

Chapter 1 – The American Dream

To understand the context of this book, and why America has ended up on the brink of implosion, it is important to review the past, present, and future of the American Dream.

Although it may come as a shock to many, the American Dream is far from dead as people are achieving it every day, however, it is a fact that the demographics of those achieving it now are more diverse and inclusive than the majority who achieved it in the past. This is a far cry from the belief of many people that the demographics of those achieving today's dream have totally flipped, but there are things that have changed which people are either ignorant or angry about, or simply do not wish to admit.

America is not even 250 years old, and when anything starts from zero growth rates can often be exponential, even economic. And so, for the first 153 years of its life, America experienced the kind of economic growth that had seldom been enjoyed by any country throughout history. This growth was never more personified than under the vision and drive of the "Robber Barons" who, in the 1800's, utilized the extraction of hydrocarbons to fuel an incredible industrial revolution.

However, in 1929, greed and poor fiscal policy resulted in America experiencing its first "Great Depression", that lasted until 1933.

It was during the depression that James Truslow Adams coined the term "The American Dream" when he wrote:

"That dream of a land in which life should be better and richer and fuller for everyone, with opportunity for each according to ability or achievement. It is a difficult dream for the European upper classes to interpret adequately, and too many of us ourselves have grown weary and mistrustful of it. It is not a dream of motor cars and high wages merely, but a dream of social order in which each man and each woman shall be able to attain to the fullest stature of which they are innately capable, and be recognized by others for what they are, regardless of the fortuitous circumstances of birth or position."

America's emergence from the Great Depression coincided with the rise of Hitler in Germany, and in 1939, the start of the Second World War. America eventually took on more than her fair share of responsibility for helping the world avoid authoritarian rule by the Nazi's, and her reward was a world where she was the only major industrial nation left standing i.e., a world pretty much devoid of competition. Accordingly, she enjoyed another +/- 35 years of unprecedented economic growth.

To many, the zenith of the American Dream was the 1950s, but far too few people take the time to understand what fueled it, and the real reasons for its subsequent change. Accordingly, and for context for the rest of this book, it is important that we understand the influences and forces that helped create the zenith, and those that have subsequently resulted in changes to it.

1. Prior to the Great Depression, America was a country built mainly by industrious immigrants who in many instances leveraged free or cheap labor, along with minimal humanitarian and environmental regulations, to help build their empires and fortunes. Often, it was the best and brightest that had left their countries of origin to seek their fortunes in a land that was replete with a wealth of natural resources (including vast tracts of under-utilized land), and a constitution that rewarded innovation and hard work over family lineage. For an extended period, the “West” was truly “wild”, and the original 13 Colonies were not too far behind.
2. From 1945 to around 1980, America had no real global competition resulting in a second period of exponential growth that drove industrial productivity to an all-time high. During this period, and due to the opportunity afforded people from a booming economy, Americans provided the labor required to fuel another incredible period of innovation. There is zero doubt that during this time, America was the most innovative country in the world, today, it has fallen to 5th (1).
3. In 1955:
 - There were +/- 171,500,000⁽²⁾ people in the United States, and because women and minorities were not truly embedded in a workforce that was sustaining a booming economy, competition for well paid jobs was de minimis
 - America still had vast tracts of undeveloped land that were rich in natural resources, and to monetize these opportunities, huge public and private infrastructure projects were commonplace
 - The average annual income for men was \$3,400⁽³⁾ from which a family of four could have one parent work, buy a house and a car, get good healthcare, and put two children through college
 - It was fully expected that each future generation would do “better” than its predecessor
 - Unions protected the rights of workers and helped increase pay and benefits. (Note that the law of unintended consequence of this would not raise its head for another 35 years). The Democrats supported the Unions and their workers, while the Republicans favored businesses and their owners. The latter prevailed, eventually reducing the power of the unions (not without valid reasons) resulting in jobs being shipped to places where cheaper labor could be accessed i.e., abroad
 - The “great migration” of people and businesses to urban centers had not yet started

- Most professional athletes playing football, basketball, golf, tennis, baseball, etc., etc., were white, as were most politicians, doctors, teachers, and law enforcement officers
- There were still segments of the American public that could not vote
- America had one of the highest standards of living in the world
- Federal Government was far less embedded in the lives of American citizens, plus, government spending as a percentage of GDP was 16% ⁽⁴⁾
- The American Dream was still nothing but a dream for most minorities
- The tax rates in 1955 were far higher than they are today, especially for the wealthy ⁽⁵⁾

When segments of today's society wish for a return to the zenith of the American Dream, it is because they believe it has been taken away from them and "given" to others. Although "given" to others is not true, the days of white males choosing not to go to college, because they could "fall out of bed" and make a living that was enough to achieve the American Dream, are not as commonplace as they once were. This is not due to the decisions of one person, one party, or one demographic of our society, but rather to a confluence of realities that most global "Superpowers" have faced throughout history.

President Biden is fond of saying "bankers and finance people did not build America, the middle-class built America, and the Unions built the middle-class". This is only partly true (no shock there as he is a politician), as without access to appropriately priced capital, none of it would have been built.

In 2022, we live and work in a different America than those living and working in 1955. The realities of today include:

- The rest of the industrial world has recovered from WWII and has created global competition for the United States. Today, there is competition from countries that were not even on industrial or technology "radar screens" in 1955, i.e., China and India, and in the following aspects, some countries have not only caught America, but even surpassed her in innovation and productivity.
 - Life expectancy – we rank 46th in the world ⁽⁶⁾
 - Infant mortality – out of the 36 countries that make up the Organization for Economic Co-Operation and Development (OECD) we rank 33rd ⁽⁷⁾
 - Obesity - out of the 36 countries that make up the Organization for Economic Co-Operation and Development (OECD) we rank dead ass last ⁽⁸⁾
 - Citizen Happiness – America has the 19th happiest citizens in the world ⁽⁹⁾. The top 7 countries (and they are not socialist) are all northern European, and is probably why Donald Trump complained about "having all these people from

shithole countries come here". After singling out Haiti, El Salvador and Africa (which is actually a continent not a country) as examples, he also added that, "we should have more people from Norway." There was a time when we did, because from 1870 to 1910 a quarter of Norway's working-age population emigrated, mostly to the United States. Back then Norway was quite poor, wages were less than a third of what they were in the United States, and the wave of emigration out of the country quickly benefited those who remained. That's because it reduced the supply of workers in Norway, so those left behind could demand higher wages. And this helped narrow Norway's wage gap with the U.S. by 25 percent over that same 40-year period, putting Norway on the path toward its status today as one of world's most prosperous nations. Those that did come to the United States helped build it, however, there is a reason they do not come today, which is because they are very happy where they are.

- GDP per Capita – we rank 4th ⁽¹⁰⁾
- GDP - we do rank first, by a mile, but it certainly appears that money does not always buy happiness

The facts above show a maturation of our economy which, after a certain period, is endemic of any “Superpower”.

- The population of The United States has almost doubled to +/-332,000,000 ⁽¹¹⁾, and because of the inclusion of women and minorities in the workforce, a higher percentage of the population are competing for jobs and careers.
- The median household income in the US in 2019 was \$68,703 ⁽¹²⁾. The average annual real wage was \$65,836 ⁽¹²⁾. However, this is an inaccurate comparison to 1955 because today, most household incomes are made up of at least two incomes, whereas in 1955 it was one. If, therefore, we look at what the real median personal income was in 2019, we can see it was \$35,977/year. ⁽¹³⁾. Today, buying a house and a car, getting good healthcare, and putting two children through college while earning the average personal income is a not a dream, it's a nightmare. It is also barely a dream for households bringing in two incomes.
- Inflation of non-discretionary items has skyrocketed since 1955.
 - College has increased over 3,000% ⁽¹⁴⁾
 - Healthcare has increased 2,775% ⁽¹³⁾
 - Housing has increased 1,350% ⁽¹³⁾
 - Food has increased 1,143% ⁽¹³⁾

Whereas countries with the happiest citizens see non-discretionary as a mandate to try and find the best way to make things available for all, the US sees it as a huge captive market that can be taken advantage of and exploited. As proof of this statement, a rudimentary look at the inflation statistics for many discretionary items shows inflation rates below 250%.

- In 2019, Maryland had the highest median household income in the US, with \$95,572/year, but we are led to believe that Federal Government jobs do not pay well? If they don't, the service industries that the Federal Government supports are raking it in. Princes County in Maryland also has the highest income per capita in America for African Americans.
- The power of the Unions has been marginalized, resulting in tens of thousands of jobs being shipped overseas. It is laudable to want to bring them back, however, in doing so we must accept steep increases in the prices of many of the products we buy.
- The migration of both people and businesses to cities and urban centers has resulted in large scale reductions in the number of career opportunities in rural areas
- Most professional athletes playing football, basketball, and baseball are not white, and the demographic of American leadership is changing.
- All Americans can vote
- America now has the 17th highest standard of living in the world ⁽¹⁶⁾
- Government plays a far more intrusive role in our lives, and it has grown out of all proportion with spending now at 31% of GDP ⁽¹⁷⁾
- Although the achievement of the American dream is alive and well, there is far more competition for those wishing to achieve it.

The American Dream is still alive, but it takes a different kind of education, skill set, geographic location, and opportunity to achieve it. There is truth to the sentiment emanating from white males in middle America that the American Dream their parents and grandparents spoke of is much harder to achieve. For this reason, it has not been difficult for politicians wishing to build a base, and or stomp for votes, to develop narratives that point the finger of fault at other demographics of Americans. America is not witnessing the required change in shape of its Socioeconomic Pyramid, but rather a switching of where certain demographics of its citizens resides within the current shape.

Whether we like it or not, America has matured, and it is also now part of an interconnected global marketplace. It has been the world's "Superpower" for +/- 100 years and it is experiencing the same socioeconomic issues that affected each superpower that preceded it. This is not the fault of a single party (both have occupied the Oval Office and led the House and Senate for almost identical amounts of time since 1961) or President, but unfortunately, rather than learning from history and working together to innovate solutions to our problems, we have chosen blame, hate, and division as the answers.

Did America enter a period where she rested on her laurels? Was there a level of arrogance that embraced the notion that she was untouchable? Both questions have merit in being asked, but I will leave it to you to identify your own answers. What can be said is that history has been screaming at us that it has a habit of repeating itself, and thus, the writing showing us the likely outcome of our current path is on the wall, and the ink drying very quickly.

- (1) <https://www.visualcapitalist.com/national-innovation-the-most-innovative-countries-by-income/>
- (2) <https://www.macrotrends.net/countries/USA/united-states/population>
- (3) <https://www.census.gov/library/publications/1956/demo/p60-023.html>
- (4) <https://fred.stlouisfed.org/series/FYONGDA188S>
- (5) <https://taxfoundation.org/historical-income-tax-rates-brackets/>
- (6) <https://www.worldometers.info/demographics/life-expectancy/>
- (7) <https://www.americashealthrankings.org/learn/reports/2019-annual-report/international-comparison>
- (8) <https://www.americashealthrankings.org/learn/reports/2019-annual-report/international-comparison>
- (9) <https://worldpopulationreview.com/country-rankings/happiest-countries-in-the-world>
- (10) <https://statisticstimes.com/economy/projected-world-gdp-capita-ranking.php>
- (11) <https://worldpopulationreview.com/countries/countries-by-gdp>
- (12) <https://www.census.gov/popclock/>
- (13) <https://policyadvice.net/insurance/insights/average-american-income/>
- (14) <https://www.in2013dollars.com/us/inflation/1955?amount=1>
- (15) <https://www.yahoo.com/now/average-cost-college-jumped-incredible-122000732.html>
- (16) <https://worldpopulationreview.com/country-rankings/standard-of-living-by-country>
- (17) <https://fred.stlouisfed.org/series/FYONGDA188S>