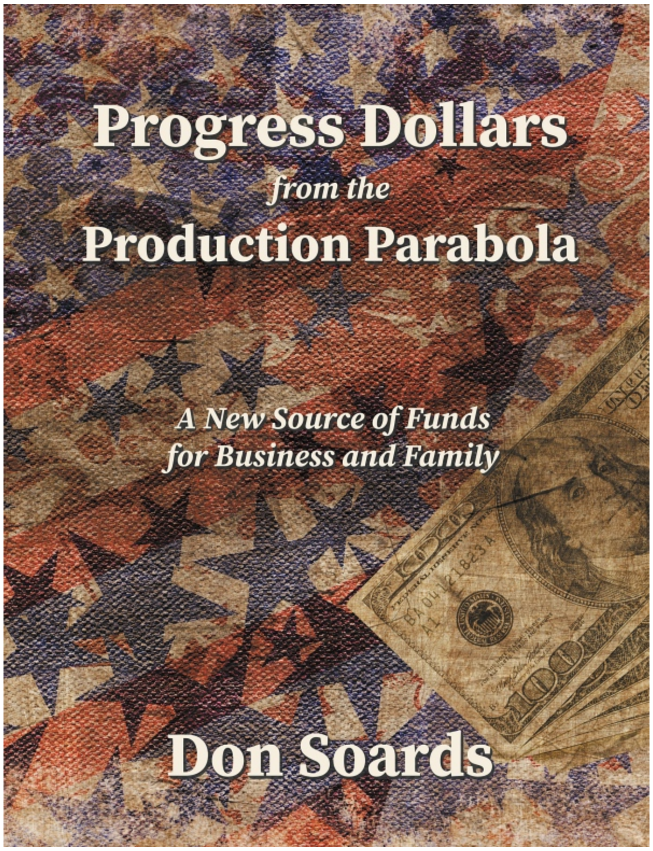

We now produce more than we can purchase because new technology reduces jobs. We need to fund consumers with approximately $500 per month of progress dollars without spending taxpayer money to maximize our standard of living.

Progress Dollars From The Production Parabola

By Don Soards

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Progress Dollars
from the
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A New Source of Funds for Business and Family

Don Soards

Published by BookLocker.com, Inc., Trenton, Georgia.

Printed on acid-free paper.

First printing edition 2022.

Library of Congress Cataloguing in Publication Data
Soards, Don
Progress Dollars From The Production Parabola by Don Soards
Library of Congress Control Number: 2022903547

ISBN: 979-8-88531-098-7 (Paperback)
ISBN: 979-8-88531-099-4 (Hardcover)

The simple, single recommendation in this book is for implementation at the national level. While the concepts in this book are exciting and useful for future planning, they do not constitute financial advice about your specific situation. For direction on planning your unique financial affairs, please consult a financial planner who is familiar with your circumstances.

Three Questions

1. To produce, we need production capacity and one other thing. What is the other item?

Answer: We need someone to buy the product. If we don't have enough customers to purchase our entire product, our company will accumulate unsold inventory and may go out of business.

2. Where do customers get their money?

Answer: From jobs. Not everyone has a job, but most money comes from jobs either directly or indirectly. When two people get married, bills are more likely to be paid if at least one of them has a job. Even if someone inherited money, that just means that someone back in the past had a good-paying job and made enough to leave some to future generations. Lottery winners get their winnings from a pool funded by people with jobs.

3. What happens to production when more than half of the labor force loses their jobs to machines?

Answer: Production drops. When too many customers lose their paychecks, product buying reduces. So corporations are forced to lower production to avoid unsold inventory.

Production requires *demand* and *production capacity*.

If humans don't spend money on a product (lack of *consumer demand),* businesses will quit making it. We get almost all our money by working for it. The amount of buying power (*consumer demand*) is the fraction of the labor force employed. We will use "H" to represent this fraction.

If there is inadequate *production capacity*, then insufficient quantity will exist. Production capacity is work that humans and machines can do. Production capacity has the human component "H" (the same group of people who have jobs) and the machine component "EM" (machine efficiency "E" multiplied by the fraction of machines "M").

Production = demand x production capacity

$$P = H \times (H + EM)$$

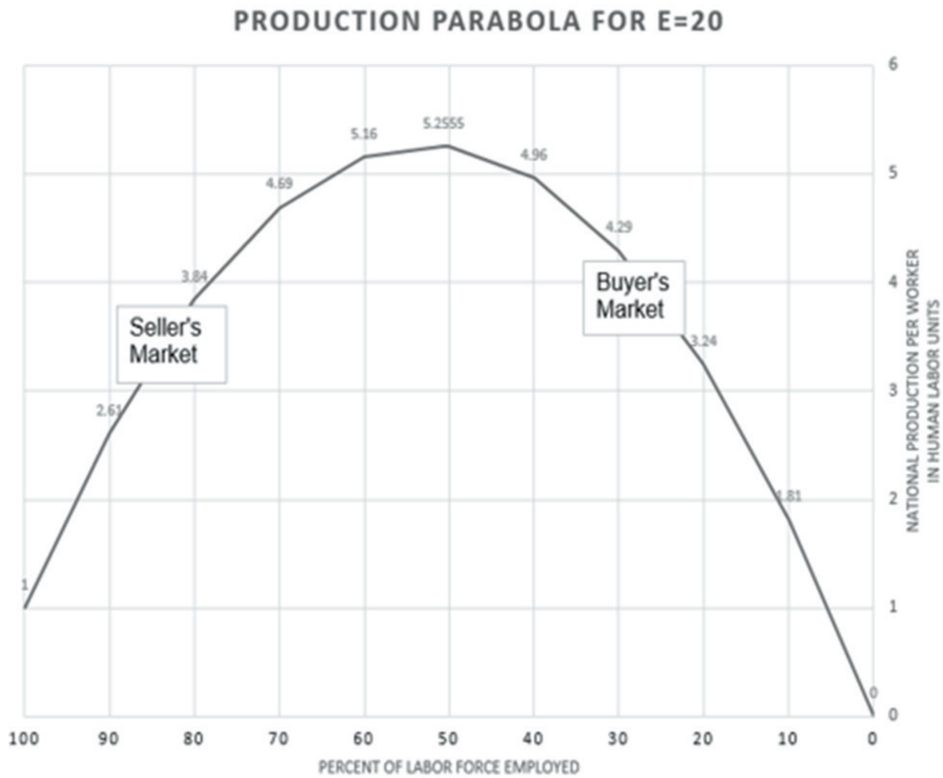
For a machine efficiency of 20 x human labor, we get the following table:

Humans Working (percent)	*Machines (percent)*	*Demand "H"*	*Production Capacity "H+EM"*	*Production P = H(H+EM) E = 20*	
100	*0*	**1**	*1*	*1*	Seller's Market
90	*10*	**0.9**	*2.9*	*2.61*	Seller's Market
80	20	**0.8**	*4.8*	3.84	Seller's Market
70	30	**0.7**	*6.7*	4.69	Seller's Market
60	40	0.6	8.6	5.16	Seller's Market
50.63	49.37	0.5063	10.3803	5.2555	Maximum Production
50	50	0.5	10.5	5.25	Buyer's Market
40	60	*0.4*	**12.4**	4.96	Buyer's Market
30	70	*0.3*	**14.3**	4.29	Buyer's Market
20	80	*0.2*	**16.2**	3.24	Buyer's Market
10	90	*0.1*	**18.1**	1.81	Buyer's Market
0	100	*0*	**20**	0	Buyer's Market

Bold numbers are high demand and high production capacity.
Italicized numbers are low demand and low production capacity.

In our high employment (high demand periods), technology improves the production capacity, and the multiple of high demand and advancing technology enhances our standard of living (higher production). After reaching peak production, technology keeps improving our production capacity, but the multiple of stronger technology multiplied by weaker demand (lower employment) gives us lower production and a lower standard of living. Oops!

Here is a graph of the Production Parabola and machine efficiency of 20 times human labor P = H x (H + 20xM)



The seller's market side of the production parabola has high demand and low production capacity.

The buyer's market side shows technology increasing production capacity but lowering demand so much that we can't purchase all we could make. Production has to be cut back to avoid unsold merchandise. Production cuts usually mean laying off workers, which further lowers consumer demand.

Advantages of Living in a Buyer's Market using Progress Dollars to make up wages lost to automation

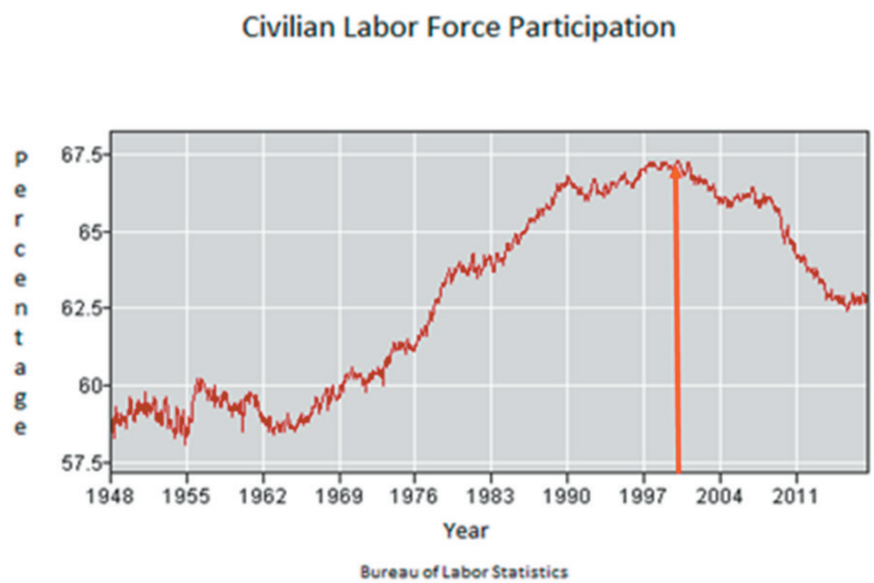
Entering the buyer's market is good because we can now **distribute money to every adult US citizen from a non-taxpayer pot of money (Progress Dollars) to increase demand enough to make up for wages lost to automation**. As our technology grows, the automation annuity grows over time.

We can also compensate the US treasury for money spent to prop up our economy during the 2020-2021 Covid-19 pandemic.

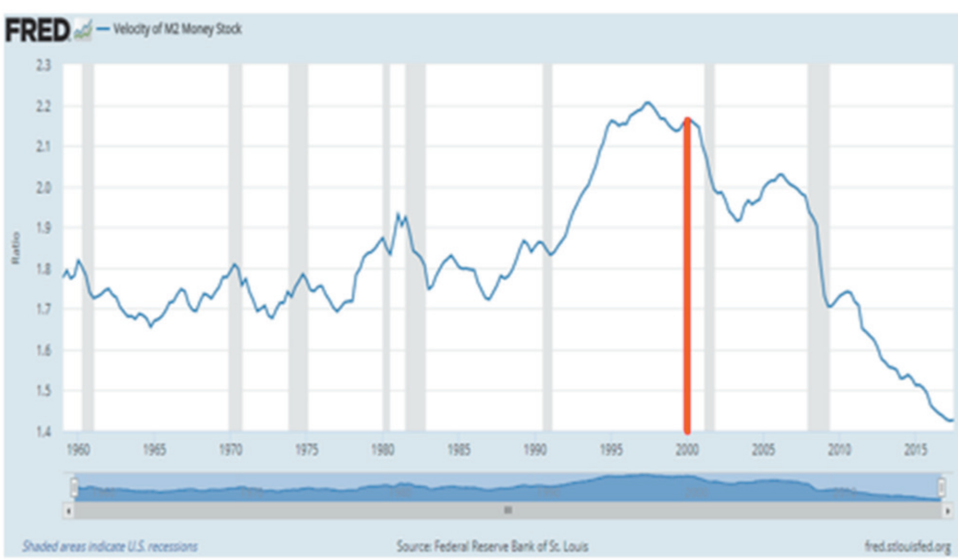
We can use this fund to replenish money taken from Social Security (plus considerable interest) to help fund World War II, which got us out of the Great Depression.

The Three Stages of a Buyer's Market

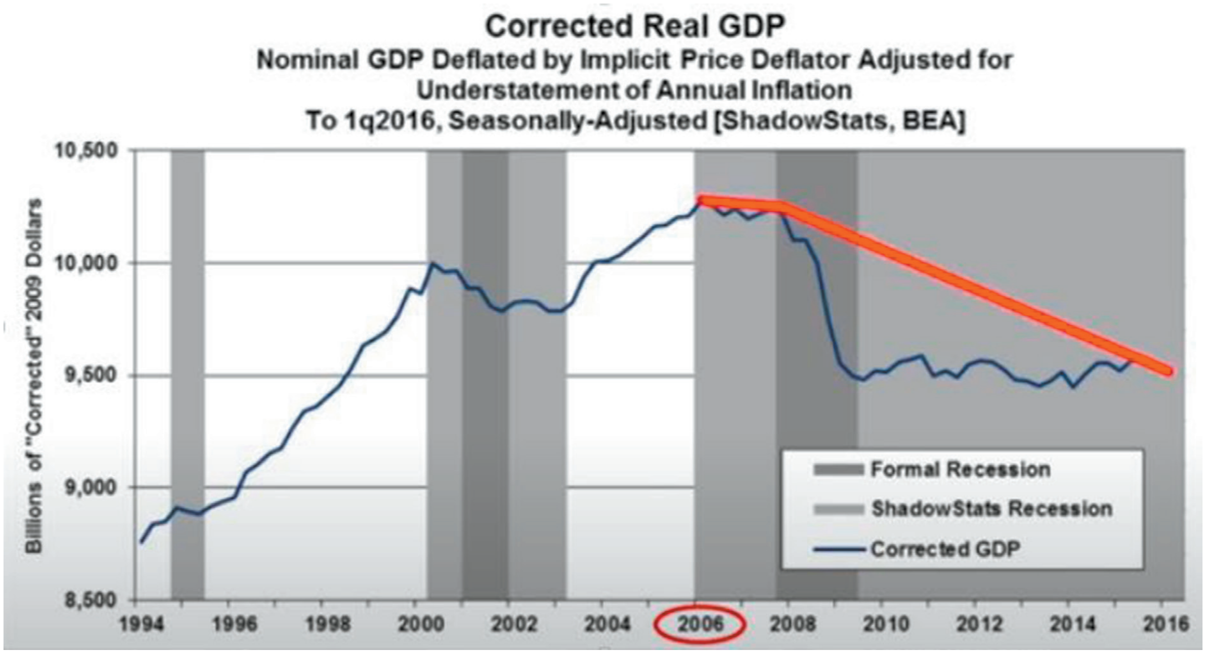
STAGE 1: WE START LOSING JOBS TO AUTOMATION. THIS STARTED IN 2000.

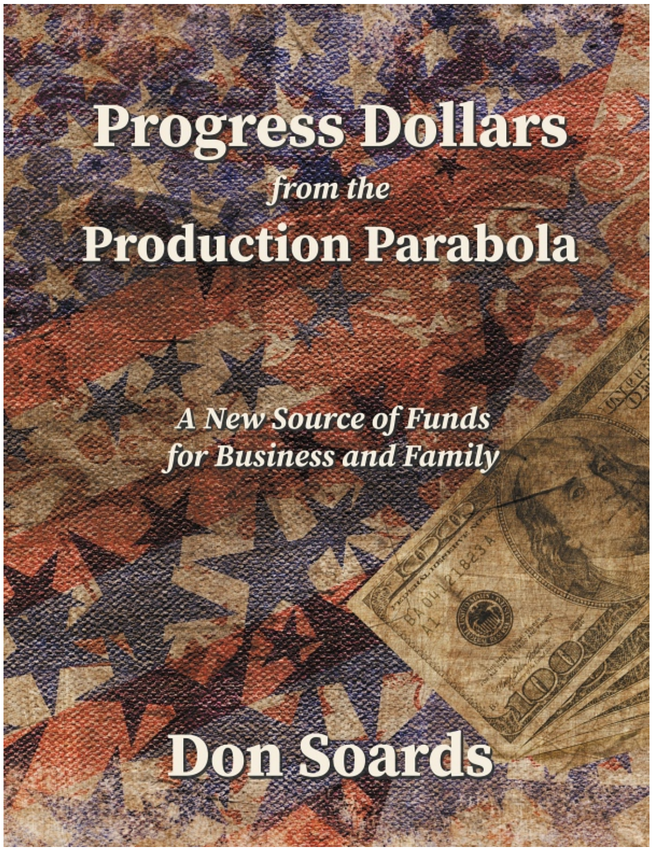


STAGE 2: SINCE WE ARE LOSING JOBS, WE START SPENDING MONEY AT A SLOWER RATE. AFTER 2000, THE VELOCITY OF MONEY SPENT DROPS SHARPLY.



STAGE 3: OUR GROSS DOMESTIC PRODUCT DECLINES. WE ARE NOW PRODUCING LESS BECAUSE US CITIZENS HAVE LESS MONEY TO SPEND. THE DECLINE STARTED IN 2006.





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