

## **"The Next Trillion - Why The Wellness Industry Is The Next Trillion Dollar Opportunity"**

Interview with Paul Zane Pilzer, Economist & Best-Selling Author  
By Radio & Television Personality Kim Yancy

### Q: Who Is Paul Zane Pilzer?

- World-renowned economist.
- Is a multi-millionaire software entrepreneur.
- Adjunct Professor at New York University.
- Is the author of three internationally best selling books.
- Pilzer completed college in 3 years.
- Received his MBA from Wharton at age 22.
- At age 24 appointed Adjunct Professor at New York University.
- While employed as Citibank's youngest Vice President Pilzer started several entrepreneur businesses and earned his first million before age 26.
- He earned his first 10 million before age 30.
- Was appointed Economic Advisor in 2 Presidential Administrations.
- In the 1980's was credited with exposing the Savings and Loan crisis in his best selling book "Other People's Money".
- In the 1990's Pilzer's next book "Unlimited Wealth" forecasted the Internet based "dot com" economy that we have today.
- And most recently his New York Times best seller "God Wants You To Be Rich - The Theology of Economics" has been published in 18 languages and featured on "60 Minutes" and on the front page of "The Wall Street Journal".
- Today, Professor Pilzer is recognized as one of the top researchers, trend forecasters, and new economy experts in the world.
- He has been a commentary on National Public Radio, CNN, and appeared 3 times on the "Larry King Live" television program as well as on the cover of several national magazines.

Now, for the first time, in this exclusive interview, Professor Pilzer exposes the Food and Medical Industry explaining why 55% of the U.S population is overweight or obese.

But more importantly, Professor Pilzer explains why the Wellness Industry, still in its infancy, will soon exceed both the Internet and the existing health care business as the next trillion-dollar opportunity.

**Q: Paul, where does the opportunity lie?**

A: The greatest economic opportunity today lies in the business that almost doesn't exist but will be a trillion dollar business by the year 2010. This is the emerging Wellness Industry.

**Q: What are you characterizing as the wellness industry?**

A: The Wellness Industry to me is products and services you purchase when you're not technically sick. We have to first define the existing health care business. The existing health care industry is really the sickness industry. You get a symptom or a disease and if you want to cure yourself you run to a doctor to just get that symptom or disease "away". But the wellness business in contrast says: "I'm medically fine. I'm perfect for my age in terms of my hearing, weight, ability, and my strength but I want to be better. I want to feel the way I did ten years or twenty years ago. I want to look a little better or I want to just be stronger". So in the wellness industry you see right away that the consumer has an unlimited propensity to consume wellness products because no matter how great he feels, in fact the better he feels the first thing we notice when someone goes to a fitness club or loses weight is that they want to feel even better. Once they see these products work for them they keep on consuming wellness products and services.

**Q: What kinds of things are you seeing taking place right now in the market place?**

A: I was amazed when I started to look at this industry. I thought it would be a big business ten years from now. I was wrong! I have identified 200 billion dollars in this industry from fitness clubs, nutritional supplements, vitamins and minerals through products that people voluntarily consume in order to feel better. I was amazed to find it was already up to 200 billion dollars when most of those products and services didn't exist ten years ago. When I look forward to the year 2010 I see a clear one trillion dollar business just in the growth of the existing products and services in the wellness industry and that doesn't include new products and services that are currently in the laboratory and coming down the pike.

**Q: That's great news! The wellness industry is moving in the right direction. What are some of the causing factors that are driving us in that direction?**

A: What's driving this is that the "baby boomers" population is aging. As we age we remember how it was when we were younger. At first we want to listen to our old rock songs but more importantly we want to feel the way we did twenty, thirty or forty years ago. So as the "baby boomers" population ages they become potential customers for products that will make them feel as strong and as healthy as they remembered they were twenty, thirty or forty

years ago. We're all aging and people keep telling us we're going to be a little less better looking in the future and a little weaker in the future and some people say its just because you're aging. The "baby boomers" are "wrong"! "I want to consume products and services that will counter act the effects of this aging".

**Q: Is there a sense of competition or even discrimination associated with not looking as good as you can?**

A: Well, here is where you find a whole different area when you enter the world of discrimination. Because we used to discriminate in this country based on race, religion or country of origin. Today the overwhelming number one discrimination is against people who are overweight. People who are overweight are greatly discriminated against. They are made to feel the entire problem is caused by their behavior and they're effectively ostracized from higher positions in society and this is happening at such an alarming rate. What amazed me about my research is that I knew I had this feeling, that people we're getting overweight but when I got down to the numbers they truly disgusted me. Today, 55% of the U.S population is overweight. But more significantly, obesity is now 25% of the population. Our medical definition of obese is "so overweight you have trouble functioning". Now, this appears to be 25% of the U.S. population, which is up 64 % in just the last thirty years.

**Q: Paul, how did you come to these conclusions?**

A: I remember back about five years ago when I was giving a speech before about 45,000 people. As I watched my audience file into the stadium I started to notice that these people really needed information about food and health. Yet as I looked around the society at my beach house, at Pacific Palisades in California, everyone looked fit and buff even as they aged. As they aged they were actually getting better looking in terms of better shape. This led me to open up the research and try to see what was happening in America. What I found was not pleasant! Today, our upper classes are educated people and are getting thinner and healthier every moment. And the poor and middle classes, who are the bulk of America, are slipping off the edge when it comes to food and health. When I was born you wanted to be a rich fat man! Today, rich fat man is an oxymoron! When I was born poor and thin sort of went together because you thought of people somewhere starving. Today, poor and fat are synonyms! So I started examining how this is happening? How could we be reaching an area where we are so wealthy economically? We not only lead the world but also are at a ten-year economic expansion where all you hear about is this great economy. Yet, more than half of the US population is overweight and trapped in effect, in their own prison and not able to enjoy the benefits of this great economy. As I looked around I realized it was not so much a medical problem but instead an economic problem. The reason it was an economic

problem is that most of us today consume food that is prepared by others. We have a one trillion dollar agriculture business of packaged fast food. We no longer grow our own food on the farm and consume it. The packaged food industry is very effective at marketing their products. They follow a process, in the packaged food industry, what those of us in the business understand and call, "potato chip marketing equations". A "potato chip marketing equation" means that 90% or more of the product is sold to 10% or less of their customers. And when you think about how often people who enjoy Wendy's or McDonalds or buy potato chips verses the people that use the product every day or every other day its easy to quickly realize that less than 10% of their consumers consume more than 90% of their products. So, they study those 10% like you would study laboratory rats! They know everything about these people's marketing likes and dislikes, their target market - the high consumer customers of their products. They found what everyone knows in package goods marketing that it's much easier to sell more of your product to an existing customer base than it is to attract a new customer base. What this has created in the U.S is a huge problem where 55% of the US population is overweight because they just keep buying and consuming a particular product or fast food or patronizing a particular restaurant that knows so much about them and have done such a wonderful job at improving the product in the sense that the consumer will buy more and more of it. And so I believe the fact that we, as a country, are 55% overweight is more an economic issue today than actually a health issue.

**Q: Are the people overweight because of what's going on in the advertising, a great amount of money is being spent on advertising, or is the marketing objective to confuse the audience and keep them uninformed?**

A: Pretty much so! It's amazing to me, since I became aware of this, to watch the disingenuous attitude on the part of the marketing companies. In the 1970's when you heard about weight gain it was always because of calories and that's really the problem. We consume more calories then we burn and it makes us fat! Then all of a sudden they discover that fat is bad for you whether it be that it clogs your arteries or helps you put on too much weight because fat contains so many calories. So they came out with fat-free. Well the first thing they did, which I believe was terrible, is that they took all these products that never had fat in them like certain kinds of candy and sugars and started labeling them as fat free as if to tell the consumer they were now healthy to eat. Then they came out with fat free products where they reviewed the fat and began to triple or quadrupled the amount of sugar in these products and called it fat free without telling the consumer it actually had more calories than it did before they took the fat out of it. So the consumers got the impression they could start eating fat free. In effect, what we see is that the

marketing, advertising, where most of us get our information and the fast food companies end up sponsoring the research being done at our universities. They even partnership with our government such that we're continually getting information that says this food is good for you when it's really very bad for us and the results speak for themselves.

**Q: So the people who are consuming these new wellness products are self educating themselves because surely they are not getting the information from the media?**

A: Absolutely! When you live in certain areas such as West Los Angeles or in most upper class areas of the country today you find that the very rich live in almost a different world then the rest of us when it comes to the food they eat and the types of fitness and health advice they get. And the reason is that we have a couple of businesses out there that are much larger than the Wellness Industry that is giving them information. First, we have a one trillion dollar food industry that comes up with labels like fat free on a product that has so much more sugar in it than before because they took the fat out of it and it actually makes you fatter. Then we have the medical business, which is 1.3 trillion dollar or 1/7th of the US economy treating the symptoms of our ill health. The more overweight or obese you are the more medical problems you will have. That goes without saying! But no one ever dreamed that the majority of health care costs in this country under age 65 are entirely due to being overweight or obese and the medical business reaps 1.3 trillion dollars a year treating the symptoms of our bad food habits. They are not interested in giving you information that is going to eliminate you as a customer. Here's an example: Suppose you have a deficiency of a certain vitamin or mineral and you decide to see a physician. Is that physician going to say OK, take this drug which you'll take every day or is the physician going to spend hours with you analyzing what you eat and what your lifestyle is to find out you're not getting a certain vitamin and that's what is causing the disease. He will give you the quick fix, which is the medical fix. Our physicians are educated in medical schools. They get their information from the research being done by drug companies. So what is happening is that the entire medical business in effect deals with the after effect of our poor eating habits.

**Q: So how will the wellness community - from your view - be able to connect with the consumer? What opportunities are there, in this new economy, to connect with those people who are reaching for wellness products?**

A: The amazing thing is what the consumer does once he gets one wellness product or suggestion that work for him or her. If somebody suggests to you something that will improve your health, from a change in your diet to a nutritional supplement or vitamin, and you instantly feel better as a result of

that suggestion you now have a special relationship with that person. You will go back for more and more information in order to get better and feel healthier specifically as certain things happen as you age. You want to counteract the effects of that aging. And what we are starting to see is an emergence of a wellness distribution business. A business of people educating people about products and services that will improve their health. They develop customer relationships that cause the customer to go back to the distributor of that product for more and more information on food and health.

**Q: Paul, people are looking and reading as they consider their future. They're looking and reading about technology and the Internet and the Stock Market and the Wellness Industry. Do you see these industries moving at the same speed and at the same rate of growth or do you see the wellness business exceeding this speed and rate of growth?**

A: The Wellness Industry should exceed almost anything we can see on the horizon. Because, we're aging we never reach a point where we say we have enough wellness products or we feel strong enough. We're always looking for something more and more! Virtually every other industry has some saturation point. When you buy a brand new computer you don't want another brand new computer. When you buy a great car and it's really exciting you're not ready to buy immediately another car. But if you buy some product that will improve your health or make you feel great you will talk about it and you'll jump to buy another product that will improve your health even more. But the Wellness Industry is a brand new industry. It's at its very early stage. On one side you could say there's 200 billion dollars of wellness products from fitness clubs to nutritional supplements. Or you could say the nutritional supplement and vitamin businesses reached 70 billion dollars last year. Now that's a big number. But let's put that in perspective. We spend 70 billion dollars totally on vitamins and nutritional supplements last year but we spent 1.3 trillion 1,300 billion just on the sickness business which works on the effects of not getting the right nutrition or right vitamins. We spent 8 trillion, which is 800 billion on all the other things in our economy. So when we look around at the wellness business and we see a very new business that only in the last decade is starting to offer consumers products. Only in the last few months is it starting to reach knowledgeable people who realize that these products work. And more significantly, when we look at the growth and end of that business relative to the total size of the economy we can clearly see a one trillion dollar Wellness Industry by the year 2010 with no limits in sight as to how far it will grow beyond that point.

**Q: Paul we're all growing older and we want to feel younger. What can we do about this?**

A: We first have to come around to a definition of age. We, as a society, accept

arthritis and accept eyesight problems and not being a strong and all types of medical problems as symptoms of aging. That is wrong! Most of the medical problems we experience today are resulting from a vitamin and mineral deficiency in our diets. We go to a doctor to say I have a headache or I have dizziness or I have some symptom that is bothering me. The doctor quickly comes out with a drug treating that symptom. The doctor doesn't focus on your overall diet or what's missing from your diet. All food is made up of one of six nutrient categories:

- (1) water
- (2) carbohydrates
- (3) lipids or fats
- (4) proteins
- (5) vitamins
- (6) minerals.

Virtually all disease is directly resulting from a deficiency in one of those nutrient categories. More than anything else my research is concluding that all medical problems, that we often chalk off to aging or lack of strength all the way to cancer and Alzheimer's, is a direct result of a deficiency in one of the six nutrient categories that compose our food. A deficiency in any one of those six nutrient categories leads to what doctors call disease. But it is really a symptom of some nutrient category missing in our diet.

**Q: Paul, I wasn't ready for you when you predicted the great boon in the technology, computer and Internet businesses. But, I'm ready now! Where is the greatest opportunity within this wellness business?**

A: The greatest opportunity in all products of new technology traditionally and in the future is in the distribution of those products. Ross Perot who made 3.5 billion dollars from EDS never wrote a line of software code or made any hardware. He distributed, through EDS, other peoples hardware and other peoples software. Sam Walton, who became the richest man in the world in 1990, never made a Wall-Mart brand of toothpaste or any product. He distributed other people's products and services more efficiently. And with the new technology the press always focuses on the invention but the real money is made by the people who carry that invention from the laboratory to the consumer and make an impact on that consumer's life. Those people are the distributors of wellness products and services.

**Q: So, just as the Internet and Stock Market is on the top of people's minds today the big, big news, from what we're hearing from you today, is that we're going to hear the same big news in the years ahead in the wellness industry?**

A: Oh, absolutely! And bear in mind that wellness products and services are end use products. The Internet business today is really just about reducing costs. We see this great growth in the Internet business because people are using it to find better ways to distribute products and services to lower costs. But the Internet doesn't make a child smile or feed you when you're hungry or make you warm at night. A wellness product and service is an end use product that you receive a direct benefit from. You have an unlimited propensity to consume more of it if it worked for you.

**Q: How will the wellness industry going to reach one-seventh of our economy?**

A: Well, today we see people getting more and more money and less and less time to enjoy the luxury products they want to buy with that money. So much so that they don't want to buy a new luxury product because they haven't opened the box from the last one they bought. In contrast what about a product that makes you feel better, look better or be stronger from using or provides you with benefits every moment of the day even if you're working twelve hours a day? You enjoy it at work and you enjoy it driving to work and coming home from work. So consumers will instantly see the dollar value of a wellness product and service because they will have time to enjoy that product verses the time to enjoy a luxury product. We no longer have the old stereotypes of the working poor or the idle rich. In fact, today, the poorer you are the more time you have off and the richer you are the less time you have to enjoy the benefits you have of being rich.

**Q: Paul, unlike your past work which is exceptional, you seem incredibly passionate specifically about the health and wellness industry. What do you think is the most important aspect of this whole thing?**

A: Well, it really has nothing to do with business. I am a person who has spent half my life in public policy and government trying to improve life for others less fortunate than I. I find it amazing to look around the US today and see a world of great economic growth and an unbelievable economy and yet 55% of American's are to enjoying this economy. They're not enjoying it because they have effectively built their own prison in the fact that they are overweight or obese. So what's so exciting to me is that as I look at the opportunity in the wellness business it is to look at the potential to improve the lives dramatically of 55% of Americans. And I see nowhere else where these people are going to get the information to lose the weight and take control of their health. Twenty-five percent of the US population or one-quarter is clinically obese. Do you

know what kind of change in life you can make if you can help someone lose 75 or 100 pounds of fat? They just don't make more money but their whole life changes. They have more energy for their children. They will feel incredible in terms of self-esteem. They will get up each morning with a whole new outlook on life. We're not talking here about helping a few people or a neighbor or two or one in a hundred. We are talking about 25% of the US population that is obese. Fifty-five percent is overweight! When you can help these people you turn around their whole lives. So it's so exciting to me and it's not just the economic opportunity in the wellness business. More importantly is the public policy opportunity to dramatically improve the lives of more than ½ the US population.

**Q: Paul, what is the one thing you want the readers and listeners to absolutely take away from this interview and session?**

A: I'd like every listener of this tape and reader of the transcript to stop right this moment and think of themselves and of their physical bodies and their health and to think of their spouse, love ones, and children and say; "What can we do right now to start getting healthier? What can we do now to be in the better shape? What can we do now to stop making excuses about the fact that we're getting older or we're just getting more overweight? And what can we do to really take control of our lives?"