

FreedomShift

3 Choices to Reclaim America's Destiny

Oliver DeMille

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**"...the greatness of America lies not in being
more enlightened than any other nations,
but rather in her ability to repair her faults."**

**—Alexis de Tocqueville,
author of *Democracy in America***

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The Future of Freedom

Three things will change everything!
What are they, and how can we implement them?

Americans enjoy a legacy of freedom and prosperity that is perhaps without equal in the history of the world. The pride we have traditionally felt over the idealism, vision, heroism, and sacrifice of our Pilgrims, Founders, and those that followed them is a part of our national heritage.

And yet it seems that it is no longer alarmist to assert that we are in grave danger of losing the freedom and prosperity that were won at so terrible a cost. Strangely, though, our culture of idealism, heroism and sacrifice is not lost.

Our people still show a great capacity for moral courage, tenacity and altruism. There are still those among us who are willing to take risks, endure hardships and make difficult choices. We still take our hats off when the flag goes by. We honor the sacrifices of our military brothers and sisters; we show compassion to the less fortunate. Why, then, are we sliding virtually unchecked down the slippery slope of cultural and societal decay?

Why are we losing our freedoms?

Santayana warns that a people that forgets is destined to repeat history. We have forgotten the great stories of how our freedom

was won and the principles that they teach. Americans who are so demonstrably willing to labor and sacrifice for the benefit of their posterity can only allow the destruction of the forms that protect our freedoms if they do not understand what freedom is, nor how to maintain it.

A *FreedomShift* is needed today. And to accomplish it I propose The Three Choices to Reclaim America's Destiny. Can it be possible that such a peaceful revolution can come from three simple choices made by a relative few?

Margaret Mead has been oft-quoted: “Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.”¹ Sometimes a few small and simple things sway everything, like the straw that breaks the camel's back. Malcolm Gladwell called this a tipping point, and in science it is called Disparate Distribution. In 1800 economist J.B. Say coined the term *entrepreneur* to describe those who drive the economy, and defined it with Say's Law: Entrepreneurs are the significant minority who take resources from unproductive places and make them productive.

History calls it “The Law of the Vital Few”; in math it is reflected in Factor Sparsity. In economics, the idea that small things guide the big things is often referred to as the 80-20 Rule or Pareto's Law. This concept asserts that 20% of our actions create 80% of the results and 20% of the people have 80% of the impact.

Some authors have written entire books declaring that the 80-20 Rule should really be called the 90-10 rule—that these numbers are closer to reality. Successful leaders even suggest that the 80-20 Rule is more accurately the 97-3 Rule: Three percent of the population controls 97% of the wealth, and three percent of any group or organization typically accounts for 97% of its success.

While “individual results may vary,” the principle of the few swaying the many is a dynamic reality. This has been understood since ancient times, when the Greeks believed that if you had even one true warrior in a group of soldiers, they would be vir-

tually impossible to beat. From David versus the Philistines to Gideon and his fighting band, the Hebrews canonized the story of God prospering his people in battle with only a very small army—selected from a larger one. It was the Chinese who first noted that very small rudders steer the largest of ships.

More recently, American founder John Adams philosophized at length regarding the dynamics of influence within a body of individuals. He asserted that in any group of one hundred human beings—regardless of race, culture or status—within a short period of time, most will choose to watch and be swayed, a few will rally sides and compete for prominence, and less than a handful will actually determine the course of action.²

One quaint and poetic way of teaching this principle is to say that when the world has great needs, God sends a baby to grow up and solve it. Indeed the impact of great men and women is hugely powerful—much more than you would expect from any one person. Consider the influence of an Einstein, a Gandhi, a Washington – Alexander, Caesar, Mother Teresa, and so on. It may be arguable that the 80-20 Rule applies within the context of economics, mathematics or business; but in the history of human greatness, certainly the 97-3 Rule prevails.

The “Great Books”³ had much more impact on the development of human civilization than most of the mountains of books written through history, and Mortimer Adler argued that of all the ideas of humanity, a sparse few of them (which he called “The Great Ideas”) had incredible sway.

One of my mentors, W. Cleon Skousen, reminded me dozens of times that during the American founding era a mere three percent of the population made most of the sacrifices, did most of the work and made the major decisions which established America as the most free and prosperous nation in history. This list could go on and on. Clearly: some significant small things greatly impact everything else.

Today, in our world of challenges and times of crises, *Who* are the three percent? And at least as important: *What* are the three tweaks that would change everything?

The Three Choices

For meaningful and lasting change to take place, we must first clearly identify and articulate the problems. If we allow as an assumption that freedom, prosperity and self-determination are universal human values, then we can measure American culture and the developing societal climate by these standards. With such a benchmark, there are at least three prevailing forces in the national paradigm that militate against these governing values. They are:

1. The Dominance of the Employee Mentality
2. The Two-Party Political Monopoly
3. The Industrial-Materialistic-Nationalized Mindset

The following chapters will explain how each of these does deep and serious harm to freedom, prosperity, families and happiness. Also defined and illustrated will be *The Three Choices*: three critical changes that can profoundly and positively shift our society in the right direction. Accomplish The Three Choices—or even one or two of them—and the resulting *FreedomShift* will be a catalytic change that will reconfigure our societal landscape and reshape our prospects for the future. The Three Choices are:

1. A Revolution of Entrepreneurship
2. The Rise of the Independents
3. Building and Leading the New Tribes

Political parties, big business and the media misunderstand, underestimate or ignore The Three Choices, and regular citizens and future generations stand to suffer the consequences. It is time for regular Americans, and others who support freedom around the world, to understand The Three Choices. When we

do, expect a tectonic *FreedomShift* of progress to sweep the nation and beyond.



CHOICE ONE
.....

A Revolution of Entrepreneurship

Producers make things, build things, and create a better world. Sometimes called owners or entrepreneurs or leaders, producers see the world differently than those with a victim, employee or dependent mentality. Over time, fewer and fewer Americans are producers.

The resulting problem is less freedom.

The solution, vital to the future of freedom, is to have more producers.

The Needed Revolution

It is time for a revolution. Not just any revolution—but a specific kind of *FreedomShift* that will make the critical difference. We need a renaissance of the entrepreneurial mentality and many millions of entrepreneurs in our society. Whether by will or by force, the changes brought on by the recession of 2008 helped increase awareness of this need, and impelled many to take their professional and financial fate into their own hands. It stands to reason that a society populated by an increasing number of individuals who are taking responsibility for their own prosperity and security will, in the aggregate, become more prosperous and secure.

Jefferson praised the citizens who formed the foundation of a free society, contributing through their agriculture or manufacture. These independents not only took responsibility for and provided for themselves and their employees, but their surplus was “the sacred fund of the helpless poor.” He further noted:

“We remark with special satisfaction those [favorable circumstances] which, under the smiles of Providence, result from the skill, industry and order of our citizens managing their own affairs in their own way and for their own use, unembarrassed by too much regulations, unoppressed by fiscal exactions.”

While much has changed in the two hundred years since Jefferson’s day, the principles behind these sentiments are not outdated.

Our society's producers may be "embarrassed by regulations" and "oppressed by fiscal extractions;" however, the Information Age also affords some advantages for today's entrepreneurs.

And yet, these advantages of advanced technology and readily accessible information are not enough. Indeed, it has been said that for all the opportunity afforded us by this Age of Information, we are largely drowning in a sea of irrelevance. Social commentator Neil Postman warned of the gathering wave in his 1985 book, *Amusing Ourselves to Death*:

"What [George] Orwell feared were those who would ban books. What [Aldous] Huxley feared was that there would be no reason to ban a book, for there would be no one who wanted to read one. Orwell feared those who would deprive us of information. Huxley feared those who would give us so much that we would be reduced to passivity and egoism. Orwell feared that the truth would be concealed from us. Huxley feared the truth would be drowned in a sea of irrelevance. Orwell feared we would become a captive culture. Huxley feared we would become a trivial culture, preoccupied with some equivalent of the feelies, the orgy porgy, and the centrifugal bumblepuppy."

These principles and sentiments were presaged in earlier American thought, as Thoreau wrote:

"Our inventions are wont to be pretty toys, which distract our attention from serious things. They are but improved means to an unimproved end, an end which it was already but too easy to arrive at; as railroads lead to Boston or New York. We are in great haste to construct a magnetic telegraph from Maine to Texas; but Maine and Texas, it may be, have nothing important to communicate."⁴

Do not misunderstand: Within the sea of information we find knowledge and resources to empower today's producers; what we *do* with that increased power is the key. The role of producers in society is indispensable to freedom. Understanding the interplay of liberty and society through history can help us to expand the influence of entrepreneurs today.

Human Society Through The Ages

The great benefit of the Nomadic Age was family and community connectedness and a feeling of true belonging, while the Agrarian Age brought improved learning, science and art—and eventually, democratic freedoms. The Industrial Age allowed more widespread distribution of prosperity and social justice, and many improved lifestyle options through technological advances. Unfortunately, during the Industrial Age many freedoms were decreased as free nations turned to big institutions and secretive agencies for governance.

During the Industrial Age reliance on the conveyor belt model impacted nearly every major aspect of life—from education and health care to agriculture, industry, business, law, media, family, elder care, groceries, clothing, and on and on. Whether the end product was goods or services, these all became systemized on assembly lines—from production to delivery, and even post-purchase customer service.

At the same time, we widely adopted certain industrial views which became cultural, such as "Bigger is always better," "It's just business," "Perception is reality," among others. In practice, these maxims are quite often more false than true, but they nevertheless became the cultural norm.

Perhaps the most pervasive and insidious mantra promoted by modernism is that success in life is built on becoming an employee. Its academic corollary is that the purpose of education is to prepare for a job. Far too many adults tend to make their job-identity the focus and meaning of their adult life. And this

allegiance does not adequately compensate them in terms of happiness, satisfaction or security.

By contrast, those with an entrepreneurial spirit who look on their professional pursuits as an expression of their purpose in life—harmonious with and complementary to their roles in family and community—not only have greater happiness, satisfaction and security, but also (through their producer mindset and entrepreneurial activities) leaven society and empower others to achieve a greater measure of these.

This is not to say that a person employed by someone else must therefore have an “employee mentality.” The producer mindset is not the exclusive domain of owners and CEOs; certainly many producer-citizens are *intrapreneurs*—so-called “employees” within an organization who add much value to society and support freedom with their creativity, integrity and service ethic. The key to success in many profitable organizations turns on such individuals. A truly free and prosperous society is built on a system where a large number of the adult population spends its working days producing as owners, entrepreneurs, intrapreneurs and social leaders.

Producer versus Employee Society

A society of producers is more inclined to promote freedom than a society of dependents. Indeed, only a society of producers *can* maintain freedom. Most nations in history have suffered from a class system where the “haves” enjoyed more rights, opportunities and options than the “have nots.” This has ever been a major threat to freedom.

The American framers overcame this by establishing a new system where every person was treated equally before the law. This led to nearly two centuries of gradually increasing freedom, opportunity and social progress.

During the Industrial Age this system changed in at least two

important ways. First, the U.S. commercial code was changed to put constraints on investors and investment opportunities rather than simply offering legal remedies for *all* investors (rich or poor) as protection against criminal activity. In the name of protecting the “unsophisticated,” laws were passed that allow only the highest level of the middle class and the upper classes to invest in the opportunities with the highest returns. In other words, investors were not only to be protected from criminals, but from themselves. So much for our celebrated American value of self-determination; so much for Adam Smith’s “freedom to fail.” This inequality before the law now created a European-style model where only the rich own the most profitable companies and get richer while the middle and lower classes are virtually stuck where they are.

The second Industrial Age “advancement” was that schools at all levels were reformed to emphasize job training rather than quality leadership education. Today great leadership education is still the fare at many elite private schools, but the middle and lower classes are expected to forego the “luxury” of opportunity-affording, deep leadership education and instead content themselves with the more “practical” and “relevant” one-size-fits-all job training. This significant change, though largely championed by well-intentioned and altruistic individuals, actually perpetuates the class system.

This is further exacerbated by the reality that public schools in middle class zip codes typically perform much higher than lower-class neighborhood schools. Private elite schools train most of our future upper class and leaders, middle class public schools train our managerial class and most professionals, and lower-class public schools train our hourly wageworkers. Notable and inspirational exceptions notwithstanding, the rule still is what it is.

Public policy reinforces the class system by the way the government runs public education, and the way big business self-per-

petuates through the investment legal code. With these two biggest institutions in society promoting the class divide, lower and middle classes have limited power to change things.

The Power of Entrepreneurship

The wooden stake that overcomes the vampire of an inelastic class system is entrepreneurial success. Becoming a producer and successfully creating new value in society helps the entrepreneur surpass the current class-system matrix and also weakens the overall caste system itself. In short, if America is to turn the Information Age into an era of increased freedom and widespread economic opportunity, we need more entrepreneurs.

How do we accomplish this FreedomShift? Well, first of all, we must lay aside the genie's lamp. We can polish it all day, but we might not be granted the wish that Congress simply change investment laws and allow everyone to be equal before the law. Neither government nor big business has a vested interest in this change, and neither, therefore, does either major political party. And all the idealistic rhetoric to the contrary, neither do incumbent legislators have a real vested interest in a much-needed overhaul of the educational system to emphasize entrepreneurial over employee training. Either of these wishes (or both) would be nice, but neither is likely.

What is more realistic is a grass-roots return to American initiative, innovation and independence. Specifically: Regular people of all classes need to become producers.

This is the crux of it all: A renaissance of entrepreneurship (building businesses), social entrepreneurship (building private service institutions like schools and hospitals), intrapreneurship (acting like an entrepreneur within an established company), and social leadership (taking entrepreneurial leadership into society and promoting the growth of freedom and prosperity) is needed.

Along with this, parents need to emphasize personalized, individualized educational options for their youth and to prepare them to be producers—whether as entrepreneurs or intrapreneurs—rather than cultivating in them dependence on employeehip.

If these two changes occur, we will see a significant increase in freedom and prosperity. The opposite is obviously true, as well: The long-anticipated “train wreck” in society and politics is not so difficult to imagine as it was twenty years ago. The education of the rising generation in self-determination, crisis management, human nature, history, and indeed, the liberal arts and social leadership in general, is the historically-proven best hope for our future liberty and success.

If entrepreneurial and other producer endeavors flourish and grow, their political clout will also grow, and it will naturally lead to changes in the commercial code that level the playing field for people from all economic levels and backgrounds. Until the producer class is growing, there is little incentive to deconstruct the class system. Over 80% of America's wealth comes from small businesses, and as these grow, so will our national prosperity.⁵

Today there are numerous obstacles to starting and growing small businesses. There will be many who justifiably mope that the current climate is not friendly to new enterprises. Frontiers have ever been thus, and our forebears plunged headlong into greater threats. What choice did they have? What choice do we have? What if they hadn't?

What if we don't?

The hard reality is that until producers are growing there will be little power to change this situation. As long as the huge majority is waiting for the government to provide more jobs, we will likely continue to see increased regulation on small business that decreases the number of new private-sector employment and opportunities. As Thomas L. Friedman wrote in *The New York Times*:

“[Says] Robert Litan, who directs research at the Kauffman Foundation, which specializes in promoting innovation in America: ‘Between 1980 and 2005, virtually all net new jobs created in the U.S. were created by firms that were 5 years old or less....That is about 40 million jobs. That means the established firms created no net new jobs during that period.’

“Message: If we want to bring down unemployment in a sustainable way, neither rescuing General Motors nor funding more road construction will do it. We need to create a big bushel of new companies—fast....

“But you cannot say this often enough: Good-paying jobs don’t come from bailouts. They come from start-ups. And where do start-ups come from? They come from smart, creative, inspired risk-takers.”⁶

Entrepreneurs by nature aren’t whiners, and they don’t look for rescue outside of themselves. Because lawmakers have incentive to make law that benefits the majority of their constituents, and because the Employee Bloc is both vocal and self-interested, the voice of the entrepreneur won’t be heard over the din of that majority—at least until there are more of them, and until they become more directly involved in the Great Conversation.

The only realistic solution is for Americans to engage their entrepreneurial initiative and build new value. This has always been the fundamental source of American prosperity. And government can help in a major way simply by getting rid of the many and growing regulations that hinder small businesses.

The Growing Popularity of Producer Education

Consider what leading books on the needs of American education and business are saying. Top futurist Alvin Toffler says in *Revolutionary Wealth* that schools must de-emphasize outdated industrial-style education with its reliance on rote memorization,

the skill of fitting in with class-oriented standards, and “getting the right answers,” and instead infuse schools with creativity, individualization, independent and original thinking skills, and entrepreneurial worldviews.

Harvard’s Howard Gardner argued in *Five Minds* that all American students must learn the following entrepreneurial skills: “the ability to integrate ideas from different disciplines or spheres,” and the “capacity to uncover and clarify new problems, questions and phenomena.” Bestselling author John Naisbitt of *Megatrends* fame wrote in *Mindset* that success in the new economy will require the right leadership mindset much more than Industrial-Age credentials or status.

Tony Wagner wrote in *The Global Achievement Gap* that the skills needed for success in the new economy include such producer abilities as: critical thinking, problem solving, collaboration, leading by influence, agility, adaptability, curiosity, imagination, effective communication, initiative and entrepreneurialism.

Former Al Gore speechwriter Daniel Pink writes in *A Whole New Mind* that the most useful and marketable skills in the decades ahead will be the entrepreneurial abilities of high-concept thinking and high-touch leading. Seth Godin makes the same case for the growing need for entrepreneurial-style leaders in his business bestseller *Tribes*. Malcolm Gladwell arrives at similar conclusions in the bestselling book *Outliers*.

There are many more such offerings, all suggesting that the future of education needs to emphasize training the rising generations to think and act like entrepreneurs. Indeed, without a producer generation, the Information Age will not be a period of freedom or spreading prosperity. Still, few schools are heeding this research.

The response that we do see is largely cosmetic, as university websites and educational programs seem to say all the right things and employ the new buzz-words, but for the most part, still fail to fully implement meaningful changes. And how could

they? Their tenured faculty are the designers of the programs and the authors of their texts. And with student finances and enrollment numbers all in question, they have bigger fish to fry; they hardly have the luxury of reinventing themselves when their institutional survival is on the line. Surely it must go without saying that if we are to see a resurgence of the producer mindset, we cannot rely upon academia to lead the charge.

CNN's Fareed Zakaria has shown in *The Post-American World* that numerous nations around the world are now drastically increasing their influence and national prosperity. All of them are doing it in a simple way, by incentivizing entrepreneurial behavior and a growing class of producers. Unlike aristocratic classes, successful entrepreneurs are mostly self-made (with the help of mentors and colleagues) and have a deep faith in free enterprise systems that allow opportunity to all people regardless of their background or starting level of wealth.

Entrepreneurs and Freedom

As more entrepreneurs succeed, the legal structure naturally becomes freer. As more people take charge of their own education, utilizing the experts as tutors and mentors but refusing to be dependent on the educational establishment, individualized education spreads and more leaders are prepared. With more leaders, more people succeed as producers, and the cycle fortifies and perpetuates itself.

Freedom is the result of initiative, ingenuity and tenacity in the producer class. These are also the natural consequences of personalized leadership education and successful entrepreneurial ventures. Our nation needs a rebirth of freedom—a *FreedomShift*—and it must start with a grass-roots revolution of producer-citizens and social leaders.

History is full of anti-government fads, from the French and Russian revolutionists to tea party patriots in Boston and anti-establishment protestors at Woodstock, among many others. The

revolutions that really last are led by tenacious entrepreneurial-thinking leaders who build businesses and organizations and thereby increase the prosperity and freedom of their society.

For anyone who cares about freedom and wants to pass the blessings of liberty on to our children and grandchildren, we need to get one thing very clear: A revolution of entrepreneurs is needed. We need more of them, and those who are already entrepreneurs need to become even better social leaders. Without such a revolution, freedom will be lost.

Five Types of Producers

Prosperity and abundance in a society depend on a certain type of person: the producer. Societies with few producers stagnate and decay, while nations with a large number of producers vibrantly grow—in wealth, freedom, power, influence and the pursuit of happiness.

Producers think in the language of abundance rather than scarcity, take initiative instead of waiting for someone else to provide them with opportunity, and boldly venture wise risks instead of surrendering to the fear that they can't make a difference.

In contrast, non-producers provide very little leadership in society and cause more than their share of the problems. Jefferson considered producers the most valuable of citizens. While he was thinking specifically of farmers, his extensive commentary on the subject illuminates his criteria for such praise of the georgics (workers of the land⁷), and the principles may be applied today to all those who add significant value to society. Non-producers consume the value that is added to society, but they create little value.

But who are the producers? Certainly Top 500 executives include themselves in this category; and so do small business owners in their first month of operation. Successful investors call themselves producers, as do unsuccessful day traders who claim that they just “haven't had their lucky break yet.” Clearly, just calling yourself a producer doesn't make you one.

In fact, there are at least five types of producers, and each type is vital to a successful civilization. Each of the five creates incredible value, though the currency of the value is not always the same. Without producers of any of these types, no society succeeds and grows. With all five simultaneously creating sufficient value, no society has ever failed. Producers are vital—all five kinds of them.

1: Gurus

The highest level of value creation comes from prophets, sages and philosophers – which collectively, I label "Gurus." This category of producers is not limited to the Biblical-type prophets who spoke directly with God, but also includes thought-leaders who teach true principles. This makes gurus the most important of the producers, because without clearly understood principles all the other types of producers fail. Indeed, the other producers succeed precisely to the extent that they understand and apply true principles.

Guru-producers include Moses and Paul, who share God's wisdom with us, and also sages like Socrates or Confucius or Bastiat, thought leaders like Edward Deming or Peter Drucker, philosophers like Buckminster Fuller or Warren Buffet, and those who inspire us to serve like Billy Graham or Mother Teresa.

Whether you agree or disagree with these people, their lives and utterances invite you to think, ponder, consider, and ultimately understand truth. By applying these truths, a person is able to produce. Even if you just sit and ponder (letting the truths come to your mind through deep thought), or engage in deliberate effort toward a goal (learning through hard experience), true principles can still be passed to you through spiritual, intuitive or creative means.

God, or the Universe if you prefer, is the greatest producer of all, and He shares true principles with us so we can also produce. For value to be created, true principles must be applied. Ironi-

cally, because God, prophets, gurus and other wise people often share their wisdom without asking for monetary compensation, sometimes other types of producers misunderstand or underestimate their currency of exchange and discount the value of their contribution. But make no mistake: Revealing and teaching true principles is the highest level of creating value.

Whether we learn principles through inspiration or intuition, from the lessons gained through hard work and experience or from wise and caring mentors: Without principles we cannot produce. Parents and grandparents are among the most important producers, because they teach principles most effectively—or not. When they don't, the whole society suffers. When they do, the foundation for freedom, prosperity and happiness is firmly established.

2: Statesmen

The next type of value creation comes from statesmen. Statesmen are not to be confused with politicians and bureaucrats, who are often worse than non-producers because they actually both inhibit the creation of, and plunder, value. This is anti-producing and theirs is the currency of scarcity. In contrast, statesmen create freedom-value in society. The level of freedom in any nation is a direct result of the actions of statesmen—past and present.

If the contributions of great statesmen like Cato, Washington, Jefferson or Gandhi are present, a nation will throw off its enslaved past and adopt new forms and structures which ensure freedom of religion, freedom of choice and action, freedom of property and commerce, and other freedoms. With these freedoms aggregated, the value created can be called "life, liberty and the pursuit of happiness." Take these freedoms away, and entrepreneurship and investment will wane. There are no historical exceptions to this pattern.

Statesmen like Lincoln, Churchill or Margaret Thatcher keep a nation from rejecting its freedoms and moving back into a cycle of tyranny and anarchy, where little production of any kind of

value can occur. In short, without principles there is little freedom, and without freedom all other kinds of production shut down, are regulated out of existence, and cease to be viable options. No matter how entrepreneurial your spirit, you would not have created much value in the economy of Nero's Rome, Russia under Stalin, or even Boston under the Stamp Act.

Without freedom, only gurus survive as producers (although even their survival often gets dicey)—all other types of producers need both principles *and* freedom to flourish. The greater the understanding of principles and the freedom of the society, the greater the opportunities for producers. Indeed, in the hierarchy of value, Freedom is second only to Truth.

Only when freedom is widespread would the other types of producers have the peace and luxury sufficient to believe that statesmen don't add value. And frankly, when the legacy of previously-won freedom is in its bloom – *that* is the very moment that it is in the greatest danger of being lost; for this is several generations after the statesmen have done their great work. At such times, it is critical that we see the rise of new generations of visionary Statesmen—individuals of character and competence, of virtue, wisdom, diplomacy and courage, who see clearly the dangers ahead and the solutions that their compatriots do not, and who fulfill their invaluable role in society as freedom producers.

Of course, the well-known statesmen like Lincoln or Jefferson only appear on the scene when there are a lot of lesser-known individuals studying, writing about, discussing and promoting statesmanship. History seems to indicate that for such world-moving luminaries to rise to prominence, there must be a fellowship of other like-minded individuals who contribute to the process within their circle of influence as they study, write, talk about and promote statesmanship. Generations with both the notable, iconic statesmen and the less-celebrated but equally important statesmen who are leaveners of society produce true freedom that allows widespread educational and economic opportunity.

Most of the history of the world is bereft of such statesmanship, and as a result most of the people of the world were serfs, peasants, slaves and others who produced comparatively little and enjoyed even less. Yet I believe it is the true potential of all mankind to be producers, leaders, nobles. Jefferson called these the “natural aristocracy,” and wholesale human progress of this kind only occurs during those rare stretches of history where statesmen create and perpetuate freedom. Next to principles taught by gurus, Freedom is the highest value that one can add to any society.

3 - 4: Investors and Entrepreneurs

The third type of producer is the Investor, and the fourth type is the Entrepreneur. These need little commentary among today's producers, who nearly all realize that entrepreneurship is necessary to create new economic value and that even the best entrepreneurial ideas and leaders can fail without adequate capitalization.

More than a decade ago author Robert Kiyosaki listed Investors as the highest of his cashflow quadrants and Business owners, or entrepreneurs, next. He is right on. Without investors, many if not most entrepreneurs would fail. Entrepreneurs bring the ideas and the labor to the table, and the Investor commits the capital to empower the Entrepreneur. Without both Investors and Entrepreneurs, no society can make significant or sustained progress.

Moreover, without investment and entrepreneurship many of the principles taught by Gurus and most of the freedoms vouchsafed by Statesmen would never be fully experienced—and would eventually be lost. There is an interdependent dynamic between on the one hand, Gurus and Statesmen, and on the other hand, Investors and Entrepreneurs, because the Entrepreneur/Investor duo are the implementors of the ideas created and expanded by the Gurus and Statesmen. As previously stated, no society is really successful unless all five types of producers effectively create value in their unique and interconnected ways.

Part of the value created by Investors and Entrepreneurs is obvious—they provide capital and establish institutions which build society. Virtually every family and individual benefits from their goods and services. Perhaps less known, but just as important: Investors add the essential value of experience. Buffet and nearly all successful investors affirm that without personal knowledge and significant experience in a Business, almost everyone who tries their hand at Investing fails. In this way, the Investor is often also a mentor to the Entrepreneur.

A society without adequate investment and entrepreneurship will see little, if any, progress.

An American, A Frenchman And A Russian

The old Cold War-era joke is told of an American, a Frenchman, and a Russian, lost in the wilderness, who find a lamp and rub it. Out comes a Genie. He offers them each one wish, for a total of three.

The American pictures the large ranch owned by the richest people in the valley where he grew up, and wishes for a ranch ten times its size (so that he can invest the surplus for even greater returns), with flowing streams and meadows full of horses and cattle. His wish is granted and he is transported home to his new life.

The Frenchman pictures the farm and cattle of the largest estate from his home province, and wishes for one just like it. Again, his wish is granted. Finally, the Russian pictures the land and herds of the rich family in the steppes where he grew up, and wishes that a drought kill the cattle, dry up the grass, and bankrupt the aristocratic family.

This play on stereotypes isn't really very funny (and frankly, in today's global economic climate the stereotypes need some retooling), though it brings big laughs with audiences of producers. They get it. The Frenchman in the joke, thinking like an entrepreneur, wants the good things that life provides, and is willing

to go to work to produce them. The American, who thinks like an entrepreneur and an investor, is willing to go to work also, but wants to see his assets create more value.

The Frenchman wants value, the American plans for value, increased market share and perpetual growth. In contrast, the Russian in this parable can only think of one thing: getting even with those who seem to have more than him—not by being equally prosperous, but by tearing them down. This is the same as Steve Farber's lament about the sad state of our modern employee mentality—where “burn your boss” is a slogan of millions of workers who see “The Man” —their employer—as the enemy.

Don't bother asking what they'd do if the boss actually *did* run into trouble; they'd probably cough into their fists, mumble a change of subject and then scatter like roaches when the cellar light comes on—just before they lose their jobs to downsizing. Even Washington likes to join the blame game by pointing fingers at Wall Street, Main Street and everyone in business, generating programs and regulations that they have no idea how to fund, assuming that the brilliant and long-suffering entrepreneur can do their heavy lifting for them and put all to rights.

The Employee versus Owner Mindsets

Initiative, vision, effective planning, the wise use of risk, quality execution—all are the contributions of entrepreneurs and investors. Without them, any society will decline and fall. Yet the non-producer mentality is often deeply ingrained in most people. For example, a visiting speaker at George Wythe University told the producer-minded student body of how challenging it was to get his employees out of their “employee” mentality.

As the founder of a growing manufacturing technology company, he pulled in all his two dozen employees and offered them liberal stock options. He explained that if the company met its projections, they would all be very wealthy—and he abundantly wanted to share the prosperity. Yet only a few of them would take the

options. They only wanted cash salary, and mistrusted the whole concept of ownership.

When he first offered it, he assumed that they'd all jump on board. But when only a few did, he pulled them in one by one and tried to make the case for stock. Still, only a few more took the stock. The company grew, expanded, and then its value soared. Suddenly one month a half dozen of the company's employees were independently wealthy. They met and made plans; some stayed with the company and others moved on.

But the real story happened with the eighteen who had refused the stock. They were still paycheck-to-paycheck employees. And they were very angry! One by one they confronted the founder in his office, and many of the meetings ended with yelling, names called, and doors slammed. The entrepreneur couldn't believe it. *Now* these employees wanted *their* millions.

But it just doesn't work that way. "I *begged* you to take the stock," the owner told them. "Now, I can't help you. That stock now belongs to those who already bought in. Why didn't you take it when I offered?" he asked. They had no answer. Only: "I worked as hard as Jim and Lori, so why can't I get the same payment?"

Entrepreneurs and investors understand that work is very, very important, but that high levels of compensation come to those who create value and take calculated risk. This man's employees who chose the stock option were like the American in the joke above; they were choosing work combined with assets. The less "fortunate" employees felt ill-used, like the Russian in the joke. Consider the impact of this scarcity mentality on any society that adopts it. It bleeds into education, politics and all facets of life. Freedom is naturally lost, and prosperity slows down and eventually becomes poverty. Entrepreneurs and Investors are essential to societal success.

5: Intrapreneurs

The fifth type of producer is the Intrapreneur. In a free society, investment capital is plentiful—but only effective Entrepreneurs and Intrapreneurs can turn capital into increased value. This takes initiative, wise risk and leadership—just like the other types of producing.

While Entrepreneurs found or own businesses, Intrapreneurs work for and lead established businesses; but unlike traditional employees, Intrapreneurs work and lead with the Producer mindset. They run their department, team, or company with an abundance mentality, an attachment to true principles, and a fearless and informed faith in people and quality.

Intrapreneurs don't really have "jobs" even though they are often employees. Like Entrepreneurs, Intrapreneurs consider themselves on a mission to help society, to give it what it needs and wants, to truly serve others and improve themselves. Like all producers, they believe in a deep accountability, refuse to assign blame, don't believe in failure, and give their heart and soul to truly serve the customer and benefit society.

They add huge value in financial terms, in leadership, and in relationships—sometimes with people they've never met. They contribute quality in everything they do, and thereby deeply serve all who benefit from their product or service.

Great Entrepreneurs and Intrapreneurs have a deep faith in the market—as long as it doesn't go against true principles or subvert freedom. Without the initiative and risk of entrepreneurship, few Intrapreneurs would have a place to work and serve; likewise, without Intrapreneurs there would be few successful companies. Indeed, it is hard to imagine that there would be any.

The Synergy of Created Value

For any company to succeed, all five types of producers must fulfill their unique roles. This is even truer for any nation.

<i>Producer</i>	<i>Currency</i>
Guru	Principles
Statesman	Freedom
Investor	Capital
Entrepreneur	Prosperity
Intrapreneur	Quality

To see how vital all five types of producers are, consider the past. Major world powers in history have all declined and eventually failed in more or less the same way:

1. The people stop giving heed to the wisdom of the Gurus.
2. Voters (or those in power) replace Statesmen with politicians, whereupon freedom steadily decreases.
3. The natural result is increased regulations and taxation, frivolous lawsuits and judicial decrees, and governmental policies that discourage and then attack producers, initiative, and the abundance mentality in general.
4. Investment capital flees the nation to follow the Rule of Capital—it goes where it is treated well.
5. Finally, the people have a scarcity mentality, refuse to heed the Gurus or to empower Statesmen, Entrepreneurs leave to go where investment gives them opportunity and Intrapreneurs likewise lose their place. The nation stagnates and declines.

Egypt, Israel, Greece, Rome, Spain, Italy, Bismarck's Germany, and Han China all followed this pattern. Each was a major center of world power, influence and prosperity, and many declined into third-world nations. France copied this pattern in the 1800s; Britain followed it in the 1900s. The United States is on an identical track today.

Specifically, the U.S. is at the point where it is increasing its regulation, experiencing absurd lawsuits, court decisions and executive orders, and increasingly adopting policies that discourage investment and entrepreneurship. The next step is to openly attack investment and entrepreneurship, which is already occurring. And when investors find higher profits in other nations, while facing decreasing returns along with public hostility and rising taxes at home, U.S. investment dries up. The media style this as a credit shortage, but in reality the investment money is just being put to work in nations that treat capital better.

The only hope is for a new generation of producers to effectively promote freedom. In fact, the U.S. has been at this point before—once in 1860 and again in 1939. Both times enough statesmen—most of them forgotten by all except avid readers of history—arose to step up and save our freedoms.

Britain saw the same thing happen in 1216, 1620, 1815 and 1937. Other nations have followed a similar pattern. When the people listen to the Gurus, Statesmen promote freedom and Investors, Entrepreneurs and Intrapreneurs build the nation.

When the Gurus are ignored and statesmanship is seen as abstract and worthless, Investors go elsewhere—capital flees beyond the borders to other lands of opportunity, and the home country declines. Politicians blame big business and corporations blame government, while all along small business is undervalued and over-regulated—and government upsizing hurts the economy on many levels.⁸ With such decline come moral decay, the loss of political and economic freedom, and the reduction of opportunity.

Abundance is a true principle; yet through history most governments have made it a major goal to curtail opportunity and channel prosperity to the aristocracy or royalty. Anyone who thinks this can't happen in America hasn't closely studied history.

Yet it doesn't have to be this way. No matter what government does, the producer spirit can flourish and bring a return to freedom and prosperity. It gets more difficult the longer entrepre-

neurship is disregarded; but as long as small business ventures are an option there is hope for freedom.

Those who are already successful or committed producers can help by avoiding the three predictable mistakes that producers often make. Anyone who knows these pitfalls and avoids them will be a better producer and create more lasting value in society.

Producer Mistake #1: The Generation Gap

First, producers too frequently discourage their own children from following the producer path. It is true that in their building years many young producers forswear the life of unproductive privilege for their posterity, believing that they'll do all within their power to teach the abundance mindset to their children. And most of them do—until the children approach adulthood. At this point, many producers who are finally starting to enjoy some level of security and ease as a result of their labors seek now to help their children avoid the pain and sacrifice of this path.

Many producers encourage their children to become professionals—doctors, lawyers, accountants, engineers; they can afford to send them to such schools, so why not? It is ironic how many very successful college-dropout producers make sure that all of their children attend the most prestigious colleges available and major in the “normal” career fields. Many producers who succeed in spite of their conveyor-belt education rather than because of it make this mistake as well. They want to give their children the things they had to miss out on, and in the process, neglect to pass on to them the things they *did* have in abundance.

Even the producers who train their oldest child to follow in their path often send the younger children in other directions. And woefully few producers pass along the producer mindset to their grandchildren.

This is not intended to suggest that the family business must always stay in the family, or that the aspirations and affinities

of our succeeding generations should be subordinated to the good of the company. But training our youth in social leadership, abundance, creating value, truly becoming your best, serving society and the producer mindset offers them an advantage no matter what path they take in life.

The historically effective solution for this is for producers to put real time, thought, planning and execution into their grandparenting role—even long before they are grandparents. Quality grandparenting is a way for all producers to engage the guru-prophet-sage-elder role for their family, and to help pass on their wisdom and understanding of true principles to future generations. Great parenting fulfills this same function, and is part of *guruing*—the highest level of production.

Producer Mistake #2: The Blinders

A second mistake many producers make is to think that their particular producer-role is the only one that creates *real* value. Like the old parable of the carpenter who believes that all of the world's ills can be fixed with a hammer, sometimes producers get so focused on their particular brand of producing that they dismiss the value of the others. Focus is good; but narrow thinking usually limits one's effectiveness.

For example, a Statesman who believes that changing government is the only real answer to society's ills and that freedom will fix all problems will likely reject the moral teachings of Gurus and consider them mere “philosophy.” Such a person limits his statesmanship because he just doesn't get it.

Neither does the Statesman who thinks freedom is the only goal, and that Entrepreneurs are just in love with money; he will likely try to use law against entrepreneurship, which is the *opposite* of statesmanship. A true Statesman sees that all five types of producers are vital to society. Similarly, when Gurus, Sages and Prophets undervalue Statesmen, freedom of religion and independent thinking are often lost.

Likewise, an Entrepreneur who discounts the teachings of Gurus may feel successful because he's made a fortune selling filth and addiction. "After all, I just gave the market what it wanted," he says. "That makes me a selfless servant of the people." No abundance-minded entrepreneur would think this, because value is only created when principles of morality, freedom and personal dignity aren't attacked. If economic value reduces moral or freedom values, *absolute value* is actually decreased.

Or, consider the entrepreneur who thinks building profitable businesses is the only way to create value and therefore does little to promote statesmanship; in his older and wiser years he will likely regret the regulated and degenerating world that he sees his grandchildren inheriting.

When Entrepreneurs undervalue Statesmen, the politicians and bureaucrats win the day and capital is discouraged and eventually attacked. The wise Entrepreneur or Investor will see the great value added by Gurus and Statesmen, and he will create *more* value in his life because his broader view will help him make better and wiser decisions.

The examples could go on, but suffice it to say that significant problems occur when any of the five undervalues or even devalues any of the others. By contrast, when all five types of producers understand, highly value, and actively support each other, all types of producers experience synergy—and the value created is exponentially increased.

Producer Mistake #3: Arrogance

Finally, a third common mistake made by producers is to look down on non-producers. One of the true principles taught by Gurus and Prophets is that every person is inherently as valuable as any other. True abundance means that we respect the inherent value of each individual, whatever the chosen path, and we work to ensure that all people remain free to follow their conscience and live the life of their choosing.

Those who understand this point are the most effective producers, because they do it all for the right reasons—a true love of self and desire to serve others. This is what abundance really means. Everything else falls short. This is true abundance—so abundant that you spend your life voluntarily improving yourself and serving others. (In contrast, true scarcity would be to spend your life on yourself.) Real value means *people value*—and creating value really means *helping people choose better lives*. This is what all five types of producing are all about.

Producer Families

If a revolution of new producers is to occur, there must be a renaissance of the family. Whatever happens in Washington, Wall Street, Main Street, Hollywood or Silicon Valley in the next ten years, it will all be irrelevant if our families don't come together at a much higher level. Without a renaissance of family, no new candidate can rise to save us. No new legislation, policy or program will heal our land.

On the other hand, the buttressing and revitalization of our society at the most basic level of family, though it be quiet and virtually ignored, is the most powerful catalyst to the revitalization of our freedom and prosperity. As families understand freedom and prosperity, they will help young people honor and value producers and find producer mentors. As long as nearly all families believe the doctrine of “Success in Life is a Good Job,” it will be difficult for enough young people to break the mold and engage entrepreneurial and other producer lifestyles.

Parents are a vital type of producer that encompass the principles, forms, mindset, risks and values of all the rest. Indeed, they are the first and most formative gurus, statesmen, investors, entrepreneurs and intrapreneurs for most children and youth.

The Renaissance of Family

In crisis periods of history like the one we are now experiencing (as we shift from Industrial to Information society), almost every-

thing changes. Economies change, as do governments, businesses, schools and cultures—often in dramatic and surprising ways.

Since few of us want to admit that the cycles of history⁹ are driving things, most people are frustrated and feel vulnerable and even victimized by the widespread changes. Many turn to government to solve our most pressing problems, hoping it can work miracles. Sometimes it almost can; other times it falls tragically short.

Many turn to other institutions, or their own efforts, for solutions. Too few realize, however, the power of families in such times. Indeed, increased financial challenges and difficult world events often amplify the pressure on marriage and family relationships. Divorce rates increase, family dysfunction grows, and people look outside the family for more and more help—at the very time family members need each other and can help each other the most. This means that pressure on families is almost certain to increase for the years ahead.

As the Family Goes, So Goes the Nation

Shifting Periods (or "Crisis" Periods) in history are preceded by Good-Times Periods and then followed by Rebuilding Periods. If the cycles of history hold true and we face major challenges in the decades ahead, families will need even more internal strength.

I am an optimist, and I'm convinced that great things are ahead for America and the world. At the same time, I'm pretty clear about one thing: Our nation and our world will rise no higher than our families. If the family continues to decline, so will peace, prosperity, freedom and happiness.

Experts may cite studies and graphs outlining the details, but history is absolutely clear on this point: *The future of the family is the future of our world*; and whether yours is traditional or non-traditional, single parent, mentor/guardian, grandparent-as-

parent, or sibling raising siblings, etc., you are included in this great opportunity.

A Disturbing Divergence From the Past

In past Crisis Periods, layoffs and failed businesses have resulted in the family pulling together—planting gardens, starting businesses, chopping wood to save on fuel and otherwise facing and working to overcome challenges together. In our current world, with its urbanized and technologically advanced lifestyle, we don't seem to be following this pattern of family retrenchment at the same pace or level as in the past.

We aren't relying less on paychecks and more on the family farm, or even leaving the family farm to find opportunity in places like the New World (1780s), the West (1860s), or California (1930s). In our time, no geographical Promised Land has arisen to deliver us.

At the same time, the modern world keeps us busy and separated from each other—kids at school, youth with groups of friends, mom and dad holding down multiple jobs or seeking employment, etc. Even where both adults in some homes are unemployed, they often don't spend more time together, but rather cope with their stresses and seek solutions independently. One of the great benefits of producer culture is the higher rate of time spent with family on shared goals.

For many people, diminished finances for vacations, no time off at a new job, productivity-related compensation and workplace competitiveness all bring pressure to de-emphasize family time and increase work time. The technologies that used to be tools to help connect us have turned on their masters. No longer luxuries, they have gone from being pervasive to invasive to divisive; each family member has his own unique and virtual social life, and family life sometimes suffers as a result.

We have sacrificed the needs of the family to those of the corporation for over five decades, and the results are starting to become painful.

The average American couple in 2009 spent only 16 minutes a day talking with each other, according to a report in *Men's Health*. Half of that time was spent discussing things like household chores and finances, leaving very little time to build relationships. The same *Men's Health* reported that “lack of quality time” was the number one cause of tension in couples’ relationships—more than finances, work issues or other challenges.

Though the historical catalysts for family togetherness are all around us, we are actually spending *less* time together just talking and having fun as couples and families. Rather than refocusing on our marriages and family relationships, we are too often pulling even further apart.

The Potential Tragedy of Lost Opportunities

The simplistic reason that Good-Time Periods turn into Crisis Periods is that families turn away from each other to serve the agendas of corporations, marketing firms, schools and others. Crisis Periods are all about recapturing the most important things—especially happy and successful families. If families don’t come together, strengthen communities, build new entrepreneurial enterprises and begin to rebuild society, we won’t see the benefits of a great Rebuilding Period ahead.

This is a potential tragedy of Dark Ages proportions. Just consider Rome in the first century, France in the late Seventeenth Century, the South after the Civil War, or modern Cambodia, Bosnia or Rwanda. A society has no destiny that is not tied to the strength of its families. Without a family renaissance, *no* society rebounds from crisis. And family renewal is led by parents who think like leaders and producers in the home.

The Good News

The good news in all this is that the bad news **IS** good news: If the biggest challenge in our families is lack of quality time and taking the time to really talk, then the solutions are simple. What if you spent less time correlating with your spouse about things that seem urgent, and a lot more time with your spouse talking about *less urgent* and *more important* things—even doing more “fun” things and simply enjoying each other? What if you did the same with each of your children, siblings and/or parents? Not everyone has all these options, but clearly not enough of those who do have families are giving them the needed attention and effort. It’s trite but true that if it all comes crashing down, we will hardly regret having invested more in our families.

The currency of family producers is Love, and it is the gold that backs all the currencies created by the other 5 types of producers.

What if families spent two or three evenings a week and a day each weekend doing fun things, entrepreneurial ventures and/or service projects together? *Together* is the key word here. This is truly the way that major challenges in history are solved at the grass roots. When families find their default setting is spending time together—even doing not-much-of-anything—their interactions take place in what I like to call “the right kind of vacuum”; in that space, ideas and solutions (whether personal or societal) are generated at a family level.

Of course, this only works where families both bond within and connect without—not isolating themselves, but strengthening their relationships with each other and the rest of their community. And it works most effectively where families resist the temptation to draw factional “us/them” lines and instead reach out and build relationships on newly-found common ground, as people of all stripes and creeds seek to compensate for the loss of forms, ideas and institutions that no longer promise security and providence. An across the board getting-back-to-basics mentality

reveals that on a fundamental level, we have much more in common than had been apparent in a different time and climate. As families respond to the challenges in our world by investing in the Core unit of society, individual happiness, family unity, community strength, and national security and prosperity will all be impacted for the better.

The Little Things That Make A Huge Difference

Here is the pattern: improve marriages, strengthen family relationships, make new friends, and build stronger connections with friends and community. These are producer roles, applied in the most important of all organizations: the family. This naturally overcomes Crisis; and without it, Crisis Periods worsen and persist.

Again: Whatever happens in Washington, Wall Street, Main Street, Hollywood or Silicon Valley in the next ten years, it will all be irrelevant if our families don't come together at a much higher level. Ironically, it is the little things that will most likely win (or lose) this battle for the future of freedom and prosperity.

In the next decade, improving your marriage one hour a day (at least) may be the most important thing you can do for society. Same with many hours a week spent actively talking with and doing activities together with children and grandchildren. Freedom has so much depended on such little things!

Will we follow the course of societies past that have lost their way and crumbled under the devastating forces of economic upheaval, war and other crises? Or will we pull together as families and communities to create a brighter future? If we get it right, we will also see a renaissance of nations. No matter what experts may say or what historians may someday write about our times, it will certainly be defined by either the Decline or the Renaissance of the Family.

How to Become a Producer

Producers are the most important citizens, as Thomas Jefferson put it. Actually, the word he used was farmers—specifically, “tillers of the soil.” By producing food, farmers obviously had an important role in successful society. But Jefferson meant more than this. Because farmers lived close to the land they were self-reliant with respect to their own survival and received an income from providing indispensable basic needs for others. This made them more independent than people of other occupations. If hard times came, they tightened their belts and lived off their farms. In contrast, during the same challenges, most city dwellers and even shop owners were more likely to turn to the government or upper classes for help.

The founding generation was critical of the level of dependency among the European populace. The small but incredibly powerful upper class was the only group that could live off their assets and make it through hard times like war, economic depression or pandemic. Because of this, the upper class was independent while everyone else was dependent on the upper classes and government.

Since the first focus of human societies is to survive, the power to survive independently was seen as true independence. Indeed, the War of Independence had this deeper meaning to founding Americans: They were finally independent of the European upper class.

Dependents *versus* Independents

In our day, a vast majority of people is dependent either on an employer or the government—or both. One way to rate your level of independence might be to measure how long you can survive, feed your family and live in your home after your employer stops paying you anything. Some people are two-year independents, while others are three-year independents or two-month independents, and so on. It is not unlikely that most Americans are absolute dependents, living paycheck to paycheck or on government support.

The triple entendre here is interesting. At a time where (1) the growth of *political independents* is helping lessen the dangers of a two-party monopoly on American politics, there is a need for more people to become (2) true *economic independents* (people who can survive indefinitely without a paycheck). As both of these grow, (3) the level of American *independence* will increase.

Any level of economic independence is good, including everything from two months to twenty years of non-employer-dependent financial security. But the future of freedom may well depend on those with permanent economic independence.

Three Types of Independents

There are three groups with long-term independence, three groups whose members are more or less permanently free from dependence on a paycheck. The first two are made up of people supported by trust funds or equivalent, covered financially for life by wealth earned or passed down to them.

Group one lives off these funds, often spending their lives in play and leisure. The second group uses their trust funds or wealth to spend their lives dedicated to making a difference in society, through service, career, investment, entrepreneurship, philanthropy or whatever path they choose to use to improve themselves and the world.

The third group has no trust fund or equivalent wealth to rely upon, but has the skill set and worldview of entrepreneurial enterprise. This group doesn't start with full bank accounts, but rather with rich personal resources consisting of faith and determination, grit and initiative, and an undying belief in the principles of abundance, hard work and enterprise.

Whatever happens, members of this third group have an almost unshakable belief that there is opportunity everywhere. They believe in themselves, and have the conviction that if they put their minds and hands to work they can build value out of opportunity and create prosperity through their energy and effort.

Together, the second and third groups are society's Producers—its Social Leaders. They start, build, invest in, work in and grow businesses and organizations that create a nation's assets, advancements and top achievements. They employ the workers of the world. And when hard times come, they don't ask government or employers to provide for them; rather, they look around, assess the situation, see opportunities amidst the problems, and get to work building value for the future.

They do, however, implore government and the big established businesses to get out of the way, to allow them the freedom to turn their initiative and work into growing profits and success. When government increases obstacles and regulations on small business, it directly attacks freedom and prosperity. When this occurs, entrepreneurs naturally look for nations and markets that are friendly to business. As a result, nations with free enterprise systems attract more producers and are blessed with greater wealth and prosperity.

Non-Producer Attempts to Create Producers

Nations naturally benefit from a large producer class, but how are producers created? The common answers fall short.

The liberal view is that those with credentials and advanced education, the experts, must set up a system that allows enterprise

but also fairly distributes the rewards of economic success. The conservative view is to allow big investors to get huge rewards and therefore be willing to take big risks. The blue-collar populist approach is to make sure management treats labor fairly and humanely. The bureaucratic view is that rules make the society and economy work.

While each of these has a place in the balance, none of them really get to the heart of what makes producers tick. The problem is that these views are nearly always promoted and managed by employees with an employee background and an employee mentality. Non-producers grudgingly (or philosophically) admit the great need for more producers, and then set out to build conveyor belts that will produce more producers. This sometimes works inadvertently—insofar as a non-conforming cog sometimes locates his or her producer mojo in the process of overcoming the obstacles afforded by the conveyor-belt system and breaks free to find entrepreneurial success.

David Brooks has referred to Washington's party politics as the PhDs (liberals) versus the MBAs (conservatives). Both give lip service to small business; but their *modus operandi* belies a different governing worldview.

The PhDs want government to run the economy and provide jobs, and to be the Great State Entrepreneur so that regular citizens don't need to take risks. The MBAs want to appeal to big investment, and are loathe to consider small business significant or meaningful. Both are prompt to fund programs and projects with the revenues largely generated by the operations of small businesses, while shoveling equal parts of regulation and contempt upon them. The average citizen-employee either wants to "stick it to the man" or just wants managers to treat employees better. To sum up: All of these, from the PhDs and MBAs down to the mailroom, are frequently guilty of employee-mentality thinking. Government programs will not create many entrepreneurs, nor will most corporate ventures, bureaucratic agencies or labor

unions. And most MBA programs emphasize employee training and measure their effectiveness by citing job placement statistics. Entrepreneurs are the natural competitors to all these.

The Answer

How do we create more producers? The answer, as frustrating as it is to the experts, is:

We don't.

That is, institutionalized and standardized programs do not of themselves yield producers, except by happenstance (as noted above). Not to put too fine a point on it, but: The very act of systemizing the training of initiative and innovation tends to *shut down initiative and innovation*.

What *can* be done, what actually *works*, is to help young people realize the importance of producers in society and reward their inclinations toward being anomalies, outliers and disruptive innovators. The first one is easier said than done; the second one is nearly impossible for most parents and teachers to either conceive of or to value, much less to accomplish.

To support the development of the entrepreneurial spirit in the rising generation, youth need to be:

1. Exposed to those who highly value entrepreneurialism
2. Given opportunities to earn and receive personalized mentoring from successful producers

In short, as we elevate the honor and accessibility of being producers, we will tend to increase the number of them.

It is interesting to study the most successful network marketing, multi-level and other like organizations that in recent times have emphasized entrepreneurship among "regular" people.

Top brands in network marketing and their affiliates have created more millionaires than the top 100 corporations, with each millionaire being an independent entrepreneur. In such organi-

zations, interested people are introduced to many who highly value entrepreneurial producers, and new affiliates work directly with a producer mentor. Network marketing is a proven tool for leadership development, and many networking companies have state-of-the-art systems to develop leadership; and they are led by field leaders—not the companies themselves.

Hundreds of non-traditional companies have accomplished these types of results. Ironically, one criticism of such organizations by mainstream (employee) experts is that they are pyramid schemes. From another perspective, it could be said that the true pyramid companies are those where most of the work hours are done by lesser-paid employees while the highest salaries and bonuses go to the executives at the top.

Hands-on business schools like Acton MBA and Rand have similarly helped educate entrepreneurs using a combination of inspiring people to be producers and also providing producer mentors. And the many bestselling books promoting this same model, from the “One Minute” series to the writings of Steve Farber, Jim Ferrell and many others, show that this system is resonating with many people and starting to gain some traction.

Highly successful coaching services have followed this pattern as well, including such notable businesses as those established by John Assaraf, Leslie Householder, Dennis Deaton and many of those mentioned in *The Secret*. Nearly the entire self-help industry is built on this model: Promote the honor and value of successful entrepreneurialism and help would-be producers get direct mentoring from successful producers. Thinkers like Andrew Carnegie and writers like Dale Carnegie outlined this model a long time ago.

The mainstream PhD/MBA ambivalence toward the “Success” and “Self-Help” community stems from their reliance on and loyalty to the doctrine of employee-ship. Harvard Business School has noted that the major changes in the world tend to come from what have been called “disruptive innovators.”¹⁰ These anoma-

lous individuals produce surprising novelties from out-of-the-mainstream sources and dramatically change society, business, and other facets of life. Disruptive innovators are disruptive *precisely because* they are totally unexpected by the conventional majority and experts.

The government and big corporations spend a lot of resources trying to predict and anticipate the future. And invariably entrepreneurial producers come along every few years and change everything. Reams of articles and books are written trying to predict where the next such innovations will come from and prescribing how to help train future innovators. But the multi-level and other non-traditional entities drastically out-produce government and big corporate attempts to build entrepreneurs.

To summarize: We cannot institutionalize non-institutional results.

The Real Point

But all of this commentary still falls short of the real point. Only the *individual* can truly become an entrepreneur. If there is to be a much-needed revolution that brings many more entrepreneurs to society, individuals and families must take action and lead out. If what we want is more *independence*, then we must have more *independents*—more producers. If you want society to be leavened by a greater proportion of individuals with producer mojo, then you need to consider whether you should be a producer yourself, and how to become one. To be a producer, it is up to you to make it happen. Here are some suggestions:

First, study successful producers.

The most important part of this is to see the power of focus, integrity and faith in abundance that producers exemplify. Whereas the media often tries to paint producers as greedy and immoral, the truth is often very different. Pay special attention to what great producers believe, and learn to think like them. The habit

of truly believing in abundance and principles makes one a true independent, permanently free of dependence on others and able to build, create and lead.

Second, study what the great producers study.¹¹

The material most studied by the greatest producers and leaders has been the great classics. But producers are voracious readers, going far beyond any prescribed lists. Leaders are readers. Read the greatest works of mankind and everything else you can get your hands on. Keep reading, studying and learning throughout your life.

Third, find and work with mentors who are successful producers.

The unwritten lessons gained from this kind of experience are invaluable, real and profound. Coming face-to-face with greatness by working with successful producers is essential to becoming a successful producer yourself.

Finally: Get Off the Conveyor Belt.

Why is more entrepreneurial, innovative and leadership education flourishing in small, humble, usually under-funded environments than in the prestigious, elite halls of endowment and status? And even when the mainstream and elite institutions take note and attempt to emulate such successes, why do they fall short of the smaller talent hotbeds?

The answer is simple. The breeding grounds of initiative and leadership implement the philosophy of individualized education. This helps explain why so many disruptive innovations are initiated and led by “outliers,”¹² what Daniel Coyle called “chicken-wire Harvards”. Indeed, Harvard, Yale, Stanford and their counterparts may lead the analysis about innovations, but “chicken-wire Harvards” produce so many more innovative projects.¹³

Nearly everywhere else, the emphasis is on systemized models of learning that students must learn to navigate and conform to. To reinforce this point by contrast: there are many small, humble and under-funded educational models that are *not* talent hotbeds; invariably they are followers of the conveyor-belt model rather than individualization.

Dead Poet’s Society

I well remember a visit years ago to a private school that had just received two major breakthroughs: an endowment from a wealthy parent, and a new president who promised to significantly grow the school.

As I talked to this president, however, I realized that he fully intended to turn this excellent, proven hotbed of talent into a systemized conveyor belt. He felt that this is what the wealthy donor wanted—and maybe it was. But I could tell after a few minutes of visiting with him that the depth, quality and excellent results the school had boasted for the past decade would soon become little more than memories from the school’s glorious past.

Five years later, my worst fears for this sweet little academy were unfortunately the reality. The school was no longer a place of deep quality and excellence, but it was much bigger, more bureaucratic, and hardly distinguishable from the local compulsory schools. Indeed, several charter schools in the area offered much higher quality.

The key to this change was teachers. In the public schools, teachers have been penalized for great teaching since 2002. As Harper’s noted:

“Under the No Child Left Behind Act of 2002...U.S. teachers are forced to choose between teaching general knowledge and ‘teaching to the test.’ The best teachers are thereby often disenfranchised by the improper use of education information systems.”¹⁴

In most private schools, this system is not mandated. However, when such schools apply the systems approach to education, they usually obtain similar mediocre results.

In the old, underfunded days of the high school in our example, the teachers had given their hearts and souls to provide personalized, individualized attention to every student. As the school turned to industrial systems, these teachers were forced to move on or change their approach from individualized learning to factory-style academia.

Approaching each child with the assumption that she has genius inside, and that the teacher's role is to help her find it, develop and polish it to improve herself and the world—this is called teaching. Where it occurs, excellence flourishes. Anything else is something else.

This is applicable at all levels, from elementary to high school, undergraduate to graduate, and also adult learning. Individualization of education is the first step to leadership education, and without it quality is always decreased.

The Chemistry of Genius?

Science is now beginning to show the reasons why quality in education increases with individualization. Studies have shown what parents and teachers already know: that students receiving personalized, caring and quality mentorship learn more effectively than those required to conform to a deeply structured and systemized model. Elites have historically been successful in engaging tutors, mentors and individualizing private schools over less personal conveyor-belt schooling options.

Scientists are now discovering that the individualized method (personalized mentoring, deep practice, long hours of inspired, intrinsically-motivated and enthusiastic academic effort) results in drastically higher levels of the neural insulator myelin than the standardized system of education.¹⁵

Students with higher levels of myelin learn more and remember it longer. It is especially valuable for gaining, maintaining and polishing skills.

This research is in its infancy, but it is extremely suggestive that there may be neurochemical factors in our basic psychophysiology that are impacted by our learning environment. Maria Montessori, Charlotte Mason and other great educators hinted at this long ago, and there are chicken-wire Harvards across the globe that are following their lead. Personalized educational models, with dedicated and caring mentors helping learners achieve depth and inspiration in their studies, achieve better results than assembly-line education.

Mentoring Matters

Quality mentors help students learn at least three key things:

1. how to see their internal greatness and potential
2. how to study and practice in ways that greatly increase the flow of learning
3. how to repeat this kind of learning environment at will

These are nearly always individualized lessons.

To increase learning success (i.e. increase myelin levels) and create talent hotbeds, Coyle says, mentors must create an environment of individualized coaching, be perceptive in seeing individual needs in their students, use shock or passion or intensity to open student minds and then share valuable information, and find ways to really connect with each learner. All of this is traditional leadership education, based on the same principles as the 7 Keys of Great Teaching¹⁶ covered in my book *A Thomas Jefferson Education*:

1. Classics, not Textbooks
2. Mentors, not Professors
3. Inspire, not Require

4. Structure Time, not Content
5. Quality, not Conformity
6. Simplicity, not Complexity
7. You, not Them (lead out by example)

Individualization Breeds Innovation

One thing is clear, if not yet conclusively established by science: Most parents and teachers who apply the 7 Keys see significant, drastic and lasting increases in the quality of their students' and their own learning. Personalized education is more effective in helping students learn in their areas of interest; but it also outperforms generally, as well as in math, science and technology.

In the decades ahead, as in decades past, many of the most innovative ideas and projects are likely to come from talent hot-houses outside the mainstream, places where dedicated and caring mentors help young people see their huge potential, start to discover their great inner genius, and feel inspired to do the hard and effective work of getting a great education. Individualized, mentored, intensive learning has better results than standardized, rote and minimum-standards systems.

In addition to schools, this is taking place in non-traditional business models and wherever great mentors help would-be producers follow their dreams. Brady and Woodward's book *Launching a Leadership Revolution* is a great resource for doing just this.

Our society desperately needs more producers. We need more people who think like entrepreneurs and more people who take initiative and fulfill the needs of society without waiting for government or the people of wealth and privilege to "fix it for us." The future of freedom is directly and literally tied to the future of producers in our society.

Hamilton v. Jefferson

Thomas Jefferson envisioned a nation of small farm and shop owners that spread around leadership and prosperity, while Alexander Hamilton preferred a mercantile system with a few wealthy owners employing the large majority of the populace. Hamilton felt that an increase in wealth among the leading families would make up for the reduced freedom and less-widespread prosperity under a mercantile economy—after all, this was the model used by the most prosperous and powerful nations in Europe.

After the Great Depression, America decided to follow Alexander Hamilton's model instead of the Jeffersonian system, and a number of changes occurred which now haunt our generation. We have now reached a point where the greatest challenges we face are *caused* by the mercantile system and can likely only be solved by an entrepreneurial mindset.

Failed Solutions

Unfortunately, in the current political debate the two sides emphasize government solutions (more government-provided jobs and stricter regulation against corporations and bonuses) *versus* big-business mercantilism (hire and fire as best fits company projections, and move operations abroad to less hostile regulatory environments with cheaper labor—or in other words, business as usual). A third view comes from frustrated populists who want Washington to get its act together and fix the economy.