

## United States Economic Recovery Plan (USERP)

The United States, as well as each individual state, currently finds itself in serious economic straits. Besides a systemic breakdown in the mechanisms and safeguards that make up the economic machine, the populace also has individual fears about the stability of the economic machine, causing what I call the Consumer Confidence Disorder (CCD). CCD is now the primary problem that needs to be addressed to fix the economy. Simply rebuilding the economy won't fix the CCD problem we are experiencing. If CCD is not mitigated, it threatens to worsen and possibly create an economic depression for individual states and the nation.

Simply put, CCD occurs when a plurality of the people suffer a massive economic shock thereby making them insecure about their future financial solvency. The sharp decline in the stock market, the collapse of the housing market, continual and increased unemployment and manufacturing losses have all happened in a short time period, thus creating the largest CCD reaction that most of us have seen in our lifetimes. With a third or more of people's portfolios gone, massive layoffs (even in large, "safe" companies), reduced consumerism and business, people don't know if they will have a job or enough money in the coming year(s) to make ends meet, so they hunker down on what assets they have and only buy the barest of necessities to survive. When CCD happens on such a large scale, like is happening right now, it is a recipe for disaster. Left on its own, it does not, and cannot self-correct. Although the economy initially failed at a federal level, everyone has been affected and the country is suffering from a massive case of CCD.

The economy is composed of many gears, usually with redundancies and safeguards to protect if any one gear falters or fails. The masses of people doing business, buying, selling, etc. are the feed that goes into the machine, which processes the "monies". When safeguards and regulations were removed from many of the key cogs in the machine, it was just a matter of time until the gears seized up. An ailing and failing economic machine means the masses can no longer put their faith in the processing being done by that machine. The natural human reaction is to hunker down with their money, until the machine is fixed and they see it properly processing someone else's money. Only then will they consider risking their own money again. This is not just consumer confidence, but an actual psychological issue, especially for people over 25 years old. They don't freely spend money, because they don't know if they will have a job next week. Even when the economy gets repaired, with very little capital going through the machine because of people's distrust, CCD becomes the big problem. Putting money into fixing the machine (top-down) does little to restart the free flow of capitalism. Fixing what initially caused the problem, does not fix the resultant syndrome that we are left with. It is an economic equivalent to post-traumatic stress disorder or PTSD. When soldiers witness the horrific events of combat and suffer from PTSD because of it, the act of ending the war and bringing troops home doesn't fix the PTSD they may suffer from. PTSD now greatly rules how those individuals live their lives. Only time, therapy and medication will help heal PTSD. Unlike PTSD, time is actually the worst enemy of CCD.

So how do we quickly and effectively combat CCD? There are three steps that need to be taken immediately to halt and reverse the plight we are in:

1. Assuming an economic stimulus package passes through Congress soon, issue the stimulus money on debit cards with an expiration date of no more than six months from the date of issuance. This will force people to spend the stimulus money on new things, rather than paying off existing debt or hoarding the money away. This is extra money that people weren't expecting and it forces them to spend, thereby immediately stimulating the economy and retraining the populous to consume goods and services again.
2. Promote the issuance of Federal tax refunds on the same sort of national debit card, with an added 5% bonus for taking it on a debit card rather than by direct deposit or refund check. Give up to 12 months on the expiration date of the tax refund debit card. Again, forcing people to put the money back into the economy via spending on goods and services.
3. Try to convince state governments to offer the same debit card option for state tax refunds to stimulate their local economies. The tax revenue and economic benefits should make this an easy sell.

By doing these three steps, we can increase tax revenues both locally and nationally, far beyond the cost of a 5% bonus, stimulate the economy, get people used to buying again, and if they don't use the card by the expiration date, the money can revert back to the Treasury and thus the People.

An added benefit of utilizing debit cards, is the ability of the government to be able to track the spending trends of these debit cards. This would give us unprecedented and immediate knowledge of the effectiveness of the stimulus plan on different segments of our economy. (Of course, this tracking needs to be done transparently while maintaining the privacy of individual debit cardholders. The government should only have access to the total amounts spent by month and year-to-date and the categories they are spent in.)

People with the card would be out purchasing goods and feeling good about it. It kick-starts the cycle of spending and buying that this nation and all states so desperately need. Seeing the boost it creates in the economy and implementing further programs when necessary will stave off or even reverse the CCD nightmare that this nation is currently facing.

Simply put, an US Economic Recovery Plan that works from the bottom up is the only hope we have to combat the effect of CCD and reinvigorate our economy. Anything else just gives people money they can continue to hoard or hunker down with, and does nothing to fix the underlying CCD problem. We can't afford to throw good money after bad. We need to throw good money after good, for all of our sakes. Together, we can stand strong and perpetuate our ego-centric society as long as possible.

