

In the 100 years since Forbes published its first issue, the magazine has documented the ups and downs of the business world through boom and bust, war and recovery, social and political upheaval and the inexorable advance of technology. For its centennial issue in September 2017, Forbes interviewed Mike Milken as one of the “100 Greatest Living Minds” and published abbreviated excerpts from his observations:

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GREATEST LIVING BUSINESS MINDS

ON CHANGE

MICHAEL MILKEN

I came of age and went into business right in the middle of these past 100 years. Two issues of Forbes had a particularly significant influence on me: the 50th anniversary issue, in 1967, and the 60th anniversary issue ten years later. I carried the latter in a briefcase for years and reread it often.

Both issues really made me think about how financial structures changed over time and how leading companies changed. I often point out that automobiles changed the world, but in 1917, when the majority of a car's cost was based on raw materials, the country's largest company by far was U.S. Steel. Other top companies included International Harvester, U.S. Rubber, Anaconda Copper and Phelps Dodge ... so you can see how natural resources dominated society. A century later, these resources make up only a tiny fraction of the cost of the dominant product, the microchip, whose primary economic input is the brainpower of engineers.

A century ago, the automobile was radically changing transportation and mobility. Ford Motor was the 21st-largest company. By the time it went public in 1956 with what was then the largest stock sale in history, it was one of the most valuable companies in the U.S. Today its total market value is less than the annual price variation of Amazon, Facebook, Apple or Google.

Understanding how change occurs is key. By the 1970s, Singer, the sewing-machine maker, was known for an unbroken record of paying dividends going back more than

100 years. But that wasn't as relevant as the emancipation of women, which had been upending its business for years. The company didn't understand that women were less interested in sewing than in careers.

I was in elementary school in the 1950s when Sputnik went up. That made me think about science, and I later went to Berkeley because it had so many scientific Nobel laureates. Before the 1965 Watts Riot, I thought the American Dream was achievable without regard to race. When I found that it wasn't, I switched my major from science to business. Twenty-two years later, I helped finance Reginald Lewis, the Jackie Robinson of the business world, when he bought Beatrice International Foods from Beatrice Cos. for \$985 million. Finance can change the world and create millions of jobs by empowering people with ability.

Today's growing challenge: create meaningful lives for the world's population. We've accomplished the greatest achievement of mankind, the extension of life. Over 4 million years of evolution, life expectancy of early hominids and then Homo sapiens had only increased from about 20 to 31. But just since 1900, average human life expectancy worldwide has grown from 31 to over 70. Economists estimate that about half of economic growth is tied to the public health and medical research advances that underlie increased longevity.

How do you create meaningful lives for all these people, and the 1 to 2 billion more who will soon be living? What are the jobs of the future in an age of robotics, driverless trucks and other new technologies? At one point, 90% of Americans worked in agriculture, then 40% and now less than 2%. Although U.S. Steel was the number one company a century ago, today the American steel industry directly employs fewer than 140,000 workers. It's a great challenge.

Most people who build businesses are passionate about it. They stand for something. The people who worked with me believed, as I do, in the democratization of capital--an opportunity to empower talent and help job creation in America. My legacy isn't any one asset class like junk bonds. It's the understanding of capital structure and how best to finance companies that create jobs and drive change.