

2011 Grandich Self-Storage Factor

Self-storage: the poster child
for America's addiction to excess

By Peter Grandich
www.Grandich.com

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I have long stated that one of the biggest maladies with the American economy is our obsession with “stuff.” We’re spending and consuming way too much and living far beyond our means. There is no bigger and more obvious symbol of our overspending than this generation’s newest bounty industry: self-storage facilities. In essence, public storage sites symbolize everything that’s wrong with our skewed, distorted values here in the USA. We need a 12-step cure from our stuff.

Until we, as a society, can go into full blown recovery from our addiction to spending and excess; until we realize that consumption has not left us happier, richer or more fulfilled; until self-storage facilities start closing down for lack of renters instead of breaking ground on new complexes, our economy will never be on solid footing.



The Statistics:

- One in 10 U.S. Households rented a storage unit in 2009. That number grew from one in 17 in 1995. *(Self Storage Assoc.)*
- At year-end 2009, there were roughly 50,000 self-storage facilities in the United States. That’s 2.35 billion square feet of space for our excess stuff, equivalent to three times the size of Manhattan. *(Self Storage Assoc.)*
- In 2007, gross industry revenue topped \$20 billion. *(Self Storage Assoc.)*
- Average credit card debt per household with credit card debt: \$15,788. *(creditcards.com)*

• The average number of credit cards held by each American household as of year-end 2008 was 3.5. *(Federal Reserve of Boston, January 2010)*

• By the end of 2010, more than 1.6 million Americans are expected to file for personal bankruptcy. *(American Bankruptcy Institute)*

• U.S. consumer debt estimated to be at 2.4 trillion dollars. *(Federal Reserve's G.19 report on consumer credit, 3/10)*

• American households pay over 12 percent of disposable income on paying down debt. Include the cost of renting and that number jumps to over 24 percent. *(Federal Reserve Board)*

Grandich commentary on self-storage:

An Excess of Stuff • Monitor Newspaper, November 2010

http://www.grandich.com/wp-content/uploads/2010/11/monitor-article_nov10.pdf

“Having too much stuff got us here and until they’re closing public storage facilities versus opening them, we’ll never get to the root of the matter.”

<http://www.grandich.com/2010/11/grandich-returns-to-bearish-camp-430pm-est/>

“I find most Americans continue to spend far too much money and live a lifestyle they couldn’t afford no matter what income bracket they are in... The vast majority of Americans have lots of things, own outright little of it, and are living a lifestyle several notches above where they should be. The only real answer for them is to down-size. If not, we’re a crash course to financial Armageddon.”

<http://www.grandich.com/2009/09/americans-only-recipe-that-can-work/>

“Many of you know I’ve been on my soapbox for a few years now claiming America was living way beyond its means. I talked about how my grandfather would be shocked to find we actually pay people to store “stuff” for us at public storage facilities. I shared how we never had a credit card yet young people didn’t ask if they could afford something, but instead asked if they could make the payment. Perhaps my best example I have often used was Shania Twain’s “Ka-ching” video.”

<http://www.grandich.com/2009/02/is-america-ready-for-this/>

“A beautiful Canadian lady, Shania Twain, sings such a perfect song about how too many Americans live their lives: “Ka-Ching.” Listen to the lyrics. It’s the 50 and under American crowd, no ifs, ands or buts. Americans have been led by Wall Street and Madison Avenue to believe that more money equals more happiness. The fact is Americans have too much stuff.

Both of my grandfathers passed away before I was born, but I always imagined them visiting me back in the late 1990s before I became a recovering materialist. I picture them visiting my 5,000-square-foot home on five acres, a home the size of which only the mega-rich had back in their generation. I envision telling them about how many of my neighbors had even bigger homes, and I try to justify why a home five times the size of the home in which my father and mother were raised was necessary. I don’t know whether or not they would have accepted my reasoning, but when I took them out on a main road, they would surely have discovered how screwed up we had become in just two generations. You see, they would see a sign that says “Public Storage” and ask what that was for? I would tell them people like me, with homes five times bigger than theirs, pay these places to keep our stuff. My grandfathers would certainly conclude we now have far too much stuff and we don’t truly “own” most of it. Our parents and grandparents didn’t need public storage, yet somehow they got through it.”

<http://www.grandich.com/2007/10/grandich-special-alert-man-your-battle-stations/>

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10 Tips to Stop Overspending

1. Leave your credit cards at home.
2. Save up for purchases so you pay cash for as much as possible.
3. For large items that must be financed (i.e., vehicles, homes), save up double the down payment you would normally save.
4. Charge nothing until your current credit card balances are paid off.
5. Pledge to NEVER make a late credit card payment. With late fees as much as \$35, saving six a year adds up to a few hundred dollars.
6. At least once each quarter, make an extra principal payment on your mortgage.
7. Break the latte cycle. Saving \$5 a day on expensive coffees adds up to \$1825 per year. Apply that savings to reducing debt.
8. Use the ages-old principle of paying yourself first. If you can swing it, have 10% of your pay check automatically deposited into a savings account. Out of sight, out of mind!
9. Institute the three-day wait period on purchases. Shop for your best deal, but wait three days before making the purchase. Often times, the buy impulse fades and you find you really don't want or need it three days later.
10. Try hard NOT to keep up with the Joneses. As a society, we spend too much money buying lots of "stuff" to impress people we often don't know or like. Before making a purchase, ask yourself if you really need it. Then ask if your grandparents would have bought it. Unless the answer to both is an overwhelming YES, put it back and stash the cash for a truly necessary acquisition.

Finally, when you do make the decision to live a more purposefully simple life, find a good and worthy home for your "stuff." As a recovering materialist, purge your life of superfluous possessions and donate these symbols of your recovery to a worthy charity, friend or the less fortunate.

... And here's George Carlin's lighthearted take on the subject.

<http://www.youtube.com/watch?v=MvgN5gCuLac>

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