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Issue: 44



Welcome to the Change Challenge Newsletter

Happy New Year and welcome to the January issue of The Change Challenge. I hope you and your family had a joyful holiday season. 2012 begins with the Occupy Wall Street and Tea Party protesters sending a wake-up call to Washington - and I thank them for that. They have legitimate but different grievances - as do those of us in the silent majority. Nobody is happy with what is happening - that's the subject of the feature article titled "**Thanks for Protesting.**"

The *Results Through Relationships* article titled "**Are You My Friend**" asks how you would feel if you found an alien from another galaxy in your house. Unfortunately, we often treat people who act differently or hold different views as if they were aliens. This month's *Personal Change* article titled "**It All Comes Back**" points out that our actions ripple across the people around us and come back to us magnified.

Your feedback and recommendations to improve this e-letter will be appreciated via email or *The Change Blog* at www.dickstieglitz.com.

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This Month's Articles

[Thanks For Protesting](#)

[Are You My Friend?](#)

[It All Comes Back](#)

[Buying & Selling a Company](#)

[Organizational Change](#)

Buying or selling a

Feature Article

THANKS FOR PROTESTING

The Occupy Wall Street (OWS) and Tea Party (TP) protesters are sending a loud wake-up call to Washington - and I thank them. While the protests have been small, it would be dangerous to ignore their anger. OWSers and TPerers have legitimate but different grievances - as do those of us in the silent majority. Nobody is happy with the direction we're heading these days. The 20-somethings - and not just those in tent cities - face longer working lives, reduced benefits, and higher taxes than their parents. Plus jobs are scarce, houses are expensive, and credit is hard to get even with a degree. The middle-aged are being squeezed by declining real wages, underwater mortgages, and shrinking pensions. And the expanding community of retired folks watches helplessly as erratic financial markets and inflation erode their savings. Many people wonder if the U.S. brand of democracy and capitalism can work in today's complex world.

Anger at Washington. Unfortunately, Washington seems deaf to the protesters and everyone else. Two bipartisan committees produced credible proposals - but even they were ignored. Who can blame workers, business owners, and investors for being angry with the President and Congress after they threatened to shut down the government several times, lost the country's AAA credit rating in August, and had a "Super Committee" meltdown in November. The anger toward Washington over the country's sorry state has been a topic at many seasonal celebrations. The president and Congress seem oblivious to the pain their partisan rhetoric and lack of action inflicts on the people who elected them.

Gap Between Rich & Poor. Economic inequality also fuels the protests. The social contract isn't working: prosperity hasn't trickled down to Main Street. In 2008, the income of the top 10% of Americans increased to nearly 15 times that of the bottom 10%. According to the Washington Post, Congress has done even better - the average net worth of a member of the House of Representatives is *36 times* that of an average American. The gap continues to widen because skilled workers and companies are earning most of the wealth created by technological progress. To reverse the trend, Congress must implement social and tax policies that offer opportunity and training for people at the bottom. According to the International Monetary Fund (IMF), countries with a narrow income gap enjoy longer economic expansions. Recoveries fizzle in countries with a wide gap because they fall into gridlock and can't enact the tough policies required to spur growth. That description certainly fits the U.S. Congress.

Tax the Rich. The shift toward inequality has been happening for 30 years. But when people are doing okay, the fact that some people are doing better doesn't bother anybody. However, when people run into rough times, inequalities that were once tolerable become offensive. For the most part, Americans see the rich as deserving people who pioneer technologies, run companies, or excel as entertainers or sports heroes. Few resent Bill Gates, Warren Buffet, Oprah Winfrey or Kobe Bryant because of their wealth. Moreover, the rich already pay most of the taxes. The Congressional Budget Office says the richest 10% earned 38% of the income and paid 55% of all federal taxes in 2007; while the poorest 40% paid only social security and Medicare taxes - if they worked at all. To balance the federal budget everyone must pay more - especially the rich.

The Tea Party & Occupy Wall Street Movements. Recently, Wall Street has had record profits while middle- and low-income people are left holding the unemployment bag. The result is TPerers on the right and OWSers on

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Richard G. Stieglitz, PhD
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AND BRINGING CHANGE TO ACHIEVE SUCCESS

RICHARD G. STIEGLITZ, PhD

the left, and a President who would approve a 40% tax on Wall Street. As the table shows, the two groups share a belief that our economic system is broken, and that Congress favors the special interests that get them elected. Although specifics differ, both sides want big changes.

	Tea Party View	Occupy Wall Street View
Taxes & Economy	In a weak economy, TPeres resent paying more taxes for a bloated federal government	OWSers feel squeezed - they struggle while millionaires on Wall Street are living big
Special Interests	TPeres think politicians cut pork deals for special interest groups to get re-elected	OWSers think politicians are owned by lobbyists who favor businesses and the rich
Bailouts	TPeres view bank bailouts and auto company rescues as a form of socialism	OWSers are enraged that Wall St. and auto companies got help while the middle class suffers
Debts	TPeres see the huge debt as sign government is growing faster than we can afford	OWSers worry more about debts like underwater mortgages and student loans than the federal debt
Govt Programs	TPeres want to cut federal programs and have them performed by free market	OWSers want more spending to create jobs and help the poor - and the rich should pay for it

Politicizing the Protests. Even worse than not hearing the TPeres, OWSers, Main Street, and two bipartisan committees, Democrats and Republicans are using the protests for political gain. President Obama, who has bashed business and promoted class warfare since his election, is courting OWSers to revive his re-election hopes. And Republicans are sympathizing with both TPeres and OWSers to win votes. Several misguided regulations, written in anger by Congress, have handcuffed banks and companies in their ability to grow. To be sure, the banking industry messed up horribly. But people still need a place to safely park retirement savings; and companies - you know, the organizations that create jobs - need bankers to finance growth. Unfortunately, it's unlikely that the president and Congress will stop posturing for the 2012 election long enough to do something meaningful this year.

The Solution. Hopefully, we'll elect a courageous President and Congress next November who put the American people ahead of reelection. First, they would take job-creating actions like approving the Keystone pipeline, funding new infrastructure projects, and reducing regulations. Second, they would boost growth through policies like less short-term austerity and more long-term fixes to entitlement programs (e.g., a higher Social Security retirement age). Third, they would make the rich pay their fair share, but in a way that makes economic sense like eliminating deductions and lowering marginal rates. Fourth, they would implement use-based taxes like a gasoline tax to pay for roads and bridges, and broaden the tax base with a reasonable value-added tax. Lastly - and most importantly - they would tell the truth about how the country got into such terrible shape. Today's huge federal and state debts were caused less by the bailouts and recession; and more by politicians spending too much in the boom years, recklessly cutting taxes, and making unaffordable promises for retirement and health care. Weak growth and high unemployment - especially among the young - will continue to inspire the protesters. Since much of the unemployment is due to irreversible technology advances and globalization, economic growth isn't a panacea: broad retraining of unemployed workers is needed. The bottom line: I am forever grateful to the TP and OWS protesters for making a bolder statement than I'm willing to do as a member of the silent majority - on the other hand, I vote every year and I hope you do too.

Results Through Relationships
ARE YOU MY FRIEND

How would you feel if you got home and found an alien from another

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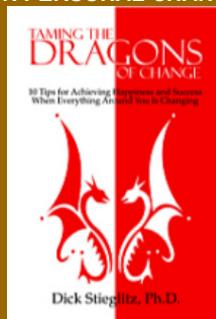
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galaxy in your house? Would you be afraid to take your possessions or hurt you and your family? Such thinking reflects an *attitude of scarcity* - there isn't enough for everyone so get yours before I get mine. On the other hand, would you trust the alien? Would you be excited to meet a creature from a different world who could show us better ways? That response grows from an *attitude of abundance* - the more we share, the more everyone will have. Too often, we treat people who look differently, act differently, or hold different beliefs as if they were aliens. Your colleagues, spouse, family and friends may look like aliens at times. If you're Republican, Democrats look like aliens - or vice versa.

Each of us must answer the question: Is the world a friendly place? Those who answer YES will deal with "different" people one way, while those who say NO will deal with them in another way. In an attitude of abundance, the initial response to "different" people and ideas would be trust instead of fear and rejection. We could believe the government is friendly, our family members are friendly, strangers are friendly, and any aliens we meet will be friendly too. We could assume such aliens will treat us with kindness - after all, wouldn't you treat them that way?

An attitude of abundance may seem naive since it might leave you open to pain and loss. But my experience with an attitude of abundance hasn't been that at all. People often surprise me with their unique perspectives and generous hearts. When it appeared that someone tried to harm me or exploit my generosity, it usually was because they worried about scarcity and focused on getting things for themselves. Even in the rare times that someone knowingly violated my trust to achieve personal gain, I didn't feel like I lost. I'm happy that (s)he achieved their goals and sad for the world because, if we had both won, the world's score would be twice as high. Our collective score is running very low these days. Maybe we should focus abundance thinking on the aliens we live with every day - even the Democrats (or Republicans).

Personal Change **IT ALL COMES BACK**

During a vacation at Deep Creek Lake in Maryland, I was sitting on the dock enjoying a fall afternoon when a speedboat rushed by, clearly exceeding the posted speed limit of five miles per hour. The boat's two-foot wake radiated across the lake. Long after the speedboat was gone, other boats slammed against the dock where they were moored. I didn't see any boats damaged, but the driver of the speedboat was oblivious to the damage he may have caused. Similarly, our actions and emotional outbursts ripple across the people around us. Why does today's world have so much pain, sadness, anger, hatred and conflict? What stops it from being love, peace, kindness, sharing and joy? When we take a close look, we realize it may be the things I do every day coupled with the things you do. Lack of cooperation, lack of empathy, lack of appreciation for other points of view - they all ripple back.

I'm a good person by most standards. I love my family, support charities, care about people, and obey the law. But some days I'm selfish; maybe I get angry now and then; and I brush people off when I'm busy. Unfortunately, when I'm angry with my wife, my daughters, my grandsons, my friends or colleagues, they feel it and may pass it along. I spoil paradise on earth with my anger, selfishness and arrogance even if they are infrequent and last only for a few minutes. Most people occasionally do things that aren't right, or fail to do what they know they should. Eventually, like the speedboat's wake on Deep Creek Lake, those actions come back. The chain-of-pain spreads like damaging waves on the lake, until the hurt returns to us multiplied by hurts that others initiate - the waves that they send unto the lake.

Any one of us can break the chain-of-pain at any time. Fortunately, acts of caring and empathy also ripple out and return magnified. The friend to whom we are kind and understanding is, in turn, kind and understanding to others. All it takes is a single thoughtful action to begin a chain-of-caring.

The chain propagates itself and everyone benefits. Let's help each other to break the chain-of-pain. I'll be kind when you are angry, and ask that you be kind when I'm angry. Our world will become a beautiful and peaceful lake if we ripple kindness when we receive anger, understanding when we feel frustration, and sharing when our first thought is selfishness. Let's start today.

Friends & Colleagues,

If you're wondering how to build cooperation into your organization's culture, contact me to discuss the possibilities. If you found this e-letter to be interesting and useful, send it to a friend. If not, let me know at dick@dragonsofchange.com.

Until next month,

DICK