The Time for ReGENERATION Is Now:

"There is a clear consensus that the future now emerging will be extremely different from anything we have ever known in the past. It is a difference not of degree but of kind. There is no prior period of change that remotely resembles what humanity is about to experience."

AL GORE

The Future: Six Drivers of Global Change

"We're at a moment of very low self-esteem in this culture. There is a vision of who we are—the most powerful country in the world, the land of opportunity, the land of tolerance—and yet there's a revolution going on."

MATTHEW WEINER

Creator of *Mad Men*

(*Rolling Stone,* April 11, 2013)

"Rebecca was telling us back in 2005 that winter was on its way. She was right. Now, she asks us the Big Questions to reimagine and redesign a country that works better for more people."

CHARLIE GRANTHAM

Author of *Foresight 2025* and *The Future of Work,* Founder of *The Community Design Institute*

"Gen Xers have a reputation for being apathetic slackers. But a closer look reveals they are no bullshit, pragmatic, gritty change-makers. Who knew? Rebecca's book is an honest, concise look at how America got into its current mess, and how we'll get out of it. Read, but don't weep. Get busy."

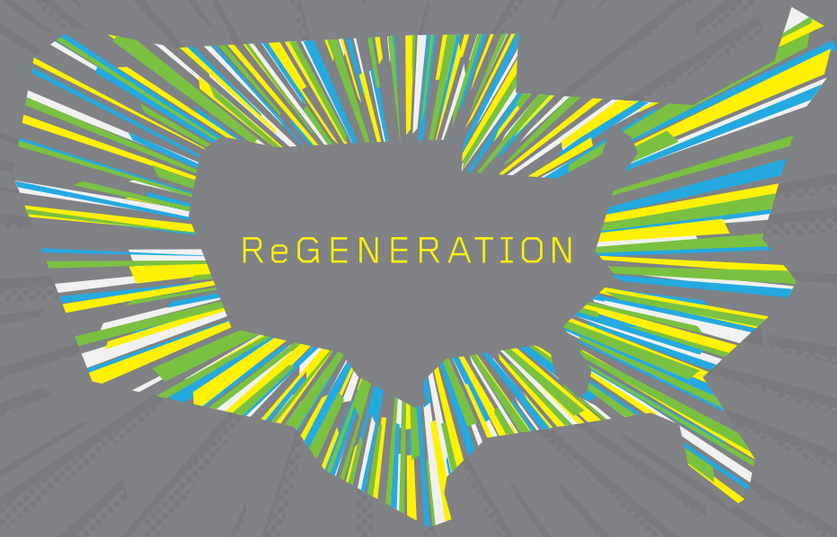
ALAN HUNTER

MTV's First VJ

About the Author: Rebecca Ryan is the founder of Next Generation Consulting and the author of *Live First, Work Second: Getting Inside the Head of the Next Generation* (2007). Best-selling author Dr. Richard Florida calls Ryan "one of the most reliable sources for leaders who want to attract and retain the next generation of creative workers." Ryan has degrees in economics, international relations, and strategic foresight. She is the Resident Futurist at the Alliance for Innovation, a Senior Fellow at CEOs for Cities and was named by *Accounting Today* as one of its Top 100 Most Influential People.

0 91131 20251 7

ReGENERATION



A MANIFESTO FOR AMERICA'S NEXT LEADERS

BY REBECCA RYAN

CYAN MAGENTA YELLOW BLACK

COVER 4

COVER 1

ReGENERATION

A MANIFESTO FOR AMERICA'S NEXT LEADERS

Rebecca Ryan

ReGENERATION

Printed and bound in the United States of America by Omnipress.

First Printing Date: June 2013 by Next Generation Consulting®

ISBN-10: 0977874672

ISBN-13: 978-0-9778746-7-5

Inquiries regarding permission for use of the materials contained in this book should be directed to Rebecca Ryan.

On the web: www.nextgenerationconsulting.com

By email: info@nextgenerationconsulting.com

Call toll-free: 888-922-9596

By snail mail: Next Generation Consulting
211 S. Paterson, Suite 280
Madison, WI 53703 USA

Orders: www.nextgenerationconsulting.com
Kindle Bookstore
iBookstore

Dedication

This book is dedicated to the great-great-grandchildren

of my godson, Avery Joseph Faul.

CONTENTS

PROLOGUE

I wrote this book because I want a better country. For all of us. And I know a lot of you do, too.

We want a better country because we know deep in our guts that what we're doing isn't working. We want a better country because we worry that our kids and grandkids aren't going to have it as good as we did. We want a better country because we sense that the folks in Washington are out of touch and incapable of getting things done.

We know the rich are getting richer, the poor are getting poorer, and the middle class? It's evaporating. We wonder what "the American dream" means anymore, or if it even exists.

We want a better country because at this rate, reality TV is the only thing we'll have to show for the first part of the 21st century.

We can do so much better.

I wrote this book because I believe that America is going through a period of decline that will last through about 2020. I call this period "winter." And if you've ever experienced winter, you know that things seem to die. But they don't; they hibernate. Squirrels, birds, trees, Packers fans[1]—they all take a nice long rest during winter.

---

1 I was born in Green Bay and have to give a shout-out to my peeps. Go, Pack! (This is probably also a good time to let you know that I use footnotes to cite sources, and sometimes to offer a bit of additional commentary.) Thanks for joining me on the ride.

Winter's not forever. Spring will come again. And between now and then lies a magical period—a period of regeneration during which we'll face decisions about what kind of country we are, and what we want to leave for our children, and theirs.

This book is for the change agents, the up-and-comers, our wise elders, social entrepreneurs, and anyone willing to rethink and reshape America.

This book is for everyone who senses that what we're doing isn't working, and is hell-bent on reinventing an America that works better for more people.

We can rock this. Let's get started.

Rebecca Ryan

Madison, Wisconsin

June 2013

There is a mysterious cycle in human events.

To some generations much is given.

Of other generations much is expected.

This generation of Americans has a rendezvous with destiny.

Franklin D. Roosevelt, 1936

PART ONE: WINTER IN AMERICA

Wherever you live in America, you experience seasons. They are regular and predictable, nature's rhythm of birth, maturation, aging, and death.

I have lived in the American Midwest for long stretches of my life, and am comforted by the region's four distinct seasons.[2]

In the spring, I enjoy watching my neighbors emerge from their homes to aerate their lawns or seed their gardens. They're usually a little pudgy and pale after their winter hibernation—afternoons spent watching football games and indulging in rich, gravy-laden crockpot dinners. By April after the daffodils have broken through, I start to sleep with the windows open and literally wake up with the birds, who begin to bicker loudly in my neighbor Sandy's tree before daybreak.

The university students vacate by mid-May and won't be back again until August. While they're gone, the weather turns glorious and work slows down. It's a treat to skip out early and meet friends at Lake Mendota, where we putter about on a boat talking smart and sometimes pretending to fish. It's 8:30 before the sun sets, the dog days of summer.

In September, our weekends are gobbled up, canning and preserving the last of the summer's harvest—pickles, tomatoes, beans. The days grow shorter, and the leaves in our neighborhood turn too quickly from dark green to yellow and then to orange and deep red. Then, on one dreadful day—usually in November—we finally give in; it's time to turn on the heat.

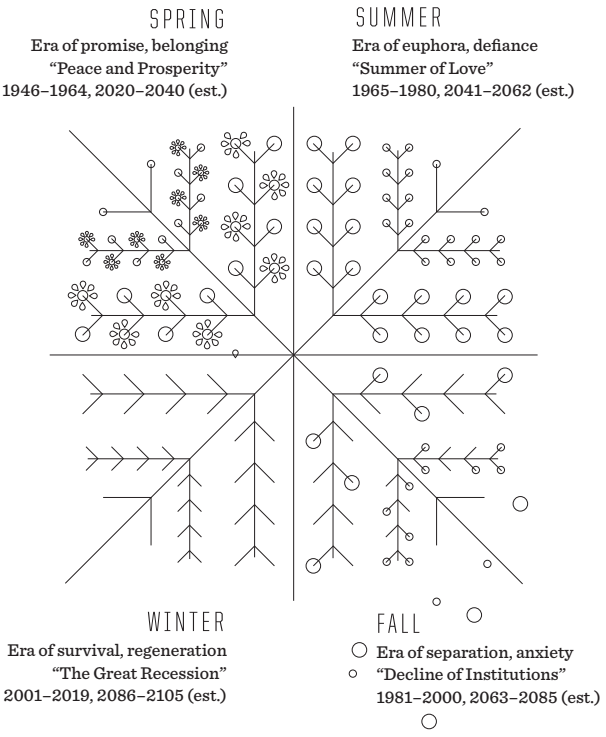
---

2 I currently live in Madison, Wisconsin, where the university's academic cycle further punctuates each year's seasons.

Winter in Wisconsin . . .

Winter is an acquired taste. With its short days and long nights, it seems there's never enough daylight to get everything done. I fall asleep before nine, sometimes as early as seven. And then there's the snow, which I love—inches of it. A blanket to cover the earth while she sleeps. Winter is a time of hibernation, when living things go dormant to store up their energy and rest . . . to prepare for the next spring.

Figure 1: Seasons in America



Seasons are nature's cycle of regeneration, a reminder that there's an order to things, there are things that are larger than me. Larger than you.

American life and society cycle through seasons, too.[3] They're as predictable as nature's, but each season lasts, on average, 20 years, so you and I rarely live long enough to endure a whole cycle. Here's what America's seasons are like:

America started during a winter period (the American Revolution), and our country has completed three entire spring-summer-fall-winter cycles in the last 200-plus years. We're in our fourth winter now.

To enliven this concept of America's "seasons," here's a quick recap of our most recent cycle. As you read the following paragraphs, can you see yourself, your parents, your grandparents, your children, your community taking shape in these seasons?

3 Authors Neil Howe and William Strauss introduced the concept of American "seasons" in their book, *The Fourth Turning* (New York: Broadway Books, 1997).

» *Spring* came to America on the heels of the allies' World War II victory and lasted from 1946 to 1964. Twelve million vets, most members of the GI Generation (b. 1901–1925), came home from the war, birthed the Baby Boomers (b. 1946–1964), and took advantage of the GI Bill: low-cost mortgages, loans to start a business or farm, cash payments of tuition and living expenses to attend college, high school, or vocational education, and one year of unemployment compensation.

The economy responded—like a rocket. Incomes nearly doubled, from $3,940 per year in 1946 to $6,900 in 1960. Innovations like lightweight furniture, washing machines, and vacuum cleaners transformed daily life, and—coupled with those higher incomes—allowed more Americans to reach the middle class and enjoy amenities that had once been reserved for the wealthy. By the end of the 1950s, 87 percent of all American families owned at least one TV, 75 percent owned cars, and 60 percent owned their homes.[4] This was living! President Eisenhower's 1956 reelection slogan captured the springtime mood, "Peace and Prosperity."

4 *Nation's Business,* vol. 48. Chamber of Commerce of the United States of America, 1960.

» *Summer*, a season of heightened consciousness, began in August 1965 when a Caucasian police officer apprehended a black man suspected of driving drunk in a Los Angeles neighborhood. That event sparked a five-day riot, pitting enraged, mostly black citizens against mostly white storeowners, who were seen as exploiting blacks by selling inferior goods for inflated prices. The Watts riots claimed 35 lives, injured 1,000 more, and destroyed 600 buildings.

The riots were a local tragedy that turned into a national crisis thanks to television, through which the story found its way into nearly every American home. The crisis sparked a renewed energy for civil rights, especially among America's youth, Baby Boomers who were in their teens and 20s.

Throughout the 1960s and 70s, Boomers staked out a new American consciousness, one rooted in freedom, equality, and love. Three major movements—civil rights, women's rights, and environmentalism—took root. Young Americans expressed themselves and their new consciousness through their clothing, music, drug use, and rebellion. They protested against the Vietnam War and stood together against what they saw as the Establishment. Bill Clinton summarized the "culture wars" that emerged during this time and the ensuing political polarization that resulted from this period:

> If you look back on the Sixties and think there was more good than bad, you're probably a Democrat. If you think there was more harm than good, you're probably a Republican.[5]

Summer lasted from 1965 through about 1980, when Ronald Reagan was elected president. These are the birth years of Generation X.

» *Fall* started during Ronald Reagan's presidency, a time when hippies became yuppies and consumer culture replaced youth culture. During this period, long-standing institutions began to show signs of decay. Our sense of safety dissolved as we printed photos of missing children on milk cartons. Our trust in the US government deteriorated as the Iran-Contra scandal was exposed. Our faith in our elders was shaken when we watched the space shuttle *Challenger* explode during a live broadcast into elementary, middle school, and high school classrooms. Our confidence in our financial systems crumbled with the farm crisis and the savings and loan meltdown. And the nuclear family, the bastion of cultural norms and the familiar safety blanket for America's next generation, was shredded as divorce rates climbed. The 1979 tearjerker movie *Kramer vs. Kramer* was the too-true anthem of Generation X's family life: moms and dads filing for divorce and fighting for custody as children questioned their parents' character and loyalties.

---

5 Quoted in M. J. Heale, "The Sixties as History: A Review of the Political Historiography," *Reviews in American History* 33, no. 1 (2005): 132.

Combined, these crises shook America's sense of security. We became more fearful and individualistic. The phrase "What's in it for me?" entered the lexicon. Although the Clinton years offered a glimmer of economic hope, Americans became more divided politically and less equal economically. Fall lasted from about 1981 to 2001, the birth years of the Millennials.

» *Winter* crashed into America when two planes hit the World Trade Center on September 11, 2001. Any remnants of safety and security we felt were blown to bits. By 2002, America's long-running bull market had ground to a halt. Wall Street hustled to find new ways to make money and prop up America's financial system. The housing bubble was born, preceding the economic meltdown of 2008 and subsequent Great Recession.

For the first time in years, America's status as an infallible superpower was in question. Stalwarts of American security crumbled. Government-backed mortgage lenders Fannie Mae and Freddie Mac went under, the economy froze, unemployment hit record highs, consumer confidence dwindled, and a highly polarized and paralyzed Congress proved incapable of negotiating its way to a jobs bill or a debt ceiling negotiation in 2011. And then there was the fiscal cliff . . .

Americans are bitterly divided on how to get out of this mess, and for many of us alive at this moment, we're still reeling. How did this happen? For as long as we can remember, the economy has been

expanding, unemployment has been low, and America has been the envy of other nations. We've always had rising housing values and readily available credit.

But here's the truth, and I'm not going to sugarcoat it: those days are over for quite a while.

We have entered winter. A period when the whole country is resetting. Hibernating. Regathering. And it feels scary.

We see loved ones who've been laid off struggle to find work.

We send our soldiers back for a third—even a fourth—tour of duty. And when they finally come home, they are transformed. Damaged.

Our bankers tell us that our homes aren't worth what we paid for them; our equity has vanished.

We open our mail and see that our credit card companies have once again increased our rate . . . to 19, 20, 24 percent.

Our kids finish their college degrees—even hustle for double majors—but can't find jobs.

Boomers, who'd planned to be retired by now, are still working, afraid they won't be able to live on what they've saved.

Our grandparents, always stoic, take their medicines and skip their dinners.

Winter is brutal. We are being forced to make choices and confront realities that many of us never saw coming.

But if you can take a step back from the daily grind and look at America in a broader context, you'll see that we've been through winters before. Three of them, to be exact. They have been bitter, and often bloody. In the Civil War, more than 600,000 Americans were massacred . . . by each other. It almost makes our current winter look easy by comparison.

And each time, America has reemerged. Regathered. Regenerated.

Better.

Stronger.

All of you reading these words right now have what President Roosevelt called "a rendezvous with destiny." Spring will come again. But until then, we have a sobering agenda. The questions we ask, the responsibilities we undertake, the partnerships we enliven, the time and money we invest—all of these things will determine the quality of our coming spring.

Americans alive during this winter have a noble task: to think and work and act not for ourselves (because many of us may not be alive when

spring comes again). We must act with the wisdom and grace to do our best for our children, and theirs.

This is winter's task. This is our rendezvous with destiny.

So let me pour you a glass of history, to see that we have been here before, in winter. And we have always emerged renewed. And we can again.

The Revolution was in the minds and hearts of the people . . . This radical change in the principles, opinions, sentiments, and affections of the people was the real American Revolution.

John Adams, 1818

America's First Winter:
The American Revolution, 1763-1783

As you may remember from your high school history class, non-Europeans have lived in America since prehistoric times. White dudes came much later. European settlement started after Christopher Columbus's voyages in 1492. Then beginning in 1607, the English started looking at America like an Atkins dieter looks at a donut. The Brits took a serious fancy to America throughout the 1600s and 1700s, migrating here in droves. By the 1770s, the thirteen colonies[6] contained 2.5 million people. That's the population of today's San Diego.

Britain saw the American colonies as they saw everything—as an extension of the British empire. And King George III, with his bulging, wide-set eyes and powdered wig, expected the colonies to pay their loyalties to the British crown.

And by loyalties, he meant taxes.

This didn't sit well with the colonists. They felt it was unfair to pay taxes to a faraway government that wouldn't even allow them to have a seat in Parliament. If you've heard the term "taxation without representation," this is where it started.

---

6 Can you name them? In alpha order: Connecticut, Delaware, Georgia, Maryland, Massachusetts Bay, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island and Providence Plantations, South Carolina, and Virginia.

A pissing match ensued: King George III demanded loyalty (er, taxes), and the American "Patriots"—the term adopted by colonists who wanted to be free of England—rejected the king's demands.

By 1776, the Patriots had had enough already. They issued the *United States Declaration of Independence*, a powdered-wig version of giving the king a big, fat middle finger. This was a turning point in our country's history. The declaration told the monarchy to piss off and pronounced the United States an independent, sovereign nation.

This really made King George's eyes bulge, and you know where this goes. Boys being boys, it erupted into the American Revolutionary War, pitting the British army against the American Patriots, each side fighting for control of the United States.

The Patriots hung on by their teeth and eventually they prevailed, barely. The British troops surrendered in October 1781. In 1783, both sides signed the Treaty of Paris, which formally and finally terminated any claims the British Empire had on the United States. America was free, plunging headlong into a brave new political experiment: a republican democracy.

That's enough for the historical play-by-play. Not as good as HBO's *John Adams*, but still, pretty inspiring.

What can the American Revolution teach us about our current winter?

Three things.

{1}

For starters—and with the benefit of hindsight—the American Revolution could've been predicted. In this section's opening quote from 1818, John Adams reflected that the war was simply a response to the radical change that had already been brewing in colonists' hearts and minds.

The "radical change" was the American Enlightenment, a period marked by entirely new ways of thinking about class, politics, freedom, and tolerance.

To wrap your head around just how radical the American Enlightenment was, remember that in Britain, your class in society was mostly determined by your birth. If you were born into a land-owning class, for example, you had more rights and privileges than those who weren't. There was no "working your way up" the class system in Britain. You were sort of stuck. The ovarian lottery.

Oh! And also, in England there was one ruling church. Different religious views were forbidden.

So . . . being British was unpleasant if you weren't born into a wealthy family or if you didn't share the beliefs of the Church of England.

John Adams and our forebears saw this religious intolerance and lack of social and economic mobility as deeply unjust. They embraced the American Enlightenment's revolutionary idea that *all people are equal at birth.* We yawn at this idea now, but in its time, it was a mind-blowing, what-the-hell? idea. It ran completely counter to prevailing, traditional government and religious power structures. But it's a central principle on which our country is based, and one for which thousands of people were willing to die.

The Declaration of Independence reads: "We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are Life, Liberty, and the pursuit of Happiness."

So the first lesson from the American Revolution is that the seeds of winter are usually planted long before the season actually arrives.[7]

{2}

The second lesson of the American Revolution is that winter often causes America to question itself, especially on matters related to freedom and equality. And generally, America comes through winter by extending *more* liberties to *more* people.

---

7 We'll see this again with the Civil War and Reconstruction; that period of winter was also predetermined by actions America took leading up to it.

In our current winter, America is once again asking the question: "Who gets America's rights and freedoms?" Do gays? Do immigrants? Do fetuses? We'll come back to these issues a bit later, but for now, just note America's wintertime tendency to question itself.

{3}

A final lesson of the American Revolution is that not all colonists bought into the idea that America should be independent from Britain. Some *liked* being British subjects. They were called "Loyalists"; they supported King George and wanted America to pay taxes to Britain and remain British property.

The differences between the Patriots who fought for American freedom and the Loyalists who fought against it are instructive. Historian Leonard Woods Labaree compared traits of the Loyalists against those of the Patriots and found that:

» Loyalists were older and better-established men than the Patriots. Many, especially merchants in the port cities, had maintained strong and long-standing relations with Britain and often had business and family links to other parts of the British Empire.

» Loyalists tended to resist innovation.

» Loyalists thought that resistance to the Crown, which they insisted was the only legitimate government, was morally wrong, while the Patriots thought morality was on their side.

» Loyalists were alienated when the Patriots resorted to violence, such as burning houses and tarring and feathering.

» Loyalists wanted to take a centrist position and resisted the Patriots' demand to declare their opposition to the Crown.

» Many Loyalists realized that independence was bound to come eventually, but they were fearful that revolution might lead to anarchy, tyranny, or mob rule. In contrast, the prevailing attitude among Patriots, who made systematic efforts to use mob violence in a controlled manner, was a desire to seize the initiative.

» Loyalists were pessimists who lacked the confidence in the future that the Patriots displayed.

As you read Labaree's list, you can almost feel the tension between the Loyalists—who had it pretty good under the British and wanted to preserve things—and the Patriots, who believed in their guts that more people could prosper if they were free of England.

How is that similar to today?

Well, power and wealth have been concentrating in the hands and wallets of fewer and fewer Americans, what many now call the "One Percent." And for many Americans, the dreamy parts of the American Dream seem farther away. Those who are oldest and most established seem to have it pretty good. Those who are youngest and least established see their chances slimming.

It took the American Revolution to crack the cask of power, and spill the benefits of liberty to more people.

It's a matter of taking the side of the weak against the strong, something the best people have always done.

Harriet Beecher Stowe

America's Second Winter:
The Civil War & Reconstruction, 1860-1877

It's ironic that America was founded on the idea that "all men are born free" . . . and then the nation went on to enslave millions of Africans. Indeed, the seeds of our second winter were already scattered during our first; almost immediately after America declared itself free from Britain, the states were asking, "Are slaves entitled to the same rights of the new Constitution as Europeans?"

It took until President Lincoln's election in 1860 for the spark to ignite, and for America's second winter to begin.

You see, in the 74 years between American independence and the Civil War, two Americas emerged: the North and the South. The South's economy grew out of agriculture: a plantation system powered largely by slavery. The North's economy was more diverse—family farms, industry, mining, and commerce. And the North had a lot of momentum on its side. The North was growing quickly.

So along came presidential candidate Abraham Lincoln in 1859, a guy from Illinois, a.k.a. the North. He was an attorney, not a plantation owner. And his party, the Republican Party, was sympathetic to the

North's key issues: higher tariffs (taxes), nationalism (over states' rights), and abolishing slavery.[8]

The North loved Lincoln. The South loathed him. Lincoln's name wasn't even on the ballot in 10 Southern states.

But Lincoln didn't need the South's votes to win the presidency. Due to its rapid growth, the North's share of the Electoral College was enough to elect Lincoln and send him to the White House.

Immediately after Lincoln's election, South Carolina, Mississippi, Florida, Alabama, Georgia, Louisiana, and Texas formed the Confederate States of America and declared secession. How's that for a first week as president?

Lincoln tried to placate the South and keep the United States together, but it couldn't be done. To say that the South was mad is like saying that Grover Norquist dislikes taxes.

The Civil War started shortly after Lincoln took office, pitting the Unionists (mostly from the North, who wanted the United States to remain together) against the Confederates (mostly from the South, who wanted to split off from the United States).

---

8 Yes, it's true: Lincoln's Republicans favored higher taxes and nationalism over statism. President Lincoln probably wouldn't recognize the Republicans of early 21st century America, proof that people (and parties) change.

The Civil War was long, and it was bloody. By the time it ended in 1865, it had claimed the lives of 620,000 soldiers and saw untold civilian casualties. Our country was torn apart. But the war's end was not the end of our second winter. In winters, bad news and hardship pile on, and the country gets stuck in a funk.

That's what happened after the Civil War ended. A funk. America began Reconstruction, which was intended to rejoin the Confederacy to the Union and extend constitutional and legal status to blacks. But it was more like trying to sew one person's top half onto another person's bottom half. It was ugly and painful and disjointed. It caused deep suffering for people on both sides of the issue. Reconstruction had a few high points . . . but mostly low points.

The most radical phase of Reconstruction occurred between 1866 and 1871, when three amendments were added to the Constitution:

(1) The Thirteenth Amendment abolished slavery and involuntary servitude.

(2) The Fourteenth Amendment overruled Dred Scott, declaring once and for all that blacks were and could become American citizens.

(3) The Fifteenth Amendment prohibited each government in the United States from denying a citizen the right to vote based on the individual's "race, color, or previous condition of servitude."

Remember, we said that one of the themes of winter is that it usually extends more rights to more people? You see that here; Reconstruction expanded legal rights and citizenship to blacks who'd served as slaves in America's first 80 years. But these legal gains were painfully won . . . and existed mostly on paper. For black Americans, this period was a triumph, but only for a split second. As W. E. B. Du Bois wrote in *Black Reconstruction in America* (1935): "The slave went free; stood for a brief moment in the sun; then moved back again toward slavery."

Of all of America's winters, the Civil War and Reconstruction period was our heaviest. The death toll of the Civil War was high, and the pain of Reconstruction was real for everyone:

» Blacks won their freedom constitutionally but in reality continued to face discrimination. They were reabsorbed into society mostly as second-class citizens.

» White Northerners who stood with Lincoln won the war and helped make important legal strides, but both accomplishments came at a dear price personally, professionally, and emotionally.

» White Southerners felt they suffered worst of all. The Civil War and Reconstruction stole their livelihoods, their rights, and their pride. They fought Reconstruction with every ounce of their energy.

What does the Civil War and Reconstruction period teach us? Building on the previous three lessons from the American Revolution:

{4}

Sometimes, winter brings gains in one area, but those gains don't become fully realized until much, much later. During the Civil War and Reconstruction, we passed three (three!) constitutional amendments, which expanded more rights and freedoms to blacks. But the country was so tired, so socially fractured, and attitudes toward slavery in America were so volatile that it would take nearly one hundred years—until the 1960s and the Youth Movement—for society's feelings and behaviors toward African Americans to shift and catch up to those policies.

Now I know some of you are wondering, "If Reconstruction was so anticlimactic, how did America emerge from winter to spring?"

Here's how I see it. And it's an important, additional insight:

{5}

America emerged from winter to spring because our economic prosperity eventually overshadowed our social unrest.

Remember, before President Lincoln was elected, the North was already bursting economically. This continued after the Civil War as new railroads were built and the steam engine came chugging along. Factories were opening. Unions were forming. America was entering the Gilded Age, a period of broad economic expansion when the United States surpassed Britain as the global leader in manufacturing and many new inventions and discoveries were made.

Mark Twain and Charles Dudley Warner's 1873 novel, *The Gilded Age: A Tale of Today,* summarized and satirized this odd juxtaposition: in America after Reconstruction, a layer of gold covered our country's deep differences in values.

The Great Depression in the United States, far from being a sign of the inherent instability of the private enterprise system, is a testament to how much harm can be done by mistakes on the part of a few men when they wield vast power over the monetary system of a country.

Milton Friedman, *Capitalism and Freedom,* 1962

America's Third Winter:
The Great Depression, 1929-1941

Sometimes, things get worse over the weekend.

On Thursday, October 24, 1929, prices on the New York Stock Exchange fell abruptly. A group of leading bankers freaked out and called a private meeting to stop the market's losses. They pooled their resources and bought up shares of U.S. Steel and other large companies' stocks.

It worked.

For a day.

On Saturday and Sunday while the stock market was closed, Americans devoured newspaper stories about the market's fall. By Monday, everyday investors pulled out of the stock market in droves, driving the market even lower. The Dow lost 13 percent of its value on Monday, and another 12 percent on Tuesday. All told, the stock market lost $30 billion in two days. "Black Monday" and "Black Tuesday" led to a chain reaction of events that resulted in the Great Depression.

Some Americans have contrasted our latest Great Recession with the Great Depression. In reality, the Depression was worse. During that period:

» Unemployment held steady between 11 percent and its peak, 25 percent.

» Americans who were lucky enough to have jobs saw their wages fall by 42 percent.

» Unsophisticated farming methods and a terrible drought caused the American Plains "Dust Bowl" in the early 1930s, which left more than 500,000 Americans homeless.

» By 1940, 2.5 million people had moved out of the Plains states. The Dust Bowl exodus (mostly from Kansas and Oklahoma) was the largest migration in American history within such a short length of time.[9]

» More than 250,000 American teenagers left their homes and hopped onto empty railroad cars, crisscrossing the country in an attempt to find work.[10]

The Great Depression was also significantly different than our previous two winters. Our first and second winters, the American Revolution and the Civil War, required bloody sacrifice. They pitted man against man, brother against brother. They were wars of ideals: that all men are born free (American Revolution), and that America must hold together

9 "Dust Bowl," *Wikipedia,* http://en.wikipedia.org/wiki/Dust_Bowl, accessed November 2, 2012.

10 Errol Lincoln Uys, introduction to *Riding the Rails: Teenagers on the Move During the Great Depression* (New York: Routledge, 2003), i.

as a single union, with the same laws and freedoms applied to all (Civil War).

The Great Depression was different. It wasn't a war between men or a war for ideals. It was a struggle to regain financial footing after two invisible forces—the stock market's crash and the Dust Bowl—eviscerated financial gain and stability in a few punishing strokes.

Although the enemy was different, the challenge was similar. The Great Depression asked Americans deep, fundamental questions: What do we believe in? For what and for whom will our laws stand?

Under President Roosevelt's leadership, America responded that we stood for economic protection against hardship. We stood *for* fair markets where investors could see what they were buying. We stood *against* reckless banking and run-ups in housing prices and for protecting the unemployed, the elderly, the poor, and America's farmers.

President Roosevelt designed a package of initiatives to restore confidence. He called them the "Three Rs": Relief for the unemployed and poor, recovery of the economy to 1929 levels, and reform of the financial system to prevent a repeat depression.

Many programs that sprang out of the Three Rs are still in service today: Social Security, the Federal Deposit Insurance Corporation

(FDIC), the Federal Crop Insurance Corporation (FCIC), the Federal Housing Administration (FHA), and the Securities and Exchange Commission (SEC).

What can we learn from the Great Depression?

{6}

Winter is a period when bad news piles on. This causes a rational and emotional funk. Our heads and our hearts get heavy. The Great Depression would've been bad enough if the stock market's crash was the only thing we had going against us. But when you add a drought, and half a million people leaving their homes, and a quarter of a million kids starting to ride the rails like hobos, it starts to feel like Armageddon.

In our current winter, we've had the piling on of bad news, too. You know the rap sheet: financial system collapse, high unemployment, home foreclosures, Wall Street bankers walking off with larger paychecks than ever, drought across the American Midwest.

{7}

America finally shook off the Great Depression—when we entered World War II. We were hesitant to enter the war, but once we did: Whammo! The economy snapped to life. Men went to war. Women

went to work. The whole country unified and mobilized to Win This Thing.

After the war, with our infrastructure unblemished and our allies badly wounded, ours was the only developed economy still standing. And it took off at a full sprint.

The moral of the story: sometimes it takes a good old-fashioned national crisis to jolt our country out of its funk and focus on a larger, unifying issue.

{8}

A final lesson is the role that a leader can play during a crisis, to fortify our confidence and guide us forward. President Roosevelt served as our Narrator in Chief during the Great Depression. His fireside chats, which always opened with "Dear friends," used modern technology (radio) to open the lines of communication with all Americans. He spoke in plain language to explain the crises and his approach to them. His speech was sure-footed. He was sometimes comforting or inspiring. ("The only thing we have to fear is fear itself.") And Americans responded.

Following his chats, citizens flooded the White House with letters, which Roosevelt read and sometimes used to persuade Congress to adopt certain policies. President Roosevelt's commitment to talk

regularly with Americans—he gave thirty fireside chats over several years—allowed him to lead, reassure, and mobilize the nation during a difficult time.

For years, we've grown dependant on American consumers as the world's spenders of last resort. They've kept Europe out of recession, allowed China to industrialise, and prevented global deflation. But at the same time, they've not been looking after their own futures.

British economist and journalist Evan Davis, 2009

America's Fourth Winter:
The Great Recession, 2001-2020 (est.)

That brings us to today, America's fourth winter.

It's tempting to think that our current winter started in September 2008 when Lehmann Brothers collapsed. It didn't. Our current winter began like all winters do—with a spark—a single event that sets off a chain reaction of "ick" that puts us in a funk. You can think of that spark as the first domino to fall, knocking down others as it goes.

The spark could be a piece of paper, like the Declaration of Independence. Or a president's election, like Lincoln's.

Our spark was 9/11, a well-orchestrated terrorist attack that put four planes on a crash course with high-profile American buildings.

But 9/11 was just the first domino to fall. By 2002, America's longest-running bear market came to a halt. The second domino.

To make up for its slowdown, Wall Street invented new tools to make money, what many now know as credit default swaps and over-leveraged assets. The Street created a long line of dominoes, which was fine, as long as they all kept standing. But as we know, they didn't.

The Levin-Coburn Report summarized the main causes of the financial crisis. You can see a list of all the dominoes that dutifully stood, and then fell one on top of another:

> The crisis was not a natural disaster, but the result of high risk, complex financial products; undisclosed conflicts of interest; and the failure of regulators, the credit rating agencies, and the market itself to rein in the excesses of Wall Street.[11]

The banks were eventually bailed out, but in their wake hundreds more dominoes have fallen: cities and pension funds have gone bankrupt; housing foreclosures and unemployment have created a rootless, anxious class; and the next bubble could be (dealer's choice): student loan debt, commercial real estate, or the global reinsurance market. Oh yeah, and China's economy has nearly flattened, which will have its own set of domino-like consequences.

America is not technically in a depression, according to economists, but many of us *feel* depressed. We wonder, like our forebears who limped through previous American winters, "When will things get back to 'normal?'"

---

11 Carl Levin, Tom Coburn, and the United States Senate Permanent Subcommittee on Investigations, *Wall Street and the Financial Crisis: Anatomy and a Financial Collapse* (April 13, 2011): 1–11, www.hsgac.senate.gov//imo/media/doc/Financial_Crisis/FinancialCrisisReport.pdf (accessed November 3, 2012).

My friends, there is no getting back to normal in the near term. What we've just lived through is a great upset. An upheaval. A natural period in an all-American lineup of seasons. Best-selling business author Jim Collins believes America is now entering "an extended period of uncertainty and disruption that might well characterize the rest of our lives."[12]

And what makes this period insidious compared to previous winters is that a lot of the fallout is *invisible*. We don't see bread lines, because now we have food stamps. We don't see our neighbors' financial angst; we just notice their house for sale. We don't know the emotional toll that three, four, five years of unemployment has taken on our family members. We don't see our fellow Americans suffer, but we can *feel* them suffer. We sense it, the piling on of real hardship and emotional stress.

Yes, things will get better. Eventually. But for many years to come, we'll be more careful with our spending. We'll learn to make do. We'll save more. We won't rely on anyone for a handout, and we'll read the fine print—in the credit card offers and the loan documents. We'll figure it out, with the help of our relatives. And our neighbors. And our friends.

And while we sort through the very personal and private economic wreckage of the past several years, America is also trying to sort itself

12 Geoff Colvin, "Jim Collins: In His Own Words," *Fortune*, September 30, 2011, http://management.fortune.cnn.com/2011/09/30/jim-collins-interview/ (accessed October 25, 2011).

out. Just like in previous winters, we're asking big questions about what it means to be an American, and what we need to do to get our mojo back.

Eight Lessons from Past Winters

All of our previous winters eventually ended, and ours will too.

When?

Good question. If history is our guide, it will take an average of 19.67 years, or through about 2020.

Winter	No. of Years	Spring Came With...
American Revolution	20	Treaty of Paris, which formalized U.S. independence from Britain
Civil War & Reconstruction	17	Economic boom and the "Gilded Age"
Great Depression	22	Government spending to enter World War II
Great Recession	??	??

What will finally help us turn the page from winter to spring?

It won't be sudden, or a single, spectacular event. We came out of our last two winters because of government investments—in the railroads after the Civil War, and in armaments for our entry into World War II. Spring unfolded gradually, and quietly.

Until then, here are the big lessons from our previous winters:

{1}

In hindsight, winters always seem obvious. The cause of a current winter is often visible years before winter actually arrives.

{2}

Winter causes America to question itself.

{3}

In winter, established elders will often fight to keep things the same, because the established systems work well for them.

Others, including youth or those who are progress-minded, fight to change things, because they believe that things should be better for more people, not just a single, established class.

{4}

Winters may bring gains in an area that aren't fully realized until much later.

During Reconstruction, three amendments were added to the Constitution, but they weren't legally enforced or socially embraced until 80 years later.

{5}

Winters may be "social," like the Civil War and Reconstruction, or "economic," like the Great Depression.

{6}

During winter, bad news often piles on, like dominoes falling over onto each other.

{7}

Sometimes it takes a national crisis, like World War II, to jolt us out of winter.

{8}

Leaders play an important role during winter, to help Americans understand the crisis, and our way forward.

Now that we've taken a walk through history to recall the lessons of previous winters, it's time to get to work, to sort out what's happening in this, our current winter. We've got some big work ahead of us, you and I, so let's get to it.

The Time for ReGENERATION Is Now:

"There is a clear consensus that the future now emerging will be extremely different from anything we have ever known in the past. It is a difference not of degree but of kind. There is no prior period of change that remotely resembles what humanity is about to experience."

AL GORE

The Future: Six Drivers Of Global Change

"We're at a moment of very low self-esteem in this culture. There is a vision of who we are—the most powerful country in the world, the land of opportunity, the land of tolerance—and yet there's a revolution going on."

MATTHEW WEINER

Creator Of Mad Men

(Rolling Stone, April 11, 2013)

"Rebecca was telling us back in 2005 that winter was on its way. She was right. Now, she asks us the Big Questions to re-imagine and re-design a country that works better for more people."

CHARLIE GRANTHAM

Author of *Foresight 2025* and *The Futureof Work,* Founder of *The Community Design Institute*

"Gen Xers have a reputation for being apathetic slackers. But a closer look reveals they are no bullshit, pragmatic, gritty change-makers. Who knew? Rebecca's book is an honest, concise look at how America got into its current mess, and how we'll get out of it. Read, but don't weep. Get busy."

ALAN HUNTER

Mtv's First Vj

About the Author: Rebecca Ryan is the founder of Next Generation Consulting and the author of *Live First, Work Second: Getting Inside the Head of the Next Generation* (2007). Best selling author Dr. Richard Florida calls Ryan "One of the most reliable sources for leaders who want to attract and retain the next generation of creative workers." Ryan had degrees in economics, international relations, and strategic foresight. She is the Resident Futurist at the Alliance for Innovation, a Senior Fellow at CEOs for Cities and was named by *Accounting Today* to its Top 100 Most Influential People.

ISBN 000-0-0-00-000000-0

FPO FPO

0 123456 789012 0 123456 789012