

All.Net Analyst Report and Newsletter

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How to save the economy and the people – stimulus that actually works

I am tiring of all the concerns about airline failures and big business bailouts. It's time to look at a far better approach to a bailout. Here's the basic rule:

- Any entity valued in excess of \$1B should be left alone to succeed or fail.
- Any person valued at more than \$1B should be required to invest everything over \$1B in small businesses under standardized valuations and terms.

Now that I have several trillion dollars available and don't have to worry about the big company failures, the small businesses have to be addressed:

- Any main street goods (including food) company should be supported to go online, with delivery services supporting transport of goods in a timely fashion.
 - They stay in business, can go to work, etc. but their customers order online and get stuff at home through properly safe delivery mechanisms (sanitary practices).
- Any startup growth company should be evaluated with standard metrics and the money from the rich people invested in them proportionate to the investment value.
 - With a reasonable and largely automated diligence process and punishments for frauds, these investments should return far more than the stock market or other investments currently available.
 - These are long-term investments, not subject to wild stock swings or similar volatility, and with better average returns than other existing investments.
- Any mid-sized company should be able to succeed in this environment, to the extent they serve a need that people want fulfilled.

But the airlines will fail!!!

Good!

- So they go bankrupt, get purchased by some of the billionaires, remove 75% or more of the seats, and turn into luxury and healthy air services, just like they were when only rich people and business people flew all the time.
 - Less pollution, better service, and a whole new industry for the smaller more efficient craft that go direct from place to place.
 - More pilot jobs, same number of flight attendant jobs, same maintenance jobs, higher prices.
 - Electric self-driving vehicles and trains replace the air industry for on-continent travel.
 - And there is already an emerging industry in fast long distance continent to continent air/space transport that emerges.

But the big banks fail!

Good.

- We have ZERO interest rates today and loan decisions are largely automated.
 - Fully automate the loan decisions.
 - Make the interest so low a bank couldn't make any money on it.
- Have the government loan directly to the people.
 - Stop all the fees and wasted time and money going to the rich bankers.
 - They can get salaried positions for the government (if they have useful skills).

And all the mortgages out there?

- Stop the BS around refinancing, and let us refinance at the new rates by simply transferring existing loans to the new system with (near) zero interest.

Radical they are

OK – these are radical ideas, not well thought out.

But they put the right emphasis on who should pay for what and what we all gain from it.

To be clear:

- The rich will get much richer as the small businesses succeed and grow to far higher value on average than the big businesses ever did in the first place.
- The poor will get better jobs as they become part of the population serving all the small innovators who are transforming the world.
- The innovators and leaders will shine without wasting years of effort in the funding process.
- The smaller investors will also prosper as they get in before the larger investors and have a far greater chance of follow-on investments increasing their value and chance of success.

It's called democratization, not socialism

It's not socialism. It's forced capitalism with the government requiring that capital be used to grow. And it democratizes the process by getting more people involved and giving them more power to succeed and innovate.

Conclusions

It's a simplistic plan, I know. But we can do it now and save the economy immediately. We can succeed in a networked world with lots of small businesses collaborating and funded by the vast wealth we have, while employing almost everyone and gaining the benefits immediately. We raise all boats, revolutionize the business world yet again, and (dare I say it?) – Make America (and the rest of the world) much much better... (I couldn't say it – the phrase grated with me).