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Apostles for Capitalism: Amway, Movement Conservatism, and the Remaking of the American Economy, 1959-2009

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Abstract

This dissertation examines the Amway Corporation, the world's largest multi-level marketing company. Since its inception, Amway has purported to offer individuals the ability to go into business for themselves and to participate in free enterprise through direct sales. At the same time, many have attacked Amway as a fraudulent pyramid scheme that trades in false promises and leaves its distributors financially and psychologically worse off than before they joined. In addition to running the company for over three decades, Amway's cofounders, Richard DeVos and Jay Van Andel, along with members of their families, have been influential players in the Republican Party and movement conservatism going back to the 1970s.

Amway draws our attention to important subtleties in the post-World War II conservative movement. DeVos and Van Andel were prominent avatars of an ideology known as small-business conservatism. Like other champions of free enterprise, small-business conservatives attacked "big government," but they additionally articulated a critique of corporate capitalism. Amway promoted an economic model known as "compassionate capitalism," which was premised on the liberating potential of individual proprietorship. Amway also widens the geographic lens of the modern Right, highlighting the role that parts of the American North played in cultivating conservatism. Western Michigan, where DeVos and Van Andel were born and raised, has a long conservative tradition dating back to the mid-nineteenth century and shaped to a large degree by the region's Dutch-American community, which practiced a particularly conservative strain of Calvinism. DeVos and Van Andel have had a hand in many of the key moments in the history of American Right over the last four decades, underscoring the importance of Grand Rapids to the conservative movement.

APOSTLES FOR CAPITALISM:
AMWAY, MOVEMENT CONSERVATISM, AND THE REMAKING OF THE
AMERICAN ECONOMY, 1959-2009

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DISSERTATION

Submitted in partial fulfillment of the requirements for the degree of Doctor of Philosophy in
History

Syracuse University
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Acknowledgements

It is my belief that the events and characters narrated by history compare with reality more or less as the portraits of authors on frontispieces of books usually compare with the authors themselves, that is to say they do so only in outline, so that they bear only a faint similarity to them, or sometimes none at all.

-Arthur Schopenhauer¹

No one is as good as their final product. That, in so many words, is the conceit of an acknowledgements section. Were I to repeat my graduate education, I would commit myself to reading the acknowledgments of every monograph I encountered. It is easy, especially for those of us early into our careers, as all students invariably are, to read a great book and think that we could never produce anything with as exquisite prose or with as much scholarly import as the person whose name graces the cover. But when you read the acknowledgements and take stock of the sheer number of individuals and institutions that that author relied upon, you realize that they, alone, could not have done it either, and that whatever the cover says, what you read was a team effort. This project is no different.

For help in obtaining primary material, I want to thank Alex Forist at the Community Archives and Research Center at the Grand Rapids Public Museum, Valencia Jackson at the U.S. Circuit Court of Milwaukee, David Price at the U.S. District Court of Utah, Suzanne Guevara at the U.S. District Court for the Southern District of Texas, Heather Edwards at the Grand Rapids Public Library, Carol Lockman at the Hagley Library and Museum, the staff at the Bentley Library at the University of Michigan, John O'Connell at the Gerald R. Ford Presidential Library, and Lydia Wasylenko at Syracuse University Libraries. I also want to thank those unknown to me who have made my work immeasurably easier, including the folks at Proquest, Newspaperarchive.com, and

¹ Arthur Schopenhauer, *Essays and Aphorisms*, trans. R.J. Hollingdale. (New York, NY: Penguin, 2004), 222.

EBSCO, the employees at the *Grand Rapids Press* who for decades cut up every issue of their newspaper and stuffed the articles into little yellow subject envelopes, and the sellers on eBay who made their Amway cassettes available to me for purchase. For providing material support to conduct my research, I want to thank the Syracuse University history department, the Maxwell School of Citizenship and Public Affairs at Syracuse, and the Hagley Library and Museum.

Various portions of this dissertation, from full paragraphs to scattered sentences and fragments of sentences, appear, occasionally in slightly amended form, as a standalone article in the third issue of the journal *Modern American History*, which is indicated accordingly in the notes. I want to thank the journal's co-editors, Sarah Phillips and Brooke Blower, as well as the anonymous reviewers for all of their critiques, suggestions, and insights. Their remarks helped me to reframe the dissertation in ways that made it vastly superior to what it was prior. I have also presented various facets of this project at a number of conferences. Accordingly, I want to thank the commenters and audience members at the 2017 University of Rochester Graduate History Conference, the 42nd Annual Economic and Business History Society Conference, the Massachusetts Historical Society, the Business History Conference, the SU History Department workshop series, and the 2019 Rochester Institute of Technology conference for their questions and comments. I am especially indebted to Professor Wade Shiltz at Luther College, who commented on my paper at the EBHS, for introducing me to the concept of small-business conservatism. I also want to thank the editorial team at the "Made by History" section of the *Washington Post*, especially Brian Rosenwald, for running my op-ed on Amway in October 2018.²

There are so many people at Syracuse who deserve my gratitude. Foremost among them, without question, is my advisor, Andrew Cohen. He first advised me as an undergraduate when I

² Davor Mondom, "Compassionate Capitalism: Amway and the Role of Small-Business Conservatives in the New Right," *Modern American History*, vol. 1 no. 3 (November 2018): 343-361; Davor Mondom, "The conservative business model that paved the way for the Trump presidency," *Made by History*, *The Washington Post*, October 11, 2018, https://www.washingtonpost.com/outlook/2018/10/11/conservative-business-model-that-paved-way-trump-presidency/?utm_term=.51d73e4cd952 (accessed March 17, 2019).

was completing my distinction thesis and I have stuck with him ever since. He alerted me to Amway as a potential dissertation topic, and it proved to be exactly what I was looking for — I could not have found a better topic if I tried. I also want to thank the other members of my dissertation committee: David Bennett, Carol Faulkner, Jeffrey Gonda, Elisabeth Lasch-Quinn, Mark Rupert, and Elizabeth Shermer. Professors Bennett and Faulkner deserve special recognition. I have known Professor Bennett since my very first freshman semester; he sat on the committee for my distinction thesis as well as my dissertation proposal. Professor Faulkner was also on my proposal committee and read an early version of my *MAH* article. Beyond those faculty who have had a direct imprint on the project, I also want to thank Elizabeth Cohen, Michael Ebner, the late Ralph Ketcham, Andrew Lipman, and Mark Schmeller for their impact on my graduate (and, in certain cases, undergraduate) education.

I have made a number of friends who have helped soften the edges of graduate school and provided welcome companionship. These include Sravani Biswas, Elissa Isenberg, Phil Erenrich, Tom Guiler, Giovanna Urist, Scarlett Rebman, and Shaundel Sanchez. Tom Bouril was gracious enough to proofread the entire dissertation before final submission. John Barruzza and I have had countless office conversations that have served as much-needed distractions from the day-to-day drudgeries of graduate life. Michael and Maria Britton have been friends almost from the get-go and have treated me to many a delicious meal at their home. My weekly lunches with Molly Jessup formed an indelible part of my early years. Morgan Kolakowski came into my life late in my tenure but has become as indispensable as anyone.

There are not enough words to adequately catalog the emotional and material support that my parents have given me, not just during graduate school but throughout my entire life thus far. And at the risk of making this excessively human-centric, I must also acknowledge the joy that my three cats have brought me: Brainy, Merlin, and Zeus. Misha and Chowder also warrant commendation for their companionship towards the end.

This dissertation is dedicated to my grandfather, Ivića Mondom. He passed away two years before it was completed, but I know he so would have wanted to live to see it done.

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Introduction

The Business

On the surface, Amway is a company which markets soaps, cleaners, vitamins and food supplements, cosmetics, jewelry, smoke detectors, burglar alarms, hardware and software of all kinds....But Amway does something else too. It sells a marketing and motivational system, a cause, a way of life, in a fervid emotional atmosphere of rallies and political-religious revivalism.

-Steve Butterfield¹

In April 1970, *Barron's* magazine published an article documenting the nationwide growth of door-to-door selling. Notwithstanding “the hesitancy of housewives to open the door to a strange knock and its susceptibility to fraudulent operators,” the article observed that “the industry flourished throughout the ‘Sixties.’” Among the companies it mentioned by name were established entities like Avon and the Encyclopedia Britannica, as well as “a relative newcomer, Amway Corp.” Headquartered in Ada, Michigan, located within metropolitan Grand Rapids, Amway had only been around since 1959. Nonetheless, the company had managed remarkable growth over the preceding eleven years. Amway sold half a million dollars’ worth of products in its first year of business. Two years later, the company established an international presence, setting up shop in Canada. When it reached its ten-year mark, Amway racked up eighty-five million dollars in sales and claimed one hundred thousand distributors between the United States and Canada. Accordingly, the company dubbed 1969 the “Year of Achievement.” However, 1969 also became “The Year of the Great Dis-

¹ Steve Butterfield, *Amway: The Cult of Free Enterprise* (Buffalo, NY: Black Rose Books, 1986), 2.

aster,” courtesy of a fire that broke out at Amway headquarters that summer, hurting seventeen employees and causing around five hundred thousand dollars in damages.²

Today, Amway is one of the best known and most profitable direct sales companies in the world. According to *Forbes*, the company earned approximately \$8.6 billion dollars in revenue in 2017, making it number forty-two on its list of “America’s Largest Private Companies.” The company’s website boasts around three million distributors “operating in more than 100 countries and territories[.]” Additionally, the company employs around twenty thousand people, many of whom help to manufacture its product line, which has expanded beyond soap and household cleaning products — its original offerings — to include vitamins and dietary supplements (Nutrilite), cosmetics (Artistry), haircare (Satinique), and cookware (iCook), among others. The overwhelming majority of the company’s sales — around ninety percent in 2009 — now occur internationally, with China as the company’s biggest market.³

This growth has, unsurprisingly, made the cofounders and their families very wealthy. At the time of his death in 2018, Richard DeVos was the 107th richest American according to *Forbes*, with an estimated net worth of \$5.4 billion. His lifelong friend and business partner, Jay Van Andel, passed away in 2004, but his family is worth about the same as DeVos, making them the forty-ninth richest family in the country back in 2015. The company remains under the sole ownership of the DeVos and Van Andel families. Richard DeVos retired in 1992 due to health problems, at which point his oldest son, Dick, replaced him as president of the company. Three years later, Jay Van Andel followed suit. His son, Steve, took over his position as chairman. (In 2002, Dick DeVos left the

² “Welcome Mat: It’s Out for the Fast-Growing Door-to-Door Vendors,” *Barron’s National Business and Financial Weekly*, April 13, 1970, 11, 19, 20; Wilbur Cross and Gordon Olson, *Commitment to Excellence: The Remarkable Amway Story* (Elmsford, NY: The Benjamin Company, Inc, 1986), 19, 46, 48-49; Kathryn Jones, *Amway Forever: The Amazing Story of a Global Business Phenomenon* (Hoboken, NJ: John Wiley & Sons, Inc., 2011), 55-56. Portions reproduced in Mondom, “Compassionate Capitalism,” 7.

³ Amway, *Forbes*, <http://www.forbes.com/companies/amway/> (accessed November 23, 2018); Business Opportunity, Amway, <http://www.amway.com/about-amway/business-opportunity> (accessed November 23, 2018); Family of Brands, Amway, <http://www.amway.com/about-amway/family-of-brands> (accessed November 23, 2018); Jones, *Amway Forever*, 4. Portions reproduced in Mondom, “Compassionate Capitalism,” 1-2, 7.

company and was succeeded by his brother Doug.) The DeVoses and Van Andels are prominent figures in the Grand Rapids community, as evidenced by the sheer number of buildings named after them or their company: the Amway Grand Plaza Hotel, DeVos Place, Van Andel Arena, the Helen DeVos Children’s Hospital, the Van Andel Institute, and more. The founding families have also become prominent figures on the American Right, as evidenced most recently when Betsy DeVos, Richard DeVos’s daughter-in-law, joined President Donald Trump’s cabinet as his secretary of education. Though the families have championed a variety of causes over the decades, they have been most enthusiastic about free enterprise. In his 2014 memoir *Simply Rich*, Richard DeVos wrote, “When we started Amway, we thought, ‘It’s okay to start a business to make money, but what’s the ultimate purpose of our business? What does it stand for? What’s driving it emotionally beyond just trying to make money?’ So ‘Standing Up for Free Enterprise’ was our battle cry.”⁴

Amway has generated significant controversy throughout its existence. Among its champions, praise is effusive. Books extolling the virtues of the company and its business model bear such titles as *Empire of Freedom*, *The Possible Dream*, *Commitment to Excellence*, and *American Victory*. At the other end of the spectrum, Steve Butterfield, a former Amway distributor, compared Amway to a cult and even suggested that it bore a resemblance to fascism. Amway has been the subject of several investigations by major news outlets, most famously in 1983, when Mike Wallace and *60 Minutes* ran a segment on Amway that featured interviews with the cofounders as well as distributors, some of whom had negative opinions of the company. The company has also faced numerous legal challenges, including a Federal Trade Commission investigation that ran from 1975 to 1979 into whether or not it constituted a pyramid scheme, a lawsuit by the state of Wisconsin in 1982 that centered on claims of misrepresentation, criminal tax evasion charges brought by the government of Canada

⁴ Richard DeVos, Forbes, <http://www.forbes.com/profile/richard-devos/?list=billionaires> (accessed November 23, 2018); Van Andel Family, Forbes, <http://www.forbes.com/profile/van-andel/> (accessed November 23, 2018); Jones, *Amway Forever*, 124-126, 158; Richard DeVos, *Simply Rich: Life and Lessons from the Cofounder of Amway* (New York, NY: Howard Books, 2014), 104, 221-231; Jay Van Andel, *An Enterprising Life: An Autobiography* (New York, NY: Harper-Collins Publishers, Inc., 1998), 119-133. Portions reproduced in Mondom, “Compassionate Capitalism,” 2.

(also in 1982), and, perhaps most bizarrely, a defamation case in the mid-1990s in which Amway and various distributors were accused of spreading allegations that Procter & Gamble was linked to Satanism.⁵

The layman's term for what Amway does is *direct sales*: a more technical and precise designation is *multi-level marketing*. Direct sales simply involves one individual selling goods or services to another without the presence of a third-party intermediary (a retail store, for example). In that respect, direct sales is probably the oldest and most basic form of economic exchange. Those who study direct sales typically draw a distinction between direct sales as practiced by companies like Amway and earlier, pre-corporate modes, typically referred to as *peddling*. The main function of most direct sales firms consists of setting and enforcing a set of rules and regulations that the sellers affiliated with them must abide by, as well as supplying the sellers with their inventory. Within the universe of direct sales firms, some, like Amway, operate as multi-level marketing enterprises. This means that, in addition to moving product, distributors also try to bring new individuals into the business, thereby creating "layers" of salespeople, each person having someone "above" them who recruited them (with someone above that person, and so on) and also potentially people "below" them whom they have recruited (plus even more below those, and so on).⁶

The cornerstone of what distributors euphemistically call "the business" is the Amway Sales and Marketing Plan, more commonly shortened to the sinister-sounding "the Plan." To join, a prospective distributor must be sponsored by someone in the business, at which point the new recruit joins that distributor's network: in Amway terminology, they are now a "leg." Their sponsor is referred to as their "upline," whereas they are their sponsor's "downline." Once sponsored, an

⁵ Butterfield, *Amway: The Cult of Free Enterprise*, 146-162; the *60 Minutes* special is discussed in Jones, *Amway Forever*, 94-96, Cross and Olson, *Commitment to Excellence*, 118-120, DeVos, *Simply Rich*, 135-137, and Charles Paul Conn, *Promises to Keep: The Amway Phenomenon and How it Works* (1985; New York, NY: Berkley, 1986), 67-71; Jones, *Amway Forever*, 62-75, 78-82, 107-117. Portions reproduced in Mondom, "Compassionate Capitalism," 15.

⁶ David John Harris, "Of Prophecy and Profits: A Study of the Amway Worldview" (Ph.D. dissertation, Harvard University, 1992), 6, 16-53; Nicole Woolsey Biggart, *Charismatic Capitalism: Direct Selling Organizations in America* (Chicago, IL: The University of Chicago Press, 1989), 21-22. Portions reproduced in Mondom, "Compassionate Capitalism," 7.

Amway distributor has two potential sources of revenue. One comes from the sale of Amway products: purchase inventory at wholesale, sell it at retail, pocket the difference. As Charles Paul Conn, the author of several laudatory books on Amway, pointed out, “Amway distributors are discouraged from random peddling of their products to strangers [i.e., ‘door-to-door’ selling]; instead, they rely on what they call ‘person-to-person’ sales, making customers of friends, family members, people they already know.” Additionally, distributors can earn money from sponsorships: the company will pay an upline a bonus equivalent to a certain percentage of their downline’s sales. If a person’s downline in turn sponsors someone else, then that original upline will also receive a bonus based on any of *their* sales, and so on.⁷

A 1986 copy of the Sales and Marketing Plan explained how distributor bonuses are calculated: “All AMWAY® products are assigned two sets of numbers: Point Value (PV), which does not change, and Business Volume (BV), a dollar figure which changes with inflation....BV is the dollar value established for a product before any regional warehousing cost (known as surcharge) is added to arrive at the suggested retail price.” The size of one’s bonus, then, is a function of both PV and BV. The following chart, taken from that same edition of the Plan, spells out how these bonuses are computed.⁸

⁷ Conn, *Promises to Keep*, 120; Discussions of the Plan and its associated terminology can be found in Conn, *Promises to Keep*, 78-82, Jones, *Amway Forever*, 47-49, 91-92, Wilbur Cross, *Amway: The True Story of the Company That Transformed the Lives of Millions* (New York, NY: Berkley, 1999), 199-205, Butterfield, *Amway: The Cult of Free Enterprise*, 71-72, and “The Amway Sales and Marketing Plan,” in Harris, “Of Prophecy and Profits,” 452-468. Portions reproduced in Mondom, “Compassionate Capitalism,” 7.

⁸ “The Amway Sales and Marketing Plan,” in Harris, “Of Prophecy and Profits,” 453.

<u>If Total Monthly Point Value is:</u>	<u>Performance Bonus is:</u>
7,500 or more	25% of your BV
6,000	23%
4,000	21%
2,500	18%
1,500	15%
1,000	12%
600	9%
300	6%
100	3%

Figure 1: PV/BV Table
(Source: Harris, *Of Prophecy and Profits*, 454)

The total monthly point value indicated in the chart above includes not just a distributor's own sales, but also the sales of any of their downlines. The following chart indicates how income is calculated in such a scenario.

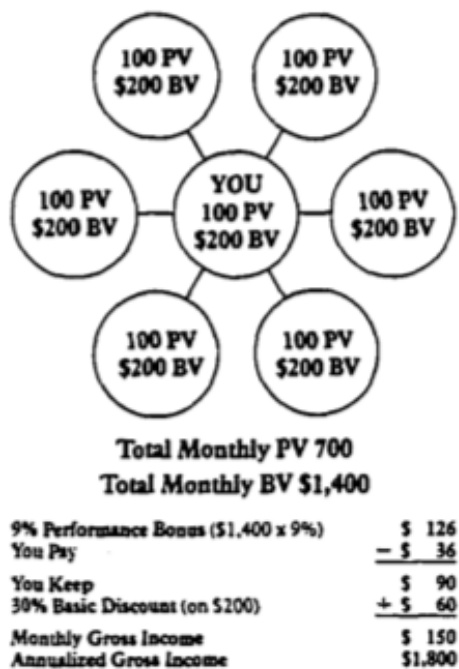


Figure 2: PV/BV Chart
(Source: Harris, *Of Prophecy and Profits*, 454)

If a person in a distributor's downline goes ahead and sponsors someone as well, then *that* person's earned PV and BV are also factored into the total. When a distributor has had a total

monthly PV of 7500 for three straight months, they then qualify as a “Direct Distributor.” In Amway parlance, they have “gone Direct” and have “broken off” from their sponsoring distributor. The Sales and Marketing Plan spelled out some of the perks of going Direct: Direct distributors “may buy products, literature, and sales aids directly from the company rather than from [their] sponsor or Direct distributor,” they “receive a maximum 25% Performance Bonus each month [they] qualify” and “are invited to attend an exciting expense-paid seminar at corporate World Headquarters.” Beyond Direct, distributors can qualify for various “pins,” most of which Amway names for precious metals and stones. From lowest to highest, they are: Ruby, Pearl, Emerald, Diamond, Executive Diamond, Double Diamond, Triple Diamond, Crown Direct, and Crown Ambassador.⁹

But Amway is more than just a company with a convoluted business model. David John Harris has described the company as “a cultural movement mobilized by a ‘thematic worldview.’” This distinguishes Amway from most other capitalist enterprises, which are merely profit-seeking. In addition to selling a catalog of products, Amway has also promoted a fairly comprehensive philosophy of life. In Harris’s words, “Amway promises to provide a ‘way of life’” as well as “a path to self-fulfilment and self-realization.” Indeed, some have suggested that the Amway worldview may, to an extent, rival the company’s soaps, detergents, and vitamins as its chief product. In an apt turn of phrase, Nancy Sue Ammerman has written that “[t]he products are a vehicle for the system, rather than the other way around.”¹⁰

The company and its boosters have admitted as much. A newspaper ad from September 1970 bore the heading “Amway is an Idea.” Meanwhile, *Commitment to Excellence*, a semi-official company history published in 1986, declared that “[a]lthough soap products do indeed figure prominent-

⁹ Harris, “Of Prophecy and Profits,” 454-456, 466-468; Conn, *Promises to Keep*, 80-81. Portions reproduced in Mondom, “Compassionate Capitalism,” 7.

¹⁰ Harris, “Of Prophecy and Profits,” 3, 6-7; Nancy Sue Ammerman, “‘Because People Buy Soap’: Amway and the Priests of Capitalism” (M.A. thesis, University of Virginia, 1983), 1.

ly in the marketing programs, along with other lines, they are not as vital as the intangible commodity that distributors seek: *opportunity*,” explaining,

Opportunity has been referred to in one book about Amway as “The Possible Dream.” The dream becomes reality through the Sales and Marketing Plan, not simply a formula for selling products, but a blueprint for owning and operating an independent business. The essentials include financial independence, the chance to be your own boss, freedom from punching a time clock, and very often a second income.¹¹

As a matter of course, Amway — and, to a lesser extent, its external admirers — has tried to temper expectations, lest the business get panned as a get-rich-quick scheme: distributors who make excessive or unrealistic claims about the benefits of joining Amway can face sanction. That said, it is clear that, in Ammerman’s words, “[a]lthough according to the company a person who wants thirty-five extra dollars a month to complete his car payment and makes that thirty-five dollars is just as successful as a man who wants a new Cadillac every six months and gets it, the emphasis among recruiters is on thinking big[.]” Amway is simultaneously a business and a value system, each inseparable from the other: the products cannot be sold unless there are individuals motivated to become distributors, and selling the products — along with recruitment — is the means by which distributors hope to fulfill their dreams.¹²

Amway and the political work of its founding families shed light on the nuances of post-World War II free enterprise ideology and compel us to expand the political geography of modern conservatism. Historians have detailed extensively the ways in which the resurgence of free enterprise ideology in the decades after World War II represented a reaction against the expansion of the

¹¹ “Amway is an Idea,” *Assabet Valley Beacon*, September 17, 1970, 23; Cross and Olson, *Commitment to Excellence*, 147.

¹² Ammerman, “Because People Buy Soap?,” 3, 8.

federal government that occurred in the 1930s and 1940s. In the four decades between the rise of the New Deal and the election of Ronald Reagan, conservatives of all stripes — members of the business class, politicians, intellectuals, evangelists, and others — pursued a variety of strategies to discredit and dismantle the regulatory and welfare states and to win over the American public to free enterprise. Their motivations for waging this war varied. Business conservatives, for one, no doubt saw greater regulation and the new social programs as threats to their bottom lines. For some evangelicals, meanwhile, the New Deal state was a stepping-stone to socialism and communism, which, in turn, presented a threat to Christianity.¹³

The conservative crusade against “big government” took many forms. The immediate post-war years, for instance, saw a resuscitation of welfare capitalism, support for the Taft-Hartley Act and “right-to-work” laws at the state level, as well as attempts to impress American Christianity into service on behalf of the market. In 1964, business interests and free-enterprise ideologues rallied around Senator Barry Goldwater, the first major-party presidential candidate to reject an accommodation with the New Deal order. Throughout the 1970s, a number of corporations sought to use schools as vehicles for selling free enterprise to the next generation. And in the mid- to late 1970s two grassroots efforts aimed at curbing government spending gained traction at the state and na-

¹³ Kim Phillips-Fein, *Invisible Hands: The Making of the Conservative Movement from the New Deal to Reagan* (New York, NY: W.W. Norton & Company, 2009), xi-xii; Darren E. Grem, *The Blessings of Business: How Corporations Shaped Conservative Christianity* (New York, NY: Oxford University Press, 2016), 13-118. Portions reproduced in Mandom, “Compassionate Capitalism,” 2.

tional levels: the movement to add a balanced budget amendment to the Constitution and the tax revolt.¹⁴

Amway highlights the important role that small-business conservatives played in this campaign and their unique perspective on the meaning of “free enterprise.” As used here, *small-business conservatism* describes a specific ideological orientation. Although committed to limited government, small-business conservatism also raised concerns about the potentially corrosive effects of large, anonymous, bureaucratic corporations on individualism. It hearkened back to older, pre-corporate ideals of individual autonomy and economic self-sufficiency. Rather than looking to the government for “handouts” or to corporations for employment, small-business conservatives called on individuals to work for themselves and to support themselves and their families through their own labor.¹⁵ As Bethany Moreton writes, champions of small business “extolled the entrepreneur as a rare and special type, not content with the ordinary round of bureaucracy in corporate life.” They promoted

¹⁴ For a detailed look at free-market activism across this entire timespan, see Phillips-Fein, *Invisible Hands*. For works on the early postwar years, see George Lipsitz, *Rainbow at Midnight: Labor and Culture in the 1940s* (Urbana, IL: University of Illinois Press, 1994), Elizabeth Fones-Wolf, *Selling Free Enterprise: The Business Assault on Labor and Liberalism, 1945-60* (Urbana, IL: University of Illinois Press, 1994), Nelson Lichtenstein, *State of the Union: A Century of American Labor* (Princeton, NJ: Princeton University Press, 2002), Elizabeth Tandy Shermer, *Sunbelt Capitalism: Phoenix and the Transformation of American Politics* (Philadelphia, PA: University of Pennsylvania Press, 2013), and Kevin Kruse, *One Nation Under God: How Corporate America Invented Christian America* (New York, NY: Basic Books, 2015). On school outreach, see Bethany E. Moreton, “Make Payroll, Not War: Business Culture as Youth Culture,” in *Rightward Bound: Making America Conservative in the 1970s*, Bruce J. Schulman and Julian E. Zelizer eds. (Cambridge, MA: Harvard University Press, 2008), 52-70, and Bethany Moreton, *To Serve God and Wal-Mart: The Making of Christian Free Enterprise* (Cambridge, MA: Harvard University Press, 2009), 173-192. On the balanced budget movement, see Iwan Morgan, “Unconventional Politics: The Campaign for a Balanced-Budget Amendment Constitutional Convention in the 1970s,” *Journal of American Studies*, 32 no. 3, part 1 (December 1998): 421-445. On the tax revolt, see Robert O. Self, “Prelude to the Tax Revolt: The Politics of the ‘Tax Dollar’ in Postwar California,” in *The New Suburban History*, Kevin M. Kruse and Thomas J. Sugrue eds. (Chicago, IL: The University of Chicago Press, 2006), 144-160 and Bruce J. Schulman, *The Seventies: The Great Shift in American Culture, Society, and Politics* (2001; Cambridge, MA: Da Capo Press, 2002), 193-217. Portions reproduced in Mondom, “Compassionate Capitalism,” 2.

¹⁵ The phrase “small-business conservatism” should not be construed as ascribing a particular political leaning to the small business community as a whole. Not all small businesspeople are conservatives, and being a small businessperson — or, indeed, being a businessperson at all — is not a precondition for adhering to small-business conservatism.

a “small-p populism,” Nicole Hemmer similarly explains, raising alarms about monopolistic corporations and other impersonal forces that might undermine liberty.¹⁶

Amway and its cofounders exemplified this small-business conservatism. As James Robinson, author of a 1997 pro-Amway book titled *Empire of Freedom*, put it, Amway was “a movement of people away from dependency on big government and big companies.” Beginning in the 1970s, DeVos and Van Andel became involved in the conservative effort to promote free enterprise and roll back government, creating the Center of Free Enterprise and supporting the tax revolt when it came to Michigan. At the same time, in an effort to convince people to become distributors, Amway and its allies also attacked the shortcomings of real-world capitalism. When Amway’s boosters wanted an unfavorable contrast to direct selling, they did not choose the “welfare queen” who sponged off the federal dole, but rather the stuck-in-a-rut employee whose wages and hours someone else dictated. As pro-Amway books and speeches given at Amway distributor events made plain, the company targeted for recruitment individuals dissatisfied with traditional, nine-to-five employment, who felt that their jobs did not pay enough or were not emotionally rewarding, and who desired greater control over their lives.¹⁷

Amway presented direct sales as the key to attaining both financial independence and life satisfaction. Amway distributors were “independent business owners,” and Amway allegedly offered them more money, freedom, independence, and the ability to form positive, fulfilling relationships.¹⁸ “Independent business ownership,” in turn, was part and parcel of the company’s own model of free enterprise. Dubbed “compassionate capitalism” by Richard DeVos, it envisioned an economic system driven by — to use the subtitle of his 1993 book on the subject — “people helping people

¹⁶ Moreton, “Make Payroll, Not War,” 58-69; Nicole Hemmer, *Messengers of the Right: Conservative Media and the Transformation of American Politics* (Philadelphia, PA: University of Pennsylvania Press, 2016), 7, 14-15, 21-24, 45-46, 51, 139-142. Portions reproduced in Mondom, “Compassionate Capitalism,” 3.

¹⁷ James W. Robinson, *Empire of Freedom: The Amway Story and What It Means to You* (Rocklin, CA: Prima Publishing, 1997), 194. Portions reproduced in Mondom, “Compassionate Capitalism,” 3.

¹⁸ “Independent business owner” is the company’s term for its distributors. (Jones, *Amway Forever*, 3.)

help themselves,” one that afforded individuals the opportunity “to become what they want to be.”¹⁹ Compassionate capitalism, which Amway supposedly embodied, offered a vision of free enterprise premised more on cooperation and mutual aid than on competition.²⁰

By espousing such ideals small-business conservatives struck a chord with many Americans, winning converts to the free-market gospel and emerging as a potent force in the Right’s forty-year crusade against the New Deal.²¹ Indeed, the company’s set up derived from a workaround to the New Deal devised by earlier innovators in the direct sales industry in the 1930s, who managed to get distributors classified as “independent contractors” rather than employees in order to avoid being subject to Social Security provisions or minimum wage legislation. Amway’s “independent business owners” have a measure of autonomy over their distributorships, but they remain wedded to a larger corporate entity and must abide by its rules and regulations. In its business model, then, Amway has straddled the divide between big and small business. This hybridity allowed Amway to become a vehicle for an ideology that attacked the alienating facets of capitalism while becoming a lucrative global corporation.²²

Since Amway’s brand of free enterprise focused more on critiquing capitalism than “big government,” understanding its origins requires looking somewhere besides the New Deal and the rise of the interventionist state. More so than the 1930s and 1940s, compassionate capitalism traces

¹⁹ Richard DeVos, *Compassionate Capitalism: People Helping People Help Themselves* (1993; New York, NY: Plume, 1994), 10.

²⁰ Compassionate capitalism underscores the diverse — and competing — views among conservatives about the nature of the free enterprise system. Even when committed to “free enterprise” in principle, they have often disagreed about what it looked like in practice. Indeed, some conservatives have expressed misgivings about or even outright hostility toward capitalism. For instance, see Angus Burgin, *The Great Persuasion: Reinventing Free Markets Since the Depression* (Cambridge, MA: Harvard University Press, 2012) and Peter Kolozi, *Conservatives Against Capitalism: From the Industrial Revolution to Globalization* (New York, NY: Columbia University Press, 2017). Portions reproduced in Mondom, “Compassionate Capitalism,” 3-4.

²¹ Work by Benjamin Waterhouse also promises to shed further light on the uses of small business in conservative politics in the 1970s and 1980s. See Benjamin C. Waterhouse, “The Small Business Myth,” *Aeon*, November 8, 2017, <https://aeon.co/essays/what-does-small-business-really-contribute-to-economic-growth> (accessed May 2, 2018).

²² Biggart, *Charismatic Capitalism*, 33-41. Portions reproduced in Mondom, “Compassionate Capitalism,” 4.

its roots back to the immediate postwar years. The late 1940s and 1950s witnessed the emergence of what the economist John Kenneth Galbraith called “the affluent society.” Americans who had endured sixteen years of first depression and then wartime exuberance now found themselves living in a nation richer than it had ever been in its history. Postwar prosperity allowed millions of Americans — most of them white — to join the ranks of the middle class, go to college (particularly if they were veterans), and partake in new forms of conspicuous consumption.²³

This unprecedented abundance, however, coexisted — and, to some extent, gave rise to — a crisis of autonomy, a pervasive sense that individuality and self-reliance were on the decline. James Patterson wrote that the postwar years were marked by “fears about the nation’s psychological health. Buzzwords and phrases exposed these fears: ‘alienation,’ ‘identity crisis,’ ‘age of anxiety,’ ‘eclipse of community.’ The ‘uprooted’ peopled America. ‘Mass society’ obliterated identity and ‘individualism.’ Society was a ‘lonely crowd.’” The aftermath of World War II saw growing concern about real and perceived threats to people’s mastery over their own lives.²⁴

The economic dimension of this anxiety is especially important for understanding Amway. Social critics like C. Wright Mills, William Whyte, and others drew attention to the deleterious effects of white-collar corporate capitalism, pointing to the ways in which it contributed to the erosion of economic independence and the spread of more alienating, less fulfilling types of work. Amway presented compassionate capitalism — and its avatar, direct sales — as a remedy for an economy that failed to provide materially or psychologically rewarding work and that denied many individuals the opportunity to work for and support themselves. The sociologist Nicole Woolsey Biggart has argued that “direct selling organizations have a stake in the persistence of impersonal workplaces and meaningless work.” That economy very much came of age in the postwar period.²⁵

²³ John Kenneth Galbraith, *The Affluent Society* (Cambridge, MA: The Riverside Press, 1958).

²⁴ James T. Patterson, *Grand Expectations: The United States, 1945-1974* (1996; New York, NY: Oxford University Press, 1997), 339.

²⁵ Biggart, *Charismatic Capitalism*, 174.

In addition to appropriating a critique of postwar capitalism, Amway also borrowed liberally from one of the most popular methods for combating the crisis of autonomy: self-help and positive thinking. Everett Hannan has written that positive thinking “permeates the interaction of distributors at their meetings and is the central concern of their books and tapes,” while David John Harris has noted that Amway distributors are regularly encouraged to purchase and read “standard and obscure self-help and self-realization manuals[.]” Although self-help and positive thinking are often treated as two sides of the same coin, they actually developed separately: self-help dates back to the colonial period, while positive thinking first emerged in certain American Protestant circles in the middle of the nineteenth century. Accordingly, the terms are not exactly synonymous. Broadly speaking, *self-help* describes an individualist approach to achieving objectives or solving problems. Self-help insists that the individual is ultimately in control of — and therefore solely responsible for — the course and quality of their life: if a person wants to be financially prosperous, for example, all they need to do is commit themselves to that goal and follow a concrete set of steps that will help them reach it. Self-help can be practiced either individually or in groups where participants mutually support one another (think Alcoholics Anonymous). *Positive thinking*, meanwhile, refers to the technique of achieving certain goals through changes in one’s attitude and habits of thought. Positive thinking, therefore, is a form of self-help, but not all self-help necessarily involves positive thinking, although most does.²⁶

It should come as no surprise that the fifties were arguably the golden age of self-help and positive thinking, the decade that classics like *The Power of Positive Thinking* and *The Magic of Thinking Big* were published. Such books seemed to offer a way for individuals to take control of their own lives. In later years, Amway incorporated self-help and positive thinking precepts into both compas-

²⁶ Everett J. Hannan, “The Social Reconstruction of Meaning: A Qualitative Study of Education within an Amway Distributor Group” (D.Ed. thesis, University of Southern California, 1987), 127; Harris, “Of Prophecy and Profits,” 27; Gary R. VandenBos, ed., *APA Dictionary of Psychology, Second Edition* (Washington, DC: American Psychological Association, 2015), 955.

sionate capitalism and direct sales itself. The company sought to persuade distributors that they could do well in the business and, in turn, get whatever they wanted out of their lives if they just had enough determination and commitment to making it work.

Amway and its founding families also attest to the existence of an organic conservatism and evangelical Protestantism in the American North, expanding our understanding of *where* conservatism came from. The term “American North” refers to the area corresponding roughly to the Civil War-era Union: that is, the Northeast and the Great Lakes states. In his 1969 book *The Emerging Republican Majority*, Kevin Phillips described the Northeast as the hub of “establishmentarianism,” which was “centered on the profits of social and welfare spending, the knowledge industry, conglomerate corporatism, dollar internationalism and an interlocking directorate with the like-concerned power structure of political liberalism.” Still, he stressed it was “not a regional monolith.” He identified several pockets of conservatism in the Northeast, such as the Roman Catholic and “non-Yankee” populations of the Mid-Atlantic states, along with suburban communities. As for the Great Lakes region, he wrote that it was “a transition zone between Heartland and Northeastern politics”: in other words, parts of it continued to lean Democratic, but it also presented opportunities for Republicans.²⁷

Within the American North, the Great Lakes region — part of what is now pejoratively referred to as the Rust Belt — is especially significant. The Rust Belt received a great deal of attention in the wake of Donald Trump’s victory in 2016. In the run-up to the election, the filmmaker, activist, and lifelong Michigander Michael Moore predicted that Trump would win in part, he said, because his message appealed to struggling Rust Belt voters. After November 8th, a number of popular and scholarly autopsies singled out the Rust Belt as essential to Trump’s coalition. Alec MacGillis of ProPublica dubbed Trump’s success in the region the “revenge of the forgotten class.” Writing in the *British Journal of Sociology*, Michael McQuarrie argued that “[t]he 2016 election outcome was the

²⁷ Kevin P. Phillips, *The Emerging Republican Majority* (New Rochelle, NY: Arlington House, 1969), 44, 123-186, 330-357.

product of a Rust Belt revolt against Hillary Clinton and the Democratic Party,” which, according to him, had abandoned the region to its economic doldrums. Beyond the Rust Belt, there are other present-day signs pointing to conservatism’s strength within the American North, including Trump’s popularity in Staten Island and Long Island as well as the election — and reelection — of hard-right governors like Scott Walker in Wisconsin, Rick Snyder in Michigan, and Paul LePage in Maine.²⁸

These contemporary data points illustrate the need to trace the historical roots of Northern conservatism. Too often, the American North is either left out of the story of modern conservatism altogether, or, to the extent that it appears, it is characterized as the appendage of some other region’s conservatism. Take evangelical Protestantism, for example, a critical element in the modern conservative coalition. Evangelical Protestantism is often associated with the “Bible Belt” of the South. James Gregory identified the roots of Protestant evangelicalism in the South, writing that “[t]he gospel highways coming out of the South carried change throughout the land, into cities and into suburbs across the North and across the West, indeed also across national borders.” While he conceded that “[e]vangelicalism never belonged exclusively to the South,” he nonetheless contended that “[e]vangelicalism fueled itself into aggressive growth in the second half of the twentieth centu-

²⁸ Michael Moore, “5 Reasons Why Trump Will Win,” MichaelMoore.com, <http://michaelmoore.com/trumpwillwin/> (accessed November 24, 2018); Ronald Brownstein, “How the Rustbelt Paved Trump’s Road to Victory,” *The Atlantic*, November 10, 2016, <http://www.theatlantic.com/politics/archive/2016/11/trumps-road-to-victory/507203/> (accessed November 24, 2018); Bob Davis and John W. Miller, “The Places That Made Trump President,” *Wall Street Journal*, November 12, 2016, A1; Josh Pacewicz, “Here’s the real reason Rust Belt cities and towns voted for Trump,” *The Washington Post*, December 20, 2016, <http://www.washingtonpost.com/news/monkey-cage/wp/2016/12/20/heres-the-real-reason-rust-belt-cities-and-towns-voted-for-trump/> (accessed November 24, 2018); Alec MacGillis, “Revenge of the Forgotten Class,” ProPublica, November 10, 2016, <http://www.propublica.org/article/revenge-of-the-forgotten-class> (accessed November 24, 2018); Michael McQuarrie, “The Revolt of the Rust Belt: Place and Politics in the Age of Anger,” *The British Journal of Sociology*, 68 no. S1 (2017): S120-S152; Jason Grant, “Donald Trump Resonates on Staten Island,” *New York Times*, April 19, 2016, <http://www.nytimes.com/live/new-york-primary-2016/staten-island-is-donld-trump-country/> (accessed November 24, 2018); Rachel Shapiro, “Why Trump triumphed here: Staten Island voting by the numbers,” SI Live.com, November 11, 2016, http://www.silive.com/news/2016/11/heres_how_donald_trump_fared_o.html (accessed November 24, 2018); Nicholas Confessore, “Long Island Represents Both Hostile Territory and Fertile Ground for Trump,” *New York Times*, April 13, 2016, A14; David Freedlander, “Why Long Island Still Loves Trump,” *Politico*, May 23, 2018, <http://www.politico.com/magazine/story/2018/05/23/donald-trump-ms-13-long-island-218417> (accessed November 24, 2018).

ry based on momentum that began with the diaspora [i.e., the migration of black and white Southerners out of the region].”²⁹

An emphasis on “highways” from the South, however, can cause us to overlook those pockets of evangelicalism that emerged of their own accord in the American North. Grand Rapids provides just the case study for this. Beginning in the mid-1800s, large numbers of Dutch immigrants arrived in western Michigan. By the end of the century, first- and second-generation Dutch-Americans comprised a significant portion of the population of Grand Rapids and its surrounding towns. These Dutch migrants identified as Reformed/Calvinist and created a vibrant Reformed community that included not just churches but also schools like Calvin and Hope College. Richard DeVos and Jay Van Andel both hailed from that Dutch immigrant community and were raised in the Reformed faith.

It is impossible to write about Dutch Calvinism in any broad, sweeping way. Dutch Calvinism is rich, diverse, and — thanks to an incalculable number of schisms — complex. What can be said, is that Dutch Calvinism helped to lay the foundations for political conservatism in Grand Rapids and was an essential ingredient in DeVos and Van Andel’s politics. Dutch Calvinism provided a theological justification for limited government while also acting as a cudgel against progressive forces in the Grand Rapids area, particularly organized labor.³⁰

The neglect of Northern evangelicalism is part and parcel of a larger inattention to Northern conservatism on its own terms. Historians of conservatism have, for obvious reasons, focused tremendously on modern conservatism’s origins in the South. Attention then shifted to the West and Southwest. Meanwhile, the American North has remained understudied. In recent years, several works have come out that have filled in this deficit, some of them works of history, others with a

²⁹ James N. Gregory, *The Southern Diaspora: How the Great Migrations of Black and White Southerners Transformed America* (Chapel Hill, NC: The University of North Carolina Press, 2005), 234-235.

³⁰ For more on Dutch Calvinism in the United States, see James D. Bratt, *Dutch Calvinism in Modern America: A History of a Conservative Subculture* (Grand Rapids, MI: William B. Eerdmans Publishing Company, 1984).

more contemporary focus. These include Daniel Kramer and Richard Flanagan's co-authored book on Staten Island, Colleen Doody and Tula Connell's work on 1950s Detroit and Milwaukee, respectively, and two books on present-day Wisconsin. These books offer detailed studies of how these cities/regions provided fertile ground for right-wing activism and the embrace of conservative ideas.³¹

By and large, however, the American North is portrayed as the home of Nelson Rockefeller, Gerald Ford, and other "losers" in the New Right's takeover of the Republican Party. When Northern conservatism does enter the picture, it is usually to note its relationship to conservatism elsewhere, implying that it had little real power on its own. Joseph Lowndes, for instance, discussed alliances between northern and southern conservatives, but placed southerners in the driver's seat, writing that "segregationist intellectuals, citizen activists and politicians attempted to align themselves with forces outside the South from the onset of the New Deal," and did so using the language of race. He further contended that "the success of modern conservatism depended on the mobilization — and nationalization — of many different southern political elements," and that "as opposed to the Republican capture of the white South, we may better speak of a southern capture of the Republican Party."³²

Grand Rapids complicates this analysis in two ways. First, it reveals a conservatism that, though unquestionably shaped by race, was not especially interested *in* race. More so than race, the small-business conservatism practiced by Amway's founding families was informed by religion as

³¹ For an overview of regional shifts in the historiography of American conservatism, see Kim Phillips-Fein, "Conservatism: A State of the Field," *The Journal of American History*, 98 no. 3 (2011): 731-732; Daniel C. Kramer and Richard M. Flanagan, *Staten Island: Conservative Bastion in a Liberal City* (Lanham, MD: University Press of America, 2012); Colleen Doody, *Detroit's Cold War: The Origins of Postwar Conservatism* (Urbana, IL: University of Illinois Press, 2013); Tula A. Connell, *Conservative Counterrevolution: Challenging Liberalism in 1950s Milwaukee* (Urbana, IL: University of Illinois Press, 2016); Katherine J. Cramer, *The Politics of Resentment: Rural Consciousness in Wisconsin and the Rise of Scott Walker* (Chicago, IL: The University of Chicago Press, 2016); Dan Kaufman, *The Fall of Wisconsin: The Conservative Conquest of a Progressive Bastion and the Future of American Politics* (New York, NY: W.W. Norton & Company, 2018).

³² Joseph E. Lowndes, *From the New Deal to the New Right: Race and the Southern Origins of Modern Conservatism* (New Haven, CT: Yale University Press, 2008), 5-6.

well as changes in American capitalism after World War II — its main concerns centered on issues of class and the role of government in the economy and society. Second, it challenges the “capture” narrative. The problem with the idea of “capture,” whether by the South or any other part of the country, is that it privileges certain regions over others and denies agency to the supposedly captured. Often overshadowed by the Democratic, relatively more liberal politics of Detroit, western Michigan has been reliably conservative for a number of decades. The extensive political activism of the DeVos and Van Andel families, which spans four decades, includes hundreds of millions of dollars in donations, and encompasses some of the most important individuals, institutions, and advocacy organizations on the contemporary Right, compels us to consider Northern conservatism as a force in its own right, and to bring it into greater parity with the South and West. Northern conservatives unquestionably worked alongside southern and western ones and were energized by them, but they also had power and influence independent of them.

Studies on Amway have been few and far between. Books about the company abound in the popular press. Most fall primarily into two broad categories: (i) those written by the cofounders and “Amway sympathizers” (a term fashioned by Charles Paul Conn to refer to those not directly affiliated with the corporation but who championed it), and (ii) those written by current or former distributors, which encompasses books laudatory as well as critical of the company. And then there are the works of Dominique Xardel and Kathryn Jones, which are not so much scholarly inquiries into Amway as overviews of the company’s history and how it operates, and while both claim impartiality, the label better fits Jones than it does Xardel.³³

³³ The phrase “Amway sympathizer” can be found in Conn, *Promises to Keep*, 6. Xardel stated that his book was “a sincerely enthusiastic account of today’s number one direct selling company,” but then immediately went on to insist that it is “[i]mpartial and uncensored,” while Jones described her book as “neither an exposé nor an authorized corporate biography, but an unbiased, journalistic look” at Amway [Dominique Xardel, *The Direct Selling Revolution* (Cambridge, MA: Blackwell Publishers, 1993), x; Jones, *Amway Forever*, xvi]. With the proviso that total objectivity is impossible in any work of nonfiction, generally speaking, Xardel’s tilted more towards the laudatory. Several chapters feature transcriptions of interviews with distributors (and, in one chapter, Richard DeVos himself) with very little subsequent analysis or push-back, and the voices of those who have criticized Amway go unheard. Jones, meanwhile, does a somewhat better job of offering balance. Portions reproduced in Mondom, “Compassionate Capitalism,” 8.

Academic historians have done little with Amway, or, for that matter, direct sales more broadly. Work on Amway in the humanities and social sciences has instead occurred elsewhere, particularly in sociology and anthropology. Justin Green and Joan D’Aiuto were among the earliest academics to study Amway. They made a number of important observations that subsequent studies of the corporation have corroborated: (i) the importance on the supposed *non-material* benefits of participating in Amway, which include making friends, strengthening marriages and families, and “helping others”; (ii) the “quasireligious” qualities of the company, particularly as pertains to “Amway’s rallies, seminars, and conventions”; and (iii) the relationship between the economic and the social in Amway’s business model.³⁴

Subsequent studies of Amway have validated these conclusions and built on them. Linda Oldham Lester, Sandra Maureen Grant, Nancy Sue Ammerman, and David John Harris have each focused, to one extent or another, on defining Amway’s philosophical principles, and despite differences in phraseology, their findings more or less overlap. Lester identified positive thinking as “the ideological charter of the group,” characterizing it as “an intensely patriotic, conservative tradition which is ardently capitalistic and sees spirituality as intrinsically interwoven with material wealth, successful family life, and ‘the American way’ in general.” Grant wrote that “Amway’s philosophy is that of sponsoring, training, and motivating.” Ammerman identified several elements of the company’s core values, including egalitarianism, individualism, and the importance of wish-making. Although there is obviously a healthy dose of materialism within Amway, Ammerman, like Green and D’Aiuto, stressed the non-material benefits that distributors believe they obtain, such as the ability to spend more time with their spouses and children. And in perhaps the most exhaustive study of

³⁴ Writing in 1987, Hannan characterized the Green and D’Aiuto article as “the one social science journal article to address the Amway phenomenon to date.” [Hannan, “The Social Reconstruction of Meaning,” 27]; Justin Green and Joan D’Aiuto, “A Case Study of Economic Distribution Via Social Networks,” *Human Organization*, 36 no. 3 (1977): 311-314. With regard to (iii), they wrote that Amway “earns substantial profits....through a social network of distributors,” and that the company “distribute[s] belongingness as well as economic rewards to its sales force” [Green and D’Aiuto, “A Case Study of Economic Distribution Via Social Networks,” 314].

Amway's ideological underpinnings, Harris characterized Amway as "a cultural movement mobilized by a 'thematic worldview.'" This worldview, he wrote, "relies heavily upon a secularized version of American millennialism [sic]," and its components include "independence, success, opportunity, self-fulfilment [sic], family, community, and nationalism[.]" Everett Hannan, meanwhile, studied the role that distributor meetings as well as motivational books and tapes play in reinforcing the company's worldview and keeping individuals in the business. He argued that they "are central to a process in which distributors are actively involved in reconstructing the meaning of their economic activity," writing,

In light of the minimal economic return, and the social costs involved, it is unlikely that a distributor would be successful without continually reconstructing meaning for such activities....The books, tapes, and meetings, and their ideology of success, serve to restrict alternative meanings attached to a distributor's social and economic activities. As distributors transact, or symbolically interact, with their curriculum, they redecide, or reconstruct, the social reality necessary to build their businesses.³⁵

Focusing on the direct sales industry more generally, with Amway as just one example alongside companies like Mary Kay, Avon, and Tupperware, Nicole Woolsey Biggart's 1989 book, *Charismatic Capitalism*, is not a study of Amway *per se*. Nonetheless, her book is important because it offers some useful comparisons between direct sales and more conventional capitalist enterprises. "Direct selling organizations," she wrote, "offer a conscious alternative to firms as a way to organize economic activity for a profit, as a technique for managing labor, and as a means of earning income." For example, direct sales companies lack the divisions of labor found in traditional firms, and instead "concentrate ownership, management, and labor *within* every distributor." The key difference she pointed to — and here she concurred with Green and D'Aiuto — is that "[w]hereas bureaucrat-

³⁵ Linda Oldham Lester, "Success: A Phenomenological Analysis of the Belief System of the Amway Corporation" (M.A. thesis, University of North Carolina at Chapel Hill, 1974), 29; Sandra Maureen Grant, "Does The Philosophy of the Amway Corporation Make An Impact on the Amway Businessman?" (M.S. thesis, National College of Education, 1983), 5; Ammerman, "Because People Buy Soap," 5, 7-8, 11, 13; Harris, "Of Prophecy and Profits," Abstract, 6, 132; Hannan, "The Social Reconstruction of Meaning," 100-101.

ic firms seek to exclude nonwork social relations in order to control workers, the direct selling industry pursues profit in the opposite way, *by making social networks serve business ends.*³⁶

For all of the invaluable insights that these studies provide, they by and large lack the historian's touch. For instance, most do not attempt to situate Amway in either time or place, discussing neither American society in the immediate aftermath of the Second World War nor Grand Rapids, the city that DeVos and Van Andel were born and raised in, where Amway's headquarters remain, and to which they committed a significant portion of their fortunes. Some do, to their credit. Biggart, for example, included two chapters on the early history of direct sales and economic developments in the 1940s and 1950s, while Harris devoted significant attention to religious fundamentalism and the cultural celebration of the peddler. But even these are lacking in certain respects. Historicizing Amway, as this project does, reveals Amway as a key economic and political force in the twentieth century and beyond.³⁷

This dissertation is divided into six chapters. Chapter I, "The American Way," explores the early biographies of the cofounders — their upbringings, how they met, and what they did prior to Amway — and follows the company over the first decade of its existence. It pays particular attention not just to the cofounders's own stories, but also to the history of Grand Rapids going back to the 1840s. The Grand Rapids context is among the more glaring oversights in the present scholarship on Amway. It is impossible to fully understand either Amway or DeVos and Van Andel's politi-

³⁶ Biggart, *Charismatic Capitalism*, 7-8. Green and D'Aiuto argued that "Amway is able to capitalize on the alienation generated by industrialized societies," writing that "as development (from traditional to mass industrial to mass postindustrial society) has proceeded, the traditional social structures which provided belongings have fragmented under the impact of this growth," and consequently "people are forced to seek new groups to satisfy their need to belong" [Green and D'Aiuto, "A Case Study of Economic Distribution Via Social Networks," 314].

³⁷ Biggart, *Charismatic Capitalism*, 20-69; Harris, "Of Prophecy and Profits," 102-232.

cal activism without considering how Grand Rapids shaped their life trajectories and their world-views. Accordingly, this chapter discusses the arrival of the first Dutch settlers in western Michigan, the religious beliefs they brought with them, the community that they formed in the greater Grand Rapids area, as well as some important developments in Grand Rapids over the first three decades of the cofounders's lives. The economic, social, and cultural transformation of America writ large after World War II is also crucial to Amway, and accordingly this chapter surveys that as well. Most of that survey focuses on detailing the crisis of autonomy: specifically, how some of the leading intellectuals and social critics of the day understood it and its causes, as well as how ordinary Americans confronted it.

Chapter II, "Capitalism with a Human Face," turns its attention to the corporate philosophy of Amway. That philosophy was communicated to people within Amway through "tools": media ostensibly intended to educate distributors in how to run their businesses and offer motivation. The organizing concept for this chapter is "compassionate capitalism." Compassionate capitalism illustrates the ways in which Amway sought to position itself as a remedy to the ills of postwar corporate capitalism, one of the root causes of the crisis of autonomy. The chapter also explores the promises that Amway and company boosters made about direct sales by analyzing distributor success stories that appeared in many Amway tools. These vignettes featured a fairly cookie-cutter narrative arc: distributors joined Amway on account of some personal adversity, such as loss of or dissatisfaction with a job, mounting debt, and the like, and though they might have encountered skepticism from those close to them (e.g., parents, friends, coworkers) and/or had difficulties in the early stages of the business, they stuck with it and did well. These stories reinforced a central tenet of the Amway system (and, indeed, of the self-help and positive thinking tradition that informed it): that success was possible for anyone who tried hard enough.

Chapter III, "Scamway," explores the backlash to Amway and its business model. Although Amway has grown into a multi-billion dollar global corporation, it has also faced criticism and scru-

tiny on multiple fronts. This began in earnest in the mid-1970s, fueled to an important degree by two concurrent activist movements: the consumer movement and the anti-cult movement. On its face, the two were unrelated: the first focused on businesses behaving badly, while the second looked to free people from repressive, esoteric new religious movements. Amway, however, is one (though not the only) instance of overlap: Amway was attacked both for unscrupulous business practices *and* for allegedly exercising cult-like control over its distributors. This chapter focuses on three manifestations of backlash against Amway: (i) anti-Amway confessionals authored by former distributors who grew disillusioned with the company; (ii) media reporting on the company and its business practices (such as the *Detroit Free Press*'s exposés in 1982 and the *60 Minutes* special on Amway in 1983); and (iii) government investigations of and lawsuits against Amway. These collectively represented an assault on many of the essential elements of compassionate capitalism and the company's promises. Perhaps the longest-lasting and most damaging accusation leveled against Amway is that it represents a pyramid scheme, one that lures in individuals in dire straits with unrealistic promises and then coaxes them to invest time and money to build up a business that cannot succeed, funneling that money up to a small clique of distributors at the top.

Chapter IV, "A Cosmopolitan Character," turns to Amway's global expansion.³⁸ Amway made its first international appearance very early in its existence. In 1962, only three years after its founding, DeVos and Van Andel brought Amway to Canada. In 1971, Amway expanded into Australia, its first overseas market, followed quickly thereafter by Great Britain two years later. Over the course of the 1970s and 1980s, Amway also added West Germany, Taiwan, France, and Japan to its list, among others. The 1990s were an especially important decade for Amway's global growth. The end of the Cold War allowed the company to penetrate Eastern Europe, and in 1995, Amway en-

³⁸ The title of this chapter comes courtesy of a line in *The Communist Manifesto*, wherein Marx and Engels remark that "[t]he bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in every country" [Karl Marx and Friedrich Engels, *The Communist Manifesto: A Modern Edition*. (1888; Brooklyn, NY: Verso, 2001), 39].

tered China, which has become its largest national market. For the company, its global reach underscores the transnational and transcultural appeal of the Amway opportunity and the Amway worldview. At the same time, in a number of the countries that it has entered into, the company has had to find ways to evolve and accommodate itself to various local particularities, be they legal regimes, unique consumer tastes and preferences, or cultural skepticism about direct sales. Amway thus offers a nuanced answer to the question of whether globalization has contributed to or encouraged homogenization. Although this is a work of American history, Amway's international activity is worthy of inclusion for three reasons. First, it is essential for understanding how Amway became a multi-billion dollar company and, in turn, how the cofounders accumulated their fortunes: as mentioned earlier, most of Amway's business now happens outside of the U.S.. Second, Amway's global presence figures prominently in the company's self-image, evidence, according to the cofounders and company boosters, of the universality of its values. And third, Amway's reception by foreigners has not been entirely positive. Indeed, many of the same suspicions and allegations directed at Amway in the United States have also had currency abroad, resulting in some of the most dramatic episodes in the company's history.³⁹

Chapters V and VI move away from Amway itself to explore other commitments that the cofounders and their families have taken on. Chapter V, "Corporate Citizens," examines the role that the DeVoses and Van Andels have played in the revitalization of Grand Rapids. Beginning in the 1950s, the growth of the surrounding suburbs drained people and resources out of the city, hollowing out the downtown. The founding families became involved in the effort to turn around Grand Rapids's fortunes in the 1970s, and since then they have made a number of key contributions to the city, among them a posh hotel as well as several entertainment venues and medical facilities. These investments have succeeded in their stated purpose, in that they have helped turn Grand Rapids

³⁹ Jones, *Amway Forever*, 55, 61, 141-142, 145-152; Cross, *Amway*, 140-141. Portions reproduced in Mondom, "Compassionate Capitalism," 7.

back into a desirable city to visit, work, and live in. More discreetly, however, they have also been an important element of the founding families's political project. In keeping with their faith in free enterprise, both DeVos and Van Andel expressed hostility to extensive state involvement in the economy and society, believing instead that public functions like economic development are best handled by private actors. In Grand Rapids, they sought to put these principles into practice.

The final chapter, "Kingmakers," turns to politics. The founding families have been very active in Republican Party and conservative politics at both the state and national levels since at least the 1970s. In Michigan, for example, DeVos and Van Andel helped back an effort to cap state taxes in the late seventies, and more recently, the DeVoses have spearheaded the proliferation of charter schools and sought (unsuccessfully) to create a voucher system. The cofounders have also donated large sums to the GOP over the decades and have been close to many prominent Republicans, among them Gerald Ford. In 2006, Dick DeVos, Richard's son, ran as the Republican candidate for governor of Michigan against Jennifer Granholm and lost. Following Betsy DeVos's nomination as education secretary in November 2016, the Center for Responsive Politics labeled her "a political fundraising juggernaut." In addition to her bond to the Amway families, Betsy DeVos is also the sister of Erik Prince, the founder of Blackwater. In the DeVos-Prince family, then, we find, symbolically united, the three constitutive elements of modern conservatism: free enterprise, political Christianity, and militarism.⁴⁰

⁴⁰ Jones, *Amway Forever*, 6, 125, 168-169; Jack Noland and Anna Massoglia, "Betsy DeVos and her big-giving relatives: Family qualifies as GOP royalty," Center for Responsive Politics, December 1, 2016, <http://www.opensecrets.org/news/2016/12/betsy-devos-big-giving-relatives-family-qualifies-gop-royalty/> (accessed November 24, 2018).

I

The American Way

The thousands of Amway distributorships are dramatic proof that the American spirit of free enterprise is, and will continue to be, a vibrant force at home and abroad. Every distributor is, in effect, an ambassador, earning respect and support for the democratic way of life. When we acknowledge the success of Amway, we are really showing our support for the American concept of doing business. A free enterprise economy can only exist under the patronage of a free government.

-Gerald R. Ford¹

Wilbur Cross described 1959 as a “year of business accomplishments great and small, from the introduction of the computer microchip to the first transistorized television set and the birth of the Barbie doll.” Compared to that, the founding of the Amway Corporation was “a seemingly humble happening” that ranked “[v]ery low on the list of newsworthy events that year[.]” Richard DeVos noted in his autobiography that he and Jay Van Andel started Amway during what looked like the halcyon days of global Communism. The year 1959, after all, opened with the Cuban Revolution. Two years prior, the Soviet Union had beaten the United States to space with Sputnik. And in 1961, the Soviets conducted the first manned space flight. Because of all this, DeVos wrote, “citizens of the United States....were seriously wondering if they were taking second place to communism” and “thought communism could be the wave of the future and might even overtake America.”²

These juxtapositions about the year 1959 — that it simultaneously saw important innovations in consumer products as well as the spread of Communism into the American hemisphere — speak to a larger truth about the United States in the decade and a half after the Second World War.

¹ Cross and Olson, *Commitment to Excellence*, 7.

² Cross, *Amway*, 13; DeVos, *Simply Rich*, 104.

On the one hand, it was, to borrow the title of James T. Patterson’s book on the period, an age of “grand expectations,” one defined by economic expansion, a demographic boom, suburbanization, and unprecedented levels of college attendance. At the same time, despite these developments — and, to some extent, because of them — many Americans in the late 1940s and 1950s felt profoundly unsettled. The escalation of tensions between the United States and the Soviet Union, the prospect of nuclear war, and hysteria about Communist penetration into the U.S. had a lot to do with that. But on a more existential level, there was also deep unease — and, indeed, dissatisfaction — among many Americans about the nature of postwar society and where and how they fit into it. Many Americans in this period were afflicted by a crisis of autonomy, believing that they no longer exercised control of their own lives. In response to this crisis, postwar Americans turned to a variety of remedies that they believed would alleviate their angst and allow them to regain control, most prominent among these self-help and positive thinking.³

This unease formed the foundation for the small-business conservatism espoused by Richard DeVos and Jay Van Andel. Narratives about postwar free-enterprise ideology have generally stressed its roots in the 1930s and 1940s, in the backlash to the New Deal state. Challenging accounts that tied the rise of conservatism to a reaction against the “movement of movements” of the 1960s and 1970s, Kim Phillips-Fein argued that “[i]f we shift focus from cultural to economic issues, it becomes clear that the origin of modern conservative politics and ideology predates the 1960s....It begins instead in the reaction against the New Deal.”⁴

To understand the roots of Amway’s peculiar brand of free enterprise — and, by extension, small-business conservatism’s antipathy towards “big business” — we have to look not to the New Deal, but rather to the postwar crisis of autonomy. The crisis of autonomy had a number of causes, but arguably one of the most significant was economic. In the eyes of writers like William Whyte, C.

³ Patterson, *Grand Expectations*, 311-316.

⁴ Phillips-Fein, *Invisible Hands*, x, xii.

Wright Mills, and Daniel Bell, postwar corporate capitalism and the growth of the white-collar sector threatened economic independence, since more and more people were now working for someone else, quashed individuality and encouraged conformity, and forced people to perform tedious, uninteresting work.

After its founding, Amway offered up a vision of free enterprise — compassionate capitalism — and an economic activity — direct sales — that in many respects represented a response to these critiques. As we will see in Chapter II, compassionate capitalism encouraged individuals to stop performing work that they found unfulfilling and to go out and start their own businesses. One easy way to do that, according to the company, was becoming an Amway distributor. Amway presented direct sales as a way for people to become “independent business owners,” to take command of their own lives and live them as they wished, and to find true satisfaction in their work. Key to Amway’s pitch was drawing attention to and attacking those aspects of traditional salaried work that, according to the company and its boosters, disempowered people. Which meant that Amway spent more time directly attacking *capitalism* than the excesses of government intervention, no doubt an uncomfortable position for such a stalwart champion of free enterprise to find itself in. Amway promoted the idea that individuals could achieve whatever they wanted in life so long as they worked hard enough and believed in themselves. Accordingly, Amway appropriated many of the self-help and positive thinking principles that had such saliency in the 1950s and that themselves have a long history in American culture, marshaling them in support of free enterprise.

This chapter also delves into the early lives of Amway’s cofounders and the history of Grand Rapids itself. The life stories of Richard DeVos and Jay Van Andel are important not only to the company’s own history, but also to its branding. In addition to the autobiographies that both DeVos and Van Andel wrote, many Amway promotional books have included a few pages or perhaps a chapter or two detailing how the two men met and why they started Amway. David John Harris observed that “[t]he story of ‘Rich and Jay’ follows the outlines of the hero’s journey. The tale is

replete with calls to adventure, interventions and tests, thresholds to cross, enlightenment and a return to the world armed with knowledge of the ‘way’ for others to follow.”⁵

In the Amway universe, DeVos and Van Andel are not just individual success stories, but also templates that those in the business should follow. Charles Paul Conn wrote in 1979 that DeVos and Van Andel “are flesh-and-blood examples of the most important shared values of half a million people” and that they represent “a towering testimony to the ability of men to rise above the commonplace by sheer force of ability and will.” DeVos and Van Andel’s pre-Amway biographies are therefore essential for understanding the corporation’s worldview and how it has marketed itself to distributors, both of which the next chapter discusses in greater detail. In telling the story of their lives, DeVos, Van Andel, and company boosters highlighted or interpreted specific episodes in ways that presented the cofounders as the embodiments of the company’s values. DeVos and Van Andel portrayed themselves as men of modest backgrounds who overcame various obstacles and became successful businessmen through their own hard work and resolve. As we will see, however, a number of details about their upbringings belie this narrative, and underscore the fact that both DeVos and Van Andel grew up advantaged in several important respects.⁶

Jay Van Andel was born in Grand Rapids, Michigan on June 3, 1924. He was the only child of James and Nella Van Andel (née Vander Woude), who married on June 25, 1923: James was twenty-six, Nella twenty-four. About a year later, on May 28, 1924, twenty-one-year-old Simon De-

⁵ For examples of cofounder biographies in pro-Amway literature, see Conn, *Promises to Keep*, 9-17, Charles Paul Conn, *The Possible Dream: A Candid Look at Amway* (Old Tappan, NJ: Fleming H. Revell Company, 1977), 13-38, Cross, *Amway*, 13-23, Cross and Olson, *Commitment to Excellence*, 9-32, and Robinson, *Empire of Freedom*, 8-11; Harris, “Of Prophecy and Profits,” 234.

⁶ Charles Paul Conn, *The Winner’s Circle* (1979; New York, NY: Berkley, 1980), 15.

Vos married nineteen year-old Ethel Dekker. On March 4, 1926, Ethel gave birth to their first child: a son named Richard.⁷

Their families had a lot in common. Both, for example, had a history of independent business ownership. Before moving to the United States from the Netherlands, Van Anandel's grandfather was a small businessman, selling bicycles and working as a blacksmith, leaving the country after both enterprises failed. His father, too, went into business for himself as a car salesman. DeVos's paternal grandfather, meanwhile, ran his own general store, while his maternal grandfather was, in DeVos's words, "an old-fashioned 'huckster,'" driving around town to sell produce. Direct selling, in other words, ran in the family. According to DeVos, it was through his huckster grandfather that he made his first sale, "a batch of onions left over after he had finished his regular route." That sale, DeVos wrote, "taught me a lesson in persistence that would pay dividends for a lifetime."⁸

Both men grew up in the city's Dutch-American community. Richard DeVos's grandfather Adrian was born in the Netherlands in October 1860 and came to the United States in 1873. In either 1885 or 1886 he married a woman named Antje — also a Dutch immigrant, having arrived in 1884 when she was eighteen or nineteen — and had seven children with her: five sons (Francis, Cornelius, Lawrence, James, and Simon) and two daughters (Cornelia and Susanna). Jay Van Anandel's father James, meanwhile, was himself an immigrant, born in April 1897 in the city of Haarlem in the Netherlands. He arrived in New York City aboard the *New Amsterdam* on August 20, 1906 and, from the looks of it, settled in the Grand Rapids area shortly thereafter. In his autobiography, DeVos described the Dutch who migrated to the region as "hardworking, thrifty, practical, and strong in their

⁷ Van Anandel, *An Enterprising Life*, 2; 1930 U.S. census, Kent County, Michigan, population schedule, Grand Rapids, third ward, sheet 1B, James and Nella Van Anandel, <http://www.ancestry.com>; Michigan Department of Community Health, Division of Vital Records and Health Statistics; Lansing, MI, USA, Michigan, Marriage Records, 1867-1952, Film: 169, Film Description: 1923 Kent — 1923 Monroe, <http://www.ancestry.com>; Michigan Department of Community Health, Division of Vital Records and Health Statistics, Lansing, MI, USA, Michigan, Marriage Records, 1867-1952, Film: 176, Film Description: 1924 Kalamazoo — 1924 Monroe, <http://www.ancestry.com>; DeVos, *Simply Rich*, 3.

⁸ Van Anandel, *An Enterprising Life*, 1-2; DeVos, *Simply Rich*, 16-17; Richard DeVos, *Hope From My Heart: Ten Lessons for Life* (Nashville, TN: J. Countryman, 2000), 28.

Protestant Christian faith,” remarking, “I owe much to my Dutch heritage: a love of freedom, a solid work ethic, an entrepreneurial spirit, and strong faith.”⁹

Since the cofounders’s roots in this community — in particular, the fact that both were raised in the Dutch Calvinist tradition — played an important role in shaping their later political views, it is worth reviewing the history of the Dutch in Grand Rapids. Dutch immigration to western Michigan began in 1847 and peaked in the 1880s. A number of factors motivated Dutch migration to the United States. Religious grievances stemming from reforms to the Dutch Reformed Church instituted by William I, king of the Netherlands from 1815 to 1840, played some role. In response to William’s ecclesiastical policies, a conservative splinter group called the Seceders emerged, which William sought to repress.¹⁰

After 1840, however, tensions relaxed following the ascension of William II, who succeeded his father after he stepped down. This suggests that persecution was not a driving factor in this period. According to David Vanderstel, only six percent of those who left for America in 1847 said that religion was *the* reason they were going. More important in 1847 were economic factors, including high taxes, high unemployment, limited industrialization relative to neighboring western European nations, and the country’s very own potato famine. These inspired the first exodus of Dutch out of the Netherlands and to the United States, spearheaded by Albertus Van Raalte. Van Raalte chose western Michigan primarily because there was plenty of land available, and because the area had a valuable natural resource: namely, timber. Accordingly, in 1847, Van Raalte bought land for and

⁹ 1900 U.S. census, Kent County, Michigan, population schedule, Grand Rapids, twenty-third ward, sheet 23A, Adrian and Antje DeVos, <http://www.ancestry.com>; 1910 U.S. census, Kent County, Michigan, population schedule, Grand Rapids, tenth ward, sheet 18, Adrian and Antje DeVos, <http://www.ancestry.com>; James Van Andel Declaration of Intention, National Archives at Chicago, Chicago, Illinois, ARC Title: Petitions for Naturalization, 1/10/1907 - 11/13/1991, NAI Number: 5742972, Record Group Title: Records of District Courts of the United States, 1685-2009, Record Group Number: RG 21, 106; DeVos, *Simply Rich*, 4-5. Portions reproduced in Mondom, “Compassionate Capitalism,” 4.

¹⁰ David Gordon Vanderstel, “The Dutch of Grand Rapids, Michigan, 1848-1900: Immigrant Neighborhood and Community Development in a Nineteenth Century City” (Ph.D. dissertation: Kent State University, 1983), 99, 101-103, 121. Portions reproduced in Mondom, “Compassionate Capitalism,” 4.

founded the town of Holland, Michigan. Although religion was not the principal push factor for the 1847 migrants, it was never far from the mind of Van Raalte, a reverend. Much like his Puritan counterpart John Winthrop two centuries earlier, Van Raalte wanted to make Holland a model of proper Christian living, even going so far as to describe the community he was creating in western Michigan as a “city upon a hill.”¹¹

Almost immediately upon settling in Holland, the Dutch started making their way into nearby Grand Rapids, which had been incorporated in 1838. As the story goes, the very first Dutch migrant was a woman who came hoping to unite with her fiancé — she thought that he lived in Grand Rapids, Michigan, but it turned out that he actually resided in Grand Rapids, *Wisconsin*. Once again, economics was key: the Dutch were going to Grand Rapids primarily for work and for commerce. The Dutch were an important driver of Grand Rapids’s growth across the remainder of the nineteenth century. The city’s population increased from 1,510 in 1845 to 2,686 just five years later. It reached 8,085 by 1860, 16,507 by 1870, 32,016 by 1880, and 64,147 by 1890. About one-third of the city’s 1870 population — 5,725 — was foreign-born. And much of that was Dutch. In fact, by 1900, half of all immigrants living in Grand Rapids were Dutch. Taken together, Dutch-Americans constituted just over a quarter of the city’s population.¹²

These Dutch settlers brought to their new homeland a rigorous brand of Calvinism. Dutch Calvinism added to Grand Rapids’s diverse religious scene and, come the twentieth century, served as the foundation for the political conservatism of the likes of Richard DeVos and Jay Van Andel. In a chapter in Albert Baxter’s voluminous *History of the City of Grand Rapids, Michigan* (1891), Peter Moerdyke wrote that “[f]rom its earliest settlement the churches have exerted a decided influence in

¹¹ Vanderstel, “The Dutch of Grand Rapids, Michigan,” 25-26, 103-109, 127-129. Portions reproduced in Mondom, “Compassionate Capitalism,” 4.

¹² Gordon L. Olson, *A Grand Rapids Sampler* (Grand Rapids, MI: Grand Rapids Historical Commission, 1992), 33; Vanderstel, “The Dutch of Grand Rapids, Michigan,” 140-141, 146-147; Albert Baxter, *History of the City of Grand Rapids, Michigan (With an Appendix — History of Lovell, Michigan)* (1891; Grand Rapids Historical Society, 1974), 789. Portions reproduced in Mondom, “Compassionate Capitalism,” 4.

forming the character of this community.” “In estimating the religious status of our city,” he stated, “comparisons with that of the leading cities of the Union are largely in our favor.” The city’s religious pluralism, he declared, “should not escape the attention of those who would recommend this as a place of residence that combines with all other urban advantages exceptional religious privileges and moral influences.” “All of our mixed population are provided with adequate church privileges,” Moerdyke insisted, “and, with a considerable diversity of denominations represented here, sectarianism is happily at a minimum among us.”¹³

Grand Rapids had a Reformed church prior to 1847, founded by a New Yorker named Reverend Hart E. Waring in the summer of 1840. Surveying active churches in Grand Rapids near the close of the nineteenth century, Moerdyke counted seventeen that fell under the Reformed umbrella. The proliferation of Dutch Reformed churches in Grand Rapids across the mid- to late 1800s was due to a number of factors. In some cases, it was simple population growth. The Third Reformed Church, for instance, was founded in 1875 because the Second Reformed Church could no longer handle its sizable congregation, which had swollen in excess of seven hundred parishioners. In other instances, it was a function of patterns of residence. In 1886, a contingent belonging to the Second Reformed Church, complaining that the church was too far from where they lived, decided to found the Fifth Reformed Church.¹⁴

Arguably the most significant driver of church growth was the issue of assimilation. The split among settlers over the extent to which they should retain Dutch heritage sparked the first major divide within the Dutch Reformed community, which occurred in 1857. Upon arriving in the United States, Van Raalte and his colonists had affiliated with the Dutch Reformed Church of America, which was headquartered in New York. This move proved controversial among some

¹³ Baxter, *History of the City of Grand Rapids, Michigan*, 279. Portions reproduced in Mondom, “Compassionate Capitalism,” 4.

¹⁴ Baxter, *History of the City of Grand Rapids, Michigan*, 321-340. Portions reproduced in Mondom, “Compassionate Capitalism,” 4.

Dutch settlers because the church had broken with certain Dutch ecclesiastical customs. Over the course of the first decade of Dutch settlement in western Michigan, churches and parishioners steadily parted ways with the Dutch Reformed Church, until at last, in 1857, the Christian Reformed Church was born.¹⁵

The 1857 split by no means put the Americanization issue to bed, and it continued to shape the development of Reformed churches over the rest of the century. When the Dutch first arrived in western Michigan, they instinctively sought to preserve as many of their Old World customs and traditions as possible. As the decades wore on, though, some Dutch-Americans grew uncomfortable with idea of an insular Dutch-American immigrant community cut off from the larger society, and so they believed that some assimilation was appropriate. One area where this tension was most readily apparent was language use. Reformed churches in Grand Rapids were frequently divided between those that conducted services in English versus those that used Dutch — Moerdyke wrote, for example, that the Fourth Holland Church Reformed Church, formed in 1887, “has clung tenaciously to the Holland language.” The question of culture also came into play when, in 1881, the Holland Christian Reformed Church split off from the Fourth Reformed Church because the latter had allowed Freemasons into its flock. This controversy, which first arose inside the First Reformed Church in 1879, had less to do with Masonry *per se* and more with anxieties about the cultural integrity of the Dutch-American community. The Masons were an ideal target to project these anxieties onto, since Masons were disproportionately native-born Americans. It is no coincidence that the most intensely anti-Masonic Dutch-Americans tended to be those who had not been in the country very long and thus retained Old World suspicions about secret societies.¹⁶

¹⁵ Vanderstel, “The Dutch in Grand Rapids, Michigan,” 482; Kara Hall VanDam, “A Study of Language Identity and Shift: The Calvinist Dutch of West Michigan” (Ph.D. dissertation: University of North Carolina at Chapel Hill, 2007), 60-62, 67-68.

¹⁶ Baxter, *History of the City of Grand Rapids, Michigan*, 329-330, 337-338; Vanderstel, “The Dutch in Grand Rapids, Michigan,” 464-469, 482.

Schools, like churches, also nurtured Dutch Calvinism in Grand Rapids. The first Dutch Reformed schools appeared in the mid-1850s, beginning with a school located inside the Second Reformed Church. The imperative to provide the immigrant community with religious instruction spurred the development of Grand Rapids's higher education system. In addition to his part in founding Holland, Van Raalte was also instrumental in establishing a Reformed seminary that served as the forerunner to Hope College. In the mid-1890s, the Christian Reformed Church put into motion plans for the creation of what, two decades later, became Calvin College.¹⁷

As fewer Dutch migrants arrived in the early twentieth century, their dominance over other populations in Grand Rapids diminished. A sizable number of African-Americans came into the city as a result of the Great Migration. Additionally, a small wave of Hispanic migrants arrived in the 1940s, and the city took in some refugees from Eastern Europe following the rise of Communism. Still, for many, Grand Rapids remained synonymous with the Dutch. In a February 1952 article for the magazine *Holiday*, John Tebbel wrote that “[t]he Dutch made Grand Rapids a solid, ultraconservative city laid out on the strictest moral lines, an island of Old World culture and resistance to change,” and that “though their way of life is changing, slowly, stubbornly yielding to a world they never made, their influence is still felt.” He observed that although “Grand Rapids has some two hundred churches of all denominations....the most powerful religious force is the Reformed Church,” which was “responsible for much of Grand Rapids’ high moral character.”¹⁸

Dutch Calvinism profoundly shaped the upbringing of both DeVos and Van Andel. DeVos wrote that “[w]e lived by a clear set of rules: honor your parents, set aside money for the Lord’s work, give to others, be honest, work hard, and strive for good mental attitudes.” On Sundays he

¹⁷ Vanderstel, “The Dutch in Grand Rapids, Michigan,” 484-485, 491-492. Portions reproduced in Mondom, “Compassionate Capitalism,” 4.

¹⁸ On African-Americans in Grand Rapids, see Todd Ephraim Robinson, “A City within a City: The Social and Economic Construction of Segregated Space in Grand Rapids, Michigan, 1945-1975” (Ph.D. dissertation, The University of Michigan, 2006); Olson, *A Grand Rapids Sampler*, 175-176, 180; John Tebbel, “Most Maligned Town in the U.S.,” *Holiday*, February 1952, 104, 108. Portions reproduced in Mondom, “Compassionate Capitalism,” 5.

attended two church services, and his parents insisted on making Sunday a day of rest, so much so that they forbade him from attending Sunday baseball games. Additionally, apart from a brief period in his teens, DeVos went to Christian schools throughout his childhood. Van Andel recalled in his memoir that he could not play with the neighborhood kids on Sundays because he spent the entire day dressed for church and that he “attended a neighborhood Sunday-school class taught by the very zealous Miss Goossens, where we were taught the essentials of the Reformed faith.” He too attended Christian schools, which was how the two met. Like the DeVoses, the Van Andels were strict about adhering to Reformed teachings. Van Andel recounted a story about finding a dime on the street and his mother making him comb the neighborhood for its owner. Despite the fact that “[a] dime was quite a bit of money in those days,” his mother insisted that he try and find its owner “to teach me the importance of respecting other people’s property.” Van Andel declared in his memoir that “the sovereignty of God and the responsibility of man to live faithfully by God’s word in every part of life,” which he identified as “[t]wo basic distinctives of Reformed churches,” were the wellsprings of “all my political, economic, and entrepreneurial beliefs[.]” As we will see in Chapter VI, Dutch Calvinist principles informed the cofounders’s political philosophy, particularly their perspectives on the proper size and scope of government.¹⁹

DeVos and Van Andel were also shaped by their experiences during the Great Depression. The Depression struck Grand Rapids hard. In response to its ravages, George Welsh, the City Manager, launched an ambitious jobs program to find work for everyone who needed it. Welsh started with snow removal, but since that did not offer steady work, he eventually set out to find bigger, longer-term projects, and soon the city’s unemployed were performing all sorts of cleaning, maintenance, and construction work throughout Grand Rapids. Wages came in the form of scrip issued by the city, which workers could use at stores that the city government owned and operated. The pro-

¹⁹ DeVos, *Simply Rich*, 11, 20-21, 215-216; Van Andel, *An Enterprising Life*, 2-3, 5. Portions reproduced in Mondom, “Compassionate Capitalism,” 5.

gram was relatively inexpensive; in its first two years it cost around \$650,000, which the city financed by levying a minuscule 0.25 percent property tax. In a January 1932 article for *American* magazine, a reporter named Neil M. Clark dubbed Grand Rapids “A City Where Every Man Has A Job.” By the time Clark filed his article, the program already had a number of accomplishments to its name, including clearing out the space where the city wanted to build a civic auditorium (which, incidentally, would be named after George Welsh), constructing a public pool, and sprucing up City Hall.²⁰

There was resistance to Welsh, though, which took the form of the Committee of 100, a body formed to evaluate how well his jobs program was working. In an August 1932 report, the Committee criticized several facets of the program. They complained that the use of scrip as compensation “causes unemployment” because “[r]ecipients of scrip are obliged to limit their purchases to wares offered by the city store,” which hurt storeowners that could not accept the scrip. They also contended that “[t]he manner in which the men work is very detrimental to their morale, and an actual waste of time and money.” The Committee of 100’s findings led to Welsh’s departure, although he became mayor six years later. As mayor, Welsh continued looking for ways to put the city’s unemployed back to work, spearheading the effort to install a water pipeline linking Grand Rapids to Lake Michigan, which cost \$4.1 million and was partially financed by the federal government.²¹

Looking at the 1930 census offers a snapshot of the living conditions of the DeVos and Van Andel families at the outbreak of the Depression. DeVos lived with his parents at a house on Wallinwood Avenue in the suburbs of eastern Grand Rapids. In his memoir, DeVos recalled that “[t]he house had three bedrooms upstairs, and the only bathroom was downstairs, which was typical for houses in my neighborhood in those days.” The home was worth \$6,500, which equates to just over \$96,691 in 2018 dollars. DeVos’s father Simon identified his occupation on the census roll as a “salesman” of “electrical supplies.” The Van Andels, meanwhile, also owned their own home, locat-

²⁰ Olson, *A Grand Rapids Sampler*, 155-156.

²¹ Committee of 100 report reproduced in Olson, *A Grand Rapids Sampler*, 157-158.

ed at 1249 Dickinson Street in southeastern Grand Rapids, which was valued at \$5,000 (approximately \$74,377 in 2018). James Van Andel was listed as a “repair man” at an “auto garage.” Both families, in other words, were comfortably middle class, neither rich nor destitute.²²

As DeVos and Van Andel told it, the Depression spared neither of their families. Van Andel noted that the Depression cost one of his grandfathers his small business, and as a result he had to move in with Van Andel and his parents. On a more personal note, Van Andel wrote that the collapse of the financial markets “t[ook] my small savings account with it,” with the minuscule consolation that he eventually “got back five cents on the dollar[.]” According to DeVos, his father Simon was among the city’s unemployed. Unable to find a steady job and forced to take work wherever he could find it, the family moved in with his grandparents, although they held on to their home at Wallinwood Avenue, converting it into a rental property to bring some extra income. (The 1940 census listed their address as 61 Wallinwood Avenue, so presumably they had moved back by then.) DeVos described his family as “poor but no poorer than most of our neighbors,” and recalled an incident that illustrated the family’s tight economic circumstances: “I remember a teenager coming to our door selling magazines and crying because he couldn’t go home until he sold the last one. My father had to tell him honestly that we didn’t have a dime in the house.” According to DeVos, the Great Depression influenced his decision to become a businessman. He wrote that “[h]aving lost his job, my father encouraged me to go into business for myself.” His father’s bout of unemployment had taught him that “he had no control over being employed or unemployed” and that “[h]is destiny was in the hands of his employer.”²³

²² DeVos, *Simply Rich*, 5; 1930 U.S. census, Kent County, Michigan, population schedule, Grand Rapids, second ward, sheet 1A, Simon C. and Ethel R. DeVos, <http://www.ancestry.com>; 1930 U.S. census, Kent County, Michigan, population schedule, Grand Rapids, third ward, sheet 1B, James and Nella Van Andel. Inflation-adjusted house prices determined using the Bureau of Labor Statistics’s CPI Inflation Calculator (<https://data.bls.gov/cgi-bin/cpicalc.pl>).

²³ Van Andel, *An Enterprising Life*, 5-6; DeVos, *Simply Rich*, 5-6, 13; 1940 U.S. census, Kent County, Michigan, population schedule, Grand Rapids, second ward, sheet 3A, Simon C. and Ethel R. DeVos.

In order to help support the family, DeVos took a job as a newspaper delivery boy, which he said “essentially was my first business” and “taught me responsibility, accountability, and all the principles of the rewards of hard work.” As of 1940, he was still delivering newspapers. Like the anecdote about his grandfather selling produce, the story of his newspaper job also seems to foreshadow his future career in the direct sales industry. The thirties were not all bad for the DeVoses, as they welcomed two additions to the family, daughters Bernice and Jennet.²⁴

DeVos and Van Andel began their friendship in 1940. Fitting for two men who went on to be pioneers in direct sales, their friendship began as a business transaction. Both attended Grand Rapids Christian High School, a private religious school. The fact that both went to high school — never mind a private high school — is significant. In 1940, a little over 1.2 million young people graduated high school, amounting to around half of all seventeen year-olds. A 1942 report from the Department of Education indicated that “pupils in private secondary schools were found to account for 6.5 percent of all pupils in public and private secondary schools in 1939-40[.]” At the time the report came out, there were 3,568 private high schools in the entire country. Accordingly, whatever hardships the DeVos and Van Andel families endured in the Depression, by the end of it they were decidedly back in the ranks of the middle class.²⁵

Jay Van Andel was advantaged in one other way too. He was fortunate enough to get a car from his father, who had his own dealership. The car made him a standout at Grand Rapids Christian High School — in the school’s 1942 yearbook, the caption beside his photo read “his model A has infinite capacities!” DeVos did not have it quite as good. According to him, he would either walk to school, or he would get the occasional “free lift” aboard the city streetcar, or he would take a bus, which was inconvenient because it took a while for it to reach the high school. The two crossed

²⁴ DeVos, *Simply Rich*, 15; 1940 U.S. census, Kent County, Michigan, population schedule, Grand Rapids, second ward, sheet 3A, Simon C. and Ethel R. DeVos.

²⁵ Conn, *Promises to Keep*, 12; DeVos, *Simply Rich*, 20-21, Van Andel, *An Enterprising Life*, 7; U.S. Department of Education, *Statistical Summary of Education, 1939-40*, vol. II chpt. I (Washington, D.C.: U.S. Government Printing Office, 1943), 17-19. Portions reproduced in Mondom, “Compassionate Capitalism,” 6.

paths because Van Andel had decided to turn his gift into a business opportunity: for a quarter a week per passenger, he started driving fellow students to and from school, which, he wrote, “was my way of paying for gas....and making a little extra spending money.” DeVos happened to spot Van Andel driving his car in and around the school. Being, as he described it, “an enterprising type,” he approached Van Andel — another “enterprising type” — and became one of his customers. As David John Harris has pointed out, “[m]any features attributed to the success of [Amway] and each of its individual distributorships are implicit in this first encounter: boldness, trust, vision, reciprocity and friendship.”²⁶

Both DeVos and Van Andel said that their friendship was, in important respects, a union of opposites, an opinion shared by others who have written about them. DeVos wrote that “[w]hen I first met Jay he was a studious, quiet guy....I was outgoing and not a serious student. Jay was reserved and a serious student who seemed to me to be able to get straight A’s in school without cracking a book.” Van Andel similarly remarked that “Rich was more gregarious than I was, more extroverted, always making a little more noise,” whereas he “was more of a bookworm, quieter than Rich[.]” Their differences even extended to their appearance: DeVos wrote, “I was shorter and stockier with dark hair. Jay was tall and slighter with wavy blond hair.” Nevertheless, both said that their differences, rather than driving a wedge between them, were key to bringing them closer together. Van Andel said that “despite our differences I enjoyed his presence — it brought out the best in me,” while DeVos wrote that Van Andel “didn’t say much, wasn’t much for small talk, but he was interesting because he was curious about subjects beyond what was typical for kids in high school.” And besides, there was a lot they had in common. In his 1979 book on Amway titled *The Winner’s Circle*, Charles Conn complained that “[m]uch is made of the dissimilarities of the two

²⁶ The 1940 census lists James Van Andel’s occupation as a “mechanic” at “own garage,” so presumably he both sold and worked on cars (1940 U.S. census, Kent County, Michigan, population schedule, Grand Rapids, third ward, sheet 4A, James and Nella Van Andel); Van Andel, *An Enterprising Life*, 7-8; Grand Rapids Christian High School yearbook, 1942, “U.S., School Yearbooks, 1880-2012,” <http://www.ancestry.com>; DeVos, *Simply Rich*, 27-28; Harris, “Of Prophecy and Profits,” 237-238.

men[.]” According to him, “[t]heir contrasts are largely of style,” whereas their commonalities lay in their attitudes: “each is extremely well disciplined; each is strongly committed to the other; each is supremely self-confident, even if he expresses it differently.” DeVos similarly said that “we were so much alike in our worldview and philosophy.”²⁷

With their friendship forged through a business transaction, DeVos and Van Andel’s first adventure together also involved business. The same year they met, Van Andel’s father asked the boys to take two pickup trucks to a customer of his who lived in Bozeman, Montana. According to DeVos, his mother had reservations about them taking the trip, but ultimately they were allowed to go. Like other adventures that followed, DeVos and Van Andel both painted the trip to Bozeman as yet another building block for their future careers. They took every possible measure to cut costs along the way; Van Andel described how they “slept on hay in the back of the trucks,” and both recalled inflating their own tires rather than paying for air, which DeVos characterized as “another early lesson in thrift and self-reliance.” DeVos wrote that because of the trip, he and Van Andel gained “a firsthand look at America and an appreciation of our country” and “received lessons in teamwork, self-reliance, responsibility, building trust, and the satisfaction in a job well done.”²⁸

A year after DeVos and Van Andel became friends and took their trip to Bozeman, the United States formally entered World War II. As cities all across the country did, the local economy of Grand Rapids converted to meet wartime demands, though it had some difficulty at the outset. The staple industry of Grand Rapids for many decades had been furniture, and since the city’s furniture manufacturers used wood rather than iron or steel, it was not immediately clear what they could contribute to the American war machine. They eventually settled on making an assortment of wood-based parts and equipment, among them gliders. Grand Rapids Industries, Inc., a business consor-

²⁷ Harris, “Of Prophecy and Profits,” 238-240; DeVos, *Simply Rich*, 28-30; Van Andel, *An Enterprising Life*, 8; Conn, *The Winner’s Circle*, 18.

²⁸ Van Andel, *An Enterprising Life*, 9-10; DeVos, *Simply Rich*, 31-33.

tium formed at the onset of the war, boasted that the glider produced in the city, called the CG-4A, “is so tough that it can be literally wrapped around trees or slammed into barns with little or no damage to personnel and equipment.” The city partook in various staples of wartime life, such as organizing efforts to collect scrap goods like cooking grease, paper, and rubber as well as conducting blackout drills to ready the population in the event of an Axis air attack. In 1943, the Army Air Force hosted its Weather Training School in Grand Rapids, converting various sites throughout the city into venues for housing and training recruits in metrological surveying.²⁹

The war put physical distance between DeVos and Van Andel. Van Andel joined the Army Air Reserve Corps in November 1942 and ended up training men to operate the B-17 and B-29 bombers. DeVos enlisted two years later and worked on repairing and maintaining gliders. Despite the separation, the two remained in touch by mail. DeVos characterized their correspondence thusly: “I wrote him some rather mundane updates about my daily service, but Jay’s letters to me were more detailed and philosophical. . . . His letters made me feel at home and reminded me of the depth of our growing friendship.” Although the war ended in August of 1945, the pair were not reunited until a year later, when DeVos was officially discharged — he spent the intervening months working for the Army on the Pacific island of Tinian. Even before the war’s end, though, the two were already planning their future together. Van Andel recounted this exchange they had while they were on leave during the war:

We met back in Grand Rapids, and one night when we had returned from taking a couple of girls out, Rich pulled the car into the garage at his parents’ house, and we got to talking. Rich said, “Well, Jay, when this is all over, what are we going to do? Go back to college?” Both of us knew that wasn’t what we really wanted to do. The more we talked, the more we realized that we ought to form a partnership and go into business together. As would happen so many times in the future, all we needed to do was figure out what kind of business we would start.³⁰

²⁹ Grand Rapids Industries, Inc. reproduced in Olson, *A Grand Rapids Sampler*, 164-168. Portions reproduced in Mondom, “Compassionate Capitalism,” 6.

³⁰ Van Andel, *An Enterprising Life*, 10-13; DeVos, *Simply Rich*, 35-37, 39, 41-43. Portions reproduced in Mondom, “Compassionate Capitalism,” 6.

Amway was still about fifteen years away at this point. Before they went into direct sales, DeVos and Van Andel tried their hand at a variety of other ventures. The first, founded while DeVos was still on Tinian, was Wolverine Air Service, which offered flying lessons and private flights around the Grand Rapids area. Wolverine Air Service tapped into a postwar civilian fascination with flight; Van Andel wrote that “[a]fter World War II there was a kind of airplane craze. Many people thought every new house would be built near an airstrip and that there would be two airplanes in every garage so we could all commute to work by air.” The two purchased an airplane, a Piper Cub, and hired a pair of instructors. At the time the business started, Grand Rapids did not even have an airstrip, so as a result they had to use the Grand River as their runway, which meant they had to outfit their plane with pontoons.³¹

In May 1947, while Wolverine Air Service was still in business, DeVos and Van Andel opened a drive-in restaurant called the Riverside Drive-Inn. In June 1949, the up-and-coming entrepreneurs ran into some legal problems. The Michigan state government shut down a program run by Wolverine Air Service to train veterans to fly because some of the participants had engaged in “buddy riding”: in other words, flying with friends onboard. Reporting at the time indicated that “[t]he practice came to light...when state police investigated the forced landing of a student at the school” and that “the investigation uncovered several other minor flying violations at the school.” It would not be the last time that a business run by Richard DeVos and Jay Van Andel attracted the attention of law enforcement.³²

Financially, the businesses were only marginally successful. According to DeVos, “[w]e probably cleared \$100,000 over the four years in the aviation business, and we likely broke even on the

³¹ Van Andel, *An Enterprising Life*, 15-16; DeVos, *Simply Rich*, 48-50. Portions reproduced in Mondom, “Compassionate Capitalism,” 6.

³² Van Andel, *An Enterprising Life*, 16-17; “State Suspends Air Training School,” *The Benton Harbor News-Palladium*, June 17, 1949, 20. Portions reproduced in Mondom, “Compassionate Capitalism,” 6.

restaurant.” However, in the tale of their lives, these first two businesses are less significant for the money they made — or, in the case of the restaurant, did not — than for what they taught them about being businessmen. Van Anandel wrote that he and DeVos learned three important lessons from these early ventures: (i) “running a business is a matter of pressing on in spite of an unending series of unexpected problems” (the absence of a proper airstrip was just one of several obstacles they encountered over the course of running Wolverine Air Service), (ii) “stay out of the shop and let other people do what they do best” (as noted earlier, they hired experienced pilots to offer instructions), and (iii) “work hard, and work smart, when everyone else is asleep or watching TV” (the pair ran the Riverside Drive-Inn in the evenings after Wolverine Air Service was closed). DeVos proclaimed that Wolverine Air Service was a testament to the value of “taking chances and doing, and moving ahead confidently....even though at times we should have looked before we leaped.”³³

In 1948, three years into their business partnership, DeVos and Van Anandel sold both Wolverine Air Service and the Riverside Drive-Inn and decided to leave America. They had read a book called *Caribbean Cruise*, authored by a man named Richard Bertram, which documented his sailing expedition through the Caribbean, and they decided to do the same. They encountered many hiccups along their trip. For one, the boat they purchased, the *Elizabeth*, was junk. As DeVos described it, it “had been in dry dock for all the years of the war” and “had been sitting on her keel without the bow or stern being supported,” but they bought it after assurances that it was still sailable.³⁴

At the very outset of their journey, DeVos accidentally steered the boat into a swamp in New Jersey, and the boat had to be pulled out by the Coast Guard. From there they went to North Carolina, followed by Miami, Key West, and then Havana. On March 27, 1949, as the pair sailed from Cuba to Puerto Rico, water began leaking into the *Elizabeth*. It was a problem they had en-

³³ DeVos, *Simply Rich*, 53, 55-56; Van Anandel, *An Enterprising Life*, 17-19.

³⁴ DeVos, *Simply Rich*, 58-59; Van Anandel, *An Enterprising Life*, 23-24. Portions reproduced in Mondom, “Compassionate Capitalism,” 6.

countered frequently, only now they were unable to stop it. They sent out distress signals and were eventually discovered by a freighter, the *Adabelle Lykes*, which took them aboard and sank the *Elizabeth*. The *Adabelle Lykes* was going to Puerto Rico anyway, so it dropped them off on the island. After that they traveled to South America via a British ship, the *Teakwood*, which brought them down to Curaçao. They had originally planned on staying aboard until it reached its final destination, Venezuela, but got off early because accommodations were poor. They were briefly held up in Curaçao because Dutch officials suspected that they were, of all things, communist agents, mainly on account of the fact that they were traveling with lots of cash and that Van Andel could speak Dutch. They were eventually released, at which point they took a plane to Caracas and then to Barranquilla, Colombia, where they boarded a boat that took them down the Magdalena River. They eventually made their way through most of South America and then made a pit stop back in the Caribbean before returning to the United States in July 1949.³⁵

Much like the Bozeman trip, DeVos and Van Andel's trek through South America and the Caribbean strengthened their belief in American exceptionalism. DeVos wrote that "[a]s much as Jay and I found some of these foreign lands exotic and charming, I also recall a feeling that stayed with me the rest of my life — these countries simply lacked much of the modern development, luxuries, and conveniences that we in America too often take for granted." Similarly, referring to Argentina, which was ruled by Juan Perón at the time they were passing through, Van Andel said that "[s]eeing the way people live in countries where the government controls so much taught us the importance of a free economy, and we never again took for granted the relative freedom of U.S. society." For DeVos, the trip was also a lesson in the value of having confidence in oneself: "I had learned to take risks and to rise above defeat in order to achieve a goal and realize a dream. The sinking of the *Eliz-*

³⁵ DeVos, *Simply Rich*, 59-67; Van Andel, *An Enterprising Life*, 24-35.

abeth had only heightened my sense of ‘living in the moment,’ and it taught me to improvise in ways that made life more interesting and spontaneous.”³⁶

In Rio de Janeiro, DeVos and Van Andel resolved to start a new business once they returned to the United States. Having no clear idea for what exactly they wanted to sell, they first tried wooden toys and organic baked goods. The baked goods proved, according to Van Andel, “a moderate success,” but the toys could not compete with their plastic counterparts.³⁷

On August 29, 1949, they discovered direct sales. That day, Van Andel’s second cousin, Neil Maaskant, came to Grand Rapids to introduce Van Andel to Nutrilite, a company founded in the late 1930s by a physician named Carl Rehnberg specializing in vitamins and nutritional supplements. Van Andel balked. “At first, I wasn’t enthusiastic,” he wrote. “Pill peddling wasn’t the sort of business to make much money in, I thought....It turned out ‘peddling pills’ was making cousin Neil a thousand dollars a month, which in 1949 was quite a good income.” Impressed by how well Maaskant appeared to be doing in the business and the fact they did not need to put a lot of money down, DeVos and Van Andel signed up.³⁸

Nutrilite was an important company for two reasons. First, it was one of the first to sell vitamin supplements as we know them today. An industry sprang up around vitamins not long after their discovery in the early twentieth century. Cod-liver oil was the first commercial vitamin, marketed as a preventative against conditions resulting from vitamin D deficiency such as rickets. In the mid-1930s, companies like Nutrilite started offering vitamins in tablet and capsule form. The story goes that Rehnberg got the idea while living in China in the 1920s, where he spent a year languishing in a Shanghai jail. To make sure he got the nutrients he needed, he added various plants and herbs to

³⁶ DeVos, *Simply Rich*, 67-68; Van Andel, *An Enterprising Life*, 33-35; DeVos, *Hope From My Heart*, 41-42.

³⁷ DeVos, *Simply Rich*, 71-73; Van Andel, *An Enterprising Life*, 38. Portions reproduced in Mondom, “Compassionate Capitalism,” 6.

³⁸ DeVos, *Simply Rich*, 74, 77-78; Van Andel, *An Enterprising Life*, 39, 45. Portions reproduced in Mondom, “Compassionate Capitalism,” 6.

his paltry rations. Upon his return to the United States, he settled in southern California and started developing a convenient nutritional supplement that people could consume with their meals. He had his breakthrough in 1934 with a product that he called Double X.³⁹

Additionally, Nutrilite was a pioneer in multi-level marketing. In 1945, Rehnborg teamed up with a company called Mytinger & Casselberry, run by Lee Mytinger and William Casselberry. Mytinger & Casselberry developed a sales and distribution scheme similar to what Amway later adopted. Like Amway distributors, Nutrilite distributors earned money both through product sales and bonuses from sales made by those they sponsored into the business. Nutrilite also had its own version of Direct distributors, in that after crossing a certain sales threshold, distributors dealt directly with the company rather than going through their sponsor.⁴⁰

Mytinger & Casselberry's plan helped Nutrilite grow into a significant player in the direct sales industry. By 1952, Nutrilite's distributor force was thirteen thousand strong. The *Long Beach Independent* reported in October 1955 that "[t]en years ago, retail sales of Nutrilite Food Supplement were less than \$50,000. In the past 12 months, consumers bought more than \$24,000,000 worth of Nutrilite." Newspaper advertisements for Nutrilite touted both the quality of the supplements as well as their health benefits. One that ran in November 1952, for example, stated that Nutrilite "[i]s developed from composted soil and Nutrilite plant food and contains all of the vitamins and minerals vitally necessary to diet" and stressed that the products were "delivered fresh[.]" Sometimes the ads bordered on the dubious. An early Nutrilite ad from 1939, for example, asked rhetorically, "Why Suffer From Bodily Ailments Which Are Due To A Chemical Im-Balance of the Body," promising

³⁹ Anne Michaud, "Ahead of its time health care: Nutrilite founder worked on the first food supplements in the 1920s; the company is now owned by Amway," *Orange County Register*, December 29, 1994, C1; Rima D. Apple, *Vitmania: Vitamins in American Culture* (New Brunswick, NJ: Rutgers University Press, 1996), 16-32; DeVos, *Simply Rich*, 77-78.

⁴⁰ "CC to Honor Mytinger, Casselberry, Inc," *The Long Beach Independent*, October 18, 1955, 9; Harris, "Of Prophecy and Profits," 229-231; Mondom, "Compassionate Capitalism," 6.

that “NUTRILITE restores the body to a CHEMICAL BALANCE[.]” Such claims later put the company in hot water.⁴¹

As would happen in Amway, several Nutrilite distributors developed large networks and staged functions and rallies for their downlines. One of these, put on by a Mr. and Mrs. H.G. Kobes, was held on August 13, 1955 in Sioux City, Iowa. A number of successful Nutrilite distributors as well as an official from Mytinger & Casselberry were scheduled to appear. Among the speakers were Neil Maaskant and Richard DeVos. “Still in their twenties,” wrote the *Sioux County Capital* about DeVos and Van Andel, “these two young men have a sales volume of more than \$1,000,000 per year — and head a sales group of more than 1,500 distributors.” The paper described DeVos as “an outstanding speaker” and noted that “his recorded talks have been much in demand by sales organizations from coast to coast.”⁴²

The story that DeVos and Van Andel told about their time in Nutrilite paralleled, in several respects, the accounts of Amway distributors published in pro-Amway books and tapes, which are discussed in greater detail in the next chapter. Like a lot of those distributors, DeVos and Van Andel were initially hesitant about whether direct sales was worthwhile, but eventually they overcame their misgivings. An important reason why was that they relished the prospect of working for themselves. Upon becoming Nutrilite salespeople, DeVos and Van Andel described various obstacles that presented themselves early on. Van Andel wrote that “[w]hen we talked to some of our friends about our new business, they thought we were crazy. Many people in those days thought vitamins were a waste of money. For two weeks, we couldn’t sell a single box, and our Nutrilite distributorship went absolutely nowhere.” DeVos recalled, “We invited a bunch of friends over to our cottage, showed a short film describing the product, and enthusiastically expressed to the gathering how excited we

⁴¹ “Mytinger and Casselberry Food Supplement Is Now Nationally Known Product,” *Long Beach Press-Telegram*, October 21, 1952, EE6; “CC to Honor Mytinger, Casselberry, Inc.”; Nutrilite ad, *Tucson Daily Citizen*, November 15, 1952, 3; Nutrilite ad, *The Long Beach Independent*, October 1, 1939, 9.

⁴² “Kobes to Host Convention Here,” *Sioux County Capital*, August 4, 1955, 2.

were about this wonderful opportunity. People started heading for the door. One guy stayed behind to sign up but quit soon after.”⁴³

Their resolve was renewed after they went to a Nutrilite convention in Chicago on Neil’s invitation, but even after that things were not easy. At one meeting they held in Lansing, only two people came. At another — this time in Grand Rapids — there were eight, all of whom happened to be rival Nutrilite salespeople scoping out their competition. They stuck with it, though, and eventually they were able to move product and recruit distributors. According to Van Andel, “in the first year [the distributorship] had a group retail sales volume of \$85,000.” Van Andel attributed their eventual turnaround to “a few simple rules”: (i) “we had to believe in our product” (both DeVos and Van Andel said in their autobiographies that they used Nutrilite supplements themselves), (ii) they “ha[d] determination to succeed”, and (iii) they had “personal involvement in the business.” As we will see, many Amway distributor vignettes also stressed early challenges — skeptical friends and relatives, the struggle to find people interested in joining — and the need to persevere in order to achieve success.⁴⁴

While DeVos and Van Andel were finding their footing in the business world, the United States underwent an astounding social and economic transformation that would lay the building blocks for both the Amway worldview and the cofounders’s small-business conservatism. Arguably the defining feature of the immediate postwar years was rapid economic growth. The gross domestic product of the United States in 1945 (measured in 2009 dollars) stood at approximately \$2.2 trillion. After declining slightly over the next two years, GDP increased steadily. By 1953, it was at \$2.5

⁴³ Van Andel, *An Enterprising Life*, 40; DeVos, *Simply Rich*, 75.

⁴⁴ Van Andel, *An Enterprising Life*, 40-44, DeVos, *Simply Rich*, 80, 82

trillion, and then went to just over \$2.7 trillion in 1955. By the end of the decade, U.S. GDP had crossed the three trillion dollar threshold. Numerous factors were responsible for this explosive growth: the Second World War had wiped out America's economic competitors, oil prices were low, government spending on the military remained high, and the baby boom stimulated demand for various consumer goods.⁴⁵

This prosperity manifested itself in several ways. College attendance, for example, increased significantly. In 1947, about 2.3 million people in the United States were enrolled in higher education. After increasing in 1948 and 1949, the number of collegiate Americans declined slightly over the next three years before rising once again in 1953. By mid-decade, 2.65 million Americans were in college, and that figure continued to grow over the rest of the fifties, reaching 3.6 million in 1959. An important contributor to expanding enrollment was, of course, the G.I. Bill, which became law a year before the end of World War II. The G.I. Bill sent 2.2 million veterans college bound, with a little over four million more attending other educational institutions. Suburbanization was another marker of plenty. James Patterson indicated that “[t]he number of new single-family homes started in 1944 had been 114,000. This rose to 937,000 in 1946 and to nearly 1.7 million in 1950.” All told, “[b]y 1960, 60 percent of American families owned their own homes, compared to slightly fewer than 50 percent in 1945.” Of course, moving out to the suburbs would not have been possible without automobiles, and accordingly this period also witnessed massive increases in car ownership. Between 1945 and 1955, purchases of new automobiles rose approximately 11,366%, from 69,500 to 7.9 million. In 1948, only 0.4% of households boasted a television. By 1951 it was nearly one-quarter, and around sixty-four percent had one in 1956.⁴⁶

⁴⁵ “Current-dollar and ‘real’ GDP,” Bureau of Economic Analysis, U.S. Department of Commerce, <https://www.bea.gov/national/xls/gdplev.xlsx> (accessed November 29, 2018); Patterson, *Grand Expectations*, 313-315.

⁴⁶ “Table 303.10: Total fall enrollment in degree-granting postsecondary institutions, by attendance status, sex of student, and control of institution: Selected years, 1947 through 2025,” National Center for Education Statistics, http://nces.ed.gov/programs/digest/d15/tables/dt15_303.10.asp?current=yes (accessed November 29, 2018); Patterson, *Grand Expectations*, 68, 70-72; James L. Baughman, *The Republic of Mass Culture: Journalism, Filmmaking, and Broadcasting in America Since 1941* (1992; Baltimore, MD: The Johns Hopkins University Press, 2006), 41-42.

Grand Rapids shared in this prosperity, which transformed the city's economy, demography, and even its borders. The postwar years saw Grand Rapids shift away from what had long been its core industry, furniture manufacturing, which had lost its competitive advantage to other parts of the country, chiefly the South. That void was filled quickly, though. A September 1944 article in the *Grand Rapids Press* noted that the local economy had begun diversifying back in 1940, when the local Chamber of Commerce spearheaded a push to attract new industries to the city. A report produced by the University of Michigan in 1959 stated that “[t]here are now 73 furniture factories within the metropolitan area and the city is still a national leader in furniture making and design, but furniture manufacturing is no longer its major industry.” Instead, the report indicated that “[t]oday the most important manufactured products are metal trades” and that “[t]he area is also a leader in the production of business machines, office equipment, carpet sweepers, fiberboard containers, air craft and electronic devices.”⁴⁷

Grand Rapids experienced all the symptoms of postwar prosperity. The city's population went from 164,292 in 1940 to 176,515 in 1950 to 189,172 in 1956, an increase of about fifteen percent. Metropolitan Grand Rapids, meanwhile, grew about thirty-six percent over that same period, from 213,749 in 1940 to 290,941 in 1956. Much of that growth occurred in the surrounding suburbs. The population of suburban Grand Rapids grew from 49,457 in 1940 to 101,769 in 1956, and it came to represent an increasing share of Grand Rapids's population. Whereas around twenty-three percent of those in metropolitan Grand Rapids were living in the suburbs in 1940, thirty-five percent were by 1956. The aforementioned University of Michigan report noted that “in a period of 36 years [from 1920 to 1956], the central city's proportion of the area population had dropped 21 percentage points....even though the city increased its population by 51,538 (37.4%) over this period.” With increasing suburbanization came a boom in housing construction. An August 1948 article in

⁴⁷ *Grand Rapids Press* article reproduced in Olson, *A Grand Rapids Sampler*, 172; Charles Press, *When One-Third of a City Moves to the Suburbs: A Report on the Grand Rapids Metropolitan Area* (East Lansing, MI: Michigan State University, 1959), 9.

the *Grand Rapids Press* observed that “more single family homes were built last year and the year before than in any other year for which records are available” and that conversely, “the number of multi-family dwelling units constructed since 1945 represents less than one out of every ten non-farm dwelling units built in the postwar period[.]” Schools in Grand Rapids benefitted from the state-sponsored surge in college attendance. Between 1953 and 1954 alone, the number of people in college in Grand Rapids rose from 3,860 to 4,450, a fifteen percent increase. In response to this growth, as well as expectations of even higher levels of attendance in the future, both Calvin College and Aquinas College acquired new land and added new buildings to their campuses. And in 1960, plans were set in motion for a new postsecondary institution in the area, Grand Valley State Colleges, now known as Grand Valley State University.⁴⁸

Grand Rapids sought to address the shift of its population to the suburbs through annexation. Annexation was an incredibly contentious issue that pitted the urbanites, who generally supported it, against the suburbanites, who did not: in a December 1959 referendum, suburban voters overwhelmingly torpedoed an effort to fuse Grand Rapids with five other surrounding localities. The following year, however, another round of votes allowed annexation to proceed. On December 30, 1960, the *Grand Rapids Press* reported that “Grand Rapids’ greatest growth in 35 years becomes official Saturday morning [January 2, 1960]...when vast suburban areas of Grand Rapids and Walker townships — including 13.72 square miles and 19,880 new citizens — join the city as a result of annexations Aug. 2 and Nov. 8.” The article characterized these additions as “the biggest annexation since 1925[.]”⁴⁹

The postwar American economy was defined not only by growing prosperity, but also by important developments in the nature of work and labor relations, not all of which were positive

⁴⁸ Press, *When One-Third of a City Moves to the Suburbs*, 23-24; *Grand Rapids Press* article reproduced in Olson, *A Grand Rapids Sampler*, 181; Gordon Olson, *Grand Rapids, A City Renewed: A History Since World War II* (Grand Rapids, MI: Grand Rapids Historical Commission, 1996), 26.

⁴⁹ Olson, *Grand Rapids, A City Renewed*, 34-35; *Grand Rapids Press* article reproduced in Olson, *A Grand Rapids Sampler*, 179.

from the working person's perspective. Union membership increased somewhat in the late 1940s and 1950s, continuing a trend that began in the midst of the Great Depression, when New Deal legislation created a more hospitable environment for organizing. In 1935, the year that the Wagner Act passed, approximately 3.6 million workers belonged to a union. After the federal government recognized the right to bargain collectively, that number nearly doubled to seven million by 1937. The Second World War also saw union ranks swell, from 8.8 million in 1939 to 14.3 million in 1945. Membership totals fluctuated over the next fifteen years, but the general trajectory remained upwards, so that by 1960, a little over seventeen million workers were in unions.⁵⁰

It is important to note, however, that union *density* changed little in this period. Between 1939 and 1945, the percentage of total workers who were in unions rose significantly, from 19.2% to 27.1%, but after that it plateaued. Despite an increase in the total number of unionized workers, they represented just 25.9% of the total workforce in 1960, a slight *decrease* from 1945. This had in part to do with a shift in the sort of work that Americans were doing. Between 1940 and 1960, the share of American workers employed in manufacturing declined from one-third to one-quarter. James Patterson noted that “[g]rowth areas after 1945 were increasingly in white-collar work and service employment,” industries in which “[m]any were part-time employees” and “were scattered, often in relatively small companies,” making them harder to organize.⁵¹

The early stages of the businessmen's crusade were also to blame. In 1947, in response to a wave of strikes that broke out across the country in 1945 and 1946, the Taft-Hartley Act became law. Taft-Hartley curtailed the ability to strike and to organize certain workers, in addition to requiring unions to disavow any affinity for or affiliation with Communism or Communists. The fifties,

⁵⁰ “Table A1. Union Membership in the United States, 1930-2003,” in Gerald Meyer, “Union Membership Trends in the United States” (Washington, DC: Congressional Research Service, 2004), 22-23, http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1176&context=key_workplace (accessed November 29, 2018).

⁵¹ “Table A1. Union Membership in the United States, 1930-2003,” 22-23; Mark C. Carnes, “The Culture of Work,” in *The Columbia History of Post-World War II America*, Mark C. Carnes ed. (New York, NY: Columbia University Press, 2007), 107; Patterson, *Grand Expectations*, 46.

meanwhile, saw a push by businesses and business interest groups for “right-to-work” laws in several states.⁵²

The case of labor demonstrates that the postwar years were not a golden age for everyone. African-Americans continued to live — and die — under Jim Crow, although the middle of the decade saw the start of the so-called classical phase of the civil rights movement following the Supreme Court’s 1954 ruling against public school segregation in *Brown*. A second Red Scare trampled upon the civil liberties of thousands who were persecuted for allegedly being Communists, often on little more than innuendo. And a parallel crusade, the Lavender Scare, led to the purging of many gay men and women from the federal government on account of their sexual orientation, which supposedly made them national security threats.⁵³

For women, the late 1940s and 1950s were a period of regression. World War II created an unprecedented opportunity for women to work outside the home, twenty million in all by 1944. Since many of those jobs were in wartime manufacturing, it meant that women had greater access to unions, not to mention that they were earning more relative to traditionally feminized sectors of the economy. Those gains vanished after victory, though. Mary Schweitzer noted that “the return to peacetime conditions left women pretty much where they had been before 1941.” The civilian labor force participation rate for women hovered between thirty-three and thirty-five percent throughout the first half of the 1950s, with a spike around 1955 that brought it up to between thirty-six and thirty-seven percent for the rest of the decade. Although significant numbers of women continued working outside the home, they no longer had access to male-dominated jobs and found themselves relegated to “women’s work.” On the whole, the fifties represented an attempt to reinforce women’s traditional roles as wives and homemakers, often at the cost of inflicting profound angst. Betty

⁵² Lipsitz, *Rainbow at Midnight*, 99-181, 204; Fones-Wolf, *Selling Free Enterprise*, 257-284.

⁵³ Patterson, *Grand Expectations*, 178- 205, 380-406; David K. Johnson, *The Lavender Scare: The Cold War Persecution of Gays and Lesbians in the Federal Government* (Chicago, IL: The University of Chicago Press, 2004).

Friedan's landmark 1963 book *The Feminine Mystique* described housewives afflicted by "the problem that has no name," the feeling that they could be doing more with their lives but were not: "As she made the beds, shopped for groceries, matched slipcover material, ate peanut butter sandwiches with her children, chauffeured Cub Scouts and Brownies, lay beside her husband at night — she was afraid to ask even of herself the silent question — 'Is this all?'"⁵⁴

It was not only historically marginalized groups, though, who found cause to complain about postwar society. In fact, unease was practically pandemic. The existential psychologist Rollo May wrote in 1950 that "[f]rom 1945 and the birth of the atom bomb, anxiety shifted from a covert to an overt problem":

The alert citizens were then aware not only of the more obvious anxiety-creating situations such as uncontrolled atomic warfare, radical political and economic upheaval, but also the less obvious, deeper, and more personal sources of anxiety in themselves and their fellow-men. This latter includes the inner confusion, alienation, psychological disorientation, and uncertainty with respect to values and acceptable standards of conduct. Hence to endeavor to "prove" the pervasiveness of anxiety in our day is as unnecessary as the proverbial carrying coals to Newcastle.

According to May, there was in the postwar years a "change from anxiety as a matter of 'mood' to a recognition that it is an urgent issue which we must at all costs try to define and clarify," and as evidence he cited examples from literature, politics, social science, and psychology, among other disciplines.⁵⁵

Anxiety was one of the buzzwords of the age. Alan Watts's 1951 book *The Wisdom of Insecurity* opened with a chapter titled "The Age of Anxiety." In it, he wrote of "the feeling that we live in a time of unusual insecurity." He blamed this largely on a declining collective belief in an ultimate end. Science, according to him, had robbed many people of the assurance that there was some intrinsic

⁵⁴ Mary M. Schweitzer, "World War II and Female Labor Force Participation Rates," *The Journal of Economic History*, 40 no. 1 (March 1980): 90; U.S. Bureau of Labor Statistics, "Civilian Labor Force Participation Rate: Women," FRED, Federal Reserve Bank of St. Louis, <http://fred.stlouisfed.org/series/LNS11300002> (accessed November 29, 2018); Patterson, *Grand Expectations*, 361-369; Betty Friedan, *The Feminine Mystique* (1963; New York, NY: W.W. Norton & Company, 1983), 15.

⁵⁵ Rollo May, *The Meaning of Anxiety* (1950; New York, NY: W.W. Norton & Company, Inc., 2015), 3-18.

meaning or purpose to their lives or to the universe. “Consequently,” he wrote, “our age is one of frustration, anxiety, agitation, and addiction to ‘dope.’ Somehow we must grab what we can while we can, and drown out the realization that the whole thing is futile and meaningless.” The “dope,” he said, was Americans’s “high standard of living, a violent and complex stimulation of the senses, which makes them progressively less sensitive and thus in need of yet more violent stimulation.” Financing this distractive consumer culture, in turn, required people “to put up with lives that consist largely in doing jobs that are a bore, earning the means to seek relief from the tedium by intervals of hectic and expensive pleasure.” In a March 1953 sermon, the Reverend Elmer Homrighausen, who taught at Princeton Theological Seminary, described “a hollow feeling, a lack of confidence in the future” that he thought was widespread. “We may be well fed and doctored but we are dispirited,” he observed.⁵⁶

Between August 31 and September 19, 1958, Dr. Walter Alvarez, a physician who had worked at the Mayo Clinic and wrote regularly on medicine for the *Los Angeles Times*, published an eighteen-part series of articles called “How to Live at Peace With Your Mind,” based on a book he wrote with the same title. The topics covered included the effect of psychological distress on physical health and vice-versa, psychosomatic aches and pains, mental breakdowns, migraines, anger management, stress relief, and hypochondria. The majority of the articles were dedicated to anxiety, its sources, and how to alleviate it. Not everyone was a downer, though. In an article for the *New York Times Magazine* in May 1956, the anthropologist Margaret Mead interpreted the postwar wave of anxiety as evidence of progress. “On balance,” she wrote, “our age of anxiety represents a large advance over savage and peasant cultures. Out of a productive system of technology drawing upon enormous resources, we have created a nation in which anxiety has replaced terror and despair, for all except the severely disturbed.” “The kind of world that produces anxiety,” she explained, “is ac-

⁵⁶ Alan Watts, *The Wisdom of Insecurity* (New York, NY: Pantheon Books, 1951), 14-21; Homrighausen quoted in “Present Is Termed An ‘Age of Anxiety,’” *New York Times*, March 30, 1953, 15.

tually a world of relative safety, a world in which no one feels that he himself is facing sudden death.”⁵⁷

One of the most poignant examples of the pervasiveness of anxiety in this period was the success of the tranquilizer meprobamate, marketed under the brand name Miltown. Released by Carter Products in May 1955, Miltown proved wildly successful. In May and June of 1955, sales totaled just fifteen thousand dollars. By the end of the year, though, Miltown brought in half a million dollars in December alone. Sales continued to rise over the coming years — the journalist Scott Stossel wrote that “before long [Americans] were spending tens of millions of dollars a year on Miltown prescriptions.” Miltown was the first in a wave of new drugs that promised to rid Americans of their distress, as other companies, inspired by Miltown’s popularity, poured money into research and development. An article published in the *Washington Post* in March 1957 expressed trepidation over this craze, noting that “[t]he drugs....have a palliative effect upon the patients’ outward sign of their mental illness, but they do not remove the illness,” and so consequently “[i]t is a mistake to think of tranquilizers as ‘cures.’” The author also worried about the potential downsides of using

⁵⁷ Walter C. Alvarez, “Physical Ills and Emotion Crisis Linked,” *Los Angeles Times*, August 31, 1958, C1, C2, C4; Walter C. Alvarez, “Mind Often a Factor in Physical Ills,” *Los Angeles Times*, September 1, 1958, A1, A2; Walter C. Alvarez, “Neurosis Over Disease Can Often Ruin Health,” *Los Angeles Times*, September 2, 1958, A2; Walter C. Alvarez, “Medical Terms Explained for Benefit of Patients,” *Los Angeles Times*, September 3, 1958, A1, A6; Walter C. Alvarez, “Some Are Born Excitable, Others Stolid — But Neither Should Worry,” *Los Angeles Times*, September 4, 1958, A2, A12; Walter C. Alvarez, “Mind Can Be Seat of Pain,” *Los Angeles Times*, September 5, 1958, A1, A2, A5; Walter C. Alvarez, “Psychiatric Help Can Prevent Collapse,” *Los Angeles Times*, September 7, 1958, D2; Walter C. Alvarez, “Easier, Happier Life Best Migraine Cure,” *Los Angeles Times*, September 8, 1958, A1, A7; Walter C. Alvarez, “Tension May Be Helpful,” *Los Angeles Times*, September 9, 1958, A1, A2; Walter C. Alvarez, “Shun Ire for Good Health,” *Los Angeles Times*, September 10, 1958, A1, A4; Walter C. Alvarez, “Learn How to Relax for Peaceful Living,” *Los Angeles Times*, September 11, 1958, A3, A5; Walter C. Alvarez, “Put End to Worry, Panic,” *Los Angeles Times*, September 12, 1958, A2; Walter C. Alvarez, “Don’t Blame Yourself for Unavoidable Tragedies,” *Los Angeles Times*, September 14, 1958, D2, D13; Walter C. Alvarez, “Self-Control Helps Chronic Worriers,” *Los Angeles Times*, September 15, 1958, A3, A10; Walter C. Alvarez, “Fear of Illness Perilous,” *Los Angeles Times*, September 16, 1958, A1, A2; Walter C. Alvarez, “Fears of Mental Upset Too Prevalent,” *Los Angeles Times*, September 17, 1958, A2, A4; Walter C. Alvarez, “Curb Inherited Anxiety,” *Los Angeles Times*, September 18, 1958, A1, A2, A5; Walter C. Alvarez, “Face Problems,” *Los Angeles Times*, September 19, 1958, A2; Margaret Mead, “One Vote for This Age of Anxiety,” *The New York Times Magazine*, May 20, 1956, 13, 56.

drugs like Miltown to try and eliminate feelings of psychological discomfort, writing that they might actually serve as “helpful warnings, not to be muted but to be heeded.”⁵⁸

The anxiety that inspired so much pontification and that fueled purchases of Miltown had numerous roots. As Rollo May pointed out, the Cold War and the threat of potential nuclear annihilation was obviously a very significant contributor. There was a more existential dimension to this anxiety, however, which is typically framed in terms of the deleterious effects of “materialism” but was in fact something much more profound: namely, a perceived crisis of autonomy. On a variety of fronts — from cookie-cutter suburban developments to large, anonymous white-collar corporations — many Americans, particularly those in the burgeoning middle classes, came to believe that the premise that they were individuals in charge of their own lives was under attack. More and more people felt that they had become virtually indistinguishable from their neighbors and colleagues, that their lives were under the direction of others, particularly in the sphere of work.⁵⁹

Numerous books attempted to diagnose the crisis of autonomy. Perhaps the most common critique of American society in the late 1940s and 1950s was its alleged obsession with conformity. David Riesman’s *The Lonely Crowd* (1950) is perhaps the most well-known study of the problem of conformity with which many social critics of the period concerned themselves. Riesman identified three types of “social character” that, according to him, have existed throughout human history: “tradition-directed,” “inner-directed,” and “other-directed.” Tradition-directed people were usually found in developing countries, in which “the conformity of the individual tends to be dictated to a very large degree by power relations among the various age and sex groups, the clans, castes, professions, and so forth” and “[t]he culture controls behavior minutely[.]” At a later stage of develop-

⁵⁸ Scott Stossel, *My Age of Anxiety: Fear, Hope, Dread, and the Search for Peace of Mind* (2013; New York, NY: Vintage Books, 2015), 161-163; for more on Miltown and postwar innovations in psychopharmacology, see David Herzberg, *Happy Pills in America: From Miltown to Prozac* (2009; Baltimore, MD: The Johns Hopkins University Press, 2010), 15-82; Howard Whitman, “Tranquilizing Pills Called Palliative, Not Cure of Cause of Human Tensions,” *The Washington Post*, March 19, 1957, A15.

⁵⁹ Patterson, *Grand Expectations*, 339-340

ment, inner-directed societies emerged; Riesman used Western Europe during the Renaissance and the Reformation as an example. In those cases, “the source of direction for the individual is ‘inner’ in the sense that it is implanted early in life by the elders and directed toward generalized but nonetheless inescapably destined goals.”⁶⁰

Finally, there were other-directed societies, which featured highly developed economies as well as declining birth and death rates. Riesman believed that the United States of the 1950s was at this stage. For the other-directed, “their contemporaries are the source of direction....either those known to him or those with whom he is indirectly acquainted, through friends and through the mass media.” The other-directed person “has learned, if he is adjusted, to look like those others with whom he has been brought up, with whom he has learned cooperation, tolerance, and restraint of temper. In this process he has learned to forget aspects of his character that are not ‘social,’ not other-directed.” In an other-directed society, it was paramount that an individual fit in. The other-directed society broadly resembled the tradition-directed one, in that both prized conformity to group norms. The key difference was that other-directed societies lacked the sort of unifying culture that Riesman believed existed in tradition-directed societies. Consequently, those living in other-directed societies were acculturated through other means, chiefly mass media. Riesman pointed to self-help and positive thinking books — he specifically mentioned Daniel Carnegie’s *How to Win Friends and Influence People* — as examples of “how popular culture is exploited for group-adjustment purposes[.]” Riesman believed that the solution to the problems of other-directedness lay in fostering “autonomy.” “The ‘autonomous,’” he wrote, “are those who on the whole are capable of conforming to the behavioral norms of their society....but are free to choose whether to conform or

⁶⁰ For an overview that illustrates just how pervasive the interest in conformity was, see Richard H. Pells, *The Liberal Mind in a Conservative Age: American Intellectuals in the 1940s and 1950s* (New York, NY: Harper & Row, 1985), 183-261; David Riesman, *The Lonely Crowd: A Study of the Changing American Character* (1950; Garden City, NJ: Doubleday, 1953), 18, 23-26, 29-30.

not,” who “recognize and respect [their] own feelings, [their] own potentialities, [their] own limitations.”⁶¹

Six years after Riesman published *The Lonely Crowd*, William Whyte released *The Organization Man* (1956), which painted a similar portrait of postwar society. Whyte’s version of other-directedness was what he called the “Social Ethic,” which he believed had replaced the Protestant ethic. Against the Protestant ethic, according to which “pursuit of individual salvation through hard work, thrift, and competitive struggle is the heart of the American achievement,” the Social Ethic championed “a belief in the group as the source of creativity” and “a belief in ‘belongingness’ as the ultimate need of the individual[.]” Along with Riesman, Whyte argued that American society at mid-century had undergone a transition from individualism to a kind of collectivism. The source of this shift, for Whyte, was the spread of “The Organization” — in other words, corporations. According to Whyte, the mandates of the Organization increasingly conflicted with what the Protestant ethic proscribed. Thrift, for instance, would no longer do, since big businesses needed consumers willing to spend large amounts of money on the products they made. More significantly, the individualist ethos of the Protestant ethic did not mesh well with the new corporations, which were hierarchical and heavily bureaucratized. The Social Ethic, then, according to which “[m]an exists as a unit of society” and “only as he collaborates with others does he become worth while,” was more in tune with the typical working conditions of the corporate employee.⁶²

Whyte found evidence of the Social Ethic throughout postwar society. Schooling, he wrote, “is more and more a training in the minutiae of the organization skills,” and he devoted several chapters to illustrating how businesses were shaping the curricula and priorities of postsecondary institutions, noting at one point that “[i]t is often the business school of the college that sets the

⁶¹ Riesman, *The Lonely Crowd*, 32-33, 37, 41-42, 120-132, 176-177, 278, 297, 316; Pells, *The Liberal Mind in a Conservative Age*, 245.

⁶² William Whyte, *The Organization Man* (New York, NY: Simon & Schuster, 1956), 4, 7, 17-18.

dominant tone[.]” Like Riesman, Whyte also saw popular culture as a major promoter of the Social Ethic, writing that “[s]ince 1900...the vision of life presented in popular fare has been one in which conflict has slowly been giving way to adjustment.” Perhaps the ultimate symbol of the Social Ethic for Whyte, the place where its values most manifested, were the suburbs. Whyte described the suburbs as “the ultimate expression of the interchangeability so sought by organization,” a place where people adopted the fashions and even the political and religious allegiances of their neighbors almost as soon as they arrived. “[T]he teaching of sociability,” he wrote, “is perhaps the greatest achievement of suburban education.” In the suburbs, “[o]ne is made *outgoing*.”⁶³

Both Riesman and Whyte identified economic changes — particularly the spread of corporate capitalism — as an important source of the crisis of autonomy. In addition to encouraging conformity, postwar corporate capitalism was also blamed for fostering alienation. In *White Collar* (1951), the sociologist C. Wright Mills examined the state of white-collar workers at mid-century. He justified his focus on this segment of the working class by arguing that “it is to this white-collar world that one must look for much that is characteristic of twentieth-century existence” and that “[t]he troubles that confront the white-collar people are the troubles of all men and women living in the twentieth century.” White-collar workers emerged as part of a larger set of transformations in American capitalism that unfolded over the course of the nineteenth and early twentieth centuries, which saw the decline of “the world of the small entrepreneur” and the rise of corporations. Mills pointed to several factors responsible for this shift, including the declining profitability of farming, the emergence of national markets, and monopolization.⁶⁴

This new corporate capitalism translated into new relations of production: specifically, a shift from “democratic property” to “class property.” Democratic property was property “which the

⁶³ Whyte, *The Organization Man*, 78-128, 243-263, 298-302, 350.

⁶⁴ Mills never explicitly defined “white-collar,” but based on the examples that he used, we can take the term to apply middle and upper-middle class professionals (e.g., lawyers, doctors, secretaries, etc.); C. Wright Mills, *White Collar: The American Middle Classes* (1951; New York, NY: Oxford University Press, 1953), ix, xv, 13-28.

owner himself works,” whereas class property was property “which others are hired to work and manage.” “The individual who owns democratic property has power over his work; he can manage his self and his working day,” Mills wrote, whereas “[t]he individual who owns class property has power over those who do not own, but who must work for him; the owner manages the working life of the non-owner.” Under a system of class property, “[t]he right of man ‘to be free and rooted in work that is his own’ is denied,” since “he cannot realize himself in his work, for work is now a set of skills sold to another, rather than something mixed with his own property.”⁶⁵

By the turn of the twentieth century, more and more people who once had — or could have had — the opportunity to work for themselves were, according to Mills, now working for others. He noted for example that “[i]n the established professions, the doctor, lawyer, engineer, once was free and named on his own shingle; in the new white-collar world, the salaried specialists of the clinic, the junior partners in the law factory, the captive engineers of the corporation have begun to challenge free professional leadership.” White-collar workers, in other words, were those who would have had a measure of economic independence under the old order but were now undergoing a kind of proletarianization. Mills wrote that “[i]n the case of the white-collar man, the alienation of the wage-worker from the products of his work is carried one step nearer to its Kafka-like completion.” He described white-collar workers as “[e]stranged from community and society in a context of distrust and manipulation; alienated from work and, on the personality market, from self; expropriated of individual rationality, and politically apathetic[.]” The white-collar worker was “bored at work and restless at play,” someone who “does not make anything, although he may handle much that he greatly desires but cannot have” and who “go[es] year after year through the same paper routine[.]”⁶⁶

⁶⁵ Mills, *White Collar*, 14.

⁶⁶ Mills, *White Collar*, x, xvi-xviii.

Daniel Bell struck similar chords in his 1956 essay “Work and Its Discontents,” which focused on how efficiency had come to dominate the running of American workplaces. Although this obsession had begun in the industrial sector with the work of Frederick Winslow Taylor, Bell observed that it had spread into white-collar workplaces as well: “the factory is archetypical because its rhythms, in subtle fashion, affect the general character of work....[a]nd, equally, because the rhythms of mechanization spill over into once individualized modes of work.” According to Bell, the overemphasis on efficiency brewed discontent among workers, writing that “[i]f ‘conspicuous consumption’ was the badge of a rising middle class, ‘conspicuous loafing’ is the hostile gesture of a tired working class.” He described “the tendencies toward the evasion of work” as something that “obsess[es] all workers,” and that “[t]he big lure of escape remains the hope of ‘being one’s own boss.’” For Bell, the remedy to dissatisfaction in the workplace involved “challenging the concept of efficiency,” specifically by “consider[ing] the worker as more than a part of a ‘human relation’ in a factory.” “His job must not only feed his body,” Bell insisted, “it must sustain his spirit.”⁶⁷

Though these authors were all academics, their books had a wide reach. *The Lonely Crowd* and *The Organization Man* made unquestionably the biggest splashes. When *The Lonely Crowd* first came out in 1950, only three thousand copies were available for purchase. The book proved so popular that it went through thirteen more print runs before a second abridged edition came out in 1961. *The Organization Man*, meanwhile, did even better, with sales reaching seven hundred thousand. Far from obscure eclectic treatises, then, these books had resonance: in their pages many Americans discovered a world that seemed all too familiar. For these social critics, the postwar affluent society was turning middle-class Americans in particular into uniform, interchangeable cogs who lived uneventful lives. Much of the blame fell on work. American capitalism after World War II, which was becoming increasingly white-collar and corporate, was criticized for eroding the individuality and inde-

⁶⁷ Daniel Bell, *Work and Its Discontents: The Cult of Efficiency in America* (Boston, MA: Beacon Press, 1956), 5-8, 15-16, 24-28, 33-34, 42.

pendence of its employees and saddling them with work that bored them. Some, like Daniel Bell, hankered for an alternative. Amway would offer one.⁶⁸

Pharmaceuticals were not the only recourse for Americans who felt psychologically strained by the pressure to conform or who found their work dissatisfying and disempowering. Along with drugs like Miltown, the postwar years saw an explosion of interest in self-help and positive thinking. In a May 1954 article in the *New Yorker*, the social critic Dwight Macdonald wrote that “the country is in the grip of a howto mania comparable to the dancing mania that swept over Europe in the fourteenth century.” He classified self-help and positive thinking books as “‘philosophical’ howtos,” works that “tell [the reader] how to cope with himself[.]” He attributed the postwar interest in self-help and positive thinking — and, by extension, how-to books in general — to a certain sort of nihilism, writing that “as world issues appear increasingly hopeless of solution, people console themselves with efforts in spheres where solutions are more manageable — the practical and the personal.” Although Macdonald’s analysis was bleak, it spoke to a larger truth about the postwar period. Overwhelmed by anxiety and the feeling that they had lost control over their lives (if they ever had it), many Americans turned to whatever techniques seemed most likely to alleviate their distress and to give them that control back.⁶⁹

Self-help and positive thinking have lengthy lineages in the United States. Steve Starker located the first American self-help books in Puritan New England, while Mercé Mur Effing has written that “the whole history of the US is impregnated with the message of self-help and personal im-

⁶⁸ “David Riesman, Sociologist Whose ‘Lonely Crowd’ Became a Best Seller, Dies at 92,” *New York Times*, May 11, 2002, A18; Carnes, “The Culture of Work,” 112.

⁶⁹ Dwight Macdonald, “Howtoism,” in Dwight Macdonald, *Against the American Grain* (New York, NY: Random House, 1962), 365, 377.

provement, the objective of which is, in most cases, implicitly or explicitly, the achievement of happiness.” The roots of positive thinking, meanwhile, go back to a mid-nineteenth century religiously-inspired movement called mind cure. In 1881, the physician George Beard published a book called *American Nervousness*, wherein he popularized the term “neurasthenia” to describe a set of psychological and physiological disturbances that, according to him, were the consequences of the rapid social and technological transformations wrought by the Second Industrial Revolution.⁷⁰

This earlier age of anxiety contributed to the emergence of mind cure, the predecessor to positive thinking. The founder of mind cure was Phineas Quimby, who lived in Maine in the mid-1800s and dabbled in many of the social reform movements of the period. Among the fads he explored was hypnotism, and it was during the course of his work in that field that he discovered the power of “mental suggestion” to relieve his patient’s maladies. Many of those whom he treated went on to make key contributions to the mind cure movement. There was, for instance, Warren Evans, a reverend who wrote *The Mental Cure*, one of the earliest works in mind cure. Arguably Quimby’s most well-known patient was Mary Baker Eddy, who visited him in 1862. Quimby’s ideas — and their supposed efficacy — inspired Eddy to write *Science and Health with Key to the Scriptures*, the foundational text of the Church of Christ, Scientist, formed in 1879. In *Science and Health*, Eddy claimed that “a man’s belief produces disease and all its symptoms” and that “[h]ealth is not a condition of matter, but of Mind.” According to her, the proper way to rid oneself of illness was through divine intervention, not medicine. She wrote that “[d]rugs....are stupid substitutes for the dignity and potency of divine Mind and its efficacy to heal” and pointed out that “God does not employ drugs or hygiene....else Jesus would have recommended and employed them in his healing.”⁷¹

⁷⁰ Steve Starker, *Oracle at the Supermarket: The American Preoccupation With Self-Help Books* (New Brunswick, NJ: Transaction Publishers, 1989), 13-14; Mercé Mur Effing, “The Origin and Development of Self-Help Literature in the United States: The Concept of Success and Happiness, an Overview,” *Atlantis: Journal of the Spanish Association of Anglo-American Studies*, 31 no. 2 (December 2009): 127; Donald Meyer, *The Positive Thinkers: Religion as Pop Psychology from Mary Baker Eddy to Oral Roberts* (1965; New York, NY: Pantheon Books, 1980), 21-31.

⁷¹ Meyer, *The Positive Thinkers*, 33-34, 38, 73, 79; Mary Baker Eddy, *Science and Health with Key to the Scriptures* (1875; Boston, MA: The Christian Science Board of Directors, 2000), 120, 143, 158-159.

Quimby's teachings also laid the foundations for the New Thought Alliance, a loose umbrella organization formed at the close of the nineteenth century that included churches and religious groups of various denominations. In his book *A History of the New Thought Movement*, Horatio Dresser, son of Julius Dresser, whom Quimby had also treated, explained that whereas "[t]he 'old thought' was undeniably pessimistic, it dwelt on sin, emphasized the darkness and misery of the world, the distress and the suffering," New Thought "dwelt on life and light, pointing the way to the mastery of all sorrow and suffering." New Thought taught that "[m]an is by divine purpose, by birth, and his true human inheritance, free" and that "[h]e must come forth and 'claim his freedom,' the true freedom of his inner or spiritual nature" and "should rely on himself, develop his inner powers, believe in his own experiences and intuitions." According to New Thought, "man's outward conditions express the inward life....To change or improve one's conditions, one must then change the inner centre, adopt a different attitude, make other and better affirmations, look out on life with more optimistic expectations." The logical conclusion of this, then, was that "life is to a large extent what we make it by our attitude toward it....If we fail in life, our own attitude is at fault. When we succeed, it is because our attitude was affirmative." This insight was the essence of what became positive thinking.⁷²

Turn-of-the-century religious movements like Christian Science and New Thought helped lay the foundations for twentieth century self-help and positive thinking, but there were secular forces at work as well. Writing in 1966, Phillip Rieff argued that "[t]he political man of the Greeks, the religious man of the Hebrews and Christians, the enlightened economic man of eighteenth-century Europe....has been superseded by a new model for the conduct of life," which he called "psychological man." According to him, the psychological man was an outgrowth of the popularization of Freudian psychoanalysis. Whereas individuals were once taught to find meaning and purpose in

⁷² Meyer, *The Positive Thinkers*, 35-37; Horatio Dresser, *A History of the New Thought Movement* (New York, NY: Thomas Y. Crowell Company, 1919), 160-162.

something greater than themselves, the cultural emphasis had now shifted towards self-comprehension and self-actualization. Rieff saw “[t]he revolution of rising expectations” as a key catalyst for this transformation: as creature comforts became more prevalent and readily available, self-sacrifice lost out in favor of self-indulgence.⁷³

Warren Susman identified a similar cultural shift. A “culture of character,” he wrote, dominated in the period following the Enlightenment, with character defined as “a group of traits believed to have social significance and moral quality,” examples of which included “*citizenship, duty, democracy, work, building, golden deeds, outdoor life, conquest, honor, reputation, morals, manners, integrity*, and above all, *manhood*.” By the turn of the twentieth century, though, the culture of character began to give way to a “culture of personality.” Whereas the old ethos had held that “the highest development of self ended in a version of self-control or self-mastery, which often meant fulfillment through sacrifice in the name of a higher law, ideals of duty, honor, integrity,” the burgeoning culture of character “stressed self-fulfillment, self-expression, self-gratification[.]” Words associated with the culture of personality included “*fascinating, stunning, attractive, magnetic, glowing, masterful, creative, dominant, [and] forceful*.” Just as Susman agreed with Rieff about the turn towards individualism, he similarly concluded that the principle cause of this was economic changes, particularly the rise of consumer culture.⁷⁴

Twentieth century self-help and positive thinking was an amalgamation of ideas from mind cure, psychoanalysis, and the culture of personality. Arguably the most prominent self-help and positive thinking books published in the first half of the century were Dale Carnegie’s *How to Win Friends and Influence People* and Napoleon Hill’s *Think and Grow Rich*, which came out within a year of one another: Carnegie’s in 1936 and Hill’s in 1937. The fact that both came out in the midst of the Great

⁷³ Phillip Rieff, *The Triumph of the Therapeutic: Uses of Faith After Freud* (New York, NY: Harper & Row, Publishers, 1966), 58, 63, 73.

⁷⁴ Warren I. Susman, “‘Personality’ and the Making of Twentieth-Century Culture,” in *Culture as History: The Transformation of American Society in the Twentieth Century*, Warren I. Susman ed. (New York, NY: Pantheon Books, 1984), 273-275, 277, 280.

Depression is significant. Mercé Effing explained that because of the economic collapse, “people were more focused on avoiding poverty than on becoming wealthy,” and so consequently “[t]hey had to be shown the way to believe in themselves again[.]” More than probably anyone else who has written in the self-help and positive thinking tradition, Dale Carnegie epitomized the culture of personality. Carnegie wrote that he was motivated to write *How To Win Friends and Influence People* due to the absence of “a practical, working handbook on human relations.” “Dealing with people is probably the biggest problem you face, especially if you are in business,” Carnegie told his readers. Accordingly, *How to Win Friends and Influence People* focused on making interpersonal relations easier to navigate. Each chapter centered on a single tip, thirty in all, for how to make oneself more likable and agreeable.⁷⁵

In addition to dispensing advice about getting along with others, Carnegie also alluded to certain notions of the self common throughout self-help and positive thinking writing. In his chapter on making people feel important and appreciated, he wrote that “[s]ome authorities declare that people may actually go insane in order to find, in the dreamland of insanity, the feeling of importance that has been denied them in the harsh world of reality.” He claimed that while “about one-half of all mental diseases can be attributed to such physical causes as brain lesions, alcohol, toxins and injuries....the other half of the people who go insane apparently have nothing organically wrong with their brain cells.” The idea that individuals could literally think themselves into illness was advanced by some mind cure devotees — most notably Christian Scientists — and, as we will see, it also appeared in the works of some postwar self-help and positive thinking authors. Later, in his chapter on the value of smiling, Carnegie declared that “[h]appiness doesn’t depend on outward

⁷⁵ Effing, “The Origin and Development of Self-Help Literature in the United States,” 130; Dale Carnegie, *How to Win Friends and Influence People* (1936; New York, NY: Simon & Schuster, 2009), xvi-xvii.

conditions” but rather “on inner conditions”: “It isn’t what you have or who you are or where you are or what you are doing that makes you happy or unhappy. It is what you think about it.”⁷⁶

Though it made passing references to the importance of a person’s state of mind, *How to Win Friends and Influence People* was mainly a self-help book. *Think and Grow Rich*, on the other hand, which purported to offer instructions on the art of making money, fell squarely in the positive thinking camp. “Success comes to those who become success conscious,” Napoleon Hill told his readers, while “[f]ailure comes to those who indifferently allow themselves to become failure conscious.” “The object of this book,” he wrote, “is to help all who seek it, to learn the art of changing their minds from failure consciousness to success consciousness.” His advice for how to do this followed standard positive-thinking prescriptions that his postwar successors would also dispense. For Hill, making money required having the proper disposition and willpower. Good thoughts supposedly translated into good outcomes through a process that Hill called “auto-suggestion.” The idea behind auto-suggestion was that by repeating to themselves certain thoughts or ideas or phrases, a person could effectively rewire their brain, making it possible for them to achieve their goals. Along with auto-suggestion, Hill advised “[c]reat[ing] a definite plan for carrying out your desire,” since even “[t]he most intelligent man living cannot succeed in accumulating money — nor in any other undertaking — without plans which are practical and workable.” Becoming rich also required getting rid of negative thoughts: positivity must “constitute the dominating influence of your mind” so that “the negatives *cannot enter it*.” If obstacles to moneymaking appeared — which Hill believed was inevitable — he advised perseverance, writing that “[p]ersistence is an essential factor in the procedure of transmuting desire into its monetary equivalent.”⁷⁷

Although there were important pieces of self-help and positive thinking literature authored before the Second World War, the genre really matured after 1945, when several of its most notable

⁷⁶ Carnegie, *How to Win Friends and Influence People*, 23-24, 74.

⁷⁷ Napoleon Hill, *Think and Grow Rich* (1937; New York, NY: Penguin, 2008), 14, 81-85, 136, 138, 217, 293.

works were published, among them Norman Vincent Peale's *The Power of Positive Thinking* (1952), John Schindler's *How to Live 365 Days a Year* (1954), David Schwartz's *The Magic of Thinking Big* (1959), and Maxwell Maltz's *Psycho-Cybernetics* (1960). These works spoke directly to the crisis of autonomy confronting many postwar Americans. They sought to assure readers that they did indeed possess control over the trajectory of their lives and proscribed various techniques for exercising or regaining that control.⁷⁸

Although the aforementioned works varied in the extent to which they emphasized certain subjects over others, certain ideas appeared in virtually all of them. Most significantly, all endorsed what is without question the central tenant of the self-help and positive thinking genre: namely, that success or failure in one's life goals is primarily the consequence of one's thoughts, beliefs, and attitudes. Norman Vincent Peale wrote that "[m]any of us manufacture our own unhappiness," and while he acknowledged that "not all unhappiness is self-created, for social conditions are responsible for not a few of our woes," he nonetheless believed that "to a large extent by our thoughts and attitudes we distill out of the ingredients of life either happiness or unhappiness for ourselves." David Schwartz wrote that "[b]elief in success is the one basic, absolutely essential ingredient in successful people." "A person is a product of his own thoughts," he insisted, and he counseled readers to "[t]hink success, don't think failure....Thinking success conditions your mind to create plans that produce success. Thinking failure does the exact opposite. Failure thinking conditions the mind to think other thoughts that produce failure." Maxwell Maltz stated that "[y]ou act, and feel, not according to what things are really like, but according to the image your mind holds of what they are like. You have certain mental images of yourself, your world, and the people around you, and you behave as though these images were the truth, the reality, rather than the things they represent."

⁷⁸ Effing, "The Origin and Development of Self-Help Literature in the United States," 131.

Rather than “‘find’ success or ‘come to’ failure,” Maltz claimed that people “carr[y] their seeds around in [their] personality and character.”⁷⁹

Some of these books claimed that thoughts also played a key role in affecting physical health. Peale devoted an entire chapter to the link between negative thoughts and poor health. “It has been variously computed,” he wrote, “that from 50 to 75 percent of present-day people are ill because of the influence of improper mental states on their emotional and physical make-up.” John Schindler claimed that “[w]hen you, or I, or any one of us, has a physical illness, the chances are better than 50 per cent that our illness is emotionally induced.” “Emotionally-induced illness,” or E.I.I., as he termed it, took various forms, including but not limited to “pain in the back of the neck, in the stomach, in the colon, in the scalp, in blood vessels, in skeletal muscles...ulcer-like pains, gall bladder-like pains, common headaches, migraine headaches,” “neurodermatitis,” and “gas.”⁸⁰

Having placed so much emphasis on the role that thoughts played in shaping physiological and psychological well-being, these books then recommended how to go about acquiring the “right” thoughts and attitudes. Many of these will sound familiar by this point. One technique involved positive visualization: for someone to get what they wanted, they needed to envision already having it. Peale advised readers to “[f]ormulate and stamp indelibly on your mind a mental picture of yourself as succeeding” and to do so “no matter how badly things seem to be going at the moment.” Maltz identified imagination as “the first key to your success mechanism,” and, like Peale, counseled readers to imagine themselves successful: “Picture to yourself what you would like to be and have, and assume for the moment that such things might be possible. Arouse a deep desire for these things. Become enthusiastic about them. Dwell upon them — and keep going over them in your mind.” “Mental pictures,” he wrote, “offer us an opportunity to ‘practice’ new traits and attitudes, which

⁷⁹ Norman Vincent Peale, *The Power of Positive Thinking* (1952; New York, NY: Fireside, 2003), 57-58, 162; David J. Schwartz, *The Magic of Thinking Big* (1959; New York, NY: Fireside, 1987), 20, 21, 26; Maxwell Maltz, *Psycho-Cybernetics: A New Way to Get More Living Out of Life* (Englewood Cliffs, NJ: Prentice-Hall, 1960), 31, 102.

⁸⁰ Peale, *The Power of Positive Thinking*, 150; John A. Schindler, *How to Live 365 Days a Year* (Englewood Cliffs, NJ: Prentice-Hall, 1954), 16, 33.

otherwise we could not do....If we picture ourselves performing in a certain manner, it is nearly the same as the actual performance. Mental practice helps to make perfect.”⁸¹

Happiness and success also involved cleansing the mind of negative thoughts, beliefs, and attitudes, as well as preventing any new negatives from entering. David Schwartz insisted that “it really is easy to forget the unpleasant if we simply refuse to recall it. Withdraw only positive thoughts from your memory bank. Let the others fade away.” Peale similarly recommended that “[w]henver a negative thought concerning your personal powers comes to mind, deliberately voice a positive thought to cancel it out.” Peale also championed what he called “suggestive articulation,” which, like Napoleon Hill’s auto-suggestion, involved creating a positive mental attitude by saying positive words to oneself. “Words have profound suggestive power,” Peale wrote, “and there is healing in the very saying of them.” In a similar vein, Schindler said that readers should “[c]arry this idea every minute of every day: *I am going to keep my attitude and thinking calm and cheerful — RIGHT NOW.*” “That thought you are to have always with you,” he wrote, “repeating it over and over to yourself until it sticks there without conscious effort.” And when negative thoughts invariably cropped up, “[p]ractice thought control”: “When you catch yourself starting a stressing emotion like worry, anxiety, fear, apprehension, or discouragement, *STOP IT*. Substitute a healthy emotion like equanimity, courage, determination, resignation, or cheerfulness.” All three also believed that language had a powerful effect on attitude, which is why Peale wrote that “[i]t is important to eliminate from conversations all negative ideas, for they tend to produce tension and annoyance inwardly.” In their place, he advised “fill[ing] your personal and group conversations with positive, happy, optimistic, satisfying expressions.” Schwartz, too, suggested “eliminat[ing] ‘impossible,’ ‘won’t work,’ ‘can’t do,’ ‘no use trying’ from your thinking and speaking vocabularies,” while Schindler counseled to “get the

⁸¹ Peale, *The Power of Positive Thinking*, 12; Maltz, *Psycho-Cybernetics*, 27, 31, 68.

habit of saying the cheerful, pleasant thing,” reasoning that “[t]he more adept you become in pleasantries, cheerios, and humor, the easier it is to stay out of despondency, frustration, and E.I.I.”⁸²

In addition to monitoring one’s thoughts and words, these authors also urged their readers to pay attention to the people they associated with. Schindler identified “the people who live within our circle, those with whom we play, talk, visit, work, fight, love” as “[t]he second most important educational factor each of us has[.]” (The most important, as he saw it, was the family.) “If we are lucky,” he wrote, “some strong enlightened individual enters our circle and influences us in the development of a healthy attitude or two,” but, unfortunately, he believed that “most of the people who stream through our lives are mediocre and full of educational stress.” Schwartz stated that “[p]rolonged association with negative people makes us think negatively, close contact with petty individuals develops petty habits in us,” whereas “companionship with people with big ideas raises the level of our thinking; close contact with ambitious people gives us ambition.” He told readers to be “extra, extra cautious” about not “let[ting] negative thinking people — ‘negators’ — destroy your plan to think yourself to success,” and to “[d]evelop a defense against people who want to convince you that you can’t do it.” Peale advised to “[m]ake a list of your friends to determine who is the most positive thinker among them and deliberately cultivate his society.” Rather than getting rid of negative friends entirely, Peale suggested that readers should “get closer to those with a positive view for a while” and then “go back among your negative friends and give them your newly acquired thought pattern without taking on their negativism.”⁸³

Of course, regardless of how well they conditioned their thinking or monitored their relationships, these authors recognized that their readers would invariably encounter obstacles to achieving their goals. In those instances, they, like Napoleon Hill, championed persistence. It was not

⁸² Schwartz, *The Magic of Thinking Big*, 51, 55, 101; Peale, *The Power of Positive Thinking*, 12-13, 18, 21; Schindler, *How to Live 365 Days a Year*, 21, 87, 96, 114-115, 201.

⁸³ Schindler, *How to Live 365 Days a Year*, 68; Schwartz, *The Magic of Thinking Big*, 117-118, 121; Peale, *The Power of Positive Thinking*, 172.

enough to visualize oneself happy and successful: a person also had to be determined to succeed. Peale wrote that “[p]eople are defeated in life not because of lack of ability, but for lack of wholeheartedness.” “Results do not yield themselves to the person who refuses to give himself to the desired results,” and so therefore it was imperative to “throw all there is of yourself into your job or any project in which you are engaged.” Schwartz told readers to “[e]xpect future obstacles and difficulties” and to “[m]eet problems and obstacles as they arise”: “The test of a successful person is not the ability to eliminate all problems before he takes action, but rather the ability to find solutions to difficulties when he encounters them.” He offered several tips for overcoming adversity, which included “[r]esearch[ing] each setback,” “[h]av[ing] the courage to be your own constructive critic,” and “[b]lend[ing] persistence with experimentation.”⁸⁴

Like some of the studies written by the postwar social critics, these books were hot commodities when they came out. Take *The Power of Positive Thinking*. It went on sale in October 1952 — a review by an Episcopalian priest named George Stephenson published in the *New York Times* grumbled that in Peale’s world, the “problems seem too easily solved, the success a bit too automatic and immediate, the answers a little too pat, and the underlying theology a shade too utilitarian.” By November 16th, though, it was already no. 9 on the *Times*’s nonfiction best-seller list. It reached no. 4 by December 7th, no. 3 by February 1, 1953, and no. 2 by February 22nd. On May 17, 1953, *The Power of Positive Thinking* hit no. 1 in the nonfiction category, the first of forty-eight weeks that it held the title. All told, *The Power of Positive Thinking* was on the list for one hundred and eighty-six weeks.⁸⁵

For some Americans, just buying a book was not enough, which was why the fifties also saw the emergence of new religions and social movements centered on self-improvement and self-actualization. Arguably the most quixotic was Dianetics, the “modern science of mental health” devel-

⁸⁴ Peale, *The Power of Positive Thinking*, 87; Schwartz, *The Magic of Thinking Big*, 170, 193-194.

⁸⁵ George R. Stephenson, “A Pastor’s Prescription,” *New York Times*, October 26, 1952, BR36; “Best Seller List,” *New York Times*, December 7, 1952, BR8; “Best Seller List,” *New York Times*, February 1, 1953, BR8; “Best Seller List,” *New York Times*, February 22, 1953, BR8; “Best Seller List,” *New York Times*, May 17, 1953, BR8; Ron Alexander, “Chronicle,” *New York Times*, May 31, 1994, A14.

oped by the science fiction author L. Ron Hubbard. Hubbard spent much of the 1930s churning out an absurd volume of fiction, writing as much as a hundred thousand words in a single month. 1938, however, was when his interests began shifting towards religion. That was the year he wrote “Excalibur,” which recounted a spiritual experience that he supposedly had while anesthetized. In 1948 he produced the first draft of what became *Dianetics: The Modern Science of Mental Health*. Two years later, in 1950, the magazine *Astounding Science Fiction* carried an essay-length introduction to Dianetics. The book was released that same year.⁸⁶

Dianetics is difficult to classify. It embraces some of the same principles found in the works of Peale, Schwartz, and others, but it does not exactly fall under either self-help or positive thinking. Hubbard described Dianetics as “an organized science of thought built on definite axioms” that “contains a therapeutic technique with which can be treated all inorganic mental ills and all organic psychosomatic ills, with assurance of complete cure in unselected cases.” Like Freud, Hubbard divided the human mind into three parts: the analytic, “which perceives and retains experience data to compose and resolve problems”; the reactive, “which files and retains physical pain and painful emotion”; and the somatic, “which, directed by the analytical or reactive mind, places solutions into effect on the physical level.” The reactive mind was especially significant, since that was where engrams dwelled. Hubbard defined an engram as “a moment of ‘unconsciousness’ containing physical pain or painful emotion and all perceptions[.]” He distinguished engrams from memories by writing that the former “are a complete recording, down to the last accurate detail, of every perception present in a moment of partial or full ‘unconsciousness,’” and that unlike memories, engrams were “a cellular trace of recordings impinged deeply into the very structure of the body itself.”⁸⁷

⁸⁶ Hugh B. Urban, *The Church of Scientology: A History of a New Religion* (Princeton, NJ: Princeton University Press, 2011), 33, 37-39, 43.

⁸⁷ L. Ron Hubbard, *Dianetics: The Modern Science of Mental Health* (1950; Los Angeles, CA: Bridge Publications, 1985), 10, 46-47, 68-69, 141.

Like those self-help and positive thinking authors who blamed certain physical illnesses on negative thinking, Hubbard claimed that engrams were responsible for a wide array of maladies, from “psychoses, neuroses, compulsions, repressions” to “arthritis, bursitis, asthma, allergies, sinusitis, coronary trouble, high blood pressure,” among others. To relieve the physical and psychological ailments caused by engrams, Dianetics proposed a form of therapy called auditing. During auditing, a person would describe some problem that they were struggling with in the present and then, with their auditor, work backwards to identify the primordial engram at the root of that problem. The end goal of auditing was to produce a “clear,” an “optimum individual” free of any mental disorders or psychosomatic illnesses. In addition, the clear had an above-average IQ and “pursues existence with vigor and satisfaction.”⁸⁸

Dianetics did well on the market, spending over half of 1950 on the *New York Times*'s best-seller list. Its success was, at least in part, a function of the fact that it spoke to Cold War anxieties, particularly around nuclear war. Dianetics met with backlash from the mainstream medical community. The American Psychological Association issued a statement in September 1950 that called Dianetics “not supported by empirical evidence of the sort required for the establishment of scientific generalizations,” while a medical doctor who reviewed *Dianetics* in the *New Republic* colorfully described the book as “a bold and immodest mixture of complete nonsense and perfectly reasonable common sense, taken from long-acknowledged findings and disguised and distorted by a crazy, newly invented terminology.” Nevertheless, an ecosystem of Dianetics groups and self-taught practitioners flourished in the wake of the book's publication, not just in the United States but also in Britain.⁸⁹

⁸⁸ Hubbard, *Dianetics*, 12, 59-60, 267.

⁸⁹ Urban, *The Church of Scientology*, 52-54, 95-96; Hubbard, *Dianetics*, 439; APA quoted in Lucy Freeman, “Psychologists Act Against Dianetics,” *New York Times*, September 9, 1950, 19; Martin Gumpert, “The Dianetics Craze,” *The New Republic*, August 14, 1950, 20.

Dianetics became the foundation for the Church of Scientology, which was formed in 1954. Beyond Dianetics, there were important overlaps between self-help and positive thinking and religion, both in the pre- and postwar periods. As noted earlier, positive thinking's intellectual predecessor, mind cure, originated in American Protestant circles, and though the foundational ideas were secularized as time went on, self-help and positive thinking authors continued to invoke religion — specifically Christianity — in their works. Indeed, Dwight Macdonald observed that when it came to self-help and positive thinking books, “the big sales are being rung up by the men of God, perhaps because they can mix psychology — or what passes for it in the howto world — with religion[.]”

The person who did this most explicitly was Norman Vincent Peale, who for many years headed up the Marble Collegiate Church in Manhattan. (Among his parishioners was a bumptious real estate developer named Donald John Trump.) Exhortations to believe in God and to pray appeared throughout *The Power of Positive Thinking*. Peale advised readers to “[o]rganize your life on a spiritual basis so that God’s principles work within you.” When faced with adversity, Peale wrote, “[b]elieve that Almighty God has put in you the power to lift yourself out of the rough by keeping your eye firmly fixed on the source of your power. Affirm to yourself that through this power you can do anything you have to do.” He also recommended “spend[ing] fifteen minutes daily filling your mind full of God” as a balm for anxiety. He even dedicated a chapter to faith healing, in which he argued that “[t]here is impressive evidence to support the belief that God works through both the practitioner of science, the doctor, and the practitioner of faith, the minister.” Napoleon Hill insisted that his book was “not a course on religion.” Nevertheless, early on he wrote that “Christianity is the greatest potential power in the world today, because its founder was an intense dreamer who had the vision and the imagination to see realities in their mental and spiritual form before they had been transmuted into physical form,” and he informed readers that “God seems to throw Himself on the side of the man who knows *exactly* what he wants, *if he is determined* to get just that!” Appeals to religion were not universal, though. For instance, Maltz and Schwartz placed no emphasis on it.

Schindler, meanwhile, rejected any link between faith and mental tranquility, writing that “religion, per se, neither increases nor decreases the individual’s chances of getting E.I.I.” and that “[t]he clergy and strongly religious people have E.I.I. just as often as non-religious people.”⁹⁰

Self-help and positive thinking have also been closely associated with American business. Self-help and positive thinking books championed many of the values necessary for success in the business world. *Think and Grow Rich*, for example, was all about helping people make more money and promoted money-making as a virtue. In that book, Hill wrote that “the capitalists are the brains of civilization, because they supply the entire fabric of which all education, enlightenment and human progress consists” and “that neither riches nor opportunity would be available to us if organized capital had not provided these benefits.” Self-help and positive thinking authors regularly held up businessmen as role models — Charles Schwab was a Dale Carnegie favorite — or else used examples from the business world as anecdotal evidence of the utility of their advice. Another favorite technique was to take ideas or phrases from the business world and apply them to everyday situations. For instance, Carnegie wrote that to persuade someone to do something, “[d]ramatize your ideas,” and he pointed to modern advertising as evidence: “This is the day of dramatization. Merely stating a truth isn’t enough. The truth has to be made vivid, interesting, dramatic. You have to use showmanship. The movies do it. Television does it. And you will have to do it if you want attention.” To improve their self-image, Schwartz counseled readers to “[b]uild a ‘sell-yourself-to-yourself’ commercial” and to “[r]emind yourself at every opportunity that you’re a first-class person.” “Go first class in everything you do,” Schwartz wrote, telling readers that “[p]eople rate you for quality” and that therefore they had to “[d]evelop an instinct for quality” since “in the long run,

⁹⁰ Urban, *The Church of Scientology*, 64-68; Macdonald, “Howtoism,” 386; Michael Kruse, “The Power of Trump’s Positive Thinking,” *Politico*, October 13, 2017, <http://www.politico.com/magazine/story/2017/10/13/donald-trump-positive-thinking-215704> (accessed November 30, 2018); for more on Peale and the role he played in the religious revival of the 1950s, see Christopher Lane, *Surge of Piety: Norman Vincent Peale and the Remaking of American Religious Life* (New Haven, CT: Yale University Press, 2016); Peale, *The Power of Positive Thinking*, 108, 120, 139, 169; Hill, *Think and Grow Rich*, 29, 127, 251; Schindler, *How to Live 365 Days a Year*, 123.

going first class actually costs you less than going second class.” Amway would deploy self-help and positive thinking even more overtly on behalf of business and free enterprise.⁹¹

The postwar years were good times for direct sales. The 1940s saw an important milestone in the industry with the introduction of the party plan, an innovation of Stanley Home Products. Thanks in part to that, direct sales grew healthily. In 1952 the Better Business Bureau estimated that one and a half million Americans were in direct sales. A December 1954 article remarked that “[b]usiness is good right now with the doorbell pushers,” pointing out that a number of famous Americans, among them the Reverend Billy Graham, had once worked as direct sellers. The *Wall Street Journal* reported in August 1958 that despite the fact that the country was in the midst of a recession, direct sales companies had seen their sales go up over the previous year. Total sales in 1957 stood at two billion dollars, double what they were just four years earlier.⁹²

Americans joined the ranks of direct sellers for a number of reasons. Housewives found it appealing as a way to bring in additional income in the event of some unforeseen expense or to help purchase the latest consumer gadget. A 1955 article advised parents to encourage their teenage sons to pursue direct sales. According to the article, not only would it help them pay their way through college, but it would also teach them “how to get along with all kinds of people[.]” For some, it promised better opportunities than a traditional salaried job. Take the case of a housewife who

⁹¹ Hill, *Think and Grow Rich*, 187, 190; for examples of businesses and businessmen used in self-help and positive thinking books, see Carnegie, *How to Win Friends and Influence People*; Peale, *The Power of Positive Thinking*; and Schwartz, *The Magic of Thinking Big*; Carnegie, *How to Win Friends and Influence People*, 204, 207; Schwartz, *The Magic of Thinking Big*, 116, 130-131.

⁹² Biggart, *Charismatic Capitalism*, 42-44; Walter Breede Jr., “Door-to-Door Salesmen Increasing Now As Direct Selling Proves It Still Has Punch,” *The Ada Evening News*, June 11, 1952, 4; Hal Boyle, “Arthur Godfrey, Billy Graham Started Careers as Peddlers,” *The Berkshire Evening Eagle*, December 3, 1954, 6; Frederick Taylor, “Prosperous Peddlers: Door-to-Door Sellers Rack Up Sales Gains — With Help From Slump,” *Wall Street Journal*, August 12, 1958, 1; Harold Walsh, “House-to-House Selling Now Billion-Dollar Business,” *Los Angeles Times*, August 28, 1953, A6.

sought career advice from a reporter named Anne Helwood in 1953. She told Helwood that she wanted to go back to work now that her children were grown up, but worried that her lengthy absence from the workforce rendered her unemployable. Helwood told the woman to consider direct sales. The housewife balked but ultimately decided to give it a shot, figuring it might serve as a gateway into a more permanent, successful job. Writing in November 1960, Helwood reported that the former housewife was still “working for the same company, with several women under her, and her income is very large.” There was an even more basic attraction than money, though. In an age of anxiety over autonomy, direct sales seemed to offer a path to independence. A 1957 newspaper article proclaimed that “[d]irect selling is one way to be your own boss,” noting that the direct seller’s “hours, methods and profits are up to him. How hard he works and how inventive he is in finding new ways to drum up business determine his ‘take.’”⁹³

DeVos and Van Andel were part of that success story. By the end of the 1950s, they had become big-shot Nutrilite distributors, with a network of thousands. However, there were growing problems with the company as a whole. Right around the time that the two men joined the business, Nutrilite came under fire from the FDA for claiming that its supplements had medicinal qualities. Nutrilite distributors were guilty of this too, as with the case of an ad that ran in the *Waunakee Tribune* in September 1947. The ad’s headline rattled off a number of maladies — “Arthritis, Neuritis, Lumbago, Backaches, Severe Aches & Pains” — before alleging that “records for the 13 years show that most people using NUTRILITE get rid of their ailments.” In May 1950, the FDA issued an order barring Nutrilite from saying that its vitamins could cure or treat diseases. Nutrilite distributors were also prohibited from using certain company materials, among them *How to Get Well and Stay Well*, a booklet that DeVos described as “[a] key to our success[.]” In the aftermath of the FDA’s

⁹³ Dorothy Roe, “Wives Boost Family Income,” *Lubbock Evening Journal*, March 19, 1954, 12; “Boys Shouldn’t Overlook Careers in Selling Field,” *Fort Pierce News Tribune*, August 24, 1955, 14; Anne Helwood, “Direct Selling Career Can Be Very Rewarding,” *Kittanning Leader-Times*, November 29, 1960, 3; “Direct Selling Is One Way to Become Own Boss,” *Tipton Tribune*, June 5, 1957, 3.

judgment, Nutrilite was much more careful about how it promoted the alleged benefits of its products. A Nutrilite pamphlet from the mid-fifties, for example, clarified that Nutrilite “is sold and offered for sale solely as a dietary food supplement to supplement or fortify the diet” and declared, in bold lettering, that “IT IS NOT REPRESENTED OR IMPLIED, either directly or indirectly, that Nutrilite Food Supplement will, or may, be effective to prevent or adequately treat or cure any of these diseases and conditions,” which was followed by a fairly chunky paragraph. Nutrilite was not alone in facing this kind of regulatory scrutiny: back in 1940, Miles Laboratories ended up in a protracted back-and-forth with the FDA over its One-A-Day vitamins.⁹⁴

In response to the FDA’s actions, Nutrilite decided that it wanted to branch out of nutritional supplements and into other products, including cosmetics. This brought the company into direct conflict with Mytinger & Casselberry. Although Mytinger & Casselberry supported expanding the Nutrilite product line, they did not want to offer all of the new cosmetics that Nutrilite was proposing. As tensions grew, distributors were forced to pick sides. DeVos and Van Andel found themselves pulled into the middle of the affair when, in 1958, Van Andel chaired a study group convened to resolve the various disputes. By that point, Van Andel wrote, “our five thousand distributors were angry,” and he and DeVos sought to assuage them by shifting away from Nutrilite. So that summer, they met with some of their distributors in Charlevoix, Michigan, where they decided to part ways with Nutrilite and form their own company: the American Way Association. Amway was born.⁹⁵

Having declared their independence from Nutrilite, DeVos and Van Andel set out to develop a line of products and an organizational structure unique to their company. The specter of Nutrilite hung over both of them: they were determined to avoid making the same mistakes that Nutrilite had. Van Andel’s chapter on the Nutrilite controversy was titled “Why Integrity Matters,” and in it

⁹⁴ Nutrilite ad, *Wauakee Tribune*, September 11, 1947, 2; “Nutrilite Cited for False Claims,” *New York Times*, May 22, 1951, 62; DeVos, *Simply Rich*, 85; Facts about Vitamins, Minerals and Nutrilite Food Supplement, 9, box 1, LG; Apple, *Vitamina*, 89-92. Portions reproduced in Mondom, “Compassionate Capitalism,” 6.

⁹⁵ Van Andel, *An Enterprising Life*, 49-51, 55-56; DeVos, *Simply Rich*, 91-94. Portions reproduced in Mondom, “Compassionate Capitalism,” 6.

he chastised the company, saying that “[t]he leadership had violated some pretty basic principles, and in so doing had alienated its distributors.” In a similar vein, DeVos wrote that one of their key priorities when they formed Amway was “protect[ing] the distributor groups,” which had understandably been rattled by the war inside Nutrilite. Nutrilite and Mytinger & Casselberry continued fighting after DeVos and Van Andel departed. In April 1959, Nutrilite took Mytinger & Casselberry to court to try and get out of their partnership. The two entities negotiated a new arrangement later that year, and in August 1960, Mytinger & Casselberry reorganized itself as Mytinger Corp.⁹⁶

When it came to selecting products for Amway, Nutrilite again was the example to avoid. Van Andel explained that their main criteria were that their products be “something anyone could sell,” “something everyone knew they needed,” and “something that was not highly regulated.” Nutrilite had fallen short on all three counts. Accordingly, they settled on household cleaning products. Additionally, the pair decided early on that, in order to forestall the possibility of a Mytinger & Casselberry-style dispute, they wanted to make all their products themselves. Take Liquid Organic Cleaner, or L.O.C., Amway’s very first product. L.O.C. was originally produced by Eckle Company under the brand name Frisk. Eckle, however, had poor quality control, so DeVos and Van Andel turned to a second firm, Atco Manufacturing Co.. To make sure that Atco was up to the task, they decided to acquire partial ownership of the company. They then relocated Atco from Detroit to Amway’s headquarters, which were in a small town about fifteen minutes outside Grand Rapids called Ada, and rechristened it the Amway Manufacturing Corporation.⁹⁷

And then there was the Plan. Officially the Amway Sales and Marketing Plan, the Plan marked an important milestone in the history of direct sales — Katina Lee Manko has written that it represented the emergence of multi-level marketing “in its full form[.]” Once again, they looked to

⁹⁶ Van Andel, *An Enterprising Life*, 49, 52; DeVos, *Simply Rich*, 92; “Multimillion-Dollar Nutrilite Sales at Stake in Court Fight,” *Long Beach Press-Telegram*, April 2, 1959, B2; “Mytinger & Casselberry Dissolves; New Control,” *Independent Press-Telegram*, August 7, 1960, R4.

⁹⁷ Van Andel, *An Enterprising Life*, 57-58; DeVos, *Simply Rich*, 99; Jones, *Amway Forever*, 46.

Nutrilite. The Sales and Marketing Plan was similar to Nutrilite, DeVos explained, but it was reworked “to better reward distributors based on their level of achievement.” DeVos and Van Andel identified several aspects of the Plan that they thought made it appealing to others. DeVos wrote that the Plan “fairly rewarded distributors for not only their individual sales volume and the volume for each distributor they personally sponsored, but also further down for the sales volume of the people they sponsored and in turn sponsored.” Additionally, it “was designed to move commissions downward from one level to the next and keep the money moving to the two-hundredth level or to as many levels to which a business might grow.” Van Andel said that “[e]ach business owner, in the Sales and Marketing Plan, has an incentive to sell products and to build a sales organization of his own that will sell even more products.” Furthermore, the Plan “made sure that the lines of sponsorship were well protected,” a necessity given the Nutrilite fiasco.⁹⁸

The company that now earns billions of dollars in revenue each year and has set up shop in dozens of countries around the world started small. Van Andel’s basement became Amway’s first office, while DeVos converted his into the company’s warehouse. Van Andel recalled that “I spent many hours that year [1959] in my basement, as I wrote sales manuals, ran them off on the mimeograph machine, and collated them on the Ping-Pong table.” He wrote that he and DeVos “took hands-on approach with new product development,” testing prospective products themselves to see if/how they worked. They had mixed results early on. After L.O.C. came SA-8, a laundry detergent; both remain part of Amway’s product line to this day. On the flip side, in a bid to cash in on the age of anxiety, the company briefly offered nuclear fallout shelters. They bombed.⁹⁹

In 1959-1960, Amway expanded beyond DeVos and Van Andel’s basements when the company bought two abandoned buildings, which allowed for additional office and warehousing space.

⁹⁸ Katina Lee Manko, “Ding Dong! Avon Calling!?: Gender, Business, and Door-to-Door Selling, 1890-1955” (Ph.D. dissertation: University of Delaware, 2001), 300-301; DeVos, *Simply Rich*, 101-102; Van Andel, *An Enterprising Life*, 58-59.

⁹⁹ DeVos, *Simply Rich*, 97, 100-101; Van Andel, *An Enterprising Life*, 60-61. Portions reproduced in Mondom, “Compassionate Capitalism,” 7.

The following year, DeVos and Van Andel began constructing their own buildings in Ada. Within a few years, Amway was generating a lot of buzz. The May 1963 issue of the magazine *Michigan Tradesman* featured a profile of Amway, which described the company as “the result of the welding-together of ideas of how to sell superior PRODUCTS for use in the home and industry, and the efforts of an amazing SALES ORGANIZATION with fantastic growth, that is dedicated and loyal because it offers unlimited opportunity to ambitious people willing to work in the old fashioned, free enterprise way — selling useful products person to person.” The article described Amway distributors as “people who are desirous of a dignified way to earn a better way of life by distributing products everyone uses and frequently buys” and stated that “AMWAY’S opportunity plan shows them a pleasant way to work with rewards of higher income and the independence of being their own boss.” The magazine estimated that Amway’s distributor force numbered around thirty thousand.¹⁰⁰

An article in the *Grand Rapids Press* from February 1964 took stock of Amway’s growth. The company was selling “[m]ore than 60 home care products...manufactured at Ada in 75,000 square feet of buildings on an 80-acre site”; it had three hundred people working there, a fifty percent increase from just the year before; it boasted “[m]ore than 50,000 sales representatives in the United States and Canada”; and it was selling more than ten million dollars in products annually. Moreover, Amway was “entering the thirteenth and fourteenth phases of its building additions,” having “expanded from 25,000 square feet to the 75,000 square feet at Ada in a year’s time.” In 1967, a book titled *The Executive Breakthrough* was released, which explored “the lives of a group of successful men and women” in order “to identify the factors that propelled these individuals into achievement.”

DeVos and Van Andel were among those included. The book’s author, Auren Uris, attributed their

¹⁰⁰ Cross and Olson, *Commitment to Excellence*, 16-17; DeVos, *Simply Rich*, 107-109; “Phenomenon of Person to Person Sales: Unique Democratic Formula Spells Financial Independence to Thousands Across North America and Miraculous Growth to Amway,” *Michigan Tradesman*, May 1963, 14-15, ABE. Portions reproduced in Mondom, “Compassionate Capitalism,” 7.

success to “a willingness to put the chips on the table and take a chance” as well as “a willingness to depend on others, to pick a man and to be willing to ride on the validity of their judgment and the man’s capabilities.” According to Uris, DeVos and Van Andel were “a team combination of unusual achievement” who “reinforced one another in thinking, planning, and in action.” The May 26, 1967, issue of the *Grand Rapids Press* included a sixteen-page supplemental devoted entirely to Amway, detailing the company’s manufacturing, marketing, and administrative infrastructure as well as highlighting several companies that Amway had partnered with. “Amway’s unusual progress,” the *Press* declared, “is a tribute to the free enterprise philosophy which has made both the United States and Canada so great.”¹⁰¹

Clever marketing played an important role in Amway’s early success. Since Amway products were sold person-to-person rather than in stores, distributors were able to do demonstrations for customers in their homes. Additionally, the company and its sales force stressed that Amway’s cleaning products used natural ingredients and were environmentally-friendly. The *Traverse City Record-Eagle* noted in its November 5, 1963 issue that two Amway distributors, Elsie and Mary Kevwitch, had recently gone to “a training meeting conducted by sales representatives of Amway” in the state capital that “studied detergent water pollution, its causes, and ways that Amway’s bio-degradable laundry compound and liquid organic cleaner will meet this problem.” An ad for L.O.C. that ran in the *Sheboygan Press* in April 1963 told readers that they could “STOP POLLUTION” by switching to L.O.C. Another — this one from a California newspaper in June 1963 — stressed that L.O.C. was “100% safe for all cleaning in your home[.]” On March 13, 1964, the *Freeport Journal-Standard* ran a letter to the editor from a Mrs. Kenneth Wheeler responding to an article from its March 6th issue about the impact of commercial laundry detergents on water quality. “The problem with almost all the detergents on the market today,” the March 6th article noted, “is that not [sic] ‘degradable,’” and as a con-

¹⁰¹ Rene Pelissier, “Amway Grows Faster than Anyone Else,” *The Grand Rapids Press*, February 2, 1964, GRPC; Auren Uris, *The Executive Breakthrough: 21 Roads to the Top* (New York, NY: Doubleday & Company, Inc., 1967), viii, 395-396; “The People Behind your Amway Distributor...” Supplement to *The Grand Rapids Press*, May 26, 1967, ABF.

sequence detergent was “enter[ing] the nation’s rivers, lakes and underground wells,” infecting the water supply. Mrs. Wheeler wrote to inform the paper “that there is a detergent and a liquid organic cleaner on the market now” that was “completely bio-degradable, guaranteed and tested.” She was, of course, referring to Amway. (The letter offers no indication whether Mrs. Wheeler was an Amway distributor, a customer, or just someone who knew about the company.) The same month that Mrs. Wheeler’s letter was published, back in Michigan, L.O.C. was crowned Kent County’s Product of the Year, which it won again in 1965.¹⁰²

Amway was not just marketing the products, though. It was also selling salvation. DeVos wrote in his autobiography that “[w]e thought for a short while that our new Amway business was all about developing and selling products....but we learned that our distributors were energized by something more — the opportunity to succeed in a business of their own through their own efforts, perseverance, and belief in themselves.” Distributors stressed this to potential prospects. A classified ad in an East Liverpool, Ohio newspaper in February 1960, published when Amway was just months old, read, “Have you dreamed of having your own buiness [sic]? Let AMWAY show you how in Sales....You can earn \$1000.00 a month in the first year with possible early retirement.” Another in Austin, Minnesota’s *Daily Herald* from February 1963 promised “[o]ppportunity unlimited for a person or couple in Amway full time.” An ad in the *Oxnard Press-Courier* in September 1963 enjoined those reading to “[b]e your own boss — in business for yourself. Investigate the Amway opportunity that can change your life. Immediate profits.” Two ads in the January 28, 1964 issue of the *Des Moines Register* declared that “AMWAY means a guaranteed future” and that Amway was the “best opp. in U.S.A.” In December 1966, a Mrs. De Prance, an Amway distributor, wrote to Cyrus Barrett, Jr., a business advice columnist at the *Valparaiso Vidette-Messenger*, asking him to write a col-

¹⁰² “Business News from the Grand Traverse Region,” *Traverse City Record-Eagle*, November 5, 1963, 5; “Stop Pollution,” *The Sheboygan Press*, April 17, 1963, 23; Ad, *Oxnard Press-Courier*, June 14, 1963, 24; “Detergents And Water Pollution,” *Freeport Journal-Standard*, March 6, 1964, 6; “Bio-Degradable Products On Market,” *Freeport Journal-Standard*, March 13, 1964, 6; “Ada-Made Detergent Kent Product of Year,” *The Grand Rapids Press*, March 12, 1964, GRPC; “Jaycee Drive, Amway Win Honors,” *The Grand Rapids Press*, April 16, 1965, GRPC.

umn on Amway on account of “how my company gives young men responsibility and recognition[.]” Barrett obliged, indicating that he “ha[d] received many enthusiastic letters, praising the firm, by its representatives.” He then went on to offer some examples of young men who had found success in the business. (It is unclear where or how he found these cases.) He also told the story of a man named La Rue Durrwachter, an Amway employee. “Five years ago,” Barrett wrote, “he was a faceless man in a gray flannel suit, toiling in a Manhattan advertising agency....he now directs the 30-man marketing department.” Even for those who were not distributors, Amway seemed to offer an escape from the drudgeries of the Organization. From the outset, then, Amway was situating direct sales in response to the concerns over and critiques of postwar corporate capitalism that fed the crisis of autonomy of the 1950s.¹⁰³

In 1969, Amway marked ten years in business. More than ten thousand distributors flocked to Grand Rapids at the end of April for three days of celebrations, which ran from the twenty-fourth to the twenty-sixth. Three months later, though, tragedy struck, in the form of a fire that tore through a portion of Amway’s headquarters on the night of July 18th. The *Grand Rapids Press* reported the following day that “[i]n the initial confusion, all the workers, 20 to 25, in the immediate blast area could not be accounted for,” that “[s]ome had been rushed to hospitals and others had wandered away, somewhat dazed” and that as a result “[f]ears arose that some may have been trapped in the blaze,” though that proved not to be the case. Fortunately, there were no fatalities, though seventeen were hurt, seven of whom were sent to area hospitals. Van Andel wrote in his autobiography that he heard an explosion from his home, and that upon looking out the window he “noticed an ominous orange glow above the trees,” at which point “my throat contracted in fear as I realized that the glow was likely from the Amway factory complex less than half a mile away.” After

¹⁰³ DeVos, *Simply Rich*, 123; Amway ad, *East Liverpool Review*, February 4, 1960, 24; “Amway Is On The Move! Join Us!” *Austin Daily Herald*, February 6, 1963, 22; Amway ad, *Oxnard Press-Courier*, September 13, 1963, 24; Amway ads, *Des Moines Register*, January 28, 1964, 15; Cyrus Barrett, Jr., “Cy Barrett Says...” *Valparaiso Vidette-Messenger*, December 29, 1966, 16.

a telephone call confirmed his suspicions, he rushed down to the facility. (DeVos was out of town at the time.) The condition of the seven hospitalized steadily improved over the following days, and on July 21st, the first business day following the incident, DeVos announced that the company was already starting the process of rebuilding. Not surprisingly, the fire has become part of Amway lore. In *Commitment to Excellence*, Wilbur Cross and Gordon Olson wrote that “[c]atastrophic though the fire was, it served as a catalyst to bring Amway people together in a unique and dedicated effort to get the company back on its feet with as little disruption as possible,” and that their success in doing so was testament to “Amway’s unique style of teamwork and coordination[.]”¹⁰⁴

Amway was born at a tumultuous moment in American history. Despite America’s triumph in the Second World War and the prosperity that followed, unease characterized the fifteen years after the war. Social critics penned books that attacked mid-century American society, popular culture, and the economy. Although they differed in their terminology and their areas of focus, these writers generally concurred that men and women were subject to institutions as well as social and cultural pressures that significantly undermined the quality of their lives. The culprits included a “Social Ethic” that insisted that individuals dissolve themselves into groups as well as workplaces that were alienating and insisted on ever greater productivity no matter the psychological costs to employees. These critiques testified to a crisis of autonomy that gripped many Americans. Many have written about anxiety as a defining feature of postwar America, about the interest in self-help and positive thinking, and the focus on conformity and alienation. By and large, though, these have been dealt

¹⁰⁴ “Foley Attends Amway Meeting,” *The Cherokee Courier*, May 8, 1969, 4; Ed Kotlar, “17 Injured, Loss \$500,000 In Amway Explosion, Fire,” *The Grand Rapids Press*, July 19, 1969, 1A, 2A, GRPC; Van Andel, *An Enterprising Life*, 66-67; DeVos, *Simply Rich*, 122-123; “Amway Plant Functions, Blast Cause Is Probed,” *The Grand Rapids Press*, July 21, 1969, 1B, GRPC; Cross and Olson, *Commitment to Excellence*, 49.

with as separate matters, when in reality they were different facets of one phenomenon: a preoccupation with declining autonomy and individualism. Americans dealt with the crisis of autonomy in many ways. Some sought to medicate away their negative feelings with drugs like Miltown. Millions more turned to self-help and positive thinking books for reassurance that they were in fact in control of their lives, or could be if they followed a few simple steps. And some got into direct sales.

The crisis of autonomy provided fertile ground for Amway. In the course of investigating its causes, critics like William Whyte, C. Wright Mills, and Daniel Bell focused on the American economy as a key culprit. After the war, the country experienced an economic boom that improved the standard of living for many — though certainly not all — Americans. These critics, though, raised concerns about the potentially deleterious effects of postwar capitalism. Growing numbers of Americans, they pointed out, were taking white-collar jobs in large, bureaucratic corporations, where they were just one employee among many, mindlessly doing paperwork. The days of individual proprietorship, it seemed, were fast slipping away. In these new workplaces, employees lacked any sort of individuality or control over their own work. Moreover, in many cases, the work they were performing was not engaging and led to boredom and frustration.

Enter Amway.

II

Capitalism with a Human Face

[Amway] is a movement of people away from dependency on big government and big companies. It's a movement that celebrates the potential of the individual but at the same time nurtures that individual with support, training, friendship, and love. It's a movement that has glued broken families back together and reassembled shattered dreams. It crosses continents and cultures with breath-taking ease.

-James W. Robinson¹

In the fifth chapter of his 1993 book *Compassionate Capitalism: People Helping People Help Themselves*, Richard DeVos told the story of Ron and Georgia Lee Puryear. Ron worked as an accountant at the Hanford Nuclear Reservation, a private nuclear energy firm, in the 1960s. As Ron described it, his career up to that point had been a textbook example of the virtues of American economic meritocracy: "I had advanced through the ranks and held a responsible middle-management position. All my life I had been taught that success and security would come if I got a good education, found a good job, and worked hard at it....I was convinced that I had paid my dues and found the American dream." Then, unexpectedly, he was laid off. Ron managed to become an accountant someplace else, but, compared to his old job, Ron found himself working longer hours for significantly less pay.²

Ron's sour fortunes forced his wife, Georgia Lee, to work as a waitress to support them and their two children. This shattered his vision of the ideal family. Describing himself as a "latchkey kid," he stated that "[a]t the beginning of my marriage to Georgia Lee, I swore that my children would never come home to an empty house." Naturally, then, it was devastating to him when economic circumstances made such domesticity unaffordable. The transition to a dual-earner household

¹ Robinson, *Empire of Freedom*, 194.

² Ron quoted in DeVos, *Compassionate Capitalism*, 83-84, 86.

weakened the family. Georgia Lee remarked, “we were making money, but in many ways it was costing us more than we were making,” pointing out that “[w]e hardly saw each other, let alone our children,” and their work left both of them exhausted. The worst part of the arrangement, as she put it, was having to “go on day after day working at jobs that were unsatisfying at best and demeaning at worst.”³

Fortunes changed, Ron said, when, in the midst of their malaise, “some old friends we hadn’t seen for five years called us out of the blue.” (DeVos did not specify exactly when this happened.) These friends turned out to be Amway distributors. Ron joined, but kept his ambitions small, hoping to earn just enough so that Georgia Lee did not have to work. Ron’s Amway business, however, outgrew those modest goals. He not only managed to get his wife to leave her job, he also used their newfound earnings to eliminate their debts and to purchase luxuries like a Cadillac. These entrepreneurial successes, however, came to conflict with Ron’s job. At a certain point, George Lee recalled, “his boss made Ron choose between our new business and his job.” In response, Ron quit his job, characterizing his decision thusly: “I chose freedom.”⁴

As noted in the Introduction, Amway is a peculiar creature. On the one hand, it is a business that manufactures and markets products and tries to persuade people to sign up as distributors. On the other hand, it represents a set of interrelated principles, ideals, and values that it tries to promote throughout its distributor force. As Amway grew from a small business operated out of DeVos and Van Andel’s basements into a multi-billion dollar, worldwide enterprise, a cottage industry of pro-Amway media flourished in tandem. This included books authored by the cofounders and various Amway sympathizers as well as audiocassette tapes of addresses given at distributor functions. These media items, called “tools” in Amway circles, have played an important role in drawing distributors

³ Puryears quoted in DeVos, *Compassionate Capitalism*, 86-87

⁴ Puryears quoted in DeVos, *Compassionate Capitalism*, 89-90.

into the business and keeping them in, though they have also attracted a fair amount of controversy.⁵

An important element of practically all of these tools, particularly the books, has been the distributor vignette, or what former distributor Steve Butterfield called the “Personal Story.” The story of Ron and Georgia Lee Puryear contains elements common to many distributor vignettes: the onset of hard times, the dissatisfying job and its deleterious effects on the family, the discovery of Amway in a period of dire straits, and the success that followed. Puryear’s quip that in quitting his non-Amway job he “chose freedom” reflects how many in the Amway universe have viewed both the promise of the business as well as the downsides of traditional salaried employment. David John Harris cleverly likened the narrative structure of the official biographies of DeVos and Van Andel to Joseph Campbell’s concept of the “hero’s journey,” and, to an extent, the metaphor applies to distributor vignettes as well. As we will see, there is something akin to an Amway “monomyth,” a narrative arc and set of tropes common across many distributor accounts of how and why they joined the business and how it changed their lives.⁶

There is, of course, no way of independently verifying the extent to which the vignettes presented in Amway tools are accurate. Nevertheless, they are useful in three key respects. First, they lend insight into the company’s perspective on an array of subjects. Second, they testify to what participation in Amway supposedly had to offer. And finally, the utility of the vignettes depended, at least in part, on readers — or listeners — relating to them: people had to be able to imagine themselves as the people in the stories. Accordingly, it is reasonable to conclude that Amway targeted for recruitment people with the same sort of difficulties, anxieties, and aspirations as those expressed in

⁵ Unfortunately, tapes do not indicate the exact date or the specific function at which the recorded speech was given, so that information is not provided for any of the tapes referenced in this chapter. Portions reproduced in Mondom, “Compassionate Capitalism,” 8-9.

⁶ Butterfield, *Amway: The Cult of Free Enterprise*, 39; Harris, “Of Prophecy and Profits,” 234. For more on Campbell’s ideas, see Joseph Campbell, *The Hero with a Thousand Faces* (1949; Novato, California: New World Library, 2008).

the vignettes, and that therefore the vignettes reflected the experiences and sentiments of at least some segment of those who became Amway distributors.

Analyzing these vignettes requires understanding some of the basic elements of Amway's corporate philosophy. It was one constituent component of DeVos and Van Andel's small-business conservatism, an ideology that simultaneously critiqued government largesse and corporate capitalism, viewing both as threats to individual freedom. Amway's corporate philosophy focused less on "big government" and more on how capitalism itself could be disempowering. Employment came under particularly heavy scrutiny. Company boosters regularly argued that salaried work often did not pay enough, failed to be stimulating or interesting, and eroded independence, since it entailed working for someone else rather than for oneself.⁷

And although the cofounders opposed most government involvement in or oversight of the economy — which Chapters V and VI explore in greater detail — they, DeVos especially, did not believe that markets should function wholly unchecked, that individuals and businesses should be free to act according to their own self-interest without any regard to others or to larger consequences. Instead, they advocated what DeVos called "compassionate capitalism." Compassionate capitalism allows us to see how self-help and positive thinking as well as the postwar crisis of autonomy informed the Amway worldview, and how Amway positioned direct sales as a solution to the shortcomings of real-world capitalism. Compassionate capitalism challenged some of the basic assumptions underlying the capitalist marketplace. It envisioned an economy in which people would cooperate for mutual advantage, lifting each other up and improving their lives together rather than going alone or seeking to undercut others for personal gain. In so doing, it downplayed self-interested motivations for economic activity, insisting instead that individuals should be driven by a desire to see others flourish.⁸

⁷ Portions reproduced in Mondom, "Compassionate Capitalism," 8.

⁸ Portions reproduced in Mondom, "Compassionate Capitalism," 8.

Whereas capitalism has traditionally stressed profit-making and maximizing personal utility, the central imperative of compassionate capitalism was *dreambuilding*. Achieving one's dreams under compassionate capitalism required several ingredients, but for our purposes, three were especially important. First, it demanded a positive attitude. Compassionate capitalism lifted ideas from self-help and positive thinking, chief among them that one's thoughts, beliefs, and attitudes are the primary determinants of success or failure in life. Second, compassionate capitalism championed leaving unrewarding jobs and stressed the benefits that come from owning one's own business. And finally, compassionate capitalism saw dreambuilding as an activity that required the assistance of others, particularly a mentor.

Amway's business model supposedly epitomized compassionate capitalism. Amway incorporated many of the values and principles of compassionate capitalism into direct sales. For instance, the company and its boosters have tied success in the business to a positive mindset. Amway also sought to reproduce compassionate capitalism's humanistic, cooperative ethos. Amway has promoted a kind of mutual aid within its distributor force. Distributors were, for example, supposed to serve as mentors for those whom they recruited into the business, teaching them the basics of how to run a successful distributorship, and then they, in turn, would pass down their wisdom onto someone else. Amway also sold direct sales as a family business, one in which spouses and children alike could participate and thereby strengthen family cohesion. Lastly, direct sales represented the epitome of meaningful work. Amway reproduced many of the attacks on postwar capitalism found in the works of Riesman, Mills, Bell, and others, particularly with regard to the ways in which modern workplaces could be alienating, disempowering, and psychologically dissatisfying. By contrast, direct sales promised not just greater wealth, but also a range of more intangible, immaterial benefits, including more time to spend with one's family, a more optimistic outlook on life, and, crucially, "freedom."⁹

⁹ Portions reproduced in Mondom, "Compassionate Capitalism," 8.

Amway resembles a medieval state. The highest authority is, of course, the company. The company, through the Sales and Marketing Plan, sets out how its distributors are to conduct business, and those distributors agree to abide by all rules and regulations as a condition of belonging to Amway. Additionally, the company manufactures and supplies the products that distributors sell. Distributors are not, however, legally employees of Amway. In the mid-1930s, the direct sales industry managed to get distributors classified as “independent contractors” as a workaround to the New Deal. Though it freed companies like Amway from the costs and regulations that come with employing someone, the “independent contractor solution,” as Nicole Woolsey Biggart called it, also resulted in a looser relationship between the company and the distributor. As she put it, direct sellers are “legally constrained from using the control strategies available to employers[.]”¹⁰

This, along with the multi-level structure that Amway adopted, has meant that as Amway’s distributor networks grew, recruiting more and more individuals and creating more and more legs, they came to resemble semi-autonomous fiefdoms. Though nominally linked to the company, these giant networks, some of which spanned the globe, effectively took on lives of their own. A 2007 lawsuit against Amway (discussed more in Chapter III) offered a sketch of how these networks operate:

New distributors are assigned to an existing “line of sponsorship” to which the recruiting distributor already belongs. The lines of sponsorship include a hierarchy of distributors that start with the newly-recruited distributors and proceed by seniority up to a senior distributor who heads the line of sponsorship. The most senior distributor who heads a line of sponsorship is known as a “Kingpin.”

¹⁰ Biggart, *Charismatic Capitalism*, 12, 33-41.

Junior (or “downline”) distributors purchase products from more senior (or “upline”) distributors within their line of sponsorship[.]¹¹

At the time it was filed, the suit identified sixteen such lines of sponsorship in operation. In addition to recruiting new distributors and moving products, these lines of sponsorship also included separate entities responsible for producing Amway tools and putting on distributor functions, which the suit called “Kingpin Corporations.” “The ‘tools and functions’ businesses,” it explained, “sell ‘tools’ that purport to help market and sell [Amway] products and ‘functions’ that consist of motivational meetings and events. The tools include tapes, CDs and videos, which contain information that Kingpins and Kingpin Corporations, with [Amway’s] knowledge and consent, represent are [sic] essential to success as a distributor.” It laid out the sixteen networks and their associated Kingpin Corporations in a chart.¹²

<u>Tools & Functions Business</u>	<u>Kingpin Owners</u>	<u>Affiliated Line of Sponsorship</u>
Development (ILD)		Development
MMP (MarkerMan Productions)	Jody and Kathy Victor	MMP (MarkerMan Productions)
Pro Alliance	Group of leaders	proalliance
Interbiz	Brad and Vera Doyle	Interbiz
IBO Alliance	Group of leaders	IBO Alliance
GlobalNet	Leif and Bonnie Johnson	GlobalNet
ProSystemOne	Joe and Dawn Pici	ProSystemOne
GBO Alliance	Carl and Marsha Reardon	GBO Alliance

¹¹ Complaint and Demand for Jury Trial, *Jeff Pokorny and Larry Blenn, on behalf of themselves and those similarly situated v. Quixtar, Inc., James Ron Puryear Jr., Georgia Lee Puryear, and World Wide Group, L.L.C., Britt Worldwide L.L.C., American Multimedia Inc., Britt Management, Inc., Bill Britt and Peggy Britt*, United States District Court, Northern District of California, case number C 07-0201, filed January 10, 2007, 12. Portions reproduced in Mondom, “Compassionate Capitalism,” 9.

¹² Complaint, *Pokorny and Blenn v. Quixtar, Inc., et. al.*, 13-16.

<u>Tools & Functions Business</u>	<u>Kingpin Owners</u>	<u>Affiliated Line of Sponsorship</u>
World Wide Dream Builders	Ronald and Georgia Lee Puryear	World Wide Group
Internet Service Corporation	Dexter and Birdie Yager	Yager
Marker Man Productions	Jody and Kathy Victor	Yager
American Multimedia, Inc.	Bill and Peggy Britt	Britt
Network 21	Jim and Nancy Dornan	Network 21
IEAM	Orrin and Laurie Woodward	Team
INA	Jim and Margee Floor	InterNET Associates (INA)
eFinity	Group of leaders	eFinity
International Connection	Brian and Marg Hays	International Connection
International Leadership	Jack and Rita Daughery	International Leadership

Figure 3. Chart of Amway lines of sponsorship from *Pokorny and Blenn v. Quixtar, Inc., et. al.* complaint

(Source: Complaint, *Pokorny and Blenn v. Quixtar, Inc., et. al.*, 15-16)

The functions get put on by the networks themselves. The provenance of the tools has varied. Some tools, particularly the books, were produced independent of any of the Kingpin Corporations and then sold to distributors throughout Amway. Probably the most prominent pro-Amway author was Charles Paul Conn, who wrote five books on the company and co-authored a sixth with Richard DeVos. “The aggressive, self-assured style of Paul Conn makes him a likely candidate for an Amway Corporation salesman,” opened an August 1977 profile of him in the *Grand Rapids Press*. When he was not singing Amway’s praises or writing biographies (another avocation of his), Conn was a psychology professor at Lee College (now Lee University) in Cleveland, Tennessee. As for the

tapes, the Kingpin Corporations manufactured these for the most part, since they almost always consisted of recordings of talks delivered at network-run functions.¹³

Tools have long been an important — and controversial — part of Amway. Shad Helmstetter, a pro-Amway writer and motivational speaker, described tools as an “essential” component of an Amway distributorship, something to consume daily. Many Amway tapes recommended that distributors listen to one tape and read a positive-thinking book for at least fifteen minutes each day. Steve Butterfield wrote that “[e]very new distributor who joins Amway, in most lines, is routinely sold one or more copies of these books [referring specifically to the works of Charles Conn] by his or her sponsor in the business.” He also indicated that at a certain stage in the growth of his business, he “was manipulated not only to buy tapes and books for my own consumption, but to stock them for my people,” that “[i]ncreasing tape flow was considered a sign of health” while “scanty or absent tape flow meant that your business was, or soon would be, sick.” As we will see in the following chapter, critics like Butterfield alleged that the sale of tools had eclipsed Amway products as the principal source of revenue for the company’s “Kingpins.”¹⁴

Amway tools fall into two categories: introductory and motivational. Introductory tools, like the books that Steve Butterfield referenced, are given to people at the outset and are intended to provide information about what Amway is, its history, and, most importantly, what direct sales has to offer. Distributors get motivational tools, meanwhile, when they are already in the business. They offer tips on how to run a distributorship, but they also remind the person reading or listening what

¹³ Laurie Young, “Psychologist-Author Tells Amway Story,” *The Grand Rapids Press*, August 13, 1977, 7A, GRPC; Judy Klemesrud, “Behind the Best Sellers: Charles Paul Conn,” *New York Times*, October 30, 1977, 224; Harris, “Of Prophecy and Profits,” 27. Portions reproduced in Mondom, “Compassionate Capitalism,” 8-9.

¹⁴ Shad Helmstetter, *American Victory: The Real Story of Today's Amway* (Tucson, AZ: Chapel & Croft Publishing Inc., 1997), 40, 43; for examples of recommended tool consumption, see Barry & Luronda Joye, “We Don’t Laugh at Red-neck Jokes” (audiocassette tape; Global Support Services, Inc., 1999); Tim & Cindy Kline, “One a Day” (audiocassette tape; Global Support Services, Inc., 1998); Dave & Marge Lewis, “Indy 7500” (audiocassette tape; Global Support Services, Inc., 1998); Bryan & Roxanne Parks, “Run With It” (audiocassette tape; Global Support Services, Inc., 1999); Terry & Yvonne McEwen, “Playing the Game” (audiocassette tape; Global Support Services, Inc., 1998); Butterfield, *Amway: The Cult of Free Enterprise*, 5-6, 100. Portions reproduced in Mondom, “Compassionate Capitalism,” 9.

they could achieve, they offer specific goals to strive for, and they showcase examples of distributors who have “made it.” The same is true of functions. Everett Hannan has written that “[b]ooks, tapes, and meetings are central to a process in which distributors are actively involved in reconstructing the meaning of their economic activity,” that listening to tapes and attending functions “perpetuates the likelihood of a distributor to continue engaging in the socioeconomic activity that sustains the MLM [multi-level marketing] system[.]”¹⁵

In an effort to get individuals to join and stay in the business, the tools and the functions have advanced a worldview that has presented participation in free enterprise through direct sales as the key to attaining autonomy, self-mastery, and economic independence. Direct sales, in turn, was the embodiment was the company’s own brand of free enterprise, which Richard DeVos in 1993 dubbed “compassionate capitalism.” Compassionate capitalism offered a sharp contrast to the picture of postwar capitalism painted by mid-century social critics like William Whyte and C. Wright Mills. They had described a world in which the rise of large corporations had eroded opportunities for economic independence and made work increasingly tiresome for many. Compassionate capitalism promised to remedy this. It imagined an economy in which the guiding principle was not maximizing profits or pursuing one’s own individual self-interest, but rather improving the welfare of all. To that end, compassionate capitalism promoted entrepreneurship, the pursuit of genuinely fulfilling work, and forms of cooperation in which individuals would work together to make each other’s lives better.

DeVos’s book on compassionate capitalism did not give a single, easy-to-quote definition of the idea, although he did define each element. “The main characteristics of capitalism,” he wrote, “are *private ownership of capital* and *freedom of enterprise*.” In its basic institutional outlay, then, compassionate capitalism mirrored conventional understandings of capitalism: the means of production

¹⁵ Hannan, “The Social Reconstruction of Meaning,” 100.

were privately held, and the market mechanism determined the supply and demand of, as well as prices for, goods, services, and labor.¹⁶

Where a compassionate capitalist economy distinguished itself, however, was in the motivations of its participants. DeVos declared that “compassion, not profit, is the ultimate goal of capitalism,” and he defined compassion as “a feeling of deep sympathy for another’s suffering or misfortune, accompanied by a desire to alleviate the pain or remove its cause.” Compassion served two purposes in DeVos’s formulation. On the one hand, it represented an end: individuals should engage in economic activity so as to improve the wellbeing of themselves and others. For DeVos, compassion was not an obstacle to the market dictate to earn profits, but rather complemented it: “When compassion inspires and informs free enterprise, profits follow, the quality of human life is advanced, and the earth is restored and renewed.” At the same time, compassion was a check on unscrupulous behavior. DeVos recognized that certain individuals and businesses might, in a free market system, act according to an amoral utilitarianism, seeking profits without regard to any potential negative repercussions, and he unambiguously condemned such behavior. “‘Profit’ that demeans and dehumanizes our brothers and sisters or depletes and destroys the earth will lead eventually to the death of us all,” he wrote, and he suggested that compassion could curb such impulses: “Compassionate capitalism distinguishes real profit from fool’s gold. It cares about setting people free to dream great dreams for themselves and for the planet, and then gives them the means to see that their dreams come true.” By bringing compassion front and center, DeVos, in effect, called for a reconceptualization of the capitalist economy. Profit-making was obviously still important under compassionate capitalism, but it transformed from an end in itself to merely a means to an end. For DeVos, all economic activity should have the common goal of promoting human flourishing and self-actualization. DeVos, then, was not unlike Daniel Bell in thinking that modern capitalism needed

¹⁶ DeVos, *Compassionate Capitalism*, 104. Portions reproduced in Mondom, “Compassionate Capitalism,” 9.

a more humanistic orientation, although the two would no doubt have disagreed over what exactly that entailed.¹⁷

DeVos identified sixteen “credos” of compassionate capitalism. There is obviously insufficient space here to give attention to each of the sixteen, though several are worth highlighting.¹⁸

The keystone of compassionate capitalism, without question, was dreambuilding. Nearly half of DeVos’s book on compassionate capitalism dealt with offering tips for how readers could go about identifying and achieving their dreams. Credo 1 declared that “every man, woman, and child is created in God’s image, and because of that each has worth, dignity, and unique potential.” DeVos wrote that “[w]e are created to dream,” and the dreams that a person had for themselves were “created in the image of God’s dreams.” Therefore, a person who pursued and fulfilled their dreams was, according to DeVos, acting in accordance with God’s plans for them. This was true of everyone, which meant that a person could not focus simply on their own dreams, but also had an obligation to extend a hand to other people and help them with their goals.¹⁹

Positive thinking was a prerequisite for dreambuilding. Credo 9 of compassionate capitalism said as much: “We believe that developing a positive, hopeful attitude is necessary to reach our goals.” DeVos rejected the notion that anything outside of a person’s control had any real impact on whether or not they achieved their dreams: for him, it was all about a person’s beliefs and habits of thought. He pointed to three factors that shaped a person’s mindset, which he called “heredity,” “diet,” and “exercise.” Sometimes, he wrote, people inherit negative ways of thinking from their parents or guardians or those they grew up with, but he believed that such influences could be overcome: “we’ve all inherited good and bad from family and friends, but we must not be satisfied with what we’ve been given. *Build* on it. If you’ve inherited a low view of your potential, fight back. Say

¹⁷ DeVos, *Compassionate Capitalism*, 10-11, 124. Portions reproduced in Mondom, “Compassionate Capitalism,” 9.

¹⁸ The sixteen credos can be found in their entirety in DeVos, *Compassionate Capitalism*, 335-338. Portions reproduced in Mondom, “Compassionate Capitalism,” 9.

¹⁹ DeVos, *Compassionate Capitalism*, 17, 19, 22-24; Portions reproduced in Mondom, “Compassionate Capitalism,” 10.

to yourself, I'm not a loser, I *can* and I *will* succeed. The circumstances that have held back my parents or grandparents are not going to limit me.”²⁰

A positive attitude also depended on a steady diet of positivity. DeVos recommended consuming positive-thinking media like books and tapes, as well as keeping a close eye on one's friends, lest any of them poison one's mind with negative thinking. “The people we hang around with have more influence on our attitudes than we imagine,” he wrote, and his advice on dealing with naysayers was simple: “Change your friends.” Finally, DeVos believed that being a positive thinker required practicing positivity regularly in one's day-to-day life. That was especially important when going through tough times: “You may not win every race. In fact, you might go from failure to failure. But getting out and exercising will help you develop your talents — it will get you ‘in shape.’”²¹

In addition to the proper mindset, dreambuilding also required work. But not just any sort of work. Along with redefining the ultimate ends of economic activity, compassionate capitalism also had its own interpretation of the value of work. For DeVos, it was important not only *that* people worked, but also that work be meaningful. Using language that could just as easily have appeared in Daniel Bell's essay on work, Credo 5 of compassionate capitalism declared that “work is good only if it leads the worker to freedom, reward, recognition, and hope...if our work is not satisfying (financially, spiritually, psychologically), we need to end that work as quickly as we can and begin work that is.” According to compassionate capitalism, work should not merely provision individuals with the basic necessities; it should also be existentially rewarding.²²

Probably the most meaningful kind of work that a person could do, according to compassionate capitalism, was working for oneself. The eighth credo stated that “owning our own business (to supplement or replace our current income) is the best way to guarantee our personal freedom

²⁰ DeVos, *Compassionate Capitalism*, 167, 171-172, 178.

²¹ DeVos, *Compassionate Capitalism*, 174, 177-178.

²² DeVos, *Compassionate Capitalism*, 83. Portions reproduced in Mondom, “Compassionate Capitalism,” 9-10.

and our family’s financial future.” In fairness, DeVos never explicitly denigrated employment. In the eighth chapter of *Compassionate Capitalism*, he devoted a section to what he called “intrapreneurs”: people who are employees but who nonetheless exhibit “entrepreneurial spirit.” Intrapreneurs were people who, according to DeVos, “do more than punch their time card” and who “see work every day as an opportunity to grow, create, discover, challenge old ideas and come up with new and better ones.” While DeVos did not think that being an entrepreneur was synonymous with business ownership, he clearly saw business ownership as offering a unique opportunity to achieve financial independence and security as well as greater control over one’s life. He described the decision to start a business as “one of the most exciting, worthwhile steps a woman or man can take.”²³

Successful dreambuilding was not an individual undertaking. Compassionate capitalism did not embrace an “up by your own bootstraps” philosophy. Although he certainly praised self-reliance, DeVos also emphasized that achieving it required the assistance of others: “Each of us can trace our self-reliance to someone in our past. Don’t ever think we got here on our own. Not only is it arrogant, it’s dangerous and misleading to believe even for a moment that we don’t need each other.” Accordingly, compassionate capitalism required a sustained program of mentorship. “[B]efore we can succeed as a compassionate capitalist,” the tenth credo asserted, “we must have an experienced mentor to guide us.” A mentor helped individuals construct the psychological and emotional foundations for dreambuilding. “[W]ith our mentor’s help,” DeVos declared, “we should design a program (using books, tapes, special meetings and events, associations with friends and co-workers, recreation, and worship) that will help us develop a positive, hopeful, productive attitude about our life and its potential.”²⁴

Being a mentor was as important as *having* one, instructed another credo. Compassionate capitalism cast mentorship as a duty of those who had themselves been mentored. “When we share our

²³ DeVos, *Compassionate Capitalism*, 138, 151, 157-158.

²⁴ DeVos, *Compassionate Capitalism*, 167, 183, 268. Portions reproduced in Mondom, “Compassionate Capitalism,” 10.

time and money to help guide, teach, or encourage someone else,” DeVos explained, “we are only giving back a part of what has already been given to us.” Mentees gained “new hope, new freedom, and new joy,” while for the mentors, “seeing another person’s dreams come true is far more rewarding to their own sense of self-worth and to their own personal fulfillment than the money they may make in the process.”²⁵

Although DeVos did not believe that self-reliance occurred on its own, he believed it should be the ultimate goal of mentorship. “In a truly compassionate system,” he wrote, “all effort is directed toward making people independent and capable of standing on their own two feet.” A supporter of certain kinds of philanthropy, DeVos believed in “helping others who cannot help themselves.” But he cautioned strongly against “charity,” alleging that if it extended beyond “short-term relief,” it “may send people down a road of diminished self-worth” and “leav[e] people without the ability or incentive to solve their own problems.”²⁶

DeVos’s statements about why people should serve as mentors touch on the question of what exactly the motivations of economic actors under compassionate capitalism should be. The emphasis on the need for compassion suggests that self-interest would not be the sole driver. DeVos certainly downplayed self-interest when he wrote that “the real joy of compassionate capitalism is not just finding your own personal fulfillment and financial security.” Rather, it lay in “helping other people to find personal fulfillment and financial security for themselves.” Indeed, the cofounders believed that, in certain circumstances, moral considerations ought to outweigh individual economic interest. For example, Van Andel stressed in his autobiography that “[m]oral people should not produce things that clearly bring dishonor to God, even if people express a desire for such things,” and he gave as examples “the production of pornography, the provision of abortions, prostitution, or

²⁵ DeVos, *Compassionate Capitalism*, 257, 263-265. Portions reproduced in Mondom, “Compassionate Capitalism,” 10.

²⁶ DeVos, *Compassionate Capitalism*, 269-270, 275-298. Portions reproduced in Mondom, “Compassionate Capitalism,” 10.

even the production of literature or media ventures that undermine the family.” And mentorship certainly had a streak of altruism running through it.²⁷

Self-interest came up a lot, though. As we have seen, even when mentoring had no financial upside, DeVos thought that mentors still stood to gain a better self-image. According to compassionate capitalism, all of the good that people did for others, even if there was no obvious immediate payout, redounded to them one way or another, as illustrated by the final credo, which counseled, “whenever you grow weary of well doing, remember the Law of Compensation,” according to which “[i]n the long haul, every gift of time, money, or energy that you give will return to benefit you.”²⁸

Unsurprisingly, DeVos believed that the Amway business model mirrored the ideals of compassionate capitalism. First there was the emphasis on dreambuilding. David John Harris has characterized dreambuilding as “the primary objective of Amway sponsors[.]” Shad Helmstetter summarized dreambuilding accordingly: “The basic idea is to focus on specific goals, visualize them, see yourself working hard to get them, and one day — owning them yourself.” A booklet produced by Amway titled *Passport to Success* opened by asking, “What are some of your dreams?” before listing off some possibilities: “A new home? A new car? Travel? A college education for your children? The extra income you need to make ends meet every month?” Steve Butterfield wrote that all presentations of the Plan began with an exercise that he called “Building the Dream,” during which the presenter would learn about the wants and needs of his prospective recruits while also attempting to rev up their imaginations about what was possible through Amway. “A skillful Dreamer,” he said,

²⁷ DeVos, *Compassionate Capitalism*, 164; Van Andel, *An Enterprising Life*, 20-21.

²⁸ DeVos, *Compassionate Capitalism*, 316.

“might pass around Cadillac and Mercedes booklets, travel brochures, better homes and fashion magazines, letting his audience savor the images of wealth and status.” Cultivating dreams — of money, luxury goods, an early retirement, debt-free living — was an integral part of the Amway pitch.²⁹

With dreambuilding so central to Amway, all the elements of successful dreambuilding under compassionate capitalism were also part of the business. Amway stressed positive thinking as an essential ingredient in any successful distributorship. Linda Oldham Lester has aptly described positive thinking as Amway’s “ideological charter[.]” Self-help and positive thinking have long been deeply intertwined with Amway. Many who have written in defense of Amway — including Charles Conn, Shad Helmstetter, James Robinson, and Ron Ball — contributed to the larger popular literature on self-help and positive thinking. The closing pages of many pro-Amway books contained advertisements for self-help and positive thinking works either written by that same author or published by the same company. Even Richard DeVos got into the business, contributing two books to the genre: *Hope From My Heart: Ten Lessons for Life* (2000) and *Ten Powerful Phrases for Positive People* (2008).³⁰

Self-help and positive thinking books have also circulated freely amongst Amway distributors. In 1973, for example, Amway issued an audiobook cassette of Russell H. Conwell’s famous speech “Acres of Diamonds,” in which he declared, among other things, that “it is your duty to get rich.” The tape was produced by Success Unlimited, a company founded by W. Clement Stone, a prominent positive thinking peddler who co-authored a book with Napoleon Hill titled *Success Through a Positive Mental Attitude*. Steve Butterfield wrote that when he and his wife were introduced to Amway, they “were primed with a positive-attitude book, *The Magic of Thinking Big*” prior to see-

²⁹ DeVos, *Compassionate Capitalism*, 2; Harris, “Of Prophecy and Profits,” 316; Helmstetter, *American Victory*, 157; Passport to Success, box 17, CC; Butterfield, *Amway: The Cult of Free Enterprise*, 11-12. Portions reproduced in Mondom, “Compassionate Capitalism,” 10.

³⁰ Lester, “Success,” 29; for examples of advertising in pro-Amway books, see Charles Paul Conn, *An Uncommon Freedom: The Amway Experience and Why It Grows* (1982; New York, NY: Berkley, 1986), Ron Ball, *The Amway Idea* (Hinsdale, IL: Alliance Publishing Group, 2011), and Robinson, *Empire of Freedom*, DeVos, *Hope From My Heart*, and Richard DeVos, *Ten Powerful Phrases for Positive People* (New York, NY: Center Street, 2008).

ing the Plan. Another ex-distributor, Ruth Carter, said she was taught that “[a] distributor should only read books which will contribute to his success,” which included “books by motivational authors like Zig Ziglar, Norman Vincent Peale or Dennis Waitley[.]” Like Butterfield, she recalled receiving a copy of *The Magic of Thinking Big* upon her introduction to Amway.³¹

Apart from just hawking their books, the company and its allies also liberally appropriated many of the ideas and advice offered up by different self-help and positive thinking authors. Like Norman Vincent Peale, David Schwartz, and John Schindler, Shad Helmstetter thought that positive words were important to cultivating a good mental attitude. His book included a set of “self-talk scripts,” short (generally one to three sentence) positive phrases, which he advised Amway distributors to internalize. “Self-Talk,” he wrote, “is the name we use for the process of creating positive new programs in the brain.” By repeating these phrases to oneself on a regular basis, he alleged that distributors could gradually diminish — and eventually eliminate — the negative thoughts that were the basis of low self-esteem.³²

As we already know, positive thinking involves more than just taking in wholesome ideas and messages. As Wilbur Cross wrote, “the pursuit of excellence can be achieved only when [distributors] discipline themselves to tune in the positive dialogues and tune out the negative ones.” In the Amway system, negative thoughts and ideas came from a variety of sources. In an amusingly hyperbolic chapter, Helmstetter identified television as “the problem that destroys lives — and countless Amway businesses,” a “thief of the most dangerous kind” that bombards viewers with negative images, undermines family cohesion, and discourages productivity. Friends and acquaintances could also be harbingers of negativity, which was why, like Schindler, Schwartz, and (to a lesser degree) Peale, Helmstetter recommended dissociating from such individuals if they were present in one’s

³¹ Russell H. Conwell, “Acres of Diamonds,” Don Allen nar. (audiocassette tape; Success Unlimited, Inc., 1973); Douglas Martin, “Clement Stone Dies at 100; Built Empire on Optimism,” *New York Times*, September 5, 2002, A21; Butterfield, *Amway: The Cult of Free Enterprise*, 11; Ruth Carter, *Amway Motivational Organizations: Behind the Smoke and Mirrors* (Winter Park, FL: Backstreet Publishing, 1999), 7, 31.

³² Helmstetter, *American Victory*, 171-192.

life. He advised doing what one could to assist negative individuals in acquiring a more positive outlook on life, particularly if the person was someone close (a relative, a significant other, etc.). Ultimately, though, he erred towards caution and keeping a distance from such people. “The most important thing you can do when you run into someone who is truly negative,” he wrote, “is to protect your own attitude from theirs.” And if, after a genuine attempt to help, the negative person in question showed no improvement, then “don’t invest any more time trying to persuade them to change.” Addressing distributors at an Amway function, distributor Dawana Zecher gave similar advice, instructing listeners to “[m]ake a commitment to guard who you associate with and what’s going into your mind as far as newspapers and magazines and the books you read and just watching television.”³³

The admonition to avoid negativity also applied to how a person should run their distributorship. Zecher stressed always maintaining a positive attitude when in the presence of one’s downline, telling distributors that “[o]ur group should never know if we’re down or something’s going on in our life.” Marge Lewis, meanwhile, discouraged any criticism of the company, its products, or fellow distributors:

Just think of Negative as pieces of kindling. You just say a little, you share a little Negative with, you know, someone downline as, “Man, I think these products are too expensive, I’m not gonna use that,” instead of taking the position that you could share with them the cost per usage and get excited about the fact that the most expensive product you have in your home is a Brand X product, one that you haven’t bought from your business, and that that is not going to help you find your freedom....Perhaps you’ve got someone in your upline that you don’t really even like, and you think they’re a real jerk and so you’re downplaying them and de-edifying them. You are destroying your business.³⁴

In keeping with the self-help and positive thinking perspective, Amway’s cofounders and company sympathizers attributed success or failure to an individual’s attitudes and initiative. DeVos

³³ Cross, *Amway*, 91; Helmstetter, *American Victory*, 130-135, 141-154; Frank & Dawana Zecher, “My Computer Thesis” (audiocassette tape; Global Support Services, Inc., 1999).

³⁴ Frank & Dawana Zecher, “My Computer Thesis”; Dave & Marge Lewis, “Indy 7500.”

wrote in his 1975 book *Believe!* — which he co-authored with Charles Conn — that “almost anyone can do whatever he really believes he can do.” In another book, DeVos acknowledged that “[t]he playing field isn’t always level, and those in dire circumstances may face great temptations and even greater obstacles,” but then went on to contend that “[e]ven in the worst of situations, on the most uneven playing field, countless people make good decisions, hold themselves accountable, and achieve their goals.” Wilbur Cross similarly said that “[i]f you are properly motivated, you can do almost anything you honestly believe in,” while James Robinson stated that “[t]he essence of the Amway business is to insist that no matter how long the odds, people can find the inner power to do great things.” Company boosters insisted that more or less anyone could succeed in Amway. Charles Conn dismissed the idea that there was an “Amway ‘type,’” giving examples of individuals with a wide variety of personalities and dispositions who had nonetheless done well in the business, and ultimately chalking up their accomplishments to “inner drive.” Cross declared that “[d]efining the ‘typical’ distributor who has made it is like trying to grasp the fabled ‘greased pig.’”³⁵

That said, no one built a successful distributorship alone. DeVos wrote in *Ten Powerful Phrases for Positive People* that “Amway is a ‘we’ business” that subscribes to the belief that “[e]ach person’s success is to varying degrees dependent on the success of every other person.” A 1979 tape that came as part of a distributor starter kit made this point as well, stating, “Amway was built by reaching to help other people reach their goals. Because when you reach your goal, we’ll make ours automatically, and you help your sponsor too. And when you help those you sponsor arrive at their goals, you also share in the benefits.” Just as under compassionate capitalism, Amway stressed that achieving one’s dreams required relying on others.³⁶

³⁵ Richard DeVos and Charles Paul Conn, *Believe!* (1975; New York, NY: Berkley, 1985), 23; DeVos, *Hope From My Heart*, 68; Cross, *Amway*, 39, 173; Robinson, *Empire of Freedom*, 71; Conn, *An Uncommon Freedom*, 181-187.

³⁶ DeVos, *Ten Powerful Phrases for Positive People*, 103; “What ‘To Do First’” (audiocassette tape; Amway Corp., 1979).

Two types of interpersonal relationships were especially important in the Amway system: the mentor-mentee relationship and the family. In Amway, a distributor's upline played the role of mentor. David John Harris has written that the relationship between a distributor and her sponsor is akin to "that of master and apprentice," whereby the sponsor instructs the distributor in the best practices of running an Amway business, with the distributor gaining greater independence over time. This required obedience to one's upline. As Shad Helmstetter explained, "[y]our own Amway Diamonds and your other leaders are among the most successful business people in the world....All they ask is that you be willing to listen carefully, and have a sincere desire to *learn* and *practice* what they're sharing with you."³⁷

The duty to obey those above oneself in the Amway hierarchy took the form of *duplication*. Duplication involved faithfully reproducing the actions of one's upline. At Amway functions, speakers regularly identified duplication as an essential element of the business. Distributor Tim Kline described Amway as "a business of duplication" and advised distributors that "to build this thing fast what you have to keep in the back of your mind all the time is duplication. Is what I'm doing duplicatable?" Steve Butterfield wrote that "without Duplication there is no Amway system." According to Butterfield, duplication went beyond business practices to include appearance and behavior as well. He wrote that "[d]istributors tend to copy the walk, mannerisms, voice inflections, body language and cliches of their Directs" and that "[d]uplication sometimes extends all the way down to the brand of shoes, and all the way up to the hairstyle." Ruth Carter made this point as well: "You must do everything the way winners do! You have to learn to walk like a winner....and talk like a winner....dress like a winner and rush around like a winner."³⁸

³⁷ Harris, "Of Prophecy and Profits," 23-24; Helmstetter, *American Victory*, 43. Portions reproduced in Mondom, "Compassionate Capitalism," 10.

³⁸ Harris, "Of Prophecy and Profits," 24-25, 256; Tim & Cindy Kline, "One a Day"; Butterfield, *Amway: The Cult of Free Enterprise*, 80, 175; Carter, *Amway Motivational Organizations*, 121-122. Portions reproduced in Mondom, "Compassionate Capitalism," 11.

Butterfield suggested that duplication was such an article of faith among Amway distributors that downlines would even reproduce their upline's errors: "Whatever I do wrong inadvertently shows up magnified in my business: if I don't retail products, nobody in my group will retail products. If I criticize my leadership, people in my group will develop a negative attitude toward the leadership and lose their motivation." Duplication, then, demanded not only that downlines mimic certain practices and behaviors, but also that their uplines act as correct models. At one Amway function, distributor Patsy Lizardi made precisely that point: "People are gonna duplicate 100% of the things we do wrong and only 50% of the things we do right, so we need to do more of the right things[.]"³⁹

In addition to a good mentor, the family was also important for the successful Amway distributor. "Family" has had two connotations in the Amway system. On the one hand, there was family in the "real" sense: blood relatives, one's spouse or partner, children, and so on. For DeVos, the family was the bedrock upon which American society rested. "[W]ithout strong families in America," he wrote in *Believe!*, "none of the values which we love and live for will survive — or, for that matter, will be worth preserving." Additionally, the Amway distributor force itself has been thought to constitute a kind of "virtual" family.⁴⁰

This was not unique to Amway. As Nicole Woolsey Biggart has pointed out, the direct sales industry places tremendous emphasis on family, which represents a key point of departure from capitalism proper, which historically has tried to atomize individuals in the name of greater productivity. She wrote that "[b]y integrating the family into business activity, direct selling organizations use existing social ties for economic purposes. The industry also does the reverse, making the eco-

³⁹ Butterfield, *Amway: The Cult of Free Enterprise*, 110; Pedro & Patsy Lizardi, "The Principles Still Stand" (audiocassette tape; Global Support Services, Inc., 1999). Portions reproduced in Mondom, "Compassionate Capitalism," 11.

⁴⁰ DeVos and Conn, *Believe!*, 160.

conomic ties of sponsorship the basis for familylike social relations. DSOs are ‘metaphorical families.’”⁴¹

Richard DeVos outlined the contrast between Amway and other businesses on a company-issued tape from 1977. He pointed out how jobs separated husbands and wives and hurt the family, saying, “[t]he guy goes to work here and the gal goes to work over here. Your lives tend to drive apart because of economic situations: you have a job here, he has a job there. You have your buddies that you went out with from work and she’s got the girls she goes out with over here. And you tend to find your family kind of floating in the middle.” Amway, on the other hand, brought families together, and he claimed that the company’s emphasis on the family was “an exclusive Amway thing.” (As Biggart’s research shows, this is not the case.) In *Commitment to Excellence*, Wilbur Cross and Gordon Olson declared that “[t]here is almost no way to describe Amway other than as an enormous worldwide family.”⁴²

Historically, the overwhelmingly majority of Amway distributorships — as many as three-quarters — have consisted of married couples. Company boosters have tried to walk a fine line when it comes to the family. While acknowledging that “[t]he prototype of the Amway distributorship is that of the married couple,” Charles Conn wrote in his 1982 book *An Uncommon Freedom* that single distributors “are now becoming almost commonplace,” citing two examples. James Robinson, too, dismissed the notion that there was no place for single people within Amway. Still, he conceded that “the entire Amway organization — from founders to distributors — is imbued with a special devotion to family.”⁴³

⁴¹ Biggart, *Charismatic Capitalism*, 7-8, 85.

⁴² Richard DeVos, “Ten Points... That Make Amway Special” (audiocassette tape; Amway Corp., 1974, 1977); Cross and Olson, *Commitment to Excellence*, 63.

⁴³ Ammerman, “‘Because People Buy Soap,’” 11; Grant, “Does the Philosophy of the Amway Corporation Make an Impact on the Amway Businessman?,” 2; Conn, *An Uncommon Freedom*, 73, 160-166; Robinson, *Empire of Freedom*, 178-179.

And indeed it was, and is. Amway has encouraged distributors to treat the business as a family enterprise. DeVos advised distributors to involve their children, writing that their active participation “is so important to their growth and understanding,” and that failure to start them early might mean that “they may never have the interest or the ability to join you, let alone to find their own way in the world of business.”⁴⁴

Company boosters have held up the founding families as templates. James Robinson has described an Amway distributorship as “a business that families can build together and pass on to future generations,” which applies just as aptly to the company itself. Since its founding, the DeVos and Van Andel families have been the sole owners of Amway. Many pro-Amway books contained at least one chapter that looked at the contributions of DeVos and Van Andel’s wives and children to the company. Writing about the children, Charles Conn said in 1985 that “among the eight of them there would seem to reside ample brainpower, technical skill, and personal charisma to lead Amway into the twenty-first century[.]” Several of the children have spent virtually their entire adult lives inside Amway. For example, Jay Van Andel’s daughter Nan began working for Amway as soon as she finished college. Beginning in the mid-1980s, several of DeVos and Van Andel’s children moved up the company ladder. Both Nan Van Andel and Dick DeVos received vice presidential appointments in 1984. Four years later, in December 1988, Steve Van Andel and Dan DeVos also became company vice presidents. And in August 1992, a few months before Richard DeVos’s retirement, the company created a “policy board” that included all four of Van Andel’s children, three of DeVos’s, and the cofounders. The *Grand Rapids Press* reported that “the second-generation of executives will now sit with their fathers around the corporate table when it comes to decisions regarding sales, products and international markets.”⁴⁵

⁴⁴ DeVos, *Compassionate Capitalism*, 232-235.

⁴⁵ Robinson, *Empire of Freedom*, 52; Conn, *Promises to Keep*, 53; Cross, *Amway*, 157; “Sons of co-founders are among three promoted at Amway Corp,” *The Grand Rapids Press*, December 5, 1988, 1E, GRPC; Mary Radigan, “Eight family members added to Amway’s new policy board,” *The Grand Rapids Press*, August 21, 1992, A1, A5, GRPC.

Still, the cofounders and Amway sympathizers took pains to stress that nothing about the DeVos and Van Andel children's status within the company was inevitable. For one, they have insisted that not all of the children necessarily wanted to be involved in Amway full-time. As a contrast to Nan Van Andel, Wilbur Cross cited Jay's son Steve, who spent part of his working years out of the family business. Additionally, they assured readers that the children's upward ascent to their respective leadership positions occurred meritocratically. There was the training program, for example, that the cofounders created for their children in the late 1970s, which involved them taking part in all of the various aspects of the business, from manufacturing to actually becoming distributors themselves. DeVos wrote that his son and eventual successor Dick "pushed a broom and learned what it was like to work on an assembly line." And far from being advantaged, Van Andel argued that his and DeVos's children actually faced unique adversities, that "they were scrutinized more closely than any of the other employees" and that they "have had to work twice as hard as anyone else, and often they don't receive the credit due them." Amway sympathizers have backed up the cofounders's assertions. In contrast to the stereotypical "second-generation playboys and playgirls" who "expect to come sailing right into the CEO's chair as soon as Daddy retires," Robinson insisted that DeVos and Van Andel's children "all had to work hard in the business." Charles Conn too wrote that "Dick DeVos and Nan Van Andel did not exactly wake up one Christmas morning to find vice presidencies under the tree."⁴⁶

Company boosters have credited Amway with fostering real and virtual family cohesion. DeVos wrote that "[a]t Amway we believe in the family enough to attempt to make involvement in our business something which strengthens family ties rather than threatening them." As we will see, in a number of vignettes, distributors testified that before Amway, they had little time to be with their spouses or children, mainly on account of their demanding work schedules, and that the

⁴⁶ Cross, *Amway*, 158-159; Conn, *Promises to Keep*, 53, 55; Cross and Olson, *Commitment to Excellence*, 163-164; DeVos, *Simply Rich*, 196-197; Van Andel, *An Enterprising Life*, 197; Robinson, *Empire of Freedom*, 66.

greater economic independence afforded to them by the business brought their families closer together. James Robinson declared that Amway “has prevented divorce and promoted touching reconciliations of parents and children after decades of estrangement.” In addition to bolstering and re-forging family bonds, Amway could also provide a family for those who did not have one. Robinson, for instance, asserted that one of the potential advantages of joining Amway for single people was that “his or her group will eagerly assume the role of a ‘surrogate’ family, providing the love and support the individual may not find elsewhere.”⁴⁷

The question of whether Amway has promoted a particular ideal of the family is complicated. Nicole Woolsey Biggart has written that “[a]lthough women distributors have been empowered personally and economically by direct selling,” generally speaking the industry “does not challenge existing social arrangements in which women are subordinate.” Gender difference and gender hierarchies have both existed within Amway. Once again, the template came from the cofounders themselves. Commenting on the early days of the business, Wilbur Cross and Gordon Olson wrote that “even with their growing duties at home, Betty Van Andel and Helen DeVos [Jay and Richard’s wives, respectively] found time to host business meetings, entertain visiting distributors and suppliers, and pitch in when extra hands were needed to fill product orders on time.” They recounted stories of the wives messing up reward dinners they had prepared for some of Amway’s earliest distributors. On one occasion, their spaghetti was inedible, and another time, they made way too much chili and were stuck with leftovers that lasted them a year. Whenever company boosters brought up the cofounders’s wives, they stressed their roles as homemakers. Charles Conn wrote that “[b]oth wives had the task of maintaining a normal home life for young children, while their husbands conducted the bustling distributor activity literally under their feet.” In other words, their contributions to the business were part and parcel of their broader domestic duties. In addition to having responsibilities separate and distinct from their husbands, DeVos and Van Andel’s wives were also cast as sub-

⁴⁷ DeVos and Conn, *Believe!*, 159; Robinson, *Empire of Freedom*, 52, 179.

servient. In a rather jarring line from his autobiography, DeVos recalled how he and Van Andel had, prior to getting married, purchased land in Ada on which they could build adjacent homes. Their wives, he said, “generously accepted the fact that they never really had a choice about where they would live.”⁴⁸

As Charles Conn himself acknowledged, husband and wife distributors have typically conformed to conventional gender dynamics, in that the husband has tended to be the primary, active partner, while the wife has acted more as an assistant. Steve Butterfield has corroborated this, writing that in “[t]he ideal distributorship...[t]he role of the wife is to retail and handle products, do the paperwork, manage the children, handle telephone orders and messages, keep the husband’s suits and shirts clean,” while the husband “develop[s] prospects, show[s] the Plan, sponsor[s] new distributors, work[s] depth and [is] the leader of his group by being a faithful follower of his upline.” This gendered division of labor did not emerge organically. Rather, in many cases, it was imposed upon distributors. Ruth Carter, for instance, wrote that “[w]hen I was a single distributor, I showed many plans. The minute I married, my upline strongly discouraged me from doing this. It was my husband’s job, and he needed to do it in order to enhance his self-respect, we were told.” Steve Butterfield recalled an Amway distributor event at which at a certain point “the wives and husbands were divided and addressed separately in different rooms.” There have even been gendered dress codes: wives who have addressed assembled distributors will typically wear dresses, while their husbands wear suits and ties, and men and women in the audience have been expected to follow along.⁴⁹

Amway sympathizers have tried to quash the idea that family distributorships *must* conform to a certain mold, particularly as regards gender roles. On a company-issued tape from 1978, distributor Dorothy Garman stressed that there was no gender discrimination inside Amway, saying that “it

⁴⁸ Biggart, *Charismatic Capitalism*, 93; Cross and Olson, *Commitment to Excellence*, 15-16; Charles Paul Conn, *The Possible Dream: A Candid Look at Amway* (Old Tappan, NJ: Fleming H. Revell Company, 1977), 35; DeVos, *Simply Rich*, 96.

⁴⁹ Conn, *An Uncommon Freedom*, 73; Butterfield, *Amway: The Cult of Free Enterprise*, 116, 124; Carter, *Amway Motivational Organizations*, 111, 121; Ammerman, “Because People Buy Soap,” 11, 13-15.

doesn't matter whether you're a woman or a man, you get exactly the same money for what you produce....with Amway it doesn't say 'female' and 'male,' it just says 'this is the bonus schedule and this is when you make Direct,' and it doesn't say a thing about married, divorced, single or anything."

Garman presented direct sales as a boon to women, saying, "I have a hard time feeling sorry for the equal rights for women, because I've always had equal rights for women, being in the direct selling field." After conceding that husbands tend to be the dominant party in married distributorships, Charles Conn went on to say that "there are so many exceptions to that model that the model itself can be misleading." To prove this, he gave the example of the Yamada family, a husband-and-wife distributorship out of California in which the wife, Karen, took the commanding role. Additionally, he pointed to instances of the wife learning about the business first and having to convince a skeptical husband to join.⁵⁰

Amway's careful, complicated, and at times contradictory messaging around gender and the family reflects the fraught politics around the subject in the latter half of the twentieth century. Amway came of age in the aftermath of second-wave feminism and the sexual revolution, which itself was born, at least in part, out of a response to attempts to limit women's prospects and reinforce traditional gender roles after World War II. As noted in Chapter I, with the exception of a mid-decade jump, the labor force participation rate for women remained relatively flat across the 1950s, in the mid- to high thirties. Over the next two decades, however, it steadily increased, so that by 1980, just over half of all women were in the workforce. Enovid, the world's first oral birth control medication, more commonly known as "the Pill," became commercially available in 1960, offering women new means of exercising bodily autonomy — in just two years, millions of American women were taking it. Groups like the National Organization for Women sprang up nationally and locally on college campuses and engaged in, among other things, "consciousness-raising," working

⁵⁰ Gay Schoepf, Ira Trosper, Dorothy Garman, and Chum Stockwell, "It's Never Too Late" (audiocassette tape; Amway Corp., 1978); Conn, *An Uncommon Freedom*, 73-78, 154-159.

to make women aware of the structural sexism holding them back. This social activism triggered important developments in the law and in government. In 1964, the Supreme Court curtailed attempts to restrict pornography in *Jacobellis v. Ohio*. The following year, in *Griswold v. Connecticut*, the Court ruled that the Constitution protected access to contraceptives. In 1968, the Equal Employment Opportunity Commission changed course and announced that it would start taking sex discrimination cases directly rather than waiting for them to wind their way through the courts. In 1972, the Equal Rights Amendment, an ambition of women's rights activists since the 1920s, made it out of Congress and went to the states for ratification. That same year, Title IX went into effect, protecting women from discrimination at any school that received federal dollars. And in 1973, the Supreme Court, citing its finding in *Griswold* that Americans had a constitutional right to privacy, legalized abortion in *Roe v. Wade*.⁵¹

The legal, political, and cultural changes wrought by the women's movement inspired significant backlash, however. Many, including some women, saw feminism as threatening the family and men and women's proper stations in society. One worrying trend for such detractors was the growing commonality of divorce, which doubled from twenty-five percent to fifty percent between the mid-1960s and the mid-1980s, a consequence of liberalizing divorce laws, women's growing presence in the workplace, which afforded them the means to leave unsatisfying marriages, and a more individualistic mindset. The spike in abortions after *Roe* — in 1983 there were an estimated 436 abortions for every 1,000 live births — horrified many; the reverend Jerry Falwell described abortion in 1980 as “an indictment of murder against America for killing unwanted babies.” Some also resented feminists for what they perceived as their disdain towards women who chose to stay in the home and raise a family. These latent critiques came to the fore during the fight to ratify the ERA. Phyllis Schlafly, a housewife turned conservative activist, formed STOP ERA and argued that the

⁵¹ U.S. Bureau of Labor Statistics, “Civilian Labor Force Participation Rate: Women”; Patterson, *Grand Expectations*, 36-37, 360, 565-566, 645-647, 714-715; James T. Patterson, *Restless Giant: The United States From Watergate to Bush v. Gore* (2005; New York, NY: Oxford University Press, 2007), 52.

amendment would destroy the American family and result in such horrors as gender-neutral bathrooms and women becoming eligible for the draft. Her attacks were successful in sinking the ERA's ratification. Along with STOP ERA, Concerned Women of America, another highly influential right-leaning group critical of feminism, also formed in this period.⁵²

Amway tried to forge a middle path in between these diametrically opposing currents. On the one hand, it could not afford to ignore the repercussions of the women's movement completely. Accordingly, in attempting to appeal to women, Amway necessarily had to couch the benefits of direct sales in the language of women's empowerment. Indeed, as we have seen, some company boosters, like Dorothy Garman, went so far as to suggest that direct sales was a *more* effective vehicle for uplifting women than movement activism. That being said, the forces that attacked feminism and sought to uphold the family and the roles of men and women within it were powerful as well. Accordingly, at the same time that it drew attention to the opportunities it provided to women, Amway also positioned itself as the defender of a certain sort of socio-cultural status quo. Perhaps the best way to summarize Amway's stance on gender, then, is that it aimed to increase women's economic participation *within* the "traditional" family paradigm. Whether that was in fact what it accomplished is another question entirely.

In addition to emphasizing dreambuilding, positive thinking, and mutual aid, Amway also supposedly provided individuals with meaningful work alongside the concrete means to realize their dreams. Understanding how requires looking at Amway distributor vignettes. Amway distributor vi-

⁵² Patterson, *Restless Giant*, 50-52, 54, 133-134; Jerry Falwell, *Listen, America!* (Garden City, NY: Doubleday & Company, Inc., 1980), 166; Patterson, *Grand Expectations*, 647; on Phyllis Schlafly, see Donald T. Critchlow, *Phyllis Schlafly and Grassroots Conservatism: A Woman's Crusade* (Princeton, NJ: Princeton University Press, 2005); on critiques of feminism from the Right, see Ronnee Schreiber, *Righting Feminism: Conservative Women and American Politics* (New York, NY: Oxford University Press, 2008).

gnettes served two functions. First, they illustrated the virtues of the company's business model, which Butterfield summarized accordingly: "Amway saves. There is hope with soap. You can do it too." Second, they were a vehicle for spreading the company's value system. The distributors in these stories succeeded because they had the "right" qualities: they were persistent in the face of adversity, they did not doubt their own potential, and so on. Moreover, these success stories occurred within the context of a world in which the only real limit to a person's success — allegedly — was their mindset and determination. Accordingly, analyzing distributor vignettes allows us to see how the company has defined success, how it has tailored its appeal to specific demographic groups, its attitudes toward employment, and more. The distributor vignettes illustrate how Amway presented its business model as a way of attaining the autonomy, self-mastery, and economic independence that postwar social critics saw as in decline after 1945, as well as how Amway positioned direct sales as an antidote to the flaws of actually-existing capitalism.⁵³

As others have noted, Amway distributor vignettes have tended to be rather formulaic, organized and told in very similar fashions. Notwithstanding differences in the specifics of each distributor's life story, distributor vignettes have generally had three basic components: adversity, opportunity, and the reversal of fortunes. Not every testimonial presented in Amway tools has necessarily had all three parts: sometimes only adversity was highlighted, or the reversal of fortunes. That said, as the Ron Puryear example that opened this chapter illustrates, a fully fleshed-out vignette almost always featured all three parts.⁵⁴

Adversity is the gateway into Amway. While it is certainly true that, as one distributor put it, "[i]t's not a requirement to have hated your life to be in the Amway business," many in these stories joined in order to resolve some problem or problems in their lives. Accordingly, many vignettes be-

⁵³ Butterfield, *Amway: The Cult of Free Enterprise*, 42. Portions reproduced in Mondom, "Compassionate Capitalism," 11.

⁵⁴ Butterfield, *Amway: The Cult of Free Enterprise*, 39-42; Lester, *Success*, 37-41; Harris, "Of Prophecy and Profits," 234-286.

gin with a description of the future distributor's difficulties. The Puryear story is an example of probably the most common predicament that distributors identified as the reason — or a reason — they joined Amway: the dissatisfying job. Nancy Sue Ammerman has written that “the major appeal of Amway for most distributors is that through it they are able to feel that they are actually in business for themselves,” and she argued that working for others is denigrated within Amway circles. Ruth Carter corroborated this, alleging that “[t]he business had taught me to have a total contempt for honest gainful employment[.]” Butterfield wrote that in addition to dreambuilding, “a graphic evocation of the Rut” is also an important part of the Amway pitch. After a distributor described to his audience of potential recruits everything they could achieve through Amway, he then went on to contrast direct selling with its alternative: the ordinary, nine-to-five job. The job, he would tell them, reduces a person's life to a monotonous bore in which they end up devoting most of their existence to working for someone else and, in Butterfield's words, “[w]e give up dreaming and learn to live, or rather die, within our means.” At the job, work is not about fulfilling a dream or doing something personally rewarding or helping others, all qualities of genuinely meaningful work according to compassionate capitalism. Rather, it is simply a way to stay alive.⁵⁵

And indeed, Amway boosters have often promoted the business by casting it as superior to traditional salaried employment. Charles Conn wrote that “[f]or all the talk about fulfillment, sense of ‘calling,’ and love of one's profession, few people stay at a job after the financial need to be there is removed.” Conn described a job as “a forty-hour chore between weekends.” In a speech to distributors, motivational speaker Bob McEwen presented the contrast between employment and direct sales rather evocatively, evoking the theme of alienation found in Mills:

Every adult at sometime during their life, when they begin to care for themselves, say at age eighteen or twenty-one or twenty-five, faces two choices. One choice would be to go into work for someone else. Let me describe that by saying they will go into personal service. That is, that they will simply

⁵⁵ Distributor quoted in Robinson, *Empire of Freedom*, 24; Ammerman, “‘Because People Buy Soap,’” 4; Carter, *Amway Motivational Organizations*, 125; Butterfield, *Amway: The Cult of Free Enterprise*, 12.

sell themselves, go up and down the street, knock on the door, and say, “I am for sale, will you hire me?,” and place themselves at the mercy of someone else. Nothing wrong with that, except that it’s inferior to what the other option is. The other option is to go into business for oneself.⁵⁶

In their vignettes, distributors offered a variety of reasons why they did not like their pre-Amway jobs. In some cases, the work was taxing and/or time-consuming. For Dave Taylor, a former professional football player, a combination of injuries and the strain of being in an environment as cutthroat as the NFL led him to look for a way out, despite the good pay. In his words, “I was making a good living,” but “I wasn’t a husband to my wife” or “a father to my children,” and “I was beginning to drink more because I was always uptight.” Lee Waters, a Michigan pediatrician, worked as many as ninety hours a week and regularly had to pull all-nighters. His wife testified that he “looked dreadful” and she worried that “he wasn’t going to live to be fifty years old[.]” Jim Nealis also worked in medicine (as a neurologist), and had many of the same complaints as Lee Waters: he said that he “worked a hundred hours many weeks” and was “always living by my beeper.” Indeed, his practice was so consuming that, according to him, for the first five years of his son’s life, he never attended a single birthday party. Chuck and Charlene Harrison were a dual-income household — he worked at a textile mill, she at a post office — and although it was enough to support themselves and their children, the two had almost no time to spend together.⁵⁷

In many instances, distributors said that their jobs simply did not provide an adequate income. Lee Besser became a police officer in the city of Chicago in the 1970s, but after he got married, he concluded that he could not support a family on his salary. He said that his colleagues were “killing themselves to pay the bills” and “were putting in sixty to eighty hours a week to support the kids and never had time to be with them.” Charlie Marsh was a cop as well, in Rome, New York, and

⁵⁶ Conn, *The Winner’s Circle*, 86; Conn, *An Uncommon Freedom*, 174; Bob McEwen, “Your Contribution” (audiocassette tape; Global Support Services, Inc., 1998). Portions reproduced in Mondom, “Compassionate Capitalism,” 12-13.

⁵⁷ Taylor and Waters quoted in Conn, *An Uncommon Freedom*, 30-31, 115, 175-176; Nealis quoted in Charles Paul Conn, *The Dream That Will Not Die: The Rest of the Story Behind the Amway Phenomenon* (Boston, MA: Commonwealth Books, 1996), 105-106.

had the same problem as Lee Besser, complaining that he “owned one suit and a few sports shirts and my police shoes” and had “[n]othing in the bank.” Bo Short stated that he and his wife Sandy “had a six-figure income when I was twenty-eight years old,” but nonetheless, “I was working sixty-five hours a week....I had \$250,000 worth of debt to go along with it. I had a \$2,500 house payment to go along with it.” Bert and Terri Gulick indicated that, despite the fact that both of them worked, they “didn’t own anything”: “The bank owned our cars, Sears owned the dishes and the kitchen appliances, Montgomery Ward owned the bedroom suite, Thorp Credit owned Terri’s engagement diamond, and VISA and MasterCard owned everything else.” Rex Renfrow worked as a typist for the federal government and was frustrated by the lack of opportunity for upward mobility, saying, “I imagined that if I worked hard enough and long enough....I would make enough money so that I could afford to start a little business of my own.” By the time he turned forty, though, he found that he did not have anywhere near the income to do that, and he was forced to take a second job as a part-time gas station attendant to support his children and stay-at-home wife. Dennis Beecher also complained that he was stuck in a workplace hierarchy. He worked as a mortician, and after several years in the business, he concluded that “it was never going to work out for me to become president of that company and really control the thing[.]” For Tom Payne, who worked as a dentist in Gunterville, Alabama, a hospitalization in 1970 led him to realize that his practice provided few assurances of financial security. As he put it, “As long as I am there — and healthy — I can make lots of money; but when I stop pulling teeth, the money stops.”⁵⁸

It was not only distributors with salaried jobs, though, who dealt with financial insecurity. It was also a problem for those who owned their own businesses. Art and Ollie Charlton purchased an ice cream store in Phoenix, Arizona in the early 1960s, only to subsequently discover that they had

⁵⁸ Besser quoted in Conn, *An Uncommon Freedom*, 127-129; Marsh and Payne quoted in Conn, *The Possible Dream*, 95, 135-136; Bo & Sandy Short, “The Art of War” (audiocassette tape; Global Support Services, Inc., 1998); Gulick quoted in Conn, *The Dream That Will Not Die*, 109; Renfrow quoted in DeVos, *Compassionate Capitalism*, 203-204; Beecher quoted in Conn, *The Winner’s Circle*, 24.

bought a lemon, that the business was unprofitable and in poor fiscal shape. This forced Art to get a second job and decimated the couple's finances. Mel and Bea Behnke owned their own farm in Kansas, and although they liked it, they found it difficult to support themselves. Mel said that "every year I had to risk my entire net worth just to make a profit. And the profit then went right back into the farm." Craig Holiday operated a construction company, but he did not enjoy the work. In addition, he had made several real estate investments that flopped, and so ultimately he and his wife had to sell off much of what they owned to make ends meet.⁵⁹

The fact that a job or business failed to provide enough income also had gendered repercussions. In addition to being materially insufficient, several of these vignettes portrayed the dissatisfying job as a challenge to masculinity and to traditional gender roles. Recall the story of Ron Puryear, who was devastated when his wife had to leave the home to bring in a second income, or Dave Taylor lamenting that football made him an absentee husband and father. Craig Holiday's account began with him discovering a note from his wife after he had gone out drinking. The note read, "I've decided to leave you. Until you change your life, I won't come back." After a series of jobs left him dissatisfied, Bill Childers also took up drinking, describing himself as "the Pabst Blue Ribbon Kid." Drinking became such a problem that, according to him, "the night my daughter Beth was born, my wife had to wake me up so I could get her to the hospital[.]" Ken Stewart found himself so deeply in debt due to his small business that his wife once recalled "walk[ing] into the bedroom one night, and he was sitting on the bed crying like a baby." When his children were still little, Rex Renfrow had to work two jobs because he and his wife wanted her to stay home and care for them. Another distributor couple, Joe and Norma Folgio, described how fraught their home environment was before Amway: they fought frequently, and Norma confessed that things got so heated at one point that she took their shotgun and fired it at him. (Fortunately, he was not hurt.) Joe said that during that period

⁵⁹ Conn, *The Possible Dream*, 78-80; Behnke quoted in Conn, *An Uncommon Freedom*, 142-144; Robinson, *Empire of Freedom*, 53.

of his life, “I was afraid that I was about to lose my wife and family, and depression was growing like a great, dark cloud inside my head.” For these Amway men and others like them, their jobs prevented them from serving as the family breadwinner, which, in turn, led to problems like alcoholism and domestic violence. The example of Ken Stewart sobbing hysterically also suggests that the dissatisfying job could be not only emasculating, but also effeminizing. The wives felt the impact as well. In much the same way that dire economic straits could make a husband less of a man, it could also make a wife less of a woman, because the wives were sometimes compelled to compromise their childrearing duties by seeking work outside the home.⁶⁰

The dissatisfying job was not the only form of adversity that came up in these vignettes. Unexpected and burdensome healthcare costs also made a regular appearance. Several woes befell Frank and Rita Delisle, including Frank losing his job as a printer and large medical debts. Jim and Nancy Dornan were already in the business when their son was born. He was diagnosed with spina bifida and had to undergo numerous hospitalizations and surgeries while in infancy. The Dornans credited their distributorship with helping them through this period, with Nancy saying that “[w]e didn’t have to worry about paying the bills or keeping things going.” John and Jennie Crowe had a similar experience. They were also already Amway distributors when confronted with two medical maladies. First, Jennie gave birth to a child who had complications, and then, a few months after that, John was shot during a home invasion and had to have surgery. Gay Schoepf also relied on Amway to support her and her husband when a stroke incapacitated him, as did Chum Stockwell after his heart attack.⁶¹

And then there were adversities not so much personal as sociological. Amway has made a special point of stressing the opportunities it provides to historically marginalized groups. The dis-

⁶⁰ Robinson, *Empire of Freedom*, 53; Childers and Stewart quoted in Conn, *The Dream That Will Not Die*, 117, 131-132; Folgio quoted in DeVos, *Compassionate Capitalism*, 31, 35, 204.

⁶¹ Cross and Olson, *Commitment to Excellence*, 68; DeVos, *Compassionate Capitalism*, 247-248, 275-276; Dornan quoted in Conn, *An Uncommon Freedom*, 96, 99; Gay Schoepf, Ira Trosper, Dorothy Garman, and Chum Stockwell, “It’s Never Too Late.”

abled were one touted demographic. Dick Ossinger had degrees in communications and sociology, yet was forced to take a menial assembly job because he was blind and no one would take a chance on him. Robinson cited additional examples, such as the Lambeths, who were deaf. Related are those distributors who struggled with mental illness. John Herren served in Vietnam and subsequently experienced post-traumatic stress, which he treated by self-medicating. After finding success in Amway, he described the business as “a wonderful way for veterans to come back into society in a positive way instead of wallowing in self-pity.”⁶²

African-Americans were another key constituency that Amway targeted. David John Harris has pointed out that African-American distributors have had a unique interpretation of the promise of Amway. He wrote that many have viewed Amway as a means for “the realization and fulfilment — rather than renewal or restoration — of the American dream.” An article in the October 1981 issue of the magazine *Black Enterprise* posed the question “Is Amway The Black Way?” The article did not directly answer the question, but in profiling a handful of successful African-American distributors left little to the imagination. Charles Prince struggled against racial discrimination early in his life. When he worked at a supermarket, he observed that the cashier jobs were reserved exclusively for white employees. Meanwhile, he was stuck as a bagger, which paid significantly less. Furthermore, although he was an excellent student in high school, he could not get into medical school on account of his race. Before Amway, George Halsey, too, experienced discrimination. He said that despite “those signs on some of those doors that said EQUAL OPPORTUNITY EMPLOYER,” he came to discover that “when you go in there to try to get the job, you stay right where you started — at the end of the line.” In contrast to the everyday racism that African-Americans encountered, the world of Amway promised a chance for upward mobility for all, regardless of color.⁶³

⁶² Conn, *The Possible Dream*, 162-163; Herren quoted in Robinson, *Empire of Freedom*, 74-76, 83.

⁶³ Harris, “Of Prophecy and Profits,” 404; Joy Duckett, “Is Amway The Black Way?” *Black Enterprise*, October 1981, 80-82, 84; DeVos, *Compassionate Capitalism*, 119-120; Halsey quoted in Conn, *The Winner’s Circle*, 99-100;

The way that Amway sought to appeal to African-Americans reflects important shifts that occurred in the post-civil rights period. Just as compassionate capitalism acknowledged the flaws of real-world capitalism, so too did Amway concede that African-Americans continued to face discrimination even after the victories of the civil rights movement. But in offering a colorblind, class-based solution to racism, Amway embodied a backlash to race-conscious policymaking that began in the late 1960s and grew over the course of the 1970s and 1980s. No single issue arguably provoked more of a firestorm than busing. The prospect of African-American children being bussed into predominantly white school districts met with intense opposition from many whites, which right-wing politicians like Richard Nixon used to great effect, and even triggered violence, most infamously in Boston. The Supreme Court dealt two significant blows to efforts to achieve integration and equity in education when it recognized the right of localities to finance schools using property taxes in *San Antonio Independent School District v. Rodriguez* (1973) and when it struck down a plan to fuse Detroit's urban and suburban school districts in *Milliken v. Bradley* (1974). Affirmative action, too, proved another hot-button issue. Reacting to the reverberations from these fights, Amway urged African-Americans to overcome adversity through self-improvement and entrepreneurship rather than directly challenging and dismantling structural racism.⁶⁴

This attitude, though unquestionably informed by white resistance to civil rights, also tapped into a strain of black conservative thought that stressed business ownership as essential to racial progress. Booker T. Washington most famously articulated this notion. In the early 1900s, Washington urged African-Americans to make peace with Jim Crow and to concentrate on uplifting their families and communities through, among other things, starting small businesses, effectively creating a flourishing black economy that ran parallel to the broader white one. Washington's ideas had significant ripple effects. Even ostensibly radical groups and movements, such as Marcus Garvey's Universal Negro Improvement Association and the Nation of Islam, parroted Washingtonian ideas —

⁶⁴ Patterson, *Grand Expectations*, 731-734; Patterson, *Restless Giant*, 19-25.

instead of attempting to integrate into white society, they advocated using business ownership to do an end run around segregation. Earl G. Graves, the founder of *Black Enterprise*, fit very much in this tradition. In his 1997 book *How to Succeed in Business Without Being White*, he wrote that the objective of *Black Enterprise* was “to encourage as many African Americans as possible to one day control their own fates by owning their own successful businesses. Ownership is where the true power and wealth lie.” Though he acknowledged the challenges that enduring racism posed, he insisted that it was “more of a nuisance than a major obstacle” that “can be dealt with if you use your wits and determination.” He believed African-Americans could improve their circumstances through mutual aid and investments of time, effort, and resources into their communities, writing that “only by leveraging our collective strength can we achieve the only true equality — economic equality,” by which he did not mean an equal distribution of income or wealth, but rather equality of opportunity. Over the course of the twentieth century, beginning first with the New Deal and then the Great Society, black conservatism also became increasingly defined by its opposition to the welfare state. Government “handouts” were blamed for encouraging “dependency” among African-Americans and rendering them captive to the Democratic Party. Many African-Americans on the Right instead championed “black capitalism” as an alternative that promised real independence and advancement. Amway sought to draw in those African-Americans who believed in the transformative power of entrepreneurship and who saw it as a superior tool to the liberal state.⁶⁵

It was on account of racism and other woes that, as the tools told it, these individuals and couples became involved in Amway. This brings us to the second element of the distributor vi-

⁶⁵ Henry Lewis Suggs, “The Washingtonian Legacy: A History of Black Political Conservatism in America, 1915-1944,” in *Black Conservatism: Essays in Intellectual and Political History*, Peter Eisenstadt ed. (New York, NY: Garland Publishing, Inc., 1999), 81-108; Hayward Farrar, “Radical Rhetoric, Conservative Reality: The Nation of Islam As An American Conservative Formation,” in Eisenstadt, *Black Conservatism*, 109-132; Walter A. Friedman, “The African-American Gospel of Business Success,” in Eisenstadt, *Black Conservatism*, 133-150; Edward Ashbee, “The Republican Party and the African-American Vote Since 1964,” in Eisenstadt, *Black Conservatism*, 233-261; Earl G. Graves, *How to Succeed in Business Without Being White* (New York, NY: HarperCollins, 1997), 21, 43, 120, 257-286; Leah Wright Rigueur, *The Loneliness of the Black Republican: Pragmatic Politics and the Pursuit of Power* (Princeton, NJ: Princeton University Press, 2015); Michael L. Ondaatje, *Black Conservative Intellectuals in Modern America* (Philadelphia, PA: University of Pennsylvania Press, 2010), 92-124.

nette: opportunity. At a certain point in their lives, the would-be distributors were introduced to Amway. In some cases it occurred by happenstance. For example, Mike Apele, a flight attendant, heard about it from some distributors who were on board an airplane, while Roy Bulmer, a police officer, was introduced to it by a man who was in a car accident that he had responded to. For most distributors, however, the gateway was a friend or a relative. Rex Renfrow got into Amway in 1972 thanks to Bill Britt, who, along with his wife Peggy, built one of the largest and most successful distributorships in the company's history. The two couples had been friends since the 1950s, when they both lived in Raleigh, North Carolina. Willie Bass lived next door to his sponsor, Ron Hale, who would occasionally see him leaving for and coming home from his welding job. The work had caused Willie to develop significant lung problems. Ron was purportedly moved to show Willie Amway so that he could leave his unsafe job once and for all.⁶⁶

Not everyone introduced to Amway was immediately taken with the business and signed up, though. Many distributors vignettes noted an initial skepticism and hesitancy. Chum Stockwell recalled that “[i]n 1962, our sponsor stopped at the restaurant, I threw him out. We’d started this restaurant on a wing and a prayer back in the olden days, and I just couldn’t see myself, a deal like that.” Bubba Pratt said that he and his wife Sandy backed out of the business twice before finally committing to it. Lisa Mitts stated that after she and her husband David were first shown the Plan, they shied away from the business, worrying about potential financial commitments they might have to make: “We still avoided him [i.e., their sponsor] for a little while though, because we thought that he was rich, he lived on the river, you know, he was a real doctor, you know what I’m saying, and we thought that, my goodness, if he’s gonna ask us to look at an income opportunity, it means that we’re gonna have to put some money out, and we don’t have anything.” Brain Hays described his sponsor, a trucker, as “a poor little guy, making a few extra bucks,” and said that because of that, he came close to passing on the opportunity. Glen and Joya Baker indicated that, when an old friend of

⁶⁶ Conn, *An Uncommon Freedom*, 54-55, 58-60; DeVos, *Compassionate Capitalism*, 257-258.

Glen's first tried to sell them on Amway, they were "completely uninterested" and "blew him off four separate times."⁶⁷

Some said they received negative feedback from those close to them when they expressed a desire to join Amway. Bert Gulick told an audience of distributors that after he tried to explain the business to his father, "My dad proceeded to tell me that I shouldn't be in the Amway business, that it was just a rinky-dink business, how could I put my career as a restaurant manager on the line, how could I sacrifice smelling like a pepperoni [he worked at a pizza shop] for this silly soap business." George and Rush Halsey, one of Amway's most successful African-American distributors, doubted the business at first, with Ruth confessing that she "just didn't believe that the Plan had much promise[.]" When Lee Besser's wife Jane was introduced to Amway, she was enthusiastic but he was not. She said, "I showed him the circles. He got mad. We fought. We screamed and fought for three days. I wanted him to go with me to a meeting and see it for himself, and he wanted nothing to do with it." Fred Harteis, who worked as a schoolteacher, said, "I got a lot of free advice, especially from some of my fellow teachers, and all of it was negative. The main objection was simply that it wouldn't work, that I wouldn't be able to make any money at it." His father even bet him fifty dollars that he would fail at the venture. Jim Nealis's colleagues were also unsupportive. According to Charles Conn, their "skepticism sometimes bordered on outright ridicule." Kay Beecher initially worked by herself because her husband, Dennis, did not buy into Amway. He finally relented, he said, after "[t]hings kept adding up." Carl Reardon admitted that "after seven months in this busi-

⁶⁷ Gay Schoepf, Ira Trosper, Dorothy Garman, & Chum Stockwell, "It's Never Too Late"; Bubba & Sandy Pratt, "One Belief Away" (audiocassette tape; Global Support Services, Inc., 1999); David & Lisa Mitts, "We Searched for Direction" (audiocassette tape; Global Support Services, Inc., 1998); Hays quoted in DeVos, *Compassionate Capitalism*, 227; Baker quoted in Robinson, *Empire of Freedom*, 98.

ness, I hated it and I wished I had never heard of it and I wished I hadn't gotten into it and I wished I could quit."⁶⁸

Even when distributors overcame their initial doubts, or had few or no misgivings to begin with, the opportunity did not necessarily translate into quick or easy success. Some vignettes told of difficulties distributors had in getting their businesses off the ground. Charlie Marsh said that for thirty-one nights straight he held meetings at his home to show the Plan and no one showed. Louie Carrillo, who was an air traffic controller, reached out to five hundred of his colleagues and was rejected by all of them. Chris Cherest recalled, "I went out for almost eight months, night after night, house after house and no one said yes." The Bessers, according to Conn, "had ten meetings in a row when nobody joined, tried to sponsor almost a hundred people without success." Bill Britt confessed that "the first nineteen people I tried to sponsor turned it down flat." Tim and Sherry Bryan invited twenty-three couples to their first presentation of the Plan and none came. Their next two meetings were equally deserted.⁶⁹

At first glance, such stories might appear to count against Amway. Between the distributors who were initially wary of joining to the tales of rejection after rejection, they would seem to paint Amway as a suspicious, potentially risky venture. Of course, that was not how the tools presented them. Rather, such obstacles were testimony to the power of persistence. In keeping with the advice given by self-help and positive thinking writers like Napoleon Hill, Norman Vincent Peale, John Schindler, and David Schwartz, Amway's boosters believed that individuals had to power through whatever hurdles lay in the way of achieving their goals. Ron Ball wrote that accepting "delayed grat-

⁶⁸ Bert & Terri Gulick, "Finish the Race" (audiocassette tape; Global Support Services, Inc., 1998); Halsey quoted in Cross and Olson, *Commitment to Excellence*, 76; Besser and Harteis quoted in Conn, *An Uncommon Freedom*, 37-39, 129; Conn, *The Dream That Will Not Die*, 106; Beecher quoted in Conn, *The Winner's Circle*, 24-25; Carl & Marsha Reardon, "Making a Diamond Quilt" (audiocassette tape; Global Support Services, Inc., 1998).

⁶⁹ Conn, *The Possible Dream*, 137-138; Robinson, *Empire of Freedom*, 60; Cherest quoted in DeVos, *Compassionate Capitalism*, 241; Conn, *An Uncommon Freedom*, 130; Britt quoted in Conn, *The Winner's Circle*, 61; Conn, *The Dream That Will Not Die*, 129.

ification” was essential to success, while distributor Cindy Grabill, speaking at an Amway function, identified “unrealistic expectations” as one of the “destroyers of the business.”⁷⁰

Numerous tapes concentrated, in whole or in part, on encouraging distributors to continue in the business when they encountered difficulties or were not seeing any apparent gains. One company tape from 1974 contained a recording of one of Richard DeVos’s most well-known talks, the “Four Winds,” which he first delivered in 1958. Using sailing metaphors, DeVos described various obstacles that distributors might encounter. Loved ones who questioned one’s ability to succeed, or who cast aspersions on the company, were a “north wind.” Macroeconomic conditions like inflation or recession were an “east wind.” When distributors gave up on expanding and decided to settle for what they had, they were riding a “southern wind.” DeVos counseled readers to avoid these and to instead catch the western wind. The western wind represented the many success stories throughout the world of Amway, which offered “reassurance” to wavering distributors and reminded them that “there’s gotta be something to it.” “200,000 people can’t be wrong,” DeVos said, referring to the size of the company’s distributor force at the time. Speaking at a function, distributor Tim Foley told the audience that “there’s going to be times in the business when you work real hard and nothing happens, you think nothing’s happening, but something’s happening inside of you, don’t worry about it, you’re getting tougher, you’re getting stronger, something’s happening inside of you, but on the outside it appears as though nothing’s changing. But things are changing.” According to distributor David Lewis, the promise of Amway was so powerful that it demanded staying in the business, because life was essentially meaningless otherwise: “I would rather be in Amway and be frustrated and not have it work as fast as I want it to work and know that I have to change and have hope than to

⁷⁰ Ball, *The Amway Idea*, 30-31; Parker & Cindy Grabill, “Destroyers of the Business” (audiocassette tape; Global Support Services, Inc., 1998).

be out in this world just living each day, existing each day, and knowing that the light at the end of the tunnel is a train.”⁷¹

The recounting of early hardships served to reinforce the positive thinking component of the company’s philosophy: namely, that success was contingent upon believing in yourself and your potential as well as tuning out negativity (such as the unsupportive friends who insist that Amway will never work). Distributors Bo Short and Terry McEwen both told audiences that success or failure in Amway was largely — if not entirely — a matter of individual commitment. Bo Short stated that “[i]t’s not that it’s not working out for you, you’re just not working it enough,” while Terry McEwen put it somewhat blunter: “People don’t quit the business, people don’t fail in the business, people fail themselves, on themselves.” Boosters often interpreted rejection — whether by loved ones or by potential recruits — as a failure of imagination, as opposed to evidence of the system’s impracticality or lack of appeal. Distributor Jim Nealis told an audience at an Amway function, “maybe some of the people in your family will be negative...and that’s when it really hurts, cause it’s coming from people you love — but they don’t understand[.]”⁷²

Of course, what made such initial missteps and difficulties bearable was eventual success in the business. The reversal of fortunes is the third major trope of the Amway distributor vignette. After dedicating themselves to the business and refusing to let obstacles along the way deter them, the distributors in these vignettes reported a substantial transformation in the quality of their lives. In many cases, success was practically meteoric. It took Willie Bass just over a year to qualify as Direct, which allowed him to leave his welding job, get his lung condition treated, and become more financially secure. Conn wrote about Art and Ollie Charlton that “[w]ithin six months, their distributorship was providing a decent living for them, and within two years it had become highly

⁷¹ Richard DeVos, “Four Winds” (audiocassette tape; Amway Corp., 1974, 1977); Tim & Connie Foley, “Running Up the Down Escalator” (audiocassette tape; Global Support Services, Inc., 1998); Dave & Marge Lewis, “Indy 7500.”

⁷² Bo & Sandy Short, “The Art of War”; Terry & Yvonne McEwen, “Playing the Game”; Jim & Grace Nealis, “How the West Was Won” (audiocassette tape; Global Support Services, Inc., 1999).

profitable.” Charlie Marsh quit his job as a police officer three months after he joined Amway, and six years later, he and his wife had reached Crown level. Clare and Shirley Gunnett went Direct in just two months. The Beechers reached Ruby level two years after joining the business in 1971, and only continued climbing higher up Amway’s jewel hierarchy: “Pearl, Emerald, and Diamond in 1974; Double in ’76; Triple in ’77; Crown in ’78.” Conn recounted an exchange he had with the Beechers about their financial situation post-Amway:

“Okay. You’re making money,” I say. “But are you making a *lot* of money?”

Dennis Beecher isn’t embarrassed by the question. (People with lots of money rarely are.) “Look around you,” he smiles back to me, “and answer that question for yourself.”

So I looked around me. We are in Rancho Santa Fe, San Diego’s most exclusive residential area. I have read somewhere that homes start at about three hundred thousand dollars here. Bob Hope has a home here; Robert Mitchum has one; so does Dennis Beecher. I look around the house: fifty-two hundred square feet, soaring ceilings, indoor pool. Outside is a horse ring and stable area, right next to where the tennis court is going in. I had seen a 1931 classic Ford Phaeton in the driveway, right next to that new Lincoln Continental. I remembered how hard it had been to schedule the interview, what with the Beechers on vacation in places like Europe and Lake Tahoe and their mountain cottage so much of the time.⁷³

In reality, very few distributors have ever become as wealthy as the Beechers, or anywhere near it, for that matter. Following the Federal Trade Commission’s investigation of Amway in the 1970s (more on that in Chapter III), the company was required to provide information regarding the average earnings of its distributors. A 1986 copy of the Sales and Marketing Plan indicated that, on average, “active” distributors earned about seventy-six dollars a month. Studies of Amway in later years have noted similarly low earnings for distributors on the whole.⁷⁴

⁷³ DeVos, *Compassionate Capitalism*, 263; Conn, *The Possible Dream*, 81, 138-139; Conn, *The Winner’s Circle*, 25-26, 38.

⁷⁴ Harris, “Of Prophecy and Profits,” 456. Amway defined an “active” distributor as “one who attempted to make a retail sale, or presented the Sales and Marketing Plan, or received bonus money, or attended a company or distributor meeting in the month surveyed.” At the time, 38 percent of Amway’s distributor force qualified as “active.” (Harris, “Of Prophecy and Profits,” 458.); *Amway Forever*, 8, 72. Portions reproduced in Mondom, “Compassionate Capitalism,” 11.

Nevertheless, the vignettes in Amway tools have consistently highlighted ultra-rich distributors who achieved great wealth and financial independence through the business. Charles Conn reported that Robert Echols earned \$41,000 his first year in the business, while Mel and Bea Behnke earned \$10,000 a month in performance bonuses within a year and \$24,000 a month within two. Pat Kaufmann, a metallurgist before he joined Amway, claimed that he once earned more money in one week than he and his wife did in one year at their old jobs. Clare Gunnett took in around \$7,800 in wages in 1963. The following year, upon joining Amway, his earnings rocketed up to over \$36,400, an increase of nearly 462%. Stan and Ruth Evans said that thanks to Amway, “[w]e fly from one end of the world to the other, whereas in the past our vacations were limited to once-a-year trips to visit relatives in the mountains some 200 miles away [they lived in Wray, Colorado].” DeVos wrote that because of Amway, Bill and Hona Childers “live in a beautiful home with a mounted five-hundred-pound blue marlin on one wall of their trophy room and a thousand-pound elk that Bill shot in Colorado on another.” In addition, “their future and their children’s financial future is guaranteed[.]”⁷⁵

Not only have company boosters routinely touted such exceptional cases, but, crucially, they have also presented them as relatively attainable. Frank Zecher told an audience of distributors, “When somebody wanted to go Diamond, they went Diamond. I ask people, or I get the question, I don’t know how many times in the course of this business, you know, ‘What’s your chances of going Diamond?’ And I always tell them it’s excellent of whoever wants to be.” Bo Short likewise said, “You don’t have to do the impossible to go Diamond. You have to do what every other Diamond in the history of this business has done. You just have to do it.” Pedro Lazari, meanwhile, assured distributors that “you can live for the rest of your life out of this business.” In keeping with Amway’s emphasis on positive thinking, all that a person supposedly needed to attain such vast wealth was personal conviction, as distributor Bubba Pratt explained: “Everybody here is one belief away from

⁷⁵ Conn, *An Uncommon Freedom*, 136, 146; Conn, *The Winner’s Circle*, 27, 29, 38; Evans quoted in Cross and Olson, *Commitment to Excellence*, 72-73; DeVos, *Compassionate Capitalism*, 179-180. Portions reproduced in Mondom, “Compassionate Capitalism,” 11.

going Diamond and accomplishing in your life what you want to accomplish. The only thing that is holding all of us back is our belief, but we're one belief away."⁷⁶

The reversal of fortunes touches upon a heretofore undiscussed aspect of the Amway worldview: namely, how the company and its boosters have defined success. Money has always been important both as a motivation for joining as well as a barometer of success, a fact that other studies of Amway have noted. In a number of ways, though, the cofounders and Amway sympathizers have attempted to downplay the role of money, as well as to scrub money and materialism of its negative connotations. DeVos, for example, wrote that “[m]aterial is the stuff of life, and there is absolutely nothing wrong with wanting to have a decent share of material to make life easier, fuller, richer.”⁷⁷

Amway’s defenders positioned money as only one of several benefits of the business, even suggesting that the non-material gains were more significant. For one, they argued, not everyone who was in the business mainly — or even only — for money was necessarily engaged in the single-minded pursuit of vast riches. Van Andel acknowledged in his autobiography that “[m]any of our Amway distributor meetings and rallies feature distributors who have made it big,” but that they were not “the really big success story[.]” That distinction belonged to “the millions of people all over the world who have a little better piece of life’s goodness today because they put some of their spare time every week into Amway.” James Robinson echoed this. Regarding the material motivations of distributors, he wrote that “[f]or some, it’s [about] becoming a millionaire” while “[f]or others, it’s [about] being able to earn enough extra income to pay off bills or make that special purchase of a car, boat, or home.” He went on to argue that “the critics who seek to evaluate Amway simply in terms of how many people strike it rich are missing the entire point of the business,” saying that

⁷⁶ Frank & Dawana Zecher, “My Computer Thesis”; Bo & Sandy Short, “The Art of War”; Pedro & Patsy Lizardi, “The Principles Still Stand”; Bubba & Sandy Pratt, “One Belief Away.” Portions reproduced in Mondom, “Compassionate Capitalism,” 11-12.

⁷⁷ For discussions of the importance of money in Amway, see Harris, “Of Prophecy and Profits,” 430, 538, Lester, “Success,” 24, and Ammerman, “Because People Buy Soap,” 16-17; DeVos and Conn, *Believe!*, 139; DeVos, *Compassionate Capitalism*, 7; Mondom, “Compassionate Capitalism,” 11.

individuals joined the business not just to earn money, but also to gain camaraderie and to bring their families closer together, among other reasons. Charles Conn wrote that when he first began studying Amway, he believed “that the whole thing could be reduced to money” and “that Amway people were just like everyone else, only perhaps a bit more greedy.” Over time, though, he discovered, in his estimation, that “that jaundiced view was clearly an inaccurate one.”⁷⁸

In the reversal of fortunes we find examples of this more expansive definition of success. In keeping with compassionate capitalism’s definition of meaningful work, direct sales offered rewards above and beyond money. Mike and Carla Wilson stated that while “[w]e have received many of the finest material blessings” as a consequence of joining Amway, their most precious reward was “the freedom to have complete control over our lives[.]” Billy and Peggy Florence similarly said that, in their estimation, “the greatest parts of this business are *unseen* [i.e., immaterial] things,” which for them included “the opportunity to be full-time parents for our children.” Roxanne Parks told an audience of distributors that “[t]his business has made me a better mom and a better wife and a better parent[.]” Rick and Sue Lynn Setzer said that, along with providing them fancy homes and luxury automobiles, Amway also improved the wellbeing of their children, with Sue Lynn stating, “I can see a difference in my kids since they have a full-time father and mother.” In addition, they said, they made better, more positive friends through the business. Gary and Diane Reasons said that they became more optimistic about other people as a consequence of doing Amway. And, like the Setzers, they saw their social circle improve, with Gary saying that “[b]efore Amway, we could count our close friends on one hand,” whereas now they had far more.⁷⁹

In some cases, Amway was credited with triggering profound changes in people’s personalities and behaviors. One oft-touted example was Dan Williams, who struggled with an intense stutter

⁷⁸ Van Andel, *An Enterprising Life*, 79-80; Robinson, *Empire of Freedom*, 93-94; Conn, *The Winner’s Circle*, 10. Portions reproduced in Mondom, “Compassionate Capitalism,” 12.

⁷⁹ Wilson and Florence quoted in Robinson, *Empire of Freedom*, 90, 92; Bryan & Roxanne Parks, “Run With It”; Setzer and Reasons quoted in Conn, *An Uncommon Freedom*, 52-53, 134-135. Portions reproduced in Mondom, “Compassionate Capitalism,” 12.

for much of his life. After he joined Amway, his stutter gradually diminished, explaining that “[b]efore I got involved in Amway, stuttering took up most of my thoughts,” but upon joining, “I got so deeply involved in this business, and in the lives of the people we sponsored, that it got to where it didn’t matter much to me how they reacted, or how I was coming off to them, and before I realized it, I wasn’t stuttering anymore.” After developing a penchant for drinking while a police officer, Lee Besser reportedly cut alcohol after becoming a distributor. David Mitts said that because of Amway, he and his wife “stopped being so self-centered and began to become God-centered and other people-centered, and that was a powerful change.” Amway also supposedly helped people become more extroverted, as with George Rudd, who before the business was shy and kept to himself, but who nevertheless managed to become a Diamond distributor who gave talks in front of large audiences. When Tim Bryan first started out in the business, Charles Conn wrote, “getting up in front of a group of adults scared him almost to the point of paralysis,” but after a while, “his natural ability to persuade and talk effectively kicked in, and things got better.”⁸⁰

And then there’s “freedom.” Amway routinely equated success in the business with attaining freedom. Distributor Marsha Reardon, for example, said that acquiring “freedom for myself and my family” motivated her to get into the business. Luronda Joye, meanwhile, characterized the early travails of her and her husband’s distributorship as a period of “fighting for our freedom.” Recall also the statement quoted earlier from Marge Lewis, in which she told distributors that purchasing their own Amway products was key to “find[ing] your freedom.” They described liberty in nonmaterial terms: for instance, the freedom to spend more time with one’s family. Freedom also took the form of self-mastery and self-actualization. Charles Conn opened one of his pro-Amway books by distinguishing between what he termed “common” and “uncommon” freedoms. Common freedoms are the sort found in the Bill of Rights: they “are automatically granted, at birth, to every man and

⁸⁰ Williams quoted in Conn, *The Possible Dream*, 91. The Dan Williams story also appears in DeVos, *Compassionate Capitalism*, 224-225; Conn, *An Uncommon Freedom*, 130, 136-137; David & Lisa Mitts, “We Searched for Direction”; Conn, *The Dream That Will Not Die*, 130. Portions reproduced in Mondom, “Compassionate Capitalism,” 12.

woman in a free land.” In addition to those, there are uncommon freedoms, which he defined as “the freedom *to be* what ones wishes to be, to live where one wishes to live, to support the causes one believes in, to explore the full and exciting range of one’s potential.” Unlike common freedoms, uncommon freedoms “cannot be granted by government decree.” Rather, people had to earn them, and he held out Amway as the means to attaining them.⁸¹

The primary form of self-mastery to gain through Amway has been the ability to work for oneself. Dorothy Garman had worked in retail before she became an Amway distributor. The big difference, according to her, was that direct sales offered independence. At her old sales job, she was “an employee of the company. As long as you could work you were building a business for them. If something happens, you couldn’t work, why they just said goodbye and nothing that you had ever built was yours.” In Amway, on the other hand, whatever she built *was* hers. When she learned about the Plan, she said, “the main thing I could see that was to me very important was the fact that here was something in sales that you were building for yourself, not for another company.” Distributor Jim Nealis told an audience at a function that Amway cultivated a “spirit of independence,” which involved rejecting salaried employment as beneath oneself. “A spirit of independence,” he declared, “is the kind of person who says, ‘I’m sorry, I just will not work nine to five for the rest of my life so I can retire broke at some age whenever my boss is tired of looking at me.’” Many of the distributors who appeared in these vignettes wound up leaving their old jobs and committing themselves completely to their distributorships, although there were also examples of individuals who continued to work, albeit at reduced hours. Even in those cases, though, the implication was that those distributors earned enough in Amway that they could walk away if they so chose: they worked for pleasure, rather than need. By joining Amway, then, distributors had the opportunity to fulfill the desire to “evade” stultifying work environments that Daniel Bell saw as so pervasive among workers in the

⁸¹ Carl & Marsha Reardon, “Making a Diamond Quilt”; Barry & Luronda Joye, “We Don’t Laugh at Redneck Jokes”; Dave & Marge Lewis, “Indy 7500”; Harris, “Of Prophecy and Profits,” 7; Conn, *An Uncommon Freedom*, 1-2. Portions reproduced in Mondom, “Compassionate Capitalism,” 12.

postwar period. Moreover, the Amway distributorship promised to satisfy what Bell identified as the twin qualities of genuinely fulfilling work. Through Amway, the individual could “feed his body” (earn enough money to quit his job, pay off debts, purchase luxuries, etc.) as well as “sustain his spirit” (make new friends, spend more quality time with the family, become more hopeful and optimistic, etc.).⁸²

Of course, Amway’s vision of freedom ultimately rested upon a material foundation. It was the money they earned through the business that gave certain distributors the liberty, say, to be at home with their children. In *An Uncommon Freedom*, Conn wrote that “[t]rue liberty requires not just the political *right* to pursue happiness, but the material *means* to do so.” Consequently, “[t]ens of millions of Americans, though politically free, are functionally not at all free to pursue life as they dream of it.” Conn could also put the point more bluntly: “Money is freedom.”⁸³

As with the other elements of the distributor vignette, the tools presented the reversal of fortunes in ways that strategically benefitted Amway. One might reasonably conclude that it was risky to shine so much light on distributors who hit it big in Amway. After all, distributors who failed to emulate these models either in how much they earned or how quickly they earned it could become discouraged and quit. And to an extent, the data bears this out. In the late seventies, an estimated three-quarters of all Amway distributors quit after their first year in the business. More re-

⁸² Gay Schoepf, Ira Trosper, Dorothy Garman, Chum Stockwell, “It’s Never Too Late”; Jim & Grace Nealis, “How the West Was Won”; Conn, *The Winner’s Circle*, 89-93. For additional vignettes of distributors who left their jobs, see Conn, *An Uncommon Freedom*, 163-173. Portions reproduced in Mondom, “Compassionate Capitalism,” 12.

⁸³ Conn, *An Uncommon Freedom*, 2-3; Conn, *The Possible Dream*, 169. Portions reproduced in Mondom, “Compassionate Capitalism,” 13.

cently, a 1997 lawsuit filed against Amway cited an annual turnover rate of fifty percent. Presumably some portion of those people left because reality failed to meet expectations.⁸⁴

However, when we consider the reversal of fortunes in the context of the narrative arc of distributor vignettes and the Amway worldview as a whole, we find numerous ways that the tools attempted to forestall such disillusionment. For one, the focus on ultra-successful distributors notwithstanding, the cofounders routinely stressed that such outcomes were not guaranteed. At the same time, because Amway had appropriated assumptions from self-help and positive thinking about what individuals were capable of, it meant that entering the ranks of the well-to-do always seemed like a realistic possibility, even if the vast majority of distributors never in fact achieved it. James Robinson went out of his way to argue that even if distributors did not become rich, the potential financial returns on Amway were still sufficient to justify being in the business. He offered several examples of how “even modest sums of additional income — if handled responsibly — can, with patience and perseverance, lead to a more secure and bountiful life.” He pointed out that saving a seemingly paltry amount of money, like twenty-five dollars, every month eventually added up to large sums. In his twenty-five dollar example, he noted that an individual would have over \$11,000 after twenty years. By Robinson’s logic, then, even a distributor earning the 1986 average of seventy-six dollars a month could eventually wind up doing pretty well for themselves. In addition, the immaterial benefits of the business, apart from supplementing any financial gains, could also *substitute* for them. In other words, they were a reason for being and staying in the business in and of themselves, even after a person failed to strike it rich. An example of this comes in the vignette of Gary and Diane Reasons. Gary recalled:

⁸⁴ Initial Decision, *In the Matter of Amway Corporation, Inc., et. al.*, 93 F.T.C 618, 636; Complaint, *The Procter & Gamble Company and the Procter & Gamble Distributing Company v. Amway Corporation, The Amway Distributors Association Council, Ja-Ri Corporation, Donald R. Wilson, WOW International Inc., Wilson Enterprises, Inc., Ronald A. Rummel, individually, and d/b/a Rummel Enterprises, Roger D. Patton, Jeffrey G. Musgrove, individually, and d/b/a Musgrove Enterprises, Kevin Shinn, Randy Haugen, Freedom Associates, Inc., Freedom Tools, Inc., Randy Walker, Walker International Network, Gene Shan, Robert Schmanski, individually, and d/b/a Schmanski Enterprises, Mark Pruitt, William Bredemeyer, John and Jane Does, 1-5, individuals, and John and Jane Does, 6-10, business entities*, United States District Court for the Southern District of Texas, Houston Division, case number H-97-2384, filed July 16, 1997, 7.

At our first rally, I heard a guy say, “If there were no money in Amway, I would still do this for friendship.” I looked at Diane and told her, “*That* I don’t believe!” Now I understand. Amway gave me a new faith in other people. I had been burned, and I was bitter. Amway brought me out of that. I believe I could call any one of thousands of other distributors and say, “Hey, I need you,” and that person would be there — no questions asked. How can you put a price on that?⁸⁵

The wide definition of success used in the reversal of fortunes was part of a larger effort to make Amway a worthwhile pursuit. Everett Hannan wrote that “books, tapes, and meetings are central to the basic problem posed by the socioeconomic realities of multi-level marketing”: namely, the fact that, as noted earlier, very few distributors actually sell enough products or recruit enough people to allow them to leave their jobs or vacation in Europe or buy a mansion. He noted that “[i]n light of the minimal economic return, and the social costs involved, it is unlikely that a distributor would be successful without continually reconstructing meaning for such activities.” Accordingly, he posited that “books, tapes, and meetings, and their ideology of success, serve to restrict alternative meanings attached to a distributor’s social and economic activities.” Another way, then, of interpreting the success smorgasbord offered up by Amway boosters is that they were trying to give distributors as many ways as possible to *not* see themselves as failures. Thus there was a continual moving of the goal posts: even if you did not become rich, you could earn enough to pay for a vacation or cover some bills, and if you were still not satisfied with that, then at least you got to make some new friends or perhaps become a more confident public speaker.⁸⁶

The distributor vignettes tell us a lot about the Amway worldview. A common theme running through many of these stories was a frustration with the shortcomings of employment. Work-

⁸⁵ Jones, *Amway Forever*, 8; Robinson, *Empire of Freedom*, 94-95; Reasons quoted in Conn, *An Uncommon Freedom*, 135.

⁸⁶ Hannan, “The Social Reconstruction of Meaning,” 84, 100-101.

ing for someone else was portrayed as insecure (one could be out of a job at any time and suddenly be unable to provide for oneself and one's family), inadequate (the pay often could not support a single-earner household, forcing both the husband and wife to work and to "abandon" their children, families had to take on debt to make ends meet, etc.), emotionally and psychologically draining (the hours were too long, the work was not fulfilling, the schedule cut in on family time, etc.), and disempowering (opportunities for upward advancement were limited or nonexistent, one had to work according to another person's timetable, etc.).

The attacks on employment compel us to complicate our understanding of the nature of postwar free enterprise ideology. Within the Amway universe, it was capitalism, not "big government," that came in for the heaviest scrutiny. It was capitalism, not "big government," that was the threat to individualism. Direct sales held out the promise that people could participate in the market in ways that were more liberating and remunerative than what the standard nine-to-five job had to offer.

This suggests that, although animosity directed towards New Deal-style liberalism was important, we should look for the roots of free-market conservatism in other places as well, including in the crisis of autonomy of the late 1940s and 1950s. When Dennis Beecher complained about not being able to become his own boss, or when Bert and Terri Gulick described being "owned" by banks and credit card companies, they were echoing the likes of C. Wright Mills, William Whyte, and Daniel Bell, all of whom described a population that felt increasingly constrained, that they had little or no control over their own lives. And one significant source of that constraint, identified both in the immediate postwar period and in these vignettes, was the job.

The unrewarding job, however, was really just a symptom of a much larger problem. When William Whyte railed against "The Organization," or Mills described the eclipse of democratic property by class property, they were critiquing an entire set of economic institutions and relationships that had the effect of placing some people in subordinate, subservient positions and limiting

their potential. This insight also became incorporated into Amway's corporate philosophy. Independent business ownership was part and parcel of a new, different, more "compassionate capitalism." Compassionate capitalism promised to fix, of all things, capitalism itself. Instead of atomized individuals each pursuing their own interests and looking out only for themselves, compassionate capitalism imagined an economy in which people's economic pursuits were guided by a desire to improve the material *and* spiritual well-being of themselves and those around them, one in which people would work together to help one another achieve their dreams. Compassionate capitalism encouraged individuals to reject mundane, stultifying work that left them economically insecure as well as unhappy.⁸⁷

The cofounders intended Amway to exemplify this economic system. Amway sought to model the cooperative aspects of compassionate capitalism by having uplines act as mentors for their downlines and by promoting direct sales as pro-family. By becoming an Amway distributor, individuals were promised the opportunity to attain much of what was unavailable to them in traditional salaried jobs. They had the chance to become their own bosses, to set their own schedules, to get out of debt and then some, to spend more time with their spouses and children, to improve their self-confidence, and more.⁸⁸

The crisis of autonomy, as we saw in Chapter I, sparked a heightened interest in self-help and positive thinking. It should come as no surprise, then, that both genres found their way into compassionate capitalism and the Amway business itself. Compassionate capitalism held that a positive mental attitude was essential to realizing one's dreams. Since direct sales supposedly held the key to achieving all sorts of dreams, positivity was also important to being an Amway distributor. Indeed, the company and its allies argued that a person's mental state was the one true determinant of how well or how poorly they did in the business. Birth or background did not matter: if a person

⁸⁷ Portions reproduced in Mondom, "Compassionate Capitalism," 19.

⁸⁸ Portions reproduced in Mondom, "Compassionate Capitalism," 19.

had the right mindset, they could get everything they wanted and lead a satisfying life. The distributor vignettes reflected this belief. Many of the distributors profiled in Amway tools struggled with various sorts of hardships: a difficult or unrewarding job, debt, a broken marriage, discrimination based on race or ability. Even when they joined, they continued facing difficulties, whether in the form of personal doubts they nursed about the business, dismissive comments from friends, relatives, or colleagues, or a lack of customers or recruits. All of those obstacles proved surmountable, though: they stuck with it and eventually became a success. The implication, of course, was if a person was *not* doing well in life, if they joined Amway and did *not* succeed, they had only themselves to blame.

Everything presented so far has come mainly from the perspective of the cofounders, company boosters, or those minority of distributors who managed to hit it big. But not everyone has bought into the Amway line that it represents a kinder, gentler capitalism or that vast riches await those who go into direct sales. And not everyone who has done Amway managed to achieve their dreams. They had an entirely different story to tell.

III

Scamway

At its best, Amway harnesses middle class dissatisfaction for the purposes of hawking soap, enriching a tiny fraction of the sellers who buy in. At its worst, the company hijacks dreams born of desperation and bankrupts people with the very products promising them deliverance.

-Erik German¹

Amway is a joke. On one episode of *The X-Files*, agents Mulder and Scully pursue a man who kills overweight women and feeds on their body fat. When a citywide, door-to-door manhunt fails to locate him, Mulder quips that he “wouldn’t have made a good Amway salesman.” In the opening scene of an episode of *Sabrina the Teenage Witch*, the witch-turned-feline Salem Saberhagen is seen chatting online with another witch who, according to him, had once done Amway and had since been transformed into a camel. When asked why, he replies, “He used to be an Amway salesman.” On an episode of *Friends*, Phoebe and Mike decide that they want to find better uses for the money that they have set aside for their wedding. “You could buy a ton of Amway products,” Ross suggests. When they reject that, Ross grumbles under his breath, “How am I gonna unload all those Amway products?” In May 2001, the satirical newspaper *The Onion* published an article headlined “Russia Acquires Amway Distributorship.” According to the article, “[s]hortly after ordering 147,700,000 ‘opportunity kits’ from the Amway home office in Ada, MI, Russia began embracing the Amway lifestyle, removing all other brands from its store shelves and stocking only Amway products, such as Active-8, a juice drink, and FA-8, a laundry detergent.” The piece also included words of warning from Tajikistan’s president, whose country had tried and failed to succeed in the business: “After the collapse of the Soviet Union, all the other republics seemed to be doing so

¹ Erik German, *My Father’s Dream* (2011), loc. 417. Kindle e-book.

much better than us. Amway waved a golden carrot in front of us, and we reached out for it. But after two years, we found ourselves in debt to Amway.”²

For many, though, Amway has been no laughing matter. For over four decades former distributors and outside observers have subjected the company to an extensive battery of criticism. In addition, governments and state agencies both in the United States and abroad have opened investigations into Amway. (The foreign dimension will be taken up in Chapter IV.) “Scamway” — the title of this chapter — is a pejorative used by those with negative opinions of the company. An Internet search for the term yields thousands of websites airing complaints about Amway and direct selling more generally.

It is no coincidence that the first salvos against Amway were fired in the mid-seventies. The late 1960s and 1970s were a golden age of popular activism. In addition to the host of social problems that fueled the “movement of movements” — racism, sexism, homophobia, war — Americans in this period also agitated against two other perceived scourges: unscrupulous businesses and “cults.” The consumer movement and the anti-cult movement both attracted nationwide attention and shared a concern with manipulation and deception, whether by a company trying to cover up the dangers associated with one of its products or by a religious group looking to recruit and retain members. Although the two movements are not typically thought of as related in any way, they did in fact occasionally intersect.³

Amway deepens our understanding of both movements by providing an example of one such place of overlap. The attacks on Amway that began percolating in this period developed along two lines. One, drawing from the consumer movement, focused on the nuts and bolts of Amway’s

² “2Shy,” *The X-Files*, season 3, episode 6, dir. David Nutter (Ten Thirteen Productions, 1995; DVD, Fox); “Boy Was My Face Red,” *Sabrina the Teenage Witch*, season 3, episode 2 dir. David Trainer (Viacom Productions, 1998; ABC); “The One With The Home Study,” *Friends*, season 10, episode 7, dir. Kevin S. Bright (Bright Kauffman Crane Productions, 2003; DVD, NBC); “Russia Acquires Amway Distributorship,” *The Onion*, May 9, 2001, <http://www.theonion.com/article/russia-acquires-amway-distributorship-318> (accessed December 15, 2018).

³ On the “movement of movements,” see Terry H. Anderson, *The Movement and the Sixties: Protest in America From Greensboro to Wounded Knee* (New York, NY: Oxford University Press, 1995).

business model and questioned the economic viability of direct sales. The other, meanwhile, informed by anti-cult activism, looked at the techniques that the company and its allies used to recruit and keep people in the business and whether the ecosystem created inside Amway's distributor networks represented a form of indoctrination. Amway was not alone in facing this sort of double-barreled assault.

This chapter looks at three avenues used to express criticism of Amway: (i) anti-Amway exposés authored by former distributors; (ii) reporting conducted by news media outlets; (iii) and legal actions targeting the company's business practices, both the Sales and Marketing Plan as well as Amway's dealings with its competitors. Through books, newspaper articles, the internet, television segments, and the courtroom, those skeptical of or downright hostile towards Amway have challenged the company's self-image. Amway's critics have focused on everything from the quality of its products to whether the Amway opportunity is real at all. Without question, the one allegation that has dogged Amway the longest and has most hurt its reputation is that the company is a pyramid scheme. In pyramid schemes, the principle source of income for those participating comes not from the sale of products, but rather from the mere act of recruiting others as well as from "inventory loading," whereby individuals who have entered the scheme are required to purchase a large stock of product upfront. The products serve as a facade of legitimacy, obscuring where the money *really* gets made: recruitment.⁴

Amway and its boosters have dedicated tremendous effort over the years to defending the company against this attack. In his book *Promises to Keep*, Charles Conn wrote that "[t]here seems to be little doubt about Amway's non-pyramid status in the legal community, even though that word has not reached some parts of the general public." Today, on the "Amway Answers" section of the company's website, the company dedicates an entire page to addressing the question "Is Amway a pyramid scheme?," complete with a nearly three-minute long video explaining what pyramid

⁴ Initial Decision, *In the Matter of Amway Corporation, Inc., et. al.*, 93 F.T.C 618, 667.

schemes are and why Amway is not one. The pyramid scheme charge has been so dangerous precisely because if true, it would undermine the entire operation, rendering all of Amway's promises false.⁵

And indeed, taken together, Amway's critics represent a point-by-point rebuttal of nearly all of the claims made on behalf of the company. Against the idea that Amway embodied "compassionate capitalism," former distributors have alleged that the Amway system is predatory and exploitative and that uplines exsanguinate their downlines through the sale of tools. Amway's competitors, meanwhile, have portrayed the company as ruthlessly amoral, willing and able to use whatever tactics necessary to increase its market share. Instead of representing a path for upward mobility, attorneys and ex-distributors have argued that Amway pushes many into debt, that the cost of running the business far outpaces whatever money a person earns through sales or sponsorships, and that those who do succeed represent only a microscopic minority. And rather than bringing families together, fostering friendships, and making people more content and satisfied with their lives, the critics instead tell of the exhaustion and frustration that results from trying but failing to make the business work, and of the alienation that comes as people invest more and more into Amway and in the process drive away their friends and family.⁶

Amway's detractors, no less than its boosters, have played a significant role in shaping public perceptions of the company. These days, many people are as likely to associate Amway with *pyramid scheme* as they are with *direct sales*. Beyond optics, though, they have also influenced how the company operates. Over the years, Amway has made a number of changes to the Sales and Marketing Plan as well as to its recruitment efforts in order to placate its critics. Whether that has satisfied them is, of course, an entirely separate matter.

⁵ Conn, *Promises to Keep*, 72; "Is Amway a pyramid scheme?" Amway, <https://www.amwayglobal.com/answers/is-amway-a-pyramid-scheme/> (accessed December 15, 2018).

⁶ Mondom, "Compassionate Capitalism," 15.

Richard DeVos wrote that it “threatened the very future of Amway.” Jay Van Andel thought that “[t]he whole situation could have been resolved in a thirty-minute meeting if we had been dealing with reasonable people, but regulatory agencies are not known for their reasonableness or efficiency.” They were referring to a complaint filed on March 25, 1975 by the Federal Trade Commission against Amway. The FTC charged Amway with five violations of Section 5 of the Federal Trade Commission Act, which prohibits “[u]nfair methods of competition in or affecting commerce, and unfair or deceptive acts or practices in or affecting commerce[.]”⁷

The first count alleged that Amway was engaged in price-fixing. At the time of the complaint, Amway required its distributors to charge specific prices for retail sales to consumers as well as wholesale sales to other distributors. Count II claimed that the company was illegally limiting the ability of distributors to resell Amway products as well as who distributors could purchase their inventory from. Distributors could only get their inventory from one of two sources: their sponsoring upline or — for those Direct and above — the company itself. Once in possession of their inventory, additional restrictions applied. Distributors could not offer wholesale prices to consumers, and they also could not sell Amway products through a third party (a brick-and-mortar store, for example). Count III charged the company with “restrict[ing] the advertising and promotional activities in which distributors and dealers may or would otherwise engage,” by limiting, for example, which distributors could post advertisements for Amway, the types of advertisement that they could post, and where.⁸

⁷ DeVos, *Simply Rich*, 127; Van Andel, *An Enterprising Life*, 72; Federal Trade Commission Act, 15 U.S.C. sec. 2.45; Complaint, *In the Matter of Amway Corporation, Inc., et. al.*, 93 F.T.C 618, 618. Portions reproduced in Mondom, “Compassionate Capitalism,” 11.

⁸ Complaint, *In the Matter of Amway Corporation, Inc., et. al.*, 621-624.

The fourth count stated that Amway was misrepresenting both the number of individuals a distributor could sponsor into his or her network as well as the amount of money that distributors could earn in the business. According to the FTC, Amway promotional literature claimed that “[s]ubstantial income or profit as a result of wholesale or retail sales activities from ‘multiplication,’ ‘duplication’ or geometrical increases in the number of distributors at lower functional levels of distribution is likely” and that “[s]ubstantial income or profit as a result of wholesale or retail sales activities from unlimited recruiting activities or endless chain recruiting activities is likely.” The Commission argued that that there were only so many people available for sponsoring in any given area. As the supply of prospective recruits declined, not only would there be fewer people available to join the business, but also, crucially, there would also be fewer people to sell products to. Accordingly, Amway distributorships were unsustainable in the long run. The final count alleged additional misrepresentation, specifically that those recruited into the business were told that “[i]t is easy for distributors or dealers to recruit and/or retain persons to participate in the program as distributors, dealers or sales personnel” and that “[d]istributors or dealers in the program can anticipate receiving or will receive substantial profits or earnings.” According to the Commission, neither of these claims were true.⁹

The FTC’s complaint kicked off a period of heightened scrutiny of Amway that eventually extended far beyond the courtroom, into the media and popular culture. Three factors explain why this began in the mid-seventies. One had to do with the company itself, while the other two involved larger political and cultural developments occurring in the nation at that time.

First and foremost, there was Amway’s burgeoning profile. The FTC’s investigation came a little more than fifteen years after Amway’s founding. During this time, the company saw robust expansion. The headline of a May 1972 article about Amway in the magazine *The Interpreter* boasted that “The Village of Ada, Michigan Is Now Known World-Wide.” That September, in a mark of

⁹ Complaint, *In the Matter of Amway Corporation, Inc., et. al.*, 624-629.

how far the two had come in such a short time, DeVos and Van Andel became the owners of Nutrilite, the company that had introduced them to the world of direct sales. From 1963 to 1976, Amway went from doing \$4.3 million in business domestically to \$169.1 million. That, of course, did not factor in Amway's foreign earnings, which totaled nearly thirty-six million dollars in 1976: by the mid-seventies, the company had spread to several countries, including Canada, Australia, and the United Kingdom. There were a total of 320,738 active distributors at the beginning of 1972. That number fluctuated over the next few years but stayed fairly steady: 306,002 in 1973, 298,561 in 1974, and 294,328 in 1975. Amway's distributor force had a degree of turnover that, although high on its face, was actually well within industry standards. For example, Amway ended 1975 with 549,516 total distributors and began 1976 with 315,187. The difference reflects those who dropped out before the start of the new year. Not all the figures were boast-worthy, though. As has been the case throughout the company's life, average monthly earnings by distributors were low, only in the ballpark of twenty to thirty dollars, although some Direct distributors brought in annual incomes in the tens or even hundreds of thousands of dollars.¹⁰

Amway's growth coincided with macroeconomic changes that made direct sales appealing to increasing numbers of people. The 1970s marked the beginning of the end of postwar prosperity. High government spending during the 1960s — partially a function of the Great Society but driven principally by the Vietnam War — and two oil embargoes resulted in stagflation, a devastating combination of high inflation and economic sluggishness. As a consequence, the unemployment rate spiked, from 4.6% in October 1973 to a high of nine percent in May 1975. In addition to short-run pain, the 1970s also saw growing deindustrialization, automation, and offshoring/outsourcing, which threatened long-term economic security for many. Thanks in part to such developments, wages and

¹⁰ "The Village of Ada, Michigan Is Now Known World-wide," *The Interpreter*, May 18, 1972, 8, ABF; "Nutrilite, Inc. Control Now With Amway," *The Grand Rapids Press*, September 13, 1972, 15B, GRPC; Initial Decision, *In the Matter of Amway Corporation, Inc., et. al.*, 93 F.T.C 618, 660, 666, 668, 672, 676-677; Jones, *Amway Forever*, 55, 60-61. Portions reproduced in Mondom, "Compassionate Capitalism," 7.

incomes began to stagnate and then fall. David Bromley noted that “[t]he median annual incomes of workers increased from \$15,000 to \$24,000 between 1955 and 1973, but income then declined by 19 percent to just under \$20,000 by 1987” and that “[b]etween 1972 and 1988 real wages for middle and low income workers actually dropped by 12 percent[.]” Jefferson Cowie has pointed out that although the seventies opened with a flurry of strikes that seemingly injected new life into organized labor, direct action by workers ultimately failed to stem the tide of change or to forestall union decline. “The hope and possibility marbled through the confusion of the early part of the decade,” he wrote, “began to fade into the despair of the new order emerging in the second half.”¹¹

This sort of despair benefitted Amway. Addressing distributors at a function in 1975, Jay Van Andel, referring to findings from a Gallup poll, said that “[a] world in which three-quarters of the people are pessimistic about the future” was one “very receptive to the story of the world of Amway.” According to him, “people have told me, people who are actively recruiting today, that recruiting has never been easier in the history of our business, that you put an ad in the paper and the phone literally comes off the wall,” which was “quite different from what it was a few years ago, where sometimes you put an ad in the paper and you didn’t know you put it in because nothing happened.” Van Andel told his audience that there was “[a] huge potential for adding to the ranks of Amway distributors, better than we’ve ever had in all of our history, with literally millions of people out there who are willing now to listen to your story about money, extra money.”¹²

The second key factor was the consumer movement. Consumer activism was nothing new. It first emerged during the Progressive Era — some prominent examples included *McClure’s* articles on

¹¹ U.S. Bureau of Labor Statistics, Civilian Unemployment Rate [UNRATE], retrieved from FRED, Federal Reserve Bank of St. Louis, <http://fred.stlouisfed.org/series/UNRATE> (accessed December 15, 2018); Patterson, *Restless Giant*, 62-66; Judith Stein, *Pivotal Decade: How The United States Traded Factories for Finance in the Seventies* (New Haven, CT: Yale University Press, 2010); David G. Bromley, “Quasi-Religious Corporations: A new integration of religion and capitalism?,” in *Religion and the Transformations of Capitalism: Comparative Approaches*, Richard H. Roberts ed. (New York, NY: Routledge, 1995), 139; Jefferson Cowie, *Stayin’ Alive: The 1970s and the Last Days of the Working Class* (New York, NY: The New Press, 2010). Portions reproduced in Mondom, “Compassionate Capitalism,” 13.

¹² Richard DeVos and Jay Van Andel, “Now is the Time” (audiocassette tape; Amway Corp., 1975, 1977).

Standard Oil in 1902 and Upton Sinclair's book *The Jungle* four years later — and reappeared during the Great Depression. The consumer movement underwent yet another revival in the 1960s. In March 1962, John F. Kennedy outlined the so-called Consumer Bill of Rights, which identified four basic rights to which all consumers were entitled: the “right to safety,” the “right to be informed,” the “right to choose,” and the “right to be heard.” The individual most closely associated with the postwar consumer movement was Ralph Nader. He rose to prominence in 1965, when he published his book *Unsafe at Any Speed*, detailing the dangers posed by automobiles. After that, he and a team of students, who came to be known as “Nader’s Raiders,” launched a crusade against a number of federal regulatory bodies, including the FTC and the FDA, arguing that they were failing to provide adequate oversight of industry. Arguably the most significant outcome of this period of consumer activism was the Consumer Product Safety Commission, which was formed in 1972. The Carter years saw a push to go even further and to create a new Department of Consumers — which Nader, among others, supported — but a bill to that end failed to pass Congress.¹³

In this moment when the government and the general public were both taking greater interest in harmful products and deceptive business practices, one particular type of shady enterprise drew a lot of attention: the pyramid scheme. A December 1971 article in the *Los Angeles Times* reported that “dozens of states” were or had recently been involved in litigation against various multi-level marketing companies that allegedly ran pyramid schemes. Over the course of three years, senator and future vice president Walter Mondale introduced three different bills meant to crack down on pyramid schemes. On the floor of the Senate, he declared that pyramid schemes were “rapidly becoming the ‘consumer fraud of the 1970s’” and that “[t]here exists a definite need for effective Federal legislation to alleviate this problem.” His first bill, S. 4043, proposed in September 1972,

¹³ John F. Kennedy, “Special Message to the Congress on Protecting the Consumer Interest,” The American Presidency Project, <https://www.presidency.ucsb.edu/documents/special-message-the-congress-protecting-the-consumer-interest> (accessed December 15, 2018); *Encyclopedia of the Consumer Movement*, Stephen Brobeck ed. (Santa Barbara, CA: ABC-CLIO, 1997), 383-384, 585-593.

made it illegal to recruit someone into a pyramid scheme. The bill was never voted on and wound up dying in a Senate committee. His next two efforts fared somewhat better. On June 4, 1973, he introduced an amended version of S. 4043, now titled S. 1939, which managed to get through the Senate but was then shelved in the House. In April 1975, Mondale submitted yet another version, S. 1509, which suffered the same fate as its predecessor.¹⁴

Mondale was not alone. The FTC doggedly pursued alleged pyramid schemes in the years leading up to the Amway case. In the absence of federal legislation criminalizing such enterprises, Section 5 was their weapon of choice. On January 18, 1971, the FTC filed charges against Holiday Magic, a multi-level marketing company specializing in cosmetics and personal care items based out of California and started by a man named William Penn Patrick. Holiday Magic had a dizzyingly convoluted system that featured four levels of distributors: Holiday Girls, Organizers, Masters, and Generals. A number of different features distinguished the levels, including the discount rate distributors received when purchasing inventory, the initial investment they needed to make to be at that level, and the types of bonuses they were eligible for. The FTC issued a ruling in October 1974, sixteen months after William Penn Patrick was killed in a plane crash. The FTC concluded that “the Holiday Magic marketing plan is little more than an elaborate, modern-day version of the chain letter, with the capacity to part a slightly more sophisticated, and more ambitious victim from his or her money” and ordered it to end its multi-level scheme.¹⁵

Holiday Magic kicked off a string of cases against pyramids. In the span of less than a year and a half, three different multi-level marketing companies settled with the FTC: Bestline Products Corporation, which sold cleaning products, in July 1971; International Safe-T-Trac, which marketed

¹⁴ Dan Fisher, “New Marketing Plan — Selling the American Dream,” *Los Angeles Times*, December 23, 1971, A1, A12, A13; Jones, *Amway Forever*, 62-63; *Congressional Record*, 92nd Cong., 2 sess., September 28, 1972, 32660-32662; *Congressional Record*, 93rd Cong., 1 sess., June 4, 1973, 17860-17866; *Congressional Record*, 94th Cong., 1 sess., April 23, 1975, 11363-11364; “Walter F. Mondale — Consumer Protection,” University of Michigan Law Library, http://moses.law.um-n.edu/mondale/consumer_protection.php#_debates (accessed December 15, 2018).

¹⁵ Complaint, *In the Matter of Holiday Magic, Inc., et al.*, 84 F.T.C. 748, 748-761; Opinion of the Commission, *In the Matter of Holiday Magic, Inc., et al.*, 84 F.T.C. 748, 1028-1078.

an “auto-stabilizer” that purportedly provided cars greater traction and kept them from slipping and sliding on roads, in September 1971; and Devour Chemical Company, another peddler of cleaners, in October 1972. In November 1971 the FTC went after Ger-Ro-Mar, a purveyor of undergarments. And in May 1972, the Commission targeted Koscot Interplanetary, founded by Glenn Turner, who had actually started out in Holiday Magic. With the exception of Devour Chemical, all of these businesses ran a version of the Holiday Magic model. The outcomes were mixed. Koscot declared bankruptcy while the investigation into it was still taking place. International Safe-T-Trac had already shut down by the time it reached its settlement. Bestline Products Corporation petitioned the FTC in December 1974 to alter the terms of its settlement, which it did the following March. Ger-Ro-Mar challenged the FTC’s July 1974 ruling against it in federal court and managed to get it amended in October 1975.¹⁶

The third development that explains the attention Amway received was the cult panic. “Cult” is a notoriously fraught term, defined and used in many different ways. James T. Richardson described a cult as “a small informal group lacking a definite authority structure, somewhat spontaneous in its development (although often possessing a somewhat charismatic leader or group of leaders), transitory, somewhat mystical and individualistically oriented, and deriving its inspiration and ideology from outside the predominant religious culture.” As this definition indicates, the cult label is applied primarily to religious movements, though, as we will see with Amway, that is not always necessarily the case. It is also typically a term of disparagement, particularly in its popular connotations, which is why scholars have tended to shy away from using it.¹⁷

¹⁶ *In the Matter of Bestline Products Corporation, et. al.*, 79 F.T.C. 107, 107-117; *In the Matter of International Safe-T-Trac, Inc., et. al.*, 79 F.T.C. 318, 318-328; *In the Matter of Devour Chemical Company, Inc.*, 81 F.T.C. 551, 551-559; *In the Matter of Ger-Ro-Mar, Inc., Trading as Symbra’ette, et. al.*, 84 F.T.C. 95, 95-162; *In the Matter of Koscot Interplanetary, Inc., et al.*, 86 F.T.C. 1106, 1106-1192; *In the Matter of Bestline Corporation, et. al.*, 85 F.T.C. 407, 407-414; *In the Matter of Ger-Ro-Mar, Inc., T/A Symbra’ette, et. al.*, 86 F.T.C. 841, 841-843.

¹⁷ James T. Richardson, “Definitions of Cult: From Sociological-Technical to Popular-Negative,” *Review of Religious Research*, 34 no. 4 (June 1993), 348-356.

The cult panic that began in the late sixties was a response, first, to growing interest, particularly among young people, in new religious movements like Hare Krishna, the Unification Church, and Scientology and, second, to crimes attributed to groups identified as cults. In December 1969, members of the Manson family, which the *Los Angeles Times* described as “an occult band of hippies,” murdered Sharon Tate and Leno and Rosemary LaBianca. The Tate-LaBianca killings were arguably more responsible than anything else for bringing cults to the national attention. In March 1970, a “cult” led by an African-American man named Michael Ardrey, who also went by Enoch, was blamed for the slaying of a sixteen year-old white teenager in Detroit. In July 1971, two teens in Vineland, New Jersey, Richard Williams and Wayne Sweikert, were accused of drowning a twenty year-old man named Michael Newell. Reporting at the time stated that Newell allegedly belonged to a Satanic cult and had asked the boys to kill him as part of a ritual. In October 1972, authorities attributed the shooting of two men in Pasadena to a “black religious cult” called Al Colestran. In June 1978, the San Diego district attorney charged Thomas Jones, a member of a fundamentalist Mormon church called the Church of the First Born in the Fullness of Time, along with a number of his wives, with defrauding Aid to Families with Dependent Children out of more than two hundred and fifty thousand dollars. As it happened, the leader of the Church of the First Born in the Fullness of Time had a brother who ran his own Mormon “cult” and stood accused of orchestrating the murder of an attempted apostate. The decade ended with the most infamous cult-related crime of them all: the deaths at Jonestown in November 1978.¹⁸

The cult panic inspired a cottage industry of anti-cult organizations. The most prominent was the Citizens Freedom Foundation, which rebranded itself the Cult Awareness Network in 1986.

¹⁸ Anson Shupe, David G. Bromley, and Susan E. Darnell, “The North American Anti-Cult Movement: Vicissitudes of Success and Failure,” in *The Oxford Handbook of New Religious Movements*, James R. Lewis ed. (New York, NY: Oxford University Press, 2004), 187; Jerry Cohen, “Savage Mystic Cult Blamed for 5 Tate Murders, 6 Others,” *Los Angeles Times*, December 2, 1969, 1, 3; Jerry M. Flint, “Murder of White Youth Linked To Tiny Black Cult in Michigan,” *New York Times*, March 4, 1970, 43; Edward C. Burks, “‘Satan Cult’ Death, Drugs Jolt Peaceful Vineland, N.J.,” *New York Times*, July 6, 1971, 35, 37; Bert Mann, “Suspects Held in Pasadena Cult Slayings,” *Los Angeles Times*, October 28, 1972, SG10; Jack Jones, “Polygamist Cult Figures Accused of Welfare Fraud,” *Los Angeles Times*, June 24, 1978, SD1, 6; Leonard Downie, Jr., “Cult Head Leads 408 to Deaths in Suicide-Murders,” *The Washington Post*, November 21, 1978, A1, A12.

These groups employed a variety of strategies against cults. In some cases, they took particular cults or leaders to court. They also provided assistance to individuals who had left cults. In some cases, they offered former cult members a platform from which to tell their stories and to reach out to those either still in cults or who had recently left. Other times, help took the form of deprogramming. Deprogramming was premised on the idea that cults maintained a hold on their members through “brainwashing.” Deprogramming intended to undo this brainwashing, allowing the former cult member to rejoin mainstream society. Deprogramming was popular for a few years but fell into disrepute in the mid-1980s in the wake of allegations that some deprogrammers engaged in coercion and other unseemly behavior. An alternative paradigm, exit counseling, ultimately replaced it.¹⁹

Rather than separate and unrelated phenomena that happened to unfold at the same time, the concerns underlying the cult panic actually overlapped with those that fueled the consumer movement. For proof, look no further than the Church of Scientology — the scrutiny it underwent from the 1960s through the 1980s represents arguably the closest contemporaneous parallel to Amway. The c-word had dogged Scientology since the days of Dianetics. Like Amway, Scientology had a founder whose narrative blurred the lines between biography and mythology, along with its own array of practices and lexicon incomprehensible to outsiders. And, also like Amway, it was very lucrative, which was what attracted the attention of the federal government. Scientology was controversial since its inception, raising questions over whether it was truly a religion or just a vehicle to enrich L. Ron Hubbard. Those worries increased as Scientology matured, and its program of books and courses grew larger — and more expensive. By the 1970s, practicing Scientologists had to shell out thousands of dollars to make their way up “The Bridge to Total Freedom.”²⁰

The IRS had recognized the Church of Scientology as a tax-exempt religious group since 1956. In 1967, though, the IRS rescinded the church’s tax exemption, arguing that L. Ron Hubbard

¹⁹ Shupe, et. al., “The North American Anti-Cult Movement,” 188-190, 192-194, 196

²⁰ Urban, *The Church of Scientology*, 119, 130-138.

was personally pocketing much of the money that Scientologists were paying into the Church. In response, the Church declared war on the IRS. In the mid-seventies, in the midst of a four-year audit that the IRS launched in 1970, the Church's Guardian's Office orchestrated Operation Snow White, which involved a number of Scientologists burgling and installing audio surveillance equipment inside IRS offices. Those responsible for the break-ins were eventually arrested in 1977, and the back-and-forth between the Church and the IRS continued until 1993, when the IRS finally relented and restored the Church's tax exemptions.²¹

The FTC's investigation of Amway came at a moment of growing popular attention to business ethics as well as anxieties about opaque groups that seemed to isolate and exercise extensive psychological control over their members. Amway was just one of a number of questionable enterprises that the federal government went after in this period. Just as it had with MLMs like Holiday Magic and Koscot Interplanetary — and, in a different though related way, the Church of Scientology — the federal government accused Amway of running a fraudulent operation. Had the FTC proven its case, the company would not only have had to fundamentally alter its business model, but its entire self-image would have been tarnished. The fourth and fifth counts, in particular, took direct aim at the heart of the Amway promise: that direct sales offered a realistic opportunity to earn fortunes. If that were called into question, the entire business might have collapsed.

Fortunately for Amway, the blow did not fall nearly as hard as it could have. On June 23, 1978, administrative law judge James Timony made his initial ruling. On the first count of price fixing, Judge Timony found that although Amway did not have an *explicit* policy mandating that distributors charge certain prices for their products, there were a number of mechanisms in place that al-

²¹ Urban, *The Church of Scientology*, 158-162, 167-173.

lowed Amway to *effectively* engage in price fixing. For instance, distributors who charged less than what the company dictated risked losing their distributorships. Additionally, he alleged that Amway used its “buy-back rule,” whereby either the company or an upline would purchase unsold inventory back from distributors, as a way of preventing distributors from unloading excess goods at marked-down prices. Accordingly, Timony found the company guilty on this charge.²²

The other counts, though, he dismissed entirely. Timony ruled that the restrictions on the sale and purchase of Amway products (Count II) as well as on advertising (Count III) were acceptable. Prohibiting Amway products from selling in stores, he wrote, “gives Amway distributors an incentive to provide services to consumers [such as offering product demonstrations] and to create a consumer demand which would dissipate if Amway products were sold in retail stores.” In short, the restriction “preserved Amway’s direct selling organization[.]” Timony found that the rule limiting who distributors could purchase their inventory from “provides the structure by which products, information and compensation flow from Amway to the Direct Distributors and down to the distributors engaged in making the retail sale,” and it “gives sponsoring distributors an incentive to recruit, train, motivate and supply other distributors in order to gain a reward based on the sponsored distributors’ sales volume.” Once again, these restrictions were considered essential to the business model. When it came to advertising, Timony pointed out that Amway was well within its rights to regulate how distributors used its own trademarks.²³

Finally, he found the misrepresentation charges unsubstantiated as well. Timony ruled that Amway lacked many of the qualities typically associated with pyramid schemes, such as inventory loading or compensating distributors solely on the basis of recruitment. He also noted that the Sales and Marketing Plan had two mechanisms built into it to try and ensure that products actually reached consumers: the *70% rule* and the *ten customer rule*. These stated that, in order to qualify for a

²² Initial Decision, *In the Matter of Amway Corporation, et. al.*, 629, 657-658, 687-689.

²³ Initial Decision, *In the Matter of Amway Corporation, et. al.*, 693-697.

bonus, distributors had to sell seventy percent of their inventory to at least ten customers each month. These were crucial to ensuring the legitimacy of Amway's business model. (Recall that under pyramid schemes products typically only circulate among distributors.) Timony disputed the FTC's conclusion that there was an upper limit on either sales or recruitment, pointing out, among other things, that population was never static, that people were always coming into or leaving any particular area, and also that not everyone in Amway was necessarily trying to sponsor new salespeople. This meant that there would always be new people who could join the business or buy products. Amway also was not guilty of promising unrealistic success in the business, since although "the Amway Sales and Marketing Plan is designed to catch the interest of a prospective recruit by appealing to material interests," it "also makes clear the idea that work will be involved, and that the material rewards to be gained will directly depend on the amount and quality of work done."²⁴

Having dismissed all the other charges, Judge Timony's order only required Amway to stop setting prices and punishing distributors on account of the prices they charged. The final ruling from the FTC came down on May 8, 1979. In it, Commissioner Robert Pitofsky, writing for the FTC, by and large agreed with Judge Timony that the Commission had not proved its case with respect to Counts II-V, but he did deviate slightly on the question of misrepresentation. While he concluded that "[t]he 'non-earnings' claims made by Amway — which generally consist of vague references to the achievement of one's dreams, having everything one always wanted, etc....are primarily inspirational and motivational" and "are accompanied by appropriate qualifiers," he objected to statements made in some Amway literature regarding a distributor's hypothetical income potential. Pitofsky wrote that "the claims of incomes of \$100 to \$1,000 per month....constitute misstatements of the amount of money a distributor is likely to earn" and were therefore deceptive. The final order, then, in addition to seconding the changes around price fixing, also required that whenever Amway used hypothetical earnings figures in any literature, it had to specify "average profits, earn-

²⁴ Initial Decision, *In the Matter of Amway Corporation, et. al.*, 646, 699-702.

ings, or sales....or the percent of all distributors who actually achieved such stated profits, earnings, or sales[.]”²⁵

The cofounders breathed sighs of relief. But the whole episode left them frustrated. Although the company did not challenge the FTC’s findings and agreed to make the changes it demanded, Jay Van Andel nonetheless fumed in his autobiography that the investigation was “another attack on the free-enterprise system.” What to the FTC was price fixing to Van Andel represented “freedom to contract”: “This country was founded upon the idea that two people ought to be able to write a contract of nearly any type and follow its terms without interference from the government. If, then, a condition of holding a distributorship or franchise or the like is to sell products at a certain price, no one is being defrauded, cheated, or robbed, and the contract should be allowed to stand.” DeVos lamented that “[d]espite the ruling in our favor, the FTC’s original misleading argument against us became a standard criticism in the years following for anyone who misunderstood our business or for former distributors who claimed they in some way were misled or that our business plan simply didn’t work.”²⁶

Still, the investigation — which lasted four years and generated a gargantuan case file that stretched into the thousands of pages — turned out to have a silver lining. What once threatened to ruin Amway had instead become a *de jure* seal of approval, one that the company and its boosters have leaned on ever since. DeVos wrote in his memoir that “[i]n the end, the FTC case proved to be helpful in proving our legitimacy,” that “[a]s a result of the FTC’s decision, the Amway Sales Plan became the model for a legitimate direct-selling business.” In a chapter of his book *Promises to Keep* called “Three Dozen and Two Questions about Amway,” Charles Paul Conn wrote that “[t]he question of whether Amway is a pyramid can be answered as a matter of legal definition backed up by

²⁵ Initial Decision, *In the Matter of Amway Corporation, et. al.*, 707-708; Opinion of the Commission, *In the Matter of Amway Corporation, et. al.*, 93 F.T.C. 618, 709, 730-732, 735-738; Mondom, “Compassionate Capitalism,” 11.

²⁶ Van Andel, *An Enterprising Life*, 74-75; DeVos, *Simply Rich*, 129.

court rulings. Yes, pyramids are illegal. No, Amway is not a pyramid. That is not just the personal opinion of Amway people; it is a matter of legal record.” Wilbur Cross said that the FTC case “cleared the air and was an excellent argument later against those detractors who, from time to time, cried ‘pyramid’ and tried to discredit the Sales and Marketing Plan, whether for competitive reasons or personal grievances.”²⁷

That said, the case haunted Amway for some time. On August 25, 1982, as a result of litigation then underway in Wisconsin (about which more presently), the *Grand Rapids Press* reported that Amway had been in a back-and-forth with the FTC since late June over the content of some of its literature. Six days earlier, Lee Loevinger, an attorney for the company, received a letter from Selig Merber, Deputy Assistant Director of the Commission’s Bureau of Competition, regarding a brochure titled *A Business of Your Own*. Merber informed Loevinger that *A Business of Your Own* was in violation of the 1979 ruling. He pointed to a number of problems. On some occasions, the brochure failed to make the required income disclosures. Other times, when disclosures did appear, Merber quibbled with how the company had computed the numbers or how the brochure presented them. He also claimed that the Bureau lacked the information needed to determine whether certain disclosures were accurate at all. In his letter, Merber complained that Amway had failed to turn over to the FTC “all audio-visual materials, training manuals, course materials for seminars, and anything else Amway uses to recruit or train others to recruit new distributors” and that without those materials, “we cannot recommend that Amway has complied with the order.” In May 1986, the company was fined one hundred thousand dollars after the FTC found that newspaper ads taken out three years earlier had lacked the necessary income disclosures.²⁸

²⁷ Initial Decision, *In the Matter of Amway Corporation, Inc., et. al.*, 93 F.T.C 618, 631; DeVos, *Simply Rich*, 128, 131; Conn, *Promises to Keep*, 72; Cross, *Amway*, 28.

²⁸ Bill Dalton, “FTC Says Amway Not Meeting ’79 Order,” *The Grand Rapids Press*, August 25, 1982, 1A, 2A, GRPC; Selig S. Merber to Lee Loevinger, August 19, 1982, *State of Wisconsin v. Amway Corporation, Inc., a Michigan corporation, and Wayland C. Behnke, Dean M. Fliss, Benedetto Lanza, John C. Haugner, Jr., all Amway Direct Distributors, d/b/a World Wide Diamond*, Circuit Court of Milwaukee, case number 589806; Jim Harger, “Amway Pays U.S. \$100,000 Fine For Questionable Recruiting Ad,” *The Grand Rapids Press*, May 20, 1986, 1A, GRPC.

Those problems would all come later, though. For the time being, the investigation was in the past and Amway looked strong. The company's annual report for 1979 — the same year that the FTC's decision came down, which also happened to be the year that Amway turned twenty — boasted that the company had sold eight hundred million dollars' worth of products that year. Sales officially crossed the billion dollar threshold in the middle of 1980: the company's annual report for that year dubbed it “the year of the billion.” In March 1982, the company laid out plans for a new facility at their World Headquarters in Ada to manufacture cosmetics, with an estimated cost of \$9.7 million. In the 1982 annual report the cofounders noted that despite the fact that the economy was in a recession, Amway had continued to thrive, bragging that the company's sales over the previous year were more than \$1.2 billion. The report then went on to give a month-by-month breakdown of major company-related events between September 1981 and the end of 1982, including the opening of the Amway Grand Plaza Hotel, the airing of a TV special starring Bob Hope that the company had co-sponsored, the publication of Charles Conn's book *An Uncommon Freedom*, and a twenty thousand dollar donation the company made to Howard University, among many others.²⁹

But as it turned out, the eighties proved to be arguably the darkest decade in the company's history. Although Amway managed to ride out the economic downturn of the early eighties at first, it ultimately proved inescapable. In March 1983, the company reduced the workforce at Amway World Headquarters for the first time ever, firing fifty workers. Though by no means a drastic measure, locals interpreted the move as a harbinger of things to come. The *Grand Rapids Press's* business editor Tom LaBelle pointed out that “[t]he layoff announcement included a note from company officials saying the Ada operation is in a state of ‘transition’ because of changes in the world economy

²⁹ “Co-Founders’ Letter,” *Amagram*, vol. 21, no. 1, 1980, 3; “Amway’s Estimated Sales Exceed \$1 Billion,” *The Grand Rapids Press*, December 17, 1980, 17C, GRPC; “Co-Founders’ Letter,” *Amagram*, vol. 22, no. 2, January 1981, 1, “Amway, DeVos,” box 2, RHSF; Ed Hoogterp, “Amway Expansions to Add 230 New Jobs,” *The Grand Rapids Press*, March 1, 1982, 1A, GRPC; *Amagram*, vol. 24, no. 1, January 1983, 2, 9, 12, 23, 30, “Amway Diamond Distributors Address, Chicago, IL 10/8/83,” folder 13, box 6, GVJ. Portions reproduced in Mondom, “Compassionate Capitalism,” 7.

and in the company's way of doing business." Based on this, he concluded ominously that "something is happening."³⁰

It was. That November, Amway dropped a bombshell: it was firing another two hundred and thirty employees. Sales for 1983 fell by seventy million dollars, while 1984 saw a twenty percent slump in revenue in the United States and a fifteen percent drop in the company's foreign markets. In response to the downturn, Amway started placing greater emphasis on selling products rather than sponsoring more people into the business. The contraction also put a dent in the cofounders's personal fortunes, with *Forbes* estimating that DeVos and Van Andel collectively lost a hundred million dollars between 1983 and 1984.³¹

Compounding the sales slump were a raft of legal cases and a sweltering media spotlight. 1982 was an especially brutal year. That April, Jay Van Andel testified at a congressional hearing about direct sellers claiming questionable business deductions on their taxes, insisting that Amway was doing everything within its power to encourage compliance with the law within its distributor force. In conjunction with its coverage of the hearing, the *Grand Rapids Press* published portions of a tape — produced by a third party, not the company — that instructed Amway distributors on how they could lower their tax bill and what sorts of deductions they could supposedly claim. Later that year, in September, IRS officials in Detroit launched investigations into distributors of a number of direct sales companies, among them Amway, looking for improper deductions. The issue of tax compliance among Amway distributors was part of a blockbuster series of articles that the *Detroit*

³⁰ "50 Furloughed in Amway's First Layoff; Lag in Exports Blamed," *The Grand Rapids Press*, March 8, 1983, 1A, GRPC; Tom LaBelle, "Amway Layoffs Shake Rest of GR Economy," *The Grand Rapids Press*, March 13, 1983, 1J, 2J, GRPC.

³¹ "Amway Layoffs Surprise, 'Shock' Employees," *The Grand Rapids Press*, November 19, 1983, 3A, GRPC; Jim Harger, "Amway Adopts New Marketing Strategy," *The Grand Rapids Press*, August 12, 1984, A1, A2, GRPC; "Amway Founders \$50 Million Poorer in '84, Forbes Reports," *The Grand Rapids Press*, September 18, 1984, A1, A2, GRPC.

Free Press published across the summer and fall of 1982 that looked into some of the more unsavory sides of the business (more on that later).³²

That year, though, the IRS was the least of Amway's problems. In early July the Canadian government launched a civil investigation into Amway over unpaid import duties. (Chapter IV discusses this in greater detail.) At the end of July, the company was slapped with yet another suit. On July 27th, summonses went out in the case of *State of Wisconsin v. Amway Corporation, Inc., et. al.* Included in the suit alongside Amway were Wayland Behnke, a Diamond distributor based out of Fox Point, Wisconsin, as well as three other distributors who belonged to his network: Dean Fliss (also a Diamond), John Haugner, and Benedetto Lanza (both Directs).³³

The charges that the state of Wisconsin brought centered on claims of various sorts of misrepresentation on the part of both Amway and the individual distributors. Count I stated that Behnke and his downlines exaggerated how much they and other distributors were making in Amway. In addition, they did not "adequately distinguish between gross, adjusted gross and net incomes," "disclose the duration of the income experience," or alert prospective distributors to the costs associated with doing Amway.³⁴

Just like the FTC, Wisconsin also accused the defendants of making false claims about how well individuals could do in the business. The four men had allegedly claimed "that a new Amway Distributorship has a reasonable chance, within three to nine months and working six to twelve hours a week, of earning in excess of \$12,000 a year," and also "that higher incomes, up to \$55,000, are available in three to five years." According to the state, this was grossly at odds with the actual

³² "Tax Dodging Not Our Way, Says Van Andel," *The Grand Rapids Press*, April 20, 1982, 1A, 2A, GRPC; "Tape Pitched Many Ways to Beat the IRS," *The Grand Rapids Press*, April 20, 1982, 1A, GRPC; Bill Dalton, "IRS Targets Direct Selling Deductions," *The Grand Rapids Press*, September 10, 1982, 1A, 2A, GRPC.

³³ Complaint, *State of Wisconsin v. Amway Corporation, Inc., a Michigan corporation, and Wayland C. Behnke, Dean M. Fliss, Benedetto Lanza, John C. Haugner, Jr., all Amway Direct Distributors, d/b/a World Wide Diamond*, Circuit Court of Milwaukee, case number 589806, July 27, 1982, 1-2.

³⁴ Complaint, *State of Wisconsin v. Amway Corporation, Inc., et. al.*, 5.

experience of Wisconsin distributors, who on average were only making about \$267 a year. As for Direct distributors, the state pointed out that, once the costs of running the distributorship were factored in, they *lost* \$918 a year on average. The tens of thousands of dollars that the defendants claimed were possible were “achievable by less than seven of every 1,000 Amway Distributorships” and “fail to reflect business expenses[.]” The third count concerned an issue that the FTC had addressed in its ruling three years earlier: the use of hypotheticals. The state took umbrage with some of the figures that appeared in Amway literature, and included the following chart as an example:

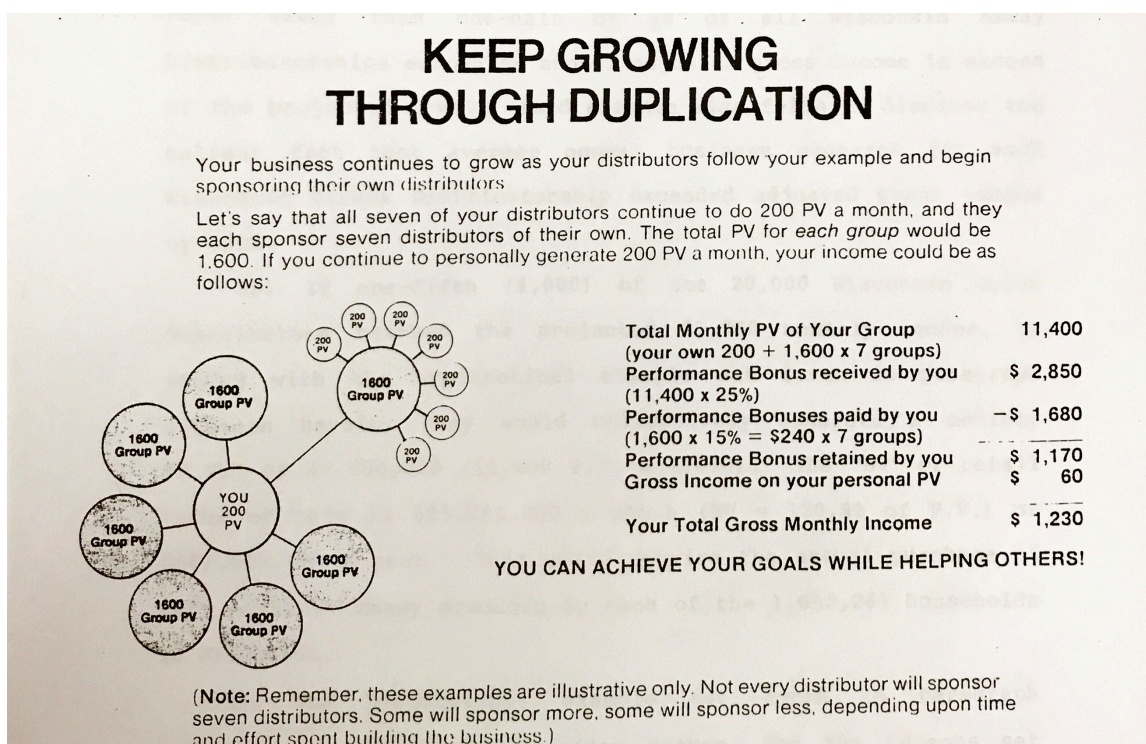


Figure 4. Amway figure reproduced in *State of Wisconsin v. Amway Corporation Inc., et al.* complaint

(Source: Complaint, *State of Wisconsin v. Amway Corporation, Inc., et. al.*, 7)

The distributor in this hypothetical earned \$14,760 a year. The state noted that that “exceeds the average (1979-1980) annual adjusted gross income of all Wisconsin Direct Distributorships (\$14,349), which constitute less than 1% of all Wisconsin Amway Distributorships.” The final count

alleged that, in the course of recruiting, the defendants did not disclose to prospects that they were pitching Amway.³⁵

The relevant statute in the Wisconsin case — cited in all four counts — was 100.18(1). Since the defendants attacked the wording of the statute and its applicability to their case, it is worth quoting in full:

No person, firm, corporation or association, or agent or employee thereof, with intent to sell, distribute, increase the consumption of or in any wise dispose of any real estate, merchandise, securities, employment, service, or anything offered by such person, firm, corporation or association, or agent or employee thereof, directly or indirectly, to the public for sale, hire, use or other distribution, or with intent to induce the public in any manner to enter into any contract or obligation relating to the purchase, sale, hire, use or lease of any real estate, merchandise, securities, employment or service, shall make, publish, disseminate, circulate, or place before the public, or cause, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in this state, in a newspaper, magazine or other publication, or in the form of a book, notice, handbill, poster, bill, circular, pamphlet, letter, sign, placard, card, label, or over any radio or television station, or in any other way similar or dissimilar to the foregoing, an advertisement, announcement, statement or representation of any kind to the public relating to such purchase, sale, hire, use or lease of such real estate, merchandise, securities, service or employment or to the terms or conditions thereof, which advertisement, announcement, statement or representation contains any assertion, representation or statement of fact which is untrue, deceptive or misleading.³⁶

Jay Van Andel described the Wisconsin suit in his autobiography as “a less serious attack” than the FTC investigation since, unlike the latter, “it did not threaten the very existence of Amway.” Though technically true, it still posed a public relations problem. For the second time in less than a decade, the company — along with, in this instance, a handful of distributors — had to defend itself in the legal arena against allegations that it was hoodwinking people, either through outlandish promises of huge fortunes or by not being forthright about the expenses associated with the business or by having distributors hide their affiliation with Amway during pitches. Combined with its

³⁵ Complaint, *State of Wisconsin v. Amway Corporation, Inc., et. al.*, 5-9.

³⁶ Wisconsin Statutes § 100.18, <https://docs.legis.wisconsin.gov/statutes/statutes/100/18> (accessed December 17, 2018).

problems north of the border, Amway increasingly looked like a company flirting perilously with the line between a legitimate business and a racket.³⁷

On September 23rd, Amway submitted its answers to the state's complaint. The company offered no comments regarding Counts I, II, and IV, on the grounds that the charges did not apply to any of its conduct. It did, however, push back against Count III, which dealt with the content of company literature. Amway insisted that there was nothing wrong with its material, writing that the income figures used were "only a hypothetical example of the operation of the Amway plan of compensation and that, as such," they were "a completely true and correct representation of the operation of that plan of compensation which is not deceptive or misleading in any respect whatsoever." The company also disputed the state's insinuation that its hypotheticals were at odds with reality. The company offered up several defenses for itself, arguing, for instance, that a guilty verdict against Amway would infringe on the company's right to free speech because "every assertion, representation or statement of fact which the complaint alleges Amway made is absolutely true and correct and/or, if not a statement of fact, is a true and honest statement of Amway's opinion and belief." The company also raised a jurisdictional issue: namely, the fact that the FTC had ruled on and made recommendations regarding some of the very same issues that the state of Wisconsin was looking into, such as the income figures used in Amway literature.³⁸

The other defendants, meanwhile, sought to get the case tossed. On September 23rd, the same day that Amway formally responded to the complaint, Wayland Behnke, Benedetto Lanza, and Dean Fliss and John Haugner all filed motions to dismiss. Their respective attorneys presented an array of arguments for why the charges should be thrown out. Peter Brusky, who represented Wayland Behnke, argued that section 100.18(1) did not apply to his client's conduct. Brusky pointed out

³⁷ Van Andel, *An Enterprising Life*, 78.

³⁸ Answer of Amway Corporation, *State of Wisconsin v. Amway Corporation, Inc., a Michigan corporation, and Wayland C. Behnke, Dean M. Fliss, Benedetto Lanza, John C. Haugner, Jr., all Amway Direct Distributors, d/b/a World Wide Diamond*, Circuit Court of Milwaukee, case number 589806, September 23, 1982, 4-12.

that the law cited by the state in its complaint “contains an intent element which must be present in order for there to be a violation of said statute.” Specifically, “either (1) an intent to sell or any wise dispose of an asset, service, or anything offered, or, (2) an intent to induce entry into a contract to dispose of an asset or service.” In the case of Behnke and his co-defendants, all they were doing was trying to persuade people to become Amway distributors, so their activities failed to clear this threshold. Additionally, 100.18(1) “requires that the act complained of relate to the sale or other disposition of an asset or service.” But again, the men were only recruiting and not actually selling anything. So, on those two scores, Behnke’s attorney insisted that his client had not violated that particular statute.³⁹

In addition to endorsing all of Peter Brusky’s arguments, Benedetto Lanza’s attorney, Thomas Knoll, came up with a few more. Like Brusky, Knoll pointed to the language of 100.18(1) and said that it did not apply in this situation, claiming that “Mr. Lanza’s activities, statements and representations do not fall under the definitions of ‘sell,’ ‘distribute,’ ‘increase the consumption of’ or ‘dispose of’[.]” In addition, he argued that 100.18(1) violated Lanza’s constitutionally-protected right of free speech because it failed to clearly specify exactly what he could and could not say when presenting the Plan. Finally, Brusky pushed back against the state’s characterization of what Lanza was doing when he attempted to recruit individuals into Amway, saying that his actions constituted “puffery.” In other words, what Lanza said was so blatantly over-the-top that any person in their

³⁹ Wayland C. Behnke Motion to Dismiss, *State of Wisconsin v. Amway Corporation, Inc., a Michigan corporation, and Wayland C. Behnke, Dean M. Fliss, Benedetto Lanza, John C. Haugner, Jr., all Amway Direct Distributors, d/b/a World Wide Diamond*, Circuit Court of Milwaukee, case number 589806, filed September 23, 1982; Benedetto Lanza Motion to Dismiss, *State of Wisconsin v. Amway Corporation, Inc., a Michigan corporation, and Wayland C. Behnke, Dean M. Fliss, Benedetto Lanza, John C. Haugner, Jr., all Amway Direct Distributors, d/b/a World Wide Diamond*, Circuit Court of Milwaukee, case number 589806, filed September 23, 1982; Dean M. Fliss and John C. Haugner Motion to Dismiss, *State of Wisconsin v. Amway Corporation, Inc., a Michigan corporation, and Wayland C. Behnke, Dean M. Fliss, Benedetto Lanza, John C. Haugner, Jr., all Amway Direct Distributors, d/b/a World Wide Diamond*, Circuit Court of Milwaukee, case number 589806, filed September 23, 1982; Memorandum in Support of Defendant Wayland C. Behnke’s Motion to Dismiss, *State of Wisconsin v. Amway Corporation, Inc., a Michigan corporation, and Wayland C. Behnke, Dean M. Fliss, Benedetto Lanza, John C. Haugner, Jr., all Amway Direct Distributors, d/b/a World Wide Diamond*, Circuit Court of Milwaukee, case number 589806, filed December 1, 1982, 1-3.

right mind would recognize that he was embellishing. Accordingly, he had not actually lied or tricked anyone.⁴⁰

Finally, Steven Epstein, who represented both Dean Fliss and John Haugner, by and large used the same legal strategy as Brusky and Knoll. In criticizing the state's use of 100.18(1), Epstein focused in particular on the words "employment," "hire," and "sell." According to Epstein, the defendants were not offering anyone employment, while "'hire' refers to attempts to convince the listener to hire the speaker for a given job, service, or employment," but not "attempts by a recruiter to himself 'hire' the listener," as happened in an Amway pitch. In addition, the statute had traditionally applied to situations involving sales, and, once again, Fliss and Haugner were not selling anything. Epstein also argued that his clients had not received "fair notice" of precisely how they had broken the law, that the state in its complaint had not said anything about when or where or to whom Fliss and Haugner had made the unlawful statements, or even which specific statements were problematic. And Epstein, like Knoll, also cried puffery, saying that "[a]ny rational person knows that stated dollar amounts earnable by commission or direct sales are subject to large variances dependent upon effort, the economy, and any number of other intangible factors."⁴¹

The court chose not to dismiss the charges. But on February 21, 1983, the state settled separately with the distributors and with Amway. In the case of the four distributors, they were required to be more transparent when making income claims. Whenever they brought up income potentials, they had to be specific about what type of income they were referring to (gross, net, etc.) and how long they earned that income. They also had to alert prospects that they might incur expenses over the course of building up their distributorships. They also had to stop hiding the fact that they were

⁴⁰ Brief in Support of Motion to Dismiss, *State of Wisconsin v. Amway Corporation, Inc., a Michigan corporation, and Wayland C. Behnke, Dean M. Fliss, Benedetto Lanza, John C. Haugner, Jr., all Amway Direct Distributors, d/b/a World Wide Diamond*, Circuit Court of Milwaukee, case number 589806, filed December 2, 1982, 2-4, 6-7.

⁴¹ Reply Memorandum in Support of Motion to Dismiss, *State of Wisconsin v. Amway Corporation, Inc., a Michigan corporation, and Wayland C. Behnke, Dean M. Fliss, Benedetto Lanza, John C. Haugner, Jr., all Amway Direct Distributors, d/b/a World Wide Diamond*, Circuit Court of Milwaukee, case number 589806, filed January 13, 1983, 1-2, 4, 6-7.

pitching Amway. Furthermore, all four defendants were fined: Behnke \$560, Lanza \$280, Fliss \$448, and Haugner \$280. The terms of Amway's settlement were similar. The company was ordered to stop using unrealistic figures in its literature, which technically it was supposed to do after 1979.

Whenever it did include figures — whether real or hypothetical — over and above what the average distributor was earning, it needed to indicate how many distributors actually earned those amounts. It also had to make prospects aware of the potential costs of the business. Amway's settlement also came with a fine of \$17,500, pocket change for a billion-dollar company. The distributors and the company agreed to these terms without admitting that they had broken the law.⁴²

As if two lawsuits dropping more or less simultaneously was not bad enough, 1982 also saw the release of Phil Kerns's book *Fake It Til You Make it!*. In the early eighties, former distributors started stepping into the spotlight and detailing their time in Amway. As in the anti-cult movement, the accounts of "apostates" like Kerns became integral to an emerging grassroots opposition to Amway, in which ordinary people, some of whom had once been in the business and some who never were, used whatever forums were available to them to express their concerns and complaints about the company. A number of books similar to Kerns's were published over the next three decades: Steve Butterfield's *Amway: The Cult of Free Enterprise* in 1986, Ruth Carter's *Amway Motiva-*

⁴² Consent Judgment, *State of Wisconsin v. Amway Corporation, Inc., a Michigan corporation, and Wayland C. Behnke, Dean M. Fliss, Benedetto Lanza, John C. Haugner, Jr., all Amway Direct Distributors, d/b/a World Wide Diamond*, Circuit Court of Milwaukee, case number 589806, filed February 21, 1983, 1-2, 4-6; Stipulated Consent Judgment, *State of Wisconsin v. Amway Corporation, Inc., a Michigan corporation, and Wayland C. Behnke, Dean M. Fliss, Benedetto Lanza, John C. Haugner, Jr., all Amway Direct Distributors, d/b/a World Wide Diamond*, Circuit Court of Milwaukee, case number 589806, filed February 21, 1983, 1-4, 7; Behnke, Fliss, Haugner, and Lanza Stipulation for Consent Judgment, *State of Wisconsin v. Amway Corporation, Inc., a Michigan corporation, and Wayland C. Behnke, Dean M. Fliss, Benedetto Lanza, John C. Haugner, Jr., all Amway Direct Distributors, d/b/a World Wide Diamond*, Circuit Court of Milwaukee, case number 589806, filed February 21, 1983, 2; Amway Stipulation for Consent Judgment, *State of Wisconsin v. Amway Corporation, Inc., a Michigan corporation, and Wayland C. Behnke, Dean M. Fliss, Benedetto Lanza, John C. Haugner, Jr., all Amway Direct Distributors, d/b/a World Wide Diamond*, Circuit Court of Milwaukee, case number 589806, filed February 21, 1983, 1.

tional Organizations: Behind the Smoke and Mirrors in 1999, Eric Scheibeler's *Merchants of Deception* in 2004, and Erik German's *My Father's Dream* in 2011, which is mostly a second-hand account of his father's experiences as a distributor. These books offer a window into distributor grievances across a wide time range. It is worth pointing out that, although these authors had criticisms of the company as a whole, a lot of what they said was about the specific networks they belonged to. Butterfield, Scheibeler, and German's father were all part of the group headed by Dexter Yager, who built one of the largest and most successful distributorships in Amway history, while Kerns was in Crown Direct Lester Canon's group. Ruth Carter, meanwhile, never indicated the line that she was sponsored into, instead focusing more generally on what she called "Amway Motivational Organizations," her version of Kingpin Corporations. Consequently, some of their experiences may not be completely representative, since we cannot say for sure that all networks necessarily operated the same way. That said, their accounts overlap significantly.⁴³

Although all four eventually became disillusioned with Amway and turned into fierce critics, they joined because they found the message of self-mastery, material well-being, and economic independence compelling.⁴⁴ Accordingly, their stories of how they became distributors lend insight into how the company's message resonated with real-world needs and desires. Steve Butterfield, an English professor at a college in Vermont who had no interest in becoming a distributor when he and his wife were first introduced to Amway in 1971, changed his tune following the economic downturn in 1973. Suddenly, he wrote, "along with other college faculty nationwide, I took drastic salary cuts and considered myself lucky to have a job." Under these circumstances, the Amway promise became more appealing: "I wanted income security. I liked the idea of making money, lots

⁴³ Butterfield, *Amway: The Cult of Free Enterprise*, 7; German, *My Father's Dream*, loc. 402; Eric Scheibeler, *Merchants of Deception: An insider's chilling look at the worldwide multi-billion dollar conspiracy of lies that is Amway and its motivational organizations* (Kalamazoo, MI: Keystone Solutions Group LLC, 2004), 207; Phil Kerns, *Fake It 'Til You Make It: What your soap distributor may not have told you* (Carlton, OR: Victory Press, 1982), 16; Carter, *Amway Motivational Organizations*, 41-42. For more on Dexter Yager, see Jones, *Amway Forever*, 92-97; Mondom, "Compassionate Capitalism," 13.

⁴⁴ Phil Kerns never described the circumstances that led him to join Amway, so he is not discussed here.

of it, without having to show up for work....I wanted to be plucking the fruit from the money tree, not sitting on the outside of the circle chewing pits while others feasted.” By 1978, he was on board, sponsored by a colleague who had tried to sell him a smoke detector.⁴⁵

Ruth Carter similarly joined Amway when faced with financial difficulties shortly after she separated from her husband and was left to raise her children on her own. Her living conditions at the time were arduous: “My house was heated with wood. I had an oil-fired furnace, but it was just used as emergency backup since we couldn’t afford to run it full-time. My house on the hill, which during the summer showed me stunning mountain views, in the winter was difficult to get in and out of.” Her small business languished as she struggled to run a household as a single parent. First thing in the morning, she wrote, “I would take my oldest child to school and do errands or stop for groceries on the way home.” Once she finally got back home, “I attempted to do some work, phone clients, and so on, but I accomplished little and my business was falling away fast.” On top of all that, she wrote that “I didn’t want to leave my infant with anyone else,” so she was saddled with childcare duties as well. It was “[a]fter a couple of months of this logistical nightmare” that a neighbor introduced her to Amway. At her neighbor’s home, Carter, along with a handful of other prospects, heard a pitch from a distributor whom she called Steve Silver. Silver, she recounted, “talks about cars, homes, vacations, sending children to private school, money in the bank....He talks about retiring from our jobs within two to five years, and having time to spend with our families.” After hearing his spiel, she said that she was “starting to get excited about the Amway business.”⁴⁶

Erik German’s family had also hit a rough patch at the time that his father decided to join Amway in the 1980s. Erik’s father had been a poorly paid magazine journalist who discovered, after his first payday, that he did not have enough money for “rent, student loan payments, the car, gas,

⁴⁵ Butterfield, *Amway: The Cult of Free Enterprise*, 11-21. Portions reproduced in Mondom, “Compassionate Capitalism,” 13-14.

⁴⁶ Carter, *Amway Motivational Organizations*, 5-7. Portions reproduced in Mondom, “Compassionate Capitalism,” 14.

utilities and food. Everything was just costing more than expected.” Unable to heat their home, German’s mother had to wait tables at a diner. His father was not happy about that. According to Erik, he “grew up in a household where a father’s highest duty was the care of his family.” For Erik’s father, economic adversity represented a direct threat to conventional gender roles and the division of labor within the family. “Poverty,” Erik wrote, “was stealing his manhood away.” What’s worse, his mother suffered a manager’s sexual harassment, which they had to tolerate because they desperately needed her to bring in that second income.⁴⁷

Amid all this hardship, German’s uncle approached his father with what seemed to be the solution to all of their problems: “It would only take up an evening or two per week. It would make them an extra hundred dollars a month, possibly more. It was called Amway and in two to five years, it seemed, some people had even made this thing churn out six-figure incomes.” Erik remembered that his uncle “couldn’t have pitched Amway to my father at a more perfect time”: the family was sinking deeper into debt and had barely enough to eat.⁴⁸

In contrast to Ruth Carter and Erik German’s father (and, to a lesser degree, Steve Butterfield), Eric Scheibeler was not in a financial bind when he and his wife Patty joined Amway in the late eighties. He indicated that his family struggled growing up: “Too many of the decisions seemed to revolve around what we could afford, not what was the most important to us.” These early difficulties influenced his later decision to join Amway: “As far back as I can remember, I wanted to succeed and to be in a position to help the people that I loved.” He later became an auditor at the Department of Energy. He did not enjoy the job, since he “found the daily routine of auditing rather boring,” and the constant need to travel kept him away from his wife. As a result, he left to become an insurance underwriter, which allowed him and his wife to settle down. A couple living in their neighborhood showed them Amway. While Scheibeler and his wife were doing well enough, they

⁴⁷ German, *My Father’s Dream*, loc. 95, 111, 126. Portions reproduced in Mondom, “Compassionate Capitalism,” 1.

⁴⁸ German, *My Father’s Dream*, loc. 126, 220. Portions reproduced in Mondom, “Compassionate Capitalism,” 1.

found the prospect of earning more money appealing, particularly in a business that was theirs: “Perhaps the greatest selling factor for both Patty and me...was the ‘fact’ that we could create on-going, residual, ‘will-able’ income....Our business would grow as we helped other independent business owners succeed in owning their own business. We would all be very motivated to work hard and would never ‘fire ourselves’ or ‘lay ourselves off,’ since we *owned* The Business....The larger our income became, the more free time we would have to spend with our families.”⁴⁹

Butterfield, Carter, Kerns, Scheibeler, and German criticized various elements of the Amway system. High on that list, naturally, was what they saw as the false promise of the business. Erik German observed that, according to information that the company was legally obligated to provide, “two thirds of the people registered with the organization make, on average, \$115 per month.” The mega-wealthy distributors of the sort featured in Amway tools were only a minuscule sliver of all individuals in the business: “In the \$45,000 range, it’s about .1457 percent. At the \$700,000 level, that number shrinks to .0024 percent. Adding up everything in between yields a little over .6 percent.” Phil Kerns, meanwhile, claimed that “[t]he evidence shows that the vast majority of Amway distributors really earn very little, while a very small percentage of the entire [at the time] one million distributors enjoy enormous profits.” Doing some back-of-the-envelope math, he pointed out that even going Direct required thousands of dollars of product sales every month, never mind attaining any of the higher pin levels.⁵⁰

Ruth Carter argued that not only did very few Amway distributors become wealthy, but also that purchasing tickets to Amway events as well as tools, along with the costs associated with recruitment (e.g, travel), ate up much of what they earned. Kerns, Butterfield, and Scheibeler corroborated this. Phil Kerns wrote that “the high cost of participating in this business” was a “common complaint” from those whom he and his wife had sponsored: “There was, at rallies and meetings, a

⁴⁹ Scheibeler, *Merchants of Deception*, 1, 3-7, 23-24. Portions reproduced in Mondom, “Compassionate Capitalism,” 14.

⁵⁰ German, *My Father’s Dream*, loc. 189; Kerns, *Fake It Til You Make It!*, 12, 114.

constant emphasis on the purchase of non-Amway produced motivational tools such as books and tapes. In addition, the monthly expenditures for rallies were outrageous.” Kerns said that he “was spending a fortune for gas, telephone bills and airfare,” and that one month he earned a mere \$7.78 after accounting for such expenses. Butterfield indicated that “[t]he profit margin in retail sales is supposed to be an average 30 percent,” but that “[f]or me, every penny was eaten up in costs, not counting the hours spent securing the customers and persuading them to buy. For the few months when the account book actually showed a profit in retail selling, if I counted the value of my own time I made about a dollar an hour.” The costs he referred to came mainly in the form of inventory and tools. Scheibeler wrote that when he and his wife went Direct, they “had been expecting to make around \$2,000 a month” — instead, “we were making a net income after system expenses [e.g., books, tapes, seminars] of closer to \$600 dollars a month[.]” Likewise, when they reached Pearl level, “we had anticipated making \$80,000-\$100,000,” but instead they found themselves earning a mere twenty thousand “for a superhuman, all-consuming effort.”⁵¹

Both Scheibeler and Erik German alleged that rather than leading their families to secure and substantial incomes, Amway actually bankrupted them. Despite the fact that their actual income fell far short of expectations, Scheibeler and his wife did see their financial circumstances improve initially. He said that by the time the nineties came around, they had paid off all their major debts, with the exception of their home. That changed, however, as they climbed Amway’s achievement ladder. Sometime after they became Ruby-level distributors, Scheibeler wrote that they “started to accumulate small and then larger amounts of credit card debt.” According to him, this change was the result of the increasing cost of Amway tools. “There were more and more mandatory leadership seminars and trips to attend,” he said. Additionally, “[t]he tape-of-the-week that we all religiously purchased went from \$5.00 to \$6.00 a week plus tax and shipping.” An additional weekly tape was

⁵¹ Carter, *Amway Motivational Organizations*, 59-87; Kerns, *Fake It Til You Make it!*, 18, 34; Butterfield, *Amway: The Cult of Free Enterprise*, 96; Scheibeler, *Merchants of Deception*, 56, 73.

added as well, along with the introduction of monthly books and videos. By the time they became Emeralds, their financial situation was dire: “Patty and I now had massive debts. We had cars that looked great on the surface, but were barely running. We owed back property and income taxes and all our credit cards were maxed out.” Scheibeler insisted that his situation was by no means atypical, and that he came across other distributors who had also lost substantial sums while in the business.⁵²

Erik German said that Amway also plunged his father into deep debt. According to him, his father purchased a large quantity of motivational tapes to sell to his downlines, as his uplines had instructed him to do, but that he became disenchanted after discovering that the sale of tools, rather than products, was the main source of income for his uplines. Erik wrote that after a while, “Dad began borrowing money from friends, relatives, and the local bank to keep up with the expense of running his business,” and despite devoting virtually every minute of his free time to the business, he could not seem to make it work. He stated that “after six months of this maniacal, crushing routine....the debt had mounted to \$25,000.” Ultimately, the family was forced to go and live with Erik’s grandparents.⁵³

Amway tools — marketed as aids to help distributors build up their businesses — were blamed for causing some to not make any money and become indebted. This was not the only criticism leveled against the tools. Ruth Carter claimed that it was very difficult for distributors to receive a refund on tools if they were dissatisfied or decided to leave the business, and that the tools became a business unto themselves, with many high-level distributors earning more money from selling tools than from selling Amway products. In fact, Carter claimed that her own upline Diamond was allegedly earning ninety-five percent of his income by selling tools and tickets to distributor functions and hardly moved any products. Carter characterized the tool business as a kind of pyramid scheme.

⁵² Scheibeler, *Merchants of Deception*, 86, 109, 111-112, 131, 157-158. Portions reproduced in Mondom, “Compassionate Capitalism,” 14.

⁵³ German, *My Father’s Dream*, loc. 294, 309, 324. Portions reproduced in Mondom, “Compassionate Capitalism,” 18.

According to her, very few actually provided distributors with concrete instructions on how to run their businesses, whereas the majority merely “promote the use of tools and plugging into the system[.]”⁵⁴

Scheibeler said that he left the business in large part because he discovered that the wealthiest distributors supported themselves almost entirely through the sale of tools. He described Amway and its tool market in particular as “the largest, ongoing, most well-coordinated, well-orchestrated theft by deception in the history of business,” writing, “[m]any of the fortunes of the super-rich Diamond-level distributors were culled from the financial losses of their loving, trusting flock. The more the group lost financially in money to support *the system*, the richer they became. The wealthier they became, the more cars, homes, jets, and yachts they purchased. The more luxuries they possessed, the more people were recruited into Amway, based upon this illusion of their success in the Amway business.” Erik German stated that “[p]rofit margins on these materials [referring specifically to motivational tapes] were much higher than on actual Amway products.” At one point, he wrote, “my father and Jack started duplicating a few of the tapes and distributing them for free to their downline, hoping [to] save everyone a little money,” at which point their uplines “went ballistic” and “threatened legal action.” It was then that German’s father came to understand “that the upline Diamonds were funding their lavish lifestyles with profits from motivational tools and functions.” In the course of writing his book, German interviewed a Diamond distributor named Jean Valerio. When he asked her how much money she made from tools, she grew evasive, telling him, “That’s very hard to say,” and that “it changes.”⁵⁵

One of the selling points of Amway, as we saw in Chapter II, was that through the business people could make new friends, strengthen family ties, and become part of a new “family” of dis-

⁵⁴ Carter, *Amway Motivational Organizations*, 39-49, 136. Portions reproduced in Mondom, “Compassionate Capitalism,” 15.

⁵⁵ Scheibeler, *Merchants of Deception*, 161, 225, 243-244; Valerio quoted in German, *My Father’s Dream*, loc. 279, 371, 387.

tributors. Rather than fostering community and bringing people closer together, these detractors claimed that Amway sought to sequester its distributors and cut them off from those outside the business. Here the attacks on Amway most clearly paralleled charges leveled by cult opponents. The anti-cult movement of the seventies and eighties had focused almost exclusively on religious movements. Amway critics, however, drew on ideas and terminology from the movement to attack the practices of a secular corporation.

One technique by which Amway purportedly isolated distributors was by prohibiting interactions with “crosslines”: that is, distributors who belonged to different legs. Butterfield recalled hearing an upline in his network tell distributors at a function, “You meet other distributors at these functions. And it’s nice to say hello, but don’t crossline. When you travel to functions, go with your own upline, if you have to ride with someone, but the best thing is to go by yourselves. When you go out to eat after the Seminar, don’t sit with people from different lines. It won’t do your business any good to wonder what someone else on a different line is doing.” At one point, Butterfield organized a meeting of distributors at his home and was promptly told by his uplines to cancel it because he was crosslining — supposedly this kind of mingling threatened to undermine everyone’s progress in the business.⁵⁶

Butterfield wrote that “the ban on crosslining makes sense as a means for achieving complete control over a distributor force,” alleging that it was part and parcel of Amway’s effort “to sell, and reinforce, a *competitive* class system, with a status hierarchy[.]” According to Butterfield, distributors were taught to see those on other legs first and foremost as competitors and therefore obstacles to their own success. “The ban on crosslining, if properly duplicated,” he claimed, “would limit most human contacts to upline, downline and prospects.” Butterfield, in other words, directly contradicted the claim that Amway represented a more “compassionate capitalism” in which looking out for the welfare of others was more important than competition. Scheibeler also talked about a ban

⁵⁶ Butterfield, *Amway: The Cult of Free Enterprise*, 90-92.

on crosslining, calling it a “core principle” and explaining that “[t]he reasoning was that this could cause confusion and inadvertently damage both of your businesses.”⁵⁷

In addition to crosslines, these ex-distributors alleged that distributors were also told to avoid any individuals or media critical of Amway. Butterfield argued that the imperative to weed out negative influences from one’s life — discussed in significant detail in Chapter II — served to isolate individuals from their pre-Amway social circles and to compel them to radically alter their personalities. According to Butterfield, uplines taught that negativity was everywhere and a constant threat to one’s success in the business:

Whatever influence weakens your belief and commitment in the business is Negative. The brother-in-law who laughs at you is Negative. The “friend” who says it won’t work is Negative. Expressions like “I’ll try,” and “I’ll never own a nice home,” and “Maybe I’ll see if this works, and if it doesn’t, I’ll quit,” are all Negative. Argument and criticism are Negative. Any product which competes with an Amway product is Negative. Failure to attend any function put on by your upline, or to follow all of their instructions, is Negative. Refusal to buy a tape when recommended by the upline is Negative. It is Negative to complain about the expense of functions, or find fault with the speakers, or make the excuse that you can’t go to Seminar and Rally because you can’t afford a babysitter.⁵⁸

Butterfield claimed that negativity was used as a catch-all to steer distributors away from anything that could potentially undermine their commitment to Amway and the Plan, writing that distributors were from the outset “being prepared for the parting of the ways with anyone who might hold them back in Amway,” with the business making up for those lost relationships. Distributors, in his telling, were supposed to gradually purge from their lives everyone who did not fully support their involvement in the business.⁵⁹

Ruth Carter, meanwhile, maintained that the taboo on negativity was used to repress criticism of the company and to cover up ugly parts of distributors’s lives. Writing about Amway functions, she said,

⁵⁷ Butterfield, *Amway: The Cult of Free Enterprise*, 92; Scheibeler, *Merchants of Deception*, 47.

⁵⁸ Butterfield, *Amway: The Cult of Free Enterprise*, 28.

⁵⁹ Butterfield, *Amway: The Cult of Free Enterprise*, 55.

Speakers are allowed to discuss some of the negative things that happened to them “before the business,” and they’re allowed to talk about the struggles they’ve had with negative (former) friends and family. They are not allowed to discuss anything negative about the business, their line of sponsorship, or their downline. They can discuss their accomplishments in the business, but they can’t tell the audience that when they were recognized as new Direct Distributors, they had \$50,000 charged to their credit cards for business-related travel and tools, and that they have no idea how they’ll pay it off. They can discuss all the wonderful friendships they’ve developed in the business, but they can’t admit that their teenager is skipping school, drinking, and has cracked up the car three times in the past year.⁶⁰

As a person moved further along in the business, these former distributors claimed, they were increasingly cut off from anyone or anything not connected to the business. “Once you acquire a group, it is more than imperative to use nothing but Amway,” Butterfield wrote. At functions, speakers told distributors to ditch any Amway substitutes that they had at home, on the grounds that any downline who saw their upline not using Amway products would become demoralized. Eric Scheibeler, too, wrote that he and his wife were instructed that “[i]t would be financial suicide to do anything other than use all our own products,” and that failure to do so would “show tremendous disrespect to your upline[.]”⁶¹

Additionally, several of them said that they ended up pouring all of their time and energy into the business at the expense of non-Amway pursuits and interests. Erik German wrote that “[a]s his first year in the business drew to a close, Dad’s growing dedication to Amway began to threaten his position at the magazine.” Instead of reporting, he was “spending all his free moments prospecting for Amway recruits.” At one point, his father was offered the position of editor of his magazine, but only on the condition that he reduce his commitment to Amway. The increase in pay that came with the job, however, was minuscule given the family’s financial needs, so he left the magazine and went to work at a used car dealership, which “paid better than journalism and allowed him to devote free time to Amway.” Scheibeler wrote that after he and his wife became Emeralds, “[t]he Amway

⁶⁰ Carter, *Amway Motivational Organizations*, 53.

⁶¹ Butterfield, *Amway: The Cult of Free Enterprise*, 99; Scheibeler, *Merchants of Deception*, 34.

business and its related system had by now completely taken ownership of nearly every aspect of our lives,” explaining, “[w]e had surrendered our life, all of our money, our careers, and our family time to what we believed was ‘our’ business. We had lost touch with most of our extended family members and any friends outside of The Business. We no longer seemed to have much in common with them. We maintained a few relationships, but spent very little time with non-Amway people.” Ruth Carter also said that her work and social lives suffered under Amway. She wrote that she was constantly leaving one job for another because “[t]he business had taught me to have a total contempt for honest gainful employment, so if anything about a job wasn’t to my liking, I would leave. Or my bosses would tire of my lack of commitment to their goals, and send me packing.” Perhaps more significantly, the business also undermined her relationships with others, writing, “I had no social life. My friends were all in the business, and most of them lived several hundred miles away from me....I cried myself to sleep a lot.”⁶²

For these reasons, several of these ex-distributors likened Amway to a cult. As noted earlier, “cult” typically denotes a religious movement. And while Amway is of course not a religion, several scholars have described it as “quasi-religious.” David Bromley pointed to a number of features of the business, including distributor events, the veneration of the cofounders, and the emphasis on family, to argue that “Amway combines transformative social movement and corporate/economic organizational forms that create innovative combinations of religion and business[.]” Justin Green and Joan D’Aiuto have similarly contended that “Amway’s rallies, seminars, and conventions function as religious rites and rituals.” So whereas Scientology — to return to a case study discussed ear-

⁶² German, *My Father’s Dream*, loc. 235, 249; Scheibeler, *Merchants of Deception*, 121-122; Carter, *Amway Motivational Organizations*, 125-126. Portions reproduced in Mondom, “Compassionate Capitalism,” 15.

lier — is a religion with business characteristics, Amway can be described as a business with religious characteristics. This, in turn, made the company vulnerable to the “cult” label.⁶³

Prior to joining Amway, Phil Kerns had, for a time, actually been a member of the People’s Temple, and wrote a book about his experiences in the group called *People’s Temple, People’s Tomb*. Though he did not dwell on the comparison much in his Amway book, he did pepper in references to cults throughout *Fake It Til You Make It!*. Steve Butterfield, on the other hand, was much more overt, putting the word “cult” right in the subtitle of his book. He identified a number of alleged similarities between Amway and religious cults, including that Amway engaged in “indoctrination” through the use of tools and functions, that it “provide[d] a substitute for the extended family,” and that it deployed “thought control.” He pointed to duplication as one example of Amway’s cultic characteristics, declaring that duplication “withers the growth of human wisdom.” According to him, the company “diminishes awareness and narrows the perceptions by wrapping brains up in box-size flags and spitting them off the end of a production line.” Ruth Carter dedicated several chapters to the cult comparison. After defining what a cult was and detailing techniques of cultic “mind control,” she argued that many of Amway’s practices fell under that umbrella. The process of recruiting prospects into Amway — particularly the way that sponsors nudged prospects to talk about their dreams and then pitched Amway as a means of fulfilling unmet needs and desires, as well as the fact that sponsors often tried to disguise their association with Amway — was, she said, similar to how cults attracted new members. She also claimed that distributor functions exercised “mind control” through “peer pressure,” “emotional manipulation,” and making false promises about the business.⁶⁴

⁶³ David G. Bromley, “Transformative Movements and Quasi-Religious Corporations: The Case of Amway,” in *Sacred Companies: Organizational Aspects of Religion and Religious Aspects of Organizations*, N.J. Demerath III, Peter Dobkin Hall, Terry Schmitt, and Rhys H. Williams eds. (New York, NY: Oxford University Press, 1998), 349-363; Green and D’Aiuto, “A Case Study of Economic Distribution Via Social Networks,” 312-313.

⁶⁴ Phil Kerns and Doug Wead, *People’s Temple, People’s Tomb* (Plainfield, NJ: Logos International, 1979); Kerns, *Fake It Til You Make It*, 70, 88, 98; Butterfield, *Amway: The Cult of Free Enterprise*, 147-150; Carter, *Amway Motivational Organizations*, 88-124. Portions reproduced in Mondom, “Compassionate Capitalism,” 15.

Books are not the only medium that aggrieved former distributors — and those critical of Amway more broadly — have used to tell their stories. In 1997, the magazine *The Baffler* published an article by a man named Matt Roth in which he documented both his personal frustrations with the company as well as his uplines’s declining faith in their ability to succeed in the business. Beginning in the 1990s, the Internet became an increasingly important space for Amway critics. One of the most influential anti-Amway websites was *Amway: The Untold Story*, set up by a man named Sidney Schwartz. The website served as a clearinghouse for information on various aspects of the business, including the relative cost of Amway versus non-Amway products, success rates, lawsuits pending against the company, and what it dubbed “The Tools Scam.” Ruth Carter, too, created a website in conjunction with the publication of her book. Eric Scheibeler wrote that the Internet was important in his transformation into an Amway critic. Back when he was still dedicated to the business, he said that he heard from prospects about Schwartz’s website as well as the website of former distributor Ashley Wilkes, called *Amway Motivational Organizations: The Nightmare Builders*. At the time, he wrote, he thought of them as “the enemy,” “evil,” and “a threat to my family’s future.” Later on, however, he perused Schwartz’s website and did general Internet searches about Amway, which led him to become disillusioned with how the business operated. He even got in touch with Ashley Wilkes, who he said “became a close friend, mentor, and confidant.”⁶⁵

The publication of the first anti-Amway exposé in 1982 also coincided with heightened media interest in the company. In October 1982, the *Detroit Free Press* ran a three-part series of articles

⁶⁵ Matt Roth, “Dreams Incorporated: Living the Delayed Life with Amway,” *The Baffler*, no. 10 (1997), 39-64; an archived version of Schwartz’s website can be found at <http://www.cs.cmu.edu/~dst/Amway/AUS/> (accessed December 18, 2018); Jones, *Amway Forever*, 101; Scheibeler, *Merchants of Deception*, 121, 142, 152-153, 160-161, 210, 232-233; an archived version of Wilkes’s website can be found at <http://ex-cult.org/Groups/Amway/nightmare-builders/> (accessed December 18, 2018). Portions reproduced in Mondom, “Compassionate Capitalism,” 14.

documenting difficulties that some had had in the business along with allegations of wrongdoing on the part of some distributors. In the first, titled “A few get rich in Amway, but many just get frustrated,” which came out on October 24th, the *Press* noted the vast disparities in success among distributors, writing that “like an oil-rich sheikhdom [sic], Amway has its royalty....who occupy the top of a pyramid of wealth and enjoy generous bonus checks, paid vacations to glamor resorts and cruises aboard the Amway yacht, ‘Enterprise.’ But mostly, it has its workers, the people who carry their dreams in a small kit filled with furniture polish, shoe spray, and laundry detergent.” The article went on to reference both the FTC’s investigation as well as the state of Wisconsin’s lawsuit, and included accounts from former distributors who claimed that the business undermined the quality of their lives and that they were unable, even after putting in earnest effort, to achieve the incomes promised to them. One couple profiled was Bill and Julie Greenwood, whose experiences paralleled those of other ex-distributors. According to the article, “in the 2 1/2 years they ran an Amway distributorship, first in Appleton, then in Kaukauna [both in Wisconsin], they lost \$8,000, all their free time and almost their marriage, which they saved by getting out.” Julie recalled, “We quit everything....our bowling league....our baseball teams. We quit seeing our friends....All we did was work, work, work, work, work.” Even so, and even after sometimes spending a combined total of sixty to eighty hours a week doing Amway, the couple never earned more than five hundred dollars a month. Not only that, they actually lost money in the business because of the high cost of buying tools and attending functions.⁶⁶

The second *Press* article, published the following day, explored allegations investigated by the IRS that some distributors had turned their Amway businesses into tax shelters. The article reported that although distributors were perfectly within their rights to write off any “ordinary and necessary” expenses related to running their businesses, “IRS auditors found Amway distributors deduct-

⁶⁶ Greenwood quoted in Billy Bowles, Kitty McKinsey, and Paul Magnusson, “A few get rich in Amway, but many just get frustrated,” *The Detroit Free Press*, October 24, 1982, 1A, 10A, 11A, GRPC.

ing food for their pet dogs, dinners with their wives, trips to visit their mothers in Florida, birthday presents for their children, foreign vacations, luxury cars, mortgage payments, utility bills, baby-sitters, clothes, jewelry, laundry, televisions, microwave ovens and even parking tickets.” Not only that, some distributor circles apparently promoted this kind of fraud. Despite the fact that Amway officially discouraged such shady behavior, the article noted that “[t]ape recordings on tax schemes...are a subsidiary business among Amway distributors — although not the corporation itself — and sell for as much as \$15 each. Specialized Amway-related tax advice has also become a business in itself.” The final article in the *Press*’s series, released on the twenty-sixth, examined the tool market, which it described as “a pyramid inside a pyramid” in which “low-level distributors buy packaged inspiration from those at the top.” The article said that “Amway distributors who drop out of the business speak ruefully of spending hundreds of dollars on attending motivational seminars and hundreds of hours listening to tape-recorded advice without ever making any money from selling Amway products.” Some of the former distributors quoted in the piece suggested that many of the mega-wealthy distributors made most of their money from these tools. The article also offered readers an inside look at a rally held in Pittsburgh by Fred and Linda Harteis, who at the time were Double Diamond distributors, which featured musical performances along with speeches by well-to-do distributor couples extolling both their personal success and the potential for those in the audience to become just like them.⁶⁷

These articles were not the first time that the *Press* had aimed its guns at Amway that year. Two months earlier, on August 22nd, they ran an article headlined “Amway’s plot to bilk Canada of billions,” which detailed the tax evasion claims that the Canadian government was investigating and outlined how the company had gone about avoiding taxes. The *Press*’s salvos did not escape the at-

⁶⁷ Billy Bowles, Kitty McKinsey, and Paul Magnusson, “Some are lured by a shaky shelter,” *The Detroit Free Press*, October 25, 1982, 1A, 15A, GRPC; Billy Bowles, Paul Magnusson, and Kitty McKinsey, “Motivation has a price at Amway,” *The Detroit Free Press*, October 26, 1982, 1A, 10A, GRPC; Kitty McKinsey, “Amway stars lead the cheering at rally,” *The Detroit Free Press*, October 26, 1982, 10A, GRPC.

tention of the cofounders. In his autobiography, Van Andel slammed the *Press* as a “left-leaning paper” whose articles on the company “reeked of political smear tactics.” He also accused the newspaper of cherry-picking and possibly even misrepresenting the firsthand accounts it presented, writing that “Amway dropouts with family or financial problems were sought out and their troubles blamed on Amway,” thus ignoring “the thousands of ordinary people who gained family unity and enjoyed success through Amway.” DeVos went so far as to ban the sale of the *Press* at the Amway Grand Plaza Hotel in downtown Grand Rapids. On August 23, 1982, Amway announced that it would sue the *Press* for half a billion dollars for its “Amway’s plot to bilk Canada of billions” article. Ultimately, though, the company did not pursue the case because, according to Van Andel, “it might have affected the ongoing court case with Revenue Canada[.]” Three years later, on January 26, 1985, in what it described as “a quiet burial of the hatchet,” the *Grand Rapids Press* reported that the *Detroit Free Press* had rejoined the ranks of newspapers available for purchase at the Grand Plaza.⁶⁸

Three months after the *Press* articles, on January 9, 1983, *60 Minutes* ran a segment on Amway titled “Soap and Hope.” The feature included an array of perspectives. The *60 Minutes* crew shot footage at various rallies and interviewed not just ex-distributors but also Dexter and Birdie Yager as well as DeVos and Van Andel. The cofounders prepared in advance for their interviews with host Mike Wallace, undergoing coaching to steel themselves for Wallace’s confrontational style of questioning. Additionally, DeVos wrote that “instead of waiting for Wallace to show up and catch us off guard we invited him to Amway and welcomed him and his crew.” Even so, the corporation was not sure exactly how it would come off. The *Grand Rapids Press* reported on the day that the segment aired that “[s]ince the network [i.e., CBS] considers ‘60 Minutes’ a news program, no pre-

⁶⁸ Kitty McKinsey and Paul Magnusson, “Amway’s plot to bilk Canada of billions,” *The Detroit Free Press*, August 22, 1982, 1A, GRPC; Van Andel, *An Enterprising Life*, 95-96, 98; Paul Magnusson, “Amway slaps paper with \$500 million suit,” *The Dover-New Philadelphia Times-Reporter*, August 24, 1982, B4; Jim Harger, “Amway Buries Hatchet: Hotel Again Sells Detroit Free Press,” *The Grand Rapids Press*, January 26, 1985, 3A, GRPC. In fairness to the *Press*, their first article in the October series did feature a section devoted to the story of Bob and Mary Kaye Keefe, who became distributors and attained many of the promises of the business. According to the article, “[w]ithin three months of joining, the Keefes became direct distributors,” and “[their] family’s Amway income is two or three times what it had been[.]” (Kitty McKinsey, “Time for themselves and ‘more money than we ever made,’” *The Detroit Free Press*, October 24, 1982, 11A, GRPC.)

screenings are made available” and as a result “Amway officials really have no way of knowing what direction the segment will take.”⁶⁹

Ultimately, though, the cofounders were largely satisfied with how the show portrayed the company. DeVos complained about “footage of speakers at Amway conventions that were taken out of context and may not have best reflected *all* distributors,” but nevertheless he believed that “the piece was balanced.” Van Andel likewise described the segment as “fair and balanced.” This was also the impression that the *Grand Rapids Press* found when it sought out the opinions of people living in the Grand Rapids area, although it noted that many “expressed disappointment with the coverage because it told them little, if anything, new about the home products manufacturer.”⁷⁰

As it turned out, the cofounders were so pleased with the segment that they invited Mike Wallace to attend the grand opening of the Amway Grand Plaza Hotel that October. While there, Wallace indicated that the segment changed how he thought about the company. Covering his remarks, the *Grand Rapids Press* wrote that “when he started his investigation of Amway last summer he had several ‘preconceived misconceptions’ that he later discovered were not true.” Wallace insisted that “their products are good, and they’re not a pyramid operation,” and called those in the Amway organization who participated in the segment “classy people” who “opened up to us a certain amount and took their lumps.”⁷¹

The *60 Minutes* segment and the response to it stood in sharp contrast to Richard DeVos’s appearance on *The Phil Donahue Show* four months later, in April. Both of the cofounders were invited, but Van Andel declined, explaining in his autobiography that “[i]n my opinion, Donahue and

⁶⁹ Jones, *Amway Forever*, 94-97; Van Andel, *An Enterprising Life*, 98-99; Cross and Olson, *Commitment to Excellence*, 118; DeVos, *Simply Rich*, 135-136; Mark Newman, “‘60 Minutes’ Airs Amway Tonight,” *The Grand Rapids Press*, January 9, 1983, 1G, GRPC.

⁷⁰ DeVos, *Simply Rich*, 136; Van Andel, *An Enterprising Life*, 98; Tom LaBelle and Matt Gryczan, “‘60 Minutes’ Was Fair Enough, Amway, Area Residents Agree,” *The Grand Rapids Press*, January 10, 1983, 1A, 2A, GRPC.

⁷¹ Wallace quoted in Doug Guthrie, “Suddenly Wallace Sold on Amway...” *The Grand Rapids Press*, October 13, 1983, 1A, 2A, GRPC.

people like him are not after the truth — they're after something with which to entertain their listeners, and the entertainment is often at the expense of the guest on the show.” On the other hand, DeVos accepted because, as he put it, “I’d rather screw up than be absent and not able to speak for our position.” The show, however, did not go as originally planned. Donahue had promised to begin the segment with a brief interview with DeVos before turning to a Q&A with the audience, which included both current and former distributors. But when showtime came, Donahue jettisoned the interview altogether and just did the Q&A. A review of the episode in the *Grand Rapids Press* praised the show for “providing a voice for both detractors and supporters of Amway” but criticized the format, writing, “[a]fter starting the program with a brief introductory comments [sic] about Amway, Donahue allows it to degenerate into a shouting match as he fails to exercise any control.... Emotions explode during the show as Donahue, for no apparent reason, makes no effort to direct the line of questioning to DeVos nor allow adequate time for response.”⁷²

The cofounders were not happy. Van Andel complained that “[w]hat could have been an intelligent discussion soon turned into a circus,” while DeVos wrote that “[b]ecause at the last minute [Donahue] refused to open the show with any kind of introduction that would have provided context, viewers had no idea what was going on.” Nevertheless, the cofounders both thought that the episode had been, on net, a plus for them and their company, with Van Andel saying that “Amway had come out looking good simply because the anti-Amway side had behaved so poorly.” DeVos, meanwhile, wrote that “[l]ater that week I got a postcard from First Lady Barbara Bush with the message: ‘DeVos 10, Donahue 0.’”⁷³

By the end of 1983, Amway was left battered. A year-in-review published in the *Grand Rapids Press* on New Year’s Day 1984 noted that although the company had had some accomplishments,

⁷² Jones, *Amway Forever*, 84; DeVos, *Simply Rich*, 137-138; Mark Newman, “Donahue and Amway: What a Circus!” *The Grand Rapids Press*, April 24, 1983, 1H, GRPC.

⁷³ Van Andel, *An Enterprising Life*, 101; DeVos, *Simply Rich*, 138.

ultimately, “1983 was a year Amway might be glad to forget[.]” After weathering the cacophony of storms of the early eighties, things gradually improved for Amway over the rest of the decade. The slump of 1983-84 turned out to be the worst of it. In its retrospective on the year 1984, the company alluded to the hard times, acknowledging that “the direct sales industry this past year finally faced its own belated recession and began building toward its own belated recovery,” though it insisted that “the recessionary storm is dwindling, dying away.” Amway’s sales were \$1.189 billion in 1985. The following year that number went to \$1.3 billion, then \$1.5 billion in 1987 — at which point Amway’s revenues had more or less returned to pre-slump levels — and in June 1988 the company estimated that it would bring in two billion dollars that year.⁷⁴

Amway’s turnaround was attributed to strong overseas sales, particularly in Japan, as well as a raft of new products that the company introduced in rapid-fire succession. In January 1986 Amway said that it would start offering travel packages, so that customers could subscribe to get discounts on flights, hotels, cruises, and more. In March it unveiled the successor to its Amgard home security system, which first appeared in 1982, the Amgard II, along with an at-home exercise videotape. In April it announced two new programs, one that would allow distributors to receive a discount on broker commissions when buying or selling real estate and another for discounts on buying a new car. That May it expanded its Artistry cosmetics brand to also include clothing. In February 1987 came another exercise tape. In March Amway entered the satellite TV market with its own dishes. In May the company introduced trim packages for owners of Chevy sedans to customize their vehicles,

⁷⁴ Jim Harger, “1983 Was Year of Amway, Resurgence,” *The Grand Rapids Press*, January 1, 1984, 1F, 2F, GRPC; Amway Corporation, *1984 in Review*, 1985, 6,8; Jim Harger, “Year’s revenues hit \$1.3 billion, Amway reports,” *The Grand Rapids Press*, October 28, 1986, 7A, GRPC; Jim Harger, “Sales match 1982 mark at Amway, chief says,” *The Grand Rapids Press*, October 22, 1987, 5D, GRPC; Jim Harger, “Amway sales may reach \$2 billion,” *The Grand Rapids Press*, June 13, 1988, 1E, GRPC.

and a trim package for vans came in December. And in January 1988 Amway unveiled a multi-functional vacuum cleaner along with Grow Wise, educational toys for young children.⁷⁵

Beginning with the FTC investigation in 1975 and concluding with the *Phil Donahue* kerfuffle in mid-1983, Amway endured eight years of scrutiny and attack on multiple fronts over its business practices, particularly on the question of whether or not the company and some of its distributors were luring people into the business on false pretenses. Following a brief respite, the late 1980s and 1990s saw Amway's behavior in the spotlight once again, only this time it involved the company's relationship with its competitors. On May 3, 1989, news broke that Amway, working in concert with a firm called Jacobs Management Corp. and its owner, Irwin L. Jacobs, had bought half a million shares in Avon. Avon was the reigning king of direct sales. First known as Union Publishing when David H. McConnell acquired it in 1886, it subsequently became the California Perfume Company in 1892. The name was only half-accurate: it did sell perfume, but it had no association whatsoever with the state of California. In the late 1930s, the company changed its name again to reflect the success of its cosmetics brand. Avon brought in a little north of three billion dollars in 1988 and

⁷⁵ Harger, "Sales match 1982 mark at Amway, chief says"; Jim Harger, "Amway Offers Discount Travel Plan," *The Grand Rapids Press*, January 22, 1986, 3D, GRPC; "Amway Markets New Home Security Device," *The Grand Rapids Press*, March 11, 1986, 8A, GRPC; Karyn Vaughn, "Amway Joins the Videotape Business," *The Grand Rapids Press*, March 16, 1986, 2J, GRPC; Jim Harger, "Amway Will Offer Discounted Real-Estate Service, New Cars," *The Grand Rapids Press*, April 13, 1986, F1, F3, GRPC; Ann Fisher, "Amway Confident Of New Artistry Fashion Collection," *The Grand Rapids Press*, May 11, 1986, H1, H2, GRPC; Greg Shymko, "Exercise expert, Amway team up again," *The Grand Rapids Press*, February 24, 1987, B1, B2, GRPC; Jim Harger, "Amway offers new satellite TV system," *The Grand Rapids Press*, March 2, 1987, 7B, GRPC; Jim Harger, "Amway to sell \$3,500 Chevy option packages," *The Grand Rapids Press*, May 10, 1987, D1, D2, GRPC; Jim Harger, "Amway adds plush customizing of vans to its varied product line," *The Grand Rapids Press*, December 10, 1987, 5F, GRPC; Nancy Crawley, "Amway leaders hope to clean up with new vac," *The Grand Rapids Press*, January 12, 1988, 6A, GRPC; "Amway adds education toys to product line," *The Grand Rapids Press*, January 27, 1988, 9A, GRPC. Portions reproduced in Mondom, "Compassionate Capitalism," 7.

claimed a distributor force of one and a half million. Acquiring Avon would have turned Amway into a behemoth.⁷⁶

Unfortunately for Amway, Avon was not interested. On the day of the stock purchase, Avon's CEO declared that "Avon is not for sale." Despite its seemingly secure position atop the direct sales pyramid, reporting in the wake of Amway and Jacobs's move indicated that Avon was an ideal candidate for a takeover, that the company was struggling with significant structural problems. At the time of the takeover attempt, Avon was indebted to the tune of \$1.1 billion thanks to acquisitions it made in the healthcare sector back in 1984 that had failed to pan out. Still, Avon's leadership was recalcitrant. On May 8th, Avon filed two lawsuits in New York, one in state court and another in federal court, seeking to put a stop to the takeover. Reaction to the takeover bid among Avon distributors was mixed. On May 12th, five of them showed up at Amway World Headquarters to demonstrate against a potential takeover. The *Grand Rapids Press* reported that "the group's primary objection to an Amway takeover is the difference in business philosophy," that "Amway representatives have never knocked on any doors[.]" The *Press* wrote that one of the demonstrators, Gloria Gitchell, "accused the Ada firm of being more interested in recruiting more representatives than in selling." On the other hand, the *Associated Press* interviewed a woman named Rhunetta Crumel, a distributor for both companies, who welcomed the prospect of the two merging, believing (in the AP's words) that "Amway distributors would benefit by adding Avon to their product line, while Avon could learn from Amway's rah-rah approach to recruiting and caring for its distributors." Avon sur-

⁷⁶ Jim Harger, "Amway apparently involved in attempt to take over Avon," *The Grand Rapids Press*, May 3, 1989, A1, A4, GRPC; Manko, "Ding Dong! Avon Calling!," 20-23, 184, 192.

veyed five hundred of its American distributors and found that just over a quarter would leave the business in the event of a takeover.⁷⁷

Though Amway's stock purchase initially had the appearance of a hostile takeover, the company elected not to go in that direction. On May 10th, it announced that it was prepared to pay \$2.1 billion for Avon. Per share, it would be paying slightly higher than market rate (\$39 versus \$36.125 on the day the offer was made). Though the company remained uninterested in merging, Avon did not immediately reject the offer, indicating instead that it would think it over. On May 11th, the *Grand Rapids Press* reported that "Amway's offer has a good chance of being accepted," but that it "may have to be raised before Avon's board will be forced to accept it on behalf of their shareholders[.]" While Amway waited for a reply, it outlined its plans for Avon if the takeover occurred, saying that it would dump Avon's perfume lines. On May 17th, Amway told Avon that it was open to paying more than \$2.1 billion for the company if that was what it took for the merger to happen.⁷⁸

But Avon refused. The following day, Avon officially declined, issuing a heated statement that attacked Amway for its past legal problems as well as some of its business practices. Avon said that Amway was an "admitted criminal" plagued by "numerous allegations of fraud and misconduct." The statement directly referenced the Canada case and said that Amway had a "high-pressure way of doing business" that "clashes with the friendly, caring and gracious manner of our representatives." Rather than present a counteroffer, Amway capitulated, announcing that same day that it would give up on its takeover attempt. Amway's official reason for walking away was that

⁷⁷ CEO quoted in Harger, "Amway apparently involved in attempt to take over Avon"; Jim Harger, "Experts say Avon ripe for Amway bid," *The Grand Rapids Press*, May 4, 1989, 13E, GRPC; Jim Harger, "Avon vows to fight Amway/Jacobs bid," *The Grand Rapids Press*, May 5, 1989, 10A, GRPC; Michael J. Bologna, "Avon sues to block Amway takeover," *The Grand Rapids Press*, May 9, 1989, A1, A4, GRPC; "Avon reps protest Amway plans," *The Grand Rapids Press*, May 13, 1989, 4A, GRPC; "Avon calling? No, it's opportunity; Woman with foot in both camps sees advantage to Amway bid," *Worcester Telegram & Gazette*, May 14, 1989, E9; "Amway willing to negotiate its offer for Avon," *The Grand Rapids Press*, May 17, 1989, 8C, GRPC.

⁷⁸ Jim Harger, "Amway, Jacobs formally make bid for Avon," *The Grand Rapids Press*, May 10, 1989, A1, A4, GRPC; Jim Harger, "Attempted Avon takeover is friendly, Amway says," *The Grand Rapids Press*, May 11, 1989, A1, A4, GRPC; Jim Harger, "Amway would shed some Avon units," *The Grand Rapids Press*, May 12, 1989, 1C, GRPC; "Amway willing to negotiate its offer for Avon."

Avon's highly critical statement signaled that the company had no interest in accepting any offer regardless of the amount. The *Wall Street Journal*, however, suggested something else. It reported on May 25th that "[i]n an effort to ward off the attack, investigators working for New York-based Avon dug up information that has thrown Amway's executive suite into turmoil." It explained that "Avon's defensive effort in part focused on William W. Nicholson, Amway's chief operating officer and one of the principal engineers of the bid," that "Avon investigators uncovered several lawsuits challenging Mr. Nicholson's business practices." For its part, Amway denied any link between the two.⁷⁹

The story did not end there, though. On May 19th, the day after Avon turned down Amway, Michigan congressman John Dingell alleged that members of Amway's management had engaged in insider trading by buying shares in Avon in advance of the May 10th offer. Dingell brought those claims to the attention of the Securities and Exchange Commission, which said that it would look into the matter. The next day, the House Energy and Commerce Committee also became involved in investigating the takeover. And while Avon managed to fend off Amway, it turned out that Amway was not the only company with its eye on them. Despite the company's insistence that it wanted to remain independent, the Amway episode sent the signal that Avon was up for grabs. About a week after Amway abandoned its plans, another direct sales firm, Mary Kay, indicated that it was considering potentially pursuing a takeover. Avon proved no more open to their entreats than it was to Amway's, formally turning them down on May 31st. In the midst of all that, news broke on the twenty-fourth that Irwin Jacobs was interested in pursuing Avon himself. (Though he had worked with Amway on the May 3rd stock purchase, he did not participate in the company's subsequent bid.) Jacobs made his move on August 1st, offering \$2.85 billion for the company. Avon declined two days later. In November, Avon was again targeted for acquisition, this time by a company called Chartwell Associates. Chartwell, incidentally, ended up purchasing Jacobs and Amway's Avon shares

⁷⁹ "Avon slams the door on Amway buyout bid," *Chicago Tribune*, May 18, 1989, 2; Avon statement quoted in "Avon slams door, so Amway retreats," *The Grand Rapids Press*, May 18, 1989, A1, A4, GRPC; Richard Gibson, "Brash Defense: Did Avon's Digging For Amway Skeletons Scuttle Takeover Bid?" *Wall Street Journal*, May 25, 1989, 1.

in July 1990 in its effort to seize control of the company, which dragged on until April 1991, when it gave up its bid.⁸⁰

Amway was defiant in the wake of its unsuccessful move against Avon. On June 10th, a few weeks after the bid failed, Richard DeVos, speaking to distributors in Grand Rapids, declared, “I don’t think we’ll have to buy Avon. We’ll just beat them. Our new slogan will be ‘Sponsor an Avon Lady today.’” Amway eventually got its revenge in 2012, when its sales officially eclipsed Avon’s. In the meantime, the company’s post-1983 bounce-back continued into the 1990s. By 1990, Amway was selling \$2.2 billion in products. The *Grand Rapids Press* reported that September that the company was in the midst of a hiring spree and planned on expanding its World Headquarters. The following year, sales were at \$3.1 billion. By 1993, they would be \$4.5 billion.⁸¹

Before too long, though, Amway became embroiled in yet another controversy regarding another of its competitors: Procter & Gamble. Like Avon, Procter & Gamble, founded in 1837, was a titan in its field: in this case, personal care and cleaning products. Amway had tried to eliminate Avon as a rival by absorbing it. When it came to Procter & Gamble, the facts were much weirder.⁸²

⁸⁰ Jill Dutt, “SEC Is Asked To Investigate Raid on Avon,” *Newsday*, May 19, 1989, 50; “House Panel Looks for Inside Trading by Amway Officials,” *Los Angeles Times*, May 20, 1989, 1, 4; Marybeth Nibley, “Avon stock climbs after Mary Kay shows interest,” *Austin American Statesman*, May 27, 1989, D1; Jeffrey Trachtenberg, “Avon Products Inc. Spurns Mary Kay’s Takeover Overture,” *Wall Street Journal*, May 31, 1989, 1; Dan Dorfman, “Jacobs, firm plan hostile bid for Avon,” *USA Today*, May 24, 1989, 1B; George White, “Irwin Jacobs Makes \$2.85-Billion Bid for Avon,” *New York Times*, August 3, 1989, C2; “\$2.85-Billion Bid Avon Snubs Jacobs’ Takeover Proposal,” *Los Angeles Times*, August 4, 1989, 5; “Avon seeks to repel unwanted takeover bid,” *The Ottumwa Citizen*, November 14, 1989, D4; Jeffrey A. Trachtenberg and Richard Gibson, “Jacobs, Amway Sell Most of Holdings in Avon Products to Chartwell Partners,” *Wall Street Journal*, July 6, 1990, A8; “Chartwell ends fight for Avon,” *Pantagraph*, April 3, 1991, D3.

⁸¹ DeVos quoted in James Tinney and Jim Harger, “DeVos tells distributors if Amway can’t buy Avon, it’ll ‘beat them,’” *The Grand Rapids Press*, June 11, 1989, A19, GRPC; Shandra Martinez, “Amway surpasses Avon: Steve Van Andel talks about being world’s top direct-selling company,” MLive.com, June 27, 2013, http://www.mlive.com/business/west-michigan/index.ssf/2013/06/amway_surpasses_avon_steve_van.html (accessed December 20, 2018); Jim Harger, “Amway back on fast track, plans expansion to meet growth,” *The Grand Rapids Press*, September 16, 1990, E1, E4, GRPC; Jim Harger, “Amway sales for fiscal year top \$3 billion, officials say,” *The Grand Rapids Press*, September 12, 1991, F1, F2, GRPC; Jim Harger, “Amway reports fiscal year sales were \$4.5 billion,” *The Grand Rapids Press*, September 24, 1993, D2, D3, GRPC.

⁸² Jones, *Amway Forever*, 107-109.

In August 1995, Procter & Gamble sued an Amway distributor based in Utah named Randy Haugen, claiming that Haugen, “[i]n or about April and May 1995....with actual knowledge of their falsity or with malicious and reckless disregard as to their truth or falsity, circulated and published in the States of Utah and Nevada, through the Amvox communication systems and through other media, completely false and defamatory written and oral statements.” Amvox was a network that Amway had set up for distributors to send voice messages to one another. And the defamatory statements that Haugen had allegedly sent through Amvox claimed that Procter & Gamble was a front of Satanism.⁸³

Exactly when or where or with whom this peculiar innuendo emerged is unclear, though it appears to date back to the early 1980s. One of the earliest stories on the subject was published in January 1982 in the *Los Angeles Times*, which described the crux of the allegation accordingly:

The rumor has taken a variety of forms but basically involves a Procter & Gamble executive appearing on a talk show — “The Merv Griffin Show” and “The Phil Donahue Show” are the two most often mentioned. There, the executive supposedly said that the corporate symbol, a crescent moon with the outline of a man’s face looking at a group of 13 stars, represents the firm’s connection with demonic worship.⁸⁴

Satanism was all the rage in the eighties. What began as a curiosity in the 1960s exploded into a full-blown moral panic two decades later, as allegations of satanic ritual abuse spread throughout popular culture and the media, reaching its crescendo with the infamous McMartin preschool trial in Los Angeles. The pandemonium over Satanism was an offshoot of the larger cult panic that had roiled since the late sixties. Procter & Gamble unfortunately found itself in the line of fire.⁸⁵

⁸³ “Amway Distributor Sued by Procter & Gamble Co,” *Wall Street Journal*, August 29, 1995, B6; Complaint for Injunctive Relief and Actual Damages, *The Procter & Gamble Company and the Procter & Gamble Distributing Company v. Randy L. Haugen, individually, and d/b/a Freedom Associates, Inc. and Freedom Tool Incorporated; and John Does 1-10*, United States District Court for the District of Utah, Central Division, case number 1:95CV 0094W, August 25, 1995, 4-5.

⁸⁴ Pamela Moreland, “Procter & Gamble Trying to Exorcise the Devil Rumor,” *Los Angeles Times*, January 22, 1982, A6, A9.

⁸⁵ Philip Jenkins, “Satanism and Ritual Abuse,” in Lewis, *The Oxford Handbook of New Religious Movements*, 231-240.

The Satanism rumor dogged the company throughout the 1980s. In November 1984, the *Wall Street Journal* reported that, after peaking in 1982 and receding following a public relations campaign by Procter & Gamble, whispers about the company had reemerged. In an effort to dissociate itself from Satanism once and for all, Procter & Gamble dropped the offending logo in the spring of 1985. It also sued those responsible for spreading the malicious gossip, including two couples in Florida and Tennessee, two Georgians, and a man living in New Mexico, all in July 1982, four more people in May 1985, and the producers of “[a] newsletter that circulates among 140 residents of a mobile home park” in Los Angeles in August of 1986.⁸⁶

Amway distributors were in Procter & Gamble’s legal crosshairs almost from the get-go. The New Mexico man sued in 1982, Elma Ed Pruitt, belonged to Amway. In August 1990, Procter & Gamble went after distributors James and Linda Newton, who lived in Kansas. Their slander ended up costing them seventy-five thousand dollars. The case against Randy Haugen was Procter & Gamble’s fifteenth in about as many years and its sixth against an Amway distributor. This one, however, stands out for the fact that it kicked off a dozen years of litigation that involved not just individual distributors, but the company itself.⁸⁷

Haugen, along with ten unnamed Amway distributors, was charged on August 25th with five counts in connection with the Satanism claims. The first, naturally, was that Haugen had “knowingly and intentionally slandered, libeled and defamed Plaintiffs [i.e., Procter & Gamble]” and in so doing “caused harm and damages to Plaintiffs’ reputation, prestige and standing as well as Plaintiffs’ business and products.” The defendants were also accused of engaging in “unfair competition and de-

⁸⁶ Jolie B. Solomon, “Procter & Gamble Fights New Rumors Of Link to Satanism,” *Wall Street Journal*, November 8, 1984, 1, 18; Howard Witt, “Procter Symbol Succumbs to Devilish Rumor,” *Chicago Tribune*, April 25, 1985, 3; Sandra Salmans, “Satanism Tales Spur P&G Suit,” *New York Times*, July 2, 1982, D1, D10; “P.&G. Files 3 More Suits,” *New York Times*, July 21, 1982, D4; Lynda Gorov, “P&G Files Suit Against 4 Suspects in Satanism Case,” *Boston Globe*, May 17, 1985, 83; Mariann Hansen, “Procter & Gamble Sues Paper on Satanic Link,” *Los Angeles Times*, August 9, 1986, 31.

⁸⁷ “P.&G. Files 3 More Suits”; “P.&G. Sues on Satanism,” *New York Times*, August 2, 1990, D14; “Satanism allegations bring \$75,000 fine,” *Kitchener-Waterloo Record*, March 20, 1991, B4; Sonja Barisic, “Evil rumors continue to plague Procter & Gamble: Company files fifteenth defamation suit over allegations of Satanism,” *The Vancouver Sun*, September 6, 1995, D4.

ceptive trade practices,” in violation of both state and federal law. Lastly, according to Procter & Gamble, Haugen had “tortiously and intentionally interfered with Plaintiffs’ business relationships and expectancies with consumers in Utah and Nevada.”⁸⁸

At first, the Haugen suit did not include Amway. That changed in April 1996, however, when Procter & Gamble decided to go after the company as well, alleging that Amway was not doing enough to combat the defamation of Procter & Gamble within its distributor force. This went along with an expansion of the charges, which ultimately reached eleven. In September 1998, the District Court of Utah dismissed a charge alleging that the defendants had violated the federal Lanham Act, which, in part, outlaws “false or misleading description[s] of fact, or false or misleading representation[s] of fact” that “misrepresents the nature, characteristics, qualities, or geographic origin of....goods, services, or commercial activities[.]” A statement put out by Amway afterwards declared that “[t]he ruling by the Utah federal court is the latest in a long line of blows to P&G’s case since the company first filed its lawsuit in 1995,” boasting that “[e]ight of P&G’s 11 claims have now been rejected by the Court[.]” The case against Haugen and Amway was tossed in March of 1999, only to be resurrected by the Tenth Circuit Court of Appeals in August 2000. The Circuit Court brought back the Lanham Act and tortious interference charges, but it kept Amway out of the suit. Procter & Gamble attempted to challenge Amway’s exclusion from the suit, but the district court in Utah declared in June 2001 that Amway was no longer part of the suit, which the Tenth Circuit reaffirmed in January 2003.⁸⁹

⁸⁸ Complaint for Injunctive Relief and Actual Damages, *Procter & Gamble v. Randy Haugen et. al.*, 7-9.

⁸⁹ “P&G Broadens Suit Over Satanism Talk to Charge Amway,” *Wall Street Journal*, April 3, 1996; “P&G Lawsuit Against Amway Suffers Another Setback: Utah Judge Says P&G Lanham Act Claim ‘Fails’; Grants Amway’s Motion to Dismiss,” *PR Newswire*, September 15, 1998; 15 U.S. Code sec. 1125(a)(1)(B); Paul Foy, “U.S. Judge Tosses Satan Suit,” *The Salt Lake Tribune*, March 30, 1999, C5; Anna Cekola, “Utah Amway Dealer Again Faces P&G Suit,” *The Salt Lake Tribune*, August 25, 2000, C1; “Appeals court reverses part of Procter & Gamble ruling,” *Journal Record*, August 31, 2000, 1; “Judge Clears Amway in P&G Satanism Suit — Again,” *PR Newswire*, June 9, 2001; John Gallagher, “Amway Wins a Big Round on Satanism: Dismissal of Firm From P&G Lawsuit is Upheld,” *Detroit Free Press*, January 8, 2003, D1.

The Randy Haugen case in Utah was not the only front on which Procter & Gamble and Amway fought their legal battle. Procter & Gamble brought a second suit against the company, plus a handful of distributors in Texas and Utah, among them Randy Haugen, in July 1997 down in the District Court for the Southern District of Texas. The suit focused not just on the Satanism rumor, but also on allegations that Amway and the accused distributors were defaming certain Procter & Gamble products, describing various woes that supposedly befell customers who used them. Twelve charges in total were leveled.⁹⁰

Procter & Gamble's legal strategy was to link the Satanism controversy to the larger universe of criticisms leveled against Amway, painting it as just one facet of a fundamentally illegitimate company. Accordingly, it resurrected the most damning charge of all, the one from which the FTC had exonerated Amway back in 1979. "The Amway enterprise," the suit declared, "is in reality an elaborate, illegal pyramid scheme" that "entice[s] consumers out of the retail marketplace by convincing them that purchasing Amway products will make them rich." In reality, "[o]f those who invest the time, money, and personal sacrifice to become Amway distributors, only a select few ever break even" while "[e]ven fewer realize the profits touted by Amway in its sales pitch — and they do so by siphoning money from the victims at the bottom." The fact that the Amway business rested, by Procter & Gamble's reckoning, on pillars of false promises meant that "the pressure to keep Amway's pyramid going with new recruits is enormous, because the Amway Pyramid is in a constant state of collapse and renewal." As proof, the suit pointed to data indicating that "[i]n 1996, the average Amway distributor earns just \$36.08 per month before expenses" and that Amway had an annual dropout rate of fifty percent. Amway needed some way to bring in and hold on to as many customers and distributors as possible.⁹¹

⁹⁰ "Procter & Gamble Files New Suit Against Amway," *Wall Street Journal*, July 18, 1997; Jones, *Amway Forever*, 112-113; Complaint, *The Procter & Gamble Company, et. al., v. Amway Corporation, et. al.*, 27-29, 31-49.

⁹¹ Complaint, *The Procter & Gamble Company, et. al. v. Amway Corporation, et. al.*, 6-7.

Enter the Satanism rumor. “The principal purpose of Amway,” the lawsuit alleged, “is not to sell consumer goods at retail in fair competition with Procter & Gamble,” but rather “to divert consumers from the retail marketplace, creating a captive audience which buys Amway products to the exclusion of all others in the false hope that doing so will lead to riches.” According to Procter & Gamble, Amway and (some of) its distributors exploited the rumors about Satanism to accomplish just that, “to coerce Amway distributors to purchase Amway products that they otherwise would not purchase, in lieu of the Procter & Gamble products that they previously purchased and otherwise would be likely to continue to purchase.” In doing so they were “preventing the collapse of the Amway Pyramid.” “Amway distributors attempt to use religious faith as a recruiting device, and also to mask the fraudulent nature of their illegal pyramid,” the suit claimed, and the Satanism rumor fit right into that: “Amway distributors state that Procter & Gamble is satanic in order to buttress their false assertions that Amway is Godly.”⁹²

Along with denying that Amway was running a legal business, Procter & Gamble used to suit to try and undermine another sacred tenant of the Amway faith: the supposed independence of its distributors. Rejecting the idea that they were “independent business owners,” Procter & Gamble claimed that “Amway’s distributors are the employees and agents of Amway,” that they “must follow an extensive set of rules and regulations controlling the means and manner in which the distributors market Amway products.” Accordingly, “Amway and its distributors collectively constitute a single business enterprise, and are dependent upon each other.” Procter & Gamble used this to argue that Amway was just as liable for the defamatory statements as its distributors were. “Certain of the Defendants conduct business under the fiction that they are independent corporate entities,” the suit stated, when really “Amway was at all material times, and is, engaged in a single business enterprise with its distributors” and “[t]he conduct alleged herein of Amway’s distributors....took place within

⁹² Complaint, *The Procter & Gamble Company, et. al. v. Amway Corporation, et. al.*, 19, 29-30.

the scope of their conduct as a single business enterprise with Amway.” Therefore, “[d]efendants are collectively liable as a single business enterprise for damages proximately caused thereby.”⁹³

A year and a half after the Texas suit was filed, Amway fired back with a case of its own. In October 1998, the company sued Procter & Gamble in Michigan for allegedly assisting Sidney Schwartz, the creator of *Amway: The Untold Story*, which it claimed “foments hate rhetoric about Amway, its employees and its distributors.” Specifically, Amway accused Procter & Gamble of “provid[ing] Schwartz with several boxes of documents, knowing Schwartz would use them in a misleading fashion on his Web site to unfairly attack Amway,” as well as “[p]rovid[ing] financial support to Schwartz by retaining him as a consultant and paying him a fee.” Amway said that it discovered the supposed backchannel between Procter & Gamble and Schwartz in the course of preparing for the Utah and Texas cases. In March 1999, the *Orlando Sentinel* reported that Amway had filed subpoenas for the electronic records of a number of individuals who were running anti-Amway websites, which led to accusations that the company was attempting to intimidate them. One of those targeted, John Hoagland, insisted that Amway was “trying to silence us,” that “[t]hey don’t want the information to get out to other people.” The lawsuit eventually led Schwartz to terminate *Amway: An Untold Story*.⁹⁴

In May 1999, two months after the Utah suit was dismissed and only two weeks after the trial actually began, the case in Texas was also tossed. But as in Utah, that was not the end. In March 2001, the Fifth Circuit Court of Appeals brought back the suit. However, after the Tenth Circuit definitively removed Amway as a defendant from the Utah case, the Texas case was again quashed.

⁹³ Complaint, *The Procter & Gamble Company, et. al. v. Amway Corporation, et. al.*, 17, 34.

⁹⁴ “Amway Catches P&G in Rumor Campaign; Files Suit in Michigan Federal Court,” *PR Newswire*, October 13, 1998; “Amway Amends Suit Against Procter & Gamble; Claims Consumer Goods Giant Supported Web Site Smear Campaign,” *PR Newswire*, April 14, 1999; Hoagland quoted in Susan G. Strother, “Web Sites Under Attack: Amway Lawsuit Challenges Privacy of Online Critics,” *Orlando Sentinel*, March 28, 1999, H1; Jones, *Amway Forever*, 115.

In April 2004, Procter & Gamble went back before the Fifth Circuit Court of Appeals and argued for another retrial, but this time it was unsuccessful, with the court ruling against its appeal in July.⁹⁵

The suit against Randy Haugen in Utah ultimately became the site of Procter & Gamble's triumph, though it would take a couple more years. In August 2003, three years after the Tenth Circuit had revived it, the case was tossed for a second time. Procter & Gamble appealed, however, and unlike in Texas it was successful in having the case brought back before the district court for a third time. In March 2007, Randy Haugen and three other distributors were ordered to pay Procter & Gamble \$19.25 million. The defendants challenged the ruling, claiming that the jury had improperly calculated the award amount, and in part on that basis moved for a retrial. Procter & Gamble, meanwhile, insisted that the award was not enough and asked instead for \$57.75 million. In June 2008, the distributors lost their motion for a retrial, at which time Procter & Gamble's call for a larger award was also rejected. That December, the defendants declined to pursue the matter any further. Procter & Gamble's war with Amway and its distributors was over.⁹⁶

On January 10, 2007, two former Amway distributors, Jeff Pokorny and Larry Blenn, filed a class-action lawsuit against Amway — then called Quixtar, a change that took place at the turn of the millennium — along with Ron and Georgia Lee Puryear (who headed the distributor network to which they belonged), their uplines, Bill and Peggy Britt, and several companies involved in the pro-

⁹⁵ “Procter & Gamble’s lawsuit over Satanic rumors dismissed,” *Austin American Statesman*, May 17, 1999, B2; Geanne Rosenberg, “P&G. Suit Against Amway Is Revived,” *New York Times*, March 27, 2001, C8; Jim Vertuno, “P&G still pursuing Amway over rumor,” *Deseret News*, April 13, 2004, E4; Jessica Bujol, “P&G lawsuit is again rejected,” *Cincinnati Post*, July 20, 2004, A1; Jones, *Amway Forever*, 115-116.

⁹⁶ “Utah court dismisses P&G claim in Amway suit,” *Deseret News*, August 22, 2003, D14; Jones, *Amway Forever*, 116-117; Lisa Cornwell, “Jury awards P&G \$19.25M in lawsuit,” *Cincinnati Post*, March 20, 2007, A5; Geoffrey Fattah, “Group of Amway distributors allege jury misconduct in suit,” *Deseret News*, March 31, 2007, B5; Pamela Manson, “The devil you say? Not in my court, judge rules,” *The Salt Lake Tribune*, June 20, 2008.

duction and sale of Amway tools. “Quixtar, the Kingpin Companies, and the individual defendants operate a fraudulent pyramid scheme,” the suit claimed. “The defendant companies and individuals recruit people to become Quixtar distributors, entice them to purchase Quixtar products and related ‘tools and functions’ through material false statements and omissions, and then distribute the proceeds of product sales to new recruits based almost exclusively on participants’ recruitment of new victims, rather than on the sale of products to retail users of Quixtar’s products. As a result of investing in the scheme, plaintiffs and the class have suffered millions of dollars in losses.”⁹⁷

The complaint offered a sketch of how Amway/Quixtar’s pyramid scheme purportedly operated. “The first part of the illegal pyramid scheme consists of a multi-level marketing business run by Quixtar,” the suit explained. Rank-and-file distributors constituted “the bottom rung of the operation,” and according to the suit “Quixtar induces new recruits to join the Quixtar program through material false representations that such recruits will be able to re-sell Quixtar products for a profit,” when really “95% of Quixtar’s products are not sold to retail consumers, but rather to the IBOs [independent business owners]” and “[t]he prices IBOs pay for Quixtar’s products (and associated costs) are so high that any profit on retail sales is virtually impossible.” In addition to the networks themselves, there were the Kingpin Corporations, “a group of businesses that sell ‘tools and functions’ purportedly to help downline distributors sell the Quixtar products.” This, however, was not how the plaintiffs saw them. “These ‘tools and functions’ do not help the distributors sell Quixtar products to end consumers at retail,” they claimed, but instead it “teaches them how to recruit new distributors, to whom they can sell Quixtar products and, thus, from whom they can earn ‘bonuses.’”⁹⁸

Of course, any lawsuit claiming that Amway represented an illegal pyramid scheme had to reckon with what the FTC had concluded in 1979. The suit alleged that the company was violating

⁹⁷ Complaint and Demand for Jury Trial, *Pokorny and Blenn, et. al., v. Quixtar, Inc., et. al.*, 3-6, 11.

⁹⁸ Complaint and Demand for Jury Trial, *Pokorny and Blenn, et. al., v. Quixtar, Inc., et. al.*, 11-14.

the FTC's ruling, that "its rules and policies are a sham, meant to give the appearance that Quixtar complies with the rules described in *Amway*, but which are routinely ignored in practice." The complaint pointed to four elements of the Amway Sales and Marketing Plan that the FTC had cited as proof that the company was not operating a pyramid scheme: the fact that joining required no large upfront investment, the fact that distributors could get refunds on products if they chose to leave, and the seventy percent and ten customer rules. On the first point, the complaint alleged that "[w]hile Quixtar's initial sign up fee is \$117.00, in practice, defendants require an initial investment by a new distributor in an average amount of between \$2000 and \$4000 in the first twelve months, through the purchase of products and the 'tools and functions' materials." The FTC's ruling, in other words, did not take into account the sprawling empire of secondary materials that had grown up alongside the company.⁹⁹

The other provisions, it claimed, did not really function as allegedly claimed. Regarding refunds, it stated that "in practice the lower level distributor is at the mercy of whatever price its up-line distributor decides to pay for the returned inventory, which is typically a fraction of the original price paid by the distributor" and that "distributors are uniformly discouraged from asking for a buyback," which was also true of any tools that a distributor might have purchased. The seventy percent rule, meanwhile, was meaningless because "Quixtar...allows product purchases for self-consumption by IBOs and sales to the downline distributors to count toward the 70% retail sales." Ditto with the ten customer rule. According to the suit, "Quixtar's business plan...does not require distributors to sell products to any true unaffiliated retail customers," and it relies upon "a 'self-reporting' system for distributors to certify that they comply with this policy," which it claimed was regularly forged.¹⁰⁰

⁹⁹ Complaint and Demand for Jury Trial, *Pokorny and Blenn, et. al., v. Quixtar, Inc., et. al.*, 17-23.

¹⁰⁰ Complaint and Demand for Jury Trial, *Pokorny and Blenn, et. al., v. Quixtar, Inc., et. al.*, 20-23.

The parties reached a settlement on November 3, 2010. In exchange for not admitting any guilt, Amway agreed to make certain tweaks to its business model, such as allowing distributors who leave the business within ninety days of joining to get their sign-up fee refunded, as well as setting aside fifty-five million dollars for the aggrieved distributors. Of that, thirty-four million was for those who left the business after one year as well as those who “suffered special hardships resulting from their recruitment and service as an IBO,” which was defined as “a demonstrable loss of \$2,500 or greater resulting from recruitment and service as a Quixtar IBO,” along with various legal costs. The remaining twenty-one million, meanwhile, went to those who had left the business and had spent a minimum of one hundred dollars on tools and functions. In a statement released after the settlement was filed, Doug DeVos and Steve Van Andel said that while they believed that “[t]he suit contains strong and disagreeable allegations and language that we categorically reject,” they conceded that “in past years, our North American business did not always train and support IBOs well enough, and as a result, best business practices were not always followed when promoting the business.” They insisted that “the company and its IBO leaders take responsibility for all past issues, and we take responsibility for fixing them.”¹⁰¹

Since the mid-1970s, Amway has been subjected to scrutiny and attack from a number of corners: government agencies, courts, media outlets, and outspoken former distributors. That it began when it did was a function of changes in the macroeconomy, Amway’s growing stature within the direct sales industry, and the confluence of consumer and anti-cult activism. Everything from how the company treated its competitors to the very legitimacy of the entire enterprise has been dissected and analyzed. For their part, the cofounders were sanguine about all the attention. In his au-

¹⁰¹ Class Action Settlement Agreement, *Jeff Pokorny, Larry Blenn, and Kenneth Busiere on behalf of themselves and those similarly situated v. Quixtar, Inc., et. al.*, United States District Court, Northern District of California, San Francisco Division, case number C 07-0201 SC, filed November 3, 2010, 9, 11, 13-15, 17-20; DeVos/Van Andel statement reproduced in Chris Knappe, “Amway agrees to pay \$56 million, settle case alleging it operates a ‘pyramid scheme,’” MLive.com, November 3, 2010, http://www.mlive.com/business/west-michigan/index.ssf/2010/11/amway_agrees_to_pay_56_million.html (accessed December 20, 2018).

tobiography, Richard DeVos wrote that “[a]ll of these government and media experiences, mostly negative, became just some of the challenges we had to overcome for the survival of Amway.” He thought that “the heightened attention from news media actually was beneficial in helping us see ourselves as others see us,” which, he said, allowed the company “to zero in on making some changes by addressing the isolated incidents that contributed to misperceptions.” Referring to the FTC and Wisconsin cases, Jay Van Andel said that “these early challenges to our business practices drove home to Rich and me the importance of understanding and participating in the political process.” In the end, DeVos shrugged it all off: “Anyone who rises high enough above the crowd will sooner or later draw the attention of critics. We weathered the storms and moved on.”¹⁰²

Although Amway managed to become a multi-billion dollar company despite the many assaults on its reputation, the fact that courts were still adjudicating the question of whether or not Amway was a pyramid scheme in the late 2000s demonstrates that these attacks have had significant staying power. Collectively, the FTC investigation, the Wisconsin case, the Avon takeover bid, the Procter & Gamble defamation saga, and the anti-Amway exposés offer a perspective on Amway’s business model and its corporate philosophy that diverges from what the cofounders and company boosters have presented over the years. Pro-Amway forces have portrayed the company as a liberating alternative to salaried employment, the embodiment of a more cooperative, compassionate capitalism, a way to attain vast riches, a uniter of families, and a source of community and friendship. By contrast, the image painted by investigators, plaintiffs, attorneys, and ex-distributors is of a company that preys on vulnerable people and uses false promises to part them from their money, that has created a system of organized exploitation in which a handful of distributors at the top get very rich while those beneath them are left saddled with debt and broken dreams, that makes people miserable and alienates them from friends and family, and that has sought to eliminate its competition in ways that are shady at best and illegal at worst. In several instances, particularly the legal cases, the

¹⁰² DeVos, *Simply Rich*, 138-140; Van Andel, *An Enterprising Life*, 80.

attacks have proven strong enough to compel Amway to make key changes to its business model, though obviously that has not put the accusations to bed.

In addition to challenging the company's self-image, the critiques and the investigations raise important questions about the line between legitimate and illegitimate tactics in the world of direct sales, and, more fundamentally, about the nature and promise of direct sales itself. When do claims about the amount of money a distributor can make go from puffery — the defense used in the Wisconsin case — to outright deception? Just how many people have to succeed in something like Amway for it to not be a scam? Does the fact that *some* have struck it rich mean that *anyone* can, and that therefore the promises are not in fact hollow? When someone does fail, is it because that person did not try hard enough, or their sponsor was not involved enough, or because the business itself is somehow fatally flawed? And what counts as success or failure anyway?

As these controversies raged in the United States, Amway was expanding its global footprint, transforming from a purely American enterprise to a multinational one. And as it turned out, the company's business model and practices had enemies beyond America's borders.

IV

A Cosmopolitan Character

It requires considerable imagination to picture the walls of the Van Andel and DeVos basements that defined the world of Amway less than three decades ago and see this cramped space magically expanding into facilities serving some 40 countries and territories. Yet it does not stretch credulity quite so much to picture circles of people reaching out to more and more circles of people until eventually their legions encompass the globe. The people-to-people image, by contrast to the image of physical expansion, is more like an arithmetical progression. Yet the numbers are secondary to the philosophy and concept that nurtured the growth and made it possible.

-Wilbur Cross and Gordon Olson¹

On August 9, 1976, the *Grand Rapids Press* reported on a group of college students from Yugoslavia who had taken a tour of Amway World Headquarters the week prior. They were visiting students at Grand Valley State Colleges (now Grand Valley State University). As the *Press* told it, the tour did not seem to sell the students on the virtues of free enterprise. One, Alma Sarajlic, contrasted American-style capitalism with Yugoslavia's system of worker self-management, saying that "[y]our decisions here go from top to bottom" whereas "[o]urs go from bottom to top." Meanwhile, another, Neven Kvlencovic, complained that "[w]e didn't talk to any workers" and instead they had to "take management's word on things." The article's author, Mary Kramer, summarized the students' attitudes this way: "Given the choice between the Yugoslavian economic system and the United States' gross national product, the students chose home."²

These Yugoslavs were by no means the first foreigners exposed to Amway. By the time they toured Amway's headquarters, the company was already in Canada, Australia, Ireland, the United

¹ Cross and Olson, *Commitment to Excellence*, 124.

² Sarajlic and Kvlencovic quoted in Mary Kramer, "Yugoslavs Unmoved by Tour of Amway," *The Grand Rapids Press*, August 9, 1976, 2B, GRPC.

Kingdom, and West Germany. In fact, that same year saw the company expand into Malaysia as well. And the fact that the Yugoslavs were unimpressed by Amway was not out of the ordinary for foreigners who have encountered the company.³

This chapter chronicles Amway's overseas expansion. Although Amway continues to remain headquartered in Ada, Michigan and to manufacture much of its product line there, it is, for all intents and purposes, transnational. The company's website declares that "Amway is a global community, operating in more than 100 countries and territories[.]" Furthermore, the vast majority of Amway's sales — ninety percent in 2009 — now occur in overseas markets. Accordingly, one cannot understand how Amway became one of the largest and most profitable direct sales companies in the world without surveying its growth outside of the United States.⁴

Amway offers a useful case study in understanding the relationship between globalization and homogenization. Scholars have debated whether and to what extent a global monoculture has emerged as a result of the spread of (Western) businesses and their associated brands and products around the world. John Tomlinson accepted the reality of homogenization, writing that "it is fairly clear that a broad process of convergence seems to be occurring in the cultures of the world."

Christophe Germann pointed to the global movie industry as an example of homogenization.⁵

Others have been more skeptical. Arjun Appadurai believed that claims about a trend toward homogenization failed to appreciate that "at least as rapidly as forces from various metropolises are brought into new societies they tend to become indigenized in one or other way[.]" Anthony Smith,

³ Jones, *Amway Forever*, 60-61; Cross, *Amway*, 140.

⁴ "The Amway Business Opportunity," Amway, <http://www.amway.com/about-amway/business-opportunity> (accessed January 1, 2019); Jones, *Amway Forever*, 4.

⁵ For general discussions of the homogenization question, see Paul Hopper, *Understanding Cultural Globalization* (Malden, MA: Polity Press, 2007), 87-93 and Manfred B. Steger, *Globalization: A Very Short Introduction* (2003; New York, NY: Oxford University Press, 2017), 81-87; John Tomlinson, *Cultural Imperialism: A Critical Introduction* (1991; New York, NY: Continuum, 2002), 108-113, 135; Christophe Germann, "Content Industries and Cultural Diversity: The Case of Motion Pictures," in *Cultural Imperialism: Essays on the Political Economy of Cultural Domination*, Bernd Hamm and Russell Smandych eds. (Orchard Park, NY: Broadview Press, 2005), 93-113.

while pointing out some examples of emerging regional/supra-national “culture areas,” nevertheless concluded that “we are still far from even mapping out the kind of global culture and cosmopolitan ideal that can truly supersede a world of nations[.]” Surveying the global architecture scene, Anthony King believed that “there is indeed a world or global culture which is largely the product of a world political economy of capitalism,” although “it is not necessarily....a homogenizing one.” Marjorie Ferguson identified “global cultural homogeneity” as one of the “seven myths about globalization.” According to her, this myth assumed “the existence of a global cultural economy that ignores the counter pull of localism and the rich traditions of variance[.]” Roland Robertson thought that the homogenization argument created a false binary between “global” and “local.” Rather than *globalization*, he preferred the concept of “glocalisation,” which described an economic system characterized by “the tailoring and advertising of goods and services on a global or near-global basis to increasingly differentiated local and particular markets.” Benjamin Barber posited that globalization was simultaneously generating two antagonistic but interconnected realities: Jihad and McWorld. “Jihad and McWorld,” he wrote, “operate with equal strength in opposite directions, the one driven by parochial hatreds, the other by universalizing markets, the one re-creating ancient subnational and ethnic borders from within, the other making national borders porous from without.” Surveying the literature on globalization and culture, Douglas Goodman summarized its findings thusly: “To the extent that a global culture is emerging, it does not appear to be eliminating diversity, instead it is providing a common framework for heterogeneity.”⁶

⁶ Arjun Appadurai, “Disjuncture and Difference in the Global Cultural Economy,” *Theory, Culture, & Society*, vol. 7 (1990), 295; Anthony D. Smith, “Towards a Global Culture?,” in *Global Culture: Nationalism, Globalization and Modernity*, Mike Featherstone ed. (Newbury Park, CA: Sage Publications, 1990), 170-191; Anthony King, “Architecture, Capital and the Globalization of Culture,” in Featherstone, *Global Culture*, 397-411; Marjorie Ferguson, “The Mythology about Globalization,” *European Journal of Communication*, vol. 7 (1992), 69, 79-82; Roland Robertson, “Globalisation or glocalisation?,” *Journal of International Communication*, 18 no. 2 (1994; 2012), 194-202; Benjamin R. Barber, *Jihad vs. McWorld: How Globalism and Tribalism Are Reshaping the World* (1995; New York, NY: Ballantine Books, 1996), 6; Douglas J. Goodman, “Globalization and Consumer Culture,” in *The Blackwell Companion to Globalization*, George Ritzer, ed. (Malden, MA: Blackwell Publishing, 2007), 340.

Amway illustrates the compatibility between particularism and universalism — to borrow Robertson’s terms — in the modern-day global economy. In order to be successful in so many different overseas markets, Amway has had to engage in glocalisation, making changes, large and small, to its business model, depending on local circumstances. One of the most obvious, of course, has involved language. A March 1980 article in the *Grand Rapids Press* profiled the company’s translation department, which at the time employed thirteen linguists who were tasked with translating advertisements, packaging, and more from English into the languages of the various countries in which Amway operated at the time. Amway has also had to modify its product line to suit the tastes and preferences of consumers in certain countries. In their semi-official history of the company, Wilbur Cross and Gordon Olson wrote that “[l]aundry compounds have to be modified, for example, for use in Malaysia where many women wash clothes in cool river water or (at the opposite end of the scale) for Europe, where the conventional washing machine heats its water to the boiling point” and “[i]nsect sprays bound for Australia have to be specially formulated to counterattack the unique species of household pests that live there.” And in the case of its biggest national market, China, Amway had to break with direct selling altogether, at least for a time. At the same time that Amway has localized its products and sales practices, the company and its boosters have made explicitly universalist claims about the business, touting Amway’s success on the international stage as proof that the company’s principles — free enterprise, self-reliance, individualism — transcend cultures and borders and in fact represent shared human values.⁷

Of course, corporate messaging is one thing, reality another. The reaction to Amway in the various countries that it has expanded into has been decidedly mixed. Obviously, Amway would not have been able to make ninety percent of its sales abroad without some enthusiasm for it and its products in these markets. But Amway has also attracted significant suspicion and scrutiny overseas

⁷ Roland Robertson, *Globalization: Social Theory and Global Culture* (Newbury Park, CA: Sage Publications, 1992), 97-114; Sharon Hanks, “Amway Linguists Leap Over Languages,” *The Grand Rapids Press*, March 9, 1980, 1C, GRPC; Cross and Olson, *Commitment to Excellence*, 137-138.

of the sort that has occurred in the United States. In several countries, Amway's business model has been looked upon as inherently deceptive, a get-rich-quick scheme meant to dupe people out of their money, which in some cases triggered significant grassroots opposition to the company. A number of governments have also investigated Amway for allegations that it engaged in fraudulent activity, most notably in Canada, South Korea, and India. In China, concern about the pernicious social consequences of direct selling reached such a fever pitch that, in 1998, the government outlawed the practice entirely.

Although it aims to offer a comprehensive overview of Amway's expansion into various non-U.S. markets from the early 1960s to the 2000s, much of this chapter focuses on an in-depth look at a sample of national and regional case studies: Canada, Japan, Eastern Europe, China, South Korea, and India. These examples were chosen both because Amway's activities in these countries/regions are well-documented and because each occupies a place of special significance in the history of Amway's global growth.

Amway wasted no time setting its sights beyond the United States. In 1962, only three years after the company was started, DeVos and Van Andel claimed their first "foreign" market: Canada. Amway Canada was a logical extension of a transnational network that had started forming organically in Detroit, where American Amway distributors had discovered that Canadians were interested in buying from them and were itching to tap into that market. Four years later, Canada accounted for five percent of the company's sales.⁸

Amway Canada was a trial run for some of the challenges that Amway would face in other countries. For one, Canada presented certain logistical hurdles. One involved language. When

⁸ Cross and Olson, *Commitment to Excellence*, 43.

Amway Canada first started off, everything from copies of the Plan to product labels was in English, so the company had to become bilingual in order to accommodate French Canadians. Additionally, Amway needed to create an infrastructure for getting its goods into Canada, as well as to familiarize itself with all the rules and regulations that went along with that. As we will see, the way Amway went about exporting its products was at the center of a decade-long case that the government of Canada brought against the corporation.⁹

The nitty-gritty of operating a foreign subsidiary was not the only challenge that Amway confronted in Canada. It also faced controversy over its business practices and the actions of some of its distributors that foreshadowed trouble it would confront elsewhere. In the winter of 1982 and spring of 1983, at the same time that the criminal tax evasion case against the corporation was unfolding (more on that presently), concerns arose over attempts by Amway distributors to influence Canadian politics, specifically through the country's Progressive Conservative Party, a predecessor to the modern-day Conservative Party. The *Associated Press* reported in December that "Amway distributors are prominent among new members in at least three southern Ontario ridings (districts) and have voted as a bloc to elect delegates to decide Joe Clark's future as leader of the party at its January convention." Tory politicians were divided about how to treat this growing force within their coalition. According to the AP, "[s]ome MPs say the party should be happy to attract free-enterprise apostles," while others — the article specifically referenced a member of Parliament from Manitoba named Jake Epp — worried that "the new converts are being organized to push the party farther to the right and perhaps to get rid of Clark."¹⁰

Within the party, distributors were particularly close to Peter Pocklington, the billionaire owner of the Edmonton Oilers hockey team who, in 1983, hoped to displace Pierre Trudeau as

⁹ Conn, *Promises to Keep*, 60; Conn, *The Possible Dream*, 105.

¹⁰ "Some Canadian Politicians Warn Of 'Infiltration' by Amway People," *The Grand Rapids Press*, December 3, 1982, 4A, GRPC.

prime minister. Pocklington believed that Trudeau was “trying to take Canada to state socialism” and was “pushing American companies out” as well as “nationalizing the companies here.” Van Andel brought up the connection between Pocklington and Canadian Amway distributors in his autobiography, insinuating that it was the reason that the Canadian government harassed the company. The *Associated Press* reported that “[i]n September [of 1982], Pocklington addressed two ‘free-enterprise rallies’ sponsored by local Amway distributors [in Ottawa] and urged his audiences to get involved in politics by joining the Tories.” And indeed, Amway distributors made their presence felt in local Tory politics. At a delegate election in Brantford, Ontario in April 1983, for example, “[t]he four senior delegates elected were all well-known local Conservatives — the Establishment — but two were listed on the New Right slate and a third won only through a last-ballot swing of Amway-directed votes. Two of the four alternates were Amway distributors.” That same month, at a delegate race in British Columbia, an Amway distributor named Ross Phelps signed up two hundred and fifty new party members in order to tip the scales in favor of his preferred candidates. The *Associated Press* reported at the time that “a number of the local party’s executive members are threatening to resign in protest over the tactics” and that the head of the local party “collapsed and required hospital treatment after the controversial meeting.”¹¹

Canada is most known in Amway’s history for the tax evasion case brought against it by the Canadian government in the early 1980s. The episode began in July 1982, when Revenue Canada — the country’s equivalent of the IRS — filed four civil suits claiming that between 1977 and 1980, Amway had deliberately lowballed the dollar value of its products in an attempt to lower the amount of import duties it had to pay. Revenue Canada wanted the company to pay \$150 million. Amway attempted to settle the cases, but after it refused an offer from Revenue Canada in November, the

¹¹ “Some Canadian Politicians Warn Of ‘Infiltration’ by Amway People”; Pocklington quoted in Dave Anderson, “Peter Puck’s Campaign,” *New York Times*, May 15, 1983, 205; Van Andel, *An Enterprising Life*, 84; Peter Calamai, “Tories concerned about Amway connection,” *Medicine Hat News*, June 9, 1983, 32; “Not the Canadian Way!: Amway Distributor’s ‘Instant Tories’ Prevail in Controversial Vote,” *The Grand Rapids Press*, April 8, 1983, 1A, 2A, GRPC.

Royal Canadian Mounted Police, which had also been looking into Amway since 1979, opened a criminal case, charging DeVos, Van Andel, and two company vice presidents, C. Dale Discher and William Halliday, with fraud. The RCMP's case covered a much longer time period than Revenue Canada's, stretching all the way back to 1965, although the amount of money they were after was only \$28 million.¹²

Using internal company documents that it obtained, the *Detroit Free Press* detailed how this fraud occurred:

Under Canadian law, imports are valued for Customs duties according to the price of the first "arm's length transaction," meaning the first sale to an independent company or distributor.

In Amway's case, the Canadian government decided in February 1965, an arm's length transaction would mean the sale of goods by Amway to its distributors....

The scheme was to first persuade the Canadian authorities that Amway's initial sales were made to warehouses, not individuals. Amway could then set an artificially low price for the phony sales to the warehouses, and then pay duty on those lower artificial prices.

Amway used what internal Amway memos refer to as "dummy invoices" from two Amway-leased warehouses in Denver, Colo., and Portland, Ore., to demonstrate that sales by Amway in the United States were to warehouses, not distributors.

By the mid-1970s, Amway, fearing that the Canadians might catch on to its scheme, decided to include an additional layer of obfuscation:

Amway built a warehouse in Hawaii to handle its goods shipped there. Amway also formed a company, the Hawaiian Distribution Corp.

Next, Amway established a foundation, the Amway Corporation Charitable Trust.

Then, Amway donated all 20,000 shares of the Hawaii Distribution Corp. to the foundation.

¹² "Canada Seeks \$150 Million From Amway," *The Grand Rapids Press*, July 8, 1982, 1A, GRPC; "Amway Corporation, Four Officials Accused of Fraud," *The Joplin Globe*, November 17, 1982, 3A; Cynthia Lee, "Canada accuses Amway, 4 top execs of fraud," *Detroit News*, November 17, 1982, 1A, GRPC; Kitty McKinsey and David Kushma, "Amway Is Charged With Fraud," *Detroit Free Press*, November 17, 1982, 1A, 19A, GRPC; Paul Magnusson, "Amway used phony invoices in scheme to bilk Canadians," *Detroit Free Press*, November 17, 1982, 14A, GRPC.

It is a close relationship. Three of the top officers of the warehouse company also direct the operations of the foundation. The president of the Hawaii warehouse company is a former Amway employe. And the Hawaii firm uses Amway's sales and marketing plans and even its warehouse manual.

But on the papers submitted by Amway to Canadian Customs authorities, it appeared as if Amway were selling goods to a completely independent warehouse and that this "arm's length" transaction was typical of Amway's business dealings in the United States.¹³

On November 17th, the company released a statement declaring that "Amway Corp. and its executives are totally innocent of any wrongdoing and owe the Canadian government nothing," calling the charges "totally unjustified[.]" At a press conference held that same day, the cofounders insisted that the Canadian government was aware of how the company had been importing goods into the country. They also claimed that the Canadian government had signed off on the arrangement back in 1965, which the Canadians disputed.¹⁴

DeVos, Van Andel, Discher, and Halliday were scheduled to appear in court in Ottawa on November 30th to answer the charges. They did not. A statement issued by the company on the twenty-ninth and reprinted in several major newspapers declared that the four men "refuse to give up their rights as Americans" and "hav[e] elected to have their rights vindicated in U.S. courts[.]" In response, prosecutors in Canada announced that they would open extradition proceedings, which they did officially on December 1st. At the next court date, which was on April 18, 1983, the Amway executives, predictably, failed to appear. Instead, DeVos gave a speech before the Economic Club of Grand Rapids in which he drummed up support for a new arena in downtown Grand Rapids. It was not until September 2, 1983 that the Canadian government officially asked the U.S. State Department to extradite the four men. As a result, a court proceeding scheduled for the ninth was moved to February 17th while prosecutors waited for the request to be processed. As it happened, a month after that request was submitted, Congress considered legislation that would have made it easier for

¹³ Magnusson, "Amway used phony invoices in scheme to bilk Canadians."

¹⁴ "Amway says it is innocent of charges," *Detroit Free Press*, November 17, 1982, 1A, GRPC; Ed Hoogterp, "Old Agreement Key to Amway Defense," *The Grand Rapids Press*, November 18, 1982, 2A, GRPC.

individuals to challenge attempts to extradite them to other countries, although reporting at the time indicated that, if passed, it would probably have no impact on the Amway case.¹⁵

Ultimately, none of it mattered. On November 10, 1983, Amway reached an agreement with the Canadian government in which the corporation pled guilty to fraud and, in return, charges against DeVos and the others were dropped. As part of its plea, Amway was slapped with a twenty million dollar fine. Three days later, Amway ran a full-page ad in the *Grand Rapids Press* as well as other newspapers titled “One Settlement Lawyers Didn’t Recommend.” The company explained that it took the deal because the suit had become a burden on the business and promised “to rededicate [itself] to keep building upon the firm principles that made this company one of North America’s great success stories.” Amway distributors by and large shrugged off the news. Tim Moore, a distributor from Northville, Michigan, described the plea and fine to the *Detroit News* as “part of the cost of doing business,” while Carolyn Boots of Oxford, Michigan said that “[t]he people that buy from me believe in the product and my people will continue to believe in it.” On the other side of the border, Toronto distributor Donald Parsons echoed the sentiment, saying that “[w]ithin three to four months, the people who like the products will reorder them,” adding that he thought that the case only happened in the first place because “[t]he Canadian government is broke now, so they are after everybody.” On February 26, 1984, the *Grand Rapids Press* ran an article on DeVos’s appearance

¹⁵ “Did Amway Break The Canadian Law? ABSOLUTELY NOT!,” ABF; “Amway’s Attorneys Say, ‘No Constitutional Safeguards — No Canadian Court Appearance,’” November 29, 1982, ABF; Bill Dalton, “Canadian Officials Say They Will Try to Extradite Amway’s Leaders,” *The Grand Rapids Press*, November 30, 1982, 1A, 2A, GRPC; “Canada Starts Extradition of ‘Top Amway Brass,’” *The Grand Rapids Press*, December 1, 1982, 1C, GRPC; Matt Gryczan, “DeVos Skips Canadian Court Date, Delivers Pitch for Arena Support,” *The Grand Rapids Press*, April 19, 1983, 1A, 2A, GRPC; Jim Harger, “U.S. Receives Extradition Request for Amway Execs,” *The Grand Rapids Press*, September 3, 1983, 1A, 2A, GRPC; Jim Harger, “Amway Hearing Delayed Pending Extradition Request,” *The Grand Rapids Press*, September 9, 1983, 1C, GRPC; Michael F. Conlan, “New Extradition Bill Thought Unlikely to Affect Amway Case,” *The Grand Rapids Press*, October 5, 1983, 2A, GRPC.

at a distributor rally in Montreal three days earlier. According to the *Press*, distributors gave DeVos “a hero’s welcome,” and “[t]ears well[ed] in their eyes” when he took the stage.¹⁶

Unfortunately for Amway, settling the criminal case was just the beginning. There was, after all, still the civil case filed by Revenue Canada. In August 1984, Revenue Canada said it would go after Amway for \$105 million. Amway challenged the amount, arguing, in the words of general counsel Otto Stolz, that “the maximum exposure you can have is the whole worth of the Canadian company,” which he estimated at around seven million dollars, and that “[t]here is absolutely no question that there is no liability on behalf of the U.S. company.” Once again, the question of whether or not the cofounders would be called to testify came up. In November 1985, Stolz argued that the cofounders knew little about the nitty-gritty of the import arrangement that the company had with the Canadian government and that therefore they should not have to come to court. In addition, the attorney representing Amway in Canada, Marc Noel, insisted that the cofounders had a right against self-incrimination that protected them from testifying against their will. The prosecution, meanwhile, argued that self-incrimination did not apply since this was a civil matter. A judge ruled in June 1986 that the cofounders could be compelled to testify. Amway managed to get the ruling overturned before the Federal Court of Appeals, at which point Revenue Canada took the case to the Canadian Supreme Court, which ruled against the cofounders in January 1989. Just as in the criminal case, though, the cofounders never ended up appearing in court. In September 1989, Amway and Revenue Canada agreed to a thirty-eight million dollar settlement. Stolz said that the

¹⁶ Earl Dowdy, “Amway admits Canadian fraud,” *Detroit News*, November 11, 1983, 1A, 10A, GRPC; “One Settlement Lawyers Didn’t Recommend,” *The Grand Rapids Press*, November 13, 1983, “Amway, DeVos,” box 2, RHSF; Moore and Boots quoted in Richard Willing, “They’ll do just fine, Amway faithful agree,” *Detroit News*, November 11, 1983, 1A, 10A, GRPC; Parsons quoted in Jerry Morlock, “Amway’s Distributors Say They’ll ‘Carry On,’” *The Grand Rapids Press*, November 13, 1983, 1J, GRPC; Tom Rademacher, “A Hero’s Welcome,” *The Grand Rapids Press*, February 26, 1984, 1C, 3C, GRPC.

company took the settlement because it “wanted to finally and completely resolve this matter” and that the amount “has a minimal impact on the financial condition of Amway.”¹⁷

Both of the cofounders addressed the Canada affair in their autobiographies — Van Andel even devoted an entire chapter to it. DeVos stressed how the cases undermined Amway’s image, writing, “I was reluctant to visit our Amway Grand Plaza Hotel in downtown Grand Rapids at that time because of the feeling that people would have bad things to say.” The episode apparently weighed on him and his family. “I lost sleep over the Canadian suit,” he recalled, and “I remember the kids expressing their concerns about the case at the dinner table and it being a major topic in our family prayers — including some tearful ones.” Both he and Van Andel believed that the suits were proof that the Canadian government had it out for Amway, with DeVos saying that “[a]s time went on, it became evident to me that they didn’t like our promotion of free enterprise” and Van Andel similarly writing that “we began to suspect that the animosity Canadian prime minister Pierre Trudeau had toward business, and American business in particular, might be filtering through to this situation.” Both stressed the loyalty that many Canadian distributors displayed throughout the ordeal. Van Andel recalled “[s]upportive letters and phone calls from distributors, friends, suppliers, and customers pour[ing] into corporate headquarters in Ada,” while DeVos pointed out that although some left the business, they were nonetheless “grateful for the many who stuck with us and continued to build their businesses.”¹⁸

¹⁷ “Canadians Decide to Push \$105 Million Claim Against Amway,” *The Grand Rapids Press*, August 24, 1984, 3A, GRPC; “Amway Set to Battle Canada,” *The Grand Rapids Press*, September 22, 1984, 3A, GRPC; Stolz quoted in Jim Harger, “Amway Sees Limit on Canadian Claim,” *The Grand Rapids Press*, August 20, 1985, A1, A2, GRPC; Jim Harger, “Van Adel [sic], DeVos Balk at Canada’s Call to Testify,” *The Grand Rapids Press*, November 20, 1985, 1B, GRPC; “Amway to Appeal Canadian Ruling,” *The Grand Rapids Press*, June 12, 1986, 4B, GRPC; Bill Schiller, “Canada still chasing Amway for \$105 million,” *The Toronto Star*, July 31, 1988, B1; Jim Harger, “Amway hopes hearing ends its Canada woes,” *The Grand Rapids Press*, October 6, 1988, A1, A4, GRPC; Jim Harger, “Canada calls Van Andel, DeVos to court,” *The Grand Rapids Press*, January 19, 1989, A1, A2, GRPC; Jim Harger, “Amway pays \$38 million to Canada,” *The Grand Rapids Press*, September 22, 1989, A1, A2, GRPC; Stolz quoted in Jim Harger, “Both Canada, Amway pleased with settlement,” *The Grand Rapids Press*, September 23, 1989, A3, A4, GRPC.

¹⁸ DeVos, *Simply Rich*, 132-135; Van Andel, *An Enterprising Life*, 84, 86.

Canada was not the only country that Amway set up in in the 1960s. There was also Puerto Rico, which, like Canada, was not exactly a foreign market, since the island was a U.S. territory, though it did raise its own logistical difficulties, both with respect to language as well as delivering inventory from the mainland. The 1970s saw Amway enter its first *bona fide* foreign market, Australia, in 1971. Amway came to Australia by an unusual route. An Australian man trademarked the Amway name — DeVos pointed out in his autobiography that “[a] common practice among Australians was registering the names of U.S. companies that they figured might one day open in their country” — and when DeVos purchased it from him so that Amway could actually operate there, he subsequently signed up to be the country’s first distributor. DeVos wrote that initially “[w]e thought Aussies might object to the name AMWAY because it was American,” only to discover that “[t]hey loved the ‘American’ idea”: “We tried to manufacture in Australia, but found that Australians were much happier to have our products made in Ada.” In February 1972, the *Grand Rapids Press* ran a profile of Bill and Kathy Hemmer, an American couple who moved to Australia to recruit people into Amway. The *Press* reported that “[b]y December [1971], the Hemmers had set up 1,500 independent distributors for Amway, had the office running in Sydney and were on their way back to the States.” After Australia came the United Kingdom in 1973, followed by Hong Kong (1974), West Germany (1975), and Malaysia (1976).¹⁹

Amway’s most important move of the 1970s happened at the very end of the decade, when, in 1979, it came to Japan. Amway quickly became one of the best-performing companies in the country. In January 1990, the *Chicago Tribune* reported that “Amway is the seventh-fastest-growing company of all companies in Japan — foreign or domestic — and ranks as the 166th-largest of 90,000 corporations in Japan” and that “[b]etween 1983 and 1987, Amway’s growth rate in Japan was a record-setting 142.1 percent, outperforming in Japan such giants as E.I. du Pont de Nemours

¹⁹ Conn, *The Possible Dream*, 106; Conn, *Promises to Keep*, 60; DeVos, *Simply Rich*, 143-145; Jones, *Amway Forever*, 61, 139; Arn Shackelford, “And it’s a man’s world,” *The Grand Rapids Press*, February 9, 1972, 3D, GRPC.

& Co., Dow Corning Corp., International Business Machines Corp., Coca-Cola Co., NCR Corp., Johnson & Johnson and Mobil Corp.” In April 1991, Amway Japan made a major break with company tradition when it went public, putting eight percent of its shares up for sale on the Japanese stock market to raise money for further global expansion. The stock’s debut beat investor expectations. In an article published two days before they became available, the *Grand Rapids Press* reported that the stocks were estimated to trade somewhere between 4,870 and 6,430 yen — \$36.07 and \$47.62, respectively — and that “Amway’s stock price would climb to 8,000 yen a share during the first week.” The stock wound up hitting 9,000 yen on the first *day* of trading. Unfortunately for Amway, the combination of macroeconomic problems in Japan and a resulting slump in sales hurt its stock. After peaking at 14,200 yen in June 1991, it was down to a mere 2,550 yen by late April 1992. Nevertheless, Amway decided to sell off another ten million shares in May 1994; of these, 6.25 million were “American Depository Shares” available to buyers in the United States.²⁰

Amway succeeded in Japan because it managed at once to embrace and overcome elements of local society and culture. On the one hand, much like in the United States, Amway provided an outlet for those who felt dissatisfied in conventional jobs. The *Wall Street Journal* noted in September 1990 that “[m]any of the distributors are refugees from the stultifying, hierarchical world of Japanese big business” who “want to work for themselves, and be paid according to their performance, not according to their seniority.” As a result, Amway’s distributor force in Japan tended to be young, comprised of individuals who would ordinarily just be starting out at the bottom of a corporate ladder. The Amway opportunity proved especially alluring to Japanese women. An article in the *Grand Rapids Press* indicated that “Amway’s business style, where anyone regardless of gender has the

²⁰ Jones, *Amway Forever*, 133; Ronald E. Yates, “All-American Amway Corp. Cracks Japanese Market,” *Chicago Tribune*, January 29, 1990, 5A; Michael J. Bologna, “Amway expects to raise \$360 million,” *The Grand Rapids Press*, April 17, 1991, 6B, GRPC; Michael J. Bologna, “Amway’s stock soars on debut in Tokyo exchange,” *The Grand Rapids Press*, April 19, 1991, A1, A4, GRPC; Jim Harger, “Amway Japan stock soared, then dived,” *The Grand Rapids Press*, April 26, 1992, 1D, GRPC; Jim Harger, “More Amway Japan stock is offered to public,” *The Grand Rapids Press*, May 3, 1994, 5B, GRPC; Jim Harger, “ADR is an Amway foreign opportunity,” *The Grand Rapids Press*, July 25, 1993, 1E, GRPC.

same opportunity, has struck a responsive chord among women in this very traditional — read very male-dominated — nation[.]” Amway additionally benefitted from Japan’s cultural stress on social ties. The *Wall Street Journal* argued that “the real secret of the distributors’ success lies in the way Amway’s cultish corporate culture plays to Japan’s unchanged emphasis on close personal relationships and group mentality.”²¹

That said, Amway did encounter some institutional roadblocks in Japan. In a May 1994 interview, Amway Japan’s president Richard Johnson said that the company struggled at first because “[t]he bureaucracy that had to approve the various activities that we engage in was reluctant, because they didn’t understand exactly what we meant by bonuses, multiple levels, et cetera.” In addition, the Japanese economy at the time was dominated by what were known as *keiretsu*. Under this system, businesses were contracted to sell or distribute goods only from a specific set of companies, with the consequence that foreign corporations like Amway sometimes found themselves effectively locked out of certain markets. Because of this, Amway had to devote considerable resources to creating an infrastructure that circumvented the *keiretsu*. Another, albeit minor, example of the impact of Japanese culture on Amway’s business came in September 1989, when the *New York Times* reported that the company saw a seven percent drop in sales over the preceding twelve months on account of the passing of Emperor Hirohito.²²

After impressive growth throughout the 1980s and the first half of the 1990s, Amway Japan ran into trouble beginning in the mid-nineties. As in other Asian markets at around the same time (see below), Amway’s public image came under fire. The *Grand Rapids Business Journal* reported in February 1999 that “the Japanese Consumer Information Center Kokumin Seikatu Center, a gov-

²¹ Yumiko Ono, “Amway Translates with Ease into Japanese,” *Wall Street Journal*, September 21, 1990, B1, B6, GRPC; Hiroyasu Tomaru, “A Warm Reception: Land of Rising Sun sales team, culture more than kind to Amway-Japan,” *The Grand Rapids Press*, November 13, 1994, F1, F7, GRPC.

²² Clem Morgello, “Richard Johnson of Amway Japan: Challenging Japan’s sales culture,” *Institutional Investor*, May 1994, 23; Yates, “All-American Amway Corp. Cracks Japanese Market”; “Hirohito Death Cut Sales, Amway Says,” *New York Times*, September 29, 1989, D4.

ernment-run ‘Better Business Bureau,’ complained to the Japanese national legislature that Amway was the only company that generated more than 1,000 ‘inquiries and claims’ each year for four years running.” While Amway Japan insisted that that figure misrepresented the actual extent of problems that people had with the company, it nevertheless opened the floodgates for attacks on the company in the Japanese media. Minor controversies also arose around government employees doing Amway on the job. One such case occurred in May 1998, when around two dozen Japanese soldiers were reprimanded for selling Amway products on base on the grounds that it was undermining discipline.²³

Amway Japan also found itself the victim of a regional economic downturn. In a February 1999 article, the *Grand Rapids Business Journal* declared that “[i]n 1998, the Asian recession caught up with Amway,” noting that that year saw a 42.6 percent decline in the price of Amway Japan’s stock. The recession contributed to an increase in the price of the yen against the dollar, which, combined with the general state of the economy, led Japanese consumers to substitute away from Amway products. A piece that ran in the *Grand Rapids Business Journal* in July 1999 captured the precarious state of the company’s finances. It reported that “[n]et sales for the third quarter, ended May 31, plunged 29.8 percent from the same period a year earlier, to \$274.3 million” and that “[t]hird quarter operating income declined 35.9 percent while net income was down 19.5 percent.” More specifically, “[s]ales of personal care products, the company’s largest market segment, have declined 29.7 percent” while “the largest product line decline was 42.3 percent, which occurred in housewares.”²⁴

²³ Ted Knutson, “Asia’s ills ail Amway,” *Grand Rapids Business Journal*, February 22, 1999, 3; Ted Knutson, “Amway still has a Yen for Japan,” *Grand Rapids Business Journal*, September 28, 1998, 1; Norihiko Shirouzu, “In Tokyo: Amway Japan Shares Brace For a Bumpy Road Ahead,” *Asian Wall Street Journal*, June 16, 1998, 13; “Amway’s Soldiers,” *Chicago Tribune*, May 31, 1998, 4.

²⁴ Knutson, “Asia’s ills ail Amway”; Shirouzu, “In Tokyo: Amway Japan Shares Brace For a Bumpy Road Ahead”; “Amway Japan, Asia Pacific take beating,” *Grand Rapids Business Journal*, July 12, 1999, 3.

The 1980s saw Amway enter ten new countries, among them Taiwan in 1982. The 1990s, however, were arguably the most consequential decade in Amway's global expansion, on account of three major developments: Amway's penetration into Eastern Europe following the collapse of Communist rule; its arrival in the world's two most populous nations, India and China; and a virulent case of anti-Amway pushback in South Korea.²⁵

The end of the Cold War provided Amway the opportunity to set up shop in Eastern as well as Western Europe. The company wasted no time. In July 1990, Amway was already making inroads into East Germany following the country's *de facto* reunification. Amway's chief operating officer Bill Nicholson said at the time that "[e]very morning when our people come to work, they say there are 40 to 60 people in line at the the [sic] Berlin pick up center." The company's first *bona fide* eastern market was Hungary, which started up in June 1991 but had been in the works since 1988, when Hungary was still a Communist state. Two years after opening, there were ninety-four thousand distributors in Hungary, and sales in 1993 hit thirty-nine million dollars. The *Washington Post* wrote in August 1994 that although other American direct sales firms, including Avon and Tupperware, were also in Hungary, Amway was "the heavyweight champion[.]"²⁶

The *Post* pointed to several factors to explain Amway's success in Hungary, which no doubt also applied in varying degrees to other former East Bloc states. For one, the years immediately following the end of Communist rule in Hungary were characterized by economic deprivation: the *Post* noted that "[p]rice increases and currency devaluations have crippled buying ability, while earnings have remained fixed and pensions have steadily lost value." Additionally, "[t]he promises of privati-

²⁵ Robinson, *Empire of Freedom*, 110; Cross, *Amway*, 140.

²⁶ Nicholson quoted in Michael J. Bologna, "German unification benefits Amway," *The Grand Rapids Press*, July 5, 1990, 1F, GRPC; Sara Shusta-Waalkes, "Hungary Joins Amway Network," *Grand Rapids Business Journal*, May 22, 1989, 1; Judith Ingram, "Amway sells a piece of the American Dream in Hungary," *Chicago Tribune*, November 27, 1991, 2; Robert Muraskin, "Workers of Hungary Unite — in Amway; Where Marx Once Reigned, 1 Percent of the Population Has Signed Up to Sell," *The Washington Post*, August 6, 1994, D1.

zation have yielded immediate wealth for a select few, and the country has the highest suicide rate in the world.” Against this, companies like Amway “offer[ed] strong structure, corporate polish, massive motivational support and an opportunity at residual income and relative wealth.” Along with the promise of money, Tamas Volgyes, an Amway distributor in Hungary, said that Amway was also appealing because it was “the only business a person can start in Hungary without significant capital.” All one needed was the equivalent of seventy-five U.S. dollars, which, according to the *Chicago Tribune*, was “roughly half an average month’s wages” at that time.²⁷

After Hungary, Amway had wanted to go into Yugoslavia, but the outbreak of civil war in 1991 made that impossible. (Amway eventually established a foothold in the former Yugoslavia four years later, when it came to Slovenia.) Instead, its next market was Poland in December 1992: the company projected thirty million dollars in sales over the first twelve months. In 1998, Amway Poland was at the center of a minor controversy on account of a documentary called *Welcome to Life*, which depicted the corporation as well as distributor rallies in a negative light. In response, Amway sued to prevent the distribution of the film. That, in turn, resulted in fifty Polish writers and journalists sending a letter to the country’s president arguing that Amway’s actions were antithetical to freedom of expression. As of 2009, the film was still tied up in litigation.²⁸

After Poland, Amway migrated to the recently-separated Czech Republic and Slovakia in March and November of 1994, respectively. In just two weeks, Amway managed to sign up twenty thousand Czechs as distributors, and the company anticipated another fifty-five thousand over the next year. By this point, Amway had an estimated quarter-million distributors across the former East Bloc. Notably, it took Amway a long time to enter Russia. In February 1994, the *Grand Rapids Busi-*

²⁷ Muraskin, “Workers of Hungary Unite — in Amway”; Volgyes quoted in Ingram, “Amway sells a piece of the American Dream in Hungary.”

²⁸ Jim Harger, “Amway predicts big sales in new E. Europe market,” *The Grand Rapids Press*, June 2, 1991, D1, D3, GRPC; Jones, *Amway Forever*, 142; Dan Calabrese, “Amway Makes Poland Move,” *Grand Rapids Business Journal*, December 14, 1992, 2; Jane Perlez, “Ban on Film Has Poland Debating Censorship,” *New York Times*, June 14, 1998, 4; Christine Spolar, “Polish Film Ignites Free Speech Debate,” *The Washington Post*, July 19, 1998, A25; Will Tizard, “It’s Amway or the highway,” *Variety*, October 19-25, 2009, 4, 37.

ness Journal reported that “Amway officials have made two fact-finding trips to Russia in the past year” but that they were hesitant about opening a subsidiary due to concerns about internal stability. Amway’s vice president of new market development, James Payne, said at the time that while he thought Russia would eventually “be a positive market,” in the immediate future “you have crime over there that’s very frightening, in terms of the black market activities that are taking place” and “[t]he political environment — it’s kind of wait-and-see these last few months to see what’s happening.” Because of that, the article indicated that Amway preferred to direct its attention and resources elsewhere, particularly Asia. Amway ultimately came to Russia in March 2005.²⁹

As Amway expanded its presence in the former East Bloc, on the other side of the planet, the company was making further inroads into key Asian markets. Amway’s South Korea division officially came to life on May 1, 1991. Setting up shop in the Republic of Korea required compromise on the part of both Amway and the South Korean government. It took Amway four years longer than anticipated to get into Korea because South Korean law required the company to have a factory in the country, which cost twelve million dollars to build. While Amway was compelled to comply with Korean economic regulations in this instance, it got a reprieve from other rules. “Korean laws originally barred Amway from retailing U.S.-made goods,” the *Grand Rapids Press* reported, “but they have been changed to accommodate Amway’s system of retailing[.]” Amway’s expectations for South Korea were high. Bill Nicholson posited that “[o]ur success in the Pacific Rim — especially in Japan, where Amway has been the fastest growing U.S. company — indicates similar success in Korea.” Predictions were that Amway Korea would sign up as many as thirty-five thousand people in 1991.³⁰

²⁹ “Amway is expanding the Czech market,” *The Grand Rapids Press*, March 2, 1994, 5F, GRPC; Ann Marsh, “Amway Finds Eager Recruits in Czech Republic Launch,” *Crain’s Detroit Business*, June 6, 1994, I14; “Amway opens new market in Slovakia,” *The Grand Rapids Press*, November 3, 1994, 15C, GRPC; Payne quoted in Dan Calabrese, “Vietnam yes, but Amway won’t rush into Russia,” *Grand Rapids Business Journal*, February 14, 1994, 1; “Russia Opens its Door to Amway,” *PR Newswire*, March 15, 2005.

³⁰ Nicholson quoted in Jim Harger, “Amway begins operating in South Korea,” *The Grand Rapids Press*, May 1, 1991, 1D, GRPC; John Maggs, “Korea Plan Would Lock Some U.S. Firms Out,” *Journal of Commerce*, October 24, 1991, 1A.

Amway Korea started off well enough. Two years in, the *Grand Rapids Press* reported that it was co-sponsoring “an exhibit centered on the themes of technology, space, the earth and recycling” that would represent the United States at Taejon Expo ’93. In June 1993, however, Amway Korea became embroiled in its first major controversy when, at the very end of the month, two company executives, David Ussery and Terence Beckering, were arrested for allegedly violating the Door-to-Door Sales Act, an anti-pyramid scheme law that had been adopted the year before. The law had attracted the attention of American politicians back in 1991, when it was just a bill, due to worries that it would shut companies like Amway out of the country: among those who reached out to the Korean government about the law were the Secretary of Commerce and the majority leader of the House of Representatives. As in China (more about it presently), there were suspicions in South Korea about the legitimacy of direct sales companies. The prosecutor in charge of the case against the Amway officials alleged that overseas companies like Amway were “mak[ing] large profits in a short period....and then leav[ing] Korea.” Moreover, he said, they had the potential to “greatly affect domestic industries” and thereby cause “serious social disorder.” The arrests caused a bit of an international stir, since they came a little over a week before President Clinton was due to visit the country. The company was eventually fined for failing to comply with the law.³¹

The arrest of Amway Korea’s top officials, though dramatic, paled in comparison to the popular furor that erupted just four years later. In the spring of 1997, an organization called the Anti-Amway Committee was formed. It, along with other public interest groups, trained its sights on Amway’s detergent, Dish Drops, which they attacked for having pollutants among its ingredients. Additionally, they alleged that Dish Drops were overpriced compared to Korean-made detergents. They also criticized the company for running ads touting the superiority of Dish Drops to its alter-

³¹ “Amway subsidiary coordinates American exhibit at Korea expo,” *The Grand Rapids Press*, February 23, 1993, 6D, GRPC; “Koreans investigate Amway; 2 detained,” *The Grand Rapids Press*, July 2, 1993, A1, A4, GRPC; “Korea still detains Amway chief; formal charge due,” *The Grand Rapids Press*, July 3, 1993, 3A, GRPC; Prosecutor quoted in Steve Glain, “South Koreans Charge, Release Amway Agents,” *Wall Street Journal*, July 8, 1993, A9; Maggs, “Korea Plan Would Lock Some U.S. Firms Out”; Jones, *Amway Forever*, 136.

natives, as South Korean law prohibited companies from making such claims in their advertisements. An anti-Amway advertising campaign was launched, complete with banners emblazoned with the message “It was all a lie, Amway detergent is not superior[.]” In addition to these groups, the Korea Soap and Detergent Association, an industry trade group, also went after Amway, claiming that “[f]amilies, friendships and even communities” were being “destroyed” by the company because distributors were “pressure[d] to sell to friends and associates.” The Association also blamed Amway for the country’s trade deficit, despite the fact that fewer than 0.1% of goods imported into South Korea were Amway products. All of these attacks dramatically undermined Amway Korea’s bottom line. One regular Dish Drops consumer, a woman named Suh Myung Ja, said that she stopped purchasing them because she “was afraid of what other people might think if I bought from Amway.” By August, monthly sales had declined sixty-four percent from the start of the year, and half of the distributor force was no longer active.³²

In the aftermath of the Dish Drops drama, Amway concentrated on rebuilding its brand in Korea. In April 1998, Amway Korea started a program called One for One, which, the *Korea Times* explained, focused on “help[ing] small and medium-sized Korean businesses hit hard by the economic recession.” Under One for One, Amway Korea included a new locally-produced product in its catalog whenever the company introduced a new item. By September 1998, thirty-eight percent of Amway Korea’s products came from Korean companies. Amway Korea managed to rebound from the hit it took during the Dish Drops controversy and became a thriving division. The *Korea Herald* noted in May 2015 that “Korea currently boasts the highest per capita sales out of all of Amway’s global branches,” and it quoted Sam Rehnborg, head of Amway’s Nutrilite Health Institute,

³² Ja quoted in Michael Schuman, “Amway Finds Itself Washed Over In a South Korean Soap Drama,” *Wall Street Journal*, October 22, 1997, A16, A18; Korea Soap and Detergent Association quoted in “Amway girds for soap battle in South Korea,” *Daily Herald*, June 12, 1997; Yoolim Lee, “Amway faces Korean boycott: Coalition fights foreign influence as get-rich-quick dreams fade,” *The Ottawa Citizen*, May 23, 1997, F6.

describing Korea as the company's "No. 1 market[.]" Sales in 2015 were 261 times higher than they were back in 1991.³³

The crowning achievement of Amway's global expansion in the 1990s was, without question, its arrival in China in 1995. Amway spent several years laying the foundation for entering the Chinese market. As with Korea, the company began by constructing a factory in the country, which was located in the province of Guangdong and cost twenty-nine million dollars. The deal for that factory was struck in the fall of 1992, and the project overseen by Amway Asia Pacific, a branch of Amway Japan formed expressly for that purpose. At the time, the *Wall Street Journal* reported that Amway's "Canton [i.e., Guangdong] factory and warehouse are expected to begin operations in early 1994" and that "its initial sales launch will be in the Pearl River Delta area, where the company aims to recruit at least 100,000 distributors in Canton, Foshan, Zhuhai and Shenzhen in the first two years." In November 1993, in order to raise capital for its China endeavor, Amway announced that it would sell 7.9 million shares in Amway Asia Pacific. The following year, the company announced plans to expand its presence beyond Guangdong into neighboring Fujian province.³⁴

Amway China opened for business in April 1995. In an interview with the *Grand Rapids Business Journal*, company chairman Steve Van Andel explained some of the challenges associated with the Chinese market, as well as some of the compromises that the company had to make to make the subsidiary possible. He pointed out, for instance, that Amway was "doing a fair amount of manufac-

³³ "Amway to Increase Awareness," *Korea Times*, September 3, 1998; Jung Sung-ki, "Amway makes its way in Korea," *Korea Times*, July 25, 2011; Rehnborg quoted in Sohn Ji-young, "Korean market soars on social marketing success: Amway," *The Korea Herald*, May 20, 2015. According to Amway's company website, the Nutrilite Health Institute is "a worldwide collaboration of experts dedicated to helping people achieve optimal health – through research, education, and practical, personalized solutions." ["Center for Optimal Health," Amway, <http://www.amway.com/nutrition/nutrilite/about-nutrilite/center-for-optimal-health> (accessed January 3, 2019)]; Lee Hyo-sik, "Amway sales grow 261 times over 25 years," *Korea Times*, May 18, 2016.

³⁴ Tom McCarthy, "Amway investing \$29 million to set up distributor network in China," *The Grand Rapids Press*, October 26, 1992, 12A, GRPC; "Amway Corp. Lays the Groundwork to Operate in China," *Wall Street Journal*, December 1, 1992; "Amway to take on mainland market," *South China Morning Post*, March 15, 1993, 2; "Amway Plans IPO To Finance Its Entry Into Chinese Market," *Wall Street Journal*, November 10, 1993, C18; Jim Harger, "Amway plans aggressive expansion into China," *The Grand Rapids Press*, July 6, 1994, 11A, GRPC.

turing there,” the same accommodation the company had had to make four years earlier when it entered Korea. Rather than purchasing the land that its factories sat on, which was not an option for it, the company had had to lease land. He also noted differences in some of the products, saying that “[t]he products we manufacture in China are primarily water-based as opposed to here [i.e., the United States], where they are liquid-based and powder-based.” That all said, Amway was optimistic, with the *Journal* indicating that “Amway China’s initial sales projections for the remainder of fiscal 1995 range between \$25 million and \$35 million.”³⁵

The Chinese embraced Amway quickly. By late 1997, *China Daily* reported that Amway “ha[d] expanded to China’s four municipalities (Beijing, Tianjin, Shanghai and Chongqing) and 33 major cities in 13 provinces, representing a potential market of 175 million people.” That year, its distributor force numbered around eighty thousand and sales hit \$178 million. The appetite for Amway products was so voracious that that November, Amway announced that it would commit thirty million dollars to building another plant in Pudong. Several factors contributed to Amway’s popularity. In some cases, social pressure played a role. One woman, Jiang Baoren, said that she once bought some Amway products because the distributor selling them lived next door and consequently she “was too embarrassed not to buy anything.” Another woman, Tan Rui, said that although she was generally against buying anything from Amway, “[i]f it were my father-in-law, for example, I would have to buy it,” observing that “[t]he closer the relationship, the harder it is to refuse.” Many Chinese also saw in Amway an opportunity for self-improvement, as the *St. Petersburg Times* noted: “In a country that preaches social equality but is known for bureaucracy and back doors, those who sell Amway find its direct-marketing approach both fair and promising: Work hard, help each other and you, too, can become rich.”³⁶

³⁵ Van Andel quoted in Don VanderVeen, “Amway Asia Pacific pinning growth on Chinese acceptance,” *Grand Rapids Business Journal*, May 22, 1995, 5.

³⁶ Xiao Wu, “Amway Corp. increases funding in China,” *China Daily*, November 9, 1997, 5; Baoren and Rui quoted in Leslie Pappas, “Amway sells itself in China,” *St. Petersburg Times*, March 15, 1998; Jones, *Amway Forever*, 147.

Not everyone who looked to make money off of Amway did so legitimately, though. An August 1997 article in the *Wall Street Journal* detailed the ways that some were trying to exploit Amway's "satisfaction-guaranteed" return policy, reporting that "some people [were] repackaging the soap, selling it and then turning in the containers for a refund" while "[o]thers dispensed with selling altogether and scoured garbage bins instead — showing up at Amway's Shanghai offices with bags full of bottles to be redeemed." In response, Amway tweaked the rules for how products could be returned, which triggered outrage among some customers.³⁷

That some tried to hoodwink Amway into giving them undeserved refunds spoke to a larger concern within China about the legitimacy of direct sales. In addition to reputable foreign entities like Amway, China also played host to many indigenous direct selling companies that turned out to be scams. In one case detailed by the *New York Times*, a man named Fu Yanbing became involved with a company that sold ankle massagers. Contrary to claims made by the company producing them that demand was high, those who joined found themselves unable to offload their inventory. As a consequence, Fu Yanbing said, "I lost my own money, my wife's money, my parents' money, my brother's money, my friends' money." Not only that, his wife threatened to leave him if he was unable to recoup his losses. As in South Korea, a significant number of Chinese believed that direct selling was nefarious. The *St. Petersburg Times* reported in March 1998 on a poll taken in China that found that "more than 30 percent of those polled said they did not like direct-marketing methods; 22 percent said direct marketers in general were out to cheat people; and 7 percent agreed with the statement that direct marketers sha shu, which literally means 'kill acquaintances.'" One prospective Amway distributor, Zheng Yi, told the *South China Morning Post* in July 1997 that "[m]y family is against my doing direct selling because they think it is a kind of fraud[.]"³⁸

³⁷ Craig S. Smith, "In China, Some Distributors Have Really Cleaned Up With Amway," *Wall Street Journal*, August 4, 1997, B1.

³⁸ Yanbing quoted in Seth Faison, "Selling in China: A Smile, a Shoeshine and a Scam," *New York Times*, May 27, 1998, A4; Pappas, "Amway sells itself in China"; Yi quoted in Mark O'Neill, "Direct sales efforts face barrier of suspicion," *South China Morning Post*, July 1, 1997, 4.

And just as in South Korea, Amway found itself hamstrung by this cloud of skepticism. In November 1995, only seven months after Amway started up in China, the Chinese government launched an investigation into illegitimate direct sales companies, forcing all of them, including Amway, to temporarily suspend operations. The suspension lasted only a few months and Amway was given the all-clear, but the investigation shrank the industry significantly: three-quarters of all direct sales companies in the country were shut down for good.³⁹

But even that was just a prelude to a much bigger blow that came three years later. On April 21, 1998, the Chinese government banned all direct selling in the country. The sweeping move was in part an attempt to eliminate the many dubious direct sales companies still active in the country, but political motivations were also at play. The *Wall Street Journal* reported that the Chinese government had come to believe that companies like Amway “have grown too fast, building ideologically charged sales networks.” The *Los Angeles Times*, meanwhile, said that “[m]otivational meetings, in which salespeople gathered to sing company songs and shout slogans, drew official suspicion in a country where most gatherings of more than a dozen people are banned.”⁴⁰

Reaction to the ban was swift. Some distributors, like May Feng of Xian, immediately tried to return as many of their Amway products as possible for a refund before the ban went into effect. She told the *South China Morning Post* that despite the decent money she managed to earn from selling Amway, “I don’t think I would do this kind of thing again,” explaining, “It’s too much trouble.” U.S. officials went to bat on behalf of American-based direct sales companies. The *Wall Street Journal* reported that “U.S. Commerce Department officials have warned that banning direct sales could become another obstacle in China’s oft-stymied efforts to join the World Trade Organization.” On April 25th, four days after the ban was announced, U.S. Trade Representative Charlene Barshefsky

³⁹ “China orders Amway to halt recruiting agents,” *Montreal Gazette*, November 2, 1995, E2; Rone Tempest and Maggie Farley, “China Slams Door on Direct-Sales Firms; Asia: U.S. companies say crackdown on pyramid schemes penalizes legitimate businesses. Chinese complain too,” *Los Angeles Times*, April 24, 1998, A1.

⁴⁰ Craig S. Smith and Ian Johnson, “Beijing, Fearing Fervor, Bars the Door Against Direct Marketers,” *Wall Street Journal*, April 22, 1998, A16, A17; Tempest and Farley, “China Slams Door on Direct-Sales Firms.”

requested that the ban not apply to American direct sellers, which she said “have invested over \$120 million in China and provide income to more than 2 million Chinese.”⁴¹

Fortunately for Amway, it — along with companies like Avon and Mary Kay, which also had footholds in China — managed to hammer out a compromise with the Chinese government that allowed it to resume business three months after the ban was imposed. The compromise, however, required probably the most substantial concessions the company has had to make in an overseas market. In exchange for operating legitimately again, Amway had to start selling its products in brick-and-mortar stores rather than through distributors. As the *Los Angeles Times* explained, “[s]ales agents can still take orders and deliver products door-to-door, but under a government measure designed to keep salespeople from being saddled with unsold wares, they no longer have to buy the goods from the company before trying to resell them.” Companies like Amway were permitted “to use ‘non-employee’ sales representatives to bolster retail-outlet operations” who could “promote products door-to-door from which they can earn commissions on sales,” but they “cannot receive salaries or any benefits.” These restrictions amounted to an overhaul of Amway’s business in China, as the division’s chairwoman at the time, Eva Cheng, explained. “We are no longer a direct-selling company,” she declared in July 1998, “we are a manufacturing and marketing enterprise.”⁴²

Although it was able to get back into business fairly quickly, Amway was still hurt by the ban in the short run. The *Wall Street Journal* reported in March 2003 that “[i]n the months after the ban, the company bled \$120,000 a day; sales for all of 1998 were \$36 million, one-fifth the previous year’s.” Ultimately, though, Amway China managed to rebound. By March 2003, the company had

⁴¹ Feng quoted in Matthew Miller, “Distributors rush to rescue fortunes before selling ban,” *South China Morning Post*, April 26, 1998, 1; Smith and Johnson, “Beijing, Fearing Fervor, Bars the Door Against Direct Marketers”; Barshefsky quoted in Rone Tempest, “U.S. Appeals to China for Direct-Sales Companies; Asia: Trade official seeks exemption for American firms from pyramid scheme ban. Chinese vow talks with Amway, Avon, Mary Kay,” *Los Angeles Times*, April 25, 1998, 1.

⁴² Maggie Farley, “Avon and Amway Reopen in China — Under New Rules,” *Los Angeles Times*, July 25, 1998, D1; Cheng quoted in Matthew Miller, “Amway representatives are knocking on doors again,” *South China Morning Post*, July 28, 1998, 4.

around a hundred brick-and-mortar stores in operation, and approximately fourteen percent of Amway's total worldwide sales took place in China. According to the *Wall Street Journal*, while Amway did have to modify its business model on paper to appease the concerns of the Chinese government, in practice it retained many of its essential features. The *Journal* noted, for instance, that Amway's stores "double as convenient distribution centers for the company's sales force" and that "two-thirds of store sales are not to customers but to its own sales representatives." Additionally, Amway sponsored "Leadership Training" courses for its salespeople, in which they were taught how to manage a "small group," which "operates in similar fashion to the now-banned recruiting networks: The bulk of the income for many group leaders comes from commissions and other bonuses based on all their partners' sales." In 2003, China's share of Amway's total sales hit twenty percent, making China the company's single biggest national market, a distinction it retains to this day. China's ban on direct selling officially came to an end in December 2006, and although Amway was now able to legally operate according to its traditional business model, the stores remained in place.⁴³

Although it did see its business model banned in China, 1998 was not all bad news for Amway. It was also the year that Amway made it to India. In February, the *Wall Street Journal* reported that "[t]he company has invested \$20 million following India's investment approval in 1995" and that "Amway India plans a simultaneous launch of its products in almost 150 cities nationwide, through its five regional distribution centers in New Delhi, Bombay, Calcutta, Bangalore and Madras." Company president Dick DeVos predicted that "India can rival China and Japan, challenging these two countries for the top three in Asia" and that "India will be among the top 10 markets [for Amway] world-wide, if not in the top five." Amway's foray into India was so hotly anticipated

⁴³ Leslie Chang, "Amway Revives China Business, Overcoming Direct-Sales Ban — Household-Products Company Kept Strategies Largely Intact Through Talks With Government," *Asian Wall Street Journal*, March 13, 2003, A6; Mark O'Neill, "The ban on direct selling fails to dent sales for the American household goods giant in the mainland where stores boom Amway sees China returns topping US," *South China Morning Post*, March 6, 2003, 6; Mark O'Neill, "Amway rises to its biggest global market; Despite a ban on direct selling in China, sales reach eight billion yuan, 20pc of world total," *South China Morning Post*, November 13, 2003, 2; Chris Davis, "China has grown into Amway's number one market," *China Daily*, September 23, 2003, 2; Carol Cain, "China's vast market finally open to Amway," *Detroit Free Press*, December 11, 2006, E1.

that, according to the Vancouver, British Columbia paper *The Province*, Canadians of Indian descent enlisted as distributors in Canada before Amway India was even up and running, so that they could sponsor family members back home when the time came.⁴⁴

Amway India launched on May 5, 1998. As with many of its other overseas markets, Amway India had some unique characteristics. For example, Indian distributors have by and large preferred going directly to distribution centers to pick up inventory rather than having it delivered to them. A July 2010 article in the *Indian Express* noted that “[u]nlike other nations, where bulk of the sales happen through online orders, in India, 80 per cent of sales happen from pick up centers.” Amway India’s manager of corporate communications, S. Viswanath, explained that the “Indian customer still likes to see and feel the product on the shop shelf before he makes a purchase. He likes to go to a store, make comparisons with other products and then make his decision.” In this respect, India is not unlike China, where the brick-and-mortar stores also made the experience realer for consumers. Amway India also developed a line of products unique to its market. For instance, there was Persona, Amway India’s personal care line, which “was the first product that was locally manufactured by an Amway affiliate for that particular market,” according to the *Economic Times*. And in June 2003, Amway India announced that it would release a local line of cosmetics that would retail for eighty percent less than Artistry. Amway India also adopted new, smaller packaging for its standard products.⁴⁵

Amway India has become one of the company’s most important markets. In an interview with *The Times of India* in June 2012, Amway vice president Maud Pansing said that “India is currently the seventh largest market for Amway” and that “[w]e registered a 19% annual growth last year,

⁴⁴ DeVos quoted in “Amway Hopes to Set Up Sales Network in India,” *Wall Street Journal*, February 17, 1998, B8D; Adrienne Tanner, “Amway recruits sign up for India,” *The Province*, December 14, 1997, A26.

⁴⁵ “Amway Continues Trend of International Expansion With Launch of Amway India Enterprises,” *PR Newswire*, May 12, 1998; Jones, *Amway Forever*, 139; Viswanath quoted in “Indian customer still likes to see and feel the product on shop shelf before making a purchase,” *Indian Express*, July 14, 2010; Paul Mahuya, “Desi touch: Amway to make cosmetics brand for India,” *The Economic Times*, June 24, 2003; “Amway Introduces Low-Cost Sachets,” *India Business Insight*, December 18, 1999.

making India the fastest growing market among the 80 countries we are present in.” And in February 2016, company president Doug DeVos declared that the “[p]otential of the Indian market is dramatic.”⁴⁶

That said, Amway India has not been without its troubles. In August 2011, acting on suspicions that the company was engaged in fraudulent activity, police in Kerala conducted a series of raids on Amway facilities in the state. Two years later, in May 2013, in an incident reminiscent of South Korea, the subsidiary’s CEO William Pinckney and two other top Amway officials were arrested in Kerala for allegedly violating the Prize Chits and Money Circulation Schemes (Banning) Act of 1978. PA Valsan, a Keralan police official, explained that Amway’s system of compensating distributors for the sales of their downlines was illegal under that law. Additionally, the *Times of India* reported that “[t]he company was also charged with steeply hiking up the prices of its products,” which “amounted to cheating the consumer.” In the wake of the arrests, distributors expressed concern that the company might pull back from the country, and although nothing quite so dramatic happened, it did negatively impact business at the local level. The *Economic Times* reported in October that “[d]irect selling firms such as Amway, Modicare, K-Link and DXN are cutting down their operations in Kerala significantly due to police harassment since the arrest of Amway India CEO in May[.]”⁴⁷

Exactly one year later, Pinckney was arrested again, this time in New Delhi, over questions around whether or not Amway India had broken the 1978 law. At issue was whether Amway and businesses like it constituted a “money circulation scheme.” As the *Indian Express* explained, “Section

⁴⁶ Dipti Jain, “India is our fastest growing market: Amway,” *The Times of India*, June 14, 2012; DeVos quoted in Ratna Bhushan, “Potential of the Indian market is dramatic: Doug DeVo [sic], Amway,” *The Economic Times*, February 17, 2016.

⁴⁷ Chris Knape, “Amway operations raided in part of India — Police allege company is running ‘illegal money chain,’” *The Grand Rapids Press*, August 31, 2011, A1; KPM Basheer, “Kerala police not ‘apologetic’ about Amway arrests,” *Businessline*, June 2, 2013; S. Sanandakumar, “Why it is not surprising that the Amway row happened in Kerala,” *The Times of India*, June 3, 2013; “Distributors fear Amway will downsize after CEO arrest,” *The Sunday Guardian*, June 1, 2013; Ratna Bhushan, “Direct sellers move out of Kerala in state of fear as cops not allowing agents to operate,” *The Economic Times*, October 17, 2013.

2C [of] the Act defines ‘money circulation schemes’ as ‘any scheme...for the making of quick or easy money, or for the receipt of any money or valuable thing as the consideration for a promise to pay money, on any event or contingency relative or applicable to the enrolment of members into the scheme....’” The *Express* indicated that Amway had come in for scrutiny because “[t]he clause ‘on any event or contingency relative or applicable to the enrolment of members etc’ does not make a clear distinction on whether it can be applied to multilevel marketing schemes used by direct sellers.” Following the arrest, Samir Behl, the company’s regional president for Europe, India, and South Africa, complained to the *Economic Times* that “Amway has not been subjected to harassment of this magnitude in any other country, as it has been in India. We have had our share of challenges in many markets and those challenges are to do with local laws....But what’s happening here is baffling.” The arrest also led trade groups like the American Chamber of Commerce in India to lobby for changes to the 1978 law so that direct sales companies would no longer be lumped in with blatantly fraudulent schemes.⁴⁸

In addition to Eastern Europe and Asia, the 1990s also saw Amway solidify its foothold in South and Central America. In June 1990, Amway opened a subsidiary in Mexico. By November it had signed up fifty thousand distributors in what the *Grand Rapids Press* called “the fastest start ever for one of Amway’s foreign operations.” Amway came to Brazil the following November, at which time the company also announced plans to move into Argentina, which it did in 1993. This was followed by Colombia in 1996, Paraguay in 1997, and Venezuela in 1998.⁴⁹

⁴⁸ Sean McLain, “Amway’s India Chief Is Jailed — Local Police Investigate Whether Law Banning ‘Money-Circulation Schemes’ Was Broken,” *Asian Wall Street Journal*, May 28, 2014, 19; Anil Sasi, “A grey area called direct selling,” *Indian Express*, June 9, 2014; Behl quoted in Ratna Bhushan, “Amway India CEO arrest will hit foreign investor confidence, says company’s regional head,” *The Economic Times*, June 3, 2014; Shandra Martinez, “India pressured to change laws after Amway leader jailed for alleged pyramid scheme,” *The Grand Rapids Press*, June 1, 2014.

⁴⁹ “Amway enlists 50,000 distributors in Mexico,” *The Grand Rapids Press*, November 3, 1990, 8C, GRPC; John Couretas, “Amway now in Brazil; Argentina next step?” *The Grand Rapids Press*, November 23, 1991, 7B, GRPC; Kim Bruyn, “Amway Corp. annual sales increase 15 percent to reach \$4.5 billion for fiscal 1993,” *PR Newswire*, September 24, 1993; “Amway opens Colombia operation,” *The Grand Rapids Press*, August 2, 1996, C10; “Amway to start operations in Paraguay,” *Gazeta Mercantil*, August 19, 1997; “Amway Opens 20th New Market in Past Five Years With Launch of Amway de Venezuela LLC,” *PR Newswire*, June 26, 1998.

In November 2004, *Grand Rapids* magazine ran an article by a writer named Kate Dernocoeur about the flag poles, fifty-six in all, that grace the exterior of Amway's headquarters in Ada. "Day and night, rain and shine, the flags are on their 30-foot poles, often waving to their full 5-foot by 8-foot extent. Impressive, and somehow reassuring, the flag promenade is a colorful celebration of the wider world." As the company grew, so did the number of flags on display. By 2004, she wrote, "although the company has a presence in 80 countries and territories, the flag promenade holds just 56 flags," which "fly in alphabetical order according to U.S. State Department protocol."⁵⁰

That Amway's foreign markets have been essential to the company's bottom line is beyond dispute. The *Grand Rapids Press* reported in April 1988 that "Amway is one of many West Michigan companies, large and small, that are thriving in the international market these days" and that "[p]erhaps no West Michigan company has been more successful in its export expansion than Amway[.]" As noted earlier, by the late 2000s, only about ten percent of Amway's sales were made in the United States. Amway has largely managed to weather various crises of legitimacy and become successful even in countries where it faced significant hostility at the outset.⁵¹

As the article on Amway's flagpoles illustrates, that success has become crucial to Amway's identity. It is no coincidence, for example, that the company's home base in Ada is called Amway *World* Headquarters: a large metal globe stands just outside the visitor's center, halfway between the flagpoles. In the company's worldview, its accomplishments abroad have served to further validate the promise of the business as well as its underlying principles. Recall the epigraph that opens this chapter, in which Cross and Olson declared that, when it came to Amway's overseas expansion, "the

⁵⁰ Kate Dernocoeur, "Old Glory Times 56," *Grand Rapids*, November 2004, 54-55, ABF.

⁵¹ Jim Harger, "West Michigan firms' exports are thriving," *The Grand Rapids Press*, April 10, 1988, C1, C2, GRPC.

numbers are secondary to the philosophy and concept that nurtured the growth and made it possible.” In June 1993 Dan DeVos, who at the time was the company’s director of Far East markets, declared that Amway had tapped into a set of universal aspirations, saying that “[p]eople basically want the same things out of life” and that “[t]he real secret of Amway is the simplicity of it.”⁵²

Dan DeVos’s remarks echo the attitude of both the cofounders and company boosters. In a chapter of his autobiography titled “Exporting the American Way Worldwide,” Richard DeVos wrote that “[w]hether people live in the Far East communist country of China, south of the equator in the emerging country of Guatemala, or in the established democratic South Pacific country of Australia, our experience has been that people around the world share one thing in common: they all dream of better lives” and that “wherever we go in the world today, we continue to be reminded that all the world’s people hunger for freedom and an opportunity to succeed through their own talents and efforts.” “Our simple message of a business opportunity for all,” he declared, “has become an international language.” Jay Van Andel said that “Amway’s international expansion provided the opportunity for Rich and me to extend the principles of American-style wealth creation into other countries worldwide.” He believed that “[m]ultinational firms act as ambassadors of economic freedom wherever they do business,” explaining that “[w]hen U.S. companies share some of the benefits of American-style capitalism with consumers in other nations, an advertisement for freedom is inevitably carried along with the goods.”⁵³

Many books written by Amway sympathizers dedicated at least one chapter to the company’s overseas growth. Like the cofounders, they too portrayed Amway as bringing opportunity to people around the world and hailed its global success as proof of the universal appeal of the company’s values. Charles Conn proclaimed in *The Possible Dream* that “the spread of Amway into foreign mar-

⁵² Cross and Olson, *Commitment to Excellence*, 124; DeVos quoted in Jim Harger, “Amway philosophy brings global success,” *The Grand Rapids Press*, June 30, 1993, 13D.

⁵³ DeVos, *Simply Rich*, 151, 153; Van Andel, *An Enterprising Life*, 106.

kets is impressive because Amway is exporting more than just a line of household products. It is spreading a way of life which emphasizes free enterprise, a point of view, an approach to one's individual condition in life and what he can do about it." According to Conn, "[t]he success of Amway in foreign markets is important because it demonstrates that, for all the Americanism that pervades the rhetoric of the company back home, the basic principles of Amway are not so much American as they are common to all men everywhere." These "basic principles" included "[h]ard work, sacrifice for a later reward, a dollar's worth of product for a dollar's price, [and] personal service to customers[.]" In another book, Conn wrote that "[o]ne gets a striking impression of the similarity, rather than the dissimilarity, of foreign distributors to their American counterparts." Wilbur Cross declared that "[o]ne of the surprising facets of the Amway history and the story of the company's founding, development, and growth is that there seems to be almost no pocket of the world where the free enterprise system...cannot thrive." And James Robinson wrote that "Amway has inspired the creation of an international family of doers and dreamers whose collective efforts are helping to advance free enterprise and economic progress even in the poorest of countries. It is a family actively enhancing the prospects of world peace." Discussions of Amway's international business typically included vignettes of distributors in different countries who had found success through Amway, which often featured the same adversity, opportunity, and reversal of fortunes motifs discussed in Chapter II. The major difference between those vignettes and the ones profiled earlier is that the former spoke more directly to Amway's capacity to transcend diverse cultures and societies.⁵⁴

Charles Conn's assertion that American and foreign distributors are more alike than different speaks to a larger truth about the nature of Amway's overseas expansion. Whether it was Canada or Eastern Europe or East and South Asia, the reaction of governments and ordinary citizens to the arrival of Amway has had broad similarities to what has occurred in the United States. On the one

⁵⁴ Conn, *The Possible Dream*, 115; Conn, *The Winner's Circle*, 110; Cross, *Amway*, 2; Robinson, *Empire of Freedom*, 104; For examples of such vignettes, see Conn, *The Winner's Circle*, 105-112, Conn, *An Uncommon Freedom*, 79-86, Conn, *The Possible Dream*, 103-116, Cross, *Amway*, 1-10, and Robinson, *Empire of Freedom*, 101-141.

hand, millions across the globe have embraced the company, its products, and its business model. Amway's steady accumulation of foreign subsidiaries over the past five decades testifies both to the determination of the company's leadership to penetrate even very formidable markets as well as to the success of the company's branding efforts. Amway has proven willing and able to accommodate itself to local conditions when needed, even when that has required going against long-standing company norms.

On the other hand, just as in the United States, many have responded to Amway negatively. Amway's success overseas required it to accommodate and overcome numerous hurdles, including local economic regulations as well as questions about the legitimacy of its business model and the perceived negative social impacts of direct selling. In the U.S., such suspicions took the form of critical exposés from former distributors, media investigations, and legal actions undertaken by the FTC, the state of Wisconsin, and others. Overseas, anti-Amway sentiment has led to popular protest, as with the Dish Drops controversy in South Korea, as well as to government action, such as China's nearly decade-long ban on direct selling and the arrest of Amway officials in South Korea and India. Moreover, the criticisms of Amway overseas, and the allegations that have made it subject to investigation by foreign governments — namely, that the company's business model is inherently duplicitous, that it entices people with false promises, that its products are not what they are chalked up to be — parallel accusations that have also circulated in the U.S. for decades. Company boosters have insisted that Amway's foreign expansion is proof that all people desire freedom and independence and that its brand of free enterprise works anywhere. But as we have seen, it has also shown that the animosities directed towards the company are by no means provincial either.

V

Corporate Citizens

Today, when people moving to Grand Rapids ask me, “How do I meet people?” I say, “Just go to the nearest fundraiser and buy a seat. Let people know you’re a giver, and you’ll suddenly have a tableful of new friends.” I’m kidding, of course, but the message is clear: if you want your life to be enriched, you need to learn to give — money, time, help. Everyone has *something* to give. Giving can be a joy and givers are players, not just observers.

-Richard DeVos¹

Richard DeVos and Jay Van Andel never liked to talk about money. With the exception of stock offerings for foreign subsidiaries like Amway Japan, Amway has since its founding been in the sole ownership of the DeVos and Van Andel families. Consequently, it has not needed to be as transparent as publicly-traded companies. The fact that it has been subject to so much public scrutiny and legal action over the decades has also made the company inclined to secrecy (which, one could reasonably argue, has only further heightened people’s suspicions that it has something to hide). For instance, the company does not publish any aggregate data on its distributor force, nor will it divulge such information if asked. So although, for example, the terms of the FTC’s 1979 ruling require Amway to indicate on its recruiting literature how much the average distributor makes in a month, if one wants to know, say, how many women or African-Americans or people under thirty are distributors, it is virtually impossible.

That same opacity extends to the cofounders’s fortunes. Richard DeVos claimed in his memoir that “I really have no idea of when I became a millionaire, probably because Jay and I put a lot of money back into the business — especially in the early years — and gave ourselves minimum incomes.” He said that “[w]e never considered ourselves or present ourselves as being wealthy and

¹ DeVos, *Simply Rich*, 231.

superior” and that “[w]e became millionaires because of our concern to help our distributors make money.” A few pages later, he reiterated the claim that “[w]e kept reinvesting in the company, so for a long time we had modest incomes,” and he insisted that “we were conservative about taking any money out of the business.” Van Andel noted in his autobiography that “[s]ince the late 1980s *Forbes* and other magazines have been including Rich and me on their vaunted billionaire lists,” but that “[n]either Rich nor I have ever confirmed or denied such estimates — the magazines are free to speculate all they wish, but we will not give credence to their opinions by responding.” He said that “[o]ften the magazine figures are off by a wide margin, and sometimes they’re simply laughable.”²

Although the cofounders refused to comment on their wealth, different media outlets have, as Van Andel pointed out, made estimates over the years. And while we cannot be certain of their exact accuracy, Amway clearly made its cofounders and their families extremely rich. In February 1979, *Fortune* magazine pegged the combined net worth of the cofounders somewhere in the range of six hundred million to a billion dollars. In September 1984, *Forbes* estimated that each man was worth around a quarter of a billion dollars. In October 1990, the magazine had them at \$1.3 billion each, a fourfold increase from the year before. They were reportedly worth two and a half billion in 1992, three billion in 1993, and four and a half billion in 1994. In October 1991, Jim Harger, the business editor of the *Grand Rapids Press*, spoke to an editor at *Forbes* to learn exactly how the magazine made its estimates. In the case of the Amway cofounders, he reported that *Forbes* used “annual sales figures, annual reports which are filed with the state for tax purposes and appraisals of their holdings,” as well as the estimated value of the company’s publicly-traded shares. The person Harger spoke with, *Forbes*’s senior editor Harry Seneker, indicated at the time that the actual net worth of

² DeVos, *Simply Rich*, 181-184; Van Andel, *An Enterprising Life*, 119-120; Mondom, “Compassionate Capitalism,” 8.

the cofounders likely exceeded their calculations. More recently, *Forbes* estimated the net worth of the DeVos family at \$5.4 billion in March 2018 and the Van Andels at six billion in July 2015.³

The founding families have used the wealth accrued from the success of Amway — and the social standing that has come with it — for a variety of purposes. Perhaps most significantly, it has allowed them to play a major role in the Republican Party and the conservative movement, which the final chapter explores in greater detail. They have also made substantial investments in their hometown. Over the past three decades, the DeVoses and Van Andels have contributed to a number of projects that have aided in the turnaround of Grand Rapids, building a luxury hotel and donating money to the construction of entertainment venues, hospitals, a medical research institute, and the expansion of Grand Valley State University. A July 2007 article in the *New York Times* about Grand Rapids’s medical industry stated, “[l]ed by Rich and Helen DeVos and Jay and Betty Van Andel...the city’s wealthy invested more than \$1 billion since 1990 in various urban projects[.]” As a consequence, “Grand Rapids was one of just two major Michigan cities (Ann Arbor being the other) to gain population in the 1990s. In the last decade, its income tax revenues more than doubled, to \$59 million annually.” Many of Grand Rapids’s most prominent landmarks bear the names of the founding families or their company: the Amway Grand Plaza Hotel, DeVos Place, Van Andel Arena, the Helen DeVos Children’s Hospital, DeVos Center, the Van Andel Museum Center. These and other sites that the founding families helped to finance have delivered tangible benefits to the city over the years, providing essential services like medical care for the local population, shoring up the city’s arts and entertainment scene, and attracting tourists to the area.⁴

³ “‘Fortune’ Lists Private Rich; Amway Founders Near Top,” *The Grand Rapids Press*, February 1, 1979, 1A, GRPC; “Amway Founders \$50 Million Poorer in ’84, Forbes Reports”; Mary Radigan, “Income Bulge: Forbes claims DeVos and Van Andel fortunes quadruple,” *The Grand Rapids Press*, October 9, 1990, A1, A2, GRPC; Dan Blake, “Computer software whiz Gates tops Forbes’ list of America’s richest,” *The Grand Rapids Press*, October 5, 1992, 10A, GRPC; “DeVos, VanAndel on Fortune wealthy list,” *The Grand Rapids Press*, June 10, 1993, 1E, GRPC; “Magazine says: Rich gets richer... so does Jay,” *The Grand Rapids Press*, October 3, 1994, A1, A4, GRPC; Jim Harger, “Best guess used to estimate worth,” *The Grand Rapids Press*, October 13, 1991, D1, GRPC; Richard DeVos, Forbes; Van Andel family, Forbes. Portions reproduced in Mondom, “Compassionate Capitalism,” 8.

⁴ Keith Schneider, “Grand Rapids Lays Foundations for a Health Mecca,” *New York Times*, July 11, 2007, C6.

The founding families's investments in Grand Rapids are part of their larger political work and an important vehicle for their ideological worldview. In a chapter of his autobiography titled "The Responsibilities of Wealth," Jay Van Andel wrote that "the greatest pleasure comes not from the endless acquisition of material things but from creating wealth and giving it away." "Each individual is required to use his wealth to do good," he explained. "Sometimes that means giving away money; other times it means building something useful with it." He described the investments that he and DeVos had made in Grand Rapids as a "free-enterprise approach to urban renewal," saying that "[t]hrough some projects have made use of available municipal, state, and federal funds, private investments have been the driving force behind the Grand Rapids downtown revival." Furthermore, he explained that "[e]ach project we conducted has been evaluated for community impact and consistency with our Christian principles." Van Andel believed that his religious faith mandated philanthropy, declaring that "[t]he task of every person on earth is to use everything he is given, every ability he has, to the ultimate glory of God." Writing about the DeVoses in *Rolling Stone*, the journalist Janet Reitman described the family's investments in Grand Rapids as "a microcosmic example" of their political philosophy, according to which "[p]rivate interests...would take over the role of modeling good behavior." The founding families's contributions to the revitalization of Grand Rapids, then, should not be understood merely as attempts to boost their public profiles or — in cases like their hotel — to find new sources of revenue. Rather, it amounts to them practicing what they have preached, a manifestation of their small-government, free enterprise worldview, which favors minimal state involvement in the economy and society and reliance on private benevolence over state spending.⁵

This chapter marks a turning point. In exploring the small-business conservatism of DeVos and Van Andel, we have so far focused almost exclusively on how the cofounders went after corpo-

⁵ Van Andel, *An Enterprising Life*, 121, 125; Janet Reitman, "Betsy DeVos' Holy War," *Rolling Stone*, March 8, 2017, <http://www.rollingstone.com/politics/features/trump-education-secretary-betsy-devos-a-win-for-the-christian-right-w470605> (accessed January 5, 2019).

rate capitalism and cast compassionate capitalism and “independent business ownership” as an alternative economic paradigm, as well as the roots of that critique in the midcentury crisis of autonomy. These last two chapters focus on the second pillar of their small-business conservatism: the attack on “big government.”

Grand Rapids took a trajectory common to many big and medium-sized cities throughout the northeastern and midwestern United States: it rode the wave of prosperity over the roughly fifteen years following the end of the Second World War, and then beginning in the sixties and early seventies it entered a period of decline. A key driver of decline in Grand Rapids, as elsewhere, was suburbanization. Though the annexations of the late fifties and early sixties had expanded the population and territory of Grand Rapids, it could not stem the tide of people and resources flowing out from the city into the suburbs. A January 1962 piece in *Harper's Magazine* featuring John Paul Jones, the Grand Rapids city planner, highlights both the ambitions of revitalizers at the time and also the scope of the problem on their hands. The article summarized Jones's plans for the city thusly: “Forty acres of ‘blight’ (including the City Hall) would give way to the wrecking ball and the bulldozer, and a civic center would open like a flower on plazas leading down to the river. ‘Parking and alternate uses’ would surround the commercial district of the city, and a cultural and educational area would gradually emerge from what is now a combination of houses and schools and museums and what seem to be called ‘miscellaneous occupancies.’” These plans, though no doubt well-intentioned, nonetheless stirred controversy, particularly when it came to tearing down City Hall. Some residents, along with groups like the Kent County Council for Historic Preservation, opposed the move, believing that the building had historical significance and should be maintained. A letter to the editor published in the *Grand Rapids Press* on August 23, 1969 declared that “[d]emolition of old City Hall

would deprive the Grand Rapids community of one of its richest and most irreplaceable heritages,” which, to the writer, constituted “an injustice on the community which can never be corrected.” A week later, another letter writer struck an altogether different tone, saying of City Hall, “Let’s get rid of it — and soon. Get on with the beautification of our city.” On demolition day in November 1969, a woman named Mary Stiles protested by scaling and sitting on the wrecking ball. While attention-grabbing, her direct action failed to prevent the building’s destruction.⁶

The sixties saw a number of new structures rise up in the city, including buildings for businesses like Old Kent Bank, Union Bank, and the Michigan Consolidated Gas Company, as well as the Hall of Justice and a new headquarters for the *Grand Rapids Press*. However, despite initiatives to demolish and replace decrepit structures in the city, the trends were not encouraging. The macro-economic downturn of the seventies, with its combination of high energy prices and inflation, hit Grand Rapids hard, and unemployment reached as high as the mid-teens. Richard DeVos wrote in his autobiography that by the seventies, “[a] few buses still hummed through the city, but nothing exciting was happening downtown. The hub of activity had moved to suburban neighborhoods and shopping malls.” In an interview he gave in 2009, he recalled that when President Gerald Ford came to the city to campaign during the 1976 presidential election, “the Secret Service would not allow the parade down Monroe Avenue because all the stores were closed and it would be such an opportunity for people to sit and get lined up to shoot him and they didn’t want a parade because of the vacant stores in our community.” After increasing approximately thirteen percent between 1960 and 1970, the population of the city of Grand Rapids fell over the next decade, from 197,649 in 1970 to 181,843 in 1980, an eight percent loss.⁷

⁶ *Harper’s Magazine* article and *Grand Rapids Press* letters reproduced in Olson, *A Grand Rapids Sampler*, 189-190.

⁷ Olson, *Grand Rapids, A City Renewed*, 45-47, 73-74; DeVos, *Simply Rich*, 221-222; “Rich DeVos,” Interview by Richard Norton Smith, Gerald R. Ford Oral History Project, August 21, 2009, <http://geraldrfordfoundation.org/centennial/oralhistory/richard-devos/>; Olson, *A Grand Rapids Sampler*, 217.

Responding to this decline, the Amway Corporation and the founding families began what became a decades-long effort to invest in revitalizing Grand Rapids, which continues up to the present. The cofounders saw this as their duty, both as area residents and as successful businesspeople. DeVos wrote that “a community benefits from a sense of ownership by its citizens. If we are proud of our city and want to see it prosper, we can make a positive change where we live.” Van Andel, meanwhile, insisted that “[t]he dispersal of personal wealth is not a choice.” For the cofounders, their giving was tied to a political worldview that saw private individuals, rather than the state, as the best engines of social betterment. When it came to community development, Van Andel believed that the best course of action was “allow[ing] private corporations and individuals to search out the needs of the community and fill those needs appropriately. Government planners, blinded to the real needs of the community by political motives and incapacitated by poor information, are not nearly as good at serving people as private firms and community-minded individuals.”⁸

Although the state of Grand Rapids was certainly not ideal at the start of the 1980s, there was some cause for optimism. 1980, for one, saw the opening of Monroe Center, a shopping mall located near the George Welsh Civic Auditorium, which had been in the works since 1975. A June 10, 1980 article in the *Grand Rapids Press* quipped that “Grand Rapids no longer will be a dime-store downtown,” predicting that the ongoing efforts to rejuvenate the city would draw in new, higher-end businesses selling pricey wares. “City planners, downtown businessmen and developers agree it’s going to cost more to get a drink, a necktie or a hotel room in the downtown of the 1980s,” the article reported. The article also referred directly to the role that the cofounders were playing in this transformation, declaring that “Amway money has been the major catalyst of the change.” Five days later, another article in the *Press* focused in greater detail on the company and the cofounders’s work in the city. The article observed that “[i]n less than two years, Amway Corp. has bought \$6 million worth of downtown land and buildings and started construction projects with price tags equal to more

⁸ DeVos, *Simply Rich*, 222; Van Andel, *An Enterprising Life*, 122, 133.

than half the present tax base of the entire downtown district.” It also noted that “[b]ecause Amway has the cash available, it is becoming the first place city officials turn when they need a private investor for a project.” That said, the article noted reservations both within city officialdom as well as the broader public about Amway’s influence. In fact it observed that “[c]oncern about Amway’s plans is becoming so widespread among local citizens that Amway has commissioned a private survey to find out which residents are critical of the firm and why.”⁹

Without a doubt the biggest project that the company took on in this moment was the Amway Grand Plaza Hotel. In August 1978, Amway acquired the Pantlind Hotel, which had been around since 1915, with the intention of refurbishing and reopening it under a new name. DeVos wrote that by the time Amway had purchased it, “[t]he once-bustling Pantlind Hotel had become seedy.” On July 29, 1979, the Pantlind was officially shuttered, with plans to open its replacement, now dubbed the Amway Grand Plaza Hotel, in a year and a half. Expectations were high that the new hotel would provide a welcome economic boost to the city. In July 1981, on the eve of the Grand Plaza’s opening, the *Grand Rapids Press* reported that “[i]n the first year, gross receipts are anticipated to exceed \$10 million, and more than \$4.5 million is expected to be pumped into the local economy through payroll[.]” On July 29, 1981, three hundred and eighty-six people turned up at the city’s convention center looking for work at the hotel. The Amway Grand Plaza Hotel was dedicated on September 15, 1981: among those at the celebration was none other than former President Gerald Ford.¹⁰

⁹ Olson, *A Grand Rapids Sampler*, 195-196; “As Downtown Picks Up, So Will All the Prices,” *The Grand Rapids Press*, June 10, 1980, 1A, GRPC; Bill Dalton, Ed Hoogterp, and Joan Verdon, “Amway Puts Its Money on Downtown GR,” *The Grand Rapids Press*, June 15, 1980, 1A, 3A, GRPC.

¹⁰ Ed Hoogterp, “Amway Buys Landmark Pantlind Hotel,” *The Grand Rapids Press*, August 2, 1978, 1A, 2A, GRPC; DeVos, *Simply Rich*, 221; Larry Werner and Jim Mencarelli, “Pantlind Hotel to be Closed 18 Months,” *The Grand Rapids Press*, June 11, 1979, 1A, 2A, GRPC; “Amway Grand Plaza To Generate Millions,” *The Grand Rapids Press*, July 22, 1981, 6E, GRPC; Laura D. Walker, “Grand Plaza Hotel Has Abundance of Eager Applicants for Jobs,” *The Grand Rapids Press*, July 30, 1981, 1C, 2C, GRPC; Ed Kotlar, “\$24 Million Transforms the Pantlind Into Glittering, Gracious, Grand Hotel,” *The Grand Rapids Press*, September 16, 1981, 1C, GRPC.

By this point, the company had invested twenty-four million dollars into the hotel, although work was still not complete. The company next proceeded to construct a tower that was added onto the original hotel, which almost doubled the number of available rooms at the Grand Plaza from four hundred to nearly seven hundred. DeVos and Van Andel laid the cornerstone for the addition on June 22, 1982, a symbolic act more than anything else, since at this point most of the exterior was already complete. The tower was “topped” on September 15th, and the entire Grand Plaza opened about a year later, on October 13, 1983. Once again, President Ford was on hand to assist the cofounders in the ribbon-cutting ceremony and to speak afterwards. All total, the Grand Plaza wound up costing sixty-five million dollars, and its construction won an award from the Michigan Society of Professional Engineers in February 1983. The *Grand Rapids Press* reported that the project was singled out because “the renovation was of an outdated hotel in a declining area of town and was accomplished within budget and in less than two years.”¹¹

The hotel did well. In February 1984, the Michigan Commission for the Blind designated the Grand Plaza an “Employer of the Year” for hiring disabled workers. An April 1984 article that ran in the *Grand Rapids Press* called the new hotel “[t]he centerpiece of the city’s growing attraction to national and international organizations,” listing a number of groups that were coming to the city that year and using the hotel for lodging. AAA awarded the Grand Plaza five diamonds that November, a first for a Michigan hotel. They wound up losing the distinction in January 1986, when AAA downgraded them to four diamonds.¹²

¹¹ Kotlar, “\$24 Million Transforms the Pantlind Into Glittering, Gracious, Grand Hotel”; Mitch Broder, “Amway Tower Cornerstone Has Something to Say to the Future,” *The Grand Rapids Press*, June 23, 1982, 1B, 2B, GRPC; Tom LaBelle, “Amway Hotel Tower Topping-Off Is a Glowing Affair Despite Rain,” *The Grand Rapids Press*, September 16, 1982, 1A, GRPC; “Balloons, Bubbly Herald A ‘Grand’ Opening,” *The Grand Rapids Press*, October 14, 1983, 1C, GRPC; “Hotel Wins Engineering Award,” *The Grand Rapids Press*, February 13, 1983, 3H, GRPC.

¹² “Amway Honored by State Group for Blind,” *The Grand Rapids Press*, February 26, 1984, D6, GRPC; James A. Mallory, “Amway Grand Is Making the City THE Place to Convene,” *The Grand Rapids Press*, April 8, 1984, 1G, 2G, GRPC; Cathie Mahoney, “Grand Plaza Wins First Five-Diamond Rating in Michigan,” *The Grand Rapids Press*, November 8, 1984, A1, A2, GRPC; Denise L. Smith, “Grand Plaza Not Longer ‘The Ultimate’ — So Says AAA,” *The Grand Rapids Press*, January 16, 1986, A1, A2, GRPC.

For all the accolades it accrued, however, the Grand Plaza also found itself in the crosshairs on account of the politics of its owners. In the fall of 1981 and winter of 1982, a number of school boards cancelled gatherings they had planned at the hotel on account of Van Andel's ties to an organization that promoted vouchers. In early February 1984, the Michigan State Board of Education announced that, because the Grand Plaza did not employ unionized workers, it would not serve as a cosponsor for the Michigan Education Fair that the hotel was hosting that May. An editorial in the *Grand Rapids Press* castigated the move, arguing that the board, which was controlled by Democrats, was simply playing politics: "The non-union talk is flim-flam to cover a simple refusal to stay at a hotel owned by Jay Van Andel and Richard DeVos, two men who are vocal in their support of Republican causes and whose unfriendliness to organized labor is well known."¹³

The board's decision led to the fair's cancellation at the end of February, which, by one estimate, represented a quarter-million dollar loss for the city's economy, although the possibility of holding it at another venue or later in the year was still on the table. Another editorial in the *Press* published on March 2nd called on the state's Democratic governor, James Blanchard, to intervene and "drop a few words in the ears of the board's four Democrats to keep their priorities in proper order." On March 6th, under fire from various corners, including the mayor of Grand Rapids, the Board of Education decided to rejoin the fair. The fair ended up taking place in May as originally planned, albeit with some changes. Most significantly, it was no longer held at the Grand Plaza, but at the city's convention center, the Grand Center. Additionally, the fair, now called the Compensato-

¹³ Tom Rademacher, "Convention Lost as Amway Name is Tied to Foes," *The Grand Rapids Press*, November 19, 1981, 1A, 2A, GRPC; Tom Rademacher, "Voucher Leader Rips Educators On GR Boycott," *The Grand Rapids Press*, December 4, 1981, 1C, GRPC; Tom Rademacher, "School Board Gathering Headed Back Here," *The Grand Rapids Press*, January 9, 1982, 1A, 2A, GRPC; Michael Lewis, "State Group Won't Back Hotel Event," *The Grand Rapids Press*, February 9, 1984, 1A, 2A, GRPC; "State Board Playing Games," *The Grand Rapids Press*, February 13, 1984, 12A, GRPC.

ry Education Conference, ran for just two days instead of three and had a much smaller turnout, two hundred and thirty instead of the projected one thousand.¹⁴

Though the most prominent, the Grand Plaza was not the only project that the cofounders invested in in the eighties. In April 1980, the Grand Rapids City Commission announced that the city's new performing arts center would bear the DeVos name after a million dollar donation from the Amway president. Private individuals and entities donated a total of five and a half million dollars for the center, and DeVos's was the largest single contribution. The decision to name the hall after DeVos met some backlash in the local press, reflecting larger anxieties about the role that Amway was playing in city development. In an op-ed published in the *Grand Rapids Press* on March 2nd, when rumors first circulated about the name choice, David Nicolette wrote that although "[m]uch of what the Ada-based firm is doing....certainly will benefit the community," he observed that "[s]ome in the community already have expressed uneasiness with Amway's growing impact in downtown Grand Rapids," implying that naming the hall after DeVos would only make that worse. He believed that "the commercial should be kept apart from the nonprofit artistic," that "[a]s a community auditorium, it should carry a designation not related to anyone in particular, especially someone living, just because he or she gave a lot of money. Some of the smaller donors made much greater sacrifices than those who certainly were not hurt by giving large sums."¹⁵

The new hall would be part of the Grand Center, which also included the George W. Welsh Civic Auditorium, then nearly fifty years old. Its fate was a pressing issue for city developers at around the turn of the decade. In January 1981, the city considered a proposal to turn it into a sports arena. Amway stepped forward at the end of the month and declared that it would help raise

¹⁴ John Sinkevics, "Ed Fair Is Scrapped in Flap Over Hotel's Union Status," *The Grand Rapids Press*, February 25, 1984, 1A, 2A, GRPC; "Governor Mum On Fair Fiasco," *The Grand Rapids Press*, March 2, 1984, 10A, GRPC; Michael Lewis, "State School Board Recants, Will Bring Conference Here," *The Grand Rapids Press*, March 7, 1984, 1A, GRPC; Julie Ri-denour, "Education Fair Held, But Attendance Off," *The Grand Rapids Press*, May 9, 1984, 3C, GRPC.

¹⁵ Ed Hoogterp, "Arts Center Donors Making a Name For Themselves," *The Grand Rapids Press*, April 23, 1980, B1, GRPC; David Nicolette, "Why Make Performing Arts Center a Monument to DeVos?" *The Grand Rapids Press*, March 2, 1980, 2J, GRPC.

three million dollars towards the project. This was not the first commitment that the company had made to an arena in the city. Almost a decade earlier, in July 1972, Amway had pledged to put up one million dollars for an arena then under consideration. Amway also partnered with city leadership in May 1980 to push for an arena, declaring that it would finance it itself if no one else wanted to. That plan met with lukewarm reception, though. The *Grand Rapids Press* reported at the time that “[s]ome commissioners are worried that a privately-owned arena — whether located in the suburbs or downtown — could compete with the civic auditorium.”¹⁶

The January 1981 proposal should have alleviated the unease that had tanked Amway’s May 1980 bid, since it did not involve constructing a separate facility. Still, on February 17th, the *Grand Rapids Press* reported that the plan for the Welsh auditorium was getting significant public pushback, noting that “[t]he chief complaint appears to be the welding of public and private interests to build an arena that would largely benefit Amway Corp.[.]” Since November 1979, Amway had been the official concessions vendor at the convention center, thanks to a deal it struck with the city government, so concerns about a private entity unduly benefitting from a public facility were understandable.¹⁷

After the plan to convert the Welsh Auditorium fell through, the city decided to revisit the idea of a second facility. On October 16, 1983, the *Grand Rapids Press* reported that “[t]he Greater Grand Rapids Convention Bureau has endorsed plans for renovating the George W. Welsh Civic Auditorium and building a new, 8,000-seat arena elsewhere downtown.” The city was set to spend five and a half million dollars on the Welsh auditorium. As for the arena, which would cost eleven

¹⁶ Hoogterp, “Arts Center Donors Making a Name For Themselves”; “Amway Ready To Back Drive For City Arena,” *The Grand Rapids Press*, January 27, 1981, 1B, 2B, GRPC; “Amway Offers Funds to Build Sports Arena,” *The Grand Rapids Press*, July 31, 1972, 1A, 3A, GRPC; Ed Hoogterp, “Amway Near Decision on Arena in City,” *The Grand Rapids Press*, May 12, 1980, 1B, GRPC; Ed Hoogterp, “City Balks on Private Arena Downtown,” *The Grand Rapids Press*, May 13, 1980, 1A, GRPC.

¹⁷ Bill Dalton, “Downtown Arena Lacks Support, City Told,” *The Grand Rapids Press*, February 17, 1981, 2B, GRPC; Ed Hoogterp, “City to Give Amway Catering Monopoly at Its Downtown Centers,” *The Grand Rapids Press*, November 7, 1979, B1, GRPC.

million dollars, the city turned to Amway. As it happened, the city's plan came out almost one month before the company had to shell out twenty million dollars as part of its plea deal with the Canadian government in its tax evasion case. After the announcement of that deal, the company issued a statement insisting that the fine would not impact its potential involvement with the new arena project. The company was supposed to report back to the city by December 20th but did not. In May 1984, citing a fall in sales, cutbacks at its Ada plant, and an inflated price tag, Amway announced that the arena was "on hold" until the company's situation had improved. By February 1985, Amway's position was that it remained open to providing money, but it wanted the city to specify exactly how it would raise the full amount needed.¹⁸

Although the company backtracked on supporting the construction of a new arena, it did make other, smaller investments around that time. In August 1984, the city announced that Amway would assist in the construction of Lyon Plaza, located directly in front of the Civic Auditorium, splitting the cost of the project, which totaled nearly six hundred thousand dollars, evenly with the Downtown Development Authority. Amway's involvement was essential: city developers had originally scrapped plans for the plaza following higher-than-expected costs on work done on the auditorium. The *Grand Rapids Press* reported that "[b]enches, planters and lighting will be installed on Lyon Plaza and a small amphitheater will be constructed on the riverfront," which "will have seating and might eventually be used for small events or concerts."¹⁹

Another way that the cofounders sought to stimulate development in Grand Rapids in the eighties was through The Right Place, an organization that Jay Van Andel helped create in 1985 and that he chaired from its founding until June 1993. The Right Place — which still exists — describes

¹⁸ "Convention Bureau Endorses Plan for New Arena, Repaired Welsh," *The Grand Rapids Press*, October 16, 1983, 6E, GRPC; John Sinkevics, "Canadian Fine Won't Affect Arena Decision, Amway Says," *The Grand Rapids Press*, November 12, 1983, 3A, GRPC; John Sinkevics and Ted Roelofs, "Amway Puts Downtown Arena 'on Hold,'" *The Grand Rapids Press*, May 28, 1984, 1A, GRPC; John Sinkevics, "Is It Just Talk, or Is That an Arena?" *The Grand Rapids Press*, February 19, 1985, A1, A2, GRPC.

¹⁹ John Sinkevics, "Amway to Help Finance Civic Plaza Renovation," *The Grand Rapids Press*, August 1, 1984, A1, A2, GRPC.

itself on its website as “a regional economic development organization funded through investments from the private and public sectors” that “drives regional Economic Development initiatives to stimulate economic growth, wealth creation, and operational excellence by focusing on productivity, innovation, and the retention, expansion and creation of quality employment and companies in the West Michigan region.” In April 1985, Jay Van Andel said that The Right Place aimed to create fifteen thousand jobs in the Grand Rapids area between 1985 and 1990, which would result in “\$400 million of effective buying income injected into the local economy,” he told the *Grand Rapids Press*. Historian Gordon Olson has written that “a total of 25,000 new jobs was created during the period, making Grand Rapids the only metropolitan area in the Midwest to regain all the manufacturing jobs that had been lost in the early 1980s” and that “[a]lthough the Right Place could not take direct credit for the jobs, Amway’s Jay Van Andel....credited the program with centralizing local economic development efforts.” In 1995, in a move very much in line with Van Andel’s view that private actors should take over certain functions performed by the government, the city of Grand Rapids formed a partnership with The Right Place and incorporated it into its official economic development program.²⁰

Grand Rapids entered the 1990s with renewed vigor. In April 1988, the city celebrated the one hundred and fiftieth anniversary of its incorporation. An article in the *Grand Rapids Press* on April 3rd captured the reflective mood that the revelry inspired. “Cheap land, lots of woods and running water [for transportation or power] may explain why there is a town here,” it said, “but it

²⁰ “The Right Man: Jay VanAndel steps down as chairman of Right Place,” *The Grand Rapids Press*, June 24, 1993, A17, GRPC; “About The Right Place,” Right Place, <http://www.rightplace.org/about-us> (accessed January 5, 2019); Van Andel quoted in “City Manager Aide Resigns to Head New Job Program,” *The Grand Rapids Press*, April 15, 1985, 1C, GRPC; Olson, *Grand Rapids, A City Renewed*, 89.

doesn't explain why Grand Rapids turned out to be the biggest and most prosperous city on this side of the state." The article attributed this to "the leadership of the community," specifically "[t]he families making the big money in this community" who "gave a lot back," and then proceeded to rattle off some of the biggest names: "Anyone who has lived in this town very long is well aware of names like Blodgett, Hunting, Butterworth, Idema, Frey, Pantlind, Meijer, Lowe, Wege, Baldwin, Cook, Sebastian, Keeler, DeVos, Eberhard, VanAndel and Pew." The city's population saw a modest uptick over the preceding decade, from 181,843 in 1980 to 189,126 in 1990. Another sign of brighter times was Voices and Visions, a project organized in the early nineties by the Grand Rapids City Planning Department comprised of workshops featuring ordinary Grand Rapidians who collectively brainstormed and formulated ideas for the future direction of the city.²¹

The 1990s also marked a significant turning point in the history of Amway. Richard DeVos's health was on the decline. In July 1992, he suffered a stroke and then, in December, a heart attack, one so severe that four years later it required him to travel to London to get a heart transplant, since his age and medical history made him ineligible for a new heart in the United States. DeVos turned sixty-six that year, Van Andel sixty-eight. Van Andel wrote that after the stroke, "Rich and I both knew that someday our partnership would draw to a close, but neither of us wanted to admit that that time had come." It was at that point, he said, that "[w]e began to lay the groundwork for Rich's resignation." The heart attack in December ended up being the final straw. Shortly afterwards, DeVos stepped down as president of Amway after thirty-three years at the helm, replaced by his son Dick. In his memoir, DeVos called his retirement "a blessing," writing, "with Dick in that role I didn't have any additional stress about the future of our business." In the aftermath of his longtime business partner retiring, Van Andel wrote that "I knew that it was also time for me to consider stepping down from the chairmanship." He did so on July 27, 1995, with his son Steve set to offi-

²¹ *Grand Rapids Press* article reproduced in Olson, *A Grand Rapids Sampler*, 213, 217, 218.

cially take over as chairman on the first of September. Moving forward, the second generation of DeVoses and Van Andels increasingly became the public faces of their families and the business.²²

Richard DeVos and Jay Van Andel's departures from Amway were not, however, the end of their involvement in business, community development, or — as we will see in the next chapter — politics. In 1991, for a cool eighty-five million dollars, DeVos became the owner of the Orlando Magic. Orlando had by this point become the family's second city. According to DeVos, he had originally intended to purchase a baseball team back when it looked like the MLB might create a new team there. Reporting from October 1990 indicated that the team would be called the SunRays and that DeVos was prepared to spend as much as ninety-five million dollars to nab them. However, when Miami was chosen instead, he opted for the Magic, since it fit better with the family's living arrangements. "We spent winters in Florida, when basketball was played, and during the baseball season spent a lot of time in Michigan," DeVos pointed out in his autobiography. In January 2002, DeVos announced that he intended to sell the Magic on account of his health. Two months later, though, he retracted the offer and decided to hold on to the team. A June 2009 article in the *New York Times* noted that the Magic have become an important asset for the family, with DeVos telling the *Times* that "[t]here just aren't many family teams left anymore" and that "[t]he grandchildren are being told this is not something you buy and sell. This is something you respect and take care of."²³

Back in Grand Rapids, the founding families continued to make a variety of investments in the fields of medicine, entertainment, and education. In 1990, Richard and Helen DeVos gave five million dollars to construct a ten-story extension of Butterworth Hospital that was dubbed the He-

²² Van Andel, *An Enterprising Life*, 198-199; DeVos, *Simply Rich*, 249-259; "Amway President Is Succeeded by His Son," *New York Times*, December 22, 1992, D4; Kimberly A. Bruyn, "Steve Van Andel appointed Amway Corp. chairman," *PR Newswire*, July 27, 1995.

²³ DeVos, *Simply Rich*, 169-170; David A. Markiewicz, "God, Amway & Baseball: DeVos makes bid for Orlando team 'with heart,'" *The Detroit News*, October 21, 1990, 1D, 3D, GRPC; Tim Povtak, "Rich DeVos: I Want Out; Magic for Sale; No Guarantee Team Will Stay in Orlando; DeVos Says Age, Health Prompt Sale of Entire Team; Owner Claims Arena Fight Had No Part in Decision," *Orlando Sentinel*, January 13, 2002, A1; Jeff Kunerth, "Owner of Orlando Magic NBA Team Decides Not to Sell," *Knight Ridder Tribune News Agency*, March 6, 2002; DeVos quoted in Jonathan Abrams, "For Owner, the Magic Is a Family Business," *New York Times*, June 14, 2009, SP5.

len DeVos Women's & Children's Center, which opened in September 1993. Richard DeVos had chaired the board of directors of the entity that operated the hospital, the Butterworth Health Corporation, since December 1989. The *Grand Rapids Press* reported that "the center boasts almost 200,000 square feet, rooms for more than 160 beds, and start-of-art monitoring devices in spacious, sun-lit isolation rooms." In August 1994, they made another contribution to Butterworth, this time for the DeVos Women and Children's Health Pavilion, which would offer "services for 'comprehensive health problems' as well as education," according to the *Press*.²⁴

In the mid-nineties, the dream of a downtown arena that had died many deaths since the early 1970s finally became a reality, thanks in no small part to one of the founding families. On September 10, 1994, the Jay and Betty Van Andel Foundation donated ten million dollars to finance the construction of a new arena — backers were looking to raise a total of eighteen million dollars in addition to the forty-five million they were receiving from government sources. This was not the only local project the Van Andels backed that decade. Three years earlier, in May 1991, they announced that they were donating three million dollars to build a new home for the city's Public Museum. Jay Van Andel's involvement with the project dated back to 1981, when he told the city that March that he was willing to invest some of his own money in a new museum. The *Grand Rapids Press* reported at the time that "Van Andel's involvement is contingent upon the museum moving from its Jefferson Avenue site, which he believes lacks 'visibility[.]'" He even identified where he thought it should go: a patch of land next to the Ford presidential museum, on the western shore of the Grand River. The city's Art and Museum Commission signed off on the idea at the end of March 1981, and the museum stands there to this day. When the effort to solicit contributions for the museum began in October 1989, Van Andel headed up a so-called "Campaign Cabinet" that included a number of local figureheads and prominent philanthropists. Thanks to their generosity,

²⁴ Chris Meehan, "New hospital wing recognizes needs of women, children," *The Grand Rapids Press*, August 20, 1993, A1, A4, GRPC; "DeVos to take McCallum's spot as Butterworth chair," *The Grand Rapids Press*, December 21, 1989, B1, B2, GRPC; Peg West, "DeVos donation helps hospital expand," *The Grand Rapids Press*, August 25, 1994, A1, GRPC.

both of these buildings bear the family name: Van Andel Arena and the Van Andel Museum Center. Ironically, given Van Andel's political views, on May 14, 2008, Van Andel Arena played host to a rally for presidential candidate Barack Obama, which, the *Grand Rapids Press* reported at the time, "may have been the biggest free-admission event ever held in the arena," with an estimated twelve thousand in attendance.²⁵

Another significant project that the Van Andels committed their money and their name to was the Van Andel Institute, a medical research facility that opened in Grand Rapids in 1996 that consists of two entities: the Van Andel Research Institute and the Van Andel Education Institute. For Van Andel, the motivation to finance the Institute was deeply personal; in 1988, his wife Betty was diagnosed with Alzheimer's, while he learned that he had Parkinson's. Although he confessed to having "great disdain for mainstream medical care," Van Andel said that he gave money to create the Institute because "medical research is fascinating to me," and he believed that the Institute would "yield real progress in medical science, with important implications for heart disease, cancer, and cognitive and nervous-system diseases like Alzheimer's and Parkinson's."²⁶

The institute made a name for itself over the next few years. A June 2001 article in the *Journal of the National Cancer Institute* profiled Dr. George Vande Woude, who left the National Cancer Institute after twenty-eight years to become director of the Van Andel Research Institute in 1998. The article described how he wooed various researchers from across the country to come to Grand Rapids. One such person, a Harvard-trained researcher named Cindy Miranti, said that she joined

²⁵ Kelley Root, "VanAndels give \$10 million for arena," *The Grand Rapids Press*, September 11, 1994, A1, A23, GRPC; John Couretas, "VanAndels donate \$3 million to museum," *The Grand Rapids Press*, May 2, 1991, A1, A2, GRPC; Bill Dalton, "Public Museum Move Backed by Van Andel," *The Grand Rapids Press*, March 8, 1981, 1A, 2A, GRPC; Ted Roelofs, "New Public Museum Plan Gains Support," *The Grand Rapids Press*, March 29, 1981, 3A, GRPC; John Couretas, "'It's About Time' — City's museum fund drive begins," *The Grand Rapids Press*, October 19, 1989, A1, A7, GRPC; "About," Grand Rapids Public Museum, <http://www.grpm.org/about/> (accessed January 6, 2019); "Seen and heard: Obama visits Grand Rapids," MLive.com, May 14, 2008, http://blog.mlive.com/grpress/2008/05/seen_and_heard_obama_visits_gr.html (accessed January 6, 2019)

²⁶ Charlsie Dewey, "Institute's 20-year run transforms region," *Grand Rapids Business Journal*, October 28, 2016, <http://www.grbj.com/articles/86486-institutes-20-year-run-transforms-region> (accessed January 6, 2019); Van Andel, *An Enterprising Life*, 205, 207, 210.

the Institute because “[h]ere they give you an annual budget, to support you and two others, a great startup package, no teaching responsibility, and 5 years to establish yourself.” In October 2016, the *Grand Rapids Business Journal* described the Institute as “a hub for life sciences” that was “competitive with other life science hubs, such as Boston, in attracting talented scientists to the region.”²⁷

In October 1997, Grand Valley State University, one of a handful of colleges and universities located in the Grand Rapids area, began work on an expansion of its satellite campus in downtown Grand Rapids. (Grand Valley is based in nearby Allendale.) That included the Richard M. DeVos Center. The DeVoses contributed \$7.75 million to the center, which was slated to cost a total of fifty million dollars. The DeVoses’s gift represented a little over half of the \$15.1 million received from private sources. DeVos had a long history with Grand Valley State. In February 1975, Governor William Milliken put DeVos on the college’s Board of Control. In February 1982 he gave a thousand dollars to help a group of students who wanted to go to Texas for spring break rent a bus. That same year, in June, DeVos was added to the school’s Hall of Fame. And in May 1992, he spoke at the university’s graduation ceremony.²⁸

Work on the DeVos Center started in March 1998, one of a number of new buildings that were underway in the city. “If 1997 was the year of renovating small buildings for downtown fun,” a *Grand Rapids Business Journal* article declared in December 1998, “then 1998 was the year for big construction projects and national business recognition.” In January 2000, the DeVos Center received plaudits for helping to boost downtown Grand Rapids’s appeal and for drawing residents into the city rather than out into the suburbs. The *Grand Rapids Business Journal* reported that “[w]hile living in

²⁷ Miranti quoted in Ken Garber, “Van Andel Institute Brings Cancer Research to the Heartland,” *Journal of the National Cancer Institute*, vol. 93 no. 11 (June 6, 2001), <https://doi.org/10.1093/jnci/93.11.803> (accessed January 6, 2019); Dewey, “Institute’s 20-year run transforms region.”

²⁸ Deanne Molinari, “GVSU breaks ground for downtown campus,” *Grand Rapids Business Journal*, October 20, 1997, 7; “Milliken Names Two To Board at GVSC,” *The Grand Rapids Press*, February 16, 1975, A8, GRPC; Tom Rademacher, “DeVos Gift Unravels Travel Tangle For Students Bound for Texas Sun,” *The Grand Rapids Press*, February 23, 1982, 1C, 2C, GRPC; “GVSC Foundation Honors DeVos,” *The Grand Rapids Press*, June 17, 1982, F2, GRPC; Jeanne Ambrose, “DeVos urges graduates at GVSU to ‘seek magnificence,’” *The Grand Rapids Press*, May 3, 1992, A3, A4, GRPC.

outlying neighborhoods of the city or the suburbs still appeals to a large number of downtown workers, there have been enough changes in the downtown area to foster an interest in living downtown.” The dedication of the DeVos Center took place in September 2000. The *Grand Rapids Business Journal* wrote that “[t]he center features 18 general classrooms, three distance education classrooms, two lecture halls, 18 conference rooms, a 232-seat auditorium, two 112-seat lecture halls and a 4,400-square-foot exhibitor hall.” In addition to the Seidman School of Business, DeVos Center also hosted the Van Andel Global Trade Center, which started back in 1999 and dedicates itself to helping area companies expand into international markets.²⁹

Three years after the completion of the DeVos Center, another addition to the Grand Valley campus opened its doors: the Cook-DeVos Center for Health Sciences. (The Van Andels gave some money to it too.) The *Grand Rapids Business Journal* dubbed the center a “Newsmaker of the Year” for 2003, noting that “it has been designed to house all of GVSU’s health professions, from pre-natal to elderly care, under one roof[.]” The website for Grand Valley State University boasts of the center’s “10,000 s.f. [square feet] of wet lab research space, twelve general classrooms, two computer labs, 23 teaching and research labs, a 150-seat auditorium, twelve seminar rooms, ten conference rooms, and two levels of parking.” In May 2011, Grand Valley started building a new downtown home for its business school, having decided to move it out of the DeVos Center, which could no longer accommodate the size of the program. The DeVoses backed this financially also.³⁰

In 2001, seven years after the Van Andels got an arena named after them, the DeVoses also went in on an entertainment facility in Grand Rapids. That March, the city greenlit a \$219.5 million

²⁹ David Czurak, “Construction whirlwind fuels downtown’s prosperity,” *Grand Rapids Business Journal*, December 28, 1998, B5; David Hoekman, “Downtown Living Is Making Strong Comeback,” *Grand Rapids Business Journal*, January 24, 2000, B7; Anne Bond Emrich, “GVSU Extends Its Reach,” *Grand Rapids Business Journal*, February 12, 2001, 1; “Van Andel Global Trade Center,” Grand Valley State University, <http://www.gvsu.edu/vagtc/> (accessed January 6, 2019); Anne Bond Emrich, “Van Andel Center Offers Trade Expertise,” *Grand Rapids Business Journal*, May 21, 2001, B1.

³⁰ Katy Rent, “Newsmaker Finalists: New Cook DeVos Center Represents Future,” *Grand Rapids Business Journal*, January 12, 2004, B11; “GVSU History,” Grand Valley State University, <http://www.gvsu.edu/anniversary/history-colleges-history-2001-2009-29.htm> (accessed January 6, 2019); Lauren Unger, “GVSU Breaks Ground On New Business College,” *McClatchy — Tribune Business News*, May 25, 2011.

plan to renovate the city's Grand Center. In May, the Richard and Helen DeVos Foundation donated fifteen million dollars. Because of their substantial contribution, the Grand Action Committee, which oversaw the project, decided to rechristen it DeVos Place. The DeVoses's foundation was not the only entity linked to Amway to give to the project: the company itself, along with the Amway Environmental Foundation, gave between a half million and a million dollars each, which earned them the designation "Cornerstones," while the Jay and Betty Van Andel Foundation were "Pillars," meaning that they gave at least a million dollars. Dick DeVos, meanwhile, was one of the three co-chairs of the Grand Action Committee.³¹

Construction began that summer, with a projected completion date of December 2004. As work on DeVos Place was underway, the city undertook an initiative to promote Grand Rapids as a desirable city to hold a convention in. The *Grand Rapids Business Journal* reported in September 2001 that the Grand Rapids/Kent County Convention and Visitors Bureau "plans to conduct a nationwide telephone survey of meeting planners to gather data on what they want in a host community and facility, and will then use the findings to build a marketing and promotion plan for DeVos Place," with the goal of "target[ing] organizations nationwide that prefer to hold an annual meeting, trade show or convention in a 'second tier,' or mid-sized, community that offers good attractions but has a more relaxed atmosphere compared to larger destination cities or those with hectic tourism seasons[.]" Hopes were high about DeVos Place and its impact on the city. One year after the Visitors Bureau began aggressively promoting DeVos Place, there were already forty-seven reservations through 2007, which, according to the Bureau, would inject upwards of twenty-one million dollars into the city economy. A January 2004 article in the *Grand Rapids Business Journal* speculated about the potential ripple effects of DeVos Place, citing several developers who indicated that the new center "could make downtown more robust and draw more restaurants there" and "that retail could also

³¹ David Czurak, "Planners OK Expansion of Grand Center," *Grand Rapids Business Journal*, March 19, 2001, 7; David Czurak, "Grand Gift Results In New DeVos Place Name," *Grand Rapids Business Journal*, May 14, 2001, 7.

grow there in the form of small shops.” Additionally, the article suggested that “places to stay, eat and shop should spring up even if DeVos Place doesn’t turn a tidy profit each year.”³²

The construction of DeVos Place proceeded in three stages. In June 2003, the project entered stage three, which involved demolishing most of the Welsh Auditorium, which was on the site of the new center, to make way for the ballroom, though portions of the auditorium remained and were incorporated into the new complex. The Welsh Auditorium, in operation since the 1930s, officially closed for good on June 1st. The following month, Grand Action announced that it wanted to pursue work on another part of the DeVos Place complex, the DeVos Performance Hall, the arts center that the DeVoses had donated to back in the early eighties. They received the go-ahead for this additional project in September, which, the *Grand Rapids Business Journal* explained, used five million dollars of private money to “refurbish the seating, add new finishes to the walls and ceiling, install the infrastructure for a multi-media sound system, and put in new [l]ight fixtures.” The renovations were slated to start in June 2004 and finish that September.³³

DeVos Place officially opened in December 2004. That month alone, it hosted more than three dozen events. Nevertheless, DeVos Place posted a seventy-nine thousand dollar *loss* in December, a consequence of lower-than-anticipated revenues and operating costs that exceeded projections. DeVos Place also ran at a loss in January, although February and March saw a turnaround, with profits of \$165,000 and \$72,000, respectively. The *Grand Rapids Business Journal* reported in April that “[t]he fiscal year projection [which measured until the end of June] has the convention center

³² “Under Construction — Devos Place,” *Take Pride! Community Magazine*, July 15, 2001, 3; Mark Sanchez, “Convention Marketing Effort Well Underway For City,” *Grand Rapids Business Journal*, September 10, 2001, B4; David Czurak, “DeVos Place Changing Local Skyline, Economy,” *Grand Rapids Business Journal*, September 9, 2002, B1; David Czurak, “Will DeVos Place Spur Downtown Development?” *Grand Rapids Business Journal*, January 12, 2004, 1.

³³ David Czurak, “DeVos Place On Last Leg,” *Grand Rapids Business Journal*, October 14, 2002, B7; David Czurak, “Welsh Going, But Shows Will Go On,” *Grand Rapids Business Journal*, May 27, 2003, 1; Anne Bond Emrich, “Grand Action Has Plan Of Action For DeVos Hall,” *Grand Rapids Business Journal*, July 7, 2003, 1; David Czurak, “DeVos Hall Renovation Approved,” *Grand Rapids Business Journal*, September 2, 2003, 3.

losing \$1.61 million.”³⁴

2005 saw the start of a six-year project that represents the founding families’s latest major addition to the Grand Rapids cityscape. That October, Spectrum Healthcare announced that it was building a new children’s hospital named after Helen DeVos. In a press release, Spectrum said that the new hospital aimed to “[k]eep families together, involved and informed,” to “[m]inimize pain, fear and anxiety,” and to “[e]nsure patient and family safety and security.” The groundbreaking took place about a year later, on October 3, 2006. In the interim, the hospital started trying to raise a hundred million dollars for its construction. At the time of the groundbreaking, contributions stood at \$88.6 million. By mid-July 2008, the drive had exceeded expectations, bringing in \$102.46 million. About half of that — fifty million — came from members of the DeVos family. At the same time, though, expenses had climbed as well. Back when it was first announced, Spectrum estimated that it would only need \$190 million to build the hospital; now it was projected to cost two hundred and fifty million dollars. By November 2009, the cost had risen once again to \$292 million, nearly fifty-four percent higher than originally anticipated. During the course of its construction, the hospital became one of thousands of “porkbarrel” projects that Michigan members of Congress finagled into the federal budget. The proposed budget for 2008, for example, included \$97,000 for the hospital, which Democratic Senator Carl Levin and Republican Representative Vernon Ehlers inserted. Ehlers asked for another \$190,000 the following year.³⁵

³⁴ David Czurak, “DeVos Place In Red After First Month,” *Grand Rapids Business Journal*, January 19, 2004, 3; David Czurak, “DeVos Place Profits Again,” *Grand Rapids Business Journal*, April 19, 2004, 3.

³⁵ “Spectrum Health Unveils Plans for New Children’s Hospital,” *Business Wire*, October 13, 2005; “West Michigan Celebrates Helen DeVos Children’s Hospital Groundbreaking,” *Business Wire*, October 3, 2006; Elizabeth Slowik, “Children’s Hospital Donations Top \$100 Million Goal,” *Grand Rapids Business Journal*, July 14, 2008, S10; Kevin Murphy, “New Children’s Hospital: \$1M Per Bed,” *Grand Rapids Business Journal*, October 24, 2005, 3; Elizabeth Slowik, “Children’s hospital cost: \$292 million,” *Grand Rapids Business Journal*, November 23, 2009, 1; “2008 spending bill is larded with pork,” *Detroit News*, December 27, 2007, A12; “Michigan Lawmakers, Cities, Request Millions for Earmarks,” *Detroit Free Press*, March 12, 2009.

The dedication ceremony for the Helen DeVos Children’s Hospital took place on December 3, 2010, and the hospital officially opened for business the following month, on January 11, 2011. Among the notable aesthetic features of the hospital was its artwork, made almost entirely by children. In an interview, Dr. Robert Connors explained the thinking behind the decision, saying, “We were really trying to make this place a very healing place, a place that kids would identify with the minute they walked in. And I thought it would be a great idea to have the whole place full of children’s art.” The Helen DeVos Children’s Hospital has been key in building up the reputation of Grand Rapids’s medical industry. An article published in the *New York Times* on July 11, 2007, nine months after construction on the Helen DeVos Children’s Hospital began, reported that “Grand Rapids has never experienced anything near the concentrated magnitude of the medical research, training and patient facility construction now occurring on Health Hill,” where the hospital was located, now also known as the Medical Mile, noting that “a stunning array of buildings is under construction, reflecting a commitment of nearly \$1 billion by the area’s prominent families and medical institutions.” “By 2010, when construction is completed” the *Times* said, “those buildings....will provide enough space to treat thousands of people a day and employ 5,000 people, 2,500 more jobs than exist now on Health Hill.” In May 2011 the *Detroit Free Press* declared that the new children’s hospital had “capp[ed] the transformation” of Grand Rapids into “a thriving medical community that has helped prevent an aging manufacturing base from backsliding[.]”³⁶

The same year that plans for the Helen DeVos Children’s Hospital were unveiled, construction crews broke ground on the JW Marriott Grand Rapids. In October 2004, Marriott and Amway announced that they would join forces to build a new hotel, the second time they had done so. (Amway already ran a Courtyard by Marriott in addition to the Grand Plaza.) As the *Grand Rapids*

³⁶ Janice Allen, “New Helen DeVos Children’s Hospital Set To Open In January,” *McClatchy-Tribune Business News*, December 3, 2010; Connors quoted in Nancy Chipman Powers, “Children’s hospital decorated entirely with children’s artwork,” *Detroit Free Press*, March 17, 2011; Schneider, “Grand Rapids Lays Foundations for a Health Mecca”; Zlati Meyer, “A thriving Medical Mile transforms Grand Rapids,” *Detroit Free Press*, May 16, 2011, A1.

Business Journal noted a few years later, the JW Marriott represented a somber milestone. It “was the last major project that [Amway] founders Rich DeVos and the late Jay Van Andel worked on together,” the *Journal* noted, and as such it “help[ed] put another stamp on the pair’s business partnership and legacy.” Work on the hotel, which stands twenty-four stories tall and houses three hundred and forty rooms, took two years. The hotel opened on September 21, 2007. An article detailing the Marriott’s interior design remarked that “[t]he decidedly modern, decidedly un-Midwestern decor makes it clear this is not the Amway Grand Plaza Hotel, or any other hotel around town.” Months before anyone checked in, though, the Marriott found itself in hot water for one particular innovation: the nineteenth floor, originally reserved exclusively for women. A *Pittsburgh Post-Gazette* article published in June 2007, a month after the Marriott announced the so-called “women-only floor,” described the context for this decision, pointing out that “[m]ore than 40 percent of all business travelers are women, and security is one of the biggest issues they face[.]” Nevertheless, the backlash prompted Marriott to reverse course and drop the idea.³⁷

Just as the second generation of the founding families assumed more prominence beginning in the early 1990s, so too did the 2000s represent a coming-out for the third generation. The most notable example came in 2009 with the advent of ArtPrize, an art competition begun by Rick DeVos, Dick and Betsy DeVos’s son and Richard DeVos’s grandson. ArtPrize aimed to transform

³⁷ “Alticor Partners With Marriott to Lead New Hotel,” *PR Newswire*, October 5, 2004; Pete Daly, “JW Marriott Has Touch of Partners,” *Grand Rapids Business Journal*, May 21, 2007, 1; Susan R. Pollack, “New Marriott opens 9/21,” *Detroit News*, August 29, 2007, G4; Josh Slagter, “Marriott shows off new downtown hotel,” *MLive.com*, August 27, 2007, http://blog.mlive.com/grpress/2007/08/marriott_shows_off_new_downtow.html (accessed January 7, 2019); Cristina Rouvalis, “Women Only: Controversy aside, it’s understandable why hotels are adding female-friendly digs,” *Pittsburgh Post-Gazette*, June 22, 2007, <http://www.post-gazette.com/life/travel/2007/06/22/Women-Only-Controversy-aside-it-s-understandable-why-hotels-are-adding-female-friendly-digs/stories/200706220265> (accessed January 7, 2019); “Marriott Scraps Women-Only Floor in New Michigan Hotel,” *FoxNews.com*, June 12, 2007, <http://www.foxnews.com/story/2007/06/12/marriott-scraps-women-only-floor-in-new-michigan-hotel.html> (accessed January 7, 2019).

Grand Rapids, for a few days each year, into a massive art gallery. Artists who had applied to participate would showcase their work at various venues throughout the city, and attendees would have the opportunity to vote for their favorite on the Internet or using their phones. Of the top ten, the artist with the most votes would get \$250,000, with smaller cash prizes going to the rest. The *Detroit Free Press* reported in April, when the competition was announced, that “DeVos got the idea by combining his desire to create a signature cultural event for Grand Rapids with the entrepreneurial spirit of his family and his work using technology to allow people to connect in new ways.” The *Press* further explained that “[t]he competition breaks down traditional hierarchies in the art world by relying on the public to pick winners and placing the power to select the works with everyday [sic] venues[.]” In much the same way that Jay Van Andel talked about the “free-enterprise approach to urban renewal” that he and DeVos took when helping to revitalize Grand Rapids, it is possible to characterize ArtPrize as a free enterprise approach to an art competition, in which more or less anyone could sign up to have their art displayed and the outcomes were determined by the tastes and preferences of “consumers” (i.e., attendees) without the intervention of “regulators” (i.e., art experts).³⁸

The inaugural ArtPrize competition took place between September 23 and October 10, 2009. Among the participating venues was DeVos Place. The *Grand Rapids Business Journal* wrote in July that “[w]hen the Convention and Arena Authority agreed to make DeVos Place an official ArtPrize venue, board members immediately heard from artists across the country in all types of art fields.” What’s more, “[m]any of them said they would donate their work for permanent display in the building if their pieces could be spotlighted there for the competition.” In anticipation of the event, DeVos Place underwent some modest cosmetic renovations. A week before the start of the

³⁸ Mark Stryker, “Art contest for digital age,” *Detroit Free Press*, April 24, 2009, C8.

competition, the *Los Angeles Times* estimated the number of participants at twelve hundred, displaying their art at one of a hundred and fifty-nine different locations.³⁹

When ArtPrize 2009 officially kicked off, the attention it attracted surprised even its organizers. On October 2nd, about halfway through the competition, the *Detroit News* reported that the number of voters stood at thirty thousand, three times more than anticipated. (Attendees had to register in order to vote.) The top prize went to a Brooklynite named Ran Ortner for a painting titled *Open Water No. 24*. The event proved a boon to area businesses. The *Grand Rapids Business Journal* reported that “[s]ome downtown restaurants ran out of menu items on opening weekend due to the surge of patrons brought downtown by the competition” while “[s]ome shops that normally closed on Sundays stayed open and experienced lines leading out the doors.” Gina’s Boutique, a clothing store run by a woman named Gina VanGessel, “held a free fashion show on the first Friday evening of ArtPrize, featuring women’s clothing and accessories carried by the shop,” and VanGessel estimated that the competition “did help draw people to it.” An article on DeVos Place indicated that “the art competition drew over 15,000 people to the convention center....to view the 29 pieces on display there.” Furthermore, “[t]he building also hosted the event’s closing reception that drew 2,700 people to the Steelcase Ballroom and brought in roughly \$18,000 in revenue.”⁴⁰

ArtPrize generated approximately seven million dollars for the local economy. The combination of outsized attendance and participation as well as its positive externalities led the *Grand Rapids Business Journal* to christen ArtPrize its 2009 “Newsmaker of the Year.” Not all of the responses to the first ArtPrize were positive, though. The *Detroit Free Press*’s art critic, Mark Stryker, complained

³⁹ Stryker, “Art contest for digital age”; David Czurak, “DeVos Place a winner in ArtPrize,” *Grand Rapids Business Journal*, July 13, 2009, 6; “ArtPrize builds excitement,” *Los Angeles Times*, September 16, 2009, D3.

⁴⁰ Michael H. Hodges, “Grand Rapids’ ArtPrize exceeds its expectations,” *Detroit News*, October 2, 2009, C6; Micheline Maynard, “Brooklyn Painter Wins Popular Vote in Michigan Art Contest,” *New York Times*, October 9, 2009, A17; Jake Himmelspace, “Newsmaker of the Year: ArtPrize: catalyst for creativity and entrepreneurship,” *Grand Rapids Business Journal*, January 25, 2010, 18; VanGessel quoted in David Czurak, “ArtPrize: A ‘blessing’ for clothing store,” *Grand Rapids Business Journal*, October 5, 2009, 4; David Czurak, “ArtPrize a DeVos winner,” *Grand Rapids Business Journal*, November 30, 2009, 4.

that the competition's top ten "was dominated by enormous but empty public works, gee-whiz kinetic sculptures, derivative ideas and entertaining divertissements" and that "[d]ePTH was in short supply[.]" Although he believed that "the competition's uniquely democratic ethos has a valuable role to play in a world filled with juried art contests and fairs," Stryker nevertheless suggested that the event's organizers find "a way to bring expert opinion into ArtPrize to create a savvy electorate."⁴¹

The unanticipated success of ArtPrize ensured that it would become a repeat event. ArtPrize 2010 saw the number of participants rise from twelve hundred to just over seventeen hundred, while the number of venues showcasing works grew from 159 to 192. Notably, perhaps in response to critics like Mark Stryker, the second competition featured a class of awards allocated by qualified judges. As with the year before, local businesses sought to use the event to their advantage. A handful of new small businesses opened in run-up to ArtPrize, and several places issued coupons or ran sales during the competition. Restaurant owners, many of whom had been caught off guard the previous year by the avalanche of people who came downtown and were either closed on the Sunday after ArtPrize started or faced shortages, were better prepared the second time around. And they were right to be. Estimates at the time indicated that attendance at the second ArtPrize, which ran from September 22nd to October 10th, more than doubled from two hundred thousand the year before to four hundred and fifty thousand. This time around, a local artist, Chris LaPorte, came in first place, with a piece titled *Cavalry, American Officers, 1921*.⁴²

⁴¹ David Czurak, "ArtPrize 'best event downtown has ever had,'" *Grand Rapids Business Journal*, October 11, 2010, 1; Himmelspach, "Newsmaker of the Year: ArtPrize"; Mark Stryker, "ArtPrize a big hit, but it needs a critical voice," *Detroit Free Press*, October 11, 2009, K6.

⁴² "Taking the Prize; A Michigan city embraces the return of an arts show that shocked organizers with its success," *Prince George Citizen*, September 11, 2010, 33; David Czurak, "Downtown retailers ready for ArtPrize crowds, cash," *Grand Rapids Business Journal*, September 20, 2010, 1; David Czurak, "Restaurateur: ArtPrize is 'an extremely big deal,'" *Grand Rapids Business Journal*, September 7, 2010, 1; Mark Stryker, "Grand Rapids overrun by a creative conquest," *Detroit Free Press*, September 22, 2010, A1; David Czurak, "City gives ArtPrize founder an award," *Grand Rapids Business Journal*, October 18, 2010, 1; Mark Stryker, "'Cavalry' drawing is ArtPrize winner," *Detroit Free Press*, October 8, 2010, C1.

Once again, locals hailed ArtPrize for its impact on the economy. The *Grand Rapids Business Journal* offered up a number of anecdotal accounts from businesses that saw a windfall from ArtPrize: “Dan Gendler, president of San Chez Bistro at 38 V& Fulton St., said the restaurant had its busiest day ever during ArtPrize’s first weekend....Mark Sellers, who owns HopCat at 25 Ionia Ave. SW with his wife, Michele, said sales during the first two weeks of ArtPrize were 25 percent higher than HopCat’s previous two-week record — set during the inaugural competition last year....Chuni Raniga, owner of Superior Watch Repair at 116 Monroe Center NW, said he had repeat customers during the event, and his sales of watches and souvenirs were 25 percent higher this year than last....Nikki Dykstra, who owns woman’s clothing store Lee & Birch at 50 Louis Ave. NW, said her shop had consistent traffic and steady sales during the event.” Paid parking increased during ArtPrize also. In an article published October 18th, the *Journal* reported that “[f]or the first time since October 2006, Grand Rapids Parking Services reported an increase in monthly parkers,” and although that was not due entirely to ArtPrize, it just so happened that a lot of the parking revenue came from areas where ArtPrize art was on display. About a week and a half after ArtPrize 2010 ended, city officials bestowed on Rick DeVos an award in recognition of another successful year.⁴³

ArtPrize has become an institution in Grand Rapids. In September 2013, at the start of its fifth competition, Mark Stryker, a one-time critic, wrote that “[f]our years ago no one could have imagined anything like ArtPrize. Today it’s impossible to imagine Grand Rapids without it.” He hailed ArtPrize as “a signature cultural event for the city” that “creates a new context and process for contemporary art that empowers everyday audiences” and that “has paid big cultural dividends for Grand Rapids[.]” A year later, an article that ran in the University of Michigan’s student newspaper, *Michigan Daily*, noted that whereas “[t]he world of contemporary art has historically been dominated by a small sliver of individuals: art curators, writers, and aficionados,” ArtPrize and events like

⁴³ Czurak, “ArtPrize ‘best event downtown has ever had’”; David Czurak, “City Parking Services sees increases in parkers, revenue,” *Grand Rapids Business Journal*, October 18, 2010, 4; Czurak, “City gives ArtPrize founder an award.”

it were “allow[ing] contemporary art to be more accessible to the general population” and “bring[ing] the medium into its rightful place in the sun.” On the other hand, an October 2015 piece in *Gawker* authored by Peter Moskowitz, who attended that year’s event, had a decidedly different take on the competition’s impact. He wrote that “[d]espite the millions of dollars awarded over the last seven years, ArtPrize has hardly made a splash beyond Michigan state lines” and that “ArtPrize, with few exceptions, has not produced artwork of note, has not launched careers or changed discourse,” but instead “has made a few lucky people who will never have success in the actual art world moderately rich and somewhat venerated for a few days each year.”⁴⁴

Still, the competition continues. On February 9, 2017, organizers of the event issued a statement condemning President Donald Trump’s executive order restricting immigration from several Middle Eastern countries, declaring that they were against “[d]iscriminat[ing] against anyone based on religion, race, gender, sexual identity, physical ability or economic status” as well as “[d]etain[ing] or persecut[ing] refugees and immigrants,” actions that they saw as violating ArtPrize’s “guiding principles.” ArtPrize 2017 featured a number of pieces that doubled as political commentary, criticizing the Trump administration or the DeVoses or, in one case, the lackluster response to the Flint water crisis.⁴⁵

⁴⁴ Mark Stryker, “ArtPrize pays big cultural dividends,” *Battle Creek Enquirer*, September 22, 2013, A1; Kathleen Davis, “The Grand Prize: Art’s festival fosters growth in Grand Rapids,” *University Wire*, September 24, 2014; Peter Moskowitz, “Welcome to Artprize, a ‘Radically Open’ Far-Right Art Competition in Grand Rapids,” *Gawker*, October 28, 2015, <http://gawker.com/welcome-to-artprize-a-radically-open-far-right-art-c-1739167678> (accessed January 7, 2019).

⁴⁵ Shandra Martinez, “Rick DeVos’ ArtPrize takes aim at President Trump’s recent actions,” *MLive.com*, February 10, 2017, http://www.mlive.com/news/grand-rapids/index.ssf/2017/02/rick_devos_artprize_takes_aim.html (accessed January 7, 2019); “A Message from the ArtPrize Team,” ArtPrize, February 9, 2017, <http://www.artprize.org/blog/a-message-from-the-artprize-team> (accessed January 7, 2019); Steve Friess, “How a Quirky Art Prize Tied to the DeVos Family Went Political,” *New York Times*, September 27, 2017, <https://www.nytimes.com/2017/09/27/arts/design/art-prize-michigan-betsy-devos-donald-trump.html> (accessed January 7, 2019).

In January 2011, a minor controversy broke out when *Newsweek* included Grand Rapids on a list of “America’s Dying Cities.” The *Grand Rapids Press* countered by pointing out a number of examples that underscored the city’s vitality, which included “[r]ecord ticket sales at Van Andel Arena,” the “[j]ust-opened Helen DeVos Children’s Hospital,” and ArtPrize, all of which owed their existence in large measure to Amway’s founding families. That May, in response to the affront, a man named Rob Bliss created a music video that featured hundreds of Grand Rapids residents lip-syncing to “American Pie” by Don McLean. The video and the reaction to it compelled *Newsweek* to reverse course. In a Facebook post the day that the video was posted to YouTube, *Newsweek* said that the list “was done by a website called mainstreet.com — not by Newsweek,” that it had been “unfortunately picked up on the Newsweek web site as part of a content sharing deal,” and that “it uses a methodology that our current editorial team doesn’t endorse and wouldn’t have employed.” “It certainly doesn’t reflect our view of Grand Rapids,” the post concluded. In January 2013, in the conclusion of his State of the City address — delivered, it should be noted, at DeVos Place — Mayor George Heartwell hearkened back to the controversy, rhetorically asking his audience, “Remember when Newsweek magazine described Grand Rapids as a ‘dying city’? For that matter, do you remember Newsweek, which can no longer be purchased at the newsstand or delivered in the mail?”⁴⁶

⁴⁶ “America’s Dying Cities,” *Newsweek*, January 21, 2011, <http://www.newsweek.com/americas-dying-cities-66873> (accessed January 7, 2019); Julia Bauer, “Newsweek: Grand Rapids not just sick, it’s dying,” MLive.com, January 21, 2011, http://www.mlive.com/business/west-michigan/index.ssf/2011/01/newsweek_grand_rapids_is_not_j.html (accessed January 7, 2019); Jeffrey Kaczmarczyk, “Rob Bliss’ Grand Rapids Lip Dub Video of Don McLean’s ‘American Pie’ now online on YouTube,” MLive.com, May 26, 2011, http://www.mlive.com/entertainment/grand-rapids/index.ssf/2011/05/rob_bliss_grand_rapids_lip_dub_2.html (accessed January 7, 2019); Jeffrey Kaczmarczyk, “Rob Bliss’ ‘American Pie’ lip dub video sparks Newsweek’s source to explain its ‘dying city’ designation for Grand Rapids,” MLive.com, May 27, 2011, http://www.mlive.com/entertainment/grand-rapids/index.ssf/2011/05/rob_bliss_american_pie_lip_dub.html (accessed January 7, 2019); “Memo to Grand Rapids,” Newsweek Facebook page, <http://www.facebook.com/notes/newsweek/memo-to-grand-rapids/10150263612765715> (accessed January 7, 2019); Heartwell quoted in Matt Vande Bunte, “Read Mayor George Heartwell’s shot at ‘Newsweek slam’ of Grand Rapids,” MLive.com, January 26, 2013, http://www.mlive.com/news/grand-rapids/index.ssf/2013/01/read_mayor_george_heartwells_s.html (accessed January 7, 2019).

And indeed, it looks as though the *Newsweek* piece had gotten ahead of itself. The unemployment rate in the Grand Rapids-Wyoming metropolitan statistical area spiked in the midst of the Great Recession, jumping from 6.4 percent in January 2008 to ten percent in January 2009 and peaking at 13.3 percent in July 2009. Since then, however, unemployment has trended downward. It declined to 9.3 percent by January 2011, when the offending piece was published. Two years later it was at 7.3 percent, and it reached 5.7 percent in January 2014. In December 2015, the unemployment rate stood at 3.1 percent, the lowest since November 2000. A May 2015 *Bridge Magazine* article noted that “[a]mong Michigan’s top 10 counties for jobs growth [between the years 2005 and 2014], two West Michigan counties — Ottawa and Kent [where Grand Rapids is located] — added more jobs than the next eight combined,” though it also found that wage growth had not kept pace, primarily due to the paucity of labor unions compared to eastern parts of the state. A month later, the magazine *Area Development* found that the Grand Rapids/Wyoming area was third in the country in terms of “economic strength.” An article published in October 2016 by *Buffalo Business First*, a business journal based in Buffalo, New York, lamented that despite the economic and demographic similarities between Grand Rapids and Buffalo, “Grand Rapids is expanding its economy four and a half times more rapidly — *four and a half times!* — than Buffalo is.” “We simply aren’t keeping up with Grand Rapids,” the article concluded despondently. And *Crain’s Detroit Business* reported in January 2017 that “Grand Rapids has had the most vibrant economy among the state’s metropolitan statistical areas in recent years.” While parts of eastern Michigan struggled to achieve growth, “more

young workers are heading to the largest city in West Michigan, where the downtown has enjoyed a revival with the addition and expansion of higher education and health care industries.”⁴⁷

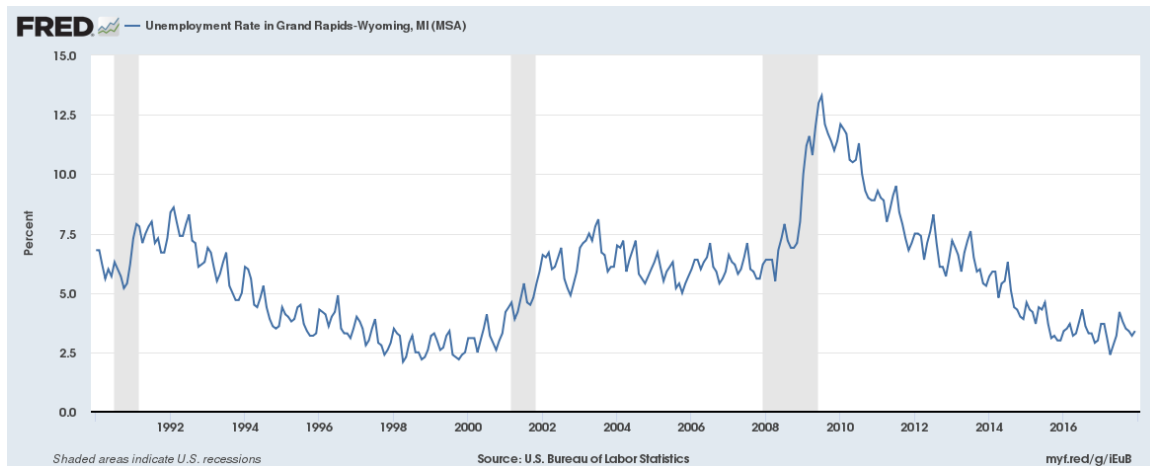


Figure 5. Unemployment rate in Grand Rapids-Wyoming, January 1990-December 2017
(Source: <https://fred.stlouisfed.org/series/GRAN326UR>)

It is hardly all good news for Grand Rapids, though. Poverty, for example, has been stubbornly high in recent years. In 2010, the Brookings Institution released a study entitled “The Suburbanization of Poverty.” It found that between 2000 and 2008, the poverty rate in the city of Grand Rapids increased from 15.7% to 24.7%, while in the suburbs it rose from 6.3% to 11.2%. Of the ninety-five metropolitan areas that the Brookings study surveyed, urban and suburban Grand Rapids had the largest percentage increases in poverty over that period: 8.9% in the city, 4.9% in the sub-

⁴⁷ U.S. Bureau of Labor Statistics, “Unemployment Rate in Grand Rapids-Wyoming, MI (MSA) [GRAN326URN],” FRED, Federal Reserve Bank of St. Louis, <http://fred.stlouisfed.org/series/GRAN326URN> (accessed January 7, 2019); Ted Roelofs, “Jobs flooding to West Michigan, though wages still lag,” *Bridge*, May 14, 2015, <http://www.bridgemi.com/economy/jobs-flooding-west-michigan-though-wages-still-lag> (accessed January 7, 2019); Shandra Martinez, “Grand Rapids joins big leagues: Ranks 3rd in nation for economic growth,” *Mlive.com*, June 23, 2015, http://www.mlive.com/business/west-michigan/index.ssf/2015/06/greater_grand_rapids_metro_are.html (accessed January 7, 2019); G. Scott Thomas, “Why can’t Buffalo’s economy keep up with Grand Rapids?” *Buffalo Business First*, October 5, 2016, <http://www.bizjournals.com/buffalo/news/2016/10/05/why-can-t-buffalo-s-economy-keep-up-with-grand.html> (accessed January 7, 2019); Mike Wilkinson, “Michigan’s economic axis tilts west,” *Crain’s Detroit Business*, January 6, 2017, <http://www.craindetroit.com/article/20170106/NEWS/170109916/michigans-economic-axis-tilts-west> (accessed January 7, 2019).

urbs. The poverty rate for the city in 2008 was nearly twice the national poverty rate of 13.2%. In March 2016, the *Grand Rapids Business Journal* noted that Kent County had a child poverty rate of twenty percent in 2014, twenty-two percent higher than it was in 2005.⁴⁸

Still, Grand Rapids has come a long way since the sixties and seventies, when postwar prosperity fueled an exodus from the city into the suburbs and left the downtown to rot. Surveying the city's transformation, an October 2008 article in the *Grand Rapids Business Journal* concluded that “the renaissance of downtown Grand Rapids can be attributed to the efforts of many individuals and families.” Among those it called out, it heaped special praise on two in particular. “The Rich and Helen DeVos and Jay and Betty Van Andel families,” the article declared, “have had an enormous hand in changing the face and skyline of downtown Grand Rapids and injecting the city with new vitality[.]”⁴⁹

Over the past four decades, Amway and the founding families have poured hundreds of millions of dollars into the city of Grand Rapids, financing, among other things, hotels, a university campus, hospitals and medical research facilities, and entertainment venues, as well as starting an art competition. As a consequence, the names DeVos, Van Andel, and Amway are ubiquitous throughout Grand Rapids, since they grace a number of the city's landmarks. Those who sought to attract private investment to a city that had seen better days welcomed their contributions. At the same

⁴⁸ “The Suburbanization of Poverty: Trends in Metropolitan America, 2000–2008: Metro Area Profile for Grand Rapids, MI,” The Brookings Institution, https://www.brookings.edu/wp-content/uploads/2016/06/0120_poverty_profiles.pdf (accessed November 14, 2018); “Appendix A. City and Suburban Poverty Rates, 95 Metro Areas, 2000, 2007, and 2008,” in Elizabeth Kneebone and Emily Garr, “The Suburbanization of Poverty: Trends in Metropolitan America, 2000 to 2008,” The Brookings Institution, January 2010, 15, https://www.brookings.edu/wp-content/uploads/2016/06/0120_poverty_paper.pdf (accessed November 14, 2018); “Table 3. Top and Bottom Metro Areas for City and Suburban Poverty Rate Change, 95 Metro Areas, 2000 to 2008,” in Kneebone and Garr, “The Suburbanization of Poverty,” 8; Mike Nichols, “More children slipped into poverty over the last decade,” *Grand Rapids Business Journal*, March 25, 2016, <http://www.grbj.com/articles/84860-more-children-slipped-into-poverty-over-the-last-decade> (accessed January 7, 2019).

⁴⁹ Anne Bond Emrich, “Downtown renaissance took ‘money people,’ vision,” *Grand Rapids Business Journal*, October 6, 2008, E9.

time, their magnanimity elicited unease about the heavy hand that a single company headed by two very wealthy families was wielding over the direction of the city's future.

In addition to helping Grand Rapids bounce back from its nadir and cementing their position as major power players in the region, the founding families have also used their money to advance their small-business conservative ideology by making Grand Rapids into a model for their vision of the proper balance between government and the private sector. In certain cases, the link between investment and ideology has been fairly explicit. ArtPrize, for example, has sought to incorporate free-market principles into the process of determining what does and does not constitute good art. And while it does not appear to be the case that, say, the Amway Grand Plaza Hotel or Van Andel Arena were built for the purposes of advancing an agenda, it is impossible to disentangle them from the ideological commitments of the cofounders. As the following chapter explores in greater detail, Amway's founding families have been firmly opposed to the notion, embodied most prominently by the New Deal and the Great Society, that government ought to play a significant role in managing the economy or in guaranteeing certain basic goods and services to all citizens.

It is their belief, rather, that businesses and individuals should have wide latitude to do as they please without state interference, and that the duty to maintain the welfare of local communities should fall on those living in those communities. Instead of looking to the government to invest in revitalizing a declining city, Amway's cofounders believed that men and women of means — like themselves — ought to assume such responsibilities. Grand Rapids, then, stands out among countless other mid-sized Rust Belt cities that have dealt with similar problems over the past half-century. Thanks to the DeVoses and Van Andels, Grand Rapids has become a laboratory not only for how a city could try to pull itself out of the postindustrial abyss, but also for the right-wing political economy that, since the 1970s and 1980s, has sought to supplant the liberal state.

VI

Kingmakers

You are really capitalism in America.

-Ronald Reagan to Amway distributors¹

On November 23, 2016, President-elect Donald Trump announced his nominee for Secretary of Education. Several names were floated in the run-up. Many considered Michelle Rhee, the former chancellor of the District of Columbia Public Schools, a likely contender. However, one day before Trump made the announcement, Rhee indicated that she would not be joining the Cabinet. Rhee had met with Trump the weekend before, along with another potential pick: Betsy DeVos, the wife of former Amway president Dick DeVos. DeVos was at once a conventional and unconventional pick. On the one hand, she had spent over two decades championing “school choice,” a euphemism for steering money from public education towards charter, private, and other nonpublic schools, a stance that Trump himself supported. On the other hand, her advocacy work was the extent of her experience in the field of education: she had never been a teacher or worked in schools or sat on a board of education.²

¹ “Ronald Reagan — John Conlin, Charlotte Coliseum, 5/3/80” (audiocassette tape; 1980).

² Joy Resmovits, “Michelle Rhee meets with Donald Trump. Could his education secretary be a Democrat?” *Los Angeles Times*, November 19, 2016, <http://www.latimes.com/nation/politics/trailguide/la-na-trailguide-updates-michelle-rhee-meets-with-donald-trump-1479608956-htmllstory.html> (accessed January 7, 2019); Emma Brown, “Michelle Rhee takes herself out of the running for Trump’s education secretary,” *The Washington Post*, November 22, 2016, http://www.washingtonpost.com/news/education/wp/2016/11/22/michelle-rhee-takes-herself-out-of-the-running-for-trumps-education-secretary/?utm_term=.871b3740fe97 (accessed January 7, 2019); Emma Brown, “Trump picks billionaire Betsy DeVos, school voucher advocate, as education secretary,” *The Washington Post*, November 23, 2016, http://www.washingtonpost.com/local/education/trump-picks-billionaire-betsy-devos-school-voucher-advocate-as-education-secretary/2016/11/23/c3d66b94-af96-11e6-840f-e3ebab6bcd3_story.html?utm_term=.0d9528a87fe7 (accessed January 7, 2019); Mondom, “Compassionate Capitalism,” 18.

This, however, did not stop Trump from nominating her. A statement from the President-elect's office called DeVos “[a] leader in the national school reform movement” and quoted Trump saying that “[u]nder her leadership we will reform the U.S. education system and break the bureaucracy that is holding our children back so that we can deliver world-class education and school choice to all families.” Many public school advocates as well as teacher’s unions condemned the choice. Randi Weingarten, president of the American Federation of Teachers, called DeVos “the most ideological, anti-public education nominee put forward since President Carter created a Cabinet-level Department of Education” and said that “[i]n nominating DeVos, Trump makes it loud and clear that his education policy will focus on privatizing, defunding and destroying public education in America.” A headline in the *New York Times* captured the larger political significance of the DeVos pick: “In Betsy DeVos for Education, Trump Taps Into Michigan Royalty.”³

Betsy DeVos stands at the crossroads of two of the most prominent — and controversial — families in western Michigan. Before she became a DeVos, Betsy had been a Prince. Her brother is Erik Prince, founder of the infamous private security firm Blackwater (now called Academi). The Prince family rose to prominence thanks to their father, Edgar, who, in 1965, founded an automotive parts company called the Prince Corporation in Holland, Michigan, which, like Ada, belongs to metropolitan Grand Rapids. Edgar Prince was an inscrutable figure. Apart from some news coverage of him and his company in local newspapers in Holland and Grand Rapids, publicly-available documents about him are virtually nonexistent: in photos, he bears a striking resemblance to his son Erik. The Prince Corporation is perhaps most noteworthy for developing and manufacturing the flip-down visors that drivers use to shield their eyes from sunlight. When Prince died in 1995, the

³ “Press Release — President-Elect Donald J. Trump Intends to Nominate Betsy DeVos as Secretary of the Department of Education,” The American Presidency Project, <http://www.presidency.ucsb.edu/ws/index.php?pid=119687> (accessed January 7, 2019); “AFT President Randi Weingarten on Nomination of Betsy DeVos as Secretary of Education,” American Federation of Teachers, <http://www.aft.org/press-release/aft-president-randi-weingarten-nomination-betsy-devos-secretary-education> (accessed January 7, 2019); Vanessa Friedman, Maggie Haberman, and Alan Rappeport, “In Betsy DeVos for Education, Trump Taps Into Michigan Royalty,” *New York Times*, November 23, 2016, <http://www.nytimes.com/2016/11/23/us/politics/donald-trump-transition.html> (accessed January 7, 2019).

company was doing \$850 million in business annually. Like DeVos and Van Andel, he was active philanthropically. In November 1989, the National Society of Fundraising Executives recognized him and his wife Elsa for their numerous contributions.⁴

Prince also made significant investments in his hometown. In the mid-1980s, Prince gave a million dollars to help build the Evergreen Commons Senior Citizen Center in Holland. Reporting on efforts to revitalize Holland in February 1991, the *Grand Rapids Press* stated that “Lumir, a subsidiary of the Holland-based Prince Corp., is downtown’s most aggressive developer,” noting that “Lumir has restored, rebuilt or constructed more than a half-dozen buildings and is also leading the way in business recruitment.” Prince’s work in the areas of philanthropy and development earned him plaudits from the town’s Chamber of Commerce in October 1985. And last but not least, Prince deployed the fortune he accrued from his company in service of conservative causes, providing the funds to help start the Family Research Council in 1988.⁵

Edgar Prince passed away in March 1995 from a heart attack. The following year, Prince Corporation’s automotive division was sold to Johnson Controls Inc. for \$1.35 billion. Erik Prince became a public figure against his will, when his company was investigated for the murder of civilians in Iraq in 2007. Before that, he, like his father, was notoriously elusive. An October 2007 article in the *South China Morning Post* noted that Prince “shields his face when photographers are present and once tried to have images of himself deleted after his appearance at a conference.”⁶

⁴ Jeremy Scahill, *Blackwater: The Rise of The World’s Most Powerful Mercenary Army* (New York, NY: Avalon, 2007), 4-5; “Another Deal In Auto Parts Consolidation: Johnson Control Set To Buy Prince Unit,” *New York Times*, July 19, 1996, D5; Susan Collins, “Edgar, Elsa Prince get thanks for their years of giving,” *The Grand Rapids Press*, November 11, 1989, A1, A2, GRPC.

⁵ Ron Hovingh, “Donor Draws Praise As Holland Seniors’ Center Is Dedicated,” *The Grand Rapids Press*, June 23, 1985, 1D, GRPC.; Mike Lozon, “Downtown developer shows pride in success,” *The Grand Rapids Press*, February 4, 1991, 1LS, 3LS, GRPC; “Holland Hails Industrialist Edgar Prince,” *The Grand Rapids Press*, October 15, 1985, 3B, GRPC; Scahill, *Blackwater*, 7-8.

⁶ Scahill, *Blackwater*, 10; “Another Deal In Auto Parts Consolidation: Johnson Control Set To Buy Prince Unit”; K Chandler, “Blackwater USA — largest private security firm in — Iraq under multiple investigations for criminal activities,” *Westside Gazette*, October 4, 2007, 8A; Richard Luscombe, “Spotlight falls on the Prince of darkness,” *South China Morning Post*, October 6, 2007, 15.

The nomination — and subsequent confirmation — of Betsy DeVos to head the Department of Education is merely the latest installment in the voluminous record of work that Amway’s founding families have done on behalf of the Republican Party and the conservative movement. In a 2014 piece for *Mother Jones*, reporter Andy Kroll wrote that “[t]he DeVoses sit alongside the Kochs, the Bradleys, and the Coorses as founding families of the modern conservative movement.” The Center for Responsive Politics estimates that Richard DeVos gave around \$3.7 million at the federal level since 1989. Over that same timespan his wife Helen donated \$2.95 million, Dick \$3.9 million, and Betsy \$1.55 million.⁷

As the article’s authors acknowledge, those numbers do not even come close to capturing the full extent of their politically-motivated giving. Kroll estimates that “[s]ince 1970, DeVos family members have invested at least \$200 million in a host of right-wing causes — think tanks, media outlets, political committees, evangelical outfits, and a string of advocacy groups.” In addition to the money they have given to the Republican Party, Republican candidates for office, and various conservative groups, members of the founding families have also had close personal ties to many key institutions on the American Right. Betsy DeVos, for one, once led Michigan’s state Republican Party and sat on the Republican National Committee. Jay Van Andel was finance co-chair of the Michigan Republican Party in the early 1970s, and Richard DeVos was finance chair of the national party in the early eighties. Both Jay and his son Steve Van Andel were U.S. Chamber of Commerce chairmen. The DeVoses and Van Andels have also supported and helped to found a number of organizations that have pushed various right-wing causes.⁸

⁷ Andy Kroll, “Meet the New Kochs: The DeVos Clan’s Plan to Defund the Left,” *Mother Jones*, January/February 2014, <http://www.motherjones.com/politics/2014/01/devos-michigan-labor-politics-gop> (accessed January 7, 2019); Noland and Massoglia, “Betsy DeVos and her big-giving relatives.” Portions reproduced in Mondom, “Compassionate Capitalism,” 17.

⁸ Noland and Massoglia, “Betsy DeVos and her big-giving relatives”; Kroll, “Meet the New Kochs”; Rochelle Riley, “Don’t Forget Betsy DeVos,” *Detroit Free Press*, November 1, 2006, A9; “Jay VanAndel Leader of State GOP Finances,” *The Grand Rapids Press*, February 26, 1973, 3B, GRPC; Ed Hoogterp, “DeVos Gets GOP Fund Raising Job,” *The Grand Rapids Press*, March 5, 1981, 1A, 2A, GRPC. Portions reproduced in Mondom, “Compassionate Capitalism,” 17.

The founding families’s role as conservative kingmakers — to appropriate a Phyllis Schlafly coinage — underscores the need to further widen the geographical terrain of the New Right. For many years, owing in large part to Richard Nixon and his so-called “Southern Strategy,” its epicenter was thought to be in the ex-Confederacy. More recently, thanks to the work of Lisa McGirr on Orange County and Elizabeth Shermer on Phoenix, among others, the West and Southwest have become recognized as important conservative foci as well. Meanwhile, Northern conservatism — which refers not simply to the fact that certain prominent conservatives happened to hail from Northern states, but also to pockets of the American North that have served as incubators of political conservatism — remains comparatively marginalized. Regarding conservatives in southern California, McGirr writes that “[t]ogether with their conservative brethren elsewhere in the South and the West, they recast the party of Lincoln from the moderate Republicanism of the eastern Wall Street establishment into a southern and western mold of a far more conservative bent.”⁹

The “more conservative bent” that the Republican Party began taking in the 1970s, however, was by no means exclusively a “southern and western mold,” nor was East Coast “moderate Republicanism” all that one could find in the American North. Grand Rapids helped give rise to powerful hard-right families like the DeVoses and the Van Andels and the Princes, who have used the wealth accrued from their businesses to influence both the ideological orientation of Republican politics as well as government policy at the state and national levels. The Reformed Church, which, as discussed in Chapter I, was transplanted by Dutch immigrants who began arriving in western Michigan in the mid-nineteenth century, played a key role in fostering the region’s conservatism. It also directly shaped the cofounders’s own views. Grand Rapids thus underscores that a tight-knit relationship

⁹ For a discussion of the Southern Strategy and the ways in which it manifested in Nixon’s presidency, see Patterson, *Grand Expectations*, 702, 730-735; for works illustrating the role that backlash to the civil rights movement and greater federal intervention into states played in driving white Southerners into the Republican Party, see Joseph Crespiro, *In Search of Another Country: Mississippi and the Conservative Counterrevolution* (Princeton, NJ: Princeton University Press, 2007) and Lowndes, *From the New Deal to the New Right*; Lisa McGirr, *Suburban Warriors: The Origins of the New American Right* (Princeton, NJ: Princeton University Press, 2001); and Shermer, *Sunbelt Capitalism*.

between evangelical Protestantism and political conservatism existed outside of the “Bible Belt.” Far from being minor league players, then, Northerners have played as vital roles as their Southern and Western counterparts in bringing the New Right to power.¹⁰

For decades, Amway has promoted independence, self-reliance, and a faith in the transformative power of free enterprise among its distributors. As Chapter II showed, these principles formed the foundation of compassionate capitalism. The company invoked them to call attention to the shortcomings of employment and to sell the benefits of direct sales. From the 1970s onwards, DeVos, Van Andel, and their family members also deployed Amway’s value system in the service of reshaping American government and politics, which is reflected in their support, at various moments, for lower taxes, fiscal belt-tightening, cutting regulations, and “school choice,” stances also adopted by the Republican Party and the larger conservative movement. In important respects, the last forty years represent the Amwayfication of the American Right.

Detroit dominates almost any discussion of Michigan in the post-World War II period. And for understandable reasons. Detroit was the automotive capital of the nation, the beating heart of the American “arsenal of democracy” during the Second World War. In the decades after 1945, it became the poster child of the decay and decline of many industrial cities and towns throughout the North and Midwest. Detroit — Democratic, multiracial, a stronghold of the labor movement — embodied New Deal liberalism as well as the limits of its politics.¹¹

¹⁰ Portions reproduced in Mondom, “Compassionate Capitalism,” 19.

¹¹ The definitive history of Detroit’s postwar collapse is, of course, Thomas J. Sugrue, *The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit* (Princeton, NJ: Princeton University Press, 1996).

As important as Detroit is, however, it nevertheless merits some provincializing. On the opposite end of the state, in Grand Rapids and western Michigan more broadly, an entirely different order reigned, one more amenable to conservatism than to liberalism, less diverse, and less welcoming of organized labor. Compared to eastern Michigan, western Michigan has been a Republican bastion. At the risk of exaggerating the differences, it is worth stressing that postwar Detroit was by no means a liberal utopia. Colleen Doody has observed that strains of conservative ideology — among them anti-Communism, anti-unionism, and a commitment to limited government — were present in Detroit in the 1940s and 1950s, arguing that “[t]here was no liberal consensus locally, particularly on issues of labor and race.” Even so, there were some pointed differences between the two regions. The following chart lists the winners of the presidential election in Kent County — home of Grand Rapids — and Wayne County — home of Detroit — from 1960 to the present, as well as who won the state overall:

	Kent County	Wayne County	Michigan
1960	Nixon	Kennedy	Kennedy
1964	Johnson	Johnson	Johnson
1968	Nixon	Humphrey	Humphrey
1972	Nixon	McGovern	Nixon
1976	Ford	Carter	Ford
1980	Reagan	Carter	Reagan
1984	Reagan	Mondale	Reagan
1988	H.W. Bush	Dukakis	Bush
1992	H.W. Bush	B. Clinton	B. Clinton
1996	Dole	B. Clinton	B. Clinton
2000	W. Bush	Gore	Gore
2004	W. Bush	Kerry	Kerry
2008	Obama	Obama	Obama
2012	Romney	Obama	Obama
2016	Trump	H. Clinton	Trump

Table 1: Presidential Winners in Kent and Wayne Counties, 1960-2016
(Source: David Leip's Atlas of U.S. Presidential Elections)

In fifteen elections across fifty-six years, Kent County has gone Democratic only twice: 1964 and 2008. And in both years, the margins of victory were narrow. Lyndon Johnson beat Barry Goldwater by thirteen points, small considering the walloping Goldwater took that year: he lost Wayne County by 52.2%, the largest margin of defeat in the state, and Michigan as a whole by thirty-three points. And Obama beat McCain by only 1,573 votes. Kent County voted with the state in eight of those fifteen elections. Writing in 1969, Kevin Phillips remarked that “Michigan, which for many years was the most Republican (and Northeastern) of the Great Lakes states, is now clearly the most Democratic.” And yet, since 1960, the state has gone Republican forty percent of the time.

In all those instances, Kent County also voted Republican. Wayne County, meanwhile, remained steadfastly Democratic.¹²

Western Michigan's conservatism was partially a function of who lived there — and who did not. As detailed in Chapter I, beginning in the mid-nineteenth century, Grand Rapids and the surrounding region became home to a large, very religious Dutch immigrant population. Before the Civil War, the Dutch of Grand Rapids tended to be Democrats: they were drawn to the party both because of its opposition to a strong central government and because they were repelled by the nativist constituencies inside first the Whigs and then the Republicans. The escalating sectional crisis over slavery in the 1850s started to affect a change, though, and by the 1870s there was a decided shift towards the Republican Party.¹³

The Calvinism that the Dutch brought with them proved simpatico with political conservatism on several levels. When furniture workers in Grand Rapids sought to organize and launched a massive strike in 1911, Reformed churches were among the main groups opposing unionization (see below). Additionally, certain strains of Dutch Calvinism mirrored the ideological commitments of many contemporary conservatives. The best example is the theology of Abraham Kuyper, one of the most important Dutch Calvinist theologians of the late nineteenth and early twentieth centuries. In six lectures given at Princeton University in 1898, Kuyper outlined an expansive understanding of Calvinism, which he characterized as a “life system.” He rejected any effort to wall off religion from the rest of society, saying that “it is impossible for a Calvinist to confine religion to a single group, or to some circles among men” because “[r]eligion concerns the whole of our human race.”¹⁴

¹² Doody, *Detroit's Cold War*, 119; Dave Leip, Atlas of U.S. Presidential Elections, <http://uselectionatlas.org> (accessed January 8, 2019); Phillips, *The Emerging Republican Majority*, 356.

¹³ Vanderstel, “The Dutch of Grand Rapids,” 505-506.

¹⁴ Abraham Kuyper, *Lectures on Calvinism* (Peabody, MA: Hendrickson Publishers, Inc., 2008), xi-xii, 8, 42. Portions reproduced in Mondom, “Compassionate Capitalism,” 5.

Believing that Calvinist principles ought to suffuse all aspects of everyday life, Kuyper devoted separate lectures to explaining the relationship between Calvinism and politics, art, and the sciences. In his lecture on politics, Kuyper argued that civil society stood separate and apart from government. He described “the family, the business, science, art, and so forth” as separate “social spheres” governed by God rather than the state, and thought that government ought to maintain a *laissez-faire* attitude towards them. “The state may never become an octopus, which stifles the whole of life,” he declared, but instead “[i]t must occupy its own place, on its own root, among all the other trees of the forest[.]” In the last of his six Princeton lectures, Kuyper lamented the triumph of what he termed “modern life” over Christian principles, which he believed had led to social degradation. “The spirit of this modern life,” he stated, “is most clearly marked by the fact that it seeks the origin of man not in creation after the image of God, but in evolution from the animal.” As a consequence of this shift, “the point of departure is no longer the ideal or the divine, but the material and the low” and “the sovereignty of God, which ought to be supreme, is denied[.]” To reverse the corrosive effects of modernity, Kuyper called for a kind of Calvinistic renaissance, specifically “the development of the principles of Calvinism in accordance with the needs of our modern consciousness, and their application to every department of life.” As we will see, the politics of Amway’s cofounders reflected many of Kuyper’s ideas about government and the role of religion in public life.¹⁵

In addition to boasting a population inclined to embrace conservative principles, Grand Rapids and western Michigan have also lacked sizable communities of color that, like the African-American population in Detroit, have often proven reliable sources of support for the Democratic Party and for liberalism. Again, consider Kent and Wayne counties:

¹⁵ Kuyper, *Lectures on Calvinism*, 69, 77, 83, 162, 177. For more on Kuyper and his place in Dutch Calvinist history, see Bratt, *Dutch Calvinism in Modern America*, 14-33. Portions reproduced in Mondom, “Compassionate Capitalism,” 5.

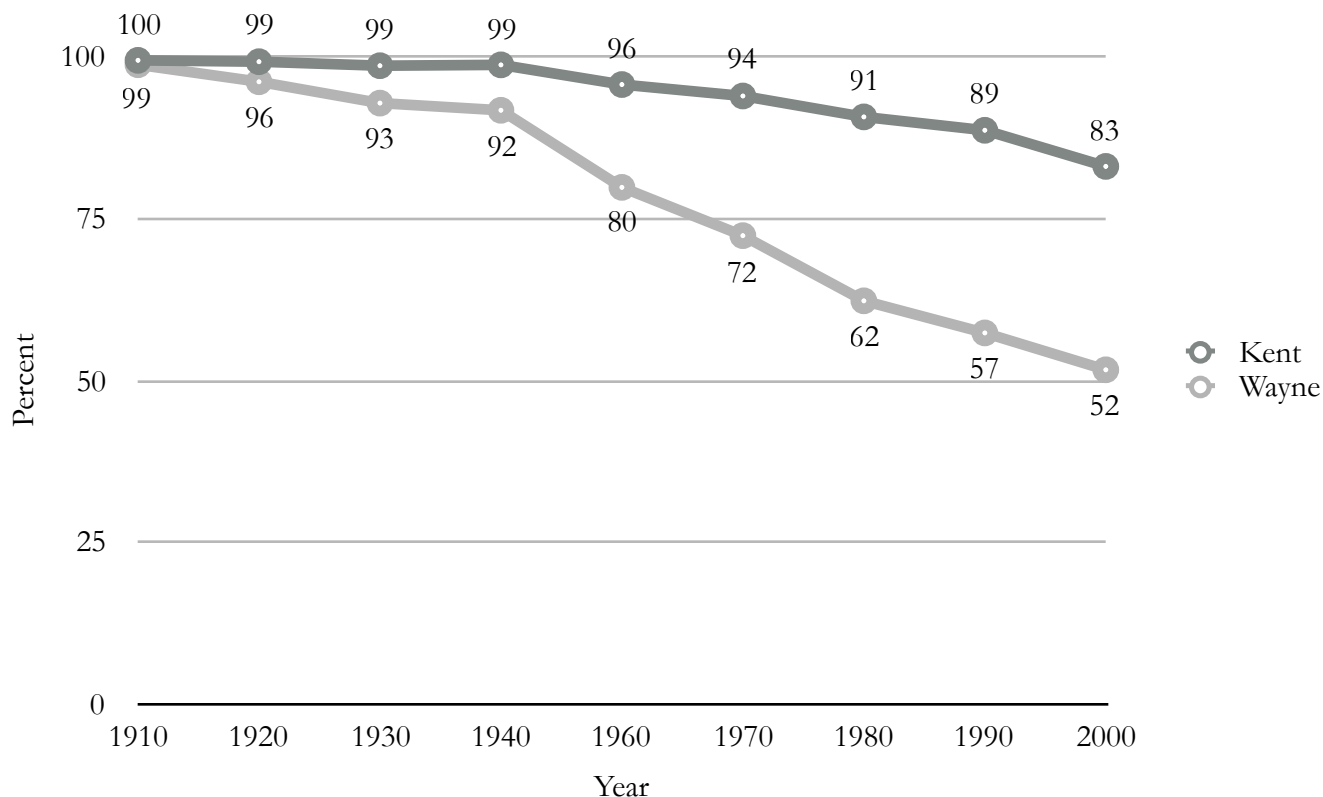


Figure 6. Share of the White Population of Kent and Wayne Counties, 1910-2000
(Source: U.S. Census Bureau, prepared by Social Explorer, <https://www.socialexplorer.com/a9676d974c/explore>)

In the early twentieth century, both counties were decidedly monochromatic. The 1930 census, however, records the beginnings of a change. Wayne County's white population steadily declined over the course of the twentieth century, such that by the end of the century, whites made up barely half of the population. In Kent County, meanwhile, the white population shrank at a far slower rate, so that Kent County was about as white in 2000 as Wayne County had been in the 1950s.

Another important element of the liberal coalition largely absent from western Michigan has been organized labor. What cars were to Detroit, furniture was to Grand Rapids. A February 1890 article in the *Grand Rapids Weekly Democrat* proclaimed that "[t]his city has become the recognized furniture center of the United States." In 1890, Grand Rapids boasted thirty-one furniture companies with a total workforce of 4,347. By 1910, there were fifty-four companies with 7,854 employees,

comprising one-third of the city's working population. Unsurprisingly, then, the seminal moment in Grand Rapids's labor history was a strike by the city's furniture workers in the spring and summer of 1911. On April 19, 1911, strikers began taking to the streets in an effort to get their union, which belonged to the United Brotherhood of Carpenters and Joiners, recognized. Despite attempts by union leadership to keep the peace, the strike, which lasted until August, saw street brawls and assaults on scabs as well as workers who had chosen not to join. Violence peaked on May 15th, when fighting broke out between workers and the police outside the factories owned and operated by the Widdicomb family.¹⁶

The strike lasted until August 19th. Although some workers saw their demands met at the firm level, the strike was by and large a failure. Several factors were responsible. Most immediate was the decision of the United Brotherhood of Carpenters and Joiners to pull out of the strike, which took place on August 1st, the result of a destabilizing power struggle at the top of the union as well as the fact that it was running out of money, burdened by legal expenses in a court case unfolding at the same time. More fundamental, however, were numerous fissures within Grand Rapids's working class that not only precluded unity amongst workers, but also made many workers leery of unions and class struggle. The Polish- and Dutch-American immigrant communities comprised a significant portion of the city's furniture workers, and they were divided along a variety of lines: ethnicity/nationality, religion (the Poles were Catholic, the Dutch Calvinist), patterns of settlement within the city (each had their own ethnic enclaves), income (the Dutch generally earned more), date of arrival (many of the Poles were recent arrivals), and domestic life (the Dutch tended to have more children and live in larger homes).¹⁷

¹⁶ *Grand Rapids Weekly* article reproduced in Olson, *A Grand Rapids Sampler*, 87; Jeffrey David Kleiman, "The Great Strike: Religion, Labor and Reform in Grand Rapids, Michigan, 1890-1916" (Ph.D. dissertation: Michigan State University, 1985), 3-4, 98-108; Olson, *A Grand Rapids Sampler*, 134-135.

¹⁷ Olson, *A Grand Rapids Sampler*, 133; Kleiman, "The Great Strike," 44-47, 119.

Religion proved especially important. During the 1911 strike, Reformed churches came out against unionization, arguing that unions concerned themselves only with earthly matters and not spiritual ones and therefore a person could not be in a union and remain a good Christian. This happened at around the same time that the Brotherhood withdrew from the strike, but even before that, Dutch workers had been reluctant to participate, which was attributed to their religious sensibilities. By contrast, many Polish workers, inspired in part by Pope Leo XIII's pro-union encyclical *Rerum Novarum*, found cause to join the picket line.¹⁸

Another demographic factor that curtailed support for unions among *both* Dutch and Polish workers was that majorities in each community were homeowners. Jeffrey Kleiman has argued that “[t]he high degree of home-ownership may not have been a measure of mobility, but immobility, tying workers to an arrangement of continued dependence upon the wage paying capitalists,” which, in turn, engendered “an exaggerated fear of disruption.” Contemporary labor organizers were cognizant of all of these problems. Two years after the strike, the IWW leader “Big Bill” Haywood wrote an article titled “What’s the Matter With Grand Rapids?” for the Wobbly paper *Solidarity* in which he pointed to many of these facts as reasons why Grand Rapids had proven so inhospitable to unions.¹⁹

The failure of the 1911 furniture strike and Reformed churches’s disapproval of unions dealt a long-term blow to organized labor in the city. Michael Johnston, a local labor historian, explained that the strike gave birth to “[a]n anti-union reputation the city still has today” and that “[w]hen unions engaged in the nation’s second great wave of strikes after World War I, Grand Rapids unions were too weak to go along. They barely survived the nationwide ‘American Plan’ instituted by business groups to eradicate unions nationwide in the 1920s.”²⁰

¹⁸ Kleiman, “The Great Strike,” 113-116.

¹⁹ Kleiman, “The Great Strike,” 35-36, 47-49, 62, 167.

²⁰ Michael Johnston, “Labor historian: Grand Rapids, furniture city, was a union city,” MLive.com, September 6, 2010, http://www.mlive.com/news/index.ssf/2010/09/labor_historian_grand_rapids_f.html (accessed January 8, 2019).

The politics of DeVos and Van Andel — and, by extension, of their families — have remained fairly consistent over the past four decades. By Van Andel’s telling, their religious upbringing played a key role in shaping their views on government. In his autobiography, Van Andel wrote that “[m]y Dutch Calvinist background....provided much of the impetus behind my [political] activity.” Both men subscribed to Kuyper’s belief that religious principles ought to shape all of society. Van Andel acknowledged that “[s]ome say that religion and politics don’t mix, or that politics is ‘dirty’ and Christians shouldn’t be involved,” but he brushed those concerns aside, writing, “[i]t was apparent to me that religion was already in politics — the religion of statism.” He went on to say that in order to keep government from exercising too much power and assuming responsibilities best left to private actors, it “must be limited by traditional moral principles.” He also declared that “[o]nly a society established upon the solid moral principles found in the Bible will be a truly free society,” that “[w]ithout the stability of a Christian moral and ethical consensus, a society of liberty can easily become a society of libertines.” The consequences of abandoning faith in God were, for Van Andel, cataclysmic: “An atheistic society denies God’s creation of mankind, denies purpose in life, denies an ultimate reward for good and punishment for evil, destroys respect for human life, and eliminates moral integrity.” In his 1975 book *Believe!*, DeVos expressed a similar view, lamenting that “too many people have lost sight of the fact that America is what it is today because God has blessed this land.” “This country was built on a religious heritage,” he proclaimed, “and we’d better get back to it.”²¹

Van Andel also explicitly embraced Kuyper’s political philosophy. He approvingly cited Kuyper’s views about the need to restrain government, declaring that “[w]ithout a clear understanding of the principles Kuyper taught, we are likely to fall into serious errors.” Unfortunately, as he saw

²¹ Van Andel, *An Enterprising Life*, 140-141, 143, 163; DeVos and Conn, *Believe!*, 117. Portions reproduced in Mondom, “Compassionate Capitalism,” 5.

it, the United States had already erred. Van Andel bemoaned the growth of the federal government over the course of the twentieth century. About the social safety net, he wrote that “what used to be effective church-based or community-based charity is now an involuntary income redistribution scheme administered from Washington.” For Van Andel, the duty for caring for the less fortunate fell to voluntary civil society organizations, not the state. Regulation, in Van Andel’s mind, likewise represented “a massive usurpation of the sovereignty of other ‘spheres’ of authority” since “people can usually look out for their own interests better than a distant bureaucrat can, and at far lower cost.” Echoing his business partner’s sentiments, DeVos declared that “as government gets more and more involved in the job of running the nation’s businesses, the tools of production come more into the control of the government and not of the people.” DeVos averred that government should intervene in the economy only when a business “does something criminal, or violates the public interest[.]”²²

One of the earliest and longest-lasting political relationships that DeVos and Van Andel formed was, unsurprisingly, with Gerald Ford. Prior to becoming vice president and then president, Ford represented Grand Rapids in the House of Representatives for twenty-four years. Ford’s election to Congress in 1948 represented a backlash against Grand Rapids’s political machine, which for many years had been headed up by Frank McKay. McKay dominated state Republican politics and had served in a variety of posts at the city and state levels since the 1910s: George Welsh, mayor of Grand Rapids for much of the 1930s and 1940s, had once been his political protege. McKay’s reign was marked by bribery, illicit profiteering, and, in the mid-forties, the untimely and suspicious deaths of two state senators, Earl Munshaw and Warren Hooper, who were cooperating with an investigation into kickbacks allegedly paid out to state legislators in exchange for votes.²³

²² Van Andel, *An Enterprising Life*, 123, 141-142, 156, 159; DeVos and Conn, *Believe!*, 73-74, 85. Portions reproduced in Mondom, “Compassionate Capitalism,” 5-6.

²³ Olson, *Grand Rapids, A City Renewed*, 13; Bud Vestal, *Jerry Ford Up Close: An Investigative Biography* (New York, NY: Coward, McCann & Geoghegan, 1974), 77-81

Challenging McKay's influence was the Home Front, which formed in 1941 and included Ford as well as his father, Gerald Ford, Sr.. The Home Front successfully wrestled control of the Kent County Republican Party away from McKay in 1942. In 1948, the Home Front persuaded the junior Ford to enter the Republican primary against one of McKay's men, Bartel Jonkman, who had been Grand Rapids's congressman since 1940. Ford won handily, receiving 23,632 votes to Jonkman's 14,341, and then went on to defeat the Democrat in the general election that November. In his memoir, Ford wrote that it was during that primary that he "formed the political philosophy I've maintained ever since. On economic policy, I was conservative — and very proud of it. I didn't believe that we could solve problems simply by throwing money at them. On social issues, I was a moderate; on questions of foreign policy, a liberal."²⁴

Exactly when Ford's relationship with the Amway cofounders began is unclear. In a 2009 interview, DeVos indicated that "[w]e weren't involved in his congressional days[.]" He said that although he considered himself a friend of Ford's prior to him becoming president, they were not friends "in any personal way[.]" In his autobiography, DeVos wrote that Ford "attended just about everything we dedicated in the early days of Amway," and said much the same in his interview, that Ford "would come out to Amway — I remember we put a new line in to make cans like shaving cans, pressurized containers. He came out and it was a big deal." DeVos also organized a party for Ford after Nixon made him vice president. In September 1965, then-Congressman Ford inserted "Selling America," one of DeVos's most well-known free enterprise speeches, into the *Congressional Record*. In later years, Ford wrote the forewords for Wilbur Cross and Gordon Olson's *Commitment to Excellence* as well as Dick DeVos's 1997 book *Rediscovering American Values*. Blurbs of him praising DeVos and Van Andel also appeared in *Compassionate Capitalism* and *An Enterprising Life*, respectively. After Ford left the presidency, DeVos chaired the dedication committee for his presidential museum,

²⁴ Vestal, *Jerry Ford Up Close*, 81-82, 93-94; Gerald R. Ford, *A Time to Heal* (New York, NY: Harper & Row Publishers, Inc., 1979), 63-66.

which opened in September 1981. When Ford died in 2006, both DeVos and Jay Van Andel's son Steve served as "honorary pallbearers" at the Grand Rapids wing of his funeral. In 2012, the Gerald R. Ford Museum unveiled plans to renovate for the first time in sixteen years, which included the construction of the DeVos Learning Center, described on its website as a "state-of-the-art learning space for students visiting the Museum" where "learners of all ages will engage in interactive and meaningful programs that seek to instill the qualities of President and Mrs. Ford: character, integrity, public service, and civic education." The Center opened in 2016.²⁵

When asked in 2009 whether he "ever ask[ed] President Ford for a favor," DeVos replied, "Not that I know of." While that might have been technically true, the evidence is clear that the co-founders and the company lobbied Ford on various matters before he became president. On October 23, 1973, as part of the process of confirming Ford as the new vice president, Jerome Zeifman, general counsel for the House Judiciary Committee, sent a letter to Amway's vice president of corporate services, William Halliday, requesting information about the company's ties to Ford: whether, for example, anyone at the company had ever reached out to Ford about a bill or made donations to his congressional campaigns.²⁶

Halliday's reply offers a window into the ties between Ford and the company. Halliday identified several bills that individuals from the company had communicated with Ford about. For example, Halliday himself wrote to Ford in October 1967 regarding H.R. 7977, which aimed to raise the cost of postage, urging "that he seek proper amendment to the bill so that an undue burden would not be placed upon those industries relying upon the use of third class mail as a means of merchan-

²⁵ "Rich DeVos," interview by Smith; DeVos, *Simply Rich*, 237; *Congressional Record*, 89 Cong., 1 sess., September 23, 1965, A5393-A5395; Cross and Olson, *Commitment to Excellence*, 7; Dick DeVos, *Rediscovering American Values: The Foundations of Our Freedom for the 21st Century* (1997; New York, NY: Plume, 1998), xi-xiv; Zena Cherry, "Splashy opening for Ford museum," *The Toronto Globe and Mail*, September 18, 1981, 15; Gary Heinlein and Mark Hornbeck, "Pallbearers represent Ford's interests," *Detroit News*, January 3, 2007, 2; Rachel Weick, "Ford Museum ceremony marks renovation, expansion work," *Grand Rapids Business Journal*, October 13, 2015, 21; "About the DeVos Learning Center," Gerald R. Ford Presidential Museum, <http://devoslearningcenter.org/about-devos-learning-center/> (accessed January 8, 2019).

²⁶ "Rich DeVos," interview by Smith; Jerome M. Zeifman to William J. Halliday, Jr., October 23, 1973, "Amway Corporation," box 244, Robert Hartmann Files, FVP.

dising their products.” In January 1968 he again wrote to Ford to see if he was willing to testify in committee against Senate Bill 1599, which would introduce new rules on direct sellers; Ford declined. In 1971, Noel Black, director of public affairs at Amway, had communicated with Ford about a “model bill” that Amway had written dealing with federal regulation of phosphate detergents. Halliday explained that “Amway was anxious that this legislation be adopted in order to forestall the adoption of many state and local enactments.” Jay Van Andel wrote to Ford in February 1973 regarding H.R. 643, which would have placed limits on the FDA’s ability to regulate vitamins. (That specific bill never became law — three years later, however, thanks to the efforts of Senator William Proxmire, some restrictions were imposed.) Halliday also listed a number of occasions when Ford flew on company planes. He did note, though, that no one at Amway gave any money to Ford during the 1968, 1970, or 1972 election cycles. Halliday sent a copy of his letter to Ford on November 14th along with a separate note in which he praised Ford’s performance at his confirmation hearing and declared that “if future fortune should indicate that you become President of the United States, I would feel that our country and its future would have been placed in very capable hands.”²⁷

Among the more prominent Amway-related events at which Ford was present involved the Center of Free Enterprise, a dodecagonal building added to the company’s Ada headquarters in the early 1970s. On May 15, 1971, Ford addressed a ceremony marking the start of construction. The Center of Free Enterprise was slated to open the following fall, and was to feature a number of right-leaning instructional exhibits on elementary economics. Among the items for tourists to see were “The Tree of Economic Life,” intended to demonstrate how free markets encourage productivity, a “Corporate Money Flow Exhibit” that depicted the proportion of a corporation’s revenue

²⁷ William J. Halliday, Jr. to William P. Dixon, November 8, 1973, box 244, Robert Hartmann Files, FVP; William J. Halliday, Jr. to Gerald R. Ford, November 14, 1973, box 244, Robert Hartmann Files, FVP; Apple, *Vitamina*, 158-173.

that went to cover various expenses (taxes, salaries, shareholder dividends, etc.), and a Chamber of Commerce film called *It's Everybody's Business*.²⁸

The Center cost three million dollars and officially opened on May 25, 1973. On November 30, 1972, Jay Van Andel wrote to Ford informing him of the planned May ceremony. “We believe that the opening of the Center of Free Enterprise is an event of considerable national significance,” he said, and accordingly “[w]e feel it deserves the attendance of a top official from the Federal Government for an address.” Van Andel set his sights big: “Let’s start at the top and suggest either the President or the Vice President. What do you think?” Ford replied on December 18th, informing Van Andel, “I doubt if we can get the President, but I will speak to him personally after January 3rd. If he can’t make it, I will personally work on the Vice President. From there we will go to the Cabinet where we should definitely have results if the other two alternatives don’t materialize.” Neither Nixon nor Agnew wound up going, although Ford himself was present. Several thousand attended the opening, the *Press* reported, which noted that “[o]nly one thing didn’t come off as planned. The American flag got stuck at half-staff.”²⁹

The Center of Free Enterprise also sought to spread free enterprise ideology throughout the wider population. In the early 1970s, a number of business executives and politicians worried that Americans, especially young people, were, as they saw it, disturbingly ignorant of economics. In response, companies like General Motors as well as the U.S. Chamber of Commerce provided educational materials to students and teachers throughout the country that promoted free enterprise under

²⁸ “Amway Enterprise Center Started,” *The Grand Rapids Press*, May 16, 1971, 21A, GRPC; Ralph Truax, “Steel ‘Spider’ Frames Amway Hall,” *The Grand Rapids Press*, November 22, 1971, 7D, GRPC; Center of Free Enterprise brochure, 4, 6, “Amway Corporation — Center of Free Enterprise, 5/15/71-1973,” box R19, Robert Hartmann Files, FC. Portions reproduced in Mondom, “Compassionate Capitalism,” 15.

²⁹ Pete DeMaagd, “Capitalism Has Its Day,” *The Grand Rapids Press*, May 26, 1973, 1A, GRPC; Jay Van Andel to Gerald R. Ford, November 30, 1972, box R19, Robert Hartmann Files, FC.; Gerald R. Ford to Jay Van Andel, December 18, 1972, box R19, Robert Hartmann Files, FC.

the guise of improving knowledge of economics. Wal-Mart, meanwhile, played an instrumental role in bankrolling Students in Free Enterprise, which targeted colleges and universities.³⁰

The Center of Free Enterprise was part of this project. Along with the exhibits, the Center played host to the Institute for Free Enterprise. Beginning in the early seventies, the Institute organized yearly workshops for Grand Rapids area teachers to get a grounding in economics. The *Washington Post* reported in March 1981 that “[t]he institute has sponsored workshops around the country, instructing 2,000 teachers on ways to prepare lesson plans to help schoolchildren understand basic economic concepts.” Among the works sponsored by the company as part of this educational campaign was *Choice: Suggested Activities to Motivate the Teaching of Elementary Economics*, which came out in 1975. The book provided teachers from kindergarten through eighth grade outlines of lessons intended to introduce students to basic concepts around consumption, production, exchange, the role of government in the economy, and more. The lessons were fairly non-ideological — they were not exactly predisposing students to, say, oppose regulation or the welfare state. One lesson worth noting, though, targeted at seventh and eighth graders, asked them to evaluate different pieces of regulatory legislation implemented during the New Deal and beyond. The list of suggested laws included the National Industrial Recovery Act, the Social Security Act, the Wagner Act, the Full Employment Act, and the Taft-Hartley Act. Among the questions for the students to consider were “What effect has the increased government role had on economic freedom?,” “What effect has the increased government role had on the monopoly power of businesses and labor unions?,” and “Could any programs be taken over and operated more efficiently by the private sector?”³¹

³⁰ Moreton, “Make Payroll, Not War,” 54-58; Moreton, *To Serve God and Wal-Mart*, 173-192. Portions reproduced in Mondom, “Compassionate Capitalism,” 15-16.

³¹ Truax, “Steel ‘Spider’ Frames Amway Hall”; Ed Hoogterp, “Teachers’ Workshop To Blend Subjects, Economic Concepts,” *The Grand Rapids Press*, August 8, 1972, 3D, GRPC; Dan Morgan, “Selling Free Enterprise: Amway Combats Liberal Ideology in Politics,” *The Washington Post*, Mar. 14, 1981, A1, A2; Amway Corporation, John Lewis, Peter Harrington, Dr. George Vredevelde, *Choice: Suggested Activities to Motivate the Teaching of Elementary Economics* (Stevensville, MI: Educational Services, Inc., 1975), 157-159. Portions reproduced in Mondom, “Compassionate Capitalism,” 16.

In addition to the economic illiteracy campaign, the cofounders inserted themselves into one of the marquee political episodes of the decade: the tax revolt. The movement picked up steam beginning in the mid-seventies thanks to the onset of stagflation. Inflation resulted in “bracket creep”: inflation boosted nominal incomes, pushing many Americans into higher tax brackets, at the same time that it ate away at purchasing power and made them poorer in real terms. The same happened with property values: inflation increased housing prices and, in turn, property taxes while eroding the real value of homes. In response, voters throughout the country backed new limits on taxes, most famously Proposition 13 in California. The brainchild behind Prop 13, Howard Jarvis, appeared on the June 19, 1978 cover of *Time* magazine with the words “Tax Revolt!” in red and yellow lettering emblazoned over him. The tax revolt represented an early seminal moment in the rise of a new Right eager for a basis on which to attack the welfare state.³²

In 1976, the tax revolt came to Michigan. That year, two groups, Taxpayers United for Tax Limitation and the Taxpayers Federation of Michigan, launched a campaign to pass Proposal C, which stipulated that tax revenue and government spending could not exceed 8.3 percent of the total income earned in the state. Proposal C received the endorsement of such luminaries as Milton Friedman, who visited Detroit in October to speak on behalf of the amendment. Opposition, meanwhile, came from several corners. The board of trustees for Michigan State University came out against it, arguing that it would undermine funding for higher education. Elementary, middle, and high school administrators raised similar concerns. The *Grand Rapids Press* objected to “loading the constitution with revenue specifics when such policy clearly is the responsibility of an elected Legislature.” And the *Kalamazoo Gazette* declared that if passed, the initiative “would place Michigan’s elected leaders in a financial straitjacket.” Proposal C was defeated that November 43% to 57%. In

³² Schulman, *The Seventies*, 205-217; Self, “Prelude to the Tax Revolt,” 160; “Sound and Fury over Taxes,” *Time*, June 19, 1978, 12-20. Portions reproduced in Mondom, “Compassionate Capitalism,” 16.

his *Newsweek* column, Friedman bemoaned its downfall, writing that “government employees and other special-interest groups have succeeded in bamboozling the naïve taxpayer[.]”³³

Two years later, Taxpayers United tried again with a similar measure called Proposal E. In December 1977, a bipartisan group of thirty-one state representatives and senators came out in favor of it. That same month, Taxpayers United launched their campaign to put Proposal E before Michigan’s voters, which required collecting 266,000 signatures. To drum up support for Proposal E, Taxpayers United distributed pamphlets like “Michigan Needs A Limit On Taxes — Make It Happen,” published in a Q&A format that spelled out how the amendment would work and why it was necessary. They also solicited contributions from businesspeople in the state, such as D.R. Carlson, the owner of Western Auto in Ishpeming, located on the Upper Peninsula. On a fundraising form dated October 31st, Carlson indicated that he was donating twenty dollars to Taxpayers United and noted in the margins that he was “giving to many other groups, too.” He also listed five other individuals for the group to contact and solicit contributions from. The most interesting part of the form, though, is what Carlson put on the back. “Very probably you have contacted Rich DeVos & Jay Van Andel, starters of Amway Corp.,” Carlson wrote. “If you haven’t your [sic] missing a large opportunity as these ‘free enterprise’ gentlemen are true Americans & will help greatly. Call them in Ada, Mich; although I’m sure you have.”³⁴

³³ “Sound and Fury Over Taxes,” 19; Robert E. Roach, “Group revs up petition drive to put a lid on state, local taxes,” *The Detroit News*, March 7, 1978, box 2, TUF; Taxpayers Federation of Michigan, “Proposal C Information Kit,” box 1, TUF; Ralph Vartabedian, “Proposal C Draws Talk, But No Crowd,” *The Kalamazoo Gazette*, October 14, 1976, box 1, TUF; “Economist Stumps For Proposal C,” *The Kalamazoo Gazette*, October 15, 1976, box 1, TUF; Rick Barrs, “MSU trustees condemn ‘C,’” *The Lansing State Journal*, October 16, 1976, box 1, TUF; Peter Brown, “Area educators concerned about ballot issue effects,” *The Marquette Mining Journal*, October 13, 1976, box 1, TUF; “No on ‘C’ and ‘D,’” *The Grand Rapids Press*, October 14, 1976, box 1, TUF; “Proposal C Is Tempting, But It Should Be Rejected,” *The Kalamazoo Gazette*, October 21, 1976, box 1, TUF; Initiatives and Referendums Under the Constitution of the State of Michigan of 1963, 3 Michigan Department of State, http://www.michigan.gov/documents/sos/Const_Amend_189834_7.pdf; Milton Friedman, “After the Election,” *Newsweek*, November 15, 1976, box 1, TUF. Portions reproduced in Mondom, “Compassionate Capitalism,” 16.

³⁴ “31 legislators endorse tax limit amendment,” *Livingston Co. Press*, December 21, 1977, box 2, TUF; Roach, “Group revs up petition drive to put a lid on state, local taxes”; “Michigan Needs A Limit On Taxes — Make It Happen,” box 2, TUF; D.R. Carlson fundraising form, October 31, 1978, box 2, TUF. Portions reproduced in Mondom, “Compassionate Capitalism,” 16.

They had. By the time Carlson made his suggestion, Amway and the cofounders had already been involved with Taxpayers United and the campaign for Proposal E for several months. Amway made three ten-thousand-dollar donations to Taxpayers United in March, May, and August of 1978. A financials sheet from Taxpayers United dated May 30th included Amway on its list of “Major contributors” alongside a handful of other companies. The company even marshaled its Michigan distributor force on behalf of the amendment. In May, for example, the cofounders mailed out, on company letterhead, a note to their distributors encouraging them to sign petitions to get Proposal E on the ballot and to consider donating to Taxpayers United, assuring them that “[a]mounts as small as \$5 will be heartily appreciated.”³⁵

In contrast to 1976, the 1978 effort paid off, albeit narrowly. Proposal E passed with fifty-two percent of the vote, the margin of victory a mere 136,166 votes. Following the victory of Proposal E, Taxpayers United for Tax Limitation and the Taxpayers Federation of Michigan fused to form the Taxpayers United Federation (TUF). This new entity also had the backing of Amway and its cofounders. On May 8, 1979, Noel Black sent a letter to the leadership of TUF notifying them that the group would receive \$39,000 in “seed money” from Amway. “These monies,” he explained, “should be viewed as the means by which the Federation can get off the ground and raise money to become a properly funded and operated organization to ensure proper implementation of the Tax Limitation Amendment and related activities, including the possibility of additional initiatives.” In addition to providing startup money for TUF, at least two high-ranking company officials, Noel Black and David Cullen, Amway’s corporate communications officer, belonged to its management:

³⁵ Anne Dunlap to Bill Hanson, March 20, 1978, box 2, TUF; Anne Dunlap to Bill Hanson, May 12, 1978, box 2, TUF; “Financial.....May 30, 1978,” box 2, TUF; Richard DeVos and Jay Van Andel to Amway distributors, May 1978, box 2, TUF. Portions reproduced in Mondom, “Compassionate Capitalism,” 16.

Black served on the executive committee while Cullen sat on the board of directors. Both resigned their respective posts in July 1980, citing an inability to commit time to the group's work.³⁶

DeVos and Van Andel sent out letters to Michigan businesspeople to drum up support for TUF. On August 23, 1979, Kenneth Nyquist, executive director of TUF, sent a letter to Noel Black stating that “[y]ou are requested to assist the work of the T.U.F. Fundraising Committee in meeting our goal to raise \$100,000.” It then went on to specify exactly how the cofounders should coordinate with TUF to obtain contributions: “First, a letter from Amway entrepreneurs Jay Van Andel and Richard De Vos will be sent to the prospective target. Two days later, a T.U.F. letter describing our activities and plans will be mailed. The T.U.F. letter closes by naming the solicitor who will be then making follow-up contact a few days later.” The cofounders mailed out a batch of these solicitation letters, all identical in content, at the end of October 1979. The letters began by informing their recipients that “[a]fter six long years of hard work, Constitutional tax and spending limitation is a reality in Michigan.” However, while “[s]ome of the implementation [of Proposal E] has followed the mandate of the voters as expressed last November....it appears that the legislature has not fully understood the mandate in certain other elements of implementation.” Accordingly, Taxpayers United Federation wanted to offer guidance to that end, which required money: “In a few days, you will receive a letter directly from Taxpayers United Federation requesting your financial aid. When you do, please respond generously.”³⁷

Charles Dykema, executive vice president of TUF, acknowledged the value of DeVos and Van Andel to the group's agenda in a letter to the cofounders dated October 11, 1980. “The best way for you to understand our appreciation,” the letter said, “is for us to consider what your gen-

³⁶ “Initiatives and Referendums Under the Constitution of the State of Michigan of 1963,” 4; Christine Weideman, “Taxpayers United Federation Records: 1973-1994,” Bentley Historical Library, <http://quod.lib.umich.edu/b/bhlead/umich-bhl-85430?view=text> (accessed January 9, 2019); Noel A. Black to Richard Headlee, William Shaker, and Allan C. Schmid, May 8, 1979, box 3, TUF; Noel A. Black to Alan Schmid, July 22, 1980, box 4, TUF; David J. Cullen to Alan Schmid, July 22, 1980, box 4, TUF. Portions reproduced in Mondom, “Compassionate Capitalism,” 16.

³⁷ Ken Nyquist to Noel A. Black, August 23, 1979, box 3, TUF; Richard M. DeVos and Jay Van Andel to Mary Huston, October 29, 1979, box 3, TUF.

erosity has accomplished,” which included “ma[king] tax limitation a success” by preventing the passage of “unconstitutional implementing legislation designed to defeat it.” In helping TUF to forestall this outcome, Dykema continued, “you have saved the people of Michigan the untold expense of fighting unconstitutional laws in court” and, in turn, “you have prevented the courts from ‘legislating’ what the citizen-taxpayer will do.” The letter concluded by asking DeVos and Van Anandel if they were willing, for the price of \$17.76, to become official members of the Federation. Dykema insisted that “[i]f I were to draw up a list of persons who should be given honorary, unpaid life memberships in TUF, you and your partner would be at the top of the list,” but the organization was unable to provide any “free rides” at that time.³⁸

The same year that he and DeVos helped TUF get off the ground, Jay Van Anandel became chairman of the U.S. Chamber of Commerce on May 1st. Before this, Van Anandel had served the Chamber in a number of other capacities. He had been both chairman and vice-chairman of Michigan’s Chamber of Commerce, and in April 1972, he joined the national organization on its board of directors, where he sat until he was elevated to chairman. The inflation problem was among the biggest concerns of his chairmanship. In April 1980, Van Anandel declared that combating inflation would require “a new Congress” with “members [that] are strong enough to make the hard decisions that need to be made[.]” As chairman, Van Anandel strove to spread his economic views as far and wide as he could. A May 1980 article in the *Grand Rapids Press* published after his chairmanship had ended indicated that Van Anandel had visited twenty-five cities across the United States in addition to traveling abroad. The article also noted that Van Anandel “conservatively estimates that through his speeches and media coverage, his words have been heard by 25 million people.”³⁹

³⁸ Charles Dykema to Richard M. DeVos and Jay Van Anandel, October 11, 1980, box 4, TUF.

³⁹ Van Anandel, *An Enterprising Life*, 137; “Jay Van Anandel Named to U.S. Chamber Post,” *The Grand Rapids Press*, April 12, 1972, 17D, GRPC; Van Anandel quoted in Susan Preston, “U.S. Chamber’s Van Anandel Calls for ‘New Congress’ to Fight Inflation,” *The Grand Rapids Press*, April 20, 1980, 16A, GRPC; Ed Kotlar, “Van Anandel’s Stint As U.S. Chamber Leader Made His Strengthened Views Well-Known,” *The Grand Rapids Press*, May 11, 1980, 1E, 2E, GRPC. Portions reproduced in Mondom, “Compassionate Capitalism,” 16.

On May 2, 1979, his first full day in the position, Van Andel held a press conference in which he called for cutting back on regulation as well as adopting a balanced budget amendment to the U.S. Constitution. In 1975, an organization called the National Taxpayers Union launched an effort to get states to demand a constitutional convention to pass a balanced budget amendment. By 1979, thirty had done so. That January, the movement took on national significance after California's Democratic Governor Jerry Brown jumped on board. Republicans on Capitol Hill toyed with the idea, though little consensus emerged on the specifics. Democrats, on the other hand, were largely against it.⁴⁰

On October 11, 1979, Van Andel, in his capacity as chairman, testified before both the House Judiciary Subcommittee on Monopolies and Commercial Law as well as the Senate Judiciary Subcommittee on the Constitution about a potential balanced budget amendment. In his opening statement before the House subcommittee, more or less identical to the one he gave before the Senate subcommittee, Van Andel declared that "the American economy, we believe, is in trouble, because our Government has too long operated in a fiscally reckless fashion — ignoring basic economic principles in favor of short-term political goals." He — and the Chamber — thought that federal spending and taxes ought to each be capped at eighteen percent of the nation's gross national product and that "[a]cross-the-board budget cuts of less than 2 1/2 percent annually over the next 3 years could bring the budget into balance and accomplish that." As for a balanced budget amendment, Van Andel indicated that it was the Chamber's opinion that "getting a constitutional amendment will be time-consuming and, therefore, not helpful in the near term." However, they did be-

⁴⁰ Van Andel Urges Balanced Budget, End to Unnecessary Regulations," *The Grand Rapids Press*, May 3, 1979, 8F, GRPC; Morgan, "Unconventional Politics," 424-435. Portions reproduced in Mondom, "Compassionate Capitalism," 16-17.

lieve that “[a] statutory limitation [i.e., tax and spending ceilings] followed by a constitutional limitation would combine quick results with long-term benefits.”⁴¹

In subsequent questioning, Chairman Peter Rodino asked him to more precisely articulate the Chamber’s stance on an amendment, specifically whether the Chamber believed that “this Committee [should] be examining [sic] alternatives to a constitutional amendment[.]” Van Andel replied that while the Chamber was focused mainly on offering solutions to improve the country’s fiscal condition in the immediate future, they did still support adopting an amendment in “the long term[.]” Rodino also asked whether the Chamber ever supported the federal government running deficits. Van Andel conceded that “[t]here are circumstances when an unbalanced budget is probably necessary,” but in general he thought that “[t]he problem of using the deficit to stimulate the economy is that unfortunately such use is subject to many political pressures[.]” He stuck to his guns when, towards the end of questioning, Representative William Hughes asked him whether, in light of predictions of an impending recession, he would endorse deficit spending in 1980. Van Andel said no. When Representative Tom Railsback asked about the potential negative consequences that a balanced budget mandate might have on the social safety net, Van Andel insisted that the relatively modest cuts that the Chamber was proposing did not pose any grave threat to such programs.⁴²

Reagan’s victory in 1980 arguably represents the high-water mark of electoral conservatism, the triumph of several decades of work by movement activists. The cofounders were involved in both the 1980 campaign as well as the administration. DeVos and Van Andel contributed seventy thousand and sixty-eight thousand dollars respectively to help elect Reagan, making them among his largest benefactors, according to the *Grand Rapids Press*. On March 5, 1982, DeVos debated Grand

⁴¹ U.S. Congress, House, Judiciary Subcommittee on Monopolies and Commercial Law, *Constitutional Amendments to Balance the Federal Budget*, 96th Cong. 1st sess., October 11, 1979, 433-435; “Statement on Constitutional Amendments for Budget Restraint before the Senate Judiciary Subcommittee on the Constitution for the Chamber of Commerce of the United States by Jay Van Andel, October 11, 1979,” in *Chamber of Commerce of the U.S. Presentations to Congress, 96th Congress 1st Session, 1979*, folder “Presentations to Congress, 96th Congress 1st Session, 1979,” box 55, sub-series D, series III, CCR. Portions reproduced in Mondom, “Compassionate Capitalism,” 17.

⁴² U.S. Congress, House, Subcommittee, *Constitutional Amendments to Balance the Federal Budget*, 438-439, 444-445, 448.

Rapids's representative in the state legislature, John Otterbacher, a Democrat, at Grand Rapids Christian High School on the subject of Reagan's economic policies. DeVos, unsurprisingly, argued on their behalf. Two months later, in May, Amway co-sponsored a conference, convened inside the Amway Grand Plaza Hotel, that centered on Reagan's proposals to shrink the federal budget. In December 1983, Amway hired Alexander Haig, Reagan's former secretary of state, as a "global consultant." Van Andel stated in his autobiography that when he and DeVos were introduced to Reagan in 1980, they voiced their support for Haig at State. In February 1984, Haig went to Amway World Headquarters and received a tour of the facility. He also held a press conference at which he criticized Reagan's decision to remove the Marines stationed in Lebanon in the wake of the Beirut bombing the previous October.⁴³

When the 1984 presidential campaign came around, Amway helped organize a rally called "Spirit of America — Salute to Free Enterprise," which was held on January 26th in Atlanta, Georgia. Reagan addressed the event, which served as the unofficial kick-off to his reelection effort. Notably, there was some consternation within Reagan's team about associating the president with Amway. The *Grand Rapids Press* reported that Amway secured Reagan's appearance at the rally only after it removed its name from the event. One Reagan aide indicated that "[w]e decided we didn't want to do an Amway rally, in part because Amway had recently pleaded guilty to defrauding the Canadian government and was fined \$20 million." Nevertheless, an article in the *Press* published the day after the Atlanta rally indicated that "the gathering took on a distinctive Amway flavor," due in large part to the presence of the cofounders as well as the fact that "Amway distributors hand[ed] out half the tickets to the event[.]" In his speech, Reagan touted the economic progress made since

⁴³ Dale Russakoff and Juan Williams, "Amway, Reagan team up for big 'free enterprise' rally," *The Grand Rapids Press*, January 24, 1984, 6A, GRPC; Ed Hoogterp, "DeVos, Otterbacher Square Off Over Reaganomics," *The Grand Rapids Press*, March 6, 1982, 3A, GRPC; "Conference to Study Reagan 'Federalism,'" *The Grand Rapids Press*, May 19, 1982, 3C, GRPC; Jim Harger, "Former U.S. Secretary of State Haig Joins Amway as Global Consultant," *The Grand Rapids Press*, December 9, 1983, 1A, 2A, GRPC; Van Andel, *An Enterprising Life*, 169; Jim Harger, "White House Is Misreading 'Realities' Of Mideast Situation, Haig Contends," *The Grand Rapids Press*, February 28, 1984, 1B, 2B, GRPC.

the recession a few years earlier and spoke of the need to further slash taxes as well as government spending. “Cutting back a runaway government which stifles the spirit of enterprise,” he declared, “can be profoundly positive, like performing surgery on a patient to save his life.”⁴⁴

Along with helping to elect — and reelect — Reagan, the cofounders undertook a number of other political ventures in the eighties. Jay Van Andel remained part of the Chamber’s national leadership even after his one-year term as chairman ended, chairing its executive committee from 1980 to 1985. In that time, he testified twice more before Congress, albeit not as a representative of the Chamber. On April 19, 1982, he went before the House Ways and Means Committee’s Subcommittee on Select Revenue Measures to discuss tax deductions and write-offs taken by Amway distributors, which, as noted in Chapter III, had brought some distributors under IRS investigation. Van Andel outlined the various steps that the company had taken to educate distributors about what taxes they owed and what they could and could not deduct, which included publishing relevant information in their manuals and magazines as well as working to prevent the dissemination of incorrect information through distributor networks. One week later he was at the Senate Finance Committee’s Subcommittee on Oversight of the Internal Revenue Service commenting on proposed legislation that would amend how independent contractors like Amway distributors were classified under the tax code as well as their reporting requirements. And in June 1985, Van Andel joined a panel of other business executives in front of the House Ways and Means Committee to offer his thoughts on Reagan’s tax reform proposals. Although he complained that “[t]he President’s proposal shifts some of the total [tax] burden from individuals and small businesses to corporations,” which he thought amounted to going “from a more visible to less visible tax,” he remained broadly sup-

⁴⁴ Russakoff and Williams, “Amway, Reagan team up for big ‘free enterprise’ rally”; Reagan aide quoted in Tom Rademacher, “Amway to Share Rally Featuring Reagan,” *The Grand Rapids Press*, January 23, 1984, 1A, 2A, GRPC; “Reagan Lauds ‘New Course’ In First Campaign Outing,” *The Grand Rapids Press*, January 27, 1984, 1A, GRPC; Ronald Reagan, “Remarks at a Spirit of America Rally in Atlanta, Georgia,” Ronald Reagan Presidential Library, <https://www.reaganlibrary.gov/research/speeches/12684g> (accessed January 9, 2019).

portive, saying that “[t]he lowered rates of the President’s proposal will stimulate entrepreneurship.”⁴⁵

The eighties were much rockier for Richard DeVos. In March 1981, DeVos became finance chairman of the national Republican Party. DeVos got the job in large measure on account of his success over the preceding year leading the party’s Congressional Leadership Council, bringing in a million dollars. When DeVos took over the GOP’s financial operations, he looked to apply Amway-style methods to fundraising by introducing “shareholders’ conventions.” Drawing inspiration from Amway’s own rally model, the idea was to stage events throughout the country that would galvanize grassroots Republican donors, encouraging them to give money as well as to reach out to people they knew to join the party. Despite a hundred-million-dollar haul under his watch, DeVos was ousted on August 13, 1982 because he had allegedly concentrated too much on small-dollar contributors, leaving the party’s mega-donors feeling neglected. About a week later, DeVos publicly suggested that a group of oil executives from Oklahoma were behind his removal. The RNC’s actions angered a number of Michigan Republicans, who argued that DeVos only lost the post because he failed to show sufficient deference to big donors. Two years after the debacle at the RNC, DeVos got the opportunity to put his fundraising skills to work once again when, in May 1984, he was named finance chairman, as well as co-chair, of a newly-formed pro-Reagan group called Citizens for America. Two

⁴⁵ Van Andel, *An Enterprising Life*, 137-138; U.S. Congress, House, Ways and Means Subcommittee on Select Revenue Measures, *Deductibility of Certain Expenses Incurred by Self-Employed Individuals*, 97th Cong., 2nd sess., April 19, 1982, 93-108; U.S. Congress, Senate, Finance Subcommittee on Oversight of the Internal Revenue Service, *Independent Contractor Tax Proposals*, 97th Cong. 2nd sess., April 26, 1982, 1, 284-304; for his opening statement, see U.S. Congress, House, Ways and Means Committee, *Comprehensive Tax Reform, part 4 of 9*, 99th Cong., 1st sess., June 27, 1985, 3368-3370.

months later, DeVos went to the White House with other top figures from the group, where they met with Reagan along with some of his advisors.⁴⁶

DeVos was drawn into controversy yet again in 1987. That July, Reagan gave DeVos a seat on a new commission designed to tackle the AIDS epidemic. His appointment proved contentious for two reasons: first, the fact that he lacked a background in medicine, and second because of his conservative religious views, which many saw as biasing him against gay people. That September, the ACLU and the Public Citizen Health Research Group criticized DeVos, along with three other individuals on the board, for allegedly being “extremists.” The two organizations called on Reagan to expand the panel to include more people with direct experience dealing with AIDS, like doctors treating AIDS patients, researchers, and those suffering from the disease. Those grievances were on full display when the panel met in D.C. that month. Protestors outside the National Press Club headquarters, where hearings were taking place, chanted slogans like “Richard DeVos we cannot applaud/Amway admits Canadian fraud.” Inside, an AIDS victim who came to testify lambasted the makeup of the committee, saying at one point, “You ought to have experts, not somebody convicted of fraud in Canada.” In the aftermath of that tumultuous session, DeVos said that the committee could only succeed in its objectives if it cultivated greater “credibility” with the public.⁴⁷

⁴⁶ Hoogterp, “DeVos Gets GOP Fund Raising Job”; Tom Limmer, “DeVos to Head Republican Fund Drive,” *The Grand Rapids Press*, April 19, 1980, 1A, GRPC; Ed Hoogterp, “DeVos to Make Big Sales Pitch for GOP,” *The Grand Rapids Press*, October 6, 1981, 1A, 2A, GRPC; “DeVos Fired as GOP Finance Chief,” *The Grand Rapids Press*, August 13, 1982, A1, GRPC; “Clash with Oklahoma Oil Men Led to Firing, DeVos Says,” *The Grand Rapids Press*, August 20, 1982, A5, GRPC; Bill Dalton, “DeVos’ Firing Irks State GOP Leaders,” *The Grand Rapids Press*, August 15, 1982, C1, GRPC; Jim Harger, “DeVos Named Financial Chief For New Conservatives Group,” *The Grand Rapids Press*, May 23, 1984, C3, GRPC; Michael F. Conlan, “New DeVos-Chaired Group Is Briefed by White House,” *The Grand Rapids Press*, July 12, 1984, A4, GRPC. Portions reproduced in Mondom, “Compassionate Capitalism,” 17.

⁴⁷ Roy Howard Beck, “Reagan names Amway’s DeVos to national AIDS commission,” *The Grand Rapids Press*, July 23, 1987, A1, A4, GRPC; Roy Howard Beck and Mary Lohr, “Issue’s importance lured DeVos to AIDS commission,” *The Grand Rapids Press*, July 24, 1987, A1, A4, GRPC; Roy Howard Beck, “Critics call DeVos one of AIDS panel’s extremists,” *The Grand Rapids Press*, September 9, 1987, A3, A4, GRPC; Activist quoted in Roy Howard Beck, “Activists disparage DeVos in protest against AIDS panel,” *The Grand Rapids Press*, September 10, 1987, A9, GRPC; Roy Howard Beck, “Credibility is biggest roadblock to battle on AIDS, DeVos says,” *The Grand Rapids Press*, September 11, 1987, A6, GRPC. Portions reproduced in Mondom, “Compassionate Capitalism,” 17.

Along with vitriol from certain segments of the public, the commission also faced a lot of internal turmoil: progress was slow, and because of that, the fall of 1987 saw the departures of executive director Linda Sheaffer, chairman Eugene Mayberry, vice-chair Woodrow Myers, and member Franklin Cockerill III. Nevertheless, DeVos publicly denied any problems on October 8th, suggesting that Mayberry had left because the work proved too taxing for him and dismissing reports of tensions on the panel. Despite a difficult start, the commission did release a report on June 24, 1988. DeVos did not agree with all of its conclusions. For instance, he opposed a provision, voted through on June 17th, calling for legislation that would bar discrimination against those infected with AIDS, and he favored looser confidentiality rules that would allow medical professionals to learn if someone they were treating had AIDS. He particularly bristled at the panel's calls for more funding to support those struggling with drug addiction, believing that many of them were beyond help.⁴⁸

The early nineties saw the end of Richard DeVos and Jay Van Andel's tenures as president and chairman of Amway. That said, they, along with the company and other members of their families, remained heavily invested — literally — in the Republican Party and the conservative movement throughout the 1990s and beyond. A September 1992 article in the *Grand Rapids Press* on fundraising by the George H.W. Bush and Bill Clinton campaigns in Michigan identified DeVos and Van Andel

⁴⁸ Philip M. Boffey, "U.S. Panel on AIDS, Citing Challenges, Ousts Staff Chief," *New York Times*, September 15, 1987, A1, A23; Philip M. Boffey, "Leaders of AIDS Panel Quit Amid Feuds and Criticism," *New York Times*, October 8, 1987, A18; Michael Bologna, "DeVos denies panel beset with infighting, politics," *The Grand Rapids Press*, October 9, 1987, A3, A4, GRPC; "AIDS Panel Report Out," *Newsday*, June 25, 1988, 9; Mary Radigan Lohr, "Control, 'write off' drug user in AIDS battle, DeVos Urges," *The Grand Rapids Press*, July 17, 1988, E1, E2, GRPC; Philip M. Boffey, "AIDS Panelists Vote to Expand Anti-Bias Law," *New York Times*, June 18, 1988, 6.

as belonging to the upper echelon of Bush donors, with contributions of twenty-five thousand and seventy thousand dollars respectively.⁴⁹

During the critical 1994 midterm elections, one candidate who benefitted significantly from Amway was Sue Myrick, a Republican running for a House seat in North Carolina. Myrick became an Amway distributor in 1992, and when she ran for Senate later that year, she actually fundraised at distributor functions. In addition, the company as well as distributor kingpin Dexter Yager supported her campaign to the tune of \$16,500. She lost that race but won her House campaign two years later. Amway distributor networks proved key to her success. According to reporting by *Mother Jones*, “at least 171 Amway distributors and family members — 143 of whom did not live in Myrick’s home state — apparently gave Myrick \$178,660 in 1994.” Moreover, Myrick’s donation stream featured “an unusually large number of small, mostly \$10 contributions, including \$117,211 recorded almost entirely on days she spoke at Amway rallies.” All in all, “\$295,871 — nearly half of Myrick’s total [which was \$669,525] — appears to have come through Amway.” Additionally, Dexter Yager used Amvox to encourage people to support Myrick, which was likely illegal under campaign finance law. Once in office, Myrick joined the so-called “Amway caucus,” a small clique of House members who had also once done Amway. In late November 1994, no more than two weeks after Republicans pulled off a stunning victory and took control of the House, the *New York Times* reported that Amway donated \$2.5 million to the party “for a newly built broadcast center at the Republican Party’s national headquarters” for the purposes of “produc[ing] a weekly one-hour television program, ‘Rising Tide.’” In addition, the center would bear Amway’s name.⁵⁰

Two years later, in July 1996, in the midst of the presidential race, the Republican candidate for president, Bob Dole, traveled to Detroit for a party function intended to raise money for the

⁴⁹ Mike Magner, “State business donations to Bush far outdo those flowing to Clinton,” *The Grand Rapids Press*, September 8, 1992, B2, GRPC; Mondom, “Compassionate Capitalism,” 17.

⁵⁰ Kerry Lauerman and Rachel Burstein, “She Did It Amway,” *Mother Jones*, September/October 1996, <http://www-motherjones.com/politics/1996/09/she-did-it-amway> (accessed January 9, 2019); “Amway Contributes \$2.5 Million to G.O.P.,” *New York Times*, November 24, 1994, A28; Mondom, “Compassionate Capitalism,” 17.

GOP's victory fund as well as to recognize Richard DeVos for his work on behalf of Republicans. That same month, Amway said that it had donated \$1.3 million to finance the broadcasting of the Republican presidential convention, slated to be held in San Diego. The day after the donation became public, Dick DeVos said that the chairman of the Republican National Committee, Haley Barbour, had reached out to the company personally and solicited the donation. The company gave the money to the San Diego Convention and Visitors Bureau, not the party itself. The *Washington Post* explained that had the company simply given the money to the GOP, "under federal election law the RNC would then have had to dip into its pot of contributions from individuals to pay for part of the air time," and at that point in time it was "running short of such funds[.]" Accordingly, some argued that Amway's donation was deliberately designed to flout the law. The Democratic National Committee threatened to take the issue to the Federal Election Commission. In response to the uproar, as well as to the DNC following through on its threat, the party decided in mid-August to give the money back to Amway and to cover the \$1.3 million expense out of its own pocket.⁵¹

During the 1996 campaign, Democrats criticized Amway for allegedly using its financial investments in the GOP to influence legislation; in particular, to reverse a 1993 law that increased Amway's tax liability on its overseas earnings, chiefly in Asia. The company, for its part, flatly denied any *quid pro quo*. At the end of July 1997, however, House Republican leadership slipped in an amendment to a larger piece of tax legislation that rolled back the 1993 changes. The *Wall Street Journal* reported that although there were other tweaks like this in the bill, "[t]he Amway provision stands out because it wasn't in either of the tax bills produced by the House or Senate." An op-ed by Molly Ivins of the *Fort Worth Star-Telegram* called the rider "a \$283 million payoff for Amway" in return for "a \$4 million investment in campaign contributions" over four years. On August 11th, Pres-

⁵¹ Ruth Marcus, "Amway Says It Was Unnamed Donor To Help Broadcast GOP Convention," *The Washington Post*, July 26, 1996, A8; Ruth Marcus, "RNC Asked, Amway Gave; Firm's Chief Says Barbour Sought San Diego TV Funds," *The Washington Post*, July 27, 1996, A12; "GOP Turns Away Amway Financing After Complaint," *Orlando Sentinel*, August 13, 1996, A5; Mondom, "Compassionate Capitalism," 17.

ident Bill Clinton signaled that would use the line-item veto on some elements of the tax bill. The Amway amendment, however, was not among those up for the chop. At around this same time, DeVos also helped to insert language into another bill that would have forced the Federal Trade Commission to allow two Grand Rapids area hospitals to merge: Blodgett Memorial Medical Center and Butterworth Hospital. (Recall that DeVos was both a board member at as well as a financial contributor to Butterworth.) The FTC had fought the move, citing concerns about market concentration.⁵²

The company, as noted before, was reluctant to admit any sort of connection between the money it gave and legislation like the 1997 tax amendments. Not every member of the founding families was, though. Writing in *Roll Call* in 1997, Betsy DeVos noted that “[o]ccasionally a wayward reporter will try to make the charge that we are giving this money to get something in return, or that we must be purchasing influence in some way.” Rather than challenge the allegation, however, she said that she had “stop[ped] taking offense at the suggestion that we are buying influence. Now I simply concede the point. They are right. We do expect some things in return.”⁵³

In addition to pushing legislation favorable to Amway, Republicans continued to turn to the company and the cofounders for money. On April 17, 1997, the *New York Times* reported that the party was actively cultivating contributions from big-money donors. Among the wealthy donors it had its sights on was Richard DeVos. Earlier that month, DeVos donated one million dollars to the party, which the *Los Angeles Times* reported was “believed to be the largest contribution from an individual donor since the FEC began reporting political donations.” The contribution was part of an effort to pay off debts accrued during the 1996 election. DeVos’s contribution represented around

⁵² Sean Holton, “Democrats Attack Amway’s Contributions to GOP; Company Says Donations Not Linked to Tax-Law Bill,” *Orlando Sentinel*, August 2, 1996, A1; Greg Hitt, “Favored Companies Get 11th-Hour Tax Breaks,” *The Wall Street Journal*, July 30, 1997, A2, A6; Molly Ivins, “Amway’s investment in Congress pays,” *The Salina Journal*, August 10, 1997, A4; Jackie Calmes, “President Plans to Use a Line-Item Veto Against Provisions in Budget, Tax Laws,” *The Wall Street Journal*, August 11, 1997, A16; John R. Wilke, “Big GOP Donor Gets His Way in Bill Affecting Merger of Michigan Hospitals,” *The Wall Street Journal*, August 7, 1997, A16.

⁵³ DeVos quoted in “Who’s Betsy DeVos?: A Timeline of One Family’s Right-Wing Education Crusade,” ACLU of Michigan, <http://www.sutori.com/story/a-history-of-betsy-devos> (accessed January 10, 2019).

eighteen percent of the \$5.6 million that the GOP received in the form of “soft money” by the middle of 1997. On August 9, 1999, the *New York Times* wrote that the Republican Party was creating a special club for its mega-donors called Team \$1 Million “whose members are treated to a smorgasbord of benefits like private meetings with Congressional leaders.” The party already had something akin to this, known as “season pass holders.” These were individuals who donated a quarter million or more to the party a year, and at the time there were thirty-six of them. Among those thirty-six, the article noted, was Richard DeVos. Team \$1 Million “reflects a major escalation in fundraisers’ expectations,” with the *Times* indicating that “[t]he party’s 36 season pass holders are now being asked to contribute an additional \$250,000 this year and next[.]”⁵⁴

Although Amway’s presence was strongest within the Republican Party, the company also had a foothold in the Clinton White House, albeit in a small and more symbolic way. A December 21, 1996 *Washington Post* profile on Lanny Davis, the incoming White House special counsel, noted that he had once been an Amway distributor. According to the article, “[a]fter he narrowly lost a 1976 House race, Davis, 51, began evangelizing for the motivational door-to-door distribution company,” which he apparently did “as a way of supporting his then-wife, Elaine, in her wish for challenging, interesting work.” However, he gave up the business because “he could no longer deceive his friends and associates to lure them to Amway sessions.” Like the Wisconsin distributors sued back in 1982, the Davises did not disclose upfront to their prospects that they were pitching Amway.⁵⁵

⁵⁴ Katharine Q. Seelye, “G.O.P. Blithely Seeks Big Donors,” *New York Times*, April 17, 1997, D22; “Amway Founder’s \$1-Million GOP Gift Called a Record,” *Los Angeles Times*, May 24, 1997, http://articles.latimes.com/1997-05-24/news/mn-62134_1_individual-gifts (accessed January 10, 2019); Leslie Wayne, “Parties Raised \$15 Million in ‘Soft Money’ in ’97, Data Show,” *New York Times*, June 13, 1997, A21; Don Van Natta Jr., “Republicans’ Goal Is \$1 Million Each From Top Donors,” *New York Times*, August 9, 1999, A1.

⁵⁵ Lloyd Grove, “Life of a Salesman; Lanny Davis Has Pushed Everything From Amway to Himself. Now He’s Pitching the Clintons,” *The Washington Post*, December 21, 1996, B1.

The dawn of the twenty-first century saw the second generation of Amway's founding families take a more prominent role in politics. On June 13, 2001, Amway chairman Steve Van Andel followed in his father's footsteps and became head of the U.S. Chamber of Commerce. One of Van Andel's priorities at the outset of his tenure was getting people to think better of business, saying, "People infrequently talk about the things that businesses do that are positive, like the hundreds of millions of people in the United States who are supplied health care by business and the donations businesses make to local charities." Promoting global economic integration was also a significant focus. In early July 2001, Van Andel endorsed China's ascension into the World Trade Organization, telling *China Daily* that "[f]or U.S. businesses, one of the best things that can happen to help confidence in the Chinese market is China becoming part of the WTO." In anticipation of China eventually joining the WTO, Van Andel worked to help more American businesses penetrate the Chinese market. In October 2001, the Chamber partnered with the China Council for the Promotion of International Trade to help businesses in both countries navigate each other's economies. In addition to championing WTO membership for China, he was also active in trying to get most favored nation status for China in the United States.⁵⁶

China was not the only issue that Van Andel concerned himself with, though. Van Andel spent much of the summer of 2001 traveling across the United States speaking to various business and trade groups, urging them to support Trade Promotion Authority, which would expedite the process of negotiating and establishing trading agreements with other countries. Crucially, Van Andel wanted to make certain that any Trade Promotion Authority granted to the President would not

⁵⁶ "Alticor's chairman heads U.S. Chamber," *The Grand Rapids Press*, June 14, 2001, folder "Van Andel, Steve, 2001-2002," box 67, sub-series D, series 4, CCR; Van Andel quoted in Garrison Wells, "Van Andel takes gavel at U.S. Chamber," *The Grand Rapids Press*, June 15, 2001, folder "Van Andel, Steve, 2001-2002," box 67, sub-series D, series 4, CCR; Van Andel quoted in Gong Zhengzheng, "US chamber backs China's WTO entry," *China Daily*, July 4, 2001, folder "Van Andel, Steve, 2001-2002," box 67, sub-series D, series 4, CCR; "Trade Groups Program to Promote Sino-U.S. Trade," *Xinhua Economic News Service*, October 19, 2001, folder "Van Andel, Steve, 2001-2002," box 67, sub-series D, series 4, CCR; Rodger Lee, "Andel dedicated to WTO accession," *China Daily*, October 20, 2001, folder "Van Andel, Steve, 2001-2002," box 67, sub-series D, series 4, CCR. Portions reproduced in Mondom, "Compassionate Capitalism," 18.

require future trade deals to include rules about worker's rights or environmental protection. In early November, Van Andel and other Chamber officials traveled to Japan to encourage politicians there to reform the economy by, among other things, privatizing some state-owned enterprises.⁵⁷

Van Andel's tenure coincided with the terrorist attacks of September 11th. In the aftermath of 9/11, he said, "I found myself having to go from being a businessman, the free enterprise guy, to being a spokesman for my country, the freedom guy." In addition to the destruction and loss of life, 9/11 also contributed to a minor downturn in the American economy. When interviewed by the Japanese newspaper *Nihon Keizai Shimbun* in April 2002 about the post-9/11 slump, Van Andel said, "My own view at the time [about the economic impact of 9/11]...was extremely optimistic." The attacks notwithstanding, he believed that "U.S. economic fundamentals were strong" and that the American economy would weather the storm. Nevertheless, he did acknowledge some fallout, pointing out that "[b]ecause of the uncertainty over the future that resulted from the terrorist attacks, business people held off on capital investments," but he was confident that this would reverse sooner rather than later.⁵⁸

Since 2000, one of the major hobbyhorses for the DeVoses, particularly the DeVos children, has been education reform, both in Michigan as well as around the country, which culminated in the nomination of Betsy DeVos as education secretary in November 2016. In June 1999, the magazine *Church & State* reported that Dick DeVos was ready to spend big to help create a school voucher system in the state of Michigan. By late February 2000, an organization called Kids First! Yes!, which DeVos co-chaired, submitted petitions to the secretary of state for what became Proposal 1. Pro-

⁵⁷ James V. Higgins, "Amway heir hits the stump around U.S. for trade authority," *The Detroit News*, August 15, 2001, folder "Van Andel, Steve, 2001-2002," box 67, sub-series D, series 4, CCR; "Trade Promotion Authority," Office of the United States Trade Representative, <http://ustr.gov/trade-topics/trade-promotion-authority> (accessed January 10, 2019); "American business leaders call for reform in Japan," *The Associated Press*, November 8, 2001, folder "Van Andel, Steve, 2001-2002," box 67, sub-series D, series 4, CCR.

⁵⁸ Van Andel quoted in "Chamber head brings his message home," January 11, 2002, folder "Van Andel, Steve, 2001-2002," box 67, sub-series D, series 4, CCR; Van Andel quoted in "Feelings of U.S. economic recovery are growing stronger," *Nihon Keizai Shimbun*, April 24, 2002, folder "Van Andel, Steve, 2001-2002," box 67, sub-series D, series 4, CCR.

voucher forces wound up collecting 150,000 more signatures than they needed to get the proposal on the ballot in November. Per the language of the initiative, Proposal 1 would allow “indirect support to students attending nonpublic pre-elementary, elementary and secondary schools” and “require enactment of teacher testing laws.”⁵⁹

Support for and opposition to Proposal 1 came from a variety of quarters. The Family Research Council came out in favor of Proposal 1 in October, with its president Ken Connor declaring that “Proposal 1 will improve the quality of public education in Michigan as it encourages poor performing schools to compete with other public and private schools.” It also received the backing of the Michigan Catholic Conference, the Islamic Association of Detroit, and the Michigan Chamber of Commerce, among others. Although it would make state dollars available to privately-run religious schools, there was by no means consensus among religious communities in the state on Proposal 1. Catholics were among the biggest backers of Proposal 1, with the Michigan Catholic Conference launching a campaign to have priests deliver sermons about it at Mass. Conversely, the United Methodist Church, the Episcopal Church, and the United Church of Christ all opposed the measure. Within the state’s Jewish community, the Jewish Coalition Against Vouchers, an umbrella group that included the Anti-Defamation League and B’nai B’rith, came out against Proposal 1, although it did have strong support among Orthodox Jews. The NAACP, the League of Women Voters, and the *Detroit Free Press* also opposed Proposal 1.⁶⁰

⁵⁹ “Amway Chief Bankrolls Michigan Drive for Religious School Aid,” *Church & State*, June 1999, 16-17; Eddie Edwards, “Kids First! Yes! Files Petitions to Place Educational Opportunity on the Michigan Ballot,” *PR Newswire*, February 24, 2000; “About Proposal 1,” *South Bend Tribune*, November 3, 2000, 1. Portions reproduced in Mondom, “Compassionate Capitalism,” 18.

⁶⁰ Connor quoted in “FRC Applauds Florida Court Decision on School Vouchers, Supports Michigan Ballot Proposal,” *PR Newswire*, October 5, 2000; Cory Havens, “Groups remain at odds over voucher proposal,” *South Bend Tribune*, August 4, 2000, D1; David Crumm, “Voucher Battle Will be Waged in Pulpits,” *Detroit Free Press*, September 23, 2000, A1; Amy Klein, “Michigan Proposes To Introduce Vouchers: Most Jewish Groups Oppose Effort, But Some May Just Say ‘Yes,’” *The Forward*, October 20, 2000, 13; “The League of Women Voters of Michigan Opposes Proposal 1,” *PR Newswire*, September 25, 2000; “Vouchers: Good for Kids??” *The Detroit Free Press*, October 31, 2000, A9.

Opposition to Proposal 1 was based on a variety of factors. The League of Women Voters, for instance, warned that “the real goal of Proposal 1 is to eliminate the Michigan Constitution’s prohibition of giving public money to private and religious schools.” Accordingly, it raised concerns over whether or not it would violate the First Amendment. In fact, the People for the American Way announced that it would challenge the voucher scheme on constitutional grounds if it became law. Critics also raised objections to the provision requiring periodic testing of teachers, arguing that it failed to specify exactly how teachers would be evaluated. Additionally, they attacked testing as an imprecise measure of teaching quality and as redundant, since teachers were already observed and evaluated on a yearly basis. And finally, there were concerns that testing would discourage people from entering the profession and add to an already-existing deficit of teachers.⁶¹

The DeVoses were among the most vociferous backers of the measure. Dick DeVos gave two interviews to the editorial board of the *Detroit Free Press* in which he defended the various provisions of Proposal 1. DeVos claimed that testing was necessary because “there are a large number of teachers within the current system who have, No. 1, never been tested; [and] No. 2, who may in fact be teaching courses that were not a subject of their study, and may not have kept up with that in terms of continuing education.” According to DeVos, testing would allow schools to weed out those teachers who simply were not qualified for their position, giving them the opportunity to improve or leave the profession altogether. On vouchers, DeVos said that they would give parents the ability to take their children out of subpar schools and send them to better-performing ones: “If you are caught in one of the worst-performing school districts in the state, a district where less than two-thirds of the ninth-graders continue on to graduate, then we are saying to you, you should not be forced to send your child to such a school. You should have the opportunity to choose.” DeVos also

⁶¹ “The League of Women Voters of Michigan Opposes Proposal 1”; Martin Kasindorf, “Voucher supporters focus on Michigan, California: Big money pouring into campaigns that back private-school proposals,” *USA Today*, October 12, 2000, A17; Peggy Walsh-Sarnecki, “Voucher Proposal Would Test Teachers But Competency Exam Details Not Spelled Out,” *The Detroit Free Press*, October 3, 2000, A1; Mark Mayes, “Voucher proposal looming for teachers in Michigan,” *Lansing State Journal*, September 5, 2000, A1.

deflected concerns that vouchers would undermine separation of church and state. Although he conceded that the vouchers would constitute “indirect support” for religious schools, he also insisted that “[t]he provision that we are changing in the Constitution of Michigan does not change the prohibition against direct subsidies from government,” and that vouchers were not materially different from someone using federal financial aid to attend a religiously-affiliated college or university, which was legal.⁶²

The DeVoses also backed the measure with their pocketbooks. A *USA Today* article detailing the various individuals and groups giving money to voucher initiatives in Michigan and California reported that “Amway president Dick DeVos and Catholic bishops are putting up most of the cash” on behalf of Proposal 1. By the middle of June 2000, Richard and Helen DeVos had donated one million dollars to Kids First! Yes!, as did Elsa Prince, the mother of Betsy DeVos. Despite this, though, and despite the nearly thirteen million dollars overall that proponents managed to raise, Proposal 1 suffered a resounding defeat, 69.13% to 30.87%. An article in the *Lansing State Journal* pointed to several factors that contributed to the defeat. One was the fact that state Republicans were not united around Proposal 1. Among the opponents of Proposal 1 was Michigan’s Republican governor, John Engler, who was apparently concerned that it would drive African-Americans to the polls and in so doing offer an electoral boost to Democrats. Additionally, the paper pointed out that “[s]upporters sent vague, confusing messages to voters early in the campaign,” refusing, for example, to “use the word ‘vouchers’ in advertising because they feared it would have a negative connotation with voters.” This led support for the measure to hemorrhage steadily in the months leading up to Election Day.⁶³

⁶² “Q and A: Dick DeVos: Proposal 1 Gives Parents a Choice,” *Detroit Free Press*, October 17, 2000, A11; Mondom, “Compassionate Capitalism,” 18.

⁶³ Kasindorf, “Voucher supporters focus on Michigan, California”; Crumm, “Voucher Battle Will be Waged in Pulpits”; 2000 Michigan Election Results, Michigan Department of State, <http://miboecfr.nicusa.com/election/results/00gen/> (accessed January 10, 2019); Tim Martin, “Looks like ‘no’ on Proposal 1,” *Lansing State Journal*, November 8, 2000, A7; Mondom, “Compassionate Capitalism,” 18.

Proposal 1 was not the first time that members of Amway’s founding families dabbled in education reform. Controversy arose in November 1981 over Jay Van Andel’s involvement with a pro-voucher group called the Education Voucher Institute. The group had circulated fundraising letters that bore both Van Andel’s signature and the logo of the Amway Corporation. In response, several organizations, including the Michigan Elementary and Middle School Principals Association and the Michigan Association of School Boards, protested by withdrawing planned gatherings at the Amway Grand Plaza Hotel. (The Michigan Association of School Boards eventually changed its mind in early January 1982.) According to the *Grand Rapids Press*, although the Education Voucher Institute had the go-ahead to include Van Andel’s signature, they never got approval for the logo. In a 2013 interview, Betsy DeVos explained that her and her husband’s involvement in education reform stemmed, in part, from what they saw in their own hometown. She talked about going to Potter’s House, a private Christian school in Grand Rapids, and meeting parents who, in her words, had to make “a real sacrifice” in order to send their children there. According to her, that experience motivated them to commit themselves to providing the same breadth of choices to struggling families as they themselves had.⁶⁴

For Dick and Betsy DeVos, their Calvinist upbringing also motivated their interest in reform. The best evidence for this comes from remarks they made in 2001 at The Gathering, which *Politico*’s Zach Stanton has described as “an annual meeting of some of America’s wealthiest Christians.” That year, the DeVoses portrayed churches and public schools as antagonists, competing with one another over which would exercise greater influence over children. For them, reforming education meant empowering churches at the expense of public schools. Dick DeVos told attendees that “the church has sadly retrenched from its center role in our community, to where now, as we look at

⁶⁴ Rademacher, “Convention Lost as Amway Name is Tied to Foes”; Rademacher, “Voucher Leader Rips Educators On GR Boycott”; Rademacher, “School Board Gathering Headed Back Here”; “Interview with Betsy DeVos, the Reformer,” Philanthropy Roundtable, April 2013, http://www.philanthropyroundtable.org/topic/excellence_in_philanthropy/interview_with_betsy_devos (January 10, 2019).

many communities in our country, the church, which ought to be, in our view, far more central to the life of the community, has been displaced by the public school, as the center for activity, the center for what goes on in the community.” A little later, he expressed his and his wife’s wish “that more and more churches will get more and more active and engaged in education — we just can think of no better way to rebuild our families and our communities than to have that circle of church and school and family much more tightly focused and being built on a consistent worldview.” Betsy DeVos, meanwhile, remarked that “for many years, the church in general has felt that it’s important for the children of the congregation to be in the schools, to make a difference, but in fact I think what’s happened in many cases in the last couple of decades is that the schools have impacted the kids more than the kids are able to impact the schools.” These remarks directly paralleled the theology of Abraham Kuyper. Like Kuyper, the DeVoses believed that religion was inappropriately segregated from larger society, and they saw education reform as a way of bringing religion back into the fold.⁶⁵

Dick and Betsy DeVos’s advocacy work began in earnest in the 1990s. In 1990, Dick DeVos won a seat on Michigan’s State Board of Education. His tenure was unremarkable. He showed up only about three-quarters of the time, and although the term of office was eight years, he ended up resigning after just two, citing his appointment as Amway’s president in December 1992. On May 6, 1991, Dick DeVos spoke at the Grand Haven Community Foundation’s Excellence in Education Evening, where he lambasted American schools for falling behind their international counterparts. To remedy the disparity, DeVos championed introducing greater school choice as well as moving away from property taxes as the funding mechanism for schools.⁶⁶

⁶⁵ Zach Stanton, “How Betsy DeVos Used God and Amway to Take Over Michigan Politics,” *Politico*, January 15, 2017, <http://www.politico.com/magazine/story/2017/01/betsy-dick-devos-family-amway-michigan-politics-religion-214631> (accessed January 10, 2019); “The DeVoses lament that public schools have ‘displaced’ churches as the center of communities,” *Politico*, December 2, 2016, <http://www.politico.com/video/2016/12/the-devoses-lament-that-public-schools-have-displaced-churches-as-the-center-of-communities-061694> (accessed January 10, 2019).

⁶⁶ Mark Hornbeck and Charlie Cain, “Who is Dick DeVos? And can he lead Michigan: Family fortune bankrolls a candidate with much to prove,” *Detroit News*, June 23, 2006, A1; Dave Alexander, “DeVos berates education system at award ceremony,” *The Grand Rapids Press*, May 8, 1991, 3LS, GRPC.

As it turned out, both innovations were not far off, at least in Michigan. In the early nineties, two major problems plagued Michigan's education system: poor student performance and the state's reliance on property taxes to finance schools, which generated stark inequalities. The latter problem was dramatized when the Kalkaska school district closed near the end of the 1992-1993 academic year because it had run out of money: the town's population had rejected raising local property taxes to fund the schools.⁶⁷

To address these problems, governor John Engler and Republicans in the state legislature proceeded on two parallel tracks. First they overhauled how public schools were financed by ending the use of property taxes to support schools and then putting up for voters's consideration Proposal A, which introduced a dedicated school tax levied at the state level, with the revenue distributed according to how many students a school district had, raised sales taxes slightly to compensate for some of the lost property tax revenue, and ensured that all schools would get a guaranteed minimum amount of funding. Proposal A passed in a March 1994 referendum.⁶⁸

As Proposal A gestated, Engler set out to try and find ways to improve student performance in schools. He proposed a variety of measures, calling for the adoption of new standards and insisting that the state do more to hold schools accountable for outcomes. He also wanted to issue "report cards" for all schools so that parents would know how their school was doing and could remove their child from that school if it fell short of their expectations. And, of course, he wanted Michigan to embrace charters. Engler derided the fact that, as he saw it, parents were compelled to send their children to a certain school simply because of where they lived. For him, charters were essential if parents were going to have any real ability to decide where their children were educated. He also believed that charters, which would not be subject to all of the regulations placed on public

⁶⁷ James N. Goenner, "The Origination of Michigan's Charter School Policy: An Historical Analysis" (Ph.D. dissertation, Michigan State University, 2011), 52-56.

⁶⁸ Goenner, "The Origination of Michigan's Charter School Policy," 56-62, 83-86; Chastity Pratt-Dawsey, "A brief history of Proposal A, or how we got here," MLive.com, April 30, 2014, http://www.mlive.com/education/index.ssf/2014/04/a_brief_history_of_proposal_a.html (accessed January 10, 2019).

schools, would foster creativity and innovation in teaching. Two bills to establish charter schools in Michigan — one in each chamber of the legislature — were passed in late 1993. The Senate version ultimately became law in January 1994. Amway itself became involved in the effort to bring “school choice” to Michigan. After the property tax repeal, the company backed a call by the Michigan Manufacturers Association for the state to prioritize reform over finding new revenue sources.⁶⁹

In addition to backing initiatives like Proposal 1, the DeVoses have also inserted themselves into the world of education reform advocacy groups. In the early 2000s, Betsy DeVos helped to create the Great Lakes Education Project (GLEP), which she chaired until 2008 and which has played a significant role in helping to shape how the state of Michigan regulates charter schools. According to a 2014 article in the *Detroit Free Press*, “GLEP has spent more than \$1.3 million since 2003 in direct and indirect contributions to candidates” in the state. The DeVoses, unsurprisingly, have been among the largest contributors to GLEP: Dick and Betsy DeVos have given a combined \$610,000, while Richard and Helen DeVos each donated \$260,000 and \$230,000, respectively. In 2011, GLEP pushed for the passage of Senate Bill 618, which eliminated restrictions on the number of charter schools in the state. As part of that effort, the *Press* reported that “GLEP spent about \$30,000 in donations to state senators” while “\$115,000 went to state House members in direct donations and advertising.” GLEP has also worked to try and oust politicians who do not back its vision of education reform, such as state representative Paul Muxlow, who opposed SB 618. During his 2012 primary, GLEP was at times spending more money against Muxlow than the man challenging him: “In July and August 2012, the organization pumped out \$184,718.40 to try to defeat Muxlow. His opponent, Bob Eick, spent only \$33,847 himself.” Muxlow held on, but just barely, with only 132 votes separating him and Eick.⁷⁰

⁶⁹ Goenner, “The Origination of Michigan’s Charter School Policy,” 62-83, 86-93.

⁷⁰ “About Betsy DeVos,” <http://betsydevos.com> (accessed January 10, 2019); David Jesse, “Pro-charter lobby shows its clout in Legislature,” *Detroit Free Press*, June 25, 2014, <http://www.freep.com/story/news/local/michigan/2014/06/25/procharter-lobby-shows-its-clout-in-legislature/77155448/> (accessed January 10, 2019).

In 2002, about a year after GLEP was formed, Dick DeVos spoke at the Heritage Foundation and stressed the need to make education reform a political priority, arguing that “[w]e need to be able to offer a political consequence for opposition and political reward for support of education reform issues.” The next year, Betsy DeVos started another group called All Children Matter, which has been active in political campaigns throughout the country. In 2004, for example, All Children Matter helped to primary Utah’s Republican governor Olene Walker because she had refused to sign voucher legislation passed by the state legislature. She was successfully ousted. Two years later, it gave money to defeat David N. Cox, a Republican state representative in Utah, in his primary because he had also opposed voucher legislation, which *Education Week* noted was “part of a more-than-\$7 million campaign....to get supporters of tuition vouchers and other forms of school choice into legislative and governors’ offices in at least 10 states.” That year it also challenged Toni Hellon, a Republican state senator in Arizona. All Children Matter is probably most well known for a lawsuit that the state of Ohio leveled against it in 2008 for an attempt to skirt restrictions on campaign contributions. The state fined the group \$2.6 million, which, to date, it has not paid.⁷¹

Betsy DeVos’s work as a professional advocate continued right up until late 2016. Before Trump nominated her, she was chairwoman of the American Federation for Children, which was founded in March 2010. Its stated mission is “to promote the benefits of — and the need for — school choice, make parents aware of their options, mobilize grassroots supports [sic] and ensure private school choice laws work for students.” During the 2012 election cycle, American Federation for Children invested seven million dollars to support 219 pro-reform candidates, most of them in the South and Midwest. Eighty-three percent of them were elected to office. DeVos also sat on the

⁷¹ DeVos quoted in “Who’s Betsy DeVos?”; Michele McNeil, “School Choice Group Grows as Force in State Elections,” *Education Week*, September 27, 2006, 10; Benjamin Wermund, “Trump’s education secretary pick led group that owes millions in election fines,” *Politico*, November 29, 2016, <http://www.politico.com/story/2016/11/betsy-devos-all-children-matter-election-fines-231954> (accessed January 10, 2019).

board for the pro-charter Foundation for Excellence in Education, started by former Florida governor and 2016 Republican presidential candidate Jeb Bush.⁷²

Michigan's embrace of charter schools has had mixed results. A June 2016 article in the *New York Times* on Detroit found that although the city — and Michigan as a whole — has a gobsmacking number of charter schools, it has not translated into quality schooling. In fact, the article pointed out, it has undermined schools by stretching education dollars thin. According to the article, “Detroit now has a bigger share of students in charters than any American city except New Orleans.... [b]ut half the charters perform only as well, or worse than, Detroit’s traditional public schools.” *Politico* found that “[d]espite two decades of charter-school growth, the state’s overall academic progress has failed to keep pace with other states,” noting that “Michigan ranks near the bottom for fourth- and eighth-grade math and fourth-grade reading on a nationally representative test[.]” The charter schools did not help. In fact, on the whole students in public schools scored better on the National Association of Education Progress’s assessments than the charter school students did. A September 2017 piece in the *New York Times Magazine* similarly noted that “Michigan’s K-12 system is among the weakest in the country and getting worse. In little more than a decade, Michigan has

⁷² “Bill Oberndorf Succeeds Betsy DeVos as Chairman of American Federation for Children,” American Federation for Children, November 30, 2016, <http://www.federationforchildren.org/bill-oberndorf-succeeds-betsy-devos-chairman-american-federation-children/> (accessed January 10, 2019); “About Us,” American Federation for Children, <http://www.federationforchildren.org/about/> (accessed January 10, 2019); “American Federation for Children; Education Reformers Renew Fight for School Vouchers, Launch New American Federation for Children,” *NewsRx*, March 29, 2010; “American Federation for Children; American Federation for Children Spent More Than \$7 Million in 2012, Expands Educational Choice Support Across the Country,” *Investment Weekly News*, January 26, 2013; Caitlin Emma, “Jeb Bush’s Consolation Prize,” *Politico*, January 2, 2017, <http://www.politico.com/story/2017/01/jeb-bushs-consolation-prize-233097> (accessed January 10, 2019); “Reform Agenda,” Foundation for Excellence in Education, <http://www.excelined.org/about-us/reform-agenda/> (accessed January 10, 2019).

gone from being a fairly average state in elementary reading and math achievement to the bottom 10 states.”⁷³

In fairness, some Michigan charters have performed well. In June 2017, the *New York Times* profiled one such example: the West Michigan Aviation Academy. The school focuses on STEM fields and boasts two airplanes that it uses to provide flying lessons to its students. The West Michigan Aviation Academy was started in 2010 by none other than Dick and Betsy DeVos.⁷⁴

Although Amway’s founding families have been politically active since at least the 1970s, it was not until the mid-2000s that one of them tried their hand at elected office. On June 2, 2005, Dick DeVos announced that he was running for governor of Michigan as a Republican. Like all of the cofounders’s children, Dick had a long relationship with Amway. Richard DeVos wrote in his autobiography that when he was younger Dick “spent some time as a tour guide,” recalling, “[u]sing his middle name, he introduced himself to guests as Dick Marvin, so he wouldn’t be recognized as my son.” In the mid-1970s, he became a vice president inside Amway before leaving in 1989 to run his own company, the Windquest Group. Four years later, however, he returned to succeed his father as president of Amway, a post he stayed in until 2002, when he went back to Windquest. He had no

⁷³ Kate Zernike, “A Sea of Charter Schools in Detroit Leaves Students Adrift,” *New York Times*, June 28, 2016, <http://www.nytimes.com/2016/06/29/us/for-detroits-children-more-school-choice-but-not-better-schools.html> (accessed January 10, 2019); Caitlin Emma, Benjamin Wermund, and Kimberly Hefling, “DeVos’ Michigan schools experiment gets poor grades,” *Politico*, December 9, 2016, <http://www.politico.com/story/2016/12/betsy-devos-michigan-school-experiment-232399> (accessed January 10, 2019); Mark Binelli, “Michigan Gambled on Charter Schools. Its Children Lost,” *New York Times Magazine*, September 5, 2017, <http://www.nytimes.com/2017/09/05/magazine/michigan-gambled-on-charter-schools-its-children-lost.html> (accessed January 10, 2019).

⁷⁴ Erica L. Green, “Charter School Founded by DeVos Family Reflects National Tensions,” *New York Times*, June 14, 2017, <http://www.nytimes.com/2017/06/14/us/politics/betsy-devos-west-michigan-aviation-academy.html> (accessed January 10, 2019); “About,” West Michigan Aviation Academy, <http://www.westmichiganaviation.org/about/> (accessed January 10, 2019).

political experience prior to his run. The closest he came was when he was on the state board of education, though, as noted earlier, his tenure was nothing to brag about.⁷⁵

Dick DeVos's name had been floated as a candidate for political office before. In 1992, there was talk that he might run for Senate against incumbent Donald Riegle, but after succeeding his father at the company in December, DeVos took himself out of consideration. In February 2005, four months prior to him entering the gubernatorial race, the *Ann Arbor News* reported excitement among Republican operatives and politicians about the prospect of a DeVos candidacy. Dick Posthumus, who ran for governor in 2002, described DeVos as “somebody who can provide that executive leadership that can make tough decisions.” Although DeVos in his announcement eschewed any ideological affiliations, his entry was seen as a boon to right-wing forces inside the state party. A columnist for the *Ann Arbor News* wrote that “[h]is candidacy allows more conservative Republicans to stick to their guns, hold true to core GOP principles of lower taxes and smaller government, and make 2006 a competitive referendum on the direction Michigan should take.”⁷⁶

DeVos entered the race with several potential advantages. There was his name, for one, and its association with a successful Michigan-based company. And with that connection, of course, came vast resources. The *Detroit Free Press* reported in April 2006 that “DeVos is almost without question the richest man to run for office in the state in the last century.” At the time of his announcement, DeVos declined to indicate whether or to what extent he would self-finance his campaign. It was a double-edged sword, though: there were questions even before he announced about whether his wealth would become a political liability, whether his opponents would use it to paint him as out of touch with ordinary Michiganders. And then there was the fact that his opponent, in-

⁷⁵ George Weeks and Charlie Cain, “Republican power broker DeVos to run for governor,” *Detroit News*, June 3, 2005, box 185, JGP; DeVos, *Simply Rich*, 196; Jones, *Amway Forever*, 135; Hornbeck and Cain, “Who is Dick DeVos?”. Portions reproduced in Mondom, “Compassionate Capitalism,” 18.

⁷⁶ Ted Roelofs, “DeVos’s rise at Amway may leave void for GOP,” *The Grand Rapids Press*, December 22, 1992, B1, B4, GRPC; Posthumus quoted in Steve Harmon, “DeVos creates buzz in GOP,” *The Ann Arbor News*, February 7, 2005, box 185, JGP; Weeks and Cain, “Republican power broker DeVos to run for governor”; Peter Luke, “DeVos’ gubernatorial bid should excite states’ GOP,” *The Ann Arbor News*, June 5, 2005, box 185, JGP.

cumbent governor Jennifer Granholm, stood on shaky political ground. A July 2006 *Detroit Free Press* article noted that whereas Granholm had been a popular up-and-coming Democrat back in 2004, by the middle of 2006 she was “in danger of becoming a one-term wonder,” largely on account of an economic slump that had hit the state’s carmakers hard.⁷⁷

In light of his opponent’s weakness, DeVos placed substantial emphasis in his campaign on the economy. Shortly after declaring his candidacy, he said, “In the last election there was no driving issue for the election. In this case there is — the economy of the state of Michigan is in serious disrepair. That’s a very significant driving issue.” A full-page newspaper ad from July 2006 illustrates his focus on the issue. The ad included a quote from DeVos proclaiming that “[t]he renaissance of Michigan will not be complete without the renaissance of Detroit,” and listed what he saw as the steps necessary for achieving this renaissance, including “[c]reat[ing] a job climate second to none,” “[d]iversify[ing] our economy” and “[c]onquer[ing] the international marketplace[.]” DeVos used his tenure as president of Amway to argue that he knew how to improve the state’s sagging economy. A profile on DeVos in the magazine *Hour Detroit* observed that “DeVos is betting that a state hurting for business will turn to a businessman.”⁷⁸

Granholm and the state Democratic Party, however, sought to turn DeVos’s business experience into a liability. One point on which they hit him repeatedly, for example, was that while he was president Amway cut 1,400 jobs in Michigan while at the same time its business in China grew. In her stump speeches, Granholm offered up a list of “Top Ten Reasons to Vote Democratic On November 7.” Number ten said, “My opponent says he’s a Michigan jobs maker, but when you look at

⁷⁷ Dawson Bell, “In wealth, DeVos runs in 1st place,” *Detroit Free Press*, April 1, 2006, A3; Weeks and Cain, “Republican power broker DeVos to run for governor”; Tim Skubick, “DeVos’ wealth can aid, hinder,” *Lansing State Journal*, March 4, 2005, box 185, JGP; Chris Christoff, “From Future Star to Falling Star: Economy Dampens Granholm’s Ratings,” *Detroit Free Press*, July 9, 2006, A1.

⁷⁸ DeVos quoted in Fred Grey, “Dick DeVos, one of state’s wealthiest residents, prepares to take on Granholm,” *Petoskey News-Review*, August 3, 2005, http://articles.petoskeynews.com/2005-08-03/jennifer-granholm_24035408 (accessed January 10, 2019); Dick DeVos campaign aid, *The Michigan Frontpage*, vol. 6 issue 011 (July 14, 2006), box 185, JGP; Chris Christoff, “DeVos: State is stifling its growth,” *Detroit Free Press*, May 24, 2006, B1; Devin Scillian, “He Means Business,” *Hour Detroit*, June 2006, 115, box 185, JGP.

his record at Amway, the facts are pretty clear...almost 1400 Amway jobs are, as the great Ernie Harwell would say, LOOOOOOOOONG GONE.” Throughout the campaign, the Michigan Democratic Party issued a number of press releases hammering DeVos on his business record. On September 24, 2005, the party accused DeVos of “us[ing] his and his family’s millions of dollars in soft money political contributions to promote the interests of Amway in China, while he eliminated 1,400 Michigan jobs.” In March 2006, the party attacked DeVos for misrepresenting his tenure as president of Amway, stating that he cut hundreds of jobs and invested hundreds of millions of dollars in the company’s Asia market, and that “under Dick DeVos, the company floundered for the first time in more than a decade.” A September 2006 press release quoted the state party chair, Mark Brewer, saying that “President Bush and Dick DeVos’ failed trade policies are putting Michigan workers at an unprecedented disadvantage, while allowing China to flourish,” and that “Dick DeVos has a long record of investing in China while cutting Michigan jobs. DeVos has helped China soar and Michigan suffer.” The Democrats’s tactic, particularly their criticisms of Amway’s overseas business, drew some backlash in media circles. An op-ed in the *Detroit News* in August 2005 said that the attacks lacked merit, arguing that there was no connection between Amway’s domestic job losses and its investments in China and that the company’s activities in China ultimately redounded to Michigan’s benefit, since it provided Amway with the resources to invest at home.⁷⁹

DeVos’s proscription for the Michigan economy was well in line with the boilerplate free-market policies that his father and Jay Van Andel had championed for decades. On taxes, he called for the repeal of the state’s value-added tax on businesses, called the Single Business Tax. In its place, he supported “a tax on corporate profits or gross receipts[.]” Additionally, DeVos called for eliminating the income tax for low-income households as well as exempting businesses from having

⁷⁹ Jennifer Granholm stump speech, box 191, JGP; “Republican Gubernatorial Candidate DeVos Uses Soft Money Influence to Advance China Interests,” *Targeted News Service*, September 24, 2005; “Gubernatorial Candidate DeVos Lies Again and Again and Again,” *Targeted News Service*, March 20, 2006; Brewer quoted in “Gubernatorial Candidate DeVos, Amway Boost China GDP to 10.2 Percent Growth,” *U.S. Fed News Service*, September 1, 2006; Daniel Howes, “Criticizing DeVos on China doesn’t add up,” *The Detroit News*, August 21, 2005, box 185, JGP.

to pay personal property taxes. This last proposal, which would have taken about \$1.7 billion out of the state's coffers, drew strong criticism from city and county officials, who feared that the plan would decimate local budgets.⁸⁰

Although the economy was, as a headline in the *New York Times* put it, "Topic A" in the Michigan gubernatorial race, it was not the only campaign issue nor the sole point of contrast between DeVos and Granholm. DeVos favored dramatic reductions in the state's Medicaid program, citing Missouri as a model, which had implemented reforms that booted one hundred thousand recipients off of the program. On healthcare more broadly, the two candidates had different proposals for how to tackle rising costs as well as covering the state's uninsured population. The *Detroit News* reported in October that Granholm favored a state-federal partnership "to offer basic health plans to low-income residents," while DeVos floated no specific program, believing instead that boosting hiring was the best way to expand access to healthcare, since it would (ideally) result in more people getting insurance through their employer. On cost control, though, he was more detailed, indicating that he would bring the cost of healthcare down by introducing more information technology, in addition to "promot[ing] consumer-driven health insurance options and improv[ing] insurance pooling options for businesses" as well as "provid[ing] incentives to Michigan colleges and universities to graduate more desperately needed health care professionals." Granholm also supported greater IT use, along with continuing measures that she introduced to lower the cost of prescription drugs as well as to encourage people to take better care of themselves. DeVos opposed abortion in all cases except to save the mother, which won him the endorsement of the Michigan chapter of Right to Life. It was also on pro-life grounds that DeVos opposed embryonic stem cell research, although he was fine with the use of adult stem cells, while Granholm was for it. In September 2006, DeVos came out in favor of having intelligent design taught alongside evolution in science classes, although

⁸⁰ Christoff, "DeVos: State is stifling its growth"; "DeVos tax cut vow sets right tone for election," *Detroit News*, June 22, 2006, A18; Chris Christoff, "DeVos' tax proposal slammed: Cities, schools upset; spokesman defends plan," *Detroit Free Press*, October 12, 2006, B1.

he insisted that the ultimate decision as to whether or not it was taught ought to rest with school boards. Granholm, meanwhile, insisted that intelligent design be kept out of science classes entirely. On crime, Granholm opposed bringing back the death penalty while DeVos called for hiring more police — although it was unclear how he would pay for it, given his tax proposals — as well as sacking the director of the state Corrections Department, Patricia Caruso, after a man named Patrick Selepak was wrongfully let out of prison and killed three people. Additionally, the *Detroit News* noted, he supported reinstating the death penalty for certain offenses and was against the use of “diversion programs.” The two candidates did agree on one thing, though: they both opposed Proposal 2, an anti-affirmative action ballot initiative. (Proposal 2 wound up passing anyway.)⁸¹

The DeVos-Granholm race was one of the most closely watched of the 2006 cycle, not to mention one of the most expensive. Jennifer Cook, an analyst for the Cook Political Report, described Granholm as “the most vulnerable incumbent Democratic governor in the country.” By July 2006, it had become the most expensive campaign in state history. DeVos had a slight edge over Granholm in fundraising, with \$17.5 million versus her \$11.2 million, \$12.8 million of which was his own money. Combined, they had already spent \$20.5 million on the race. By the start of September, the two campaigns had collectively raised \$33.5 million and spent \$25 million. For both candidates, some of that money came from high-profile individuals from outside of the state. Granholm, for example, received a donation from Steve Ballmer, the CEO of Microsoft, while Blackstone Group CEO Stephen Schwarzman contributed to DeVos. The race also attracted involvement from prom-

⁸¹ Monica Davey, “In the Race for Governor of Michigan, the Struggling Economy is ‘Topic A,’” *New York Times*, October 9, 2006, A10; Chris Christoff, “DeVos’ Bold Idea: Big Medicaid Cuts,” *Detroit Free Press*, February 6, 2006, E1; Charlie Cain and Mark Hornbeck, “Health care divides Granholm, DeVos,” *Detroit News*, October 23, 2006, A1; Laura Berman, “DeVos’ views on abortion are a mystery to voters,” *Detroit News*, July 22, 2006, A3; Mark Hornbeck and Charlie Cain, “Hot-button issues heat up gov race: Abortion, stem cells, gay marriage may sway voters,” *Detroit News*, November 1, 2006, A1; Chris Christoff and Lori Higgins, “Intelligent design OK for science class, DeVos says,” *McClatchy-Tribune Business News*, September 21, 2006; Mark Hornbeck and Charlie Cain, “Granholm, DeVos spar over crime: Gubernatorial race shows stark difference in plans to reduce violence, rein in soaring prison costs,” *Detroit News*, October 16, 2006, B1; “Gubernatorial Candidate DeVos, Gov. Granholm Speak Out Against Proposal 2,” *Targeted News Service*, September 15, 2006; Tamar Lewin, “Michigan Rejects Affirmative Action, and Backers Sue,” *New York Times*, November 9, 2006, 16.

inent national political figures. On August 15, 2006, former President Bill Clinton visited the state to campaign on behalf of Granholm. As part of his pitch, he linked DeVos to the Bush administration, telling an audience in Taylor, Michigan that “[y]our governor’s opponent thinks what Michigan needs is a state version of Bush-Cheney government.” On November 4th, three days before the election, he made another appearance in the state, along with former New York City mayor Rudy Giuliani, who came to stump for DeVos. At the time, the race looked like it might have important national implications. In August 2006, DeVos acquired the rights to the URL www.devosforpresident.com, prompting speculation that he might use the governorship as a springboard for a presidential run in 2008.⁸²

The fortunes of the two candidates fluctuated significantly over the course of the race. On July 10, 2005, a little over a month after DeVos announced his candidacy, Granholm had a 51%-33% lead over him, and more than half of those surveyed approved of the job she did as governor. More worryingly for Granholm, though, that same survey also recorded strong pessimism about the economy and the future of the state more broadly. One year later, the script had flipped. On June 13, 2006, the *Detroit News* reported that DeVos was beating Granholm by eight points in a poll conducted by Detroit News/WXYZ-TV. Additionally, sixty percent now *disapproved* of her leadership, although a slight majority still liked her personally. An op-ed on RealClearPolitics that same month downplayed the role of money in the campaign, arguing that “DeVos has surged into the lead be-

⁸² Cooked quoted in Chris Christoff, “All Eyes Are on Michigan; DeVos’ Bid Spending Heats Up Race; Luminaries to Visit State,” *Detroit Free Press*, June 18, 2006, A1; Charlie Cain and Mark Hornbeck, “\$21 million! Governor’s race is already priciest ever,” *Detroit News*, July 29, 2006, A1; Mark Hornbeck and Charlie Cain, “Governor’s race tab passes \$25M: DeVos is largely financing his own way; Granholm relies on political action groups,” *Detroit News*, September 8, 2006, B1; Amy Lane, “Big names bring big campaign cash,” *Crain’s Detroit Business*, August 7, 2006, 1; Clinton quoted in Chris Christoff, “Clinton’s Pitch for Granholm Lumps DeVos With Bush: ‘They want you to be scared,’ he says,” *Detroit Free Press*, August 16, 2006, B1; Gary Heinlein, “Clinton, Giuliani bring star power to state campaigns,” *Detroit News*, November 5, 2006; Bankole Thompson, “DeVos preps for presidency,” *Michigan Citizen*, August 20-26, 2006, A1, A4. Portions reproduced in Mondom, “Compassionate Capitalism,” 18.

cause so far he has come closest to ‘capturing the future,’ not because he has ploughed the most money into campaign ads.”⁸³

By September, however, Granholm had regained ground. The same Detroit News/WXYZ-TV poll mentioned earlier recorded her in the lead once again, fifty percent versus DeVos’s forty-two percent. Astonishingly, despite the fact that seventy percent of those surveyed were bearish about the economy, they still gave Granholm a nine-point edge over DeVos on the question of who was more likely to turn the economy around. The *Detroit News* cited Democratic attacks on Amway’s job cuts and investments in China, as well as “a distracting discussion of social issues” triggered by DeVos’s comments about intelligent design, as the reasons for the loss of his lead. Furthermore, although voters were down on the state of the economy, the fault for that fell more on President Bush than on Granholm. By the end of October, though, DeVos saw a minor surge. Although he failed to overtake her, he managed to bring the gap between himself and Granholm down from nine to five points, thanks in part to an ad blitz.⁸⁴

In the end, Granholm outperformed her poll numbers significantly and won the election handily, getting 56.36% of the vote versus DeVos’s 42.3%. Her victory also represented a substantial improvement over her first campaign in 2002, when she beat Republican Dick Posthumus by only four percentage points. An op-ed in the *Lansing State Journal* credited Granholm’s victory to her attacks on Amway’s business dealings in China. Although the author of the piece was not sympathetic to the attack, calling it a “non-starter” and “spoon-fed pabulum,” he acknowledged its effectiveness

⁸³ Kathy Barks Hoffman, “Granholm leads DeVos in poll; over half give positive job rating,” *The Argus-Press*, July 10, 2005, box 185, JGP; Mark Hornbeck and Charlie Cain, “DeVos takes 1st lead: Granholm stung by ad blitz, state’s lagging economy,” *Detroit News*, June 13, 2006, A1; Thomas Bray, “Michigan’s DeVos is ‘Capturing the Future,’” RealClearPolitics, June 21, 2006, http://www.realclearpolitics.com/articles/2006/06/michigans_devos_is_capturing_t.html (accessed January 11, 2019).

⁸⁴ Charlie Cain and Mark Hornbeck, “Granholm keeps lead amid jitters: Voters prefer her over GOP’s DeVos even though 60% say she’s not doing a good job,” *Detroit News*, September 15, 2006, A1; Charlie Cain and Mark Hornbeck, “DeVos looks to regain his momentum: He found voice with job losses, but China issue put him on defensive,” *Detroit News*, September 28, 2006, A1; E.J. Dionne, Jr., “In Michigan, A Sale the GOP Can’t Close,” *The Washington Post*, October 27, 2006, A23; Mark Hornbeck and Charlie Cain, “Bitter gov race tightens: DeVos’ women ads said to shore up his support, but more voters trust Granholm,” *Detroit News*, October 27, 2006, A3.

and argued that “[s]mart as they were and with money to spare, the DeVos team never developed its own symbol to whack the governor.” Beyond that, she also benefitted from voters seeing her as more trustworthy, along with the fact that she galvanized independents and voters of both genders.⁸⁵

Two years after Dick DeVos’s failed bid for the governorship was the 2008 election. Although he did not follow through on the gestures he made during the governor’s campaign and stayed out of the Republican presidential primary, he and members of his family still participated in the presidential race. In May 2007, in the waning days of the primaries, Richard DeVos made donations of a thousand dollars to both Mitt Romney and Rudy Giuliani. When the general election got under way, Richard, Dick, Dan, and Doug DeVos, as well as their wives, all gave money to John McCain’s campaign.⁸⁶

John McCain lost that election, but Barack Obama’s victory and the Right’s reaction to his administration, as witnessed both by the rise of the Tea Party and the wave of GOP victories in the 2010 midterm elections, gave the DeVoses new opportunities to exercise political influence. One of the most notable examples was their involvement in the fight against organized labor in their home state, beginning with Proposal 2 in 2012. Proposal 2 sought to amend the state’s constitution to guarantee labor unions the right to collectively bargain. The state Democratic Party as well as an array of labor unions, including the AFL-CIO, the UAW, AFSCME, and the Teamsters, endorsed Proposal 2, while opposition came from the Republican Party and business groups, among them the Michigan Chamber of Commerce, the Michigan Association of Realtors, and the Michigan Manu-

⁸⁵ 2006 Michigan Election Results, Michigan Department of State, <http://miboecfr.nictusa.com/election/results/06-GEN/> (accessed January 11, 2019); Chris Christoff, “In Michigan, Incumbent Granholm rolls over DeVos,” *McClatchy-Tribune News Service*, November 7, 2006; 2002 Michigan Election Results, Michigan Department of State, <http://miboecfr.nicusa.com/election/results/02GEN/> (accessed January 11, 2019); Tim Skubick, “China card won it for gov,” *Lansing State Journal*, November 10, 2006, A6. Portions reproduced in Mondom, “Compassionate Capitalism,” 18.

⁸⁶ “Presidential Donor Lookup Results,” Center for Responsive Politics, <http://www.opensecrets.org/pres08/search.php?cid=ALL&name=devos&employ=&cycle=2008&state=&zip=&amt=a&sort=D&page=1> (accessed January 11, 2019).

facturers Association, which declared that it “would inappropriately enshrine the terms of employment in the constitution and deceitfully unravel as many as 170 laws designed to improve government accountability, severely threatening Michigan’s economy.” Organized labor had spearheaded the inclusion of Proposal 2 on the ballot in November, which, as the *Pittsburgh Post-Gazette* pointed out, was a bold move on their part, given the anti-union climate in several neighboring states at that time. “The ballot campaign,” the *Post-Gazette* wrote, “represents an attempt by unions and their Democratic allies to slow or stop the wave of Republican-backed measures adopted in Wisconsin, Indiana, Ohio, Tennessee and other states in the last two years to curb collective bargaining and weaken unions, especially those representing government workers.” Proposal 2 was also a response to calls on the part of some Republicans in the state legislature for Michigan to adopt a “right-to-work” law. Notably, the state’s Republican governor, Rick Snyder, opposed this at the time, viewing it as politically treacherous.⁸⁷

Dick DeVos became one of the key players in the opposition to Proposal 2. According to reporting by *Mother Jones*, DeVos, in concert with Ron Weiser, the RNC’s finance chair, “tapped their national donor networks, hauling in millions from Las Vegas gambling tycoon Sheldon Adelson, Texas investor Harold Simmons, and a slew of Michigan business groups.” Additionally, the DeVoses collectively contributed two million dollars to an organization called Protecting Michigan Taxpayers, which spearheaded the anti-Proposal 2 campaign. Protecting Michigan Taxpayers brought in more than \$23 million to defeat the amendment, \$3.12 million of which was spent on TV advertising. The DeVos-led effort against Proposal 2 proved successful. On November 6th, fifty-eight percent of voters said no to Proposal 2, compared to just forty-two percent who voted yes. The Michigan Chamber of Commerce hailed the defeat of Proposal 2, declaring, in the words of president

⁸⁷ “What Proposal 2 Says,” *The Detroit Free Press*, October 11, 2012; “MMA Says Ballot Proposals Pose Serious Threats to Michigan’s Economy,” *Targeted News Service*, September 24, 2012; Steven Greenhouse, “In Michigan, Labor is Pressing for Voters to Lock in Union Rights,” *Pittsburgh Post-Gazette*, October 26, 2012, A7; Kroll, “Meet the New Kochs.” Portions reproduced in Mondom, “Compassionate Capitalism,” 18.

Richard Studley, that “[o]n Election Day, Michigan voters stood up against the negative campaign waged by union bosses and special interests by rejecting their attempts to hijack Michigan’s constitution for their own benefit.”⁸⁸

The rejection of Proposal 2 by a decisive majority of voters emboldened DeVos and other anti-union forces in the state to go further. On December 6th, exactly one month after the election, Governor Snyder announced that the state legislature would now work to pass a right-to-work — or, in his words, “freedom-to-work” — law. In a press release, Snyder said that “it’s time to embrace the benefits that come with giving working men and women the freedom they deserve” and that a right-to-work bill would “ensure that investors know Michigan is the place to do business.” *Mother Jones* reported that “on November 20, 2012, DeVos and Weiser met with members of the Republican leadership, business bigwigs, and the top legislative aide to Gov. Snyder to pitch their plan” for right-to-work legislation. During that meeting, Greg McNeilly, “Dick and Betsy’s longtime political adviser,” informed those assembled that “[h]e had recently formed a nonprofit group called the Michigan Freedom Fund,” which would spearhead the campaign for a right-to-work bill and “planned to raise millions from the DeVos family and other donors.” This, in conjunction with the downfall of Proposal 2, helped win Snyder and other Republican leaders over to the idea of pursuing right-to-work in Michigan. The Michigan Freedom Fund ended up spending a million dollars on ads promoting right-to-work, which moved through the state legislature at lightning pace. Less than a week after Snyder had made his public about-face, a bill had passed both houses and was signed into law by

⁸⁸ Kroll, “Meet the New Kochs”; “MI ballot committees raised \$154.3 million in Campaign 2012,” Michigan Campaign Finance Network, <http://mcfn.org/node/172> (accessed January 11, 2019); “Protecting Michigan Taxpayers,” ProPublica, <http://projects.propublica.org/free-the-files/committees/protecting-michigan-taxpayers> (accessed January 11, 2019); Steve Greenhouse, “In Michigan, A Setback for Unions,” *New York Times*, November 9, 2012, B1, B4; Studley quoted in “Michigan Voters Send Strong Message: Michigan’s Constitution Not For Sale, Exclaims Michigan Chamber of Commerce,” *PR Newswire*, November 7, 2012; Mondom, “Compassionate Capitalism,” 18.

Snyder. According to *Mother Jones*, “DeVos worked the phones all the way to the end, even calling several lawmakers on their cellphones as they prepared to cast their votes.”⁸⁹

2016 launched the DeVoses back into the national spotlight. In May 2016, the *New York Times* ran a story about GOP mega-donors who were wary of Donald Trump. Among those who expressed reservations was Betsy DeVos, who told the *Times*, “Until we have a better reason to embrace and support the top of the ticket, and see an agenda that is truly an opportunity agenda, then we have lots of other options in which to invest and spend our time helping.” Other members of the DeVos family did give money to help elect Trump, though. The Trump Victory Fund received \$70,000 from Richard DeVos as well as his children Daniel and Suzanne, along with \$35,000 from his son Doug. No contributions came from Dick or Betsy DeVos, though. Betsy instead directed her dollars towards House and Senate races. She donated to several Senate candidates, among them Joe Heck (Nevada), Rob Portman (Ohio), Mark Kirk (Illinois), Pat Toomey (Pennsylvania), Ron Johnson (Wisconsin), and Marco Rubio (Florida), among others, as well as numerous House candidates, most of them representing districts in Michigan. Overall, Dick and Betsy DeVos are listed as no. 68 on the Center for Responsive Politics’s list of the largest individual contributors at the federal level in

⁸⁹ “Michigan poised to restore workplace fairness and equality for all workers,” Office of the Governor of Michigan, December 6, 2012, http://www.michigan.gov/snyder/0,4668,7-277-57577_57657-290978--,00.html (accessed January 11, 2019); Kroll, “Meet the New Kochs”; Nicholas Confessore and Monica Davey, “Michigan Effort Shows G.O.P. Sway in State Contests,” *New York Times*, December 16, 2012, <http://www.nytimes.com/2012/12/17/us/politics/republican-donors-make-gains-in-states.html> (accessed January 11, 2019); Nick Carey and Bernie Woodall, “Insight: How Republicans engineered a blow to Michigan’s powerful unions,” *Reuters*, December 13, 2012, <http://www.reuters.com/article/us-usa-unions-michigan-idUSBRE8BC06W20121213> (accessed January 12, 2019); Mondom, “Compassionate Capitalism,” 18.

the 2016 cycle, donating a little over \$3.3 million. Richard and Helen DeVos, meanwhile, ranked no. 59, with \$3.84 million in contributions.⁹⁰

Despite the fact that Betsy DeVos sat on the sidelines of the presidential campaign, Trump's victory redounded to her benefit with her nomination as education secretary. Her confirmation hearing before the Senate Health, Education, Labor, and Pensions (HELP) Committee was originally supposed to take place on January 11, 2017. On January 7th, however, news outlets reported that the committee's Democratic members were lobbying to postpone it, citing the fact that the Office of Government Ethics (OGE) had not yet completed its review of her. The hearing was ultimately delayed, although the official explanation cited scheduling issues rather than the need to wait for the OGE to complete its work.⁹¹

When the HELP Committee convened to consider DeVos's nomination one week later, on the seventeenth, the OGE's review was still not complete, a concern raised by Senators Patty Murray, the ranking Democrat on the committee, and Tammy Baldwin. Another point of contention concerned the format of the hearing. Members had five minutes to question DeVos, with only one round of questioning. Although virtually all of the Democrats objected and called for a second round, chairman Lamar Alexander refused, saying that he wanted the hearing for DeVos to run exactly as it had for George W. Bush and Barack Obama's nominees, something that he repeatedly re-

⁹⁰ DeVos quoted in Jonathan Martin and Alexander Burns, "Key G.O.P. Donors Still Deeply Resist Donald Trump's Candidacy," *New York Times*, May 21, 2016, <http://www.nytimes.com/2016/05/22/us/politics/donald-trump-republican-fundraising.html> (accessed January 11, 2019); Chad Livengood and Melissa Nann Burke, "Michigan's mega donors chip in \$1M for Trump, GOP," *The Detroit News*, October 21, 2016, <http://www.detroitnews.com/story/news/politics/2016/10/21/michigans-mega-donors-chip-trump-gop/92533312/> (accessed January 11, 2019); "DeVos, Elisabeth (Betsy)," National Institute on Money in Politics, <http://www.followthemoney.org/entity-details?eid=23375&default=contributor> (accessed January 11, 2019); "Top Individual Contributors: All Federal Contributions," The Center for Responsive Politics, <http://www.opensecrets.org/overview/topindivs.php?view=fc&cycle=2016> (accessed January 11, 2019).

⁹¹ Emma Brown, "Democrats seek to delay confirmation hearing for Betsy DeVos, citing unfinished ethics review," *The Washington Post*, January 7, 2017, http://www.washingtonpost.com/local/education/democrats-seek-to-delay-confirmation-hearing-for-betsy-devos-citing-unfinished-ethics-review/2017/01/07/ddc640e8-d50b-11e6-9cb0-54ab630851e8_story.html?utm_term=.63d5f48588ff (accessed January 11, 2019); Emma Brown, "Senate postpones confirmation hearing for Betsy DeVos, Trump's education pick," *The Washington Post*, January 9, 2017, http://www.washingtonpost.com/local/education/senate-postpones-confirmation-hearing-for-betsy-devos-trumps-education-pick/2017/01/09/be0ea7cc-d6e6-11e6-9a36-1d296534b31e_story.html?utm_term=.8acc27d2a2a9 (accessed January 11, 2019).

ferred to as “the golden rule.” As it happened, Dick and Betsy DeVos had contributed to four of the HELP committee members who were deciding whether to advance her to a full Senate vote. Overall, seventeen members of the Senate were beneficiaries of the couple’s giving.⁹²

Betsy DeVos’s exchanges with committee members were contentious at times. Senator Bernie Sanders asked DeVos about the amount of money she and her relatives had given to the GOP. When she replied that she was not sure of the exact figure, Sanders asked her if it was “in the ball park” of \$200 million. DeVos answered, “Collectively, over my entire family...[t]hat’s possible.” He then asked her if she believed that her nomination was tied to those contributions. She said no. Senator Tim Kaine went back and forth with DeVos on whether or not all schools ought to be held to the same standards, a point on which she equivocated, saying at one point that “[a]ll schools that receive public funding should be accountable” but not committing to evaluating all schools the same way.⁹³

On several occasions, DeVos appeared caught off guard by some of the questions, as in this exchange with Senator Al Franken on testing:

Franken: I would like your views on the relative advantage of doing assessments and using them to measure proficiency or to measure growth.

DeVos: Thank you, Senator, for that question. If I’m understanding your question correctly around proficiency, I would also correlate it to competency and mastery so that each student is measured according to the advancement that they’re making in each subject area —

Franken: That’s growth. That’s not proficiency. In other words, the growth they’re making is in growth. The proficiency is an arbitrary standard.

⁹² U.S. Congress, Senate, Committee on Health, Education, Labor, and Pensions, *Nomination of Betsy DeVos to Serve as Secretary of Education*, 115th Cong., 1st sess., January 17, 2017, 2, 6, 7, 30, 39, 58; Michael Stratford, “DeVos heads into confirmation with a megadonor’s advantage,” *Politico*, December 20, 2016, <http://www.politico.com/story/2016/12/betsy-devos-donor-senators-232792> (accessed January 11, 2019).

⁹³ U.S. Congress, Senate, Committee on Health, Education, Labor, and Pensions, *Nomination of Betsy DeVos to Serve as Secretary of Education*, 21, 52-53.

DeVos: If they've reached a level — the proficiency is if they've reached a, like, third grade level for reading, et cetera.

Franken: No, I'm talking about the debate between proficiency and growth —

DeVos: Yes.

Franken: And what your thoughts are on them.

DeVos: I was just asking to clarify, then, what —

Franken: This is a subject that has been debated in the education community for years [...]

Franken never got a direct answer to his question. He subsequently remarked that “[i]t surprises me that you don't know this issue” and argued that her confusion about the differences between growth and proficiency was proof that the committee needed more time to question DeVos, saying, “we're selling our kids short by not being able to have a debate on it.” Another place where DeVos stumbled had to do with the education of students with disabilities. Senator Susan Collins asked DeVos if she was willing “to fulfill the promise of the 1975 Individuals with Disabilities Education Act to fund 40 percent of the additional cost of educating a special needs child.” DeVos answered yes, although she followed that up by saying that “this is an area that could be considered for an approach that would be somewhat different in that maybe the money should follow individual students instead of going directly to the States.” Later, Tim Kaine asked her whether “all K-12 schools receiving governmental funding [should] be required to meet the requirements of the Individuals with Disabilities Education Act,” to which she responded that it was “a matter that's best left to the States.” At the very end of the hearing, Senator Maggie Hassan returned to that exchange, pointing out that there was a tension between her statement that states should handle disabled students and the fact that the Individuals with Disabilities in Education Act was federal legislation. Hassan asked her to clarify. When DeVos responded that “[f]ederal law must be followed where Federal dollars are in

play,” Hassan pressed her on whether she had known that the Individual with Disabilities in Education Act was federal legislation. She replied that she “may have confused it.”⁹⁴

Numerous observers panned DeVos’s performance. A summary of the hearing published in the *New York Times* observed that “[i]n questioning by senators, she seemed either unaware or un-supportive of the longstanding policies and functions of the department she is in line to lead, from special education rules to the policing of for-profit universities.” In *Slate*, Dana Goldstein suggested that DeVos “revealed herself to be either underprepared for the job or stiffly wedded to an ideological, market-oriented vision of education policy[.]” And the editorial board of the *Los Angeles Times* declared that DeVos had “embarrassed herself,” that “she displayed an astonishing ignorance about basic education issues, an extraordinary lack of thoughtfulness about ongoing debates in the field and an unwillingness to respond to important questions,” and urged senators to vote against her.⁹⁵

As happened with the hearing, the HELP committee’s meeting to vote on DeVos was delayed on January 20th for one week, pushed from the twenty-fourth to the thirty-first, so that committee members could read through the OGE’s report on DeVos’s finances, which was released on the twentieth. Despite her underwhelming performance and lingering worries from the committee’s Democratic members about potential conflicts of interest involving education companies in which she and her family had invested, the committee voted her through 12-11, with all the Republicans backing her and all the Democrats opposing. The following day, Republican senators Lisa Murkowski and Susan Collins, both of whom had voted for DeVos in committee, announced that they would not support her when she came before the Senate. Since the Senate was split 52-48 in favor of Re-

⁹⁴ U.S. Congress, Senate, Committee on Health, Education, Labor, and Pensions, *Nomination of Betsy DeVos to Serve as Secretary of Education*, 28-29, 48, 53, 62.

⁹⁵ Kate Zernike, “Nominee Betsy DeVos’s Knowledge of Education Basics Is Open to Criticism,” *New York Times*, January 18, 2017, <https://www.nytimes.com/2017/01/18/us/politics/betsy-devos-education-secretary-confirmation-donald-trump.html> (accessed January 11, 2019); Dana Goldstein, “The Real Betsy DeVos,” *Slate*, January 17, 2017, <https://slate.com/news-and-politics/2017/01/betsy-devos-confirmation-hearing-showed-shes-either-underprepared-or-a-zealot.html> (accessed January 11, 2019); The Times Editorial Board, “Betsy DeVos embarrassed herself and should be rejected by the Senate,” *Los Angeles Times*, January 19, 2017, <http://www.latimes.com/opinion/editorials/la-ed-devos-hearing-debacle-20160119-story.html> (accessed January 11, 2019).

publicans, the loss of Murkowski and Collins raised the possibility that her nomination might not go through. On February 7th, the Senate took up her nomination. Fifty senators — all Republicans — voted for her, while all of the Democrats plus Murkowski and Collins voted against, forcing Vice President Mike Pence to cast the deciding vote in her favor, the only time a vice president has had to do so.⁹⁶

When Jay Van Andel went before the House Ways and Means Subcommittee on Select Revenue Measures in April 1982, he was ostensibly there to talk about tax compliance by direct sellers. His testimony, however, veered abruptly when it became Representative Wyche Fowler's turn to ask questions. "If you will allow me to ask you a couple of questions off of the subject....I would be very interested in talking to you a little bit about Amway's political activities," he began. "I just wondered if you would share with us your thoughts as to the proper extent of political activity by an institution the size of Amway and what efforts you try to make through all of these publications and advice to your distributors as to what are the lines of business and the promotion of business and what is your advice on the promotion of yours and Mr. Devos' political theories?" Van Andel replied that "[w]e do believe that as a corporation, we can and should spend some of our resources to attempt to preserve the free American way of life, free enterprise," but that "we have never made

⁹⁶ Danielle Douglas-Gabriel, "After ethics review, Senate postpones committee vote for Betsy DeVos," *The Washington Post*, January 20, 2017, https://www.washingtonpost.com/news/grade-point/wp/2017/01/20/the-ethics-review-for-trumps-education-pick-betsy-devos-is-complete-clearing-the-way-for-a-confirmation-vote/?utm_term=.f9a3596563d1 (accessed January 11, 2019); Todd Spangler, "Betsy DeVos nomination for Education secretary clears Senate committee vote," *USA Today*, January 31, 2017, <http://www.usatoday.com/story/news/nation-now/2017/01/31/betsy-devos-nomination-education-secretary-clears-senate-committee-vote/97299664/> (accessed January 11, 2019); Emma Brown and Karoun Demirjian, "Two Republican senators say they will vote against DeVos for education secretary," *The Washington Post*, February 1, 2017, https://www.washingtonpost.com/news/education/wp/2017/02/01/two-republican-senators-say-they-will-vote-against-devos-for-education-secretary/?utm_term=.a422187d98fe (accessed January 11, 2019); Emmarie Huettelman and Yamiche Alcindor, "Betsy DeVos Confirmed as Education Secretary; Pence Breaks Tie," *New York Times*, February 7, 2017, <https://www.nytimes.com/2017/02/07/us/politics/betsy-devos-education-secretary-confirmed.html> (accessed January 11, 2019).

it a practice to involve ourselves in matters that have to do with religious convictions....nor issues that have to do with specific political matters as far as Amway Corp. itself is concerned.” Since “[t]he Amway distributor organization is probably the largest volunteer army in the world,” he believed that “it does not behoove us as leaders of that kind of organization to involve ourselves in those activities which would be divisive to such an organization.” Accordingly, whenever he or DeVos did engage in political activism, they were “very careful....that we do this as individuals on an individual platform and not on a corporate platform.” When asked whether he or DeVos intended to send political material to Amway distributors during the 1982 and/or 1984 elections, Van Andel answered no.⁹⁷

In his testimony that April, Van Andel portrayed a firm wall of separation between Amway and politics. Others have had a different perspective. In his exposé, former distributor Steve Butterfield declared that Amway was “a political movement, with definite aims respecting public opinion, government policy, collective bargaining law, education and economics.” In addition to detailing DeVos and Van Andel’s own political activism, he alleged that distributor networks, like the Yager network to which he had belonged, engaged in political education. He wrote that “tapes and recruiting literature seek to frighten people with the specter of Communism and Socialism” and that “[f]rom the stage, leaders constantly program their audiences to favor complete unregulated freedom of corporations to invest, make profit and do business as they see fit.” During Reagan’s first presidential campaign in 1980, he claimed that “[e]very Seminar and Rally that I attended....was turned into an occasion for campaign propaganda.”⁹⁸

In the end, the truth is closer to Steve Butterfield’s take than Jay Van Andel’s. Although the founders and their families did much of their political work in their capacity as private citizens,

⁹⁷ House, Ways and Means Subcommittee on Select Revenue Measures, *Deductibility of Certain Expenses Incurred by Self-Employed Individuals*, 104-106.

⁹⁸ Butterfield, *Amway: The Cult of Free Enterprise*, 139-140.

Amway has not stayed out of the fray entirely. We have seen two examples of Amway used to advance specific political or ideological objectives: the Center of Free Enterprise and the Proposal E campaign in 1978. The company has also offered direct financial support to candidates and political parties, like when it sponsored the Spirit of Free Enterprise rally in 1984 or when it gave money for the 1996 Republican National Convention. A March 1981 article in the *Washington Post* observed that “Amway is a company with interests that go beyond selling soap,” detailing a number of ways that the company was used as a vehicle for the cofounders’s political worldview, including the Center of Free Enterprise, a “nationwide newspaper advertising campaign” focused on issues such as “inflation, budget deficits, government regulation, government growth and overtaxation,” and a column authored by the cofounders called “Business Viewpoint” that ran in a number of publications, including *Amagram*, the magazine sent to distributors. Even one of the company yachts, the *Enterprise III*, was impressed into political service. The *Washington Post* ran a story about the *Enterprise III* in June 1981 when it made an appearance in the Capitol, dubbing it “the Cadillac of yachts.” The article took stock of some of the ship’s amenities: “The 292-ton, steel-and-teak behemoth boasts five plush staterooms, a bar, two lounges, galley, library,....stereo system, closed-circuit television alarm and a crew of nine.” It returned in September 1985, hosting several parties for D.C. big-wigs. The *Grand Rapids Press* reported that “[o]n a typical evening dinner cruise, the 35 guests included seven members of Congress — three from Michigan — an ambassador, several trade lobbyists and congressional staffers.” This was by no means an isolated incident. The *Press* said that such galas were held aboard the *Enterprise III* “[a]bout every 18 months[.]”⁹⁹

Further evidence of how Amway has promoted the cofounders’s politics can be found in a series of advertisements sponsored by the company in 1975, all aiming to illustrate the virtues of free-market capitalism. One of them, titled “Why The Car In Your Garage Is Not An Edsel And

⁹⁹ Morgan, “Selling Free Enterprise”; Stephanie Mansfield, “The Cadillac of Yachts Docks in Washington,” *The Washington Post*, June 16, 1981, B1, B12; Robert G. Fichenberg, “Amway’s Yacht Sails Quietly on Potomac,” *The Grand Rapids Press*, September 15, 1985, 5D, GRPC.

What That Fact Proves,” gave various examples of how market competition encouraged innovation and lowered prices. Another told the parable of a country whose residents once “competed vigorously with each other in the marketplace,” and in so doing “became the envy of the world.” Gradually, however, complaints arose about the inequalities that this unfettered competition produced. As a consequence, “[t]he successful majority became self-conscious about their success,” which led to “laws to give the earnings of some people to others who had not earned them” as well as “[l]aws to try to guarantee material ‘success’ to everyone.” As a consequence, “it became harder and harder to succeed — so fewer people did,” and eventually “the world looked elsewhere for leadership.” A third, titled “Why There’s No Such Thing As A Free Lunch,” said that “[g]overnment is *never* a source of material goods” and that “everything that government gives to the people, it must first take from them.” All of the posters sported the same tagline on the bottom: “Free Enterprise — You Know It Works.”¹⁰⁰

Even if Amway had not done any of these things and maintained precisely the sort of firewall that Van Andel described in his 1982 testimony, it would still be impossible to neatly cleave the business from the ideological commitments and political work of the founding families. For one, the company has enthusiastically touted the liberating potential of free enterprise to its distributor force, although, as Chapter II discussed in detail, the company’s vision of free enterprise was grounded in a critique of actually-existing capitalism. At a more fundamental level, the success of Amway both in the United States and abroad made the founding families’ ascent to political kingmakers possible. Just as it is impossible to imagine the names DeVos and Van Andel gracing Grand Rapids’s cityscape without the Amway fortune, it is also safe to say that these two families would not have had much, if any, political influence, either at the state or national levels, if they were not rich. Amway, then, of-

¹⁰⁰ “Why The Car In Your Garage Is Not An Edsel And What That Fact Proves,” folder 1, box 61, GVJ; “Why We Should Cherish The Freedom To Fail,” folder 1, box 61, GVJ; “Why There’s No Such Thing As A Free Lunch,” folder 1, box 61, GVJ.

fers further evidence of the outsized role that moneyed interests have played and continue to play in American politics.¹⁰¹

Amway also challenges the popular association of the American North, particularly after the 1960s, with either Democratic or liberal Republican politics, in contrast to the rock-ribbed conservatism coming out of the South and West. Grand Rapids's conservatism developed organically and independently of those movements, a product of the area's anti-union animus, its relatively small non-white population, and the influence of Dutch Calvinism. Going forward, scholars should recognize Grand Rapids as an important and influential epicenter of modern American conservatism.

The conservatism found in Grand Rapids and laundered through Amway had several key characteristics. First, it was old, tracing its roots back to the Dutch settlers who arrived in the mid-nineteenth century. Second, it was grounded in a "conservative subculture" — to borrow the subtitle of David Bratt's book — centered on the Reformed church. And third, it did not stress race. Lisa McGirr argues that although both southern and western strains of conservatism included "demands for local control and opposition to federal power," these manifested differently, writing that "racial issues did not occupy the same prominence in the life, ideas, and politics of Southern California as they did in the former confederate states in the 1960s."¹⁰²

This same is true of Grand Rapids. Of course, no account of conservatism in Grand Rapids, the state of Michigan, or the American North more broadly is complete without race. Colleen Doody, Tula Connell, Katherine Cramer, and Daniel Kramer and Richard Flanagan all took stock of the importance of race and how racial anxieties formed an indelible part of various sorts of conservative activism as well as affinity for conservative ideas in the regions that they studied. As noted earlier, western Michigan's racial homogeneity is undoubtedly one of the reasons why the re-

¹⁰¹ For recent works that delve into this subject, see Jane Mayer, *Dark Money: The Hidden History of the Billionaires Behind the Rise of the Radical Right* (New York, NY: Doubleday, 2016) and Nancy MacLean, *Democracy in Chains: The Deep History of the Radical Right's Stealth Plan for America* (New York, NY: Viking, 2017).

¹⁰² Bratt, *Dutch Calvinism in Modern America*; McGirr, *Suburban Warriors*, 14-15.

gion has leaned to the right. Around ten percent of Michigan voters went for George Wallace in 1968, which, notably, was about the same proportion of voters Wallace got in Wayne County. Meanwhile, 7.2% of voters in Kent County voted for Wallace. Moreover, as Todd Robinson has documented, Grand Rapids has had its fair share of racial strife. But when we look at the cofounders's own politics, "racial issues" were not front and center. Rather, their small-business conservatism led them to concentrate on issues like taxes, federal spending, regulation of the economy, and school choice. This is not to say that the cofounders's policy preferences did not have disparate racial impacts — they most certainly do, school choice especially — but there is no evidence, at least in the case of DeVos and Van Andel or their children, that race informed their stances.¹⁰³

Ultimately, what Grand Rapids, along with the handful of other case studies of Northern conservatism, underscores is that although postwar conservatism did exhibit regional varieties, it was not a strictly regional phenomenon. As the geographic scope of the study of conservatism has expanded, first out of the South into the West and Southwest and now increasingly into the North, it has become clearer that conservatism did not become the country's dominant political philosophy by maturing in one part of the country and then metastasizing and imposing itself over the rest. Rather, the Right's national triumph in the 1970s and 1980s occurred because it was able to link together disparate individuals and groups across the country under a common ideological banner.

¹⁰³ Doody, *Detroit's Cold War*, 46-75; Connell, *Conservative Counterrevolution*, 96-126; Cramer, *The Politics of Resentment*, 85-88, 179-184; Kramer and Flanagan, *Staten Island*, 5-6, 105-108; David Leip, *Atlas of U.S. Presidential Elections*; for more on the racial politics of Grand Rapids, see Robinson, "A City Within a City."

Conclusion

Metamorphoses

The *Amway Idea* has been in worldwide circulation for over 50 years. The beliefs and thinking behind it have influenced millions of people. There is nothing odd or mysterious about it. It is the classic *American Idea* of personal freedom, hard work, delayed gratification, a giving spirit, positive attitude and good, honest character. When people try to grab success without these basics, they crash and burn. There are reasons why America works. And to discard these reasons for a cheap, easy approach is to slam hard into the wall of history.

-Ron Ball¹

In May 2009, Amway marked the fiftieth anniversary of its founding. Celebrations took place in Grand Rapids as well as Las Vegas. Distributors in Grand Rapids were treated to performances by Sting and LeAnn Rimes, while Elton John headlined the Vegas wing of the festivities. An article in the industry magazine *Successful Meetings* detailed some of the numerous logistical hurdles that organizers had to overcome. When the celebrations shifted from Grand Rapids to Las Vegas, twelve hundred people made the transcontinental journey. The magazine reported that “[j]ust moving them from McCarran International Airport to the MGM Grand required hundreds of stretch limos and chauffeured cars” and that “Gulfstream executive jets went on multiple flights, in conveyor-belt fashion, to move the participants.” Because it was a multinational crowd, organizers “had to provide simultaneous speech translation in 27 languages, as well as accommodate a host of dietary restrictions and regional food preferences ranging from halal, to kosher, to providing hot soy milk and rice porridge for breakfast.”²

¹ Ball, *The Amway Idea*, 78.

² Darin Estep, “Amway celebrates 50th anniversary with private concerts: Wynton Marsalis, LeAnn Rimes and Sting,” MLive.com, April 10, 2009, http://www.mlive.com/business/west-michigan/index.ssf/2009/04/amway_celebrates_50th_annivers.html (accessed November 30, 2018); Leo Jakobson, “Diamonds Are Forever,” *Successful Meetings*, December 2009, 34-35.

As merry as the attendees undoubtedly were, this anniversary was marked by a significant — and tragic — absence. On December 7, 2004, Jay Van Andel died; his wife, Betty, had passed away that January. This did not mean that he was absent from the celebrations, though. In fact, he appeared in Las Vegas on the second-to-last day, taking the form of a hologram that “spoke” with his longtime business partner and friend.³

The ten years between Amway’s fortieth and fiftieth birthdays began with a reinvention and ended with a restoration. On March 3, 1999, Amway embraced the growing commercialization of the Internet by unveiling Quixtar, its online retail arm. A statement put out by the company described Quixtar as “a unique web-based business opportunity for entrepreneurs” that “will share the proven, time-tested sales and marketing plan used in the Amway business and will feature globally recognized brands like ARTISTRY(R) skin care and cosmetics, NUTRILITE(R) nutrition and wellness products and SA8(R) laundry care products” in addition to “a wide range of unique products and services from other top companies plus links to dozens of other on-line shopping sites[.]” Since the website would also feature non-Amway products, Amway came up with the Quixtar name to avoid any confusion with its in-person business. Quixtar would run on a version of the Amway business model: customers would get access to the Quixtar marketplace through a distributor, and whenever they made a purchase, a portion of that would go to their “upline.”⁴

In the run-up to the launch of Quixtar, speakers at distributor rallies and functions primed their audiences to embrace the new platform. Their remarks alluded to both the awe and unease that the Internet and digital technology inspired in the late 1990s, much of which sounds comically anachronistic now. Distributor Patsy Lizardi, for example, recalled that she “saw a microwave in a

³ Landon Thomas, “Jay Van Andel Dies at 80; A Co-Founder of Amway,” *New York Times*, December 8, 2004, A29; “Betty Van Andel, Civic Leader, Wife of Amway Co-Founder, Dies,” *PR Newswire*, January 18, 2004; Jakobson, “Diamonds Are Forever,” 32, 35.

⁴ “Quixtar, A New Web-Based Business Opportunity Announced; To Launch 9/1/99 in the U.S. and Canada,” *PR Newswire*, March 3, 1999; “Amway to broaden scope, pitch its products online,” *The Atlanta Constitution*, March 3, 1999, D10.

magazine the other day that while you're cooking your chicken, let's say, for twenty minutes, you can access your bank account on the door of the microwave." On the flip side, Todd Rainsberger cautioned his audience, "Don't be put off by the terminology, don't be put off by the technology," while Pedro Lizardi assured everyone that "you don't need to know computers, you don't have to, but you have to lose your fear. You don't have to be an expert, you just have to have the vision, you have to have the desire, you have to have the dream that you want a better life for your family[.]"

These speakers cast Quixtar as the newest frontier on which distributors would have the opportunity to acquire their fortunes. Chuck Vogt told an audience that "what you've got here, with the Amway Corporation and with Quixtar and all of this blending together, is a hyper-growth situation that can be yours if you choose to take advantage of that. You've got the best of the best right in front of you." Todd Rainsberger said that "Quixtar is in a unique position," that "nobody else in the world can do what Quixtar is gonna do." Quixtar, he said, was better situated than most online retailers to succeed because "[w]e're not starting up from scratch," and also because there were so many people already involved in Amway:

Most Internet-based companies spend between thirty and forty dollars a person — for each customer they have they spend between thirty and forty dollars in advertising. Because if somebody starts up, nobody knows who they are....And then nobody stays. Somebody orders from Amazon, I've ordered from Amazon, but then the next time I'm driving down the street and I decide I need a CD or a book I pull in to Barnes & Noble or wherever — I have no loyalty there. But Amway, Amway over forty years has proven that they are the masters of creating customer loyalty. And so when Quixtar fires up, everybody who is in Amway will pay a small fee to be grandfathered in to Quixtar. And so you'll take the same loyalty — and you'll still be able to order from 800 numbers if you're one of those people who doesn't like computers — but over here, in Quixtar, you'll take the same loyalty.

"Quixtar," he declared, "has put us in an incredible position to take advantage of the most powerful trend in retailing in history."⁵

⁵ Pedro & Patsy Lizardi, "Technology Is Here To Stay" (audiocassette tape; Global Support Services, Inc., 1999); Todd & Brenda Rainsberger, "Why Quixtar" (audiocassette tape; Global Support Services, Inc., 1998); Chuck & Linda Vogt, "What's Going On With The Net?" (audiocassette tape; Global Support Services, Inc., 1998).

Quixtar debuted on September 1, 1999. It did not go well. The website was not prepared to handle the flood of traffic that came its way, resulting in slow service for some and no service at all for others over the first few days. Once the bugs were worked out, though, Quixtar took off. On December 21st, the company put out a statement boasting that the website “has generated sales surpassing \$100 million after just 100 days in business,” that it was “logging sales of more than \$2 million per day,” and all “with no advertising at all.” Not long after it went live, an author named Coy Barefoot released *The Quixtar Revolution*, which detailed the backstory behind Quixtar’s inception and explained the historical significance, as he saw it, of the website. (The book was number nine on the *Wall Street Journal’s* list of best-selling business books on November 5th.) Barefoot called Quixtar “[o]ne of the most impressive ventures to hit the Internet,” one that “promises to be a major player in the new world of ecommerce.” “Quixtar.com provides a new way for us to think about what a company is really capable of,” he wrote in the final chapter. “It raises the bar in ecommerce, providing a new benchmark for what it means to create community; to offer convenience, service, options — and most of all, opportunity.” By the end of its first year, Quixtar had done \$518 million in business, making it the seventh most successful sales site on the Internet, according to the National Retail Federation. Distributors selling through Quixtar earned \$143 million in bonuses on those sales.⁶

Quixtar was part of a larger set of changes occurring at Amway at the dawn of the twenty-first century. In February 2000, in response to the growing shift towards digital sales, Amway signaled that it would downsize its workforce, though it gave no hard figures at the time. Those came in May, when Amway said that it was letting go thirteen hundred of its twelve thousand employees worldwide, the majority of those in the United States. There were also symbolic changes afoot. In

⁶ “Quixtar stumbles,” *Calgary Herald*, September 9, 1999, G4; “Quixtar, Inc. Achieves Sales of \$100 Million in First 100 Days,” *PR Newswire*, December 21, 1999; Coy Barefoot, *The Quixtar Revolution: Discover The New High-Tech, High-Touch World of Marketing* (Rocklin, CA: Prima Publishing, 1999), 117, 276; “Best Selling Books,” *Wall Street Journal*, November 5, 1999, W12; Jones, *Amway Forever*, 157; Brenda Rios, “Alticor’s Quixtar Sales \$518 Million in Debut,” *Detroit Free Press*, October 26, 2000, C7; Brenda Rios, “Quixtar Succeeds Online with No Ads: Salespeople Get Bonuses for Spurring Web Sales,” *Detroit Free Press*, January 13, 2001, B2.

October 2000, Amway announced the creation of Alticor, an umbrella entity that would encompass both the online (Quixtar) and face-to-face (Amway) sides of the business. The name *Quixtar* originally referred only to the online platform. Beginning in 2003, though, Quixtar became the name of the entire company, but only in North America. Even the company's leadership did not stay the same. On September 1, 2002, Doug DeVos succeeded his brother Dick as president of what was now Alticor.⁷

Quixtar (the website) helped Amway/Alticor rebound after the lackluster way it closed out the nineties. Amway's revenues stood at \$5.3 billion in 1994 and increased to \$7 billion by 1997. Over the next two years, though, there was a noticeable slip, first down to \$5.7 billion and then to \$5 billion, so that by 1999 the company was exactly where it had been back in 1994. This decline, due primarily to developments in Asia, among them the Chinese government's war on direct sales, prompted its own round of job cuts, two thousand in all in 1998. Sales improved in the 2000s, though. By 2004, they were at \$6.2 billion, \$1.1 billion of which was from the Quixtar site. Sales were just shy of six and a half billion for both 2005 and 2006, and then they rose again in 2007, hitting \$7.1 billion. The company's fiftieth year in business saw revenues reach \$8.4 billion.⁸

Amway/Quixtar had its share of problems to contend with in the new millennium. There was, of course, the ongoing defamation fight with Procter & Gamble, though the company's part in that was mostly over by the early aughts, as well as the 2007 civil suit alleging that the company was

⁷ "Amway to Streamline Business: Job Trims Unspecified Among 12,000 Workers," *Detroit Free Press*, February 3, 2000, C1; Leslie Earnest, "Company Town; Amway to Cut 11% of its Work Force," *Los Angeles Times*, May 18, 2000, C5; Jennifer Bott, "Amway Changes Name, Mission: Alticor Looking to Diversify its Sales Operations," *Detroit Free Press*, October 25, 2000, F1; Jones, *Amway Forever*, 159, 170; "Doug DeVos Named New Alticor President," *PR Newswire*, June 7, 2002.

⁸ Kim Bruyn, "Amway Corp. annual sales increase 18 percent to surpass \$5 billion milestone for fiscal 1994," *PR Newswire*, October 5, 1994; "Amway Blames Web for Job Cuts," *Detroit Free Press*, May 18, 2000, A1; "Alticor Sales Surge Past \$6 Billion," *PR Newswire*, October 21, 2004; Anne Bond Emrich, "Alticor Posts \$6.4B in Sales," *Grand Rapids Business Journal*, November 7, 2005, 6; "Alticor's 2006 Sales Down Slightly; China Blamed," *Grand Rapids Business Journal*, February 12, 2007, 17; "Alticor's 2007 Global Sales Top \$7 Billion," *PR Newswire*, February 6, 2008; Chris Knape, "Amway reports record sales of \$8.4 billion in 2009," *Mlive.com*, March 9, 2010, http://www.mlive.com/business/west-michigan/index.ssf/2010/03/amway_reports_record_sales_of.html (accessed November 30, 2018).

still running a pyramid scheme. In October 2007, Quixtar went on a defamation crusade of its own, taking legal action against thirty individuals who had attacked the company on the Internet. In March 2008, the company brought a lawsuit against one of its competitors, MonaVie, a direct sales firm that dealt in speciality juices, on the grounds that MonaVie was misrepresenting the health benefits of its products and poaching Quixtar distributors. The parties reached a settlement two and a half years later.⁹

But perhaps the company's biggest problem was that it changed too much. Though Quixtar the website was a success, Quixtar the brand proved a drag on the company. The *Orlando Sentinel* reported in October 2008 that "only 3 percent of Americans recognized the Quixtar name, but 77 percent still knew Amway." As a result, the company decided that it would once again become Amway. Amway reintroduced its old moniker ostentatiously, partnering with Tina Turner in July 2008 for a concert series that kicked off that fall and went throughout the United States and Canada, using the shows to showcase its products and its "new" name. By the end of 2009, "Quixtar" was gone, replaced by Amway Global.¹⁰

Quixtar — the name and the website — was just the latest effort by Amway to reinvent itself. The company has transformed in myriad ways, assumed many different identities, over its long and profitable life. Amway began as a network of Nutrilite distributors who decided to secede from their parent company and start their own business, ditching vitamins in favor of soap. Starting with the move into Canada in 1962, the company that was originally called the American Way Association

⁹ "Quixtar suing 30 people over Internet postings," *Deseret News*, October 14, 2007, A6; "Quixtar Files Suit Against MonaVie To Protect Consumers, Halt Unfair Competition," *PR Newswire*, March 18, 2008; Jones, *Amway Forever*, 117.

¹⁰ Jones, *Amway Forever*, 170; "What's Amway got to do with it?" *Orlando Sentinel*, October 31, 2008, 4; Anne Bond Emrich, "Amyway [sic] Enters Spotlight," *Grand Rapids Business Journal*, July 28, 2008, 1; "Amway Global to be Presenting Sponsor of 'Tina Turner Live in Concert' 2008 North American Tour," *PR Newswire*, July 10, 2008.

took on an increasingly international flavor, appearing in more and more countries and selling more and more of its products abroad, until now its Americanness feels like little more than a technicality. In order to ensure its embrace by consumers — and suspicious governments — around the world, Amway has had to tailor its product line and its business model to suit local demands, introducing new items or modified versions of its standard fare as well as expanding beyond direct sales.

The 1970s were a particular pivotal moment for the company and the two men who founded it. After about fifteen years of more or less smooth sailing, the Amway model came under its first serious scrutiny with the FTC investigation in 1975. In response to the Commission's findings, as well as a number of other lawsuits and attacks in the public forum over the subsequent decades, Amway had to amend elements of the Sales and Marketing Plan, in addition to becoming somewhat more transparent about what being a distributor entails and just how successful — or not — most distributors are. The seventies were also when the company decided that, in addition to selling products and recruiting distributors, it would also become an ambassador for the free market, opening the Center of Free Enterprise and launching a nationwide effort to enlighten Americans about the virtues of capitalism.

This was, of course, the same time that conservatives throughout the country were beginning to mount a full-throated, multi-front challenge to forty years of liberal dominance of American politics. Amway's cofounders had no intention of sitting out the fight, contributing their time and, crucially, their money to a number of right-wing campaigns and organizations at the state and national levels, a commitment that has endured to the present. But while the company itself thrived, its home base — Grand Rapids — languished under the weight of postwar economic changes. In response, the company and cofounders committed considerable resources to making Grand Rapids an economically vibrant and attractive city, in the process underscoring their ideological commitment to private beneficence over state investment.

That Amway has simultaneously served as a business, an ideological vehicle, and a springboard for the political machinations of two very rich men and their families means that it lends important insight into one of the most complex and consequential developments in the United States in the decades following 1945: the rise of conservatism and, in particular, the redemption of free enterprise. DeVos and Van Andel highlight the important contributions of small-business conservatives to the Right's victories in the 1970s and 1980s. Small-business conservatives stood out among other free enterprise advocates in that they did not concern themselves solely with "big government." For small-business conservatives, both the activist state *and* employment had the potential to undermine liberty and encourage dependency. According to them, true freedom required individuals to own their own businesses.

Small-business conservatism allows us to make sense of a paradox at the heart of Amway. On the one hand, DeVos and Van Andel aggressively promoted free markets and railed against government intervention in the economy. At the same time, Amway's promoters were often very critical of actually-existing capitalism, pointing out limits on upward mobility as well as the fact that many people found their jobs dreary and unsatisfying. According to Amway and its cofounders, direct sales embodied an economic model that promised to provide material and psychological rewards unavailable elsewhere. DeVos called this model "compassionate capitalism."

Compassionate capitalism had its roots in a turbulent and transformational moment in American history. The end of the Second World War secured America's position as a global superpower and ushered in a period of never-before-seen economic growth that helped give rise to the modern middle class. The combination of prosperity and America's demonstrated military prowess should, in theory, have made for a content and ebullient populace. Instead, the fifteen years after the war saw a nation rife with tension and unease. In part that was because America was not alone in its superpower status: the Soviet Union was expanding its influence over Eastern Europe and East Asia and, like the United States, boasted a formidable military. The added ingredient of nuclear prolifera-

tion raised the not unrealistic possibility of a war that might permanently upend human civilization. On the domestic front, meanwhile, there were a number of social ills that prosperity never ameliorated, among them white supremacy, the repression of gays and lesbians, and the effort to return women back to the domestic sphere following their brief flirtation with employment during the war.

And then there was the problem that prosperity, at least in part, contributed to: the crisis of autonomy. The sorts of jobs that allowed many (white) Americans to buy a house in the suburbs, fill it with the latest gadgets and conveniences, and park a car in the driveway also sparked concerns that Americans were losing the individuality, independence, and self-reliance that had existed in earlier periods of the nation's history. Instead of being able to work for themselves, increasing numbers of Americans were now members of The Organization, under the direction of managers and supervisors, the pace and nature of their work all dictated to them. Added on top of this was the growing emphasis placed on conformity, on dressing and acting and shopping and living like one's neighbors and colleagues, which became not only a way of participating in and contributing to the economic boom, but also, in a moment of panic over Communist subversion, of demonstrating loyalty to the nation. Some Americans sought to remedy the discomfort they felt pharmacologically, redeeming prescriptions for millions of dollars' worth of anti-anxiety medications. Others turned inward, to self-help, a philosophy with roots dating back to the first English settlers in North America, and its relatively younger cousin, positive thinking. Self-help and positive thinking taught that individuals alone determined the quality of their own lives, that adversity was the result of not thinking and acting correctly. Enthralled by the notion that they could improve their lot by their own initiative, many Americans consumed books written by the likes of Norman Vincent Peale and David Schwartz or joined self-help movements like Dianetics.

The crisis of autonomy influenced the development of compassionate capitalism. Compassionate capitalism was supposed to be free of the alienation and tedium that social critics saw as so rampant in postwar capitalism. Instead of self-interest, people would be motivated by a desire to

improve the lives of those around them and help them achieve their dreams. They would do what was right, rather than what might earn them the most money.

Direct sales was meant to exemplify compassionate capitalism and promised to rectify capitalism's shortcomings. The cottage industry of books and tapes that arose to train and retain Amway distributors — or, as the company's critics alleged, to brainwash them and drain their bank accounts — presented direct sales not just as a way to get rich, but also as a way to live a truly fulfilling life. Direct sales offered an escape from the shackles of the job, with its set hours and wages and its mundane, unpleasant tasks that reduced life to a rut. The Amway Sales and Marketing Plan allowed a person to trade in that tedious, low-paying job that did not pay the bills or put food on the table for an “independent” business that everyone in the family could participate in, that brought parents closer to their children, that made it possible to buy a Cadillac or a vacation home, and that introduced one to a community of distributors who would become lifetime friends. Being an Amway distributor meant that a person could be their own boss: they would own and operate their own business, they could work as much or as little as they wanted on their own schedule, and they could earn as much as they wanted or needed. The example of Amway thus illustrates that, although animus towards “big government” was important, postwar free enterprise ideology also had a positive vision, in that it aimed to appeal to desires for self-mastery, material well-being, and economic independence.

Compassionate capitalism complemented the cofounders's personal hostilities towards the interventionist state. An economy comprised of well-meaning, enlightened individuals is one in which the state need not interfere with regulation, since everyone can be counted on to behave in ways that take the interests of others into account and that are not harmful or destructive. A compassionate capitalist economy also obviates the need for a robust social safety net, since people will be inclined to help out others. The fact that it is impossible to neatly disentangle compassionate capitalism from the cofounders's views on government underscores that these were not merely two sep-

arate philosophies that DeVos and Van Andel happened to promote simultaneously. Rather, they were part and parcel of a larger, cohesive ideology: small-business conservatism.¹¹

Amway also expands our picture of the geographical distribution of the conservative counterrevolution. For a long while, conservatism was treated as a kind of contagion that originated in one region and then gradually spread out across the rest of the country, with the South as ground zero. In recent years, thanks in particular to growing attention to the West and Southwest, the South's exceptionalism has waned. The North, however, has yet to be thoroughly woven into the history of postwar conservatism. Amway demonstrates that this is long overdue. The Dutch immigrants who arrived in western Michigan in the mid-nineteenth century and populated places like Grand Rapids also transplanted a stern, uncompromising Calvinism that helped turn the region into a conservative stronghold. Dutch Calvinism was DeVos and Van Andel's gateway into conservatism, shaping their ideological affiliations and the nature of their political work. Scholars need to continue exploring other parts of the North with similar right-wing pockets and then, if possible, integrate them with one another so that we may better understand the role that Northern conservatives and Northern strains of conservative thought played in the Right's national victories.

Richard Marvin DeVos died on September 6, 2018 at the age of ninety-two. Eleven months earlier, in October 2017, his wife of sixty-four years, Helen, passed away after suffering a stroke. DeVos was the last living member of Amway's founding generation. With him gone, Amway now

¹¹ Portions reproduced in Mondom, "Compassionate Capitalism," 19.

rests squarely in the hands of his and Van Andel's children, and, one assumes eventually, grandchildren.¹²

His death will also leave an indelible void when Amway's elites gather in Las Vegas in 2019 to mark Amway's sixtieth anniversary. On January 13, 2017, the company posted a video to its YouTube channel. "The countdown has begun to Amway's 60 Year Anniversary Celebration," the video description reads. "Start 2017 off by focusing on the future so you can join us in 2019! #A60." The video, fifty-two seconds long, bills the event as "the largest ever gathering of Amway's top leaders."¹³

It is unclear what more will change by then. On October 11, 2018, Amway announced a significant overhaul of its leadership structure. It was ditching the president/chairman model introduced by DeVos and Van Andel, and instead it would now have a single CEO, Milind Pant, a former president of Pizza Hut, effective January 2, 2019. Steve Van Andel was already scheduled to step down as chairman at the end of the year, and now Amway President Doug DeVos would follow suit. Through it all, one thing has stayed the same. "Make It Happen," the YouTube video reads at the forty-three second mark. And then, two seconds later: "Make It to Vegas." For Amway, in 2019 no less than in 1959, it is all about the dream.¹⁴

¹² Keith Schneider, "Richard M. DeVos, Amway Co-Founder and G.O.P. Stalwart, Dies at 92," *New York Times*, September 6, 2018, <https://www.nytimes.com/2018/09/06/obituaries/richard-devos-dead-amway.html> (accessed November 20, 2018); David Harris and Josh Robbins, "Heart of the DeVos family' dies after stroke," *Orlando Sentinel*, October 20, 2017, C1.

¹³ "Countdown to Amway's 60th Anniversary Celebration in Las Vegas," YouTube video, 0:52, posted by Amway World Headquarters, January 13, 2017, https://www.youtube.com/watch?v=_S2MdkgaMpc (accessed November 30, 2018).

¹⁴ Brian McVicar, "Amway announces new CEO," *MLive.com*, October 11, 2018, https://www.mlive.com/news/grand-rapids/index.ssf/2018/10/amway_announces_new_ceo.html (accessed November 30, 2018); Brian McVicar, "Hiring Amway's first non-family CEO was 'natural move,'" *MLive.com*, October 12, 2018, https://www.mlive.com/news/grand-rapids/index.ssf/2018/10/hiring_amways_first_non-family.html (accessed November 30, 2018); Shandra Martinez, "Amway co-CEO Steve Van Andel announces his retirement," *MLive.com*, July 13, 2017, https://www.mlive.com/news/grand-rapids/index.ssf/2017/07/amway_co-ceo_steve_van_andel_a.html (accessed November 30, 2018); "Countdown to Amway's 60th Anniversary Celebration in Las Vegas."

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Archival Abbreviations

ABF: Amway (Business Files), Grand Rapids Public Library

CC: Constance E. Cumbey papers, Bentley Historical Library, University of Michigan

CCR: Chamber of Commerce of the United States records (Accession 1960), Hagley Museum and Library, Wilmington, DE 19807

GRPC: Grand Rapids Press Collection, Community Archives and Research Center, Grand Rapids Public Museum

GVJ: Guy Vander Jagt Congressional papers (RHC-11). Special Collections & University Archives, Grand Valley State University Libraries

FC: Ford Congressional Papers, Gerald R. Ford Library

FVP: Ford Vice Presidential Papers, Gerald R. Ford Library

JGP: Jennifer Granholm Papers, Bentley Historical Library, University of Michigan

LG: Lillian Gill Papers, Bentley Historical Library, University of Michigan

RHSF: Regional History Subject Files (RHC-87). Special Collections & University Archives, Grand Valley State University Libraries

TUF: Taxpayers United Federation Records, Bentley Historical Library, University of Michigan

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Taxpayers United Federation Records

Community Archives and Research Center, Grand Rapids Public Museum

Grand Rapids Press Collection

Gerald R. Ford Library

Ford Congressional Papers

Ford Vice Presidential Papers

Grand Rapids Public Library

Amway (Business Files)

Hagley Library and Museum

Chamber of Commerce of the United States records

Special Collections & University Archives, Grand Valley State University Libraries

Guy Vander Jagt Congressional papers

Regional History Subject Files

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The Ada Evening News (Ada, OK)

Aeon

Amagram

The Ann Arbor News

The Argus-Press (Owosso, MI)

Asian Wall Street Journal

Assabet Valley Beacon (Acton, MA)
The Associated Press
The Atlanta Constitution
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Austin Daily Herald (Austin, MN)
The Atlantic
The Baffler
Barron's National Business and Financial Weekly
Battle Creek Enquirer (Battle Creek, MI)
The Benton Harbor News-Palladium (Benton Harbor, MI)
The Berkshire Evening Eagle (Pittsfield, MA)
Black Enterprise
The Boston Globe
Bridge
Buffalo Business First (Buffalo, NY)
Business Wire
Businessline (Chennai, Tamil Nadu, India)
Calgary Herald (Calgary, Alberta, Canada)
The Cherokee Courier (Cherokee, IA)
Chicago Tribune
China Daily
Church & State
Cincinnati Post (Cincinnati, OH)
Crain's Detroit Business (Detroit, MI)
Daily Herald
The Des Moines Register (Des Moines, IA)
Deseret News (Salt Lake City, UT)
The Detroit Free Press
Detroit News
The Dover-New Philadelphia Times-Reporter (New Philadelphia, OH)
East Liverpool Review (East Liverpool, OH)
The Economic Times
Education Week
Fort Pierce News Tribune (Fort Pierce, FL)
The Forward
Freeport Journal-Standard (Freeport, IL)
Gazeta Mercantil
Grand Rapids
Grand Rapids Business Journal
The Grand Rapids Press
Holiday
Hour Detroit
Independent Press-Telegram (Long Beach, CA)
India Business Insight
Indian Express
Institutional Investor
The Interpreter
Investment Weekly News
The Joplin Globe (Joplin, MO)

Journal of Commerce
Journal of the National Cancer Institute
Journal Record (Oklahoma City, OK)
The Kalamazoo Gazette (Kalamazoo, MI)
Kitchener-Waterloo Record (Kitchener, Ontario, Canada)
Kittanning Leader-Times (Kittanning, PA)
Knight Ridder Tribune News Agency
The Korea Herald
Korea Times
The Lansing State Journal (Lansing, MI)
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The Salt Lake Tribune
The Sheboygan Press (Sheboygan, WI)
Sioux County Capital (Orange City, IA)
Slate
South Bend Tribune (South Bend, IN)

South China Morning Post
St. Petersburg Times (St. Petersburg, FL)
Successful Meetings
The Sunday Guardian (New Delhi, India)
Take Pride! Community Magazine (Mt. Airy, PA)
Targeted News Service
Time
The Times of India
Tipton Tribune (Tipton, IN)
The Toronto Globe and Mail
The Toronto Star
Traverse City Record-Eagle (Traverse City, MI)
Tucson Daily Citizen (Tucson, AZ)
University Wire
USA Today
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