INSEAD The Business School for the World®

Working Paper

2021/30/EFE

Do you Really Want to Become a Billionaire? A Look Inside the Inner Theatre of the Super-rich

Manfred F. R. Kets de Vries
INSEAD, manfred.ketsdevries@insead.edu

This article discusses the qualities needed to become super-rich. It highlights the explosion and concentration of wealth. Also, it points out how and where these people made their money. An in-depth look is taken at the personality of these super-rich by reviewing the scripts in their inner theatre. Some of the patterns that differentiate these people from others are listed such as having a magnificent obsession, being persistent, possessing people skills, being non-conformists, self-efficacy, achievement orientation, intuition, a desire to win, calculated risk taking and their perception of money, symbolically. Furthermore, the article looks at the shadow side of these super-rich. Reference is made to the Dark Dyad, this toxic combination of narcissism and psychopathy. Finally, this article also discusses how these people use their money. The impact of wealth on children is reviewed as well as the role of philanthropy. The question is raised whether the super-rich, given their Weltanschauung, are the right people in using their wealth to solve global problems.

Keywords: Billionaire; Super-rich; Money Symbolism; The Big Five Psychology Model; Inner Theatre; Dark Dyad; Children; Philanthropy

Too many people spend money they earned…to buy things they don't want…to impress people that they don't like."

—Will Rogers

Everybody wants to ride with you in the limo, but what you want is someone who will take the bus with you when the limo breaks down.

—Oprah Winfrey

We are rapidly moving toward a nation of the super-rich, by the super-rich and for the super-rich

—Bernie Sanders

Introduction

Reading about the activities of Jeff Bezos, I cannot help but wonder how it feels to be the richest man in the world. I mean not just rich but *seriously rich*. What might you ask yourself, having accumulated so much money, about what to do with it? Of course, given Bezos' incredible wealth, he can certainly afford to spend it on a few trinkets. When your estimated worth is $200 billion, one could argue that you deserve to have a superyacht at the modest price of $500 million. I'm sure his yacht is an eye catcher. In fact, a recent *New York Times* article noted that the yacht "is almost as big as the Great Pyramid of Giza (if the vessel was laid out vertically). It's just under half as long as the Eiffel Tower."[1] But why not? Most likely, to be the owner of such a yacht is much cheaper than one of Bezos other expensive hobbies, like shooting rockets into the air.

[1] https://www.bbc.com/news/world-us-canada-57079327

In fact, he is doing what many seriously rich people have done before him. Thanks to people like them, the world is now full of cathedrals, mosques and mausoleums.

Studying the history of these super-rich businesspeople, it appears that John D. Rockefeller, the father of the petroleum industry, in the early years of the previous century, became the world’s first billionaire. He lived in a period of time when various entrepreneurs took advantage of the new technologies to amass great fortunes, a trend that has continued until today. While the likes of John D. Rockefeller, John Pierepont Morgan, Andrew Carnegie, and Henry Ford created enormous fortunes, a century later some of the privileged few have repeated their achievement. Taking a closer look at how they acquired their wealth, the greatest fortunes have been made in the pharmaceutical and digital technology sectors. Interestingly enough, the places that have turned out to be most advantageous for becoming seriously rich are the emerging economies like Russia and China. For budding entrepreneurs, these countries have offered tremendous opportunities. There is something to be said about being lucky enough to be at the right place, at the right time.

Presently, there is more extraordinary wealth creation than ever before. Still, to become part of this billionaire club remains an exclusive proposition. Notwithstanding its exclusivity, *Forbes* suggests that currently there are 2744 billionaires worldwide. Europe, the US, and some Asia Pacific nations account for most of these extremely wealthy people.[2] And as a signal of the seriousness of the issue, as far as wealth

[2] https://www.forbes.com/sites/kerryadolan/2021/04/06/forbes-35th-annual-worlds-billionaires-list-facts-and-figures-2021/?sh=7ac985835e58

creation is concerned, it is estimated that by 2030, the richest 1% of the population is on target to own two thirds of the world's wealth.[3]

Taking a hard look at these contemporary billionaires, most of them didn't start out this way. In fact, the number of self-made billionaires has overtaken the multi-generational ones. As it happens, people with inherited wealth have given way to the more entrepreneurial types. Looking at their business history, most of them made their money through useful inventions (examples are Steve Jobs, Bill Gates or Elon Musk). Other ones found innovative ways of solving problems (think of Mark Zuckerberg, Travis Kalanick or Jack Ma). And yet others appeared to be great investors (Warren Buffett being among the most famous ones).

Becoming a billionaire

Can you be a billionaire? Do you have what it takes? Or is there something special about these people that makes them not like you and me? The writer F. Scott Fitzgerald thought so. He once said, "Let me tell you about the very rich. They are different from you and me." He imagined that they thought, think, make decisions and react differently than other people. Therefore, could it be true that these people possess a mysterious X-factor that makes them so extremely successful? Do billionaires have other things in common than merely their heady bank accounts? Could it be more than just timing and luck? Thus, the question becomes: if you would like to become part of this billionaire club, what's needed to get there?

---

[3] https://www.theguardian.com/business/2018/apr/07/global-inequality-tipping-point-2030

The historian Rainer Zitelmann tried to deal with this question in his study about the wealth elite.[4] To find answers, he interviewed 45 members of this exclusive club, mostly self-made entrepreneurs with net assets (granted only) between 30 million and 1 billion euros. What also limited this study's scope, however, was the fact that all of the participants were of German nationality. But apart from just interviewing these people, to give the study more depth, Zitelmann managed to have them go through a psychological exercise. He used the Big Five personality test as a way of figuring out whether specific personality traits played a key role in the successful pursuit of wealth.

The Big Five model in psychology that has dominated much thinking about personality suggests that behavior is determined by people's degree of neuroticism, conscientiousness, extraversion, openness to experience, and agreeableness.[5] Unfortunately, looking at the findings of these tests, Zitelmann's results weren't exactly earth-shattering. He discovered that the very rich, from a *neuroticism* point of view, tended to be quite stable. Also, they appeared to be *extraverted* (or knew how to present themselves that way). Furthermore, they tended to be more *open to new experiences*. In addition, they were less *agreeable*, meaning that it was less likely that they would shy away from conflicts. And finally, according to this study, the very rich

[4] Rainer Zitelmann (2018). *The Wealth Elite: A Groundbreaking Study of the Psychology of the Super Rich.* London: LID Publishing.

[5] Paul T. Costa, Jr., & Robert R. McCrae (1988). Personality in adulthood: A six-year longitudinal study of self-report and spouse ratings on the NEO Personality Inventory, *Journal of Personality and Social Psychology*, 54, 853-863.

seemed to be quite *conscientious,* implying they were more detail oriented. In other words, they were very thorough concerning the completion of tasks.[6]

Clearly, what this study points out is that these super-rich may be somewhat different from you and me but not very much. It is also possible, however, that the reason that these findings weren't really earthshaking was because Zitelmann didn't analyze his subjects sufficiently in depth. He may not have explored the inner theatre of these people deeply enough. Of course, what should be said in his defense is that making generalizations about certain types of people isn't easy. Not all rich people are the same, while the same could be said about all poor people.

The inner theatre

All in all, the question remains: "What is the personality profile of these super-rich?" To that we might add: "Do you have what it takes to become a member of this club?" As I have been dealing with quite a few of them given my work as an executive coach, psychoanalyst and management professor, let me make a few observations.

To start with, billionaires are different from the more run-of-the-mill corporate executives in that working for a corporation isn't the road towards membership into this exclusive club. If you are working for somebody—if you are dependent on paychecks—it is very unlikely that you will become super-rich. Most of the very wealthy earned their money not through what they earned from a job but from starting a business. To end up as a billionaire is all about self-employment, in other words, entrepreneurship.

Continuing this more “on the surface” description of these people, most of these self-made billionaires come from seemingly normal, middle-class backgrounds. They appeared to have been raised by parents who encouraged them to pursue their interests. But quite early in life, for many different “below the surface” reasons (I’m referring to various unconscious dynamics), these budding super-rich realized the importance of having control over their lives. Due to the prevailing family dynamics, they had become somewhat “allergic” towards authority figures. To work under somebody had become a very unattractive proposition. Therefore, for many of these people, independence became all-important. In addition, while growing up, many of them would become intrigued by entrepreneurial role models. The examples they admired could have been a family member or some other person that would play an important role in their imagination. It made them decide that they would like to become like them. Furthermore, what should be added, while growing up, again for various “below the surface” reasons, they came to appreciate the importance of having money. For example, it might very well be that during their childhood there wasn’t much money to go around. Consequently, early in life, they realized what money could bring; that money can make money; that money would bring independence; that money would bring them freedom. As a matter of fact, many of their activities during their youth showed how important making money had become for them. Quite early in life, many of these people would find ways to make some money.

That being said about their personal history, these super-rich also have a number of other behavioral themes in common. The question is, do you fit the bill?

1) Many of these self-made billionaires possess a somewhat different *Weltanschauung* compared to run-of-the-mill businesspeople. They’re very focused and they tend to be people with big ideas. And with these big ideas come big-picture thinking. In addition, they’re the kinds of people that can envision possible futures. What should be added is that they’re quite driven and they’ve lots of energy. Business-focused as they are, they seem to be enthralled with a *magnificent obsession*. In other words, they are investing their body and soul in whatever vision they have for the future. It is this intense focus of what they want to accomplish that what makes them so successful.

2) Clearly, these self-made super-rich appear to be extremely determined. And they’re very *persistent* in whatever they pursue; they don’t easily give up. They aren’t the quitter types. Being as resilient as they are, they are prepared to overcome whatever obstacle comes their way. They know how to deal with crises and setbacks. They possess the mental toughness to hang in there. For them, failure isn’t an option. In case of setbacks, they meet these challenges upfront, take action, and move on. They don’t wallow in self-pity and become depressed. Furthermore, because they are by nature very determined, when things don’t go their way, they know how to wait. These people can be extremely

patient. They realize that success will not come overnight. They have a long-time horizon.

3) In addition, personality wise, many of these people tend be somewhat outgoing. They know how to reach out to people. They have *people skills*. They have realized that starting ventures isn't an activity that can be done alone. They need the help of others. After all, it requires putting talented teams in place to back them up. Moreover, if required, they can be super salesmen in selling their ideas. They have a knack for persuading others to buy into their dreams. And while pursuing their ideas, they will not be deterred by critics and naysayers. Taking no for an answer isn't part of their DNA. If they're told that something can't be done, they believe that it doesn't apply to them. They will always try to find ways to go around the obstacles before them.

4) Furthermore, many of these people tend to be *non-conformists*. The time and energy other people spend on blending in, these super-rich spend on creating their own path. From childhood onward, they have always been independent thinkers. For them, going against prevailing opinions has never been a problem. In fact, many of them even enjoy swimming against the current. Some of them might even become uncomfortable when they're under the impression that their way of thinking is too much aligned with the mainstream.

5) Another notable quality of these super-rich is their sense of *self-efficacy*. They have a can-do attitude to life. They appear quite confident in their skin. They strongly believe in their own abilities, especially in their ability to meet whatever challenge comes their way. They imagine that they themselves—as opposed to external forces—can control their destiny. Being successful comes to be seen as the result of their own efforts. Given their sense of self-confidence, they're convinced that they can solve any problem.

6) Clearly, these super-rich have a strong work ethic. They're very much *achievement oriented.* They set challenging goals for themselves and others and work hard to achieve them. In whatever they do, they go beyond the call of duty. Given their achievement orientation, they aren't easily satisfied. They're always driven to do better. Whatever they do, it never feels good enough and, if they're not in an achievement mode, they will be dissatisfied.

7) Furthermore, compared to more run-of-the-mill corporate executives, these super-rich people very much *trust their intuition.* They make many of their decisions on gut feelings as opposed to resorting to detailed analysis. Or to put it differently, they're quite talented in acquiring knowledge without recourse to conscious, analytical reasoning. Instead, they use hunches that surface quickly into their consciousness without them being fully aware of the underlying reasons. Somehow, they're able to bridge the gap between the conscious and unconscious parts of their mind.

8) In addition, these self-made billionaires will do whatever it takes *to win*. They really thrive on competition. To them, competition is the vehicle to greater success. In fact, many of them appear to have had an early history of competition given past achievements at sport. Sport has taught them how to deal with victories. It also taught them how to assert themselves against their competitors. In addition, it created in them a high tolerance for frustration.

9) Another key trait of these super-rich is that they know how to take *calculated risks*. They are very good at balancing the risk equation. While being risk-avoidant may have its benefits—decreasing the chance for failure—they strongly believe in the saying “no guts, no glory.” To them, being risk averse is not the way to great achievements. At the same time, they’re quite aware of the fact that if they would be an extreme risk taker, they could lose everything. To behave in that manner would be reckless. Instead, as calculated risk takers, they have found a happy medium and have learned to balance these two extremes. Consequently, when making decisions, they will ask themselves each step of the way how they can minimize their losses. They know how to factor in the risk involved in whatever they’re doing. In other words, they are risk tolerant but not risk impulsive.

10) Furthermore, in spite of the opening comments concerning Bezos’ glittery yacht, conspicuous consumption isn’t what’s really important to the super-rich. Most of

> them do not necessarily bump up their lifestyles in lockstep with their growing wealth. *Wealth acquisition doesn't seem to be their primary motive*. Very few of them work entirely or even mainly for the money. In fact, money is more of a by-product of their way of dealing with the vicissitudes of life. Money is associated with their cherished independence. Money is viewed as a tool that provides them with options and opportunities. In other words, to these people having more money means having more control over their lives. Furthermore, what should be added is that money is also a way of keeping count of how successful they are. For some of these super-rich, self-worth and net worth seem to be intertwined. Among them are those who become obsessed with comparing themselves to those who are richer. Unfortunately, when this occurs, they can easily fall into the mistake of thinking that money, and not quality time with others, will enrich their lives. Sadly, but clearly, money will not make for a happy life.

In light of the previous discussion, this question arises once again: Do you have what it takes to become a member of this exclusive club?

The Dark Dyad

But wait, this may not be all that has to be considered if you want to join the super-rich. Perhaps, you should ask yourself what the possession of that much money will do to you? Of course, money can be a force for the good. Conversely, having too much money can have a corrupting influence. It can turn some people into greedy, uncaring and corrupt individuals. Mammon can be a very dangerous god to worship.

Upon observing how some of these super-rich behave, we might be forced to conclude that a darker part to their personality also exists—something that doesn't immediately meet the eye. After all, wasn't it the writer Honoré de Balzac who said, "Behind every great fortune lies a great crime?" Is there some truth in this statement? Do some of these people have a very dark side? Is it this part of their personality makeup that has enabled them to get where they are? Is it possible that having too much money may have a negative effect on your personality? Or conversely, was their personality distorted in the first place? What then should you ask yourself if you are one of these people in the thrall of the forces of the "Dark Dyad"—meaning this toxic brew of narcissism and psychopathy?

Starting with narcissism, do you, like some of these super-rich, have a sense of superiority over other people? Do you possess a sense of entitlement—believing that you deserve special treatment? Do you think that rules are there for others but not for you? And moving on to psychopathy, do you deceitfully manipulate and exploit people and circumstances for personal gain? Do you feel compelled to win at all costs? Are you vindictive? Do you have a tendency to behave in a callous and uncaring manner toward others—in other words, lacking compassion and empathy?

It could very well be that having these characteristics may be one of the keys to the success of many of these people. Perhaps, the force of the Dark Dyad explains why a person like Bezos puts most of his gains in his own pocket; why he is paying such low wages to his workers; why he appears to be a strike breaker; and why Amazon has been a champion in tax avoidance.[7] There may be some truth in the observation that people like Bezos tend to prioritize profits above profit sharing, personal rights above human rights, and are not interested in the social costs of their enterprises. It makes you wonder, given the nature of their inner theatre, whether they are the kinds of people equipped to advance the common good—to build a more just society. Should they be the ones to solve today's global problems? Or should it be the general public? Should we relinquish this task to the more unaccountable super-rich?

If so, what becomes worrisome, is that some of these super-rich do fit the Dark Dyad. These people appear to be eager to use their wealth to pursue a self-serving agenda at the expense of the common good. And add to this their tendency to be quite manipulative and greedy at times. What's more, many of them, seem to have a compassion deficit. Many of them engage in self-serving behaviors unrestrained by the usual concerns over the rules or the consequences for others. At the same time, however, their extraordinary wealth gives them a tremendous influence over laws, politics, and public opinion (the latter often through ownership of the media).

Of course, not all of these billionaires are prisoners of the forces of this toxic Dark Dyad. If you want to become a member of this club of the super-rich, it is not necessary for you to be an obnoxious narcissist who is manipulative and lacks compassion. You don't need to behave according to the dynamics of the Dark Dyad. In fact, most billionaires are like you and me in that they want to belong, are in search of purpose, and are

7 https://www.theguardian.com/business/2019/dec/02/new-study-deems-amazon-worst-for-aggressive-tax-avoidance

looking for meaning. In fact, many of them prefer to act responsibly with their money. They're looking for ways to help and to contribute. Some of them may even have had a "Nobel Moment." (Alfred Nobel after reading a premature obituary that condemned him for profiting from the sales of arms bequeathed his fortune to the Nobel Prize institution.) I am referring here to those who don't want to end up the richest ones in the graveyard.

Managing wealth

So, if you think you have what it takes to become part of this exclusive club of the super-rich, there are clearly a few more things that you have to keep in mind. If you succeed, will you be able to manage your wealth wisely? As the saying goes, "money isn't everything." Do you know how to make money a force for the good?

To start with, if you manage to become a member to the elite club of these super-rich, you would be well to begin by worrying about the effect of wealth on your children. If you happen to have an introspective bend, you might become concerned that—due to your wealth—your children might be messed up. You might lose sleep fretting that they'll lack the motivation to accomplish anything in life, that they're unable to escape your shadow. You might worry that your children will become trust-fund brats and financially irresponsible people. They might end up with a life of worklessness, and be left with a sense of aimlessness and estrangement in this world.

In fact, to give too much money to your children can be quite debilitating. Often, it has been associated with a lack of passion, a lack of creativity, and a lack of drive. Your children may end up plagued by self-doubt about their capabilities. What’s more, there is also the danger that your children may display the stereotypical arrogance of privilege by placing a high value on appearances (physical and social)—the obvious examples being the fast cars and the wanton lifestyles. Having too much money may also contribute to an inability to establish meaningful relationships—the fear, and not without reason, that gold diggers will try to lead your children astray.

While keeping these concerns in mind, you may also have realized that you might have sown the seeds that have contributed to the poor behavior of your offspring. After all, it is much easier to pass down money to your children than it is to pass down values. Often, in your pursuit of success, you may have spent long hours at work, while sacrificing time with your family. Now, having become successful, you may be trying to make up materially for your lack of availability during the time when your children were growing up. As you might feel guilty for not having been present, you may now feel compelled to give your children a better childhood than you may have had. Unfortunately, as any child psychologist can tell you, this kind of treatment can be an invitation to much damage. You better realize that the best you can do for your children is to give them a good education and instill the right values. Giving them lots of money is not going to be the answer.

Instead of giving oodles of money to your children, a much better way of dealing with your wealth is to give back to society—to find worthwhile causes. For example, some of the super-rich like Warren Buffett and Bill and Melinda Gates have given away sizable chunks of their wealth. They have even started such initiatives as the "Giving Pledge," a campaign whereby already more than 100 billionaires have pledged to give more than 50 percent of their wealth to philanthropical causes.

In fact, this "Giving Pledge" seems to be a very thoughtful initiative. After all, how long will the general population tolerate a situation whereby just a few people possess most of the world's wealth? It is an invitation to social unrest. One could view the "Giving Pledge" as something of an antidote. The question becomes, however, whether it will be enough. At what point will the population no longer tolerate these income differentials? At what point will they strike back? Wasn't it Aristotle who said, "Poverty is the parent of revolution and crime?" And as we all know, a revolution is no dinner party; it isn't a rosy affair. On the contrary, most revolutions are very messy. One could go so far as to say that they have a cannibalistic quality. While they may start quietly, eventually they will explode into a barrage of blood, guts and madness. And when this happens, old things will be broken and swept away—which may include the wealth of the super-rich. So, given what it takes, would you still like to be part of this exclusive club?