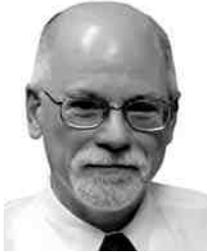


Viewpoints

Being blessed with a loving father beats winning any lottery

Top of Utah Voices



Michael Vaughan

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Commentary

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My dad didn't do that. Because he didn't, I learned he would support the decisions I made, even if my decisions weren't the best. I also learned the commitments I made created obligations for others.

These were the most important lessons learned from my impulsive transaction.

Sunday is Father's Day, and the holiday is an occasion to reflect upon the contributions our fathers have made to our lives. I could tell a dozen more stories about my father. I know that many of those reading this piece have their own special memories of their fathers.

As a teenager, I didn't fully understand the importance of my father's lessons. I certainly didn't thank him often enough for the many lessons he taught me. As an adult, I have a better appreciation for the things I learned from my father.

Economists and sociologists have researched the role fathers play in determining the fortunes of their children. The topic has also captured the attention of the billionaire



investor Warren Buffett. Mr. Buffett's acumen extends beyond the world

of investments. He has a keen interest in poverty and income inequality, and he has devoted considerable thought to issues of social justice.

A few years ago, I had the opportunity to have lunch with Mr. Buffett and a group of students. During lunch, he introduced the students to one of his more interesting constructs — the "Ovarian Lottery." Imagine your place in the world will be determined by a lottery, something akin to Powerball.

The first ball to drop determines whether the child will be born in Africa,

Asia, Europe, the United States or elsewhere.

A second ball determines the income of the parents. A third ball determines whether the father will be loving and devoted to his children or prone to neglect and abuse.

After the students had conceptualized the lottery, Mr. Buffett invited them to design the optimal economic system for the world, without knowing where they would fall in the social order.

If you were blessed with a loving father, you hit a bigger jackpot than anything you could win in the Powerball lottery.

With Father's Day on Sunday, it is a perfect time to thank your dad for your winnings.



FREE MONTH!

4 MONTHS FOR THE PRICE OF 3

For what most families would spend on a

SUMMER

I started working in my father's business when I was 8 or 9 years old. I did the typical odd jobs kids do to earn a little extra money. By the age of 11 or 12, I was interested in most of the aspects of the business. Sales appealed to my competitive nature.

Tallying receipts and tracking revenues appealed to my penchant for working with numbers. My father's business involved cameras, stereo equipment, televisions and other electronics, which gratified my desire to play with gadgets.

My father cultivated my interest and gave me more responsibility each year. By the time I was a teenager, my father had entrusted me with a fair amount of responsibility.

One day, a new supplier came to our business and presented me with a masterful sales presentation. I took the bait and committed to make a purchase that was much larger than prudent. I estimate the transaction amounted to more than \$200,000 in today's dollars, which was a pretty big commitment for a 14-year-old kid.

When my father found

out, he wasn't happy with the deal, but he didn't get upset. He used the deal to teach me even more about business. The merchandise I purchased was good and the price was attractive, but there were other considerations. The experience taught me about inventory management, cash flow and the expenses attached to short-term financing.

However, the important lessons I learned went beyond business principles. The laws of commerce don't permit a 14-year-old to enter into a legally binding contract. All my father had to do to stop my deal was make a phone call. The manufacturer wouldn't have attempted to enforce the contract.