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Description

Visionary author Alvin Toffler discusses the value of society's unpaid workers and our evolving economic output, which is increasingly based on knowledge.

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Citation

MLA
Alvin Toffler on Revolutionary Wealth

KATIE COURIC, co-host:

When Alvin Toffler speaks, the world listens. For more than 30 years, the best-selling author and futurist has captured the attention of the global pop culture with his visionary ideas. Before the personal computer even entered the home, he predicted the rapid rise of the information age. Now, Toffler looks into his crystal ball and forecasts the economy of the future in his new book called "Revolutionary Wealth."

Alvin Toffler, it's a pleasure to have you. Nice to see you.

I think for full disclosure, I want to just explain to people how we met. We were on a flight from Los Angeles to New York sitting next to each other. I asked you to trade seats, which was sort of nervy of me. You obliged. We started chatting about all sorts of things, and you introduced yourself when I asked your name, and you said Alvin Toffler, I was like Alvin "Future Shock" Toffler? And I was so excited to meet you, and we had such a great flight together.

Mr. ALVIN TOFFLER ("Revolutionary Wealth"): We had four hours of good talk.

COURIC: Yeah, talking about a lot of things, pulling out articles from your briefcase to show me.

Anyway, it's really exciting for me to interview you. And let's talk about your book, "Revolutionary Wealth." What is it?

Mr. TOFFLER: "Revolutionary Wealth" is a book that says--among many other things, it talks about a whole lot of things. But one of the things it talks about is what we call the hidden economy. Everybody knows that, you know, we pay money, we buy, we sell, we trade, we invest, and so forth and so on, that's the money part of our lives. But there is a hidden economy that economists pay almost no attention to, and it involves the creation of important economic value in a society, it does important things, but we don't get paid for doing them. For example, being a mom. There was just a report that said if you added up the value of what a mom does as a driver, as a psychologist, as a teacher...

COURIC: Right.

Mr. TOFFLER: ...it was a hundred and some-odd thousand...

COURIC: As a chef.

Mr. TOFFLER: As a chef. It's 100,000-plus per year. That is right. But that's just a minute amount, a
minute example of the hidden economy. People volunteer. They volunteer to go to Katrina and help people out. That's valuable to the economy. But it's not counting.
COURIC: It's valuable, but it's not wealth. And it's not necessarily revolutionary.
Mr. TOFFLER: Well, what's revolutionary is the transformation of our whole economy from one which focuses on manual labor...
COURIC: A paycheck?
Mr. TOFFLER: ...a paycheck, manual labor, physical activity, to one that's increasingly based on knowledge, and in the broader sense of knowledge, that if you just look and see, you--fewer people--Heidi and I spent five years on assembly lines, working in factories when we were young, deliberately did that. That's going out of--that's moving to China. And from China it's going to move somewhere else. Because what's happening is more and more of the output of our--economic output is based on this (points to head), not on this (squeezes hands).
COURIC: And just the whole notion of supply and demand has been turned on its head as a result, because knowledge, you know, it's not sort of the less you have the more it becomes value--the more you have, the more knowledge it leads to, right?
Mr. TOFFLER: Yeah, exactly. Exactly.
COURIC: And the more desirable it is.
Mr. TOFFLER: Exactly. Economists were taught, and they teach every kid going through economics, that economics is a study of scarce resources, and there are scarce resources, but knowledge is not one of them. You can use arithmetic, I can use arithmetic, we don't use it up. And if we use it, and other forms of knowledge, we can create more.
COURIC: Meanwhile, in your third book, which is called the third--oh, I'm sorry, in your 1980 book called "The Third Wave," you introduced the term "prosumer," which to me is more relevant than ever in today's society.
Mr. TOFFLER: Yes.
COURIC: Explain what a prosumer is, and what you've seen happen.
Mr. TOFFLER: OK. There was no word for what we intended, so we invented one. And what we meant was, prosumer's a person who consumes what they themselves produce, instead of selling it. It's for their own use, or for their kids, or giving out free.
COURIC: What do you think will be the most surprising things 10 years from now, in terms of what our world looks like?
Mr. TOFFLER: Well, if we--if we take the geopolitical picture, one of the things we're all being told, you know, China's going to take over, or this was going to take over...
COURIC: Well certainly, that seems to be the case.
Mr. TOFFLER: Well, that is when looking from the outside. But if you look from the inside, they have lots of internal troubles. And one of the things we learned as futurists is never trust straight trends. When the trend begins and it keeps going in a straight line, it's not going to continue going in a straight line. So the fact that the Chinese economy's been going like this does not mean that it's not going to go like this in the years ahead.
COURIC: Right.
Mr. TOFFLER: And we in fact think that is likely.
COURIC: So interesting. And you're 77 years old, and you've seen a lot, you've predicted a lot. When you look back on your life, what is the biggest surprise for you?
Mr. TOFFLER: A thousand years from now, people will remember this generation, if nothing else, for one thing: We're the first generation to create wealth 12,000 miles above planet Earth. And every time you use an ATM, and every time you, make many--you know, bank transfers, or whatever, you're using a satellite up there in heaven. That is the first time in human history that human beings, these organisms, have been able to create wealth off the planet. So again, 1,000 years from now if everything else is forgotten, that will be remembered.
COURIC: Well, the latest book is "Revolutionary Wealth: How it Will Be Created and How it Will Change Our Lives." Alvin Toffler, it's great to see you, and now people probably understand how we got on a plane and didn't stop talking for seven hours. Good to see you again, Mr. Toffler, thanks so much.