



Point of View

Dear Marketplace Friend,

Leaders are Readers. Books are timeless; magazines are trendy; newspapers are timely. I ingest 'em all.

Yesterday, in "The OC," the local Marketplace (Business) section in **The Register** featured a story - complete with eight photos - on Henry T. Nicholas III, co-founder of chip-maker Broadcom. Their headline: "How Superman Lost His Power." By the age of 40, he was a self-made billionaire who had made thousands of employees into millionaires. Broadcom's IPO was just 10 years ago. Opening day, they sold at \$4/share. Two years later, they peaked at \$172; today, they're hovering around \$27. Alongside that roller-coaster stock ride ran the personal life of their co-leader. Today, Nicholas is under indictment on federal charges for securities fraud and distributing drugs. His mailing address is a residential drug treatment center in Malibu. His wife and family are long-gone, and his private life is now public record. As The Register said it, "Hard-Driving Executive Lived High Life."

Nicholas inhabits a rare environment in the American sociological bellcurve. According to authors Russ Alan Prince and Lewis Schiff, writing in ***The Middle-Class Millionaire: The Rise of the New Rich and How They Are Changing America*** (Currency/Doubleday, 2008), Nicholas is among the "Ultra-Rich,"



people with a net worth in excess of \$10 million. Though often more visible - because of the fawning press and insatiable paparazzi - than the rest of us, they have been found to lack influence. The actions of this privileged class do not trickle-down to the rest of the populace as a model to follow. In other words, the readers of Nicholas' story are unlikely to hire a contractor to create under their mansion the "Bat Cave" where their fantasies and drug addictions can be exercised.

In *Middle-Class*, Prince and Schiff found a unique category in the pyramid: people with a net worth - including equity in their primary residence - of \$1 - \$10 million. These are the "working rich," who don't have enough to step away and quit, but work longer hours than most beneath them. They tend to congregate on both coasts. Their financial statements put them above most, but their values are still aligned with what we usually refer to as the "middle class," with whom they

naturally identify. And, *"they are natural apostles for whatever products and services they find most useful, products and services that often make their way downstream over time and become available to a much broader population."* The Middle Class Millionaire.

"Command those who are rich in this present world not to be arrogant nor to put their hope in wealth, which is so uncertain, but to put their hope in God, who richly provides us with everything for our enjoyment. Command them to do good, to be rich in good deeds, and to be generous and willing to share. In this way they will lay up treasure for themselves as a firm foundation for the coming age, so that they may take hold of the life that is truly life." (1 Timothy 6:17-19) In other words, don't be a Nicholas; be a Paul, and use your capacity to be an example and influence, leading to treasure later, where it counts.

Good book; good read. Someone ought to develop a ministry to influence these influencers. ***Oh, they already did: The Master's Program...***

Bob Shank

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