

# Your Money or Your Life

Social and economic policy are often perceived as being in opposition, like a pendulum that reacts to the latest crisis by swinging into action at the temporary expense of other priorities, or that briefly elevates one political ideology over another. Volatile and reactive policy tends to exacerbate crises and reinforce ideologies in a self-perpetuating cycle that frames public policy as an endless coin-toss between your money and your life.

Advocates for social or economic policies often see themselves as being in competition for scarce resources, as though investments in one are always barriers to the other. While the priorities of individuals may vary, the public good demands both strong economies and a functioning social safety net.

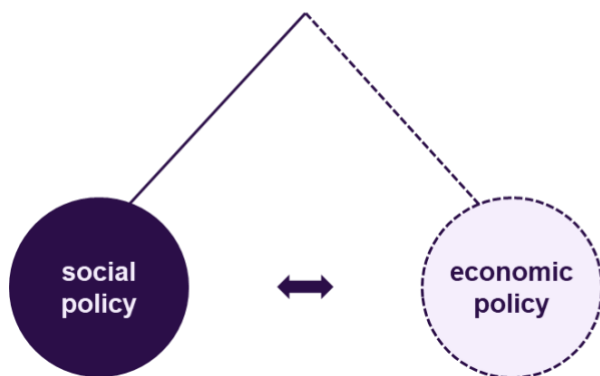
People want the benefits of economic growth and social programs without the 'trade-offs', such as higher taxation or lower support for vulnerable people. Finding the right balance is particularly polarising in times of crisis, under pressure to react quickly and conspicuously to perceived economic or social ills.

Prioritising economic vs social policies can also be associated with deeply held political ideologies, so the emphasis may shift with the government of the day.

Treating economic and social policy as being in competition can obscure opportunities for policies that contribute to both, like subsidised childcare or affordable housing.

Ideological virtue-signalling can drive short-term policy choices that force social and economic outcomes into opposition, like reducing social programs to fund tax cuts, or announcing unsustainable or ineffective social programs. Particularly in a perceived economic or social crisis, policy decisions may not be based on the best long-term policies, but on the fastest reaction to implement a visible 'fix'.

When policies swing like a pendulum between social and economic goals, it can exacerbate current crises and trigger future crises at the other end of the swing.



social  
policy



economic  
policy



Prudent public spending on both social and economic goals is an investment in the future. Social programs have economic benefits, and economic prosperity has social benefits. A healthier, better educated population will be more productive, and economic growth increases employment opportunities, which in turn improve wellbeing and reduce poverty.

By looking beyond each immediate crisis, or political preference, we can take a longer view of the balance of costs and benefits. Investing to create stable and sustainable public value can help to curb the extremes of the pendulum's swing from economic to social crises and policy responses, freeing decision makers of all ideologies to pursue balanced policy actions, rather than equal and opposite reactions.

Instead of framing economic and social policy as opposing extremes, we can instead think of them as the shared foundations of a successful society. Treating both goals as necessary and worthwhile makes it easier to recognise and prioritise policy opportunities that achieve both ends at the same time.

Taking a longer-term view of sustainable costs and benefits also makes it easier for decision makers to reject short-term virtue signalling, reducing the risk of exacerbating a future crisis.

Economic and social policy, and their advocates, need not be in opposition. They are two sides of the same coin, and our currency is debased when we prioritise one over the other. To live well in a good society you need both your money and your life.

To find out more about how you can use this approach in your organisation, contact us: [info@h4consulting.com.au](mailto:info@h4consulting.com.au)  
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