

BACON'S REBELLION

The Op/Ed Page for Virginia's New Economy

The Excesses of Affluence

Americans are addicted to hyper-consumption. The stuff we buy doesn't make us any happier -- we throw most of it away. But it does mortgage our financial future and despoil the environment.

By James A. Bacon

William Barker and William Nance are two good ol' boys I met down at the Henrico County municipal landfill. They were unloading construction scrap from a pickup truck and dumping it into enormous metal bins. Both men are plumbers by trade; Barker works on home improvement projects on his days off, and Nance was helping him.

I told them why I was visiting the landfill that day: I was trying to fathom the phenomenal amount of waste in our society today. Not economic waste -- the United States is phenomenally efficient when it comes to transforming raw materials into consumer products in ever-increasing volumes at ever-decreasing costs. No, I was talking about wasteful choices in what we buy and how we live. So much of the stuff we think we want, I observed, winds up in the landfill.

The two men responded animatedly. "A friend of mine found a painting in that too-good-to-throw-away area," Barker said, pointing to a shed where people had dropped off some furniture, children's bicycles and two barbecue grills. "She sold it on the Internet for \$800. ... Look, there's a Nordic Track in really good shape! ... It's unreal what people come here and trash."

Nance picked up the theme. Rich people aren't the only ones who are wasteful, he said. Just go see what people buy at Dollar Tree. "I asked my wife, 'Show me something you bought from Dollar Tree six months ago that you still have now.' It's all junk!"

Personally, I'm a big fan of material prosperity. I love my PC, my cell phone and my big-screen TV. I enjoy living in a large, comfortable house, taking nice vacations and driving a



sporty (albeit second-hand) Mercedes convertible. I'm a big believer in consumer sovereignty, the idea that consumers should be able to exercise their free right to spend their money on what they want, and not have their choices limited by a nanny state. I'm a huge admirer of the capitalist system and its ability to cater to peoples' every conceivable material desire.

But I sense that something has gone seriously awry in our society. We buy too much useless stuff. We get bored with it, banish it to the attic or garage and, eventually, throw it away. We purchase much of this useless stuff with consumer credit, undercutting our financial integrity and relying upon faceless foreigners to keep lending us money. Worse, the manufacture, transport and storage of all

this stuff consumes energy, which generates pollution and distresses the environment on a planetary scale.

The bottom line: In exchange for the momentary pleasure we derive from the acquisition of material possessions, we are putting in hock our long-term financial and environmental future.

Stony Point Fashion Center is one of the newer malls in the Richmond region. Storefronts line a pleasant pedestrian mall with ornamental trees, flowers and wrought-iron benches. I spent a couple of hours the other day ambling up and down the mall, popping into stores that I would never frequent otherwise and inspecting the wares they sell to the Richmond populace.

My first stop: Mikasa, a chain that specializes in dining, entertainment and home accents. An illuminated display of "stemware" deemed essential for entertaining today immediately caught my eye. The shelves sparkled with all manner of glass and crystal vessels: some for drinking wine, some for beer, some for martinis and some for bubbly. Certain pieces were designed to capture the taste and aromas of red wines, others of white. There were even pieces of *stemless* stemware that served obscure functions I cannot fathom. No longer, evidently, is the versatile, multi-functional glass -- as in a "glass" of milk -- adequate to carry out the full range of tasks required by the modern-day hostess.

A similar phenomenon applies to china. In days past, young couples started out with a set of everyday plates and dishes, and, if their friends were affluent, wedding presents of porcelain china. No longer. Today's trendy household might have complete sets of everyday plates, plus a set of semi-formal stoneware and a set of china. Some hostesses break out special sets for Christmas or other occasions. "One lady came in and said she has literally six sets of china," volunteered one helpful young store clerk in response to queries. "She came back in [to buy another] because her husband didn't like cups in one set."

Next, I strolled through Dillard's, a department store that is dedicated to the care and nurturing of the female of the species. The entire upper floor was reserved for women's clothing, and much of the ground floor was turned over to women's shoes, cosmetics, more shoes, handbags, more shoes, oils, fragrances, and more shoes. Imelda Marcos could have binged for days.



If the allocation of floor space is any indication, modern women also spend an inordinate portion of their paychecks on bras. Women survived without bras for millennia before the modern brassiere was invented in 1913. Since then, for reasons that elude men entirely, women feel compelled to fill entire wardrobe

drawers with a profusion of bras varying by style, color and function.

A nearby store, Claire's, caters to the pre-teen/ adolescent girl demographic. It's a shopper's Little League that trains girls to become the kind of hyper-consumer heavy hitters who patronize Dillards. The entire store is devoted to beads, necklaces, earrings, hair bands, sunglasses, floppy hats and bracelets and other tween accessories -- all cheap, all superfluous and all disposable.

It takes less to satiate the consumer impulses of youthful males of the species: t-shirts, video games and athletic shoes will do nicely. But within those narrow parameters, men are as prone to excess as women. Jonathan Knowles, manager of Champs Sports, confessed to me that he personally owns 40 pairs of Air Jordans. Each one is different. "I buy too much -- my wife can tell you that," he grinned. "I buy shoes and hide them in the car so she won't see them."

A few stores down from Champ's you'll find Brookstone, which peddles some of the most intriguing but utterly useless and landfillable stuff I encountered. My favorite: The Motorless BBQ Grill Brush. "With powerful rotating brass bristles," the sale literature touts, "this motorized bbq grill brush

quickly removes cooked-on food grill residue." Why buy a \$1.50 grill scrubber from Wal-Mart when you can pay \$25 for a brush that works only as long as the batteries last?

Here's another classic: a travel clock. "Pick up this travel clock and it becomes a flashlight!"

Just what I need for the one-in-a-million chance that, when I'm staying at the Hilton, the power grid fails *and* the hotel's back-up generator fails to kick in.

Brookstone also sells this classic to the germ-phobic: Automatic soap dispensers for the kitchen counter. "Keep your hands germ free with this motion-activated soap dispenser!" It is so reassuring to know that I won't infect myself with germs an instant before I wash my hands with biocidal soap!

Around the corner from Brookstone stands Yankee Candle, which sells candles not for the purpose of providing illumination but for dispensing aromas. For a mere \$23 you can purchase a large candle that provides 150 "burn-hours" of scents ranging from "black raspberry" to "clean cotton." This store also sells a plethora of candle accessories: carved soapstone candle holders, illuminated tops that reduce soot output, zippo lighters, wick snips, wax scrapers and, in the ultimate product extension, "car jars" to fill your automobile with honeydew melon fragrance.

I could go on and on about the radio-controlled cyber shark "that mimics all the natural motions of a real shark"... the floating pool thermometer... the digital alcohol breathalyzer. But I shall conclude this portion of my screed against the excesses of affluence with a visit to Sur La Table, where every conceivable kitchen implement known to man appears to be stocked for sale.

Modern American kitchen stores are especially insidious because they drive the relentless expansion in the size of American kitchens, hence the size of American houses. The modern yuppie family cannot survive today with only an oven, refrigerator,

tor and microwave. Families are loading up specialized appliances --- espresso machines, bread makers, fondue fountains, crepe makers, panini presses, blenders, juicers, ice cream makers, slicers, dicers and blenders -- even as they eat out more and cook at home less frequently than ever before!

Lest you think that I am some class warrior who mocks only the materialism of the affluent, let me state for the record that Americans of *all* classes are addicted to the accumulation of material possessions. The main difference between the rich and the poor is that the wealthy can afford possessions that last a while before they turn into trash. At the Dollar Tree, let me assure you, Americans of modest means squander their money on an incredible array of cheap and cheesy products that are destined for the landfill.

The first thing that struck me upon stepping foot inside the Dollar Tree on Patterson Avenue was the extraordinary diversity of products emblazoned with the image of Shrek, the affable ogre of movie fame. There were Shrek figurines, Shrek bubble wands, Shrek frisbees, Shrek swimming goggles, Shrek sand molds, Shrek coloring books and Shrek lip gloss. The other inescapable conclusion was that virtually every object in the store was made of plastic: flowers and flip-flops, flimsy toy golf clubs



and breakable toy pirate guns; luau masks, fake flower leis and pink flamingo stirring sticks; glo-sticks of all colors and toy mobile phones so cheap that the hucksters at Chuckie Cheese wouldn't even give them away as a prize.

Our society is awash in this junk. And it costs us in ways that most people never think of.

Americans have devised a number of mechanisms to cope with all the "stuff" they accumulate. One option, as famously lampooned by comedian George Carlin, is to buy a bigger house.

Creating more room for their stuff is only one reason, of course, that people buy bigger houses. Children lobby for their own private bedrooms. Families crave family rooms for adults and playrooms for children. People want offices and guest rooms, laundry rooms and sunrooms -- all examples of hyper-consumption in their own way. But a compelling motive for many a housing upgrade is to create more space to store more stuff. Stand-up attics. Three-car garages. Master bedrooms with his-and-her walk-in closets.

This reality has a huge impact on the economy. In 1970, the median new single-family house was 1,385 square feet, according to the National Association of Home Builders. By 2005, the median size had reached 2,227 square feet -- even though the average household size in the United States had gotten *smaller*.

The number of new houses with four bedrooms increased from 24 percent in 1970 to 39 percent in 2005. Please note: More bedrooms per house

means more closet space per family member. Meanwhile, garages have gotten bigger, too. In 1970, 39 percent of new houses were built with two- or three-car garages. By 2005, that number had reached 84 percent. One out of every five new houses had a *three-car* garage. If my own garage is any indication, most Americans store a lot more than cars in them.

Incredibly, for all their bigger garages, closets, attics and basements, today's bigger houses are not capacious enough to hold the accumulated flotsam of American families. People are carting excess belongings to off-site depositories in such numbers that the self-storage industry now claims to be the fastest-growing segment of the commercial real estate sector over the past 30 years.

Among the amazing facts reported by the industry's trade association: As of the first quarter of 2007, there were 51,223 primary self-storage facilities in the U.S., generating approximately \$22.7 billion in 2006 revenues. Think about that. American businesses and households were spending \$22.7 billion a year to store stuff they could not cram into their houses and offices! And make no mistake about it, households account for a big chunk of that business: Nearly one in ten U.S. households rent a self-storage unit.

To grasp the magnitude of the self-storage business, consider this: Total self-storage space in the U.S. amounts to 2.2 billion square feet -- about 78 square miles, an area three times the size of Manhattan. Put another way, that's 6.86 square feet of space for every man, woman and child in the nation, or about 18.7 square feet per household. Americans need all that storage

space despite the fact that they give away enormous quantities of clothes, toys, books, electronics, small appliances and furniture to Goodwill and other charities. To get a sense of the perfectly good stuff that people give away, I visited a Goodwill store on Broad Street outside Richmond. Inside the store, I wandered through racks upon racks of clothes -- many of them so new they might never have been worn, only a handful showing traces of wear. Strolling around back, I poked my nose into a shipping container filling up with clothes, cardboard boxes and furniture. The trailer there fills up every two or three days, said the strapping fellow working there. A truck hauls it to the Goodwill sorting plant in Midlothian.

Last year, the Goodwill organization of Central Virginia recorded 486,996 donations and processed *30 million pounds* (150,000 tons) of peoples' cast-offs, according to Aimée P. Walters, director of marketing & communications. Goodwill culls enough quality merchandise from these donations to support 13 retail outlets, a warehouse outlet and three merchandise auctions per week.

Stuff that's too worthless to give away winds up in the landfill. At the public dump in western Henrico County, a steady stream of cars and pickup trucks pulls up to a ledge where people can toss their household possessions into one of four huge metal bins. Between the household waste, the garbage trucks and the construction debris, the landfill absorbs roughly 100,000 tons per year, says Steve Yob, Henrico's solid waste division director.

The generation of junk increases with each passing year. In 1960,

Americans buried 2.68 pounds per person per day of solid waste in landfills. That number rose relentlessly for three decades, until it leveled off around 4.5 pounds per person per day. That plateau doesn't mean, however, that Americans suddenly discovered the virtues of asceticism and self denial. That's when the recycling movement started making serious inroads into the waste stream. Americans are throwing away more than ever -- we're just recycling more of it.



Virginia, you might be glad to know, does a better-than-average job of recycling, cutting its waste stream by 29.1 percent through recycling in 2004, according to the National Solid Wastes Management Association. While recycling may slow the rate at which we fill our landfills, it only obscures the fact that Americans continue to generate waste on a prodigious scale.

We pay a price for this extravagance -- far more than appears on our credit card statements. As one might surmise from the fact that we throw away so much of the stuff we buy, we don't even enjoy it that much.

According to the [World Database of Happiness](#), which tracks surveys of happiness around the

world, all that stuff does not buy the U.S. much satisfaction. Among the countries of the world, we rank only 17th in happiness. That puts us ahead of war zones like Iraq, dictatorships like Zimbabwe and economic basket cases like Ghana, and even ennui-suffering France, but behind less wealthy countries such as Austria, Finland and, the most felicitous of nations, Denmark.

Happiness theorists suggest that a certain level of wealth is helpful in optimizing happiness.

But once that level is reached, each incremental gain in wealth yields a lower rate of return. One possible reason, they theorize, is that when wealth is distributed unequally, so is social status. Unequal social status leads to discontent, whatever the absolute level of wealth or poverty. Poor Americans may live like kings compared to the inhabitants of Bangladesh, but they don't know anyone in Bangladesh, so they don't derive much satisfaction from the fact. But they can see, on television if nowhere else, that they live wretchedly compared to wealthy Americans.

Thus, in the quest for social standing, there is no finish line. Americans are trapped in a treadmill, devoting higher incomes to spending more money on more stuff that enables them to engage in the reciprocal gift-giving and hospitality -- key drivers of hyper-consumption -- that are integral to the way in Americans bequeath status to one another.

But there is a dark side to the accumulation of material possessions, and that is debt. Excessive debt leads to financial insecurity and emotional anxiety, neither of which are condu-

cive to happiness.

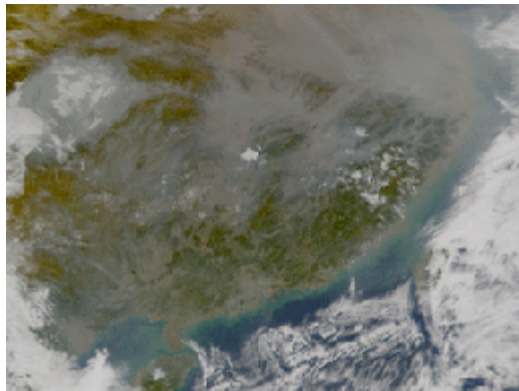
The Federal Reserve Board tracks a statistical series known as the household debt service ratio (DSR): an estimate of the ratio of debt payments to disposable personal income. In the first quarter of 1980, the debt service payments of U.S. households amounted to 11.13 percent of total disposable personal income. By the fourth quarter of 2006, the ratio had risen to 14.53 percent -- an increase of 30 percent. Toss in other financial obligations such as automobile lease payments, rent, homeowners insurance and property taxes, and American households owed 19.4 percent of take-home pay.

Our prosperity (and hyper-consumption) depends in large measure upon our collective ability to borrow money. And with the savings rates hovering around zero, we depend upon the generosity of strangers -- foreign strangers. How long they will remain eager to lend to Americans is one of the great conundrums of contemporary economic commentary. To many observers, the U.S. balance of payments deficit, which reached \$818 million last year, is unsustainable. At some point, foreigners will decide they want to dial back their exposure to the United States, which will result in either (a) a decline in the value of the dollar and a loss of purchasing power, or (b) an increase in interest rates, and a painful increase in consumer debt service, or (c) a combination of both.

A central question seems to be whether the dial-back will be slow and orderly or take the form of a disruptive financial panic. Because so many countries depend upon U.S. export

markets for their prosperity, they may continue lending us money beyond all reason. But sooner or later, the terms of trade will reach a new equilibrium, and it will cause wrenching change.

American hyper-consumption is unsustainable in another way: It puts tremendous strain on the global environment. All the stuff that American consumers purchase requires energy to manufacture, to transport, to store and to dispose of. The generation of that energy requires a massive and energy infrastructure -- giant electric-power plants and towering high-voltage transmission lines -- that people find obtrusive, and it creates pollution.



You don't have to be an apostle of global warming to be concerned about the impact of the mining and burning of coal -- the acid water run-off from mines, the contribution to acid rain, the emissions of ash, mercury and other noxious substances. And that's just in the United States. By exporting much of our manufacturing to China, the world's manufacturer, we likewise export pollution. Unfortunately, China, which is not as punctilious about its environmental standards as the U.S., is also becoming the world's trash fire, coughing up a brown cloud of haze that effects

air quality as far away as the United States.

While I regard American's hyper-consumption as a baneful influence upon the nation, indeed the entire planet, I am less sure of what to do about it. I don't want some Congressman enacting sumptuary laws or some unelected bureaucrat ruling on what constitutes a permissible consumer expenditure. People should be free to maximize their own personal good, no matter how misguided I may think their judgment is.

One option might be to shift the burden of taxation from income to consumption -- reward work and effort, punish consumption through a carbon tax or something similar. But taxing every-

one on the same basis is politically infeasible in a nation where the ruling political party in Congress finds something reprehensible in a tax system that extracts "only" 35 percent of the nation's income tax from the top one percent of the population.

Change, I believe, must come through moral reformation. One family at a time, one purchase at a time, Americans must voluntarily embrace an ethic of material restraint. We must re-define the "pursuit of happiness" in non-material terms -- the pursuit of knowledge, the nurturing of friendships and family ties, a dedication to physical fitness, the education of youth or the helping of others. That kind of change cannot be imposed by government, it must come from within.

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