**Losing Social Capital By Not Spending It –**

**Improving our Management of Informal Economic Resources**

This essay is about our economic wastefulness, though in a sense so indirect we may fail to see it as part of the economy at all. Still, we should not let its indirectness fool us with regard to the negative impact such wastefulness has on our economy in the direct, more obvious sense – and on our politics as well. Whereas typically and the more direct senses, wastefulness occurs by overspending or overconsuming, the kind of wastefulness I am addressing here occurs by not spending. I am not referring to the failure to invest money or materials assets, which, strictly speaking, would not count as spending, since the wealth retained and, if the investment is successful, grown. I am speaking about the failure to suspend our “social capital”. In contrast to all the planning we do to spending our material wealth wisely and to invest and grow it by carefully considered investment, we do too little – and by the accounts of researchers, less and less, to spend the social capital we have both to strengthen the social bonds of trust that already exist between us and to create bridges of trust and community between groups previously isolated from one another.

It has been commonly remarked that social capital, unlike material assets, increases by being spent, while it shrinks and degrades by not being spent. Money in a bank account with no interest does not grow, but will not degrade either, at least in the absence of punitive fees. Social capital, on the other hand, degrades with non-use. Although no one completely lacks social capital, some are more deprived than others. Yet it is not so much individually owned as contained socially in joint accounts”, the exercise of which reliably causes increase. Each of us has some share in such accounts, and each of us is always in position to “spend” from them. In doing so, we build, increase, and improve community, both by strengthening the bonds of good will between us and bridging over to create new bonds where they had been lacking, improving the quality of our own lives while in a manner largely inadvertent laying the grounds for a more prosperous and more connected economy, where high tides actually do lift all boats and wealth is more equitably distributed.

As noted by perhaps its most well-known user, Robert D. Putnam, the roots of the notion of social capital go back to the much less known rural educator, L. J. Hanifan (1879 –1932),

The tangible substances [that] count for most in the daily lives of people: namely good will, fellowship, sympathy, and social intercourse among the individuals and families who make up a social unit. . .. The individual is helpless socially, if left to himself. If he comes into contact with his [neighbor](https://en.wikipedia.org/wiki/Neighbourhood), and they with other neighbors, there will be an accumulation of social capital, which may immediately satisfy his social needs and which may bear a social potentiality sufficient to the substantial improvement of [living conditions](https://en.wikipedia.org/wiki/Living_conditions) in the whole community. The community as a whole will benefit by the cooperation of all its parts, while the individual will find in his associations the advantages of the help, the [sympathy](https://en.wikipedia.org/wiki/Sympathy), and the fellowship of his neighbors (Quoted from Putnam, Bowling Alone: The Collapse and Revival of American Community, Simon & Schuster, p. 19, 2000).

In Bowling Alone, Putnam expands on the concept by referring specifically both to bonding and bridging capital, as briefly introduced above, and explains the inspiration for his own work by saying:

We've [Americans] been able to run a different kind of society. A less statist society, a more free-market society, because we had real strength in the area of social capital and we had relatively high levels of social trust. We sort of did trust one another, not perfectly, of course, but we did…. And all that is declining, and I began to worry (on the podcast “Conversations with Bill Kristol: ‘Robert D. Putnam on Our Civic Life in Decline’”, March 14, 2016).

Incidentally, the premise for the title is telling: Putnam, a lifelong bowler who grew up participating in various bowling clubs and leagues, was surprised to \discover that despite the precipitous decrease in the number of bowling clubs in our society, more people actually bowl now than ever.

In short, social capital is all the ways we bond and bridge with one another socially, whether within or families, schools, churches, clubs, associations, and friendship, on the one hand; or even on the street, in elevators, in bars; the way we speak (and whether we speak) to strangers; and especially, how much we are looking out to lend a helping hand to those in need; and how eager we are to cultivate new friendships. If we think friendships should just happen on its own and we should not seek them out proactively, then perhaps we are part of the problem.

So much has been said about social capital in the last few decades that its origin as centered in plain old human socialness tends to get lost, focusing instead on things like quality of education, when in fact, it could be argued even that quality of education (and health care, among other things) is itself largely grounded in socialness. Socialness is something we all have all too often lack the generosity to spend on others, especially those unlike us in some way or ways that make us feel uncomfortable: politically, religiously, class-wise or status-wise. This points the figure at one kind of social capital our stinginess in the spending of which is hurting us badly: *bridging* capital, especially in an immigrant country such as ours where bridges – particularly new bridges – are sorely needed on an ongoing basis.

In spite of so many years of civil rights struggle and government intervention on all level to stem the tide of racial and class segregation, research clearly indicates that on the level of neighborhoods if not cities and town, we have a higher level of residential segregation than we have ever had. The Othering and Belonging Institute of University of California, Berkeley reports that in the sense just described, 80% of our metropolitan areas were more segregated in 2019 than in 1990. Part of this may be due to the fact that government intervention has in many ways abated. Another contributing factor is zoning laws limiting tenancy. But it seems that the will to separate, whatever its origin, is very much alive, tearing away at our social fabric.

The result of our declining collective social capital is that what of it that we do have becomes more and more isolated within enclaves of the more educated and fortunate, increasing the gap between rich and poor. As Putnam notes to Kristol in his interview, it is not about outcomes but about starting points: in other words, it is not that the wealthy are too rich and the poor are too poor; it is that the gap between where we start on the economic ladder is widening, making reasonable economic success a monumental task for many.

If this were the extent of the problem, it would be bad enough for us. But alas, we appear to have a problem not only with bridging, but with bonding capital as well. For there is evidence that even previously bonded communities are coming apart: politically liberal Catholics are alienated from conservative ones; educated whites are having less and less to do with less educated whites and even feel comfortable ridiculing them as a last bastion of socially acceptable class denigration. Puerto Rico-born Puerto-Ricans do not identify well with American-born Puerto Ricans. A growing number of first-generation Americans are anti-immigrant. Even families themselves are becoming divided over politics. These rifts are comparatively new; as a Catholic growing up, I had no idea who in my church or even who in my extended family was liberal and who was conservative. In perhaps a more passive sense, those engaging in social media are becoming increasingly divided from those who don’t.

While Putnam and other scholars debate over the measures that should be taken *en bloc* to put us back on a more healthy social track for rebuilding our social-capital infrastructure and thereby support a more equitable and sustainable economic future, I appeal here to individuals with the message that there is something that each of us can do: start rebuilding our own “neighborhoods” and vicinities by reaching out proactively in friendship.

It doesn’t have to be formal; you might just hate going to organizational meetings; so do I! My feelings about them are encapsulated by a sign on the door of one of my colleagues, which reads: “I just endured yet another meeting that should have been an email”. The point is that our accrued forms and formats of socialness are bound to change with modern technology and evolving customs. It is not that we must cling *per force* to those same exact forms and formats, but to keep creating new ones as needed. And it doesn’t have to be formal. Some of the best forms of socialness start out informally and gradually become more official with time. For example, increased families and groups are renting out lanes of bowling alleys as locations for family gatherings.

I decline to cast my lot against electronic forms of communication as the culprit, not only because the root system of our present social decline was already well-established before internet use became common, but also because electronic communication holds out so much promise as a means of helping us increase our socialness. We just need to figure out how our use of online resources can complement our socialness rather than erode it.

Notwithstanding the fact that we should consider online interactions as a viable alternative to live ones, still, as social organisms, we need live affection, friendship, and intimacy of various kinds in order to be happy. There is no way we can invent ourselves away from being the organism that we are; nor should we try.

It is becoming more and more clear that the case made by Hanifan and Putnam connecting social capital to economic productivity is well-established and is in no need of elaboration here, other than to say that successful economic activity is not just about competition but requires collaboration as well, based on a background of trust and a sense of belonging, without which creativity is stifled and entrepreneurship is loath to take root. To effect this, our first and best investment is in friendship and social interaction, not just within our own “neighborhoods”, but between them as well.