

Continued:

Gasoline prices were heading up sharply but not because of acute geopolitical events, and I knew that this would have a direct impact on the economy. Foreign policy decisions seemed to be based largely on resource protectionism abroad rather than genuine self-defense, water resources in the US were becoming overextended, our national debts and trade deficits were rising quickly, and the global population was approaching 7 billion people while the US population was also skyrocketing.

This, I thought, was not a sustainable trajectory for us, but as a single individual it seemed almost impossible to avoid whatever repercussions may come of it all. Things began to make me anxious, but that anxiety soon became the very source of motivation to actually do something which could someday detach me -- at least in part, and if need be -- from the urban/industrial infrastructure and support systems I felt were showing signs of weakness. In other words, I could decouple the basic requirements of my life from the requirements of our growth-based society if we fail to collectively adapt to economic contraction -- a possibility which seemed likely then, and seems even more likely now.

I figured having some land somewhere with a water source would be a good idea no matter what happens. It would combine the pleasure of a mountain retreat with the security of having a place to fall back onto in case financial, social, and/or environmental conditions elsewhere deteriorate over the long haul. It's not paranoia, gloom and doom, or reactionary behavior, as some may believe. It is simply an understanding that at some point growth in the US and abroad will slow down, stop, and contract (negative GDP growth), and that using surplus capital now to build something sustainable seemed like a good thing to do if the contraction begins to occur within my lifetime.

Most people know that a slowdown is happening now, but I'd argue that they attribute it to political and regulatory events rather than the most basic idea that industrial civilization has reached its all time peak due to the diminishing returns on investments within the energy sector. This thinking is based on simple thermodynamics; the idea that net energy inputs determine the fate of any colony of organisms when the colony is viewed as a closed system. This includes humans. The steady stream of affordable fossil fuels is the determining factor in

our case (mineral and food production are limited by them), and as cheap sources deplete and the price floor for the remaining resources rise (or as we're experiencing now, demand destruction reigns and commodity prices crash, resulting in bankruptcies), economic growth will inevitably suffer and eventually contract to match the energy inputs available to the system.

I've spent a lot of time personally and professionally studying and writing about petroleum geology, finance, and policy as they relate to each other, and believe I've approached these issues calmly and objectively, absorbing facts and listening to as many experts on "both" sides as I can. But by virtue of simply being an American, I am also exposed to popular media sources that simplify complex issues to mere sound bytes for simple digestion, and believe this is the basis for the widespread belief that all our problems are based on some politician or political party, or some law or regulation.

This is the simple way to justify complicated issues: "it's their fault." Our brains generally don't do well with knowing that our largest problems are deeply systemic and have built up over the last 100 years. It's not easy to contemplate that there is probably not some magic replacement for oil, which has largely fueled economic expansion for over a hundred years, or that despite all the new fracking operations, society as a whole is still hurting financially, with no end in sight. It's not easy to consider that unemployment may hit historic highs, the US debt may never be paid back, mortgage defaults may become far more common, and that the price of food, goods, and services will be on the rise indefinitely. So, we find someone to blame instead of taking our own steps in what we may think is the "right direction". This isn't to devalue the role of public policy in the US by any means; civic engagement is extremely important and always will be, but it will not allow the economy to continue growing to keep unemployment low.

The bottom line is that things just don't work very well in industrialized nations without constant growth and/or the infusion of heavy amounts of debt (see: Greece, Spain). Perpetual economic growth required by debt-based finance systems is not sustainable on a finite planet, and while almost everyone would agree with that statement in abstract theory, many people refuse to acknowledge that it's quite likely we've reached the tipping point as a civilization, where

massive debts are colliding with the decreased availability of resources and environmental degradation.

Virtually every politician out there is habituated by reelection prospects to tell people that we must, and will, return to economic growth regardless of if they actually believe that is a good or realistic goal. Corporations, by nature, are driven by profit, and public relations professionals working for them simply say what is in the best interest of the company, rather than what may be good, right, or even accurate. But some of us are under no such constraints.

The best way to contextualize all of this is by looking at the data, not by absorbing popular media infotainment and the rants of "opinion leaders". So with all this in mind, I went to work on a master list of the 10 most important trends that paint the picture of impending economic contraction so I don't have to do so through theory, philosophy, or statements that aren't backed up by the facts. [Click here to read my published findings.](#)

So, with all of that out of the way, where does this leave us now? I'd suggest that depends on your perspective and expectations. In my mind, food, water, and health care are the most important things, and I believe Americans are in a good long-term position with them. We have enough arable land and water (in most places) to support our own population, and a large enough built environment to theoretically put a roof over everyone's head if only we dwelled within, heated, and cooled our spaces differently.

Despite rising health care costs, we have health care infrastructure in place and some of the best medical professionals in the world. The health care system will no doubt face serious challenges but the equipment, knowledge, and human resources already exist. And because we possess more manufactured material per person than any other nation, we have great potential to recycle things that already are, or will certainly become useless into things that will serve a real and immediate purpose. Some refer to this as the "salvage economy."

The end of economic growth does not mean the end of prosperity, but simply the end of the type of material prosperity most believe we're entitled to. Unfortunately, the modern global economic system's performance is mostly determined by the inflow and consumption of energy and goods (rather than

indicators of personal well being and happiness), so it will contract and unemployment will rise ceaselessly until the system itself is fundamentally transformed. As GDP decreases, the government tax roles will as well, and it won't be able to pay for the housing, food, and health care costs of 50 million people who want conventional jobs but can't find one.

While this may seem dire, it's really not. There will be plenty of ways for people to use their time in productive and useful ways even if unemployment is at 50 percent. Having spent over a hundred days on my homestead so far, I can assure you there is always plenty to do. I realize that my plans require manufactured materials, and therefore money, so I'm not immune to whatever happens economically, but I'm also scaling down, not up, and planning to produce food, which everyone needs and which will always have value. I'm also not suggesting that my approach is necessarily the only one that could work -- many people have successfully turned 1/4 acre homes into food producing urban homesteads, for example. Others, such as in Alaska, essentially live off the land, eating wild game, fish, and berries and heating small log cabins with wood.

A glimpse into the future may only require a look into the most predominant themes throughout our history. When there was less energy to build and run tractors, people farmed with animals and human power; indeed, most people were farmers. When there was less GDP per capita, most people had less stuff and smaller houses, and built and rebuilt with local materials by hand. When people didn't have enough money to buy a car, they took public transportation, walked or rode a bike, or didn't travel much. Though it's impossible to predict the pace at which these things will become not simply choices but societal realities, one can deduce that we are on a certain trajectory, and I think planning diligently is the best choice. The worst that can happen is that we will have prepared appropriately a little before we absolutely had to. The entire concept of resilience is based on preparation, not reaction.

This is not a "collapse" scenario. Things happen gradually, but it is foolish to perceive that as a justification to simply "see how it goes". Watching the world is easy, but acting upon what you perceive is not. As slow as the economy may contract, implementing mitigation plans on the national, state, local, and personal levels is a process that occurs even more slowly, and for most it has hardly begun. Sadly, we should have been reorganizing our priorities collectively a long

time ago, but since we didn't, it is now more important than ever for individuals, families, and communities to pick up the slack because our political system is asleep at the wheel, and most corporations aren't in this to change the world, but to make money.

Practical decisions made by the individual now will have major implications for one's future. For example, if you believe the economy will grow, you'd be likely to buy a bigger house, have another child, or get that new SUV. But when it doesn't, and you are in massive debt without enough income, without credit and no game plan, what comes next? But if you had planned on economic contraction, you could have lowered your expectations. You could have rented a small place or downsized your house and mortgage, learned how to grow some of your own food, fix things so you don't have to always buy new stuff, and if you didn't already, begin to take exceptional care of your body to decrease the chances of expensive future health problems. Managing contraction in the future is all about the decisions we make right now, and that applies to each of us, not just the politicians and regulators.

I don't claim to have all the answers, but one thing is certain: the decades ahead will be a time of great challenge, reorganization, introspection, and adaptation. But they will also bring the immense satisfaction of individual purpose and vitality – the providing for ourselves in communities and families on the local level, the beauty of finding and meeting challenges through creativity and determination, and the peace of mind that will come when we will no longer blame others for the problems we face, but look towards ourselves to deal with them.