



Time Ain't Money

Stop Punching the Industrial Age Clock, and Start Embracing the Digital Now.

Douglas Rushkoff

Living in the digital media environment changes a whole lot more than the technologies through which we do business; it has changed our relationship to time, and this is having profound effects on our businesses, our economy, and our customers.

To put it most simply, the money we use has a built-in clock—an embedded relationship to time that informs how we obtain capital, how we pay it back, how we invest, how we sell, and how we communicate. That clock has run out. It has wound down, and been replaced with something else. I call it “presentism,” a focus on the now over the past, and even the future. If we understand this shift—the only truly significant change wrought by the digital—we can thrive in the new landscape. If we can’t, if we end up paralyzed in what I’ve come to call “present shock,” then we may as well go down with the rest of the Industrial Age.

First off, we have to accept that presentism is not a thing of the future, but a quality of the now. I know things seem to be changing ever more rapidly, but I assure you they are not. In fact, the rampantly accelerating rate of change that Alvin Toffler wrote about in the 1970's in his terrifically prescient book *Future Shock* has come to an end. The highly connected, contagious, and confounding future he predicted is no longer imminent. It is here. The future shock he described is actually our present shock.

The End of Time

Think back to the late 90's, when everyone was swept up in the dotcom boom and leaning forward toward the millennium. It was as if we were living for tomorrow, investing in the future, and awaiting whatever next new big thing was going to come and revolutionize everything. This was the era of the “long boom”, which Wired magazine's editors told us meant the economy would continue to expand, like the universe itself, forever.

Of course, once we crossed the threshold to the new millennium, all that leaning forward into the future became more of a standing up in the present. Investors stopped looking toward what their Internet stocks might be worth at some point in the future, and suddenly pondered what they were really worth right now.

The Y2K bug came and went, and in spite of many computers that still calculated the year with just two digits, no planes fell out of the sky (KLM grounded its fleet just in case). More recently, we passed through the end of the Mayan calendar, the 2012 date of apocalypse many had feared, relatively unscathed.

Yet, while we may not have reached the end times, I believe we have reached the end of time. We don't wind up our clocks anymore. They don't even have arms that move continuously around the clock's face. They just have numbers that sit there, poised and motionless, suspended in a seemingly infinite present, until the next digit flops down in place of the last. On the analog clock, each second is a portion of a minute, and each minute a portion of the day. Time is in motion. On the digital clock, time is static. A number. A now.

I heard a young girl at Disneyworld ask her father about the sign hanging in front of the Goofy rollercoaster indicating a 90 minute wait. "How long is a minute?" she asked. In the analog world, a minute is a sixtieth of an hour, which is a 24th of a day on earth. It is a segment of something real. In a digital world, a minute is a duration. It is an absolute measure all its own. It is not part of anything else.

This new, a-historical experience of time changes everything. And once you start looking around, you realize everyone is adjusting in one way or another to the new “now.” On a surface level, it’s the real-time, pervasive, always-on, perpetual ping-pong of our devices, Twitter feeds, Facebook updates, and text messages. The smart phones chirping and vibrating in our pockets respect no clock, but alert us on the asynchronous schedule of their many human and programmed senders. As we attempt to adjust to this always-on ethos, we too take on the qualities of our Google alerts and Snapchat feeds.

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The Collapse of Narrative

Investors no longer seek to make money off their investments, but off the trades themselves. They whined when a purchase of Facebook shares in the first few minutes of the company's IPO didn't return a profit over the next hour. More advanced traders try to beat time through derivatives, or even derivatives of derivatives, trading on future change (or, better, changing impressions of the rate of future change) rather than waiting for that change to actually happen. Of course, ultra-fast trading algorithms have us all beat, as they are capable of witnessing our orders and acting on them before they are filled. The algorithms are trading, quite literally, in our future.

Meanwhile, customers expect overnight delivery, instant customer service, and real-time inventory adjustments to their every whim. If a business is not “always on” with operators standing by, then it may as well shut down for good. Every company must be responsive, lean, and agile—to name just a few of the presentist buzzwords from today's management consultants. It's not that everyone is supposed to be doing things faster, so much as in the present tense. No more hard drive, everything in RAM. It's like living on an Atkins diet, with no starch or carbs to hold you. It's all right now.

The first casualty of presentism, and the easiest to see in our culture, is the collapse of narrative. Without time, without any history, how do you tell a story with a beginning, a middle, and an end? What happens to the typical TV show? A kid with a remote control can skip to another channel

a whole lot easier than sitting through your exposition or, worse, your commercial. Musicians don't release albums so much as iTunes singles. University curriculums are consumed a la carte by online students. People can no longer be motivated with goals or rewards, because the notion of a journey is itself anathema to a world where everything is supposed to be happening in the present.

Political and social movements used to involve journeys with clear endpoints: winning a war, planting a flag on the moon, winning the Civil Rights Act. A charismatic leader would share his dream, point to the future, tell his followers to keep their eyes on the prize and march ahead. They might suffer and struggle a bit right now, but great rewards would wait on the other side of the finish line.

But today's movements don't have clear endpoints, and their participants don't have an appetite for lofty or distant goals. The Tea Party is presentist in its impatience for results. It is an ideology without an endpoint. The past and the future become cross-wired as Tea Partiers vow to never again approve a debt ceiling increase, which is really just an agreement to pay expenses already made and approved. Its members are sick and tired of legacies of government waste and corruption, and want an abrupt and discontinuous "clean break" from their regularly scheduled programming.

On the other end of the spectrum, members of the Occupy movement exhibit an excruciatingly presentist patience. When pressed by the media, the Occupiers refuse to state any goals or demands at all. They are not a movement, in the traditional sense, but a model for a new mode of behavior. It is less like a political party that wages a campaign with a clear set of goals than it is an experiment in developing consensus. When asked by a Fox News reporter what it would take to “end” the protest, one of the Occupiers responded, “We don’t want it to end.”

However unnerving they may be, such movements are entirely consonant with the timeless, a-historical sensibility of our digital environment. This is presentism, and it may just be a better framework from which to approach the challenges of the 21st Century. After all, climate change is not a battle one “wins” like World War II. Problems such as terrorism, hunger, and viral mutation are more chronic in nature, requiring patient, ongoing effort. These are “steady state” conditions of an always-on society.

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The Cultural History of Currency

Good CEOs reading this manifesto should already be making the connection between presentism and their operations, and considering the implications of the culture of “now” on their workforces, customers, and even shareholders. But the transition from an Industrial Age clockwork universe to our Digital Age world of asynchronous pulses goes deeper than human motivation. It is in the process of changing the very nature of money.

The money we use today—central, bank-issued currency—is an artifact of the late Middle Ages. It was invented around the same time as the mechanical clock itself, and has many of the same properties. Before this sort of money was invented, farmers and merchants used local currencies based in grain from the field. These earlier currencies earned no interest so they were biased toward transaction, and they enjoyed an extremely high rate of what economists would call “velocity.”

The problem with local currencies was that they left monarchs and the aristocracy out of the wealth equation. They were great for the local markets and craftspeople, but the feudal lords and early kings, who didn’t create any value themselves, were becoming irrelevant and comparatively less wealthy than their rising middle class counterparts.

With the help of financial advisors, they issued central currency. Unlike local currencies (which were outlawed on pain of execution) coin of the realm could only be borrowed from the central treasury, and at interest. So money had a clock inside it. Any money borrowed would have to be paid back in a certain amount of time, plus dividends.

Along with the invention of the chartered monopoly, the new “capitalism” changed the business landscape entirely. Instead of working in small businesses of their own, craftspeople had to work instead for the larger chartered companies who were able to secure financing from the nobles. The real-time, peer-to-peer marketplace was replaced by economies of scale and the Industrial Age. And all this activity and labor was organized by the brand new clock towers built at the center of most every town.

Of course, all this debt-based currency had to be paid back in time—and then some. Where did that additional money come from? More lending. This meant that the only way for the economy to remain solvent was for it to grow. In an era of Colonial expansion, this was fine. It even helped motivate trans-oceanic adventures and land grabs.

But today, as we all struggle to grow at the same rate as the debt structure, it ends up working against us. Companies pursue unwise acquisitions to create the illusion of growth. Homeowners refinance their mortgages as a way of simulating an increase in the portion that they own.

The time-based rules of money work quite well in an expansionist Industrial Age, (as long as we ignore the impact on craftspeople, local economies, and, of course, slave populations), but they no longer seem to function properly in a digital economy.

For one, digital businesses don't necessarily require the kinds of capital investment that comes from central banks and big venture funds. A couple of kids with a laptop and a long weekend can do the lion's share of innovation and programming required to launch a major new Internet technology or computer game. While there's money to be made, it's from people actually buying or using the product, not for an investor whose capital is, frankly, unnecessary. So where is the money to go?

For very similar reasons, big companies are finding themselves accumulating cash that they have no good ways to spend. Corporate profit over net worth has been shrinking steadily since the invention of the computer. That is not a coincidence: the digital economy cannot be run on a 12th century, printing-press era economic operating system. Central currency was designed to favor storage and accumulation and to discourage peer-to-peer transactions. Its very structure and function was intended to restore central authority over a runaway, decentralized economy. But now it has run its course; corporations have accumulated cash but do not have the kinds of long-term expansionist opportunities of their 12th Century forbears.

Meanwhile, local communities are finding in a presentist, digital economy newfound access to the kinds of peer-to-peer transactions that characterized life before the Industrial Age. A smart phone can authenticate transactions as well or better than an escrow agent. Some towns are even developing their own alternative currency systems, which are less like money than they are like favor banks. These are not currencies one borrows or loans, but rather balance sheets that keep a person only asking for as many goods and services from a community as he or she is capable of providing. It's a real time, steady state marketplace, as opposed to one with workers and owners, winners and losers. Community, craftsmanship, and culture are the new currencies we trade in. There's no winner, because it is not designed to make winners but to sustain itself over time.

New cultural movements, from Makers Faire and Burning Man to etsy and Makerbot, all herald a revival of a real-time, transactional marketplace. Such communities emphasize the craftsmanship of individuals over the efficiency of the assembly line. As presentist, cottage industries, these companies are patient. They work off the clock, and by the piece. Part of why they are free to do so is that they have not accumulated the burden of a debt structure, or that of a growth narrative so typical of industrial age concerns.

Moving Into the Economy of Now

So what are bigger and more established companies to do? Give up? Of course not. Just because the digital landscape seems to favor the small and decentralized over the big and top-down doesn't mean there's not a place for everyone at the presentist table. Some products still take a lot of time to create, both in development and production. Others require a big, international supply chain to put together. Neither jet planes nor iPhones will be fabricated by local communes anytime, soon. But to succeed in a presentist marketplace, businesses will have to embrace, or at least accept, what presentism means for branding, communication, and capital.

First off, in a world without linear stories there is no room for brand mythologies. Your product's strength in the presentist marketplace derives less from its history than its current value. Less like Coke with its connection to legacy and advertising, more like Pepsi with its focus on social media and the now. Just as more forward thinking Christian organizations have adjusted their pitch to youth from the historical "this is what Jesus did for you" to the participatory "what would Jesus do?" companies today must learn to speak in the present tense.

This means abandoning the terrific, but story-based, advertising campaigns and characters of the past, and turning to reality-based communications in the present. Like increasingly dominant reality TV, branding today must be non-fiction, as spontaneous as possible, true and—most

of all—relevant. Consumers care less about the story of your company than they do the carbon footprint of what they're consuming in the present, the number of slaves who may have been involved in a company's ongoing manufacturing processes, or the number of triglycerides in a cookie. That's what they'll tweet about, anyway—not the latest saga of the Doughboy.

Second, moving into the economy of now means adjusting your own expectations and, if you are so encumbered, those of your shareholders. As the greater economy moves out of a growth bias and toward a more steady-state, undulating equilibrium, businesses must learn to ride the ebbs and flows of their individual sectors marketplaces. It's less like motoring than sailing.

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As the prevailing winds change, agility is the key. This means being able to ramp up production and marketing when appetites are high, and streamlining when they are not.

Hire employees who can readily switch from production to research and back again as needs change, rather than hiring, firing, and re-hiring every season. This way you end up with personnel whose decisions are informed by a holistic vision of the company rather than one, industrial age

slice. Study companies such as Birkenstock, Duncan Yo-Yos, or Herman Miller, all of who have based their success on expanding and contracting as trends and appetites change.

Also, get out of debt. Go private if you can, so that your decisions have less to do with pleasing dumb, short-term, time-based investors than with what is best for your real-time sustainability. At the very least, rewrite the relationship between your company and the debt structure on which it might be based. Use accumulated cash to buy back as much ownership as possible, and put that ownership in the hands of your management and employees, or even your customers and communities.

In doing so, you will not only extricate yourself from the obligatory growth nightmare plaguing formerly industrial age companies in a digital economy, you will also make possible a new form of engagement with your many constituencies.

In a presentist landscape, there is no longer any time between cause and effect. Feedback loops used to take whole quarters or even years to complete themselves. You put a new product in the stores, and you find out how it has done at the end of the season. You try a new marketing campaign, and then “test” consumer awareness a couple of months later. These days, there is no such thing as a test or a waiting period. Twitter and Facebook are feeding back sentiment about your products and marketing campaigns before they have even been released. Those

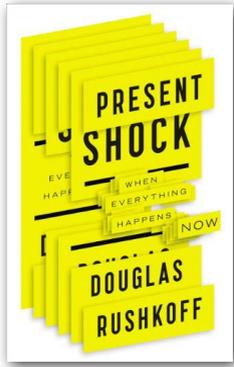
comments then change your creatives' plans, and so on. Like a microphone being placed next to the speaker, all you get is screech.

By accepting your employees, management, researchers, creatives, agencies, consumers, suppliers, and even competitors as part of the same community, you transcend the artificial distinctions of an industrial age task-oriented enterprise. You don't have to worry anymore about how to communicate with employees as compared to customers, since they are all part of the same culture, dedicated to the same experiences. Remember, your employees are no longer campaigning on your behalf to "win" new customers. They are instead working to promote and sustain a steady state—a living culture made up of all sorts of people with a vested interest in your ongoing existence. They want to know that they are participating in real time and real ways that don't contradict their values and priorities. The ends don't justify the means anymore, since there are no ends—only means.

This is business in a digital age. Time is not money. It is the human resource through which you unite and implement your enterprise and serve its constituencies. In the process, you become the true heart of your culture. I don't mean that in the metaphorical, feel-good sense, but the actual heart that pumps blood everywhere else. You are both a part of the whole body and the beating core.

For in a presentist world, you get to be both at the same time. ☒

Info



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ABOUT THE AUTHOR | Douglas Rushkoff is a world-renowned media theorist whose twelve books, including *Life, Inc.*, have won prestigious awards and have been translated into thirty languages. He is a commentator on CNN and a contributor to *Time*, *Discover*, and NPR. He also made the PBS documentaries *Merchants of Cool*, *The Persuaders*, and *Digital Nation*.

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