

You will likely live longer than the organization that employs you today. There appear to be only 5 ways that social change was ever proactively created: research, policy, public perceptions, disruptive technology, and bright spots. **People gain purpose when they grow personally, establish meaningful relationships, and serve something greater than themselves.** For many, living with purpose is a necessity, not an option. This especially rings true with the Millennial generation.

The Information economy completely altered the flow of capital and investments, accelerating both but also creating a culture that focused on debt, scale, and short-term investment horizons. Marketing, human resources, and strategic planning are giving way to new methods of organizing and working. For those about to graduate from college, generation Z, there is growing interest in the idea that students will no longer declare a *major*, but instead declare a *purpose*.

I started Taproot, the largest nonprofit consulting firm in the US and discovered 3 sources of purpose people seek: a sense of **community**, opportunity for **self-expression**, and **personal growth**. It is likely that in fewer than 20 years, the pursuit of purpose will eclipse the Information Economy.

A 2013 study of purpose-driven companies found that they out-performed the S&P 500 market 4-fold. The Purpose Economy has matured enough to move from the fringes of society to the heart of the US economy and, increasingly, to those around the globe. It defines **the organizing principle for innovation and growth**. Three core categories consistently echo through the words of the professionals who applied to the Taproot Foundation: personal purpose, social purpose, and societal purpose.

Passion is a crucial element of purpose. When it comes to meaning in life, relationships matter to humans more than anything else. Purpose comes when we know we have done something that matters to others, society, and ourselves. We also derive purpose through decisions about how we consume, from decreasing our carbon footprint to buying local produce at the farmers' market. We also discover meaning through our daily work by helping the people on our teams and providing products and services.

The Information Economy comprises 63% of US GDP, which measures everything except what makes life worthwhile. In 1712, British inventor Thomas Newcomen created the commercial steam engine in England. Monumental gains in life expectancy followed that first industrial boom. In 1796, the average person only lived to be 24. Just 100 years later, that same person could live to be 48.

We no longer have a single lifetime employer that takes us under its wing for our entire career. The tenure in a given company has dropped precipitously, with the average employee staying at a job for a mere 4 ½ years. The instability caused by these major structural changes and magnified by the "Great Recession" in 2008 brought with it a need to find stability and a future path within ourselves, rather than from an employer. This shift has placed meaning and purpose at the heart of the contemporary workforce—purpose, rather than career longevity, now provides the stability we need. Rather than fitting self to jobs and readying self to develop a career, **workers now must focus increasingly on**

constructing self in work rather than advancing self in an organization.

The Industrial Economy required less than 150 years to diminish the percentage of agrarian workers from 90% to 2%. In 2015, the US Census GDP tables showed the information industry at a meager 5% of the economy, compared to manufacturing at 19%. The nonprofit sector should include the Purpose Economy. The nonprofit sector is similar in size to the more traditional definition of the Information Sector. In 2011, it stood at 5.4% of GDP. The portion of the economy connected to purpose will continue to grow as companies dedicate more of their business to creating purpose, and as more innovative organizations, such as hybrid non- and for-profit companies, are created. Today we see the early Purpose Economy stars anchored in Information Economy platforms. Technology has evolved over the last 10 years from enabling us to move online to now enabling us to find purpose online. The innovation was simply taking what was offline and putting it online. Letters became emails (online letters), and emails became tweets (networked letters).

Before the rise of technology, work and consumption were personal. Scale was enabled by technology. We are starting to see a return to a personal scale enabled by technology. We now share cars and bikes, stay the night at a home rather than a hotel, buy handmade goods, and even print our own products with a 3-D printer. More than 17% of the 14m self-employed workers in the US consider themselves independent contractors or freelancers. First empowered by the new affluence of the industrial era and later by the emergence of the Information Economy, an unprecedented portion of the population is able to focus on the life of the mind, creativity, problem solving, and the discovery and analysis of facts. The Purpose Economy is fundamentally fueled by our pursuit of the fulfillment of these needs; the needs themselves have become an economic force. Millennials have blurred the line between professional development and personal self-expression.

The social engagement we are seeing from seniors is not simply a trend or a passing fad, but a fundamental shift in Americans' changing views of retirement and what it means to grow old. 82% of women in the United States now work, a 250% increase since the 1950s. Fewer than 7% of households have only a male breadwinner. This is a radical change in our households and lives. As the Industrial Economy gave way to the Information Economy, labor transitioned from a physical to an intellectual endeavor, an important factor in opening doors for women to join the workforce in legions.

Happiness is generally quite fleeting, really a mood rather than a state of being. Well-being, by contrast, is a more enduring condition. Vital to its attainment are 5 core components: **positive emotion, engagement, relationships, meaning, and accomplishment**. But well-being isn't just good for people; it's good for business. Information technology and air transportation have made the world a village. In village life, if you mistreat members of the community or harm the local environment, everyone knows it, and you are subject to intense scrutiny and held accountable.

By 2008 the nonprofit sector was spending \$1.34t a year, and 2 years later it represented 5.4% of the nation's GDP. Perhaps more importantly, by 2009, the sector accounted for 10%

of jobs. The emergence of new hybrid organizations is one of the most promising developments of the last decade. Sometimes called flexible-purpose corporations, B Corporations, a low-profit limited liability company (or L3C), they combine profit-making with social mission. YouTube may be the largest volunteer organization in the world.

Researchers at Princeton compared Gallup data on the income and happiness of 500,000 American households. They found that after about \$75,000, money had no impact on their mood. **Well-being breaks down into 5 areas: positive emotion, engagement, relationships, meaning, and accomplishment, or PERMA.** People with kids report far less pleasure in their lives than their childless counterparts. Parenting is profoundly meaningful and rewarding; it is, however, rarely engaging or pleasurable. True happiness involves the full use of one's power and talents. When we combine meaning with engagement, we find the pinnacle state of purpose, where our well-being is highest and most sustained.

The life-cycle model of learn, earn, and return no longer fits our society or the needs of new generations. A more useful and gratifying model is to blend all 3 into every year of your career. We must constantly be learning, earning, and returning. Continual learning is a constant of successful careers, and many of those who wait to give back never get there. And even if they do, they miss 30 or 40 years of the pleasure of living with a guiding larger purpose.

The same people who are intrinsically motivated to find work fulfilling are more likely to be higher performers and experience greater well-being. Three predictive measures are the key contributors to fulfillment: Developing and maintaining relationships, doing something greater than ourselves, and personal and professional growth. The most important metric for any employer is likely the percentage of Purpose-Oriented people on their team. While being Purpose-Oriented is proving to be the most valuable trait for employee well-being, Purpose-Oriented Workers are the silent majority driving this new economy. The predominant approach to human resources, professional development, and management are built on the assumption that money, advancement, and ego are the drivers of our workforce. **We do not yet have employment systems that support Purpose-Oriented Workers, and we often end up incenting behaviors detrimental to our strategic vision.**

The drive to be more purposeful explains much of the momentum behind the massive exodus from mainstream corporate life. We may compare the freelance movement to the Renaissance, noting that most freelancers are a kind of artist—specialists of their crafts. For those who have come to freelance out of choice, they've done so largely out of the desire to gain more control over their destiny and their source of purpose. Fewer than 1 in 10 independent contractors would prefer to return to a traditional work arrangement. People aren't creating a new version of McKinsey; they are working on their own and building a network of freelancers to support themselves.

We also see a trend that more Purpose-Oriented people are entering the workforce. Purpose-Oriented college students stand out from their peers, even before entering the workforce. They are more likely to go the extra mile to make an impact at their school by offering support (academic and compassion) in

classroom settings and serving others in the community. And 31% of all students surveyed, not just the Purpose-Oriented ones, expressed interest in replacing declaring a "major" with declaring a "purpose" and select courses that would help them move in that direction.

Your approach to work will most likely be inherited by your children. They won't necessarily adopt your purpose, but they are much more likely to approach work with a priority on purpose. That means that **by making the hard, but rewarding effort to infuse purpose into your work, you are not only improving your own well-being, but also that of your children.**

The greatest barrier to finding purpose has been the ubiquitous belief that we have to find our cause. But seeking purpose is about finding direction, not a destination. Purpose is a universal need. The prioritization of purpose is inversely correlated with wealth. Money often conflicts with finding purpose, as it creates a false substitute for defining success. We don't receive wisdom; we must discover it for ourselves after a journey that no one can take for us or spare us. One of the main reasons to attend graduate school (and go into debt) is to have a revelation of purpose.

Intelligence is made up of 7 distinct forms: existential, naturalistic, intrapersonal, interpersonal, kinesthetic, mathematical, linguistic, spatial, and musical. Intelligence only matters in the service of purpose. **The key is to have a highly-articulated purpose.** Three drivers determine fulfillment at work: WHO you want to impact, WHY you work, and HOW you solve problems

My purpose is to serve _____ (based on WHO driver) by _____ (based on HOW driver) in order to _____ (based on WHY driver). Generic Example: My purpose is to help people (WHO: "Individual") by providing them with breakthrough tools (HOW: "Structure") so that they can realize their potential (WHY: "Karma").

You need a mission, a purpose statement—a short and powerful way to remember what matters. Keep it front and center in your daily work. Are you a doctor, a hospital administrator, or policy-maker? Welcome those big, sticky, complicated **problems**. In them **are your most powerful opportunities**.

There are 6 clusters of moral concerns: care/harm, fairness/cheating, liberty/oppression, loyalty/betrayal, authority/subversion, and sanctity/degradation. The best K-12 schools in the country have in common incredible parent participation and leadership. Parents are well-informed and invested in the school's success, and they hold the school accountable for results; they also find ways to generate resources and advocate for the school within the community.

For work life, the best course of action is usually to stay put and not change the scenery. The keys to success in fundraising are seeing the world as full of ample resources and viewing fundraising as relationships rather than transactions. The key to fundraising relationships is connecting with people through shared purpose.

Ask everyone to reflect on what surprised, inspired, and moved them during the day—called SIM (surprised, inspired, and moved). Google's research found that **gratitude was the common ingredient in their successful employees**. Amazon screens job

candidates online for their **sense of gratitude and finds it more effective than traditional interviews**, which the gratitude mindset comes the ability to see abundance in every direction, even on hard days.

The key issues raised by the self-employed weren't about time or goal management; what everyone wanted to talk about was how to manage purpose. *Job hacking* can be a conscious or unconscious process of redesigning your own job to better align with your values, strengths, and passions. Traditional thinking says that the best way to find more meaningful work is to find a new job. But the theory behind job hacking points to another solution—**changing the job you're in to better meet your needs**. Purpose, reframe your mindset, and focus on why you are doing something.

Designing to optimize purpose comes down to 3 principles: Deepen relationships, maximize impact, achieve personal growth. **Most people take a job for the organization and leave because of their manager**. Purpose embraces empowered coaching more than controlling management. This recipe enabled Mozilla to achieve a level of success beyond the reach of Netscape, its Information Economy predecessor.

Every organization has a purpose or value proposition, or it quickly dies. A Purpose Economy organization creates purpose for its employees and customers—through serving real needs, enabling personal growth, and building community. Organizations that thrive in the new economy integrate at least one of these 3 methods into the enterprise: delivering purpose to customers, consumers, or participant; providing purpose to employees; and/or building purpose throughout the supply chain.

Purpose is the Holy Grail for organizations. Companies are making incremental change by turning to employee volunteerism and charitable giving programs. Millennials who frequently participate in their company's volunteer activities are twice as likely to rate their corporate culture as very positive, as compared to those who rarely or never volunteer.

It is much easier to resource an audacious idea than a modest one. Taproot was set on ensuring all nonprofits across the nation had the resources they needed to thrive. Ultimately, our vision became that, by 2020, high-quality pro bono service would be available everywhere, and all the key business professions would have adopted the pro bono ethic. It's the big, hairy, audacious goals that ignite commitment and overcome the pessimism from intermediary failures. The dot-com era taught me the importance of framing work in terms of potential—you didn't get investment unless you prove you could change an industry or create a new one. To preserve their purpose as a core value, LinkedIn designed their recruiting process to lead with their purpose and make it accessible to everyone in every position. Their Purpose-Oriented Workers outperformed their colleagues by every measure used in the study. It also has built a culture that values empathy.

Americans feel worse about their jobs today than ever before. Gallup reports that 69-71% of our workforce is disengaged and 18-25% of this group is comprised of what they call CAVE-dwellers, an acronym for Consistently Against Virtually Everything. Sadly, most managers are clueless about what motivates their team. When asked to identify what their employees

want, the top 3 things cited are good wages, job security, and promotion opportunities. When employees are asked, they report **the top 3 as appreciation, feeling "in" on things, and an understanding attitude**.

Silicon Valley companies typically haven't found ways to become communities. It's easier for an entrepreneur to create a Purpose Economy, David-type organization than it is to transform a "Goliath" into a Purpose Economy company. Furthermore, as a small organization, a "David," it is much easier to participate in the Purpose Economy. A lack of opportunity for self-expression motivated many of our pro bono consultants. Some were designers, but others were different kinds of artists—marketing managers, project managers, engineers, photographers, etc. They were passionate about their craft, but working at a single company was forcing them to always utilize the same palette. The very first critical step—thinking of their employees as artists. This is a low-cost and easy way to create immediate results. More strategic HR professionals redefine their role in organizations as something akin to a community manager. As companies grow, the pursuit of purpose typically shifts from a focus on organizational purpose to purpose generated through the craft of each employee's work. True leadership is courage, empathy, and service.

The management at zoos and organizations like Mozilla don't just control paychecks; they have control over someone's purpose. That is an incredible onus and one that could easily be abused. **By choosing work rich in purpose, we become vulnerable**. Vulnerability is at the core of being human. It will require a new kind of leadership to find creative ways to make it safe to be vulnerable. This is the riddle of leading in the Purpose Economy.

There are now 800 commercial co-working facilities in the US. 68% of Americans now have library cards—the highest rate in history. Far from being threatened with extinction due to the rise of ebooks, as some predicted, libraries have been repurposed into much more lively community spaces for work collaboration, public gatherings, and cultural events.

Credit scores remove the risk of lending to strangers without concern about their standing in the community or their character. We are likely to see finance become the core revenue generation strategy of social media companies.

In 1900, only 6% of teenagers graduated from high school. By 2000, the number graduating from college had boomed to 85%. Homeschooling is growing 7x faster than enrollment in traditional K-12 schools. **25% of homeschooled children are at least one grade ahead of their traditionally schooled peers. This shift is perhaps the best glimpse of the future of education—mass customization alongside personalized attention.**

Preventative medicine is social in its nature. Who do we primarily serve—society, an organization, or individual? Elon Musk is the man behind PayPal, SpaceX, and Tesla Motors. Innovations spread socially and over time. Thomas Edison famously wrote to the CEO of General Electric in 1926, "It takes about 7 years to convert the average man to the acceptance of a solved problem." The adoption curve includes innovators, early adopters, early majority, late majority, and laggards. **The most critical group is early adopters**. Whole Foods described their model as an "action tank." Think tanks are all talk. The Purpose Economy often defines how to measure non-financial success.

[The *personal economy* is the organizing principle for innovation and growth. Our employment systems often incentivize behaviors detrimental to our strategic vision. Your approach to work will likely be inherited by your children. By infusing purpose into your work, you not only improve your own well-being, but also that of your children. Big, sticky, complicated problems are your most powerful opportunities. Gratitude is the common ingredient in Google's successful employees. Amazon screens job candidates online for their sense of gratitude and finds it more effective than traditional interviews, Change the job you're in to better meet your needs. Most people take a job for the organization and leave because of their manager. The top 3 things employees want is *appreciation, feeling "in" on things, and an understanding attitude*. Purpose is becoming the currency of individual and business success in the 21st century.]