

## **Eating Our Seed Corn**

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Consider the things that concern us as a nation, as represented in the news media:

- Who “outed” CIA agent Valerie Plame, was there a crime committed and – if so—who will be tried?
- Has the earth evolved, or was it created by some sort of superior intelligence?
- Where lies the major blame for bungling the aftermath of Hurricane Katrina?
- Which TV shows will be cancelled this winter?
- Which teams will play in the Super Bowl?

Some or all of these may be worthy of our attention and consideration, but think about what you don’t see discussed in many places. We do not hear about whether our educational system is sufficient to produce the next generation of scientists and engineers - the one who will compete with rapidly improving Chinese and Indians. We do not hear about how we can become self-sufficient in energy so we can extract ourselves from the tar pits of the Middle East. We do not hear about how the Federal government can operate within its resources and thus reduce its dependency on loans from other nations. In short, we are concerned about today’s crop rather than tomorrow’s and in the process, we are eating the seed corn that is necessary to sustain us for the long term.

Don’t get me wrong. We need to focus on the present in order to get as much as possible out of our current condition. We need to increase the quantity and quality of the jobs we create now so that new entrants to the labor force can find productive careers. We need to keep a handle on inflation including feed and energy prices—so that consumers have confidence in their futures. But we also need to plan for a future in which the United States retains its economic position in a radically changing world. The real need is for leadership in creating a vision for the future of the United States and telling the American people what it takes to reach that vision.

On a lesser scale, the real estate industry is burdened with the same curse of shortsightedness. The real estate market has set sales records for the least five years. Thousands have flocked to the market to become Realtors, and even the least competent has made money. All that’s needed is to sit back and take orders. But the boom has masked the need for a revolutionary change in the way real estate is transacted. It has also masked the fact that a whole new generation of buyers, who are uncomfortable with the traditional model, are seeping into the market. And now, as the boom begins to cool, there is a real need to focus on how the business will be done in the future.

Organized real estate is ignoring this. In the person of NAR, it chooses to focus on building a wall around the current market to preserve power relationships that are doomed in the long run. Thus, it fights to preserve a mortgage interest deduction rather than considering how the business might evolve in its absence. It fights to keep technology based discount firms out of the industry rather than finding ways for traditional firms to provide superior value. And it tries to keep banks from entering real estate rather than emphasizing the value proposition that Realtors can offer and that banks cannot. It is not thinking about the value proposition—time-saving, stress-reducing convenience and service—that the consumer of the future will demand.

Just as nature abhors a vacuum, the market hates unexploited opportunities. Somewhere out there, someone—a real estate company, an MLS, a technology firm, a newspaper company—is thinking about that future in which the platform on which the real estate transaction of the future will be accomplished is as standard as Windows. That entity is thinking about planting seed corn, not eating it.