The Frugal Embrace

Rethinking Stewardship
Luther Seminary
July 24, 2012
“We are suffering just now from a bad attack of economic pessimism. It is common to hear people say that the epoch of enormous economic progress is over... That a decline in prosperity is more likely than an improvement in the decade which lies ahead of us....”
Incomes Are Down

- Median household income
Hard Times

- Unemployment
- Underemployment
- Pay cuts
- Slashed benefits
- Declining home values
- Foreclosure
- Bankruptcy.
“I believe that this is a wildly mistaken interpretation of what is happening to us. We are suffering, not from the rheumatism of old age, but from the growing-pains of over-rapid changes, from the painfulness of readjustment between one economic period and another…”

- John Maynard Keynes
Americans Are Reducing Their Debt Burdens
Stagnant Compensation

Percent Growth In Productivity And Hourly Compensation

Workers Shut Out Of Productivity Gains For Decades

Cumulative Percent Change Since 1948

TPM

Recreation of chart from: Economic Policy Institute
We’re Saving More
Optimists Borrow: Levittown, 1949
Sustainability: A Definition

- “We are such spendthrifts with our lives. The trick of living is to slip on and off the planet with the least fuss you can muster. I’m not running for sainthood. I just happen to think that in life we need to be a little like the farmer, who puts back into the soil what he takes out.”

- Paul Newman
Green Is Frugal. Frugal Is Green

- Turn down the thermostat in winter. Wear a sweater.
- Downsize, don’t buy more house than you need
- Renovate rather than build
- Quality, not quantity
- Energy efficient appliances
- Recycle
- Socially responsible investing
- Public transportation
A Different Mindset

- Spend money on services--everything from repairs to education—and not on things.
- Eat less and more healthy food.
- Spend more time with family.
- Live closer to family & friends, work and school.
- Spend less time commuting.
- Reduce business travel.
- Get higher quality, better designed products that you don’t have to replace.
CEO opinion: by the numbers

93%
93% of CEOs believe that sustainability issues will be critical to the future success of their business.

72%
72% of CEOs cite “brand, trust and reputation” as one of the top three factors driving them to take action on sustainability issues. Revenue growth and cost reduction is second with 44%.

72%
72% of CEOs see education as the global development issue most critical to address for the future success of their business. Climate change is second with 66%.

58%
58% of CEOs identify consumers as the most important stakeholder group that will impact the way they manage societal expectations. Employees were second with 45%.

91%
91% of CEOs report that their company will employ new technologies (e.g., renewable energy, energy efficiency, information and communication technologies) to address sustainability issues over the next five years.
Ralph Waldo Emerson

- “This time, like all times, is a very good one if we but know what to do with it.”