

Survive and Thrive September: As Our Family Celebrates Babson's 100th, a Reminder on How to Make Money

Dear Survivor,

Recently Becky and I had the pleasure of attending Babson's Summer Reception in Newport.

Hosted by Mary and Thomas Gilbane, Jr., it was an opportunity for the entire Babson community in Rhode Island to get together and speak with Babson's new [President Stephen Spinelli MBA '92](#).

Spinelli as President makes this year for Babson—it's 100th—even more special.

As you may know, Babson has played a special role in our family with Becky's dad Richard Young '63 (a former trustee), brother Matthew Young '92, Becky '94, and me '94 all graduates of the college.

Seeing and hearing Spinelli talk about Babson was wonderful.

Spinelli basically said, "I work for you, the alumni because my job is to make your diploma more valuable."

How refreshing it was to hear the words "value creation" in his talk.

So simple, yet incredibly powerful.

Spinelli was saying that because of his previous roles as head of the Entrepreneurship program at Babson, founder of Jiffy Lube, and President of Philadelphia University, he viewed the world through the lens of an entrepreneur. He made sure he created value.

Why is value creation important?

With so many leaders in ivory towers and C-suites focused on social issues, value creation often gets lost in the effort.



THE ECOSYSTEM OF ENTREPRENEURSHIP. A BABSON EVENT AT THE ESCOLADE NEGIOS AUDITORIUM, SAO PAULO. 10/23/2017. PHOTO BY REINALDO CANATO / RICARDO YOITHI MATSUKAWA-ME / SEBRAE-SP

And when institutions get away from value creation, then what's the point of their very existence?

Spinelli noted that this is the 36th year that Babson has been ranked #1 in the country in entrepreneurship, and he said—only half jokingly—the pressure is on to make it to 37.

But, he noted, if he focuses on creating value, then the ranking should take care of itself.

Spinelli emphasized that if you focus on value creation in your life's work, then a lot of life's other problems take care of themselves.

A great example was when one of his former students, whom Spinelli kept in touch with after the student graduated from Babson, called to chat.

Spinelli asked the student some questions about how his start-up business was going.

“Do you have proprietary technology?” Spinelli asked.

“No.”

“Do you have a distribution channel in place?”

“No.”

“Do you have a customer that would refer your product?”

“No, not yet.”

“Well,” Spinelli said, “I'm not sure I see your vision.”

“Steve,” the student said, “I didn't call to talk about the business, I called to ask you for an investment; a check.”

Having written a check to the student (not a very large one Spinelli admitted) the student called several months later.

“Steve, it's 6 am Seattle time, and I'm leaving Jeff Bezos' office. He just wrote a check for \$1.3 billion to buy my company.”

Who knew a doorbell camera called Doorbot would turn into a thing called [Ring?](#)

As it turns out, when you focus on creating value as Jamie Siminoff '99 founder of Ring did, it's a sure way to find out.

It takes more than luck to create a company like Ring or to become President of Babson College.

Congratulations Dr. Spinelli.

196,000 Millionaires Agree That This Is the Place to Keep Your 401(k)

At Fidelity, 196,000 401(k) accounts are worth at least \$1 million. It turns out, I'm not the only one who likes working with Fidelity. In the past, I have written to you about my positive experience with Fidelity's services. You can read more about Fidelity here:

- [Fidelity Investments: Why it's #1](#)
- [My Personal View on Fidelity Investments for You](#)
- [This Money Market Fund is Paying 47 Times More than its Competition](#)
- [Identity Fraud on the Rise: Here's Fidelity's Customer Protection Guarantee](#)

Now, *Fox Business* reports that the number of millionaires at Fidelity is rising. Ken Martin writes:

The number of people with 401(k) and IRA balances that topped a million dollars hit a record in the second quarter.

The number of investors with at least \$1 million in their 401(k) accounts at Fidelity reached 196,000, according to USA Today.

That is up from the 180,000 in the previous quarter.

IRA millionaires increased to 179,700 from 168,100.

Investors recouped the money that they lost toward the end of 2018.

The average account balances also increase for 401(k) and IRAs by 2 percent and 3 percent respectively.



By IMAGENTLE @ SHUTTERSTOCK.COM

That's great news for investors. If you haven't already, take some time to explore Fidelity's services and technology to see if they'll work for you.

You're Seeing the Democratic Party's Elimination of Excellence through Equality

You never know where you'll find your next piece of intelligence.

It's like walking along a beach and coming across a well-worn piece of purple sea glass. It's one of life's little treasures.

Inference reading—reading as much as you possibly can about anything and everything—is a lot like that. Which is how I found myself thinking about the direction of the Democratic Party and 'democracy' after reading one of my son's summer reading books.

In [The Screwtape Letters](#) by C.S. Lewis, Uncle Screwtape works for the devil.

In letters to his nephew Wormwood, he writes about



By ANDRIANO.CZ @ SHUTTERSTOCK.COM

turning humans or patients to the underworld's way of thinking.

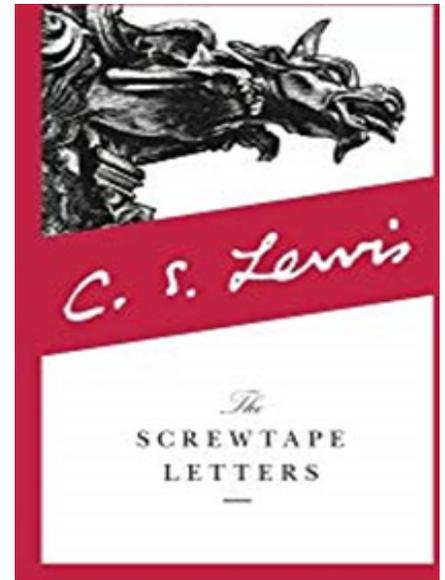
"You should always try to make the patient abandon the people or food or books he really likes in favor of the 'best' people, the 'right' food, the 'important' books," explains Uncle Screwtape.

"Let him do anything but act," he continues.

"As one of the humans has said, active habits are strengthened by repetition but passive ones are weakened. The more often he feels without acting, the less he will be able ever to act, and in the long run, the less he will be able to feel."

In *Screwtape Proposes a Toast*, C.S. Lewis strikes at the moral misgivings of democracy which so aptly applies to today's Democratic Party's cry for equality:

What I want to fix your attention on is the vast, overall movement towards the discrediting, and finally the elimination, of every kind of human excellence—moral, cultural, social, or intellectual. And is it not pretty to notice how Democracy (in the incantatory sense) is now doing for us the work that was once done by the most ancient Dictatorships, and by the same methods? You remember how one of the Greek Dictators (they called them 'tyrants' then) sent an envoy to another Dictator to ask his advice about the principles of government. The second Dictator led the envoy into a field of corn and there he nicked off with his cane the top of every stalk that rose an inch or so above the general level. The moral was plain. Allow no pre-eminence among your subjects. Let no man live who is wiser, or better, or more famous, or even handsomer than the mass. Cut them all down to a level; all slaves, all ciphers, all nobodies. All Equals. Thus Tyrants could practice, in a sense, 'democracy'. But now 'democracy' can do the same work without any other tyranny than her own. No one need now go through the field with a cane. The little stalks will now of themselves bite the tops off the big ones. The big ones are beginning to bite off their own in the desire to Be Like Stalks.



It's a stark reminder that in the founding of our Republic, the founders were not seeking a 'democracy' for they understood far too well what Tyrants will do with it.

Young Americans Enjoying the Fruits of the Trump Economy

In related news, Americans aged under 35 are happier with their paychecks now than they have been since 2011. *The Wall Street Journal's* Lauren Weber [reports](#):

American workers under 35 report being happier with their paychecks than people over 55 for the first time since at least 2011, according to a new report from the Conference Board, a business-research organization that polls U.S. employees about workplace satisfaction.

Overall, the share of workers satisfied with their paychecks rose to 46.4% in 2018, from 43% in 2017, an increase that mirrors federal data showing that wage growth accelerated in 2018. The biggest leap came from millennials and Generation Z, whose enthusiasm for their compensation shot from 36% in 2017 to nearly 46% a year later.



PRESIDENT DONALD J. TRUMP APPLAUDS AND WAVES AS HE ACKNOWLEDGES CROWDS WAITING ON THE FLIGHT LINE AFTER DISEMBARKING AIR FORCE ONE WEDNESDAY, AUG. 21, 2019, AT LOUISVILLE INTERNATIONAL AIRPORT IN LOUISVILLE, KY. (OFFICIAL WHITE HOUSE PHOTO BY SHEALAH CRAIGHEAD)

The job surge under President Trump has reached all the

way down into the market for summer jobs for teenagers. This summer saw [the lowest unemployment rate](#) for teens since 1966. That's a lot of [ice cream scooped, lawns mowed and shelves stocked](#).

Americans [are enjoying](#) a trifecta of accelerating wage growth, low unemployment, and strong consumer spending. If you have a child or grandchild enjoying their first "real" job, be sure to impress upon them the benefits of [saving some of that money](#), and the impact that the power of [compounding](#) could have on their lives if they start now. Too many [Millennials have no savings](#). That must change, because it's never too early to begin preparing for your retirement life.

Survive and Thrive this Month.

Warm regards,



E.J.
"Your Survival Guy"

P.S. If someone forwarded this to you, and you want to learn more about Your Survival Guy, read about me [here](#).

P.P.S. If you would like to contact me and receive a response, please email me at ejsmith@yoursurvivalguy.com.

P.P.P.S. Would you like to receive an email alert letting you know when Survive and Thrive is published each month? You can subscribe to my free email [here](#).

P.P.P.P.S. You can also follow me on [Twitter](#), [Instagram](#), and [Facebook](#).

P.P.P.P.P.S. During his speech in Newport, Stephen Spinelli, himself a great entrepreneur, spoke about the culture of entrepreneurialism Babson instills in its students. In Babson's *Thought & Action* online magazine, Jackie Villaci picks up that conversation of the entrepreneurial culture at the college and discusses it with some famous Babson alumni. She writes:

The world's most famous entrepreneurs didn't just change the game in their respective industry, they disrupted the norm. While some are known for creating a new industry from the ground up, others took an existing business and completely transformed it. But, their path to success didn't magically appear at the snap of their fingers. As the Twitter co-founder Biz Stone would say, "Timing, perseverance, and 10 years of really hard work will eventually make you look like an overnight success."

We took a deep dive into previous Babson interviews with famous entrepreneurs and rounded up some of the best pieces of advice on creating a new business. To our surprise, the best lessons weren't solely about investing and work, but about life, how to be a better human, and how that can be applied to a future business endeavor.

Find Your Joy

Babson alumnus and Toyota Motor Corporation President and CEO [Akio Toyoda MBA'82, P'14](#) sent Babson's graduate Centennial class of 2019 off with a [heartfelt Commencement speech](#), encouraging students to "Have fun. Really figure out what makes you happy in life. What brings you joy ...

find what makes you happy and don't let go.”

When it comes to business, his advice: “Do the right thing. Because if you do the right thing, the money will follow.”

There Is No Finish Line. Keep Moving.

Arthur Blank '63, H'98, co-founder of the Home Depot, owner of the Atlanta Falcons and the Atlanta United soccer team, [likes to tell a story](#) about the lion and the gazelle.

The story goes, in Africa during the early mornings, the gazelle wakes up knowing one blunt truth: To survive, it must run faster than the lion. At the same time, the lion wakes up knowing an equally hard truth, that if it doesn't run faster than the gazelle, it will have nothing to eat.

Blank says, “Whether you're a lion or a gazelle, you've got to get up and move in the morning.”

At 75, Blank is still moving. He owns two ranches and the PGA Tour Superstore with locations across the country. In addition, he finds time to give back with the Arthur M. Blank Family Foundation.

Read more [here](#).

P.P.P.P.P.S. Fidelity investments may be sparking a war among money market funds by offering a 1.91% yield on money in new brokerage and retirement accounts. That's 47 times higher than Fidelity competitor, TD Ameritrade, 10 times higher than Charles Schwab and 27 times higher than the E*Trade. Vicky Ge Huang reports on Fidelity's move at *AdvisorHub*, [writing](#):

“I am not surprised to hear that Fidelity is offering better interest rates,” said Greg O’Gara, senior wealth management analyst at Aite Group. “They continue to try to reach out to their client base and prospects by offering superior product alternatives in a down market environment.”

Schwab, which [offers sweep yields of 0.18% to 0.61%](#), did not comment on whether the firm will seek to raise its rate, but spokesman Mike Peterson said the company does not recommend clients keep cash in sweep vehicles for long periods.

“Purchased money market funds will generally pay higher interest yields than any sweep vehicle,” he wrote in an email.

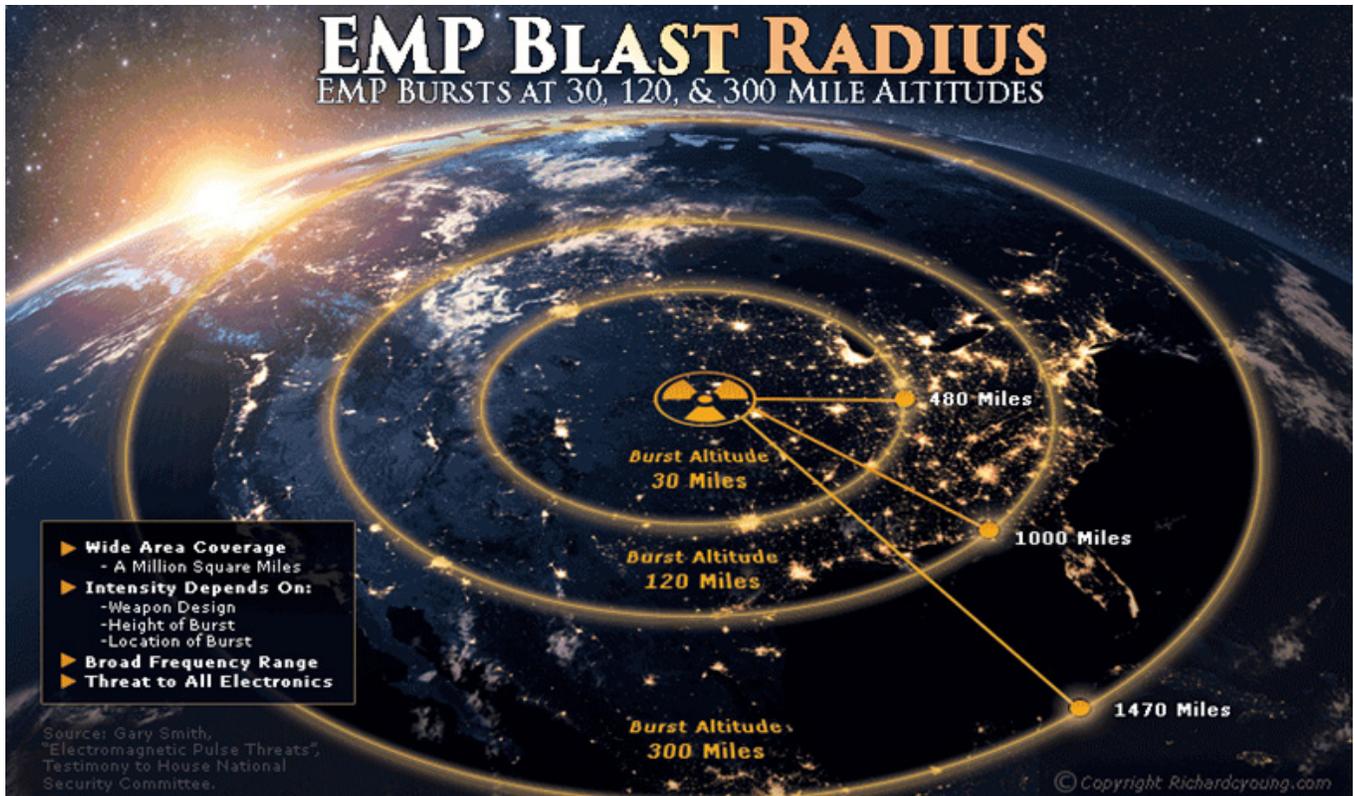
Peter Crane, whose Crane Data tracks money-market fund returns, said the cash sweep yield Fidelity is offering is within spitting distance of the average 2.12% in his firm's index of 100 retail money-market funds.

“It's a shocker,” he said.

I encourage readers to consolidate their assets at Fidelity. Low fees, strong investments in technology and this new money market account show that Fidelity is competing hard to keep customers happy. Read more about why [Fidelity is #1 here](#).

P.P.P.P.P.P.S. Are you familiar with the idea of an EMP attack on America's electrical grid? Have you considered the possible ramifications of such an attack on your standard of living? If you're an average American, chances are that you haven't heard of an EMP attack, and therefore haven't prepared for it at all.

A new study from the Air Force's Air University suggests that Americans are not prepared for such an attack. The report suggests that the biggest risk for Americans today is the lack of a national recovery plan from an EMP event. *Air Force Magazine's* John Tirpak reports:



The biggest problem, according to the task force: there's no national or military plan to recover from and retaliate against an electromagnetic pulse attack. The study recommended that the Department of Homeland Security and US Northern Command should create that plan together and regularly practice it.

Study participants looked to the aftermath of Hurricane Katrina and other natural disasters and said social norms would break down in "as little as 72 hours" following an electromagnetic attack. National planners need to study "the psychology of human desperation, starvation, and living without the rule of law" in building response and recovery blueprints, and be prepared to provide resources in the event of a long-term blackout, the report continued.

Four doctoral candidates opined in the Washington Post earlier this year that an EMP "could lead to deaths by shutting down medical, transportation, communication, banking, finance, food and water systems"—effects like those of Hurricane Katrina, but on a national scale.

The devastation wrought by natural disasters like Hurricane Maria gives Americans a taste of what an EMP disaster might feel like. Americans today simply aren't prepared for long-term power outages. If you have even the slightest doubt about how your family might endure losing power for a month or two months, you need to take steps to improve your disaster preparedness. Start with water, communications, a survival kit, and an evacuation site. Work your way toward arming yourself, and getting any training you can that would be helpful in a disaster.