

# Introduction: The \$100 Trillion Question



**W**E ARE ON THE CUSP of an economic revolution. This upheaval will remake all the systems we depend upon. In the coming decades it will transform energy, food production, buildings, transportation, infrastructure, and finance. Among other things, it may be the biggest opportunity to make money in human history.

Imagine our world three generations from now: The world of your great-grandchildren. The seeds planted in cities like Vancouver have taken root and proliferated. Industrial activity works to decarbonize the atmosphere and stabilize the climate. The oceans have been cleaned of the horrific plastic gyres now poisoning them. Farming mimics, restores, and enhances natural ecosystems. Renewable energy, smart transit, and “living buildings” are the norm. Population has stabilized at a sustainable level.

We have an economy that serves both people and planet, with everyone’s basic needs being met and abundant opportunities for meaningful work. Goods are produced in a closed-loop production cycle and the concept of waste no longer exists. Nature heals itself as we take off the pressure. It is a world of true security, no longer deeply divided between haves and have-nots.

*This* is the potential of the clean money revolution that is starting to rumble through our economy.

If this imagined future sounds utopian or impossible, consider how much can happen in fifty years. What was life like for your

grandparents? Could they even imagine the world as it exists today? Our descendants will inhabit a world vastly different than ours. The only question is whether it will be better or worse.

My bet is that it will be better. Two massive global forces are fueling that evolution. The first is the “green” conscious consumer trend I discussed in my preface. The second is the massive wealth transfer currently underway as affluent Boomers pass their wealth to Generation X and the Millennials. Occurring over the next thirty years, it’s the largest such turnover in history.

As this wave of inherited capital meets the green megatrend, the possibilities for building a regenerative economy are dazzling and inspiring.

## Waking Up

Our spectacular human ingenuity gave us fire, agriculture, language, self-awareness, art, intellect, spiritual awe, nations, science, books, fossil fuels, extended lives, technology, and money. Likewise, our economic system has performed miracles for many. But our ingenuity and our economic successes have led us to a dead end.

We know we have deep and complex challenges to address. The list is long, depressing, and, to many of us, well known. Our most fundamental problem is that humanity has overreached the carrying capacity of nature. The results of overreach are all around us. Global warming, ocean acidification, widespread species extinction. Epic self-inflicted environmental damage like the BP *Deepwater Horizon* oil spill and the Fukushima Daiichi nuclear disaster. Dangerous externalities are too often legal, or even subsidized as part of “business as usual.” High-priced lobbying keeps tax revenues subsidizing damaging industries instead of incentivizing newer, cleaner technologies. Rather than rewarding “goods” like labor, we tax them, while allowing “bads” like pollution to happen free of charge and with impunity.

It’s a grotesque caricature of the ideal of capitalism, which is supposed to reward effort and innovation. One 2010 study by the London consultancy Trucost found that the top 3,000 corporations

caused \$2.2 trillion USD in environmental and social damage in 2008 alone—all externalized onto the commons and untaxed.

This is madness.

We must begin to intelligently “degrowth” to reset the balance. Infinite growth is a fantasy. The Earth can no longer support our species in blindly expanding, dominating, and accumulating.

There are other profound challenges. Violence against women, human trafficking, and slavery remain rampant. Estimates say approximately 45 million people live as slaves worldwide as of 2016.<sup>2</sup> Racism is resurgent in North America and Europe. These phenomena have been worsened by the sharp increase in poverty and inequity in recent decades.

From 2002 to 2010, the wealth of the world’s billionaires increased at the same rate as that of the poorest 50 percent of the population.<sup>3</sup> In only five years between 2009 and 2014, the wealth of the bottom half of the global population declined—while that of the world’s billionaires *doubled*.<sup>4</sup> Forty-eight percent of global wealth was in the hands of one percent of the population in 2014. Just 80 billionaires control the same wealth as 3.5 billion people: half the planet’s population.

For a North American perspective on inequity, the magazine *Mother Jones* summarized a recent Institute for Policy Studies report this way: “In 2014, Wall Street’s bonus pool was roughly double the combined earnings of all Americans working full-time jobs at minimum wage.”<sup>5</sup>

Such gross inequity fuels distrust, resentment, and anger among citizens who have been left behind. They have reason to be upset. Manipulation by the powerful has steadily pushed the burden of taxation from the rich to the poor. Catastrophic market failures have further cost taxpayers trillions of dollars, and the playing field remains severely tilted in favor of the wealthiest individuals and the largest corporations. Demagogic politicians like Donald Trump use twisted rhetoric to rise on the building tide of anger. Mainstream leaders, meanwhile, fail to challenge the entrenched powers that write the rules for our financial and monetary systems.

This is a recipe for disaster, one we are currently watching unfold in politics and society. Much of our current mess can be traced to the world of finance. In three decades as an investor, entrepreneur, and change agent, I've more often seen money and business as the cause of problems rather than the solution. We can change that formula.

To date, money and finance have been managed under a mass-cultural state of dissociation. A gentle term would be sleepwalking; a more accurate one would be a mental disconnect, a kind of insanity. The mainstream mindset that money and investments are somehow value-neutral is the root of the problem. We give our money to managers, banks, retirement funds, insurance carriers, and others to invest in products and practices we would be horrified to claim as our own work. Our major institutions are complicit in this hypnosis of human spirit that is stealing the future.

Waking up from this state and reforming our economic system would be intelligent, functional, and offer a soft landing. Money can be a powerful driver of long-term resilience and a more just world. It's our choice. If we do nothing, change will be forced upon us. It will be radical, painful, and lead to unknown, dangerous consequences.

Bleak? Hopeless? Thankfully, no.

## The \$100 Trillion Question

In the two countries considered in this book, Canada and the United States, the affluent amount to about about 70 million people.\* These families are going to hand over between \$30 and \$50 trillion to the next generation. Worldwide, the total transfer is closer to \$100 trillion.

\* Here I define the "affluent" as the top 20 percent of the global population in terms of wealth. As of 2014, the 20 percent controlled 94.5 percent of the money on the planet. That leaves 5.5 percent for the other four-fifths of the population.<sup>6</sup> Those in the 20 percent have more than enough to support their basic security, such as food, shelter, mobility, education, health care, retirement support. They can afford top universities, private schools, extended vacations, multiple vehicles, and many other things—and they almost universally have significant sums of money invested in private and public securities.

Will these riches be used to further exploit the poor and fund greater destruction of the planet? Or will they be used to create a clean money future and a resilient civilization?

We are smart enough to choose and successfully travel the second path. Our dominant system of capitalist democracy has reached its limits. Now it must be reformed. We can turn our ingenuity to living intelligently and beautifully within Earth's limits. To coexisting with each other and with wild creatures and ecosystems. We can find joy and meaning beyond unlimited consumption. The wealth that has perpetuated injustice can transform the world.

Over the next three decades, I propose we shift that \$100 trillion from destructive and misdirected uses to regenerative ones. It is essential that we do so to ensure a soft landing by 2050. (In Chapter 10 I lay out some symbolic sector-by-sector numbers, to stimulate the conversation.) As we choose the better course, we will unlock tremendous economic opportunities. These will accelerate the momentum that is now well begun.

Statistics from the US Social Investment Forum (US SIF) show that by 2014 over \$6.5 trillion was invested according to socially responsible investment (SRI) strategies. That is one in six dollars under professional management in the United States. These are incredible figures relative to twenty years ago. They are a signal of the tremendous scale of what is coming in the next decades.

Bloomberg New Energy Finance (BNEF) forecasts at least \$7.8 trillion in clean-energy investments over the next 25 years.<sup>7</sup> Danny Kennedy, cofounder of Sungevity, the largest privately held solar company in the United States, notes that in terms of current investment in renewables—between \$250 to \$300 billion per year as of 2016—we have already reached the point where hydrocarbons are the “alternative” energy source. Danny suggests in these pages that to adequately respond to climate change we can and should quadruple our clean energy investment—to \$1 trillion a year.

These numbers seem astronomical, but they are well within the range of the possible. This kind of catalyzing investment is possible in nearly every sector, and has already begun. The green genie has

escaped from the bottle. It's a vital counter-trend that should give us hope.

Every day new companies offer better, less harmful products that displace those offered by established incumbents. Like the "force that through the green fuse drives the flower," this energy will push its way through all the branches of our economy, shrinking negative externalities like pollution. Every industry will instead produce positive by-products, as organic farms now do.

The world of money, finance, and investment is ripe for major reform and reinvention. We're seeing more and more clean food, clean energy, and clean buildings. Now clean money is also on the rise. It's still near the fringes but rapidly becoming mainstream. The logic is compelling. The practicality is proving itself.

We are our money. It has our name on it. All of us in the money business must take responsibility for where our capital is, right this moment; what it is doing; and who it is helping or harming. Those who have more money than we need must choose better where to put it. Looking the other way and offloading responsibility for how mutual funds, wealth managers, and financial institutions invest our dollars—without considering how they affect the world—must end.

We don't dump our garbage on the sidewalk or poison other people's children. But do you know what your money is doing in other families' backyards? We can no longer pretend that we're morally detached from the stocks and bonds we invest in, if the companies in which we own shares are doing damage. It is our responsibility to know, and to act accordingly.

Bold leadership will be required at the highest level. The 2015 Paris climate agreement hints at what's possible through peaceful cooperation. The revolution begins as a citizen movement. For it to succeed, we all need to change our patterns of consumption, raise our standards for political leaders, and insist upon new standards for how our bank accounts, mutual funds, pensions, and personal wealth are managed.

The new generation of investors will demand nothing less. At 85 million, Millennials, born between 1980 and 2000, already out-

number Boomers in North America. For them, Milton Friedman's worn libertarian maxim—that "the social responsibility of business is to increase its profits"—is already dead.

In a 2006 poll, 78 percent of the famously values-aligned Millennials said that businesses have a responsibility to build a better world.<sup>8</sup> That hasn't changed much as they've entered the workforce. Sixty-one percent Millennials in senior positions say they have "chosen not to undertake a task at work because it went against their personal values or ethics," according to a 2016 Deloitte poll.<sup>9</sup> Millennials are already insisting that their portfolios, self-generated or inherited, be in values-consistent, ethical, sustainable, and just investments.

It's a global imperative. It's an awakening driven by love. Money, finance, and wealth-management have ignored love for too long. Love is our antidote for fear and despair. Love is a shorthand way of saying that we must show we care by *acting* on our values, ethics, and morals—for ourselves, our families, all life on the planet, and the future.

The conscious consumer movement is about love. Love will drive us to know where our money is and what it is doing to the world (or for the world) at this moment. It the most important responsibility of our lives, and will lead us into the great adventure of creating the future.

The clean money revolution is on!



# A Mighty Time



**T**HE SOUTHEAST STORM is raging at gusts of 60 knots. The Salish Sea is frothy and churning in the December storm, tossing floating logs and downed trees like toothpicks. Tree branches are flying like spears in the gale-force winds.

Our small group has gathered on BC's remote Cortes Island in the northern Salish Sea. We are in a beach house, huddled around a cast-iron wood stove pumping out heat. Though we have to speak up to be heard over the howl outside, we are calling forth the biggest visions we can conjure. It's 1993, soon after the quincentenary of the "discovery" of the Americas by Christopher Columbus. I've proposed that we attempt a 50-year strategy that will undo some of the cultural and ecological destruction that has been ravaging the continent since 1492—and help build a regenerative economy that will benefit the next 500 years.

As audacious and far-fetched as that may sound, it's no academic exercise. We have a real task at hand: one of our group has inherited a fortune. She wants the majority of it deployed to reducing humanity's ecological footprint and ensuring that the biosphere supports future life on the planet—clean water, clean air, and clean food.

Idealistic? Of course. Silly? Not really. Impossible? Maybe. But we hope not.

At 39 years old, I'm about to embark on an amazing adventure: helping turn a friend's personal fortune into a tool for changing history.

## Early Roots

With my younger sister Linda, I grew up Jewish in Tennessee in the 1950s and '60s. It was a momentous time in American history: the civil rights movement, Vietnam protests, the rise of feminism, and the clash of a burgeoning, multicultural liberalism with the dominant conservative values of white men. Until the Civil Rights Act of 1964, Tennessee was one of 17 states that enforced legal segregation, or so-called “Jim Crow” laws. Black and white citizens had been kept apart at schools, diners, baseball stadiums, movie theaters, even drinking fountains. (My family had owned several such “colored” theatres before our father went into the suburban mall-building business that made his fortune.)

As late as 1957 Chattanooga had a softball team openly sponsored by the KKK. A 1958 poll in the university town of Knoxville—considered then more liberal than Chattanooga and only two hours up the road—showed that 90 percent of white citizens were against desegregation.

I remember a party my parents threw about ten years after that particular poll. I was in my early teens and my job was to mix drinks and grill the steaks. What made it memorable wasn't only the adult duties I'd been given, but that it was an “integrated” party with both black and white guests. I was told it was one of the first Chattanooga society had seen. For my parents it was edgy, possibly even risky. It was around the time that Martin Luther King Jr. was assassinated in Memphis, sparking riots and inflaming racial tensions across the country—including, of course, Tennessee.

As Jews in the South our family already bore our share of prejudice and scrutiny. My grandfather had moved to Chattanooga from Atlanta after the KKK there began marching around his neighborhood. But Chattanooga, the proverbial buckle of the Bible Belt, was not a perfect haven. My father, Joel “Jay” Solomon, had gone into the mall-building business in part because he felt shut out by the downtown business community. My sister Linda remembers picking up the phone one night as a young girl, saying “Hello,” and hearing a man's voice on the other end of the receiver say: “Fucking Jews.” This

was around the time our father and his cousins owned local movie theatres, and were showing one of the first movies to star an African American, *Guess Who's Coming to Dinner* with Sidney Poitier.

"Prejudice was always under the surface," Linda remembers. "Kids would come up to me at Easter and say, 'Linda, why'd the Jews kill Jesus?'"

One of the most disappointing moments of my youth happened the first time I asked a girl out. I'd called to ask her to school dance. She left me hanging on the telephone for a long time. When she returned she was quietly sobbing and said, "I can't go with you." Three days later my father heard from a business associate that her father was telling people "that Jew boy" tried to ask out his daughter. My dating life took some years to recover. These personal encounters with racism and bigotry were minor, of course, compared to the experience of black citizens of the South, who were having firehoses and police dogs set on them amid lynchings and the brutal assassinations of civil rights leaders. It was all part of an entrenched culture of de jure and de facto prejudice accepted by the "decent people" of dominant white culture.

There were no incidents because of our integrated party. It all seemed normal to me, and I'm not sure if I even understood the significance for my family. But I appreciate the example my parents, particularly my mother, set for me in that party and in their lives generally. Do the right thing even when the results may be frowned upon.

Linda, who now is editor-in-chief of the progressive online newspaper the *National Observer*, remembers our early life in much the same way. "They taught us that it was our duty to always be involved in politics and in what was happening in the outside world. This came, I think, in large part from the fact that they'd grown up during World War II, and witnessed Hitler's rise, thankfully from the safety of the United States. They gave us a sense that there are always forces pushing against one another, you could call it 'good' and 'evil,' and that it's a basic part of being in a democratic society that you become part of the push toward good."

As the '60s era of challenging convention reached its crescendo, courageous people faced down power structures that had long been tainted and perverted by narrow minds. The societal backlash against civil rights, "women's liberation," and Vietnam War protests made it easy to feel powerless and confused. But throughout that tumultuous time I saw leaders of all kinds choose vision and action over silence and complacency. Single mothers, students, artists, businesspeople, politicians, and even Supreme Court justices challenged the status quo. They began dismantling cultural assumptions and laws that perpetuated injustice.

It's true that our world remains flawed and unjust. But the progressives and social innovators of that era made huge strides and won great victories. They were models whose bravery and optimism made the world better.

We can learn much from the challenges of those times, and from the people who rose up to meet them.

Amid all of the of chaos of the 21st century, we understandably want to bury our heads in the sand—or throw down a beach towel on it, grab a margarita, and just watch it happen, debating what others should do to solve it. Neither of these responses is helpful. One is denial; the other is self-disempowerment. Most of us have much to offer. As Donella Meadows, author of the 1972 book *The Limits to Growth*, put it: "I've grown impatient with the kind of debate we used to have about whether the optimists or the pessimists are right. Neither are right. There is too much bad news to justify complacency. There is too much good news to justify despair."<sup>10</sup>

To pull a lyric from an old John Lee Hooker song, this is a mighty time. The stakes are high. There is reason to take heart, to be inspired, to remember what we are capable of. In North America and across the globe we have faced overwhelming challenges at various points in history, and risen to the occasion. We will do so again.

I've felt fortunate to be part of a growing movement that has already shifted hundreds of billions of dollars toward regenerative enterprises and meaningful change. I know it can be done. We can

reinvent capitalism. We can join the revolution. All of us, and in particular those involved in the world of investment and finance, have something to offer. Each of us must soul-search the deep questions about our purpose, our direction, and our dreams—and most vitally, our sense of responsibility to our children and future generations. Together we have the resources to achieve what may be the greatest ethical and economic shift in human history.

One benefit of being over sixty—and being able to look back at your past and ahead to the future—is having a clear sense of your life purpose. Mine is to be the very best ancestor I can be. I do that by moving capital to invest in change. It took time, and many teachers, to figure that out.

My journey began when I started helping another Southerner, Jimmy Carter, get to the White House.

### **The Dirty Campaign against Al Gore Sr.**

From grade seven to eleven I attended a military school in Chattanooga called Baylor. The public schools in our town were considered weak, and a “good education” was thought to be available only at private schools. At that time, the choice of private schools in my hometown was either military or religious. My father had graduated from Baylor and wanted the same for me, though my mother, the photographer Rosalind Fox Solomon, had a strong resistance to a military academy for her son. She only agreed to send me there on the condition that I could leave if I wanted to.

My family life was liberal, egalitarian, and lively. Baylor, on the other hand, was cut whole cloth from the dominant Southern culture of white male supremacy. Racism and misogyny were the norm. My parents were active in Democratic politics, and the dissonance between my days at Baylor and my home life were part of my awakening to the social and political rifts of the time. In 1970 I was sixteen and Nixon was in the White House. There he presided over the secret “Operation Menu” carpet-bombing of Cambodia and the Kent State murder of four students by the National Guard. This only heightened the tensions over racial desegregation, Vietnam,

hippie culture, the sexual revolution, and what kind of blue jeans or haircut you wore.

At Baylor I was one of about ten Jewish boys in a school of five hundred. The discrimination against us was mainly of the subtle, exclusionary type, rather than overt intimidation, but I felt it and never truly settled in. I was a child of privilege like many of my former peers, but unlike most of them, on Christmas and spring breaks my parents took Linda and me to New York City museums and Broadway shows instead of going en masse to party in Florida.

The highlight of my Baylor years—besides several close, lifelong friends—was attaining a degree of touch football stardom as a long-throw quarterback. By grade 11 I had transferred to the local public school, Chattanooga High. I was relieved that one third of the student body was black and, even more compelling, one half were girls. My long hair ended up frizzy and stacked on my head like a turban, but I wasn't much of a hippie. I was on whatever side of the spectrum you're on when you're a white kid in the South whose first two concerts were James Brown and Wilson Pickett, not Tammy Wynette and Merle Haggard.

In 1970 I had my first experience of the realities of power and politics while working on the campaign to re-elect Democratic Senator Al Gore Sr., a nationally significant, liberal, pro-civil rights Southerner. I went out many nights putting up signs, knocking on doors, licking envelopes, and helping as much as I could with ground-level political grunt work. Mostly I was a teenager using politics to get out of the house and avoid the mainstream teenage culture of sports and alcohol. I was able to have nighttime adventures with my pals learning new parts of town and leafleting football game parking lots, when otherwise we would have been home watching television or sitting in those football bleachers. It was fun, and without knowing it, I was finding early empowerment. Exposing young people to politics is valuable learning.

It can also reveal ugly realities of human nature. Senator Gore was a stately Southern politician of a kind you don't see much anymore, and I respected his stand for peace and civil rights. The

campaign fought against him by the Republican Bill Brock was notoriously bitter and vicious. Brock was a Chattanooga native whose family owned one of the largest candy companies in the country. His race-baiting attack ads triumphed with the state's large contingent of white, conservative, anti-integrationist voters. His victory in that election was the first time I'd felt crushing defeat by forces that had abandoned ethics and truth in favor of power. It wouldn't be the last. Tennessee today sadly remains one of the most politically backward and conservative states in the country, even as its cities leap forward with a progressive, creative, and diverse urban culture.

I remember my spine tingling at Senator Gore's speech after the election results were announced. "The causes for which we fought are not dead," he thundered with the cadence of a gospel preacher. "The truth shall rise again!"

His words were stirring then and they're still powerful today. It's a fundamental truth in business and politics: failure is never final. You get up, dust yourself off, and start again.

### **To the White House Door with Jimmy Carter**

While Brock's victory depressed me, the campaign hooked me on the necessity and importance of politics. I wanted to experience Washington, D.C. After my first year at Columbia University in 1973, my father helped me get a summer internship with the Democratic National Committee's campaign arm. It was chaired by Georgia governor Jimmy Carter. The internship sparked a lifelong interest in politics.

One of my favorite stories from that period was telling my political science professor at Vassar that Carter was going to win the presidency because I had read the strategy document that outlined how it would happen. They were impressed enough with my earnestness to agree to bundle my classes on Tuesdays and Thursday afternoons. This allowed me to travel around New England on various duties. I organized groups of Young Democrats on college campuses and drove Carter family members to small-town campaign stops. One memorable assignment was to help raise the \$5,000 needed in

20 different states to qualify for federal election campaign matching funds. The Allman Brothers—one of my then-favorite rock bands—agreed to hold a concert in Providence, Rhode Island, where young concert-goers had to fill out election donation forms at the door. They booed when Carter came on stage to talk, as they had no idea who he was and wanted the band they had paid to see. But we raised the money we needed.

I spent most of the campaign attempting to garner support for Carter in mostly obscure locations: the South Bronx; Vicksburg, Mississippi; and Lawton, Oklahoma. This was unpromising terrain, given to me as a kind of exile after being on the wrong side of an internal power struggle with the campaign manager and future White House chief of staff, Hamilton Jordan. I spent the final weekend of the 1976 election driving to rural Louisiana radio stations, dropping off cassette-tape ads in which former Alabama governor (and infamous segregationist) George Wallace gave Carter his endorsement. Talk about strange bedfellows! I lost a good deal of naive innocence in my encounter with political realities.

But I didn't lose my idealism. Carter's victories in Mississippi and Louisiana won him a razor-thin victory. The peanut farmer from Plains, Georgia—who had been a virtual unknown in federal politics at zero percent in the polls two years before the election—had risen to the most powerful political office in the world. This experience dramatically expanded my sense of the possible.

What inspired me most from the campaign was the original strategy document that chief strategist Jordan had drawn up at age 28, a strategy that mapped out Carter's victory in the Democratic nomination in 1976. That a virtual unknown on the national stage could ascend so quickly to the presidency, on the strength of well-considered strategy, timing, and tactical rollout, made a lasting impression. You can be as out of the box as a Georgia peanut farmer and pull off almost anything if you're determined and creative.

Maybe that's why I'm crazy enough to believe we can transform capitalism and move trillions of dollars into regenerative businesses.

## Dark Money: Lewis Powell's Legacy

Ignoring the realities of power and politics is a big mistake for anyone who wants to use business to create deep change. Public policy is inseparable from commerce. Small strokes of the pen can shift entire industries. With this in mind, it's enlightening to look back at the 1970s, because in many ways the degraded world we now live in, and are working hard to regenerate, is the result of ideas and policies that coalesced in that decade.

Well-organized forces forged a system intended to capture hearts and minds and shift America and its allies to the right—unleashing an era of rapid profiteering for the few at the expense of the many.

The right wing, like Hamilton Jordan, knew that strategy papers and focused work can change the world. The Powell Memo of 1971 is a little-remembered document that used long-term social engineering to remake American culture. It makes Jordan's strategy look like a dandelion puff in a hurricane. This well-articulated and powerful map was written by corporate lawyer Lewis F. Powell, Jr., who sat on the boards of several large corporations, including Philip Morris, and would later be nominated to the Supreme Court by Richard Nixon.<sup>11</sup>

As the 1970s began, Powell and his conservative peers were quite worried by what they saw happening in America. Naive trust in political and corporate leaders had shifted to suspicion and even hostility. New values were taking root in young people, part of a consciousness that was increasingly ecological, feminist, anti-war, and egalitarian. Powell's mindset, by contrast, had been shaped by the World War II glory years of American military and economic domination. He remained a staunch believer in American exceptionalism and in the idea of business, and political power, concentrated in few hands. Most board members and executives of the Fortune 500 brands (almost entirely white men) shared his views.

The emerging Boomer generation didn't. Their dissent and out-right protests were seen across the country. Meanwhile, a long list of factors was chipping away at the old, oligarchical model and their

profits, among them oil-price shocks and new legislation for civil rights, employee safety, and environmental protection.

Powell's response was an attempt to solidify a right-wing ruling class that would control the levers of power in perpetuity. "No thoughtful person can question that the American economic system is under broad attack," he wrote, before setting out his call to action: "The overriding first need is for businessmen to recognize that the ultimate issue may be survival—survival of what we call the free enterprise system, and all that this means for the strength and prosperity of America and the freedom of our people."

In the memo Powell singled out consumer-rights advocate Ralph Nader as a special threat. Nader was an early crusader against the disastrous impact of unregulated corporate activities.

"Perhaps the single most effective antagonist of American business is Ralph Nader, who—thanks largely to the media—has become a legend in his own time and an idol of millions of Americans. A recent article in *Fortune* speaks of Nader as follows: "The passion that rules in him—and he is a passionate man—is aimed at smashing utterly the target of his hatred, which is corporate power. He thinks, and says quite bluntly, that a great many corporate executives belong in prison—for defrauding the consumer with shoddy merchandise, poisoning the food supply with chemical additives, and wilfully manufacturing unsafe products that will maim or kill the buyer. He emphasizes that he is not talking just about "fly-by-night hucksters" but the top management of blue chip business."

Notably, Powell didn't quote Nader himself, but a caricature of him by *Fortune* magazine. It was a classic smear tactic. For Powell the demand for safe products and accountability was akin to Marxist revolution. This is a vital history lesson for those interested in progressive investing. As we put money in businesses that aim to do no harm and leave the world better, we still work in the cultural and regulatory hangover of an era where constraining big business in any way was considered dangerously radical or "socialist."

What did Powell propose? He urged business leaders to join forces and finance the influence of policies, elections, culture, and

regulation, with the Chamber of Commerce as a major base of operations. He advocated heavy funding of right-wing think tanks. He proposed a pro-business speakers' bureau and a "staff of scholars" to evaluate and challenge high school and university textbooks (and teachers) critical of capitalism and US policies. He encouraged the Chamber of Commerce to "enjoy a particular rapport with the increasingly influential graduate schools of business."

Big money began to flow to once-obscure organizations like the Hoover Institute and the American Enterprise Institute, and to new policy shops like the Heritage Foundation and the Institute for Contemporary Studies. These were part of a larger constellation of think tanks churning out policy recommendations, critiques, and academic articles that included the Manhattan Institute, the Cato Institute, Citizens for a Sound Economy, and Accuracy in Academe. Most of these were funded through the Business Roundtable, a group founded in 1972 whose mission was "the aggressive pursuit of political power for the corporation."<sup>12</sup>

By 1974 the Roundtable's 150 members included 90 of the largest 200 companies in the United States, accounting for almost half the American economy, who were spending \$900 million annually (about \$4 billion in today's dollars) to influence political leaders and promote various forms of libertarian, anti-government, "free market" ideology.<sup>13,14</sup>

I've always felt "free market" was a red-herring term. What its advocates usually mean is state socialism for corporations in terms of subsidies and benefits, and unassisted, dog-eat-dog capitalism for most citizens. The aftermath of the 2008 Wall Street crash, in which fantastically wealthy corporations were bailed out with hundreds of billions in public money, is a good example.

This is only a sampling of Powell's comprehensive map for take-over of the direction of society, and much of it came to pass. Perhaps the most alarming outcome was the creation of a generation of downwardly mobile, angry people, who through crass manipulation and fear-mongering have become the core voting base for right-wing political candidates who fulfill Powell's objectives. The

anti-government and anti-tax movements that grew out of these Nixonian strategies haunt us and drain the commons to this day, as we saw in the 2016 United States election of President Donald Trump.

In 1977, Carter's first year in office, ten CEOs from the Business Roundtable met with leading congressional Democrats to lobby them for the group's priorities. "The conventional wisdom is that they're extremely effective, for the very reason that they put themselves together," commented one legislative aide at the time. "When they come in here, it's not some vice president for public relations, but *the* president of GM, DuPont or another corporation coming in themselves. That has a hell of a lot more impact than some lobbyist."<sup>15</sup>

Conservative business leaders took Powell's advice to heart. "If our system is to survive," wrote Powell, "top management must be equally concerned with protecting and preserving the system itself.... Strength lies in organization, in careful long-range planning and implementation, in consistency of action over an indefinite period of years, in the scale of financing available only through joint effort, and in the political power available only through united action and national organizations."<sup>16</sup>

Forty years later, we are living in the world that these powerful conservatives helped create with their ideas and money. Paul Weyrich, cofounder of the Heritage Foundation and the Moral Majority, also helped found the American Legislative Exchange Council (ALEC) in 1973. ALEC's sponsors have included Coors, Kraft, Exxon, the Koch brothers, Altria, and Johnson & Johnson.<sup>17</sup> The organization helps members craft "model bills" for legislators to pass that advance pro-business agendas.

"To understand the magnitude of its influence," wrote *Washington Post* columnist Katrina Vanden Heuvel in 2014, "consider that of the more than 100 bills introduced between 2011 and 2013 to repeal or weaken minimum wage laws, 67 of them related back to ALEC."<sup>8</sup>

Vanden Heuvel noted that in 2009 alone, 115 of ALEC's 826 model bills were signed into law. The success is partly through

the dark arts of bill-bundling, as Rep. Mark Pocan—a Wisconsin Democrat who joined ALEC to monitor it and critique it—noted in 2012: “It’s very concrete advice that they give: ‘Don’t just introduce a single piece of legislation, introduce 14.’ That way people can’t oppose any one bill, which is actually very good strategic advice.”<sup>19</sup>

It may seem a bit shocking that such bills are able to pass without voter backlash. Shouldn’t a vision of a permanent, well-oiled patrician oligarchy ruling a perpetual underclass be a tough sell to most voters? They pass now, as they did in the 1970s, by being hidden in legislative bundles the size of a phone book—and thanks to rivers of money that pour into politics via lobbying and campaign contributions. But they also succeed because of a popular base of people who want to erase the complexities, failures, and vulnerabilities of the post-World War II era. So many people still want turn back the clock to a dreamy and mostly fictional Hollywood past of rugged individualism, patriotic parades, and home-baked pie. This longing for simple myths—like the patriarchal icon of the frontier hero who pulls himself up by his own bootstraps—has helped right-wing interests from Ronald Reagan to the Tea Party sell the public on cutting off their own public services, benefits, and power.

“Real power,” as Gautam Mukunda wrote in an essay on Wall Street in the *Harvard Business Review*, “comes not from forcing people to do what you want but from changing the way people think, so that they *want* to do what you want.”<sup>20</sup>

Reagan himself used the bogus concept of “welfare queens” bleeding taxpayers to justify his right-wing agenda of slashing social services—while quietly signing off on massive tax cuts for the wealthy. (Between 1981 and 1986 the tax rate on the highest bracket of earners was cut in half, from 70 percent to 34 percent.) Reagan also reduced the government’s share of estate tax and cut corporate tax rates. These cuts in revenue were not accompanied by the supposed reduced spending upon which genuine conservatives pride themselves. Reagan is renowned for his Cold War spending spree that racked up about \$4.5 trillion (in 2015 dollars) in defense budget expenses over eight years.<sup>21</sup>

Tax cuts to the wealthy have continued under successive presidents. Nobel-prize winning economist Joseph Stiglitz has commented that investing in anti-tax lobbyists gives the highest ROI to certain wealthy elites. “It’s a vicious circle,” said Stiglitz. “The rich are using their money to secure tax provisions to let them get richer still. Rather than investing in new technology or R&D, the rich get a better return by investing in Washington.”<sup>22</sup>

As for deregulating the financial industry—and we all know where that led—that also continued in other administrations, even under Democratic President Clinton. This shows how successful Powell’s social engineers were at shifting culture and politics to the right.

### **A 500-Year Calling**

That brings us back to the storm-swept Cortes Island visioning session that opened this chapter. Much of my experience with integrated use of capital has come from my partnership with Carol Newell, one of the heirs to the Newell Rubbermaid fortune. We met through the Threshold Foundation. Our mind-expanding conversation with friends around that glowing wood stove followed the 500-year anniversary of the arrival of Columbus on the North American continent. Sitting on an island named for a notorious conquistador, we reflected on five centuries of genocide, exploitation, and ecological destruction brought on by European colonization.

Of course there were also constructive outcomes of the meeting of cultures, but we felt it was time to acknowledge and deal with the whole legacy, including the ugly sides. Genocide and exploitation were systemic. What could we do in our lifetimes that would influence the next 500 years for the better? It was a thought experiment. A way to reframe our goals and intentions to a “seventh generation” approach. Thinking in generational terms is a valuable exercise in a culture where businesses and politicians are focused on quarterly bottom lines and two- to four-year election cycles. With that kind of vision, results may not be seen by you, or even your grandchildren,

but only by people far into the future. The payoffs are distant and you'll probably never get credit for them.

When I began sharing this 500-year concept publicly, I was fascinated to see it appear in Canada's conservative newspaper, the *National Post*—a publication that specializes in disparaging environmentally and socially progressive ideas. The columnist noted my long involvement with Hollyhock, a leadership and learning institute on Cortes where my wife, Dana Bass Solomon, has been CEO for 15 years. In particular he focused on our work bringing together diverse change agents at the Social Change Institute (SCI). "Coordination, cooperation and collective power is precisely the point of the Social Change Institute," he wrote. "And not just the institute: it's the point of all the efforts Mr. Solomon has brilliantly co-ordinated into a breathtakingly enterprising strategy."<sup>23</sup>

Your greatest praise sometimes comes from those who oppose you.

The *National Post* columnist latched on to our 500-year vision idea, ending his piece with the lines: "There are still 480 years left in Mr. Solomon's revolutionary plan. And this is only phase one."

As people who want to invest in change, what would it look to plan now for a 500-year impact, or even a 50-year impact? This is the kind of question, and intention, I love. It provokes imagination and creativity. You can see the power of such thinking in Powell's 50-year plan for a conservative American revolution, which has left such a tragic political and environmental legacy—not only in the United States but in Canada, the United Kingdom, Australia, Europe, and many developing countries.

As progressive investors and entrepreneurs, what we can take from all this is how much a long-term plan and combined efforts can accomplish. Abandoning a sole focus on the quarterly bottom line in favor of the long-term future is to break a spell, a hypnosis. If we believe the playing field is unfairly tilted against a regenerative economy that can restore the planet and bring social justice, then we need to play bigger—not only in the world of business but in the corridors of political power.

The place to start is with a more generative vision for long-term resilience. Enough of the winner-takes-all mentality. We can blend the best of the service and helping professions with the ingenuity of the marketplace. Business can be designed and led for complementing and collaborating with the public sector, creating a harmony of intelligent stewardship and innovation. Values melded with sophisticated strategy can accomplish great things.

While in my twenties in the 1970s I was just catching glimpses of these ideas. When I was helping mobilize the youth vote for Carter, I thought I might build my career in politics—partly because it was a way to dodge the family mall business back in Tennessee. I was done with the South, or so I thought, and my father would have approved of my leaving the business behind for the White House.

But when Carter won, I wasn't ready to commit to a political career. I needed time to think about who I was and what I really wanted to do. Why did my life matter? What was my path? What would I contribute?

Later these questions became more urgent and complicated. Mall business or not, I learned I wasn't going to escape a different type of link with my father. My father's family carried the gene for polycystic kidney disease (PKD), where multiple cysts grow on the kidneys. The cysts gradually crowd out kidney function, with an inevitable outcome of renal failure. My grandmother and aunt had died from it, as had many other members of that side of my family. I'd been tested as a teen, and showed no signs yet. But this possible "death sentence" was haunting me. If I turned out to have that shortened life gene, I wanted to know more about myself, the world, and the best way to live meaningfully.