ARTICLE

Compassionate Capitalism: Amway and the Role of Small-Business Conservatives in the New Right

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This article examines the Amway Corporation, one of the largest direct sales companies in the world, and its founders, Republican kingmakers Richard DeVos and Jay Van Andel. It argues that Amway and its cofounders embodied small-business conservatism, an ideology that simultaneously critiqued government largesse and corporate capitalism, viewing both as threats to individual freedom. Beginning in the 1970s, DeVos and Van Andel became involved in the conservative effort to promote free enterprise and roll back government. At the same time, Amway and its allies presented direct sales as a more rewarding and liberating alternative to traditional, nine-to-five employment. This history highlights the important role that small-business conservatives played in the Right's campaign against the New Deal state between the 1930s and the 1980s.

In his 2011 book *My Father's Dream*, the writer Erik German recounted his father's time as a distributor for the Amway Corporation during the 1980s. German's father had been a poorly paid magazine journalist who discovered, after his first payday, that he did not have enough money for "rent, student loan payments, the car, gas, utilities and food. Everything was just costing more than expected." Unable to heat their home, German's mother had to wait tables at a diner, where she suffered a manager's sexual harassment. Amid all this hardship, German's uncle approached his father with what seemed to be the solution to all of their problems: "It was called Amway and in two to five years, it seemed, some people had even made this thing churn out six-figure incomes." German remembered that his uncle "couldn't have pitched Amway to my father at a more perfect time": the family was sinking deeper into debt and had barely enough to eat. All-American entrepreneurship seemed capable of solving the economic problems that higher education and government benefits could not.¹

Founded by Richard DeVos and Jay Van Andel in 1959 in Ada, Michigan, part of metropolitan Grand Rapids, Amway is one of the largest direct sales companies in the world. Amway sells a wide array of goods—originally household cleaning products, but now also nutritional supplements and cosmetics, among many others—through individual distributors, who market the products to those in their own social circles. In addition to selling Amway products, distributors can recruit others to join the business and earn additional money from their sales as well. The company's website boasts around three million distributors

¹Erik German, *My Father's Dream* (2011), loc. 95, 111, 126, 220. Kindle e-book.

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"operating in more than 100 countries and territories." According to *Forbes*, the company earned approximately \$8.8 billion in revenue in 2016, making it number thirty-five on its list of "America's Largest Private Companies."²

The DeVos and Van Andel families have used Amway's success to become kingmakers on the American Right. In December 2016, the Center for Responsive Politics called the DeVoses "a pillar of the Republican Party, immensely influential in steering GOP politics and causes." Though the families have championed a variety of causes over the decades, they have been most enthusiastic about free enterprise. In his 2014 memoir *Simply Rich*, Richard DeVos wrote, "When we started Amway, we thought, 'It's okay to start a business to make money, but what's the ultimate purpose of our business? What does it stand for? What's driving it emotionally beyond just trying to make money?' So 'Standing Up for Free Enterprise' was our battle cry."³

Historians have detailed extensively the ways in which the resurgence of free enterprise ideology in the decades after World War II represented a response to the expansion of the federal government that occurred in the 1930s and 1940s. In the four decades between the rise of the New Deal and the election of Ronald Reagan, conservatives of all stripes—members of the business class, politicians, intellectuals, evangelists, and others—pursued a variety of strategies to discredit and dismantle the regulatory and welfare states and to win over the American public to free enterprise. Their motivations for waging this war varied. Business conservatives, for one, no doubt saw greater regulation and the new social programs as threats to their bottom lines. For some evangelicals, meanwhile, the New Deal state was a stepping-stone to socialism and communism, which, in turn, presented a threat to Christianity.⁴

The conservative crusade against "big government" took many forms. The immediate postwar years, for instance, saw a resuscitation of welfare capitalism and support for the Taft-Hartley Act and "right to work" laws at the state level, as well as attempts to impress American Christians into service on behalf of the market. In 1964, business interests and freeenterprise ideologues rallied around Senator Barry Goldwater, the first major-party presidential candidate to reject an accommodation with the New Deal order. Throughout the 1970s, a number of corporations sought to use schools as vehicles for selling free enterprise to the next generation. And in the mid- to late 1970s two grassroots efforts aimed at curbing government spending gained traction at the state and national levels: the movement to add a balanced budget amendment to the Constitution and the tax revolt.⁵

²Family of Brands, Amway, http://www.amway.com/about-amway/family-of-brands (accessed Mar. 31, 2018); Business Opportunity, Amway, http://www.amway.com/about-amway/business-opportunity (accessed Mar. 31, 2018); Amway, *Forbes*, http://www.forbes.com/companies/amway/ (accessed Mar. 31, 2018).

³Jack Noland and Anna Massoglia, "Betsy DeVos and her big-giving relatives: Family qualifies as GOP royalty," *The Center for Responsive Politics*, Dec. 1, 2016, https://www.opensecrets.org/news/2016/12/betsy-devos-big-giving-relatives-family-qualifies-gop-royalty (accessed Mar. 31, 2018); Richard DeVos, *Simply Rich: Life and Lessons from the Cofounder of Amway* (New York, 2014), 104.

⁴Kim Phillips-Fein, Invisible Hands: The Making of the Conservative Movement from the New Deal to Reagan (New York, 2009), xi-xii; Darren E. Grem, The Blessings of Business: How Corporations Shaped Conservative Christianity (New York, 2016), 13–118.

⁵For a detailed look at free-market activism across this entire timespan, see Phillips-Fein, *Invisible Hands*. For works on the early postwar years, see George Lipsitz, *Rainbow at Midnight: Labor and Culture in the 1940s* (Urbana, IL, 1994); Elizabeth A. Fones-Wolf, *Selling Free Enterprise: The Business Assault on Labor and Liberalism, 1945–60* (Urbana, IL, 1994); Nelson Lichtenstein, *State of the Union: A Century of American Labor* (Princeton, NJ, 2002); Elizabeth Tandy Shermer, *Sunbelt Capitalism: Phoenix and the Transformation of American Politics* (Philadelphia, 2013); and Kevin M. Kruse, *One Nation Under God: How Corporate America Invented Christian America* (New York, 2015). On school outreach, see Bethany E. Moreton, "Make Payroll, Not War: Business Culture as Youth Culture," in *Rightward Bound: Making America Conservative in the 1970s*, Bruce J. Schulman and Julian E. Zelizer, eds. (Cambridge, MA, 2008), 52–70; and Bethany Moreton, *To Serve God and Wal-Mart: The Making of Christian Free Enterprise* (Cambridge, MA, 2009), 173–92. On the balanced budget movement, see Iwan Morgan, "Unconventional Politics: The Campaign for a Balanced-Budget

Amway highlights the important role that small-business conservatives played in this campaign and their unique perspective on the meaning of "free enterprise." As used here, *small-business conservatism* describes a specific ideological orientation. Although committed to limited government, small-business conservatism also raised concerns about the potentially corrosive effects of large, anonymous, bureaucratic corporations on individualism. It hearkened back to older, pre-corporate ideals of individual autonomy and economic self-sufficiency. Rather than looking to the government for "handouts" or to corporations for employment, small-business conservatives called on individuals to work for themselves and to support themselves and their families through their own labor.⁶ As Bethany Moreton writes, champions of small business "extolled the entrepreneur as a rare and special type, not content with the ordinary round of bureaucracy in corporate life." They promoted a "small-p populism," Nicole Hemmer similarly explains, raising alarms about monopolistic corporations and other impersonal forces that might undermine liberty.⁷

Amway and its cofounders exemplified this small-business conservatism. As James Robinson, author of a 1997 pro-Amway book titled *Empire of Freedom*, put it, Amway was "a movement of people away from dependency on big government and big companies." Beginning in the 1970s, DeVos and Van Andel became involved in the conservative effort to promote free enterprise and roll back government, creating the Center of Free Enterprise and supporting the tax revolt when it came to Michigan. At the same time, in an effort to convince people to become distributors, Amway and its allies also attacked the shortcomings of real-world capitalism. When Amway's boosters wanted an unfavorable contrast to direct selling, they did not choose the "welfare queen" who sponged off the federal dole, but rather the stuck-in-a-rut employee whose wages and hours were dictated by someone else. As pro-Amway books and speeches given at Amway distributor events made plain, the company targeted for recruitment people like Erik German's father: individuals dissatisfied with traditional, nine-to-five employment, who felt that their jobs did not pay enough or were not emotionally rewarding, and who desired greater control over their lives. And indeed, accounts written by some former Amway distributors suggest that such promises played an important role in making the company appealing.⁸

Amway presented direct sales as the key to attaining both financial independence and life satisfaction. Amway distributors were "independent business owners," and Amway allegedly offered them more money, freedom, independence, and the ability to form positive, fulfilling relationships.⁹ "Independent business ownership," in turn, was part and parcel of the company's own model of free enterprise. Dubbed "compassionate capitalism" by Richard DeVos, it envisioned an economic system driven by—to use the subtitle of his 1993 book on the subject—"people helping people help themselves," one that afforded individuals the opportunity "to become what they want to be."¹⁰ Compassionate capitalism, which Amway supposedly

Amendment Constitutional Convention in the 1970s," *Journal of American Studies* 32, no. 3, part 1 (Dec. 1998): 421–45. On the tax revolt, see Robert O. Self, "Prelude to the Tax Revolt: The Politics of the 'Tax Dollar' in Postwar California," in *The New Suburban History*, Kevin M. Kruse and Thomas J. Sugrue, eds. (Chicago, 2006), 144–60; and Bruce J. Schulman, *The Seventies: The Great Shift in American Culture, Society, and Politics* (2001; Cambridge, MA, 2002), 193–217.

⁶The phrase "small-business conservatism" should not be construed as ascribing a particular political leaning to the small business community as a whole. Not all small businesspeople are conservatives, and being a small businessperson—or, indeed, being a businessperson at all—is not a precondition for adhering to small-business conservatism.

⁷Moreton, "Make Payroll, Not War," 58–69; Nicole Hemmer, *Messengers of the Right: Conservative Media and the Transformation of American Politics* (Philadelphia, 2016), 7, 14–5, 21–4, 45–6, 51, 139–42.

⁸James W. Robinson, *Empire of Freedom: The Amway Story and What It Means to You* (Rocklin, CA, 1997), 194. ⁹"Independent business owner" is the company's term for its distributors. See Kathryn A. Jones, *Amway Forever: The Amazing Story of a Global Business Phenomenon* (Hoboken, NJ, 2011), 3.

¹⁰Richard DeVos, Compassionate Capitalism: People Helping People Help Themselves (1993; New York, 1994), 10.

embodied, offered a vision of free enterprise premised more on cooperation and mutual aid than on competition. 11

By espousing such ideals small-business conservatives struck a chord with many Americans, winning converts to the free-market gospel and emerging as a potent force in the Right's fortyyear crusade against the New Deal.¹² Indeed, the company's set up derived from a workaround to the New Deal devised by earlier innovators in the direct sales industry in the 1930s, who managed to get distributors classified as "independent contractors" rather than employees in order to avoid being subject to Social Security provisions or minimum wage legislation. Amway's "independent business owners" have a measure of autonomy over their distributor-ships, but they remain wedded to a larger corporate entity and must abide by its rules and regulations. In its business model, then, Amway has straddled the divide between big and small business. This hybridity allowed Amway to become a vehicle for an ideology that attacked the alienating facets of capitalism while becoming a lucrative global corporation.¹³

Jay Van Andel and Richard DeVos were born in 1924 and 1926, respectively, in Grand Rapids, Michigan. Both men grew up in the city's Dutch American community. "I owe much to my Dutch heritage," DeVos remembered in his autobiography, "... a love of freedom, a solid work ethic, an entrepreneurial spirit, and strong faith."¹⁴ The cofounders' roots in this community—in particular, its Dutch Calvinist tradition—played an important role in shaping their later political views.

The first wave of Dutch settlers, led by Albertus Van Raalte, settled in western Michigan in 1847. That year, Van Raalte bought the land for and founded the town of Holland, Michigan. Almost immediately upon settling in Holland, the Dutch began making their way into nearby Grand Rapids, which had been incorporated in 1838.¹⁵ These settlers brought to their new homeland a rigorous brand of Calvinism. Grand Rapids had a Reformed church prior to 1847, but they multiplied after the Dutch started to arrive. In a chapter in Albert Baxter's voluminous *History of the City of Grand Rapids, Michigan* (1891), Peter Moerdyke counted seventeen churches that fell under the Reformed umbrella. Schools, like churches, also nurtured Dutch Calvinism in Grand Rapids. The imperative to provide the immigrant community with religious instruction spurred the development of Grand Rapids's higher education system. In addition to his part in founding Holland, Van Raalte was also instrumental in establishing a Reformed Seminary that served as the forerunner to Hope College. In the mid-1890s, the Christian Reformed Church put into motion plans for the creation of what, two decades later, became Calvin College.¹⁶

¹¹Compassionate capitalism underscores the diverse—and competing—views among conservatives about the nature of the free enterprise system. Even when committed to "free enterprise" in principle, they have often disagreed about what it looked like in practice. Indeed, some conservatives have expressed misgivings about or even outright hostility toward capitalism. For instance, see Angus Burgin, *The Great Persuasion: Reinventing Free Markets Since the Depression* (Cambridge, MA, 2012); and Peter Kolozi, *Conservatives Against Capitalism: From the Industrial Revolution to Globalization* (New York, 2017).

¹²Work by Benjamin Waterhouse also promises to shed further light on the uses of small business in conservative politics in the 1970s and 1980s. See Benjamin C. Waterhouse, "The Small Business Myth," *Aeon*, Nov. 8, 2017, https://aeon.co/essays/what-does-small-business-really-contribute-to-economic-growth (accessed May 2, 2018).

¹³Nicole Woolsey Biggart, Charismatic Capitalism: Direct Selling Organizations in America (Chicago, 1989), 33-41.

¹⁴Jay Van Andel, An Enterprising Life: An Autobiography (New York, 1998), 2; DeVos, Simply Rich, 3–5.

¹⁵David Gordon Vanderstel, "The Dutch of Grand Rapids, Michigan, 1848–1900: Immigrant Neighborhood and Community Development in a Nineteenth Century City" (Ph.D. diss., Kent State University, 1983), 25–6, 99–109, 127–9, 140–2; Gordon L. Olson, *A Grand Rapids Sampler* (Grand Rapids, MI, 1992), 33.

¹⁶Albert Baxter, *History of the City of Grand Rapids, Michigan* (1891; Grand Rapids, MI, 1974), 321–40; Vanderstel, "The Dutch of Grand Rapids, Michigan," 484, 491–2.

As fewer Dutch migrants arrived in the early twentieth century, their dominance over other populations in Grand Rapids diminished. Still, for many, Grand Rapids remained synonymous with the Dutch. In a February 1952 article for the magazine *Holiday*, John Tebbel remarked that "[t]he Dutch made Grand Rapids a solid, ultraconservative city laid out on the strictest moral lines, an island of Old World culture and resistance to change." He observed that although "Grand Rapids has some two hundred churches of all denominations ... the most powerful religious force is the Reformed Church," which was "responsible for much of Grand Rapids' high moral character."¹⁷

Dutch Calvinism profoundly shaped the upbringing of both DeVos and Van Andel. DeVos wrote that "[w]e lived by a clear set of rules: honor your parents, set aside money for the Lord's work, give to others, be honest, work hard, and strive for good mental attitudes." On Sundays he attended two church services, and his parents insisted on making Sunday a day of rest, so much so that they forbade him from attending Sunday baseball games. Like the DeVoses, the Van Andels also strictly adhered to Reformed teachings. Van Andel recalled in his memoir that he could not play with the neighborhood kids on Sundays because he spent the entire day dressed for church and that he "attended a neighborhood Sunday-school class taught by the very zealous Miss Goossens, where we were taught the essentials of the Reformed faith." Van Andel declared that "the sovereignty of God and the responsibility of man to live faithfully by God's word in every part of life," which he identified as "[t]wo basic distinctives of Reformed churches," formed the wellsprings of "all my political, economic, and entrepreneurial beliefs."¹⁸

From these beginnings, Dutch Calvinist principles would inform the cofounders' perspectives on the proper size and scope of government. To explain how, Van Andel later referred directly to Abraham Kuyper, one of the most important Dutch Calvinist theologians of the late nineteenth and early twentieth centuries.¹⁹ In six lectures given at Princeton University in 1898, Kuyper outlined an expansive understanding of Calvinism, which he characterized as a "life system." Kuyper rejected any effort to wall off religion from the rest of society, declaring that "it is impossible for a Calvinist to confine religion to a single group, or to some circles among men" because "[r]eligion concerns the whole of our human race." Believing that Calvinist principles ought to suffuse all aspects of everyday life, Kuyper devoted separate lectures to explaining the relationship between Calvinism and politics, art, and the sciences. With regard to politics, Kuyper argued that civil society stood separate and apart from government. He described "the family, the business, science, art, and so forth" as separate "social spheres" governed by God rather than the state, and as such, government ought to maintain a *laissez-faire* attitude towards them. "The state may never become an octopus, which stifles the whole of life," he declared, but instead "[i]t must occupy its own place, on its own root, among all the other trees of the forest."²⁰

Van Andel embraced Kuyper's views on the relationship between religion and society as well as his political philosophy. He characterized his decision to enter politics as "a religious call." Though he acknowledged that "[s]ome say that religion and politics don't mix, or that politics is 'dirty' and Christians shouldn't be involved," he brushed those concerns aside: "It was apparent to me that religion was already in politics—the religion of statism." He agreed with Kuyper about the need to restrain government, declaring that "[w]ithout a clear understanding of the principles Kuyper taught, we are likely to fall into serious errors."²¹

¹⁷John Tebbel, "Most Maligned Town in the U.S.," *Holiday*, Feb. 1952, 97, 104, 106–9, here 104, 108.

¹⁸DeVos, Simply Rich, 11, 215; Van Andel, An Enterprising Life, 2–3.

¹⁹Van Andel, An Enterprising Life, 141.

²⁰Abraham Kuyper, *Lectures on Calvinism* (1931; Peabody, MA, 2008), 3, 42, 77, 83. For more on Kuyper and his place in Dutch Calvinist history, see James D. Bratt, *Dutch Calvinism in Modern America: A History of a Conservative Subculture* (Grand Rapids, MI, 1984), 14–33.

²¹Van Andel, An Enterprising Life, 140–2.

Unfortunately, as he saw it, the United States had already erred. Van Andel bemoaned the growth of the federal government over the course of the twentieth century. About the social safety net, he wrote that "what used to be effective church-based or community-based charity is now an involuntary income redistribution scheme administered from Washington." For Van Andel, the duty for caring for the less fortunate fell to voluntary civil society organizations, not the state. Regulation, in Van Andel's mind, likewise represented "a massive usurpation of the sovereignty of other 'spheres' of authority" since "people can usually look out for their own interests better than a distant bureaucrat can, and at far lower cost." Echoing his business partner's sentiments, DeVos declared that "as government gets more and more involved in the job of running the nation's businesses, the tools of production come more into the control of the government and not of the people." DeVos averred that government should intervene in the economy only when a business "does something criminal, or violates the public interest."²²

DeVos and Van Andel began their friendship in 1940. One year later, the United States formally entered World War II. The war put physical distance between them, although they corresponded regularly. Following the war, they reunited in Grand Rapids and decided to go into business together. Before they went into direct sales, DeVos and Van Andel tried their hand at a variety of other ventures. The first was Wolverine Air Service, which offered flying lessons and private flights around the Grand Rapids area. In May 1947, while Wolverine Air Service was still in business, the pair started a drive-in restaurant called the Riverside Drive-Inn. In 1948, three years into their business partnership, DeVos and Van Andel sold both Wolverine Air Service and the Riverside Drive-Inn and took a trip through the Caribbean and South America.²³ In Rio de Janeiro, they resolved to start a new business once they returned to the United States. Having no clear idea for what exactly they wanted to sell, they first tried wooden toys and organic baked goods. The baked goods proved, according to Van Andel, "a moderate success," but the toys could not compete with their plastic counterparts.²⁴

On August 29, 1949, they discovered direct sales. That day, Van Andel's second cousin, Neil Maaskant, came to Grand Rapids to introduce Van Andel to Nutrilite, a direct sales company founded in the late 1930s by a physician named Carl Rehnborg specializing in vitamins and nutritional supplements. Nutrilite's business model paralleled what Amway's would become: distributors earned money through both sales and recruitment. Impressed by how well Maaskant appeared to be doing in the business and the fact they did not need to put a lot of money down, DeVos and Van Andel signed up.²⁵

By the end of the 1950s, DeVos and Van Andel had made names for themselves as successful Nutrilite distributors. However, there were growing problems with the company as a whole. An internal dispute over the company's future product line threatened to tear it in half and to force distributors to pick sides. DeVos and Van Andel found themselves pulled into the middle of the affair when, in 1958, Van Andel chaired a study group convened to resolve the various disputes. By that point, Van Andel wrote, "our five thousand distributors were angry," and he and DeVos sought to assuage them by shifting away from Nutrilite. So that summer, they met with some of their distributors in Charlevoix, Michigan, where they decided to part ways with Nutrilite and form their own company: the American Way Association. Amway was born.²⁶

 ²²Ibid., 123, 156, 159; Richard M. DeVos and Charles Paul Conn, *Believe!* (1975; New York, 1985), 73–4, 85.
²³Charles Paul Conn, *Promises to Keep: The Amway Phenomenon and How It Works* (1985; New York, 1994), 12;

Van Andel, An Enterprising Life, 7-36; DeVos, Simply Rich, 27-69.

²⁴DeVos, *Simply Rich*, 71–3; Van Andel, *An Enterprising Life*, 38.

²⁵DeVos, Simply Rich, 74–9; Van Andel, An Enterprising Life, 39, 45–7.

²⁶Van Andel, An Enterprising Life, 49–51, 55–6; DeVos, Simply Rich, 82–95.

The cornerstone of the business since its inception has been the Amway Sales and Marketing Plan, more commonly known as "the Plan." The layman's term for what Amway does is direct sales: a more technical and precise designation is *multi-level marketing*. To join, a prospective distributor must be sponsored by someone in the business, at which point the new recruit joins that distributor's network. In Amway terminology, they are now a "leg." Their sponsor is referred to as their "upline," whereas they are their sponsor's "downline." Once sponsored, an Amway distributor has two potential sources of revenue. One comes from the sale of Amway products. As Charles Conn, the author of several laudatory books on Amway, pointed out, "Amway distributors are discouraged from random peddling of their products to strangers [i.e., 'door-to-door' selling]; instead, they rely on what they call 'person-to-person' sales, making customers of friends, family members, people they already know." Additionally, distributors can earn money from sponsorships: the company will pay an upline a bonus equivalent to a certain percentage of their downline's sales. If a person's downline in turn sponsors someone else, then that original upline will also receive a bonus based on any of *their* sales, and so on. Distributors are eligible to receive various "pins" depending on the number of people they sponsor and the total sales volume of everyone in their network. From lowest to highest, they are: Silver, Gold, Believer's, Producer, Active Producer, Silver Producer, Direct, Ruby, Pearl, Emerald, Diamond, Executive Diamond, Double Diamond, Triple Diamond, Crown Direct, and Crown Ambassador.²⁷

The company grew quickly. In 1960, Amway sold half a million dollars' worth of products; its first two were Liquid Organic Cleaner, or L.O.C., an "all-purpose cleaner," and SA8, a laundry detergent, both of which remain part of Amway's product line to this day. Two years later, the company established an international presence, setting up shop in Canada. By 1963 its total distributor force numbered around thirty thousand. When it reached its ten-year mark, Amway racked up eighty-five million dollars in sales and claimed one hundred thousand distributors between the United States and Canada. Accordingly, the company dubbed 1969 the "Year of Achievement." However, 1969 also became "The Year of the Great Disaster," courtesy of a fire that broke out at Amway headquarters that summer, hurting seventeen employees and causing around five hundred thousand dollars in damages.²⁸

Over the next three decades Amway developed into a multi-billion-dollar worldwide enterprise, with sales that officially crossed the billion-dollar threshold in the middle of 1980. After Canada, Amway entered Australia in 1971, its first overseas market, followed quickly thereafter by Great Britain two years later. During the 1970s and 1980s, Amway also added West Germany, Taiwan, France, and Japan to that list, among others. In the 1990s, thanks to the end of the Cold War, the company penetrated Eastern Europe, and in 1995, Amway entered China, which would become its largest national market. Its product line expanded in tandem. In September 1972, DeVos and Van Andel became the owners of Nutrilite, the company that had introduced them to the world of direct sales. In the mid-1980s the company experimented with a raft of new products such as the Amgard home security system, at-home exercise videotapes, a clothing line, satellite TV, and a multi-functional vacuum cleaner. Today, in addition to cleaning products and Nutrilite, Amway's offerings also include cosmetics (Artistry), haircare (Satinique), cookware (iCook), and much more. Amway's

²⁷See David John Harris, "Of Prophecy and Profits: A Study of the Amway Worldview" (Ph.D. diss., Harvard University, 1992), 452–68, for a photocopy of an official Amway publication detailing the Sales and Marketing Plan; for a glossary of Amway terminology, see Wilbur Cross, *Amway: The True Story of the Company That Transformed the Lives of Millions* (New York, 1999), 203–5; and Conn, *Promises to Keep*, 120.

²⁸Wilbur Cross and Gordon L. Olson, *Commitment to Excellence: The Remarkable Amway Story* (Elmsford, NY, 1986), 19, 46, 48–9; DeVos, *Simply Rich*, 99–100; Jones, *Amway Forever*, 46, 55–6; "Phenomenon of Person to Person Sales: Unique Democratic Formula Spells Financial Independence to Thousands Across North America and Miraculous Growth to Amway," *Michigan Tradesman*, May 1963, 14–8, here 15, Amway (Business Files), Grand Rapids Public Library.

growth transformed the company from a quirky upstart to an aptly named "big business of small businesses."²⁹

Pinpointing the size of the cofounders' fortunes has proven challenging, not in the least because the two men always shied away from the subject, but Amway clearly made its cofounders and their families extremely rich. In September 1984, *Forbes* estimated that each man, despite some company difficulties in the early 1980s, was worth around a quarter of a billion dollars. In October 1990, the magazine had them at \$1.3 billion each, a fourfold increase from the year before. They were reportedly worth two and a half billion in 1992, three billion in 1993, and four and a half billion in 1994.³⁰

The cofounders used their business, along with the wealth and status they accrued from it, to model a form of direct sales as a means of attaining self-mastery, material well-being, and economic independence. Amway's corporate philosophy focused less on "big government" and more on how capitalism itself could be disempowering. Employment came under particularly heavy scrutiny. Company boosters regularly argued that salaried work did not pay enough, failed to be stimulating or interesting, and eroded independence. And while the cofounders opposed most government oversight of the economy, they-DeVos especiallydid not believe that markets should function wholly unchecked, or that individuals and businesses should be free to act according to their own self-interest without regard for others or for larger consequences. Instead, they advocated what DeVos called "compassionate capitalism." Compassionate capitalism downplayed individualism and stressed that people had to work together to realize their goals, that they had an obligation to help and uplift others. Direct sales promised to rectify capitalism's shortcomings. On the one hand, it purportedly offered a way to become wealthier and economically self-sufficient, as well as a happier and more fulfilled person. Additionally, direct sales supposedly epitomized the more humanistic, cooperative ethos of compassionate capitalism.

The company's corporate philosophy found expression in books authored by the cofounders and "Amway sympathizers"—a term fashioned by Charles Conn to refer to those not directly affiliated with the corporation but who championed it—as well as audiocassette tapes of addresses given at Amway functions, typically by distributor couples but also by motivational speakers.³¹ Many of these items fall under the rubric of what, in Amway circles, are called

²⁹«Amway's Estimated Sales Exceed \$1 Billion," *The Grand Rapids Press*, Dec. 17, 1980, C17, Clippings files, Grand Rapids Press Collection, Community Archives and Research Center, Grand Rapids Public Museum [here-after GRPC]; Jones, *Amway Forever*, 61, 141–2, 145–52; Cross, *Amway*, 140–1; "Nutrilite, Inc. Control Now With Amway," *The Grand Rapids Press*, Sept. 13, 1972, 15B, GRPC; "Amway Markets New Home Security Device," *The Grand Rapids Press*, Mar. 11, 1986, 8A, GRPC; Karyn Vaughn, "Amway Joins the Videotape Business," *The Grand Rapids Press*, Mar. 16, 1986, 2J, GRPC; Greg Shymko, "Exercise Expert, Amway Team Up Again," *The Grand Rapids Press*, Feb. 24, 1987, B1, B2, GRPC; Ann Fisher, "Amway Confident of New Artistry Fashion Collection," *The Grand Rapids Press*, Mar. 1, 1986, H1, H2, GRPC; Jim Harger, "Amway Offers New Satellite TV System," *The Grand Rapids Press*, Mar. 2, 1987, 7B, GRPC; Nancy Crawley, "Amway Leaders Hope to Clean Up with New Vac," *The Grand Rapids Press*, Jan. 12, 1988, 6A, GRPC; Family of Brands, Amway; Nancy Sue Ammerman, "'Because People Buy Soap': Amway and the Priests of Capitalism" (M.A. thesis, University of Virginia, 1983), 2.

³⁰DeVos, *Simply Rich*, 181–2; Van Andel, *An Enterprising Life*, 119–20; "Amway Founders \$50 Million Poorer in '84, Forbes Reports," *The Grand Rapids Press*, Sept. 18, 1984, A1, A2, GRPC; Mary Radigan, "Income Bulge: Forbes Claims DeVos and Van Andel Fortunes Quadruple," *The Grand Rapids Press*, Oct. 9, 1990, A1, A2, GRPC; Dan Blake, "Computer Software Whiz Gates Tops Forbes' List of America's Richest," *The Grand Rapids Press*, Oct. 5, 1992, A10, GRPC; "DeVos, Van Andel on Fortune Wealthy List," *The Grand Rapids Press*, June 10, 1993, E1, GRPC; "Magazine Says: Rich Gets Richer … So Does Jay," *The Grand Rapids Press*, Oct. 3, 1994, A1, A4, GRPC.

³¹Conn, *Promises to Keep*, 6. Unfortunately, the tapes do not indicate exactly when or where the recorded speeches were given.

"tools." Tools, according to Shad Helmstetter, a pro-Amway motivational speaker, are an "essential" component of an Amway distributorship, something to consume daily.³²

The provenance of Amway tools has varied. Amway's multi-level structure helped give rise to large, sometimes worldwide networks, which effectively resembled semi-autonomous fiefdoms: though nominally connected to the company, these larger networks took on lives of their own, organizing many of the functions that distributors attended. Additionally, they recorded speeches at these events and sold them in tape format. The books, meanwhile, were authored independent of any network and sold to distributors throughout Amway. Such tools were produced over a lengthy period: the books were published primarily during the 1970s and 1980s, with a few coming out in the early to mid-1990s, while the audiotapes were recorded in the late 1990s. Not only important outlets for the Amway worldview, these tools also reveal just how consistent that worldview remained over time.³³

Compassionate capitalism, which Richard DeVos fleshed out in a 1993 book of the same name, captured the essence of the Amway system. He did not give a single, easy-to-quote definition of compassionate capitalism, although he defined each element. "The main characteristics of capitalism," DeVos wrote, "are *private ownership of capital* and *freedom of enterprise*." In its basic institutional outlay, then, compassionate capitalism mirrored conventional understandings of capitalism: the means of production were privately held, and the market mechanism determined the supply and demand of, as well as prices for, goods, services, and labor.³⁴

Where a compassionate capitalist economy distinguished itself, however, was in the motivations of its participants. DeVos declared that "compassion, not profit, is the ultimate goal of capitalism," and he defined compassion as "a feeling of deep sympathy for another's suffering or misfortune, accompanied by a desire to alleviate the pain or remove its cause." Compassion served two purposes in DeVos's formulation. On the one hand, it represented an end: individuals should engage in economic activity so as to improve the well-being of themselves and others. Compassion was not an obstacle to the market dictate to earn profits, but rather complemented it: "When compassion inspires and informs free enterprise, profits follow, the quality of human life is advanced, and the earth is restored and renewed." At the same time, compassion served as a check on unscrupulous behavior. DeVos recognized that certain individuals and businesses might, in a free-market system, act according to an amoral utilitarianism, seeking profits without regard for negative repercussions, and he unambiguously condemned such behavior. "Profit' that demeans and dehumanizes our brothers and sisters or depletes and destroys the earth will lead eventually to the death of us all," he wrote. "Compassionate capitalism distinguishes real profit from fool's gold. It cares about setting people free to dream great dreams for themselves and for the planet, and then gives them the means to see that their dreams come true." By bringing compassion front and center, DeVos, in effect, called for a reconceptualization of the capitalist economy. Profit-making obviously remained important under compassionate capitalism, but it transformed from an end in itself to merely a means to an end. For DeVos, all economic activity should have the goal of promoting human flourishing and self-actualization.³⁵

DeVos identified no less than sixteen "credos" of compassionate capitalism.³⁶ The fifth, for example, clarified the ultimate end of economic activity. For DeVos, it was important not only *that* people worked, but also that work be meaningful. He declared that "work is good only if it

³²Shad Helmstetter, *American Victory: The Real Story of Today's Amway* (Tucson, AZ, 1997), 40, 43. For a study on the role of tools in Amway distributorships, see Everett J. Hannan, "The Social Reconstruction of Meaning: A Qualitative Study of Education within an Amway Distributor Group" (D.Ed. diss., University of Southern California, 1987).

³³Harris, "Of Prophecy and Profits," 27-8.

³⁴DeVos, Compassionate Capitalism, 104.

³⁵Ibid., 10–11, 124.

³⁶For all sixteen credos, see ibid., 335-8.

leads the worker to freedom, reward, recognition, and hope.... if our work is not satisfying (financially, spiritually, psychologically), we need to end that work as quickly as we can and begin work that is." According to compassionate capitalism, work should not merely provision individuals with the basic necessities; it should also be existentially rewarding.³⁷

Meaningful work was intimately connected to dreambuilding, a keystone concept of the Amway worldview. DeVos urged his readers to identify and achieve their dreams, and offered countless tips about how to do so. "The basic idea," as Shad Helmstetter has summarized, "is to focus on specific goals, visualize them, see yourself working hard to get them, and one day—owning them yourself." David John Harris has characterized dreambuilding as "the primary objective of Amway sponsors."³⁸

Successful dreambuilding was not an individual undertaking, however. Compassionate capitalism did not embrace an "up by your own bootstraps" philosophy. Although he certainly praised self-reliance, DeVos also emphasized that achieving it required the assistance of others: "Each of us can trace our self-reliance to someone in our past. Don't ever think we got here on our own. Not only is it arrogant, it's dangerous and misleading to believe even for a moment that we don't need each other." Accordingly, compassionate capitalism required a sustained program of mentorship. "[B]efore we can succeed as a compassionate capitalist," the tenth credo asserted, "we must have an experienced mentor to guide us." A mentor helped individuals construct the psychological and emotional foundations for dreambuilding. "[W]ith our mentor's help," DeVos declared, "we should design a program (using books, tapes, special meetings and events, associations with friends and co-workers, recreation, and worship) that will help us develop a positive, hopeful, productive attitude about our life and its potential."³⁹

Being a mentor was as important as *having* one, instructed another credo. Compassionate capitalism cast mentorship as a duty of those who had themselves been mentored. "When we share our time and money to help guide, teach, or encourage someone else," DeVos explained, "we are only giving back a part of what has already been given to us." Mentees gained "new hope, new freedom, and new joy," while for the mentors, "seeing another person's dreams come true is far more rewarding to their own sense of self-worth and to their own personal fulfillment than the money they may make in the process."⁴⁰

Although DeVos did not believe that self-reliance occurred on its own, he believed it should be the ultimate goal of mentorship. "In a truly compassionate system," he wrote, "all effort is directed toward making people independent and capable of standing on their own two feet." A supporter of certain kinds of philanthropy, DeVos believed in "helping others who cannot help themselves." But he cautioned strongly against "charity," alleging that if it extended beyond "short-term relief," it "may send people down a road of diminished self-worth" and "leav[e] people without the ability or incentive to solve their own problems."⁴¹

DeVos described how the Amway business model mirrored the ideals of compassionate capitalism. In Amway, a distributor's upline played the role of mentor. David John Harris has written that the relationship between a distributor and his or her sponsor is akin to "that of master and apprentice," whereby the sponsor instructs the distributor in the best practices of running an Amway business, with the distributor gaining greater independence over time. This required obedience to one's upline. As Shad Helmstetter explained, "Your own Amway Diamonds and your other leaders are among the most successful business people in the world.... All they ask is that you be willing to listen carefully, and have a sincere desire to *learn* and *practice* what they're sharing with you."⁴²

³⁷Ibid., 83.

³⁸Ibid., 17–29; Helmstetter, American Victory, 157; Harris, "Of Prophecy and Profits," 316.

³⁹DeVos, Compassionate Capitalism, 167, 183, 268.

⁴⁰Ibid., 257, 263–5.

⁴¹Ibid., 269–70, 275–98.

⁴²Ibid., 2; Harris, "Of Prophecy and Profits," 23-4; Helmstetter, American Victory, 43.

The duty to obey those above oneself in the Amway hierarchy took the form of *duplication*. Duplication involved faithfully reproducing the actions of one's upline. At Amway functions, speakers regularly identified duplication as an essential element of the business. Distributor Tim Kline described Amway as "a business of duplication" and advised distributors that "to build this thing fast what you have to keep in the back of your mind all the time is duplication. Is what I'm doing duplicatable?" Former distributor Steve Butterfield wrote that "without Duplication there is no Amway system." According to Butterfield, duplication went beyond business practices to include appearance and behavior as well. He wrote that "[d]istributors tend to copy the walk, mannerisms, voice inflections, body language and cliches of their Directs" and that "[d]uplication sometimes extends all the way down to the brand of shoes, and all the way up to the hairstyle." Duplication, then, demanded not only that downlines mimic certain practices and behaviors, but also that their uplines act as correct models. At one Amway function, distributor Patsy Lizardi made precisely that point: "People are gonna duplicate 100 percent of the things we do wrong and only 50 percent of the things we do right, so we need to do more of the right things."⁴¹³

To be sure, not every participant would have viewed the upline/downline relationship as the embodiment of the mentorship ideal. Steve Butterfield actually characterized the relationship as "parasitical" and "demeaning." He argued that duplication thrived on the asymmetric information between distributors and their uplines: incoming distributors naturally assumed that their sponsors knew what they were talking about, since they had been in the business longer and had achieved some success. Butterfield also asserted that some uplines exploited duplication to mandate that their downlines buy certain tools. He concluded that rather than fostering eventual autonomy, the relationship between uplines and downlines actually "reduces the distributor to the status of a dependent child."⁴⁴

Being an Amway distributor also promised to satisfy two additional building blocks of compassionate capitalism: it supposedly provided individuals with meaningful work alongside the concrete means to realize their dreams. Over the years, the company, the cofounders, and Amway sympathizers have touted numerous benefits to participating. First and foremost was, naturally, the prospect of making money. In reality, very few have made significant fortunes from Amway. In March 1975, the Federal Trade Commission filed a complaint against Amway alleging that it was operating an illegal pyramid scheme. Specifically, it charged the company with five violations of the Federal Trade Commission Act, including price fixing and misrepresentation. Although the FTC ultimately ruled Amway's business model legitimate in 1979, it did require some changes. For instance, the company had to provide information regarding the average earnings of its distributors.⁴⁵ A 1986 copy of the Sales and Marketing Plan indicated that, on average, "active" distributors earned about seventy-six dollars a month.⁴⁶ Studies of Amway in later years have noted similarly low earnings for distributors on the whole.⁴⁷

Nevertheless, distributor rallies and pro-Amway books have consistently highlighted ultrarich distributors who achieved great wealth and financial independence.⁴⁸ Distributor Pedro

⁴³Harris, "Of Prophecy and Profits," 24–5, 256; Tim and Cindy Kline, "One a Day" (audiocassette tape; Global Support Services, Inc., 1998); Stephen Butterfield, *Amway: The Cult of Free Enterprise* (Montreal, 1986), 80, 110, 175; Pedro and Patsy Lizardi, "The Principles Still Stand" (audiocassette tape; Global Support Services, Inc., 1999).

⁴⁴Butterfield, Amway: The Cult of Free Enterprise, 51-2, 74, 133.

⁴⁵See Federal Trade Commission, In the Matter of Amway Corporation, Inc., et al., 93 FTC 618, 618–738.

⁴⁶Harris, "Of Prophecy and Profits," 456. According to Amway, "an 'active' distributor was one who attempted to make a retail sale, or presented the Sales and Marketing Plan, or received bonus money, or attended a company or distributer meeting in the month surveyed." At the time, 38 percent of Amway's distributor force qualified as "active"; ibid., 458.

⁴⁷For instance, see Jones, *Amway Forever*, 8.

⁴⁸For instance, see Charles Paul Conn, *The Possible Dream: A Candid Look at Amway* (Old Tappan, NJ, 1977), 138–9; Charles Paul Conn, *An Uncommon Freedom: The Amway Experience and Why It Grows* (1982; New York,

Lazardi assured listeners at a function that "you can live for the rest of your life out of this business." Not only have company boosters routinely touted such exceptional cases, but, crucially, they have also presented them as relatively attainable. Distributor Bubba Pratt, for instance, declared that "[e]verybody here is one belief away from going Diamond and accomplishing in your life what you want to accomplish. The only thing that is holding all of us back is our belief, but we're one belief away."⁴⁹

Yet Amway's defenders positioned money as only one of several benefits of the business, even suggesting that the non-material gains were more significant. Charles Conn, for example, wrote that when he first began studying Amway, he believed "that the whole thing could be reduced to money" and "that Amway people were just like everyone else, only perhaps a bit more greedy." Over time, though, he discovered that "that jaundiced view was clearly an inaccurate one."⁵⁰ Apparently, direct sales offered rewards beyond money. Company boosters have credited Amway with, among other things, allowing married couples to have greater time to spend with each other and their children, helping people form new friendships with others in the business, and triggering profound changes in people's personalities and behaviors, such as helping the previously introverted become more outgoing.⁵¹ Distributors Billy and Peggy Florence stated that "the greatest parts of this business are *unseen* things," which for them included "the opportunity to be full-time parents for our children."⁵²

And then there's "freedom." Amway routinely equated success in the business with attaining freedom. Distributor Marsha Reardon, for example, said that acquiring "freedom for myself and my family" motivated her to get into the business.⁵³ They described liberty in nonmaterial terms, such as the freedom to spend more time with one's family. Freedom also took the form of self-mastery and self-actualization.⁵⁴ And the primary form of self-mastery to gain through Amway has been the ability to work for oneself. Amway boosters regularly promoted the business by casting it as superior to traditional salaried employment. Distributor Jim Nealis, for instance, told listeners at a function that Amway cultivated a "spirit of independence," which entailed rejecting salaried employment as beneath oneself. "A spirit of independence," he declared, "is the kind of person who says, 'I'm sorry, I just will not work nine to five for the rest of my life so I can retire broke at some age whenever my boss is tired of looking at me.""55 Charles Conn wrote that "[f]or all the talk about fulfillment, sense of 'calling,' and love of one's profession, few people stay at a job after the financial need to be there is removed." Conn described a job as "a forty-hour chore between weekends."⁵⁶ In a speech to distributors, motivational speaker Bob McEwen presented the contrast between employment and direct sales:

⁵²Florences quoted in Robinson, *Empire of Freedom*, 92.

^{1983), 136, 146;} Charles Paul Conn, *The Winner's Circle* (1979; New York, 1980), 25–6, 29, 38; Cross and Olson, *Commitment to Excellence*, 72–3; and DeVos, *Compassionate Capitalism*, 180.

⁴⁹Pedro and Patsy Lizardi, "The Principles Still Stand"; Bubba and Sandy Pratt, "One Belief Away" (audiocassette tape; Global Support Services, Inc., 1999). See also Frank and Dawana Zecher, "My Computer Thesis" (audiocassette tape; Global Support Services, Inc., 1999); and Bo and Sandy Short, "The Art of War" (audiocassette tape; Global Support Services, Inc., 1998).

⁵⁰Conn, The Winner's Circle, 10.

⁵¹For instance, see Conn, An Uncommon Freedom, 130–1, 134–7; Conn, The Possible Dream, 91; David and Lisa Mitts, "We Searched for Direction" (audiocassette tape; Global Support Services, Inc., 1998); and Charles Paul Conn, The Dream That Will Not Die: The Rest of the Story Behind the Amway Phenomenon (Boston, 1996), 130.

⁵³Carl and Marsha Reardon, "Making a Diamond Quilt" (audiocassette tape; Global Support Services, Inc., 1998).

⁵⁴Harris, "Of Prophecy and Profits," 7.

⁵⁵Jim and Grace Nealis, "How the West Was Won" (audiocassette tape; Global Support Services, Inc., 1999). ⁵⁶Conn, *The Winner's Circle*, 86; Conn, *An Uncommon Freedom*, 174.

Every adult at sometime during their life, when they begin to care for themselves, say at age eighteen or twenty-one or twenty-five, faces two choices. One choice would be to go into work for someone else. Let me describe that by saying they will go into personal service. That is, that they will simply sell themselves, go up and down the street, knock on the door, and say, "I am for sale, will you hire me?," and place themselves at the mercy of someone else. Nothing wrong with that, except that it's inferior to what the other option is. The other option is to go into business for oneself.⁵⁷

Of course, Amway's vision of freedom ultimately rested upon a material foundation. It was the money they earned through the business that gave certain distributors the liberty, say, to be at home with their children. In *An Uncommon Freedom*, Conn wrote that "[t]rue liberty requires not just the political *right* to pursue happiness, but the material *means* to do so." Consequently, "[t]ens of millions of Americans, though politically free, are functionally not at all free to pursue life as they dream of it." Conn could also put the point more bluntly: "Money is freedom."⁵⁸

The message of self-mastery, material well-being, and economic independence appealed to many people, especially in the wake of the macroeconomic changes of the 1970s. Recession and stagflation resulted in higher unemployment and smaller paychecks. In addition to short-run pain, the 1970s also saw growing deindustrialization, automation, and offshoring/outsourcing, which threatened long-term economic security for many. Thanks in part to such developments, wages and incomes began to stagnate and then fall. David Bromley noted that "[1]he median annual incomes of workers increased from \$15,000 to \$24,000 between 1955 and 1973, but income then declined by 19 percent to just under \$20,000 by 1987" and that "[b]etween 1972 and 1988 real wages for middle and low income workers actually dropped by 12 percent." Jefferson Cowie has pointed out that although the 1970s opened with a flurry of strikes that appeared to inject new life into organized labor, direct action by workers ultimately failed to stem the tide of change or to forestall union decline. "The hope and possibility marbled through the confusion of the early part of the decade," he wrote, "began to fade into the despair of the new order emerging in the second half."⁵⁹

Beginning in the early 1980s, former distributors documented their time in Amway, sometimes publishing very critical accounts of its promises and business model, but nevertheless also offering insight into how the company's message resonated with the real-world needs and desires of initiates such as Erik German's father.⁶⁰ Steve Butterfield, an English professor at a college in Vermont who had no interest in becoming a distributor when he and his wife were first introduced to Amway in 1971, for example, changed his tune following the economic downturn in 1973. Suddenly, he wrote, "along with other college faculty nationwide, I took drastic salary cuts and considered myself lucky to have a job." Under these circumstances, the Amway promise became more appealing: "I wanted income security. I liked the idea of making money, lots of it, without having to show up for work.... I wanted to be plucking the fruit from the money tree, not sitting on the outside of the circle chewing pits while others

⁵⁷Bob McEwen, "Your Contribution" (audiocassette tape; Global Support Services, Inc., 1998).

⁵⁸Conn, An Uncommon Freedom, 2-3; Conn, The Possible Dream, 169.

⁵⁹James T. Patterson, *Restless Giant: The United States from Watergate to Bush v. Gore* (New York, 2005), 62–6; Judith Stein, *Pivotal Decade: How the United States Traded Factories for Finance in the Seventies* (New Haven, CT, 2010); David G. Bromley, "Quasi-Religious Corporations: A New Integration of Religion and Capitalism?," in *Religion and the Transformations of Capitalism: Comparative Approaches*, Richard H. Roberts, ed. (New York, 1995), 135–60, here 139; Jefferson Cowie, *Stayin' Alive: The 1970s and the Last Days of the Working Class* (New York, 2010).

⁶⁰The first ex-distributor book came out in 1982 from a man named Phil Kerns, but because his book does not go into much detail about how and why he joined Amway, he is not discussed here. See Phil Kerns, *Fake It Til You Make It! Inside Amway: What Your Soap Distributor May Not Have Told You* (Carlton, OR, 1982).

feasted." By 1978, he was on board, sponsored by a colleague who had tried to sell him a smoke detector.⁶¹

Ruth Carter similarly joined Amway when faced with financial difficulties shortly after she separated from her husband and was left to raise her children on her own. Her living conditions at the time were arduous: "My house was heated with wood. I had an oil-fired furnace, but it was just used as emergency backup since we couldn't afford to run it full-time. My house on the hill, which during the summer showed me stunning mountain views, in the winter was difficult to get in and out of." Her small business languished as she struggled to run a household as a single parent. First thing in the morning, she wrote, "I would take my oldest child to school and do errands or stop for groceries on the way home." Once she finally got back home, "I attempted to do some work, phone clients, and so on, but I accomplished little and my business was falling away fast." On top of all that, she wrote that "I didn't want to leave my infant with anyone else," so she was saddled with childcare duties as well. It was "[a]fter a couple of months of this logistical nightmare" that a neighbor introduced her to Amway. At her neighbor's home, Carter, along with a handful of other prospects, heard a pitch from a distributor whom she called Steve Silver. Silver, she recounted, "talks about cars, homes, vacations, sending children to private school, money in the bank.... He talks about retiring from our jobs within two to five years, and having time to spend with our families." After hearing his spiel, she said that she was "starting to get excited about the Amway business."⁶²

In contrast to Ruth Carter and Erik German's father (and, to a lesser degree, Steve Butterfield), Eric Scheibeler was not in a financial bind when he and his wife Patty joined Amway in the late 1980s. He indicated that his family struggled growing up: "Too many of the decisions seemed to revolve around what we could afford, not what was the most important to us." These early difficulties influenced his later decision to join Amway: "As far back as I can remember, I wanted to succeed and to be in a position to help the people that I loved." He later became an auditor at the Department of Energy. He did not enjoy the job, since he "found the daily routine of auditing rather boring," and the constant need to travel kept him away from his wife. As a result, he left to become an insurance underwriter, which allowed him and his wife to settle down. A couple living in their neighborhood showed them Amway. While Scheibeler and his wife were doing well enough, they found the prospect of earning more money appealing, particularly in a business that was theirs: "Perhaps the greatest selling factor for both Patty and me ... was the 'fact' that we could create ongoing, residual, 'will-able' income.... Our business would grow as we helped other independent business owners succeed in owning their own business. We would all be very motivated to work hard and would never 'fire ourselves' or 'lay ourselves off,' since we owned The Business.... The larger our income became, the more free time we would have to spend with our families."63

Despite achieving varying levels of success in the business, Butterfield, Carter, and Scheibeler all left. Scheibeler and his wife became Emeralds, but by that point, the need to purchase Amway tools and attend ever more distributor functions was bankrupting them. Scheibeler wrote, "Patty and I now had massive debts. We had cars that looked great on the surface, but were barely running. We owed back property and income taxes and all our credit cards were maxed out." Scheibeler eventually started perusing anti-Amway websites, in particular *Amway: The Untold Story*, set up by a man named Sidney Schwartz, as well as the website of former distributor Ashley Wilkes, called *Amway Motivational Organizations: The Nightmare Builders.* These sites inspired him to quit.⁶⁴ Ruth Carter felt increasingly isolated in the

⁶¹Butterfield, Amway: The Cult of Free Enterprise, 11–21.

⁶²Ruth Carter, Amway Motivational Organizations: Behind the Smoke and Mirrors (Winter Park, FL, 1999), 5–7. ⁶³Eric Scheibeler, Merchants of Deception: An Insider's Chilling Look at the Worldwide, Multi-Billion Dollar Conspiracy of Lies that Is Amway and Its Motivational Organizations (Lexington, KY, 2009), 1, 3–7, 23–4.

⁶⁴An archived version of Schwartz's website can be found at https://www.cs.cmu.edu/~dst/Amway/AUS (accessed Aug. 10, 2018), while an archived version of Wilkes's website can be found at http://ex-cult.org/ Groups/Amway/nightmare-builders (accessed Aug. 10, 2018).

business. As time went on, she wrote, "I had no social life. My friends were all in the business, and most of them lived several hundred miles away from me.... I cried myself to sleep a lot." She also became disillusioned when she learned that her own upline Diamond was allegedly earning 95 percent of his income by selling tools and tickets to distributor functions and hardly moved any products.⁶⁵

Steve Butterfield, meanwhile, found that Amway stifled individuality and dissent and encouraged conformity. The longer he stayed in Amway, he said, the more his clothing, his manner of speaking, and even his hairstyle mirrored that of others in the business. Moreover, he felt pressure to keep any personal misgivings he had about the company to himself. His uplines, he said, had taught him that sharing negative opinions of Amway would undermine his distributorship. Butterfield complained that duplication "withers the growth of human wisdom" and that the company "diminishes awareness and narrows the perceptions by wrapping brains up in box-size flags and spitting them off the end of a production line." He compared Amway to a cult and even suggested that it bore a resemblance to fascism. The accounts of these three former distributors reflect some of the principal critiques leveled against Amway over the decades, which directly contradicted claims made by the company and its boosters. Critics have alleged that, instead of leading to wealth and economic independence, Amway actually left many worse off; that the real money was not in the products but in the tools; and that Amway promoted obedience rather than autonomy.⁶⁶

Away from work, Amway's cofounders Richard DeVos and Jay Van Andel became active in the decades-long conservative campaign to sell free enterprise, shrink government, and dismantle the New Deal. Their work began in earnest in the 1970s. On May 25, 1973, the Center of Free Enterprise, a dodecagonal building added onto Amway's World Headquarters in Ada, opened its doors. Those visiting the Center were treated to a number of right-leaning instructional exhibits on elementary economics. Among the items for tourists were "The Tree of Economic Life," intended to demonstrate how free markets encouraged productivity, a "Corporate Money Flow Exhibit" that depicted the proportion of a corporation's revenue that went to cover various expenses (taxes, salaries, shareholder dividends, etc.), and a Chamber of Commerce film called It's Everybody's Business. Amway was not alone in trying to turn economics into a tourist attraction. About nine years later, in November 1982, Enterprise Square USA opened on the campus of Oklahoma Christian University. Dubbed the "Disneyland of Economics," Enterprise Square featured games and interactive exhibits that showcased the virtues of free, unfettered markets. Enterprise Square was the brainchild of George Benson, a missionary turned laissez-faire evangelist who for a time was president of Oklahoma Christian, and none other than Richard DeVos sat on its fundraising committee.67

The Center of Free Enterprise also sought to spread free market ideology throughout the wider population. In the early 1970s, a number of business executives and politicians worried that Americans, especially young people, were, as they saw it, disturbingly ignorant of economics. In response, companies like General Motors as well as the U.S. Chamber of Commerce

⁶⁵Scheibeler, *Merchants of Deception*, 86, 111–2, 121, 131, 142, 152–3, 160–1, 210; Carter, *Amway Motivational Organizations*, 126, 136.

⁶⁶Butterfield, *Amway: The Cult of Free Enterprise*, 109–10, 146–62. Another former distributor who has written critically of Amway is Matt Roth. See Matt Roth, "Dreams Incorporated: Living the Delayed Life with Amway," *The Baffler*, no. 10 (1997): 39–64.

⁶⁷Pete DeMaagd, "Capitalism Has Its Day," *The Grand Rapids Press*, May 26, 1973, A1, GRPC; Center of Free Enterprise brochure, 4, 6, folder "Amway Corporation—Center of Free Enterprise, 5/15/71-1973," box R19, Robert Hartmann Files, Ford Congressional Papers, Gerald R. Ford Library; Moreton, *To Serve God and Wal-Mart*, 164–72.

provided educational materials to students and teachers throughout the country that promoted free enterprise under the guise of improving knowledge of economics. Wal-Mart, meanwhile, played an instrumental role in bankrolling Students in Free Enterprise, which targeted colleges and universities. The Center of Free Enterprise was part of this project. Along with the exhibits, the Center played host to the Institute for Free Enterprise. A March 1981 article in *The Washington Post* reported that "[t]he institute has sponsored workshops around the country, instructing 2,000 teachers on ways to prepare lesson plans to help schoolchildren understand basic economic concepts."⁶⁸

Along with peddling propaganda, the cofounders also became involved in the Republican Party and conservative politics more broadly, pushing policies to make their free-market, limited government vision a reality. In the mid-1970s, the cofounders inserted themselves into one of the marquee political episodes of the decade: the tax revolt. Activists at the state level had attempted to pass initiatives that cut or capped taxes earlier in the decade, with mixed results. The onset of stagflation bolstered their cause, as it raised both property values and nominal incomes. In response, voters throughout the country backed new limits on taxes, most famously Proposition 13 in California. The tax revolt represented an early seminal moment in the rise of a new Right eager for a basis on which to attack the welfare state.⁶⁹

In 1976, the movement came to Michigan. That year, two groups, Taxpayers United for Tax Limitation and the Taxpayers Federation of Michigan, launched a campaign to pass Proposal C, which stipulated that tax revenue and government spending could not exceed 8.3 percent of the total income earned in the state. Proposal C was defeated that November, with 1.86 million voting against it versus 1.4 million voting in favor. Two years later, Taxpayers United tried again with a similar measure called Proposal E. This campaign received the backing of Amway's cofounders. Amway made three ten-thousand-dollar donations to Taxpayers United in March, May, and August of 1978. A financials sheet from Taxpayers United dated May 30th included Amway on its list of "major contributors" alongside a handful of other companies. The company even marshaled its Michigan distributor force on behalf of the amendment. In May, for example, the cofounders mailed out, on company letterhead, a note to their distributors encouraging them to sign petitions to get Proposal E on the ballot and to consider donating to Taxpayers United. In contrast to 1976, the 1978 effort paid off, albeit narrowly. Proposal E passed with 52 percent of the vote, the margin of victory a mere 136,166 votes.⁷⁰

The cofounders saw their national political profiles rise significantly. On May 2, 1979, one day after Jay Van Andel became chairman of the U.S. Chamber of Commerce, he held a press conference in which he called for cutting back on regulation and adopting a balanced budget amendment to the U.S. Constitution. In 1975, an organization called the National Taxpayers Union launched an effort to get states to demand a constitutional convention to pass a balanced budget amendment. By 1979, thirty had done so. That January, the movement took on national significance after California's Democratic Governor Jerry Brown jumped on board. Republicans

⁶⁸Moreton, "Make Payroll, Not War," 54–8; Moreton, *To Serve God and Wal-Mart*, 173–92; Ralph Truax, "Steel 'Spider' Frames Amway Hall," *The Grand Rapids Press*, Nov. 22, 1971, 7D, GRPC; Dan Morgan, "Selling Free Enterprise: Amway Combats Liberal Ideology in Politics," *The Washington Post*, Mar. 14, 1981, A1, A2.

⁶⁹Schulman, *The Seventies*, 205–17; Self, "Prelude to the Tax Revolt," 160.

⁷⁰Ralph Vartabedian, "Proposal C Draws Talk, But No Crowd," *The Kalamazoo Gazette*, Oct. 14, 1976, box 1, Taxpayers United Federation Records, Bentley Historical Library, University of Michigan [hereafter TUF]; Initiatives and Referendums Under the Constitution of the State of Michigan of 1963, 3–4, Michigan Department of State, http://www.michigan.gov/documents/sos/Const_Amend_189834_7.pdf (accessed Mar. 31, 2018); Robert E. Roach, "Group Revs Up Petition Drive to Put a Lid on State, Local Taxes," *The Detroit News*, Mar. 7, 1978, box 2, TUF; Anne Dunlap to Bill Hanson, Mar. 20, 1978, box 2, TUF; Anne Dunlap to Bill Hanson, May 12, 1978, box 2, TUF; Taxpayers United for Tax Limitation, "Financial......May 30, 1978," box 2, TUF; Richard DeVos and Jay Van Andel to Amway distributors, May 1978, box 2, TUF.

on Capitol Hill toyed with the idea, though little consensus emerged on the specifics. Democrats, on the other hand, were largely against it.⁷¹

On October 11, 1979, Van Andel, in his capacity as chairman, testified before both the House Judiciary Subcommittee on Monopolies and Commercial Law as well as the Senate Judiciary Subcommittee on The Constitution about a potential balanced budget amendment. In his opening statement before the House subcommittee, Van Andel declared that "the American economy, we believe, is in trouble, because our Government has too long operated in a fiscally reckless fashion—ignoring basic economic principles in favor of short-term political goals." He—and the Chamber—thought that federal spending and taxes ought to each be capped at 18 percent of the nation's gross national product. As for a balanced budget amendment, Van Andel indicated that it was the Chamber's opinion that "getting a constitutional amendment will be time-consuming and, therefore, not helpful in the near term." However, they did believe that "[a] statutory limitation [i.e., tax and spending ceilings] followed by a constitutional limitation would combine quick results with long-term benefits." Two months after Van Andel's testimony, an amendment made it out of the Senate's subcommittee and was eventually brought before the full Congress in 1982, where it passed the Senate but died in the House.⁷²

Richard DeVos meanwhile undertook a number of other high-profile assignments. In March 1981, he became finance chairman of the national Republican Party. DeVos got the job in large measure on account of his success over the preceding year leading the party's Congressional Leadership Council, bringing in over a million dollars. Despite a hundred-million-dollar haul under his watch, DeVos was ousted about a year and a half into his tenure because he had allegedly concentrated too much on small-dollar contributors, leaving the party's megadonors feeling neglected. In July 1987, Reagan gave DeVos a seat on a new commission designed to tackle the AIDS epidemic. Although he lacked a background in medicine and his presence ultimately proved controversial, DeVos sought the post because the crisis intersected with issues of individual behavior and morality.⁷³

Amway's founding families became influential power players on the American Right. "The DeVoses," wrote the *Mother Jones* journalist Andy Kroll in 2014, "sit alongside the Kochs, the Bradleys, and the Coorses as founding families of the modern conservative movement." He noted that "[s]ince 1970, DeVos family members have invested at least \$200 million in a host of right-wing causes—think tanks, media outlets, political committees, evangelical outfits, and a string of advocacy groups." The company and the cofounders gave generously to Republican candidates and to the party during the 1992, 1994, and 1996 elections and beyond.

⁷¹"Van Andel Urges Balanced Budget, End to Unnecessary Regulations," *The Grand Rapids Press*, May 3, 1979, F8, GRPC; Morgan, "Unconventional Politics," 424–35.

⁷²U.S. Congress, House, Judiciary Subcommittee on Monopolies and Commercial Law, *Constitutional Amendments to Balance the Federal Budget*, 96th Cong. 1st sess., Oct. 11, 1979, 433–5; "Statement on Constitutional Amendments for Budget Restraint before the Senate Judiciary Subcommittee on the Constitution for the Chamber of Commerce of the United States by Jay Van Andel, Oct. 11, 1979," in *Chamber of Commerce of the U.S. Presentations to Congress, 96th Congress 1st Session, 1979*, folder "Presentations to Congress, 96th Congress Ist Session, 1979," box 55, sub-series D, series III, Chamber of Commerce of the United States records (Accession 1960), Hagley Museum and Library, Wilmington, DE; Morgan, "Unconventional Politics," 443.

⁷³Ed Hoogterp, "DeVos Gets GOP Fund Raising Job," *The Grand Rapids Press*, Mar. 5, 1981, 1A, 2A, GRPC; Tom Limmer, "DeVos to Head Republican Fund Drive," *The Grand Rapids Press*, Apr. 19, 1980, A1, GRPC; "DeVos Fired as GOP Finance Chief," *The Grand Rapids Press*, Aug. 13, 1982, A1, GRPC; "Clash with Oklahoma Oil Men Led to Firing, DeVos Says," *The Grand Rapids Press*, Aug. 20, 1982, A5, GRPC; Roy Howard Beck, "Reagan Names Amway's DeVos to National AIDS Commission," *The Grand Rapids Press*, July 23, 1987, A1, A4, GRPC; Roy Howard Beck and Mary Lohr, "Issue's Importance Lured DeVos to AIDS Commission," *The Grand Rapids Press*, July 24, 1987, A1, A4, GRPC; Roy Howard Beck, "Critics Call DeVos One of AIDS Panel's Extremists," *The Grand Rapids Press*, Sept. 9, 1987, A3, A4, GRPC.

In 2000, the DeVoses spearheaded the effort to pass Proposal 1, which would have created a school voucher system in the state of Michigan. That was defeated 69 percent to 30 percent. In June 2001, Steve Van Andel, Jay Van Andel's son and chairman of the company after his retirement, followed in his father's footsteps and became chairman of the U.S. Chamber of Commerce. In 2005–2006, Dick DeVos, Richard DeVos's son, ran for governor of Michigan as a Republican, seeking to unseat Democratic incumbent Jennifer Granholm, though he lost the race, then the most expensive in state history, 56 percent to 42 percent. In 2012, Dick DeVos helped to bring about both the defeat of Proposal 2, which sought to amend Michigan's constitution to guarantee labor unions the right to collectively bargain, as well as the passage of Michigan's "right to work" law. And in November 2016, Betsy DeVos, Dick DeVos's wife and a longtime proponent of charter schools and vouchers, became President Donald Trump's Secretary of Education.⁷⁴

Erik German's father was not an Amway success story. German wrote that after a while, "Dad began borrowing money from friends, relatives, and the local bank to keep up with the expense of running his business." Despite devoting virtually every minute of his free time to Amway, he could not make it work. German stated that "after six months of this maniacal, crushing routine the debt had mounted to \$25,000." Ultimately, the family was forced to live with German's grandparents. German minced no words in expressing his distaste for the company: "At its best, Amway harnesses middle class dissatisfaction for the purposes of hawking soap, enriching a tiny fraction of the sellers who buy in. At its worst, the company hijacks dreams born of desperation and bankrupts people with the very products promising them deliverance."⁷⁵

⁷⁴Andy Kroll, "Meet the New Kochs: The DeVos Clan's Plan to Defund the Left," *Mother Jones*, Jan./Feb. 2014, http://www.motherjones.com/politics/2014/01/devos-michigan-labor-politics-gop (accessed Mar. 31, 2018); Mike Magner, "State Business Donations to Bush Far Outdo Those Flowing to Clinton," The Grand Rapids Press, Sept. 8, 1992, B2, GRPC; Kerry Lauerman and Rachel Burstein, "She Did It Amway," Mother Jones, Sept./Oct. 1996, http://www.motherjones.com/politics/1996/09/she-did-it-amway (accessed Mar. 31, 2018); "Amway Contributes \$2.5 Million to G.O.P.," New York Times, Nov. 24, 1994, A28; Ruth Marcus, "Amway Says It Was Unnamed Donor to Help Broadcast GOP Convention," The Washington Post, July 26, 1996, A8; "GOP Turns Away Amway Financing After Complaint," Orlando Sentinel, Aug. 13, 1996, A5; "Amway Chief Bankrolls Michigan Drive for Religious School Aid," Church & State, June 1999, 16; "Kids First! Yes! Files Petitions to Place Educational Opportunity on the Michigan Ballot," PR Newswire, Feb. 24, 2000; "About Proposal 1," South Bend Tribune, Nov. 3, 2000, 1; David Crumm, "Voucher Battle Will Be Waged in Pulpits," Detroit Free Press, Sept. 23, 2000, A1; Martin Kasindorf, "Voucher Supporters Focus on Michigan, California: Big Money Pouring into Campaigns that Back Private-School Proposals," USA Today, Oct. 12, 2000, A17; 2000 Michigan Election Results, Michigan Department of State, https://miboecfr.nictusa.com/election/results/00gen/ (accessed Mar. 31, 2018); "Alticor's Chairman Heads U.S. Chamber," The Grand Rapids Press, June 14, 2001, folder "Van Andel, Steve, 2001-2002," box 67, sub-series D, series 4, Chamber of Commerce of the United States records (Accession 1960), Hagley Museum and Library, Wilmington, DE; Jones, Amway Forever, 126; George Weeks and Charlie Cain, "Republican Power Broker DeVos to Run for Governor," Detroit News, June 3, 2005, 1A, 6A, box 185, Jennifer Granholm papers, Bentley Historical Library, University of Michigan; Charlie Cain and Mark Hornbeck, "\$21 Million! Governor's Race Is Already Priciest Ever," Detroit News, July 29, 2006, A1; Mark Hornbeck and Charlie Cain, "Governor's Race Tab Passes \$25M: Devos Is Largely Financing His Own Way; Granholm Relies on Political Action Groups," Detroit News, Sept. 8, 2006, B1; 2006 Michigan Election Results, Michigan Department of State, https://miboecfr.nictusa.com/election/results/06GEN (accessed Mar. 31, 2018); Emma Brown, "Trump Picks billionaire Betsy DeVos, School Voucher Advocate, as Education Secretary," The Washington Post, Nov. 23, 2016, https://www.washingtonpost.com/local/education/trump-picks-billionaire-betsydevos-school-voucher-advocate-as-education-secretary/2016/11/23/c3d66b94-af96-11e6-840f-e3ebab6bcdd3_story. html?utm_term=.0d9528a87fe7 (accessed Mar. 31, 2018).

⁷⁵German, My Father's Dream, loc. 294, 309, 324, 417.

Even as Amway failed to provide the independence it promised, it became a powerful force in American business and politics. Amway fueled the political careers of Richard DeVos and Jay Van Andel, who have helped shape both the ideological orientation of Republican politics as well as government policy at the state and national levels. In addition to working to limit the size and scope of government, DeVos and Van Andel have also advanced their own vision of free enterprise: compassionate capitalism. Compassionate capitalism promised to fix, of all things, capitalism itself. Instead of atomized individuals each pursuing their own interests and looking out only for themselves, compassionate capitalism imagined an economy in which people's economic pursuits were guided by a desire to improve the material *and* spiritual well-being of themselves as well as those around them, one in which people would work together to help each other achieve their dreams. Compassionate capitalism encouraged individuals to reject mundane, stultifying work that left them both economically insecure as well as unhappy.⁷⁶

The co-founders intended Amway to exemplify this economic system. Amway sought to model the cooperative aspects of compassionate capitalism by having uplines act as mentors for their downlines, even though the relationships did not always work that way. Amway also promoted direct sales as a way to fulfill various material and immaterial needs and desires. By becoming an Amway distributor, individuals were promised the opportunity to attain much of what was unavailable to them in traditional salaried jobs. They had the chance to become their own bosses, to set their own schedules, to get out of debt and then some, to spend more time with their spouses and children, to improve their self-confidence, and more.

Compassionate capitalism complemented the cofounders' personal hostilities toward the interventionist state. An economy composed of well-meaning, enlightened individuals is one in which the state need not interfere with regulation, since everyone can be counted on to behave in ways that take the interests of others into account and that are not harmful or destructive. A compassionate capitalist economy also obviates the need for a robust social safety net, since people will be inclined to help out others. The fact that it is impossible to neatly disentangle compassionate capitalism from the cofounders' views on government underscores that these were not merely two separate philosophies that the men happened to promote simultaneously. Rather, they were part and parcel of a larger, cohesive ideology: small-business conservatism.

Real people like Erik German's father, Steve Butterfield, Ruth Carter, and Eric Scheibeler hated their jobs, struggled, and felt economically dependent despite the existence of a safety net, economic regulation, and unions. These Americans wanted what Amway was offering. They believed that direct sales could bring them wealth, independence, and community. And that enabled Amway and its cofounders to vitiate those government policies.

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⁷⁶Compassionate capitalism represents a right-wing parallel to the efforts of a number of left-leaning intellectuals across the twentieth century to fashion what Howard Brick has termed a "postcapitalist vision." Although compassionate capitalism was not, strictly speaking, postcapitalist, it, like many of these visions, presumed that twentieth-century corporate capitalism would ultimately be overcome. See Howard Brick, *Transcending Capitalism: Visions of a New Society in Modern American Thought* (Ithaca, NY, 2006).