

# Incentives matter.

Dalrock | 5 November, 2018 | by Dalrock

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The U.S. and our allies won the Cold War in part because we had a far superior economic system. The Soviets relied on a quota system enforced by threats of imprisonment. The U.S. and its allies on the other hand relied on an incentive based system. The quota based system works to a degree, but it creates a disincentive for increased productivity. Under a quota based system if you work harder or smarter and produce more, you will find that your quota is quickly raised. No good deed goes unpunished, as your own hard work will always be used against you.

Ironically even as the U.S. was winning the Cold War it was in the process of moving to a quota based system itself. This change happened not on the factory floor, but in the family. In the past our families were marriage based. Men married and lived with their families, and this created an incentive for men to work hard first to signal provider status (to attract a wife) and then to provide for their own families. That men respond to the marriage based system by working harder and smarter is well known, even while economists miss the point. See for example the endless supply of academic papers scratching their heads to figure out why marriage is associated with greater earnings for men but not for women. What is the cause of this mysterious *male marriage premium*?

Yet while academics are baffled, our family court judges know the answer. They know from experience that when you take away a man's family you take away much of his incentive to work hard to support that family. When you tell him it isn't *his* family anymore, he feels less of a sense of responsibility. Likewise, when you kick a man out of his home, he feels less incentive to work hard to keep paying the mortgage or rent. This is why judges are careful when stripping a man's family away to assign the man an earnings quota in the form of imputed income. Otherwise, the man is likely to respond to having his home and family ripped away by working like a single man without a mortgage. Like the old Soviet system, the man's quota is established by his own record of production. If he produces more, his quota will be increased.

I mention this in preface to a post by Dr. Helen titled [‘About 500,000 Young Men Are Missing, and It Isn't Clear Why’](#). The title is a quote from a Bloomberg article that wonders [why young millennial men aren't working harder](#):

Though employment rates have been climbing back from the abyss, young men never caught up again. Millennial males remain less likely to hold down a job than the generation before them, even as women their age work at higher rates.

The Bloomberg article uses a familiar trick to personify the trend they are asserting. They introduce Nathan Butcher, who is 25 and not working. Nathan has job opportunities, but isn't motivated to either start at the bottom and work his way up or to improve his career prospects through education/training, although he talks about wanting to do the latter.

Perhaps not coincidentally, Nathan isn't a product of our old (marriage based) family model that gave young men an incentive to work hard. As the article explains, he is a product of the new family model, headed by single mothers:

His choosiness could be a generational trait, he allows. His mother worked to support her three kids, whether she liked her job or not.

The implication is that the golden age of responsible single motherhood has passed us by:

“That was the template for that generation: you were either working and unhappy, or you were a mooch,” he said. “People feel that they have choice nowadays, and they do.”

It is more likely that such a golden age never existed. But either way, it is clear that Nathan isn't motivated to do what it takes to signal provider status and thereby attract a wife:

He's being selective as he searches for new work because he doesn't want to grind out unhappy hours for unsatisfying compensation.

“I'm very quick to get frustrated when people refuse to pay me what I'm worth,” he said.

But should we be surprised that Nathan isn't motivated? We've removed the incentives and prestige that once motivated men to work hard to support their families as husbands and fathers. We've spent decades teaching men that husbands and fathers are despicable at worst, and at best jokes. All of our entertainment, even product commercials, continuously hammers this message. It isn't just secular culture either. Christian movies are even worse than secular entertainment in this regard, and Father's Day is now a day to disparage married fathers in churches across the land. It isn't just our culture that sends this message. We send the same message with even greater potency with our family courts.

The message is: Men who marry and have children are despicable and deserve the harshest punishments we can mete out.

Now we are scratching our heads asking “Hey, why aren't these young men knocking themselves out preparing to become husbands and fathers? What is wrong with these losers?” I don't think Nathan himself knows what is really going on. This new system that dishonors the honorable and discourages men from working hard is the only system he knows. It will also be the only system his children will know. For at the end of the Bloomberg article we learn that 25 year old unemployed Nathan is already a father twice over under our new family model:

He wants to earn enough to provide security for his son and daughter, who live with their mother.

Predictably older conservatives will respond to the failure of our new family model by [patting themselves on the back](#) for working harder than young men like Nathan. We are after all the generation that won the Cold War.

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