

Research on the Effect of Successful Business People on the Society

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Abstract: It is known that successful business people play a crucial role in wealth creation and expenditure. This paper mainly discussed whether successful business people benefit others when making their money, when spending it, both, or neither? This paper seeks to shed light on these questions, exploring the complex relationship between wealth accumulation and societal benefits. This paper examines the extent to which wealthy individuals benefit others during the process of wealth creation and expenditure, considering both top-down and bottom-up economic perspectives. By utilizing the true situation using Top-Down and Bottom-Up perspective, this paper draws the conclusion that: On the one hand, when the successful business people have social responsibility, they use the method of making money to provide people with employment and re-employment, they have great love and universal love, and they shoulder the responsibility of the savior. On the other hand, when successful businessmen have more and more money, it will lead to the wealth of the society in the hands of a few people, affecting the reasonable development of politics and economy.

Keywords: Successful Business People; Effect; Economic.

1. Research Background

The social impact of successful business people has become a subject of increasing scrutiny in recent years, as concerns about income inequality and economic disparities continue to mount. It is known that successful business people play a crucial role in wealth creation and expenditure. While wealth creation can stimulate economic growth and innovation, questions persist about the extent to which affluent individuals contribute to societal well-being through their expenditure patterns and philanthropic endeavors [1]. This paper seeks to shed light on these questions, exploring the complex relationship between wealth accumulation and societal benefits. This paper examines the extent to which wealthy individuals benefit others during the process of wealth creation and expenditure, considering both top-down and bottom-up economic perspectives.

2. Related Theory

Adam Smith pointed out that the pursuit of personal gain promotes the welfare of society [2]. Each man seeks to make good use of his capital, and to achieve the greatest value of his output. Generally speaking, when the successful business people make their money, they neither seek to enhance the common good, nor know how much it can be improved, but seek only they own security or self-interest [3]. But as they did so, an invisible hand guided them to help achieve another goal, albeit one they did not intend. The result of pursuing their own interests is that they often promote the interests of society more effectively than when they really want to [4]. For this reason, Adam Smith explained, our access to milk and pork is not a gift from butchers and dairy farmers, but their pursuit of profit. Adam Smith always wanted to emphasize the "invisible hand of the market" [5].

Economists have also led to another hypothesis, the rational man hypothesis, which is perfect in theory and logic, but after all, the real market economy is not a perfectly

competitive market economy, and the real market economy has many limitations [6]. With these limitations, everyone blindly pursues the maximization of their own interests and fails to maximize the overall interests. One of the most famous examples is the "prisoner's dilemma" brought about by information asymmetry, and thus the concept of "Nash equilibrium" was created to explain this phenomenon, which is a modified supplement to Adam Smith in game theory [7, 8].

Even with the development of economics today, human behavior factors such as fairness, corruption, and confidence will influence individuals to make different economic behaviors, thus giving rise to the concept of behavioral economics and the difference between positive economics and normative economics about a series of value judgments [9]. Therefore, it is necessary to dialectically consider whether successful business people benefit others when making their money or spending it.

3. Main Points

3.1. Top-Down Perspective

On the one hand, proponents of the top-down model argue that successful business people generate societal benefits through their entrepreneurial activities and consumption patterns. Their expenditure stimulates demand for goods and services, creating jobs and fostering economic growth. Moreover, affluent individuals often engage in philanthropy, supporting charitable causes and social welfare programs that benefit disadvantaged communities [10].

Take spending money as an example, there is a special view that **successful business people's spending is an investment, not consumption!**

In the vast ocean of money, there lies a unique wisdom, a wisdom exclusive to those wise individuals who stand atop the pinnacle of wealth. They have a profound understanding of the flow of money, knowing that behind every expenditure hides limitless possibilities [11].

While ordinary people struggle with daily expenses, the successful business people are already using their money to pave the way for the future. They understand that the true value of money lies not in how much one possesses, but in how it is utilized. Every expenditure they make is an investment in the future, a testament to their confidence in their own abilities, and a contribution to the world.

This investment extends beyond the traditional realm of

finance. The way the rich spend their money is a blend of art and science. They invest in their own education, constantly pushing the boundaries of their cognitive horizons; they invest in their health, ensuring that they can enjoy the pleasures of wealth for a long time; they invest in human relationships, building a powerful social network that lays the groundwork for future opportunities. Figure 1 shows the proportion of American money spend [12].

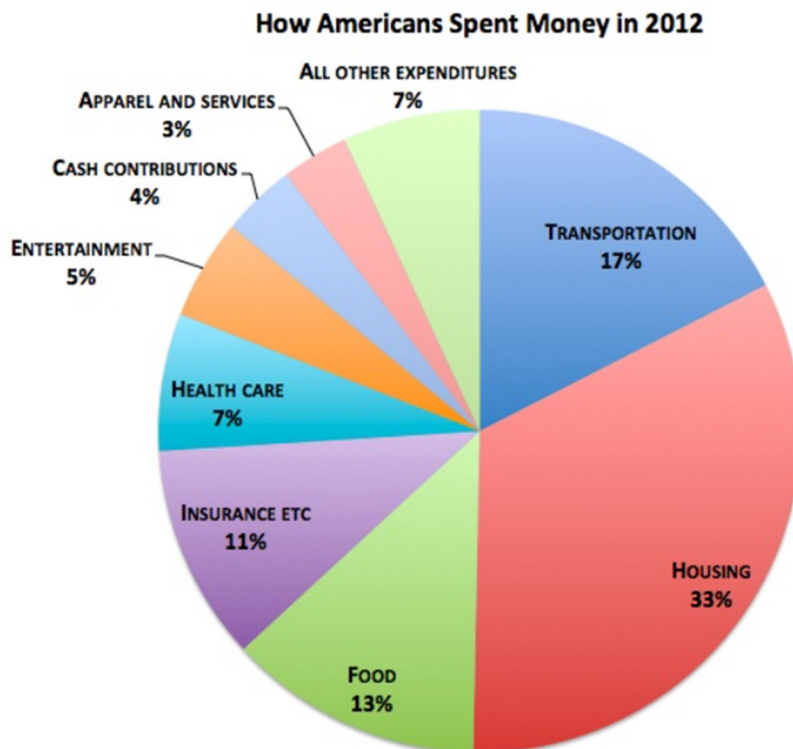


Figure 1. How Americans spend money in 2012

More importantly, this investment philosophy of the rich not only transforms their own lives, but also subtly influences society at large [13]. Each of their investments is like a seed, sown in the soil of society, taking root, sprouting, and bearing fruit.

What's more, charity is also an important quality of a successful business people. Successful business people not only care about making money, they also provide moral help for the poor people, because the society without them, the economy cannot develop, rich people can be rich, because they has a heart to seek wealth, want to live a good life, do not want to be poor forever, in order to change life, they decide to take risks, break their habits, put down their own shelf, perhaps after countless failures, After countless eye rolls, they persevered and succeeded [14].

When successful business people make their money and own adequate social responsibilities, they may join together to invest in technology research and development, people's livelihood, charity, medical care, employment, re-employment training, education and other fields, they will change the country [15]. The goal is not to make money for themselves, but to provide help and training for all the people whose skills are aging and eliminated, and create living conditions for them. They let those who do not have enough to eat, they let those who do not wear warm clothes wear warm clothes, they let those who have gone to school go to school, they let those who do not have skills to survive get survival skills, they let a poor and backward place get rich,

they let people who have no way out see the hope of living, and these processes let people earn money, they are helping all the miserable people to happiness.

Thus, when the successful business people have social responsibility, they use the method of making money to provide people with employment and re-employment, they have great love and universal love, and they shoulder the responsibility of the savior. The successful business people think about the people's livelihood, thinking about medical care, thinking about benefiting the people, thinking about innovation, thinking about cultivating talents, rather than using the resources of the region to pat their butt and leave.

3.2. Bottom-Up Perspective

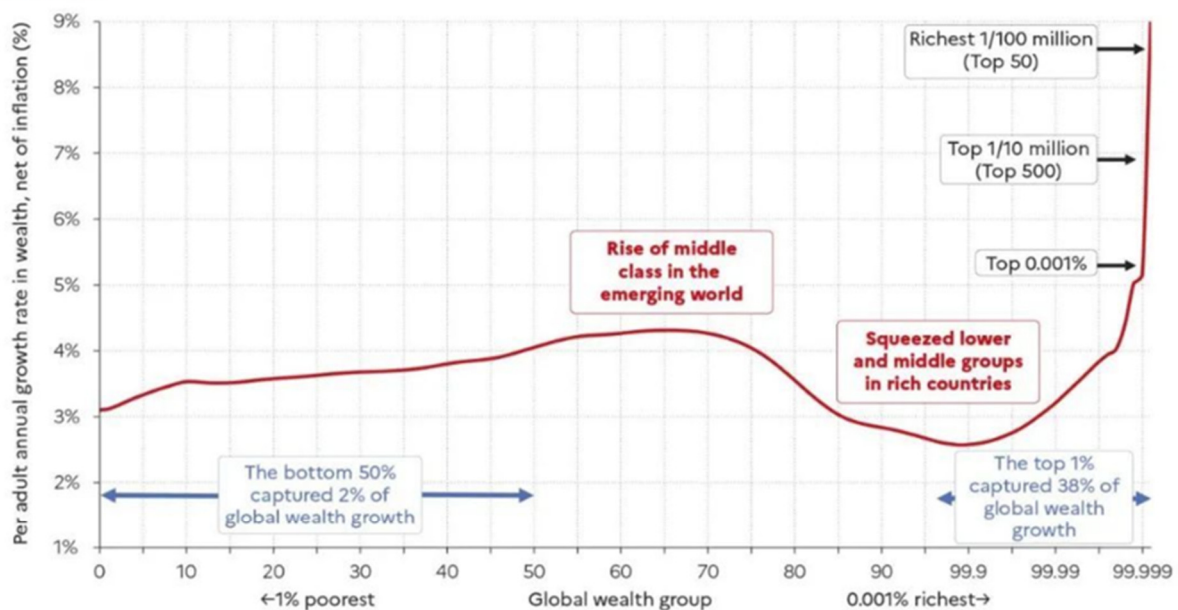
In contrast, critics of the top-down model emphasize the importance of inclusive economic growth, where wealth creation starts at the grassroots level and benefits a broader segment of society. Policies aimed at reducing income inequality and promoting social mobility are seen as essential for fostering sustainable development and enhancing societal well-being [16]. From this perspective, **the concentration of wealth in the hands of a few can exacerbate social disparities and hinder long-term prosperity.**

For example, once the successful business people continue to make more money, the gap between the rich and the poor will be larger, the rich are in the cloud, no matter how to flip, will not be affected. But the poor walking on the ground, the slightest mistake will fall into the abyss. In fact, the social gap

between the rich and the poor will not only cause a wave of social resentment, but also bring negative impact on the national economy. When the gap between the rich and the poor crosses a certain limit, it will breed crimes. As the crime

rate rises, it will affect the investment environment, make people's property insecure, and cause panic in the whole society [17].

Figure 9 Average annual wealth growth rate, 1995-2021



Interpretation: Growth rates among the poorest half of the population were between 3% and 4% per year, between 1995 and 2021. Since this group started from very low wealth levels, its absolute levels of growth remained very low. The poorest half of the world population only captured 2.3% of overall wealth growth since 1995. The top 1% benefited from high growth rates (3% to 9% per year). This group captured 38% of total wealth growth between 1995 and 2021. Net household wealth is equal to the sum of financial assets (e.g. equity or bonds) and non-financial assets (e.g. housing or land) owned by individuals, net of their debts. **Sources and series:** wir2022.wid.world/methodology.

Figure 2. Average annual wealth growth rate

Figure 2 shows the average annual wealth growth rate from “World Inequality Report 2022”. We note that the world's richest have far more wealth than the bottom half of the income spectrum. The world today is characterized by very high income inequality and extreme wealth inequality [18].

In addition, the accumulation of wealth in the hands of a few people will not stimulate consumption too much, but will degrade the consumption of the whole society. In terms of consumption desire, the successful business people are lower, they tend to "luxury consumption", and the poor "tend to the consumption of necessities". In the case of continuous degradation of consumption, the industry will develop abnormally, resulting in slow economic growth or even "stagnation", and the decline of social welfare. Because the successful business people occupy the "first ladder resources" and set up various obstacles for the poor to make progress, this is clearly highlighted in education [19]. For example, the children of the successful business people are born with the golden key, various training classes, interest classes, poor children can only return to their hometown to go to public school, after school either go home to play mud, or do housework. There is little positive boost in planning for future career skills.

The widening gap between the rich and the poor has a great impact on the personal values of the society. Many children are taught to be successful and pay attention to money from birth. The current economic society has made people indifferent.

When the gap between the rich and the poor is too large, the whole society loses the motivation to struggle, the masses

feel confused about the future and are dissatisfied with the status quo, and the strong remain strong and the weak become weaker, the people will definitely express their dissatisfaction to the society through all sides, such as the "Occupy Wall Street movement" in the United States in 2011, and the election of Britain's Brexit and Trump in the United States in the past two years [20]. This is partly a catharsis of popular sentiment.

Figure 3 shows the income shares across the world in 2021. In fact, the world's richest 10 percent own 76 percent, or two-thirds, of all wealth. That means the 517 million people at the top have far more wealth than the 2.5 billion people at the bottom. Policy choices around the world have led to upward, not downward, flows of wealth [18]. Income inequality is rising in developed countries and policymakers "need to focus on the poor and middle class" to boost global growth, the IMF has warned [19].

When successful businessmen have more and more money, it will lead to the wealth of the society in the hands of a few people, affecting the reasonable development of politics and economy. Such as: 1. The economic lifeline is in the hands of a few people, which in turn affects political stability; 2. Those who control the economy are above the law, above the state; 3. The increasing number of people living in poverty will, in turn, affect social stability and development; 4. The expansion of hatred towards the rich and the instability of social security; 5. Crime is soaring [21].



Figure 3. The income shares across the world in 2021

4. Conclusion

In conclusion, on the one hand, successful business people will benefit others when making their money and spending it. We should recognize that successful businessmen with real responsibilities contribute to the country and society in three aspects: 1. Placement of personnel employment, share the pressure for the country, 2. Create industrial value for the country and society, and promote national construction. 3. Develop and expand the scale of enterprises according to the characteristics of their respective companies, and contribute their skills to the improvement of the national industrial system and industrial chain. On the other hand, the concentration of wealth in the hands of a few can exacerbate social disparities and hinder long-term prosperity.

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