

WHY I HATE CHRISTMAS

The Social and Economic Pathologies of Our Grandest "Holiday"

James S. Henry

December 24, 2004

Submerging Markets™

© James S. Henry, SubmergingMarkets™, 2004

When I was a kid in Minnesota, my family had a huge Scandinavian feast every Christmas Eve, complete with more than two dozen relatives, three feet of snow, a mountainous evergreen that was trimmed to the top with popcorn balls, candy canes, tinsel, and hundreds of precious once-a-year decorations, a six-course dinner with lutefisk, ham, turkey and eight or ten pies, long-winded after-dinner stories about baseball, the space race, and World War II, and, of course, lots of brightly-wrapped presents.

It has taken more than three decades of rigorous training in economics and law and life on the East Coast to shake off the nostalgia of those warm, festive occasions. But I am now willing to say out loud what I expect many Americans are muttering all across the country at this time of year: Christmas is a real net loser as a socio-economic institution.

Although for decades the observance of Christmas has been justified on the grounds that it is "merry," rigorous quantitative analysis proves that precisely the opposite is the case. Despite numerous claims by its proponents that this holiday promotes a desirable "spirit," and makes people "jolly," the hard data clearly demonstrate that the yuletide period is marked by environmental degradation, a sharp increase in unfortunate encounters with hazardous products, massive congestion, tedious, time-consuming travel, and the abuse and inefficient use of

vast numbers of animals, birds, trees, and many other valuable resources.

Moreover, the number of people who are rendered truly “joyous” by Christmas is almost certainly exceeded by the number who are made to feel rather blue. Nor does Christmas truly fulfill its purported distributional objective: the transfer of gifts to those who really need them.

Finally, it turns out that this so-called “holiday” may be responsible for America’s dwindling savings rate, unsustainable trade deficit, declining competitiveness, and a great many property crimes – not to mention our appalling tolerance for elevator music by the likes of Bing Crosby, Michael Bolton, and Kathy Lee.

In short, although Christmas may be an important source of religious inspiration for some, and a genuine source of wintertime fun for others -- mainly children, who would probably be having fun anyway -- it fails the test of social cost effectiveness. It is high time for those of us who are serious adults to take a good long holiday from this overblown annual ritual.

THE INDICTMENT

Christmas consumes vast resources in the dubious, really quite uncharitable pursuit of “forced giving.”

To begin with, let us recall the countless hours that we have wasted on Christmas – all that precious time spent searching for “just the right gifts” for people we barely know; writing and mailing cards or emails to “friends” that one ignores the entire rest of the year; hanging ornate decorations on so-called “evergreen” trees that will become un-decorated, un-green fire hazards in less than a month; attending all those semi-compulsory, over-produced parties that are saturated with cholesterol-rich food, drink, and false cheer; and the tedious task of returning all those mismatched presents after the New Year, just as their retail values plummet.

Assuming conservatively that each American adult spends an average of two days a year on such activities, this represents a wasted investment of **1.2 million person-years per season**. At a per capita “shadow wage” of \$38,000, that works out to **a “deadweight**

Christmas loss” of \$45 billion per year -- even apart from any extra spending associated with these dubious activities.

Just as important is the amount that Americans spend on gratuitous gifts each year – at least \$50 to \$60 billion per season, by my careful estimates. All this extra consumer spending is sometimes considered beneficial because it stimulates the economy. But a closer look reveals that this massive yuletide spike actually creates many harmful side-effects.

Gratuitous Gifts

Misfit gifts are one key example. According to New York department stores, at least 15-20 percent of all retail purchases at Christmas are returned after the holidays. Allowing for the inability of young children to return undesired gifts, and the fact that many other misfit gifts are retained involuntarily because recipients feel obliged to disguise their true feelings, perhaps as much as **a third** of all Christmas season purchases may be unwelcome.

This means that Christmas is really a throwback to a barter economy, where people have to try and match each other’s wants to their own offerings. The whole institution of money was invented precisely to solve this inefficiency – the so-called “double coincidence of wants” problem. In the case of Christmas, one simple solution might be to require people to give each other cash. But that would expose the absurdity of the whole institution.

All this “forced giving” artificially pumps up consumption and reduces savings, since it is unlikely that all the silly, expensive presents given at Christmas would be given at other times of the year. One particularly noxious aspect of surplus consumption is “conspicuous giving” -- luxury gifts like Tiffany eggs, gold toothpicks, crystal paperweights, \$30,000 sable stoles, and \$15,000 watches. Such gifts are designed precisely for those who are **least** in need (e.g., “for the person who has everything”). And most of these high-priced gifts are given at Christmas. According to a sample of New York department stores, the fourth quarter of the year provides more than half of the year’s diamond, watch, and fur sale, and an even higher share of their annual profits.

No doubt all this gratuitous spending delights these retailers, and many other “dealers” in the Christmas racket. To the neo-Marxists in the crowd, this suggests that the holiday is explained by economic

determinism -- what we have here is not just a coherent, self-sustaining religious ideology, but a powerful set of underlying economic interests, with a huge stake in perpetuating this season's fatuous gift-giving mythology.

Lower Savings, Higher Debt

Meanwhile, for the nation as a whole, the fact is that Christmas just reduces our already-flagging personal savings rate -- now just [a paltry 1 to 2 percent](#) of personal income. It also adds to the burden of consumer debt. Almost a quarter of Christmas season sales are financed by credit cards or charge accounts, and January has become the peak month for credit card delinquencies. It turns out, in other words, that Christmas is quite literally a festival that we can no longer afford.

Toy Fetishism

For parents, another exasperating aspect of Christmas binge spending is toy fetishism. The holiday season accounts for more than **60 percent** of the US' annual [\\$31 billion expenditure](#) on toys and video games. Much of this new toy capital depreciates rapidly, if it works at all. The surfeit of hyper-stimulating toys is no doubt a major contributor to the ADD scourge among young Americans, and to our pitifully low youth savings rates. It is also educationally unproductive. According to the [National Toy Industry Association](#), the US now spends nearly three times as much each year on mindless video games (\$10 billion), action figures (\$1.2 billion) like **the Hulk**, **Harry Potter**, and **Anne Coulter**, and dolls (\$2.8 billion), as on all retail book sales for children (\$1.5 billion). Toys in the "learning and exploration" category account for a mere half billion dollars.

Over time, all this free-wheeling spending on unproductive child toys also encourages heavy spending on unproductive "adult toy capital," like Porsches, J-120 sail boats, and synthetic Vice Presidential candidate action figures with Southern accents and really thick hair.

Since a [large share](#) of the leading Christmas toys in the US market are now made by [Chinese companies](#), the toy binge is also making the US dangerously dependent on foreign toy imports. This opens the door to insidious, all-too-poorly-understood cultural influences that may take decades to reverse.

Many Christmas toys are also hazardous -- snowboards, skates, sleds, hockey sticks, Roller Blades, bicycles, baseball bats, boxing gloves, even iPods when put in the wrong hands. The **US Consumer Product Safety Commission** reports that last year [there were 17 deaths and 203,000 emergency room admissions in the US due to hazardous toys](#). There were also [more than 11 million toy recalls](#). If we allocate these deaths, injuries, and recalls in proportion to seasonal sales, Christmas is clearly the dominant problem. (The comparable figures for deaths caused by books and book recalls were zero and zero, respectively.)

Finally, one only has to visit any Toys 'R' Us or Walmart at this time of year to see the holiday's negative impact on parent-child relations. The store floors are replete with distraught mothers and fathers dragging their tiny, toy-addled munchkins kicking and screaming away from the latest high-priced, must-have offerings. All this unproductive consumption would be much better spent on mathematical drill books, computer learning, alarm clocks, pencil sharpeners and green eyeshades.

Christmas creates massive congestion at the worst possible time of year.

At least in large urban areas, Christmas is by far the most unpleasant time of year to shop, travel, dine out, or visit a bathroom in a mall. Just when stores are the most crowded, shopping becomes mandatory; just when everyone else in the nation is making their *de rigueur*, mid-winter, cross-country trek to "be with" friends and family, we also are drafted into this forced march.

December 21 and 22 are the year's peak dates for air travel, according to the **Air Transport Association of America**, [with more 2.1 million Americans per day jamming the nations airports](#), (twice the annual daily average.) [Nearly forty million people will travel during the period from December 17 to January 3](#), just when the weather is the worst, airlines, buses, and trains are charging the highest prices, and security threats from the growing ranks of our non-Christian enemies around the globe are peaking.

According to the **US Postal Service**, the [volume of mail traffic](#) triples at Christmas time, to more than 288 million letters and 8.6 million parcels *per day* during the week before Christmas. This batters a delivery system that is barely profitable to begin with, and has already been weakened in the previous two months by tens of millions of extra direct-mail catalogs and advertisements.

Telephone calls can reach more than 200 million per day during the month from Thanksgiving to New Years' Eve, and there is also a seasonal surge in Internet traffic. At many businesses, stores and offices, costly second- and third shifts have to be added to handle the excess demand. All this "peak loading" means that airlines, Internet services, mail delivery, stores, banks, warehouses, telephone systems, roads, and parking lots must carry more excess capacity than if these activities were distributed more evenly throughout the year. This is peak load capacity that we consumers ultimately have to pay for – it is a waste of our nation's precious capital.

Christmas destroys the environment, plus untold numbers of innocent animals, birds, and other wildlife.

These have perhaps not been mainstream concerns for hardnosed economists like myself. But if one takes account of all the Christmas trees, letters, packages, increased newspaper advertising, wrapping paper, catalogs and cards, as well as the millions of animals slaughtered for feast and fur at the holidays, it becomes clear even to an economist that this holiday is nothing less than a catastrophe for the entire ecosystem.

According to the **US Forest Service**, 23.4 million natural Christmas trees are now consumed in the US alone. This number has recently been growing fast, driven by resurgence in hard-shell Christianity and the trend toward more than one tree per household – related, in turn, by our rapidly expanding average home sizes. Americans also now use 18 million artificial Christmas trees each year, half of which are purchased brand new.

All this produces nothing less than an environmental calamity. Since natural Christmas trees have to be grown from scratch each year, millions of forest acres are now subject to an artificially-short rotation period. Recent evidence from countries like Denmark, now the world's second largest producer of Christmas trees, suggests that the resulting "industrialization" of non-organic Christmas tree production creates massive problems with groundwater pollution. And the piles of needles these natural trees produce shorten the lives of untold numbers of vacuum cleaners and household pets.

Given the growing role of foreign tree producers like China and Denmark in the global Christmas tree trade – the emerging "tree

cartel” – the resulting “Christmas tree gap,” on top of the “foreign toy gap,” also adds to our burgeoning trade deficit.

Sanctimonious Slaughter

As for the impact on our feathered and furry friends, Christmas has become nothing less than a giant abattoir. This year, according to the [Animal Protection Institute](#), 5.3 million foxes, 36 million minks, 100,000 polecats, 70,000 chinchillas, 330,000 nutrias, 352,000 seals, 4 million Persian lambs, and hundreds of thousands of sable, plus millions of leather-producing cows, will be butchered around the world just to satisfy the seemingly-insatiable human lust for real fur coats, stoles, hats, and leather coats and shoes. While many of these animals meet their fates for the sake of other occasions than Christmas, a disproportionate share are feeling Herod’s sword.

Furthermore, to stock our holiday tables Americans will also slaughter more than [20.6 million turkeys](#), 9.4 million pigs, [2-3 million head of cattle](#), 2.2 million ducks, and 718 million chickens.

To anyone who has ever visited a turkey, pig, or chicken farm, Christmas and Thanksgiving take on a whole new meaning. Every single day during the run-up to these festivals, thousands of bewildered, de-beaked, growth-hormone-saturated, inorganic birds are hung upside down on assembly-line racks and given electric shocks. Then their throats are slit and they are dropped into pots of boiling water.

After they are cooked and on the table, a few poor dead animals do have an opportunity to take revenge on their human persecutors. According to one health expert, day-old turkey contains more than [2100 separate strains of bacteria](#). Even washing a turkey before cooking it just helps to spread all these bugs around the kitchen.

Christmas introduces seasonal fluctuations into the demand for money, and may also lead to a seasonal slump in labor productivity.

Christmas is the peak season for carrying big bills around in the wallet, and cash is also a very popular Christmas gift. The volume of currency in circulation peaks each year in December, then declines by 4 to 5 percent. As noted below, this probably helps to stimulate robberies at this time of year. It also forces the US Federal Reserve

and the banking system to work hard to supply all this currency, and to cushion the resulting cycles in money demand.

As for work force productivity, many American companies completely shut down for the two-week period from Christmas to New Year's. Even those that remain open often find that on-the-job performance suffers because of seasonal high jinks and absenteeism. Armies of illegal aliens from Mexico and Central America also sneak back across the border to their homelands just to visit their families at Christmas time – a costly subterranean migration that may be touching, but deprives us of cheap labor.

Meanwhile, our Asian competitors – except for the Philippines and South Korea, which have large Christian populations -- are insulated from these Christmas-induced distortions. They continue beavering away while we party.

Far from being "the season to be jolly," Christmas is really the season of sadness and despair.

The season's compulsory merriment, hyper-commercialism, heavy drinking, and undue media emphasis on the idealized, two-child, two-parent, orthodox Christian family makes those who don't happen to share such lifestyles or religious sentiments feel left out, lonely, and even somewhat un-American.

Even in so-called normal families, media hype about the season's merriments raises expectations beyond reasonable levels, and sets up many of us for disappointment. According to a leading East Coast psychiatrist, many women exhaust themselves trying to meet both the demands of full-time jobs and more traditional expectations about what holidays are supposed to be like – in many cases, established by their (non-working) mothers.

There is also a great deal of emotional stress associated with overspending and involuntary displays of affection. While it is apparently a [popular myth](#) that US suicide rates are higher during the holiday season, police, psychiatrists, and hospitals do report that there is a dramatic rise in alcoholic "slips," drug overdoses, domestic quarrels, hotline calls, and emergency medical calls at this time of year. "Any redolent setting can be very sad for people who don't have a dancing partner," says the psychiatrist. "Christmas is one of those times."

Christmas is one of the most hazardous times of the year for humans and our pets.

The combination of trees, lights, blazing hearths, yuletide passion, and other indoor festivities [results in more household fires](#) at this time of year than any other. The fire department in Washington, D.C., reports that fire calls in December are 40 percent above its monthly average; New York City had 2,600 residential fires last December, as compared with a 2,300-per-month average.

According to the **National Highway Traffic Safety Administration**, December is the peak month for drunk driving and “DWI” arrests, which [totaled 1.5 million](#) last year. It is also the peak month for accidents—because of drunkenness, congestion, and bad weather — with [more than 585,000 last year](#), compared with a monthly average of only 527,000.

In the three days around Christmas last year, 513 people died on the nations highways. The only consolation is that last year’s Thanksgiving was even worse, with 560 deaths. Of course bad weather is a compounding factor. For those of us in colder climes, life would be much easier if we could at least agree to observe Christmas in the summer, when the lutefisk is ripe.

December is also the peak month of the year for [robberies](#), and a pretty good month for auto theft and burglary, too. Police suspect that much of this property crime is because many criminals are also motivated by the need to fill their families’ stockings. December also has a disproportionate number of murders -- almost 1500 last year – and aggravated assaults, many of which are committed by friends and families against each other in the course of holiday revels. “Christmas is a crazy season,” says one former police chief. “It’s a potpourri of emotional extremes -- either extremely quiet, or all hell breaks loose. There are more assaults, bar-room brawls, and family altercations.”

Holiday Binging

Excessive eating and drinking are used to compensate for all these Christmas tribulations. According to the [Distilled Spirits Counsel](#) and the Department of Agriculture, in the six short weeks from Thanksgiving through New Year’s, last year we consumed more than \$20 billion of alcohol - including 109 million gallons of hard liquor –

plus more than 2 billion pounds of turkey, and a huge quantity of ham, cookies, pies, eggnog, stuffing, plum pudding, and other trimmings.

All this indulgence does little for the nation's waistline: the Christmas season is the single most important contributor to obesity. The average American consumes at least **3,500-5000 calories** at Christmas Day dinner alone, a three-days supply of calories.

Naturally, January is the peak month for diet plans, many of which end up in failure and despair. This helps to account for the recent trend toward obesity in America – at last count, 65 percent of all American adults and 16 percent of all children were overweight.

Other Hazards to Adults

There are also many products associated with Christmas that are especially hazardous. For example, among those that are potentially very harmful to pets and small children are angel hair (spun glass), artificial snow (poisonous), plants like holly, ivy, mistletoe and poinsettia, the Christmas Rose, the Christmas Cactus, dieffenbachia, Lily, the Star of Bethlehem, Yew, Jerusalem Cherry, Hibiscus, and Jequirity Bean; tree decorations like tinsel, metal hooks, ornaments, and glass balls, candles, ribbons, aluminum foil, pine cones, and other packaging, electronic lights, turkey bones, and chocolate.

Furthermore, a high fraction of candles still have lead wires in their wicks, and many aromatherapy candles produce carcinogenic soot.

There is also a sharp increase in the number of household accidents at Christmas time, from scalded fingers and sliced thumbs to scissor stabs, bike spills, and ladder accidents. All this produces a sharp increase in Christmas-related hospital admissions each year. Among the vintage Christmas accidents reported recently:

1. [Turkeys exploding](#) in microwave ovens;
2. Children and pets swallowing [Christmas tree bulbs](#) whole;
3. [Painful glass cuts](#) resulting from attempts to Xerox one's lower extremities at the annual office party;
4. Children who ran into the street and were hit by cars while their parents were [distracted by Christmas shopping](#);

5. The fellow who drowned after he tried to walk on the “ice” – actually, [open water](#) -- after a few holiday party drinks.
6. The fellow who tied a [rope to the family car](#) and around his waist, then climbed up on the roof and started down the chimney with presents. Unfortunately, he neglected to tell his wife, who got in the car and drove off.
7. The unfortunate would-be Chinese immigrant whose body was [recently discovered](#) in a shipping container filled with artificial Christmas trees.
8. The fellow whose [sweater](#) caught on fire when he fell into a tree with lit candles.
9. The [5800 other Americans who suffered injuries](#) last year while decorating their Christmas trees – all of which were serious enough to require visits to the emergency room;

From a distributional standpoint, Christmas aggravates social and economic inequality.

This is because almost all gift-giving at Christmas time takes place within the family, or at least within the same social class, and doesn't reach the folks who really need our help.

In fact, Salvation Army drum-beating aside, Christmas almost certainly **reduces our capacity for charity**, by draining us of wealth that might otherwise be given to the truly needy, and by exhausting our charitable impulses in costly bouts of spending, getting, and giving to “we happy few.” Having just spent thousands on gifts and dinners for Muffy, Ben, Mom, and the kids, we are not eager to make sizeable contributions to perfect strangers, no matter how deserving.

Presumably this is not the outcome that the Person for whom this holiday was named would prefer.

SUMMARY – STICK A FORK IN IT

Overall, the message is clear: Christmas is hazardous to our health and safety, imposes a huge efficiency tax on the economy, and does little to further social justice.

Furthermore, these harms may well be growing. An analysis of long-term changes in the seasonality of the US economy suggests that the Christmas buying season has been getting longer, more costly, and more intense.

Of course, Christmas commercialism really is a rather modern innovation. The ancient Christians did not even observe the holiday until the fifth century. Medieval Christians observed it much more modestly, and the Puritans quite sensibly refused to celebrate it at all. Only in the last fifty years, with the perfection of mass-market advertising, department store merchandising, and the commercialization and expansion of pop-Christianity, has Christmas become such a command performance.

In short, from a purely economic and social standpoint, Christmas is an experiment that has been tried and found wanting. In a sense, it has become the flipside of the positive contribution that the "Protestant Ethic" once made to capitalism: Christianity's second highest holiday now almost certainly makes most of us worse off.

What is to be done? We have a modest proposal: a 3- to 5-year moratorium on the whole affair, to let us pay our bills and recover some of the fellow feeling that we've lost. After this interval, we can evaluate the "lessons learned" and the economic impacts again, and devise a new celebration strategy.

This may sound like tough medicine, especially to youngsters. It will also probably offend the many interest groups that have acquired a large commercial stake in this ritual, from bulb manufacturers and tree floggers to ambulance drivers, bar tenders, Park Avenue door men, professional Santas, tinsel makers, and booze peddlers.

But the truth is that the rest of us can no longer afford it. If we celebrate this holiday at all this year, we should do so mainly because it is over for one more year.



© James S. Henry, Submerging Markets™, December 04