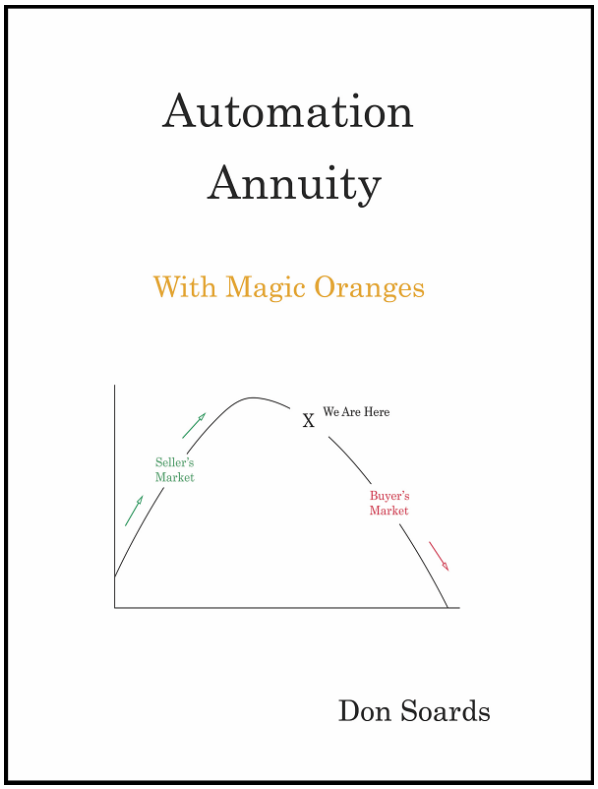

An urgent call to action in the age of automation. This groundbreaking plan introduces progress dollars and a new income model to restore consumer demand and economic balance.

Automation Annuity With Magic Oranges

By Don Soards

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Automation Annuity

With Magic Oranges

Don Soards

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First Edition

The recommendations in this book are for implementation at the national level. While the concepts in this book are exciting and valuable 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 familiar with your circumstances.

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Contents

Section 1:
What is the Production Parabola?

Introduction

The central economic concern of our time is not simply inflation, taxation, or regulation—it is the systemic transformation caused by automation. Every day, more jobs are lost to machines, algorithms, and artificial intelligence. Yet, instead of celebrating our technological progress, many feel more anxious than ever. The irony of automation is that even as it makes our economy more capable, it weakens the foundation upon which that economy rests: widespread consumer demand.

The root of the problem lies in a simple question: "Who do these corporations think is going to buy their stuff after they lay us all off?"

This book presents a new economic framework that explains this dilemma—the Production Parabola—and proposes a bold, practical, and fair solution: Progress Dollars and the Automation Annuity.

This book is divided into ten sections:

1. What is the Production Parabola?
2. What side of the Production Parabola are we on?
3. What are our Opportunities?
4. Legislation to implement the Automation Annuity
5. Implementation Guidelines
6. Universal Basic Income: We can't get UBI without an Automation Annuity
7. The Magic Orange Feature of Progress Dollars
8. Comparison of Seller's Market and Buyer's Market Economics
9. International Application of the Automation Annuity
10. Supporting Economic Concepts to Deploy the Automation Annuity

These chapters build a complete argument for understanding our present economic decline and outline a strategic pathway toward inclusive prosperity.

The Two Essential Inputs for Economic Output

In any economy, production is the result of two primary inputs: production capacity (what can be made) and demand (who is willing and able to buy). While technology and investment can dramatically increase production capacity, demand is intimately tied to people's incomes—which are typically earned through jobs.

When workers are replaced by machines and not given alternative sources of income, demand shrinks. If this happens across a wide enough segment of society, production must eventually shrink to match. Goods will pile up on shelves. Stores will close. Businesses will fail.

Thus, the paradox of automation is born: the more we automate, the more we undermine the consumer base.

Production as a Mathematical Model

To better understand this dynamic, we can express production mathematically:

$$P = H \times (H + E \times M)$$

Where:

- **P** is total production
- **H** is the fraction of the labor force that is fully employed (i.e., earning and spending)
- **E** is the efficiency of machines (how many human-equivalent work units one machine performs)
- **M** is the machine's share of the work effort

This equation reflects that production capacity is the sum of human effort and machine efficiency. However, it also shows that production is only realized when there is demand. And demand comes from jobs. If too many humans are displaced from the labor force, the value of even the best machines is lost.

P = H x (H+EM)

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

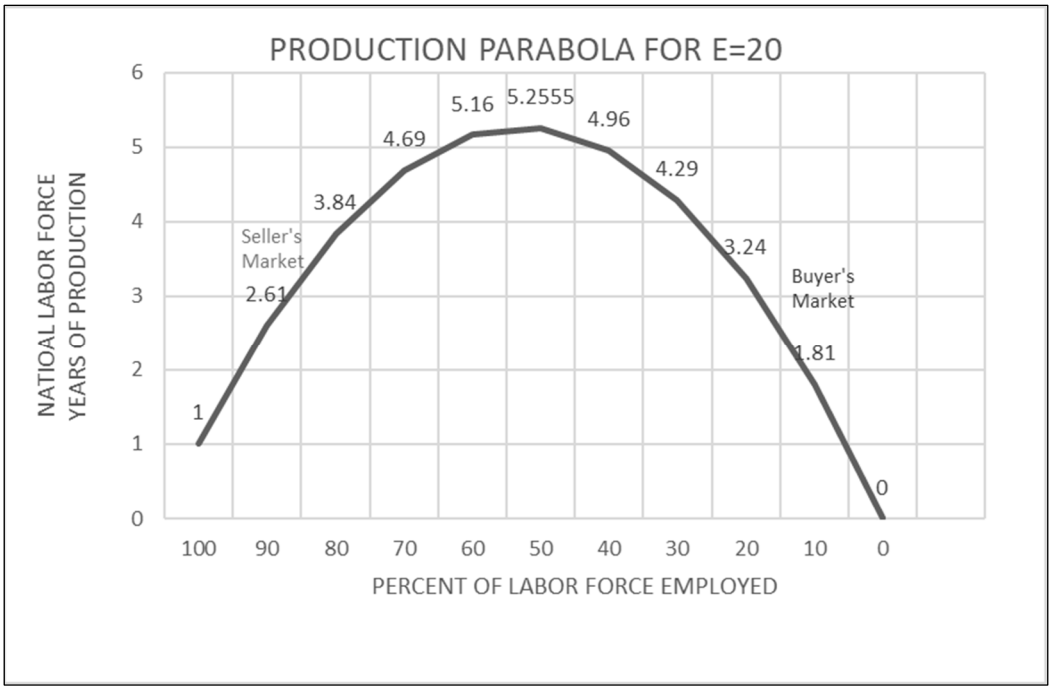
Humans Working (percent)	***Machines (percent)***	***Demand "H"***	***Production Capacity "H+EM"***	***Production P = H(H+EM) E = 20***	
100	*0*	**1.0**	*1.0*	*1.0*	Seller's Market
90	*10*	**0.9**	*2.9*	*2.61*	Seller's Market
80	20	**0.8**	*4.8*	3.84	Seller's Market
70	30	**0.7**	*6.7*	4.69	Seller's 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 indicate high demand and high production capacity.

Italicized numbers indicate 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 consumers 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.

Advantage 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 an Automation Annuity 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 Progress Dollar Automation Annuity grows over time.

A Historical Case: Agriculture and Industrialization

In 1800, over 70% of the U.S. population worked in agriculture. By 2020, that number had fallen to under 2%. This transformation was driven by machines. Tractors, combine harvesters, irrigation systems, and food processing equipment replaced millions of laborers.

From a production standpoint, this was a triumph. One farmer now feeds hundreds of people. But those displaced had to find work in other sectors—manufacturing, and later, services. The economy absorbed them.

Now, with AI and robotics, automation is displacing workers across all sectors. But unlike in previous eras, there are fewer new sectors left to absorb the displaced workers. As machines take over customer service, logistics, manufacturing, and even medicine and law, a core question arises: where will the displaced workers go?

Peak Production and the Shape of the Parabola

If we plot total production as a function of human employment (H) and machine efficiency (E), we get a parabola. At first, automation raises productivity. Businesses benefit from cost savings. Consumers enjoy lower prices. GDP grows.

But this rise is not endless. Eventually, the decline in human jobs reduces total demand so much that overall production begins to fall. Despite higher production capacity, businesses cut output to avoid inventory surplus.

This tipping point—where demand no longer sustains maximum production—is the peak of the Production Parabola. Beyond it, every new efficiency gain must be weighed against the consumer demand it destroys.

The Present Moment: A Buyer's Market with Too Little Demand

In today's economy, we are past the peak. We are on the right side of the parabola. We can produce more than ever, but demand is too weak to absorb it all.

Signs are everywhere: retail closures, stagnant wages, widespread underemployment, and rising inequality. Government data shows that wealth continues to concentrate at the top, while the middle and lower classes struggle to maintain basic economic security.

This is the defining challenge of modern capitalism. Without income, consumers cannot consume. And without consumption, businesses cannot survive—regardless of how efficient they are.

Progress Dollars and the Automation Annuity: A Sustainable Fix

The solution is to ensure that all citizens have enough income to maintain demand—even if they are no longer employed in traditional jobs.

Enter Progress Dollars: money created by the government, not through taxation or debt, but as a direct stimulus to individual citizens. Paid monthly as an Automation Annuity, these funds are designed to replace the wages lost to automation.

Unlike universal basic income proposals that pick arbitrary dollar amounts, the Automation Annuity is tied to actual economic conditions. It increases as technology displaces more work. It pauses when inflation rises. It's responsive and grounded in economic reality.

In this system, automation becomes a net benefit to all—lifting productivity and prosperity without leaving anyone behind.

Section 2:
Which Side of the Production Parabola Are We On?

Determining which side of the Production Parabola we are on is vital for understanding the health and direction of our economy. The Production Parabola, as introduced in Section 1, illustrates how total economic output increases with automation—until a tipping point. Once too many workers are displaced, consumer demand declines, and overall production begins to fall, despite high technical capacity.

Are we still in a seller's market, where demand outpaces supply and investment thrives? Or have we entered a buyer's market, where technological efficiency outpaces demand, leading to stagnation and decline? This section outlines twelve key indicators—each revealing that the United States and other industrialized economies have shifted firmly into the buyer's market territory.

1. Labor Force Participation Has Fallen Below Peak Efficiency

The Production Parabola shows that peak national production occurs when just over 50% of the labor force is fully employed. According to pre-COVID data from October 2017, the U.S. labor force participation rate was 62.7%—but that includes individuals who were actively looking for work.

When adjusted for part-time workers and discouraged job seekers, the actual figure falls closer to 53.7%. This implies that we are no longer at peak employment and have entered the downward slope of the parabola, where production and prosperity begin to decline.

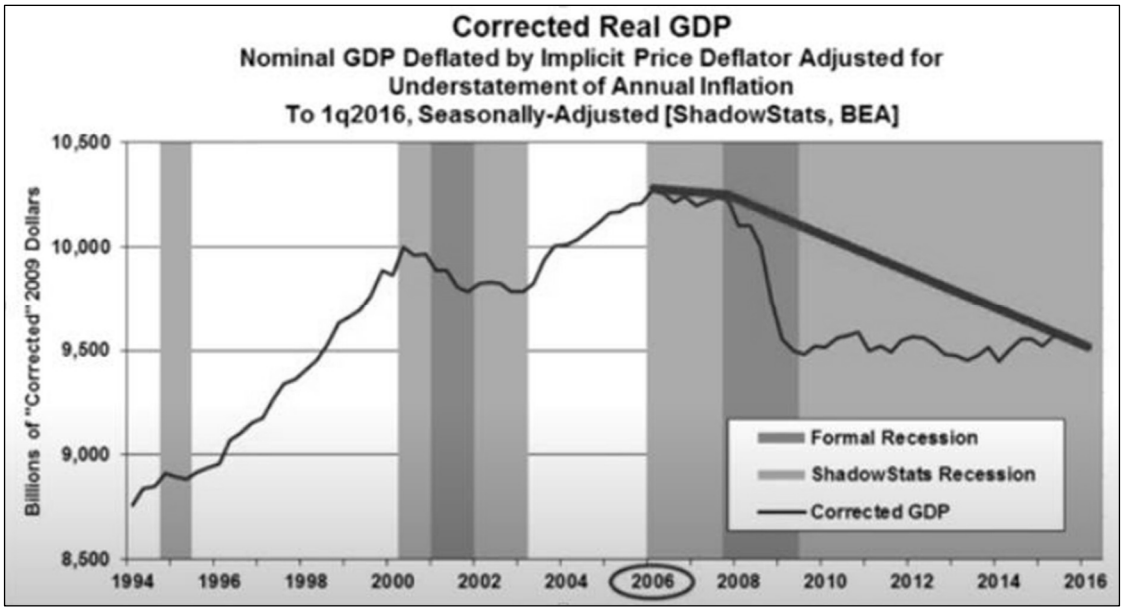
2. Declining Velocity of Money

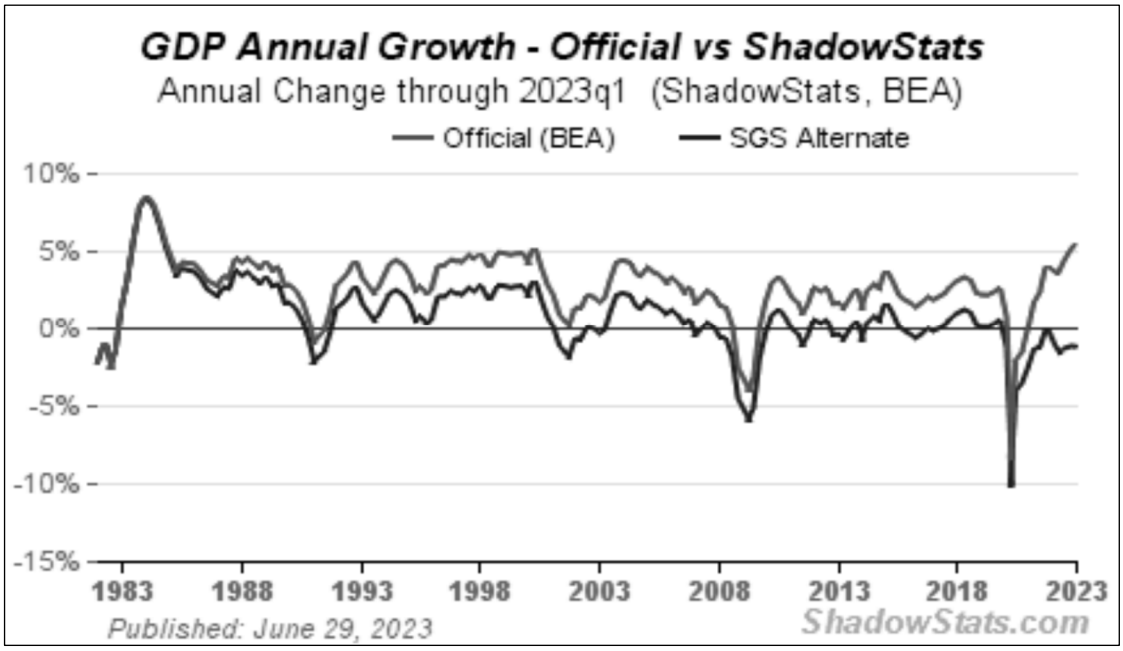
The velocity of money measures how quickly money circulates in the economy. In 2000, each dollar was spent about 2.1 times per year. By 2017, that figure had dropped to around 1.4. This drop indicates economic fear—when people lose confidence, they spend less, save more, and hoard what little they have.

This is a clear sign of buyer's market behavior: there are goods on shelves, but consumers are too cash-strapped or too uncertain to buy them.

3. Sluggish GDP Growth Since 2006

Real gross domestic product (GDP)—a measure of national output—began declining in 2006 and has remained weak for over a decade in spite of record deficit spending. The economy is not growing at a pace consistent with past recovery periods, and this trend suggests that consumer demand has eroded substantially. Despite having the production technology, we simply aren't producing as much because too few consumers can afford to buy.



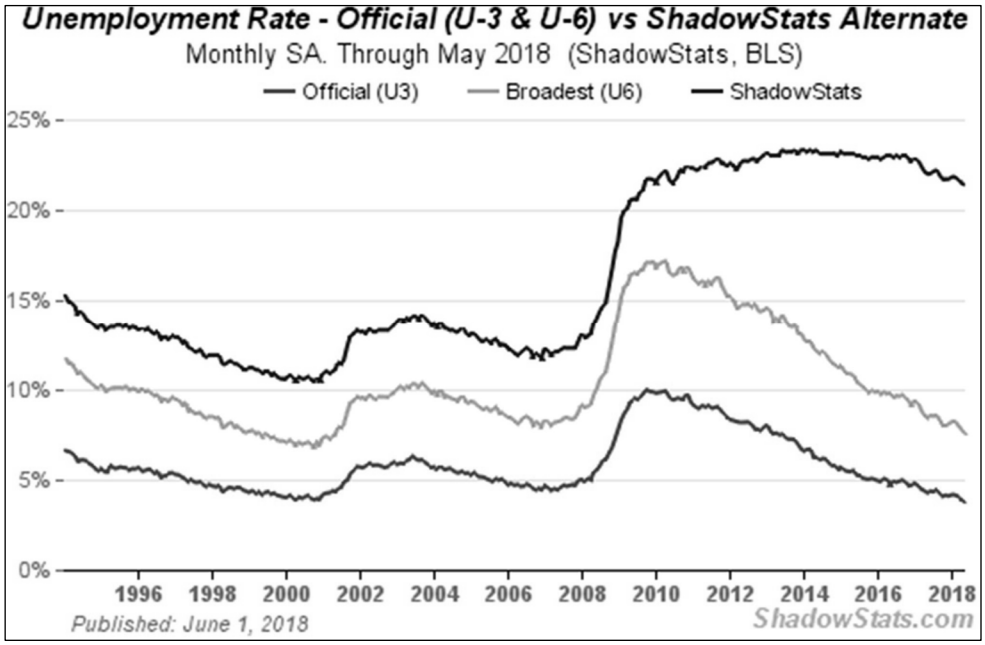


Courtesy of ShadowStats.com

4. Misleading Unemployment Statistics

Official unemployment figures (such as the U3 rate reported by the Bureau of Labor Statistics) have long painted a rosier picture than reality. These figures exclude those who have been out of work for over a year and given up looking. ShadowStats.com, which includes discouraged workers, reports that the real unemployment rate has hovered around 22% since 2010.

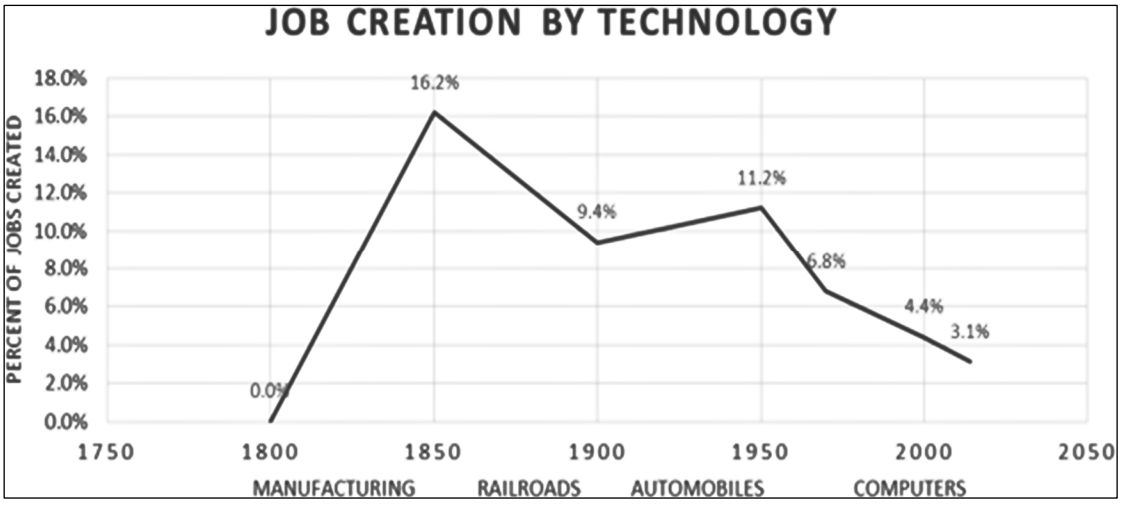
The shift of millions from short-term to long-term unemployment is a defining feature of a buyer's market—an economy that has automated away too many jobs and replaced too few.



5. Automation No Longer Creates Enough Jobs

Historically, automation led to new job creation in emerging industries. During the early Industrial Revolution, machines created more jobs than they destroyed. However, as of the 21st century, that is no longer the case.

Graphical data from 1800 to 2000 shows a dramatic slowdown in job creation. Machines now build machines. AI platforms like ChatGPT can code, write, and design—eliminating even high-skill positions. Automation is expanding, but job creation is not keeping pace.



6. Record-Low Marriage and Birth Rates

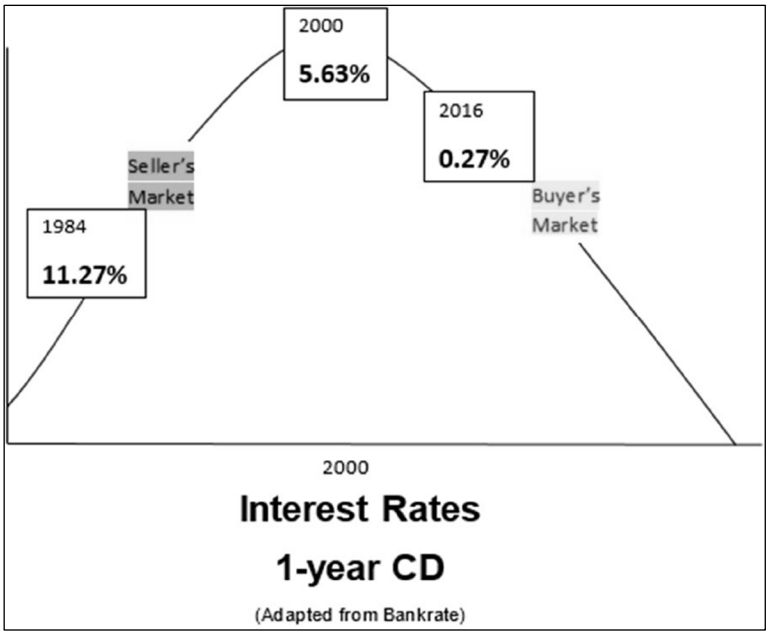
Economic conditions affect life decisions. In the Great Depression, marriage rates fell to historic lows. Today, they are even lower.

Many young adults delay marriage or forgo it entirely due to financial insecurity. First-time homebuyer age has increased from 28 in 1980 to 38 in 2025. The middle class can no longer afford to reproduce itself—a sign of economic regression and despair. This breakdown in household formation is a symptom of buyer's market distress.

7. Persistently Low Interest Rates

In seller's markets, interest rates are high due to investment competition. In a buyer's market, low consumer demand discourages business lending. The result? Persistently low interest rates, even with a growing economy.

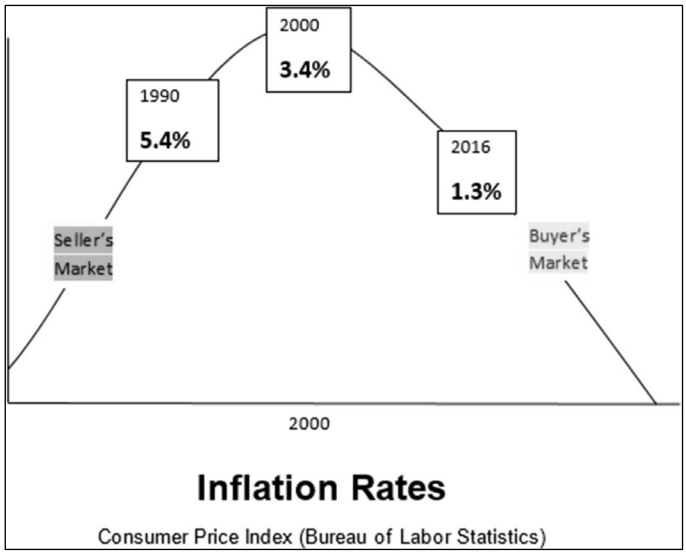
The low cost of borrowing suggests a surplus of capital and a shortage of places to put it profitably. That is, we have the money—but not the demand to justify investment.



8. Asset Prices and Inflation Have Stalled

Before the COVID pandemic, inflation remained stubbornly below the Federal Reserve's 2% target. Asset appreciation slowed. Deflation risk grew.

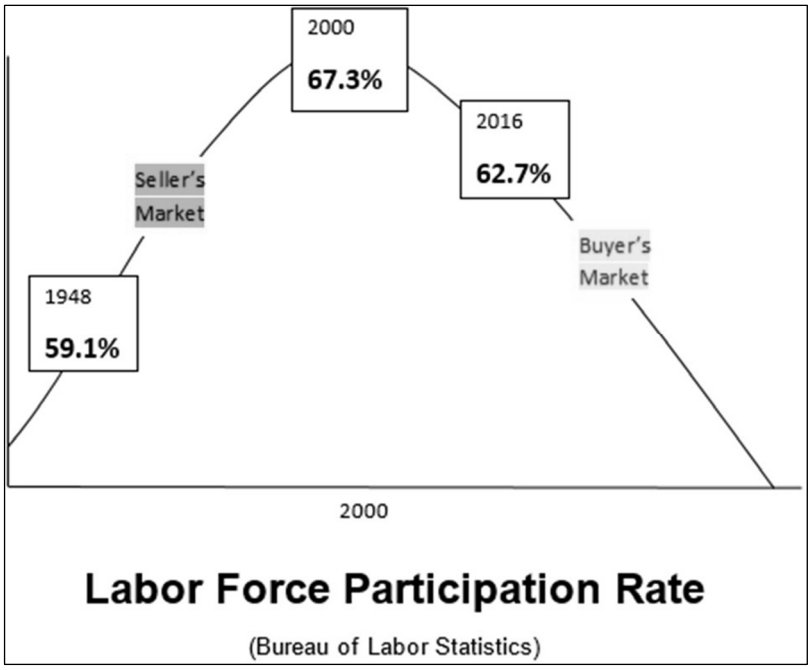
This environment is not just "low inflation"—it's a warning sign. Businesses aren't investing, consumers aren't spending, and prices reflect oversupply rather than booming demand.



9. Job Search Difficulty and Age Discrimination

Jobs are harder to find, especially for older workers. People over 50 report greater difficulty securing meaningful employment. Many industries view mid-career professionals as too expensive or outdated, leading to layoffs or forced early retirements.

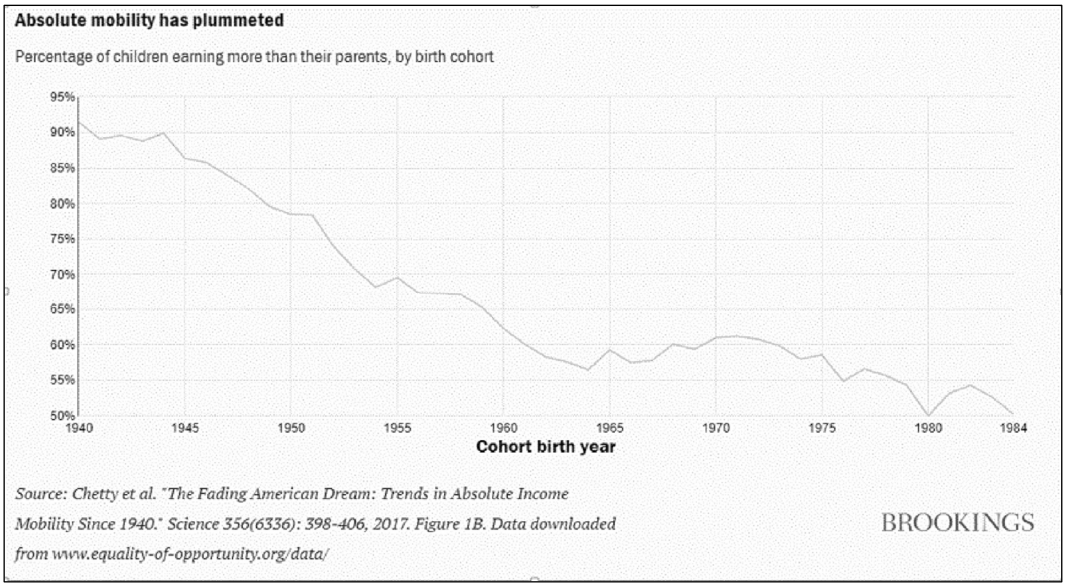
In a thriving economy, experience is valued. In a buyer's market, it's sidelined.



10.Economic Mobility Has Collapsed

One of the pillars of the American Dream is that each generation does better than the last. Data shows this is no longer true.

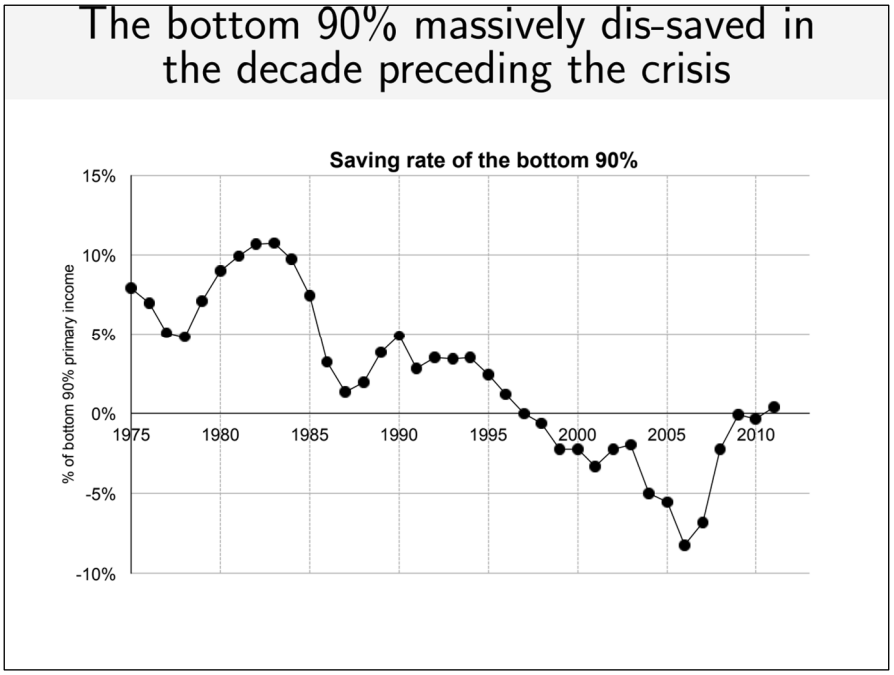
Those born in 1940 had a 90% chance of out-earning their parents by age 30. For those born in 1984, that figure is only 50%. The younger generation is stagnating—despite being better educated, more productive, and more connected than any generation in history.



11.Consumers Are Spending Their Savings

Since the late 1990s, the bottom 90% of Americans have saved less and spent more. By 2007, they were dipping into savings just to survive.

This negative savings trend, a full decade before the Great Recession, reveals a long-term erosion of financial stability. It indicates desperation, not prosperity—and it aligns perfectly with the buyer's market trajectory.



Saez and Zucman, "Wealth Inequality in the United States since 1913" (October 2014)

12. The Economic Landscape Has Flipped

We've moved from a world of optimism and opportunity to one of retrenchment and fear. Consider this comparison:

Seller's-market side	***Buyer's-market side***
Increasing middle class	Declining middle class
America is a great nation.	"Make America great again."
Education is a good investment.	Massive student debt without jobs
Invest in production to profit.	Demand is decreasing—Cash is King.
Businesses grow sales.	Companies cut costs.
Full-time jobs	Part-time jobs, discouraged workers
Good job benefits	Declining benefits
Funded retirements	401Ks
Hiring	Layoffs
Want cable TV	Millions "Cut the Cord."
Large to moderate inflation	Deflation or meager inflation
Individual families have their own homes	Multi-generational families in one home
Rising salaries	Jobless recovery
High velocity of money (It gets spent often)	Low velocity of money
Low credit card debt	High credit card debt
Hope	Fear for the future

The symptoms are clear. We have crossed the midpoint of the Production Parabola.

Section 3:
What is Our Opportunity?

As we slide further down the buyer's market side of the **Production Parabola**, one vital question looms over our economy:

Can we keep stimulating our economy through borrowing and interest-based inflation without jeopardizing national stability?

After World War II, the U.S. economy was booming. We were on the **seller's market** side of the Production Parabola, with more dollars chasing too few goods. Consumer demand was high, job opportunities were plentiful, and paying back borrowed money was easy, because a growing economy meant growing tax revenues.

Around the year **2000**, however, we reached the **flat top of the parabola**. Our production capacity and demand were in temporary balance. But since then, we've entered the **buyer's market** side of the curve, where **machines do more of the work** and **fewer people have jobs**, resulting in **too many goods and not enough dollars chasing them**.

Continuing to **borrow** in this environment is no longer sustainable. Rising interest rates can destabilize the economy. Our growing national debt could eventually **outpace our ability to pay it back**, potentially resulting in economic collapse or the erosion of faith in government.

Why the Two-Pot Model is No Longer Enough

Our economic system has traditionally operated with two basic sources of money:

1. **Wages** – earned by workers through labor
2. **Taxes** – collected from wages, investments, and business profits to fund government spending

This "**two-pot capitalism**" worked well in the seller's market era when employment was widespread and consumer demand was strong. But today, machines have replaced millions of human jobs, and wages have not kept pace with productivity. **Consumer demand is too weak to support the economy on its own.**

Enter the Third Pot: Progress Dollars

We now need a **third source of money** to sustain our economic system: **Progress Dollars**.

Progress Dollars are **non-taxpayer-funded stimulus payments** distributed **directly to American adult citizens**. They are created to **replace the wages lost to automation**. Unlike borrowed money or tax revenue, **Progress Dollars are printed by the government with no obligation of repayment**. They are **backed by our productive capacity**, not our tax base.

Why Progress Dollars Work in a Buyer's Market

In the **buyer's market**, the real problem is **not low productivity**—we can make more than ever thanks to machines. The problem is **low demand**. People don't have enough money to buy what we can produce.

Progress Dollars **solves this problem directly** by:

- Putting money in the hands of people who will **spend it**
- Restoring **consumer demand**
- Keeping **businesses open**
- Avoiding **deflation** and mass layoffs
- Encouraging further **private investment** by the wealthy

Unlike trickle-down economics, which puts money at the top and hopes it "trickles down," Progress Dollars **build the economy from the bottom up**.

Three-Pot Capitalism vs. Socialism

Progress Dollars are **not socialism**.

- **Socialism** involves central planning and public ownership of businesses.
- **Three-pot capitalism** keeps businesses and resources privately owned but **supports demand** through **direct consumer stimulus**.

In other words, **we preserve capitalism by keeping consumers in the game**.

Progress Dollars **don't qualify or restrict how people spend the money**. That's the beauty of capitalism—**individuals choose how to allocate their resources**.

And the stimulus is **not a free lunch**. It is a **dividend on decades of technological innovation** that has made our economy vastly more efficient, but has failed to distribute the gains equitably.

Avoiding a Hoover-Style Mistake

One of the worst mistakes the United States made during the Great Depression was the **Hoover administration's decision to cut government spending and raise taxes**—which only deepened the economic crisis.

We cannot afford to repeat that mistake.

Cutting social spending, raising taxes, or tightening monetary policy during a buyer's market will further **weaken demand**, **increase unemployment**, and **push us deeper into recession or worse**.

Instead, we must **stimulate the economy**—but **smartly**, and without adding to the debt.

Why Printing, Not Borrowing, Is the Right Approach

Progress Dollars should be **printed, not borrowed**.

Our money is already **created digitally by the Federal Reserve** when it conducts quantitative easing or supports financial institutions. The same principle can be applied to consumers through a structured, carefully controlled system.

Printed stimulus money should:

- Come from a separate **"off-the-books" federal account**
- Be distributed by the **Social Security Administration**
- Be managed and scaled by the **Federal Reserve**, with inflation monitoring
- Be **increased slowly**—$100 at a time—until demand-pull inflation appears

This avoids the debt spiral while still **keeping demand at the optimal level** for full use of our productive capacity.

What About Inflation?

The main concern people raise is inflation.

But remember: **inflation only occurs when too much money chases too few goods.** That's not our problem right now.

We are in a **buyer's market**, where **too few people have enough money to buy the goods being produced**. That's why **Progress Dollars will not cause inflation in the early stages**.

Even later, once we begin to observe some **demand-pull inflation**, that's a **good sign**—we've reached optimal demand. At that point, we can **pause or slow down** further increases.

Why $500 per Month?

We estimate that **$500 per month per adult** will be close to the amount needed to **restore full demand** in our economy. That totals **$6,000 per year**, which can:

- **Eliminate student debt** over time for many
- **Push low-wage workers into the middle class**
- **Supplement Social Security** to make retirement viable
- **Lift millions out of poverty**
- **Stimulate consumer spending**, boosting business profits
- **Increase sales and income tax revenue**, reducing the deficit

And after that $500 baseline is reached, annual increases of **$25 per month** can continue the progress as productivity improves.

Real Benefits of the Automation Annuity

Here are just some of the outcomes:

- **Reduce crime**: With financial security, former offenders are less likely to return to crime.
- **Lower abortion rates**: Fewer "economic abortions" as families gain financial stability.
- **End generational poverty**: With sustained income, children grow up healthier and better educated.
- **Shorter workweeks**: Spread remaining jobs across the workforce, improving quality of life.
- **Hope for the future**: Americans will believe again that the system works for everyone.

The American Crossroads

Without Progress Dollars	With Progress Dollars / Annuity
School loan debt	Paid-off student debt
Declining middle class	Rebuilding the middle class
Work till you drop	Retire securely or work by choice
Mounting government debt	Reduced debt through higher tax revenue
Declining healthcare access	More money for essentials
Longer, harder workweeks	Shorter workweeks and better balance
Rising crime	Lower crime due to financial stability
Increased poverty	Poverty dramatically reduced

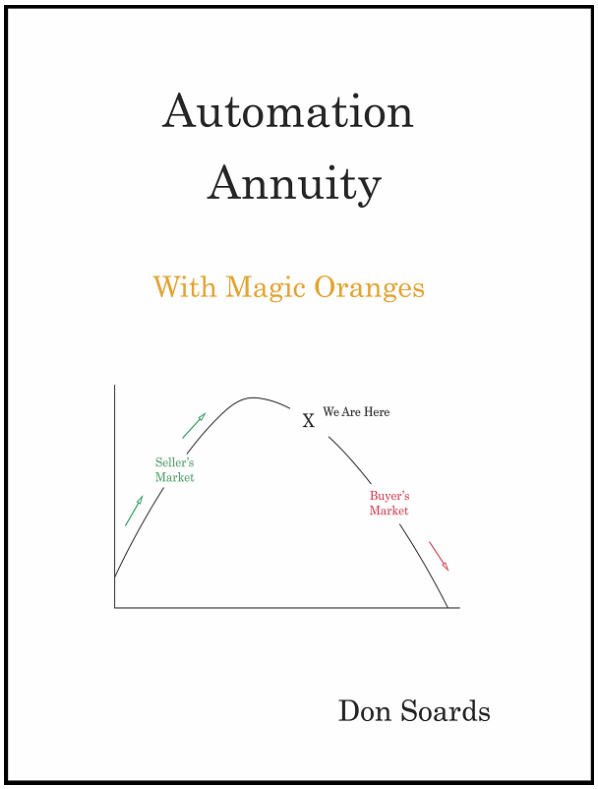
We Have the Tools—We Need the Will

If we understand that we are in a **buyer's market**, we must act accordingly. Let's not waste this moment or fall into fear-based inaction.

Contact your elected representatives. Tell them you support legislation enabling Progress Dollar Automation Annuity payments.

We are not talking about utopia. We are talking about **a common-sense, incremental approach** to **modernize capitalism** and **restore prosperity**.

Let's replace 20th-century economic tools with a 21st-century solution.



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