

Consuming Government

Consuming Government

Flywheels, Ideas, and Individual Actions to
Better Manage the Government Services
You Buy

Steven Borne

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To my father, "JB" Jerry Borne

*A son learns many things from a father, in that department
I have been blessed.*

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Introduction

Collectively as Americans, the biggest thing we buy every year is government. Think about all of those taxes you pay (income, property, sales, rooms and meals, etc.), and then picture walking into a store and spending all that money and not getting great value for what may be your single biggest annual purchase. You then come back and spend even more the next year.

We are irresponsible consumers for all of the government services we buy, and we feel powerless to fix our predicament. I hear it's too big, the system is too entrenched, you can't fight City Hall, as we drown in a deluge of pessimism.

To change how things work today, none of us has to do a lot, but we all need to be doing a little. Shifting our national behavior is the goal of this book. Flywheel mechanics is used to create a common vernacular so we can discuss options for challenges such as fixing the broken business of medicine, addressing crime, the opioid crises, national debt, and how we manage our elected officials and governmental groups. There will be the Way Things Are Today (WTAT) flywheel and then we will relate our economy to a flywheel, so our economic flywheel. The secret sauce is starting actions locally, where we have a more tangible impact. As we build skills, tools, habits, processes, and expectations, we can work our way up to managing larger portions of our government and national challenges. This approach can lead to a large cultural shift in how we view and act upon our civic responsibility.

I don't golf, I don't fish, but for almost two decades I have been working toward getting our democracy to work better. I am not driven by any ideology, but by a desire to fix what is not working effectively and efficiently for those consuming services from our government. The current modus operandi is effective for those with the money, who advantageously tip the playing field. The energy in the current "system" (Way Things Are Today, or WTAT) is considerable, and there is little or no incentive for it to fix itself. It is futile to hope for change

under the existing system, so we, the citizens, need another approach.

Sidetracked by the Symptoms

As a mechanical engineer, I learned how to analyze and solve problems. Working for multinational corporations and earning my MBA at night, I gained insights into technology and business. In 1998, I decided I should be more active in the New Hampshire primaries. That was my first great insight into how inefficient the political process was. I had never experienced such poor use of resources and technology as I witnessed on political campaigns.

I stumbled through many other endeavors—supporting more candidates, campaign finance reform, independent candidates, non-partisan organizations, and more—only to realize I was being sidetracked by the symptoms. You can get by with quick fixes, band-aids, software patches, and duct tape for only so long; at some point, you have to stop and fix the root cause.

It's the individual people who are failing in our representative democracy. The root cause of our democracy's failure to address national problems is that we the people are not putting in the time and effort to manage all of the government services we buy.

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It has taken our collective democratic health a long time to get to this point and for our national challenges to reach their current state of disrepair, so the correction will be no small effort. Just as there was no singular action that brought us to this point, getting out will require collective and concerted efforts by the people of the United States. The summation of those efforts can return our nation to a shining light of democracy and strengthen our global economic leadership.

Hope for our nation may be at a low point, and many may not see a path that will lead to change. Similar to Dorothy's slippers in

The Wizard of Oz, the solution has always been right at our feet; the trick is recognizing it and choosing to use it. Monstrous and seemingly insurmountable obstacles lie in front of us, but American will, determination, ingenuity, spirit, and commitment are what makes anything possible for our nation. The challenge is to get “We the people” to take responsibility and put our tremendous potential into action.

We have been irresponsible consumers who have been spending generously yet ignoring the return on our investment. We can't take our money to another provider of governmental services. There are no laws of physics, nature, or economics that say government operations must be inefficient, bureaucratic, corrupt, and not improving (this is different than the democratic process, which is designed to require lots of effort). Our current government inefficiency is what it is because we tolerate it. We can choose to be much more demanding consumers, reestablishing our expectations for quality, value, and effectiveness of government. In equal proportions we must be willing to assume responsibility and invest the required time to be engaged.

You and I are the consumers who purchase governmental services, and collectively we serve on the board of directors, responsible for hiring, funding and directing the elected people who appropriate our money to deliver governmental services and make long-term investments.

Many ideas and suggestions are put forth in *Consuming Government*. I have a natural bias to my ideas and possible solutions, but I am not saying this is what must happen. The intent is to spark discussion and debate on these topics, ideally putting ideological barriers on the sidelines so we are working better together. Actions, starting at the local level is how we begin a cultural shift where we don't blame government, but take a much more active role in assuring our government meets our expectations and provides incremental value.

Part 1: Boundary Conditions

For those who have yet to experience the joys of differential equations, you may not see the similarities. To solve differential equations, you need to make assumptions or create boundary conditions; these must remain true for the differential equation to be solved. If the boundary conditions change (no longer hold true), then the previously developed solution is no longer valid. The math or what the Founding Fathers developed is not at fault, but the boundary conditions changed. This helps explain how a well-designed democracy strayed off course.

Chapter 1. How Did We Get Here?

A problem cannot be solved before you understand what the problem is—and understanding what changed can be incredibly helpful. The pre-Socratic Greek philosopher Heraclitus said, “The only thing that is constant is change.” Our Founding Fathers clearly understood that point, so the democratic framework they constructed was designed to adapt and change as the world evolved. Over the years, I pondered what had gone wrong with this well-designed system, and I realized that some of their core assumptions were no longer holding true. The boundary conditions were no longer valid.

A problem cannot be solved before you understand what the problem is—and understanding what changed can be incredibly helpful.

The world has changed over the past 230-plus years. Some of the initial concerns and trepidations of the Founding Fathers have come to fruition. The challenge is, how can we reestablish those boundary conditions so the democratic equation can function as designed? We need to look at those original boundary conditions before we begin taking actions for establishing boundaries that will work now and hopefully for many future generations.

1.1. Boundary Condition: Discussion and Debate

For us to cooperate and effectively maintain and propagate our shared economy, we need to work together. If we choose not to live in a hierarchical, aristocratic, or dictatorial form of government, we will need to communicate with each other. Unfortunately, the boundary condition of discussion and debate with people who have different views are now a minuscule fraction of how we form our opinions.

Think of the contrast between the amount of time in the late 1700s people spent in taverns, community-based activities, family discussions, and with colleagues, compared with how we engage with

people today. Many people work from home and do not have daily in-person exchange with colleagues. I regularly see groups of people with their faces glued to small screens, not even verbally talking to each other.

To clearly explain something to someone, you must first truly understand the topic or perspective.

The process of actively discussing something is also crucial to understanding. To clearly explain something to someone, you must first truly understand the topic or perspective. To present your case or to help someone understand something, you must first organize your ideas and thoughts before you explain them. Without this essential step, what we hear, think, and believe does not get organized. If you are not actively discussing and trying to persuade people, you may not fully understand a subject. Today, too many people think they are discussing, but are much closer to regurgitating a stream of sound bites. Repeating without thinking things through first is not a rational discussion.

In the days before radio, TV, smartphones, and the internet, when the sun set, you could sit in your house, go see your neighbors, or visit the local tavern. You did not watch *Monday Night Football*, but instead talked. The subjects could be gossip, weather, business, or, believe it or not, politics. Yes, there was a time when friends, neighbors, and others were perfectly comfortable talking politics, local, state, and national. Before print, there were storytellers, songs, and other community activities that shaped political thought, answered questions, established values, and reinforced societal norms. For the most part, that has disappeared from our society.

Citizens formed their positions not based on paid talking heads, but from having discussions and friendly debates. Most communities had more than one newspaper, so it was convenient to educate yourself on opposing opinions. We learned from each other and our opinions evolved through these discussions. While people did not have to agree with all they heard, many of these discussions occurred between

people with an established relationship. There was a certain level of trust or skepticism based on one's experience with another individual.

Discussion and friendly debate on a regular basis were part of what people did in the late 1700s¹. The act of discussion teaches the individual what they truly comprehend and what is less supportable. To debate, you must listen, hear and think about what was said, in order to have an interactive discussion. You don't have to agree, but at least you were exposed to other ways of seeing things. Hence, your brain is much more active in the process of forming opinions than the more passive mode of hearing people talk at you, such as on TV, radio, or blog post.

Issues, problems, and alternatives were discussed on a much more regular basis by individuals. How many in-depth political discussions do you have about local or state issues each day, each week? If you are spending a good portion of your money each year on these government services, are you even talking about what is happening with your money? Personally, I like having these discussions, but with our go, go, go and home-based lifestyles, we are hard-pressed to have these discussions.

1.2. Boundary Condition: The Press

Opinions, like religions, are neither right nor wrong, only different. Opinions are formed based on the perception each of us has, and each of our vantage points is uniquely different. We consider a fact to be an absolute truth, but those truths may appear differently to each of us based on our perceptions. If half of your view is blocked and you don't see something, does it exist? When people only receive information coming from one side or source, they are blind to other perspectives. How much do they really understand of that other perspective? In the days of our Founding Fathers, that visibility came from newspapers, flyers, and pamphlets.

For much of our past, newspapers were the primary source for information. There were many different and competing newspapers that would take stances or positions on topics. Similar to how today's TV and radio programs have a bias, so did newspapers. However, many people would get information from multiple sources, exposing

them to multiple perspectives. I am old enough to remember a time when we had morning, afternoon, and evening editions of the big-city papers. There was plenty to read and journalists had the time to go deep into issues and cover many different national and local topics. The first step for having an educated electorate is information, and the newspapers were the primary means of information.

Yes, the internet, TV, and radio provide more information, but that information tends to be narrowly focused. The scope is limited in alternative views, perspective, and focus. Is more information better if all that is consumed by an individual is one-sided? Streams of disconnected, sometimes unfounded information and opinion do not provide the visibility and information we need to efficiently manage our government.

I don't fault the media for any of this change. They are not a public service, but a business entity attempting to make a profit. In a crowded and fragmented market, survival is a function of succeeding in defined niches where loyalty can be established. If people are not willing to pay for the value of investigative journalism, then why should businesses invest resources in helping to keep our government open and honest?

The First Amendment includes the right of freedom of the press. So, what is our government's responsibility to protect this right? The press or media is a business, not an arm of government. All our government should do is help assure a level playing field. What the press is will change over time. Fewer people rely on TV and news networks, but it can be argued that the monopolization of any media source (e.g., Fox or Sinclair in TV) has slanted the playing field. Anti-trust laws are not to create competing businesses but to prevent massive clumping in an area that significantly tips the playing field.

I have found the following thought experiment helpful for showing how this single-perspective situation prevents us from productive dialogue. I hope you and your kids have had the fun of playing with Play-Doh at some point. Play-Doh is just a blob of stuff that has to be formed. When Play-Doh is taken out of the can and dumped on a table, what is it? Well, it's Play-Doh. Now let's assume the clump of

Play-Doh represents a problem, issue, question, or anything else our society needs to address. In our democratic society, we use our political process to take action on the problem. The Play-Doh represents the problem or challenge and not just a toy to occupy our time.

If we are sitting around the table with Play-Doh (i.e., an issue) in front of us, we can have a rational discussion about it, share ideas and develop a course of action. However, something happens to that Play-Doh. Take the room of people, separate that same color Play-Doh, and put an equal number of people around three tables. Some of the Play-Doh kits come with plastic molds that help you form shapes with the Play-Doh. One table had the Play-Doh first go through a square, another a circle, and the last a star mold before it hit the table. Each table looks at a different shape.

If you ask the people at each table what they are looking at, the majority are going to tell you they are looking at a square, circle, or star. Some may say “shaped Play-Doh,” but the emphasis will most likely be on the shape, not the Play-Doh. Our media are the molds that shape the issues and strongly influence what we perceive. All three are looking at the same Play-Doh or issue, but their perspective is based on which filter or mold they are looking through. If you bring the groups together, one will be talking about a circle, one about a square, and one about a star, so the shape—their ideology—becomes dominant, not the common problem.

If we are going to work together and find solutions to our problems, we have to take what the media gives us, squish it back into a blob of the original Play-Doh, then start to figure out what to do. Informed discussion and debate is the process that helps us forget about the shape and focus on what the problem is—Play-Doh—rather than a shape.

1.3. Boundary Condition: New Ideas and Opinions

The Founding Fathers assumed that if you had new ideas or wanted to get your point across, you could post a few flyers on the oak tree at the town common and print some pamphlets, and your ideas would get disseminated and discussed at local taverns. Back then,

people actually read “public notices.” When was the last time you went to a town/city hall or your local library and read a public notice?

There are new tools today, but they are far from effective in getting new ideas or opinions across to many locally, statewide, or regionally. Even social media is broken into niche markets and virtually tribal access paths. A poster in the colonial-era town common got a higher percentage of the eyeballs than today’s high-tech solutions.

Information people get today tends to be one-sided and biased. If they read a newspaper, it is just one newspaper; the same for TV news. Each of these will tend to offer only one perspective on issues. The internet makes it much easier for an individual to post something, but unlike the oak tree in the town square, only those who tend to already agree or lean in that direction are going to see it. Additionally, the messages are shorter, whether they arrive as sound bites or tweets, lacking the depth that inspires individual analysis. These shorter messages tend to be accepted and not questioned.

1.4. Boundary Condition: Civic Responsibility

We have all heard the phrase from the Revolutionary War: “No taxation without representation.” Now do you think the colonists wanted the ability to have a say in whether Britain built a new London Bridge or more Navy ships? More likely, they just did not like seeing economic energy (their money) being sucked out of the colonial economy. Britain was slowing down the colonial economic flywheel, so pulling money (energy) out was hitting the colonists where it hurt the most—their economy’s ability to build energy.

Howard Zinn’s book *The People’s History of the United States* made it clear that one of the key goals of the Founding Fathers was to create an environment that would take care of their economy. The Declaration of Independence contains the phrase “endowed by their Creator with certain unalienable Rights.” For those who did not own property, those rights did not include the right to vote. Why was that?

People who enjoy paying taxes are few and far between, but a stable currency, infrastructure, legal system, secure borders, and other common systems are essential elements for commerce. If you were

poor and had no assets, you were not contributing to these common systems. If you are not vested, how much do you care about how effectively and efficiently other people's money is being utilized? So, if you don't personally have skin in the game or an interest in how your money (taxes) was being used, how much time and effort would you invest in managing other people's money? If those government services cost more, were inefficient or did not meet expectations, how engaged would you be about other people's spending? Observation and history had shown the Founding Fathers that people who paid for the government cared much more than those who did not contribute. Additionally many at that time feared the power of the not-vested masses of people.

While all humans are created equal and have the same inalienable rights, not all would put in the same effort to manage the government. Voting initially required citizens to have skin in the game. If you owned property, then you cared about the value of that asset, and it was assumed you would pay attention to activities that increased or decreased the value of your asset. Those who would pay attention and take care of the economic flywheel had the right to vote. Unfortunately, the Founding Fathers did not include women or non-white men as eligible to vote, regardless of property ownership.

The courageous and dedicated activities of many reversed this injustice to women and non-whites, giving them the responsibility of managing our government. But the abolishment of those prejudicial practices did not weaken the original boundary condition that directly tied your economic interest with the people you hired to manage your investments in government (taxes paid). That correlation between direct self-interest and the effort of monitoring who you hired (elected or appointed) to manage the money you were forking over for governmental services eroded over time.

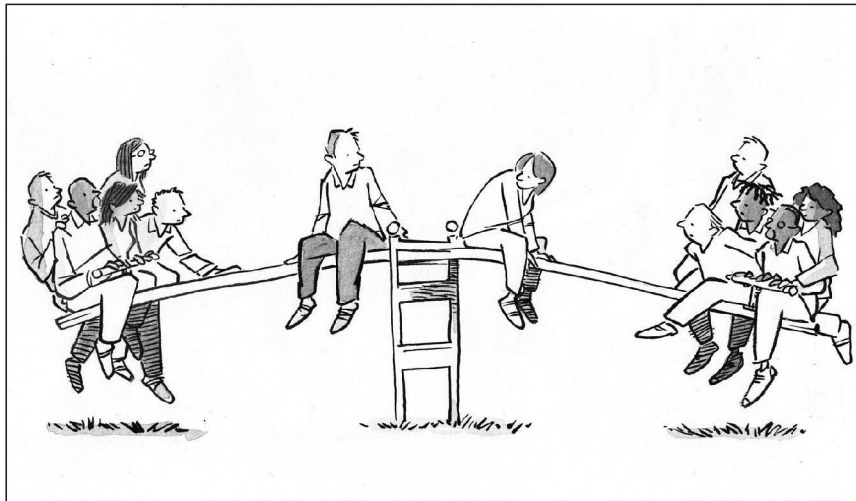
Today, all citizens have a say in the care and maintenance of our economy (mostly through voting). It's no longer required that all people be vested or directly impacted by how their money is being utilized. The much wider responsibility base (voter base) is more disconnected as some don't have skin in the game, and for those that

do, their vested interest carries the same weight as the non-vested interest. The assumption that those who voted would put in the time and effort to make sure their money was being utilized effectively has been highly diluted by those who are less economically vested.

While the number of voters has expanded, the motivation and responsibility for staying informed, educated and participating in managing our government did not go away. Too many people have abandoned their civic responsibility. Now a large portion of voters don't understand what is happening with our government. Some feel it has grown too big or too complex, or that it intentionally hides what is going on. We have become irresponsible purchasers of our government, and as a nation we are failing in our fiduciary responsibilities to take care of our economy. Many who are engaged have been sucked up in the whirlwind of the two-party competition and associated polarization.

1.5. The Way Things Are Today (WTAT)

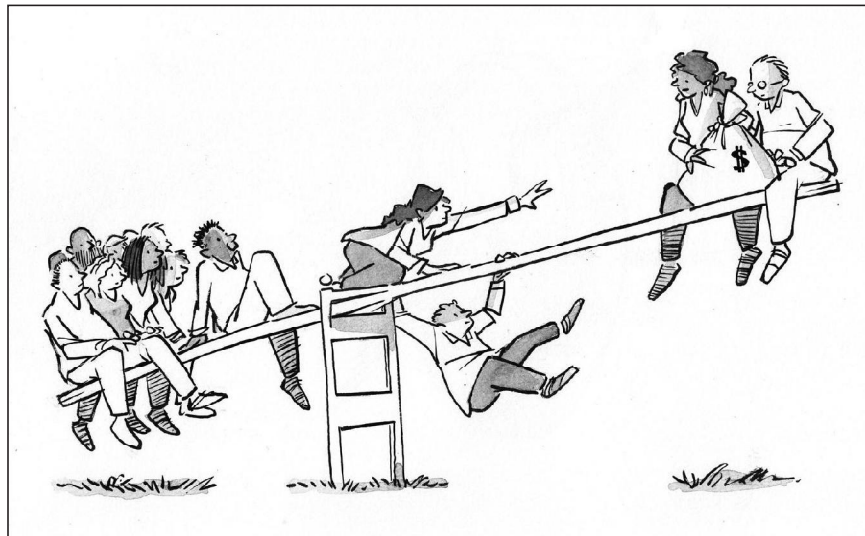
How would you feel if every time you did something, someone else came along and gave an equal push in the opposite direction? The polarization being created by the opposing political parties and their alternating directional activities is not helping us build our economy or address our challenges.



Can you feel the stress of the seesaw ready to snap from all of the polarization? If you think it is about to snap, welcome to our democratic reality.

Abraham Lincoln said, “A house divided against itself cannot stand.” It is hard to deny what is happening in our nation. Our nation needs to acknowledge our current predicament driven by our “mediatainment” (partisan media that is more entertainment than trustable news) and the billions spent on campaigns and lobbyists. While there is nothing wrong with the seesaw gently rocking back and forth, it is either going to tip completely left or right, or it will break. None of the three options will work out well for our nation, but that is what we are facing.

An element of the divide is also becoming economic as well as ideological. When we hear about the 1% of the nation who continues to own an ever-growing percentage of our national wealth, what does that mean? Well the seesaw is tipping one way, and those that don't climb into the 1% are continually sliding to the other end of the seesaw. The steeper it gets, the fewer that can stick with the 1%. The middle class is getting stretched with a few popping up toward the 1% end, but most falling behind where their parents used to be. For many, staring up at the incline is getting more daunting.



Now take a step back and make some observations about how things are looking from each side of the seesaw. If you're falling to the low side or unable to fight your way up the slope of today's economic challenges, you wonder: what ever happened to the level playing field? It never was level, so don't kid yourself, but it never seemed so insurmountable, and it is getting worse. How did it get so super-duper slanted? It's pretty straightforward, for those who put the politicians in place. While everyone who pays taxes is buying government, it's not your tax dollars that tip the playing field, it is the two-party, money-driven system that keeps politicians in power. Who has the discretionary wealth to feed political marketing machines that influence the other 99% on how to vote? It's the 1%, and thanks to the Citizens United ruling, corporations, businesses, and unions.

These wealthy people and entities are not stupid; they would not be spending if they were not getting value for everything they give to political campaigns. There needs to be visible return on investments. If some are buying political influence, so laws or lack of laws create situations where their companies or businesses can make more money, shouldn't they do it too? This is creating two sections of the economic flywheel. The 1% is living off the outer ring or edge of the flywheel, where there's more kinetic energy; they are getting wealthier, receiving more benefits, and building on top of the rest of the nation. There is a theoretical gap between the high-energy outer ring and the inside portion. While we spin as one national economic flywheel, there are two distinct sections: money on the outside and everyone else on the inside.

These wealthy people and entities are not stupid; they would not be spending if they were not getting value for everything they give to political campaigns.

From the other perspective, the wealthy who believe their efforts have pulled more of the mass to the outer rim of the flywheel are concerned that what they have earned will be pulled down so that all can share the economic energy. Benjamin Franklin said, "When the people find that they can vote themselves money, that will herald the

end of the republic.” The number of people whose economic fortune keeps them regulated to the inner rings of the flywheel outnumber those in the outer rings, and they will vote to shift the wealth (mass) back down to the lower rings. The money can be benefits or other economic advantages, so more of what others have earned is redistributed to those who are not being self-supportive.

The perspective of those who don’t have skin in the game feel that since the playing field is so slanted, why shouldn’t more of the money from the 1% and others be going to those who are suffering or not as well off? They have legitimate needs, they are citizens of this nation, and a just society should be addressing them. At the time *Consuming Government* first published, the opposite is happening: the few with the money are assuring that more of the economic growth (mass) goes mostly to the outer ring and is not equally distributed.

Of course, it just isn’t that simple. Those who have created value from ingenuity and hard work should not have to give up what they earned. There are views from both sides, and like discussion and debate, if we aren’t exposed and don’t discuss these, it is hard to see both perspectives.

Growing up and learning from sports, my dad, his friends, and other role models, I just assumed everybody gave 110% all the time, since that is what I was taught to do. The other perspective was opened up to me early in my career when a boss had to explain that there are two types of employees: those who earn paychecks and those who collect paychecks. The ones who collect paychecks are getting paid for doing their job; they do their job and no more, hopefully not less.

Additionally I learned from my sister, who was working as a social worker in NYC and explained to me her view of the mentality of welfare generations. Some people living on welfare as they grow up see our government as responsible for taking care of them. Their view is that because they are citizens (part of the flywheel), they get their due in the form of healthcare, food stamps, housing help, and other assistance. Gaming the system to get the most out of it is how you climb to higher-energy portions of the flywheel.

These different vantage points are neither right nor wrong, they

are just different views. Perception is reality and what you see from where you stand is how the world looks. From my perspective it is not blue or red, it's purple, but our two-party system needs to keep voters in the blue and red camps.

Fractional Logic

Many a time, I have wondered why intelligent people with similar backgrounds, education, and circumstances would have opinions so radically different from me. I could not understand why they were not questioning the views and perspectives they were regurgitating. It may have been from an e-mail that was forwarded, tuning to a radio station I don't normally listen to, or multiple instances that exposed me to what was happening. Opinionated groups have become adept at leveraging something I refer to as "fractional logic": only a small piece of the total argument or statements is based on the initial true fact.

The starting point is true or rationally believable. Since the person already leans in that direction, it is easy to take them further in that direction. Picture someone or something about to fall: it does not take much effort to complete the fall, nor is there much natural resistance to falling at that point. Their momentum takes less energy, or in this case, unquestioning acceptance, to keep going in that direction. The individual is still rooted in that original truth, so that acceptance carries forward to the rest of what they are being told. The driver of the fractional logic now takes that person down a path that is far less connected to the original fact. By the time the ride ends, the original fact is now just a small portion or fraction of what they have accepted, but the conviction of its truth applies to all the ideas and opinions they have absorbed.

A fraction of logic is the original lever that gets people accepting and believing an argument or perspective that was started with a fact, but has crossed the line to opinion or conjecture. There is a difference between a fact and everything that could be built from it. We can lean on the fact, but not all of the opinion that follows. Skilled entertainers are adroit at this craft, and you will find many of them on talk radio and TV programs that contain news. While I am not encouraging anyone to listen to political talk radio (remember, these shows are

entertainment), if you pay attention you will clearly see the pattern of fact and then a journey to somewhere else.

If you go outside and shoot some baskets, maybe play a little two-on-two basketball, you are playing a sport. When you are watching an NBA game, you are being entertained. Those athletes are not running up and down the court for their recreation; they are highly paid entertainers. The same is true of all of the political talking heads, whether they are on TV, the radio, or online. There is nothing wrong with what they are doing, and it's our responsibility to remember that. We can't expect them to start with a disclosure reminding us of that fact. In a fragmented competitive market, success hinges on building and maintaining a niche following.

Who Represents Us?

By the time you finish this book, you will hopefully have a different view on how we take care of our economic flywheel. Today, too many of us think we just hire the maintenance crew (elected officials) and then sit in the stands and watch until the next election. In our representative democracy model, what does it take to do a good job managing the delivery and quality of government we are buying? Originally, it was not the responsibility of career politicians.² Political office was a temporary activity earned by some of the most outstanding leaders in a community or state. In fact, term limits were a topic of discussion during the Continental Congress, as some felt it important to have fresh individuals serving in these roles. New Hampshire included Article 10. [Right of Revolution], the voter responsibility provision in the 1798 Bill of Rights portion of the state constitution. When I first read this, I had to look up what “emolument” meant (a salary, fee, or profit from employment or office). Unfortunately, it is a term little used these days, but it was warning of the danger of employing career politicians. Today, many states have a minimum age requirement for representing residents in our federal government, so that candidates must theoretically attain some level of maturity and experience prior to taking a public service role.

[Art.] 10. [Right of Revolution.]

Government being instituted for the common benefit, protection, and security, of the whole community, and not for the private interest or emolument of any one man, family, or class of men; therefore, whenever the ends of government are perverted, and public liberty manifestly endangered, and all other means of redress are ineffectual, the people may, and of right ought to reform the old, or establish a new government. The doctrine of nonresistance against arbitrary power, and oppression, is absurd, slavish, and destructive of the good and happiness of mankind.

Part 2: The Flywheel Model

In his book *Good to Great*, Jim Collins uses a flywheel analogy to describe how a new idea can take hold at a corporation. At the time I read the book, I was working for a multinational corporation, and that concept resonated and has always stayed with me. In this book, we are going to use a flywheel to give us hope and to develop a common way to understand and discuss how we go about managing the government we buy. I also tag, or label, my ideas and suggested actions “flywheel ideas.”

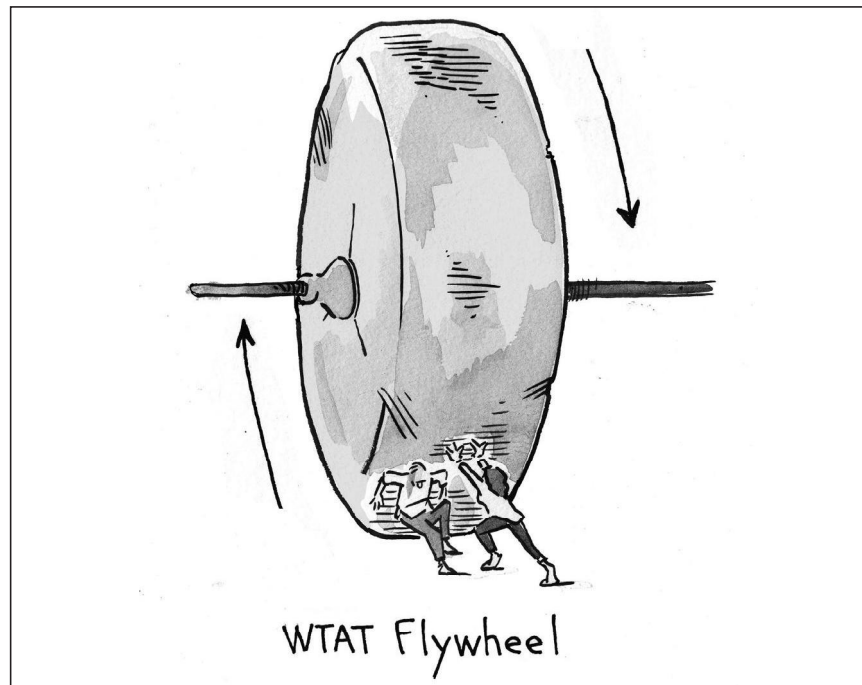
A flywheel is typically a heavy spinning wheel. The spinning weight captures energy, referred to as inertia. A very large, heavy wheel, spinning very fast is going to be hard to stop, as there is a lot of energy. I like to picture a big spinning stone wheel, as a medieval soldier sharpens a sword. In modern times, flywheels are used to help some mechanical machines maintain a constant stream of energy.

The Way Things Are Today Flywheel is our current state of how our different levels of government operate, how we manage it (politics) and how it engages with us. It has a tremendous amount of energy, it can be stopped and spun in a different direction, but not without a lot of applied effort.

The second flywheel is our Economic Flywheel. We can view our economy as a large flywheel, the more energy in that flywheel the stronger our economy. We can also have discussions about how something is impacting our economic flywheel.

The appendix discusses flywheel mechanics and how those mechanics can be related to gross domestic product (GDP).

Chapter 2. The Flywheel Concept



Our democracy currently works like a massive flywheel, spinning with a tremendous amount of energy: we'll call it the Way Things Are Today (WTAT) flywheel. It is unfathomable that a single individual is going to be able to make an impact. Some refer to this flywheel as the "system" or "how things work."

Currently our money-driven and party-focused political process offers few solutions to our collective problems, since government services for the most part are anything but efficiently delivered or value-driven. Until we the people demand change, we will be unable to vote our way out of our current situation. Albert Einstein has been frequently quoted as saying, "Repeating the same actions and expecting different results is a sure sign of insanity." It is time to start to do things differently. He also said, "Problems cannot be solved with the same mindset that created them."

A catastrophe or massive crisis could also stop and change this WTAT flywheel, but I would prefer to avoid that. If the financial meltdown of 2007 and 2008 did not bring about substantial change, the next catastrophe is going to have to be much, much bigger to make an impact. The other way to change would be a little bit at a time. At first our actions will not have any visible impact, but if sustained, these local actions and cultural changes will begin to sap the energy from the WTAT flywheel. As that flywheel slows, our efforts are going to have more and more of an impact on that flywheel until we bring it to a stop and get it moving in a new direction.

Most of this book will focus on a second flywheel: our economic flywheel, which provides a framework for discussion and debate. For all of those who live in our nation, our economy is a great common bond. If the economy is not humming along, just about everyone is in trouble. When our economic flywheel is moving and growing, all can benefit and prosper, and it makes national investments affordable. All of our decisions and actions can be discussed in respect to how they affect our economic flywheel. A common vernacular will set the framework as we respectfully debate our choices. The most cost-effective and efficient government will translate to more economic flywheel energy, creating a competitive advantage that will be hard for other nations to ever catch.

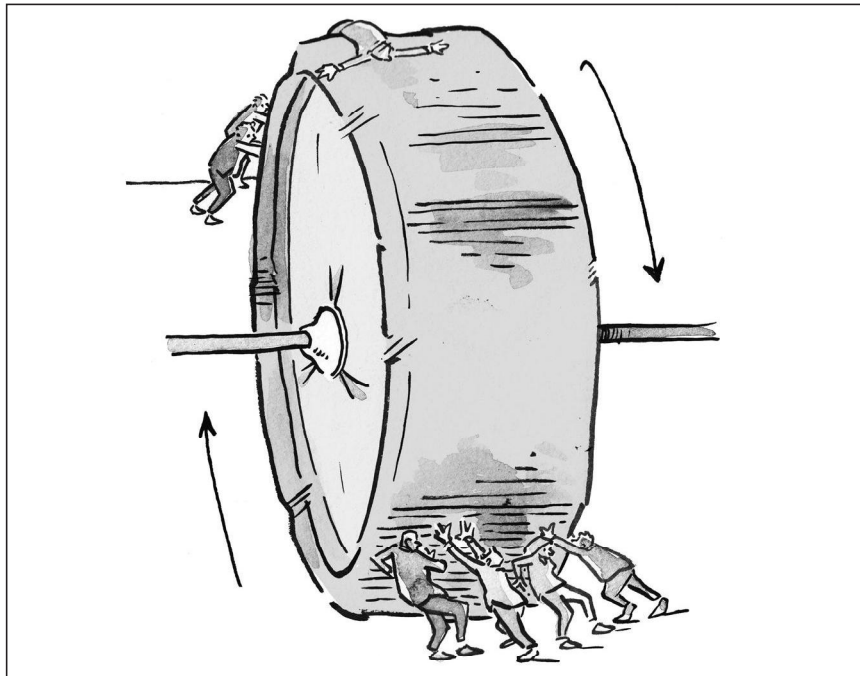
Think about Wikipedia. No one would have ever paid to build and maintain Wikipedia, nor would money motivate the multitude of people who provide the content. Something massive has been accomplished from many small individual actions. When you get done with this book, you will have started thinking about what you are going to do to bring about this change in American culture. It's not a radical change, just a shift toward actions that make our democracy and economy as healthy as possible.

One of the chief roles of government is to maintain an environment where commerce can flourish. This includes our currency, legal framework, part of our infrastructure, national security, and other areas. We hire the people who are responsible for assuring that our economic flywheel keeps on spinning and adds mass. As our economic flywheel

spins on its axle, we need to make sure we keep the axle well lubricated and maintained. The economic flywheel ideas and actions will enable us to control the “system” and not be driven by the “system.”

The “system” is the way in which our government is managed today. What the Founding Fathers developed is a well-designed system, but in many aspects it is not operating as designed. Maintenance and repairs are needed and those are replacing the functions of the original boundary questions.

The heart of this book is focused on the repairs to be made. A problem is discussed and I introduce flywheel ideas for corrective action. For some ideas, I include what can be done at the local level to begin the implementation of the repairs. The ideas and suggested local actions are catalysts to get citizens engaged and working on repairs. These initial actions start to slow down the WTAT and should draw in more individual investment of time and skills. Some of these ideas may be fully implemented, others will evolve, and still others will introduce additional ideas and actions.



To put many different topics and ideas in context, *Consuming Government* looks at what impacts our economic flywheel. There will be forces that act as brakes, sucking out energy on every revolution; the broken business of medicine is one. There will be other forces we created that are weights connected to our economic flywheel that we have to fight through on every revolution, such as the size of our national debt and annual interest payments, both of which are illustrated later on. Think of the salary and other operational costs of the United States Congress when they are a “do-nothing Congress” that acts as sand on the flywheel axle. When we do take actions to better manage our government, that helps the flywheel and acts as grease on the axle; I use many examples of that from what we have been doing locally with the Rye Civic League.

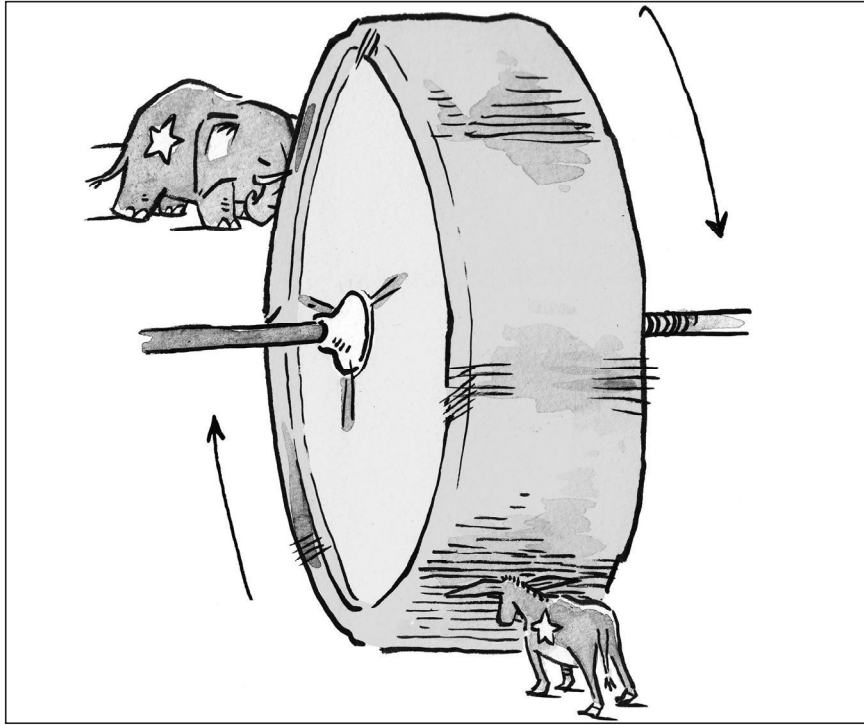
The net result of these actions will be the rebuilding of the boundary conditions. The world has changed, so they won't look like the boundary conditions of almost two hundred and fifty years ago, but they will serve the same function in today's day and age.

Chapter 3. Applying the Flywheel Concept to Government

Sitting on the deck with friends several years back, we got into a political discussion. One friend started defending the Bush-era tax cuts, while another said that the fiscal stimulus after the 2008 financial meltdown worked to stimulate the economy. They were both right and vastly wrong. Tax cuts and government money pour energy into the economy, but they no longer have the impact they used to. How could these two friends both be right and wrong? Enter the economic flywheel model.

Picture a large stone flywheel: a heavy, large wheel that takes a fair amount of energy to get moving, but once going requires less energy to maintain its angular momentum. Inertia is the energy that a mass holds as it is moving. Imagine pushing a boulder; it takes a lot of energy to get rolling, but once it is moving, it takes less effort to keep it going. If it smashes into something, the damage is from its mass and velocity, not the little bit of energy you just put in. The flywheel inertia is our economic energy. Keeping this flywheel inertia growing and not shrinking is how we achieve increasing gross domestic product (GDP). Assuming we always have some inflation, we need GDP to be going up if we want to earn more money and have job opportunities for a growing working population.

Assume the Democrats control 100% of Congress and ramp up federal, state, and local spending to drive the economy. The push comes from one side of the flywheel and it does add energy to the economic flywheel. The same is true of Republican approaches: cutting taxes and mitigating government burdens on businesses will also push the flywheel in the same direction. Picture that energy coming from the opposite side. Either approach unfettered will add energy and help our economy; the problem is the impact just doesn't work like it used to. Like it or not, the world has changed and will continue to do so.

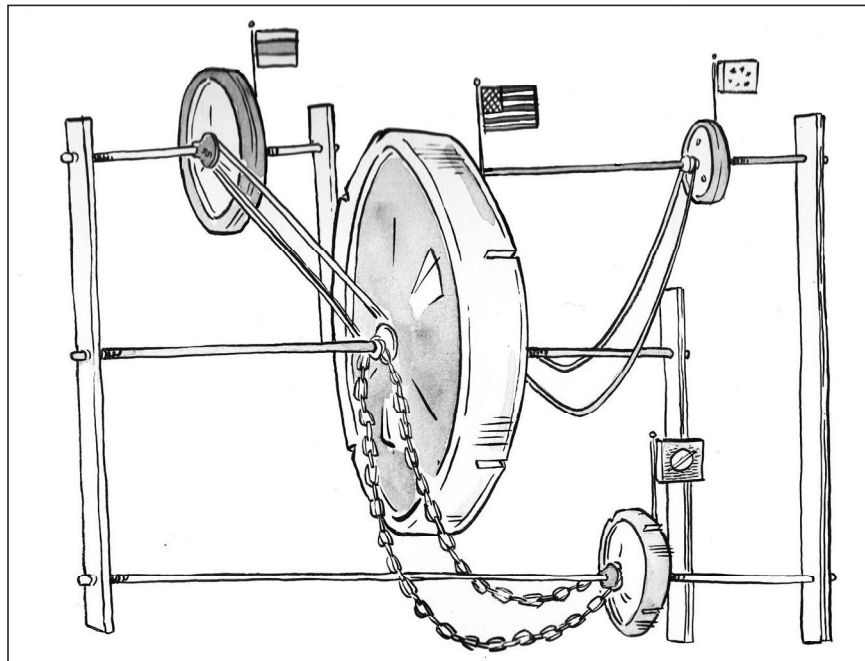


Ever since there has been trade, economies have been connected. Currently, the US is the biggest flywheel; the economies we trade with are smaller and stack up adjacent to ours, all spinning on parallel independent axes. All of those other flywheels add up to something greater than the US economy, but the connection is more important. Now take some ropes, elastics, or chains and connect the flywheels to each other. When our flywheel starts to spin, it has an effect on the other economies. If we slow down or speed up, we can impact other economies. This is a model and not a detailed simulation of what happens, but it shows basic relationships.

As the world gets smaller, the connections between these flywheels become more rigid, that is, stiff. So, tighten those chains, shorten those elastics, take the slack out of those ropes so that energy from our spinning flywheel gets transferred to other flywheels much more effectively. Some economic models from the 2007-2008 financial stimulus talked about jobs that would be created; while some jobs were created,

there were not as many jobs as predicted. So where did the jobs go? Look at the other flywheels. Jobs were created, but some showed up in other economies. While those workers may go to US chains abroad or buy products/services that come from US companies, for the most part, their spending and support from those jobs went to the non-US economy.

Our ability to directly impact the US economy by cutting taxes or more government spending has lost its punch. If either the Republicans or Democrats dominated the government, their actions would have some impact, but there is no way that either can pour enough energy into our flywheel to allow our economy to build sustainable economic energy to permanently fight off our fiscal (flywheel) inhibitors (brakes, weights, and sand on the axle).



It's not just this dissipation of energy to other economies. Our economic flywheel has two other big problems. We will treat one of them as a brake. Take a big, solid piece of wood or a huge beam, fix one end into the ground in front of our flywheel, and stick the other

end against the flywheel at 2 o'clock or 10 o'clock, opposing the direction of the spin. On every turn the brake pushing against the flywheel is sucking energy out of our economy. For example, the business of medicine in this country is severely broken and it is sucking resources out of our economy, so our inefficient healthcare system acts as a huge brake on our economic flywheel.

Healthcare is only part of the battle. On the other side of our flywheel, we have buckets of weight attached to our flywheel, such as our national debt. While some debt is OK, for our economy to spin, we have to fight through the weight of that debt on every revolution. Why? Well, for starters, the interest on that debt was \$268B in 2017, 7% of the total federal budget.³ What do you think would happen to our economy if businesses and/or individuals had an additional \$250B each year to spend, save, or invest? Those \$250B payments pulls money out of our economy. Debt is not all evil; it can be prudent to use other people's money to get things done, and many Americans invest in US savings bonds. Like your mortgage, what can you afford to pay in interest and principal payments given all of the other personal expenses? The annual interest payments are painful, but the \$22,000,000,000,000 (\$22 trillion) that we owe is a massive burden⁴ on our economic flywheel.

The less debt we have, the less we have to pay in taxes. The challenge is that the debt will only go down through a combination of higher tax revenue and government reduction. While some may argue that it's theoretically possible to spend or cut our way out of our national debt problem, the chances of that happening are mighty, mighty slim. The current policies of either political party are inadequate for the challenge and the current global economics.

When you hear of other countries collapsing economically, many times it is because they have piled up so much debt that their economy can't power through the next revolution, and their flywheel stops spinning. That could happen to the United States; our debt is so large that a strong recession, along with the flywheel brakes, could create enough drag that our economy slows to a crawl.

Here comes the sand. If you were wondering how our do-nothing

Congress fits into the equation, picture the flywheel axle, nice and lubricated so that it spins freely. Now what happens if we dump sand on the axle? How well do you think our economic flywheel will spin, lubricated with sand? Well, like our economy, a flywheel has lots of momentum and can power through interference. Still, the do-nothing Congress takes energy out of the economy since the flywheel has to turn on sand, not smooth lubricant. If you were not feeling bad enough, remember we are paying Congress, and for the most part, when they do nothing or take completely partisan action, our money is being used to take energy out of our economic flywheel.

My generation grew up knowing our parents worked hard and their lives were better than my grandparents' lives. From stories I've heard, my grandparents were much better off than their grandparents. While it is not true for all Americans, it held true for the millions of us whose families migrated to the United States from the late 1800s to the 1980s. If we worked hard, developed a skilled trade, or went to college, the odds of being better off were in our favor. Unless something changes, that will not be the United States our children or grandchildren will compete in. As our economic flywheel loses momentum from our inability to fix the forces we allowed to evolve, the energy future generations need for better lives, opportunities, and welfare just won't be there.

