

The Cure to the Second Great Depression!

*A Narrative Economic Analysis of Austin's Exhaustion, Detroit's Rebirth, and
Stockholm's steady economy by Wesley McLaren Wharton*

Mythical creatures have been intertwined with popular media since the birth of storytelling. We hear about giant creatures, impossibly large, and how often their size becomes their weakness. We read about dragons, with their immense wingspan and seemingly unlimited power, and phoenixes, a more lithe counterpart with a unique ability to rise from death again and again. Giants and phoenixes are not bounded to pop culture: their unique properties can draw parallels to learning. One subject that often uses animals in analogies is the social-mathematical study of economics. While the “bull” and “bear” are often used to describe trends in a traditional market, the idea of the giant and the phoenix can be used to paint an elegant portrait of *narrative* economics, and how this new concept changes problem-solving in the current economy. A giant can rise and fall in a matter of seconds: the bigger they are, the harder they fall. When a phoenix starts to decline, it must burn into ashes before being reborn. Narratives are like giants and phoenixes; phoenixes take time to build but once they start growing they turn into a giant that crashes under its own weight.

The phoenix was born over a billions years ago with the rise of earth and fall of dinosaurs. Humans are a few choices away from following the dinosaur's footsteps, unlike the dinosaurs humans have the power to unite and fight the crash. The American government is the driving force across all economic decisions it had the most unpredictable government: policies, actions, and votes. The only thing a politician needs to be in power is a story that can win over _percent of the voters that go to vote.

The giant and phoenix can be viewed at a small level with the narratives behind each city. People believe Detroit is a dyeing graveyard and Austin as a booming giant of a city that won't stop growing. Both narratives are completely different from reality as Detroit waited over sixty years to finally ask the government for help and Austin is on trajectory to fall harder than any city since the fall of the German nazis.

People like hearing good stories of growth and believe once a bad thing happens it can't recover. The narrative of people being trapped by the thought of good times and relying on economic crashes are demonstrated by Austin and Detroit, proving that public obsession over past economic growth blinds present day realities that lead to poor government policies. Governments can stop mass growth and quick crashes by raising taxes for the top one percent after releasing narratives about why it is a good idea over a long period of time. Stockholm has kept a steady economy that is growing at a manageable pace because of the high taxes on each person. If American people can come together to break the reality of low taxes on the rich and high on the poor then every city will be a better one.

Austin is on the brink of extinction as the past story of affordable housing and new technology jobs draw in people to a failing economy. The rate of growth and size of Austin Texas encompasses the narrative of a giant. Like all narratives the growth of Austin had to start somewhere. University of Texas was placed at the heart of Austin in the sixties and seventies and made the city a stable small town. Once Dell tech was established in 1984, the economy of Austin and the attraction of new technology drew a small crowd. The growth was small at first until Austin officials used personal tax laws(income tax) to their advantage. The affordable housing and high paying jobs is what drew in the crowd. Austin's population started growing in the tens of thousands overnight. With so many people moving in, millionaires and business owners took an opportunity to make a lot of money in a short period of time. Apartment complexes and skyscrapers were being bought in bulk making small, affordable housing cost a fortune. Each apartment was re-branded to millionaires who wanted a luxury suite in the new and cool city. Millionaire suites aren't bad in the short term with a stable city, but when you have a city with more than double the amount the infrastructure can handle it becomes a problem.

Detroit is the phoenix growing from the ashes. Phoenixes have to burn to the death before they can be reborn. Detroit's loss in population has people viewing it as a graveyard rather than a phoenix as they have been dying since the fifties and Detroit hasn't recovered in population. The city lost over 1.1 million people from 1950 to 2020. Two famous economists believe the city should change but in different ways: John Meynard Keynes who coined the term keyenomics, believing a government should have full control over an economy and Friedrich August von Hayek who believes the government should not interact with the economy and let it stabilize itself out. Detroit was once at a population boom of 1.8 million people and was losing people by the hundreds of thousands until 2020 where the population hit an all time low of 639 thousand

people according to the “Decline of Detroit” wikipedia page. People left the city because it wasn’t affordable to live in a city where the governor cares about making money rather than the people's economic status. According to Hayek, Detroit should have the government step back and wait for another 10 to 20 years for the city to rebound from the effects of loss. Detroit officials were done with waiting as people kept leaving the city and they had a couple of options to increase population. One option is to keep the current economists that are working in the city and have them find the root cause of the problem. The second option is to ask the state government for help and bring in a few state economists to analyse the problem and help fix the solution. The downside is that the government will request big changes that cost a lot of money and take a long time to work. The final decision is the governor to declare complete bankruptcy and have an “emergency financial manager”(EFM) come in and change as much policy as necessary to create a stable economy for the future. The pros of a financial manager is that change will happen but it will take a very long time as the stigma of a failing city will last decades. Detroit decided to file the biggest bankruptcy case in 2013 having an EFM come in and change policies that made the economy one of the most affordable places to live in today.

Narratives drive economic factors in the world. Narratives start small with an idea that can be passed by word of mouth and are easy to understand. Once enough people know what it means there is a boom in the usage. The boom typically comes from media outlets and newspapers or the television. In today's world narratives spread faster than ever with people scrolling through their phone for hours on end. Once humans see something that makes sense or resonates with the brain on social media, an urge to comment, like, or think about what you just saw. Detroit has been losing population until 2020 when the population rose for the first time

since the 1950s. When the governor and city planners drew the lines of what building will go where they forgot to look at who will be filling those homes. Racism is what destroyed the city. Black and white were segregated from each other and officials making policies titles separate yet equal were not helping. The phoenix started to burn in 1950 and I stopped burning in 2020. Detroit has made one of the most financially stable places to live in America with a tax decrease rate of _ making a rainy day fund of over 500 million dollars in the case of any disasters happening. Keyjenomics where the governments takes over worked in this case but once Detroit hits the size of a giant it will fall even harder.

Austin is a growing giant that sucks in people until the future point it snaps. Some stories perceive giants as growing up quickly and once they die, the weight of their fall can be felt by the entire world. One Piece is an example as Loofy is on his quest to find the one piece he stumbles upon an island where two Giants over a hundred times the size of Loofy have been fighting a way for centuries. The battle the next day has one of them poisoned and during the battle the giant struggles to keep fighting. Austin is a perfect example of a giant that is stumbling as the infrastructure is built for 700 thousand people instead of 1 million. Austin was once making Texas all its money and now it's taking billions of dollars from the state and its people because roads, jobs, and housing are impossible to maintain. The narrative of a new technological city is still bringing fifty five thousand people every year to this day. The past of Austin is trapping its citizens into a money grab they can't escape. Housing markets are increasing at a higher rate than ever before which is the opposite of what people thought after they bought their plane ticket. Some people are forced to move from climate change in California. Flooding, fires, and hurricanes are driving families away from the dangerous coast and when house searching, Austin shows up as a new great city to live in as there are so many

new tech jobs in the area. In reality all of those jobs have been taken, the affordable housing is gone, and the roads take over an hour longer than normal to get from point A to point B. People can't leave because they put all their money into Austin and won't just leave it there.

The impact of saving versus spending has changed America and its cities for generations. Saving or spending money is the hardest decision humans have to make. It may not seem that difficult to put a few dollars toward a candy bar or slice of pizza but if buyers think about the company or owner of that product then they realise that what they have on their plate at night is from that purchase. Knowing this, people may spend or save even more money. Tesla is an example where there was a huge fall in sales and stocks in the company when he: bought twitter, created a nazi ai, and saluted Hitler on stage. People didn't want to support a nazi so they stopped spending their money or spent their money to cover the Tesla logo. People are spending money in Austin because they believe it is a smart investment due to the fact that the internet has so much information. Misinformation, malinformation, and lack of information drive economic decisions to the ground. Homeless rates are on the rise as people don't have the money to move to a different more affordable place which is the reality in many cities in America.

America holds a corrupt system where the rich get richer and the poor get poorer. America was built and still building on the narrative of a new land that has housing, jobs, and a fresh start. Working hard and networking with people is what started the industrial revolution turning America into an economy that is run by the few. Andrew Carnegie, Henry Ford, and Cornelis Vanderbilt were people who worked hard, picked a goal, and networked their way to the top and were one of the first monopolies. Monopolies are markets where there is only one good or service that is hard to manufacture. Vanderbilt built the first trains and at first he was the

only one to do it. Later on there were other train companies but being the first put him ahead of everyone else. Andrew Carnegie, who started work at an early age and found jobs by asking around and seeing who is willing to pay the most, was the head of a steel company. The need for steel in America increased by drastic measures once railroads and buildings were being built. Ford found new technology that turned travel from a chore into a luxury. The government couldn't regulate the economy because so few were at the top and there were no laws stopping them from growing larger. The necessity for regulation is that when a company is too big it needs human labor. When the goal is to make money, labor will be paid the bare minimum in all aspects. At the time the bare minimum was difficult to live in with working conditions that killed kids and gave them a few bucks for it. Trust Busters were a group of lawyers and lawmakers who built systems to stop the growth of monopolies and help the middle class. The trust busting worked for a short period of time until banks were deregulated in the early 2000s. A massive growth of wealth in bankers and day traders brought mass publicity to start buying stocks and loans for the future. The bubble created by the lack of regulation brought a stock crash that put people's savings from thousands of dollars to nothing as their assets in stocks dropped. The economic crash terrified the entire world, people stopped buying goods because they didn't have the money. The government decided to pay the banks to make sure people get their money back but instead of forcing them to give the money back they just gave the bankers every dollar they lost. The government also sent small checks to its citizens so people felt comfortable with spending. If everyone stops spending then businesses don't make money and they have to fire workers. The fired workers start spreading the word around and everyone saves their money as they have no way of making anything. Companies are then stuck in firing more workers and a positive feedback loop is created. Haynes thinks this is natural and people should only buy what they afford and the economy will grow back. The government used Keynesian economics once again

which re installed the stability where the government can help its people. The banks used this opportunity as money was given to pay back the banks so each dollar lost, the government gave a dollar back. This didn't help the economy because banks weren't forced into giving money back but they gave some people ten percent of their investment back saying that investments are risky and don't always work. Time and time again the past has shown that people care more about making money and letting the lower class struggle. The government has the power to help cities and become affordable places to live but choose to take the quick buck rather than thinking about the future economy.

The reliable and affordable cities in Sweden solve problems like happiness, growth, and climate change. People are very happy to live in Sweden because citizens don't have to worry about needing money for food, healthcare, and a place to live. Costs for goods and services are one of the best in terms of percentage of a person's yearly income. If there is a city where the prices are too low then a mass increase in population like Austin will happen; if prices reach too high then people will move out. Stockholm has kept a steady rate of population growth by being a tortoise. A tortoise takes a very long time to grow but lives for hundreds of years. The key to a steady economic growth in a city is the tax rate and the narrative behind it. People in America believe high taxes are bad and low taxes are good because the culture is to make as much money as possible. Europe has been around a lot longer than America so the culture behind making money has shifted. People are kind to one another, care for each other, and want to help the other fellow. People see their own income as a number of what they need vs what they want in Sweden. If they need most of the money then they will keep most of the money. If they want most of the money they will get some of it but will lose much of the unnecessary money they have. The average tax on personal income is around twenty percent in Sweden and decreasing.

There is no average tax rate in America because there are people living on the streets and people living in jets above the clouds. Sweden raises tax rates on those who don't need to be putting billions of dollars into their stocks or banking accounts. If a millionaire were to make a dollar only about fifty to thirty cents would be put into their bank account. If someone who is working minimum wage and pays for their own apartment were to make a dollar they would receive 90 cents to a dollar depending on how much they need. The government also helps its people by giving them checks but also teaching them how to use their money so they don't overdose on drugs, gamble it all, or make horrible investments. The economic and political views of Sweden has caused a lot of immigration. Swedish laws are built for the people so they allow many people to live in the city as long as they are contributing to the good culture and not using it for its affordable and cheaper prices than America or other countries. A city where people can go to school for free, have free lunches, get free healthcare at the cost of a few dollars lost in an account is a sacrifice America needs to make.

America needs a tax change and a new poverty line. The world has created a space where laws are the limit to a person's net worth. Those same people force millions to go hungry, sleep in tents, and heavy stress over whether they can afford their next purchase. Artificial intelligence has brought a scare in the job market that has forced citizens to find other ways to make money. Growth in the job market and the world causes sacrifices. The industrial revolution brought many common jobs to extinction as a machine can do it. The Luddites were a group of people in the United Kingdom where their jobs were taken by machines. They rioted and gained publicity from doing so. Riots are good for governments if they are controlled as it gives the idea that the people can make a change. Too much rioting can bring a negative effect on the global political level as a country being burned by its own city doesn't look good and shows a weak government.

The number of items, jobs, and services created by the industrial revolution outweigh the loss of a few jobs and riots. AI is scary as peoples jobs at the age of thirty to seventy and replacing your job making it is difficult to change an entire way of life at that age. People that were middle aged in the industrial revolution were able to adapt to losing jobs and people are currently adapting to AI. The government has the power to make laws controlling these revolutions yet it is spreading information that contradicts itself every week. If the government spreads the narrative to help the other fellow and implement a tax increase on the top one percent of Americans it can lead to a huge increase in economic output.

Gross domestic product otherwise known as GDP is a number. That number represents every good or service produced inside the country's land borders. It also includes all the things we sell to other countries and subtracts it from the things we buy. If a Japanese car were built and sold in America it would count towards America's GDP. There is a target GDP officials have created so America will always grow. The problem with the GDP is that it is only a number. People are told to buy and buy with advertisements being on everything you ever do or buy. This leaves people in debt from overspending and brings potential future buyers out of the market to increase a country's GDP. GDP and unemployment rates are very similar. They are just numbers that track a specific thing. There are different types of unemployment where the government counts the people currently searching for jobs or people who were searching for jobs but stopped because it was too difficult to find a place that satisfies their needs. Economists say five percent is the target for unemployment as a country that is using all its resources as efficiently as possible should have people unemployed. The reason people should be unemployed is because the skills you gain from a job plateau at a period in time. Once people are not learning or are fully satisfied from a job they want to find something new. America is under the target employment rate

because citizens in America need to work harder and longer hours as the minimum wage compared to the raise in prices are not proportional. There is a committee of bankers that decide who in their area gets what so people can thrive and survive but with the current narrative of making money it has become extremely difficult to find a good job in a city.

America has a goldmine of unused resources. The current labor force is being overworked and underpaid because of the current laws in place. There are Trust Busters in today's world but a salary from the government is less than a salary from a billionaire. American policy makers are being out paid to care about the bottom percent. If the government were able to put the hard working Americans that it has to jobs that they enjoy doing the economy would work faster, stronger, and more efficiently. People that enjoy working their job don't always love waking up every morning but they have something they look forward to in their day whether that's the people, the grit, or the goal of the business. Having a workforce filled with these kinds of people will increase in productivity immediately. The low pay checks and high housing costs stop people from being able to work their dream job. The birth lottery is a deciding factor on whether or not you go to college. People born in a prestigious white family are given good education from birth and expand on that education all their lives. People growing up in a run down city learn how to survive in the anarchy within cities. They don't get the same opportunities as someone else. If a government truly cares about its people then they shouldn't prioritise the one percent and sweep everyone else under the rug while advertising an increase in GDP and decrease in unemployment rates.

People are working hard for less money than ever before. The rate of unemployment is at a low number but that doesn't always means the economy is doing well. There are different types of

unemployment that show different things. Pedals on a bike represent syphical unemployment jobs are created to for christmas and destroyed once they are not needed. Santa clause has made enough money to live and be happy for one month of work. Under-employment shows the amount of people feel their services are better than what they are working. Finally frictional unemployment show the amount of people moving from one job to the next in hopes for a better future with a separate job. Wars that governments start, stories about wages, and narratives of spending or saving drives the force of all the unemployment in the world. Covid-19 brought mass layoffs as people couldn't work from home. The older generation who was working stopped working and retired. They are not counted in unemployment as they are not searching for a job. The top percent like always takes advantage of every possibility to make money. Inflation rises as wars are happening and prices increase forcing more people to work harder. The only jobs available are the minimum wage low paying jobs that are forced to take. The government advertises a number that shows everyone is working. The reason behind the work and layoffs come from whether a family wants to spend or save their money. If a family cuts costs from all unnecessary utilities the world is affordable. Phones producing constant media of buying a large amount for cheep hooks the consumer to buy more. The banks learned that people spend more money if the physical currency is left out of the hands of the people. A person taps cards or even phones to pay for items. The past did not have a credit or debit system as their was no way in inforcing you pay your debt. Governments know this and use it to make them money by adding policies to have an impossible amount of debt forcing more people to work. Componies don't want to pay high wages for new workers meaning they fire new workers every 10-15 weeks so people dont get skilled at the work and ask for higher wages. Frictional employment is the underdog that is at an all time low in the hystory of the world. People cant learn one skill if they dont have the money for the education and cant save the money because the narrative of mass

spending to look cool fogs the mind of billions in the world. Not only humans try to impress to be at the top. Mating calls are scene over all species where fighting, colors, and dances atrsct mates. Prostitution leads a large market in America as men are used to objectifying women and the culture of making money brings a perfect job for pimps to have sex sell. The narratives of people trapped in a job is not new but is the worst it has ever been. The data from google searches for “affordable homes”, a “quick job”, or even “is being homeless a bad thing” show that America has an untapped labor force that if used as frictional labor would increase GDP overnight. People who enjoy working for either reason, difficulty, and or people within the job show that they work longer, harder, and increase revenue. Business models need to change to incorporate the low workers in their jobs. This leaves a gap in the job market that AI and other technologies can be used to better the world.

America is a force that has shown to change the world in the past and will increase positive narratives to bridge the gap between the one percent and the homeless as narratives grow faster in America than all countries in the world combined.