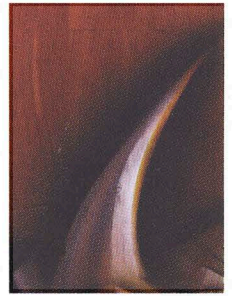


Material World

In today's material world, we strive to succeed and accumulate wealth. But there is more to life than making money and gathering goods. Many of us, in fact, deal with issues of business and wealth strictly on our own terms. We dream of becoming our own bosses, we try to balance the demands of work and home, we face ethical dilemmas. We also recognize the importance of education and how helping others brings more than material rewards.

It's often a juggling act, but true success requires a commitment to constantly improving ourselves and society. The following stories examine these issues of the material world, and their impact on our lives.



Crathering The GOODS

America's love affair with materialism fuels the economy, but how we manage our urge to acquire reveals a great deal about ourselves
By Jay Cox

At the extremes, material wealth can be viewed as either obsessive self-indulgence or the robust reward of cleaning up on the capitalist game board. Either way, our consumption—be it extravagant, moderate, or reserved—says a lot about who we are or envision ourselves to be.

Managing our grip on materialism usually involves an intricate exercise of individualism doused with all sorts of social and cultural influences. “We live in a culture that says you have to strive individually to be successful, and then you have to have some empirical indicators that you are successful,” says SU sociology professor Gary Spencer. “And the way our culture is built on this market economy, the orientation to consumption would have us believe that to display and consume is the mark of being successful.”

As consumers, it's our job to spend money. Otherwise, crash goes the economy and back to the bread lines we go. Some might say that's a rather simplistic view of America's market economy, but consumer spending does account for about two-thirds of the Gross Domestic Product (GDP), the official yardstick used to size up our economic vitality.

When the GDP for the fourth quarter of 1996 shot up 4.7 percent, Vice President Al Gore uttered this declaration at a White House press briefing: “This is very good news for America's workers, entrepreneurs, and families; another resounding affirmation of President Clinton's economic strategy. The American economy is growing, and a land of new promise is emerging.”

One productive quarter is a far cry from sustained economic splendor, of course, but it does reflect what's happening in the American marketplace. Here's a look at another current economic trend: In 1996, for the first time ever, more than a million bankruptcy petitions were filed, according to the American Bankruptcy Institute (ABI), a nonprofit research and education group based in Virginia.

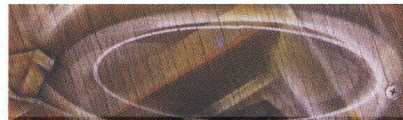
Not only that, but consumer debt, “at \$1.1 trillion in installment credit and more than \$465 billion in revolving credit, has more than doubled in the past decade and is up 51 percent in the last three years alone,” the ABI reported in congressional testimony.

“Increasing debt-load is common during periods of economic expansion because consumer spending helps drive the economy, so it's important that people spend money and use credit,” explains ABI Executive Director Samuel Gerdano '77, G'83. “What's problematic is when people are spending credit, not spending income.”

Naturally, no one welcomes the fate of landing belly-up in a pile of unattractive economic statistics, but it's another of the many risks of riding roughshod on the carousel of the material world. True, the market economy has its charms, particularly if you've got a wad of cash and are susceptible to that oft-noted bumper-sticker philosophy: “He who dies with the most toys wins.” Add to that the “constant bombardment of all the signals and symbols that somehow you're not a worthwhile person if you're not displaying these symbols,” Spencer says. “I would chalk that up to the success of the mass media, advertising, marketing, and peer pressure relative to your thinking about how you measure yourself against other people.”

Materialism itself is a clouded concept, drifting amid ever-changing times and definitions. Is it the acquisition of things? What things? Products? Services? SU marketing professor Clint

Tankersley says purchasing patterns have shifted toward more upscale, high-quality, brand-name products, stressing value in terms of quality rather than quantity. One marketing trend, for instance, combines big-name brands into a single item. (One tasty example: Ben & Jerry's ice cream with Heath Bar chunks.) Tankersley also pulls experiences into the materialism mix. “People are spending their money on experiences,” he says. “We're very much a time-compressed society and people would like to get as much out of whatever free time they have, so the emphasis is on quality time. What we're willing to trade off is that ‘time is money,’ but we may have more money than we've got time right now. Does it make sense to work



so hard to buy free time? Why not work less and have more time?"

Then you'd have no money to pay the baby sitter so you could escape for an evening of bungee jumping. Nonetheless, materialism basically comes down to sorting out what's desired and what's required. "Materialism is associated with the notion of liberal societies, where there's mobility and you can have more stuff," explains SU economics professor Jerry Evensky G'82, G'84. "In a subsistence society it's an irrelevant concept. But once you get beyond needs, that's when you have the time to worry about wants. It's only when you're generating enough surpluses that you're in the position to worry about how much—'how much of this or that do I want,' as opposed to 'I need more of this to survive.'"

These days, survival sometimes seems to encompass more than food, clothing, and shelter. The family quarters, for instance, appear rather incomplete without a computer. And not just any computer, but a super snappy mega-byte monstrosity that blows by all the dawdlers on the information superhighway. "How many people get rid of their computers because the machines don't work anymore?" Tankersley asks. "Nowadays they get rid of their computers because the new ones are better and faster. It's amazing how long we were willing to sit and stare at the screen a couple of years ago waiting for something to happen. Today if it doesn't happen right away, we complain: 'This is a really slow machine.'"

Welcome to late 20th-century technological living. Does the VCR have flying erase heads? Is the satellite dish aimed in the right direction? Where's the juicer? Is that the cell phone ringing? The fax machine beeping? "On the surface it may seem like materialism, but a closer look might show that it simply costs so much to have a house, to have a television set, to do things as a family, to take a vacation. Those aren't things that are terribly different from what has always existed. But the costs now are so great that it requires two-earner families to scrimp and not have the kind of savings they'd like to have. And, they're extending credit, perhaps too much," Spencer says. "I think it might be a bit unfair to say that this society has become so

materialistic that we ask what's wrong with our values when, in some ways, I think our values are fairly consistent with what they've always been, except the cost of realizing them has become quite outrageous in some ways."

University Trustee William J. Brodsky '65, G'68 points out that during his college days, electronics meant a clock radio and an electric typewriter. "The question is where you draw the line between the acquisition of consumer goods and materialism," he says. "What were yesterday's luxuries become tomorrow's necessities."

As president and chief executive officer of the Chicago Board Options Exchange, Brodsky oversees \$25 billion in daily transactions. With nearly three decades of experience



in the investment business, he's also seen from many vantage points how people handle their money. "A big part of our culture is that we want more. Some people worry about how they appear; others can have anything they want, but it doesn't mean they're living in a way that's highly conspicuous," he says. "When it comes to making and spending money, I've seen people of every stripe. I'd say my biggest disappointment is when people who've made a lot of money at relatively young ages don't handle it well and, as a result, don't hang onto it."

There's little doubt we'd all like to prosper financially, but is there a point where enough is enough? "Some people say they've made enough and are happy to do other things. There are others who like the stimulation of the business," says Brodsky, a 1983 Arents Pioneer medalist. "I think individuals misunderstand the ability of some people to make money, seeing it almost as greed, instead of understanding that for a lot of people, it's not the money itself, but enjoying the activity that produces the money. It's not that enough is enough, it's that people really enjoy doing what they're doing."

New York City businessman Phil Sassower could've retired a wealthy man years ago. Yet with more than 30 years of experience in the world of high finance, he's working as hard as ever as the chief executive officer of Phoenix Enterprises LLC, specializing in restructuring mismanaged or over-leveraged companies. "There's a very narrow

line between success and failure and you try to bridge that gap. Oftentimes people had a very good idea, but they were undercapitalized and really didn't have the ability to see the idea through," Sassower says. "It's like playing basketball—you don't always make the three-point shot; you have to follow up and get the rebound, take another shot and another shot. It's that tenacity to follow through and follow up that makes a difference in business as well."

Sassower savors tackling "turn-around situations." He knows success means making money, but he also finds it intellectually rewarding and realizes rescuing a company saves livelihoods. "I focus on areas where I feel I can make a difference, both in business and in my involvement with charities," he says. "I enjoy doing it and I'm not working because I have to pay my bills. I think people have to be productive, and I'd be bored to just stay home, have lunch, and go shopping."

acquire is mere recreation to some of us. "It's easy, it's readily available, there's no cost of admission, and you're interacting with the people you go with, so it's a nice social event," Spencer says. "And it's easy to think you're getting bargains until all the bills come in."

In point of fact, with a credit card and telephone, you can mount your own materialism campaign through catalogs and the Internet. According to *All-Consuming Passion: Waking Up From the American Dream*, a reference guide posted on the World Wide Web, in the past two decades, per-capita consumption in the United States has climbed 45 percent. Compared with the rest of the world, we're absolute gluttons: Americans make up 5 percent of the globe's population, the guide says, and gobble up 30 percent of the resources. "There's a limiting point to constantly consuming more of our planet—it's a finite size—particularly when the population is growing," economics professor Evensky notes. "The vast majority of humankind is not over-

ly consuming. Even in our society, where there's a great deal of wealth, a lot of people are just getting by."

Empty pockets aside, competition for consumer dollars is fierce, and the omnipresent messages of the market must grab customer curiosity. "It's important to communicate," says Andrea Fant-Hobbs '82, vice president/account director at The Chisholm-Mingo Group, a New York City-based advertising, communications, and marketing company. "There is always a bit of a challenge in advertising because our business is to

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~Jerry Evensky
G'82, G'84
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sell things to people, to help clients sell products. There's nothing wrong with wanting to live in a comfortable house and drive a car that makes you feel good. But the wanton search for bigger and better material things to me is a signal that something else is missing in someone's life."

Nonetheless, as seekers of stuff, we can usually find what we're looking for. We are, after all, a nation of spenders. Americans, on the whole, save less than 5 percent of their disposable personal income, according to the federal Bureau of Economic Analysis. That's troubling, since it's important for people to possess the discipline to save and invest for the future, Brodsky says. "People should take charge of their economic futures."

To do that, Teryl Walters, an SU professor of consumer studies, recommends establishing goals and setting a budget that allows you to reach those goals. "Most people think of budgets as straitjackets, but really a budget is a plan for spending," she says. "You have to look within yourself to decide what's important to you, whether it's having the best designer clothes or saving for a down payment on a house, and then what you can live with. You have to prioritize."

Gathering the Goods

All-Consuming Consumption

Shopping. It's one of the few surviving links to our hunting-and-gathering days, but instead of foraging for berries and battling with wild beasts, we rifle through clothing racks, roam car lots, and contemplate choice cuts of raw meat. Traipsing around the mall, scouting for sales, browsing for bargains, and satisfying impulsive urges to

Walters, like many others, warns of the perils of plastic purchasing power, citing the ease with which credit cards can be acquired and how quickly bills can mount. "You can end up with a wallet full of credit cards, all of which you can continue charging on, paying only the minimum amount due, and before you know it you have a huge credit card balance," she says. "It's just mind boggling."

The ABI's Gerdano cites a shifting social attitude toward debt and personal responsibility; the stigma associated with debt and bankruptcy, he says, has virtually vanished. "Look around and you'll see many entities that have been through bankruptcy and don't appear to have suffered from it," he says. "You fly on bankrupt airlines, shop with bankrupt retailers, and you may live in Orange County, California, which went through bankruptcy."

The Depression-era generation is much more conservative with its finances, he believes. "Obviously if you didn't have a job, or didn't know where your next meal was coming from, it would certainly affect your outlook. People simply didn't go into debt," Gerdano says. "As we get further away from the generation that dealt with the financial issues of the Depression, there is a change in attitude toward money and debt, and that's part of what's going on."

Rampant materialism and dazzling displays of affluence can be downright deceptive, too. Sure you can dress, drive, and live to impress, but what good is a fashionable facade if your credit cards are maxed out and you're one crisis away from draining your capital reserve fund? Instead, it might be worth investigating how the prosperous operate. At last count, America had about 3.5 million millionaires and, according to the bestselling book *The Millionaire Next Door: The Surprising Secrets of America's Wealthy*, many of them share several characteristics, including living below their means, steadily accumulating savings, and squelching the flash in favor of more modest lifestyles. Financial planner George Marotta '50, G'51 concurs with the book's findings, emphasizing the importance of financial independence over flaunting status symbols. "The earlier a person starts saving to build up a cushion, the more he or she will have later on because of the time value of money. You don't need very much in your financial portfolio when you're first starting if you're very young. But that's when it's hardest to do if you want everything now," he says. "It's a matter of balancing between now and later."

Beyond Material Wealth

Pitch the possessions, or indulge the desires? Query Evensky, an expert on the history of economic thought, about materialism and its role in our society, and he points to a chapter called "The Stationary State" in John Stuart Mill's *Principles of Political Economy*. The 19th-century English philosopher and economist envisioned life beyond daily drudgery, where human progress entailed more than stripping the planet bare of its resources and its inhabi-

tants of their spirit in the name of economic expansion. Ideally, Mill hoped for a stable population, allowing everyone to live reasonably, reap the benefits of art and education, and enjoy the world's natural offerings. "It is scarcely necessary to remark that a stationary condition of capital and population implies no stationary state of human improvement," Mill writes. "There would be as much scope as ever for all kinds of mental culture, and moral and social progress; as much room for improving the Art of Living, and much more likelihood of its being improved, when minds ceased to be engrossed by the art of getting on."

Evensky believes Mill most eloquently reflects the vision of 18th-century Scottish economist Adam Smith, whose theory on the self-regulating "invisible hand" of capitalist competition is often misinterpreted today to mean: Grab all you can. "It's an ironic heritage because Smith is far and away opposed to the notion of material wealth as the measure of being," says Evensky, a Meredith Professor. "His measure of being was a balance of material well-being with a sense of justice to other people, a sense of benevolence that transcends material benevolence; there's a warmth of human kindness."

Ultimately, materialism—vacant of vision and values that go beyond a self-centered existence—could plunge us into the abyss. But keep in mind that desire fuels action, and most of us might be idling in neutral without a dollop of incentive every so often. "The real trick is, it's not that wanting to consume is good or bad, except when it's out of balance with other values," Evensky says. "A truly wealthy society is rich in spirit and love, too. I mean, there's a limit to how much stuff we need."

