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James Robert Lay :

Greetings and hello. I am James Robert Lay, and welcome to the 140th episode of the Banking on Digital Growth podcast. Today's episode is part of the Exponential Insight series, and I'm excited to welcome back Brett King to the show. Brett is a good friend and an early guest, going all the way back to episode number five. He's also a world renowned futurist and speaker, and international bestselling author. Brett actually has the most number one best selling titles in banking and FinTech globally, more than any other author in the last decade. He is getting ready to launch his latest book, The Rise of Technosocialism, How Inequality, AI and Climate Will Usher in a New World. Welcome back to the show, Brett. It is so good to have you on today, buddy.

Brett King:

Good to be back on, JR. Thanks for having me.

James Robert Lay :

You know, we're talking about all these books, number one best selling author with most titles in banking and FinTech globally over the last decade. How many books is this now?

Brett King:

This is technically book number seven. Although, book number two, which was called Branch Today, Gone Tomorrow, only was in a limited print run because it was designed to be an e-book.

James Robert Lay :

Yep.

Brett King:

But, yeah, so six hard covers and one soft cover. Yeah. All good.

James Robert Lay :

You've got a head start on me. We're in a little friendly competition. I'm going to be coming up book [crosstalk 00:02:20].

Brett King:

Well, I'm happy to assist in any way I can.

James Robert Lay :

No, I'm giving you a hard time, man. You've given me a lot-

Brett King:

I've put in the work. I've put in the work.

James Robert Lay :

You definitely have. Book two for me is right now about to get started, which will be out a year later. But let's talk about your book here, because that's why you're here. I think that's what people want to learn

about too, is when you look at this, and just the title of the book, why the title? It's a bit provoking, I guess you could say.

Brett King:

It is absolutely provocative. Yes.

James Robert Lay :

I like it. I always like things that will get people talking, get people thinking. Why did you choose the title?

Brett King:

The title is The Rise of Technosocialism. We debated a ton of different titles around this. Obviously, the word socialism is divisive for some people, and the book is not particularly political, but the changes that we are talking about, which talks about really a philosophical shift for humanity, the fact that we have to finally work together as a species, that national borders won't matter, that political stances won't matter. None of that will matter in the end, that we just have to get our act into gear as a species and work together. What do you call that? Well, it is working for the collective, good collectivism, humanism, but none of those really are inspirational titles for someone to grab a book off the wall. Technocollectivism, yeah, okay. Techno humanism, neocapitalism. You know?

Brett King:

Well, none of those things really say, "You've got to read this. There's big issues ahead." It is about political change, but it's not a political book. It does this sort of agnostically. It talks about the choices we have in terms of politics, economics, and social cohesion. It talks a lot about policy, but it's not advocating socialism in the classical sense. It's really advocating a different worldview and a different philosophy for humanity. But ultimately, we chose the title to get people to say, "What's that about?" And grab it off the bookshelf. Right?

James Robert Lay :

Which is, in fact, my follow up question, what is technosocialism? I like that, because it could have been technocollectivism, technohumanism, but no, what is technosocialism at its core?

Brett King:

To understand technosocialism, where it fits in, we actually look at four different paths for humanity in the book. We plot these on a quadrant, the magic quadrant. That is inclusive or collective policies and actions versus exclusionary or individualism. Then on the other quadrant, we have chaotic futures versus planned futures, or what you might call dystopian and utopian if you're into those sort of classifications. Those four parameters are where there's a broad rejection of artificial intelligence and technology and science, which you could see as possible today. There are parts of society rejecting science. You then have failed states, or we call those two sets of outcomes, [latherstan and faildestan 00:05:54].

Brett King:

Then you have the exclusionary use of technology that accentuates the inequality that we see today. We call that neofeudalism, largely driven by corporates who own more and more of public policy. Then you have technosocialism in the top right. Technosocialism is collective and it's planned future, because we don't believe you can get to an optimal future unless it's planned. We say that basically technosocialism is the optimal outcome.

James Robert Lay :

Yep. So, we've got inclusive, exclusive, chaotic, planned as the guide, the path to through this journey here.

Brett King:
Correct.

James Robert Lay :

Why this book? Why now? Go back when you started writing this, and maybe from the time you started writing it, what have you seen transform as well through the journey?

Brett King:

Yeah. Well, I wrote a book in 2015 called Augmented, Life in the Smart Lane. That really was a book that took us through a journey individually, how will live in this world with all of these new technologies and capabilities that are available to us, living with robots, living with gene therapy, living with life extension capabilities, all of this sort of thing. But the thing I realized at the end of writing that book was I didn't really talk about how... I talked about how we might adapt to these changes individually, but I didn't really talk about how society would adapt beyond looking at the way smart cities would work and things like that. I didn't look at the politics of it or the economics of it.

Brett King:

Of course, having seen now the pandemic and the coronavirus effect, and even before that, seeing inequality getting worse through the previous financial crisis and so forth, seeing the US have the worst inequality in modern history, then understanding the impact of AI and that could have on jobs, and climate change on top of that, I sort of had this, not epiphany, but the realization that this economic uncertainty that we face at the moment because of the pandemic is actually just going to get a lot worse over the next 20 to 30 years. That uncertainty is really bad for society. It's chronically bad. So, the question was, how do we address that uncertainty? How do we give people confidence and optimism in the future rather than the current situation we have?

James Robert Lay :

I'm glad that's the point that you're addressing, because I even go back into my mind at the beginning of this pandemic, and then looking at the macro level reading in between the tea leaves, this pandemic has been a warmup of sorts for the major transformations we're going to experience over the next three to five to 10 years. Some are very exciting, and can be very, like you said, give a lot of hope. Some can be a little bit frightening too. Let's take this into the banking space here just a bit, because you mentioned this idea of just economic transformation. What are some of the transformations that you're seeing that if you're in the banking space, the FinTech space, what do you need to be aware of here?

Brett King:

Well, the biggest one is artificial intelligence, and that's really about the fact that most of the jobs that we have in banks today will disappear through automation, at least half of the jobs. Banking, like many other industries, has a large potential for techno unemployment. Banking, to some extent, has even greater potential for that, because it's been fairly resistant to change over the last two to three decades, which is ironic, because banks were actually amongst the first organizations or corporations to use large scale computing, so you think of them as technology oriented entities.

Brett King:

The second piece, apart from the technology piece, is regulation, changes in regulation, this becoming significantly more global in its focus, particularly around financial crime prevention, money laundering,

or anti money laundering and so forth. Then the third area is ESG, sustainability, and good being a good corporate citizen. This is even, without us talking about FinTech and the impact that that is having on the global stage, and the way it's reframing the banking industry, per se. I guess you could say there's those four elements.

James Robert Lay :

When you look at this idea, let's come back to AI, we're going to have job displacement here. What can we do to prepare for that, and might there be new job creation as well, new thinking capabilities needed to leverage the automation, to leverage the AI?

Brett King:

Yeah, absolutely. That's a great question. For the internet, as an example, for every job that the internet destroyed, and e-commerce obviously changed retail and so forth, for every job it destroyed, it created 1.6 new jobs. This is coming from McKinsey research through the.com. That's a good sign. We do know that there are going to be new jobs created from the AI side. We're going to see a lot of jobs created in robotics. We are going to see in the deep learning, machine learning algo space, data scientists. In fact, we already have a labor shortage in those areas. That labor shortage is going to continue for the next couple of decades because we're not training our kids at school for those jobs. That's why we have a shortage today.

Brett King:

That's why we'll have a shortage tomorrow. The education system is not matched to that demand. But the impact of techno unemployment is going to be more akin to the change that we went through moving into the industrial revolution. It would be something like the.com era or the tronics boom of the 1960s. It's a change in the way we work. Think about pre the industrial revolution, 60, 70% of the US workforce was involved in agriculture.

James Robert Lay :

Correct.

Brett King:

Right? Today, that's 1.6% of the US workforce. We had other industries like the textiles industry in Britain, which was huge. But people really didn't work in factories apart from in the textiles space. So, the whole movement of creating factories, the industrialization of cities and all of that, that was a huge macro lifestyle change for humanity in respect to the role workplace. The same thing is going to happen with both artificial intelligence and climate change. It's really changing the way we think of work, changing the way we think of economics at its core, and the way that plays its role in society.

James Robert Lay :

It's a lot of change role experiencing we've experienced over the last 18 months. Maybe we could even say there's some type of a fatigue that's getting tied into this as well. What can the dear listener do to really prepare their mind, more than anything, to just be open? I know you talk and we've written a lot about first principles thinking, really be open towards of creating a new future, letting go of the past to create the new.

Brett King:

Well, I think the main thing here is adaptability, is not hanging on to your preconceived notions.

James Robert Lay :
Your bias.

Brett King:
Yeah. I have this trailer for the book, and I say the 21st century is going to be the most disruptive humanity has ever lived through and will challenge our most sacred ideologies. That's really very core. Let's just take high level automation. We can have the immediate effect of that as we start rolling out artificial intelligence over the next 10 to 15 years. Certainly by 2035, we see that's where AI disruption will peak. But then play that out another 50 years in terms of the continual development of artificial intelligence.

James Robert Lay :
Massive.

Brett King:
And we won't need to work, right? Most people won't need to work. You certainly won't have work associated with your living costs. There will be no correlation between the work you do and whether or not you have a roof over your head or you get fed. That is a massive change in ideology. So much today, we attach to whether you work hard or whether you are smart enough to get the right job, or with you've had the right education. None of that is going to matter in the future in terms of work, so that's a big change.

James Robert Lay :
That's a great point about attachment theory. We do attach our value, our worth to the "work" that we do. Even looking at the coaching that I've done over the last five to 10 years, it's hard to let go of that, because, no, that's my value. So, that's a huge mental like shift to make right there. Let's move over to the other side of the equation, because we've talked AI, then we got regulation, and then we got ESG. From what I'm seeing, what aspiration is doing around this idea, really bringing environmental cause to the forefront. When you look at this idea of climate impacting the banking space, what should we be aware of and be thinking about there?

Brett King:
Today, we look at the performance of corporations like banks in respect to their economic performance, what's their ROE, what's their net earnings, what multiple are they trading at? All of these elements that are fairly normal in the stock market to evaluate, right? However, now we're starting to see incorporation of new metrics in assessing, not the viability of corporations, necessarily, but looks at whether they're using sustainable materials, if they're producing goods and services. It also looks at things like whether or not from a social policy perspective, these corporations are doing the right thing. So, you put all of this together, and over the next few years, there's going to be a lot of corporations that are really going to find a ton of social pressure because of poor policies.

Brett King:
For example, banks who invest in fossil fuel corporations or banks that invest in coal mines. We've seen in the UK just in the last month or so, naked protestors at the front of Barclays and HSBC protesting their support for fossil fuels. This sort of thing is obviously going to get more and more acute as time goes on, and as the impact of the changes to the climate become more real to everybody. So, I think coming at the other side of this, what we have is a bunch of metrics around what makes you a good corporation that extend well beyond profitability and your share price.

James Robert Lay :

This is something that I've started to talk about with financial brands. It's really developing an MVP, and not being a minimal viable product, but really the conversation has been so focused on mission, has been focused on vision, but then we bring the P in, and that's purpose, purpose beyond just the internal shareholder. But then you're getting to the triple bottom line, people, profit, planet kind of a thing, then you're also taking care of your suppliers. It really is a much larger play at stake. Even on the environmental side, was working with the financial brand out of the Northwest two weeks ago, and they were looking at making an early play. This is a community institution looking at making a national play on the solar side of things, solar lending. They know that they're early on in the game, but they were like, "Yeah, fossil fuels, this idea of an oil economy is one that's dwindling." They know they might be a little bit early to the market at a macro level, but I think they want to be at the precipice of that wave and ride it.

Brett King:

Look, I think that's great that they're doing that. I think those sort of things become increasingly important. There's going to be organizations that are made or broken as a result of this philosophical approach to this thing. I think the one area that is going to be super interesting throughout this process is we do have to think about the economy very differently in the future because of AI and because of climate. We have to ask the question, what is the economy for? There's two potential answers to that. One is it creates economic growth, it creates GDP growth, it creates jobs, it creates trade. This is the economist view of the economy. But on the other hand, the other view is, well, the economy should look after the needs of its citizens.

Brett King:

It should make its citizens happy and healthy. So, on the former, the US is one of the most successful economies the world has ever seen. On the latter, it's a demonstrable failure because of inequality in the gap between rich and poor. So, we have to start to bring those two worlds together and say the economy has to work for its people and also generate economic activity. So, how do we prioritize those two things better than we do currently in the model we have today?

James Robert Lay :

Thinking about all of the chaos, and coming back to your quadrant here, the chaotic piece of this, what should be keeping a financial brand leader up at night? What should they be thinking about and renumeration on here?

Brett King:

I think it's really what's the role of the business that you have, and can you hand on heart say that not only are you an efficient business, you're generating returns and so forth, but are you actively trying to do something that's socially good? Because I think ultimately, if you have a social lens on what you do, whether that's financial inclusion or whether that is not polluting the planet, if you start to build your business that way, you do have to think quite differently about the business. It's no longer just, it doesn't matter. As long as we're generating return, everyone's going to be fine. Right? So, you have to, I think, be a little smarter about the way you build your business in this world.

James Robert Lay :

Something that you talked on before about the economy is being healthy, being happy. Where might we be able to start having more conversations around the correlation between a person's financial wellbeing, physical wellbeing, financial wellbeing, mental wellbeing? What are your thoughts on that?

Brett King:

Well, we can see that in terms of the economic pressure that we've faced over the last few years. This is even before the pandemic occurred. Obviously, we've seen the statistics that the US billionaires accumulated more than a trillion dollars during the pandemic. The world's billionaires surpassed 10 trillion for the first time. You know? So, the top one percent richest in the US own more than the bottom 90%. We've seen these statistics. But even prior to the pandemic, that those economic pressures were very clear upon the world because of the changes already taking place, because of the inequality that's already there, the homelessness and so forth. So, when you look at that as a factor, you see it expressed in society through protests and the likes.

Brett King:

The number of protests in the first 20 years of this century were 200% greater in terms of volume of protests than we've seen in the last 50 years of the 20th century. But participation rates rose by tenfold, 1000% percent. You see that happening all around the world. This is not just happening as a result of the election protests or protests against Trump. We're talking about protests of all sorts of different causes, dissatisfaction with the government, concern about climate change, et cetera. So, when you have this level of dissatisfaction or discontent, the system will break.

James Robert Lay :

Yeah.

Brett King:

Historically, that's what we've found. So, either, Will and Ariel Durant, who wrote Lessons from History back in the sixties, when they studied all of these revolutions and so forth in the past, and governmental systems, they said there's two ways this ends, either redistribution of wealth through legislation, or revolution. That's the inflection point we're coming to in society.

James Robert Lay :

If you go back and you study the, for example, American revolution, you study the civil war and the French revolution, it was going through these economic transformational periods from, like you said, agricultural to industrial, to now technological, to now techno... I mean, really it's just you back and you study history, there's nothing new under the sun, as ancient wisdom says. Let's give the dear listener some hope, right? It doesn't have to be all doom and gloom.

Brett King:

Yeah. There is. There's hope.

James Robert Lay :

What is that? What are you most hopeful about? What could the dear listener be most hopeful about, looking ahead?

Brett King:

Coming out the other side of this, humanity is going to enjoy a period of abundance and prosperity that simply isn't possible with the current system, and something that is sustainable for the entire planet, right? That's the end game.

James Robert Lay :
A new Renaissance, a new golden age?

Brett King:

Yes. New golden age, no one will ever have to worry about putting a roof over their head or putting food in their belly, you know? The work that we do will be full of purpose, like you said before, is when you work in the future, you'll choose to do something that you're passionate about that you think can make a difference, rather than that you have to put food on the table. So, one of the biggest employers over the next century will be climate mitigation, extracting carbon from the atmosphere, building seawall defenses around New York and Miami to stop it from getting flooded, making our infrastructure resilient to extreme weather events. I mean, retooling the energy grids that we have to work off renewables and do battery storage. We're talking about hundreds of millions of people employed in these industries just by early next decade.

James Robert Lay :

Well, look at what Peter Diamandis and Elon Musk are teaming up with, with the new X Prize, \$100 million to pull carbon out of the air and actually do something with that. It really is an exciting time in the banking space. The biggest roadblocks that we just need to be aware of that could prevent us from moving forward down this path to, what I have always said, to create a bigger, better, brighter future for those that are in the communities that we're serving, what's the big roadblocks that we just need to be aware of? Because I think it's awareness. All transformation and growth begins with one thing, telling the truth about where you've been, where you're at, where you could grow next. What's the awareness that we need to bring to the table really at a senior leadership level, and then bring that throughout the organization?

Brett King:

Well, one thing that's become clear during the pandemic is I think that banks actually don't help you financially when it comes to wellness. Banks don't help you save. Now, banks will say, "Well, yes, we do. We provide savings accounts for people." That's not helping people save. You have to change the role that money has in people's lives and get them to think about that differently or use that resource differently to get a different result. Banks have really not done that. In fact, the products that we have, the credit cards, the cash back, the airline miles of rewards, you look at that, we've been stimulated to spend money rather than save money since the creation of the credit card product, at least. When it comes to the immediate impact of the pandemic, we're going to see a lot more focus on financial wellbeing, financial health, and helping people manage their money. The battle of the smart bank accounts is coming.

James Robert Lay :
Yes.

Brett King:

Wallets right now are winning that. If you look at that on a global basis, more people today use mobile wallets day to day for discretionary spending than they do a plastic card. That shift already has taken place over the last couple of years, even before the pandemic, which accelerated it. So, if you are in banking today and you want people to use your bank account and have access to the products and features that you have of that, you must have at its core the ability to help people manage their money. That's what the purpose of a bank account should be.

James Robert Lay :

Yes. I've always said, if you can transform a person's wallet, you can transform their physical wellbeing, their mental wellbeing. They're all interconnected.

Brett King:

It is definitely correlation.

James Robert Lay :

A lot of that honestly starts with the relationship that the individual has with money in and of itself. If we can bring to bear once again awareness to a person's individual spending behaviors, then we can also help them create and reinforce positive savings behaviors. Where do we get started? I always like to end on a very practical perspective. It's been a great conversation, because all change, all transformation begins with that small, simple step first that goes to the next, to the next, to the next. What's your recommendation on where the dear listener could get started as we look to move forward into this new future here?

Brett King:

Go to www.riseoftechnosocialism.com, or wherever good books are sold. No, I think as a thought exercise, or in terms of getting yourself prepared for this future, I think just imagine a world that would give you the freedom to pursue something that you feel really passionately about. What is it that if money was no object and you could spend the rest of your life doing this, what would give you the most satisfaction, and at the same time be something that would be really useful for the citizens around you and the planet as a whole? Start imagining that life, because that life is possible with the future that we're emerging into.

James Robert Lay :

I would build upon that thought. That's a great thought exercise. This is one that I learned from Dan Sullivan, because you mentioned life extension before. Imagine the year that you're going to die, 85. Okay? Then imagine with all of the advances that we're going to see over the next 10, 15, 20 years, okay, what are we going to get? Maybe an extra 30, an extra 40. These are quality years.

Brett King:

Exactly.

James Robert Lay :

Then you subtract, let's just say 125 to 85.

Brett King:

Look at Bill Shatner, 90 going into space.

James Robert Lay :

Space. Yeah. You get an extra 40 years. With that extra 40 years, write down everything that you'd like to do, and then why are you waiting? Start doing some of this stuff now, because I think that's going to give you that purpose, that energy to fuel you further, farther, faster. You're right. I mean, William Shatner going into space, I mean, space, the final frontier.

Brett King:

Exactly.

James Robert Lay :
These are the voyages.

Brett King:
We actually have a quote from Aubrey de Grey in there. Aubrey de Grey is one of the leading scientists that looks at cell senescence and longevity. He says that we will reach escape longevity by 2036. A lot is going to be happening next decade. Escape longevity means where we will be able to stop the aging process. You won't be getting any older. It doesn't mean you'll be getting younger, necessarily, but that's the first thing. Let's just stop ourselves. That's not far away. We're talking about-

James Robert Lay :
It's a controversial subject. Aging is a disease, but it can be treated like a disease as well. You know?

Brett King:
We're talking about roughly the same timeframe from when the iPhone first came out to when we are going to stop aging. It's mind blowing.

James Robert Lay :
It really is. I'm excited. The world that we're getting to create together, it is a world that I am truly hopeful for. I think about my four kids and really what they're going to get to experience. I'm even probably more hopeful for them. It really is. It really is. You mentioned the book before. What's the best way that someone can grab a copy?

Brett King:
Well, again, they can go to the website, riseoftechnosocialism.com. There's the trailer there. There's linked to the different book sellers. Of course it is listed on amazon.com, and barnesandnoble.com. If you can go and pre-order that prior to the release date middle of next month, that'd be hugely helpful for us, because we're getting very close to our goal of getting this book listed on the New York Times. Every book that's pre-ordered helps us towards that, because the first week they ship, all that volume gets counted.

James Robert Lay :
We should be releasing this right before that time period. What is that specific release date, just for context?

Brett King:
November 21st is the global release date. November 21.

James Robert Lay :
Yeah. So, the dear listener, please do go grab a copy. Let's get this as New York Times best seller. It's an important read. It's one that I'm excited about. Don't forget to tune into Brett's podcast too. Keep learning from him, breaking banks, a lot of good stuff over there. Brett, as always, thanks for joining me, man. This has been a fun conversation today.

Brett King:
Fantastic, JR. Thank you, and keep growing. Keep moving forward.

James Robert Lay :

As always and until next time, be well, do good, and make your bed.