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The excesses of Christmas bring home the need to re-evaluate the impact of society on consumer spending and the need for better financial education

By Philip Evans

- Should festive celebrations leave you in debt? ◆
- Online debt collection ◆
- Reality check for government ◆

CHRISTMAS AND THE MEANING OF MONEY



In 1956, science fiction writer Paul Anderson wrote a short story about a consumer society where the Christmas rush was well under way by 8 September. I first read the story in the mid-1980s but it was not until last year that I saw a shop stuffed with Christmas goodies before August Bank Holiday.

I remember a time when one consumer event would be exhausted before another assaulted our senses: when Hallowe'en had not been exploited and, on the whole, fireworks had been cleared from the shelves before the Christmas stuff was displayed. But now horror nasties, fireworks and sparkling decorations jostle for my money.

Christmas may be a fudge of Christian and Pagan festivals but it started as a time of generosity. It soon evolved into the season of self-indulgence, and the consumer revolution of the twentieth

century saw it flourish into the season of extravagance. But now, fuelled by credit, it has grown into a monster of conspicuous consumption.

Retailers know the razzle-dazzle confuses our minds as well as our eyes and that spending is as intoxicating as alcohol. Once some people start, they do not stop until they are face down in the gutter. We now spend on ourselves far more than we spend on others and the hangover comes with the first credit card statement of the New Year.

Ash-heap lives

The navigation lights that guided previous generations towards rational borrowing decisions have finally been extinguished. Credit enables us to indulge what Francis Schaeffer called 'ash-heap lives': by that, he meant that most of what we devote our time and

money to ends up on a rubbish tip. And we do it best at Christmas.

Last year, charity Credit Action estimated that we each spent an average of £378 on presents, £163 on food and drink, £64 on decorations and £121 on socialising. When I discussed these figures with a group of teenagers, they thought £64 for decorations very low. Most of them claimed their families bought all their Christmas decorations new each year.

I feared I was being had and during a break asked the staff. They explained that the teenagers came from rich families and were not at all surprised by what they had said.

The pressure to spend is relentless. Advertising creates an illusion of a lifestyle that suspends our lucidity and magnetises us to purchase whatever we need to make it real. >>

>> But as generations of philosophers have testified, satisfaction rarely comes by way of unremitting gratification. The philosopher Maimonides even went so far as to say that our most grievous suffering is brought about by our desire for what is unnecessary.

Social marketing

But much more goes into creating the illusions than advertising. I often discuss with teenagers the impact that soap operas like *Eastenders* and *Coronation Street* have on our beliefs and attitudes.

Although fiction, these programmes portray a way of life that seems 'normal' for the UK at the start of the twenty-first century. The scriptwriters do not have budgets for the characters, and so they get into debt only when the plot calls for it, not when they breakfast at the café too often or buy too many drinks in the pub. And they never get a bill for Christmas!

Many debt management companies market their services in ways that create a false sense of security. I have come across teenagers who owe £2,000 to £3,000 but think they have not got a problem because television promises to banish debts of £15,000 without difficulty.

Holistic approach to education

Why do we spend so very much each Christmas? Our emotions about money are formed very early and run deep – so deep we are rarely conscious of them.

Most of us fail to think objectively about what it can achieve for us and we have become convinced, to an improbable degree, that our self-worth is bound up with the excess.

This is why I take an holistic approach to personal financial education: character is as essential as technical skill for effective money management. Financial capability is as crucial to successful living today as literacy and numeracy, but it does not come close to those subjects as a priority in schools. In my experience, far more people talk about the importance of personal financial education than actually attach any importance to it.

Given how much of young lives we devote to preparing them to become productive wage earners, it is absurd to

think how little of it we spend preparing them to use well what they earn.

The needs of a community

But this is just one facet of our greater failure to adjust our attitudes towards money in line with the changes in the ways we use it. Every civilisation that 'invented' money did so to pay taxes: without it complex, interdependent communities could not be maintained.

Now money is a major trading commodity and the 'bottom line' for personal life as well as business. It is

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our primary means of motivation through salaries, bonuses, tips, commissions and the rest; it is the most important method by which the State controls us – through fines for serious crimes and penalties for a diverse range of bad behaviour that includes criminal damage, late tax returns, smoking in public places and failing to clear up dog mess.

In the course of this development, we have forgotten just how indispensable money is to community life. It is the 'natural' resource – as essential as air, water and food are to individual life.

For a human body to function well, it must have adequate amounts of these basic resources. For a human community to function well, sufficient money must flow through it and people must have access to what they need and understand how to use it properly.

To neglect something so important in education, and to use financial penalties so recklessly as we have done in recent years, is as self-destructive as a relentlessly poor diet and substance abuse.

I am not against financial penalties as a matter of principle, but their use is as problematic as withholding the basics of human life. I would go so far as to say that many of the ills in our society are a consequence of the way we have abused money.

I think that Jesus of Nazareth was correct when he observed that avarice (not simply 'a love of money' but an unnatural desire for money and material wealth) is the root of all evil. Much of

the selfishness, greed, frustration, rage, disrespect of authority and petty dishonesty has roots in money abuse.

Without a compelling incentive for change, our consumer society and sophisticated credit market will continue to advance on a wave of recklessness – like a surfer who does not believe in beaches!

The need to find a better way

Some years ago, I was naive enough to be surprised to learn that state benefits and the minimum wage are not set by

any evaluation of people's needs. When we then punish these people for poverty-related crime, we only hasten their spiral. We need to link provision to need and find better ways of punishing people for crime and antisocial behaviour.

The Tribunals, Courts & Enforcement Act 2007 brought home to me how little the government is willing to invest in tackling overindebtedness issues.

We needed something more constructive than indiscriminate bailiff law to increase the amount of central and local government revenue; we needed something more imaginative than a few incentives bolted on to the existing tangle of debt management and debt relief measures.

What we need is a comprehensive review that reaches the far ends of the credit-debt spectrum. One that considers the provisions of goods, services and credit, the plethora of fines and penalties – and the difficult end of enforcement. A review that is pragmatic about how we use money today.

At a personal level, Christmas is the ideal time to start a grass roots revolution! At risk of sending a shiver down the spines of retailers and lenders, it would be a good time to lock up our credit cards, bin the loan offers and get real about the satisfaction that money can buy.

Happy Christmas! **CCR**

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