

# Surviving a Financial Collapse

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<http://www.lifaftertheoilcrash.net/Archives2008/OrlovPartOne.html>

<http://www.lifaftertheoilcrash.net/Archives2008/OrlovPartTwo.html>

<http://www.lifaftertheoilcrash.net/Archives2008/OrlovPartThree.html>

## **The Basics**

A while ago Matt Savinar proposed that I write an article that specifically addresses the situations and concerns of some of the visitors to his Web site. He was also kind enough to provide me with three profiles, each of which is a composite of many people. One profile is of a young professional, another is of a middle-aged couple, and a third is of a high school student. My task was to adapt my knowledge of the circumstances in which people in Russia found themselves after the Soviet economy collapsed to the needs of diverse people in the United States. This I have tried to do. Keep in mind, however, that these are not real people, and that although I sometimes offer them detailed advice on subjects such as education, law, finance, and medicine, I do not practice any of these professions, and what I express here is mere opinion.

My premise is that the U.S. economy is going to collapse, that this process has already begun, and will run its course over a decade or more, with ups and downs here and there, but a consistent overall downward direction. I neither prognosticate nor wish for such an outcome; I just happen to see it as very likely. Furthermore, I do not see it as altogether bad. There are some terrible aspects to the current state of affairs, and some wonderful aspects to the post-collapse environment. For example, the air will be much cleaner, there will be no traffic jams, and people will have plenty of time to devote to their children and to people within their immediate community. Wildlife will rebound. Local culture will make a comeback. People will get plenty of exercise walking around, carrying things, and performing manual labor. They will eat smaller and healthier diets. I could go on and on, but that is not the point.

Since such a scenario might seem outlandish to some people, I would like to sketch out why I find it entirely plausible. There is an ever-increasing amount of mainstream media attention being paid to the looming energy crisis. At this point, very few people still argue that there is not a problem with the energy supply, immediately for natural gas, eventually for oil. There is also a viewpoint, which is ever more closely and persuasively argued, that what we have to look forward to is a permanent energy shortfall, which will cause economic and societal dislocations that will be monumental in scope, and will transform the patterns of everyday life. The current, consumer-friendly economy would be no more, replaced with a subsistence economy characterized by a good deal of privation and austerity.

This viewpoint is usually served up under the rubric of “Peak Oil” - the all-time global peak in the rate of extraction of conventional crude oil. The connection between the inability to goose up oil production beyond some already icecap-melting number, and the immediate trotting out of the four horsemen of the apocalypse, is not immediately obvious. But apparently the U.S. economy is a sort of pyramid scheme, based on nothing more than faith in its growth potential, and can only continue to exist while it continues to expand, by sucking in ever more resources, particularly energy. Even a small energy shortage is enough to undermine it. So Peak Oil is hardly the problem – it is the foolish notion that infinite economic growth on a finite planet is possible. Collapse can be triggered when any one of many other physical limits is exceeded - drinkable water, breathable air, arable land, and so on – and so the limit to sustained oil production is only one of many physical limits to growth.

I do not feel the need to argue for the inevitability of a permanent energy crisis, not only because others have already done so quite persuasively, but also because it involves arguing with people who do little more than shout slogans. The slogans that are heard most often range from the simplistic “There is plenty of oil!” to the ideologically hidebound “The free market will provide!” to the somewhat more nuanced but technologically implausible “Technology will provide!” to the

perennially hopeful but unrealistic “Other sources of energy will be found!” There is even the refreshingly irrational “People have said that oil would run out before, and they were wrong!” repeated endlessly by Daniel Yergin, an oil historian who believes that history repeats itself endlessly, even the history of nonrenewable resource extraction. Facile notions of this sort will remain popular for some time yet, but I feel that it is already quite safe to start ignoring them.

It bears pointing out that most of us would prefer to remain blissfully unaware of any and all such arguments and notions, perhaps choosing to concern ourselves with topics less likely to depress our libido. Awareness of topics of global import is certainly not compulsory, and may not even be beneficial. Why worry about disasters we can do nothing to avert? Why not just enjoy our day in the sun, come what may? Also, large groups of people can be dangerous when panicked, and so I do not wish to panic them.

As for the few of us who are concerned, my message to you is a cheerful one, because I believe that you can still exercise some measure of control over your destiny. So, if you want some help thinking things through with a positive attitude, read on. If not, do not concern yourself unduly. Instead of reading this, you could lift your spirits by going for a drive, or going shopping, or taking a nap. Rest assured that these are all good things for you to do, the nap especially. Rather than you being menaced by some issue of global importance, any number of other unpleasant eventualities could bring about your untimely demise, on which you should likewise refrain from dwelling morbidly. Your participation in this program is optional.

The first step in this program is admitting that what is looming on your horizon is economic collapse – that the economy, as you are used to thinking about it, will cease to serve your needs. You will not hear about it on the evening news, and there will be no signs in shop windows that read “Out of business due to economic collapse.” The traditional array of experts will be on hand, claiming that prosperity is just around the corner, and offering this or that short-term fix, which, for all we know, might even work for a little while.

An economy collapses one person, one family, one community at a time. First, the dreams evaporate: the future starts looking worse than the present, and ever more uncertain. Then people are forced to withstand ever greater indignities and privations, which they tend to accept as their personal failings. The resulting stress causes them to experience a variety of physical and psychological symptoms. Our pride, our habits and expectations, and our unwillingness to adapt, can kill us faster than any physical hardship. But eventually something has to give, and even if life does not get any easier, one morning we wake up, and not only has life all around us been transformed out of all recognition, but everyone we encounter recognizes that times have changed. And we realize that none of this is about us personally, and feel better.

I feel qualified to write on this subject because I had the opportunity to observe an economic collapse firsthand. I did some of my growing up in the Soviet Union, and the rest in the United States. I have visited Russia repeatedly, on personal trips and on business, during the years of Perestroika, the ensuing collapse, and the lean years of the 1990s. I feel equally at home, or, on occasion, lost, in both places. Unlike most Russian émigrés who witnessed the collapse, I was fascinated rather than traumatized by my experiences there, and have not tried to blot them out of my memory, as many of them have. Also unlike most émigrés, I know quite a lot about the United States, its society and its economy, see its fateful weaknesses, and care about what happens here. When peering apprehensively into the unknown, it is useful to have as your guide someone who has already been there. Since no such guide is available, you will have to make do with someone who has been someplace vaguely similar.

## **Transportation**

The main use of oil in the United States is for transportation. Once the crisis gets underway, there will be much less transportation available, of goods as well as of people, at any price, exacerbated by the

lack of public transportation infrastructure. The U.S. Gross Domestic Product turns out to be almost strictly proportional the number of vehicle miles traveled, and this implies that large reductions in the availability of transportation will translate into similar-sized reductions in the size of the economy overall. A few years on, roads and bridges will start falling into disrepair, making travel slow and difficult even when enough fuel for the trip can be found. People will be forced to stay put most of the time, perhaps making seasonal migrations, and to make use of what they have available in the immediate vicinity.

To see what that will be like for you, all you have to do is to give up driving; not cut down on driving, but sell your car, and refuse to ride in one on a regular basis. If this forces you relocate, or to switch jobs or careers, you should probably do so now. You will be forced to do so, when everyone else tries to do it at the same time. I sold my car a few years ago, and my life got better, not worse. Now I work within bicycling distance from home. I am physically fit because I ride for at least an hour a day, and I am saving more money than I was before because I do not have the expense of keeping a car. If you have children that ride the school bus to school, assume that the school bus will not run any more. You might be able to work out a home schooling arrangement, or find another school closer to home that the kids can walk or bicycle to.

### **Food and Clothing**

Consumer society, as it currently exists in the United States, is propped up by the still relatively cheap and accessible energy, and by the fact that the Chinese, and other nations, are still willing to dispense goods to us on credit. This credit is secured by the promise of future economic growth in the United States, which is already being whittled down by the high energy prices. Thus, the energy crisis will in due course translate into a consumer goods crisis.

Therefore, as part of your exercise, assume that every supermarket and big box store is out of business, driven bankrupt by the high cost (and low availability) of diesel, electricity, and natural gas. Shop only at the local farmer's markets, small neighborhood groceries, and thrift stores. Buy as few new things as possible: trash-pick what you can, and repair items instead of replacing them. Learn to grow or gather at least some of your food. If you do not wish to go strictly vegetarian, raising chickens and rabbits is not so hard. To buy staples such as rice, travel into town and buy them in bulk from small immigrant-owned groceries – you can be sure that these will be around even after the supermarkets are gone.

### **Shelter**

If your lease or mortgage requires you to have a full-time job in order to afford it, find a way to change your living situation to one that you can keep even when there is no more work. If you can cash out your equity and buy a place that is smaller, but that you can own free and clear, do so.

Pay particular attention to how difficult a place will be to heat; do not assume that heating oil, natural gas, or large quantities of firewood will be available or affordable. Also, pay very close attention to the neighbors. Are they people you know and trust? Will they help you? Do not assume that there will be police protection or emergency services. If you live in an area with a history of ethnic strife, how sure are you that you will be able to find a common language and make peace with everyone there, even people whose culture and background are vastly different from yours?

Know where to escape to in case your primary residence becomes unlivable, either permanently or for a time. Your arrangements might be as simple as a friend's couch, or a campsite that you rent by the season, or some land where you know you can camp, or an unused farm, ranging all the way to an alternative residence somewhere else in the world that you can relocate to.

## **Medicine**

If you have or foresee significant ongoing medical needs, staying in the United States will pose a unique set of problems; you might even consider seeking refuge in one of the many countries that provide free basic and emergency medical care to their entire population. The United States is a very special case in having made basic medicine into a profit-making industry rather than a social service. The medical system here has become a parasite, bloated and ineffectual. The doctors are saddled with unreasonable regulations and financial liabilities.

When it comes to medicine, almost any country in the world will be better than one that is full-up with unemployed medical specialists, insurance consultants, and medical billing experts. In Belize, which is quite a poor country, I received prompt and excellent free emergency medical care from a Cuban medic. In the U.S., in similar circumstances, I had to wait 8 hours at an emergency room, then was seen for five minutes by a sleep-deprived intern who scribbled out a prescription for something that is available without a prescription almost everywhere else in the world. Then there ensued a paper battle between the hospital and the insurance company, lasting for many months, over whether the hospital could charge for a doctor's visit on top of the emergency room visit. Apparently, in U.S. emergency rooms, doctors are optional.

There are specific steps you may be able to take to avoid having to depend on the medical system. Do whatever you can to be in good health, by getting enough sleep and exercise, and by avoiding unnecessary stress. Avoid processed food and junk food. If you do not feel well, get plenty of rest, instead of medicating yourself and attempting to keep to your schedule. Unless your life is in danger, try to do without maintenance regimens of prescription drugs, keeping in mind what will happen when you lose access to them. Be sure to have a living will that allows your family to have control of your medical care. Look for alternative medicines for symptomatic relief of minor complaints.

## **Money**

For several decades now, the U.S. Dollar has been able to keep its value in the face of ever larger trade and fiscal imbalances largely because it is the currency most of the world uses when buying oil. Other nations are forced to export products to the United States because this is the only way for them to gather the dollars they need to purchase oil. This has produced a continuous windfall for the U.S. Treasury. This state of affairs is coming to an end: as more and more oil-producing nations find alternative ways of doing business with their customers, trading oil for Euros, or for food, the U.S. Dollar erodes in value. As the Dollar drops in value, the price of an ever-increasing list of essential imports goes up, driving up inflation. At some point, inflation will start to feed on itself, and will give rise to hyperinflation.

If your immediate thought is, "Hyperinflation in the U.S.? Impossible!" then you are not alone. A lot of people have trouble thinking about the possibility of hyperinflation, economists among them. Hyperinflation, they say, requires the government to emit vast amounts of money, which, being a good, prudent government, it simply will not do. But this government is drowning in red ink, and will do what desperate governments have always done: opt for inflating its debt away rather than defaulting on it, to retain at least some spending ability in the face of a collapsing tax base and dried-up foreign credit. The people at the Fed do have to be kept fed, after all.

Alan Greenspan, Chairman of the Fed, has voiced the viewpoint that since oil expenditure is such a small percentage of the overall economy, increased oil prices will have little effect on it, and, of course, he is right. I am, however, still a bit concerned about lower overall quantities of oil, regardless of the price, because these would result in less economic activity. What I would like Mr. Greenspan to reassure me on is, How is a small national economy going to be able to support a big national debt? By the way, I have an idea: print some money.

Others who doubt the inevitability of hyperinflation point to the weakness of trade unions, and say that workers in the U.S. are too badly organized to bargain collectively and secure cost of living adjustments that would propel the economy along an inflationary spiral. These people seem to feel that the workers will somehow continue to be able to work even as their entire paycheck disappears as they buy gasoline for their daily commute. They remind me of the proverbial farmer who trained his horse to stop eating, and almost succeeded, but unfortunately the horse died first. Those who have work that needs to be done will have to make it physically possible for someone to do it.

There are also plenty of people in this country – the ones who are closer the top of the economic food chain, or just feel like they are – who will pay themselves whatever they require, giving themselves, and those upon whose loyalty they must depend, any cost of living adjustment they deem necessary. They will continue doing so until they are bankrupt. Because wealth is distributed so unevenly, these people make a disproportionately large difference.

Lastly, there is a large group of people who feel that such matters are for economists to decide. But decide for yourself: in March of 1999, *The Economist* magazine ran an article entitled “Drowning in Oil.” In December of the same year, it was compelled to publish a retraction. Economists are starting to look a bit ridiculous, as their predictive abilities are repeatedly shown to be quite feeble. Moreover, the whole discipline of economics is starting to become irrelevant, because its main concern is with characterizing a system – the fossil fuel-based growth economy – which is starting to collapse.

Perhaps the difficulty in reconciling oneself to such a possibility stems from history and culture, not economics. Unlike the Russians or the Germans, whose historical memory includes one or more episodes of hyperinflation, it is hard for Americans to imagine living in a time when their paper money is not worth its weight in toilet paper. But such conditions have been known to occur. Savings boil off into the ether. People who still receive paychecks or retirement checks cash them immediately, and do their best to buy the things they need to survive as quickly as they can, before the prices go up again.

There are some steps you can take to prepare yourself for life without money. For a time, you might not have an income at all, or an income so meager it will not be enough for even one meal a day, so find out just how little money you need to stay active and healthy. Learn to rely on family, friends, and acquaintances. Find out what you can take from them, and what you have to offer in return.

Perhaps most importantly, assume that your retirement income, whether government or private, will in due course become quite close to zero, and make some other arrangements for your old age. If you have children, start buttering them up now – you will need their help to survive in your dotage. If you do not have children, then think about having some, or adopting one or two. If you do not have or want children, then be sure to have some good friends who are younger than you.

For each economic arrangement involving money, try to come up with an alternative arrangement that does not involve money. For example, if you pay a baby-sitter, try to find a baby-sitter who is willing to work in exchange for lessons. If you pay rent, find a caretaker situation where you pay with your labor. If you pay for food, start growing your own food.

As you are learning to live with less and less money, you will inevitably find that the money system works to your disadvantage. If you have debt, it becomes harder and harder to make the payments. If you own property, it becomes harder and harder to afford the taxes. The money system takes a bite out of everything you do. But this is true only if your economic relationships are monetized – if they have monetary value and involve the exchange of money. As you try to reduce your dependence on the money economy, you will need to invent ways to demonetize your life, and that of the people around you.

Savings and personal property can be transformed into the stock in trade of human relationships, which then give rise to reciprocal flows of gifts and favors – efficient, private, and customized to personal needs. This requires a completely different mindset from that cultivated by the consumer

society, which strives to standardize and reduce everything, including human relationships, to a client-server paradigm, in which money flows in one direction, while products and services flow in the opposite direction. Customer A gets the same thing as customer B, for the same price.

This is very inefficient from a personal perspective. Resources are squandered on new products whereas reused ones can work just as well. Everyone is forced to make do with mediocre, off-the-shelf products that are designed for planned obsolescence and do not suit them as well as one crafted to suit their specific needs. A commodity product can be manufactured on the opposite side of the planet, whereas a custom one is likely to be made locally, providing work for you and the people in your community. But this is also very efficient, from the point of view of extracting profits and concentrating wealth while depleting natural resources and destroying the environment. However, this is not the sort of efficiency you should be concerned with: it is not in your interest.

This, then, is the correct stance vis à vis the money economy. You should appear to have no money or significant possessions. But you should have access to resources, such as food, clothing, medicine, places to stay and work, and even money. What you do with your money is up to you. For example, you can simply misplace it, the way squirrels do with nuts and acorns. Or you can convert it into communal property of one sort or another. You should avoid getting paid, but you should accept gifts, and, of course, give gifts in return. You should never work for money, but always donate your time and effort charitably. You should have a minimum of personal possessions, but plenty to share with others. Developing such a stance is hard, but, once you do, life actually gets better. Moreover, by adopting such a stance, you become collapse-proof.

## **Law**

The American justice system favors the educated, the corporations, and the rich, and takes unfair advantage of the uneducated, the private citizen, and the poor. It would seem that almost any legal entanglement can be resolved through the judicious application of money, while almost any tussle with the law can result in financial penalties and even imprisonment for those who are forced to rely on public defenders.

Many people naïvely believe that a criminal is someone who commits a criminal act. This is not true, at least not in the American system of justice. Here, a criminal is someone who has been accused of committing a criminal act, tried for it, and found guilty. Whether or not that person has in fact committed the act is immaterial: witnesses may lie, evidence can be fabricated, juries can be manipulated. A person who has committed a criminal act but has not been tried for it, or has been tried and exonerated, is not a criminal, and for anyone to call him a criminal is libelous.

It therefore follows that, within the American justice system, committing a crime and getting away with it is substantially identical to not committing a crime at all. Wealthy clients have lawyers who are constantly testing and, whenever possible, expanding the bounds of legality. Corporations have entire armies of lawyers, and can almost always win against individuals. Furthermore, corporations use their political influence to promote the use of binding arbitration, which favors them, as the way to resolve disputes.

This state of affairs makes it hopelessly naïve for anyone to confuse legality with morality, ethics, or justice. You should always behave in a legal manner, but this will not necessarily save you from going to jail. In what manner you choose to behave legally is between you and your conscience, God, or lawyer, if you happen to have one, and may or may not have anything to do with obeying laws. Legality is a property of the justice system, while justice is an ancient virtue. This distinction is lost on very few people: most people possess a sense of justice, and, separate from it, an understanding of what is legal, and what they can get away with.

The U.S. legal system, as it stands, is a luxury, not a necessity. It is good to those who can afford it, and bad for those who cannot. As ever-increasing numbers of people find that they cannot pay what it

takes to secure a good outcome for themselves, they will start to see it not as a system of justice, but as a tool of oppression, and will learn to avoid it rather than to look to it for help. As oppression becomes the norm, at some point the pretense to serving justice will be dispensed with in favor of a much simpler, efficient, streamlined system of social control, perhaps one based on martial law.

People have been known to get along quite happily without written law, lawyers, courts, or jails. Societies always evolve an idea of what is forbidden, and find ways to punish those who transgress. In the absence of an official system of justice, people generally become much more careful around each other, because running afoul of someone may lead to a duel or give rise to a vendetta, and because, in the absence of jails, punishments tend to become draconian, coming to include dispossession, banishment, and even death, which are all intended to deter and to neutralize rather than to punish. When disputes do arise, lay mediators or councils may be appealed to, to help resolve them.

The transition to a lower-energy system of jurisprudence will no doubt be quite tumultuous, but there is something we can be sure of: many laws will become unenforceable at its very outset. This development, given our definition of what is criminal, will de facto decriminalize many types of behavior, opening new, relatively safe avenues of legal behavior for multitudes of people, creating new opportunities for the wise, and further tempting the evil and the foolish.

As a safety precaution, you might want to distance yourself from the legal system, and, to the extent that this is possible, find your own justice. As an exercise, examine each of your relationships that is based on a contract, lease, deed, license, promissory note, or other legal instrument, and look for ways to replace it with relationships that are based on trust, mutual respect, and common interest. Think of ways to make these relationships work within the context of friendships and familial ties.

To protect yourself from getting savaged by the justice system as it degenerates into oppression, try to weave a thick web of informal interdependency all around you, where any conflict or disagreement can be extinguished by drawing in more and more interested parties, all of them eager to resolve it peaceably, and none of them willing to let it escalate beyond their midst. Struggle for impartiality when attempting to mediate disputes, and be guided by your wisdom and your sense of justice rather than by laws, rules, or precedents, which offer poor guidance in changing times

### **The "Young Professional"**

The first personal profile I will consider is of "Chris", a professional in his twenties, who lives in a large urban area in the Pacific Northwest. Chris earns some \$60,000 to \$90,000 a year, contributes to his employer's 401-k program, and carries massive student debt. Thankfully, he is in good health. Among his many marketable skills, none are directly applicable to an energy-scarce environment. He is a fantastic bore at parties, compulsively attempting to hold forth on the subject of resource depletion and economic collapse, and, needless to say, his parents, friends, and fiancée do not wish to hear any more about it, but love him just the same. Being uncertain of the future, he rents. Chris is a regular North American workaholic, working 50 to 60 hours a week. Chris had never given politics, oil, or the looming economic collapse much thought, until somebody handed him a copy of Mike Ruppert's book, but now he is a true believer.

As a young professional, Chris may be able to continue in his current profession, or shift to another one, to avoid dead-end career paths, and to position himself in one of the professions that is sure to see substantial growth. Clearly, many professions do not hold much promise. For example, the demand for lawyers, plastic surgeons, psychiatrists, and financial advisers will drop, because ever fewer middle-class people will require or be able to afford their services. Likewise, jobs in sales and marketing are likely to dwindle. Other professions, such as repossession, auctioneers, and undertakers, will still be very much in demand, for a time. Whether or not Chris decides to switch professions, he should choose something lucrative, work hard for a while, save up money, and get out. There is no sense in diving into these murky waters except to make a bundle, or in exposing his wealth if he manages to

accumulate any. Endlessly running on a treadmill, as so many people do today, will no longer be a viable option.

### **Serve Your Country**

If Chris finds that he needs to switch professions, and wants to remain within the official economy, then he may decide to transition into the area of government contracting, availing himself of the ample opportunities presented by official corruption, graft, and politically sanctioned organized crime, which are sure to continue seeing substantial growth. There will be a great deal of government inventory of all sorts – from very expensive weapons systems to very expensive toilet seats – to be sold off, sometimes at a substantial profit. If Chris has the flair for international deal-making, then finding foreign buyers for liquidated U.S. government assets might be something he could ease his way into.

Although government work may be steady work for a time, it also involves following rules and regulations (or at least pretending to), toeing the line, turning a blind eye, and playing the politics. Also, it rarely provides the satisfaction of getting something useful accomplished. Unless Chris manages to position himself close to the top of the food chain, where billions in public money regularly go missing with hardly any questions asked, it is also not going to be particularly lucrative. Profiting from government corruption is a high-stakes game, with only the extremely well-connected admitted to the table.

If Chris feels that playing Catch-22 is not his style and decides against working for the government, another excellent growth area, right in the middle of the newly emerging food chain, is security. As the populace becomes increasingly distressed economically, all items of value will need to be kept out of view, or carefully guarded, preferably both. The first requirement in any middling-to-large transaction will be to provide security. An organization that can provide security in an unstable environment is thus well-positioned to branch out into a multitude of other services: warehousing, logistics, transportation, finance, and legal services.

### **Business Redux**

Last but not least, Chris can avail himself of a role in the burgeoning cash economy, which will grow to encompass an ever greater list of products and services. Currently, unreported, cash-based activities in the U.S. fall into a number of distinct categories that encompass traditional crime. I do not recommend any of these niches, since they are already fully occupied, and a shrinking economy will make for a highly competitive environment. For the sake of completeness: there will always be gambling, prostitution, graft, and murder for hire. Another large category is illegal drugs and guns. Yet another revolves around smuggling people across borders, as well as providing them with cash-based employment once they arrive. Yet another is money-laundering, by moving cash through front businesses and into bank accounts. All of these are likely to see substantial growth, with the possible exception of money laundering: as the official economy becomes deemphasized, cash stockpiles are more likely to be traded for gold and other valuable commodities than to be entrusted to shaky financial institutions.

But there will be plenty of new niches opening up for Chris to choose among. Currently, the cash economy mostly involves services and products that cannot be obtained legally. In the future, it will expand to encompass necessities that are no longer available or affordable through official channels. The list will eventually grow to include transportation, food, security, shelter, and medicine. Thus, in trying to think about business trends of the future, Chris should first expand his definition of business. Conversely, in thinking about the future legal climate, he should reason from the point of view of what will be enforceable, and, if so, to whose financial benefit, because unenforceable or unprofitable legal strictures will be eagerly overlooked, as the entire legal framework falls into disuse.

## **House Calls**

Black market medicine promises to be particularly interesting, although perhaps not particularly lucrative. The cash economy will inevitably come to include pharmaceuticals, which in the U.S. are overpriced and often not available over the counter, but which can be manufactured in underground laboratories, or purchased elsewhere in the world and imported in bulk. In addition, every year there are more and more people for whom Western medicine does not work, or works badly, and who are learning to avail themselves of the pharmacopeia of traditional medicine. Although there are some exotic ingredients used in traditional medicine, many medicinal herbs can be grown in most places, do not require complex cultivation, and are, in fact, weeds. Once Western medicine and the pharmaceutical industry on which it depends enter a period of decline, it is likely that acceptance of traditional medicine will increase.

If black market pharmaceuticals may be somewhat lucrative, then what about black market medical practice? At some point it will come to include office visits, and even surgery, at first administered as “free care,” but if one wants a follow-up visit, then it would involve a “gift.” Currently, doctors in the U.S. are sandwiched between layers of lawyers, insurance companies, pharmaceutical companies, and hospital administrators, all of whom require a profit in order to exist. Once there is no profit to be made by anyone, only the doctors will remain, because they (and nurses) are the only ones who are indispensable to the practice of medicine. They will once again start making house calls, and work for whatever they can get: a bit of cash, or even for food, or simply because they care about their patients and want to be helpful and respected. They would be well advised to become competent herbalists before their pharmaceutical supply dries up.

## **Quitting While Ahead**

There will be plenty of professional opportunities for Chris to continue to make a good living, although he may have to switch professions in order to take advantage of them. In spite of this, Chris should not bet his life on his ability to find a place in the new economy, and should also make sure that he can sustain himself directly. It will be an uncertain environment, fraught with dangers and complications, and Chris should be prepared to make a hasty exit if circumstances turn against him.

Chris is in a good position to marshal his resources and make preparations for a soft landing for himself, and possibly for his family and friends as well. It is likely that he will meet new people and make new friends as he makes his preparations, and it may be that these new friendships will be more conducive to achieving this goal than his current ones.

Given his high income, Chris can quickly save up a considerable sum of money by living frugally. To achieve a high savings rate, he can downgrade his car to an old beater or give up driving altogether, move into a low-rent, ethnically and racially mixed neighborhood, avoid buying new things, trash-picking and buying used stuff instead, shed unnecessary possessions, avoid buying prepared or packaged food and only buy food fresh or in bulk, and avoid going out (entertaining friends at home, or visiting them, works just as well). With these measures in place, there is no reason why his personal saving rate should be anywhere below 75% of his net earnings.

By using some of his savings, and by cashing out his retirement accounts, Chris can put together a sizable sum with which to purchase some arable land with access to water, which he can own free and clear, and on which he can build a homestead. He should retain a reserve, preferably in gold, to be able to pay property taxes far into the future. He is young and in good health, and can learn the many new skills he will need to survive. He should learn and practice these skills before he needs to rely on them for survival: once he has built his homestead, he should try a “dry run,” spending an entire summer on his land, improving it, and growing food. This experience will teach him what he will need to stockpile, and what other preparations he will need to make.

The longer Chris waits to start making these preparations, the less effective they will be, because the purchasing power of his savings is likely to decrease over time due to inflation. If he waits until after the onset of financial meltdown to make his move, he may forfeit his savings altogether, and be unable to make any preparations. He would then find himself in the same sinking boat as everyone else, stuck where he is, or wherever the government evacuates him, dependent on dwindling government assistance and meager charity for survival.

### **Obstacles**

Chris's biggest liability is his student debt. Student loans tend to be guaranteed by the federal government, which is not subject to the same legal limitations as other creditors. The government can ignore bankruptcy laws and homestead exemptions, and can seize any property. While fixed-rate loans are likely to be rendered irrelevant by inflation, variable-rate loans should be taken seriously. If it is not possible to pay them off, then his other option is to make plans to render himself indigent. This is not trivial, but quite possible to arrange. Since a post-collapse economy generally relies on unreported cash and barter transactions rather than reported, taxed ones, Chris should be able to live out his days in peace, flying under the radar.

Chris's biggest hindrance in making effective preparations is lack of time. It is impossible to carry out the necessary research, arrangements, and exercises while working 50-60 hours a week. There are many people in his situation, forced to concentrate on a career path that requires an inordinate level of effort, because it is predicated on perpetual career advancement rather than on making one's money quickly and getting out. But with just a change of mindset, Chris can become far more creative than the average workaholic in maximizing his short-term earnings while minimizing his effort. The effort should be allocated towards getting jobs that pay the most but require the least effort, and towards finding creative ways to avoid time-consuming tasks. With this new approach, Chris should be able to work no more than 35 hours a week, at a comparable level of compensation.

Just as it is usually better to quit than to be fired, it is better to drop out voluntarily, in stages, than to wait for one's career to end due to lack of prospects for continued employment. In a business climate where most companies' crystal balls are far from clear, it is much easier to secure temporary employment than a permanent position. Contract work may not appeal to somebody who is looking forward to a long and prosperous career, but it may be very well-suited to somebody who realizes that the entire economy is circling the drain.

I believe that lack of understanding from Chris's parents, friends, or significant other is not a serious problem. It is often hard to decide just how much effort to invest in trying to enlighten any given person, but a good rule of thumb is to only offer answers to those who ask questions. The answers should consist almost exclusively of references to the most authoritative sources of information available, rather than heated expressions of personal opinion. These may give rise to more detailed questions, and perhaps even some guarded admissions of doubt. Whether or not the people around him understand what is happening, they are sure to be most grateful if, when the time comes, Chris knows what to do, while everyone around is flailing about helplessly. On the other hand, if Chris expends effort on working his loved ones into a paroxysm of despair while remaining unprepared, he will not remain popular with them for very long.

### **The Middle Age**

Next we consider the case of "Mike" and "Mary," who are aging baby boomers. Their combined income is around \$100,000 a year. Mary has worked as a teacher for most of her life, and expects to start receiving her pension soon. Mike has worked a succession of office jobs for most of his life, and is also nearing retirement. They have a mortgage on a suburban home, and own two cars. They had planned on paying it all off over the next decade or so, and living out their golden years just as they are. They have three children: two are out of college and on their own, one is in college, nearing graduation. Mike or Mary are in fairly good health, but both have minor medical conditions that

require monitoring and small amounts of medication. Mary has some gardening skills. Mike is a bit of a handyman, and can fix things around the house.

They have known that this crisis was coming since the 1970s, but did not think it would come this fast, nor did they think that it would be so severe. They found out about it by reading James Kunstler's article in Rolling Stone, then doing some research on the Internet. None of their children has shown more than a passing interest in these issues.

### **Old Age in Turbulent Times**

The older we get, the more ossified we tend to become in our ways of thought, our habits, and our expectations. We may be unhappy with many things about our world, but, as we age, our ability to embrace change decreases, until we find ourselves resigned to live out our days with the devil we know. Some old people are quite functional when they are within their element, but put them in an unfamiliar environment, and they become disoriented, unsure of themselves, slow to adapt, and deeply distressed.

When confronted with cataclysmic, irrevocable change, some old people rebel in a peculiar fashion. For many years after the Soviet collapse, one could see a certain type of old person in the streets: miserable, dispossessed, and protesting. Often they carried with them portraits of Lenin and Stalin, held high for all to see: these were the devils they knew. Perhaps in future years we will see baby boomers on the streets of U.S. cities, begging for food while displaying their treasured portrait of Ronald Reagan as if it were holy relic, or a lucky charm, hoping against all hope for a return to a former national greatness, stoically withstanding ridicule from everyone around them.

Even in less extreme cases, in disrupted, crisis-ridden times, older people run a huge risk of becoming alienated from younger people, on whom they depend for survival. Being fixed in their ideas of right and wrong, they tend to prejudge young people, who must survive in a world where the old rules and notions no longer apply. In a futile attempt to hold on to what they see as moral high ground, they make themselves into objects of pity at best, and indifference at worst.

### **The Human Life-cycle**

Cheap energy and the short-term bloom of humanity it has fueled have given rise to some social arrangements that are not destined to survive the onset of permanent energy scarcity. One of these is the notion that a few young people will anonymously contribute a large part of their income for the welfare of many old people they have never met or even heard of.

In the days in which most of human history has transpired, parents took care of their children as their topmost priority in life. As with many other species, it was their biological imperative to do so; beyond that, most of them were conscious of the fact that if their children did not survive, neither would they: their genes, their memories, their culture, or anything about them would be erased by time. The care of children could be entrusted to family members, but never to complete strangers. The education of children took place largely in the home, through storytelling, shared labor, and through rites of passage. The elderly, and especially the grandparents, took an active part in rearing and educating children. It was they who watched and attended to young children throughout the day, and who inculcated in them much of the ancestral wisdom – the stories, the myths, and the practical knowledge – through ceaseless, tiresome repetition.

At the trailing edge of the fossil fuel age, where we find ourselves, prosperous society looks quite different. Both parents work dismal jobs, mostly away from home, in order to keep themselves out of bankruptcy. Those who prosper most attend to their careers with far greater attention than to their children, abandoning them to the care of strangers for the better part of most days. The grandparents live elsewhere, enjoying their golden years, the fruits of their labors encapsulated in some properties,

some investments, and a merciful central government that has promised to at least keep them alive even if all else fails. They are living on artificial life support that is about to be shut off.

Once the joy-ride ends, human society will revert to norm, but many will suffer, and many lives will be cut short. The elderly will get a dose of their own toxic medicine. Adult children will take care of their helpless parents only inasmuch as their parents had taken care of them when they were young and helpless. Were they placed in day-care, sent off to a boarding school, or encouraged to join the military? Well then, institutional care for the elderly must be the perfect solution! (And no use complaining; when their children were three years old and complained, did they listen to them?) Were they made to work for their allowance, to learn the spirit of free enterprise at a young age? Well then, how do their parents expect to earn their keep when they are eighty? Shape up or ship out! These words will not necessarily be said out loud; but they will be felt, and lived.

What will make matters worse is that most of the children are humans-”lite” – deprived of the stories, the myths, and the trials that human children have been put through for the past few million years, minus a bizarre century or two – and so are gravely ill-equipped for life outside the artificial life support system. They are an industrial product: almost from birth, they are placed in an entirely artificial social context, where they are evaluated, classified, and shoved through a series of institutions, to be readied for a lifetime of service in a system whose feedstock is a commodity human product: Grade A human, marketable skills up-to-date, properly credentialed. Even if their parents and grandparents were intact and able to impart wisdom, their children had not been programmed to process that sort of information.

### **Forever Young?**

When we are young, it is easy to embrace change, to adapt, to leave our past behind; not necessarily so as we get older. When it comes to flexibility and adaptability, there is a broad spectrum of older people. There are ones that seem relatively young, but are hardened and calloused on the inside. They simply want to have what's theirs, and to be left alone. There are others that seem old and crusty, but have really been waiting all their lives for that time when they have to rise to the occasion, shake off the shackles that society has placed them in, and become amazingly alive. Yet others will simply do whatever is necessary, because that is what they have always done, for as long as they can remember; and then one day they will stop, and become like children. Yet others fall into despair, or act normal but convert their psychological shock at the changed circumstances into mysterious illnesses.

Some older people I know are like giant warehouses of knowledge – richer than the biggest library. Others hold their secrets well, looking for one or two young persons they can teach, who will deliver them one generation further. Still others simply have a rhythm to their lives that can go on forever – if you learn it, you will be able to pass it on. But plenty of others are simply dead weight: organic matter kept alive artificially. An oil-based life support system that has allowed them to be fruitful and multiply is now allowing them to persist, for a time. One more day is one more day, like fungus growing on a tree stump.

Who knows what any of this means for Mike and Mary, our two aging baby boomers with an income in the \$100,000 per year range and a dream of living out their retirement in their suburban home? The fact that they are concerned about something they have read on a Web site is not significant: there are lots of alarming, and alarmist, Web sites. The fact that they have known that oil was going to run out some day since the 1970s is also not that significant: quite a few people have known that for just as long, and have not done a thing about it. The fact that their children are not the least bit interested in these matters is to be expected. Even if their motto is “do as we say, not as we do,” why should anyone expect their children to follow it? Least important is the fact that at their ripe age they are showing concern over something that has been unfolding over most of their lifetimes, and will continue unfolding, sometimes gradually, sometimes suddenly.

## **Out of Retirement**

Mike and Mary should brace themselves for some bad news. The first piece of bad news is that their retirement is going to be canceled. Their investments and savings will be devalued, and the value of their equity in their suburban house will be negligible. They will probably continue to receive checks from the government, but it will not be enough to live on. The second piece of bad news is that there will not be any actual official paid work available to them to make up the shortfall. Nor is it likely that there will be any official recognition of their plight, or public attempts to remedy the situation, or effective political organizations for people in their predicament. This may come as a shock to a generation used to being a political force to be reckoned with.

A Byzantine system of accounting has already been put in place for forging inflation and unemployment statistics. Cost of living adjustments are always kept at about half the level of actual inflation. The term “unemployed” has been redefined to mean “eligible to receive temporary unemployment benefits.” As inflation starts to pick up, retirees on fixed incomes will gradually be driven destitute.

## **A Sad Alternative**

If Mike's and Mary's plan is to live out their golden years in a suburban house, driving to and fro, then they clearly do not have a plan, and will gradually lose control of their lives. Almost immediately, their house will become too expensive to heat. Next, it will become impossible for them to continue driving, due to gasoline rationing and shortages. Next, electricity will be cut off. For a time, they may continue to be supplied with food by some community-based service.

At some point, if they are lucky, they will be evacuated to some hastily organized compound – most likely a dormitory or a barrack with cots and a television set in the corner, which is mostly off due to lack of electricity, and plenty of blank walls to stare at. There will be a dining hall, where they will receive their daily portions of tea and gruel.

Perhaps one of their children will come to their rescue. But it is more than likely that their own circumstances will be quite difficult, and that they will have little ability to provide for their parents, especially if none of them have made any preparations for doing so. Or perhaps they will be quite capable of providing for their parents but will not want to.

## **A Happier Alternative**

So Mike and Mary need a plan. But who are they, and would it not be presumptuous of me to attempt to contrive a plan for them, not knowing who they are? Nevertheless, let me venture a guess or two. Is there something unique and amazing, lurking behind that vinyl-clad suburban façade and those tinted SUV windows? Even if there is not, here are some fairly basic ideas that spring to mind.

Maybe Mary's spirit has not been broken over decades spent teaching in the soulless U.S. public school system. Maybe she is ready to open her own school, in her own living room, for neighborhood kids of all ages, one that teaches something more valuable than how to pass government-mandated standardized tests. Maybe she could recruit some younger trainee teachers, who need not have the worthless degree in Education? Retired American schoolteachers are known for doing that sort of thing in other third world countries, so why not in this one?

And what about Mike and his decades of accumulated business and managerial acumen in striking deals, negotiating and enforcing contracts, and inspecting financial statements? He could, for instance, put his skills to good use in pushing through mixed use zoning, so that people in his community could open shops in their basements and garages. When the public water supply becomes contaminated, disrupted, or too expensive, perhaps Mike could help negotiate utility easements for the gathering of rainwater. He could organize rent strikes against absentee landlords, forcing them to sell to people

within the community. He could help convert the school bus fleet to full-time use, serving the entire community throughout the day, rather than just children, twice a day.

The best that Mike and Mary can hope to achieve is to cluster their children around them, all living in close proximity, although preferably not in the same house. Too close is almost as bad as too far away; next door, or on the same street, is optimal. The bigger the extended household Mike and Mary are able to form, the better their chances of living comfortably. It makes little difference whether their children are aware of these preparations ahead of time. If Mike and Mary are able to offer support and practical advice to their children when the economy turns sour and their children's lives start to fall apart, they will probably accept the favor, and will later want to return it.

### **Suburbia Forever**

Am I being overly optimistic about the promise of a reformed American suburbia? Some people are ready to declare suburbia to be at an end. But then I know that Americans are very much driven to hyperbole, always willing to put an end to something certifiably unstoppable (war, AIDS, cancer, poverty, global warming), usually by making a small charitable donation, by wearing a colorful plastic bracelet, or by going for a walk, a run, or a bicycle ride. Below the charming, childlike confidence and optimism of such ventures lurks a culturally ingrained inability to grasp something basic: not all problems are solvable.

And thus I discern an element of wishful thinking in the idea that suburbia is going to conveniently disappear, and that everyone who lives there will simply go and live someplace else. A cabin in the woods, perhaps? Or a picturesque desert island? How about a space colony? Nor do I find it plausible that half the U.S. population will lay down and die shortly after they discover that some of their cars no longer run or that their kitchen appliances no longer work. And so I find it safe to think that most of the existing infestations of Suburbia americans are ineradicable, but that the evolutionary pressure of a chronic energy shortage will force them to evolve into something much less energy-intensive. Whether, in each case, that something will turn out to be absolutely horrible, or quite pleasant, will depend on many things.

For instance, a suburb with many big lawns and golf courses could pass a series of enlightened ordinances such as "No grass shall be cut until it has gone to seed, and shall only be used for forage or fodder." Then they could all keep ponies, ride them to the market, and live happily ever after. No, it is not quite that easy, but I am convinced that the biggest obstacle is bad habits – like keeping the grass clipped really short and putting the clippings into garbage bags to be hauled away in garbage trucks. It should not take any brilliant new inventions or high-priced initiatives to make suburbia survivable. All that is needed is for people to stop doing a lot of nonsensical things and start doing a few commonsense ones. Even if they resist, circumstances will inevitably nudge them in the right direction.

Should Mike and Mary decide to move or to stay? Do they know, and like, their neighbors? Do they think that their current community will hold together? Do they have faith in their ability to adapt? Is their suburb a place where their children will want to live? If answers to any of these questions is "no", then they have very little to lose by moving.

If they decide to move, they could move to a small town and strive towards self-sufficiency by doing some gardening, maybe even raise some livestock. Their children may decide to join them there, once they run out of other options, which they will if they do not prepare. Or they could move to a city (one of the few compact, livable ones) – and hope that they will be taken care of there.

Finally, they could decide to leave the country altogether, but for this they would need to have quite an adventurous spirit. There are plenty of stable, if not prosperous, places on this planet, that are far less dependent on the international energy and financial markets than the U.S., and where the cataclysms that will shake the U.S. will barely register.

The final profile we will consider is of “Steve,” who is 18 years old. He found out about Peak Oil after one of his on-line video game buddies sent him some links to Web sites, which he found deeply shocking. Now he is totally freaked out. Is he about to get drafted and sent off to fight for oil in the Middle East? How is he going to survive in a collapsing society? He works a part-time job and lives with his parents, who take his fears to be the folly of youth, and assume that he will be going to college, earning a respectable degree, and entering the workforce (while going into debt at the same time).

Let us suppose that Steve's parents are correct: there will be no economic collapse any time soon. Steve will go off to college, earn a degree in accounting, get married, take out a mortgage on a suburban home, and have children. Now, if Steve's parents are reasonably well-informed, can they believe that there is more than another forty years' worth of nonrenewable resources left at their current level of production, never mind the need for sustained economic growth? As they watch the endless parade of record-setting freak weather events, with fifty-year records being broken not every fifty years, but every one or two, can they believe that none of these, together or separately, will upset Steve's well-laid plans? Even if they feel certain that they will live out their own lives in peace, why should they want Steve to work hard to perpetuate a state of affairs that they know will not last for the duration of his lifetime? Is it not the tiniest bit unethical of them to try to push their son in such a risky direction? And is it not the tiniest bit incumbent upon them to try to propose something better?

### **A Web of Lies**

One of Steve's most severe and painful realizations, if he is lucky enough to have it, will be that he has been lied to all his life, more or less continuously, by his parents, his minders at school, and even, to some extent, his own peers. If he does not have this realization, then he will be doomed to see all that happens to him as the result his personal failings: his weakness, lack of talent, inability to fit in, or bad luck. Even if he does have this realization, he will find it difficult to live his life accordingly, because those who lack this realization, and deem themselves successful, will try to denigrate him as a misfit or a loser.

One part of the lie is that America is the best and getting better – land of possibility and so forth – and that he can achieve his dream, whatever it is, by being diligent, hard-working, and a team player. Of course, his dream must be an American dream – just like everyone else's, and involve a house in the suburbs, a couple of cars in the driveway, a couple of kids, maybe a cat and a dog, and lots of money in retirement accounts.

The other part of the lie is that Steve can live such a life and be free. He would be free - to make false choices. For breakfast Steve will have... stuff from a cardboard box with commercial art on it, excellent choice, Sir, well done! And in order to get around, he will have... a disposable vinyl-upholstered sheet metal box on four rubber wheels that burns gasoline, very wise, Sir, very wise! By choosing a prepackaged life, Steve himself would become a prepackaged product, a social appliance designed for planned obsolescence, whose useful life will be determined by the availability of the fossil fuels on which it operates.

That these are lies is plain for all to see: with each next generation, people are being forced to work harder and to go deeper into debt to maintain this suburban, middle-class lifestyle. About a third of them experience severe psychological problems. Also about a third of them do not believe that they will be able to afford to retire. The majority of them believe that they are not doing as well as their parents did.

And thus we have a three-tier generationally stratified middle-class society. At the top, we have a whole lot of happy, prosperous, self-assured old people, living it large, not willing for a moment to admit their complicity in impoverishing their children and grandchildren. In the middle we have a smaller number of their adult children, running themselves ragged, forced to delude themselves that

everything is under control, just to keep up their spirits. And then there are even fewer young people like Steve, just coming of age, and, one would think, justifiably angry with the hand they have been dealt. Few of them are up to the Herculean task that has been set in front of them.

## **Escape Plans**

This society still has plenty to offer to a young person, provided that the young person is clever enough to know how to take advantage of it. All of this advice falls into the category of “If everyone did this, society would fall apart.” Clearly, this advice is for people like Steve, and does not apply to societies, empires, or civilizations. It has been thoroughly tested right here in the U.S., and has a track record of successfully dodging society's best efforts at enslavement.

First of all, it is probably a bad idea to go straight to college. It is best to avoid getting sucked into that pipeline, which starts around the middle of senior year and ends with post-graduate indentured servitude of one sort or another. Apply to a couple of schools, strictly pro forma, to avoid suspicion. Having a high school diploma is important; the grades and test scores are somewhat important. Demonstrated excellence at one or two things is more valuable than a good average. Most important is learning the differences between your talents, your interests, and your expectations.

At this point in the game, gaining basic money-making skills is far more important, especially in the trades, such as landscaping, interior restoration, carpentry, house painting, floor sanding, mechanical repair work, and so on, because these are all jobs that can be done for cash. Avoid dangerous trades, such as roofing, abatement, and, in general, anything that involves toxic chemicals or dangerous machinery. Having some business skills is important too – knowing how to deal with bosses and customers and how to supervise people. The best approach is to work a series of short jobs – shorter than a year, learning a trade and moving on immediately, and always be on the lookout for special, unofficial projects. Think of regular employment as good cover, but not as the main source of income – and therefore best kept to part-time. Always job-hunting, switching and learning new jobs, will help keep your mind sharp. But be sure to read as well, and challenge yourself by reading difficult books – this will help you when you decide to go back to school.

Once you graduate, immediately become financially independent from your parents. Move out, and work on developing a good roommate situation. Go for the cheapest rent you can find by talking directly to landlords and offering to take care of security and maintenance. Pick your roommates carefully and try to get a cohesive group together, so that you can rely on each other. Do not accept money or other sorts of financial help from your parents. Do everything you have to so that if and when you decide to go to school, and file financial aid forms, you are not their dependent, and they are not expected to pay your college tuition or living expenses. If your parents require an explanation, it is that you care about them: you do not believe that their retirement will be enough to live on, and the money that would be swallowed up by tuition will help. If you have a system worked out for living frugally and making a bit of cash, on paper you can look penniless, which is perfect, because schools will confiscate all the money that you disclose to them. Be sure to always disclose just enough to avoid suspicion, and brush up on the laws to make sure it's all legal.

## **Higher What?**

When thinking about attending a college or a university, it is important to understand what these institutions actually are. They are often called “institutions of higher learning,” but the learning is quite incidental to their two most important missions: research (government or industrial) and something known as “credentialing:” the granting of degrees. In many ways, it is a sort of extended hazing ritual, where the aspirant is required to jump through a series of blazing hoops before being granted access to a professional realm. An important sideline is sports, and some schools are virtual beefcake outlets, with nary a forehead in the crowd disfigured by a sentient impulse.

Excellent teaching does happen, but more or less by accident. Professors are recruited and retained based on their publications and awards (to lend prestige to the school) and their ability to attract grant money. Much of the teaching is done not by the professors themselves, but by graduate student teaching assistants, adjuncts, and various other academic minions.

The human mind learns best through repetition and through applying knowledge, but college curricula are structured so as to avoid repetition, with each course designed as a stand-alone unit. Most of the learning takes the form of cramming for tests, and what is tested is not knowledge but short-term memory. By the time students graduate, they have forgotten most of what they have been taught, but with perfectly honed cramming skills, ready to brute-force their way through any further superficial tests of their “knowledge” or “competence,” to join the swelling ranks of America's credentialed amateurs.

There is supposed to be a huge difference between the best colleges and universities and the rest. The ones considered best are mostly private, although few state schools find themselves included among them. What is taught is generally the same throughout, and the quality of the teaching is quite random. The best schools are thought to offer better chances for finding good jobs after graduation, but this is debatable.

For some students, the more prestigious schools offer a certain charmed quality: no matter how much they drink and how badly they do, they cannot flunk out. An echelon of tutors is summoned to guide their every mediocre step, all the way through graduation. These are the children of the elite, whose attendance at these institutions is more a matter of tradition than anything else. It makes no difference whether they learn anything or not: for their breed, the pedigree counts for a lot more than the obedience training. I have run across a few of these zombies with Ivy League diplomas, childish handwritings, speech peppered with nonsense syllables, and an attitude that never stops begging for a slap.

### **The Optimal School**

This being the lay of the land, what is a young person like Steve to do? The prestige offered by the best schools would be wasted on a desolate job market, while the inevitable pile of student loans would be a millstone around his neck. And yet there is no better place to learn than a university.

I recommend that Steve choose a school not based on reputation or prestige, but word of mouth and financial advantages. The best school is the one that offers the best financial aid package, where he knows some people in the fields of study in which he is interested, which offers cheap off-campus living, and where he can find jobs to make money on the side. Steve should keep his earnings off the books whenever possible, or the school will confiscate them. The school will force him to take out some loans, so he should save enough money at the same time to cover them. He should try to find employment right at the school, because such jobs often provide a tuition waiver.

State schools have an advantage: not only are they cheaper, but a lot of the students come from the vicinity rather than from far away. When Steve makes some friends among them, they will help him gain entry into the local community. Ideally, this is also an area where he will want to continue living once he is done with school, among his new friends. Deciding to settle wherever he finds a job is not a good plan; it is much better for him to know how to find work wherever he decides to settle.

### **Fields of Mud**

When choosing a field of study, it is important to keep in mind that there are disciplines that will abide and remain perennially valuable, while others are fluff. The sciences – Physics, Chemistry, Biology, Zoology, Botany, Geology – will serve you well. Mathematics, Philosophy, Astronomy, and a foreign language or two will make you a better person. Literature and History are invaluable, but rarely taught

well; if you cannot find a truly inspired teacher, teach yourself – by reading and writing, which are the only two activities these two disciplines require.

Then there are the pseudo-sciences: Psychology, Sociology, Political Science, and Economics. They disguise themselves as sciences by employing experimental techniques and statistical analysis, and, in the case of Economics, a funky sort of math, but they are fluff, and are clearly marked with an expiration date. The distinction is quite crisp: for any subject, pick up a textbook older than fifty years. If it is a real discipline, there will be some recent discoveries and technological developments missing from it (a few elementary particles, DNA) but the rest will still look valid. If it is a fake subject, a fair percentage of it will look a bit iffy, with a smattering of stark raving nonsense.

Lastly, there are the conduits to the professions: Law, Medicine, and Engineering. They have little to do with getting an education, and everything to do with learning a trade, and, of course “credentialing.” In each case, the hazing is extreme.

The legal profession is already a bit overstocked, and, law being a luxury product, it seems unlikely that these graduates will be able to pay down their copious student loans in the new economy. Already many of them lack the option of becoming public defenders or taking on pro bono cases because of their huge financial burdens.

I have already said enough about medicine; but if Steve wants to be a doctor, there are some medical schools around the world that graduate real doctors, rather than technocrats who practice “defensive medicine” and shuffle paper half their day. After the extended sleep deprivation experiment they are put through as interns, they get to live in stately homes, fly to pharmaceutical company junkets, and play a lot of golf. That may change.

I am partial to engineering, having put myself through its rigors. It sometimes creates what I feel is a good sort of person – a bit stunted in some ways, strangely passionate about inanimate objects, but capable at many things and generally trustworthy. If Steve has exhibited the telltale tendencies – such as completely dismantling and reassembling various gadgets, and making them work perfectly again afterward – and if he looks forward to four years of scribbling out formulas under intense pressure, then engineering may be for him. Whether he will be able to earn a living by engineering is unknowable, but then engineers can usually find plenty of other things to do.

### **The Piece of Paper**

It is often hard to tell ahead of time, but for a lot of people graduating may be quite pointless, while dropping out at an opportune moment may be quite advantageous. I know plenty of people who never graduated; they have been my bosses, my colleagues, and my employees. They often have an original perspective, along with an unusual depth of knowledge. Some of the best-educated people I have ever met have been dropouts: the self-educated poet Joseph Brodsky, for instance, who won a Nobel Prize in Literature, dropped out of grade school aged fifteen.

It is best not announce your intention to never graduate, but behave accordingly. While others are busy checking off boxes on their little curriculum planning sheets and suffering through pointless required courses with mediocre instructors, you can find out what you want to learn and who you want to learn it from, and take your time to learn it well. Do not rush: if you feel that you have not absorbed all the material to your satisfaction, you can always request an incomplete and repeat the entire course free of charge. If a good project comes along, take it, take a leave of absence from school, then go back and study some more. Keep telling everyone that you intend to go back and get your degree. I know people in their late 40s who are still in good standing, always threatening to come back and finish their degree: people find them quite charming.

Do not worry too much about grades; it will make very little difference what grades you received, but it will matter a lot whether you have learned what you had set out to learn. If you are on a scholarship,

then by all means maintain the average that is required of you in order to continue receiving it. Think of the grade you get as the grade you give to the professor: if the professor is excellent, then you should try to repay her with some excellence of your own.

### **Earth, Revisited**

The last, and possibly the most formative part of your education is for you to go and see the world beyond the borders of the U.S. Learn a language, then go and backpack through countries where you can speak it. Spanish – properly the second national language – is about the easiest language you can learn, and it unlocks a huge world, which starts right within the borders of the U.S., and which offers a great richness of spirit, along with a level-headed perspective on all this gringo madness that you will have to learn to escape from.

You are at an age when parts of who you are – your outlook on life, your personality, your habits and your tastes – are still forming. There is no better way to gain a fresh perspective on the world – and on yourself – than to put yourself into an unfamiliar situation: new place, new culture, a different language. Who knows what you will find? It could be a new place to live, an acquired taste for leading a nomadic existence, or it could be a new peace of mind, a sense of self-sufficiency, or a unique perspective on life.

### **Fact or Opinion?**

What will you do? No-one wants to take difficult steps, make their lives more difficult, or withstand privations of any sort, based on mere opinion; people want facts. What I have written here most definitely straddles the fuzzy line between opinion and fact. I have consciously avoided quoting authorities because I want to emphasize that this line really is fuzzy, and that no authority can help you make it less so. Some of what I wrote here may resonate with you, and so you would tend to consider it closer to fact than it really is. Other things I wrote here you might disagree with, and consider them just my opinion. Be that as it may; as far as your life is concerned, it is your opinion that matters, not mine.

The line between fact and opinion is always moving, sometimes imperceptibly slowly – the way an entire country sinks further and further into debt, and sometimes very fast – the way several million people suddenly lose electricity for a few weeks. It is like a shoreline on a map – quite factual, and fixed, except for the odd storm surge. If you remain dry, the shoreline shift is mere opinion; if you are forced to spend some time underwater, it is more like a fact. When will you decide it time to move to higher ground? When you find yourself underwater, and have to swim there? And what if you move to higher ground while you are still dry, and find that it is rocky and barren?

It is human nature to want to postpone making unpleasant decisions until the last moment, and we can do so with impunity, provided we leave enough options open for us to choose from. Every day that we live contentedly within the status quo, we restrict our options further and further, by making ourselves increasingly dependent on more and more systems over which we have no control, and on which we cannot rely. But there are also small, conscious steps we can take that break some of these dependencies, and create new options for ourselves. If we take enough such steps, then when the time arrives for a major, life-changing decision, we will be ready.