

AFFLUENZA

The All-Consuming Epidemic Second Edition

NEW and Improved!

As seen on TV!



JOHN DE GRAAF DAVID WANN THOMAS H. NAYLOR

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PULITZER PRIZE WINNER

"Affluenza looks at our epidemic of over-consumption and shows how we can live simpler, more meaningful lives. It's a fantastic book, very funny yet deeply serious." —Peter Barnes, Co-Founder, Working Assets

An Excerpt From

***Affluenza:
The All-Consuming Epidemic
Second Edition***

by John de Graaf, David Wann, & Thomas H. Naylor
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PREFACE

As I write these words, a news story sits on my desk. It's about a Czech supermodel named Petra Nemcova, who once graced the cover of *Sports Illustrated's* swimsuit issue. Not long ago, she lived the high life that beauty bought her—jet-setting everywhere, wearing the finest clothes. But then, she happened to be vacationing in Phuket, Thailand, when the great Southeast Asian tsunami struck. Her boyfriend was swept away and killed. Badly injured, she survived by clinging to a palm tree for eight hours till she was rescued.

After leaving the hospital she announced that the tragedy had transformed her. She no longer wanted to model; she wanted to work on relief projects for the United Nations. She told reporters she no longer cared about her old life of fashion, fame, and fortune. “Believe me, it isn't really important,” she said. “There are so many more important things in the world, like health and love and peace in your soul.”

In the Age of Affluenza, it's a lesson we all need to learn. I've also got an “invitation” on my desk, offering me free tickets to the Millionaire Conference with Reed West. The invitation says I'll learn how to cut my tax bill by 31 percent and reduce all my capital gains taxes to zero. Sounds good . . . until I consider what would happen if we all did that. No taxes would mean no schools, parks, public amenities. It would mean even more reckless consumption. And every study I know of shows that getting rich won't make me happy. Sharing with those in need, building for the common good, living rich in friendships, family, and community—that's what will. I don't wish a tsunami on Reed West, whoever he is. But he, and all the rest of us, need to understand what tragedy taught Petra Nemcova.

So welcome to the second edition of *Affluenza: The All-Consuming Epidemic*. Most movies start with a book, but this book started with a movie. In 1996, together with Vivia Boe, a fellow public-television producer, I set out to craft a documentary about the subject of overconsumption and its many not-so-benign consequences for American society. Our research told us the subject was a huge one, touching our lives as Americans in more ways than any other social or environmental issue. But how to make sense of it? How to present the issue so that viewers could see that multiple problems were caused by our consuming passion and that they were connected to each other?

After videotaping more than two-thirds of the program, we were still wondering how to weave together the wide range of material we had collected. Then, on a

flight from Seattle to Washington, D.C., to do still more videotaping, I happened to see the word *affluenza* used in passing in an article I was reading. For me, it was like that moment in cartoons when the light bulb goes on over someone's head. This was it: *affluenza*. A single word that not only would make a catchy (pun intended) TV title, but that also suggested a disease resulting from overconsumption.

Vivia and I agreed that here was a way to make the impacts of overconsuming more clearly understandable—as symptoms of a virus that, in the United States at least, had reached epidemic proportions. We could then look at the history of this disease, trying to understand how and why it spread, what its carriers and hot zones were, and finally, how it could be treated.

From that point on, we began to use the term, asking interviewees if the idea made sense to them. And indeed, real doctors told us they could see symptoms of affluenza in many of their patients, symptoms often manifesting themselves physically. A psychologist offered his observation that many of his clients “suffer from affluenza, but very few know that that’s what they’re suffering from.”

To be certain that *Affluenza* would be carried by as many PBS affiliate stations as possible, Vivia and I borrowed a page from the marketers and promoted it shamelessly. At a Chicago meeting of PBS programmers, we wore lab coats and stethoscopes, with name pins labeling us Dr. John and Dr. Vivia, Affluenza Epidemiologists. We passed out medicine vials labeled Affluenza Vaccine (containing candy). We wanted the programmers to know that our show would be entertaining as well as informative. With a teaspoon of sugar to make the medicine go down.

Our documentary, *Affluenza*, premiered on PBS on September 15, 1997, and was greeted with an outpouring of audience calls and letters from every part of the United States, making it clear to us that we had touched a deep nerve of concern. Viewers as old as ninety-three wrote to express their fears for their grandchildren, while twenty-year-olds recounted sad tales from the lower depths of credit card debt. A cover story in the *Washington Post* Sunday magazine about people trying to simplify their lives introduced them as they were watching the program. A teacher in rural North Carolina showed it to her class of sixth graders and said they wanted to talk about it for the next two weeks. On average, the kids thought they had three times as much “stuff” as they needed. One girl said she could no longer close her closet door. “I’ve just got too many things, clothes I never wear,” she explained. “I can’t get rid of them.”

CROSSING POLITICAL LINES

Though past criticisms of consumerism have come mostly from the liberal side of the American political spectrum, we were pleased to find that *Affluenza* spoke to

the concerns of Americans of all political persuasions. The head of one statewide conservative family organization wrote to congratulate us, saying, “This issue is so important for families.” Ratings and audience response were as high in conservative cities like Salt Lake and Houston as they were in liberal San Francisco or Minneapolis. In colleges, the program has been more popular at Brigham Young than at Berkeley. At Appalachian State University in Boone, North Carolina, students and faculty showed it to audiences in both poor mountain communities and upscale churches, recording audience comments and producing a video of their own called *Escaping Affluenza in the Mountains*.

THE WHOLE WORLD IS WATCHING

In 1998, we followed *Affluenza* with a closer look at treating the disease, called *Escape from Affluenza*. Since that time, both television programs have been widely shown throughout the United States and abroad. The *Affluenza* videos have become best-sellers for their distributor, Bullfrog Films, and have now been released as DVDs, with extra interviews, Adbusters’ “uncommercials” (see chapter 27), teachers’ and viewers’ guides, and connections to Web resources. They continue to be popular.

We've become convinced that this issue troubles people throughout the world. The "Great Malls of China" are now the largest on earth. We've heard from countries where we couldn't imagine anyone would be concerned about affluenza—Thailand, Estonia, Russia, and Nigeria, for example—but where, indeed, citizens hoped to adopt what was good about the American lifestyle and avoid what was harmful.

An Islamic business magazine in Sri Lanka asked us for a short article about the disease. Activists in rural northern Burma wanted to translate the TV program into a local dialect called Kachin. A sixteen-year-old Israeli girl sought permission to project it onto the wall of a Tel Aviv shopping center. Seeing overconsumption as a disease, they said, helped them understand it better and explain it to others.

A SOCIAL DISEASE

Often, writers speak of "affluenza" with different emphases. Some have used the term primarily with reference to the spoiled children of the super-rich. Others, to what they call "sudden-wealth syndrome." Defined as such, it loses the sociopolitical message we put forward and becomes a matter of purely personal behavior. In our view, the virus is not confined to the upper classes but has found its way throughout our society. Its symptoms affect the poor as well as the rich, and our two-tiered system (with the rich getting richer and the poor, poorer) punishes the poor twice. They are conditioned to want the good life but are given very little possibility of attaining it. Affluenza infects all of us, though in different ways.

AFFLUENZA: THE BOOK

After the TV broadcasts, calls from three individuals convinced me of the need to write a book on the subject. Thomas Naylor, an economist, and David Wann, an environmental scientist, both suggested a collaboration, while Todd Keithley, a New York literary agent, added his opinion that such a book would find an eager readership. I was immensely gratified by the reaction to the *Affluenza* television specials. But television, even at its most informative, is still a superficial medium; you simply can't put that much material into an hour. And that's the reason for this book: to explain "affluenza" in more depth, with more examples, more symptoms, more evidence, more-thorough exposition. If you've seen the video, you'll recognize a few of the characters and stories. But the first edition of the book represented three more years of research, updated data, and additional stories. In the jargon of consumer culture, it was "new and improved!"

The first edition arrived on the market just before the tragedy of September 11, 2001. Like the impact of the tsunami on Petra Nemcova, the World Trade Center

attacks caused many Americans to reevaluate their priorities. Families and friends suddenly seemed more important than things and work. But then, the consumption propaganda machine kicked into high gear again. If you want to be patriotic, President Bush told Americans, go to the malls and shop. Buy to fight terror.

From Democrats, the message was the same. Former San Francisco mayor Willie Brown had a million shopping bags printed, with big flags on them and the bold words “AMERICA: OPEN FOR BUSINESS.” Washington senator Patty Murray proposed “Let’s go shopping” legislation that would have removed sales taxes on products during the 2001 holiday shopping season. Almost no one dared to mention that anger and envy over the profligate spending of Americans might encourage sympathy for terrorists in developing countries.

Since the first edition of *Affluenza: The All-Consuming Epidemic* was published, it’s been used widely by book groups and in university classes. We’ve been thrilled by the response from readers, and at least six foreign translations of the book are now in print, showing that concern about the issue is worldwide. In Australia, another book called *Affluenza*, with similar content, has just been published.

We had hoped *affluenza* would become a household word. That actually seems to be happening. An Internet search before our PBS broadcast turned up about 200 cases of the word on the Web—all of them in Italian, where *affluenza* simply means affluence. Today, I checked the word on Google and found 232 *thousand* references to it(!), referring, in the vast majority of cases, to overconsumption. London’s *Independent* newspaper picked it as one of its most popular new words for the year 2003, and dictionaries are considering including it in the next few years.

Moreover, use of the term continues to grow: a popular play called “Affluenza” is now touring the country. Recently, a National Hockey League official pointed out that only in 1918 (when the Spanish flu killed 20 million people) and in 2005 had the NHL season been canceled. The first time, he said, the season was canceled because of influenza, and the second time because of affluenza (presumably referring to players’ salary demands).

THE SECOND EDITION

Now, four years have passed since the first edition of *Affluenza* hit the bookstores. In some ways, the United States is a different place—the supercharged economy of the late ’90s has cooled appreciably, and many of the facts in the first edition of the book are outdated. So here is a new edition, fully updated, thanks to the research work of Pamela Rands. Again, it’s “new and improved.” With more pages! It also contains a little of the new thinking that David, Thomas, and I have been doing since the first edition came out, particularly where simplicity-friendly

public policies are concerned. And we've prepared a Study Guide for high school and college curricula, available for downloading at www.bkconnection.com/affluenza.

A COUPLE OF QUICK CAVEATS

With apologies to other citizens of North, Central, and South America, we frequently use the terms *America* and *Americans* to refer to the United States and its citizens. We mean no disrespect to other Americans, but simply recognize the colloquial usage that the term has throughout the rest of the world. Further, we do not mean to imply in this book any generalized condemnation of wealthy Americans or of money itself. Used properly for the common good, money can contribute to the health of our society instead of encouraging affluenza. Indeed, this book would not have been written without the financial support of generous individuals.

Happy reading!

John de Graaf
Seattle, Washington
February 23, 2005

A thermometer is shown vertically, tilted slightly to the left. The scale is marked with dollar signs (\$) and horizontal lines. The numbers on the scale are \$, \$, \$, \$, \$98.6, \$, \$, \$, \$, \$. The red liquid inside the thermometer is at the \$98.6 mark. The top of the thermometer has a bulb with radiating lines, suggesting heat or a fever. The background is a light gray oval shape.

Introduction

In his office, a doctor offers his diagnosis to an attractive, expensively dressed female patient. “There’s nothing physically wrong with you,” he says. His patient is incredulous. “Then why do I feel so awful?” she asks. “So bloated and sluggish. I’ve got a big new house, a brand-new car, a new wardrobe. And I just got a big raise at work. Why am I so miserable, doctor? Isn’t there some pill you can give me?” The doctor shakes his head. “I’m afraid not,” he replies. “There’s no pill for what’s wrong with you.” “What is it, doctor?” she asks, alarmed. “Affluenza,” he answers gravely. “It’s the new epidemic. It’s extremely contagious. It can be cured, but not easily.”

Of course, the scene is an imaginary one, but the epidemic is real. A powerful virus has infected American society, threatening our wallets, our friendships, our families, our communities, and our environment. We call the virus *affluenza*. And

because the United States has become the economic model for most of the world, the virus is now loose on every continent.

Affluenza's costs and consequences are immense, though often concealed. Untreated, the disease can cause permanent discontent. Were you to find it in the *Oxford English Dictionary*, the definition might be something like the following:

affluenza, *n.* a painful, contagious, socially transmitted condition of overload, debt, anxiety, and waste resulting from the dogged pursuit of more.

EARTH IN THE BALANCE

Quietly, like some sort of unseen mind-snatcher, the virus has consumed the American political dialogue. Consider Al Gore. In 1992, while still a senator, he wrote a popular book called *Earth in the Balance*. America, Gore noted then,

is holding ever more tightly to its habit of consuming larger and larger quantities every year of coal, oil, fresh air and water, trees, topsoil, and the thousand other substances we rip from the crust of the earth, transforming them into not just the sustenance and shelter we need but much more that we don't need. . . . The accumulation of material goods is at an all-time high, but so is the number of people who feel an emptiness in their lives.¹

Americans, Gore suggested, had become addicted to stuff. Our civilization, he wrote, promises happiness through "the consumption of an endless stream of shiny new products. . . . But the promise is always false." A year later, Al Gore was inaugurated as vice president of the United States. During the ceremony, a soprano sang the beautiful old Shaker hymn, "Simple Gifts" (*'Tis the gift to be simple, 'tis the gift to be free . . .*). During the song, Gore nodded in agreement. Then, in the next couple of years, something happened. The mind-snatcher came and took Al Gore.

In the 1996 vice presidential debate, Gore's opponent, Jack Kemp, vowed to "double the size of the U.S. economy in the next fifteen years." Gore never questioned whether it would be a good thing for Americans to consume twice as much. By the 2000 election, the transformation of Al Gore into an agent of affluenza was complete. In a presidential debate, he vowed to increase the size of the U.S. economy by 30 percent in ten years. And what happened to Al Gore seems to be happening to all of us.

"Who wants to be a millionaire?" asks the ABC show. Apparently, nearly everyone.

Of course, there's a downside to this obsession, and in our hearts most of us know it. Pollster Richard Harwood found that out back in 1995, when he conducted a survey for the Merck Family Fund about American attitudes concerning consumption.

“People are saying that we spend and buy far more than we need. That our children are becoming very materialistic and that we’re spending for what we want today at the expense of future generations and our own future,” Harwood explains. “It crosses religious lines, age lines, race, income, and education. There is a universal feeling in this nation that we’ve become too materialistic, too greedy, too self-absorbed, too selfish, and that we need to bring back into balance the enduring values that have guided this country over generations: values of faith, family, responsibility, generosity, friendship.”²

NEEDING MORE PLANETS

In our view, the affluenza epidemic is rooted in the obsessive, almost religious quest for economic expansion that has become the core principle of what is called the American dream. It’s rooted in the fact that the supreme measure of national progress is that quarterly ring of the cash register called the gross domestic product. It’s rooted in the idea that every generation will be materially wealthier than its predecessor and that, somehow, each of us can pursue that single-minded end without damaging the countless other things we hold dear.

It doesn’t work that way. The contention of this book is that if we don’t begin to reject our culture’s incessant demands to “buy now,” we will “pay later” in ways we can scarcely imagine. The bill is already coming due. At its most extreme, affluenza threatens to exhaust the earth itself. “We human beings have been producing and consuming at a rate that far exceeds the ability of the planet to absorb our pollution or replenish the stock,” says corporate critic Jeremy Rifkin. Scientists say we’d need several more planets if everyone on earth were to suddenly adopt the American standard of living.

CONNECTIONS

Consider the following scenario, as reported in a 1998 article in *Parade* magazine:

The US economy defied experts’ predictions and stayed healthy despite a global financial crisis and the threat of presidential impeachment, thanks to the resilience and stamina of the American consumer. . . . There was plenty of bad news. . . . Much of the nation’s weather was awful. Torrential rains in California, a devastating flood on the Ohio River, weeks of triple-digit heat in Texas, lethal ice storms in Virginia and the worst Atlantic hurricane season in 200 years. The 1997 poverty rate was still higher than in the early ’70s. And although the federal deficit is gone, Americans are deeper in debt than ever. . . . But nothing distracted us

from the good news: high employment, low inflation, real wage increases and the best mortgage rates and gasoline prices in decades. . . . Consumer spending remained strong throughout the year, guaranteeing continued economic growth.

The best gasoline prices, awful weather; continued economic growth, persistent poverty; consumer confidence, spiraling debt. Are they all somehow connected? We think so.

In each of the past eight years more Americans have declared personal bankruptcy than graduated from college. Our annual production of solid waste would fill a convoy of garbage trucks stretching halfway to the moon. We have twice as many shopping centers as high schools. We now work more hours each year than do the citizens of any other industrial country, including Japan. Though we constitute only 4.7 percent of the earth's people, we account for 25 percent of its global-warming greenhouse gas emissions. Ninety-five percent of our workers say they wish they could spend more time with their families. Forty percent of our lakes and streams are too polluted for swimming or fishing. A CEO now earns 475 times as much as the average worker, a tenfold increase since 1980. Since 1950, we Americans have used up more resources than everyone who ever lived on earth before then.

However unrelated they may seem, all of these facts—the diverse symptoms of affluenza—are also connected. Much of this book focuses on the United States because its citizens are the world's most profligate consumers. But what is happening in the United States is clearly beginning to happen elsewhere as the American lifestyle becomes the model for nearly all of the rest of the world. But other countries may have more choice than the United States does. Those in countries where affluenza is not so full-blown an epidemic can keep themselves from greater infection and preserve more balanced lifestyles. We believe there are lessons for every country and every person, rich and poor, to be found in America's mistakes. The global economy means that all of us are in this together and need to understand and control this disease.

SYMPTOMS

We have divided the book into three sections. The first explores many of the symptoms of affluenza, each—only half whimsically—compared to a real flu symptom. Think of how you feel when you've got a bug. You're likely to be running a temperature. You're congested. Your body is achy. You may have chills. Your stomach is upset. You're weak. You might have swollen glands, even a rash.

In the Age of Affluenza, America as a society shows all of these symptoms, metaphorically at least. We present each as a chapter. We start with individual symptoms, then move to the social conditions, and finally turn to the environmental impacts of affluenza.

Some chapters may greet you with the shock of self-recognition—“Honey, that’s me!” You might have noticed the conditions discussed in other chapters taking hold of your friends. You might find some symptoms more troubling than others, because you worry more about your children than about your Mother Earth. You might be well off materially but feel continually stressed out or as though your life lacks purpose or meaning. Or you might be poor, and angry at your inability to give your children what marketers say they “gotta have” to fit in. You might have just felt the sting of insults from another driver, red-faced with road rage. Or watched bulldozers destroy the only open space left around your community—to make room for row upon row of identical tract homes with three-car garages. If you’re elderly, you may have noticed your children’s inability to balance their checkbooks, and you may worry for their children. If you’re young, you may be anxious about your own future.

Wherever you’re coming from, we believe you’ll clearly recognize that at least some of the symptoms of affluenza affect you. Then, as you read on, you’ll begin to see how they’re connected to others less obvious from your vantage point.

GENESIS OF THE DISEASE

In part 2 of this book, we look beneath the symptoms to search for causes. Is affluenza simply human nature, as some would suggest? What was the genesis of this powerful virus? How has it mutated through history and when did it begin to reach epidemic proportions? What choices did we make as a society (between free time and “stuff,” for example) that deepened our infection? We look carefully at warnings from across time and cultures, and at early efforts to eradicate the disease with controls and quarantines.

Then we discover how the spread of the disease has become not only socially acceptable, but encouraged by all the powerful electronic carriers our technological civilization keeps perfecting. We suggest that affluenza promises to meet our needs in inefficient and destructive ways. And we contend that an entire industry of pseudo-physicians, handsomely rewarded by those with a huge stake in the perpetuation of affluenza, conspires to keep the diagnosis of the disease and the extent of its symptoms from reaching the general public.

CURING AFFLUENZA

But far be it from our intent to leave you permanently depressed. Affluenza can be treated, and millions of ordinary Americans are already taking steps in that direction. A 2004 poll by the Center for a New American Dream (www.newdream.org) found that 48 percent of Americans claim to have cut back on their spending.

The same poll also revealed that 85 percent of Americans think our priorities as a society are out of whack. Of the respondents, 93 percent feel Americans are too focused on working and making money, 91 percent believe we buy and consume far more than we need, 81 percent think we'll need to make major changes in the way we live to protect the environment, more than half say they have too much debt, and 87 percent feel our current consumer culture makes it hard to instill positive values in our children. The poll conducted by Widmeyer Communications, a national polling firm, surveyed nearly 1,300 American adults and had a margin of error of 3 percent.

Our increasingly harried lifestyles continue to produce rat-race refugees. Enough to make corporate marketers salivate over millions of potential new customers. Hence, companies urge us to “simplify” our lives by buying their products, and new publications, like Time Warner’s *Real Simple* (it would be more aptly called *Real Cynical*, as most of it is devoted to ads for expensive products), build an audience of 400,000 subscribers before printing their first issue.

What that says to us is that a lot of people are looking for answers to affluenza. Part 3 of this book is devoted to offering some answers we’ve found.

As with symptoms, we look at treatments starting with the personal and advancing to the social and political. Our treatments, too, employ the medical metaphor. We start as you do when you’ve got the flu, with bed rest, aspirin, and chicken soup—individual prescriptions popularized by the “new frugality” and “voluntary simplicity” movements.

We encourage a restored interest in the natural world outdoors, with its remarkable healing powers. We agree with futurist Gerald Celente, the author of *Trends, 2000*. “There’s this commercial out,” he says, “and it shows this middle-aged man walking through the woods pumping his arms, and all of a sudden in the next cut, there he is on the back porch, woods in the background, walking on this treadmill that must have cost a fortune. It doesn’t make sense. It was so much nicer walking through the woods and it cost nothing at all.”³

We suggest strategies for rebuilding families and communities and for respecting and restoring the earth and its biological rules. We offer “political prescriptions,” with the belief that some well-considered legislation—like that suggested by the



Take Back Your Time campaign (www.timeday.org) to allow us to choose time instead of more money—can help create a less affluenza-friendly social environment and make it easier for individuals to get well and stay that way.

We also present preventive approaches, including vaccines and vitamins, to strengthen our personal and social immune systems. And we suggest an annual checkup. Ours comes in three phases:

1. You can test how you're doing personally in staying well.
2. You can help your community assess its own true health, using indices of sustainability developed by several American cities.
3. And finally, as a people, Americans can find a truly useful substitute for the current outmoded measure of national health, the gross domestic product (GDP).

We recommend an index called the genuine progress indicator (GPI), being fine-tuned by Redefining Progress, an Oakland, California, think tank. Using multiple indices to discover how Americans are doing, the GPI paints a different picture of our real success as a society. While GDP has risen steadily throughout history, the GPI has been falling since 1973.

Then, for fun, we've added a new measure in this edition of the book—a fever thermometer that measures whether the collective illness is getting worse or better.

LET'S BEGIN A DIALOGUE

Little in this book is truly new information, yet the issue in this “information age” isn't more information. It's how to make sense of what we already know. We offer a way of understanding seemingly disconnected personal, social, and environmental problems that makes sense to us—as symptoms of a perilous epidemic that threatens your future and that of generations to come. We don't expect you to agree with everything in these chapters, nor do we even expect to immediately convince you that affluenza is a real disease. Our intention is to encourage a national dialogue about the American consumer dream so that whatever choices you make about consumption are made with a clearer understanding of their possible consequences.

The message of this book isn't to stop buying; it's to buy carefully and consciously with full attention to the real benefits and costs of your purchases, remembering, always, that the best things in life aren't things.

PART ONE

Symptoms





Shopping fever

*Gotta listen to me honey/Gotta get all your money/Gotta know just where I stand/
If you want to be my date/Well you better get it straight/I'm a big time shopping man. . . /
Baby come on, there's a whole lotta shoppin' going on. . . /Get that money out of your savings account/There's a whole lotta shoppin' going on. . .*

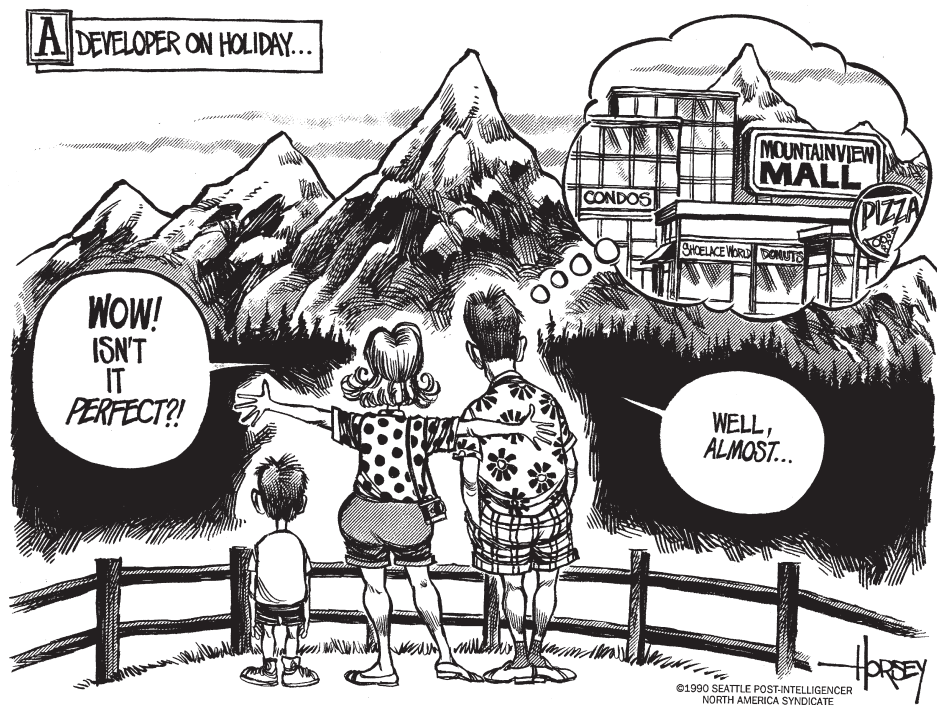
—FOLKSINGER ALAN ATKISSON

*I*t's Thanksgiving Day, and eight-year-old Jason Jones has just finished stuffing himself with turkey, cranberry sauce, and pumpkin pie à la mode. He sits at his PC, frantically typing a list of presents he hopes to receive from Santa Claus at Christmas. He plans to deliver the list to Santa the next day, the opening day of the Christmas shopping season and, incidentally, of affluenza season. Jason's list contains ten items, including a trip to Disney World, a mountain bike, a cell phone, a DVD player, and several compact discs.

Jason is no dummy; he doesn't really believe in Santa Claus, but he knows his parents usually give him what he asks Santa for, so he gets up bright and early on Friday to play the game. Jason and his mother, Janet, set out in their Lincoln Navigator and, half an hour later, arrive at the All-Star Bazaar, where thousands of people are already fighting for the remaining parking spots nearest the entrance.

The mall is jam-packed with frantic holiday shoppers, unwitting and at risk in an affluenza hot zone, armed only with credit cards and checkbooks. In one store, a crowd gathers to watch two parents duke it out over the last remaining Dino-Man, the latest hot kids' toy, a doll with the body of a weightlifter and the head of a tyrannosaur (and selling faster than Beanie Babies did). In a corner, a mother sobs, knowing she got there too late to get a Dino-Man for her son. "I knew I should have camped out here last night," she wails. Other customers, already exhausted, sit on benches near an escalator, beside mountains of merchandise, looking both tense and bored.

It takes Jason nearly an hour to get through the line to Santa's lap and deliver his list. His mom leaves him in the video arcade with a roll of quarters while she makes the rounds of the dozens of shops in the mall. Hours later, on the way home, they stop at Blockbuster's to rent a couple of movies so Jason won't complain of boredom that night. Though the day is sunny and warm, unusually so for late fall, even the park in Jason's upper-middle-class subdivision is devoid of kids. There are plenty of children in this neighborhood of young professionals. But if they're not shopping, they're indoors communing with Xbox or the Cartoon Network. It's a tough choice for Jason, but he's tired of the games he has, so he turns on the TV.



Jason is, admittedly, an imaginary, composite kid. But his experience at the mall is far from atypical. In 1999, according to the National Retail Foundation, Americans spent nearly \$200 billion on holiday gifts, more than \$850 per consumer. Affluenza season, the month between Thanksgiving and Christmas, generated 25 percent of all retail profits.

Seventy percent of Americans tell pollsters they want less emphasis on holiday spending and gift giving. A third cannot even remember what they gave their significant other the previous year and, on average, do not pay off their Christmas debts until the following summer, if then. Yet the urge to splurge continues to surge. It's as if we Americans, despite our intentions, suffer from some kind of Willpower Deficiency Syndrome, a breakdown in affluenza immunity.

MALL MANIA

Since World War II, Americans have been engaged in a spending binge unprecedented in history. We now spend nearly two-thirds of our \$11 trillion economy on consumer goods. For example, we spend more on shoes, jewelry, and watches (\$100 billion) than on higher education (\$99 billion). We spend as much on auto maintenance as on religious and welfare activities. Nearly 30 percent of Americans buy Christmas presents for their pets; 11 percent buy them for their neighbors.¹

In 1986, America still had more high schools than shopping centers. Less than twenty years later, we have more than twice as many shopping centers (46,438) as high schools (22,180). In the Age of Affluenza (as we believe the current period will eventually be called), shopping centers have supplanted churches as a symbol of cultural values. In fact, 70 percent of us visit malls each week, more than attend houses of worship.²

Our equivalent of Gothic cathedrals are the megamalls, which continually replace smaller shopping centers, drawing customers from ever-greater distances. Typically, they cover areas of formerly fertile farmland that produced bumper crops instead of traffic jams. Indeed, 137 acres of prime American farmland are lost to "development" every hour.³ When a new megamall opens, the pomp and ceremony rival anything Notre Dame or Chartres might have witnessed in medieval times.

The Super Mall in Auburn, Washington, opened in October 1995 to a stampede of a hundred thousand shoppers. The crowd gathered under a model of Washington's 14,410-foot Mount Rainier. Rising above the Super Mall's front entrance, the imitation mountain provided one show that the real thing could not: a display of fireworks, set off as soon as the ribbon-cutting ceremony was over.

In a spirit of boosterism that would have impressed Sinclair Lewis's Babbitt, speaker after speaker extolled the wonders of the new shopping center, the biggest

in the state. “The number of shoppers expected to visit here over the next year exceeds 1.2 million,” bubbled Auburn’s mayor, who added that “committed shoppers can shop till they drop in 1.2 million square feet of shopping space.” Along with a new racetrack and casino in the area, the mall was expected to become a “destination attraction” for vacationers from the entire western United States and Canada. It would, they said, create four thousand jobs and “improve the quality of life throughout the region.” Thirty percent of the expected business would come from tourists who would each spend about five hours and more than \$200 at the mall.⁴

FUN FOR THE WHOLE FAMILY

The thousands of eager shoppers on hand for the opening wore bored and impatient expressions during the speeches but pushed eagerly through the open doors when the rhetoric stopped. One woman said she was “really excited about the mall because this is something we haven’t had in this part of Washington. We were waiting for something like this.”

“We said, ‘If we build it, they will come,’ and they did,” said a happy shopkeeper. Another explained that the hardwood floors “add a little sense of excitement to the mall. They’re much easier than walking on tile or granite and make the Super Mall really special.” She hoped children would enjoy it, “because shopping has become such a family experience that’s really important.”

Really. And it’s a good thing, too, since we Americans now spend six hours a week shopping and only forty minutes playing with our kids.⁵ “Shopping malls have really become the centers of many communities,” says Michael Jacobson, founder of the Center for the Study of Commercialism, in Washington, D.C. “Children as well as adults see a shopping center as just the natural destination to fill a bored life.”⁶

WHAT ELSE MATTERS?

“If you’ve seen one mall, you’ve seen them all,” sneer critics, but “committed shoppers” (some psychologists say they *should* be committed) disagree. They’re willing to jet across the country for new shopping experiences. So much so that some airlines now offer package flights to shopping meccas like Potomac Mills, a giant “discount” mall divided into sections that are euphemistically labeled “neighborhoods.” Potomac Mills bills itself as the “number-one tourist attraction in Virginia,” with more visitors each year than Shenandoah National Park, the most visited site in the National Park System.

The host of *Affluenza*, Scott Simon, visited Potomac Mills while filming the television program. Shoppers were eager to answer his questions about where they

came from and what they thought of the mall. None of the people Simon talked to were sweating profusely. But all seemed infected by shopping fever, often the first symptom of affluenza.

Two women from Dallas, Texas, said they'd been at the mall for three days straight, while their husbands golfed nearby. "We're always looking for a bargain. You've got to know the brands and we have experience, we're proud to say," they proclaimed. "I didn't need anything. I just went to shop," said a man with a cart full of merchandise. "Whatever I like I buy." "I bought a lot more than I planned to," another woman admitted. "You just see so much."

Yes, you do, and that's the idea. It's why big malls sell much more per square foot than do their smaller counterparts. Seeing so much leads to impulse buying, the key to mall profitability and to the success of big-box stores like Wal-Mart. Impulse: a devilish little snake that cajoles first, then bites later when the credit card bill comes due. Only a quarter of mall shoppers come with a specific product in mind. The rest come just to shop. "What else matters?" asked one of the ladies from Dallas, only half in jest.

"I came here with one overriding interest, to spend money," said a proud teenage girl, who was getting rid of the hundred dollars her mother had given her for this particular spree. "I like to shop," she explained. She's not alone. One poll found that 93 percent of teenage American girls rate shopping as their favorite activity.⁷

An older couple passed by with a shopping cart piled to the brim. "This is only half of what we've purchased," the man said cheerfully. "We brought a long list of things to buy," his wife added, "and then we bought a lot of stuff that wasn't on the list." They were examining the fold-out map Potomac Mills provides to shoppers, saying, "We'd be lost without it."

But Potomac Mills is a mere mini-mall compared to the Mall of America in Bloomington, Minnesota, America's number one visitor attraction. With 4.2 million square feet of shopping space (one hundred acres), our biggest mall ("Where It's Always 72 Degrees!") spreads over an area the size of seven Yankee Stadiums. It employs ten thousand people and attracts forty-two million visits a year. The Mall of America is more than metaphorically a cathedral; some people even get married there. It is also a world-class affluenza hot zone.

In the Age of Affluenza, nothing succeeds like excess. "Good malls are usually the most profitable kind of real estate there is," says one Los Angeles real estate consultant. "Good malls are money machines."⁸ *Good*, he points out, means bigger. Because of that, the frenzy to attract megamalls pits city against city, each offering sweetheart deals in hopes of capturing tax revenue later on. To win such deals, mall developers compete for the most-profitable stores. According to the *Sacramento Bee*, the Seattle-based Nordstrom Company received \$30 million in direct subsidies

and incentives to put a store in Roseville, California's, Galleria Mall. Why? "Nordstrom does the highest sales per square foot in the industry," says mall developer Michael Levin. Most people, says Levin, will drive only about half an hour to a mall, "but with Nordstrom, they will drive much farther."⁹

HOME SHOPPING

Of course, these days you don't have to drive at all (or fly either) to shop, though most people still do. But while malls, and vast discount megastores like Wal-Mart and Costco, still boast growing sales (and still drive smaller, locally owned stores out of business), Americans are doing a whole lotta shopping right from their couches. Eighteen *billion* mail-order catalogs flooded our homes last year, about seventy for every one of us,¹⁰ selling everything from soup to nuts (to refrigerators to underwear). "Buy Now, Pay Later!" they shout. While some of us resent their arrival, most Americans eagerly await them and order with abandon. In some cases, we even pay for the catalogs (such as Sears's) so that we can pay for what's in them. In 2005, mail-order catalog sales are expected to total \$143 billion.

Then there are the home shopping channels. Critics mock them as presenting a continuous succession of baubles on bimbos, but for a sizable percentage of Americans, they're the highlight of our cable TV systems, and they're highly profitable. And to think someone once called TV "a vast wasteland." That was before the shopping channels, of course.

Mail-order catalogs and shopping channels carry a lot more than products. They are highly effective carriers of affluenza. Next time a catalog comes, check it with a high-powered microscope.

CYBERSHOPPING

In the past several years, a new affluenza carrier has come online. And it threatens to someday outdraw malls, catalogs, and shopping channels combined. The intense frenzy with which the ubiquitous Internet has been embraced as a shopping center can only be compared to that which followed the discovery of gold in California and Alaska, or oil in Texas. Americans now spend an average of eleven hours a week online, and much of that time is spent shopping—nearly half of Internet sites are now selling something.

During the 2003 affluenza season, consumers spent \$17 billion online, nearly double what they spent four years earlier. Now that's growth! E-spending for the Thanksgiving weekend 2004 was up a third from 2003.¹¹ For the year, e-sales topped \$50 billion.¹² That's still only a tiny fraction of total retail sales (\$3.4 trillion),

but soon Internet shopping should eclipse catalog sales. Everything imaginable (and some things unimaginable) can now be bought online.

Much of it can be bought from eBay, the biggest winner in the online shopping sweepstakes. The company has been in existence for only eight years, but it did \$23 billion in business in 2003. It offers such fanciful purchases as kangaroo scrotums (\$10) and Paul McCartney's germs from a used tissue. Every second, \$729 worth of goods is sold on eBay.¹³

SHOPPING AS THERAPY

When Scott Simon visited Potomac Mills, the mall was running one of the cleverest ad campaigns we've ever seen, featuring an alluring actress named Beckett Royce, whose persona combined bubble-headed ditziness with a winking "joke's on you" sophistication. "Shopping is therapy," she intoned, lying on a couch. "Listen to that little voice in your head: SHOP, SHOP, SHOP."

Royce's monologues mocked the shopping channels and catalog shopping, but definitely not shopping at Potomac Mills. She pranced between its aisles, grabbing item after item, then added up what she'd bought and chirruped, "I *spaved* a hundred dollars!" *Spaving* means spending and saving at the same time, she explained, suggesting that at Potomac Mills everyone could become a "spaver."

"The more you buy, the more you save," proclaimed an ad for Bon-Macy's, a Seattle department store. As our next chapter demonstrates, large numbers of Americans apparently believe this mathematical impossibility. Beckett Royce is no fool; she gets paid plenty to persuade the credulous that "spaving" works. Simple mathematics says otherwise. But then, math scores have been falling.

And, as we discover in our next chapter, the road to bankruptcy is *spaved* with good intentions.



A rash of bankruptcies

*Uh oh, we're in the red, dear
On our credit card it shows
Christmas is almost over
But the debit line still grows.*

—“ALTERNATIVE” CAROL
from the Center for a New American Dream
(to the tune of “Rudolph,
the Red-Nosed Reindeer”)

On the Monday after Thanksgiving, Janet Jones, Jason’s mom, drops him off at school, winds her way through heavy traffic back to the mall—a fairly new one, built in 10 BHP (Before Harry Potter)—and enters, eyes wide for sales. She carries the wish list Jason wrote for Santa Claus. Making sure Mom knew what he wanted, Jason printed a copy of the list for her and left it, as if by accident, on his bed.

The first purchases go fine, and by her reckoning Janet has soon saved a hundred dollars, but when she tries to buy the mountain bike, there’s a hitch. “I’m sorry,” says the smiling clerk, “but you’re over your limit on this card. Do you have another?” Momentarily embarrassed, Janet reaches in her purse. “No problem,” she says. “I’ve got several.” She remembers the slogan “Some things are priceless, but for everything else there’s MasterCard,” and hands hers to the clerk, who runs it through a scanner. “Sorry,” the young woman says with a sympathetic look. “Same results. Insufficient credit remaining.” Janet looks quickly

around, hoping no one has seen her in this predicament, and muttering, “There must be some mistake,” walks out of the bicycle shop.

On the way home from the mall, she passes the offices of Consumer Credit Counseling Service and wonders if it might be time.

If she’d gone inside, she would have found things humming. These days, Consumer Credit Counseling Service (CCCS), a network with 1,100 offices in several countries, gets plenty of referrals—people who have gotten themselves deep in debt and do not see any way out.

PLASTIC NATION

According to Marielle Oetjen, a former member of the CCCS staff in Colorado Springs, Colorado, “One of the first things we do when people come here is cut up their credit cards. . . . The whole availability and ease of credit makes it hard for people to remember that they’re dealing with real money.”¹

Oetjen removed a large box from a shelf and poured the contents on the floor—hundreds, perhaps thousands, of cut-up credit cards. The average American possesses 6.5 credit cards, for a nationwide total of 1.2 billion.² One in three high school seniors and 83 percent of college undergraduates have cards. The more you have, the more you’re likely to be offered. The son of coauthor Thomas Naylor was sent an offer for a card when he was only twelve! A steady stream of such offers fills American mailboxes, each offer with its own incentives: frequent-flier miles, introductory low interest rates, lower minimum payments. According to the *Guinness Book of World Records*, one American now has a whopping 1,497 credit cards, a dubious honor.³

“There’s a lot of marketing ploys from the credit card companies to not only encourage customers but have those customers carry as much debt as possible,” Oetjen says. That’s how the companies, the banks, make their money. Say you spend \$2,000 on a typical credit card (at 18 percent interest), and make minimum payments to pay it off. It will take you eleven years, and you will end up paying double the original price. And that’s if you never buy anything else with the card.

“The credit card companies push instant gratification,” Oetjen points out. “Buy it now. Don’t worry about it. Pay it off in little monthly installments. You can take as long as you want. You can handle it. That’s the ethic that’s being pushed. That’s what most of the folks that come in here get caught up in.”

In fact, fewer than a third of Americans avoid interest by paying off their credit card balances each month (though 55 percent usually do).⁴ The average American

household carried about \$9,000 in credit card debt during the year 2002, for a total of \$764 billion. Even college students average \$2,500. Total American credit card indebtedness tripled in the 1990s.⁵

The news was even worse for Cindy and Keaton Adams, an attractive young couple with two children who were in many ways typical Consumer Credit Counseling Service clients. They turned to CCCS in 1995 when they found themselves \$20,000 in debt and unable to make credit card payments. “We started out thinking we could finance the world,” Keaton says. “And we tried, but it didn’t work.”⁶

It almost never does.

It all started when Keaton got a Mervyn’s credit card at the age of eighteen. “With that,” he says, “I managed to get a Visa card, and Cindy managed to get a Visa card, and we ended up with lots of Visa cards.” They began buying plenty of things, all on credit. Besides credit card purchases, they found a way to get financing for new cars. “But it wasn’t just ‘Let’s get a nice \$8,000 car,’” Cindy confesses. “It was ‘Let’s try and finance the nicest car we can get.’”

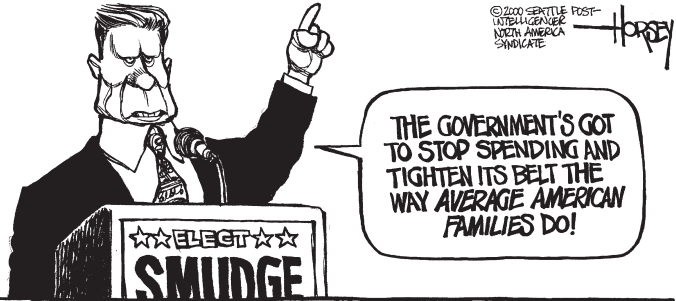
But what they got was deeper and deeper into debt, until finally a debt collector just asked, “Why can’t you pay your bills?” Keaton says it made him stop and think. When the debt collector suggested Consumer Credit Counseling, he took her advice. It was hard to watch their credit cards being cut up, Keaton and Cindy say now, but they’re glad someone did it.

IS AMERICA BECOMING A DEBTORS’ PRISON?

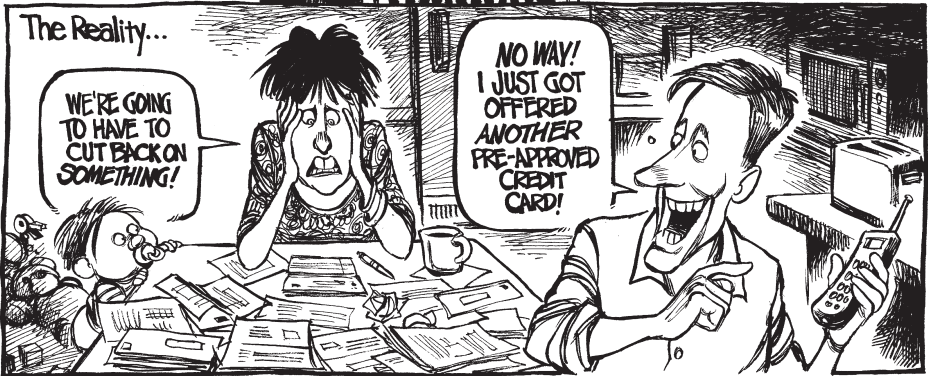
The situation that faced the Adams family is not all that unusual these days. According to the *Los Angeles Times*, Americans are “straining under record debt loads amassed in a spending binge powered by the booming economy.”⁷ Current bankruptcy rates exceed those experienced during the Great Depression.

Rising debt, says one economist, is the “soft underbelly” of the U.S. economy. A soft underbelly covered with little red dots, as shopping fever leads to another affluenza symptom, a rash of bankruptcies. Six million Americans are as close to bankruptcy as the Adamses were. Each year, in fact, more than a million and a half people—up from 313,000 in 1980, and including one of every seventy Americans—file for personal bankruptcy, more than graduate from college. That’s been the case since 1996. Every fifteen seconds, an American goes bankrupt.⁸ On average, the debt load for such filers equals twenty-two months of income.⁹ Ninety-two percent of bankruptcies are filed by middle-class Americans. About half of them are the result of reckless spending; the rest come from sudden medical bills (40 million Americans still lack health insurance) or a job loss. In response to the situation, lending institutions have successfully lobbied Congress to make it harder to declare

The Cliché...



The Reality...



bankruptcy, while at the same time they continue to push their customers toward financial ruin.

In 1980, U.S. household debt stood at 65 percent of disposable income. Today, debt is 125 percent of income. “Families are overextending themselves as never before as indicated recently when total household debts surpassed total after-tax incomes for the first time in history,” writes *Los Angeles Times* reporter Leslie Earnest.¹⁰

A PENNY SAVED—BARELY

There is a strange irony at work in contemporary America: The more incomes rise across the board, the less we save. It should be the other way around. Fatter paychecks ought to leave more dollars for savings accounts. Not so. When the film *Affluenza* was produced, Americans were saving just under 4 percent of their incomes, half the German rate and only a quarter that of Japan. That seemed, at the time, very bad news, since the savings rate had been about 10 percent as recently as 1980. But today our national savings rate hovers near *zero* and in some months falls below that line.¹¹ Steve Lohr of the *New York Times* reports that Americans now save only 0.2 percent of their personal income—about \$1.50 a week on a salary of \$40,000.¹² Meanwhile, residents of the European Union save 12 percent, and

impoverished Chinese, Indian, and Pakistani workers save a quarter of their incomes.

Advertisements often use exaggeration to touch popular social chords. Consider, for instance, the back cover of one *USA Weekend* magazine. An attractive woman, identified as “Veronica Lynn, Beverly Hills, FL, Doral Smoker,” smiles from one half of the page while she is quoted on the other half as saying, “It lasts longer than my paycheck.”¹³ *It*, in this case, is a Doral cigarette, the product the ad is selling. The underlying message is none too subtle: paychecks don’t last long in contemporary America.

The United States of America. Land of history’s biggest five-minute paychecks. But why worry? Light up. If you’ve already got affluenza, what’s a little cancer?

WILL BOOMERS GO BUST?

Boston College sociologist Juliet Schor points out that most Americans live without an adequate financial cushion. “Sixtypercent of families,” Schor writes, “have so little in the way of financial reserves that they can only sustain their lifestyles for about a month if they lose their jobs. The next richest can only hold out for about three and a half months.”¹⁴

Some economists suggest there’s no cause for alarm. Half of all Americans now own stocks (though in most cases, not many), they point out, and could sell them if need be. In a time of surging stock prices, many higher-income, stock-owning baby boomers see no need to be thrifty. They are relying on selling their stocks at a hefty profit to take care of their retirement needs a few years from now. It’s a risky gamble, argues Thornton Parker, an economic consultant and the author of *What If Boomers Can’t Retire?* Rising stock prices depend on the ability of boomers to sell their stocks to the next generation of workers, who, they expect, will pay top dollar.

But there are problems with that scenario, Parker suggests. In the future, there will be fewer workers to buy the stocks, and retirees will have to sell more cheaply to unload them. Moreover, as the Crash of ’29 made only too clear, stock prices can plummet as well as climb, and many of them are already overvalued and not backed up by real corporate earnings.

Even former millionaires have joined the bankruptcy ranks. Some used their stocks—whose value had continued to rise—as collateral for loans to finance expensive vacations or homes. “I could call up Solomon Smith Barney anytime to ask for \$10,000,” said one. But when the value of her stock began to fall, Solomon Smith Barney called her up—to demand repayment. By then, her debts were greater than the amount she could cash her stock in for.

So why are we spending so much more now? Stay tuned. . . .

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