

# What I'd say if you had asked

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## commentary

It's graduation day at Washington State University and because I have not yet received my invitation to deliver the commencement address, I'm going to assume that they've once again settled for someone else. As such, I'm going to use this forum to deliver my own advice to our most recent crop of graduates. My advice is to go forth and make as much money as you can.

Contrary to what is often advocated at commencements, I am not going to encourage you to enter public service. Public service is typically defined as politics, political advocacy or government employment. And according to those who recommend such a career path, only by doing so can you exert a possible influence on the world.

That is nonsense. The truth is that, until recently, the amount of money you earn in your lifetime is a pretty accurate gauge of how much you have contributed to the world's well being. I inserted that caveat, "until recently," because in the last few years, federal government pay has skyrocketed past compensation for similar responsibilities in the private sector. It has gotten so bad that total compensation, including gross pay, benefits and retirement packages places the federal worker at about double the income of his private sector equivalent. That's for another column.

For now, we need to get beyond that. Once you move past the drone-type jobs, in the private sector your pay will accurately reflect your worth. That's because the free-market rewards the creators for the quality and quantity of their productivity. And in most circumstances, the more you make for yourself, the more wealth you will have created for others along the way.

Let's examine the case of America's richest man, Bill Gates. Gates' total net worth is in the vicinity of \$50 billion. He earned that money by creating and guiding Microsoft to the top of the software market. When Gates introduced his DOS operating system in the early 1980s, there were several competing operating systems for microcomputers. Microsoft standardized operating systems and permitted software engineers to write to a single platform. Once DOS established itself as the operating system installed on the great majority of microcomputers,

microcomputers declined in price to the point where a typical desktop computer today costs far less in real dollars than the IBM Selectric typewriter it replaced in America's offices. Computers with a power exceeding that of computers that once cost millions of dollars are now standard home appliances.

Gates made America more efficient and in the process made a great many people far wealthier. While Gates may have earned \$50 billion, others collectively have created hundreds of billions, or even trillions more for themselves and their employees, and this has multiplied itself many times through the economy.

The same goes for pharmaceutical companies and even evil oil companies. The money they earn is multiplied many times over in the economy. And the money they earn in the first place is their reward for providing us with what we desire. Even during the era of \$4 per gallon gasoline, oil companies were giving us what we needed as evidenced by the fact that we voluntarily paid what the pump charged. We wanted that gallon of gas more than we wanted the \$4. Pharmaceutical companies create products that extend and improve our lives, and in exchange we reward them with our earnings. They earn profits. We live longer and better lives. Sounds fair to me.

I would argue that the very fact that government forces us to pay for its services is evidence enough that we don't think that we get our money's worth from it. We voluntarily exchange money for services in the private sector, but have to be taxed for services by the public sector.

So where do you think you'd be doing the most good? I would advise that you trust your fellow citizens' judgment and earn your living where your fellow man appreciates your contribution enough that he will voluntarily reward you for your work.

One of my favorite philosophers, the late Phil Harris, once observed that you can go through life one of three ways: You can make it happen, you can watch it happen or you can wonder afterward what just happened? The private sector makes it happen. The public sector watches it happen. And the political class is forever wondering what the heck just happened.

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