

Entitled, Creditworthy and Dangerous

Instead of following the old notion of “giving credit where credit is due,” with credit cards anyone can give themselves a gift, start a business on a self administered loan, and take care of the “necessary” things of life, exchanging nothing for fluff. This, it seems, is the great comfort in these times of trouble: more stuff. Many in the generation that was nurtured under the discipline-free regime of Dr. Benjamin Spock (my namesake!) grew up feeling entitled to their own whims. The upshot of this is record personal debt and the ensuing default rates that are rising rapidly with many consumers owing more on their credit cards than they earn in a year. Meanwhile scads of homeowners in America owe more on their houses than they are worth and as real estate defaults continue to mount it is likely that home equity will be replaced by more magical credit card debt like a house of plastic cards; unless, of course, we wake up from the nightmare and return to the old fashioned approach of planning, saving, and paying as we go. Credit cards can be useful and they have been abused. In a healthy world, instead of self-ordained entitlement, with its bogus credit-worthiness and dangerous debt, entitlement to credit would be valued as a responsibility earned. The following article is about the root causes of massive debts on all levels of society. It surveys some promising psycho-spiritual developments that are pointing a way forward and concludes with some suggestions regarding healthy ways to work with money for the good of all, including borrowing and lending.

Senses of entitlement vary. Taking a step back to get a broader view of the credit card phenomenon, it is striking to note the sense of entitlement these little cards bestow. In trying to understand the psychology of entitlement that stands behind the plastic credit culture it might be instructive to study the spectrum of entitlements that range through all the countries of the world today; skipping many entitlements that are considered basic human rights, and may vary only slightly from culture to culture. Instead the study could focus in on what, if anything, a member of society is entitled to have, to be given, to be able to pursue. This article cannot cover such a broad study, but, in thinking about it, one contentious entitlement sticks out in contrast to the expected ones such as food stamps and health care: the right to bear arms. This entitlement seems to have a direct relationship with the aggressive shopping culture we have become in the West. Please allow this slight diversion:

The entitlement to bear arms is particularly cherished by certain segments of the Anglo-American world: mostly hunters. In the United States this right was written into the second amendment of the US Constitution, in a time when government was generally mistrusted and small arms held by a majority of citizens might have helped keep government honest. This is perhaps relevant in war torn countries in the midst of civil war. There is a seeming desperation about this entitlement at its core that seems less than human in its nature. It is hard to forget the wielding of machetes in Rwanda not long ago. In affluent countries armed with stealth bombers and radio controlled missiles, the rationale for patriotic militias protecting their own liberty with pistols seems far fetched. Is it possible that the so-called “war on terror” could cause terrified American’s one day to stash missile launchers in their basements? Instead, in 2001, US citizens were encouraged by their government to pursue a quite different anti-terror strategy.

Consumerism with its vital role in our economy seems to have been used as a national defense: armed with credit cards, the “American People” were urged to respond to the 9/11 attacks by...going shopping! Yes, we were to prove that nothing could stop our entitlement to consume! This sense of urgency to shop runs deep in the West and is spreading like wildfire around the globe, changing the meaning of “freedom” altogether. What is behind this “patriotic” shopping duty that seems to have us in its hold?

Credit itself is a form of entitlement that costs the government nothing! All the other entitlements weigh more and more heavily on governmental budgets. Meanwhile, it has become easier and easier to be considered “credit-worthy” and in fact it seems nothing short of a game to be able to qualify for credit today, though this is likely to change dramatically. In past articles we have discussed the reasons for this from the big banks’ perspective; the more they lend, the more they are owed, and therefore the more they can borrow; with this borrowed money they invest in higher returns and this shell game generates endless fees, until it fails, the pile of blocks crashes down and the next castle gets started. We are in the slow motion crashing down phase as this is being written. But the focus of this piece is the easy access to consumer credit and its abuse. Why are we willing to put ourselves at such risk? There are three root causes for this over consumption that flow one from another: without a meaningful culture we revert to instincts; without a sense of community we grab as much as we can; without a sense for ecology we go for more, cheaper and faster stuff, which propels the cycle of untamed consumption back to its nihilistic cultural start. The fatter we get, the hungrier we feel. Flooded by surface sensations from the radio to TV, cell phones to the internet, our hunger for more input keeps multiplying, and much of the input speaks to our instincts to buy and be satisfied; but we can’t be fulfilled in this way. It is a cycle of illusion. We need to go deeper, creating meaningful culture, meeting the humanity in our neighbors globally, and taking care of the needs that confront us. The conclusion of this article will describe specific ways this can be done with money. First we will look deeper into the evolution of our current situation.

In the last century and the last decades of the 19th Century, the rapid and traumatic changes brought on by technology and war pushed humanity across a threshold in various forms of disembodiment. The two main signatures of this change was first the increasing lack of integration between thoughts, feelings and actions; and later, a growing openness to spiritual content, especially in literature and movies. More and more, modern human beings have become prone to disembody and isolate their three soul capacities of thinking, feeling and willing, so that they can think one thing, feel something quite different, and do the unthinkable, and then look back with horror upon what they have done. This was not so much the case in earlier times. Crimes were apparently done by chronic criminals more often than not in the past. This is not so any more as it has become increasingly common for a crime to be committed in a moment of disembodiment, whether drug induced or otherwise.

In response to this soul disintegration, or as Heidegger called it, existential schizophrenia, the field of psychology has blossomed, and since the turn of the millennium, more and more approaches to psychology reintegrate spiritual considerations. When things fall

apart, there is a danger that one will give up, thinking that nothing matters anyway. On the other hand, powerful positive responses to the void humanity faces began early with Tolstoy, Buber and Steiner. Tolstoy's wonderful short stories often focus on the question: "what is most important" and the story's answer is always something like: doing good by the one you are with. Likewise Buber developed the reverent awareness of the "Thou" as a positive response to this disembodiment of the soul. There is a marvelous thread in many works throughout the last century and into the present showing that what matters most is the "other." In the 60's Schumacher's Small is Beautiful applied this sensibility to economics and called it: *economics as if people mattered*. Parallel to this, with the start of the World Economic Forum in Davos, Dr. Howard Perlmutter, a professor at MIT at the time, began *deep dialogs* on the globalization of corporations, recognizing before most other intellectuals that the earth as a whole matters, and that the only way to save it from a premature death by consumption was to deepen the way we communicate globally. He and his colleagues developed the concept of social architecture and began designing what he calls a synarchical future that works for everyone. But again, first we have to learn how to meet the other.

More recently Peter Senge and others at MIT and the Society for Organizational Learning (www.solonline.org) have continued to develop a dialog that goes beyond "I and Thou" with a positive holistic approach to life. These thinkers have noted that science in the 20th century, including psychology to a large extent, was built on data points that fragmented our understanding. This atomistic approach to life, not only killed a sense of God for many in the West, but led to dead thinking that tore life apart like a great dissection. In order to learn from life without destroying it, we need to nurture developmental approaches and capacities that envision and work with the whole imaginatively. An early example of this positive holistic approach is Goethe's deep dialog with Schiller on what he called the archetypal plant, which was an attempt to describe what Rupert Sheldrake now calls the "morphic field" or the gestalt that precedes the physical plants that we encounter on the earth. Attempting to understand and approach life beginning with the whole brings a new element of sensitivity and awareness that is far reaching in its effect.

As an example of this, Mariah Fenton Gladis (www.wounded-healer.com), a pioneer in holistic healing, applies this capacity for working with the whole human being in her unique approach to Psychology. Clearly including body, soul and spirit in her considerations, this remarkable individuality has been able to integrate wonder, compassion and conscience in her work as a therapist despite, or better, as a positive response to the fragmenting pull of a chronic illness: ALS, commonly called "Lou Gehrig's Disease." This work of integration or becoming aware of the whole for her is not passive: "Integration is also a time of discriminating between what is nourishing for you and what is not useful." Rather than the fragmented approach that shifts the burden from deep dialog and resolution to solutions that simply mask the symptoms, her approach is simple and straightforward though difficult enough without compassionate support: "What matters is that you become aware of where you are stuck, respond by dedicating yourself to healing the old wounds that are in the way, and develop new skills of healthy living." In this way she is integrating the soul forces of thinking feeling and

willing: feeling *aware* of stuckness in the present , *remembering* wounds from the past, *dedicating, healing, developing* new life skills in the future. One is reminded of the calls to the human soul that Steiner voiced in the Foundation Stone meditation: Practice spirit remembering! Practice spirit awareness! Practice spirit beholding! In these attempts to practice, the soul is trying to connect to her own spirit, to the spirit of the world, and to the spirit of the universe.

So how can this holistic healing and inner meditative practice inform a new understanding of credit? What would redeem credit as a healthy tool in a healthy economic ecology? The three basic practices: relating to the past, by remembering; the present, by finding inspiration; and the future, by envisioning, can be applied to the healthy circulation of money. Every product you buy, whether with a credit card or with cash, has a history. By imagining the past of this product one can appreciate the labor that went into it, the energy to produce and deliver it and the materials that comprise it. This imaginative practice makes it easy to choose to be a conscious consumer, and to pay fairly for what you consume. These purchases that are used up in the living of life should always be treated as cash purchases, so if a credit card is used, it must be paid back by the end of the month to stay in a healthy pattern. This is not true credit but a useful cash tool that works well even when interest rates are high, since the unpaid balance remains at zero. This technique tames bad consumer habits and helps bring us back into balance.

Envisioning possibilities for investing in the future is required for the support of research and development and philanthropy. The money used for such activities cannot sustainably come out of credit card debt and in fact has no direct connection to the idea of credit nor to consumption per se. In such investments, whether in science, art, religion or technology, the expectation of a return on the investment can have no certain basis in the future. Investing is actually very similar to giving charitably, where it is absolutely clear that there is no expectation of a material return. The only security one can have in the future of non-profits or for-profits comes from the strength of one's vision. Despite the pull of the vision, however, this money is best drawn from excess capital, whether inherited or earned in the form of profits. This use of money is generally unrelated to the idea of credit. However, the exception is the case of an entrepreneur with a sound plan, heaps of confidence and a high risk profile. Companies have been launched successfully with a rotating stack of credit cards that have been managed vigilantly to keep the lowest interest rate possible on the unpaid balance which may be considerably high. The essential discipline in this self directed use of credit is to pay the minimum balance each month to avoid penalties and outrageous shifts to double digit interest rates. It is also vital in this scenario to continually apply for each card that is offered in the mail with an introductory interest rate that is as low as possible. Oddly, the more cards you have activated, even if they are unused, the better your credit rating if you are not delinquent in your payments! Once the company has a track record it becomes possible to shift the burden of debt to a lender of choice or to an investor willing to take on the risk.

Originally credit, first developed by the Templars, was not necessarily earned. This evolved over time and is the way it should be today. In the middle ages, travelers would leave gold or goods with the Templars, at one end of a journey, and with credit, they

could pick up gold at the other end in order to make purchases in distant places without having to travel in danger of highway robbery. Credit cards also allow us today to travel without wads of cash. But over time the use of gold to guarantee the loan was replaced with a promise to repay, and as a culture of farmers and craftsmen evolved, and the industrial age advanced, credit became more and more associated with good will toward an individual who made good on his promises. Credit was earned. This is the rightful place of real credit today. It is most healthy when based on trusting relationships. Community banks, community development financial institutions, and micro-lending have been blossoming in the world today because we are hungry for community. We also require the kind of trusting relationships that are developed by sharing inspired ideas that will meet local needs and generate capital for a sustainable future. This is not the domain of the credit card but rather a more contractual relationship between lender and debtor, banker and business person, and at times between government officials and aspiring entrepreneurs.

Earlier it was stated that three reasons that flow one from another have led to the current crisis of personal debt: without a meaningful culture we revert to instincts; without a sense of community we grab as much as we can; without a sense for ecology we go for more, cheaper and faster stuff, which propels the cycle of untamed consumption back to its nihilistic cultural start: hunger for meaning, loneliness and animal instincts can rule the day. Credit cards are not to blame for this. They have, perhaps made it too easy for desires to be satisfied quickly, but they could just as easily be used for the good. By providing liquidity to those who have difficulty accessing cash in developing countries, or by throwing off charitable percentages automatically or encouraging shopping in local businesses with automated discounts, credit cards can benefit communities and individuals. The main thing to realize is that imbalanced consumerism causes the imbalanced use of credit cards. They are not inherently any more evil than any other vehicle of exchange. In the holistic view of money, credit cards should be seen and used simply as a replacement for cash as purchasing power and not as healthy debt instruments.

To use money properly, we need to go deeper, creating meaningful culture out of a holistic vision of the future, meeting the humanity in our neighbors locally and globally by remembering where they have come from, and taking care of the needs that confront us with awareness in the here and now.

The ideal in any commercial exchange is to remember with a sense of brotherly or sisterly or grandmotherly love, where this item you are purchasing came from and where it will end up, who deserves to be paid and who in fact is benefiting from the purchase...this is the ecology of commerce as Paul Hawken coined it.

In investing or gifting philanthropically for the future, we need to first envision what is possible and give it reins. Creativity and innovation require freedom and this is essential for the positive transformation of culture.

Finally, we need to foster equality in order to experience community and we need community to experience credit in its best form. In this way we will begin to lend money and borrow only in a present state of absolute trust, recognizing the humanity in the other and equally being recognized. This standard of equality will generate a community worthy of true credit, and credit will be given where “credit is due.”

Thanks to Keely Byrne and Sam Folin at Benchmark Asset Managers for their helpful edits. Please contact them or Ben Bingham or look at the website (www.benchmarkam.com) to learn more about the Safe Haven Community Impact Fund which seeks to alleviate poverty through careful and caring lending practices.

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