It’s Time To Change The Way We Think About The 1 Percent
By Mark Fidelman
February 27, 2015

According to Parker Brothers, there were 52 “fundamental errors” in a business board game created in 1933. These errors were due to complexity, understanding economics and game length.

In the game, players start as equals, but as play continues, players have to decide at every turn whether to indulge in cutthroat, greedy practices or take a business friendly approach to achieve their objectives. Eventually, a player’s strategy, people skills and luck allow one player to accumulate more cash and real estate than anyone else – which leads to victory by bankrupting the remaining players.

That game was of course Monopoly – and only the top 1% of players knew the most important strategy in the game to give them a major edge to achieve victory: Acquire the orange properties (St. James Place, Tennessee Ave and New York Avenue) and the best return on investment is placing a third house on New York Avenue.

In fact, that’s the reason Tiger 21 CEO Michael Sonnenfeldt started the group, so that high-net worth individuals can learn how to deal with wealth and relationships. You might ask: Why do the super-rich need an investment and support group?

That’s the same question I had. And the answer lies in expertise. While the super-rich may be experienced in building company value, they typically don’t have the skills necessary to address relationships with their family (wealth creates a lot of tension), the skills to maintain that wealth after a liquidity event, or the skills to properly invest in causes they care about.

According to Sonnenfeldt, these are major issues that plague the super-wealthy. Sonnenfeldt also shared that Tiger 21 members personally manage $30 billion, and give $300 million away to charities every year. That’s a lot of money to manage – and
most members that join are unprepared to deal with it.

In any event, I approached Tiger 21’s annual event with an open mind and prepared to learn a few investment insights that I may be able to use in my own portfolio (albeit at a smaller level). I didn’t leave disappointed, but it was nothing like I expected.

Let’s take a look at some of the highlights:

**Hans Rosling – The Pin Code for the World is 1145**

Many of you have probably watched [Hans Rosling on Ted Talks](https://www.ted.com/talks/hans_rosling) discuss poverty, world population growth or ‘How not to be Ignorant about the World’. Watching Rosling on stage, you’re instantly struck with the realization that his ability to bring data about boring subjects is borderline magical. Not magic in the pull a rabbit out of a hat sense, but magic in his unique ability to focus all types of minds with different backgrounds on a complex subject so that they understand it.

And last week Rosling delivered again. I’ll simplify his insights: Rosling was able to show why we should all buy ocean front property in Africa today. Why we need to invest in health care and higher education for the extremely poor and why “stupid socialist policies don’t work”.

He boiled down his proof to a 21st century pin code for the world – 1145. What does that mean? In the year 2100, one billion people in the Americas, one billion in Europe, four billion in Africa and five billion will be living on earth (in comparison, the world’s pin code today is 1114).

The larger picture, according to Rosling, is that wealth opportunities will be greatest in Africa (beaches front real estate specifically) and Asia but we need to invest in health care and education for those in extreme poverty (doing so increases the wealth of nations) to ensure these wealth building opportunities arise for everyone involved.

**Dikembe Mutombo – Build Hospitals and Schools in Africa**

Most basketball fans remember Mutombo as an eight time all-star NBA player who retired at age 42 in 2009. Mutombo is a 2015 finalist for the NBA hall-of-Fame in his first year of eligibility. I asked him what jersey he plans to wear, he didn't directly respond, but my sense is that he'll be wearing a Rockets jersey.

But Mutombo wasn’t at the event to discuss his basketball achievements. He was there to ask for financial help to continue his humanitarian work in Congo. Most people may not appreciate how hard Mutombo worked off the court to bring the first modern hospital to the Congo in 40 years. Not only did Mutombo contribute $3.5 million of his own money, he was able to secure several million more ($29 million total) to build the 300 bed hospital, staff it, and maintain it.

Mutombo also credits the Congo government because they created a tax exempt status for the hospital which eliminates taxes for all imported items (like ambulances and medical supplies). The Congo government also provides free security for the hospital and its patients.

Mutombo seems to be aligned with Rosling in that they both believe that the best cure for poverty is health care and education. And Mutombo is actually doing something about it. “It takes initiative,” he told me, “So many people lack initiative for these types of projects in poor countries. But it’s important that someone steps up to do it.”

**Jay Walker on Patents and the Human Instrument**

Walker is the prototypical successful entrepreneur and inventor. Best known for starting Priceline.com, but less known for his 700+ patents, Walker seems to be the personal case study for innovation. He’s also the [Chairman and Curator for TedMed](https://www.ted.com/talks/jay_walker), the CEO of Walker Digital, a board member of the Atlantic Council and a licensed pilot. I doubt Mr. Walker takes a day off.

Don’t talk about abolishing patents with Walker around. You’ll hear what a dumb idea that is. But for the abolitionists, Walker is creating the next
best thing. He’s started a company called Patent Properties to help companies and entrepreneurs find and license patents. But the real value according to Walker, is the people behind the patents. Walker believes in the value of the patent, but there’s a lot more locked up value in the knowledge of the patent holders – and so he’s created a new business around that concept.

Regarding advances in medical devices, “You are about to be completely instrumented in the next 10 years,” Walker shared with me, “You’re going to swallow the instruments, you’re going to implant them and you’re going to continue to wear them.”

You’ll want to use these instruments, Walker claims, because it going to provide you the necessary feedback to live a healthier, more productive life. That way you can have your cake and let the instruments tell you when to eat it too (or not).

Nicholas Negroponte – Predicting the future and nurturing the present

Best known for the One Laptop per Child (OLPC) program, Negroponte has been a leading advocate for the developing world. Negroponte created the concept of a $100 laptop computer, called the The Children’s Machine, designed for students in the developing world to further their education and stay on top of the latest technologies. According to sources, over 2.5 million laptops have been shipped.

Negroponte is also an excellent prognosticator. In 1984 he made 5 predictions which more or less came true. Negroponte predicted the future of web interfaces, CD-ROMs, service kiosks, and touchscreen interfaces like those we see on iPhones and Tablets. Lately he’s made some bold predictions about biotechnology, like swallowing pills to learn English, implantable technologies that will connect with the internet, and why the internet of things (IoT) is not the big deal that many have advertised.

Negroponte also has a passion for bringing the internet to the masses. He believes that “telecommunications is a human right” and is on a mission to connect the last billion people on earth. Widely criticized for that remark at the time, Negroponte has since quieted some of his critics and gathered support from many others.

Sigmund Freud frequently remarked that great revolutions in humanities and science have but one common trait: the dethronement of human arrogance from one pedestal after another for pretentiously sticking to our previous convictions. Negroponte has incurred a lot of abuse because he rightly points out how we fail to forsake the comforting view of our present for the uncertainty of tomorrow. But that isn’t stopping him, he’s still smashing pedestals and at last week’s Tiger 21 event, smashed a few more.

In Sum

Many people are unaware that the origins of the Monopoly board game were originally and ironically developed to highlight social and economic injustices. The game’s predecessor called The Landlord’s Game was created to teach others about a book called Progress and Poverty by Henry George. The game later developed into how we experience it today, as a capitalist game. And, after witnessing its commercial success and ignoring the 52 “fundamental errors”, Parker Brothers finally purchased the game from Charles Darrow.

In some ways the Tiger 21 event reminded me of the Monopoly story but in reverse. A group of game of life winners advocating access to quality healthcare, education and technology so that the poor can have the opportunity to benefit like they have. Some may complain that there are fundamental errors in this approach, but none will argue with the early success.

I was surprised by Tiger 21’s focus on the poor, but grew to understand that it’s a win-win for everyone involved. As more of the wealthy invest in providing a healthy and education rich environment for those in extreme poverty, they recognize that they are creating future paying customers for the world. I came away from the conference excited for the future, and for the people helping to make it so.