

**LIFT 15th Anniversary Gala
Chicago, 5 October 2019**

Leading India's Future Today (LIFT) provides quality education and a home environment for high-potential youth unable to attend school

Remarks by Bartley J. Madden

Three years ago, my sons, Greg and Jeff, and I started our family foundation. We have enthusiastically supported LIFT because of its proven ability to help young people learn to be value creators and obtain jobs that offer a path to earned success.

The overall mission of the Madden Foundation is to support free-market capitalism.

Keep in mind that there is a popular but mistaken view that capitalism is about Adam Smith's invisible hand coordinating economic activities in a way that promotes greed and inequality.

In the movie, *Wall Street*, the lead character Gordon Gekko, said: "The point is, ladies and gentlemen, that greed, for lack of a better word, is good. Greed is right, greed works. Greed clarifies, cuts through, and captures the essence of the evolutionary spirit."

We couldn't disagree more. Free-market capitalism is about competition and cooperation in order to achieve win-win transactions and business relationships.

We trade with one another when we exchange money on Amazon for a product. Both parties act in their self-interest and voluntarily trade because both become better off.

Consider two candidates you are evaluating as your potential business partner. One says that he is committed to Gordon Gekko's philosophy of greed. The other says she is a firm believer in win-win relationships and has a track record to prove it. Would you partner with the Gordon Gekko supporter or the woman wanting win-win outcomes?

We need to distinguish free-market capitalism from the crony capitalism that exists in many countries, including the United States. Crony capitalism is about who you know in government or who you can hire to lobby on your behalf to tilt the competitive playing field in your favor.

With crony capitalism people can earn a huge income without creating significant value for customers. Crony capitalism is a bad thing.

Returning to Adam Smith, here is his opinion on the moral purpose of free-market capitalism: "... the fortune of every individual should depend as much as possible upon his merit, and as little as possible upon his privilege." This is the foundation of free-market capitalism that we so admire.

The key point is that free-market capitalism promotes equal opportunities, not equal outcomes. If a young woman starts a company and provides uniquely high value to her customers and earns a very high income ... that is a good thing! It is good because we all benefit from her skills and hard work.

On the issue of income inequality, note that popular sports and entertainment figures routinely earn exceptionally large incomes but they do not receive criticism. Why? Because they provide recognizable value earned on a level competitive playing field.

Let me conclude by admitting a mistake that I made when my son Jeff showed me videos of smiling and happy LIFT kids talking about becoming doctors, biologists, and electrical engineers. I remarked that they seem so happy even though they have so little. Absolutely not true!

Those kids have love, and an opportunity to rise as high as their soon-to-be-acquired skills and determination can take them.

They have everything.