Building a Bridge Between Philanthropy and Profit: The History, Economics, and Politics of Environmental Impact in a Commerce Society

Yekaterina Goncharova
ygoncharova@fordham.edu

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Building a Bridge Between Philanthropy and Profit: 
The History, Economics, and Politics of Environmental Impact in a Commerce Society

Yekaterina Goncharova
Fordham University
Department of Environmental Studies
Department of Economics
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Abstract
This paper examines our consumerist society through past and present data, business practice, supply chain, economics, and its impact on human and environmental well-being. Upon examination, the thesis aims to suggest change through social indicators and policy. It answers numerous questions surrounding both the problems and solutions associated with environmental policy. These include: the question as to what exactly is social and environmental impact investing? What current changes are impacting humanity’s ecological footprint? Why society needs to make changes? Most importantly, it assesses how we can change? Chapter 1 explores the past and what led to an increase of American consumption, holiday spending, credit card debt, and waste, while identifying the transformation of Christmas traditions, Thanksgiving Black Friday sales, and Cyber Monday from holidays of religion and kinship to consumer driven holidays. Chapter 2 dives into business strategies relationship to consumer behavior. It analyzes the impact of technology progression and social media on new consumer behaviors in United States and reflects on current consumer behavior as well as marketing research methods and strategies. Chapter 3 discusses millennials and generation Z interests and characteristics and how exactly that translates to the new work environment. Furthermore, it discusses opportunities for business to adjust to the new consumer behavior in the digital age. Exploring various businesses interacting with the final step of a supply chain: is waste. Additionally, it analyzes show investors are preparing for the changes in the market and the increasing interest of reducing the depletion of resources in the fashion industry. Chapter 4 elaborates on the previous chapters, focusing on consumption, behavior, and profit through an economic lens. It discusses resources, normative theories of rational choice, globalization, trade-offs, and marginal social cost and benefit on present social issues. This chapter is the main driving force for proving that sustainable practices does not destroy economic growth and profit. It presents opportunity for change in our current society to increase competition, productivity, and technological advancement to increase overall well-being of the Earth and its citizen. Chapter 5 ties in the relationship of consumerism and the environment to achieve a better future without the sacrifice of property, wealth, and well-being.

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
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**Key words:** Consumer behavior, Eco-Economics, Investment, Sustainable Business
Introduction: Postwar Society

The American Dream is a promise that every American can achieve prosperity and success through opportunity, hard work, and determination. Our Founding Fathers introduced this revolutionary ideology to serve as a motivational force for people at home and abroad, that their desires to pursue the dreams of achieving happiness and self-sufficiency. The root of the American Dream, of course, is the Declaration of Independence:

“We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed.”¹

In the 1920’s, the American Dream began to shift from achieving happiness to accumulating material things. In 1931, James Truslow Adams, a renowned historian, defined the American Dream as an ideology that "life should be better, richer and fuller for everyone, with opportunity for each according to ability or achievement." The novel The Great Gatsby by F. Scott Fitzgerald exemplifies a definitive portrayal of the new age and search for love, wealth, and the American Dream. An excerpt from the novel representing the positive side of the American dream: “Over the great bridge, with the sunlight through the girders making a constant flicker upon the moving cars, with the city rising up across the river in white heaps and sugar lumps all built with a wish out of non-olfactory money. The city seen from the Queensboro Bridge is always the city seen for the first time, in its first wild promise of all the mystery and the beauty in the world.” It shows an outside glance of what the American dream before going to the city to realize corruption. The connotation of living out the American Dream has significantly transformed over time from our Founding Fathers’ vision of equal rights of life, liberty, and pursuit of happiness. The American Dream demonstrated aspiration to improve quality of life with freedom but, transformed to represent a global promise of ownership of material wealth in the free-market; which, resulted in our bourgeois society. This discourse will evaluate how consumerism spread, what symptoms it caused in society, and suggest solutions for a new vision of the American

¹ Declaration of Independence

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
Dream with focus on environmental, social, and governance (ESG) standards in evaluating corporate behavior and financial performance for investors. Without a doubt this discourse will investigate the effect that the perspective of Millennials and Generation Z to construct a greener and zero marginal cost society.

The nineteenth century witnessed the success of capitalistic ideologies over communistic ideologies. After World War II, countries like Soviet Union, China, and Germany struggled to restore their infrastructure and their national economy due to the extensive cost of the war. Nevertheless, President Franklin D. Roosevelt and his administration successfully replaced those hardships by increasing opportunities through his economic recovery plan, the New Deal. Evidently, the New Deals program of relief, recovery and reform connected with a war economy boosted the standard of living that contributed to a new confident culture.

During the Great Depression, the success of enhancing the lives of Americans shaped modern economics and government intervention with the widespread use of stimulus policies, Keynesian economic theories, and the development of Social Security. John Maynard Keynes' theories, which became known under the umbrella term of Keynesian Economics, wrote about his ideas about the benefits of capitalism in growing our economic system efficiently in his book The General Theory of Employment, Interest, and Money. He advocated that in a capitalist system an increased consumption model played a major role in increasing productivity, satisfaction, and attitudes of US citizens. He reasoned that an economy is bad when people want to save their money because they are not spending or investing on things they want or in businesses they could create. As a result, there is less economic activity for economic growth and efficiency.

The influence of the Keynesian Economic Theory made a lasting impression, later in the century impacting the Cold War conflict between the Soviet Union and America. The Cold War propaganda of the most advanced consumer society in the world captivated other countries through images of affluence, middle class status, individual freedom, and technological advancements. It created a global consumer mindset for individuals’ aspiration of accumulating

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
American mass consumer culture was one of the greatest foreign policies that appeal to other nations necessities, wants, and luxuries by gaining approval and acceptance of America’s core values of financial success. Notably, that increased economic activity and individual productivity leads to financial gains and property ownership.

America gained political and economic superiority over the Soviet Union after a series of failed Kleptocratic regimes that clinging to failed ideologies. Following this sign of weakness, America bankrupted the Soviet Union weakening their satellite republics. Which, Gorbachev failed to intervene in the uprising that followed. After the collapse of the Soviet Union, there was a secretive tradition emerging of “New Russians,” that profited from the transition to western capitalism market. The Western Free Market was appealing to everyone at home and overseas. In the short run, delivering prosperity by mass consumption brought peace and satisfaction after the postwar depression. Additionally, Keynesian Economics Theory provided a successful political and military approach of dissolving the Soviet Union communism ideology and gaining acceptance abroad.

Although some individuals reiterate attacks on capitalism for the curse of materialism, or insincerity of ads, excessive consumption, and corruptions of corporations. Capitalist meaning the scared system of private property and the means of production for profit. Note that it may seem like that at some points throughout the discourse; however, bear in mind that the purpose of the discourse is to recognize the externalities present in the market and the opportunity for improving the current social and environmental issues through business strategies. Externalities is the cost or benefit that affect those that did not chose to experience that cost or benefit. The politics, people and prosperity associated with capitalism improved many lives in the United States as people became wealthier, live longer, and have access to amenities that our ancestors did not have. Modern capitalism encourages innovation in ordinary people giving them the opportunity to add value to society through equality, justice, and liberty. Additionally, this is not about the differences between capitalism and socialism. Even though, it was crucial to mention the history between capitalism and socialism to understand the indispensable principles of

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2 Curran, Media and Power, 105.
3 Sheth and Maholtra, Global Consumer Culture.

**Key words:** Consumer behavior, Eco-Economics, Investment, Sustainable Business
capitalism in a commercial society. By understanding those principles of equality for opportunity for everyone to have a chance, economic liberty to start a venture, and justice before the law. By understanding the externalities in current market failures, society has a duty to use the indispensable principles of capitalism to reach a Zero Marginal Cost Society by mimicking Earths self-sustaining mechanism in our economic system.

Chapter 1: American Dream Disorder lays out quantitative data on American’s consumption trends and patterns and its impact environmentally, economically, and socially. It will explore in depth the two major American consumer holidays: Christmas and Thanksgiving. Chapter 2: Chasing after Cashflow in the Digital Age will identify business strategies in relation to previous consumer behavior and how the digital age has influence new consumer behavior and interest. Chapter 3: New Revolution presents the current impact of millennials and generation Z in a work place and how business could adjust to new consumer behavior in the digital age. It explores various businesses changing and interacting with the final step of the supply chain and how investors are adjusting to reduce the depletion of resources. It will explore the Fashion industries supply chain to identify opportunity in producing a self-sustaining system. Chapter 4: Voice of Economics will use economics to be the driving force of social change to modify the current approach of the natural resources. It explores current strategies taking place on a national, state, and city level. Chapter 5: Tying the Know will suggest policy recommendations to incentivize and motivate people to take part of the emerging trends in the market.

Chapter 1: American Dream Disorder

For many immigrants and citizens, the American Dream was a beacon of hope that with hard work and individual freedom you can achieve success and prosperity. In contemporary culture, it is often defined, but not limited to, ownership of a beautiful house in the suburbs, a perfectly trimmed lawn, a nine to five job with exceptional income, and many appliances and electronics. To attain the American Dream is a measurement, of success by contributing to the free market of production or consumption. Every American citizen is part of the consumption process, either necessary goods or luxury goods; you cannot avoid the influence of ads in your life. Sometimes, agencies thrust useless information at consumers to buy more products that
they may not need or may not afford. Marketing companies noticed society increasing in monetary wealth and extended that to the ideology of American Dream, as a measurement of success, by accumulating more material wealth.

In Jimmy Carter’s 1979 Presidential address, he mentioned the existing challenges of society worshiping material things. The 39th President of United States announced that "too many of us now tend to worship self-indulgence and consumption. Human identity is no longer defined by what one does, but by what one owns." Overconsumption is not a problem caused solely by the American Dream or the Industrial Revolution, but suggested a rising concern of business owners and advertising agencies values and principles of stimulating national confidence that people can live above their means. On average Americans consume one-third of the global resources, while only containing 5 percent of the world’s population. Some might argue that Americans produce a lot, so they consume a lot. However, in context of other nations, one American consumes as much energy as 2 Japanese, 6 Mexican, 13 Chinese, 31 Indian, 128 Bangladeshi, or 370 Ethiopian citizens. The modern world is now suffering consequences of living beyond our means and hyper-consumerism philosophies. Which, as a result, led to income inequality set by the new American Dream standard of just getting by.

The old consumption model used by previous generations served as a foundation to satisfy basic human necessities of food, shelter, health, safety, clothing, and education. The new consumption model spread into a social virus of overconsumption for self-indulging desires. At the beginning of the nineteenth century, department stores had the foremost influence in research development to understand consumer behaviors and emotions. Department stores used their research to make lasting impressions on the consumers by encouraging them to purchase goods and services for recreational and luxury satisfaction. John Wiley & Sons studied and researched the impact of stores on consumer and product purchasing powers. The results suggest that ‘although cognitive factors may largely account for store selection and most planned purchases within the store, the environment in the store and the emotional state of consumers

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4 Capitalism’s effect on society, Mount Holyoke University.
5 Capitalism’s effect on society, Mount Holyoke University.
6 Sheth and Maholtra, Global Consumer Culture.

**Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business**
may be important determinants of purchase behavior. Under those circumstances, businesses have the advantage of knowledge about consumer behaviors and the power to alter consumers conscious preference, willingness to pay, and utility. Which is not bad for societies development as long as those changes benefit everyone involved and not just the bottom line.

The Self-Storage Association reported ‘that Americans spend $24 billion each year to store their stuff in 2.3 billion square feet of these units.’ The influence of researching consumer behaviors has a significant impact on individuals as they are running out of space to store their belongings. The success of storage industry illustrates the obsession with accumulating endless goods and the struggle to keep up with the rate of the market of production. Majority of the population is working 40+ hours a week to make an income just enough to pay bills and purchase more goods as a reward to increase happiness and satisfaction of working 40+ hours. However, individual consumers persuaded by businesses to buy a product that is above their budget are also influenced to open store credit cards to reduce the guilt of the purchase; which, led to higher credit card debt and instant gratification.

During President Eisenhower’s decade of prosperity in the 1950s, the national consumer culture flourished, growing the economy by 37 percent. President Eisenhower lowered taxes, balanced the government budget, and increased public spending, which stimulated economic growth, as the Keynesian Theory demonstrated. John Maynard Keynes, an economist, advocated for lower inflations and wages to increase employers’ capital investments to increase jobs. The Keynesian Theory suggests that the current income is the most important determinant of consumption in the short run because how much an individual spend is a determinant of their real income, which is affected by inflation. The ideology of consumerism led to an increase in competition, new occupational fields, technologically advancement, labor expansionism, and globalization. However, in the long run, the philosophy behind mass consumerism led dependency on imports, ecological resources, and citizens’ satisfaction and motivation to meet

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7 Sherman and Mathur, Store environment and consumer purchase behavior: the Mediating role of consumer emotions.
8 Shmoop Editorial Team, Economy in The 1950s.

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
the market demand. As well as an increase in poverty levels through a new cultural norm of material belongings determining wealth.

The well-being of society provided by economic development theory through the consumption model had one primary goal – to increase productivity and economic growth in the United States. In the short run, mass consumption pushed for growth and development; however, in the long term, it caused more harm to society socially and economically. In college level introductions courses to economics, students are taught that consumer behavior can be identified as simple, rational, and not influenced by social pressures. As we discussed the advertisement influence on transitioning to the next phase of consumption into hyper-consumption. The national cultural values and principles that outlined behaviors created by postwar attitudes were vital driving forces in shaping consumers' motivation, product choices, and lifestyles in a mass-consumer society. As a result, the increase of globalization in modern society plays a vital role in economic growth and productivity in nations.

Let us explore the root of capital gain in America that supplies our consumption before discussing the hyper-consumeristic holidays. Hernando De Soto, the author of *The Mystery of Capital*, suggested that capitalism triumphs in the West, unlike other developing countries because the West successfully defined and outlined property rights. In other words, every piece of property is protected as a natural right to private property. America permits more flexibility for innovation and advancement in different social classes. The property rights document can be used as assets in the economy. For example, a mortgage can be used as an asset to fund new businesses since the assets can be linked to the owner's credit history. Entrepreneurs often use their mortgage as an initial investment for their business idea. The assets of American Citizens used a leverage for any risk that debt will not be paid back. American credit debt will be discussed in depth later in the chapter and how debt is impacting societies well-being. To mention briefly, that the use of property assets should stream innovational advancement and natural process of starting a new business under the assumption that consumers are acting rationally. However, the drowning debt Americans are experiencing is noteworthy in identifying that consumers are not acting rationally by indulging in recreational and luxury goods and services especially during the holiday season.

**Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business**
**Compulsive Consumer During Christmas.** Traditional holidays like Christmas and Thanksgiving have become the epitome of capitalism. Let us discuss Christmas traditions as a religious holiday and its evolution into a hyper-consumeristic holiday. It's common knowledge that Christmas celebrates Jesus' birth and the values of love and sacrifice he represented to the Christian believers. Symbolically, Christmas is about spending time with loved ones, giving to charity, and spreading the love. Although this may be true, the modern traditions of Christmas extend to exchanging gifts, decorating the evergreen fir tree, attending church, and spending time with friends and family.

According to *The Encyclopedia of Religion*, traditionally Europeans would decorate their homes with lights to ward off evil spirits; while, celebrating the winter solstice. As a result of religious pluralism co-existence in a democratic society, Jesus' values were lost and replaced by the new Christmas traditions of gift exchange, Santa Claus, and decorations. Particularly important demonstration of Christmas traditions in America is the popular 1955 children's book *How the Grinch Stole Christmas* by Dr. Seuss. You've read it as a child, or you've seen it on T.V since then. The tale tells a story about a bitter green creature, the Grinch, whose desire was to ruin Christmas for Who because he was disturbed by the cheerful sounds of Christmas. The children book explains an important lesson that ‘maybe Christmas doesn't come from a store, Maybe Christmas means a little bit more!’9 The conflict between materials possession and moral ethics of our relationship is prevalent in worldviews, principles, and values that frame our actions.

Consumerism has embodied so much of the Christmas values and beliefs that people from different religions take part in the traditions of Christmas by decorating houses and trees for seasonal celebration and participate giving gifts. According to a PEW research study, 87% of people with no religion and about three-quarters of Asian-American Buddhists (76%) and Hindus (73%) celebrate Christmas and roughly a third of U.S. Jews (32%) said in a 2013 survey that they had a Christmas tree in their homes during the most recent holiday season.10 To emphasize that Christmas has evolved to be accepted as a cultural and social holiday rather than a religious

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9 Dr. Suess, How the Grinch Stole Christmas

10 Lipka, 5 Facts about Christmas in America.

**Key words:** Consumer behavior, Eco-Economics, Investment, Sustainable Business
holiday for everyone regardless of their beliefs. And the traditions of participating in secret Santa gift exchange in workplaces, schools and between friends and family.

There is more indication that the conflict of over-consumption undermines the morality of American Christians. Martin Luther King Jr.’s *Strength to Love*, published in June 1963, included a letter from Apostle Paul to American Christians. Apostle Paul addressed the American capitalistic society in his letter. He acknowledged the accomplishments of the American economic system of capitalism by becoming the wealthiest nation in the world and creating the ‘greatest system of production that history has ever known.’ However, Paul expressed concern in the moral and spiritual progress that has been leveled with the scientific progress. He admitted that there is a necessity to remind American Christians of their responsibility of representing the ethical principles of Christianity. Regardless of the society as it presents ‘the danger that you will misuse your Capitalism. I still contend that the love of money is the root of much evil and may cause a man to become a gross materialist.’ As a result of religious pluralism, the Christian holiday that celebrated Jesus and his accomplishments were altered to fit the American ideology of consumption and materialism. Materialism is defined as a belief that having possessions is the most important source of satisfaction in life.

Russel W. Belk academic and author of *Materialism and the Making of Modern American Christmas* claimed that the four of seven-deadly sin (greed, excess, lust, and envy) in Christianity centers around the celebration of modern Christmas. To increase distribution of goods and services, the advertisement was the dominant force of appealing to consumer’s values, emotions, desires, and fantasies especially during the holiday season. According to Deloitte 2016 Holiday Survey, the total expected holiday sales represented roughly a 4 percent increase at $1 Trillion. In other words, the average adult plans to spend $419 during the holiday season. But, we know the average is just an average.

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11 King, Paul’s Letter to American Christians, 158.
12 PLAC page 158
13 Miller and Belk, Critical Concepts in the Social Sciences: Disciplinary Approaches to Consumption, 319.
14 Pearson, Holiday Spending To Exceed $1 Trillion

**Key words:** Consumer behavior, Eco-Economics, Investment, Sustainable Business
Thanksgiving: Be Thankful for What You Have. Thanksgiving, another National Holiday, that was replaced by consumer-driven ideologies. Thanksgiving, a celebration of the Pilgrims, first harvest in the New World in 1621, which resulted in a three-day feast attended by Native Americans and the Pilgrims. The National Holiday began as a day of giving thanks for the blessing of necessities such as food and the hope for success in agriculture the following years. But, it developed into the unofficial beginning of Christmas shopping season. Department stores and advertising agencies have turned another holiday of philanthropic value into a day for consumption of goods and services.

In 1924, Macy's Department Store wanted to celebrate its success in the Roaring 20s and was inspired to launch its famous and annual Thanksgiving Day Parade in New York City. The parade boosted shopping sales and as a result retail store collectively agreed to wait to advertise holidays sales to decrease competition. Retailers petitioned President Franklin D. Roosevelt to move the Thanksgiving holiday to the fourth Thursday in November because they were afraid to go bankrupt because holiday season was too short. Retailers won the petition, and thus Black Friday became a celebration of holiday shopping, hours after celebrating a holiday of being thankful for what you have. The absurdity of Black Friday that allows consumers to purchase products at a lower price than usual illustrates the influence of consumption as stores open at 4:00 am. Black Friday became known as a chaotic setting for the shopper with enormous waiting lines and endless news broadcasting reports of chaos as people run over others to receive "the best deals."

Credit for Bourgeois Living. In the Huffington Post, Gordon Laird reported that roughly one out every two Americans went shopping the day after Thanksgiving in 2008. That is an astonishing number, meaning in raw numerical terms that 172 million people participated in Black Friday Shopping. Gordon Laird expressed his concern by stating “if we cannot find ways of creating new value, and new stability, then our economy will increasingly resemble just another troubled retail chain in a discount price war, one that desperately devalues itself and eliminates jobs in a last-

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15 Amadeo, The History of Black Friday.

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
ditch attempt to survive.” According to Fortune, significant retailers get as much as 25% of their sales in November and December. The effect of advertising on new emerging uprising based on new impulsive behaviors created the mass consumption culture. Mass consumption is represented in the increase of credit cards and debt seen in American.

![Figure 1: How holiday spending contributed to the overall retail revenue on a monthly level in the years between 1992 and 2012. Source: DataHero](image)

Consumer credit was another industry that emerged from the push to consume more for the sake of economic growth and development. In a study funded by General Motors, economist E.R.A Seligman argued and fueled the idea that credit card purchases “were vital to stimulating economic growth and that condemning luxury purchases was not possible because the definition of a luxury varied from individual to individual.” The credit card system introduced a new method of borrowing money to fuel purchases. According to a *GDAE Teaching Module on Social and Environment Issues in Economics*, Neva Goodwin states that in 2004 about 40% of families carried unpaid credit card balances. The average amount of credit card debt among households

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16 Capitalism's effect on society. Mount Holyoke University.
17 Goodwin, Nelson, Ackerman, and Weisskopf, Consumption and the City, Modern, and Postmodern, 73-95.

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
with at least one credit card was $5,100. By the end of 2007, total outstanding consumer credit in the U.S. topped $2.5 trillion. The increase of credit card debt among households illustrates the change of consumers' attitudes and perspectives of different goods for immediate pleasures. As consumerism became widely accepted, the overall U.S household debt has increased by 11%. In 2016, the average household with credit card debt increased to $16,748. These statistics do not include mortgage loans, car loans, or student loans.

According to Paul Davidson article *Credit Card Debt Hits New Record, Raising Warning Sign*, published in USA Today on January 8th, 2018 demonstrated that outstanding credit-card debt hit a record in November. Perhaps it is a coincidence that in November, the start of holiday season, that credit cards increase to $1.023 trillion. Additionally, non-revolving auto and student loans rose from $16.8 billion to $2.8 trillion in November. Drawing a parallel to the subprime mortgage crisis of 2008, which contributed to a period of turmoil in the financial market. The expansion of mortgage loans to high-risk borrowers, and rapid rising of home prices made it difficult to pay back. John Duca from the Federal Reserve Bank of Dallas clarified that "In that era, homeownership fluctuated around 65 percent, mortgage foreclosure rates were low, and home construction and house prices mainly reflected swings in mortgage interest rates and income." The credit card debt is growing faster and faster. If this is not a sign of concern on delinquent spending, then it is a sign of potential financial instability in the future. As debt increases per individual, the more stress and anxiety Americans experience. According to the National Institute of Mental Health, the most common mental illness in the U.S is the Anxiety disorder, which is affecting 40 million adults. In addition, according to *The Economic Burden of Anxiety Disorders*, anxiety disorders cost the U.S. more than $42 billion a year, one-third of the country's $148 billion total mental health bill.

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18 Goodwin
19 Issa, NerdWallet's 2016 Household Debt Study.
20 Davidson, Credit Card Debt Hits New Record
21 Duca, John V. Suprime Mortgage Crisis
22 Anxiety and Depression Association of America, ADAA.

**Key words:** Consumer behavior, Eco-Economics, Investment, Sustainable Business
Resources in a Commercial Society. Americans consume on average "25% of world's resources, including 26% of the world's energy, although having only 3% of the world's known oil reserves. American industries generate roughly 30% of world's waste. American's impact on the environment is 250 times greater than Sub-Saharan African." Goods that use resources in their production accumulate to wasted materials and dumped in landfills, which degrades the natural environment. The United States consists of 5 percent of the world's population but produces one-third of the World's waste. Companies planned for products' obsolescence to decrease the life cycle of products. Planned obsolescence pushes consumers to repurchase and replace goods that otherwise still might work. It is a critical reason for mass consumption and over-indulgence. In developed nations the increase of carbon emissions influenced by increased food consumption, cars on the road, industrial and commercial energy usage, and the convenience of the latest technologies negatively affect the environment by reducing its resources.

As mass consumerism and advertisements embed product obsolescence especially in the fashion industry and automobile industry to increase profits. As a result of consumer decisions to repurchases products that fit into the new trends and new models with minor physical changes play into consumers' satisfaction of receiving a social status by owning the latest product on the market. Planned obsolescence shaped a society of wasted products that are no longer in style or outdated by innovation. Advertising and marketing agencies gained popularity in business strategies to manipulate consumers into irrational behaviors. Business owners pushed for planned obsolescence in products for increasing profit margins. Unfortunately, the environment is experiencing the consequences of American throw-away society.

Sustainable practices were previously viewed as a stumbling block to economic growth; however, an increase in concern regarding resources and new opportunities opened a new market of ecological economists. These modern environmental economists argued that human economy is based on natural processes and resources. Therefore, it is in societies best interest to prioritize the protection of the earth's natural resources. The ecosystem provides significant benefits to society; however, in the past, the total economic value of the benefits has not been calculated. According to the Millennium Ecosystem Assessment, the net cost in 1998 of protecting the water quality in the Catawba River, United States for five years was estimated to

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
be $346 million. There is a total economic value associated with managing ecosystems sustainably that converting the ecosystems to marketed and non-marketed goods. Current business practices are unaware of externality cost of neglecting to maintain the ecosystem on the economic and public health costs associated with the damage. For example, in 1998 10 million hectares of Indonesian Forest was burned affecting 20 million people and costing a $9.3 billion in health care. In chapter 2, we will explore business practices and their effects on the environment.23

Marketing agencies are the leading source of mass-consumerism since they use data analytics and psychology to take advantage of consumers impulsive behavior to purchase goods and services instead of making wise financial decisions. Mass consumption theory's original goal was to increase people's well-being and increase economic development post-War World II; however, evidently, it created a stressed and dissatisfied consumer.24 In the long run, there was an increase of new demands in consumers' lives and a change of individual needs and desires in a race to accumulate wealth in a consumeristic society determined by material things. Many people own more possessions now than any previous generations especially with the increase of globalization. Two criticisms of globalization and consumerism are rooted in their support of the unequal distribution of wealth and unsustainable consumption behaviors. In the short run, most of the changes will only deepen income inequalities, increase pollutants, and increase priorities among consumers for consumption.

Over the last few decades, Americans have increased awareness of the importance of recycling, composting, and proper disposal of waste. The use of resources is the primary concern for the environment and the economy as the population increases more than 7 billion people and the corresponding increase of demand of essential goods and services.

**Chapter 2: Chasing After Cashflow in the Digital Age**

There is no secret that previous business strategies to generate profit told consumers what they needed to support a lifestyle or a specific ideology. Businesses used psychology to

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23 Percy and Lubchenco, Ecosystems and Human Well-Being: Opportunities and Challenges for Business and Industry.
24 Novotney, What's behind American Consumerism.

**Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business**
shape consumer behavior to appeal to different desires, values, and fantasies. Consumers did not have perfect information to make conscious decisions. They relied on the transparency of business owners; which, there was lack of transparency. The development of technology, more specifically the increase of internet access generated more productivity, information, and globalization in modern society. Therefore, consumers have become more informed and conscious regarding the products available via the internet. The increase of internet access changed the way consumers view businesses, products, and advertisements. Likewise, the rise in internet access altered the way business owners see consumers, prices, and ads. The growing popularity of data collected by search engines like Google and social media accounts like Facebook, Twitter, and Instagram. Consumers are no longer kept in the dark about business practices and their supply chain. In this chapter, we will explore previous strategies and the evolution of new approaches in the digital age. According to a new study from Pew Research, eight out of ten American are now shopping online, which is 79 percent compared to 22 percent in 2000.  

Approaching Consumer Behavior. The official definition of consumer behavior is “the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.” Researchers for a long time have been interested in identifying consumer decisions and consumer lifestyles. Marketing strategies use information from researchers to appeal and direct consumers to a desirable lifestyle that may reflect a shared value or taste of society from their consumption patterns. Additionally, research on consumer behavior acknowledges a wide range of consumption activity beyond purchase. These activities consist of recognition, information search, alternatives, purchase intention, the act of purchasing, consumption, and disposal. In the study of consumer behavior and decision draws on different traditions of psychology: Economic Man, Psychodynamic, Behaviorist, Cognitive, and

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25 Perez, 79 percent of Americans now buy online, but it's cost more than convenience that sways them.

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
Humanistic. The five theoretical approaches examine different variables. We will briefly distinguish these five approaches to consumer behavior.

The economic man approach, as previously mentioned regarded man as rational and self-interested. The foundation of the decisions based on the ability to maximize the utility of happiness and expending minimal effort. For consumers to behave rationally in an economic framework, consumers must be aware of all the available consumption alternatives available. This approach is only sound under the circumstance that consumers are rational; which, we determined is untrue due to manipulation of information. However, the increase of access to internet empowered and informed consumers on various alternatives in producers, suppliers, prices, and quantity.

The psychodynamic approach within psychology is attributed to Sigmund Freud. The fundamental principle of the psychodynamic approach is that behavior is determined by biological drives of three sides of conscious thought: The Id, the Ego, and the Superego. The Id represents instincts, and Ego represents reality while the Superego represents morality. It has no concern over the cognitive or environmental stimulants. The Behaviorist approach proves that external events can learn behavior and disproved the psychodynamic approach. The cognitive approach describes individuals as information processors identifying factors of learning, memory, thinking, emotion, and motivation. Modern theorist acknowledges that past experiences will influence the process of information and even what information is received and accepted. This approach is often used in the fashion industry. More importantly, decisions are influenced by two factors of stimuli and external variables. Stimuli are received and processed by consumers combined with their memories of previous experiences. The external variables formed either by environmental influences (culture, social class, family, situation) or individual differences (motivation, involvement, knowledge, attitudes, personality, values, lifestyles).

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27 Bray, Jeff. Consumer Behaviour Theory: Approaches and Models
28 Bray, Jeff.

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
The critical application of consumer behavior is united psychology with marketing strategies. Consumer behavior research investigates critical factors on why people say 'no' rather than 'yes' to a product. According to Dr. Robert Cialdini, a professor of psychology at Arizona State University, he studied the donation process, and his results concluded that a subtle difference in wording makes an impact. When consumers were asked the first option of wording: "Would you be willing to help by giving a donation?" (28% donated) Verse when the second option of wording included "Every penny will help" (50% donated). The research concluded that people were more likely to act when minimal parameters are set. This helped people break through what Dr. Robert Cialdini called action paralysis. Essentially the order of words or choice of words has a significant impact on consumers behavior. The decision in this study was influenced by external variables of individuals motivation and involvement. Additionally, by suggesting every penny will help dissolves any fear induced by environmental influences of not donating a reasonable amount.

Figure 2: Blackwell’s Consumer Decision Model

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
Another strategy used by businesses to minimize buying pains for people by reframing the value of the product by saying this product is $30 per month rather than assuming the product is $360 a year. Consumers experience this type of pricing for utilities like phone plans, cable network, and the rising interest of personalized subscription boxes. Furthermore, the to reduce purchasing pain with bundling, George Loewenstein a Neuroeconomics expert argues that consumers are more likely to pay more for a purchase when its bundled rather than individual products and accessories because it creates only one pain point even if the price is more substantial than multiple few purchases pain points. This is a favorite strategy for dealerships that sale interior packages or door salesman that offer bundle packages when providing a switch of cable networks. They usually promote that you get a month free of all channels, movie rentals, and other benefits. The third method of convincing buyers to pass their pain point is called sweat the small stuff. Meaning, that adding the word small to a fee increases response rate by 20%. You can see this in an infomercial: "For just a small fee of $5." Additionally, we saw increasing use of $9.99 instead of $10.00 because it made a difference in the response of consumers by lowering the first number they process. These strategies of altering the price play a significant role in consumer decisions that are influenced by external variables of the individual difference of motivation, involvement, knowledge, attitudes, personality, value and lifestyle to reduce the purchasing pains.

The American Advertising Industry evolved to an essential investment for any successful business. The advertising and marketing industry is providing the opportunity for employment in firms and the technological innovation of social media. As mentioned, advertising appeals to consumers' values, emotions, desires, and fantasies using different psychological approaches. The Advertising Age analyzed the industry and estimating that, in 2004, companies spent around $134 billion on TV, radio, print advertisements leading to almost $460 per person. Advertising manipulates consumers values, preferences, and identities based on consumers' ideal lifestyles

30 Scout
31 Benhabib and Bisin, Consumption and Capitalism.

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
through products and services. It played a significant role in identifying consumers’ behavior by evaluating how people make decisions and the psychological mechanism of their choices.

**Approaching Consumer Behavior Online.** The 20th century, brought with it many transformational discoveries that have since become crucial in enhancing social revolution worldwide. One of the enhancers includes the invention of the mobile phone by Dr. Martin Cooper in 1970, which has made the world a global village due to a secure connection. Use of mobile phones has led to efficient communication practices; hence information spreads widely to a large number of people within a short duration compared to years gone by when it took weeks and months to spread the news. The internet can be accessed via mobile phones, personal digital assistants, laptops, digital television among many others. Politicians and business owner have also embraced modern ways of transmitting their ideologies to the electorates. For example, over the past few years, we have witnessed significant utilization of social media and internet in disseminating agendas. A new type of advertisements merged new and creative ways of using the internet to gain profit. Notably; social media focus on mass communication meanwhile social networking focuses on community engagement. In other words, social networking creates a two-way communication platform.

Facebook and Google dominate the American digital advertising industry as the overall industry is expected to grow 15.9 percent. That is equivalent to $83 billion in revenue. Most prominently, social media giant Facebook’s advertising revenue is projected to increase to 32.1 percent, and Google’s will rise to 14.8 percent. Business strategy teams realize the impact of advertisements on consumers in the digital age of social networks. As the aforementioned companies dominate the internet that so dominates modern life, there are countless advertisements being processed by consumers consciously and subconsciously. As mentioned before people make decisions based on two factors of stimuli and external variables. Stimuli received and processed by consumers is united with the consumers' previous memories and

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32 Goodwin, Nelson, Ackerman, and Weisskopf, Consumption and the City, 73-95.
33 Social Media Fact Sheet.” Pew Research Center 7
34 Johnson, Lauren.

**Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business**
experience. Digital advertisements pray on those received stimuli to influence a decision on purchasing a product the consumer is more familiar because of subconsciously scrolling through.

In the last decade, increase in access to the internet and increase in social networks led to more conscious and informed consumers. As a result, globalization received notable attention leading international governments to adopt a free-market system to participate in the evolving markets. In other words, developing nations increasing their opportunity for trade and growth. Without a doubt that consumers are an essential aspect of the economy, accounting for 70 percent of GDP in the United States and 18 percent worldwide.\textsuperscript{35} Consumer behavior and purchasing decisions have evolved since the rise of technological progression. The worldwide web opened infinite opportunities for easy search of products and reaching different supplier. Therefore, globalization gave consumers and producers more power in the market.

According to a research study performed at the Georgetown University McDonough School of Business, consumers have more control over various alternatives of their choice range; asses their satisfaction of making a choice; product and choice information from other consumers. Most importantly, consumers have more power of cost because of the full range of alternatives accessible through the internet.\textsuperscript{36} Before globalization, people were dependent on

\textsuperscript{35}Dunn, Globalization and the Consumer: What the Marketer Needs to Know.
\textsuperscript{36}Adams, The new normal of consumer behavior and how to respond.

**Key words:** Consumer behavior, Eco-Economics, Investment, Sustainable Business
their local dealership or local store with no knowledge of other prices available for the same good and service. Many consumers trusted their local salesperson; however, with an increase of globalization and consumer power many individuals have becoming distrusting of large institutions. For example, according to the 2013 Edelman study, less than 20 percent of the public trusted leaders and government officials.

Consumers are bombarded with advertisements and promotions on when they listen to the radio, watch television, read newspapers, and scroll through social media. Consequently, we noticed a shift in business strategies stress the importance of word-of-mouth marketing. Organizations what to make more noise and create a lasting impression on the crowded market to reach their audience. There has been an increase in Brand Ambassadors and Social Media Influencers to increase awareness. For instance, Red Bull developed a promotional strategy to engage with consumers. The three promotional approaches used are above-the-line, top of mind, and below-the-line. The critical element above the line approach is well known and discussed to promote through advertising on television, radio, the internet, and press. Top of Mind approach is to increase awareness among consumers. Red Bull developed a department of a Wings team that goes out in their Red Bull mini to help attract new targeted audience. The Wings teams represent the brand and create genuine relationships with new target audience by giving out information and free samples around gyms, schools, and office buildings. The below the line approach is indirect sales promotions using techniques other than advertising like price promotion or point of sale displays. The below line approach is the heart of their progressive word of mouth promotions. Social media and digital media is used as a channel to communicate with the audience and Red Bull’s active approach to engage with consumers reflects the technological and social changes.

*Time Spent Online.* Promotions and advertisements more frequently viewed by the consumer due to the increasing use of smartphones. American consumers on average spend 5 hours a day on their smartphones. Nevertheless, exploring the data further consumers are spending 50

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37 RedBull, Engaging Consumers through Word of Mouth Marketing.  
38 Khalaf, Simon.

**Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business**
percent of their time on social, messaging, media and entertainment applications. The use of apps on smartphones in 2015 reported to increase 58 percent; however, in 2016 applications usage increase by 11 percent. The increase in time spent on social media created more opportunity for businesses to develop relationships with consumers through social media influencers that review products. The high volume of products available is increasing individuals interest in peer consumer reviews. Additionally, over the past few years, people begin to understand that on public social networks they are being watched, analyzed and used to collect personal data. The personal data is then traded and sold to marketers and advertisers to deliver ‘a personalized experience online.’

Americans cannot hold on to their money in the same ways as previous generations. According to the U.S Department of Commerce, Americans personal saving rates have dropped from 11 percent to below zero since 1982. The Department of Commerce noticed an increase in personal bankruptcy filings, reaching a new record. 39 The significant influence is the constants reminder on our phones that we need the new products, new fashion trends, and new gadgets that may not be outdated but socially outdated. This trend of social media advertisements urges consumers to have more self-control as marketing companies fuel impulsive behavior. Society says we need to spend more and more; thus, conditioning young people to collect debt.

39 Novotney, What's behind American consumerism.

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
James Gottfurch, a Ph.D. psychologist, says that before deregulation of credit-cards interest rates only wealthy consumers qualified for credit cards. Now credit cards are advertised to High School Seniors and College Freshman that may not know how to balance their finances. As discussed in Chapter 1, credit card debt is averaging to $16,000 per household. This high surge of society saying to spend is leading many consumers to be in debt and feeling unhappy. People have more physical objects and possessions then previous generations.

**Massive Informational Data.** The effect of technology on globalization is moving consumerism to new high heights of speed and convenience as everything becomes a click-away. Technology and globalization are continuously reinforcing one another. Globalization is positively affecting consumers by providing endless products from foreign competition; however, businesses feel more pressure to adapt and expand their market because of international competition. Perhaps, globalization is to blame for many companies focusing on reaching more consumers rather than loyal consumers. According to Sturgeon, businesses are pressured to use the internet for more internal transactions to save time on streamlining service by quick delivery in the supply chain, especially in the international markets. Notably, it is essential to understand that the use of internet doesn't change people's behaviors or values because it enhances existing values and habits. People often use the internet when they know what they are looking for and with data collections, consumers are targeted with their interest and preferences.

A new trend in consumer behavior study from CEB found that people are not obligated to be loyalty to companies with conflicting interest as globalization and the internet offers more opportunity and information. Consumers are becoming loyal to what a company stands for rather than price and quantity. For example, TOMS shoes, which used a marketing strategy that if you buy a pair of shoes, they will donate a pair of shoes to children. The increase of information accessible online requires more business to become transparent in their reports. More companies are focusing on direct communication with consumers about their values and its

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40 Novotney, What's behind American consumerism.
41 Dunn, Globalization and the Consumer: What the Marketer Needs to Know.

**Key words:** Consumer behavior, Eco-Economics, Investment, Sustainable Business
relation to their product. The information provided by sociologist and psychologist on human
behavior sprouted the new profession of marketing as a vital aspect of a business.

Additionally, the rise of analyzing, trading, and selling collected personal data to create
strategies for specifically targeted consumers. Businesses owners are more focused on acquiring
new consumers because the cost of retaining a consumer is much higher. Therefore, brands are
less likely to focus on the quality of product and would rather financial focusing on mass
marketing to attract more consumers. Thus, planned obsolescence is a significant waste of
resources. However, not every company is focusing on high turnout rate rather the loyalty. For
example, Amazon a leading company in consumer service and making consumer experience
more efficient and enjoyable especially by proving a prime membership. They have labeled a
group of loyal consumers as Prime customers by creating an emotion of belonging to an elite
group. Prime members receive benefits for being loyal like free two-day shipping, movies, and
shows. Amazon dissolved the problem of having too many options that caused buyer's paralysis
of the decision-making process which, psychologist call ‘avoidance behavior.’ This occurs in our
human nature to fear to make a wrong choice. People are unable to act rationally under the
pressure of making the wrong decision but, easy return labels elevate that problem.

People love feeling like they belong to a group, more accessible online experience and
they love choices; hence, the popularity of globalization. The new consumer behavior describes
them as well-informed and conscious consumers. Consumers have a unique voice as a result of
social networks; which, gives consumers the freedom to voice their opinion about a product.
Social networks provide consumers with more power to inform others about the quality of a good
or service. Consequently, consumer collected information allows for the consumer to be aware
of information not limited to what a company puts other. Social networking opens
communication with companies and consumers. This open communication develops a
relationship with consumers that have the option to become loyal customers. Although
companies use social networks to collect data and create a need before its even recognized,
consumers have the purchasing power to go to another retailer or producer.

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
According to 2013 Organization for Economic Co-operation and Development (OECD), Americans work on average 1,788 hours. However, if recent studies state that Americans are spending on average 5 hours a day on their smartphones that is equivalent to 1,825 hours per year. Interestingly, Americans are spending more time on their smartphones than at work. Social media and search engines are frequently mentioned as news and polls platforms. User attention becomes a new determination of a successful business. Consumers have more power over the direction of corporations, organizations, and politics. Different industries are beginning to grasp the influence of information and data collected. Jasmine Morgan, a technology consultant at GFT Group, suggest that data labs gather information about consumers to connect users with their interest better. For example, Jasmine explains how information may be used:

“InData Labs found out that Instagram users aged 25-34 are interested in fitness, while users over 45 are most impressed by landscapes and city views. These results

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
could be used by wellness companies or travel agencies to connect to the users most likely to be interested in a relationship with those enterprises.”

Some businesses decided to keep information about the scope of data they collect from their consumers private. On the other hand, some markets are transparent about their data processes. Most people are aware that companies are collecting data on them. Online searches can be an excellent proxy to illustrate the public's interest, concerns, and intentions. However, in the recent discussion on data collected through social networks and search engines, people are losing their trust in companies. People want transparency as current misuse of data scandals emerged. In 2018, the FTC opened an investigation after recognizing that Facebook data was being misused for political campaigning. Cambridge Analytica accessed 59 million Facebook users' information without their knowledge. As a result, the share value of Facebook dropped by billions as the users were deceived about their privacy.

Previous consumer behaviors were told what they need through billboards, radios, and television. They were limited to the knowledge provided by the companies. However, the increase of technology created more informed and conscious consumers. Nevertheless, companies have also become more informed about their consumers' needs and interests through data collections. Consumers have more power to direct companies to become more transparent, and authenticity. Millennials and Generation Z are disrupting traditional consumer trends making businesses adjust their models of growth since the new consumers have become ‘activists’ in their ability to influence company behavior and brand development through social networks.

Chapter 3: New Revolution

New trends demonstrate that Millennials and Generation Z are disrupting traditional consumer trends and conventional business models. What else are millennials doing to change the future? Deloitte conducted a study to identify the views of the generation that is increasingly

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42 Morgan, Jasmine.
43 Lomas, Natasha.
44 KMPG.

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
taking senior positions in the workplace that provide a platform to address society's challenges. The report summarizes the following:

"Concerns of millennials, their expectations for the future, and how they believe business might help create the type of world they wish to inhabit. The outside world might be increasingly unstable, but millennials give reason to believe that, by working together, there is home to improve the performance of both business, as well as society as a whole."  

Working Millennials. Let us identify the characteristics the Millennial Generation is bringing to the workplace. A study published by EY recognized that members of the Millennial are more tech-savvy and understand how to leverage social media. They are preserved as the most enthusiastic about their jobs. However, Millennials ranked low on being team players (45%), hardworking (39%), and productive part of their organization (58%).

Millennials have a vast influence on the market as a study by market research firm estimated that “that in the US alone they directly account for an annual consumer spend of US$65 billion”

Millennials in mature markets and emerging markets are concerned about the following conflicts illustrated in figure 6. From the 2017 Deloitte Millennial survey, many are seriously worried about the direction their country is going in. They believe that business has the potential to be the driving force for positive change. Furthermore, Millennials consider business to have a potential to address economic, environmental, and social challenges.

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45 The 2017 Deloitte Millennial Survey  
46 Global Generations 3.0. EY  
47 Giang, Vivian.  
48 KMPG

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
There has been a significant increase in optimism over the year of business behaviors; which continue to improve. According to figure 7, millennial views on the business sector to be primarily focused on their agendas decreased from 75 percent to 59 percent, an increase of ethical behavior from 52 percent to 65 percent, and a slight increase of viewing leaders committed to helping to improve society from 53 percent to 62 percent.49

Figure 6: Millennials’ perspective on business behavior from 2015 to 2017

As the Millennial Generation is taking accountability for social issues and look for directness and passion in the workspace. It is projected that by 2020 one in three American adults will be a part of the Millennial Generation and by 2025 they will comprise 75 percent of the workforce.50 Additionally, a study by Cone Communications found that nine out of 10 Millennials would switch brands to support a particular cause and 87 percent would purchase a product with a social or environmental benefit.51 Millennials in corporate America are expected to become good leaders and dedicate their time and skills to changing social issues.

As Millennials fill up the work setting in the next few years, Generation Z is starting to enter the work field. So what kind of relationship are the two tech-savvy generations having? According to Deloitte Millennial Survey, six in 20 millennials believe Generation Z will have a positive impact in the world place. However, many Millennials think Generation Z will need a lot

49 2017 Deloitte Millennial Survey
50 Donston-Miller, Debra.
51 2015 Cone Communications Millennial CSR Study.

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
of support to transition into the work environment suggesting advice to learn as much as possible, work hard, be patient, be dedicated, and be flexible.\textsuperscript{52}

Millennial Branding, a Generation Y research and consulting firm, and Randstad, the third largest HR service released a study focused on the workplace preference of Generation Z and Millennials in 2014. The findings show that Generation Z has more of an entrepreneurial spirit then millennials 17 percent compared to 11 percent. Generation Z is not all about the money; 28 percent said the money would motivate them to work harder compared to 42 percent of Millennials. Additionally, contrary to the belief, 53 percent of Generation Z prefer face to face communication over technology. For generation Z, 68 percent said they like working in a fast-paced environment. When examining the difference in technology distraction in Millennials and Generation Z, the study found that Generation is mostly distracted by the following top three methods of communication: text messaging (37%), Facebook (33%), and email (13%). On the other hand, Millennials are mostly distracted by email (31%), Facebook (28%), and instant messaging (25%).\textsuperscript{53} Millennials are expecting Generation Z to use their entrepreneurial spirit of creativity and ability to generate new ideas into the workplace.

\textbf{Figure 7: The graph shows the perceived strengths of Generation Z and its correlation of importance to a business}

\textsuperscript{52} Deloitte
\textsuperscript{53} Schawbel, Dan.

\textbf{Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business}
Enters Generation Z. Generation Z makes up about 70 million people in America, and the oldest of the generation are entering the workplace. Like Millennials, Generation Z wants to make a positive impact on the world as they are facing issues of social inequality.\(^5\) They care about social and environmental equality. Generation Z influences the market by $44 billion spending a year.\(^5\) In a study conducted by FutureCast, a marketing consultant that specializes in Millennial trends and modern consumer behavior, and Barkley, an innovative business agency, calls Generation Z Pivotal. They address the difference between Millennials and Generation Z as, "Millennials dreamed of changing the world, as Pivotal's aims to through a practical approach." Furthermore, they narrowed down what brands need if they want to earn their love and loyalty. As a result, Generation Z stated that they want to work for their success and not be discovered, believe equality is non-negotiable, want brands to be real so they can be unique, and they have their system of rules and etiquette for how to use social media.\(^6\) Additionally, the study produced the importance of different environmental issues for different generations in figure 9, which illustrates that Generation Z is concerned mostly with water conservation and recycling waste.

![Figure 8: Shows the different Generations and their concerns about different environmental issues.](image)

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\(^5\) Swartz, Leah.
\(^5\) Barkley and FutureCast
\(^6\) Barkley and FutureCast

**Keywords:** Consumer behavior, Eco-Economics, Investment, Sustainable Business
Willy Kruh, Global Chair of Consumer and retail at KPMG international expressed his concern about the urgency of the demographic changes that are happening in industries. “Millennials have turned the world upside down. Apple, craft beer, Airbnb, Uber have all been driven by them. Their behaviors, although not homogeneous geographically, have certain common threads: being digital natives, not going to stores to buy, driving online sales, putting a premium on experience and wanting things delivered and done for them – that’s why they’re known as the Do It For Me generation. Let’s take Airbnb as an example – it started five years ago, just two guys who were looking for a decent place to stay, and now it’s got twice the market capitalization of Hilton Hotels. There are hundreds of these examples.”

Boardrooms have to focus on enhancing customer service and experience especially for Millennials and Generation Z. There is a decrease in consumer brand loyalty with consumer’s short attention span. The new consumer behavior needs personal engagement.

Businesses that are embracing the change occurring in all industries and creating new ways of interacting with consumers will see growth. For example, Nike’s new showcase in New York features a full half-size basketball court. For Nike’s innovative approach Roberto Meir, CEO of Brazilian media agency Grupo Padro, says that they’re promoting their athletic culture; however, it’s not for everyone since people need to find the time for that. Furthermore, he expands by suggesting a new approach for physical stores to interact with communities as online shopping increases. He states that "Physical stores need to find an equation where they can provide an experience that connects to – and builds – a community and gets the community thinking about them as part of its daily life."

Another approach that companies are taking to appeal to millennial minded consumers is explained by Marcus Vinicius, Head of Retail at KPMG in Brazil. "We have a clothing brand where you can go into the store, get on their computer, design your clothes, and send the file to a 3D printer and collect your order a couple of hours later." This appeals to the creative and entrepreneurial spirit of Generation Z. A new generation of start-ups is delivering remarkable and profitable experiences. The fashion industry will experience most of the changes to adapt to the

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57 KMPG. pp 23
58 KMPG. Pp26

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
new consumer mindset. Liz Claydon, Head of Consumer and Retail at KPMG in the United Kingdom discusses a new start-up Tread that raised $16 million in funding. It is a start-up that allows you to have a personalized experience with the help of AI as an online personal shopper. You can fill in what occasion you are looking to find an outfit, fill out a personalized questionnaire, and photos to find the perfect advice. Companies have to make sure to find a balance level of personalization and customer experience to drive growth and manage costs.

Characteristics Influencing Brand Image. On the other hand, large corporations have channeled their narratives of being an authentic company. One aspect that hasn't change in consumer behavior is that they want complete transparency about the business and product. PepsiCo implemented a Performance with Purpose program more specifically, strategies to combat social and environmental goals by showing the work of local artists on the bottles. 59 If small or large businesses understand their customer base and what is important to them, then it makes sense for their brand image and supply chain to represent those values. In the Top of Mind Survey, 70 percent of customer-centric business stated that sustainability is a critical priority in their brand image. 60 Business models must adjust to the shift in consumer and brand relationships to experience growth in the highly competitive new marker emerging from the digital age.

Joel Benzimra, Global head of advisory at KPMG, explains that product-focused companies are becoming more service orientated by providing an experience that is integrated with the ecosystems. He clarifies, "If you want to grow, you have to think about your ecosystem, from innovation to delivery." 61 Sustainability isn't just good for the brand image and conscience. Sustainability is useful for companies bottom line. Over time, sustainability is an opportunity to reduce operating costs and insulate themselves from resource shortage or price shocks. By using sustainability, analytics helps companies to collect and analyze data on various factors such as

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59 KMPG. Pp 28
60 KMPG. Pp28
61 KMPG. Pp 30

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
energy, resource use, greenhouse gas emissions, and supply chain performance to improve their overall resource efficiency.

What are the benefits of transitioning to sustainability? First, sustainability analytics can help minimize price shocks and supply disruptions by making them less vulnerable to price and supply volatility. It can estimate the future changes in supply, demand, and price so they can lock in lower costs of supplies. This can help them stay ahead of the competition. As a second benefit of sustainability, analytics is to establish a positive brand image in having no negative impact deep in the supply chain; which, can tarnish the image. Lastly, it can help companies understand emerging risk in resource use, environmental impact, and labor practices along the supply chain and inside the organization. 62

Chris Park, Principal Deloitte Consulting, and Kyle Tanger Director Deloitte Consulting suggest the following for business to consider when planning to switch to sustainability programs, that analyzing past performance can provide valuable insight to measure your sustainability goals so don’t leave the past behind. 63 There are tools and techniques available to advance analyzing sustainability; models and scenario analysis can help understand the complex interplay of economic, social, and environmental factors that are affecting strategies and performance. It's important to know how millennials and generation Z is changing old rules of advertising and purchasing. Business environments are continually fluctuating so sustainability programs must be flexible as well. Government policies and incentives are always changing. Economic factors such as resource supply and prices are ever changing. Technological advance offer opportunity to improve performance at a lower cost.

A direct challenge to traditional supply chain model is the new consumer expectations of products to be personalized. The traditionally supply chain was designed to support a delivery system of a large number of products in an efficient, low risk, and low cost. To reduce expenses accompanied by an increase of countries entering the global market created a complex supply chain. 64 Erich Gampenrieder, KPMG's Global Head of Operations Advisory says that cost will

62 Deloitte.
63 Deloitte.
64 KMPG. pp 38

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
remain a focus, but manufacturers and retailers could offer a captivating reason to adopt the supply chain. "Companies are making customer service and brand loyalty a priority, but many of them aren't recognizing the part that supply chains can play in that. No matter how good your product or pre-sales service is, you need the product to be delivered in a way that at least meets the consumer's expectations to ensure their loyalty,"\textsuperscript{65} The delivery and return experience is essential in consumer loyalty and comfort. According to MetaPack study, 38 percent said they would never shop with a company after a poor delivery experience, and 48 percent said they would never shop with a company after poor return policy. \textsuperscript{66}

**Self-Sustaining Supply Chain.** The companies that depend on the success of consumer experience need to invest time, money, and leadership in their supply chains. In North American regions the top priorities of adjusting supply chain are to improve manufacturing speed and efficiency and measuring product profitability. In a society that planned obsolescence is a standard business strategy to increase profit with consumption, business as usual practices created a throw-away mentality. In 2013, Americans produced 253 million tons of trash and planned obsolescence is widely used and accepted in the Fashion Industry due to lower prices due to labor outsourcing. \textsuperscript{67} According to McKinsey Global Fashion Index, the industry is worth $2.4 trillion and has a 5.5 percent growth rate annually, and Americans throw away 13 million tons of textile material every year; which, is equivalent to 85% of their clothes.\textsuperscript{68,69}

Eileen Fisher, a clothing industry magnate, spoke at a Riverkeeper event about the ecological impact of clothing industry said, "the clothing industry is the second largest polluters in the world...second only to oil."\textsuperscript{70} When most people, economist, and politicians think of pollution, they likely imagine the Industrial Revolution of coal power plants surrounded by black smoke. They do not think about the layers of clothing they are wearing to work, dinner, or every day. The Fashion Industries carbon is enormous because of the long supply chain of

\textsuperscript{65} KMPG. Pp 38  
\textsuperscript{66} KMPG. Pp 38  
\textsuperscript{67} Forbes  
\textsuperscript{68} Imran Amed  
\textsuperscript{69} Frazee  
\textsuperscript{70} Sweeny

**Key words:** Consumer behavior, Eco-Economics, Investment, Sustainable Business
production; raw materials, textile manufacture, clothing construction, shipping, retail, shipping, and the final step of disposal.

The 13 million tons of textiles that end up in landfills could be used to create a self-sustaining industry by recycling and upcycling materials back into the supply chain and cutting cost for producers of raw resources and materials. Fast fashion created a market demand for cheap and quick clothing at the cost of stripping away the majority of rainforest and trees for factories and materials. However, fast fashion created a new market that focuses on using recycled clothing as an alternative to quick and cheap clothing. The new market creates competition and demand for sustainable business, which may increase economic growth through entrepreneurship and technology. For consumers, recycling bottles, cans, and paper is relatively established and simple: one puts them into a recycling bin at home for municipal pick up to avoid a municipal recycling law fine, or as a further monetary incentive, in states with "bottling bills," one can collect a refund for bottle and other containers at a local supermarket. However, old unwearable clothing is more difficult to recycle regarding convenience, and there are little or no monetary incentives.

To clarify the difference in recycling and upcycling, recycling is defined as the practice that treats or processes material to make it suitable for reuse; meanwhile, upcycling is a practice that reuses the material without degrading the quality and composition for its next use or returns to usable form. Blue Jeans Go Green, a denim recycling program, keeps textiles waste out of landfills and helps to build in communities around the country by repurposing denim into housing insulation. In 2015, Blue Jeans Go Green Joined a Habitat for Humanity Build-A-Thon to help rebuild homes in New Orleans. The UltraTouch Denim Insulation is manufactured by Bonded Logic, and they are environmental safe by creating non-itch insulations, no carcinogenic warnings of formaldehyde, thermal performance, 30% better sound absorption than traditional fiberglass insulations, and they contain active mold/mildew inhibitors. Blue Jeans Go Green is a perfect example of how engaging with the final step of disposal in a long and complicated supply chain

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71 BLUE JEANS GO GREEN

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
of production can play a significant role in reducing carbon emission introduced by the Fashion Industry.

Recycling and upcycling clothes have many benefits by saving water, reducing pollution, reducing resource use, energy use, and providing affordable clothes for low-income families and individuals. Currently, clothing charities such as American Red Cross, Salvation Army, Dress for Success, and Goodwill focus on giving back to low-income communities through donations and sales of used clothing at a lower cost. Moreover, Dress for Success helps unemployed and low-income women prepare for a job interview by providing professional attire. American Red Cross donate clothes to victims of natural disaster like the most recent Hurricane Harvey in Texas.

Polina Gorwns' own textile recycling company Spin Green is an example of a new emerging market for upcycled materials. According to Forbes, “Spin Green monitors 550 collection bins placed within residential buildings, commercial complexes, schools, and faith-based organizations and have been collecting between 200,000 to 300,000 pounds per month. In a warehouse, where Spin Green employs 14 workers in addition to their 10-administrative staff, textiles are sorted into grades: about 45% is usable with 10% wearable.” Polina maintains her social impact through an outstanding reputation for building and growing educational donations. The most critical focus for reusing and recycling textiles is using an upcycle process of creating something new and better from old materials. The market interest is rising as Companies like Kallio Sword & Plough, and Reformation is engaging with the supply chain by using sustainable textiles, repurposed vintage clothes, and recreating sleeves and cases for tablets and laptops from pre-existing textiles.

The cost of declining biodiversity, resources, climate, physical and mental health inspire companies and consumers to merge into a self-sustaining business model. In Ft. Lauderdale, Florida, the coral reef is damaged by a massive 35-acre graveyard of old tires from the 1970's. Up to two million tires were dumped to create an artificial reef in the hope they would create coral growth and attract fish. However; the project failed causing very negative consequences of waste

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72 Flynn
73 Vermeer

**Key words:** Consumer behavior, Eco-Economics, Investment, Sustainable Business
that wasn't cleaned up. Tires are difficult to dispose of and have a negative influence on the environment. A company, Solerebels, uses an old tradition from Ethiopia to collect and sort used tires and then repurpose them into shoe soles. It makes the best of something that otherwise would go to waste and burned. Even Timberland Co. is opting in to use 50/50 blend of Green Rubber and New Rubber in their 2008 Collection.

Many companies’ start-up to generate profit from an already used resource by cutting the cost of raw materials. TerraCycle is a world leader in collecting and recycling waste that is not traditionally considered economically recyclable. They are operating in 20 countries with a mission to eliminate waste by collecting waste then recycling them to after sell to manufacturers to make new products and materials. They receive a wide range of garbage that is sent to landfills or incineration from cigarette butts to chip bags. TerraCycle works with consumer product brands, retailers, distribution and manufacturing facilities to generate value beyond the material value of the waste. A business should follow TerraCycle’s innovative business approach of implementing a circular solution for products and packaging rather than the traditional linear option. Similar to the earth’s life cycle and our bodies self-sustain mechanism. In the start of 2018, TerraCycle went public offering stocks for purchase to grow the business further.

**Social and Environmental Impact Investment.** Investment is an essential part of development, growth, and success of a business. How is the financial market reacting to the change in consumer behavior and interest? Global Impact Investing Network reported in 2017 that investors plan to commit $25.9 billion in assets to social impact, which is seeing a 17 percent increase from 2016. In other words, the financial world is recognizing that there is profit opportunity in sustainable and social impact business strategies like TerraCycle. GIIN is expecting impact investment deals to grow to 9,557 compared to the 7,951 in 2016. Furthermore, GIIN surveyed investors on returns

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74 Petersen, Barry. 
75 SoleRebels 
76 Schwartz, Ariel. 
77 TerraCycle 
78 Baker.

**Key words:** Consumer behavior, Eco-Economics, Investment, Sustainable Business
and reported that 91 percent of investors saw a 98 percent in returns meet or exceed their expectations.79

The founder of TPG Growth Bill McGlashan reportedly is setting up a social impact fund and aims to invest more than $1 billion over time. The interest of TPG Growth in social impact investing gives sustainable impact business a leg-up in funding the sectors that have been mainly ignored. The assumption is that financial markets are going after the profit that will occur as social business expand over the next ten years. The primary objective of impact business is to serve consumers at the bottom of the pyramid. 63 Some of the significant impact investors are firms such as Lok Capital, Aavishkaar, Unitus Seed Fund, and Acumen.80

GIIN recognizes the importance of sustainable development goals and Paris Agreement using impact investors to address global issues of access to clean water, health, and climate change.81 The increase of attention from financial investors, entrepreneurs, producers, and consumers is illustrating the new revolution of positive impact practices. This is the driving force in achieving the United Nation Sustainable Development Goals. As interest increases, we can achieve global responsibility for our actions and bridge the gap between profit and sustainability. In the past, sustainability was considered to hinder profits by adding cost and increasing prices; thus, leading to more poverty globally. Hopefully, this movement will demonstrate that we can live in a society that uses minimal resources and low energy consumption without harming the economy and profits.

Chapter 4: Voice of Economics

Chapter 4 will discuss resources, normative theories of rational choice, globalization, marginal social cost, and benefit analysis to the present economic, social issues. This chapter is the main driving force for proving that sustainable practices do not have to destroy economic growth. Moreover, it presents the possible opportunity for change in our current society to push towards more competition, growth, and overall higher well-being of the American culture.

79 Baker
80 Sengupta
81 GIIN

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
Economic resources are goods and services available to businesses and individuals to produce or consume a product, and five factors of production: land, labor, capital, technological advancement, and most importantly entrepreneurship.82

Land as a scarce resource is fundamentally why sustainable business and environmental economist are a newly emerging field that needs serious attention. Climate change threatens our economy as without our natural resources we would not have land as an asset to be efficient. Nature had sustained itself for billions of years by relying on its life cycle. Our lives and economy relays on natural resources provided by the environment. The primary cause of environmental problems relating to climate change and lack of resources is population growth, poverty, and the wasteful unsustainable practices of society. Hence, the rise of environmentalism, a social movement that practices protecting the earth from a political and ethical point of view. People did not recognize that our lives and economies could depend and prosper on the solar energy, natural resources, and natural service from the earth. It's simpler to neglect to protect the environment and focus on making money in the cheapest and quickest methods. Transforming the current economic system to a sustainable economic system will be difficult by implanting and collaborating with sustainability specialized economist; however, it would benefit humanity by preserving earth's natural capital.83

Human capital is critical to the economic cycle since labor is allocated in different areas of the economy to produce the goods and services. You need people to work without a workforce nothing will happen. Therefore, examining the current state of society is vital to identify human capital and the dangers of the high levels of anxiety and depression in Americans. Climate change impacts humans' health and overall wellbeing because of the decreased air quality, transmission of disease through water, food, and insect, an increase of wildfire and extreme weather that we experienced in 2017 with Hurrian Harvey in Texas.84 Early action for natural disease prevention is vital in benefiting society and maintaining earth' natural resource as the threatens are likely to impact people in poverty, children and elderly. Another form of capital is monetary resources,

82 Hazlitt
83 Miller and Spoolman, 22
84 National Climate Assessment

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
which is the foundation of making purchases, investments, and gaining wealth. Capital is the primary asset that people use when producing or consuming good and services. Monetary capital is crucial energy for consumerism even though debt is at an all-time high.

Technological advancements led to new competitions in innovation, natural resource, and human capital skills that effective competition in the job market. Technological advancement can be combined with entrepreneurship because they both result in social and economic progress through competition and job creation. Entrepreneurship exists as a resource that adds to economy thought start-up business and equally adds labor force. The author of Mystery of Capital, Hernando De Soto, argues that the reason that capitalism triumphs in the West and not anywhere else because of property rights. Americans have the upper-hand in liquidating assets into monetary capital since individuals can use their capital to produce resources or invest. A mortgage is usually the first asset entrepreneurs trade in to receive capital to start a business.

**Utility Theory.** On the other hand, consumption as a function of Gross Domestic Product leads to an economic concept called the Utility Theory, that makes it possible to rank a consumer's preference of goods and services depending on price and income constraints. The Utility Theory was based on a rational consumer motivation to not spend more money on one additional unit of a good or service compared to another unit of a different good or services unless the marginal utility is equal to or greater. However, the old utility theory viewed individuals' decision-making skills from a narrow perspective, which assumed that everyone had a similar utility satisfaction of necessary goods and Veblen goods. As a mass consumer society developed, economists determined that consumers are not rational. Thus, in the mid-20th century, the New Utility Theory emerged, which held the same value of satisfaction of consumers' desires as the goal of economic activities. However, economists believed in consumer sovereignty by individuals, as opposed to groups, by taking a broader view from marketers, who had a primary goal of selling their products. The Utility theory developed from a change in consumers’ behaviors because of mass consumptions introduced by advertising. The new assumptions identified that consumers

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85 Goodwin

**Key words:** Consumer behavior, Eco-Economics, Investment, Sustainable Business
were not acting rationally; therefore, it was difficult to identify consumers‘ wants and needs based on the old model. Their new behavior did not focus solely on advancing their living based on the old categories of luxury and necessity goods; it seemed as if the new utility theory appealed to new impulse behaviors demonstrated by mass consumerism society. The theory was essential in calculating consumers’ decision-making skills in situations of risk, such as gambling, where a rational person cannot be expected to act rationally with a chance of financial loss in the short run and a possibility of long-term financial gains.\textsuperscript{86}

Currently, we are facing overconfidence and entrepreneurial optimism illusions that we are economical, physically, and environmental health. Daniel Kahneman, author of Thinking Fast and Slow, argues that optimism is rational, and that optimistic bias are beneficial to society because they are usually the investors, entrepreneurs, and leaders. They got in the position by fighting against the risk and odd with optimistic bias. In the United States, a small business has 35\% chance of making it past five years of operation. However, individuals that open a small business do not believe the statistics apply to them. His research concluded that Americans often value themselves at a higher position. In other words, they feel superior to others, and this is the optimism as an engine driving force of capitalism. However, a concern is when CEO of large businesses feel superior to other about respecting the natural resources. This overconfidence may be a cause for polluted water and land since they think they cannot be responsible for the pollution.

\textit{Sustainability}. We can use resources more sustainably by expanding economic tools to determine the cost of environmental harm in the market prices of goods and services. Environmental ecologist subsidized environmental benefit goods and services by taxing pollution and waste. That is instead of wages and profits. Environmental economist advocated for markets to use environmental indicators to help monitor environmental quality and human well-being. They use indicators such as genuine progress indicator (GPI). They used the following equation to determine the GPI: actual progress indicator equals gross domestic product (GDP) and the benefits not included in market transaction minus harmful environmental and social cost. The

\textsuperscript{86} Briggs

\textbf{Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business}
environmental economic indicators could help us reduce our environmental impact and encourage companies to use labels for accurate products that are environmental benefits and help consumers to select more environmentally beneficial products and services. For example, U.S., Canada, Japan, and Europe encouraged the Green Seal labeling program. Their mission is to use science-based programs to empower consumers and companies to create a more sustainable economy. In addition, as providing information to the consumers, the labels can serve as an image creator for business. Businesses spend a lot of time lobbying to increase subsidies; however, if the government implements rewards for environmentally sustainable business, it can benefit the earth and our lives.  

We can use the three principles of sustainability, economic and environmental strategies to develop a more environmentally sustainable economy. The economic systems relate to the biosphere as subsystems of the biosphere. Ecological economist and sustainability experts have developed a few methods to place value on natural capital and control pollution. They have estimated the present and future value of a resource by comparing the likely costs and benefits of environmental action. However, they are still uncertain about the effectiveness of the methods. According to neoclassical economists, a product or service has no economic value until sold in the market. Therefore, ecological and environmental economists have developed an existence value, meaning it has a monetary value on a resource. Another benefit they developed is aesthetic values, which means a monetary value placed on a forest, species, or a part of nature because of its beauty. The last type is the option value, based on the willingness of the people to pay to protect some form of natural capital for use by future generations. In 2005 the Millennium Ecosystem Assessment, a comprehensive survey conducted under the auspices of the United Nations, found that approximately 60% of 24 ecosystem services examined were being degraded or used unsustainably.

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87 Miller and Spoolman, 613  
88 Miller and Spoolman, 622  
89 Millennium Ecosystem Assessment

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
Economic Resources. The seven billion people are living, and everyone plays a role in taking from Earth’s natural resources as we deplete earth’s natural capital at a rapid pace. Recycling and reusing are helping by buying time; however, change in our routines must occur or change with a sustainable approach. We must learn from nature to create a more sustainable economy. The economy right now is saying grow; grow forever meanwhile the earth is saying enough, just too much, no more according to Donella Meadows. Paul Hawken has a simple golden rule for such an economy: "Leave the world better than you found it, take no more than you need, try not to harm life or the environment, and make amends if you do." By shifting to an eco-economy, it will create flow in money and labor. In Natural Capitalism: Creating the Next Industrial Revolution, Paul Hawken argues that we have entered a new type of industrialism. He talks about a society that functions with fewer resources and energy. He suggests a utopia that can function on energy as a part of a payment for low-income houses and the water leaving factories is cleaner then they came in. Paul Hawken says, "Humankind has inherited a 3.8- billion- year store of natural capital." Furthermore, natural capitalism dependency between production, the use of human-made capital and the maintenance of the natural capital supply. Paul Hawken introduced can four central strategies such as radical resource productivity, biomimicry, service and flow economy, and investing in natural capital.

In short, radical resources and productivity are about allocating natural capital more effectively to reduce resource depletion, lower pollution, and increase worldwide employment. Biomimicry primary focus is on reducing waste and redesigning the industrial systems. Service and flow of economy is the fundamental change in the relationship between producers and consumer. More specifically a new perception of values, and goods as a measure of wealth. He argued that this concept presents incentives to practice the first two innovations of natural capitalism by restructuring the relationship between consumer values and resource productivity. The final strategy Paul mentions is investing in natural capital to reverse the worldwide destruction through reinvesting in sustainable natural capital to expand its stocks. Thus, increase economic growth and meaningful employment. Responding to climate change presents

90 Hawken, 3
91 Hawken, 8

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
opportunities to grow the social benefit of clean energy, agriculture, transportation, and most importantly protection of human health and wellbeing.  

The rise of environmentalism in the US started after the industrial revolution. Manufacturing provided comfort and security economically for people and caused unheard of environmental destruction. There was a drastic change in the surrounding land from rural landscape to cities with roads, factories, and cars. As citizens started to see smog covering their cities from factory pollution, it caused people to worry about the effects of living. The industrial revolution encouraged a new movement called Romanticism, which was a small group of intellectuals that understood the beauty of nature. Romantic Movement was an essential origin of environmentalism. Writers and poets focused on the beauty of the environment and destruction of it caused by the industrial revolution. For example, an iconic American romantic, Henry David Thoreau. He spent time in a cabin with the necessary materials to live a simple life than writing about his experience. The environment has been neglected for many since modern humans arrived on earth. The rate of species extinction has increased to 100 to 1,000 times faster. By the end of this century, the extinction rate is expected to rise 10,000 times higher than that current rate.  

*Environmental Economics.* Environmental economists assess the marginal private benefit and cost, externalities in consumption and production of environmental impacts on a different aspect of the economy. Jeremy Rifkin in his book Zero Marginal Cost Society explored the leading players in achieving the zero-marginal-cost revolution. Economists believe that the marginal cost and marginal benefit should be equal to each other to achieve economic growth. In other words, marginal cost should not outweigh the marginal benefit of the sustainable action. He discussed the economic life of society reaching zero marginal cost and become almost free, diminishing consumer bases because the capitalist market will shrink into narrow niches. For example,
entrepreneurs gain temporary advantages over competitors through technological innovation by allowing them to lower the price of goods and services, which is the effect of globalization.  

In 1970, a group of environmental activists came together to organize the first Earth Day to stimulate a movement and fight the polluters through petitions, lobbying, and voting. During the first Earth Day, a few of the environmental activist created Environmental Action. Executive Director Drew Hudson, Anthony Rogers-Wright, and Sally King worked together to develop ideas into result-oriented activism to protect the planet. They protect the environment from polluters by holding the great cooperation's and politicians accountable for the damage on the earth. During Richard Nixon's Presidency, Environmental action helped convince him to support the Clean Air Act, Clean Water Act, and the Endangered Species Act. The organization saw opportunity in shaming polluters by identifying which congress members were causing the most damage to the environment. They called them the Dirty Dozen. This benefited the public by educating them on the issue of pollution and polluters trying to find a way to make a quick buck at the expensive of depleting earth's natural capital.

Government Initiatives. With a broad perspective, what is every nation currently doing about the environment. Overview of the Paris deal, which united all the countries for the first time by agreeing to tackle climate change together. The essential elements of the agreement focused around limiting greenhouse gases emission to a level that the trees, soil, and oceans can absorb naturally, and review each country's carbon emission every five years. Additionally, developed nations must help developing pooper nations with climate finance to switch to renewable energy. On a global level, there is concern about climate change and solutions to transform countries into renewable energy. United States President Donald Trump decided to withdraw from the agreement in 2017. However, representatives of American states, cities, and companies are planning to disregard his decision and continue to reduce emissions. At the time of the United States withdrawal from the agreement 30 mayors, three governors, more than 80

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94 Rifkin, 8
95 Briggs
96 Fountain

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
university presidents, and more than 100 business planned to coordinate with the United Nations to participate in the Paris Climate Agreement. Concern about climate change and motivation to prevent further disruption to the environment is present on all levels.

Former New York City Mayor Michael Bloomberg released PlaNYC in 2007 in the effort to prepare the city for one million more residents, strengthen the economy, combat climate change, and enhance the quality of life for all New Yorkers. Most understand that fundamental sustainable changes in government, economics, technology, social behavior, and shared knowledge is crucial in achieving a sustainable future. PlaNYC targeted housing and neighborhoods, parks and public space, brownfields, waterways, water supply, transportation, energy, air quality, solid waste and climate change. Bloomberg insured the plan had the following three components of preparing for an increase of population, repairing aging infrastructures including bridges, water mains, mass transit, and conserving NYC resources by reducing NYC carbon emission by 30%. This plan was renamed to OneNYC and revised to expand the vision and initiatives by Mayor Bill De 'Blasio.

The current plan holds four compelling visions for NYC effort: Growth, Equity, Sustainability, and Resiliency. Vision one upholds NYC’s reputation of being the world’s most dynamic urban economy for families, business, and neighborhoods to thrive. Each vision expands on specific goals and initiatives to reach those goals. Vision two is focused on providing the opportunity to New Yorkers to live with dignity and security through an inclusive, equitable economy. That is offering jobs and other opportunities to lift New Yorkers out of poverty and focusing on improving their overall wellbeing. Vision three encourages New Yorkers to become the most sustainable big city and become a global leader in fighting climate change. Vision four prepares the neighborhoods, economy, and public services to withstand the impacts of climate change and other threats.\(^7\)

Let us explore a few of the current sustainability goals of 80 X 50, and Zero Waste. NYC’s 80 X 50 goal is to reduce greenhouse gas emissions by 80 percent by 2050, which is going along with the Paris Agreement. The goal resulted in 52 municipal buildings being powered by

\(^7\) Mayor’s Office of Sustainability

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renewable solar energy, 19 NYC hotels joined the Carbon Challenge program, and 1,000 projects signed up for energy efficiency investments in retrofit accelerators. To reach the 80 X 50, the city recognizes it must reduce 42 metric tons of greenhouse gas emissions. NYC has developed a shift in the transportation sector by rewarding energy-efficient vehicles. They have initiated the change by replacing most municipal vehicles to be energy efficient. Goal two embedded sending zero waste to landfills by 2030 to minimize the impact of waste on the environment. Zero waste goal has recycled 685,00 tons of waste, expanded the curbside organic composting collection to over 700,000 New Yorkers, and launched an NYCHA recycling program in 850 public housing buildings, and reduced the use of plastic bags and other non-compostable waste.

GreeNYC is one of the many programs that is focusing on change in current practices. GreeNYC Outreach program informs New Yorker about small steps they can be taken at home, work, and on the go to be a part of the change. GreeNYC encourages New Yorkers to take a pledge to bring your own, drink tap water, and stop junk mail to reduce waste. The most popular campaign is the B.Y.O pledges that incentives New Yorkers to reduce waste by providing a complimentary reusable shopping bags, water bottles, or coffee cup to those that promise to minimize general waste. To appeal to younger generations in furthering their cause, the organization uses "Birdie," a costumed mascot, to connect with New Yorkers through social media such as Twitter, Facebook, and Instagram. The primary mission is to reduce energy use, eliminate waste, and encourage a sustainable lifestyle.

Chapter 5: Tying the Knot

To achieve and adapt to the new revolution of sustainable use of resources and social impact investing the government must play a role in setting policies that reflect the adoption of climate change. Like Paul Hawken said, we must leave the world better than we found it by taking not more than needed and having no harm to society and the environment. Mostly, the only thing that is holding back the new revolution is the lack of trust people must make a difference. Often people feel that they fall short of the possibility of making a difference because they are a

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98 GreeNYC

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
small percentage of 8 billion population. However, policy changes will encourage, and incentives people to act now and make amends with our previous actions for a better future as people will recognize they are not the only one out 8 billion people but one person apart of the 8-billion-member group making the change. Fundamentally the policy recommendation should tackle the current challenges of adapting on a global level for the social and environmental benefit. Additionally, the policy recommendations should necessarily create a world that includes environmental protection in every aspect of the private and public sector. The implementation of social change should not harm the growth of the economy in the long run. However, it may have a slow-down in the short term during the transition stages.

*Case Study: Can the use of clothing recycling bags in retail stores efficiently motivate consumers to avoid throw-away fashion trends and to upcycle clothing?*

**Abstract**

The purpose of the research is to investigate factors of ease and motivation and the impact it has to encourage consumer behavior of donating pre-owned clothing items. This research interacts with the final step of the supply chain by disposing of textiles to fuel the beginning of the supply chain through incentives. More specifically, my research question is: could offering consumers recycled, sealable, and postage-paid mailable shopping bags at the time of their purchases (with a monetary refund for using the bags) ease the difficulty of figuring out what to do with old clothing and provide a compelling monetary incentive for fashion upcycling?

**Background Information**

Traditional business practices are destroying our natural resources, which is leading us to a throw-away culture in America producing 253 million tons of trash in 2013.\(^9\) The United States is holding the number one record for the most garbage generated annually. The ecological

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\(^9\) Forbes, 2006

**Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business**
footprint of waste left behind affects human health, soil, wildlife, and air pollution and negatively impacts our climate. We live in a society that uses planned obsolescence as a standard business strategy to encourage consumerism and overconsumption. Planned obsolescence is built into a product's design to have a short life cycle, especially in the rise of Fast-Fashion.\textsuperscript{100} The fashion industry is the primary business that outsources labor to make prices cheaper. Americans throw away 13 million tons of textile material every year, which equivalent to 85\% of their clothes.\textsuperscript{101} The fashion industry is successful in creating a throw-away society through new trends by introducing new fashion lines every three months, unlike in the past, when they launched a fashion line every season. According to McKinsey Global Fashion Index, the industry is worth $2.4 trillion and has a 5.5 percent growth rate annually.\textsuperscript{102} The fashion carbon footprint is enormous because the business is a long supply chain of production, raw materials, textile manufacturing, clothing construction, shipping, retail, and the final step of disposing of the item.\textsuperscript{103} Eileen Fisher, a clothing industry entrepreneur, spoke at a Riverkeeper event about the ecological impact the fashion industry has and argued that "the clothing industry is the second largest polluter in the world... second only to oil."\textsuperscript{104} When most people, economist, and politicians think of pollution, they imagine the industrial revolution of coal power plants surrounded by black smog and mining. They do not think about the layers of clothing on their back or the endless options packed away for different seasons.

It is essential to break the extended supply chain that is negatively affecting the environment by reaching to the final step of the chain of disposal of clothing to fuel the beginning of the production, raw materials, textile manufacturing, and construction with upcycled clothing. Fast fashion created a market demand for cheap and quick clothing at the cost of stripping away a majority of rainforest and trees for factories and materials. However, fast fashion created a new market that focuses on using recycled clothing as an alternative to quick and cheap clothing. The new market creates competition and demand for sustainable business, which may increase

\textsuperscript{100} The Economist,2009
\textsuperscript{101} Frazee
\textsuperscript{102} Amed
\textsuperscript{103} Sweeney
\textsuperscript{104} Sweeney

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
economic growth through entrepreneurship and technology. For consumers, recycling bottles, cans, and paper is relatively established and simple: one puts them into a recycling bin at home for municipal pick up to avoid a municipal recycling law fine, or as a further monetary incentive, in states with "bottling bills," one can collect a refund for bottle and other containers at a local supermarket. However, old unwearable clothing is more difficult to recycle regarding convenience, and there are little or no monetary incentives.

The Methods

After approval from Institutional Review Board, the research used an explanatory case study to investigate how different factors play a role in comfort and ease in consumers participating in the sustainable practice of upcycling used clothing. The 100 participants filled out two sets of questionnaires and received a $10 compensation for completing both questionnaires. The initial questionnaire examined the demographics of the participants, personal shopping habits, and knowledge of sustainable fashion terms. The follow-up questionnaire explored reactions to the shopping bag, likeness of usage for different scenarios, and the overall usage of the product. The participants received an informational pamphlet of two options that provide free mail label for donations, two options that require the individuals to purchase their mail label, and one option to schedule a pick-up with Salvation Army.

Fordham University Undergraduate Research funded the research. The results were calculated using online data collection, Qualtrics using cross tabulation process.

The Results

There was a significant correlation between people that said they would recycle/upcycle clothes if it was as easy as online returns and how likely the individual would use the product to donate clothes (P= 0.00).

There was a strong correlation between people that need the product and donated using the product, and those that responded with did not need and did not donate. (P = 0.01)

Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business
The option of a return label (P= 0.00), brands monetary rewards (P= 0.00), and the feeling of wanting to recycle and upcycle clothing more often (P= 0.00) is correlated to the interest of replacing traditional bags with the self-adhesive recyclable shopping bag to donate.

The option of a return label (P= 0.00), brands monetary rewards (P= 0.00), and the feeling of wanting to recycle and upcycle clothing more often (P= 0.01) is correlated to the interest of replacing traditional bags with the self-adhesive recyclable shopping bag to send returns.

The perception of the shopping bag as a necessity correlates with the frequency of the products usage (P= 0.04). *(Figure 9 in Appendix)*

There was a strong correlation with the feeling of recycling/upcycling clothes more often with the likeliness of using the product to donate (P= 0.00) and interest in this product to replace traditional shopping bags (P= 0.00)

8% said they donated using the product, 56% said yes-planning, and 36% said no they did not give.

52% of respondents prefer shopping in-store compared to 48% that prefer shopping online.

**Conclusion**

Providing a pre-paid mailing label and sealable product incentivizes individuals to recycle/upcycle their used clothing items. Since there was a significant correlation between people answered they would recycle/upcycle clothes if it was as easy as online returns and how likely the individual would use the product to donate clothes it is safe to say there is an opportunity in providing a more accessible option of donations. Additionally, more participants showed preference in-store shopping over online demonstrates opportunity in entering the market with a self-adhesive recyclable bag at the time of their purchase to donate. There was also a significant correlation between providing return labels, monetary rewards, and the feeling of wanting to recycle and upcycling clothes more often to send returns considering the 48% of individuals that prefer online shopping over in-store purchases. A redesign of the shopping bag using sturdy biodegradable materials is necessary for future research. Many participants disliked the physical appeal of the product, and we're not happy about it being recycled material as they expected sustainable materials to support the concerns with the

**Key words: Consumer behavior, Eco-Economics, Investment, Sustainable Business**
fashion industry. Additionally, finding an effective way to educate consumers using the shopping bags and market strategies to create a self-sustaining supply chain.

**Recommendation 1: The Federal Government should implement social impact bonds, create grant programs focused on the social outcome, issue tax credit for businesses that have positive impact missions.**

According to the Governance studies at Brookings, which report that millennials will comprise more than one out of three Americans by 2020 representing 75 percent of the workforce by 2025.\(^{105}\) Currently, millennials in developed nations are feeling pessimistic about the business potential to alleviate society's biggest challenges. The 2017 Deloitte Millennial survey suggest that's millennials are seeking stability and opportunities in businesses that engage with good causes by empowering young people to reinforce positive impact between business activities and social impact. Millennials are considering business as the force for positive change by implementing social impact bonds, grant programs, and issuing tax credit for companies encourages citizens to become active in the social business impact. The program's incentives more millennials to engage and feel responsible for political and social progress. Millennials are changing their view of business behavior recognizing that business created missions beyond wanting to make money.\(^{106}\)

Currently, millennials employers are most supportive of education, employment, and healthcare followed by community cohesion and social involvement and protecting the environment. By encouraging business to become involved in social issues creates a ripple effect of important influences and a sense of empowerment. On most issues, millennials feel more accountable than influential in protecting the environment, social equality, behavior and action of large business, and direction of a country. Overall, 77 percent of millennials are involved in charity and the good cause with 40 percent taking an active interest, 30 percent volunteer, 30 percent making regular donations, and 25 percent. According to the Deloitte Millennial survey,

\(^{105}\) Donston-Miller

\(^{106}\) Deloitte

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the ripple effect is that small-scale local initiatives have a more significant impact than traditional protest.

Additionally, Millennials are changing the workplace to become more flexible in working practices which is increasing the overall productivity, and economic growth. In other words, introducing social impact bonds, grant programs for social impact mission, and a tax credit for business increases trust, productivity and thus economic growth while focusing on social and environmental impact. The increased benefit of rising incentives will boost the social impact sector of investing. The government should present social outcome fund to encourage entrepreneurs and investors to interact with different dimensions of investing such as risk, return, and impact.

**Recommendation 2: The federal government requires all students in K-12 public schools to learn about climate change, sustainability, and environmental science.**

The required education program will encompass and ensure that the later generations will not make the same mistake of causing harm to people and environment as a trade-off of increased profits. Sue Elliot, an advocate for early childhood education for sustainability, says the early childhood practitioners incorporate children's learning towards sustainable living is an essential element of early childhood teaching.\(^{107}\) Young children around the world are demonstrating awareness about the environment and society and ways to minimize it. OMEP Congress in Sweden shared that a five-year-old reported that sustainability means 'to save the world for later.' The five-year-old is not wrong additionally, by introducing sustainability initiatives at a young age will teach the younger generation to share sustained thinking of others and how they interact with the world around them as they grow up. Early childhood education of sustainability will become embedded in all daily routines for the following years. According to DEEWR, educators will discuss and teach children that all 'living things are interconnected.' The positive thinking of considering the environment and others at an early age will benefit the overall health of society. It will teach ethics and values in public school environment otherwise ignored in many public-school education systems.\(^{108}\)

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\(^{107}\) Cutter-Mackenzie

\(^{108}\) Cutter-Mackenzie

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Recommendation #3: Implement a natural capitalism approach involving four significant shifts in the business practice of increasing the production of natural resources, shift to biologically inspired production models, solution-based business model, reinvest in natural capital.

Reducing the destructive flow of resources represents a significant business opportunity to have fundamental changes in production design and technology. Transitioning to natural resources such as energy, minerals, water, and the forest will pay for themselves over time, and most cases can reduce initial capital investment. They yield higher profits than just saving on small resources. Additionally, by reducing the initial capital investment, a company could potentially use those savings for developing human capital at their corporation. Switching to a Natural capitalist economy will not only reduce waste but eliminate the concept of waste by creating a circular production system instead of a linear production line. In a closed production system, every output is returned into the ecosystem like compost, or it can be used as a new input for manufacturing another product, mimicking the natural reprocess cycle.

Furthermore, developing a business model focused on value rather than manufacturing for sales. According to Harvard Business Review, Paul Hawken an American environmentalist, entrepreneur, author, and activist who coined the term ‘Natural Capitalism’ reasoned that, "This model entails a new perception of value, a move from the acquisition of goods as a measure of affluence to one where well-being is measured by the continuous satisfaction of changing expectations for quality, utility, and performance. The new relationship aligns the interests of providers and customers in ways that reward them for implementing the first two innovations of natural capitalism—resource productivity and closed-loop manufacturing.”109 This kind of model will require small changes but larger savings down the line. As human needs expand, population grows, the cost of a deteriorating ecosystem rises, and environmental awareness in consumers increase businesses will experience the pressure to create business value as seen with millennials and generation Z. Hence, it is essential for a company to reinvest in natural capital.

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