

## The Economics of Desire

by Elaine Ireland

A common interpretation of what Buddhists say about desire is that it is the root of suffering. But a desire that would make you suffer is more like a self-imposed requirement of absolutely having to have something — whether its really right for you or not. That kind of desire makes the object of desire way too important. I do believe credit card companies and lenders know this all too well.

Science of Mind, on the other hand, teaches that desire is an intention which is likely to show up in your life as you hold it in mind. In other words, it'll work out. Stay on the path. No need to suffer.

In our culture the terms success, money and prosperity are defined by the things we surround ourselves with — the comforts and luxuries. Credit makes these things accessible and it makes our society go around. But if these things are on credit, do we really have them? Are we defining ourselves by these things that aren't even really ours?

When the objects of our desires and aspirations are so important that they define us, consequence follows. The etymology of the word Consequence goes back to the 14th century from the roots con (together with) + sequi (to follow). In other words, to follow after. We all know this word, but sometimes, just forget. We would like to suggest learning different definitions of success and prosperity that might have better consequences for us than we're experiencing today.

First, just a little history of how we got to this current economic consequence.

The current economic crisis has its roots in the housing bubble that peaked in 2006, when many "subprime" lenders offered mortgages with low teaser rates to borrowers who were not qualified to repay them. Beginning in early 2007, these "subprime" lenders began to collapse. That led to a ripple effect on Wall Street, which had provided the financing for these mortgages by packaging them into complex securities sold into a global market. In August of 2007, two Bear Stearns hedge funds filed for bankruptcy after sustaining heavy mortgage-related losses. American Home Mortgage, the 10th largest mortgage lender, filed for chapter 11 bankruptcy. That same month Ameriquest, once the largest subprime lender folded, selling its loan servicing arm to Citigroup. That was last year!

But things still looked pretty good to most Americans when on October 9, 2007 the Dow Jones industrial average closed at its record high of 14,164. We felt pretty prosperous as a nation.

During that same month, however, Treasury Secretary Hank Paulson was already talking about the housing collapse as being the most significant risk to our economy. The Feds lowered interest rates by a half a percentage point, injected \$41 billion into

the financial system, and initiated a \$170 billion economic stimulus package. I don't know about you, but I didn't heed the warning and simply pull my money out of the stock market. Somehow most of us just weren't connecting the dots.

By January of 2008, the National Association of Realtors had announced that the decline of existing home sales was the worst it had seen in 25 years and by June as part of a crackdown on alleged mortgage schemes worth \$1 billion, the FBI had arrested more than 400 people, including mortgage brokers, appraisers and home builders.

Last quarter, consumer spending fell. Consumer spending accounts for the single-biggest chunk of overall economic activity. This fall marked the first quarterly drop since late 1991 when the country was coming out of a recession.

So here we are. The dots have been connected for us and we're no longer feeling prosperous. Many of us had little if anything to do with it.

Everywhere in the news we see the doom and gloom and the fingerpointing. It seems that everyone wants to play the blame game. There were many contributors and culprits. We'll be discovering what and whom for years — maybe decades. At this point, I don't find it particularly useful. I prefer to focus on the future. And I prefer to focus on my own psychology rather than join the collective psychology.

The collective psychology of buyers and sellers of stocks is fearful and erratic. Our high level of anxiety about the banking system and uncertainty about the length and depth of this downturn heavily influences stock prices. Yet, current stock prices may already reflect the worst-case scenario — or they may fall further. But at some point prices will reach a level where the risk of spending some remaining cash to begin buying a few shares is balanced by the odds that the economy will recover and you will have made the investment of a lifetime. Folks who are stepping up as buyers today may be making just that kind of investment. They're the ones not feeling so defined by the doom and gloom sentiment.

To create more positive thinking and more sustainable change, however, we need to approach prosperity and financial challenges from our own internal perspectives. We would like to suggest a few books to assist you in thinking differently about this issue. They are intended to help you make changes to your finances based on self-awareness, self-definition and sustainable thinking.

Some sources for the history used in this article include: Bureau of Labor Statistics, Mortgage Bankers Association of America, and msnbc.com