

“Ted Makes His Own Luck!” Really?

Another take on “Success and Luck: Good Fortune and the Myth of Meritocracy”

September 27, 2016



Robert L. Ramey, P.C.
Certified Public Accountant
 El Paso, TX 79925

Recently an acquaintance and I were discussing the statement made by President Barack Obama that "you didn't make that" and we both recalled that the outcry was long and loud. And while I completely disagree with the president, and strongly believe that the entrepreneur did indeed, "make that" and should be rewarded by the market for the "making of that", and no one can or should take that away from him and no one should minimize the entrepreneur's achievement, in order for the entrepreneur to "make that" he also had to have had some luck, usually a great deal of luck. And every entrepreneur should recognize and acknowledge that fact as well, but in many cases the entrepreneur fails to acknowledge that luck played any part at all in his success.

"Ted makes his own luck". This comment was made by Steve, a fellow partner in a previous employer, a large local CPA firm. We were discussing a mutual acquaintance ("Ted"), the sole owner of a relatively large company. Ted had been at one time a part owner in a company that filed for bankruptcy. A man of impeccably high ethics, Ted personally paid his share of the debts of the company, almost lost his home, and came out virtually broke. Now, a few years later, through hard work, long hours, sharp intellect, and extraordinary luck, he started and built a different company and has done very well, all in all a remarkable recovery. And when you look just at the raw data, you almost have to agree that "Ted makes his own luck." But come on. Does anyone make his own luck? Does Ted really "make his own luck?" No, of course he doesn't. He works hard. He works smart. He recognizes opportunity and wastes no time in taking advantage of that opportunity. But even though he's very lucky, he doesn't make his own luck.

However, as Steve and I spoke it occurred to me that by stating that "Ted makes his own luck" and because he was also quite successful, Steve was putting himself in that same league, the league of people who "make their own luck", who are successful only through their own efforts, sharp intellect, and hard work. And as Dr. Robert

Frank makes the case in "*Success and Luck: Good Fortune and the Myth of Meritocracy*", many successful people prefer to believe and as if to reinforce that belief in themselves, to say, to anyone who will listen, that their own success is through nothing more than their own hard work, ability to recognize opportunity and act on it, and superior intellect. And we know that's simply not true. It takes luck, usually lots of luck, to succeed.

Let's just take the example of the two individuals mentioned above. Both of them were born in El Paso, Texas in the 1950s, a time of great prosperity nationwide, and even though El Paso trails the United States as a whole economically, realizing the benefits of a rising economy later and less robustly than the rest of the country, nonetheless El Paso also found itself in a period of great prosperity. So both individuals were "lucky" to be born into such a period of economic prosperity. And of course, neither had anything to do with when or where they were born. Both individuals were lucky to be born in a country that has no conscription for military service, a country in which, by the time they reached maturity, military service is all-volunteer and neither individual chose to serve, thus gaining a head start of at least three years of college on those, in many cases less advantaged, individuals who did choose to serve.

Ted's father was a prominent businessman, a high level executive with a local construction related company, college graduate, outstanding alumni, and quite well connected in the community. His position provided him with a large circle of contacts in the construction industry and Ted's major line of business was construction industry related. It would be absurd to suggest that Ted was not extremely "lucky" to be born into such a family. Indeed, Ted benefited greatly from his father's contacts which also became Ted's contacts. And of course, Ted's intellect or drive had nothing to do with his family ties. He was lucky and he did not "make his own luck."

Steve was born in 1957, graduated from a local high school, attended and graduated from the University of Texas at El Paso, was active in school affairs, lived rent

“Ted Makes His Own Luck!” Really? Another take on “Success and Luck: Good Fortune and the Myth of Meritocracy”

September 27, 2016

free in his father's home while attending college, was hired by one of the Big 8 accounting firms upon graduation, passed the CPA exam, and several years later was hired by the city's largest local accounting firm. Within a short time, Steve was made partner in the firm.

Steve's father was a prominent attorney, served on a number of local boards, and was quite well connected in the community. His legal work put him in contact with numerous business start-ups, businesses in bankruptcy requiring the services of a certified public accountant, and others. And like Ted, it would be absurd to suggest that Steve was not extremely "lucky" to be born into such a family. And like Ted, Steve's father's contacts became Steve's contacts and Steve benefited greatly from referrals from his father and the firm's other partners as well as friends of the partners. And like Ted, Steve's intellect or drive had nothing at all to do with that advantage. He was lucky and he did not "make his own luck."

How about a third example, a good friend who didn't have such wonderful luck. Ronnie, in terms of sheer intellect, was one of the smartest people I've ever met. However, neither Ronnie's father nor his mother attended college and did not encourage their children to do so. Thus, only one child, the oldest daughter attended university and received a degree. Ronnie's father was also a businessman who worked for a local building materials and cement company. However, as Ted's father worked at his place of business for 39 years and rose

very high in the company, the company Ronnie's father worked for closed shop and went out of business, leaving its employees to find other employment. Ronnie's father was extremely smart, willing to take a gamble on a business venture, and soon purchased a small business at which he became successful, not wealthy, but successful. When Ronnie was 17 years old, while still in high school, his father pushed him out of the family home and told him he was on his own. At first Ronnie lived in the home of a friend and that spring he and another friend rented an apartment and shared the rent. Less than a year later, Ronnie dropped out of high school and enlisted in the United States Army. There, he attended GED classes and passed the GED easily, and came out with a high school diploma. Ronnie is now the Sales Manager for a large regional company and is quite successful despite some very bad luck along the way.

But back to luck. As Steve said, "Ted makes his own luck" and by extension, people like Ted, Steve, and others like Ted and Steve, also "make their own luck", and that's why they are so phenomenally successful, by their own efforts, intellect, and drive and nothing else. Would either Ted or Steve have been so successful, would each of them so successfully have "made his own luck" had they lived Ronnie's life? Maybe. Anything's possible. But the odds are against it.

© Robert L. Ramey 2016