

Peaceful Economics™

Newsletter - Consulting - Presentations

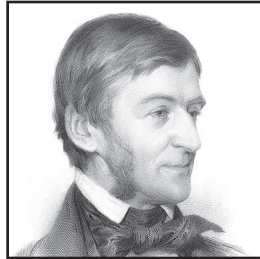


Living consciously in harmony with each other and the environment

Volunteerism - Sleeping Economic Giant

"It is one of the most beautiful compensations of life that no man can sincerely try to help another without helping himself."

Ralph Waldo Emerson
1803-1882



Ralph Waldo Emerson

Volunteering America reports that in 2007 (most recent year statistics are available) Americans volunteered 8.1 billion man-hours, equal to \$158 billion in economic activity. One of the largest volunteer activities (25% of total volunteer time) was collecting and distributing food.

For perspective, the world's largest company, Wal-Mart, had global sales of \$401 billion this past year. After deducting expenses, the company returned a mere \$7.3 billion to shareholders. Volunteers in America, returned 21 times more benefit to society (\$158 billion) compared to what the world's largest corporation provided to private interest.

While it could be argued Wal-Mart employed hundreds in small communities across America, its economic impact on them has been devastating, wiping out hundreds of small businesses while drawing down cash flows of local economies. All of this, so a few shareholders could get, from a broader economic perspective, an inconsequential dividend.

Some 1.25 million volunteers underpin one of America's largest grocery chains - food banking. Over 800,000 volunteer firemen underpin the safety of much of America.

Volunteerism, as an economic powerhouse is materially underrated. When the world's largest corporation goes through dramatic acrobatics of displacing other businesses and collapsing local cash flows for a net result of only returning \$7.3 billion to stockholders, something is wrong. What is \$7.3 billion within a global economy of \$75,000 billion? It is like burning down 1 million acres of forest to clear a one acre patch for an exclusive retreat. Much of what is done in the name of competition results in broader economic decline.

There is merit to considering what volunteerism can do beyond its function as a handout. Volunteering to raise the economic cooperation amongst all people, not just the needy, can serve needs that capitalistic competition has failed to meet. The information technology exists. Directing a mere fraction of the money used for economic stimulation, to research and orchestrate national, state and local economic volunteerism (or cooperation), holds tremendous potential. ■

Nonprofits - Large Part of Economy

Up to this past year, the last twenty years has been touted as the most economically expansive and prosperous period in human history. We've been taught the way to prevent crime, reduce government dependency, eliminate poverty and corruption is by providing people with economic opportunity.

Yet, the blossoming economy was like a bulldozer, leaving behind massive needs for social services, prisons, crime prevention, environmental remediation, urban renewal, community revitalization, remedial education, health care for the uninsured, etc. These externalizations resulted in the formation of hundreds of thousands of new non-profit organizations working to mitigate or solve the fallout.

The Nonprofit Almanac 2008 reports that at year-end 2005, there were approximately 1.4 million registered nonprofit organizations operating in the U.S. This is up from 1.1 million in 1995. It could be argued that a society, with so much wealth and economic growth, should actually experience a decline in the need for charitable services and government assistance. But the contrary has occurred.

As of 2005, non-profits effected \$1.4 trillion in annual economic activity (up 54 percent over 1995) and held assets valued at \$3.4 trillion (up 77 percent over 1995). On a positive note, the size and scope of non-profit and volunteer activity in America signifies a maturing of America's sense of social responsibility that is spilling over into mainstream economics. ■

Looking Beyond the Stimulus Package

The American Recovery and Reinvestment Act (popularly called the stimulus package) is estimated to create 3.4 million jobs over the next two years according to the Council of Economic Advisors — a three person council that answers directly to the president.

So far, the economy has lost over 3.6 million jobs during the current recession. Some economists are predicting that an equal number of jobs will be lost in the remainder of 2009.

Many projects in the Stimulus Package and the motives behind them are well intended and needed, but it still means more debt using our current monetary system.

The marriage between the physical economy and the virtual money products of the financial system that invoke more debt continues to show increasingly serious signs of stress. The ►



Logo of the American Recovery and Reinvestment Act