



January 2017

Dear Media Colleague,

Peter Georgescu arrived in this country as a penniless Romanian refugee and rose to prominence as the CEO of Young & Rubicam. It's an American Dream success story that could not play out in today's economic environment – one that is plagued with disappearing jobs, flat wages, and a shrinking middle class. In his new book, **CAPITALISTS ARISE!: End Economic Inequality, Grow the Middle Class, Heal the Nation** (Berrett-Koehler; May 1, 2017), Georgescu argues that the stark reality of our current economic malaise and social breakdown can be attributed to the short-term thinking spawned by shareholder primacy.

Georgescu's deepest hope is that this book can serve as a manifesto for fellow CEOs, executives, and directors to take steps to push back against the pressures of shareholder primacy and begin to reshape free enterprise with a vision toward long-term profitability rather than short-term gain. With deeply sobering statistics and new research, it points the way toward a future that will only be possible with enlightened capitalism.

So, how did we get here?

- American business quickly and aggressively adapted to globalization by succumbing to the pressure to move jobs offshore.
- The business community passionately embraced technology to eliminate even more domestic jobs.
- Most importantly, corporations moved to keep wages – outside of management – almost flat for close to forty years.

Decisions and choices apparently made without a single care about how these decisions would affect our society. Combined, these corporate choices have diminished the buying power of the American public and lead to the decimation of our middle class.

The business industry has the most to gain from a healthy America, and the most to lose by social unrest and punitive taxation. According to Georgescu, they can become a crucial part of the solution in two important ways:

- Invest in the actual value creators – the employees. Start compensating fairly, which means a wage that enables employees to share amply in productivity increases and creative innovations. Before the early 1979s, wages and productivity were both rising. Now most gains from productivity go to shareholders, not to employees.
- Second, businesses must invest aggressively in their own operations, directing profit into productivity and innovation to boost real business performance. Today, too many corporations reduce investment in research and development and spend more on superficial brand building. As a result, we see a general decline in the value of their brands and other assets. This trend also retards new business, hampers growth of existing operations, and therefore reduces opportunities for job creation. To make up for those declines and anemic revenues, businesses buy back their stock (now at record levels) and thus artificially boost earnings per share.

If the private sector as a whole adopted these principles, it would not only see astonishing results in long-term profitability, but it would also watch as its communities began to rebuild, as education improved, and as industry started to thrive once again on our own soil. If business leaders can crack the code of how to adapt and thrive in the global economy – as a fully functioning economy and community, not simply as a tiny percentile of shareholders – hope can be restored.

I have enclosed an advance galley for review, feature, and interview consideration.

Sincerely,

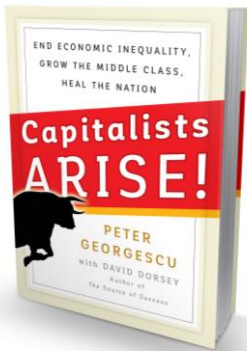
Margaret Kingsbury, Cave Henricks Communications
512-904-9255 or margaret@cavehenricks.com

ABOUT THE AUTHORS:

Peter Georgescu is chairman emeritus of Young & Rubicam, which has more than 300 offices around the globe; vice chairman of New York Presbyterian Hospital; a member of the Council on Foreign Relations; and a graduate of Princeton and Stanford. Georgescu has been a director of 7 public companies including IFF, Toys R Us, and Levi Strauss. He contributes regularly to Huffington Post and is the author of two previous books, *The Source of Success* and *The Constant Choice*.

David Dorsey is the author of *The Force*, named one of the top 100 business books of all time. He coauthored *The Source of Success* and *The Constant Choice* with Peter Georgescu and has written for a variety of publications, including Fast Company, Worth, and Esquire.

ABOUT THE BOOK:



CAPITALISTS ARISE!: End Economic Inequality, Grow the Middle Class, Heal the Nation

By Peter Georgescu and David Dorsey

Berrett-Koehler Publishers

Publication Date: May 1, 2017

Hardcover ISBN: 9781523082667

Pages: 144; Price: \$22.95

For more information, please visit: www.petergeorgescu.com.

ADVANCE PRAISE FOR CAPITALISTS ARISE!:

“Peter Georgescu has written a clear-eyed assessment about the drivers of key national challenges like income inequality and shrinking economic opportunity. He offers a number of thoughtful prescriptions for change, all aimed at the worthiest of goals – restoring the viability of the American Dream. I applaud and commend his efforts.”

— **Roger W. Ferguson**, President and CEO of TIAA, Former Vice Chairman of the U.S. Federal Reserve System and Chairman of The Conference Board

“In *Capitalists Arise*, Peter Georgescu has issued a challenge to America’s captains of business, industry and finance to step forward and reclaim capitalism as a means of creating wealth and shared prosperity. Georgescu warns that without developing a more inclusive capitalism that generates broader opportunity and social mobility we risk destroying our economy and even, our democracy. *Capitalists Arise* is a clarion call by a great American patriot and business leader written out of love for his country and his unwavering belief in our nation’s ideals of fairness, opportunity and justice.”

— **Darren Walker**, President of the Ford Foundation

“In this valuable and well written book, Peter Georgescu explores the erosion of the American Dream and the societal impacts of growing economic inequality. Fortunately, he is an optimist and presents a compelling case for what the private sector can do to simultaneously advance the interests of both workers and shareholders.

Unlike many books about the future of our economy, this is one you should buy – AND ACTUALLY READ.”

— **Jason Grumet**, President of the Bipartisan Policy Center

“Peter Georgescu is a great storyteller. In his new book he takes on one of the driving stories of our time – income inequality. He makes you not just understand but feel the consequences in human terms. And then he goes on to offer real world solutions. This book will not just make you think; it will drive you to action.”

— **Shelly Lazarus**, Chairman Emeritus at Ogilvy & Mather, General Electric, Blackstone Group and Merck Boards