 to 2030, with the most credible predictions converging on the period 2008-2015. Peak Oil does not suggest that we are about to run out of oil – far from it – just that after the peak, we will begin to run *short* of oil.

The actual date of the peak is somewhat less relevant than our ability to deal with it when it eventually comes, and there is no doubt that the peak will eventually come – declining oil production is inevitable. Substitution by biofuels (ethanol, biodiesel) can only replace a small percentage of liquid fuel demand due to limited spare land and heavy energy investment in growing the crops. Unconventional petroleum (heavy oil, oil shales, tar sands), and alternatives such as coal-to-liquids and gas-to-liquids are far too greenhouse-gas-intensive to consider seriously, and in any case it appears that the world no longer has enough time to install such infrastructure on sufficient scale.

Basic foreseeable problems include growing shortages of liquid fuel for transportation, and resultant price-spiking. Aviation is particularly vulnerable as it cannot readily make use of any alternative fuel. The broader economic impacts are largely unpredictable; suffice to say that until now the Western world has enjoyed fantastic economic growth in unison with growing global oil consumption at cheap prices. Even though OECD countries have been improving their efficiency for converting oil into economic activity, it is hard to

see the economic curves still going up when the overall oil curve starts to go down.

In view of the perceived threat posed to our industrialised society by Peak Oil, ASPO-Australia advocates an approach of prudent risk assessment across all sectors to help prepare areas that are particularly vulnerable to the disruptions that Peak Oil will cause. The following document summarises some perceived threats and opportunities to the group broadly known as “young professionals”. Not every young professional will be faced with every threat and opportunity on this list; the specific set of risks and opportunities will be governed by each individual’s circumstances and choices. But, it is hoped that this list will help inspire young professionals as to choices we can make that will influence what happens in Australia in the future at national, state, local and personal levels.

For further information about Peak Oil, please do not hesitate to contact ASPO-Australia:

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There is a wealth of information and misinformation coming from both sides of the Peak Oil debate. The following websites may be helpful:

ASPO-International, www.peakoil.net

ASPO-Australia, www.ASPO-Australia.org.au

Energy Bulletin, www.energybulletin.net

Oil Depletion Analysis Centre (UK). www.ODAC-info.org

Young Professionals & Peak Oil

Major opportunities

- *Accustomed to frugality (student lifestyle)*
 - o Many young professionals have recently been students, perhaps living less materialistic, cheaper and less resource intensive lives. This "frugal-student" mindset is very valuable if it can be maintained against the pressures of materialism and resource consumption. Students generally don't bother with (or can learn to live without) expensive flash clothes, new cars, and some of the other trappings of the broader world.
- *Potential to “be part of the solution”*
 - o Whilst young professionals may typically hold junior positions in their organisations today, those who find themselves moving into more senior roles within the next 5-10 years can strive to effect change and reduce their organisation’s oil dependence.
 - o Young professionals possess sufficient enthusiasm, imagination and energy to positively embrace career and lifestyle changes necessitated by Peak Oil
- *Less “tied down” to a location*
 - o Young people may not be committed to a mortgage or other heavy location-dependent expenses, and hence may be able to

adapt to lifestyle changes more easily, or move to where work is available.

- *Not necessarily locked into a career*
 - o Although probably already on a particular career path, young professionals should be able to change their career direction if required, without incurring an enormous loss of income.
- *Potential to make preparations for the event of a late peak*
 - o If the optimistic projections are correct (peak in 2020-2030) then today's young professionals may have the opportunity to spend the next 15-20 years establishing a frugal lifestyle that is of low oil dependence.

Major vulnerabilities

- *Vulnerable to late peak*
 - o Supposing the more optimistic predictions (2020-2030 peak) are valid, today's young professionals will typically be in the 45-55 age group when Peak Oil occurs. **Of all the age groups, today's young people should be the most concerned about Peak Oil because it *will* happen in our lifetime.**
- *Relatively low income*
 - o Renting or buying a house close to the city (close to reliable and convenient transport) to reduce oil dependency is often too expensive to afford on a graduate/junior salary
 - Common responses are to over-commit financially (get into too much debt), or buy in outer suburbs with inherently greater car-dependence
 - o A graduate with a low income may have a reduced capability to absorb increased costs of transport, as well as housing and general goods and services that may go up in price in response to Peak Oil (i.e. high inflation due to high transport costs)
- *Job & income security*
 - o Certain goods and services may become redundant or unviable in a world of increasing transport costs, leading to more lay-offs and greater competition between job applicants (and potentially lower wages for those who are employed)
- *Junior career position*
 - o Pressure to focus only on "core business" and individual career advancement
 - o Effecting change within an organisation is difficult from the lower rungs of the corporate ladder, so preparing one's company for Peak Oil (and hence improving job security) may be difficult
- *Lack of capital assets*
 - o Mitigation strategies such as buying a more efficient car are beyond the reach of most young people
 - o People who do not own their own homes are somewhat less well equipped to opt for more self-sufficient lifestyles
- *Young families*
 - o Couples or single parents with young children may have high transport needs and/or generally high living expenses, meaning they are doubly vulnerable to all of the above

Minor vulnerabilities

- *Travel aspirations*
 - o Overseas, long-distance travel is a goal of many young people and may become prohibitively expensive due to increases in fuel costs and/or rationing
- *Social life*
 - o Often involves driving to places that are poorly serviced by public transport, and/or at times when public transport is unavailable
- *Entrenched perceptions & negative “green” connotations*
 - o The dominant point of view may need to change before people will seriously consider taking what are traditionally considered “alternative” transportation such as cycling and public transport

General comments

- Young professionals often have peers, mentors, elders and family who *all* deny the importance of Peak Oil, creating a very strong social incentive to ignore the issue
- The social impact of having aspirations threatened or dreams shattered should never be underestimated
- According to ASPO-Australia, aside from the highest-priority action of raising public awareness and community engagement, the priorities for individuals or organisations preparing for Peak Oil should be:
 1. Frugality (highest priority, e.g. learning to use less transport),
 2. Efficiency (e.g. using smaller cars and car-pooling), and
 3. Alternative fuels (lowest priority, e.g. running cars on ethanol).

Conclusions

Young professionals simultaneously face significant threats and great opportunities due to Peak Oil. There will be many new opportunities for innovation and problem-solving, especially in terms of improving the efficiency and viability of various activities in the face of declining oil production.

Housing affordability in a climate of steeply increasing transport costs and associated economic effects (e.g. inflation leading to interest rate rises) will present major threats to young professionals and especially young families who are trying to buy their own homes. However, in some ways young people may be better prepared for frugal living (and may have less to lose) compared to affluent middle-aged professionals, and therefore the lifestyle changes may not come as such a shock.

Many young professionals will be faced with uncertain future in their current career, but there may be entirely new career paths opening up that are unexpected. An ability to change one’s career direction and adapt to new markets will be essential, as well as a general willingness to accept lifestyle adaptations. Above all, there is always room to hope: an attitude of cautious optimism is highly recommended!