

What's in Your Wallet?

HAVE YOU NOTICED HOW UGLY our currency has become? Take Mr. Jackson, for instance, whose face we've come to cherish, partly for his chiseled good looks but mostly for the \$20 worth of goods and services he buys. I'd become accustomed to his reassuring face in its oval frame and to that attractive picture of the White House on the reverse side.

But look in your wallet now. "A safer, smarter, and more secure \$20 note began circulating on Oct. 9, 2003, as part of the U.S. government's ongoing efforts to stay ahead of counterfeiting and maintain confidence and trust in U.S. currency" (www.moneyfactory.gov).

The new note introduces color-shifting ink, security threads, symbols of freedom, and enhanced background colors. It's a designer's nightmare. Colors running together like splashes of juice, ghost-like apparitions of Mr. Jackson's face appearing when held up to the light, and "flying yellow 20s" surrounding the White House like swarms of mosquitoes on a sultry summer's eve. And the new \$10 bill is even worse.

Safety and security? No, I believe there's a more sinister plan at work here.

Think about it for a minute. What's the one economic message that emanates from Washington over and over again? It's surely not "A penny saved is a penny earned," as Benjamin Franklin instructed us. Nor is it "Never spend your money before you have it," as Thomas Jefferson admonished. Today, these snippets sound almost treasonous.

In fact, the mantra of "Spend, spend, spend" has invaded our thinking to such an extent that, as a society, we're now spending more than we're making.

In its November 2005 study "Spenthrift Nation," the Federal Reserve Bank of San Francisco noted that "the personal savings rate has been declining for two decades. In the 1980s, it averaged 9.0 percent. In the 1990s, it averaged 5.2 percent. Since 2000, it has averaged 1.9 percent." And since the second quarter of 2005, the personal savings rate has been negative, "meaning that U.S. consumers are spending more than 100 percent of their monthly after-tax income."

Way back in October of 2003, Justin Lahart, senior writer for CNN/Money, wrote an article titled "Spending Our Way to Disaster" (see www.money.cnn.com), in which he observed: "The American consumer has become deeply addicted to spending, running up ever higher levels of debt in order to live in a fashion that is beyond his means. And the world has become equally addicted to the consumer continuing to burn through cash."

These words ring even truer in 2007, so why isn't some-



body in Washington urging (or even imploring) consumers to hold on to some of their hard-earned dollars?

Lahart offered an explanation: "We live in an economy that has become deeply dependent on the American consumer for growth. U.S. consumer spending accounts for around 70 percent of U.S. gross domestic product. So nobody wants to see the consumer falter, and they have been doing their darndest to make sure that doesn't happen."

For a long while now, easy credit (and rising housing prices) has been the manna from heaven feeding consumers' desires. But just in case that manna begins to taste a little stale, I believe that the government has formulated a clever way to subliminally reinforce our spending habits. It is filling our wallets with ugly money!

For those not convinced by my theory, consider the state quarter program. Introduced in 1999, this initiative demonstrates that coinage can be interesting and even attractive. Witness Connecticut's stately Charter Oak, Oregon's majestic Crater Lake, or Mississippi's magnolia blossoms.

But what happened when these newly designed coins were released? People started to hoard them—keeping them in jars, mounting them in books, and giving them to grandchildren. Fortunately, 25 cents provides minimal purchasing power, and so significant damage to the economy from this savings-like activity was averted.

Ugly money is, of course, just one way to combat this economic threat. Beware of others. For instance, I've heard from a friend of a friend who recently visited our nation's capital that the Treasury is working on a plan to add sulfur to the ink used in the printing process, just in case the economy needs an added boost.

The new process will imbue each bill with a faint scent of rotten eggs, which will become more and more noticeable anywhere that bills are allowed to accumulate. Then we will all know who the savers are without ever having to ask, "What's in your wallet?"

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