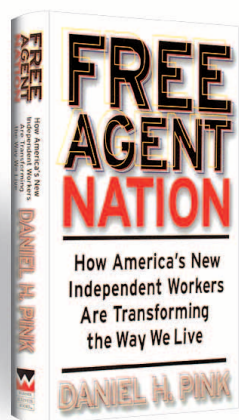


SOUNDVIEW Executive Book Summaries®

FILE: ECONOMICS



By Daniel H. Pink

How America's New Independent Workers Are Transforming the Way We Live

FREE AGENT NATION

THE SUMMARY IN BRIEF

Over the past decade, in nearly every industry and region, work has been undergoing its most significant transformation since Americans left the farm for the factory a century ago. Legions of Americans are abandoning one of the Industrial Revolution's most enduring legacies – the “job” – to become free agents – as self-employed knowledge workers, proprietors of home-based businesses, temps, freelancers or independent contractors. Daniel H. Pink spent a year traveling the country, talking with hundreds of these workers. The composite sketch Pink reveals in Free Agent Nation displays the effect these individualists are having on all our institutions – political, economic and personal. As a manager, business owner, or perhaps someone thinking of becoming a free agent, you'll want to understand this powerful new demographic and its impact on your company and industry.

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What You'll Learn In This Summary

- **The Organization Man is dead.** To better understand the swell of influence free agents have on our businesses, you need only compare them to that paradigm of the ultimate worker, the “Organization Man,” and the business climate in which he existed. You will see how far we have come.

- **There are many kinds of free agents.** Whether you're a soloist, a microbusiness or a temp, your influence is being felt in the Free Agent Nation.

- **Old concepts die hard.** Free agents are changing the ways we view success, freedom, loyalty and authenticity, among other business concepts. Even a concept as stalwart as time must be looked at in a different manner.

- **Free agents support their own infrastructure.** A loosely aligned compendium of businesses, from copy stores to coffee shops, meet the special, specific needs of free agents and their businesses.

- **Retirement must be reconsidered.** Free agents are providing opportunities galore for older specialty workers, who may want to forgo shuffleboard for the chance to make a load of money on their own terms.

FREE AGENT NATION

by Daniel H. Pink

— THE COMPLETE SUMMARY

PART I: WELCOME TO THE FREE AGENT NATION

The Death of the “Organization Man”

For several generations, the American working economy had a single, stalwart human emblem — the “Organization Man,” so dubbed after the 1956 book of the same name by William H. Whyte, Jr. The label described what was then the quintessence of work in America — an individual (nearly always male) who ignored or buried his own identity and goals in the service of a large organization, which rewarded his self-denial with a regular paycheck and, most importantly, job security. Instead of living by the ethic of rugged individualism (as they often preached to others), the Organization Men abided by what Whyte named a Social Ethic, a secular theology that placed the organization at the center of the universe. Entrepreneurs were “selfish type[s], motivated by greed.”

But beginning in the 1980s and reaching a crescendo in the 1990s, conditions and attitudes changed. Companies that had formed the bedrock of American work — large organizations like Bell Telephone and Kodak — began winnowing their work forces, in response to economic stimuli, corporate restructuring, and technology that could do people’s work for less money. The social contract of job security was broken; the Organization Man was relegated to the annals of history.

The Organization-less Worker

What replaced him as the archetype of work in America is the free agent — the independent worker who operates on his or her own terms, untethered to a large organization, serving multiple clients and customers instead of a single boss. Consider this: The largest private employer in the United States is not General Motors, Ford, Microsoft or any of the other accepted corporate behemoths. It is Milwaukee’s Manpower Inc., a temporary help agency with more than 1100 offices in the United States.

Free agency has already begun overturning many of today’s central assumptions about American work and life, among them the following:

- **Loyalty is dead.** It’s not dead; it’s different. Instead

of up-and-down loyalty that runs from individual to institution, free agents practice side-to-side loyalty — an allegiance to clients, colleagues, teams, projects and industries. In some ways, loyalty is stronger than ever.

- **The work force is adrift, operating without a broad social contract.** The implicit employment promise that reigned in the days of the Organization Man has disappeared, replaced by a new one, one of trading talent for opportunity.

- **The free agent economy makes workers less secure.** As free agents compile a diverse portfolio of clients, customers and projects, they often find themselves in a more secure position than traditional workers.

- **Parents must try to balance work and family.** Corporate and government efforts to be more family-friendly offer a one-size-fits-all approach to the work/family balance. Free agents tend to erase the boundaries between the two, blending, rather than balancing.

- **“Empowerment” and “retention” are wise strategies for corporate managers.** These concepts are built on the fact that organizations hold all the power. In a free agent economy, organizations need individuals more than individuals need organizations, which can inspire and challenge people, but cannot “empower” or “retain” them.

- **Rampant individualism is fraying our social fabric.** Critics claim our common culture is corroding, and the free agent economy is speeding the problem. In actuality, it may be providing a solution, mending bonds and repairing our concepts of community. ■

The author: Daniel H. Pink, a former White House speechwriter, is a contributing editor at *Fast Company* magazine. His articles on technology and the new world of work and business have appeared in the *New York Times*, *Washington Post*, *New Republic* and *Salon*.

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How Many Are There? The Three Free Agent Species

Work has changed so swiftly and profoundly in recent years, traditional methods of measuring it are, at best, weak. The Bureau of Labor Statistics (BLS), for instance, still divides all American workers into two categories: “farm” and “nonfarm.” In fact, the BLS compiles some figures for temps, self-employed Americans, and independent contractors, but all are likely undercounted; indeed, those three categories are but subsets of free agents.

Which poses an interesting dilemma: unlike Organization Men, free agents don’t fit into neat taxonomic compartments. Through his experience and research, however, the author has found that most free agents are at least approximations of one of three basic free agent species — soloists, temps and microbusinesses.

Soloists

The most common variety of free agent is the soloist — someone who works for him- or herself, generally alone, moving from project to project, selling his or her services. Over the years, soloists were termed “freelancers” in the cultural vernacular; “independent contractors” in legal vernacular; and any one of a dozen or more terms for self-employed soloists (“consultants,” “permalancers,” “hired guns,” “nomads,” “1099ers,” etc.).

Whether they’re management consultants, plumbers, graphic designers or workers in another of a countless number of fields, we do know that there are a lot of them — the percentage of self-employed workers jumped from 22 percent in 1998 to 26 percent in 2000, totaling 33 million workers, by one reliable account. Other research indicates that four out of five soloists prefer to be soloists, and that full-time soloists earn an average of 15 percent more than their employee counterparts.

Temps

If soloists are free agents by design, temps are often free agents by default. Many of the 3.5 million workers in the temp population would rather have a permanent job with a company, but coldly efficient corporations, temp agencies looking after their own interests, and the temps’ own lack of ambition or ability conspire to pin them to the bottom of the economic ladder. Temps have gone from being a short-term corporate cost saver for business downturns into a long-term business strategy for corporate survival. The evidence abounds:

- In the first half of the 1990s, the temporary personnel business created more net new jobs than any industry in America.
- On a typical day in 1992, 415,000 Americans were

How Did Free Agency Happen?

To understand how free agency became as rampant as it is, it helps to think less in the mechanical terms of cause and effect, and more in the culinary terms of ingredients and tastes. In a chocolate cake, for example, it’s difficult to tell where the flour stops and the sugar begins, or which part of the cake is egg and which is cocoa. Is flour a cause of the chocolate cake? Not really. Is flour crucial to the chocolate cake’s existence? Yes, of course. Does the flour need the egg and the sugar and cocoa to create the final product? Absolutely.

There is, in other words, no single cause of the chocolate cake, but a number of ingredients combined. Free agency is like that — it has no single cause, but it does have four essential ingredients:

✓ **The end of America’s economic adolescence.**

The loyalty-for-security pact that was the ultimate reward for the Organization Man crumbled in the face of changing economic realities. The most potent example of this shift was IBM, which, for 50 years, had maintained a full-employment policy; it would never lay off its employees. . . ever. This policy was abandoned in 1992 and 1993, when the company whacked its payroll by 120,000 employees. The event was the workplace equivalent of the tumbling of the Berlin Wall.

✓ **Cheap, houseable means of production.**

Individuals needed a large company less, because the means of production — the tools necessary to create wealth — went from expensive, huge and difficult for one person to operate, to cheap, houseable and easy for one person to operate.

✓ **Prosperity.** The astonishingly high standard of living that has reached deep into the middle class has not simply improved lives; it has altered expectations, from the fear of privation to the expectation of comfort. This, in turn, has changed the prevailing attitude of work; people work not to make money to survive, but to make meaning for themselves and their families.

✓ **The shrinking half-life of organizations.**

Individuals will likely outlive any organization for which they work. It’s hard to imagine a lifelong job at an organization whose lifetime will be shorter — often much shorter than your own.

working as temps. By 1999, that number had reached three million — a 600 percent increase.

- Twenty-five years ago, the temporary staffing industry had revenues of less than \$1 billion. By 1990, that figure had reached \$20 billion; today, it is \$80 billion.

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How Many Are There? The Three Free Agent Species

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Microbusinesses

Erupting across the Free Agent Nation is a blaze of enterprises that are smaller than the typical “small business” — sometimes consisting of only two or three people. These microbusinesses are a growing force — more

than half of American companies today have fewer than five employees. The growth of the Internet is due at least partial credit for this upswing; with limited barriers to entry, robust and inexpensive information networks, and the wider availability of capital, starting a business is not much harder than buying a home or getting a driver’s license. Indeed, economists have found that as an industry uses more information technology, the average size of firms within that industry shrinks. ■

PART II: THE FREE AGENT WAY

The New Work Ethic

Many traditional workplaces — whether they are colorless Organization Man monoliths, cynical cubicle farms out of “Dilbert,” or sleek, high-tech corporate campuses — often do not allow employees to pursue meaningful work, work that enables them to achieve their highest potential. In our new age of comfort, work has taken on a larger purpose — one that many large organizations seem incapable of accommodating, even with their offers of paychecks and stock options. To the Free Agent Nation, work is not simply about making money; it’s about making meaning.

How does this new work force make meaning? The answer: by assembling four pieces that together comprise the new free agent work ethic — **freedom, authenticity, accountability** and **self-defined success**.

Freedom

Freedom — the ability to exercise one’s will — has become essential for making meaning in work. Freedom means different things, however, to different people. For some, freedom might connote freedom of speech (to be able to say what one thinks and be taken seriously). For others, it might mean freedom of selection (of projects and schedule). For still others, it might mean freedom of conscience (maintaining a high ethical standard). Companies, likewise, respond to these freedom-centric needs in different ways: some smother their employees in affection; others try to purchase individual freedom with lucrative stock options, and the like; still others ignore the need entirely, monitoring their employees’ workstations and e-mail.

Authenticity

In the traditional workplace, authenticity — the freedom to be one’s self — is neither condoned nor rewarded. Many workers feel they have to put on the “costume” of their 9-to-5 selves in order to succeed in the corporate environment. Free agents, conversely, express their authenticity by being passionate about their work, fully integrating their work into who they are.

Accountability

Most people want to be held accountable for their work, providing they reap both the rewards of success and the penalties for failure. In the typical corporate environment, workers get little blame and less credit, making it difficult to know how well they’re doing. Free agents, however, are accountable directly to the market, existing in a fast-feedback world that gives them instant responsibility for their actions.

Self-defined success

Free agents are redefining our notions of what constitutes success, and it’s not all about money or promotions. Free agents tend to measure success on growth and the simple joy of getting up in the morning and doing what they want to do. ■

The New Social Contract

In the old social contract of work, the organization offered individual security and, in return, the individual gave the organization loyalty. In the twenty-first century, free agent values are redefining and recasting security and loyalty in interesting ways.

Security

For years, most Americans did not diversify their work lives; they signed up with one company, investing all their human capital in one stock, as it were. Today, doing that makes as little sense as investing all your financial capital in one stock. Free agents tend to diversify their work investments, often juggling multiple clients in an effort to increase their job security by relying on their own talents to get ahead, not the whims of a boss. There is risk involved in this approach; many recoil at the prospect of taking on more risk, noting that more risk might mean more pain. Others embrace the risk and the potential payoffs that come from spreading their talent across a portfolio of projects, clients and skills. Freedom, once a detour from security, is now a pathway toward security.

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The New Social Contract

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Loyalty

When the job security at the heart of the old social contract collapsed and was reconfigured by free agents, its counterpart — loyalty — met the same fate. In the Organization Man's world, loyalty moved vertically, flowing from subordinates to authority figures, who graciously conferred some benefit in return. When employers could no longer offer security, loyalty became at best an act of charity, at worst an act of folly. That vertical loyalty was replaced with a more horizontal loyalty — one that flows from workers to teams and colleagues; to professions and industries; to clients and customers; and to family and friends. Whereas vertical loyalty depended on one strong connection, horizontal loyalty depends on multiple connections, all of varying strength and endurance. ■

The New Time Clock

Time, the saying goes, is money; it's something we spend, save, and sometimes waste. But time is unlike money in at least one crucial aspect — it is resolutely democratic. We all get the same amount — 168 hours — every week. The number of hours in which we work are unparalleled. One survey determined that since 1969, the average worker spends an additional month on the job every year. Another bit of research discovered that, on average, Americans work 350 hours more per year than Europeans, and 70 hours more per year than the Japanese, who even have a word — *karoshi* — that means “death from overwork.”

On the front lines of the New Economy, workers find themselves not only putting in longer periods of time on the job, but also losing control of their time off the job. Pagers and cell phones keep them tethered to their jobs psychologically no matter where they are physically. They never feel truly free.

Free agents recognize that they are not merely bushels of hours. Many are selling more than just units of their time — they're selling insight, talent, expertise, ideas,

creativity and solutions, all of which are difficult to measure. They recognize that what matters in the course of a given day is how much one accomplishes, not how long one is at one's desk. They are applying an ethic of “my size fits me” with every unit of time:

● **The day.** Free agents are redefining the idea of the workday — working eight hours could mean working any eight hours of a given day. You could start at 6 a.m. and finish at 11 p.m., fitting work into the nooks and crannies of time in the course of the day. If you can answer a client's e-mail at 10 p.m. from your den, your idea of your workday is likely more amorphous than the typical company worker, certainly more so than that of the Organization Man.

● **The week.** While days are variable and years are long, weeks tend to be the unity around which much discussion of work occurs. Free agents, however, tend to maintain a boundary-free workweek, unbound by the eight-hours-times-five-days mathematics that define the corporate week. There are trade-offs in these differences: what a free agent gains in flexibility (the ability to work shorter or longer days, depending on need or preference) he or she gives up in predictability (many wind up working for at least a portion of their weekends). The old way of work was Monday through Friday — five days of work and two days of weekend; the free agent way is Monday through Sunday — seven days of everything.

● **The year.** The traditional annual vacation arrangement at most companies is 50 weeks of work and two weeks of vacation. For free agents, however, vacations are dependent strictly on how much they can afford and how much work they need.

● **The lifetime.** As the unit of the day, the week and the year, free agents are making changes in the accepted definition of a working lifetime. The typical lifetime followed a set course — a dose of education, followed by several decades of work, followed by a short period of retirement. The free agent way rejects that approach, dramatically changing how and when people participate in the first and last stages, and redefining that length of work time in between. ■

PART III: HOW AND WHY FREE AGENCY WORKS

While many pundits bemoan the loss of a sense of community in the business world (and elsewhere), free agents are, as a result of and in response to their independence, finding ways to create their own communities, with their own infrastructure, and their own network of professionals whose business it is to make their lives and work easier. It is in part due to these things that the Free Agent Nation continues to grow, not just in numbers, but also in richness and depth of community. ■

Small Groups, Big Impact

Instead of laboring in loneliness, independent workers are constructing small communities, where like-minded, like-laboring professionals can collaborate, commiserate, and provide encouragement and support to one another. These groups are truly grass-roots efforts and, as a result, they elude much notice, particularly from

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Small Groups, Big Impact

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Organization Man types and other critics of free agency.

Such professional groups are but one segment of the kind of decentralized collectives that flourish in everyday life. Book groups, small religious groups, even Alcoholics Anonymous fall into this category, in which people from all professions and walks of life can come together on a regular basis to hold discussions, pray, or just talk through problems and receive encouragement or help. Yet, the world of work is where small groups might produce their deepest influence. The Free Agent Nation's propensity toward horizontal loyalty is best displayed in such group settings as the following:

- **F.A.N. Clubs.** Free Agent Nation (F.A.N.) Clubs are merely clusters of free agents who meet regularly to exchange business advice and offer support. They are part board of directors, part therapy, combining a search for clients with a quest for meaning; they emerge from self-interest, but endure through trust, often meeting on an ad-hoc basis. While that loose status often makes them difficult to sustain, F.A.N. Clubs have their place in the Free Agent Nation, if only to remind soloists that working solo is not working alone.

- **Confederations.** These informal work collaborations of free agents are growing in the same self-organized fashion as F.A.N. Clubs. Several soloists or microbusinesses, often from multiple disciplines, create a virtual community, coming together in various forms and numbers to create custom solutions for clients; once the solution is delivered, each member returns to his or her own work. Confederations create the right mix between individual freedom and group power.

- **Entreprenetworks.** These are groups of small entrepreneurs who pay a fee to participate in facilitated brainstorming and strategy sessions. They are more formal than F.A.N. Clubs (and usually more expensive), more oriented toward strictly business functions, such as generating new business leads and networking, than social interaction. In many ways, entreprenetworks are the chambers of commerce for the Free Agent Nation.

- **Alumni associations.** The common bond these groups share is that their members graduated not from the same college, but from the same company. Free agents use these groups to gain knowledge and make connections, as well as to keep up with industry gossip and information. These groups tend to thrive in business segments in which turnover is high and free agency is the reigning ethic, such as the technology sector. ■

Kinko's: The Cheers of the Free Agent Nation

Kinko's founder, Paul Orfalea, began his chain of copy shops in 1970, near a taco stand in Santa Barbara, Ca. From those humble beginnings, a great chunk of the Free Agent Nation infrastructure was born. Orfalea was one of the first business leaders to understand the rise in free agency, the resulting boom in home offices, and the need that soloists and micropreneurs would have for services such as high-speed copying, color printing and professional-quality duplication.

In recent years, he has outfitted more than 150 Kinko's locations with videoconferencing facilities, providing a service no single free agent could pay for on their own. In addition, the company's Web site (www.kinkos.com) and its alliances with other organizations like Federal Express and America Online give soloists the technology they need to compete with bigger companies. To top it off, their clerks (or "co-workers," to many free agents) are friendly, helpful, and understand the needs of their free agent customers, particularly those who return again and again.

The result: a place that always knows your name and is always glad you came — the Cheers bar of the Free Agent Nation.

The Free Agent Infrastructure

The Free Agent Nation has been at the center of an emerging economic infrastructure whose many components exist solely or in part to help free agents do their work. Like America's system of federal highways, the free agent infrastructure forms the physical foundation on which the economy operates. Unlike the highway system, however, this infrastructure emerged spontaneously, organically, rather than as a result of an influx of funding from a government agency or other benefactor. Like so many other aspects of the Free Agent Nation, it is self-organized, which probably explains why it works so well. There are eight key elements to this infrastructure:

- **Copy and printing shops.** Copy shops like Kinko's (see sidebar) provide invaluable services to free agents, even those who have equipment like copiers and color printers in their home office. Most free agents can't imagine working independently without the assistance of this vital infrastructural component.

- **Coffee shops.** Coffee shops like Starbucks and Xando Cafés are fertile common grounds where free agents can gather, network, even hold meetings. Many such outlets have even changed the layout of their stores

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The Free Agent Infrastructure

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in order to accommodate the space requirements of soloist gatherings.

● **Bookstores.** Bookstore cafés offer the comforts of Starbucks with one considerable advantage — most major chains encourage you to browse while you sip your mocha latte, which turns your nearby Borders or Barnes & Noble into a research facility as well.

● **Executive suites.** These operations rent private offices with shared reception areas to micropreneurs who wish to supplant or supplement their home offices. Many also provide meeting rooms, mail delivery and secretarial services, as well.

● **The Internet.** The Web has enabled free agents to access the latest versions of software applications, free fax services, free voicemail, free calendar programs, and, through companies like BigStep.com, free electronic storefronts.

● **Office supply superstores.** National chains like Staples and Office Max allow soloists and micropreneurs to get their office supplies easily and at a fair cost. People who are self-employed and work at home are 41 percent more likely than the average person to shop at an office supply superstore.

● **Postal service centers.** Establishments like Mail Boxes, Etc. offer a post office box, assistance shipping packages, and a small selection of business services and office supplies, making it, in essence, the mailroom of the Free Agent Nation.

● **Overnight package delivery.** Overnight delivery services like Federal Express have helped free agents achieve the speed of a giant corporation. Indeed, nearly one million individuals now have their own FedEx accounts. ■

Matchmakers, Agents and Coaches

The free agent economy differs from the Organization Man economy in two fundamental ways. First, as power has shifted from organizations to individuals, talent has replaced capital as the economy's most important resource, and a new talent market has emerged to organize, price and allocate it. Secondly, instead of being free of personality, work has become more emotionally complex. Work has increasingly become a source of meaning, which makes careers resemble mountain climbing — full of great heights and potential peril, a self-directed quest rather than a passive ride.

These economic and emotional elements have given rise to several specialized industries that help grease the wheels of the Free Agent Nation's economy, by helping soloists and micropreneurs find work and improve themselves. Those industries include the following:

● **Matchmakers.** This group, an outgrowth of the temporary staffing industry, connect buyers seeking free agent talent with free agents seeking projects, thereby making the market for new talent run more smoothly.

● **Agents.** Just as talent agents have long represented actors, authors and athletes, “free agent agents” represent independent workers, negotiate on their behalf, and advise them on personal and professional matters, which means they straddle the realms of the economic and emotional elements mentioned above.

● **Coaches.** This group has grown because they help free agents answer more fundamental questions about their lives. Coaches never existed in the era of the Organization Man, because those men prided themselves on their ability to get along with their bosses, rather than getting in touch with themselves. Today's workplace is a more emotional place, and the role of the coach — part counselor, part priest — has become an increasingly essential one. ■

PART IV: THE FREE AGENT FUTURE

What will the future look like for the Free Agent Nation? If the Nation's numbers continue to grow and their influence in the marketplace grows with them, you may see a number of shifts in work-related paradigms in the middle and distant future, among them “e-tirement” and “Individual Public Offerings.” ■

“E-Tirement”

One reason our economy has always grown is that our work force has always expanded; by 2013, however, the labor force will stop growing, leaving the economy with

plenty of work to do by not enough people to do it. Enter “e-tirees,” a demographic group of 60- and 70-somethings who may wind up back in the work force, on their own terms, as free agents. They'll be able to customize their work preferences and negotiate arrangements that will square with family commitments and leisure desires. The demand for their services will almost certainly be there.

The author anticipates a strong supply of e-tirees to meet the needs of the economy, due in part to five key reasons:

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“E-Tirement”

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1. Americans are living longer and better. When President Franklin Roosevelt signed the Social Security Act, establishing 65 as the standard U.S. retirement age, the average life expectancy was 63. Today, life expectancy has soared to 76, rendering age 65 as an outdated demarcation of old age in this country.

2. Older Americans are ready, willing and able to work. An AARP study found that 80 percent of baby boomers expect to work during their retirement years. This is doable for many, due in part to the fact that Medicare will negate the need for employer-provided health insurance, the lack of which prevents many prospective free agents from going solo. It won't be a problem for e-tirees.

3. Older Americans will be in a position to demand their own terms. Too many years of working for a boss can take a psychological toll, one reason the self-employment rate among people age 55 to 64 is two-and-a-half times greater than among those between 25 and 34.

4. Baby boomers are about to inherit a bundle. One university study found that a windfall (lottery winnings or inheritance) of \$8,000 or more doubles the probability that someone will become self-employed. In the coming decades, baby boomers will inherit more than \$10 trillion from their parents, rendering millions of boomers financially capable of launching a new career as senior soloists.

5. Older Americans are jumping into the Net. People over the age of 50 are the second-fastest-growing group on the Internet. This can be seen in the growth of Internet companies like Third Age and Seniors.com, which have built thriving memberships of older Americans.

Of course, e-tirement won't be for everyone, but you can expect that millions of older Americans will make retirement an aberration and e-tirement a way of life. ■

IPOs — The Path Toward Free Agent Finance

As power continues to devolve from firms to individuals, we see a democratization of finance, one that is intensifying considerably. The first stage was expanding the number of people who invest in stocks and bonds; the next stage — just a few years away — will be expanding the number of people who issue their own stocks and bonds, including freelancers, home business owners and self-employed persons. These people will go directly to markets in order to get the funds they need to finance their startups, expansions and improvements.

The initial push toward market-based financing of individuals came from an odd source — the world of rock and roll. In 1997, musician David Bowie raised \$55 million in investments, using his song publishing and album royalties (which provide a steady stream of income) as collateral. Bowie issued 15-year Bowie Bonds, which offered a 7.9 percent return, and which were assigned an AAA rating by Moody's. For those who bought the bonds, Bowie's offering represented a consistent, predictable income stream; for Bowie, the deal offered a large sum of money he could use to invest or expand into new areas.

FAN Bonds

Bowie's trail-blazing effort has been copied by several other musicians and songwriters, and will likely expand to regular folks — perhaps in the form of Free Agent Nation (FAN) Bonds — to become another instrument free agents use to raise capital for their enterprises. These bonds would carry higher interest rates than other current debt markets (like student loans), but they would be available to more people and for a broader set of purposes. Soon after, you would likely see ratings agencies evaluating bond offerings of individual freelancers and microbusinesses. An all-star marketing guru with a history of success might be an AA-rated FAN Bond, while a graphic designer just out of art school might receive a BB rating — higher risk, but higher yield.

This democratization could also move into forms of equity financing, such as venture capital. In this theoretical landscape, a free agent could raise equity financing through a new kind of IPO — an Individual Public Offering. Modeling their offering after current direct public offerings, free agents could sell their shares directly to the public, without the help of underwriters.

A free agent could raise equity financing through a new kind of IPO — an Individual Public Offering.

Small companies have done this, to the tune of hundreds of millions of dollars (\$439 million in 1998 alone). Some professional boxers are doing it right now, financing their training by selling shares to their investors, yielding those investors a percentage of the boxer's earnings over a period of time. Soloists willing to forgo some autonomy in exchange for an influx of cash for improvement or expansion costs could find themselves in the same ring as their pugilist counterparts.

As power shifts from companies to individuals, so, too, will the financial instruments that provide capital. We have met the market, and it is us. ■