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magine this: you're a kid again, and you want to sell lemonade in your neighborhood. So you set up your little lemonade stand with your cardboard sign written in crayon and get to work.

The first day, one person comes and buys some lemonade. Then the second day, two people come. Then the third, three. And the fourth, four. Within a month, you're serving dozens of people lemonade every day and the demand just keeps growing.

But it gets better. Not only does the whole neighborhood want a taste of your sweet, citrus squeeze, but the price of lemons just seems to keep getting cheaper. At first, you can get five lemons for a dollar. Then the next week you can get eight for a dollar. Then the next you can get twelve. And on and on. Within a few months, you're a lemonade money-making machine.

Of course, news gets out about your magical lemonade neighborhood. And pretty soon other kids are setting up their lemonade stands all around you.

But it doesn't matter, the demand just keeps growing. So you welcome these other kids. You tell them, "This is the neighborhood of opportunity, where anyone can sell lemonade and make money." Meanwhile, as if by magic, more people show up every day for lemonade, and the price of lemons just keep getting cheaper.

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Unsurprisingly, a culture starts to develop around the neighborhood. Narratives are formed about certain kids who sell lots of lemonade and other kids who don't. This kid is a genius and sells lemonade 20 hours a day. This kid is a loser who couldn't sell ice water in a desert, not to mention he probably drinks half of his own stash.

Kids come to see life in a pretty simple way: people get what they deserve. Or put similarly: people deserve whatever they get. And if they want something better, they should have been smarter and/or worked harder for it.

Time goes by. And news of this magical lemonade neighborhood — now serving lemonade to thousands of customers daily — starts to spread widely. Kids start bussing in from faraway neighborhoods to try their hand at making it in the lemonade world. They take the worst jobs squeezing lemons and throwing out garbage because they know that with the boundless opportunity in the lemonade neighborhood, it's merely a matter of time before they move up and start making good money themselves.

This goes on for months, and the kids in the neighborhood begin to realize something else: that their neighborhood is special. It seems to be chosen by God. After all, if kids are bussing in from all over town just to sell drops of lemonade here, there must be something truly special about the opportunities present. The kids here have far more money. And they work twice as hard as kids anywhere else. This really must be an exceptional place.

But then one day, things begin to change. First, you hear that the Japanese kids across town have figured out how to produce twice the lemonade for half the price, making it impossible for you to compete. Then, there are rumors that the

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and bought up the less successful lemonade stands. So instead of hundreds of independent lemonade vendor kids, you have about a dozen uber-rich kids controlling the majority of the lemonade market. And to cut costs and bring in good returns for their investors, they start paying workers less for the same work. But instead of telling the kids this, they tell them to simply work harder. After all, people deserve whatever they earn, right?

It happens slowly at first. But then the reality becomes unavoidable: kids in the neighborhood are now making less money even though they are working harder and longer than ever before.

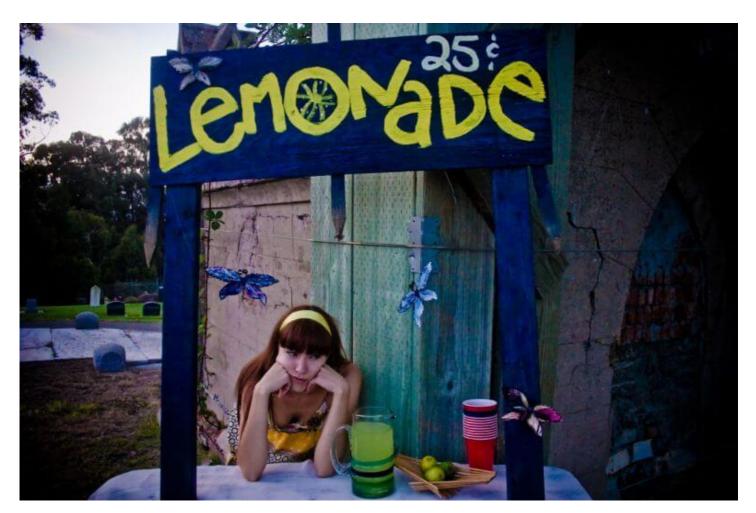


Photo by Nina Frazier

But beliefs lag behind reality. People who lose massive amounts of weight still see themselves as overweight and unattractive for years. People who used to get

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shifted, and it's not a bright outlook. But the children's beliefs persist: the underlying culture stays the same.

As a result, the blame game begins. After all, it can't be the beliefs that are wrong, it must be someone else who is screwing things all up.

The educated kids who had taken the time and money to earn degrees in lemonade squeezing and street vending looked at the kids without credentials as weak-minded and inferior simpletons who brought their misfortune upon themselves. The hardworking kids who started with nothing looked at the more fortunate kids who were handed their first lemonade jobs and blamed them for being entitled and unprepared for setbacks. Soon, the neighborhood turned in upon itself and began to devour itself. Battle lines were drawn. Factions were born. Factions that were political and extreme and fervent and contradictory. Yet the underlying assumption remained. The world changed, but the assumption remained.

Since the beginning, Americans² have always seen themselves as exceptional.³ And in many ways, the US has been an historic exception.

In no other time in world history has a group of relatively well-educated and industrious people been essentially handed a sparsely-populated continent replete with natural resources, wreathed by two vast oceans on each side protecting it from any potential invaders.⁴

Yes, for the first 300 years of its history, the US was the lemonade stand where more and more customers magically showed up. Whereas civilizations in Europe and Asia grew, peaked, and died many times over, the people of the US never

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The United States' meteoric rise to world superpower happened because of the confluence of four unique factors that it benefitted from greatly:

- 1. **Unlimited Land** From the very beginning, the US enjoyed a constant state of expansion. It took over 100 years from the country's inception for it to stretch itself from 'sea to shining sea.' In the 20th century, the US added territories in the Caribbean and Pacific, most notably Hawaii and Alaska. Cheap and fertile farmland was always plentiful. And natural resources appeared to be endless, with massive reserves of oil, coal, timber, and precious metals that are still being discovered today.⁵
- 2. **Unlimited Cheap Labor** The vast majority of the United States has remained sparsely populated throughout its history. In fact, it was a real concern of the founding fathers and they believed they needed to attract a steady flow of immigrants from all over the world to develop a robust and self-sustaining economy. To do so, they created a democratic system that promoted entrepreneurialism and attracted talent. This generated an endless influx of cheap, industrious labor that still continues to this day.

And that's not even mentioning that little thing we had for a while called 'slavery.'

- 3. **Unlimited Innovation** Perhaps the one thing the US system got right more than anything else is that it is set up to reward ingenuity and innovation. If you come up with the latest, greatest idea, it's here, more than anywhere else, that you'll get rewarded for it. As such, many of the great technological advances in the last few centuries came from brilliant immigrants that the US attracted to its soil.
- 4. **Geographic Isolation** Civilizations in Europe and Asia were invaded, conquered, invaded again, conquered again, back and forth with the tides of

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But not the United States. It was just too bloody far away. I mean, if you're Napoleon, why load up a bunch of expensive ships and sail for weeks, when you can just invade Italy, like, tomorrow?

As a result, the US developed a sense of being isolated from the world. With the exception of Pearl Harbor (which took a lot of fucking effort from Imperial Japan), we've just been impossible to get to.

Americans take this for granted. But its effect cannot be overstated. As recently as a couple decades ago, much of Europe feared an imminent invasion from the east. Hell, some European countries still fear that invasion.⁶

It's from this intersection of good fortune, plentiful resources, massive amounts of land, and creative ingenuity drawn from around the world that the idea of the American Dream was born.⁷

The American Dream is simple: it's the unwavering belief that anybody — you, me, your friends, your neighbors, grandma Verna — can become exceedingly successful, and all it takes is the right amount of work, ingenuity, and determination. Nothing else matters. No external force. No bout of bad luck. All one needs is a steady dosage of grit and ass-grinding hard work. And you too can own a McMansion with a three-car garage... you lazy sack of shit.

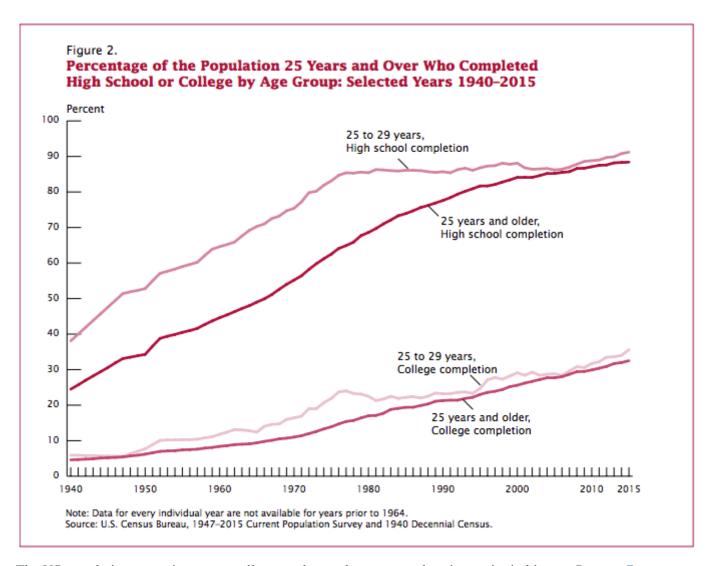
And in a country with constantly increasing lemonade customers, endlessly expanding land ownership, endlessly expanding labor pool, endlessly expanding innovation, this was true.

Until recently...

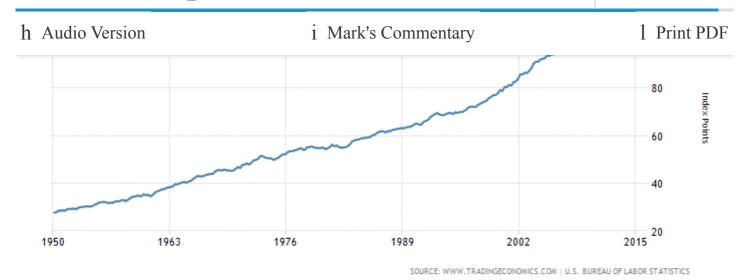
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By almost every major statistical measurement, the average American is worse off than they were a generation ago. Some pundits have taken to blaming the younger generations, saying that they're entitled, self-centered, too absorbed in their smartphones to work,⁸ and while some of those complaints may have a grain of truth to them, the data suggests that the kids are not the problem.

Generally speaking, Americans today, especially young Americans, are the most educated and productive generation in US history:

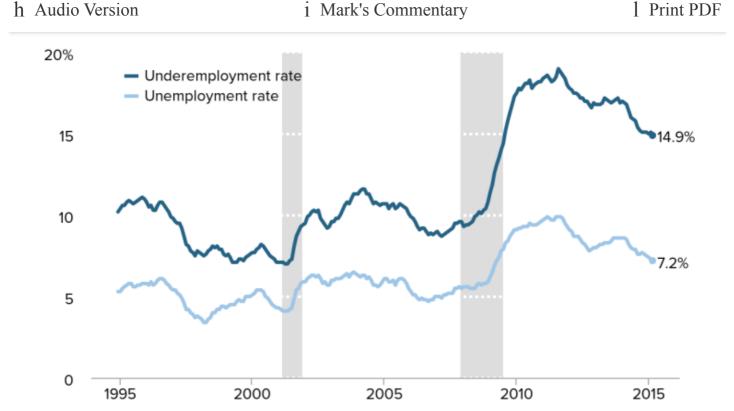


The US population comprises more college graduates than at any other time point in history. Source: Census.gov



US worker productivity has steadily increased over the past 65 years. Source: Trading Economics

But they are also incredibly underemployed or unemployed:



* Data reflect 12-month moving averages; data for 2015 represent 12-month average from April 2014 to March 2015.

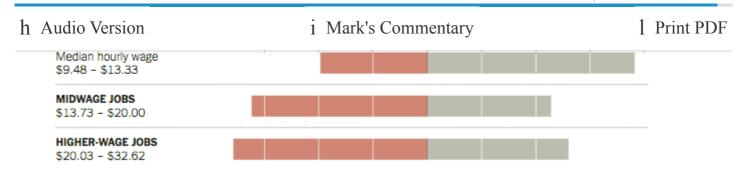
Note: Shaded areas denote recessions. Underemployment data are only available beginning in 1994. Data are for college graduates age 21–24 who do not have an advanced degree and are not enrolled in further schooling.

Source: EPI analysis of basic monthly Current Population Survey microdata

Economic Policy Institute

Underemployment and unemployment of young college graduates still lags far behind pre-recession levels. Source: Economic Policy Institute

This is for the simple reason that there are no jobs, especially middle-class jobs. Despite Obama's impressive proclamation that he's halved the unemployment rate since he took office, most of the drop in unemployment since the 2008 crisis has come from part-time or low-skilled jobs, and from people leaving the workforce altogether.



Most jobs created since the recovery began have been low-wage jobs followed by high-wage jobs. The recovery of middle-wage jobs has been lackluster, however. Source: NYTimes via National Employment Law Project

US LABOR FORCE PARTICIPATION RATE 68 66 64 62 1950 1963 1976 1989 2002 2015

The labor force participation rate is the percentage of working-age people in the US who actually have jobs. Note the sustained decline following The Great Recession in 2008. Source: Trading Economics

SOURCE: WWW.TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

Today, approximately 25% of people with college degrees don't have a job and aren't even looking.⁹

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Hipster or underemployed millennial? Or wait, is there a difference?

But why? What happened? Where did we go wrong or did we even go wrong? Who can we blame in angry Twitter rants or at cocktail parties?

Well, there's actually no one to blame. It's just that the strategies and beliefs that the country were founded upon have finally bumped up against their limitations:

1. **No More Land.** Fact is, we ran out of land around 1900. So we conquered Cuba and the Philippines and like, Guam, and stuff. But after the World Wars happened we realized something the English never did: that is, why spend all of your time and money actually *invading* a poor country when you can just lend them money and tell them to sell you stuff for really cheap?

That's essentially what we did throughout the Cold War. We called it a global hegemony, and it was basically like this low-level form of extortion of the third world: either open up trade for us, let our corporations come in

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return, we promised that our military would protect them from communism.

But that too has dried up. Most of the poor economies have developed enough that they aren't so cheap and easy to exploit anymore. Or at least not as much as they used to be. In fact, some of them may soon become our competitors.

- 2. **No More Cheap Labor.** Yeah, that all got outsourced. I mean, why employ a bunch of local laborers when you can build a factory in China and get the stuff made for ¼ of the cost? RIP, Detroit. Oh, and there was this whole thing called "slavery" you might have heard of. It ended.
- 3. **Innovation is Now Creating Fewer Jobs, Not More.** This may be the biggest and scariest one of all. With the rise of information technology, automation, and artificial intelligence, the fact is that we don't need as many people as we used to. ¹⁰ You know when you walk into CVS and that computer screen yells at you to put your shit in the bag and then you just swipe your card and walk out? Yeah, the whole world is going to be like that soon. Accountants. Pharmacists. Even taxi cabs and truck drivers. That's potentially tens of millions of people out of work. With no opportunity for those jobs to ever come back.

But this isn't just going to hit the service sector. This is also largely responsible for the manufacturing sector getting hosed. Despite what Trump may yammer on about, US manufacturing output has doubled in the past 30 years and is still the biggest sector in the US economy. The problem is that it's done that while only employing about 75% of the workers that it used to. That's not the Chinese stealing those jobs. That's improved technology. You know, robots and shit.

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Doesn't matter who you elect, these jobs ain't coming back.

In fact, it's now the opposite: now there are millions of hardworking, intelligent people who are living from paycheck-to-paycheck and are stuck in jobs with few opportunities for advancement and little hope for the future. ¹³ And many of these people are pissed.

The sad truth is that fewer people today are getting ahead than before. ^{14,15} And they're getting ahead not due to their hard work or their education as much as their connections, their family's socioeconomic status, and of course, just the plain luck of not getting horribly sick or getting into a serious accident. ¹⁶

Not only is this not the American Dream, it's the antithesis of the American Dream. It's the old feudal order where you're born into your privilege (or lack thereof) and forced to just hope things don't get any worse.

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far more economic mobility, as well as those icky socialist countries like Denmark, Sweden, and Finland.

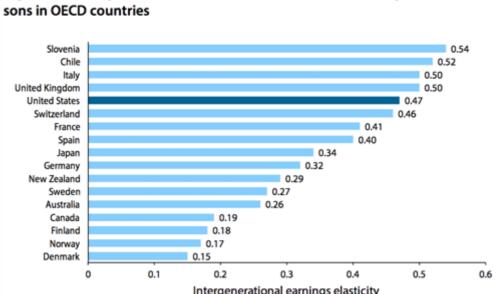


Figure 3H Intergenerational correlations between the earnings of fathers and

Intergenerational earnings elasticity

The intergenerational correlation of wealth between fathers and son's shows how closely a male's wealth matches his father's wealth and is used as a measure of

economic mobility. Note that the higher the intergenerational correlation, the lower the economic mobility. Source: Economic Policy Institute

"So the American Dream is dead. Big whoop? What's your point, Manson?"

Well, I'll tell you my point. It's the last part of The Tragedy of the Lemonade Stands that is so dangerous. See, the kids developed a belief system around "success = hard work = deserving great things" and "failure = laziness = deserving shitty things." And those heuristics work great in a society where there's boundless opportunity, infinite resources, and constantly expanding markets.

But when the tides turn, and those opportunities are simply no longer there, well, these same beliefs become quite dangerous and even destructive.

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The Just World Hypothesis says that people get what's coming to them — bad stuff happens to bad people and good stuff happens to good people. Bad stuff rarely (if ever) happens to good people and vice-versa.

There are a couple problems with the Just World Hypothesis though: a) it's wrong, and b) believing it kind of turns you into an unsympathetic asshole. 17



He's got a point, you know.

All of us get fucked at some point in our life in a very major way. Whether it's a car accident, cancer, being robbed at gunpoint, or developing a crippling fear of peanut butter, we all get shit on in our own little special snowflake way in life.

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50 years straight. ¹⁸ The point is: the jobs just suck. The lemonade customers have stopped coming, and that changes everything. Because it means people can work just as hard as they did before (or even harder) and end up in a worse place.

Here's a stat that will knock your socks off: 45% of homeless people have a job. You know that guy that sleeps on the bench in your favorite park and smells like cat piss and when he asks you for a dollar, you scream, "Get a fucking job!" at him? Yeah, chances are, he already has one. Asshole.

2. The American Dream causes us to believe that people are only worth what they achieve. If everybody gets what they deserve, then we should treat people based on what happens to them. Therefore, success makes you into some kind of saint, a role model that everyone else should follow. Failure turns you into a pariah, an example of what everyone else should try not to be.

This creates an extremely shallow and superficial culture where people like the Kardashians are celebrated for no other reason than they have fame and money, and people like war veterans, 9/11 first responders, and life-changing school teachers are more or less ignored and in some cases, left to die. The unspoken assumption is that if they were so great, where the hell is their money to take care of themselves?

It feels good to believe we all get what we deserve when the gravy train is rolling and there are new jobs and industries sprouting up like hairs in a dog's ass crack. A rising tide raises all ships, as they say. And if our ship is rising, it feels pretty good to assume that it's because we're a bunch of bigballed badasses

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and demonize ourselves when things aren't so great.

3. The American Dream indirectly encourages people to feel justified in exploiting others. A couple years ago, a friend of mine was accused of a serious crime that he did not commit. He hired a lawyer, went to court, and was found not guilty.

About six months later he received a letter from a legal office threatening to sue him for the exact same offense he was just found "not guilty" of in criminal court. After consulting his lawyer, the lawyer said that this was basically just a scare tactic, probably an automated letter, designed to scare people into paying a settlement rather than going back to court again.

So think about this a second. There is a lawyer out there (or team of lawyers), who go down to city hall and look through the registry of people who have been acquitted of major crimes. These lawyers then, without even knowing anything about the people involved, send a letter to the acquitted person, threatening to sue them on the victim's behalf, hoping that maybe, one out of ten or one out of twenty will be scared enough to pay up some money so that the lawyer will go away.

This is pure exploitation. And the sick thing is, it's perfectly legal. In fact, the lawyers who do this probably make decent money and have nice cars and live in nice neighborhoods and seem like nice fucking guys as they fetch their newspaper and pet your dog and comment on the latest sports scores.

But they're total scumbags. Scumbags to the point where I'm getting angry typing this right now.

But in a culture where your worth as a human being is tied with your level of socioeconomic success, there will arise a kind of "might makes right"

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are drying up, and people are running harder just to stay in place, more and more people are turning to skimming a little bit off the top from the next guy over, to make it appear as though they are a success in which they're not. ¹⁹ Whether it's selling penis pills on the internet or creating bogus websites that trick you into clicking on ads, or you're a lawyer who tries to scare recent defendants into giving you money not to sue them, it all becomes not only more justifiable, but it becomes more necessary to maintain the same cultural belief that hard work always wins out.

Or as it was once said on *The Wire*:

"You know what the trouble is, Bruce? We used to make shit in this country—build shit. Now we just put our hand in the next guy's pocket."

When you're a kid, you believe everything is right in the world. You go to school, you do what your parents say, you believe what people tell you, and you assume everything is going to work out.

But when you're a teenager, you come to realize that a lot of this is bullshit. By the time you reach adolescence, you are subjected to life's first traumas and failures. You recognize that the world isn't fair. Things go wrong sometimes. Bad things happen to good people and vice-versa. And in many ways, you're not as great as you had always thought or realized.

Some teenagers handle this realization well and with maturity. They accept it and cater themselves to it.

h Audio Version i Mark's Commentary 1 Print PDF oranne the world. And that oranning doesn't turn out well for anybody.

The US is a young country. Culturally, we are teenagers — just a couple generations out of our golden years of innocence. And as a country, we are coming to realize that our young idealism has its worldly limits. That we are not exceptions. That things are not just. That we cannot fully control our destiny.

The question is how well we will adapt and mature to this new reality. Will we accept it and modify our ethos to match the 21st century? Or will we become petulant and angry and scapegoat our cognitive dissonance of our national consciousness away?

Perhaps the best thing about the United States is that we get to decide.



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life, and that I believe can influence your life too. Put your email in the form and I'll send it to you. No spam. I promise.

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Footnotes

- 1. Or a woman. Or black. Or Native American. But we'll get to that a little bit later.
- 2. Yes, I know technically, 'Americans' means everyone in the western hemisphere. But colloquially, people in the United States (and most of Europe and the world) refer to people in the US as 'Americans'. Call us arrogant and self-centered. You'd be right. But for the sake of simplicity, I'm sticking with it.
- 3. John Winthrop's 1630 speech, "A City Upon the Hill" called for the New England colonies to become an example for the rest of the world to follow. Alexis De Tocqueville coined and commented on this "American Exceptionalism" in his famous book *Democracy in America*.
- 4. The Spanish and Portuguese saw their New World territories as something to be exploited and pillaged. As a result, they did not invest any energy into generating an infrastructure for a sustainable civilization in South or Central America. In fact, they did the opposite. They intentionally kept their populations impoverished and helpless. The British, on the other hand, wanted to build up self-sustaining colonies that it could add to its global network of commerce. The residue of these two European approaches goes a long way to explaining the difference between the North and South that continue today.
- 5. As I write this, there's news that they believe they just discovered a massive new oil reserve in Alaska. Sorry nature.
- 6. I'm looking at you, Putin.⁴
- 7. The American Dream itself was coined in the 1930s, but US history is riddled with similar concepts dating back to the 18th century and the Declaration of Independence itself.
- 8. Stein, J. (2013, May 20). Millennials: The Me Me Me Generation. Time.
- 9. Bureau of Labor and Statistics (2015) Employment status of the civilian noninstitutional population 25 years and over by educational attainment, sex, race, and Hispanic or Latino ethnicity.

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- 13. Johnson, A. (2013, June 24). 76% of Americans are living paycheck-to-paycheck. CNNMoney.⁴
- 14. Casselman, B. (2015, October 8). It's Getting Harder To Move Beyond A Minimum-Wage Job. FiveThirtyEight.⁴
- 15. V. S. toristilwell. (2015, December 10). Here's How Much the U.S. Middle Class Has Changed in 45 Years. Bloomberg.com. ←
- 16. Khazan, O. (2014, October 8). Why Americans Are Drowning in Medical Debt. The Atlantic.
- 17. Those who strongly believe people get what they deserve that good things happen to good people and bad things happen to bad people are more likely to blame victims of things like violence, poverty, and disease, even when it's abundantly clear that the victims have little to no control over their circumstances. See: Furnham, A. (2003). Belief in a just world: research progress over the past decade. Personality and Individual Differences, 34(5), 795–817.4
- 18. D. Desilver. (2014, October 9). For most workers, real wages have barely budged for decades. ↵
- 19. This is especially true in a performance-based society where setting and achieving goals is seen as some sort of perverted religion. The thing is, if you don't have the right goals, you can turn into a real asshole, where the ends of achieving said goals justifies any means you used to get there. See: Schweitzer, M. E., Ordóñez, L., & Douma, B. (2004). Goal setting as a motivator of unethical behavior. Academy of Management Journal, 47(3), 422–432.

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