

**Making Money and Making a Self:  
The Moral Career of Entrepreneurs**

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I analyze entrepreneurship as a moral career, a joint venture of making money and making a self. Drawing on intensive interviews with 49 entrepreneurs, I discuss how entrepreneurs move through four stages of world-building and self-construction. In the process of doing so they uncover a series of pivotal insights: (1) the *productive secret* of locating a market need and investing one's personal efforts; (2) the *strategic secret*--the tactics of successful business operation; (3) the *financial secret* of parlaying business success into financial and social autonomy; and (4) the *spiritual secret* of moral self-construction--assuming a more fundamental definition of self-fulfillment and the quality of social life. I draw out the implications of the findings for understanding (1) entrepreneurship as the simultaneous production of moral and financial capital; (2) ideology as a moral exposition of causal logic rather than simply an array of ideas and attitudes; and (3) the social import of wealth as institution-building and the exercise of "hyperagency."

## MAKING MONEY AND MAKING A SELF: THE MORAL CAREER OF ENTREPRENEURS

### INTRODUCTION

If there is one thing on which Karl Marx and Adam Smith agree, it is that capitalism is an engine of wealth. Indeed, the revolutionary capacity of capitalism to generate surplus is at the heart of how both Marx and Smith approach change in the configuration of institutions, the role of the state, the labor theory of value, the problem of monopoly, technological innovation, the class struggle, and the shape of consciousness. Moreover, both Marx and Smith concur that in the long term, the magnet of wealth rather than the push of impoverishment is the objective basis for the progressive development of modern society. The quality of human existence advances along with the quantitative growth of physical wealth. The relentless accumulation of wealth sets in motion organizational and attitudinal transformations that further unleash a society's wealth-producing capacities and raise the overall physical and moral quality of life (see Cohen 1978, pp.197-207). As Marx and Engels put it, "the real intellectual wealth of the individual depends on the wealth of his real connections." Socialism and "true communism" represent more than an increment in the productive capacity of society. They also signify the "end of prehistory," as humans come to "acquire the capacity to enjoy th[e] all-sided production of the whole earth" ([1846] 1947, p. 27). For Smith, capitalism provides a "universal opulence" such that "the very meanest person" in a "civilized and thriving country" exceeds the wealth of "many an African king" ([1776] 1937, pp. 11-12).<sup>1</sup>

Notwithstanding the "transition to capitalism" now marking the world economy, it remains unclear whether capitalism will prove to be the "end of history" or the "end of prehistory."<sup>2</sup> Though I leave it to others to haggle about the historical trajectory of capitalism, I suggest that the countenance of wealth reveals at least as much about the underlying nature of society and culture as the face of poverty. Regardless of whether a market or Marxist scenario eventually proves more warranted, I maintain that much can be learned about the social and cultural potency of actually existing capitalism from a "thick description" of "the web of significance" (Geertz 1973, p. 5) of entrepreneurship--perhaps the most robust embodiment of capitalism's crosscurrents of wealth and identity. For as I hope to show, the participation of individuals in the structurally given conditions of entrepreneurial wealth generation creates a specific type of agent and not just a specific type of social organization. Capitalism is the progenitor of the wealthy as bearers of its inner essence as much as it is the author of wealth.

Fabricating this "thick description" of entrepreneurship is particularly important because, with some exceptions (e.g., Simon 1987) much of the abundant literature extolling the virtues and vices of entrepreneurial enterprise remains largely anecdotal.<sup>3</sup> At best, it provides a kind of contemporary *Poor Richard's Almanac* of tactics and dispositions to be followed by fledgling entrepreneurs (e.g., Fucini and Fucini 1985; Lynn 1974; Silver 1984). At worst, it presents a heavy-handed moral indictment of profit-maximizing ventures (e.g., Pym 1985). Unfortunately, such adulation and attack of entrepreneurial effort sidestep the need for a close scrutiny of the experiences and self-understanding of the individuals who so thoroughly incarnate the social meaning of capitalism. If wealth-production is a lens onto what is in the offing for the capitalist era, the entrepreneur is a key chapter in that story. In fact, it is possible to argue that the analysis of capitalism is truncated because there is so little sociology of entrepreneurship and the entrepreneur. My purpose here, then, is to take an initial step in constructing a sociology of the entrepreneur by examining the confluence of financial world-building and moral self-construction connected to the process of entrepreneurship. In effect, being an entrepreneur is a moral career, a joint venture of making money and making a self.

I base my analysis on findings generated from intensive interviews with 49 entrepreneurs. These entrepreneurs are a subsample drawn from a study of 130 individuals

with a yearly income in excess of \$100,000 or a net worth greater than \$1 million. The interviews were conducted as part of the Study on Wealth and Philanthropy sponsored by the T. B. Murphy Charitable Trust at Boston College from 1985 through 1988. The sample was distributed over ten metropolitan areas of the United States. Respondents were contacted through a branching technique whereby initial respondents referred us to wealthy friends and associates.<sup>4</sup>

In the first section of this paper, I set out the two fundamental economic rules governing every successful practice of entrepreneurship. Though investment theory formulates these rules in more abstract terms, I perceive them as the major components of what I call the *productive secret of money*, to emphasize that entrepreneurs only gradually come to honor them as the necessary conditions for accomplishment. The first rule is the need to locate a specific market imbalance where demand outstrips supply. The second is the recognition and treatment of this imbalance as a unique type of investment opportunity--one in which the efforts of the investor affect the return on investment.

In the second section, I discuss how entrepreneurs actually understand and position themselves in regard to these two central rules. The alignment to money means more than simply entering into the practice of entrepreneurship. More accurately, it is the exercise of virtue by which the entrepreneur moves through successive stages of building a worldly principality and constructing an empowered individuality. Four phases of this dual process are discernible. As they pass through these stages, entrepreneurs uncover and execute a series of pivotal insights: (1) the *productive secret* of entrepreneurial world-building already defined; (2) the *strategic secret*--the tactics of successful business operation; (3) the *financial secret* of parlaying business success into financial and social autonomy; and (4) the *spiritual secret* of moral self-construction--assuming a more fundamental definition of self-fulfillment and the quality of social life.

The purpose of this paper, however, is theoretical as well as descriptive. To this end, I will advance in the discussion three propositions about the meaning and practice of wealth, each at a higher level of abstraction. These propositions concern (1) entrepreneurship as the simultaneous production of moral and financial capital; (2) ideology as a moral exposition of causal logic rather than simply an array of ideas and attitudes; and (3) the social import of wealth as institution-building and the exercise of "hyperagency."<sup>5</sup>

## **THE PRODUCTIVE SECRET:**

### **ALIGNMENT TO THE RULES OF ENTREPRENEURSHIP**

*Newsweek's* cover story on Donald Trump (September 28, 1987) describes how Trump unabashedly promotes himself, his buildings, his businesses, his civic accomplishments, and even his ideas. He lives extravagantly and glamorously--a quintessential example of institutional and personal empowerment. His Atlantic City casino complex is called Trump's Castle. His wife *Newsweek* dubs the Queen of the Castle. Only a few of our respondents rival Trump's brashness and none his empire; but many do share what *Newsweek* calls Trump's "intuitive knack" for making money in the marketplace. As with Trump, background and personal traits help explain why one individual rather than another is successful and why some become celebrated tycoons. Still the question remains, what are the rules of the marketplace that must be honored, albeit intuitively, by every successful entrepreneur, including Donald Trump?

In one sense, the entrepreneurial process of wealth formation is simply the series of steps whereby an individual successfully establishes a business concern. However, I find that the social meaning of entrepreneurship is simultaneously much less and much more personal than the one allowed by this rudimentary view. The impersonal side is the necessary submission of the entrepreneur to the objectively given rules of entrepreneurship. The neglected personal side is the correspondence between building a business and

constructing a self, the unfolding of successive phases of worldly empowerment and self-competence. In this section I set out those objective rules that both constrain and impel the entrepreneurial novice. When followed, these rules give rise to the rich personal drama of *principality* and *individuality* that comprises the topic of the second section of the paper.

### **Structured Field of Possibles:**

#### **Having-to as the Basis for Wanting-to**

Just as the inherited wealthy learn to carry out the specific rules surrounding the allocation of money into categories of investment, consumption, and philanthropy, the entrepreneur must become aligned to the specific set of socially given rules surrounding the way money is invested in a business to earn profits. Drawing on Bourdieu (1984), I refer to these general rules of money that frame each dramatic story of wealth acquisition and identity formation as a structured "field of possibles." This term emphasizes that these rules comprise the external, objective conditions within which successful entrepreneurial activity must take place. I also refer to these rules as the *productive secret of money* in order to stress that entrepreneurs must uncover and embrace these rules at the levels of both cognitive insight and emotional realization. The economic and personal empowerment of a Donald Trump *to do what one likes to do* begins with the dutiful willingness *to do what one has to do*. And what one has to do, we have found, is follow two rules of a practical investment theory: recognize a market opportunity that offers the potential for profitability; and position oneself to directly affect the return on one's investment.

### **The Rule of Market Imbalance:**

#### **"From Such Ideas Fortunes Are Fashioned"**

The first rule of money that prospective entrepreneurs must obey is that successful generation of above-average rates of return depends on their locating an objective imbalance of supply and demand in a particular product market. "We tried, in each case, to solve problems that needed solving," says Detroit Seth Arvin,<sup>6</sup> explaining how his chemical company grew from a basement enterprise to a multimillion dollar public corporation. Discipline, hard work, risk, and some more or less stringent control over other people's work may well become crucial at some point for abundantly harvesting the fruits of entrepreneurship in the form of wealth. But none of these factors, argues Brendan Dwyer, who has known success and failure, is as important as locating a market vacuum or unfilled need. It is a matter of grasping the *idea*--discovering where "there is a need and the supply is zero." "It is from such ideas," he contends, "that fortunes are fashioned." "There was a void "for a certain type of speciality insurance, he explains, and when "we exposed the market place to that idea . . . the market place responded and we had a lot of business."

Sometimes the idea is encountered through happenstance or suggested by someone else. But it is not just an idea that gets recognized; it is the idea as *opportunity*. For instance, commenting about his decision to begin his food distribution company, Dwyer remarks, "This was not my idea, but I recognized it." Such ability to discern opportunities in good ideas requires a certain enterprising sensitivity that many entrepreneurs proudly extoll as one of their distinctive personal attributes. Says Vincent Pierce, founder of a series of successful electronics ventures, "I felt I could see more clearly than others the frontiers of technology and that was clearly the best opportunity. That's how successful companies were built in a short time out of nothing."

The existence of the rule of market imbalance need not be recognized explicitly to be effective. What actually depends upon an accurate and timely alignment to structural conditions can come to be viewed by the entrepreneur only as a matter of personal volition. As Russell Spencer, a successful and articulate real estate investor insists, the greatest deterrent to success is falling into the trap of emphasizing "the down-side mentality as opposed to an up-side opportunity. If you've got any degree of *chutzpah* or capacity or capability, you can't say you can't lose. But [since] the possibility of winning--if you're good--is so much higher than losing, you ought to take the chance." If fortunes in fact require compliance with the rules of money, the best first step would be to heed the theoretical advice of the food distributor who counsels the search for a market void rather than the inspirational homily of this real estate developer who exhorts the conquest of fear.

Although compliance to the rule of market imbalance is required, the rule itself is robust in that it leaves room for performance errors. Once an entrepreneur locates a true gap between supply and demand, actual business practices need not be perfect. Reports Dwyer, "Execution affects the degrees of success or failure. Less than perfect execution will not prevent an otherwise good idea from becoming successful, and perfect execution of a bad idea will not make it work."

### **The Rule of Affecting the Rate of Return:**

#### **"Above Average Returns Without Above Average Risks"**

In addition to identifying a specific product market where demand exceeds supply, the entrepreneur must uncover and embrace a second objective rule of money. This second rule of money distinguishes the entrepreneur from other types of investors such as venture capitalists, futures traders, or long-term bond investors. In investment theory, the concept of expected value or *probable* return on an investment summarizes the outcome of the complex relationship between the amount, duration, level of risk, and rate of return of an investment. Generally speaking, higher expected rates of return are associated with higher risk. The distinctive aspect of entrepreneurship, says Dwyer, is that "above average returns without above average risks can best be obtained by adding your own intellectual capital to your money in such a way that the total return will be greater than the sum of the returns on each." The unique characteristic of entrepreneurship as an investment strategy is its ability to offer--indeed, require--the active engagement of the investor in producing the return on investment. From the beginning, entrepreneurs must position themselves so as to efficaciously shape the world to their interests.

Capitalism, says the historian Fernand Braudel, is "constantly watching developments in order to intervene in certain preferred areas" (1982, p. 400). Entrepreneurial investment engages the investor as an active participant in locating preferred interventions and in affecting the rate of return of such investments. It is not surprising, then, that entrepreneurs so committed to actively managing their incipient investments should point to specific inspirations, hunches, commitments, sacrifices, and breaks as the key to their success, rather than to their adherence to these two abstractly formulated rules of money.

They do so, however, not because they are confused or unreflective, but because they are practitioners rather than theoreticians. Significantly, the structured field of possibles is presented in discourse as a mixture of luck and self-directed choice. For instance, the first rule about locating a market imbalance is often formulated "as being in the right place at the right time" or as having received a lucky break or fortuitous lead. The second rule of efficacious creation of one's own rate of return tends to be enunciated as various practical "keys to success." For example, many of our respondents attribute their prosperity to hard work, product design, quality control, proper treatment of customers and employees, and other business practices by which they distinguish their distinctive contribution. I now turn

to the accounts offered by the respondents about how they founded and run their businesses. My aim is to uncover those neglected moral aspects of entrepreneurship having to do with the interplay of fortune and virtue as they build a business and make a self.

## **BUILDING A PRINCIPALITY AND CONSTRUCTING A SELF: FOUR PHASES OF BUSINESS AND MORAL DEVELOPMENT**

The entrepreneurial process of self-construction and world-building parallels the identify-formation process by which the inherited struggle to overcome their servitude to the rules of inheritance in an effort to make money serve their desires (Schervish 1988). The entrepreneurial process takes place, like the inheritor process, always within the larger framework of an individual's life history and often entails one or more liminal<sup>7</sup> or transitional periods of tension, hard times, questioning, and separation. But if the inherited process is characterized by the use of virtue to gain ascendancy over wealth, the entrepreneurial process is marked by the application of virtue to derive wealth.

The process of entrepreneurial ascent revolves around a usually sequenced set of stages by which the entrepreneur practices the *productive, strategic, financial, and spiritual* secrets of money. I use the term "secret of money" instead of "the objective rules of money" when speaking of the concrete practices and attitudes that the respondents themselves identify as the keys to their business, financial, and personal attainment.

### **Phase 1: Great Expectations**

The first stage of the entrepreneurial journey revolves around the development of the aspiration for financial success. It generally extends from the period of youth through the acquisition of a first job. It is largely a period of internalizing the desire for financial independence and coming to recognize that working for someone else as an employee is the major impediment to fulfilling that desire. Later phases of the entrepreneurial process find the entrepreneur applying insight to action. But most important in the first phase is gathering insight: an education from insecurity, contact with the entrepreneurial spirit, and a prefigurative vision of themselves as entrepreneurs. Taken together, the "early years" represent the initial inculcation of *virtue* and the first efforts to overcome the hand dealt by fate or *fortune*. The neophyte begins the long process of alignment to the rules of making it in the world of money. This means internalizing a drive for success, the habit of hard work, the confidence to take risks, and an orientation of delayed gratification so crucial for developing the investment mentality of entrepreneurship. But it is not all learning for a putative future; often there is also some incipient entrepreneurial practice.

**Images of humble beginnings.** Some of our younger entrepreneurs have enjoyed affluent backgrounds or, like Donald Trump, have inherited a smaller business that they parlay into larger enterprises. But the entrepreneurial biography generally begins with an account of humble beginnings if not actual poverty. Even when there is some evidence of a secure and even affluent financial background, the respondents emphasize how, as Jesuit Daniel Lord entitles his autobiography, "the manner is ordinary." Allison Arbour, who runs a major midwestern advertising firm, says that her father's position as director of purchasing for a small manufacturing company only made her family "middle class . . . if we were that far up the ladder. We always had food, clothing, and all the good things, and we never missed anything. . . . but we weren't wealthy people in any sense of the word."

If those of modest financial background stress their relatively humble beginnings, those who actually endured poverty in their youth highlight it even more emphatically. Especially for respondents born before the end of World War II, the Horatio Alger saga of

rags to riches remains a surprisingly consistent mode of self-depiction. Such respondents speak of economic hardship in their childhood homes; a first-hand knowledge of the perils of financial insecurity suffered by family and friends; and the experience of seeing a family business go under or a parent--usually the father--lose a job, leave home, or die. Such hardship passages are introduced by our respondents not just to fill in the early years of their biographies but as a way to emphasize their active virtue in overcoming obstacles on the road to where they are today. Ethan Wright voices this contrast between origins and destiny:

As a kid I knew we were quite poor. [There were] things I couldn't do, things I couldn't have. We always had a clean house and all that and enough food to eat. But I knew we couldn't have a bicycle, couldn't have a quarter allowance, couldn't have this, couldn't have that. But as an adult, as a working adult, I never had a sense of want or I've never had a sense of financial insecurity, where my next meal was going to come from and where I would sleep.

A saga of parental inadequacy and family mobility in search of better opportunities precipitated the inspired drive for economic achievement and material display of Roger Ulam, currently riding the crest of a billion-dollar business. "I was pretty poor to start with. We lived with my dad who was a truck driver when he was healthy. He had tuberculosis. He died when he was 29 and I was 4 and going on 5." With a mother unable to support the family, Ulam spent the next thirteen years shuttling between boarding schools and relatives.

The mobilizing sting of poverty or financial insecurity can derive as well from early working life rather than childhood, emphasizes William Erwin, a medical supply wholesaler from New England. He grew up in a "comfortable" lifestyle, but is "still carrying psychological scars from having been poor" in his early work life:

Well, I think with each passing year they [the scars] are healing now. But I expect to carry them to my grave. This is from my early manhood. I was a father, parent in the family, having a child every year for seven years. It was just one of those things. Kind of being locked into a financial situation that was very mediocre at best and having increased demands without having increased compensation. We were always on kind of a roller-coaster. It always seemed as if the good months only followed the bad and the bad followed good.

Much attention has been devoted to how the notion of the "deserving poor" gets created and imputed to groups as part of a complex process of political legitimation. We can now see how the self-made generate the legitimating notion of "deserving rich" at the outset of their accounts and then interweave this theme throughout their narratives. Indeed, the story of financial achievement begins for most of our respondents with various vignettes of misfortune or, at best, with recollections about the even-handedness of fortune. They are not particularly privileged or spoiled in their youths. In order to tell of their interventions to better their lot--what they tend to be most proud of in life--they must also tell how they did not like or want every hand that was dealt by life. To satisfactorily explain their achievement, our respondents construct a narrative that emphasizes the workings of virtue in their lives. By devoting narrative time and space to recounting the challenges and hardships of fortune, they open a narrative (and thus a social) time and space for recounting their responses of virtue.

**Frontier virtues.** Our respondents, living under the cultural umbrella of Calvinism and the Enlightenment, adhere to a belief in the relatively unlimited potency of *character* for shaping fortune. The early years arm our respondents with the capacity to combat the vagaries of fortune. They teach the efficacious practice of virtue, what Thomas Aquinas calls the habit of doing good, or what one respondent, Dale Jayson, defines negatively as "developing the habits of doing the things that non-successful people aren't doing."

The respondents invariably emphasize how they have inculcated frontier virtues such as hard work, the ethic of investment, simplicity of lifestyle, thrift, care for others, and delayed gratification. Lamenting that his own kids are "never going to know the atmosphere of Smalltown U.S.A.," Russell Spencer extolls his own "disciplined upbringing" that included the family motto that "you've got to go to college," the childhood injunction against going out on school nights and staying out late, and the expectation that he would work every summer doing "penny ante jobs like mowing lawns and taking care of tennis courts."

Such virtues, Spencer and others repeatedly insist, are learned not in schools or even churches but through the example of family members and from the lessons of worldly exposure. Spencer readily admits he never did well "grade-wise" but was, in his words, a "big-man-on-campus type." He was class president in eighth grade, class president in senior year of high school, "played sports, and was in all the clubs and all that." Again in college, he "struggled grade-wise." But then, he assures us, "things worked out"--not academically but in financial terms of "making good money" by holding down four campus jobs.

If school learning is discounted, the object lessons of adolescence are acclaimed as major formative experiences. Spencer always remembered his father's gentle but firm admonition to him at age ten that "people don't like to be called Polacks, Dagos, Wops, or Niggers or anything like that." "Smalltown U.S.A. is interesting," he adds, in how it shapes your values because "you know the bank president and you know the milk man by first name. And the cop knows you and he knows your dad. And there's a sense of 'you'd better not screw up' because it's going to get back to him pretty quickly."

**Strength of character.** Underlying the array of *specific* virtues constituting the moral character of the entrepreneur is something even more crucial for energetically molding fortune in order to establish a business of one's own. This is the appropriation of the "active" virtue of continuous self-improvement through disciplined training, what Machiavelli calls *virtu*, that embodied power or force that holds fortune "in check" ([1514] 1961, p. 130). To build a business becomes not just a way to earn a living or become financially secure, but a daily moral test. For Roger Ulam, the disciplined development of a moral self began, appropriately enough, during his stint in the Marine Corps where, as he puts it, "I saved most of the money I made. . . . I didn't go out on liberty and raise hell like the other guys did as much. . . . I spent a lot of time in the library reading and studying, trying to plan my life. . . . I came up with my five priorities which are spiritual, social, mental, physical, and financial--in that order."

Such self-generation of virtuous character is boldly exemplified by the rigorous process of what Dale Jayson calls "self-actualization." Jayson's dramatic narrative captures especially well the development of self as an active repository of efficacious power. Disillusioned that white team members were getting played ahead of him in high school, Jayson learned from his father, "Son, you got to be twice as good or maybe three times." This lesson, proffered by "a guy with no formal education," showed him "where the boundary is" between success and failure. It firmly embedded "the philosophy that whatever it takes, you do it." "Strive for perfection," admonishes Jayson. "The closer you come to being perfect, the more secure you are. Your very best is not good enough." "The only limiting two words in my vocabulary," he says, "are 'if' and 'wish.' Most people who use those words are losers. . . . 'If I would have done this,' 'I wish I would have done that.'"

**The prefiguration.** Our interviews do not provide the kind of information that would enable us to compile an exhaustive list of the determinants of an entrepreneurial career. However, several key elements can be identified. For instance, one frequent element of an entrepreneur's background is some kind of direct encounter with the workings of entrepreneurship. This often occurs in childhood through the activity of a family member but it sometimes comes through their own youthful entrepreneurial initiatives. These business efforts of grandparents, parents, or other relatives did not engage our respondents long enough to establish them as entrepreneurs nor did these efforts prove successful enough to provide an inheritance. But they seem to have made our respondents more relaxed with stepping out on their own. As William Erwin intimates, "My dad was a commissioned salesman selling paper products--a very, very avid reader--and helped me with having kind of an entrepreneurial spirit." As a youth, Ethan Wright witnessed his father move in and out of a couple of businesses, but Wright really cut his teeth by working for his uncle who looked upon him "as the son he didn't have." Ulam, who grew up without such familial role models, secretly adopted McDonald's founder Ray Kroc, as a remote surrogate mentor.

Even when not so explicitly recognized by our respondents as a formative experience, such models helped implant the fundamental insight about the dialectic of socialization and social construction that is crucial for all creative enterprise: namely that agents need not humbly find a place in the world but can willfully found the world itself. Perhaps most everyone has childhood aspirations for success and it is just that the successful better remember them or are more emboldened to voice them. Still, part of that personal side of self-formation that accompanies entrepreneurship is the creation of a strong individuality defined by our respondents as the anticipation that they can mold the world to their interests. This is the great expectation--not some naive hope for some unknown beneficiary to provide an inheritance, but the purposeful self-directed quest to form a worldly domain of principality commensurate to their expanded individuality.

Such a demanding sense of self derives not only from contact with enterprising parents or surrogate mentors. It arises as well from internalizing the entrepreneurial path, often at an early age. The call comes as a prophetic vocation requiring a conversion or *metanoia*, a decision to reverse one's destiny. A remarkably consistent finding is that virtually every one of our entrepreneurs report, without our prompting, some youthful great expectation to become successful in their own business. "When I left Cincinnati I wanted to be a great football player, and I wanted to be a millionaire," says Raymond Wendt, putting it as directly as possible. Such *prospects*, as Dickens would term it, for financial principality become focused at this early stage in a prefigurative entrepreneurial identity often accompanied by an experiment of rudimentary entrepreneurship.

Our respondents consistently recall a youthful projection of themselves into a financially secure future, "to sightsee it out," as Jayson phrases it. They envision themselves as successful entrepreneurs or professionals, establish this as their life's goal, and set out to attain their dream. "I was a teenage tycoon in my head," proclaims Ulam who engaged in numerous money-making schemes going back to high school. Electronics entrepreneur Pierce says "As early as my junior year in college I had the vague but distinct idea that some day I would like to start a company." And Eva Radkey testifies to the abiding power of the vision by citing how an earlier dream to produce a specialty pastry became actualized only as she floundered for purpose amidst a devastating mid-life crisis.

If Radkey received the vocation as a liberating opportunity, William Erwin did so with more sobriety. Like Rudolf Otto's (1936) notion of the sacred as *fascinans* and *tremendum*--both inviting and awesome--the early vision is not just liberating but obligating. Like a moth drawn to the flame, William Erwin just couldn't resist the call to entrepreneurship: "It wasn't so much that I had to do it; but something inside of me wouldn't let me not do it."

In addition to visionary prefigurations, many prospective entrepreneurs actually undertake small-scale entrepreneurial experiments that both express and solidify their

emerging self-understanding as individuals in charge of creating their fate. Ulam, it turns out, was not just a dreamer. Even as a teenager, he reports, "I found myself being very entrepreneurial. I had a lot of different things going, from raising rabbits to growing vegetables and selling them door to door. And when it snowed I'd grab a shovel and broom and knock on doors. I'd go fishing and catch and clean the fish and take them door to door."

"I remember in high school saying that I . . . wanted to be a millionaire before the time I was 30," says Walt Adams. And indeed, as anticipated, he "came out very much on the run," learning and applying the productive secret about how to transform mere consumption items into productive, profit-generating capital:

Even as a high school student I always felt that . . . as long as I had money that I could do what I wanted to do and socially I'd be more acceptable. . . . I remember I'd bought a car and then would charge the kids for rides in it.

And I paid for the car and I paid for a lot of other things that way. And that really was, I guess, my first lesson in entrepreneurial pursuits. Reflecting Dale Jayson's injunction that virtue is doing what the non-successful don't do, Adams stresses he did not exploit his friends. He simply viewed the world in a more enterprising way. His friends "didn't mind," he insists. "They didn't know about profit margins or about what this had cost me to do it."

## **Phase 2: Breaking Away--The Limits of Working for Others**

None of the transitions between phases can be cleanly demarcated. The life histories of the entrepreneurs flow more evenly than one can chart them. This is especially true in regard to the second phase in which the incipient entrepreneur makes the transition from employee to self-employed. In this stage the dissatisfied employee undergoes the tension, uncertainty, and self-testing associated with the exercise of virtue. Such virtue is required to train would-be entrepreneurs in the skills and discipline needed to risk striking out on their own and to astutely scan the terrain of market opportunities for a lucrative opening.

If Malvolio's pronouncement that "some are born great, some achieve greatness, and some have greatness thrust upon them" broadly characterizes the paths to fortune, respectively, of the inherited, the entrepreneur, and, perhaps, the lottery winner, it also serves to distinguish the different paths to entrepreneurial greatness. As I will describe, those for whom the ascent requires disciplined struggle speak in the more emotive imagery of pursuing an odyssey, scoring in a game, and engaging in a war of maneuver. Those for whom the rise to fortune is more gradual and less strewn with obstacles employ metaphors of construction, career, harvest, stewardship, and shepherding.

**Liminality: "without a life-preserver in the shape of a salary."** Armed with the push of childhood economic insecurity, the pull of their prefigurative expectation, and the virtue of discipline and training, our respondents enter the world of business with an individuality in search of a principality. It turns out that this search amounts to substantially more than job-hunting or determining an appropriate career. It is no exaggeration to say that the search becomes a moral quest eventuating in a virtual redefinition, not just of themselves as creative economic actors, but of their whole perception of the productive capacity of money. The first step in this self-evolution is the transition from the relatively secure status as an employee within an enterprise of someone else's making to the more precarious status as an entrepreneur within an enterprise of their own making. "The businessman pure and simple," commends Andrew Carnegie, "plunges into and tosses upon

the waves of human affairs without a life-preserver in the shape of a salary; he risks all" (quoted in Rischin 1965, pp. 4-5).

Some respondents make their initial foray into "the waves of human affairs" directly as entrepreneurs, often in some family business, but most follow the more common path of trying to fulfill their aspirations first by taking jobs that draw on their training and interests. With only a few exceptions, our respondents received college degrees and many pursued graduate work. They obtain favorable employment placements with potential for long-term careers and financial advancement.

Despite such favorable prospects, our respondents uniformly come to question whether alignment to the rules of money that govern them as employees can fulfill their heightened expectations for financial security or personal independence. This period of liminality begins with entrance into the dual process of disaffection from current conditions of employment and attraction to the alternatives of "buying one's own time," as William Erwin puts it.

Dissatisfaction with a particular job is often given as the precipitating event, even though something more positive is almost always going on in the transition from employee to entrepreneur. For instance, Russell Spencer says, "I got out of college and I ended up in the bank which to me then sounded very appealing. It had a nice white-collar ring to it. And I don't think I really understood that there was no money in it." Many other respondents also begin their disaffiliation by focusing on the monetary considerations. They complain that being employed too stringently limits the upper boundary of income and wealth to which they can aspire. But other aspects of self-employment become cherished as well. "By and large," explains Erwin, "there were certain benefits that legitimately accrue to an owner that are not available to someone whose income is totally [derived from] working for someone else. . . . [such as] car expenses and things of that nature, a modest amount of entertainment, vacations." But these are "nothing of a grand nature," he continues, in comparison to the fact that "your time was your own; you were building something."

The fact is that prospective entrepreneurs simply *outgrow* what even the best employment position has to offer. Growing dissatisfaction with an employment position becomes translated not into moving to another job but into moving outside of the employment relationship altogether. The key to the transition from employee to entrepreneur, then, is not any specific job dissatisfaction but the stark recognition that their expectations for financial security, autonomy, and personal happiness cannot be satisfied if they sell their time to someone else rather than buy it themselves. Harboring great expectations certainly makes our prospective entrepreneurs less content with any employment constraints; but it is their already strongly developed individuality that enables them to consider that working for others in any capacity is the foremost barrier to surmount. The liminal transition from employee to entrepreneur is thus a new way of acting. But even more fundamentally, it is a new self-understanding, a new way of being.

**Liminality: the search to quell the "restless hope."** Those who must take leave of their status as an employee as well as those who move directly into entrepreneurship must enter an interlude of virtuous search for the appropriate entry into entrepreneurship. This search becomes a vocational quest, especially for the neophytes who must track down their initial exposure to entrepreneurship in contrast to those who need only select among the opportunities already within their purview. This quest to find the proper inroad is a relentless search. Aspiring entrepreneurs struggle for cognitive insight into how best to position themselves to fulfill their aspirations, to quell what Matthew Josephson, the renowned chronicler of the Robber Barons, calls their "restless hope" (1934, p. 33). After terminating a successful but ultimately unsatisfying tour of duty as a "peddler" in his uncle's business, Ethan Wright tells how he began "striving, thinking" to "figure out what I really wanted to do with myself." He was sure of only one thing: "a drummer keeps beating [in my head]: 'financial independence, financial independence.'"

**The secret of the productive secret.** The search to fulfill the drive for individual autonomy eventuates in learning the *productive secrets* surrounding a specific market segment. This insight is the objective cornerstone of the entire entrepreneurial enterprise, the condition of possibility of all subsequent success. The two objective rules of entrepreneurial success and how our respondents formulate them have already been reviewed in the first section of this paper. There we learned that alignment to the objective workings of money requires at least an intuitive grasp of the rules of supply and demand, the location of a market niche where demand outstrips supply, and the necessity of committing their own efforts to obtain that high level of return on investment that distinguishes entrepreneurship from other forms of investment.

Still, the discovery of a more fundamental aspect of the productive secret is cognitively prior even to the determination of a market niche. This entails learning to view the world in a peculiarly distinctive way. Before learning a business, the entrepreneur learns a philosophy. "A quality of iron enters the soul," says Josephson, the future entrepreneur "acquires a philosophy suited to opportunities" (1934, p. 35). What then is that mobilizing vision, that "quality of iron" that steadies nerves in the face of risk? We find that it has something to do with the fact that entrepreneurs no longer conceive phenomena primarily as means for fulfilling needs or as objects to enjoy but as opportunities for profit. "It takes a certain kind of desire," explains Wright. "There are people who will look at land and say there's a wonderful place to grow roses or to have cattle roam, but [the real entrepreneur] will only look at it as though it were dollar bills: 'land I should have bought, land worth this but it could be worth that.'" In Marxist terms, this is the shift from perceiving goods and services as use values to perceiving them as exchange values, that is as commodities valued for their market capacity rather than for how they can actually be used. They are produced and sold not according to the logic of fulfilling individual or social needs but according to the logic of expanded accumulation. Significantly, this parallels the cognitive transformation that marks the movement from employee to entrepreneur: the insight that labor receives a more lucrative return on investment when one is buying one's own time (and the time of others) rather than selling it to an employer.

Learning to approach the world for its exchange rather than for its use value can rightly be called the productive secret of the productive secret. It is the learning of a new truth, the attainment of maturity by the capitalist mind. It is the inner voice, says Wright, associated with "the way I've been trained and [how] my mind works." It says "if you do it this way you'll make money." For the entrepreneur market analysis is not just an interesting insight; it is the recognition of an opportunity for action. Says Chicago hotel supplier Benjamin Ellman, "The difference between successful people and very successful people, I've always felt, is . . . a unique ability to take advantage of opportunities. Everybody gets opportunities but most people don't recognize them as opportunities."

**The break.** Not only does this second phase itself vary in intensity and duration. Various sub-stages comprising the second stage are in fact omitted for some of our respondents. The major factor extending or truncating the second phase is how prominently the testing period of liminality just discussed figures in the business biography of the entrepreneurs. That is, how challenging are the initial roadblocks that those on the march from employee to employer must skirt on the road to success. The greater the impediments to be overcome in accumulating either human or financial capital, the more we hear a story of liminality and virtue, and the more the early stages of Phase 2 are emphasized. The more our respondents enjoy the benefits of assistance and leads, the more they experience a relatively smooth non-liminal transition, the more they recount a story of fortune and breaks surrounding the last stage of Phase 2.

Entrepreneurial success is thus never reported merely as the triumph of character over circumstance--not even by the respondents who endure the greatest rigors of liminality in search of an entrepreneurial identity or in an effort to get their businesses off the ground.

In virtually every instance, the retrospective accounts cite--and usually emphasize--the benefit of a break at the onset or at some crucial turning point of the entrepreneurial career.

Fortune is viewed as most generous by those who have had opportunities "thrust upon them" even though they have neither weaved nor toiled to earn them. In the extreme instance, fortune bestows not just the specific opportunity for a profitable enterprise but an introduction to the notion and identity of entrepreneurship itself. Relatives, friends, or individuals encountered by chance, provide a relatively smooth transition from a general aspiration for economic independence to a concrete apprenticeship in the business world. These informal mentors offer unsolicited partnerships, investment opportunities, ownership positions in small or fledgling businesses, or just plain good advice. Ellman, for instance, stumbled upon his prospects when, in the early 1950s as a budding manufacturer of hotel supplies, he felicitously heeded the advice of a chance acquaintance whom he met on the road. This stranger suggested that he get back in his car and visit the founder of a chain of highway establishments known as "motels." It turned out to be the beginning of a long friendship. A deal was struck that day to provide specialty furniture for every motel to be opened in that chain.

Despite the prominence of such good fortune, success is never achieved without activating virtue to milk those unearned opportunities wrought by fortune. Virtue gets played out only within the world allotted by positive fortune in the form of opportunities and negative fortune in the form of constraints. Thus it is the way fortune interacts with virtue and not just the presence of fortune that shapes the entrance of our respondents into their business lives.

### **Phase 3: Making It and Making a Self**

Having come to align themselves to the rules of entrepreneurship, the increasingly empowered individuals now begin to align entrepreneurship to themselves. As they "make it" financially, the peculiar empowerment of the wealthy begins to take hold. Instead of the rules of the world being re-presented in the life of entrepreneurs, the will of the entrepreneurs becomes re-presented in the specific institutional shape of their businesses and in the distinctive personal shape of their biographies. As they come to "make it," we find that entrepreneurs are making their selves and making the world in their image. Such ability to manufacture the environment for oneself and others is the divine power of creation--a capacity so broadly and purposefully exercised from this point on to warrant for our respondents the designation of "demigod," and their domain that of "principality."

**Strategic secrets: learning the ropes.** Once at the helm of an enterprise, the entrepreneur is no longer just a worker or investor but what Carnegie terms a "merchant" or "maker." But being a maker means more than "to make some something tangible and sell it," as Carnegie defines it (quoted in Rischin 1965, p. 4). It means also to make one's environment as well as to fashion oneself into an empowered being. As I said, the most fundamental requirement for such world-building and self-construction is to become aligned to the objective rules of market success. Entrepreneurs must locate and work to their advantage some imbalance between supply and demand. Within this requirement, however, "making it" becomes a highly personalized endeavor.

With remarkable consistency, our respondents proudly recount the *strategic secrets* of their success. These are the set of specific investment, labor, production, and marketing strategies derived from their budding individuality and to which they attribute their success. Our respondents withhold no secrets about their formula for their success and are ready--even anxious--to reveal the trade secrets of their entrepreneurial and managerial achievement.

What eventually becomes a defining characteristic of the wealthy--control over their destiny--begins as a series of strategic lessons to be learned about how to conduct a business and comport themselves so as to retain a competitive edge and, just as important,

feel proud of their accomplishments. "I believe in 'Thank you,' 'May I help you?' says Ralph Pellegrino, the owner of a retail hardware chain who gets involved in every detail of the business. "The thing I enjoy most is being on the floor with the customers. . . . I'll go up and put my arms around them, and I do love people. I just enjoy being on the floor. I could pick up a thousand things that were wrong, the feel you have, mostly because it's customer-oriented like that."

In addition to being customer-oriented, the strategic secrets of success that we hear about include treating employees with respect, providing good working conditions and benefits, producing high quality products, working hard, and, as David Stephanov counsels, simply being tougher than anyone else. "There's four ways to get wealth," he suggests, "You inherit it, you work for it, you borrow it, or you steal it." He assures us, however, that the only way he got wealth "was to work for it."

While Stephanov is tougher than others, Rebecca Jacobs is quicker and more engaged. The Detroit-based importer attributes her success to four strategic secrets that she strings together in her account. The first is to work in a way that is principled and self-engaging. As her import chain was getting off the ground, Jacobs was active in training her staff and her franchisees. The key was "helping others and making some money off of it." In fact, "I never even thought about the money, I just thought that I had to do this, to give this away, to teach these classes, to help other people." It was a way of life, she says. "I was training in my house, in my bathrobe, in between feeding my children and teaching the classes myself, and taking the money, and doing the books, and I was laying out the adds, and I was doing the public relations. I was getting a very quick MBA," she concludes, reiterating the familiar motif of the school of life. Her second secret is to hire and associate with the best professionals. "I'm always going to go first class. I'm never going to go second class," she insists. "And so I went to the top lawyers, the top accountants, who are still my accountants and lawyers--and best friends." The only path to accomplishment is to "go out and find the very best and hire it."

Her third strategy for success is to resist any temptation to indulge in self-pity for being a woman in a tough business environment. Yes, there is something to the fact that women are "second class citizens," especially since the business world regards men as "smart" and women as "lucky." Still, in all her work to build two buildings, to put out a newsletter with a circulation of 250,000, and to obtain and make good on loans totaling over \$2 billion, she has never encountered any debilitating discrimination. "Never in my twenty-one years of business can I remember having a negative business reaction from a man because I was a woman." It might have been different, she concedes, "if I went to work at the bottom of Ford Motor Company or Chrysler or GM." But thus far her experience is that "men have treated me like I was their best female client and that never stopped." Her final strategic secret is to have the creative mentality of a winner. Maybe "I would not have gotten to be the President, but I'm a winner, and I believe in winning in life," Jacobs avows. "I set my own goals. I'm a dreamer, I think that's one of the big assets that I have. My imagination is the most wonderful thing in the world that I have, and then I just try to make those dreams come true. I just know I'm going to win."

Although Allison Arbour later "did some time"--as her father put it--at a major university and staggered through years of night school, this prominent entrepreneur who became the first woman president of her city's major business organization simply "walked out of college," never to earn a degree. More instructive by far was what she learned from being defrauded by two early partners: having "to hustle big" under the pressure of commission work, diving right into new projects, and working alongside the "old war horses" in her industry. Although, like every other successful entrepreneur, she heeded the two objective productive secrets of business activity, in her consciousness the key has always been her readiness "to get my hands dirty," and to say "let me try that":

I didn't even care if I got paid when I first started [working with] . . . a couple of guys who were doing [in radio] what I was doing in the newspaper

business. . . . Once I figured out how they did it, I really didn't want to do it any more. Because I just was sort of constantly thirsty for knowledge of the communication field. As you can see, I really was constantly sticking my hand in. But, like Mother touching people with charity, I had to touch people in the business. I had to get my hands dirty, I guess, to understand it. Maybe, if I had enough educational background to comprehend things, I wouldn't have had to work so hard to learn. But everything I learned, I learned by doing.

**Business success and the financial secret of money: "The cream on top of the cake."** Learning and applying the productive and strategic secrets of money eventuate in business success for our respondents. But that business success does not automatically translate into financial security, much less into personal fulfillment. Successful entrepreneurs, of course, are not exactly "sheep without a shepherd." Our respondents are accomplished in building and running their enterprises. We have seen that examining the array of strategic secrets tells us more about the moral drama of entering into entrepreneurship than looking only at how entrepreneurs align themselves to the technical rules of the two productive secrets. Similarly, we have more to learn about the outcome of entrepreneurship than merely that money was made.

As I have stressed throughout, establishing a financial principality coincides with crafting an individuality. Just as entrepreneurs pursue their expectations by materializing their individuality in the form of a business, the wealth earned by that business feeds their individuality. By learning how to translate business success into malleable liquid assets and then applying those resources to the fulfillment of their interests, they uncover the *financial secret* of money. In addition to learning how to invest money to build a principality and individuality in the world of production, they learn how to build a principality and individuality in the realm of consumption.

Respondents who have learned the financial secret of money recognize that their empowerment in areas other than business depends upon learning how--and when--to disinvest time and money from their businesses in order to foster other goals. They reveal at least an implicit knowledge of this financial secret in how they translate business success into an even bigger financial success. They talk about "knowing when to get out by selling the firm," "going public," and "liquidating" all or part of their business assets. What makes them successful is learning the productive secret of money. What makes them consciously empowered as "wealthy" or "financially secure" in a broader sphere of life is learning that just as money can be put into a business, it can also be taken out to serve other desires and interests. Discovering that they are in fact wealthy, that indeed they have *disposable* income, is an important prerequisite for the wealthy moving from being disposed over by their money to disposing over it.

Only as his business got "going nicely," and he de-emphasized his insatiable drive to save and invest, recalls Ethan Wright, did the drum beat of "financial independence" become "quieted down." He returned to his musical interests and spent time doing things with his family:

My life was broadening a bit more. I had been a working fool up to that time, worked very, very hard always; worked Saturdays every week of my life. I never knew what it was like not to work Saturdays and in the early days it used to be a half a day on Sunday. . . . Then a couple of dramatic changes started taking place.

First, he realized that his business had been a success, that he had become an accomplished practitioner capable of maintaining his success. And second, he recognized that he could consider himself wealthy if he were able to transform his fixed capital into liquid assets.

It was precisely "when we decided to take the company public," explains Arvin that he first realized that he was wealthy. Up to this point, "I did have money, but it wasn't a lot of money," the chemical entrepreneur recollects. "I guess at that time my wife bought me a Rolls Royce because she owned twenty percent of the company and we still lived in a modest house and our kids had no idea that we had any money." From that point on, however, things changed. "After I got the Rolls Royce people began to treat me with respect and I acquired some prestige. I guess maybe that's when I realized that money was power. And I have some money and I have some power and that was it." When the Park Company approached him for the sale, Arvin wondered "what would this do for us?"

His answer is typical: It would "give our children security, things to do, what they want to do; give us a chance to be philanthropic, to do the things I wanted to do for the community."

June Radkey learned the financial secret as her specialty pastry chain of eighteen *June's* stores was bought out by two New York investors. At first, she resisted the buy out but after six months of consideration she agreed to the offer, with two conditions: that she continue a relationship to the company "doing the promotion and the PR" and that the company "stay with my name" on the logo. Like Arvin she discovered that she now had discretionary income. She put some into real estate but most she distributes generously to her children. "I'd rather help my children while we're still alive, not when I'm six feet under. So whatever I've got coming, I give a share to my kids." When asked whether she considers herself wealthy, however, Radkey responds by redefining wealth as health "Yes [I am wealthy], as long as I have my health. You can have all the money in the world but if you don't have your health, and happiness--but health number one. Happiness you can get around, but if you don't have your health, forget it."

Like many others who have reached financial security, Jacobs repeats the refrain that "money does not buy happiness," health, or "being a nice person." Voicing a contemporary version of Smith's ([1759] 1976, p. 183) and Keynes's (see note 2) notion that wealth appears as possessions but functions as a capacity, Jacobs is clear about what many *can* buy. "I love the money, I want to tell you. I love all the things it supports." First, money gives "peace of mind. It gives you security. You know you're going to eat and you know you're going to be able to do all those things. It gives you the cream on top of the cake." Her poor childhood in Detroit, she clarifies, did not make her unhappy. "I have wonderful memories of singing and going to the beach and going to Belle Isle and sleeping because it was too hot in our house and we all got together." Still, she is pleased that "money can buy you material things and make your life easier for you" and for family members. For instance she was able to fulfill her dying father's lifelong wish to visit Israel and to provide him with six weeks of the best of care at the Mayo Clinic. For her part, says Jacobs, "I love my baseball season tickets, symphony tickets, and I'm going to the Bolshoi Ballet next week. I love the fact a friend of mine called to say, 'I got front row seats to see Pavarotti in Chicago at the opera house,' and that I can afford to get on a plane and go for the night and see Pavarotti and come back the next day. I love the theater, I love all the things that support me. I do love them all."

Although the financial secret is taught and learned under many rubrics, one thing is clear. As entrepreneurs unlock the money congealed in a business their riches become an active force in the service of fulfilling their interests. Just as important, however, is the fact that financial success breeds a reconsideration of the content of their interests. Like Jacobs, for whom wealth "also made me realize how short life is and how important family is," many begin to reach for a new conception of themselves and their financial vocation.

#### **Phase 4: Renewed Quest for Principality and Individuality--The Kalpataru Tree and the Spiritual Secret of Money**

Up to this point, the dialectic of having-to and wanting-to revolved around being disposed over by the rules of money and disposing over the construction of a business according to personally charted strategic decisions. In the fourth phase the empowered entrepreneurs take up the quest to discover and carry out a deeper set of interests. This, we shall see, does not mean they abandon their business and investment strategies altogether; only that the purposes to which they apply their empowered individuality become broadened into a principality based on a fuller range of religious, humanistic, political, or social goals. Locating these non-material interests and dedicating personal and financial resources to realize them is to learn and apply the *spiritual secret* of money.

**The spiritual secret of money.** The spiritual secret of money is the deeper hidden ability of money to liberate entrepreneurs from the demands of the productive discipline of money. As we have seen, entrepreneurs must first honor the objective rules of money. But once wealth is achieved, it is possible to reverse the causal nexus between subject and object such that the wealthy come to rule money and business. Learning the financial secret moves entrepreneurs from "being consumed" by money to consuming it in accord with their desires. Commitment to the spiritual secret takes things still further. It is not everyone who learns or seeks to learn the spiritual secret of money. Those who do, however, move from attending to the quantity of their interests to the quality of their wants, including self-development and philanthropy.

Two dynamics converge in the lives of those for whom enterprise has brought financial security and personal confidence. The first, as we have already seen, is the incontrovertible fact that more than any other members of society, those empowered by wealth can have a lot of what they want. The second is that entrepreneurial success does in fact induce new and different wants. This latter dynamic, however, is neither automatic nor easy for the wealthy. As New York interior decorator Carol Layton explains, the temptations of wealth are legion. "I love having money," she remarks. "It makes it possible for me to do whatever I want to do." Having attained financial security, however, raises the question about what she wants to do with her resources. "First you have children and you want to help make them financially secure. And two, if you're like we are, I have a need for ongoing things. I want the business to go on. I want to build something that doesn't die when I die. So we're building something that I hope will have continuity." But at this point in her life she begins to explore a philanthropic perspective: "I can indulge in certain kinds of fantasies, and get more active in philanthropic organizations," whereas she could not even think of this in the process of accumulating her fortune. "You get bogged down in keeping the business going. You're acquiring money and making a profit, but it's a time-consuming process." After leaving Harvard without writing her thesis, Layton then "went into something as crass as money making." Gradually she came to realize that she "had to do something" by way of a social "contribution." To do so, she explains, required her to "divorce the money a little bit from how people feel about things" in a materialistic culture.

Looking only to what "I want to do" is no way to live, counsels Boston builder, Charles Dore. Over the years he has redirected his life from being a "money grubber," as he says, to being a quiet but active contributor to Latin American and African American concerns. "There's so many people that are just into themselves and can't seem to get out of themselves, can't seem to see the broad picture," explains Dore. People don't want to see. They draw the curtain. You start to tell them about Ethiopia, or poverty and--and these people basically are good but they tend to pull the blind. How the hell do you get that blind up?"

**The Kalpataru tree.** Houston Smith (1958) provides a way to understand how wealth can help "get that blind up" and not just pull it down. He summarizes the Hindu spirituality of riches in the story of the Kalpataru Tree. This is the wishing tree that freely gratifies any expressed desire. In contrast to proscriptive Western morality, the only dictum issued by the sign on the tree is "You can have what you want." There is no attendant assumption that the value of what is wished for necessarily improves over time or follows some innate hierarchy. It is simply that one's interests will be fulfilled. The only implied warning is that expressed in the fortune cookie proverb: "Beware of what you want. You may get it." It is impossible to say whether the moral economy of the Kalpataru Tree will move any particular individual toward virtue or hedonism. What is clear, however, is that the intent of the tree's aphorism is to counsel reflection on the quality of wanting rather than the quantity of having.

Despite Layton's allegation, there is no evidence that even the most successful entrepreneurs can have *everything* they want. I do find, however, that the quality of wanting does change in the wake of entrepreneurial achievement and that the wealthy are positioned better than anyone else to go after what they desire even as they deepen the quality of their wants. All wealthy entrepreneurs reevaluate their own wants while many come to discern and identify with the wants of a broader segment of society. But in any case, they mobilize resources to fulfill their wishes. They invariably become Kalpataru trees for themselves, and, if they learn the spiritual secret of money, for others as well.

Wall Street investor Ron Markewicz reveals the alluring invitation of the Kalpataru tree. Until now he has been an explicit proponent of free enterprise, in business and in life. In both, he says, people go it alone, with "merit the only criterion." Yet having reached a point where he has greatly succeeded by going it alone, Markewicz comes to appreciate a new causal dynamic. He now grasps "the sort of abstract notion that if you have had good fortune smile upon you, then you should sort of smile back. Sort of the Ying and Yang philosophy." Life "balances on some cosmic scale," he explains. "If you have had a lot of good fortune come your way, somewhere there are scales that are adjusting. When things get too far out of balance with what you've got versus your seeding, trying to put something back, then somehow there isn't any harmony. And you're asking for it, I suppose, in a way."

**Renewed liminality: "My problem was that I had made it."** The encounter with the Kalpataru tree entails a renewed liminality as the entrepreneur takes up a quest to chart a post-prosperity personal and social agenda. For Ethan Wright, coming to realize that his business had gotten to the point where it could offer him financial security "was a cruncher." "It was like a seizure. . . . I could do anything I wanted to do. But I didn't know what the hell to do. So the first thing I did was I hired myself a psychoanalyst." Apparently this helped because "Susan and the kids, we took off for a nine-week trip to Europe in 1965. That was my acknowledgement to the world that I had made it." In effect, this "acknowledgement to the world" engages Wright in a renewed liminal transition of identity. As if standing before the Kalpataru tree Wright was no longer in search of empowerment or capacity but in search of direction. "I had arrived at what the goal was, which was financial independence. . . . My problem was that I had made it in a sense, I had separated myself from my main business activity. . . . So I had to find something to do. And what you end up doing, I think, what I discovered is you go to those things that truly interested you, have been an interest of yours in your life."

Although, as with Wright, the building of a principality of business usually antedates development of a fuller moral individuality, many entrepreneurs uncover the spiritual secret of money early on even as they build and consume their fortunes. For instance, Brendan Dwyer manages to formulate his religious version of the spiritual secret of wealth in the midst of his most prosperous business undertaking. "My role is to attempt to harmonize my [business] activity with the roles that the Creator would like to see born," explains Dwyer, citing the norm of inner peace as the touchstone of the spiritual secret. "To the extent my activity harmonizes with the role He sees for me, then I'm going to have a peace and tranquility in exercising that

[role] and in living that you can't get in any other way. And when I'm in conflict with that, then I'm going to have a certain tension and disunity."

Still, most entrepreneurs mirror the course followed by Dallas insurance magnate Henry Nielsen. Only after he made his millions did he begin to reflect on where he should go from there. "That's one of the things that I've got to make a decision on," he says in reference to making a shift to a philanthropic career. Even though he is "probably going to put half a million or a million in a trust this year," he doesn't "have the slightest idea" of what he wants to do with his charity. "I have a feeling that I would like to do something. But I have no specialized interest. But I'll probably put it in this year. Where, or what we'll do with it I don't know. That's one of the things I'd like to do at some point in my life." His liminal transition from business priorities to philanthropic concerns requires not only that he "get somebody in to run the store, which I'm working on." It also requires that he learn how to "play out" his involvement "on the social scene."

His goal is to "try to do something like I conduct my business," to "take on a project and say I'm going to try to do something in this particular arena that's going to help the community. That one's got to play out." Although Nielsen is unsure about where to "take it," he is confident that "I have something up there," he says, pointing his finger at his temple. "Although I don't apologize for what I have done, I'm really right now kind of at a point where I've got a chance to choose another career." Revisiting the Kalpataru tree at this stage in his life, Nielsen ascertains that as "you get a little more age, you can have two careers going at once."

**Economic vocation: "To take on any kind of a project, you've got to have some wealth."** In the end, Nielsen pinpoints the distinctive attribute of the spiritual secret of money as it occurs in the life of the wealthy. While many in the population at large are concerned with the morality of money, it is the wealthy alone who may be said to have the wherewithal for actually carrying out an economic vocation.<sup>8</sup> Nielsen overstates this a bit when he says "you got to have wealth to do some good." But he is more on the mark in recognizing the importance of wealth for exercising agency in initiating ventures. "To take on any kind of a project, you've got to have some wealth," he advises. "So you got to permit people to make wealth...You have to have it to do some good. You bet. If you want to go down and, you know, do a new YMCA project, you don't go to the people that need the YMCA to do it."

The liminal transformation at the foot of the Kalpataru tree thus eventuates in a new perception about the nature of money and the purpose of life. As Gregory Singer puts it, "I now see that I don't have to concentrate on my struggle to survive or grow, or get over being poor." Rather, says the Detroitier who has suffered through the peaks and troughs of that city's cyclical auto industry, "I can now look with a lot more depth at who I am, what I need, and what my purpose in life is, how I can give back to the system, how I can be counted on somehow."

Rebecca Jacobs admits that feeling guilty about having so much money is part of "why I give a lot to charity." But her posture is more complex, drawing more on positive impulses of spirituality than guilt: "Well, I guess it goes back to being lucky, really. I feel that I'm very lucky that I have so much. And sometimes I kind of feel bad when I think about our country, the way [the poor] live. I go out to baseball games now in Detroit, and have to go in a bad section [of town]. I don't say, God I feel guilty that I have so much and they don't. I always just think that I'm quite lucky and I always ask myself is there a little bit more that you could do to help others." Jacobs can't avoid the ubiquitous motif that just as she "started with just being in a very poor neighborhood, if somebody really wants to upgrade themselves, then they--you know, this is America, and they can. And they just have to want to." Still, as she expands her horizons of concern, she becomes dedicated to the revitalization of Detroit, recognizing that "there's so much to give to" :

I mean Boy Scouts, I mean I believe in our city. When I get on an airplane and I sit and talk with somebody--you know how they first say "where are you from?", and I say "Detroit," they go "oh?!" But by the time I'm through, they say "I know you work for the State Chamber of Commerce." I say, "no I don't, I just think we have a great city." And I think one of the ways to make our city greater is to teach the young kids. More and more we see a lot of resurgence of Boy Scouts right now, especially in the city. And families, fathers and mothers, are getting involved as scoutmasters. And I think that those young people will have a better chance of fulfilling their dreams than those that are just out there.

Jacobs's economic vocation revolves around locating her wealth in the contexts of a vertical relation to God, a horizontal tie to other people, and a personal quest for self-fulfillment. "I believe in God. There is a God that watches over all of us. Whatever religion you are. I think, you know, sometime we all just practice different traditions, we put different names to different things, but I think there is a God out there who watches all of us." She recognizes that she can have what she wants but has managed to include the welfare of others within the horizon of what brings her satisfaction. "And I think that, in order that I can make a contribution and have a happy life, that what we have to do is help others. And that makes you happier. Maybe that's selfish, but it does, it makes me happier." Jacobs continues: "That is why I am able to help somebody directly, whether they know about it or don't know about it." In a word, her self-interest includes dedication to the interests of others in an ever-widening circle of concern--exemplifying, perhaps, a fruitful way for sociology to operationalize the notion of altruism that avoids the familiar reductionist tendencies. As she explains, "I think that those that aren't as charitable don't get as much out of life. I mean, I just want to have it all. I don't want to miss anything." Jacobs sounds like Emily in *Our Town* who returns from the dead to revisit her twelfth birthday and discovers that "It goes so fast. We don't have time to look at one another" (Wilder 1938 p. 100). "I guess that's what's the sad thing," ponders Jacobs. "As I get older, and you start thinking of your own life, and it being over, I think about how there's just so much to do and so many people to see, and so much loving to have out there, that I don't want it to end. It really is, it's wonderful. And I don't think it can be that wonderful if you don't give of yourself."

Despite the testimony of Jacobs, Singer, Dwyer, and numerous others, there is of course no automatic or inexorable positive relation between wealth and spiritual depth. Wealthy entrepreneurs neither ask nor answer the question of deeper spiritual existence more frequently or better than anyone else. What is true, however, is that the path to a spirituality of money for the wealthy passes by the Kalpataru tree because, more than anyone else, they are capable of a financial vocation. I find that among entrepreneurs the fullest spiritual development or individuality is reported by those who become secure in their economic achievement, transform their interests into deeper wants, and begin to devote themselves and their wealth to self-discerned humanistic or religious goals.

## DISCUSSION

The paper's "thick description" of the structural conditions and moral career of entrepreneurship has revealed a number of specific findings. To become an entrepreneur means entering the *structured field of possibles* linking "the universe of economic and social conditions and the universe of life-styles" (Bourdieu 1986, p. xi). It requires following the

objective rules of finding a niche where demand outstrips supply. It also requires adding one's own efforts to obtain very high returns with relatively lower risk than can be obtained from other investments with comparable potential for high yields. As they align themselves to these rules, entrepreneurs pass through a series of liminal transitions whereby they move from being receivers to being constructors of the world around them. Entrepreneurs tend to follow a common career trajectory in which they internalize then pursue the "great expectation" to overcome the obstacles of their youth by establishing a self-directed business activity. They apply virtue to tame and befriend fortune. In doing so, however, they create not just a worldly principality of temporal and spatial empowerment but an inner domain of a confident and efficacious individuality. Entrepreneurship is thus the formation of a *moral career* as well as the formation of a business. Making money is also a matter of making a self.

At the core of every entrepreneurial path is learning and executing the productive, strategic, and financial secrets of money. This enables entrepreneurs to translate desires for business success, material consumption, and personal liberty into their accomplishment. But for some the story of entrepreneurship continues both in time and scope well beyond the secure establishment of a business and an efficacious self. The first three phases of entrepreneurship set in motion the secrets of money that result in business success and personal financial security. The fourth phase instigates the spiritual secret of money whereby principality and individuality evolve into a broader terrain of concerns revolving around an economic vocation.

Embedded in these descriptive findings, however, are three important theoretical implications about the nature of entrepreneurship, ideology, and agency:

**1. Entrepreneurial production of wealth, in addition to being a specific mode of expanded accumulation of physical and human capital, is the creation of moral capital. Being an entrepreneur is a moral career connecting enterprise and existence.**

Most directly tied to the empirical analysis is a proposition about entrepreneurship as a mode of wealth production. The foregoing reveals the inner nexus between creating a business and creating a certain type of self. Institutionally, entrepreneurship is the expanded reproduction of physical capital in the form of assets. It is also the expanded reproduction of technology, skill, and knowledge as captured by the notion of human capital. The distinctive finding of the analysis, however, is that *entrepreneurship is also the expanded reproduction of moral capital*. The systematic creation of a financial realm is simultaneously the creation of a moral realm. As individuals work to establish a successful business enterprise, they go through a series of personal transformations. As they work to overcome inner as well as outer obstacles blocking the road to success, they arrive at various important breakthroughs concerning what they desire, who they are, and what capacities they possess to make themselves different.

Entrepreneurship is a *career*. As entrepreneurs progress through the four identifiable stages of entrepreneurship, they systematically construct a worldly domain and a corresponding inner domain. Entrepreneurship is also a *moral career*. As they learn the productive, strategic, financial, and spiritual secrets of money, entrepreneurs undergo a series of transpositions in consciousness regarding their desires, capacities, and obligations.

**2. The normative discourse through which entrepreneurs recount their stories reveals the nature of ideology to be a moral exposition of causal logic rather than simply an array of ideas.**

Entrepreneurs portray their stories as the unfolding of a disciplined struggle in which they apply virtue to overcome obstacles and to make more of their lives than what was bequeathed them at the outset. To follow this path of virtue makes entrepreneurs both moral and financially successful. Sociologists generally use the notion of ideology to refer to the fact that consciousness is materially based and socially constructed. The foregoing analysis suggests a complementary extension to this conventional understanding. In addition to

being a set of ideas and attitudes, ideology is more fundamentally a cultural logic. It is an ordered set of ideas and attitudes not so much about what is and what ought to be but about how things came about in the past and how they should come about in the future. This conception of ideology as causal logic derives from an understanding of discourse as an expression of connections, of patterns of equivalences and differences (e.g., Derrida 1978). For instance, in another place I have discussed at length how the interviews chronicled by our respondents are in effect moral biographies. These biographies are shaped by a common cultural logic in which lives are portrayed as an iterative dialectic of fortune framed within dramatic narratives of initiation, healing, purgation, and learning (Schervish, unpublished).

The analysis provided here confirms how ideology works as an embodied discourse of causal sequencing. Although not every narrative rigidly recapitulates each stage of entrepreneurship alluded to above, the underlying stories are substantially consistent. In particular, entrepreneurship, in addition to being a special way of performing in the market place, is a special way of thinking and narrating. We hear how entrepreneurs overcome their mean beginnings by entertaining great expectations and devoting themselves to the frontier virtues required to accomplish their dreams. Throughout their financial ascent, virtue continues to play a crucial role as entrepreneurs repeatedly work to transform fortune from foe to ally. As they exercise virtue by applying specific strategies for success, entrepreneurs earn a new moral status along with money. As entrepreneurs settle into a life of wealth they broaden their horizons, figuring out how to use their money to advance their public empowerment and private aspirations. Some report undergoing a further liminal transformation as they find that there is more to life, and strive to fulfill a broader horizon of wants. In sum, the ideology of entrepreneurship is the cultural logic imparting the necessary and acceptable steps for institutional prosperity and moral rectitude. More generally, ideology may be understood as the culturally furnished and personally appropriated chain of causation describing how events occur and selves develop. As a socially supplied inventory of consciousness, it dictates the genetic ordering by which individuals perceive and report the unfolding of events. In this way, ideology is the discourse of social structure, embedding patterns and continuities across individual stories.

### **3. The fundamental class trait of the wealthy is to be an institution builder, that is, to exercise not just agency but *hyperagency*.**

The analysis also indicates that the underlying commonality tying the wealthy together as a social category is their capacity to shape the institutional environment within which they live. The problem is that at present, sociology tends to provide only a residual definition of the vast majority of the 1.5 million people that Heller (1988) refers to as "common millionaires." For the most part, current sociological research regards the vast number of millionaires simply as silent beneficiaries of the institutional control exercised by a resourceful minority: the five to ten thousand corporate capitalists and their active agents who comprise the power elite (see Domhoff 1979; 1983). The question is whether a close scrutiny of the way the wealthy conduct their lives, including the activity of entrepreneurs, can offer a more fundamental understanding of the meaning of wealth. Can we find a way to reverse the definitional sequence in order to define the minority in reference to the majority? Is it possible, in other words, to secure a positive understanding of the central "class trait" of the wealthy?

The research presented here suggests a way. The findings indicate that entrepreneurs strive to build an organizational setting for employment, income, and influence that is molded to their desires. This does not mean that they are able to do anything they want. On the contrary, the first lesson to be mastered is that entrepreneurs must subject themselves to the objective rules for making a profit in the market. But given this constraint, they embark on a self-directed search for a self-directed financial life. The wealthy come to shape the world around them through the exercise of temporal, spatial, and psychological empowerment (Schervish, 1990). Whether through building and decorating their homes, structuring their investments, educating their children, carrying out philanthropic agendas, planning exotic

vacations, purchasing political access, or launching business ventures, the distinctive attribute of the wealthy is their ability to conform the institutional environment to their wills. Although it is an important part of the story, it is not sufficient to define the majority of millionaires derivatively as beneficiaries of the minority power elite. Instead, I argue for defining the minority in terms of the majority, namely in terms of the general capacity of the wealthy to be empowered world-builders in virtually every sphere of their engagement. In this more encompassing view, the power elite and corporate capitalists are the specific group of organizationally active agents who carry out their institution-building in and around the public agenda.

At a higher level of abstraction, this understanding of the wealthy as institution-builders sheds light on the long-standing problem of comprehending the normative element of institutional existence and the relation of structure and agency. As to the normative content of institutions, Parsons's recently published "Prolegomena to a Theory of Social Institutions" (1990) argues that from the subjective viewpoint of the actor, "institutions are intimately related to, and, in part at least, derived from ultimate value attitudes common to members of a community. They are, thus, in a strict sense, *moral* phenomena" (p. 326, italics in the original). If being an entrepreneur is a moral career, entrepreneurship is a moral institution. The wealthy, then, are not just norm users, but norm builders in that they make what Parsons calls "the normative element" of social life "empirically conspicuous." In this way, the analysis of the wealthy as institution-builders begins to answer Coleman's (1990) call for sociology to explore "how and under what conditions a formal institutional structure comes into being," and, more generally, to develop a "theory for the constructed social organization that is coming to replace the primordial or spontaneous social organization that was the foundation of societies of the past." The analysis also suggests how to respond to Alexander's (1990) call for a more accurate depiction of choice-making and the "centrality of morality" implied by Parsons's subjective approach to institutions. To the extent that the creation of the self-directed business organization is a key to the moral fabric of contemporary institutional existence, the analysis indicates how the wealthy are active "founders" of that existence, and in what way the non-wealthy, unless gathered in a social movement, are more impeded in exercising the same agency.

As to the issue of structure and agency, Giddens (1979; 1984) proposes the language of "duality of structure" to supplant the outmoded dualism hampering sociological analysis. According to his structuration theory, the rules and resources comprising social structure are both initial condition for and outcome of social agency. In more than one place Giddens argues that even the weakest are capable of exercising the power of agency, even if only to say no. As yet, however, there has been little concrete application of his valuable theoretical initiative. I believe that the analysis of entrepreneurship, with its emphasis on the dialectic of fortune and virtue, provides such an application as well as, perhaps, a small way to advance his theory.

If, as Giddens argues, agency is the ability to exercise will within structural constraints, then the wealthy generally, and entrepreneurs in particular, can be viewed as agents *par excellence*. In the dialectic of socialization and social construction, the wealthy are masters of social construction. But as institution builders the wealthy are really more than agents. In creating an organizational environment compatible to their wills, they also create a social structure within which others must also live. The wealthy are not just agents alongside other less empowered agents. They are *hyperagents*. Although Abercrombie, Hill, and Turner (1986) claim that such strong autonomy is fading in modern capitalism, I believe the wealthy survive as true "sovereign individuals of capitalism." For the wealthy remain among those who "make a claim to separate status as an individual" by being both "author and topic" of their story (p. 33).<sup>9</sup> Indeed, the wealthy are able to do more than live comfortably within the constraints of social structure. They also are able to transcend social constraints and redefine these for themselves and others. While agency entails finding the best place for oneself within existing rules and resources, hyperagency entails the establishment of the rules and resources by which one chooses to live and within which others must live. This, more than anything else, to borrow from Marx, is the law and the prophets of wealth.

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## Notes

<sup>1</sup> John Maynard Keynes, Smith's most influential descendant, predicted in 1930 that "the *economic problem* [of scarcity] may be solved, or at least within sight of solution, within a hundred years" ( 1933 p. 366). Moreover, "when the accumulation of wealth is no longer of high social importance, there will be great changes in the code of morals" such that "the love of money as a possession--as distinguished from the love of money as a means to the enjoyments and realities of life--will be recognized for what it is, a somewhat disgusting morbidity, one of those semi-criminal, semi-pathological propensities which one hands over with a shudder to the specialists in mental disease" (p. 369).

<sup>2</sup> The term "end of history" has recently been turned into a topic of controversy by Francis Fukuyama (1989) who suggests that the European turn to capitalism marks the final transition in world economic development. His position has been derided by academics and journalists who believe his ahistorical presuppositions are absurd even if statist socialism has reached its end. The term "end of prehistory" coincides with its obverse "the beginning of history." In his famous Preface to *A Critique of Political Economy*, Marx says that demise of capitalism brings "the prehistory of human society to a close." His notion is that with the transition to socialism there emerges the first flowering of real human freedom as the creative force of history.

<sup>3</sup> Various reviews of the literature emphasize this point (Greenfield and Strickon 1981; Low and MacMillan 1988; Wortman 1987).

<sup>4</sup> See Schervish and Herman (1988) for details of the research strategy and characteristics of the sample.

<sup>5</sup> I am indebted to Andrew Herman for the formulation of this term.

<sup>6</sup> All names and, where necessary, places and types of business activity have been changed to preserve the anonymity of the respondents.

<sup>7</sup> The notion of *liminality* is drawn from anthropological research and is used to denote the social-psychological transformations individuals undergo as they progress through rituals and major transitions in life. The term is derived from the Latin *limens* meaning "threshold" or "passage way" (see Van Gennep 1961 and Turner 1969). I focus on such liminal transitions in order to emphasize how the wealthy move to a new sense of identity as they encounter a new stage in their relation to money.

<sup>8</sup> In another place (Schervish 1990), I argue that "economic morality differs for the wealthy largely because wealth has the potential to relieve the material insecurities of everyday life, to awaken sensibilities of gratitude, to provoke questions about the quality of wants, and to provide the wherewithal for an economic vocation."

<sup>9</sup> In fairness to Abercrombie, Hill and Turner, they do suggest the survival and increased prominence of a discourse of *individuality* (as opposed to *individualism*) with its emphasis on personal uniqueness, self-development, and positive liberty (1984, p. 163). While confirming the rise in such moral individuality, my findings challenge the demise of the sovereign individual defined as "any agent who is socially recognized as a separate and different individual" (p. 33).