

**Catholic Association of Latino Leaders (CALL) Speech
Chicago, IL**

Remarks as Prepared for Delivery by Andy Puzder

¡Muy buenas tardes! Es un placer estar aquí con ustedes.

Thank you, Letty for the generous introduction and my thanks to Archbishop Gomez, for inviting me to join you today and to discuss something I love, the free enterprise system - an economic system that lifts people out of poverty and empowers individuals - creating more freedom and opportunity - than any economic system ever devised.

When government allows free enterprise to thrive, when it motivates us to use our God-given talents to innovate and create, when it acknowledges our economic freedom and individual liberty, it offers every individual the opportunity to succeed, to improve their lives, and to assure their family's wellbeing. It opens up the potential to lift the standard of living for our nation, if not the entire world, and to give back to our communities and to those in need.

And the key here is empowering people to improve their lives. When there's the kind of economic growth that only a free enterprise system can produce, when individuals can benefit from taking risks, when private sector businesses thrive, there are good paying jobs, wages

increase as employers compete for employees, and career paths open to the middle class.

When we increase opportunity, we affirm our Christian values by reducing poverty, despair and hunger. More children have enough to eat, more of the elderly and infirm have healthcare, and more parents are able to care for their families. Our enemy is poverty. Our remedy is the free enterprise system.

With that in mind, I'd like read a quote from one of my personal heroes - President Ronald Reagan - that succinctly summarizes what I'll be speaking about this afternoon. The President said:

“We who live in free market societies believe that growth, prosperity and ultimately human fulfillment, are created from the bottom up, not the government down. Only when the human spirit is allowed to invent and create, only when individuals are given a personal stake in deciding economic policies and benefiting from their success -- only then can societies remain economically alive, dynamic, progressive, and free.”

Given CALL's dedication to the growth and spirituality of our Latino leaders, I consider today's topic timely and critical. Our Latino community has a strong history of business success attesting to the strength of Latino entrepreneurial spirit.

According to a Forbes article from last year, “Latinos in the United States owned an estimated 3.3 million businesses in 2012, nearly triple the 1.2 million of 1997.” In other words, Latinos are starting businesses, putting people to work and helping drive our nation’s economic growth.

Our country desperately needs entrepreneurial leaders who will help create the kind of environment where the human spirit can soar and Latinos are helping lead that charge.

So, my goal is to see if I can impart a more profound understanding of the positive force the free enterprise system can play in our lives, its historical role in lifting the world from a state of widespread poverty and its continuing potential to lift us all, allowing us to fulfill our God-given potential.

As Letty mentioned, I’m Andy Puzder, CEO of CKE Restaurants, which you’ll know as Carl’s Jr. or Hardee’s – Red Burrito or Green Burrito - depending on which part of the country you’re from. By training, I’m an attorney who became a CEO about 16 years ago.

Although I’m a CEO and an attorney today, I didn’t grow up rich. I grew up in a working class family from Cleveland, Ohio. My first job where I got a paycheck was scooping ice cream at Baskin and Robbins for about a buck an hour, the then prevailing minimum wage.

I worked my way through college and law school without government or family assistance by painting houses, cutting lawns and

busting up concrete with a jack hammer in St. Louis in the middle of summer.

I worked all sorts of jobs, was always grateful to have the work and never felt that any of this work was below me.

But I grew up in a different time with different attitudes. I was a kid in the 50s and 60s and was always taught that I could be whatever I wanted to be if I was willing to do the work.

I was never told that other people had more than they deserved or that we had less. My Catholic upbringing taught me that jealousy and resentment were wrong and that if I put my faith in God and worked hard to fulfill my potential; everything else would take care of itself. Thankfully, I had a great role model in my father who always told me to work like it depended on me but to pray like it depended on God.

My Dad supported our family of 5 as a Ford car salesman. When I was about 10 (around 1960), I went with him to deliver a car to a very wealthy individual in a very wealthy area: Sort of Downton Abbey wealthy, in Hunting Valley, Ohio.

We pulled through the ornate gate and I saw this huge beautiful house *that dwarfed* the little ranch house the five of us lived in. As my Dad drove past it, I asked why he didn't stop. He said it was the guest house.

Then we drove by these imposing stables. Dark woods, beautiful horses, people in livery. Even the stables were more impressive than our little ranch house.

Finally, we pulled up to the main house, which was stunning, and we walked up to the main entrance. Mr. Humphrey, the owner, actually came to the door himself, took the keys, thanked my Dad and gave my Dad the keys to his trade in.

Dumbfounded by the incredible wealth around me, as we walked back to the car, I asked my Dad what Mr. Humphrey did. My Dad said, “He’s a lawyer and he runs a business.”

I can still remember thinking: “A lawyer, I could be a lawyer.”

The notion that it mattered what percent we were in or that Mr. Humphrey had so much wealth when we had so little never even occurred to me. What occurred to me, what excited me, was: “I could do that.”

And eventually, I did. But the first step on that path was believing that I could.

There has never been a country in the history of the world where a working class Catholic kid like me could aspire to that level of success with any realistic chance of achieving it.

I believed that I could - and thank God - I lived in a country that honored that belief.

I want to talk about why preserving that belief is still so important today and the depth of the tragedy that would ensue should we start believing in our government - and the people who wield its power - more than we believe in ourselves.

So let's start with what brought about the biggest material change - not spiritual, that came from our savior Jesus Christ, but material - change to the human condition in history: Adam Smith's free market capitalism.

This will be a very general overview and will have the problems that come with generalities, but I want to set the context for understanding the incredible positive and uplifting power of free markets and individual liberty—as well as the destructive nature of consolidating power in the hands of a few individuals through the oppressive force of government.

Prior to the 18th century, economic power was essentially vested in the landed aristocracy or urban patricians who controlled the government. Concepts of liberty and freedom were intended to protect their privileges against the increasing power of absolute monarchs. Those with power maintained a level of freedom for themselves while subjugating the majority of the population; if necessary, by force. Subjugation was necessary because throughout history, the great majority of people lived in abject poverty.

Generally these systems were based on military conquest. You won the war, parceled out the land to your supporters who ruled as aristocrats—with little or no concern for the masses.

Aristocrats owned the land and the land produced wealth. There simply weren't enough jobs for everyone and people generally either found a trade (like blacksmiths), joined the military, joined a religious order, worked the land as serfs—or starved.

As oppressive as this was, the economic systems of the day simply were incapable of feeding everyone, much less allowing people to improve their lives or even imagine a better future for themselves or their children.

Then came capitalism.

Artisans' shops which had previously catered to the privileged class became factories catering to the masses, many of whom were now employed in those very factories.

Capitalism and the industrial revolution are often criticized for mass production, but it's important to keep in mind that it was mass production for all, rather than limited production for the wealthy.

Consumers – not ruling aristocrats –would now make decisions through their collective purchasing power and would guide the economy, determining whether one business succeeded and another failed. The serving class, the peasant class became the consumer class. And, those

who ran the economic engines now became subject to the desires of that greatly expanded consumer class.

Henry Ford didn't make cars for royalty. He made the model T for the common man and woman. Over a century later, Steve Jobs didn't make I-Phones for aristocrats; he made them for the masses.

Rather than impoverished masses catering solely to a ruling elite—the ruling elite were now concerned with finding the best way to please the masses.

Over time, the slaves and the serfs disappeared. They became patrons, buyers, consumers who - in an economic form of democracy - voted with every dollar they spent, no longer restrained by the whims of an aristocratic hierarchy that believed it was entitled to rule due to its superior intellect and birth.

By allowing the human spirit to invent and create, giving people a personal stake in deciding economic policies and benefiting from their success, capitalism encouraged innovation across a broad spectrum of society with people from every walk of life striving to come up with the next great idea, the next product or service consumers couldn't live without.

Capitalism also increased productivity, making work pay and vastly increasing the number and value of jobs: Adam Smith's invisible hand

was lifting more people from poverty to prosperity than the oppressive fist of government ever had.

In the United States, the release of this dynamic entrepreneurial energy resulted in the most innovative society the world has ever seen, creating more wealth and spreading it across broader demographics than any nation ever had.

In 1776, 13 colonies rebelled against the ruling aristocracy because of government economic repression. They won that fight and set up a limited government that respected economic freedom and individual liberty. As a result, by 1885, within a mere 110 years, these backward colonies became the world's largest economy.

Think about the difference this created for the common man or woman. My grandfather grew up impoverished in the Austro-Hungarian Empire just before WWI where a ruling class of aristocrats still controlled all economic benefits, where consumers' desires were irrelevant if not distained, and where the opportunity to improve his position was non-existent.

His future held little opportunity to be anything other than a peasant lucky to eke out a living as a serf beholden to a landed aristocrat. As a teenager, he left his home and his family and came to America.

He died having fulfilled his dream of owning his own home and having two children with high school educations, small dreams by today's standards. Huge dreams at the time.

His son sold Fords and his grandson would start his career scooping ice cream for minimum wage at Baskin and Robbins - but saw no barriers to his dreams - and became a lawyer who now runs an international corporation and gets to speak to impressive groups like the one gathered here today.

But for the economic opportunities of our free market economy, which drew my grandfather like a magnet to leave his home and his family for a better life while still a teenager, I'd probably be a bald and toothless farmer sitting on a porch in Slovakia rather than a CEO addressing you this afternoon.

Our free market economy has offered millions of people like my grandfather the opportunity to make a better life for themselves and their families; it's opened the door to success based solely on the commitment to give an honest day's work for an honest day's pay in a nation where success is determined not by your birth but rather by your desire to work harder, longer or smarter than the next guy.

Another person who took advantage of this opportunity - and to whom I owe a great debt - was our company's Founder and a devoted Catholic, Carl Karcher. A bread truck driver also from Ohio with an 8th

grade education and a belief in the American dream, in 1941 he and his wife Margaret borrowed \$315, bought a hot dog cart and started a business on a street corner in South Central LA.

That \$315 investment has grown into CKE Restaurants, CKE stands for Carl Karcher Enterprises, the international corporation it's been my privilege to lead for the past 16 years with a system that today employs close to 100,000 people worldwide and generated over \$4 billion in system wide sales last year in 3,700 Carl's Jr. and Hardee's quick service restaurant in 44 states and 38 foreign countries.

Countries as diverse as Mexico, Brazil, Columbia, Equator, Costa Rica, Guatemala, Russia, China, Japan, Viet-Nam, Saudi Arabia, Kazakhstan, India, Egypt, Iraq, Australia, New Zealand, Denmark and Turkey. We'll open in Kenya next month. Later this year we'll open in Chile and Cambodia. Within the next two years, we'll open in Spain and France. All from a \$315 investment in a hot dog cart and a belief that in America, if you had the will to succeed, you'd have the opportunity.

But this phenomenon of free enterprise driven economic growth isn't limited to the United States. Free market capitalism has reduced poverty and created opportunity worldwide. In 2013, [*The Economist*](#) estimated that one billion people had been removed from the ranks of extreme poverty over the previous twenty years because of American style free-market capitalism.

The [World Bank also reported](#) that the number of people living in extreme poverty worldwide “has decreased dramatically in the past three decades, from half the citizens in the developing world in 1981 to 21 percent in 2010, despite a 59 percent increase in the developing world population.”

The collapse of the Soviet Union’s socialist economy resulted in better standards of living for millions of Eastern Europeans. China’s move from militaristic socialism to Red Capitalism has significantly reduced poverty in the world’s most populous nation and India’s move to an open economy has reduced poverty in the world’s second most populous nation.

The Index of Economic Freedom published by the Heritage Foundation and the Wall Street Journal has examined rising economic freedom and declining extreme poverty across the globe for over 20 years. The Index’s [2016](#) edition featured an essay entitled “Antidote to Poverty: Economic Freedom, Not Government Dependency.” It stated that “as the global economy has moved toward greater economic freedom over the past two decades, real world GDP has increased by about 80 percent, and the global poverty rate has been cut in half, lifting hundreds of millions of people out of poverty.”

As these numbers indicate, the world desperately needs economic growth to offset increasing populations and to reduce both poverty and starvation. Free markets have been the key to that economic growth.

The ability to keep the benefits of your success, to make a profit, incentivizes people to take risks, to invest their time and capital, to open new businesses, to expand existing businesses and to create jobs. It also equips you to be personally generous and charitable with your resources for the benefit of those in need.

Without the incentive of personal success, without profits, the world's economies would revert to *the* poverty - the oppression – the hunger - and the disease that ran rampant prior to free market capitalism. Economic freedom and personal liberty have changed the world for the better and have improved all of our lives.

Our enemies are poverty, despair and starvation. The remedy is economic freedom, individual liberty and free markets.

So, what are we doing here in the United States with this incredible gift of a free enterprise system that gives everyone the ability to dream big and the potential to succeed beyond those dreams?

Well, over the past seven years, we've seen a disturbing move away from individual responsibility and reliance on free markets to a dependence on government.

As President Reagan once said: “There's a clear cause and effect here that is as neat and predictable as a law of physics: as government expands, liberty contracts.”

As usual, he was right. The reality is that when government takes power, it takes it from someone. That someone is you.

Whenever government gives you something, it takes something from you: your independence, your freedom.

So, why do some people want to expand government power and diminish this incredible free enterprise system?

Some are well-intended, they believe government can be a force for good and government certainly has a function. The Constitution's preamble states that our government was formed to establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the Blessings of Liberty. That's all good, but government cannot - nor should it try - and solve all of our problems.

We have a safety net for those unable to care for themselves. That makes sense and is wholly consistent with our Christian values. We are a rich nation and thanks to our free enterprise system, we can afford to be charitable. We are the most charitable nation in the world.

But the reality is that an empowered government inevitably falls under the control of people who view themselves as an elite group entitled

and better able to make decisions for us because they believe we are incapable of making intelligent decisions for ourselves.

As a growing community of young entrepreneurs, Latinos are among those who stand to lose the most by the growth of big government and the decline in economic freedom.

Over the last 7 and a half years the very visible fist of government has been particularly destructive. We've seen \$800 billion in so called government "stimulus" spending putting money in the hands of businesses and individuals the government selected, something the government does very poorly and often for the wrong motives. Think Solyndra and Fisker.

Government spending on projects intended to infuse cash into the economy created nothing real or permanent. The problem is that businesses don't invest for growth tomorrow based on temporary government benefits today. Think cash for clunkers.

But what about infrastructure investments? The supposedly shovel-ready projects that weren't. While investment in infrastructure is both a proper function of government and necessary, at best it's a temporary driver of growth.

Businesses obviously need roads and bridges to get goods to market and people obviously need them to get to their jobs. Politicians hoping to

show at least some short-term job growth often find such projects particularly appealing.

But, you don't build roads and bridges to create jobs. You build roads and bridges because people need to get to their jobs and businesses need to get goods to market.

Rather than roads and bridges creating jobs, its American workers and businesses that create the need for roads and bridges, as well as the tax dollars to pay for them.

You create jobs and economic growth by building a business, not a bridge.

We've also seen the effects of Dodd-Frank legislation intended to regulate the financial sector but resulting in massive closures of community banks, unable to afford the costs of government compliance. These are the very banks small businesses depend upon for growth. And the economy, in turn, depends on those small businesses for its growth.

Obamacare is still unpopular with its mandates and penalties that oppress business growth and seek to bend religious beliefs to the will of the elite secular agenda - think [Little Sisters of The Poor](#).

ObamaCare had turned our healthcare system on its head and is rapidly entering a death spiral as the economic assumptions upon which it was based collapse.

We need healthcare reform, but it needs to be healthcare reform that works and is vetted through congressional hearings, not rammed through Congress by elitist politicians who choose to pass it before they find out what's in it.

The brutal truth is that these policies along with increased taxes and burdensome regulation have produced a discouragingly anemic recovery since the Great Recession ended.

The Obama Administration promised 4% GDP growth if Congress approved its \$800 billion in stimulus spending. But, under President Obama, economic growth has failed to materialize. In fact, GDP growth has languished at a disappointing 2.1% since the recession ended. For the last year, the economy has grown an average of just 1.2%, dangerously close to recessionary levels.

The economy is so weak that the Federal Reserve is afraid to raise interest rates one quarter of one percent.

This is exactly the kind of meager growth you get when government overtaxes and overregulates.

After more than seven years of “recovery,” 5.2 million more people are working now than were working when the Great Recession began in December 2007. However, the employable population has increased by 20.4 million people—that's almost four times the number of people that found jobs.

Perhaps more disturbing, just 2.3 million of those who found jobs found full time jobs. In other words, over half (56%) are working part time.

A part time job may well be the path to a career but there needs to be a career at the end of the path. With the economy lagging and the Census Bureau reporting that business closures have exceeded business startups throughout the Obama Presidency, good paying jobs for working and middle class Americans are in short supply.

These numbers have consequences. A recent Pew Research study found young adults more likely to be living in their parents' homes today than at any time since 1940. According to the Congressional Budget Office, nearly one in six young men is either jobless or incarcerated, up from about one in 10 in 1980, when the economy was in recession - not recovery.

Working and middle class parents understand these numbers all too well. After seven years of an anemic recovery, a recent poll from YouGov found that two out of three Americans believe either that the economy has yet to recover (55 percent) or will never recover (12 percent). In a recent Gallup poll, Americans said the economy was the single most important issue the next president should address. And they're right.

The obvious solution is to implement free market policies that encourage economic growth, capital investment and the creation of good

paying jobs. That's how you reduce poverty, create opportunity for working class families, open paths to the middle class and reduce income inequality.

The lesson of the past seven years is that policies designed to reduce income inequality, such as over-taxing the rich and increasing the cost of employing people, will not grow our economy. However, growing our economy would reduce both income inequality and poverty.

The problem is that the people who champion big government policies - no matter how well intended - simply don't understand how job and careers are created.

Their assumption seems to be that the jobs will be there no matter what they do to expand government and impede the ability of businesses to grow. Clearly, over the last 7 and a half years, we've learned that just isn't the case.

Its individuals driving American businesses and innovation that create jobs which, in turn, give people access to the kinds of opportunities they need. This strengthens our society in a way government could never hope to do.

So, let's talk about how that actually works.

At CKE Restaurants, for example, we're over 90% franchised. As Letty and her husband Art can tell you, our franchisees are small business

owners who create entry-level jobs and management careers every time they open a Carl's Jr. or a Hardee's.

After opening, each restaurant creates about 25 permanent and self-sustaining jobs within the restaurant itself. But the job creating impact of our restaurants is felt far beyond the restaurant itself.

Franchisees generally invest more than \$1 million to permit, build and equip a restaurant, creating jobs for architects, attorneys, construction workers and equipment manufacturers.

Our approximately 3,000 domestic restaurants spend more than \$1 billion every year on food and paper products. That creates jobs for everyone from the farmers who plant the seeds or tends the herds to the truck drivers who deliver these products to our restaurants.

We also spend about \$175 million a year on advertising, great for actors and workers at ad agencies, as well as radio and TV station employees.

We spend \$150 million annually on capital improvements, remodeling restaurants, and purchasing new equipment. This spurs opportunities for construction workers and equipment manufacturers.

Then there's the roughly \$100 million put toward annual maintenance. Providing jobs for window washers, air conditioner repairmen and landscapers.

These workers in turn spend their incomes on food, clothing, housing, medical care, education and entertainment—supporting even more jobs. The more restaurants we build, the more jobs and the more growth we create in local economies.

Collectively with our franchisees, CKE provides employment directly for more than 75,000 people in the U.S. and supports jobs for hundreds of thousands of others outside our restaurants. Think of these ancillary jobs as concentric circles of job creation emanating from each of our restaurants.

This incredible engine of economic growth applies to every part of the American economy. Whether Ford, Apple, Caterpillar, Wal-Mart or Coca-Cola, the web of job creation is the same and overlapping.

And there's an added benefit for society, when companies do well, they're more likely to increase their charitable giving which has a very positive impact on society.

Our Founder, Carl Karcher, stressed the need to give back to the communities in which we do business. It's hard to find a charity in the Los Angeles - Orange County area that he didn't support.

Today at CKE, for example, we have our annual *Stars for Heroes* campaign, which has raised nearly \$7 million since the initial launch back in 2011 and which harnesses the compassion and generosity of Carl's Jr. and Hardee's customers, franchisees and employees to support our

nation's heroes, including active-duty military, veterans and their families. But that's just at CKE and that's just one example of our charitable giving.

When businesses thrive, all of these benefits - all of these jobs - all of this opportunity - multiplies, not just for individuals but also for society at large. Is it any wonder that within a mere 110 years, those 13 backward colonies became the world's largest economy and remain the largest economy on the world to this day?

So the solution to reducing poverty, hunger and despair is to help businesses thrive as President Reagan did by simplifying the tax code, reducing burdensome regulations and getting government out of the way. Make it easy to create jobs and America's entrepreneurs and innovators will take it from there.

American workers could have experienced meaningful job and wage growth years ago had the current administration followed a free market path guided by America's consumers and businesses.

But, President Obama chose the fist of government by increasing both regulation and taxes while using government bureaucrats to allocate resources. Their approach has caused American workers to suffer through the feeblest economic recovery since the Great Depression. And we stand here today weakened economically should another financial crisis arise.

It's time to get back to what works. Free market capitalism has allowed us to build the single greatest engine of growth and shared prosperity that the world has ever known. Free enterprise enables all of us to both "dream big" and to fulfill those dreams. Government does not.

Now, I want to make one thing clear before I wrap this up. I'm not advocating for a laissez faire system that leads to blind and selfish consumerism or greed. Buying for the sake of buying doesn't improve your life, and making more money simply to increase your wealth doesn't lead to personal happiness or spiritual fulfillment.

And, while the free enterprise system has incredible benefits and potential, because God gave us all free will, there will always be those who take advantage and choose the wrong path no matter how uplifting the alternatives.

Government has a role here in preventing those who would manipulate our free market economy to oppress those who are economically disadvantaged. However, the government's function is to keep the free market free, to keep the playing field level, not to repress individual initiative through regulation and taxation that destroys the incentive to succeed.

We should never succumb to the idea that a small group of elites, however they're chosen, can create our future for us. By empowering government - at the expense of our economic freedom and personal liberty

- we are replacing the aristocracies of the past with government elites of today.

The brilliant economist Fredrick Hayek called this the road the Road to *Serfdom*. That's the very road my grandfather came to America to avoid. That's the very road many of you - or those who came before you - came to America to avoid.

History has shown there is only one road to empower consumers, inspire innovation, create opportunity, and meaningfully reduce poverty, despair and hunger - and that's the free enterprise system.

As Latino leaders from across the nation, I call on you to ensure that we remain that hallowed place where free individuals thrive – reaching new heights and lifting us all in their wake.

Please both work and pray for the parents who fear for their children and the children who fear for their futures. Our nation stands at a precipice. As Christians, our enemies are poverty, despair and hunger. Our ally in that fight is America's free enterprise system.

I implore you to diligently and faithfully work to ensure that we elect only people who will protect our liberty, affirm our economic freedom and ensure the promise of a better tomorrow.

¡Que Dios bendiga a cada uno de ustedes! And may God bless the world's last and greatest hope for economic freedom and individual liberty - The United States of America. ¡Gracias!