Forbes

The Bigger Meaning of How Bruce Springsteen Got His First Guitar

John Tamny

Feb 11, 2024

While accepting yet another award in 2010, Bruce Springsteen brought his mother Adele up on stage, along with sisters Dora and Eda. As he explained it, “They put the rock ‘n’ roll in me.”

Springsteen’s mother in particular loomed large. She was the one who scrimped and saved to purchase him his first electric guitar. Think about that for a second.

What’s notable about sacrifices made so that Springsteen could have a guitar is how very common they were for the rock ‘n’ roll giants of old. Carol Kaye, legendary guitarist of Wrecking Crew (studio musicians for the Beach Boys, Sinatra, Simon & Garfunkel, etc. etc.) fame, got her first guitar after her mother cracked open a piggy bank when a salesman showed up at their door. Keith Richards’s first guitar was acoustic, and his mother couldn’t afford it. She convinced someone else to pay for it, and that someone defaulted. Notable about the 10 pound acoustic is that Richards wanted an electric, but the latter was beyond the means of his mother or anyone else the family knew.

The three anecdotes above are economically relevant, and for reasons beyond the commonality of what Springsteen, Kaye and Richards experienced. That they were hardly unique among the musicians who came of age in the ‘60s and ‘70s is almost a rock ‘n roll cliche.

Where it gets interesting is in consideration of how rarely (if ever) the musicians of today can point to immense familial sacrifice ahead of them getting their hands on guitars, basses and drum sets. We don’t hear these stories anymore. Which is the point.

Most everything is cheaper nowadays, and it’s cheaper because the number of hands and machines involved in the production of everything seemingly grows by the day. And as the range of specialized workers and machines grows alongside remarkable global synergy in a production sense, the cost of everything declines.

Cato Institute scholars Marian Tupy and Gale Pooley explain all of this well in their 2022 book Superabundance. In their proper, Adam Smith-like rendering, humans are capital. The more the better. And as global population has exploded in concert with economic cooperation among people and machines, costs of market goods have plummeted alongside rising productivity of workers (meaning more pay) as a consequence of the aforementioned cooperation.

All of this has manifested itself not just in falling "money" costs for goods and services, but plummeting costs of goods and services relative to the work time required to purchase the goods and services. Put another way, if Adele Springsteen were mothering a young Bruce today she wouldn't have to scrimp and save for his first electric guitar. Parents of would-be musicians today generally don't. More hands and more machines means lower prices. It's so basic.

Yet what's so basic continues to elude the economics profession, and by extension the biggest employer of economists in the world: the Federal Reserve. The Fed's economists and its enablers in the profession outside the Fed continue to ascribe a role for the central bank in "taming" prices. What a laugh!

If the goal is lower prices, and in particular lower instrument prices for the Bruce Springsteens of tomorrow, the answer assuredly isn't empowering the Fed to intervene in credit markets, or to plan so-called "money supply." More realistically, the only answer to prices and rising affordability of market goods is a reduction of the global barriers that restrain people from working together. Everything else is just talk.

Worse, it ignores what inflation is: a currency phenomenon born of devaluation. Notable here is that the dollar's exchange value has never been part of the Fed's portfolio as is. Which means the Fed's machinations not only have nothing to do with prices (thank goodness), but also nothing to do with inflation.