





A TALE of INDUSTRIES

by Paul Zane Pilzer

Two major forces have converged to
create one of the greatest entrepreneurial
opportunities in the history of our nation.

As we enter the second half of this decade, we are seeing a convergence of economic forces leading to an enormous opportunity for those engaged in home-based business. Moreover, this opportunity exists not only for mere thousands but for literally millions of individual entrepreneurs. This economic opportunity is represented by two emerging industries: wellness and network marketing. The wellness industry, which only 15 years ago barely even existed, is on track to become a trillion-dollar industry just five years from now. Network marketing, which is a prime beneficiary of the robust home-based business boom, will be a major contributing force in the creation of 10 million new millionaires over the next 10 years.



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Either one of these two emerging industries on its own represents an extraordinary opportunity for entrepreneurs to create new wealth in the years ahead. Taken together, these two major forces have converged to create one of the greatest entrepreneurial opportunities in the history of our nation.

The early pioneers of both wellness and network marketing were motivated by the sense that it was possible to create a better life than the conventional routes offered—better personal health and better economic health, respectively. Now the “alternatives” of yesterday have become the economic powerhouses of today and tomorrow. Let’s explore how this happened, and what it means for your economic future, first by taking a look at the genesis of the wellness industry.

The Overweight Epidemic

In the past, we have always associated poverty with being terribly thin, mostly due to starvation. When I was young I wanted to grow up to be a “rich fat man.”

Today, the tables have turned; “poor” and “fat” have become synonymous, and “rich fat man” has become an oxymoron! Centuries ago, the only corpulent people were royalty and wealthy landowners. Today, the lower the income, the more we see obesity, and the higher the income, the more we see men and women who are fit and trim, defying their age.

Since 1980, we have more than doubled the percentage of overweight and obese people in the United States. In 1980, 15 percent of the population was obese; by the year 2000 that number had jumped to 27 percent—that’s 77 million clinically obese people! Those numbers have increased more than 10 percent to 61 percent obesity in just the past four years and are still growing at epidemic rates. As a result, 18 million Americans have diabetes and another 41 million over age 40 have prediabetes. Most people with prediabetes develop type 2 diabetes in

10 years. Sixty-five percent of people with diabetes die from heart disease or stroke, and the medical costs alone to treat diabetes now exceed \$100 billion a year.

Moreover, overweight and obesity are also symptoms of poor nutrition. Typically, someone who is obese is also vitamin-deficient and suffers from fatigue and arthritis or other ailments that all stem from poor nutrition. Our food industry, which represents about one trillion dollars annually, exacerbates the problem by catering to the “lowest common denominator” of poor nutrition.

What about our health care? The truth is, what we call “health care” is not really the health business but the sickness business. Our medical industry today has very little to do with health. The \$2 trillion we spend on medical care, which represents one-sixth of the U.S. economy, is concerned almost exclusively with treating the symptoms of illness. It has very little to do with preventing illnesses or with making people feel stronger or healthier.

These two trillion-dollar industries—food and “health care”—feed one another in a fairly insidious way, working together to support that horrifying 61 percent overweight number.

The Wellness Revolution

Looking at the numbers, one might think that soon everyone in the United States will be overweight or obese—but this is not the case. As grisly as this situation is, it has also given rise to an entirely new and



very positive economic sector. The 39 percent of the U.S. population who are not overweight include some 10 to 15 million Americans who are actually growing stronger, healthier and more fit as they age.

These people represent a new and growing economic sector. They are primarily wealthy people who, as their financial situation improves, start looking for ways they can be healthier—and they’re doing it outside the medical establishment. They are going to fitness clubs, watching what they eat, taking the proper amounts of vitamins and minerals, and investigating supplements and other products that support their wellness. They are a growing sector of our economy who are eating and living healthier than anyone ever before in history.

Today, for example, this sector spends over \$70 billion per year on vitamins and food supplements. From vitamins and antioxidants to weight loss products to health clubs and fitness coaches, all these expenditures belong to what I have called the “wellness” industry. I define *wellness* as money you spend to make yourself feel healthier, even when you’re not “sick” by any standard medical definition.

Who are these people? Mostly baby boomers: prosperous people from the ages of 40 to 60. Baby boomers are the first generation in history that refuses to blindly accept the aging process. They are also a powerful economic force; they represent only 28 percent of our population—yet this group represents 50 percent of our economy.

Until recently, marketing to baby boomers has been all about how to make them feel younger, how to help them remember what

it was like to be young. Now it’s gone a step further. Today, boomers are starting to buy things that actually make them younger!

And this industry has only just gotten started: Most people don’t even know such products exist, and as more boomers learn about wellness, the more the sector will expand. In 2000, when I first began to study this trend, I was stunned to discover that wellness in America was already a \$200 billion industry. Today, only a handful of years later, it has already doubled to become a \$400 billion dollar business! By the year 2010, just four years from now, it will have become the next trillion-dollar industry.

Network Marketing: Economic Wellness

The real scope and impact of the wellness revolution goes beyond sheer numbers. It is more than a shift in our state of health and well-being: It is a quantum shift in our fundamental expectations. We don’t just expect to live more years—we expect to live better years.

This same shift in expectations is a strong contributing factor in network marketing as well. In the new economy, the sheer quantity of compensation is no longer enough. People today also demand a better quality of compensation. We don’t simply want money, we want lifestyle. Today’s workers understand that it doesn’t matter how much money you earn if you never get to see your spouse or children, or if you sacrifice your health for your work.

This is a demand that didn’t exist in the past. During the Industrial Age, the question “Are you truly happy with your life?” would have been greeted by most as self-indulgent nonsense. “Happy?! What a question! I’m making money.”

Today we want more. Our economy and living standards have grown to the point where we not only expect to make a living, but also expect to have the best possible experience living that life. We don’t want to have to sacrifice family for work, or vice versa.

Just as baby boomers want to be younger and healthier, they also want to have the economic

The Next Trillion-Dollar Industry

Ten or 15 years ago, it would have been tough to go into the wellness industry. Why? Because there was no such thing as the wellness industry. What happened?

Aging has always been a part of life; it’s not as if there were a sudden spontaneous “need” for a wellness industry. The wellness business appeared in the last decade because of new technology. As my theory of economic alchemy explains, an advance in technology often creates new demand, by creating new opportunities and options that didn’t previously exist. Wellness is a perfect case in point.

Today we spend \$24 billion annually in fitness club memberships. A generation ago, whoever heard of joining a fitness club? In 1975, jogging was regarded as a “craze,” a fringe thing, like the hula hoop, that would go away quietly if we just gave it time. The idea that an entire nation would consider running as a normal, everyday activity would have been seen as lunacy.

To this \$24 billion you can add another \$12 billion paid to personal trainers. Personal trainers?! Twenty years ago, nobody would have believed it. A top-paid athlete, sure, but everyday people actually paying someone to show them how to step on and off a machine, just to stay fit? Who would pay for such a thing?

We would: \$12 billion worth.

And this is only the beginning. Most people still either don’t even know that wellness products exist, or don’t believe such products actually work—until they or someone close to them has their first wellness experience. Then they become voracious consumers and new adapters of wellness products and services. At the rate it’s going, I project that by the end of this decade, just as the PC industry did 10 years ago, the wellness industry will exceed \$1 trillion.

freedom to enjoy their continuing state of health. We don't just want more dollars; we want better dollars. And there is one emerging form of economic enterprise that perfectly fits this description: network marketing.

The typical network marketer's benefit statement—"You work when you want, how you want, and with whom you want"—combined with the very real value of a business based on helping others succeed, creates a uniquely attractive package to the 21st century businessperson. And I see a more seamless weaving together of work and family in network marketing than in any other sector of the economy.

It's no wonder that network marketing has grown steadily over the past 20 years, increasing more than 91 percent in just the past 10. With more than 13 million Americans and 55 million people worldwide involved, it is today a \$100 billion global industry.

Yet, as impressive as this is, it's not hard to see that the real growth has barely begun.

Today less than 1 percent of the population is involved in network marketing, yet 175,000 new people are pouring into the profession each week in the United States alone. According to Neil Offen, president of the Direct Selling Association, at the current rate of increase, some 200 million people will enter this industry over the next 10 years, effectively quadrupling its current population.

In other words, network marketing is already a force to be reckoned with—but there is an even bigger explosion ahead.

The Big Picture

Let's put these two trends, wellness and network marketing, into perspective in the context of the overall economy.

In 1989, at the beginning of the worst period of economic decline since the Great Depression of the 1930s, most experts were predicting decades of economic gloom. The most popular book in the United States was titled *The Great Depression of 1990*.

That year, at the lowest point of the recession, I wrote a book titled *Unlimited Wealth* that predicted exactly the opposite: That we were headed into an era of unprecedented growth and opportunity, with seemingly impossible low interest rates and low inflation, and that those who embraced this stood to profit enormously.

Many in the financial and business community gave the book little credence—

I see a more seamless weaving together of work and family in network marketing than in any other sector of the economy.

that is, until the years ticked by and the forecasts began proving accurate. But there were those who were quick to grasp its significance, including the late Sam Walton and, interestingly, members of the network marketing community, who got the message loud and clear and responded immediately.

From 1991 to 2001, the world

economy doubled in size, enjoying the highest growth rates ever recorded with the lowest interest rates and low inflation.

In the United States, household wealth tripled, growing from \$13 trillion in 1991 to more than \$40 trillion in 2001. Over the same 10 years, the number of U.S. millionaires doubled, jumping from 3.6 million in 1991 to 7.2 million in 2001.

After the economic crash of 2001, many people felt they missed their chance to be part of the boom of the '90s. Yet in the few short years since the catastrophic events of 9/11, U.S. household wealth has increased \$8 trillion to \$48 trillion—an additional 20 percent!

Today, the U.S. and the world economies look almost identical to how they looked in 1991, except that there are more opportunities for entrepreneurs, due to recent changes in

taxation and technology. Based on this history and on current conditions, I project that household wealth will roughly double again in the next 10 years, reaching the \$100 trillion mark by 2016.

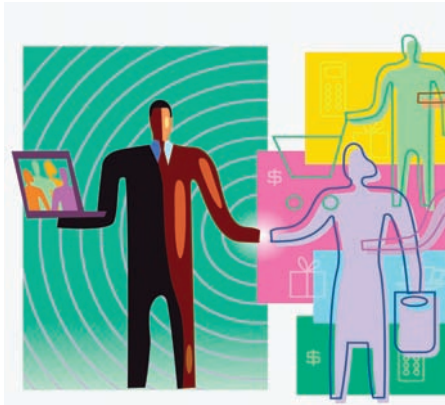
This is a fairly conservative projection; after all, this is only a doubling of the U.S. household wealth over the next decade, a figure that more than tripled during the 1990s. What is more startling than that sheer growth is the nature of that growth—because in the course of adding another \$52 trillion in household wealth we will also see the creation of more than 10 million new millionaires!

The Next Millionaires

Who will those new millionaires be? An overwhelming number will be network marketers.

Small businesses today account for more than one-half our nation's economic output and employ more than half our private-sector workforce—and more than half of these are home-based businesses.





In the past, it was riskier to go into business for yourself than to work for someone else. Not anymore. Recent changes in tax law have leveled the playing field—if anything, actually tilting it toward the individual entrepreneur! Congress has responded to a shift in values: People today want to work from home. Now they can.

The large corporation is giving way to the independent contractor and the self-employed entrepreneur. In effect, we're breaking down those huge corporations into their component parts, namely, the individual entrepreneurs—and as a result, more and more of those entrepreneurs are becoming millionaires. In the past, where we'd see a single company creating wealth of \$1 billion for a few shareholders, today we'll more likely see 1,000 individuals each going to \$1 million.

Instead of the rich getting richer, it means there are more people getting rich: The number of millionaires is increasing.

In the past, you never had a chance. Because the big corporation ruled, someone else made that money... the Astors, the Vanderbilts, the Rockefellers. But during the 1990s, 3.6 million people stepped forward and claimed their own fortunes.

Now let's go back to that forecast of \$100 trillion in household wealth by 2016. (And remember, that's a conservative forecast.) Where will that new \$52 trillion come from? Of course, the majority of it will go to make those people who are already wealthy still wealthier. But at least 20 percent of it—\$10 trillion

or more—will represent new entrepreneurs coming to the table.

That \$10 trillion represents 10 million new millionaires. One of the greatest thrills I have as a writer is to know that a good number of those next millionaires are reading this article right now.

A Holy Mission

Since I first began closely studying the wellness industry, I've grown quite passionate about it. It has become something of a mission for me—and I've observed that it is a powerful mission for most network marketers who represent a wellness line of products or services.

The great religions of the world became great partly by addressing the secular needs of their adherents. Indeed, the founding documents of most religions demonstrate that God wants us to be well—Deuteronomy contains expansive portions on diet, and gluttony was one of the original seven deadly sins. Yet today, the crying secular need of learning how to live a wellness lifestyle of diet and exercise is ignored by most religions and religious organizations.

But they are not ignored by the network marketing community—indeed, recognizing and serving this global need is at the very heart of the network marketing model.

Make no mistake: There is a crisis, a trend of epidemic proportions opposite to wellness—a crisis of overweight, obesity and the so-called “lifestyle diseases.” Right now, network marketing is the only force I see that has the potential to effect the huge change that's so badly needed. And when you go out into the world to help improve people's personal and economic wellness, you are adding value to society and contributing to the betterment of the world. That, to me, is serving God: doing the best job you can at serving more of God's children.

Given the confluence of these two trends, wellness and network marketing, I cannot think of any other time in history when the opportunity to serve this greater cause has been more abundantly available, not only to a few, but to millions. **SH**

Network Marketing: The Ideal Wellness Medium

One reason wellness and network marketing are such natural sister industries is that wellness is rich in the kinds of new technology that are best learned person-to-person. In fact, in many cases, there is no other way for people to learn about these new options.

If you go to a conventional weight-loss clinic, they are focused on marketing their processed food products to you—they don't give you lessons in wellness. The information just isn't out there; almost all of the research in the medical business is on sickness. Where does the consumer turn?

The only way to learn about wellness is through someone close to you who has had a wellness experience. You see your college roommate and go, “My God, John, you look great! You look so healthy—what did you do?” You bump into a wellness experience and start to find out that there is a whole wellness industry out there, with all sorts of new products and services.

Correct information about diet, nutrition, vitamins, minerals, and supplements is almost all contrary to what we've heard from our medical community; for many, it runs counter to how we were brought up. There's so much inaccurate information out there, people have become conditioned to it. When they first hear new, good information, naturally they're going to be skeptical. The only way they will actually change their paradigm or start to learn new information is person to person—because they're actively engaged in a conversation.

This doesn't happen overnight. It may take three, four, five or six conversations with different people before you actually change your mind. That's why wellness, which is so clearly paradigm-changing information for so many people, really works best in a one-to-one interactive environment—like network marketing.

This article is adapted in part from Paul Zane Pilzer's new book, The Next Millionaires, which focuses on the central role of direct selling in the years ahead.