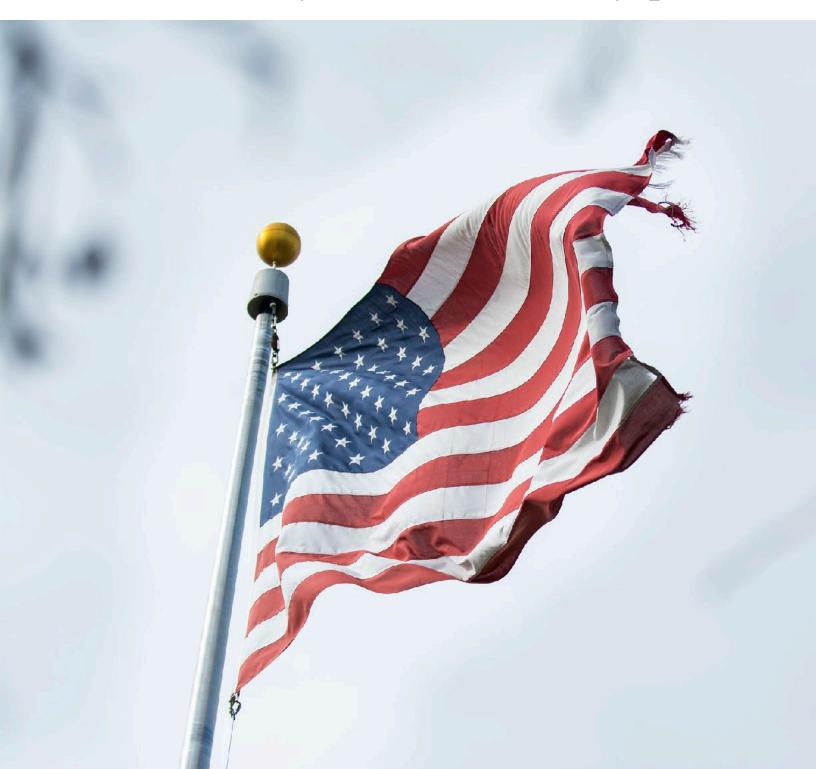


PEGASUS Special Focus:

The De-Enlightening of America: The Onset of Systemic National Dysphoria



As a civilization state, the United States of America was framed in ethics and law by an enlightened Calvinism, often referred to as the Scottish Enlightenment. The founding documents – a declaration of independence and a written constitution – reflect a commitment to the common sense political theory of John Locke on public office as a public trust, married to the moral sense and wealth-creating insights of Adam Smith.

Since 1990, the country has entered a new era. The American people, led by a narcissistic elite rejecting the wisdom of the Scottish Enlightenment, have been deconstructing that original and most beneficial enlightened vision of social justice to replace it with cultural and social decline that has encouraged political degradation.

In John Bunyon's metaphoric allegory on humanity's civilizing mission, *Pilgrim's Progress*, Christian had to contend with difficulties and challenges, including the slough of despond – described as a "boggy, mire-like swamp where a sinner encounters all of the doubts, fears and temptation of their sins." The U.S. is now mired in such a psycho-social "slough."

The hope of the first American president, George Washington – who, like all of us, was tainted, according to the Biblical allegory by a descent from Cain who slew his brother Abel out of narcissistic jealousy – seems now to have been a forlorn one. In his inaugural address, Washington was optimistic that "the preservation of the sacred fire of liberty and the destiny of the republican model of government are justly considered, perhaps, as deeply, as finally, staked on the experiment entrusted to the hands of the American people" and that the American people would meet their awesome responsibilities of courage and prudence through the acquisition of good character. Washington believed that "there is no truth more thoroughly established than that there exists in the economy and course of nature an indissoluble union between virtue and happiness; between duty and advantage; between the genuine maxims of an honest and magnanimous policy and the solid rewards of public prosperity and felicity."

When a people succumbs to systemic narcissistic dysphoria, they flail and fail day-in and day-out, never finding an exit from their despond.

Dysphoria is defined as a mental state in which a person has a profound sense of unease or dissatisfaction due to an identity crisis. Dysphoria is a dis-ease of the self-concept, where one's sense of self is in dis-equilibrium, restless, unsettled and which, therefore, disturbs one's thoughts, emotions and relationships. As far as I can tell, dysphoria acts as a gestalt, systematizing an individual's worldview as structured by the person's inner heart/mind dynamics. Once so internalized, dysphoria seems most difficult to put in our rearview mirror.

The effects of dysphoria on a person's relationships, happiness and judgment can be

malignant. Experiencing dysphoria can, for example, turn us away from empathy, which is necessary for good citizenship, towards more intense narcissism. Dysphoric personalities, more likely than not, have a need for "safe spaces" and feel compelled to shun ("cancel") those who think differently. Such personalities seek to change the culture and revise social conventions.

This research paper has four sections documenting 1) dysphoric behaviors among Americans; 2) systemic economic changes; 3) systemic cultural and political changes; and 4) rise of the bureaucratic society and the administrative state.

The implicit causal connection between the observed dysphoric behaviors and structural changes is that the changes in structures – economic, social, cultural and political – have precipitated changes in ego-identities, which then brought on the dysphoria.

Dysphoria both degrades existing human capital and prevents the formation of new human capital. As a result of this nullification of constructive individual agency, the quality of existing social capital turns more and more rancid, while no new social capital is created. Such demobilization of social capital then prevents the development of human capitals. As both social and human capitals lose capacity to shape the future, culture, society, politics and economics stagnate or degenerate in a process of decivilizing a community.

In a June 2015 report, the World Bank proposed that people will make different decisions in taking action for their economic advancement depending on their minds and behaviors. The World Bank proposes that to stimulate more robust economic development, the subjective and culturally specific aspects of mind, habits and behaviors be taken into serious consideration.

The report itself reports that it "draws on findings from many disciplines, including neuroscience, cognitive science, psychology, behavioral economics, sociology, political science and anthropology. In ongoing research, these findings help explain decisions that individuals make in many aspects of development, including savings, investment, energy consumption, health and child rearing. The findings also enhance the understanding of how collective behaviors, such as widespread trust or widespread corruption, develop and become entrenched in a society."

"The strength of standard economics is that it places human cognition and motivation in a "black box," intentionally simplifying the "messy and mysterious internal workings of actors" (Freese 2009, 98) by using models that often assume that people consider all possible costs and benefits from a self-interested perspective and then make a thoughtful and rational decision. This approach can be powerful and useful, but in a number of contexts, it also has a liability: it ignores the psychological and social

influences on behavior. Individuals are not calculating automatons. Rather, people are malleable and emotional actors whose decision making is influenced by contextual cues, local social networks and social norms and shared mental models. All of these play a role in determining what individuals perceive as desirable, possible or even "thinkable" for their lives."

Thus, as dysphoria diminishes the quality of our mindfulness, the functionality of our habits and the efficacy of our behaviors, it brings human progress to a halt and can even shift it into reverse.

Lance Morrow, writing in the Wall Street Journal on December 25, 2023, wrote: "America feels like an alcoholic household – crazy with grievance, accusation, irrational rage, screaming in the middle of the night. The children lie in the dark, wide-eyed, listening. In the morning, the family comes downstairs trying to pretend that everything is normal. There's a lot of pretending: The southern border isn't wide open; unpunished crime is social justice; the president of Harvard deserves her job. Things aren't normal. Everyone knows it. The country doesn't quite recognize itself. America has gone astray in a strange new landscape. It's a different America all right. In an alcoholic household, the one you thought you could trust becomes a stranger – suddenly dangerous. Trust is the first casualty. A baffled country can neither grasp nor admit what it has become.

The left denounces the evil of what it claims the country has always been: racist, oppressive, toxically male, transphobic. The right rages against the evil of what the country has become: perverse, perverted, Marxist, sniveling, woke. Each side does its part to make the country infinitely worse than it needs to be.

What's going on? For one thing, Americans have grown addicted to their loathings. There's a touch of sadomasochism in all this...

This isn't quite American democracy, but the 21st century's travesty of it. All three branches of the federal government have, one way or another, become disreputable. The president's approval rating is down in the 30s. Congress is almost picturesque in its dysfunction. More than three dozen members of the House have decided not to run for re-election. Not worth it. Less than half of Americans, polls say, trust the Supreme Court.

Is such incoherence inevitable? Is it a byproduct of the immense changes that have swept away the previous America? We live in the aftermath of the old country, wondering what happened to it and waiting nervously for the new America to emerge. With luck, such moments call forth great leaders – Abraham Lincoln, Franklin D. Roosevelt. Is some such figure waiting in the wings? Maybe a country is entitled to only so much luck. A period of great change also brings out charlatans and warlords

and false messiahs. Politics becomes a little medieval...

Are things that bad? Drunks can get sober. Countries can change. But not without brains and faith, not without abandoning the compulsion to lie and the weird self-righteousness that addiction begets. The failures have been complex – spiritual, social and otherwise. Maybe nothing can be done.

Are we talking about America as a dysfunctional household? Or as a lost civilization? Both. The former, if it can't change, becomes the latter."

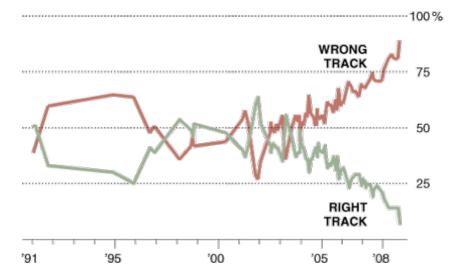
Section 1: Dysphoric Behaviors

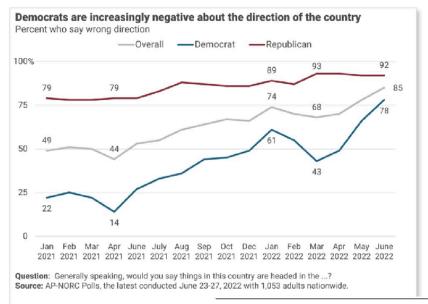
Most U.S. adults say the country is heading in the wrong direction, according to an October 14, 2023 survey from the Associated Press-NORC Research Center. The poll found 78 percent of respondents saying the country is headed in the wrong direction. Only 21 percent said it is headed in the right direction. According to a Wall Street Journal/NORC survey:

- 36% of voters think the American dream still holds true.
- In 2016, it was 48% and in 2012, it was 53%.
- 45% think it once was true, but not now.
- 19% said it was never true, up from 3% in 2012.
- Only 28% of those under 50 said hard work will lead to advancement.
- Half the voters said life in America is worse than it was 50 years ago. 30% said it had gotten better.

The New Hork Times | CBS NEWS Poll

Do you feel things in this country are generally going in the right direction or do you feel things have pretty seriously gotten off on the wrong track?

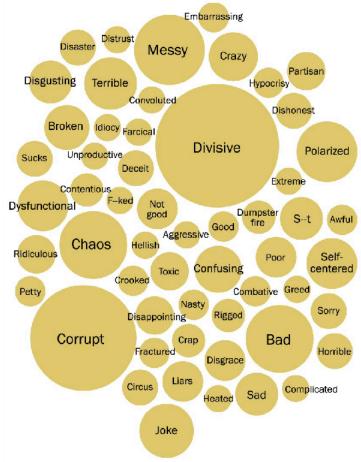




AP | ★NORC

'Divisive,' 'corrupt,' 'messy' among the words used most frequently to describe U.S. politics today

What one word or phrase would you use to describe politics in the U.S. these days? [open end]



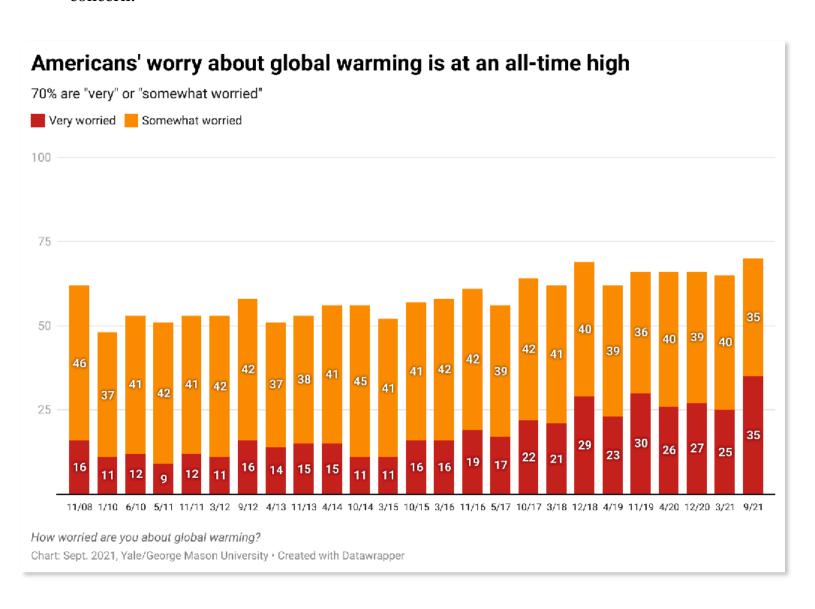
Note. Circle size indicates relative frequency of a word in responses to an open ended question. Words with the same root are combined (e.g., "divisive," "division"). Top 56 words shown For more details, refer to the survey topline

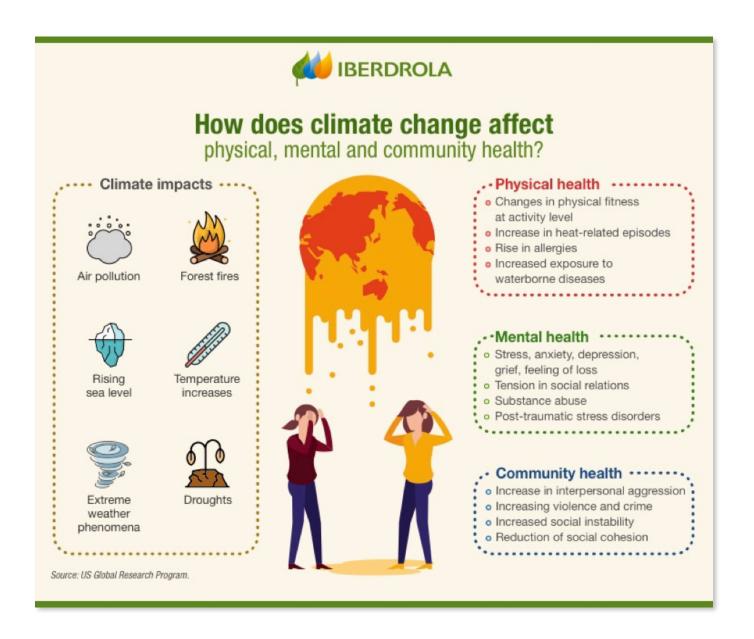
Source, Survey of U.S. adults conducted July 10-16, 2023.

"Americans' Dismal Views of the Nation's Politics"

PEW RESEARCH CENTER

TIME reports that about two-thirds of Americans said they are at least "somewhat worried" about global warming. That included 30% who are "very worried." Thirteen percent of Americans expressed the belief that it is "already too late to do anything about global warming." In fact, a Pew Research report found that 76% of U.S. Gen Zers consider climate change to be one of their biggest concerns and 37% say it is their top concern.





For the fourth year in a row, the Foundation for Individual Rights and Expression, a nonprofit organization committed to defending and sustaining the individual rights of all Americans to free speech and free thought and College Pulse surveyed college undergraduates about their perceptions and experiences regarding free speech on their campuses.

This year's survey included 55,102 student respondents from 254 colleges and universities. Students who were enrolled in four-year degree programs were surveyed via the College Pulse mobile app and web portal from January 13 to June 30, 2023. The College Free Speech Rankings are available online and are presented in an interactive dashboard (rankings.thefire.org) that allows for easy comparison between institutions.

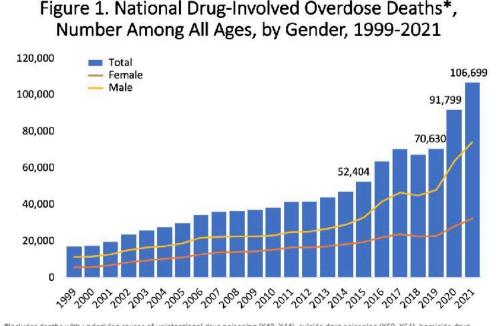
Key findings:

- 1. Michigan Technological University is the top-ranked school in the 2024 College Free Speech Rankings. Auburn University, the University of New Hampshire, Oregon State University and Florida State University round out the top five.
- 2. Harvard University obtained the lowest score possible with 0.00 and is the only school with an "abysmal" speech climate rating. The University of Pennsylvania, the University of South Carolina, Georgetown University and Fordham University also ranked in the bottom five.
- 3. The key factors differentiating high-performing schools (the top five) from poorly performing ones (the bottom five) are scores on the components of "tolerance difference" and "disruptive conduct." Students from schools in the bottom five were more biased toward allowing controversial liberal speakers on campus over conservative ones and were more accepting of students using disruptive and violent forms of protest to stop a campus speech.
- 4. Deplatforming attempts that occurred at schools ranked in the bottom five had an alarming 81% success rate.
- 5. More than half of students (56%) expressed worry about damaging their reputations because of someone misunderstanding what they have said or done and just over a quarter of students (26%) reported that they feel pressure to avoid discussing controversial topics in their classes. Twenty percent reported that they often self-censor.
- 6. When provided with a definition of self-censorship, at least a quarter of students said they self-censor "fairly often" or "very often" during conversations with other students, with professors and during classroom discussions, respectively (25%, 27% and 28%, respectively). A quarter of students also said that they are more likely to self-censor on campus now at the time they were surveyed than they were when they first started college.
- 7. Almost half of the students surveyed (49%) said that abortion is a difficult topic to have an open and honest conversation about on campus. A notable portion of students also identified gun control, racial inequality and transgender rights, respectively, as topics difficult to discuss (43%, 42%, and 42%, respectively).
- 8. Student opposition to allowing controversial conservative speakers on campus ranged from 57% to 72%, depending on the speaker. In contrast, student opposition to controversial liberal speakers ranged from 29% to 43%, depending on the speaker.
- 9. More than 2 in 5 students (45%) said that students blocking other students from attending a speech is acceptable to some degree, up from 37% last year. And more than a quarter of students (27%) said that using violence to stop a campus speech is acceptable to some degree, up from 20% last year.
- 10. More than 1 in 5 students (21%) reported that their college administration's stance on free speech on campus is not clear and more than a quarter of students (27%) reported that it is unlikely their college administration would defend a speaker's right to express his or her views if a controversy occurred on campus.

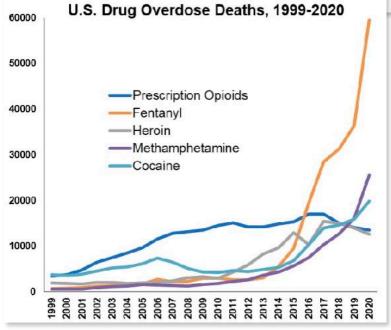
America's mental health crisis drove suicides to a record-high in 2022. Nearly 50,000 people in the U.S. lost their lives to suicide, according to a provisional tally from the National Center for Health Statistics. The agency said the final count would likely be higher. The suicide rate of 14.3 deaths per 100,000 people reached its highest level since 1941.

More than 100,000 Americans died from drug overdoses between May 2020 and April 2021 – the most ever recorded in a single year – according to the Centers for Disease Control and Prevention. The number of drug overdose deaths was up almost 30% from the 78,000 deaths in the prior year and was nearly three times that of traffic accident deaths and twice that of gun deaths during the same period. Most of the deaths were due to opioids,

fueled by the powerful drug fentanyl, which is often added to illegal drugs to enhance their potency.

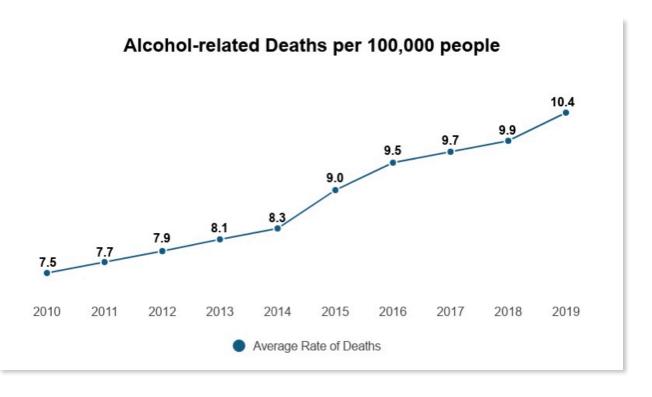


*Includes deaths with underlying causes of unintentional drug poisoning (X40–X44), suicide drug poisoning (X60–X64), homicide drug poisoning (X65), or drug poisoning of undetermined intent (Y10–Y14), as coded in the International Classification of Diseases, 10th Revision. Source: Centers for Disease Control and Prevention, National Center for Health Statistics. Multiple Cause of Death 1999-2021 on CDC



Among Americans aged 12 years and older, more than 37 million were current illegal drug users (used within the last 30 days) as of 2020.

- 13.5% of Americans 12 and over used drugs in the last month, a 3.8% increase year-over-year (YoY).
- 59.277 million or 21.4% of people 12 and over have used illegal drugs or misused prescription drugs within the last year.
- 138.543 million or 50.0% of people aged 12 and over have illicitly used drugs in their lifetime.
- Usership among people aged 12 and over is down 0.4% YoY.
- 138.522 million Americans 12 and over drink alcohol.
- 28.320 million or 20.4% of them have an alcohol use disorder.
- 57.277 million people use tobacco or nicotine products (vape).
- 25.4% of illegal drug users have a drug disorder.
- 24.7% of those with drug disorders have an opioid disorder. This includes prescription pain relievers or "pain killers" and heroin).



The Alcohol-Related Disease Impact application estimates that each year, there are more than 140,000 deaths (approximately 97,000 male deaths and 43,000 female deaths) attributable to excessive alcohol use, making alcohol one of the leading preventable causes of death in the U.S. In 2022, provisional data indicated that more than two thirds (68%) of the reported 107,081 drug overdose deaths in the U.S. involved synthetic opioids other than methadone, principally illicitly manufactured fentanyl.

"Less than half (47%) of Gen Z Americans are thriving in their lives – among the lowest across all generations in the U.S. today and a much lower rate than millennials at the same age," a September 2023 report from Gallup and the Walton Family Foundation (WFF) said. Researchers surveyed more than 3,000 people aged 12-26 in April and May of last year.

Only 41% of Gen Z members aged 18 to 26 are thriving, according to the study, while millennials, at the same age, were thriving at a rate of about 60%.

Compared with older generations today, the Gallup-WFF study said members of Gen Z are much more likely to report experiencing negative emotions such as stress, anxiety and loneliness. Asked to describe their current mental health or well-being, only 15% of members of Gen Z aged 18-26 said it was excellent. That's a steep drop compared to a decade ago, the study found, when 52% of millennials in that same age range said their mental health was excellent. And in 2004, 55% of people aged 18-26 (including both millennials and Gen X respondents) reported excellent mental health.

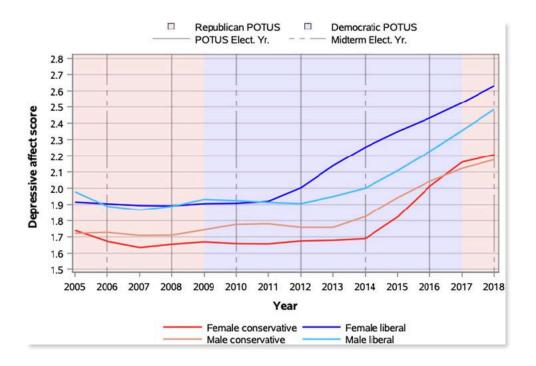
Mental health isn't the only issue the study explores.

Other findings include:

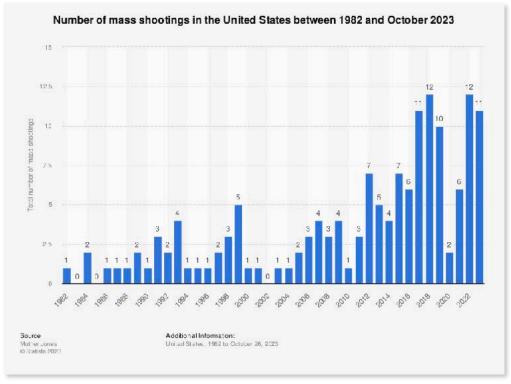
- About half (53%) of Gen Z students who want to pursue higher education believe they'll be able to afford it.
- 40% of Gen Z students said they worried a lot or some about gun violence at their school.
- Making "enough money to live comfortably" is Gen Z's "most frequently cited hope for the future," with 69% of those surveyed ranking it among their top wishes.



Rates of mental illness among teenagers have increased dramatically over the last decade, with a particularly steep increase among teenage girls. The graph directly below shows levels of depressive affect in a sample of 86,138 U.S. teenagers, broken down by sex and political leanings. Long story short, mental health declines are found in every group, but left-leaning girls are doing worst, followed by left-leaning boys, followed by right-leaning girls and boys.



The graph is from a paper by Catherine Gimbrone and colleagues titled "The Politics of Depression: Diverging trends in internalizing symptoms among U.S. adolescents by political beliefs," published in the journal *SSM – Mental Health*.



Next, about 40% of adults admit to still sleeping with a stuffed animal or blanket from their childhood, according to a survey conducted by Build-A-Bear Workshop.

To quote the report:

Experts say it's OK to sleep with your stuffed animal every night – even if you no longer sleep in your childhood bed. However, if your attachment to your stuffed animal impacts your work or relationships, that's usually a sign of a deeper issue that needs to be addressed.

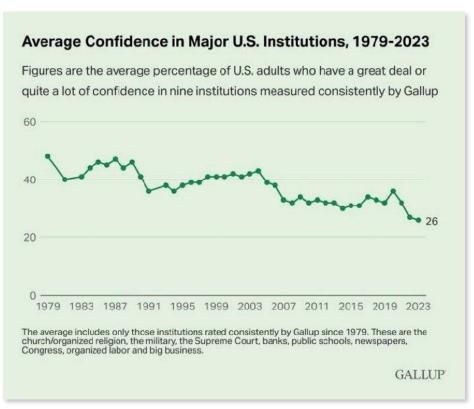
Once a connection to the object is made, kids learn to turn to it to help them cope with their anxieties. "Over time, the child learns that they're able to cuddle with the stuffed animal and feel a sense of comfort, which aids in sleep," says Krystal Kavita Jagoo, a Toronto-based mental health professional and registered social worker. Eventually, the child will start associating the stuffed animal with bedtime.

Just as it does for children, a stuffed animal can provide a sense of comfort and security to adults in times of extreme stress, Jagoo says. "For a lot of individuals, as they get older, they learn to rely on some form of self-soothing to cope with distress," she says. "An example of that might be cuddling a stuffed animal."

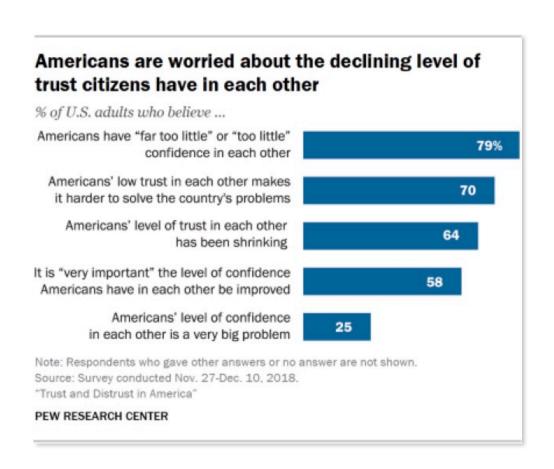
Vivian C. Seltzer, psychologist and professor of human development and behavior at the University of Pennsylvania, tells the Chicago Tribune that it's particularly common for young adults to keep transitional objects from childhood. "Millennials are having this feeling of moving from one place to another instead of a home," she explains.

"This is a time of being alone and going away to school or a new job." All of that moving around makes some people long for an "old friend" that reminds them of a more secure time.

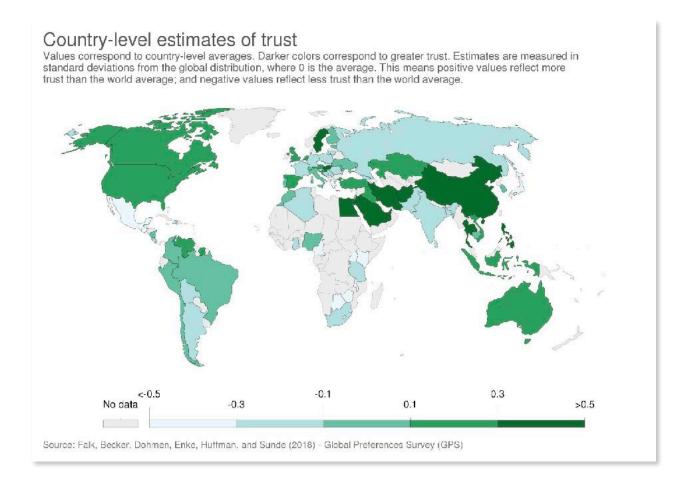
The American Academy of Pediatrics, the American Academy of Child and Adolescent Psychiatry and the Children's Hospital Association issued a joint statement in October 2021 declaring "a national emergency in child and adolescent mental health."



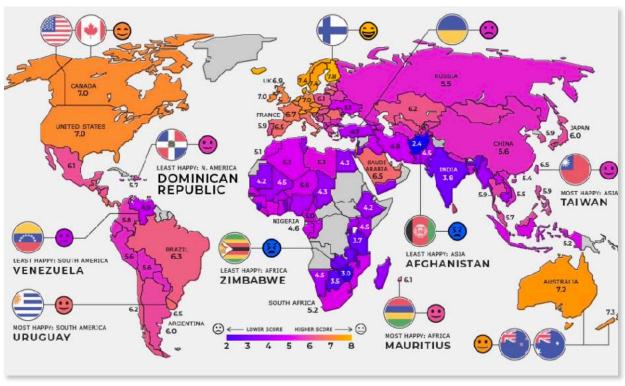
Now I am going to read you a list of institutions in American society. Please tell me how much confidence you, yourself, have in each one a great deal, quite a lot, some or very little.			
	2021	2022	Change
	% Great deal/Quite a lot	% Great deal/Quite a lot	pct. pts.
Small business	70	68	-2
The military	69	64	-5
The police	51	45	-6
The medical system	44	38	-6
The church or organized religion	37	31	-6
The public schools	32	28	-4
Organized labor	28	28	0
Banks	33	27	-6
Large technology companies	29	26	-3
The U.S. Supreme Court	36	25	-11
The presidency	38	23	-15
Newspapers	21	16	-5
The criminal justice system	20	14	-6
Big business	18	14	-4
Television news	16	11	-5



Trust correlates with happiness, so low trust coincides with unhappiness:



Happiness by country:



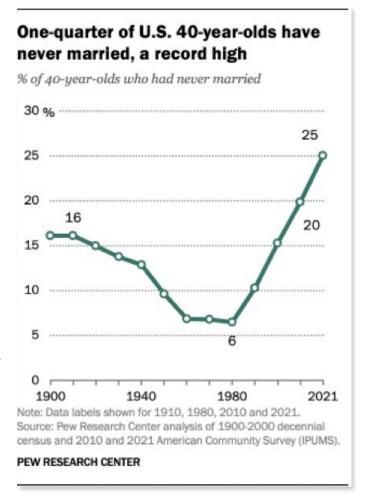
Disdain for military service: A poll by the research institute Echelon Insights of 1,029 likely voters, conducted between October 23-26, 2023, found that 72 percent of those asked would not be willing to volunteer to serve in the armed forces were America to enter a major conflict, compared with 21 percent who would. The remainder were unsure. The poll was conducted after Hamas led an unprecedented militant attack on Israel on October 7.

In fiscal year 2023, the Army came up some 10,000 new enlistments short of a goal of 65,000 new active duty soldiers. The Army Reserve also had dire recruiting numbers, gaining just 9,319 reservists of the 14,650 it needed, a shortfall of about 36%. The Air Force missed its enlisted active duty recruiting goals for the first time since 1999, getting only 24,100 of the enlisted airmen of the 26,877 it needed. It did manage to reach its active duty officer goal of 967.

The Air Force Reserve and the Air National Guard faced an even larger enlisted shortfall. The reserve component pulled in 5,288 of the 7,765 new enlisted airmen it needed, more than 30% behind goal. It also filled only 1,195 of the 1,535 officer spots it needed, about 23% short. The Air National Guard filled 7,120 of the 11,745 spots needed for its enlisted guardsmen or nearly 40% short. The Guard did, however, outperform on its officer numbers, reaching 1,421 officers, with only 1,196 needed.

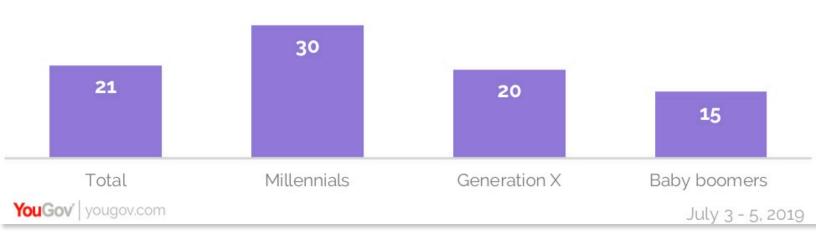
For active duty enlisted sailors, the Navy reached 30,236 of its 37,700 goal, almost 20% short. It also recruited 2,080 officers, almost 18% short of its 2,532 officer goal. It also missed its reserve goals by a wide margin, hitting 3,000 enlisted reservists or almost 45% short of the 5,390 it wanted. Reserve officers also fell short by 40%, hitting 1,167 of the 1,940 goal.

Marriage has long been a central institution in the lives of Americans. In 1980, just 6% of 40-year-olds had never been married. However, as of 2021, 25% of 40-year-olds in the U.S. had never been married. This was a significant increase from 20% in 2010, according to a new Pew Research Center analysis of Census Bureau data.



Three in 10 Millennials say they always or often feel lonely

How often, if ever, do you feel lonely? (% who say they "always" or "often" feel lonely)

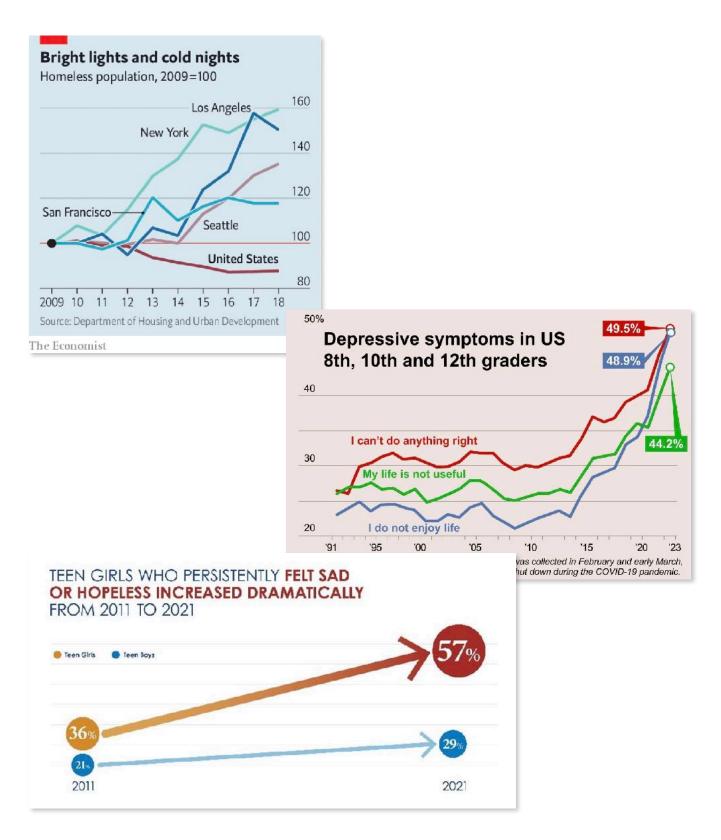


Furthermore, 22 percent of millennials in the poll said they had zero friends. Twenty-seven percent said they had "no close friends," 30 percent said they have "no best friends" and 25 percent said they have no acquaintances (I wonder if the poll respondents have differing thoughts on what "acquaintance" means? I take it to mean "people you interact with now and then.").

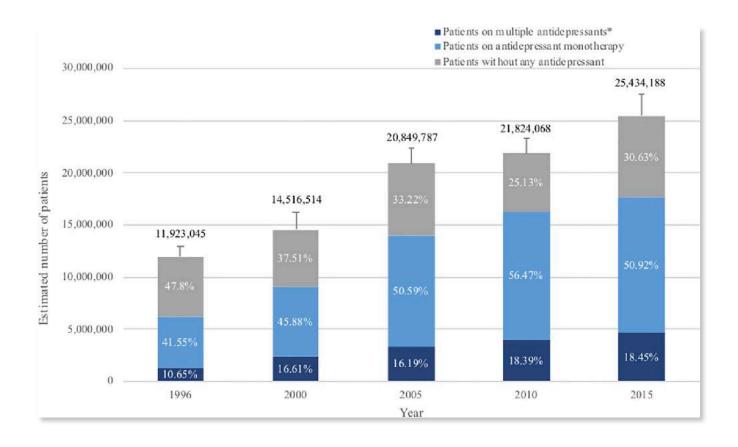
In comparison, just 16 percent of gen xers and 9 percent of baby boomers say they have no friends.

Nearly 30 percent of American households comprise a single person, a record high. The U.S. Census shows that "solitaries" made up 8 percent of all households in 1940. The share of solo households doubled to 18 percent in 1970 and more than tripled, to an estimated 29 percent, by 2022.

Nearly half of all young adults are living with their parents, according to a new survey by Harris Poll for Bloomberg, roughly the same level as it was in the 1940s.

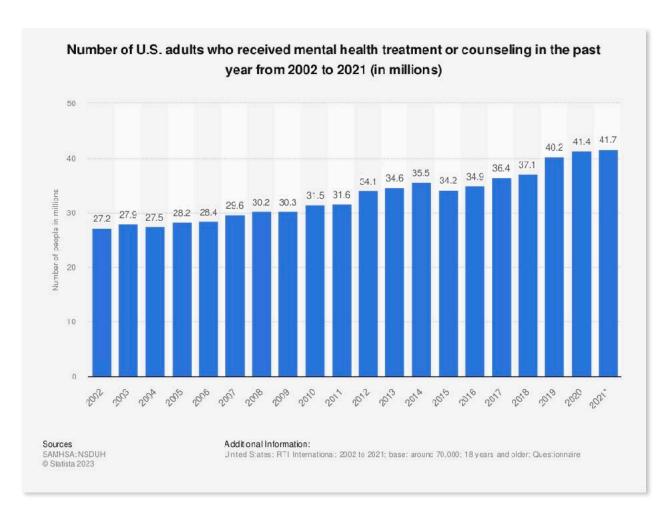


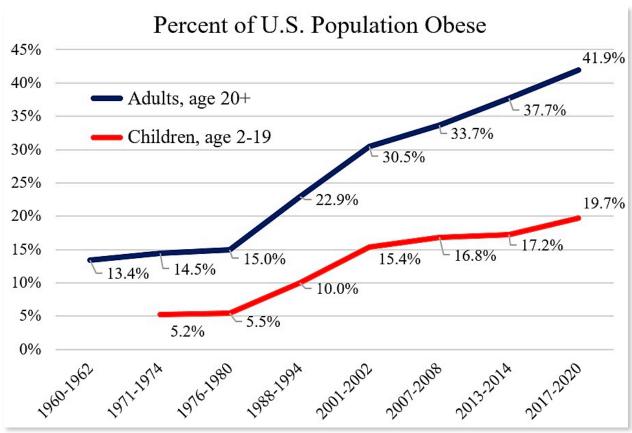
The percentage of U.S. adults who report having been diagnosed with depression at some point in their lifetime has reached 29.0%, nearly 10 percentage points higher than in 2015. The percentage of Americans who currently have or are being treated for depression has also increased, to 17.8%, up about seven points over the same period. Both rates are the highest recorded by Gallup since it began measuring depression using the current form of data collection in 2015.



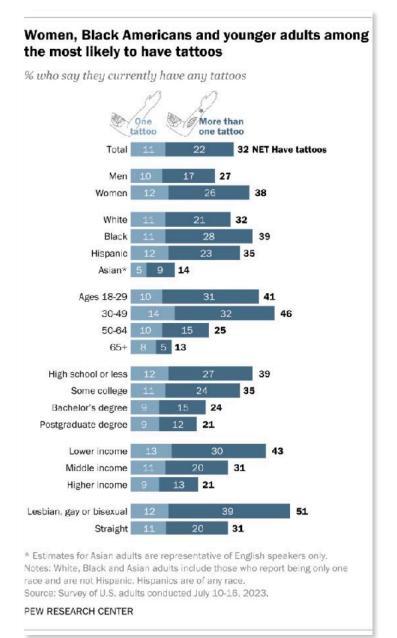
"The most common question parents ask me is, "Is social media safe for my kids?" The answer is that we don't have enough evidence to say it's safe and in fact, there is growing evidence that social media use is associated with harm to young people's mental health," said U.S. Surgeon General Dr. Vivek Murthy. "Children are exposed to harmful content on social media, ranging from violent and sexual content, to bullying and harassment. And for too many children, social media use is compromising their sleep and valuable in-person time with family and friends. We are in the middle of a national youth mental health crisis and I am concerned that social media is an important driver of that crisis – one that we must urgently address."

The Surgeon General's Office said further that adolescents who spend more than three hours per day on social media face double the risk of experiencing poor mental health outcomes, such as symptoms of depression and anxiety. Yet, one 2021 survey of teenagers found that, on average, they spend 3.5 hours a day on social media. Social media may also perpetuate body dissatisfaction, disordered eating behaviors, social comparison and low self-esteem, especially among adolescent girls. One-third or more of girls aged 11-15 say they feel "addicted" to certain social media platforms and over half of teenagers report that it would be hard to give up social media. When asked about the impact of social media on their body image, 46% of adolescents aged 13-17 said social media makes them feel worse, 40% said it makes them feel neither better nor worse and only 14% said it makes them feel better. Additionally, 64% of adolescents are "often" or "sometimes" exposed to hate-based content through social media. Studies have also shown a relationship between social media use and poor sleep quality, reduced sleep duration, sleep difficulties and depression among youth.



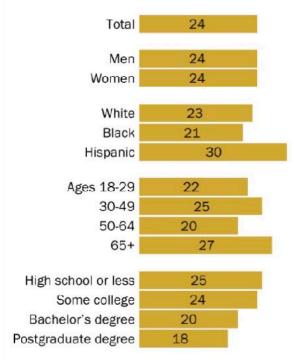


Tattoos have seen a surge in popularity within the U.S. in the recent past. According to a survey conducted by the Pew Research Center in 2023, 32 percent of Americans have at least one tattoo. This number has increased steadily in recent decades, rising from 21 percent in 2012 and 16 percent in 2006.



24% of tattooed Americans say they regret any of their tattoos

Among U.S. adults with tattoos, % who say they ever regret getting any of their tattoos

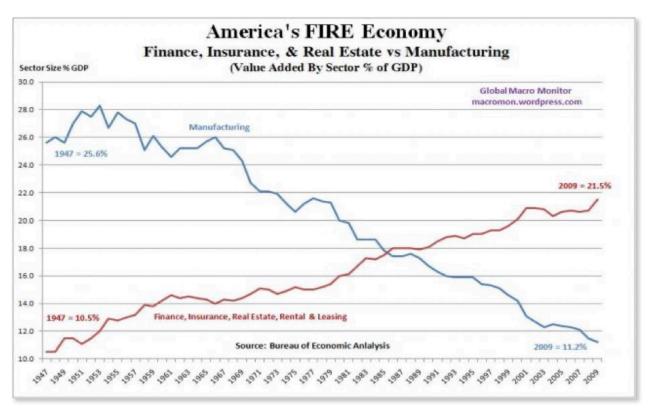


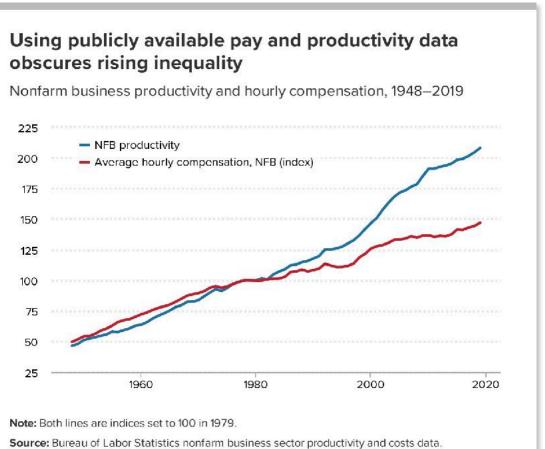
Notes: White, Black and Asian adults include those who report being only one race and are not Hispanic. Hispanics are of any race. The sample size for Asian Americans with tattoos is too small to analyze separately.

Source: Survey of U.S. adults conducted July 10-16, 2023.

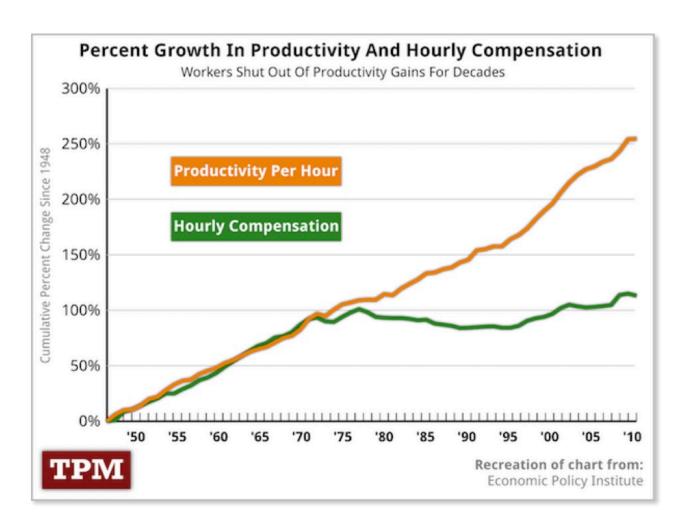
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Section 2: Systemic Economic Changes





Economic Policy Institute



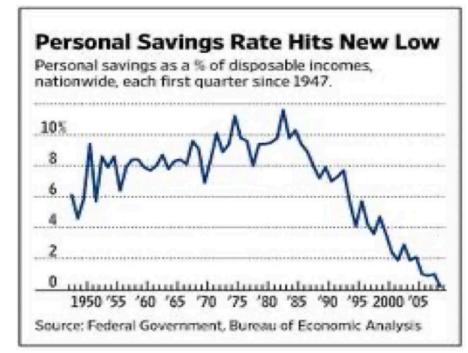


In another poll, 50% agreed that "the economic and political system are stacked against people like me."

The country financial security index found 27% of Americans said they've had to take money out of savings and 54% that they used such money to pay for everyday expenses.

63% of American employees can't come up with \$500 for an emergency, according to the SecureSave report.

Credit card balances shot up by \$45 billion between the first and second quarters of 2023, a 4.6%



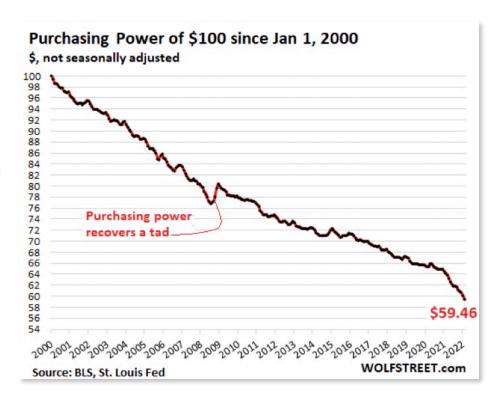
increase that pushed total credit card debt passed the \$1 trillion mark, according to the Federal Reserve Bank of New York.

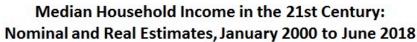
A majority of American workers can't afford a \$500 emergency expense.

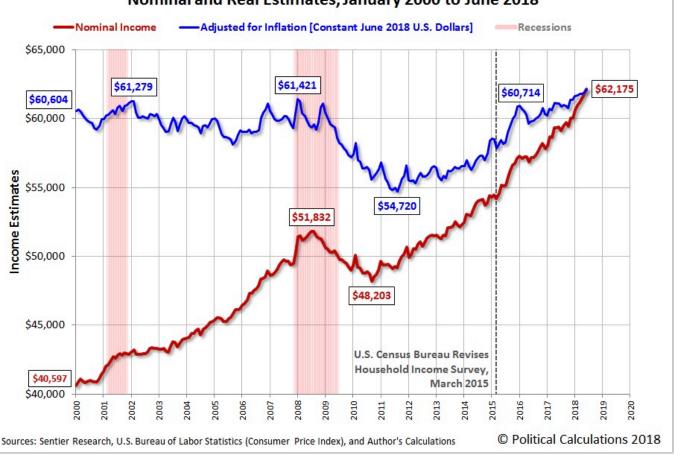
76% of employees don't have enough savings to cover one month of their expenses.

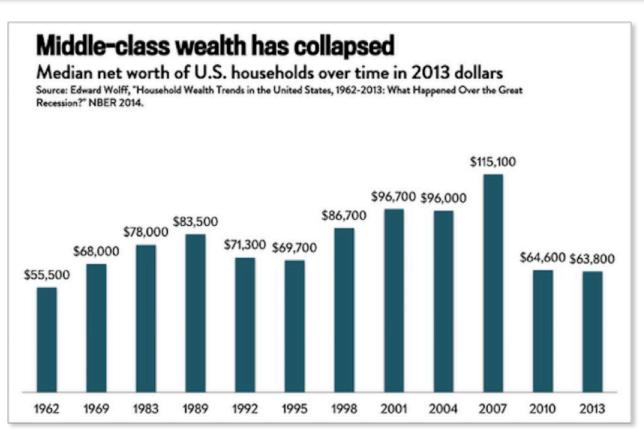
Over one-third of employees earning \$100,000 or more live paycheck to paycheck.

Due to inflation, income does not buy what it used to:









Houses are now less affordable than any time in recent history. Home prices aren't expected to go back to pre-pandemic levels. Mortgage rates slipped to about 7% last week, the lowest in several months, but they are still more than double what they were two years ago.

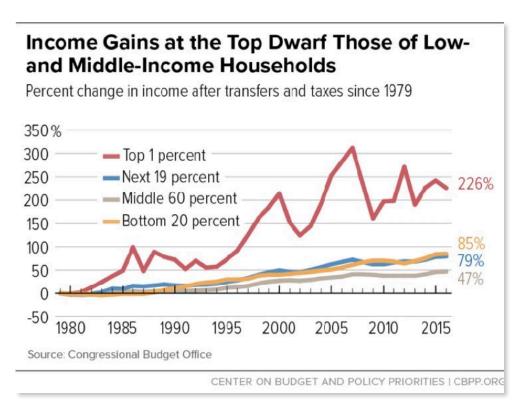
Home sales are certainly falling, but prices are still rising – there just aren't enough homes to go around. The national median existing home price rose to about \$392,000 in October 2023, the highest ever for that month in data that goes back to 1999.

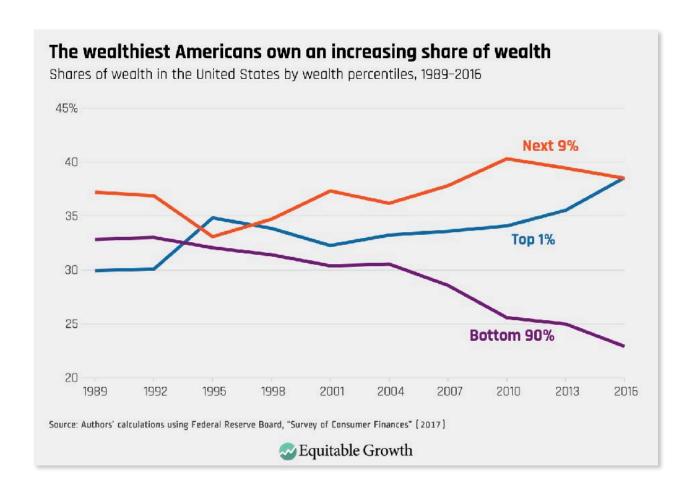
In mortgages, higher rates add up fast. An increase of just a few percentage points can mean hundreds of thousands of dollars more in interest over the life of a standard 30-year loan. Before the Fed started raising rates, a person with a monthly housing budget of \$2,000 could have bought a home valued at more than \$400,000. Today, that same buyer would need to find a home valued at \$295,000 or less.

First-time and young buyers are still stuck on the sidelines. About one-third of buyers this year were first-time home buyers, below the historical average of 38%, according to the National Association of Realtors. The median first-time buyer was 35 years old. That was the second highest on record, behind only 2022's peak of 36 years old.

Rents are on the rise, but the cost of buying a home has risen by a lot more. The average monthly new mortgage payment is 52% higher in the U.S. than the average apartment rent, according to an analysis by Global Commercial Real Estate Services.

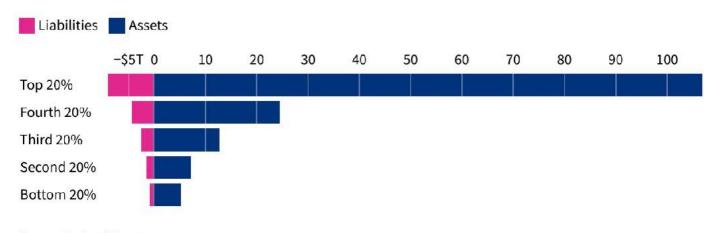
That's the main takeaway from a new report from real estate data provider ATTOM. Researchers examined the median home prices last year for roughly 575 U.S. counties and found that home prices in 99% of those areas are beyond the reach of the average income earner, who makes \$71,214 a year, according to ATTOM.



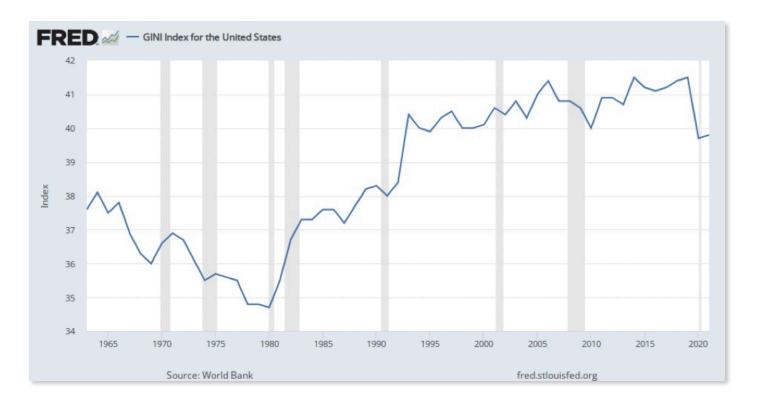


Wealth inequality is especially high at the top of the income bracket.

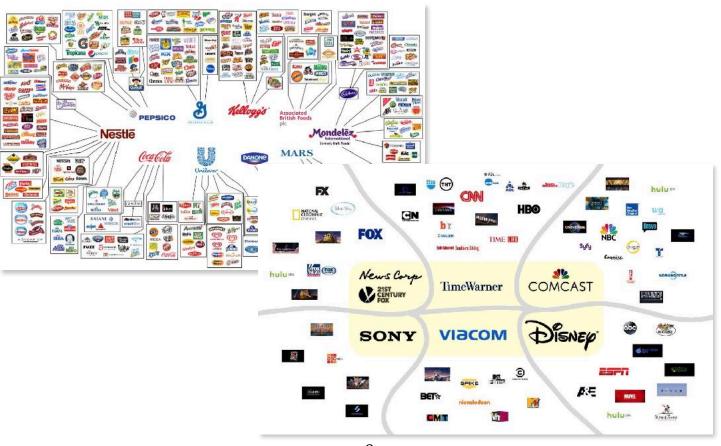
Assets and liabilities (in trillions of dollars) of income quintiles, 2022 dollars

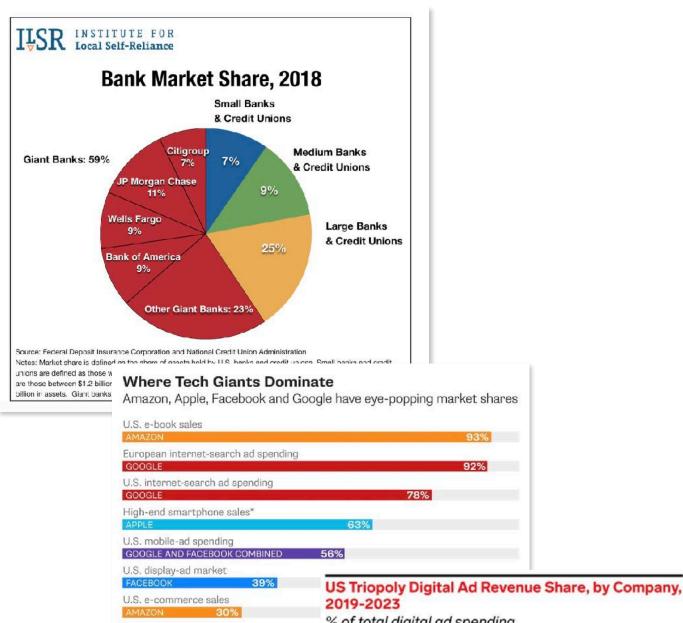


GINI coefficient for Americans – higher coefficient, more economic inequality:



Big companies control more and more of the market: Big companies control more and more of the market:



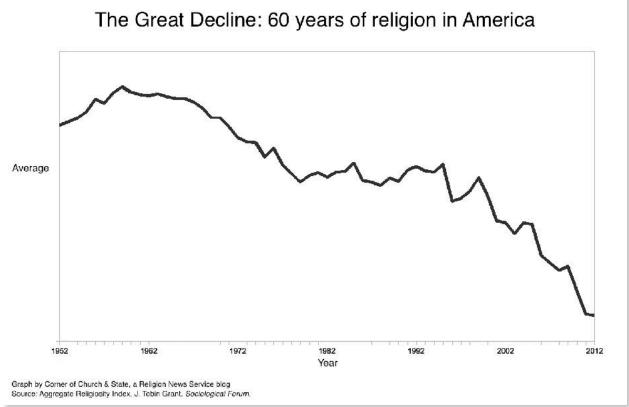


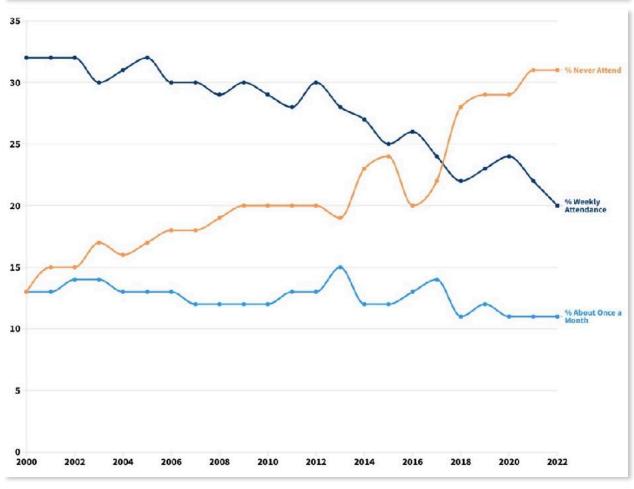
(U.S. Internet search, mobile and display ads)

% of total digital ad spending Data are for 2016 (EU Internet search, e-books); May 2 Sources: Company reports, StatCounter, eMarketer, II 37.0% 36.0% *Generally defined as phones costing \$400 or more 35.9% 34.9% 34.9% 28.9% 28.6% 27.7% 31.6% 26.4% 24.2% 24.1% 24.9% 23.8% 23.6% 14.6% 13.3% 11.6% 10.3% 7.8% 2022 2019 2020 2021 2023 Google* ■ Facebook** Amazon Non-triopoly Note: includes advertising that appears on desktop and laptop computers as well as mobile

eMarketer | InsiderIntelligence.com

Section 3: Systemic Cultural and Political Changes





In his 2000 book, "Bowling Alone: The Collapse and Revival of American Community," Robert Putnam documented that attending club meetings, such as those held by Rotary and Kiwanis groups, has declined by 58 percent in the period 1975-2000. This trend continued and even accelerated in the 21st century. Putnam notes it's part of an overall trend by Americans, who also have 43 percent fewer family dinners. Thirty-five percent fewer of us have friends who drop in to see us at our homes.

Pick an organization and the numbers are telling. In the past two decades, Rotary is down 20%, Jaycees is down 64% and Masons is down 76%. Recalling Alexis de Tocqueville's observation about the role our clubs play in a civil society, this decline represents a tangible loss to community. The question remains, "Where do we go from here?"



Since most service club

leaders are in office for one year, they shoot for short-term quick fixes, such as a membership drive. However, for most of our service clubs, the issue is not recruitment, but retention. Rotary averages 44,000 new members per year and loses an average of 51,000. They cannot keep members. If businesses are not keeping customers, the leaders generally make it top priority to find out why and correct the reasons. If they fail, they most likely will not be leaders for very long. Common sense says the same principle should apply to service clubs, as well.

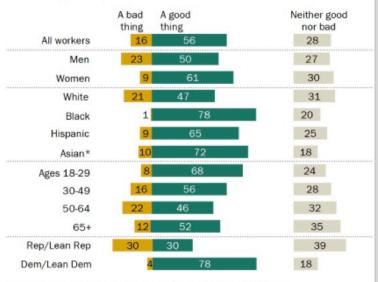
#1: Think Tribes, Not Community

Seth Godin is an entrepreneur, who ruminates on marketing in the digital age. Author of several best-selling books, Godin argues that digital life has ended traditional mass communication and replaced it with an ancient human social unit, the tribe. These are groupings of people founded on shared ideas and values.

Two in five (40%) say they consider "woke" to be an insult, but about a third (32%) consider it a compliment. While a majority of Republicans (60%) and a plurality of independents (42%) consider "woke" to be an insult, nearly half of Democrats (46%) say they take it as a compliment (IPSOS March 8, 2023).

Views of DEI in the workplace vary along demographic and partisan lines

% of employed adults saying that in general, focusing on increasing diversity, equity and inclusion at work is mainly ...

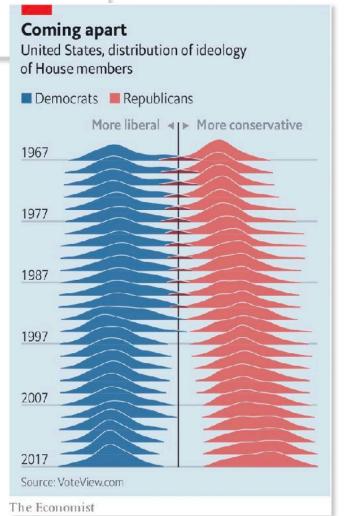


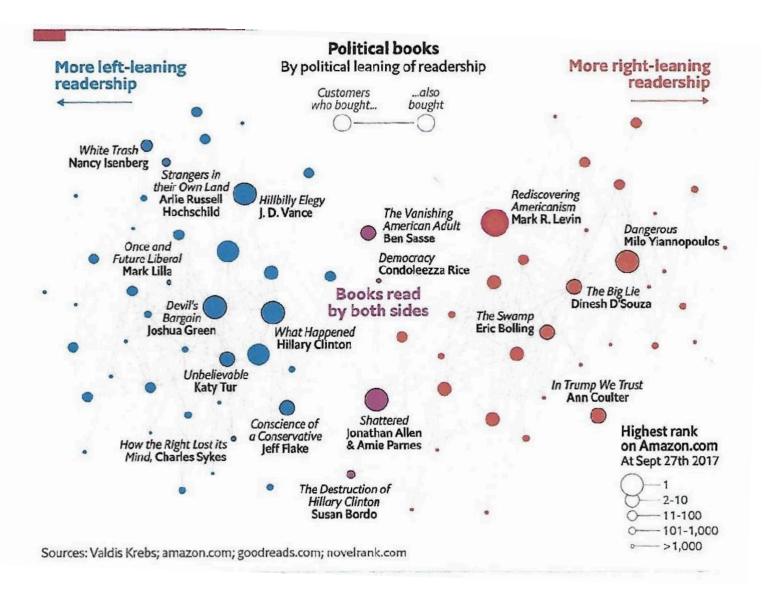
^{*}Estimates for Asian adults are representative of English speakers only.

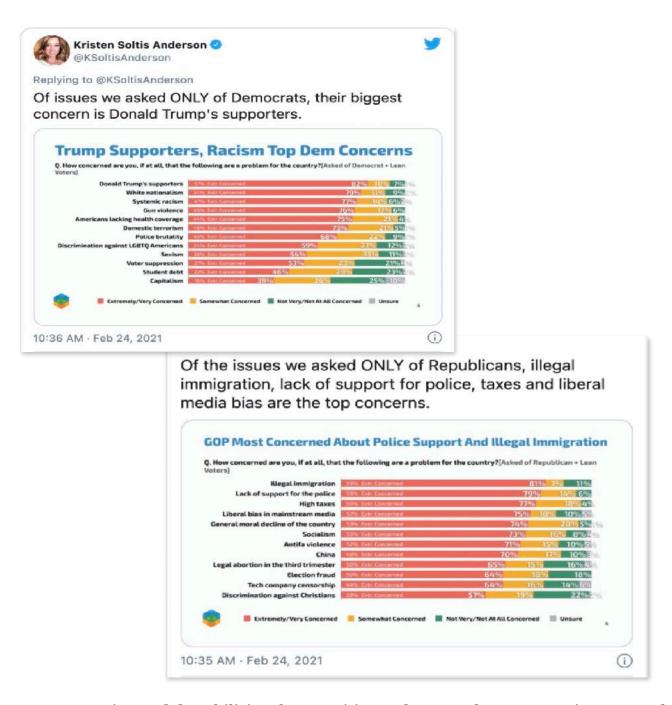
Note: Based on workers who are not self-employed and work at a company or organization with 10 or more people. Share of respondents who didn't offer an answer not shown. White, Black and Asian adults include those who report being only one race and are not Hispanic. Hispanics are of any race.

Source: Survey of U.S. workers conducted Feb. 6-12, 2023. "Diversity, Equity and Inclusion in the Workplace"

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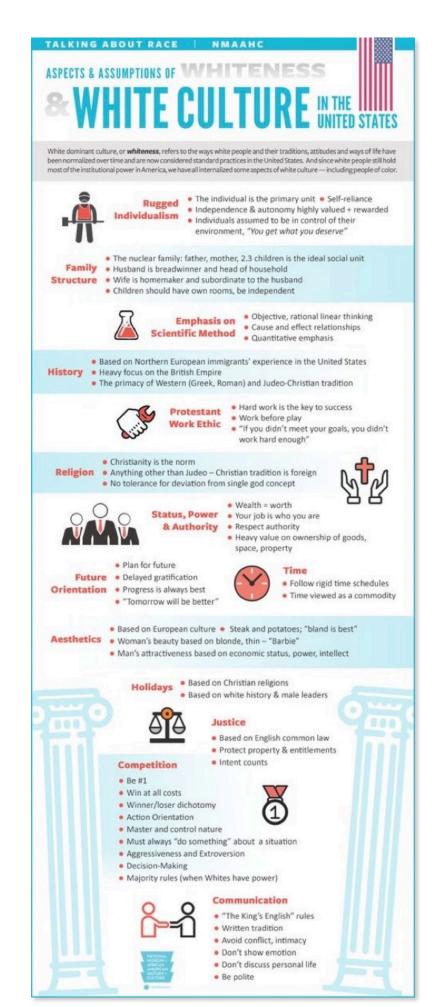


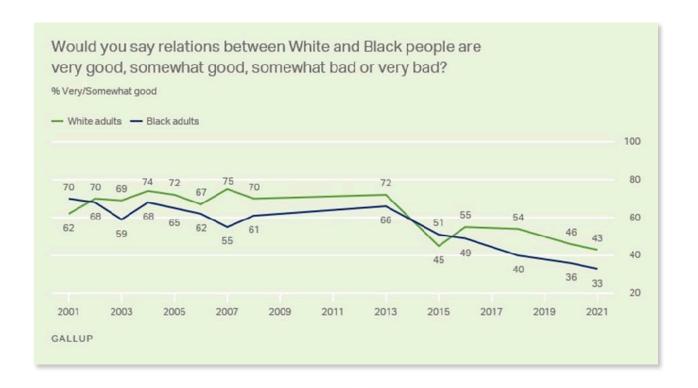




Very upsetting and destabilizing, but sensitive and personal, are perceptions around race and its role in culture, society and politics.

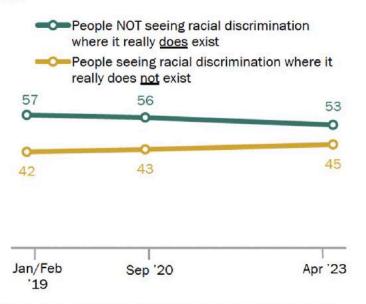
According to Christopher Rufo, writing in City Journal on December 19, 2023, Harvard's equity and inclusion administrators encourage students to internalize the basic narrative of critical race theory: America is a nation defined by "systemic racism," "police brutality," "white supremacist violence" and the "weaponization of whiteness." In another resource, students were invited to "unpack" their "white privilege" and "male privilege" and to consider their "white fragility," which stems from "the privilege that accrues to white people living in a society that protects and insulates them from race-based stress.





Views on racial discrimination are more evenly divided today than in 2019

% of U.S. adults saying when it comes to racial discrimination, the bigger problem for the country today is ...



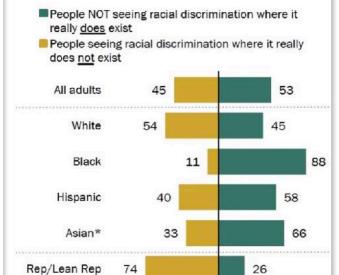
Note: Share of respondents who didn't offer an answer are not shown.

Source: Surveys of U.S. adults conducted April 10-16, 2023, Sept. 8-13, 2020, and Jan. 22-Feb. 5, 2019.

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Views on racial discrimination differ by race, ethnicity and political party

% of U.S. adults saying when it comes to racial discrimination, the bigger problem for the country today is ...



* Estimates for Asian adults are representative of English speakers only.

19

80

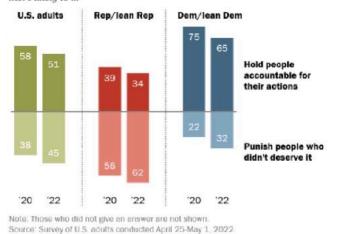
Note: White, Black and Asian adults include those who report being only one race and are not Hispanic. Hispanics are of any race. Share of respondents who didn't offer an answer are not shown. Source: Survey of U.S. adults conducted April 10-16, 2023.

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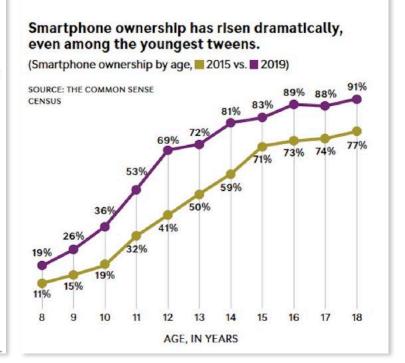
Dem/Lean Dem

Americans now more divided on whether calling out others on social media for posting potentially offensive content is accountability or punishment

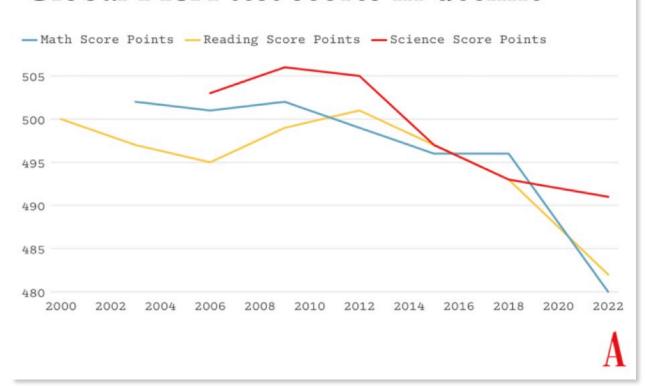
% of U.S. adults who say in general, when people publicly call out others on social media for posting content that might be considered offensive, they are more likely to ...



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Global PISA test scores in decline

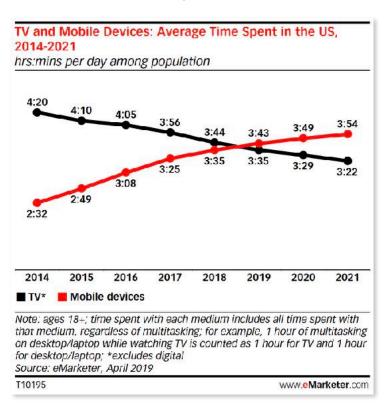


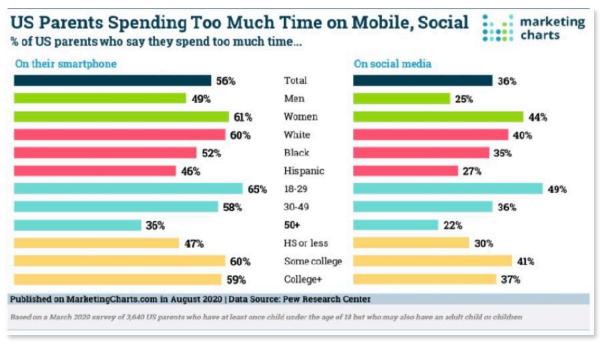
In a recent article in The Atlantic, Derek Thompson wrote: "First, PISA finds that students who spend less than one hour of "leisure" time on digital devices a day at school scored about 50 points higher in math than students whose eyes are glued to their screens more than five hours a day. This gap held even after adjusting for socioeconomic factors. For comparison, a 50-point decline in math scores is about four times larger than America's pandemic-era learning loss in that subject.

Secondly, screens seem to create a general distraction throughout school, even for students who aren't always looking at them. Andreas Schleicher, the director of the

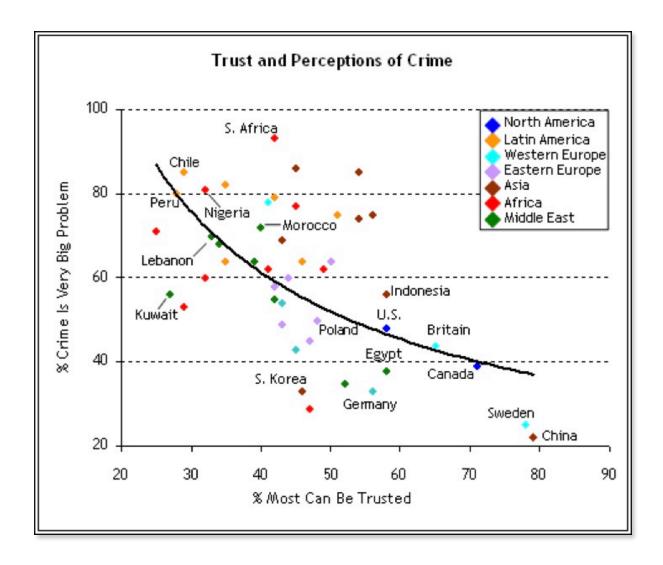
PISA survey, wrote that students who reported feeling distracted by their classmates' digital habits scored lower in math. Finally, nearly half of students across the OECD said that they felt "nervous" or "anxious" when they didn't have their digital devices near them. On average, these students also said they were less satisfied with life. This phone anxiety was negatively correlated with math scores.

In sum, students who spend more time staring at their phones do worse in school, distract other students around them and feel worse about their life."



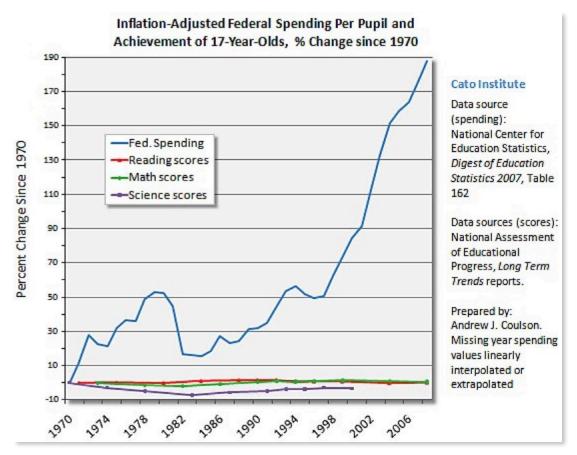


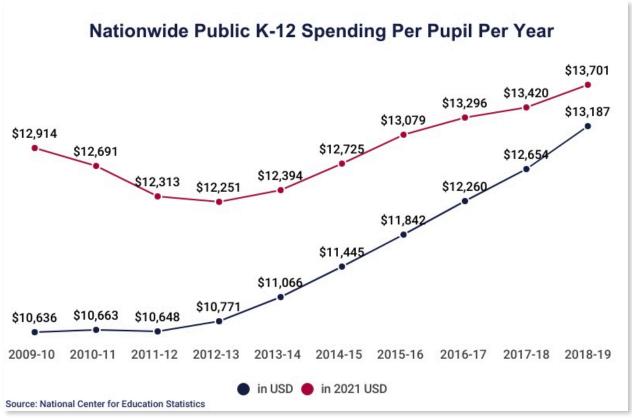
Retail theft losses swelled to \$112.1 billion in 2022, up 19% from \$93.9 billion the year before.

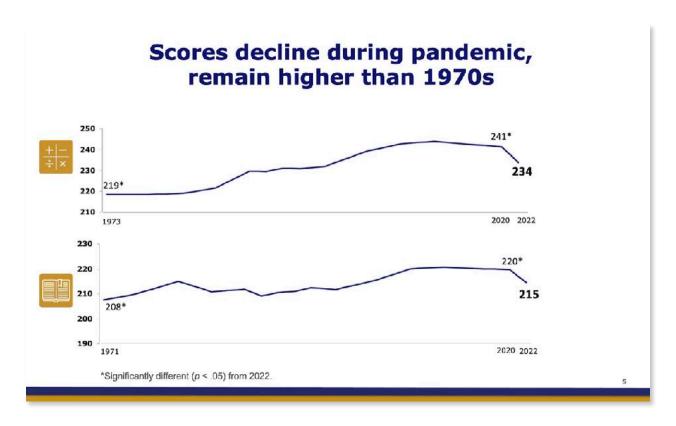


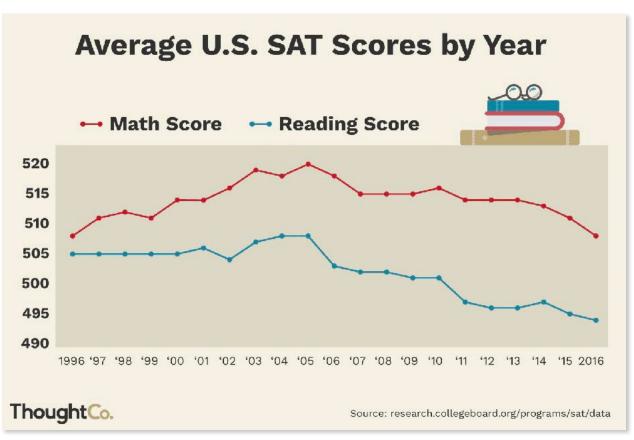
In 2022, the average reading score at both fourth and eighth grade decreased by 3 points compared to 2019. At fourth grade, the average reading score was lower than all previous assessment years going back to 2005 and was not significantly different in comparison to 1992. At eighth grade, the average reading score was lower compared to all previous assessment years going back to 1998 and was not significantly different compared to 1992. In 2022, fourth and eighth grade reading scores declined for most states/jurisdictions compared to 2019. Average scores are reported on NAEP reading scales at grades 4 and 8 that range from 0 to 500.

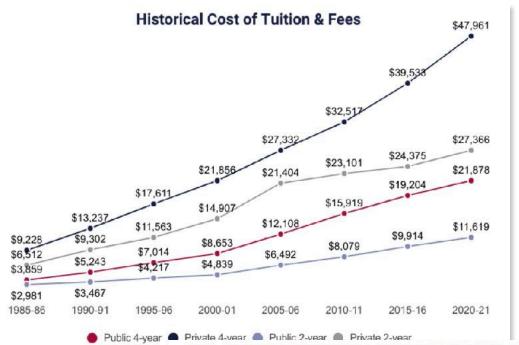
In 2022, average mathematics scores for the nation were lower by 5 points at fourth grade and lower by 8 points at eighth grade compared to scores in 2019. Average scores at grades 4 and 8 were higher compared to the first assessment in 1990.

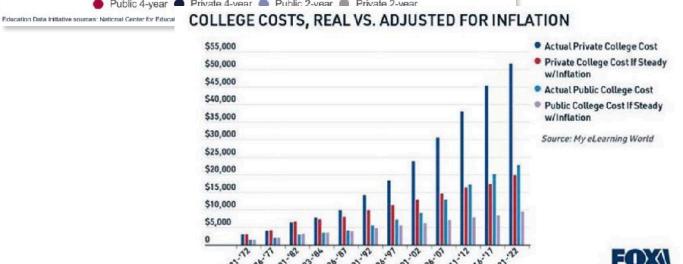


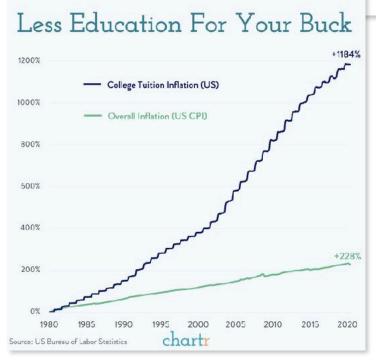


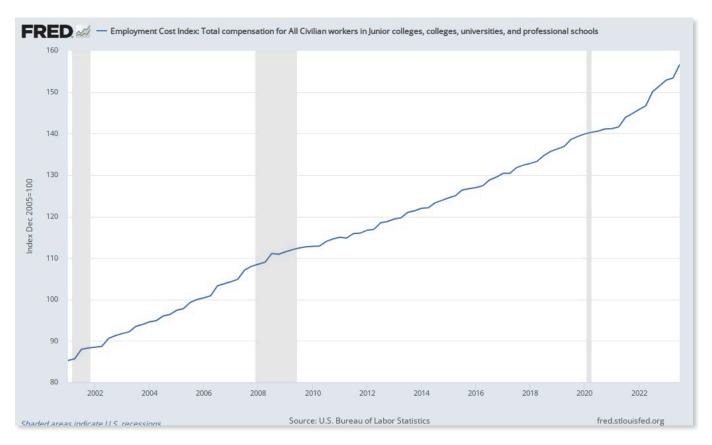






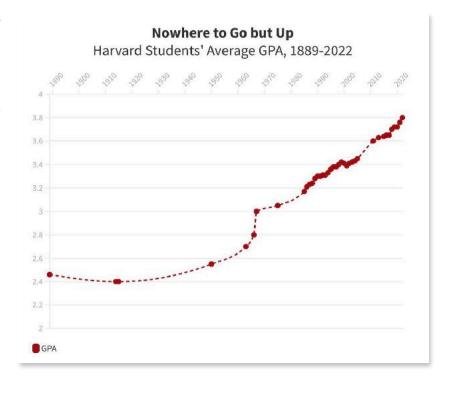




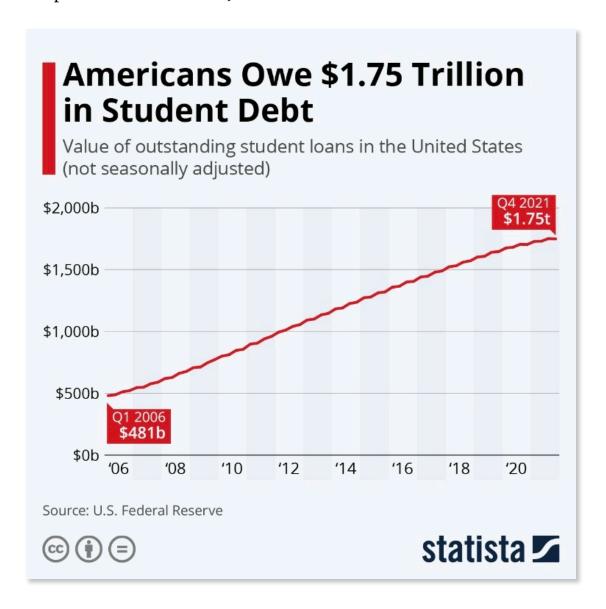


According to Inside Scholar, recent reports reveal that roughly seventy-five percent of college classroom instructors are off the tenure track. The trend is widespread and throughout every level of higher education. Elite schools like Harvard University, Stanford and Yale also rely on adjuncts and other non-tenured professors to fill certain teaching positions.

The move toward hiring more parttime and non-tenure-track instructors began about 50 years ago. The Association of Governing Boards of Universities and Colleges reported that in 1969, roughly 78 percent of faculty members at colleges and universities in the U.S. held tenure or tenure-track positions. Non-tenure track or adjunct roles accounted for about 22 percent. Back then, most students were educated by tenured or tenure-track professors. Today, many students take a class from a tenured professor just once a semester or only in upper-level courses.

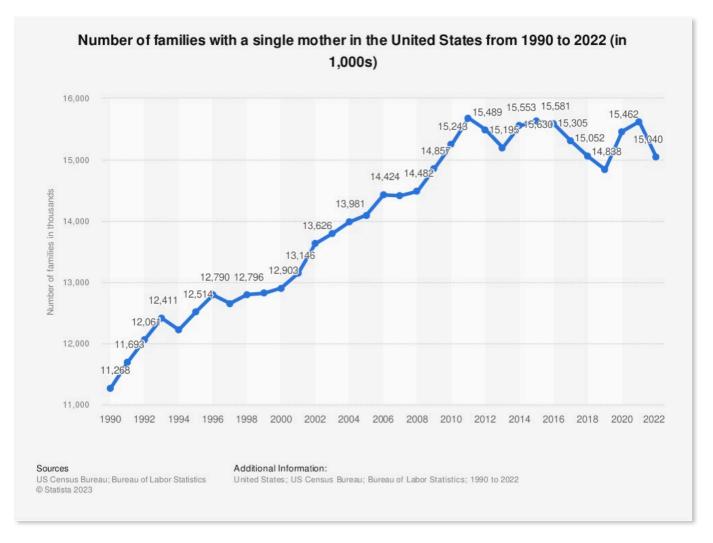


As of the first quarter of 2023, student loan debt in the U.S. stood at a total of over \$1.77 trillion. More than 92% of this is federal student loan debt, while the remaining amount is owed on private student loans, according to Federal Student Aid (an office of the U.S. Department of Education).



The U.S. Census Bureau recently released estimates showing there were 10.9 million one-parent family groups with a child under the age of 18 in 2022. Data from the annual release of America's Families and Living Arrangements also show that 80% of one-parent family groups were maintained by a mother.

In 2019, of 130 countries and territories, the U.S. has the world's highest rate of children living in single-parent households. Almost a quarter of U.S. children under the age of 18 live with one parent and no other adults (23%), more than three times the share of children around the world who do so (7%).



- 1. More than half (51.2%) of all black children lived with one parent in 2022, compared with about one in five (21.3%) of white children.
- 2. Between 1980 and 2022, the proportion of children living in two-parent families declined for white youth (82.7% to 75.6%) and Hispanic youth (75.4% to 67.5%). For black youth, the proportion of children living in two-parent families in 2022 (43.0%) was about the same as in 1980 (42.2%).
- 3. Between 1970 and 2022, the proportion of children living with their mothers in single-parent households increased from 7.8% to 16.7% for white youth and from 29.5% to 45.6% for black youth. For children of Hispanic ethnicity, the proportion living with their mother in single-parent households increased from 19.6% in 1980 to 24.5% in 2022.

In a November 30, 2023, report for the Institute for Family Studies, Jonathan Rothwell, a nonresident senior fellow at the Brookings Institution, concluded: "Very conservative parents, on average, enjoy the strongest relationships with their adolescent children and liberals experience the worst ... Conservative parents are 8 percentage points more likely to be in a good relationship with their adolescent child than liberal parents and the gap is 14 percentage points between very conservative and liberal parents."

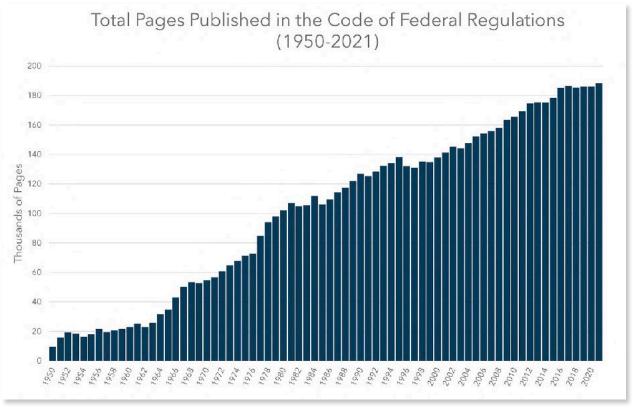
As a result, "Adolescents with very conservative parents are 16 to 17 percentage points more likely to be in good or excellent mental health compared to their peers with very liberal parents."

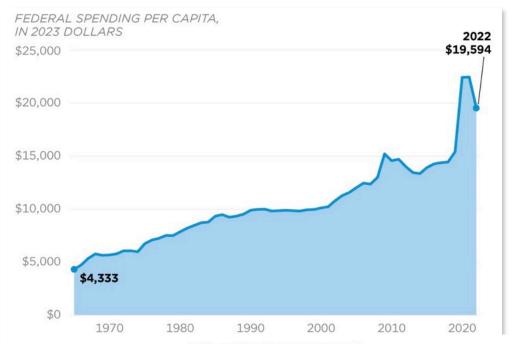
Meanwhile, "Only 55 percent of adolescents of liberal parents reported good or excellent mental health compared to 77 percent of those with conservative or very conservative parents... This relationship between conservativism and parenting remains significant, even after controlling for an extensive list of parental demographic and socio-economic measures."

As Rothwell explains, conservative parents are much more likely to employ more effective parenting strategies than liberal parents, including being able to "effectively discipline their children, while also displaying affection and responding to their needs." His study also found that conservative parents are more likely to value their own marriage and that this leads to a better relationship with their children – in particular, when they become teenagers. Unsurprisingly, children whose parents have a strong marriage are far less likely to experience mental health issues.

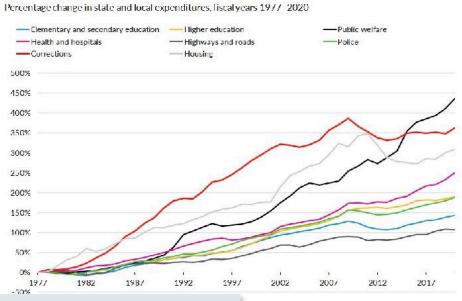
Overall, Rothwell argues, the best mental health results for kids come from an "authoritative" parenting style, defined as "warm, responsive and rule-bound, disciplined parenting." Conservative parents are far more likely to adopt this style, as opposed to the two negative styles Rothwell outlines: "authoritarian," which is characterized by being "cold or harsh" and "permissive," which lacks proper discipline.

Section 4: Rise of the Bureaucratic Society and the Administrative State





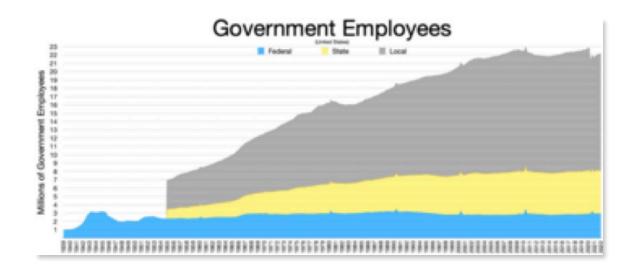


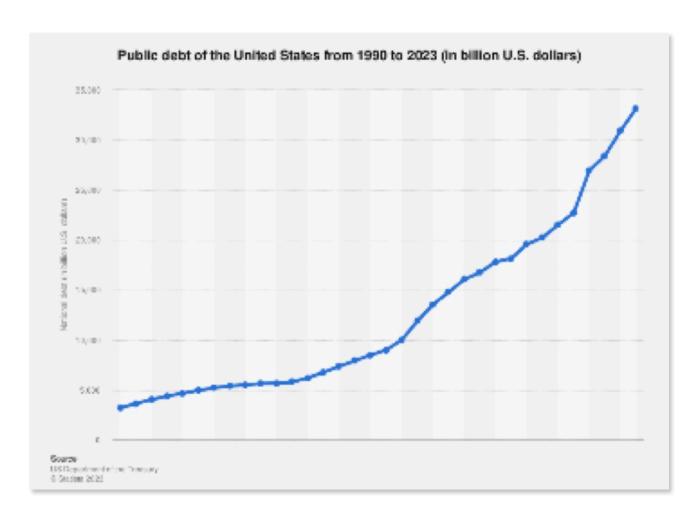




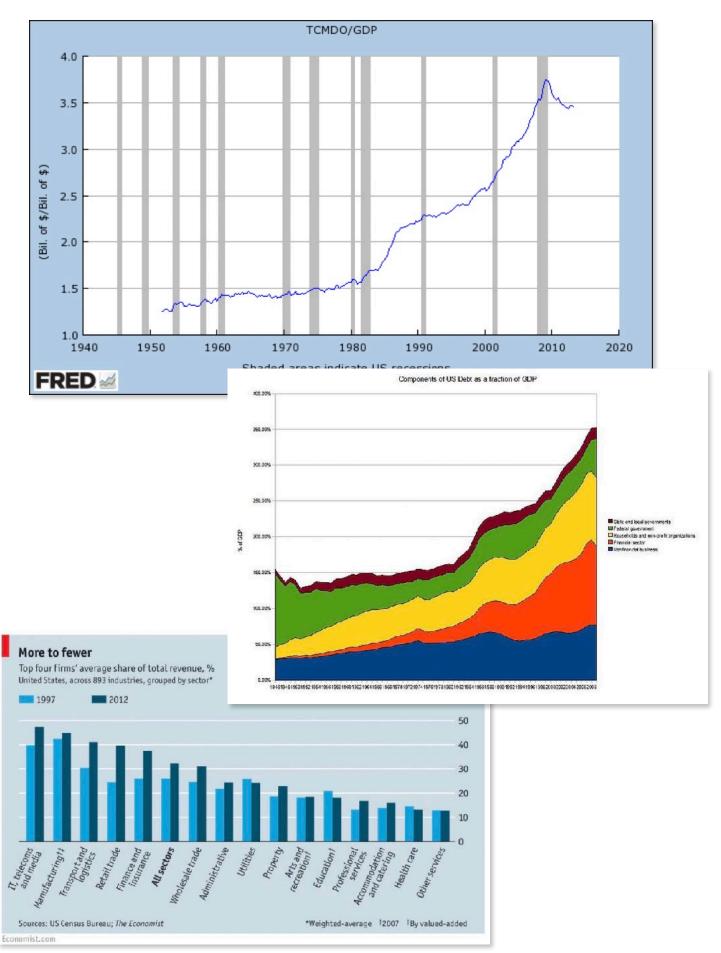
Finances, 1977-2020 (compiled by the Urban Institute via State and Local 22 07:19), https://state-local finance-data.taxpollogocitec.org. is) are indexed to 1977 spending. Excludes spending on government-run etween the public welfare and health and hospitals functional categories,

URBAN INSTITUTE

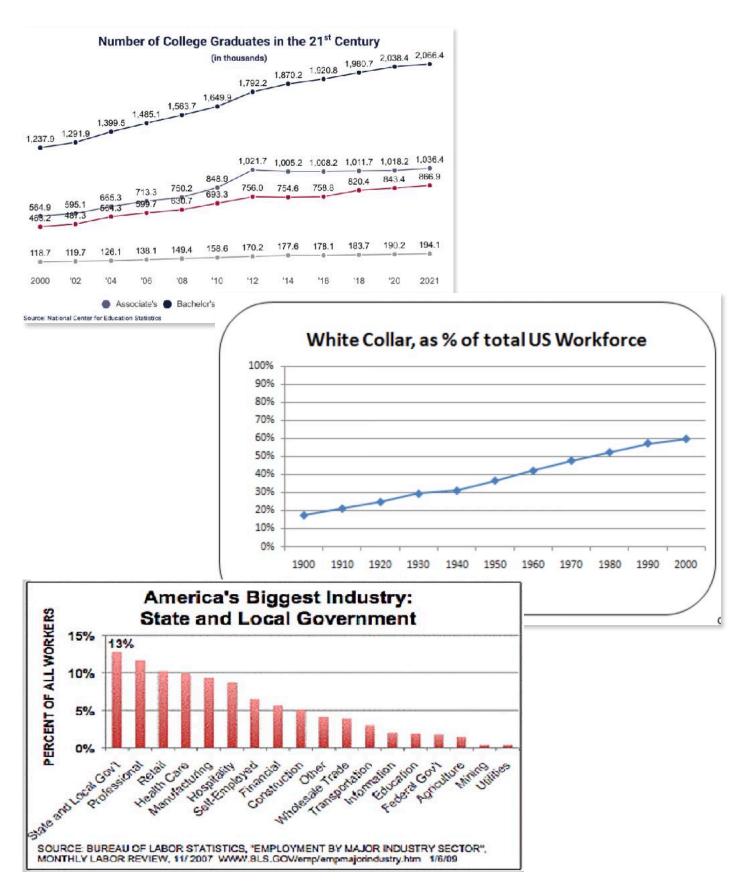




Total Credit Market Debt to GDP



More college graduates are needed to fill white collar jobs.



As government spending has grown higher and higher, overall American happiness and life satisfaction has declined lower and lower.

Conclusion

Americans were not always dysphoric. Walt Whitman wrote this in 1860, just before the Civil War:

I hear America singing, the varied carols I hear,

Those of mechanics, each one singing his as it should be blithe and strong,

The carpenter singing his as he measures his plank or beam,

The mason singing his as he makes ready for work or leaves off work,

The boatman singing what belongs to him in his boat, the deckhand singing on the steamboat deck,

The shoemaker singing as he sits on his bench, the hatter singing as he stands, The wood-cutter's song, the ploughboy's on his way in the morning or at noon intermission or at sundown,

The delicious singing of the mother or of the young wife at work or of the girl sewing or washing,

Each singing what belongs to him or her and to none else,

The day what belongs to the day – at night the party of young fellows, robust, friendly,

Singing with open mouths their strong melodious songs.

(I hear America Singing, by Walt Whitman)

In 1865, just after the Civil War, he wrote "Pioneers!":

...

For we cannot tarry here, We must march my darlings, we must bear the brunt of danger, We the youthful sinewy races, all the rest on us depend, Pioneers! O pioneers

...

Have the elder races halted?
Do they droop and end their lesson, wearied over there beyond the seas?
We take up the task eternal and the burden and the lesson,
All the past we leave behind,

• • •

We debouch upon a newer mightier world, varied world, Fresh and strong the world we seize, world of labor and the march. Down the edges, through the passes, up the mountains steep, Conquering, holding, daring, venturing as we go the unknown ways,

...

Has the night descended? Was the road of late so toilsome? Did we stop discouraged nodding on our way?