

Economist: A 'Great Reset' is Coming to America

Americans have become afraid of change.

That's the seemingly counterintuitive observation of Tyler Cowen's newly released book, [*The Complacent Class: The Self-Defeating Quest for the American Change*](#).

Cowen is an economics professor at George Mason University who runs perhaps the most popular economics blog in the world, [*Marginal Revolution*](#). Malcolm Gladwell, author of [*The Tipping Point*](#), says Cowen's blog is the first thing he reads every morning.

It's become commonplace for Americans to assume that life today is moving too fast, and things are changing too rapidly. Cowen grants that there has indeed been dramatic change in certain areas, e.g., "the wiring of the whole world".

But at the same time, Cowen argues that Americans are actually developing an increased aversion to change and risk:

"Americans are in fact working much harder than before to postpone change, or to avoid it altogether, and this is true whether we're talking about corporate competition, changing residences or jobs, or building things. In an age when it is easier than ever before to dig in, the psychological resistance to change has become progressively stronger. On top of that, information technology, for all the disruption it has wrought, allows us to organize more effectively to confront things that are new or different, in a manageable and comfortable way, and sometimes to keep them at bay altogether.

Given the growing success of the forces for stasis, I see complacency—a general sense of satisfaction with the status

quo—as an increasingly prominent phenomenon in American life. And I’ve coined the phrase the complacent class to describe the growing number of people in our society who accept, welcome, or even enforce a resistance to things new, different, or challenging.”

In support of his argument, here are some of the many examples provided by Cowen:

- For all the complaints about mobility, Cowen writes that “the interstate migration rate has fallen 51 percent below its 1948 to 1971 average and has been falling steadily since the mid-1980s.”
- “There has been a decline in the number of startups, as a percentage of business activity, since the 1990s.”
- “In past generations, people moved through the physical world at ever faster speeds, whereas today traffic gets worse every year and plane travel is, if anything, slower than before.”
- “[I]t seems like [Americans] like to stay home and remove ourselves altogether from the possible changes of the external physical world... Americans can literally have almost every possible need cared for without leaving their homes.”
- Only about 20 percent of the federal budget can be freely allocated, and it will fall to 10 percent by 2022. As a result, “politics [has become] shrill and symbolic rather than about solving problems or making decisions.”
- New technology has created a culture of “matching”, in which people can keep themselves surrounded by their personal preferences in food, music, news, opinions, and people. One effect of this culture of matching—where like marries like—is that it reduces economic mobility.
- “Tens of millions of Americans... enjoy their medicated sense of calm” through regular use of antidepressants.

Once again, Cowen's an economist, and his overarching point is that this complacency is economically unsustainable. Eventually, he argues, the debt, entitlements, and general lethargy it breeds will catch up with America, and will culminate in a "Great Reset":

"For all of our interest in controlling and often thwarting change, this stagnation cannot and will not last forever. In all systems, pressures build for change, and the more we shunt aside or postpone those pressures, whether through segregation, poor mobility, political dysfunctionality, sluggish productivity and debt-financed economic growth, or a general disengagement and miasma of spirit, the stronger they become. Eventually, we will see the latent tensions building and begin to understand that changes can be postponed but not avoided. Ultimately that means that our current dilemmas will continue until they reach their breaking points..."

I argue that in the longer term, social change will boil over once again, in uncontrollable ways, or, to borrow a phrase from urban economist Richard Florida, America is headed for a ['Great Reset.'](#) A Great Reset is what happens when you postpone change for too long, and it is like opening up a valve on an overheating engine; there is a sudden rush of outward force, and not always in a pleasant or orderly manner."

In other words, according to Cowen, "Winter is coming."