

A Family of Artists

Suppose 8 artists live as a family in an older, large 3000 sq. ft. house in a small Midwestern town. The house is drafty and costs a fortune to heat, so the landlord lets them have it for \$600 per month, as long as the artists pay utilities. Electric, gas, water, phone, cable, and internet cost an average of \$800 per month. With a housing distribution of \$2960 per month, there is an excess of \$1560 per month, or a rebate of \$780 per month into the family spending account. The \$1760 monthly food distribution goes very far, because one of the artists, an author, writes 3 hours every morning, and spends the rest of the day as a culinary artist, shopping for food in bulk and preparing grand meals for the rest of the family. Our family of eight lives well on \$1,400 per month. That leaves \$180.

The artists have no joint family business, so the monthly total of \$960 in the family spending account is divided equally at \$120 each. Because this is distribution money, it is not subject to the consumption tax. Unfortunately for the artists, the money will be spent on paints, canvases, printers, paper, ink, plaster, chisels, and other tools of the trade. It is unfortunate, because as corporate expenses, they are not subject to the consumption tax anyway.

Beyond the tax inconvenience, this family of artists is quite successful. Eight artists living together in an old house, each has private sleeping quarters and a private studio. There is enough distance between the studios so that the sculptor's chiseling does not interfere with the author's concentration. Every day they eat well, with plenty of funds for art supplies. If the artists were all authors or all painters or all sculptors, the efficiency and wealth would even be greater, although some family diversity would be lost.

Contrast this with an artist living by himself. Like everyone else, he receives \$220 a month for food and \$370 a month for housing. For \$370 a month, all utilities included, only the minimal 10x12 studio apartment is available. There is no room for an artist studio. There is no room for a stove beyond a microwave and hot plate. There is no place to store food but a tiny refrigerator and a single cabinet. The \$220 food distribution can barely be stretched to last the month. Skipping meals would interfere with the artist's productivity. Of course, there are no art supplies to be productive with, and no place to produce the art, even if there was. Sundries can be purchased with the \$35 cash distribution, but nothing more. Either the single artist must put in a few hours of outside work each day or use the \$35 for minimal art supplies and obtain razors, soap, clothing, and so on, from charity.

The family of eight artists ends the gloomy reality of the starving artist with abundant food, warm shelter, and over \$100 per month each for new art supplies. While these artists aren't starving, perhaps they are hungry for all life has to offer. It is the human condition to want more, to never be satisfied with the current state of affairs. Freedom from want is death. While a starving man need not respect the right to property to satisfy his right to life, a man assured the necessities, yet hungry for more, has the moral and natural tendency to treat others with respect.

In the case of our 8 artists, suppose 4 of them smoke cigarettes, 6 of them want wine with the evening meal, 3 of them want beer after dinner and all of them enjoy sitting around at night rapping art and philosophy and passing a doobie or two.

All of the above goods have excise taxes. The taxes are not high. They are designed to be as large as possible to discourage the behavior, but small enough to prevent a black market. Cigarettes are \$3.00 a pack, which

includes an 80% excise tax, still three times cheaper than today, and cheap enough to discourage a black market. A slight reduction from today's tax on alcohol is sufficient to eliminate bathtub breweries that won't charge the tax. A reasonable bottle of dinner wine costs around \$10+. The price of beer is mostly unchanged; a six-pack costs \$2.00+. A big cigar-size eighth-of-an-ounce "fatty" costs \$12.00. That's with a 100% tax, but many times cheaper than today.

All of these products must be purchased with taxed money. The four smokers need \$45 apiece, if they smoke a half a pack a day. \$600 is needed for 2 bottles of wine every night at dinner. Throw in another \$60 for beer and \$360 for the nightly doobie, and suddenly the artists need \$1,368 before taxes.

Unless the family of artists is lucky enough to live within a block of a supermarket, preferably one that sells in bulk, they need an automobile. That adds another \$500 a month, for a monthly total of \$1,700; actually \$1,750 after food for Michelangelo, the family cat.

These artists have an affinity for Karl Marx and go by the adage, "from each according to his ability, to each according to his need." Within a family, such a philosophy is not really surprising at all. However, in a large family, according to the family charter, chores are often exchanged for money. The family of artists is more of a functional family of friends, made up of individuals and perhaps romantic couplings. Until they are drawn closer together by children, if ever, "from each according to his ability, to each according to his need," is unlikely to replace chores for money. However, it makes the math easier.

There is a \$1,750 monthly deficit. Since the entire deficit is for personal expenses, \$1,995 is needed before taxes. As shown below, it is easy for our indulgent artists to satisfy their cravings and still have plenty of time for art.

A catering business in a small Midwestern town can be lucrative if the market is not saturated. Eight waiters, chefs, cooks, or bartenders under one roof, especially artistic ones, constitute a competitive force. But these are artists, not caterers, so marketing is not a viable option. Because the demand for caterers is so uneven, it is either feast or famine for most catering companies. This is a perfect opportunity for collusion, completely legal, though unenforceable, in a free economy. The artists can form an agreement not to compete with, or undercut the well-established catering company in town. In return, the established catering company promises to refer overflow business to the artists. Overflow business might happen only two or three days out of the month, but that should be sufficient.

With the food distribution, and the daily banquets so many large families will come to afford, prices for non-fundraising catered events will drop significantly; perhaps \$25 a plate plus gratuity including the hall! The drop in price will increase demand and universal distribution will increase the supply of those willing to work catered events.

In a typical company party for workers and their families, assume 140 attend at \$25 per plate. That's \$3,500. A large room with tables, chairs, plates, silver, linen, and kitchen access rents for \$800 + \$400 deposit for broken plates, missing silver and other damages. Janitorial service at the end of the party is provided, but tables and chairs must be folded, linen placed in a basket, plates rinsed and so on. Liability insurance with a \$400 deductible will cost another \$280, and includes alcohol liability. Bartenders must be certified. The food cost will be \$800. A fully stocked bar rents for \$100 and the owners charge twice the market rate for all alcohol consumed or bottles broken. Still, there is plenty of profit to be had.

Costs are $\$1200 + \$280 + \$800 + \100 ; round it up to $\$2,400$. That leaves $\$1,100$ for profit. But with any luck, some or all of that $\$400$ damage deposit is coming back. That's $\$1,500$ profit. But there is also gratuity. With good service and good luck, that will be 20% or $\$700$, bringing the total to $\$2,200$. But the real killer is the bar. Office parties are notorious for alcohol. Shots cost $\$1$ and cost you $\$2$ to the rent-a-bar people. Beer and cheap bar wine cost from $.50$ to $\$1$ a glass and cost the artists from $\$1$ to $\$2$ a glass. But the artists charge $\$5$ for mixed drinks, and from $\$3$ to $\$5$ for beer and wine depending on brand. They charge a dollar for soft drinks at the bar, and make 80 cents profit. Suppose the artists sell 200 mixed drinks at a profit of $\$3$ per drink, 200 beers and wine at an average profit of $\$2.50$ per drink, and 150 soft drinks at $.80$ per drink. A $\$35$ bottle of vodka is broken and $\$20$ worth of wine is spilled. The take from the bar is $\$600 + \$500 + \$120 - \$55 = \$1,165$ bringing the profit subtotal to $\$3,365$. The average tip at the bar is $\$1$ per drink adding at least another $\$400$ bringing the total party profit to over $\$3,700$. One party, well done, brings in all the revenue needed for the month with over $\$725$ to spare. It will take a day of shopping and preparation. It will take eight people a long day of hard labor, and it might take half a day to crash. During season, there will be maybe three or four overflow events a month. In off season, none. Ten parties a year are all that is needed to support this family of artists in their every indulgence. AFFEERCE collusion made it possible without the need to spend time and money on sales or marketing.

One day, one of the artists falls in love with a software engineer earning $\$100,000$ a year. The software engineer wants to join the family and become a patron of the arts. The engineer agrees to transfer $\$1810$ into the family corporate account every month. Notice that $\$185$ less is needed, as the software engineer as a member of the family brings in an extra $\$370$ housing distribution, and since the couple is sharing a room, no extra space is required. In return, the patron has no chores, will have breakfast laid out in the morning and dinner waiting at night. This patron has a new family of eight artists, which can brighten the life of any software engineer, and still earns personal wealth at the rate of $\$62,800$ a year. The catering gig is over and every day can be spent in the creation of art.

Then one day the author's third book becomes a best-seller. The sculptor sells a work at auction for $\$200,000$ which just matches the new salary of the patron software engineer, who now manages thirty other engineers. The other six artists have realized their limitations and want to channel their talents into keeping a house, raising children and homeschooling. The days of wine and doobies are over. So the family buys the old house from their landlord and completely renovates it, adds an addition, and is able to obtain a mortgage for a million dollars and fund four children. Soon they'll be going to Disneyland.

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