

When John Hope Bryant talks about how to expand the middle class, I listen. I urge everyone to read this book and discover for themselves John's great ideas for creating an America with more shared opportunity and shared responsibility.

—PRESIDENT BILL CLINTON

THE
SOLUTION
FOR THE
100%

HOW THE
POOR
CAN SAVE
CAPITALISM

REBUILDING THE
PATH TO THE MIDDLE CLASS

JOHN HOPE BRYANT

Foreword by AMBASSADOR ANDREW YOUNG

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More Praise for *How the Poor Can Save Capitalism*

“This book does not attempt to explain all of the economic inequality that exists in today’s society but instead imagines solutions. The weakness of most theories on resolving inequality is that they do not speak to the imagination. John Bryant speaks to our imagination and delivers an inspiring message for young people that imagination and self-determination are the only tools needed to change the world. A critical reminder for Americans that there is no finality to being poor.”

—**Philippe Bourguignon, Vice Chairman, Revolution Places; CEO, Exclusive Resorts; and former co-CEO, World Economic Forum**

“Economic immobility is the defining issue of America in the 21st century. John Hope Bryant makes an engaging case for why we must make our economy work for everyone. *How the Poor Can Save Capitalism* is a must-read for business leaders, policymakers, and community leaders who want to make the American Dream a reality for all our children.”

—**Ben Jealous, former CEO, NAACP**

“John Hope Bryant’s brilliant new book is the key to making capitalism work for everyone. Bryant writes from his heart and his personal experience as a former homeless person who has become enormously successful by investing \$500 million to help the poor become financially literate *and* financially successful. Bryant’s strategy and his humanity can transform society and heal the wounds that keep us apart.”

—**Bill George, Professor of Management Practice, Harvard Business School, and author of *True North***

“Bryant’s offering is a critically thought-out, comprehensive, and clearly articulated remedy that will advance our suffering and stymied community. And it’s written beautifully and boldly from a perspective of deep understanding and compassion and a heart full of love.”

—**Susan Taylor, former Editor-in-Chief, *Essence* magazine, and current CEO, National CARES Mentoring Movement**

“This book sets out a clarion call for dramatically increasing the financial capability of the undeserved and through that step encouraging their native-born instincts of entrepreneurship. Setting forth real-world examples of success from the great works of Operation HOPE, John Hope Bryant puts forth a common-sense game plan, which, if followed, will provide a better future for our nation. Let’s go!”

—**Richard Ketchum, CEO, FINRA**

“John Hope Bryant is the essence of his middle name: *Hope*. A planter of the same, he invites us to cultivate by seeding hope, investing in hope, nurturing hope, and harvesting hope. He extols not a hand out, but a hand up. And what is the rope that pulls us upward? It is hope, hope such as seen in the middle class, the upward spiral that determines and differentiates between ‘rich’ or ‘poor.’ Self-determination is the new definition of freedom, and both are dependent on financial

literacy. The latter provides the quartet of harmony: education, self-esteem, real choice, and real opportunity for all. This is the essence of hope. The author may be summarized in his own words: The hope factor, then, is a good job and a shot at aspirational success. Our major issue today is not so much about race, the color line, or social strife as it is about class and poverty. *Let the people say amen.*"

—**Rev. Cecil L. "Chip" Murray, former Pastor, First African Methodist Episcopal Church, Los Angeles, and Tansey Chair, Center for Religion and Civic Culture, USC**

"John Hope Bryant has set out to save America by returning her to the nation's founding idea—a sustainable, growing middle class that serves as a beacon to others, a light on the hill. That's just not possible while 80 percent of the population has only 7 percent of the money. But Bryant has a plan to make free enterprise work for the poor, by providing mentors, building dignity and confidence, and enabling access to money and financial literacy. It's the right idea at the right time."

—**Sean Cleary, Member of the Board, The Abraaj Group, and Vice Chair, FutureWorld Foundation**

"John Hope Bryant's third book is finely focused on the causes of the dearth of financial literacy and the needed tactics to improve it through education and inspiration of both adults and children in the United States and other countries. A financially educated and inspired public will make better decisions in both their personal and working lives, which will yield a stronger economy and more broad-based opportunities for everyone. While I certainly don't agree with the positions of some of the people noted in the book, the achievement of John Hope Bryant's recommendations will likely require the broadest possible participation and support. This book proposes solutions, goals, and opportunities for us all to be part of the needed work."

—**Jim Wells, former CEO, SunTrust Banks**

"The greatest leaders of America have been about dignity. Abraham Lincoln ended slavery, but less known is that just before his death he founded the Freedman's Savings Bank to empower former slaves economically. Martin Luther King, Jr., was not only about civil rights—he was assassinated when he started his Poor People's Campaign for all races. In this book, John Hope Bryant lays out an inspiring and concrete plan on how to realize the unfinished vision of Lincoln and King. This book is not only to be read but to be implemented. This book operationalizes dignity in the economic field."

—**Professor Pekka Himanen, cofounder, Global Dignity**

"John Hope Bryant's work on the flaws of capitalism and what can be done about them not only is very timely but also responds to a growing global hunger for a more responsible and equitable model. His accessible style, personal reflection, and heartfelt commitment to driving change make this a must-read for all those who care about the future and a practical guide for policymakers and leaders. For too long we have overlooked our interdependency and the true value of human capital—Bryant makes an eloquent and rational call for us to put poverty and inequality right back at the top of the agenda."

—**Clare Woodcraft, CEO, Emirates Foundation**

HOW THE POOR
CAN SAVE CAPITALISM

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HOW THE POOR CAN SAVE CAPITALISM

REBUILDING THE PATH
— to the —
MIDDLE CLASS

John Hope Bryant



Berrett-Koehler Publishers, Inc.
San Francisco
a BK Currents book

How the Poor Can Save Capitalism

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Berrett-Koehler Publishers, Inc.

235 Montgomery Street, Suite 650

San Francisco, California 94104-2916

Tel: (415) 288-0260, Fax: (415) 362-2512

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First Edition

Hardcover print edition ISBN 978-1-62656-032-1

PDF e-book ISBN 978-1-62656-033-8

IDPF e-book ISBN 978-1-62656-034-5

2014-1

Book producer and text designer: BookMatters, Berkeley, CA

Copyeditor: Todd Manza

Proofreader: Nancy Evans

Indexer: Leonard Rosenbaum

Cover designer: Kirk DouPonce, DogEared Design

This book is dedicated to the unfinished agenda of Dr. Martin Luther King Jr. and his strategist in the movement for human dignity and empowerment, my personal hero Ambassador Andrew Young. Dr. King's efforts for the Poor People's Campaign was cut short by an assassination, before it ever had a chance to rise up and engage a nation's better angels.

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FOREWORD

John Hope Bryant has made a wonderful, original, and visionary contribution for all of those who want to see economic inequality shrink in their lifetime. Business executives take note and follow the steps in this book! Every high school senior or college freshman should read this book. And every teacher who's teaching economics or religion also must read this book. John Bryant has condensed more information and experience in a couple of hundred pages than most any other book I've recently read.

What he says is not new, but it's presented in a fashion that is not primarily academic or intellectual. Nor is it simply a collection of business models and statistics. It really is quite prophetic.

This book is in the tradition of John Maynard Keynes's *The Economic Consequences of the Peace*, written in 1919 and ignored until the Marshall Plan was proposed in 1947. It is in the tradition of University of Michigan professor C. K. Prahalad, who wrote about *The Fortune at the Bottom of the Pyramid*. It is in the tradition of Muhammad Yunus, the "poor people's banker," and the Grameen Bank experience in Bangladesh. And John reminds us most of all that America is a summary

of all of these economic thinkers as well as the vision of Isaiah springing with hope eternal from the ashes of a destroyed Jerusalem.

John Bryant used to worry me to death. And then suddenly I realized it was not worry; it was a warning. He was calling me to life. And he was calling me to realize that one cannot afford to slow down or be tired, even after eighty years of struggle. I realized that there is too much to do, that there is an urgency in today's economy and on today's planet that can only be answered with the energy and vitality inherent in youth and the experience and wisdom inherent in old age, combining to create a courageous new world order.

As mayor of Atlanta I learned that, as far as cities are concerned, national economies are mostly irrelevant. To survive, cities must join together in a global economy. And technology, which transcends borders, is far more powerful than any laws created by councils, legislators, or Congress.

John Bryant is a man born into the world of the local streets and alleys of Watts and Atlanta who now walks into parlors with presidents and princes and probably talks to a greater variety of important people in a week than most CEOs do in a year. That's because he talks to important people not only in the suites but also in the streets. And his ideas have come not through our universities or the inherited ideas of the European free market but from the strivings and struggles of small business and church neighborhoods like the one he grew up in.

I'm fascinated by the impact that John's experience as a *Soul Train* teenage dancer had on his life. If there's one thing that inspires self-esteem, confidence, and rhythm, it's dancing. It's not only John's dancing on *Soul Train* but also a young

David dancing around the Ark of the Covenant and Nelson Mandela toyi-toying his way to freedom in South Africa. Life is a dance. And when we are filled with rhythm and vitality we constantly exude hope and optimism, making all things possible. There is no such thing as failure. One must follow Frank Sinatra's example and pick ourselves up and get back in the race, because that's life.

That makes John an artist as well as a businessman. But he is a businessman who is not interested in generating personal wealth but in helping to awaken the vitality and the idealism of the world's poor, to integrate them and their entrepreneurial energy, along with their consumer power. John's hope is to revitalize the global economy of the twenty-first century.

There is more wealth in today's world than has ever existed in history. There is a greater capacity for, creation of, and access to technology than ever before—technology ranging from satellites orbiting the earth to geologic soundings in the depths of the sea, technology that proves that almost everything and anything is possible. At the same time, there is also a greater understanding of the world's needs than ever before. We can predict droughts and we can analyze the failure of the earth's surface to regenerate its topsoil, as Howard Buffett reminds us in his book *Forty Chances*.

The energy and vitality that John Bryant brings to life, the whirling dervish of energy and aggressiveness, is not that of a folk seeker but of a watchman who sees the distant dangers of chaos resulting from massive numbers of unemployed youth in our central cities and in the alleys of Delhi, and in the rural storms emerging among China's poor. He is a watchman who sees the terrorism that plagues the Middle East and the rest-

lessness among the masses in Brazil, South Africa, Nigeria, and Russia.

He has experienced firsthand the statistics that Jim Clifton records in his prophetic book *The Coming Jobs War*, which says that a planet of seven billion people cannot be sustained with only 1.2 billion jobs, that the very survival of humanity, rich and poor alike, depends on finding ways to mobilize, innovate, generate another one billion or two billion jobs. Jobs cannot be created by wars or by governments. Jobs must somehow evolve through the interaction of vision, need, energy, and even a little greed. But greed alone only produces the wealth of the rich young ruler who, after gathering his riches into barns, was confronted by the reality that “this night thy soul is required of thee.”

John Bryant is pointing to a choice between judgment and jubilee. And I think Dr. King would be proud of his efforts to inspire us to feed the hungry, clothe the naked, heal the sick, set at liberty those who are oppressed, and, in the process, create and enjoy the abundant life that the Bible promises for all of God’s children.

*Andrew Young
former UN ambassador,
civil rights organizer,
and mayor of Atlanta*

INTRODUCTION

This book is about saving America. All of America. Not black folks or Asian, Latino, or Native American folks. It's not about white folks. It's about all of us. As I make the case here, whether you are black, white, red, brown, or yellow, increasingly everyone just wants to see some more green—U.S. currency, that is.

Dr. Martin Luther King Jr. said that the movement of his day and age was intended to “redeem the soul of America from the triple evils of racism, war, and poverty.” Interestingly enough, Dr. King's work also was not about black people per se. African-Americans just happened to be at the tip of the spear in the era that began in 1958. Dr. King and my mentor, former UN Ambassador Andrew Young, genuinely thought that we make America better, stronger, more resilient, more valuable, and more valued when the nation has the benefit of everyone rowing in the waters of prosperity, dignity, and human aspiration. By 1968 Dr. King had turned his attention to a Poor People's Campaign that involved and sought to engage the whole of America, every race. The reality is that there are more poor white people in America than poor anyone else.

This book focuses on the challenges and, more important,

the economic opportunity for America. Not opportunity for the 99 percent or the 1 percent but opportunity for the 100 percent that makes up our collective whole and our strength as a nation. By extension, I hope to inspire a generation of leaders, here and around the world, to act on things they might have previously thought unsolvable.

We step into a minefield of perspective and controversy when we say we set out to radically reimagine the solution to poverty. And we go even further when we seek to redefine our collective understanding of poverty itself. This book is meant to be bold, to turn so-called social and societal norms on their heads.

My radical reimagining of the definition of poverty is what I call the HOPE Doctrine on Poverty. This approach to defining poverty is a departure from the status quo, because the current definition, respectfully, misses the point completely. It is limited by its sole commitment to numbers. But if we restrict the notion of poverty to a purely statistical interpretation, as our government is understandably required to do, we miss the human element.

As I speak about poverty, I am an outlier. In so doing, there are some things I am *not* going to do:

- ▶ I don't intend to argue about absolutes.
- ▶ I am not an economist. I do not hold a degree in economics. So I don't intend to opine on academic theory. We have enough credible theory already in circulation, and this is not an economics textbook or an academic treatise.
- ▶ This is not polemic intended to stake a claim to philosophical territory. I do not hold a degree in philosophy, either.

And let me make this clear: this book is not about socialism, and it is definitely not about communism. Communism has failed completely, and socialism simply cannot work in the United States. Government has its place in our society, but we must all remember that 92 percent of all jobs in the United States come from the private sector. Even China, a communist country, has chosen capitalism. I have come to believe that capitalism is a horrible system—except for every other system. And no one has ever tried to make free enterprise and capitalism work for the poor and others left out and left behind in America, at scale.

This book is nothing if not practical. And so is my definition of poverty. After growing up as part of the teetering class in South Central Los Angeles and Compton, California; after being homeless at the age of eighteen; and after working over the past twenty-two years with everyone from the working poor to the working class to the struggling middle class, in the offices of Operation HOPE, I feel as though I understand modern poverty.

The HOPE Doctrine on Poverty says that there are three things that define poverty and struggle more than any set of financial numbers ever could: self-confidence, self-esteem, and belief in oneself; role models and environment; aspiration and opportunity. Or the lack of these things.

Self-confidence, self-esteem, and belief in oneself. In this country, if you wake up in the morning and you don't know who you are, by dinnertime someone will tell you who you are. If you don't have self-confidence, you are in serious trouble in America—and maybe anywhere.

Role models and environment. Think about your family and your immediate community. If your role models are negative, the only aspiration you see around you is illegal, and if your immediate environment stinks, then your well-being is going to take a real hit.

When we think about this, why is anyone surprised if inner-city youth grow up wanting to be rap stars or athletes—with no disrespect intended to either of these professions—or, unfortunately, drug dealers? Life is very simple: you model what you see. These kids are not dumb; they are brilliant. They are modeling what they see.

Finally, life is about aspiration and opportunity. If you don't have the opportunity, the chance, the shot at operationalizing your smarts, your talents, or your education, then life has a concrete ceiling rather than a glass one. You feel that all is for naught, so why try in the first place? You lose hope, and the most dangerous person in the world is a person without hope.

Harvesting in the Plot of the Poor

As I look for real, sustainable solutions to the poverty and lack of opportunity I see every day during my work at Operation HOPE, I have come to a strange conclusion: We have most likely locked up and thrown away the key to some of the very character traits that are required to stand up a community, create an emerging market and jobs, and grow local economies. We have actually tossed away the portion of society that we need to save it, leaving the elderly, the infirm, the young, broken families, or the traditional job striver to save a faltering community.

What would happen if all of these otherwise brilliant young people, whose main role models for “success” in their communities are drug dealers, rap stars, or athletes, instead were given a proper business role model or a business internship? Maybe it would change everything.

It did for me.

There is a complete disconnect of the capitalist system from “the least of these,” and this disconnect weakens the system for the very people who think the poor aren’t their problem. Locking people out—denying them access to information, finance, and opportunity—is what happens when capitalism is lazy. Retreating behind our gates is what happens when capitalism is scared. On the other hand, a harvest in the plot of the poor is what can happen if we are all willing to do the real, sustainable, transformational work that builds a nation.

Harvesting in the plot of the poor has two sides. We invest our time and our finance, yes, and our investment may be based on our beliefs and desires, but we must also respect that the plot itself belongs to the poor, the underserved, the struggling classes. That plot may contain only their ideas or their sweat equity in the form of time, energy, and commitment to advancement, but whatever it is, it must be respected as theirs. It must be valued, and it is valuable.

What I am talking about is creating an amazing bumper crop that sends gross domestic product and the stock exchange through the roof, and that is as American as apple pie. In fact, *it’s a pie that creates more pie*. But to get that pie, we must first plant, water, nurture, and harvest the apples.

The fact is, we have done this before. This humble cultivation of and commitment to finding everyone’s talent is where

America began. We have not always been well-to-do or able to walk away from ourselves and each other. We once needed each other. Desperately so. America the beautiful as we now know it was once made up of the broke and the under-resourced, a mostly immigrant population that came here to escape oppression and a limited life somewhere else. This is something to remember, by the way, when someone is talking about those “illegals.” America is a grab bag of immigrant vagabonds from the world over, and a majority of her most amazing entrepreneurship success stories are also stories of struggling immigrants. These are the people who produced a country that is now the envy of people all over the world who *still* want to come here.

But we have been comfortably riding this wave for far too long, and now it is time to produce a new harvest.

Andrew Young often says to me, “Men fail for three reasons: arrogance, pride, and greed.” All three of these things are rooted in insecurity and fear, and doing the wrong or utterly selfish thing most often happens when fear and insecurity overtake our being, our inner reason. The key to winning is to get over these insecurities and fears, to first conquer ourselves and to learn to become reasonably comfortable in our own skins. I cannot like you, love you, or respect you unless I like, love, and respect myself first. But the dangerous other side of this is also true: if I don’t have a purpose in my life, I am going to make your life a living hell. The poor and the underserved must be given a stake in this thing we call America or I promise you they will tear it up—right before they tear it down. This is not an alarmist statement. The most dangerous person in the world is a person with no hope.

So I am not suggesting that we cultivate the plot of the poor because it is morally right, even though it is, but because it just makes good, sustainable sense. We must do it because it is the only thing left to do that has half a chance of working and of benefiting both the powerful and the dispossessed alike. Far from being a dilemma, then, the decision to include the poor is both obvious and necessary. Unless we want to hand over to our children a world that has simply come off the rails of sanity, it is in the enlightened self-interest of us all to make the right decisions now.

This book is about saving America and returning her to her original promise, her original founding ideas and ideals. It is about planting, nurturing, and growing a sustainable middle class, creating once again what my friend Steve Bartlett, former president and CEO of the Financial Services Roundtable, calls a “light on the hill.” This is a place where the new, twenty-first-century definition of freedom is expressed as self-determination—the opportunity that comes from one’s own hands and one’s own bold ideas connected to action, personal risk, personal investment, and hard work. This book is about creating a new, sustainable business plan that returns this country to its original big, bold, audacious dream. This idea is both utterly liberal and the very definition of conservative at the same time.

If I give a homeless man a million dollars, there’s a pretty good chance he will be broke and homeless once again in, say, six months, because he has not been given the additional nurturing or resources that would enable him to create a different path for himself. Sympathy has its place, and pure charity is absolutely necessary and essential, maybe more so today than at any time in recent history. But only an intelligently applied

approach of empathy, rather than a liberally spread dose of sympathy, is sustainable with respect to national policy and a competitive market economy.

America is not a country; it is an idea. And we can reimagine it to be anything we like.

PART I

SEEDING HOPE

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Separate, Unequal America

I am aiming to turn upside down some “truths” about the economy, jobs, where wealth comes from, and who stands to gain the most if we tap the armies of ignored and “inconvenient” poor and working poor who are presently left on the sidelines. We have some big problems and challenges to address, but despite what we might hear on the evening news, the United States remains the largest economy in the world, at approximately \$16 trillion in annual gross domestic product.¹ Our best years are not behind us. We have enormous human resources of wealth creation and opportunity just waiting to be unleashed.

The future of our economic story fully depends on overturning these powerful myths about how the economy works for the rich, the poor, the middle class, and everyone in between. We are all called to leave our comfortable assumptions and to arrest the crumbling of the American dream that built this country in the first place.

For instance, consumers—not businesses or governments—power the bulk of our massive economy, with fully 70 percent of the economy dependent on consumer spending.² This means that you and I are driving the largest economy in the

world, by purchasing everything from iced cappuccinos to ice shovels, from gas to put in our cars to the cars themselves. Sustained economic growth and the fortunes of the other 30 percent of the economy represented by businesses and governments, therefore, depends on the economic vibrancy of ordinary consumers, most of whom are not wealthy.

Even so, these ordinary Americans are much more reliable spenders than the wealthy; the bottom 80 percent of the American workforce spends 90 percent of its income, whereas the wealthiest 1 percent spends only 49 percent.³ The average American cannot afford *not* to spend the bulk of his or her paycheck on the basic necessities of living, but the rich simply make too much to spend it all. Ordinary Americans are the coal that feeds our economic locomotive, and if Wall Street, banks, and large corporations are going to make their numbers and increase their wealth, they need this segment of the economy to become more economically strong and stable. This invariably means expanding opportunity through well-paying jobs and small businesses, along with financial inclusion and know-how.

But the “bottom” 80 percent of consumers, the backbone of the economy, owns only 11 percent of the nation’s money.⁴ We’re now building the consumer-driven 70 percent of our economic growth on the backs of those who have only a 7 percent stake in the system, and as many as ten million of these consumer households don’t even have a bank account.⁵ When the poor, the underserved, and the struggling middle class start feeling uneasy about the future, or when they are out of work or out of money, they stop spending on consumer

products. And when they stop doing this, everything else stops as well.

The people driving our economy get little regard, less respect, and almost no consideration for doing so. Although the system works well for some, it is leaving many behind, and as a result it is understandably coming to an end.

What might happen if we instead place faith and confidence in and support those who can actually lift our economy—who already do, through their consumer spending alone? Just imagine if we viewed the poor as something other than a tool to be used, taken advantage of, and taken for granted. What if we actually valued the poor? After all, the rich need the poor, if for no other reason than to remain rich themselves.

Helping the Poor to Transform America

We must value the poor and, through them, transform America. As Dr. King said in his 1964 Nobel lecture, “No individual or nation can be great if it does not have a concern for ‘the least of these.’” Dr. King was referring to Matthew 25:40, where Jesus said, “Inasmuch as ye have done it unto one of the least of these my brethren, ye have done it unto me.” I believe Dr. King was both morally correct and economically profound.

We don’t have to settle for capitalism the way we have it, or the way it’s been. We can refashion and reimagine capitalism as we would have it, and then do something other than complain about it. We can finally make free enterprise and capitalism actually work for the poor, the struggling classes, and the least of God’s children. The world has never tried it at

scale, but this is precisely my plan. In this plan, everyone gets a role to play, not just the president and other elected officials, big business, or big banks. This is our country, our world, and our communities, and if change is to come, we must drive that change.

Reimagining the Poor

So the first myth that we need to overturn is the idea that poor people are somehow not relevant to our economic growth. The second myth is that the poor somehow did this to themselves—that they are all bums and deserve to be poor because they're lazy, have bad habits, or possess a horrible work ethic. Our logic then follows: "Why should I help someone who deserves what they got?" That would make perfect sense, if it were true.

Even I used to think this way. Growing up black in the inner city, in a diverse neighborhood of striving and struggling families, attending public school, I had to find a way to deal with all the dynamics that came my way on a daily basis, to deal with difficult people, and to negotiate myself out of almost any tough situation. I was never the biggest kid, or the toughest, and, unlike the rich of this nation, I could not build the equivalent of a gate around my existence, so I had to try to be the smartest kid. One of the ways I dealt with what I saw, then, was through rationalization. I thought I understood poverty. I convinced myself that the poor people I saw were all bums and I had a dozen reasons to be against them. I now know I was wrong, and I also know that to rationalize is to tell rational lies. I was only fooling myself. And this is the worst deceit.

What I didn't understand was all the external factors that helped me to avoid becoming one of "them." I had a mother who told me she loved me and a father who was the role model I needed to see in business. I had a banker come into my classroom when I was nine years old and unpack the mysterious world of free enterprise and capitalism, explaining to me the "language of money," financial literacy. I was so totally focused on dreams and was so hopeful about my future that I seldom noticed the actual causes of all the drama and mayhem that surrounded me on a daily basis—lack of financial literacy, lack of access to banking and credit, lack of real estate ownership, lack of role models and opportunity. Lack of self-esteem.

I didn't get out because I was the brightest or most talented kid on my block. I knew plenty of brighter, more talented kids who ended up on an economic dead end or even just plain dead. I got out and did well because of the hope factor that surrounded and encompassed my life. But when this magic doesn't happen in a kid's life, and when the factors that actually drain opportunity happen often enough, then kids begin to lose hope. And the most dangerous person in the world is a person with no hope.

When enough people are deprived of hope often enough and for long enough periods of time, then a community's culture itself gets hijacked. Hijacked by thugs and thug culture. Hijacked by all the elements and the operators who seize on and even live on that loss of hope. Over time, people, cultures, and communities respond internally to how they are treated externally. Tell someone they aren't valuable or important and, in time, far too many of them begin to believe it.

Recreating a Pathway to the Middle Class

A poverty of hope cannot be solved with a nice apartment, a new car, or even a new school building in a neighborhood. This problem has to be attacked from all sides to prevent a self-perpetuating cycle in which the very poverty of the poor seems to justify the poverty itself, in which we come to think of the poor as noncontributing members of society who somehow did it to themselves.

In order to do this, we need to recapture that old hope that if you work hard, keep your nose clean, go to school and get good grades, pay your taxes and your emotional dues, it will pay off in a fair shot at the American dream and your children will have a legitimate shot at living an even better life than you. Today, both of these dreams seem to be shattered, not for just the poor and the underserved but also for the struggling middle class. Today, the bet seems to be off, or even lost, and the crisis that is spreading now is really more of a loss of confidence than a loss of net worth or home equity.

People don't mind taking risks and losing a little, maybe even a lot, as long as they believe there is still a legitimate shot at the dream. People don't mind that the lucky, fortunate, and hard-working get rich, because to be blunt and honest, they all want to be rich too. The problem arises when people begin to believe that the game is rigged, that no matter what they do they simply cannot get ahead. That is when a healthy skepticism turns into a destructive cynicism.

There are increasingly few or no clear pathways to the middle class, but unfortunately, most unaffected people do not care. Poverty was not debated or even substantially spoken about

in the most recent presidential election. It is out of vogue to discuss the poor, much less to be poor. And even among those who want to help, the answer is all too often, “I would love to help, as long as the solution doesn’t increase my taxes, cause me inconvenience, or happen in my backyard.”

But we should all care, because the fate of the poor is the fate of us all.

Consider Detroit, Michigan, which recently filed for bankruptcy. Fifty years ago Detroit was an economic hub, a center of culture and manufacturing jobs, home of some of the largest industries, companies, and employers in the world, supplying American-made automobiles to a burgeoning American middle class. Stable jobs, good wages, and benefits fueled a thriving middle class, and families and neighborhoods flourished. Back then, Detroit was the fourth-largest city in the nation, with more than two million residents, and boasted the largest per capita income in America.

Today, the entire automobile industry is a shell of its former self, and after decades of decay and retreat, the population of Detroit has declined to about seven hundred thousand and the unemployment rate stands at more than 18 percent. Those stable, high-paying jobs have been replaced by technology and global competition, resulting in a complete collapse of the economy.

This wasn’t the fault of the workers. Instead, Detroit’s leaders lost sight of that story line, and a city about the many, which found a magical way to ride a wave up, increasingly became a city about the few, where everyone concerned rode the original dream into a deep fiscal ditch. The leaders forgot about the struggling class that made the city in the first place. Detroit

made things and Detroit remade things but Detroit didn't reimagine things as they could be, rather than just the way things happen to be today.

For instance, the original mission, vision, and purpose of the trade unions in Detroit was workers standing together to protect themselves and ensure a decent standard of living. But today most people in Detroit could not actually tell you what that original mission was. Instead, the unions began to see their role as simply guaranteeing jobs, raises, and benefits, to the point that worker health insurance is today one of the largest expenses for a Detroit car manufacturer. General Motors planned to spend more than \$60 billion on employee health insurance, an average of \$1,400 per automobile coming off the line.⁶ Its biggest expenditure would thus be employee benefits, not a new-technology engine that runs on alternative fuel or a newly designed emissions system to reduce carbon dioxide levels.

Detroit went broke long before it went bust; it ran out of ideas. This isn't the fault of the poor, but this is one of the reasons the poor stay poor, and it is one of the reasons that Detroit became the largest municipal bankruptcy case in American history.

Or consider Chicago, a city on the bubble and simultaneously at a radical hundred-year tipping point. It could go either way—it could become a model for breakthrough transformation of cities or it could crater. Chicago is an economic engine of the Midwest, home to countless Fortune 1,000 companies, yet Chicago is today a tale of two cities. There is the posh Chicago, which is a national tourist mecca, and the other Chicago, which locals call “Chi-raq”—a locked-down, suffocating war

zone where forty-five young people from urban, low-wealth communities were shot or stabbed in one weekend.⁷

Chicago's leadership is understandably throwing everything it can at the problem, from increased law enforcement to stronger sentencing to traditional summer youth employment options. In other words, their solutions are both reactionary and visionary, both fear-based and aspiration-based. But the current crop of aspirational incentives is not very aspirational. Instead, they are merely functional. And that's a problem.

No powerful trade union or law enforcement agency can keep a city's economy alive by itself. Likewise, cities don't thrive because of law enforcement, although civilized society requires both. Cities thrive when there is a high level of individual economic energy and at least the perception of enough opportunity to go around. And all of this is about one thing: hope made real through a pathway to the middle class. This requires an allowance and an opportunity for everyone to become a stakeholder in that city's dream. Not a creditor to the dream, not a supplicant, usurper, or bottom fisher to the dream, but a stakeholder, a participant, a partner in that dream. It's not what we get but what we have to give that matters most.

If we want to save America, we must save its cities, and the only way to save America's cities is with a vibrant and believable pathway to the middle-class American dream. Middle-class people and families don't want war or strife, they want to go shopping! Actually, they just want economic opportunity. The best stabilizer of societies, here and around the world, is not twenty-year-olds armed with AK-47 assault rifles but ten- and fifteen-year-olds armed with hope, economic energy,

opportunity, and a dream of a life better than their parents. Currently, the economic energies of the poor are neglected or wasted. They're outside the system.

Teaching the Language of Money

It's time for a rebirth of America, in America, by America. It's time for us to reimagine everything. Currently, we are comfortable helping the poor with philanthropy, government assistance, or microfinance, but these solutions are all inadequate. The poor don't just need "help"; they need investment. They need to be treated as customers and job creators. The main driver of freedom in the world today is not the vote but access to capital and knowledge about how to use it (self-determination). That means financial literacy education, financial capability, and financial and economic empowerment. If people don't understand the global language of money, and if they don't have a bank or credit union account, they are simply an economic slave. Thus, access to finance and financial literacy is a new civil rights issue.

I have gotten to this point of my life precisely because of the rights restored to me from and through the original civil rights movement here in America. I was able to dream big dreams as a child because of the struggle, sacrifices, and investment made by my mother, my father, my uncles and aunts, my grandparents and great-grandparents, and others. I had great role models. But this history and these people could not completely help me to get to the place I wanted to go next, the place where the poor, the underserved, and the struggling classes need to go next.

The poor and the underserved have never gotten a memo, a manual, or any education in free enterprise and responsible capitalism. Poor neighborhoods and communities simply make the rules up as they go. It's not surprising that these communities have fallen behind; the amazing part is that they have done a pretty impressive job of this thing with no help, almost no guidance, and zero role modeling of real wealth creation. Unfortunately, the vast majority of these economic shortcuts implode in time.

My father, the businessman that I modeled most growing up, got up early every day, worked all day, often six days a week, got home late. He also employed other people and was the very definition of "hard work." At one point he owned a small business, a gas station, an eight-unit apartment building, even our home.

He also ran a concrete contracting company, laying driveways and building the most beautiful brick walls. But he had a unique way of bidding jobs. He just underbid whoever was there right before him, which meant that while my father got the most jobs, he also lost the most money. For every dollar he made he spent roughly \$1.50, which meant that the more money he made the more broke our family became.

After fifty-five years of running a business this way, my dad ended his amazing career dead broke. After a career of hard work, saving, and sacrifice, he lost everything. He knew all about hard work but he had learned almost nothing about the language of money, financial literacy. And not only did we lose everything but also our family fell apart. My mom and dad divorced; my brother never got to go to college. My dad made a series of bad financial moves, which in time and like

dominoes ultimately derailed all of our life aspirations. But this wasn't entirely his fault.

This is only one, personal example. There are countless stories of the once poor and now famous rap star or the professional athlete with a multimillion-dollar contract. These superstars earn the money, but when it comes to figuring out what to do with it, they are winging it. And winging it, with a one-shot opportunity at that kind of money, generally works out very badly. Sixty percent of NBA players and an alarming 78 percent of NFL players will file for bankruptcy within five years of retirement.⁸

Or look at the guys who sell drugs and eventually find that their only real assets include a cool wardrobe, a hot car (with horrible financing attached), and a roll of dollar bills burning a hole in their pockets. They don't own real estate, they have no savings, and in most cases, they don't even have a bank account. They're essentially living an expensive, high-gloss version of hand to mouth.

When young people are not given financial education, and when schools don't seem to connect the power of education with the power of aspiration, those young people understandably start looking for shortcuts to financial success. And when such shortcuts are modeled on the high-profile shortcuts people see on TV or the things they see in their communities, they are likely to be headed for the strongest and most painful failure. None of this stuff works in the long term. It just feels good in the moment. It is the very definition of winning battles and losing wars.

This ripples outward in a self-perpetuating cycle. Many American communities exhibit this short-term, get-it-now,

looks-like-success-so-it-must-be-so version of winging it, at scale. Add a thugged-out culture that is increasingly dropping out of school and simultaneously losing hope and you have a prescription for an American societal crisis within twenty years.

It is simply not sustainable, and all of it feeds and feeds on hopelessness. What we need now is a reset, and a new business plan based on real financial literacy.

The Freedom of Self-Determination

But financial literacy, access to credit and banking, is not enough without opportunity. In the twentieth century, the definition of freedom was tied to what was going on in the wider world—a handful of defining movements toward emerging democracies, led by leaders such as Michael Collins in Ireland, Mahatma Gandhi in India, and the late Nelson Mandela in South Africa. The United States, of course, has been blessed with leaders such as Julian Bond, Amelia Boynton, Medgar Evers, Marian Wright Edelman, Dr. Dorothy I. Height, the Reverend Leon H. Sullivan, Dr. King, Congressman John Lewis, A. Philip Randolph, the Reverend C. T. Vivian, Andrew Young, and Whitney Young, leading a homegrown civil rights movement.

In each of these places, the primary issue was race, the color line, and social strife, and the cure was almost always democracy and the right to vote, which in turn ultimately triggered real changes in public leadership, important laws, and the public policy governing fundamental issues of fairness and fair play. Looking back on the twentieth century, I think it is fair to say that democracy indeed won this fight.

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