



Re-igniting America

'A Transformative Path to Economic Prosperity'

by: Richard D. Smith, SMITH-TRG, CEO

Chairman's Inner Circle, Keynote Address, August 18, Washington, D.C.

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*This is a supplement to Keynote Address presentation. For reading not presenting.
Excludes selected SMITH-TRG proprietary information.*

introduction . . .



Richard D. Smith is Founder & CEO of SMITH-TRG a global ‘trusted business-advisor’ services firm and Chairman & CEO of U.S. Road To Recovery LLC a social good enterprise focused on assisting community and private sector leaders ‘nation-wide’ build businesses and create U.S. jobs across industries and lines-of-business. Richard speaks frequently on national economic issues, visioning, innovation, emerging markets and enterprise transformation. In 2009, he authored the *U.S. Jobs Creation Plan* and associated presentations.



SMITH-TRG

As in five previous U.S. Road To Recovery related studies SMITH-TRG considered how shifting Wall Street activities, Federal policies, business trends, emerging markets, employment demographics, declining state revenues, and consumer behavior have impacted the national economic infrastructure.

This presentation highlights and speaks to how community and enterprise stakeholders, from across industry sectors and geographic regions, can - by working collaboratively - adapt to and capitalize on today's market conditions, create sustainable jobs, and accelerate renewed economic growth.

today's reality . . .

how long
can
you
fly . . .

in a plane
that has
no
wings?



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JOBLESS RECOVERY

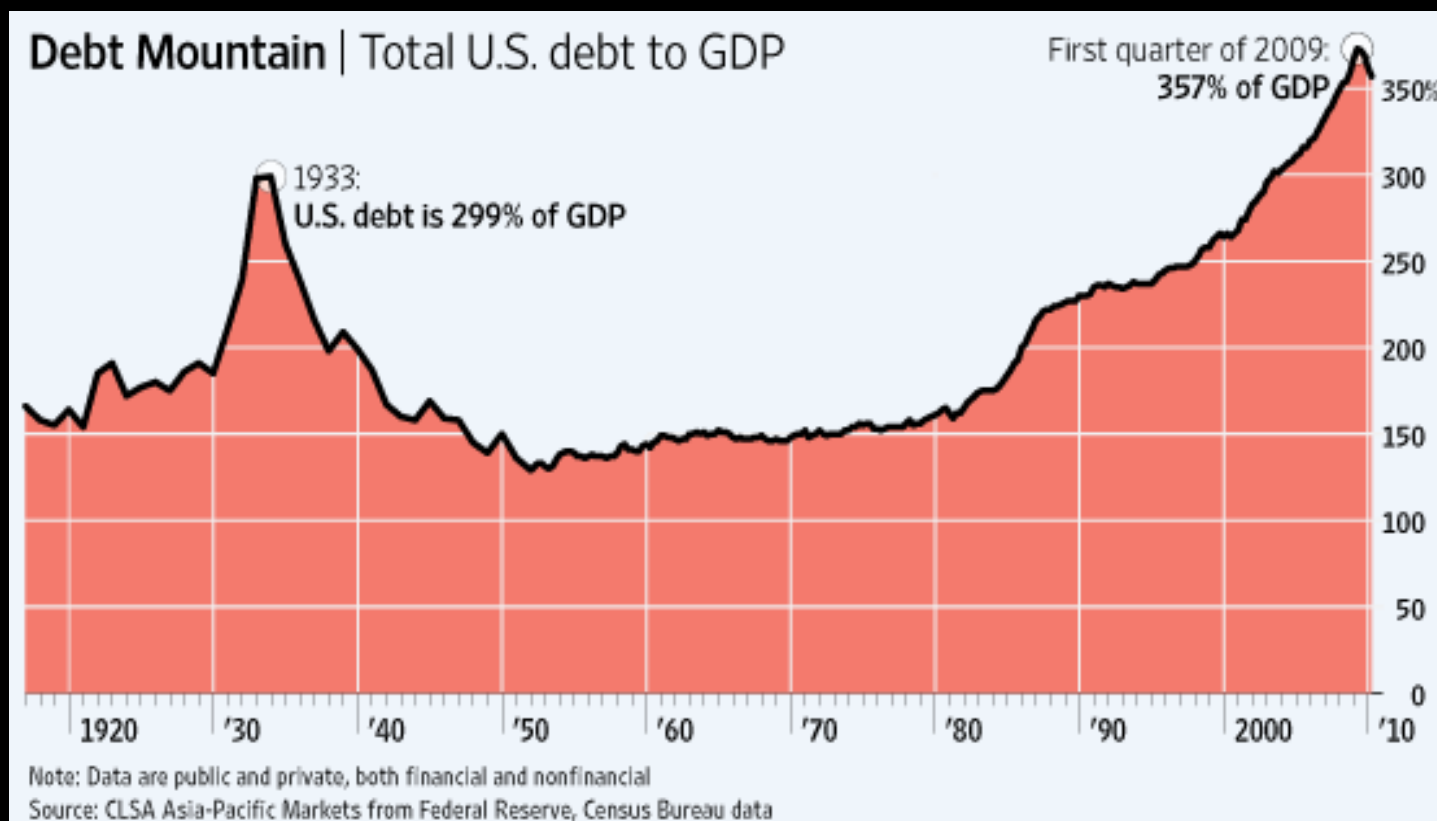
\$13.3 Trillion

TOTAL U.S. National Debt

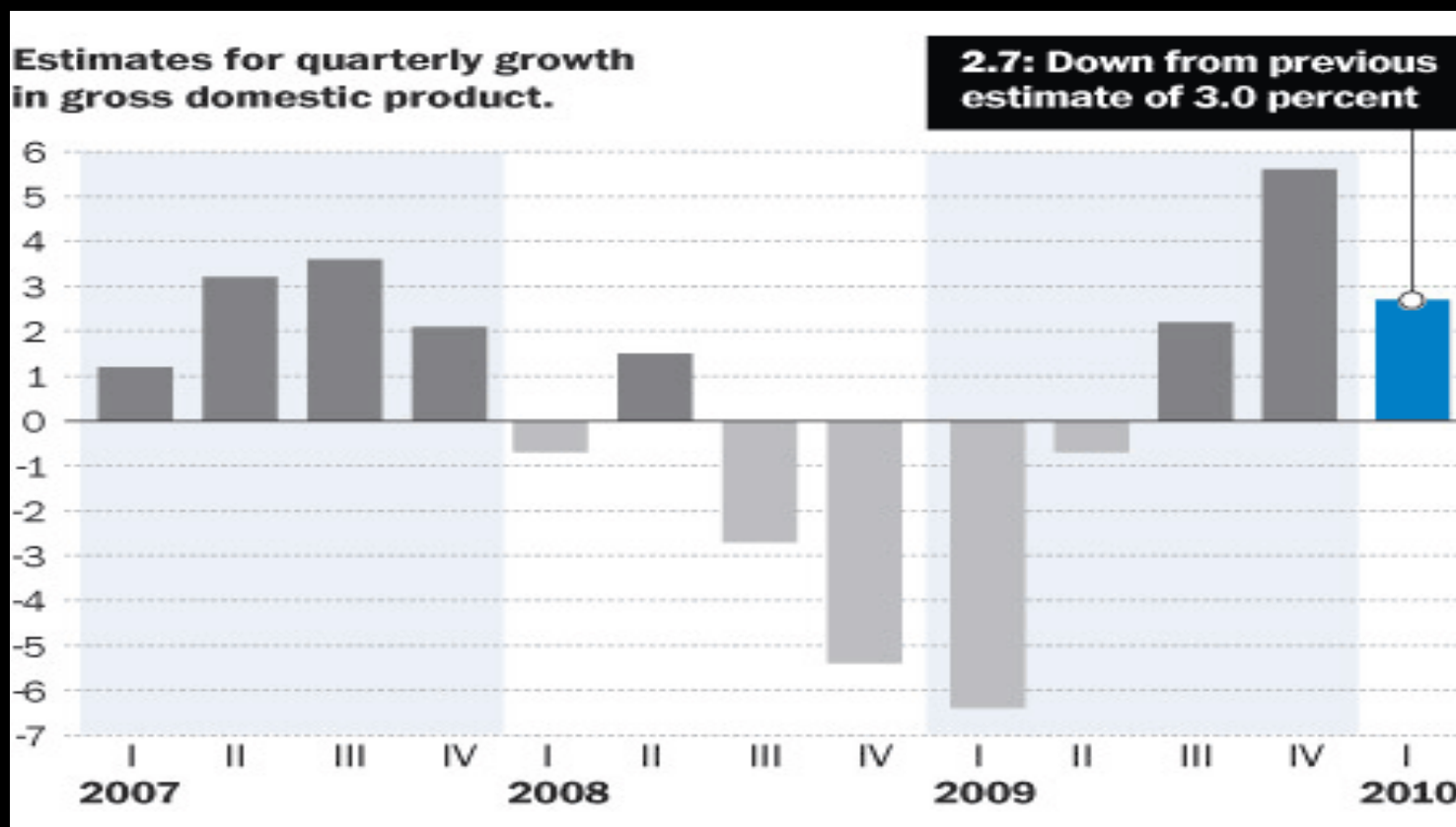
Debt per Citizen \$42,669 or Taxpayer \$119,556

July, 23, 2010 data

Q1/09 U.S. Debt Peaked at 357% of GDP



Gross Domestic Product (GDP) Trending Down



25.2 Million

Actual unemployed citizens

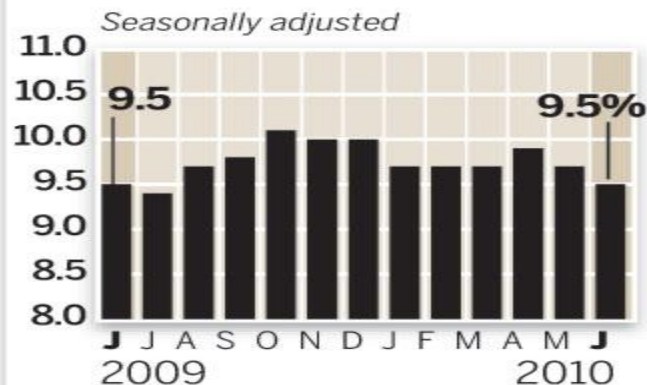
July, 23, 2010 data

High Jobless Cities & Towns

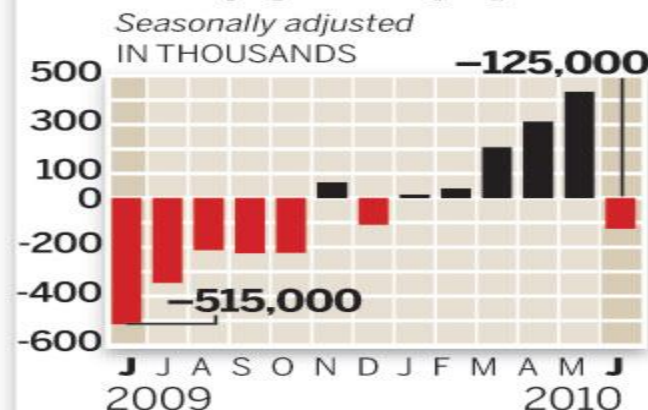
- El Centro, Arizona 27.6%
- Yuma, Arizona 26.4%
- Las Vegas, Nevada 14.5%

Unemployment

The monthly unemployment rate for the past 13 months:



Monthly net change in nonfarm, payroll employment:



Source: Department of Labor

JS

652,000

Americans gave up looking for work, June 2010.
Removed from civilian labor force –
they vanish from the statistics.

Source: USA Today

\$145 billion

Annual U.S. unemployment insurance costs
\$14,025 per person yearly benefit
400,000 exhaust benefits weekly

Source: USA Today analysis

\$137 Billion

Combined state and local governments deficits.
Projected \$144 billion in 2011.

1.6 Million

Properties in some stage of foreclosure, first half 2010.

Source: RealtyTrac

775

FDIC anticipated "problem" banks 2010.

140 U.S. banks failed 2009.

Source: Treasury Department

\$100 Billion

Planned cuts in defense spending

Source: Defense Secretary Gates

CONSUMERS

“Spending 60 percent of what they normally do during a recovery.”

*Source: Bruce McCain,
chief investment strategist at Key Private Bank*

BUSINESS

Restrained consumer spending, plus uncertainty about health costs after the enactment of reform legislation and pending tax changes, are contributing to business cautiousness about investing and hiring.

12

U.S. fell from 1st to 12th place in world's share
of college degreed adults – 25 to 34 yrs. old.

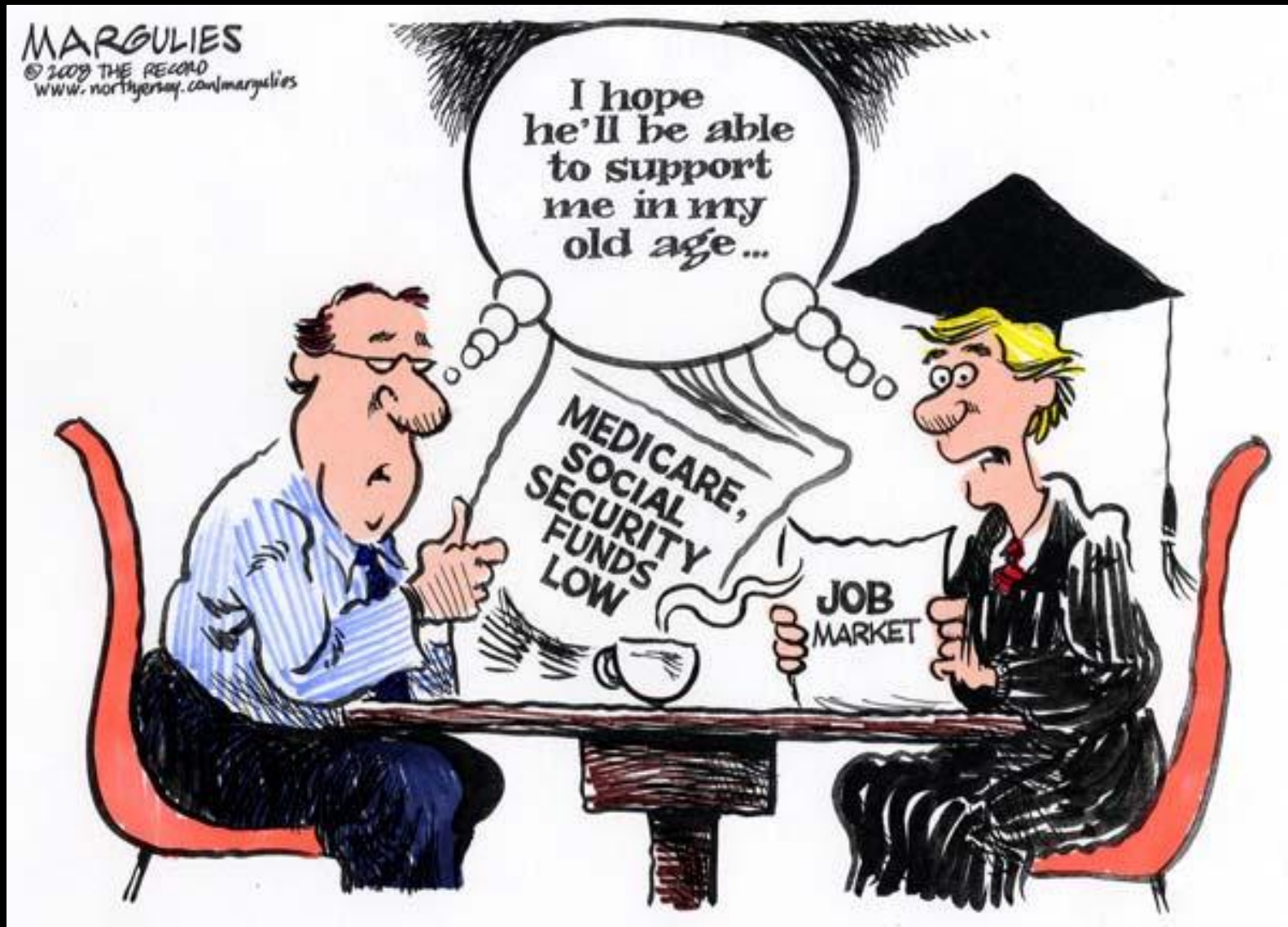
Source, the College Board



The
Vicious Cycle
DOWNWARD!

**Job losses are causing income losses, which in turn are
constraining private demand, reducing tax revenues and
causing higher deficits.**

“the **ultimate measure** of
a healthy & recovering
economy. . .**jobs growth!**”



\$50 Billion

Annualized economic value of
1 Million net new U.S. jobs.

$$300K \times 12 = 3.6M$$

new jobs per month \times months = net new jobs per year

“Even if the nation could add 2.15 million private-sector jobs per year starting in January 2010, it would need to maintain this pace for more than 7 straight years (7.63 years), or until August 2017, to eliminate the jobs deficit!”

- Advance & Rutgers Report, Sept. 09

By: James W. Hughes and Joseph J. Seneca

SYSTEM FAILURE !



ONLY 132,000

Net new U.S. jobs created during 1st 7 months of 2010!

DID YOU
KNOW?

A very effective computer manufacturing industry has emerged in Asia, employing about 1.5 million workers -- factory employees, engineers and managers.

The largest of these is Hon Hai Precision Industry, a.k.a. Foxconn. Its revenue last year was \$62 billion, larger than Apple, Microsoft, Dell or Intel.

Foxconn employs over 800,000 people, more than combined worldwide head count of Apple, Dell, Microsoft, Hewlett-Packard, Intel and Sony.

BOTTOM LINE

*"Now is the time for America to do a business growth paradigm shift. A **transformative rethink** of how it designs, finances, builds, and grows market competitive U.S. based businesses."*

- Richard D. Smith, CEO, SMITH-TRG

the 'animus' plan...

Long term – *U.S. needs a job-centric economic theory – and job-centric political leadership -- to guide national plans and actions.*

In the interim . . .

The **ANIMUS** Plan

SMITH-TRG's, 2011 - U.S. Jobs Creation Plan

ANIMUS, Latin word, meaning - *courage, vivacity, bravery, will, spirit, soul*

3 - 12 - 5 - 150

MISSION

Build a nation-wide network of value driven
new and re-invented U.S. enterprises operating
profitably across industries & lines-of-business

KEY ELEMENTS

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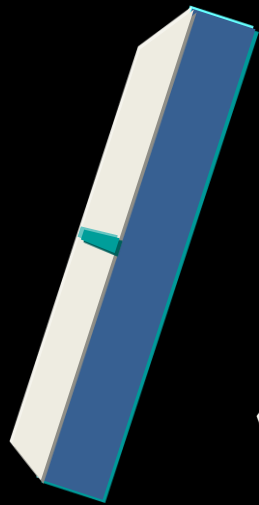
VISION

What Can Be



LEADERSHIP

Core Values & Success Culture



MARKETS

Opportunities for Jobs & Biz Value Growth



PARTICIPATION

Private & Public Sector



JOB SEEKERS

25.2 Million



MONEY & POLICY



CORE VALUES

Leadership

Culture

Architecture

Processes

Knowledge

Wealth Creation

SUCCESS INGREDIENTS

Ignite 'Stakeholder' Leadership

Nurture Partnerships

Anticipate Evolution

Embrace Innovation

Know Markets

Establish Enterprise Growth Centers

Put Your Money *(and Regulations)* Where You Policy Is

ENTERPRISE VALUE

High Productivity

High Quality

Low Complexity

Low Total Cost of Ownership/Operation

“Our pursuit of our individual businesses, which often involves transferring manufacturing and a great deal of engineering out of the country, has hindered our ability to bring innovations to scale at home.” - Andy Grove, former Chairman, Intel
Bloomberg Businessweek article

Conclusion – “As long as the scaling process is no longer happening in the U.S., plowing capital into young companies that build their factories elsewhere will continue to yield a bad return in terms of American jobs.”

ANIMUS CHALLENGE

Must conquer growth at scale

Overcome the growth stall.

Manage growth across broad, far-flung
increasingly large network of strategic alliances.

3 Million Net New U.S. Jobs in . . .

12 Months from Start

5 Billion Dollar Private Equity Fund

150 Billion Dollar Success IMPACT

- a \$5 billion 'Citizen Wealth' fund by and for participating citizens -

why – act – now...

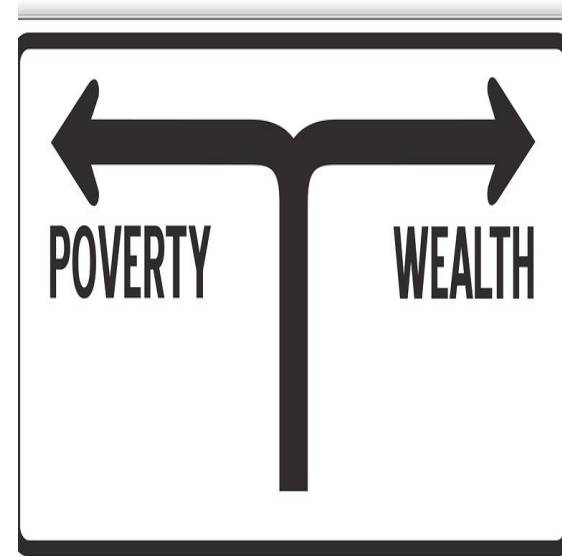
“You could say, as many do, that shipping jobs overseas is no big deal because the high-value work – and much of the profits – remain in the U.S.. That may well be so. But . . .

*what kind of a society are we going
to have if it consists of highly paid
people doing high-value-added work –
and masses of unemployed?”*

“Without scaling, America just doesn’t lose jobs -- we lose our hold on new technologies. Scaling is hard work but necessary to make innovation matter.”

IF WE
WAIT...

*“the beatings will
continue **until**
morale improves!”*



The gap between U.S. poverty
and wealth will grow . . .

why 'ACT' now



The **ANIMUS** Plan

An opportunity to systematically tilt strategic market playing fields to U.S. advantage.

GOVERNORS & CHIEF EXECUTIVES

how long
can
YOU
fly . . .

in a plane
that has
NO
wings?

Take **action** - learn **about** the

ANIMUS

PLAN

SMITH-TRG

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