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Midlands, Page 4B
Donations, fundraisers and other charitable activities. **Good Deeds**

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LOTTERIES

POWERBALL

Saturday, Aug. 3: 21-24-36-42-45. **Powerball:** 15. No jackpot winner. **Jackpot for Wednesday, Aug. 7:** $400 million.

MEGA MILLIONS

Friday, Aug. 2: 8-21-23-25-39. **Megaball:** 4. **Megaplier:** 2. No jackpot winner. **Jackpot for Tuesday, Aug. 6:** $20 million.

NEBRASKA

Pick 5 — Saturday, Aug. 3: 18-19-20-23-35. One winning ticket sold for $54,000 jackpot. **Jackpot for Monday, Aug. 5:** $50,000.

MyDaY — Saturday, Aug. 3: 12-28-37.

2by2 — Saturday, Aug. 3: red 3-4; white 13-21.

Pick 3 — Saturday, Aug. 3: 0-6-9.

IOWA

Cash Game — Saturday, Aug. 3: 6-13-19-32-34.

Hot Lotto — Saturday, Aug. 3: 2-4-29-38-41. **Hot Ball:** 7.

Pick 3 — Saturday, Aug. 3: midday 5-7-7; evening 2-1-8.

Pick 4 — Saturday, Aug. 3: midday 0-0-0-8; evening 9-2-9-4.

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New York Times sells Boston Globe for $70 million

John W. Henry, owner of the Boston Red Sox, is buying the newspaper.

THE NEW YORK TIMES

The New York Times Co., in its latest move to shed assets and focus more on its core brand, has agreed to sell the Boston Globe and its other New England media properties to John W. Henry, principal owner of the Boston Red Sox.

The sale, for $70 million, would return the paper to local ownership after two decades in which it struggled to stem the decline in circulation and revenue. The price would represent a staggering drop in value for the Globe, which the Times bought in 1993 for $1.1 billion, among the highest prices paid for a U.S. newspaper.

At the time, the Globe was one of the nation's most prestigious papers in a far more robust newspaper environment. But like other newspapers, it began to lose readers and advertisers to the Internet, and revenue plummeted. The Times Co. has taken several write-downs related to the New England Media Group, and in February it said it was putting the Globe and other assets in the group up for sale.

For the Globe, the planned sale restores a Boston connection that prevailed for 120 years under the Taylor family, which owned the paper from 1873 until its sale 20 years ago. While not from Boston, Henry has for the last decade been active in local sports, and his Fenway Sports Group owns the Red Sox, Fenway Park and 80 percent of the New England Sports Network. It also owns the soccer club Liverpool FC in the English Premier League.

"This is a thriving, dynamic region that needs a strong, sustainable Boston Globe playing an integral role in the community's long-term future," Henry said in a statement about the sale. "In coming days there will be announcements concerning those joining me in this community commitment and effort."

In addition to the Globe, the sale includes BostonGlobe.com; Boston.com; the direct-mail marketing company Globe Direct; the company's 49 percent interest in Metro Boston, a free daily paper; Telegram.com; and the Worcester Telegram & Gazette. The Times bought the Telegram & Gazette for $295 million in 1999.

Henry is buying the media group without partners through his acquisition company; under terms of the sale, he does not have to assume the Globe's pension liabilities.

The all-cash sale is expected to close in 30 to 60 days.

For the Times Co., the New England Media Group was the last big asset in a portfolio it had been downsizing for several years. The acquisition of the Globe in 1993 was part of the company's strategy to solidify its grip on the eastern corridor advertising sector and to have a presence that stretched from Maine to the District of Columbia.

At the time, in addition to its flagship New York newspaper, the Times Co. owned 31 regional newspapers, 20 magazines, five television stations, two radio stations and other businesses. It also had a half-interest, with the Washington Post Co., in the International Herald Tribune.

But in recent years the Times Co. has been divesting itself of assets to focus on developing its core title, the New York Times. In 2012, the company sold its 16 regional newspapers. Last year, it sold the About Group to IAC/InterActiveCorp for $300 million.

Hansen: Only one in a dozen of poorest Omahans will become rich

Continued from Page 1

featured a waterfall, 600 newly planted trees and $1 million worth of paintings and sculptures that Hoich bought by the dozens.

He owned part of a Memorial Stadium skybox, flew on a private jet and donated so much money to local charities that they named things after him: Omaha Westside High School's John Hoich Alumni House and the John L. Hoich Center for Recovery.

And then there were the exotic animals. A couple of zebu, a hump-backed breed of South Asian cow. Miniature horses and miniature donkeys. Llamas and goats. Those rare deer imported from New Zealand, and the camel that Hoich's twin boys loved as children.

Three hundred animals and Hoich continued to buy more each month, just as he bought more strip malls and housing developments. He assumed that the money from those deals would keep funding the sculptures and the private jet and Bumpy the Camel. Just like it always had.

See, to understand John Hoich's rise, you need to understand where he came from.

To understand his fall, you also need to understand where he came from.

But to understand that morning of Nov. 1, 2008 — to understand those frightening days at the leading edge of the Great Recession — you need only to picture the worried look on his accountant's face.

As he sat down, John Hoich knew he had more money than almost anyone in Omaha not named Buffett.

By the time he got up, he knew he didn't.

"This isn't going to be pretty," the accountant told him.

* * *

It began with a single Craftsman lawnmower his mother had bought from Sears.

Now John Hoich's mom was gone — dead at the age of 39 — and his dad was nowhere to be found. The 16-year-old was orphaned and even poorer than he had been before.

So in 1974, he took the old lawnmower, partnered with a friend who already worked for Omaha bigwig and anti-cholesterol crusader Phil Sokolof, and together they persuaded him to let them mow his lawn.

He got a second gig mowing the lawn next door to where Hoich lived with his new foster family.

Those two jobs became four, and then eight, and then two dozen.

John Hoich bought the lawn care company's first truck. He hired its first employees. He started to make real money. He was still 16 years old.

Not many stories like John Hoich's exist in the United States, but as it turns out they are more likely to exist in certain places — like Omaha — than they are elsewhere in this country.

The social mobility study, a long-time collaboration between Harvard University and University of California-Berkeley economists released last week, shows that certain cities, including many on the West Coast and in the Great Plains, are more likely to produce rags-to-riches stories than cities in the Midwest and Southeast.

In Omaha, 8.6 out of every 100 people who are born into poverty end up climbing to the top fifth of earners. That is double the number in Atlanta and Charlotte, for example, though still lower than San Francisco (11.2 percent) or Boston (9.8 percent).

And this isn't a function of a city's overall wealth, the report's authors say. Residents of Atlanta, for instance, have an average income that's virtually identical to that in Seattle — except that poor Seattle residents are three times as likely to become rich as Atlanta's poor children. It's also not (at least overtly) a function of politics, as the odds of escaping poverty are about the same in Republican and Democratic areas, according to a New York Times analysis of the data.

But the researchers identified several factors that do matter in determining whether a city is fertile ground for upward mobility. Factors, as it turns out, that were present in the teenage life of John Hoich.

The first is a good educational system. The second is a city containing neighborhoods or other places where people of different incomes tend to mingle.

This isn't just book learning, school learning," says Eric Thompson, a University of Nebraska-Lincoln economics professor who has studied income mobility. "You can learn skills by interacting with people in a different life situation for you. It expands what you know. It expands what you can do."

John Hoich attended Omaha Westside High School, where he believes he got a great education as well as the support of teachers and guidance counselors after his mother died.

At Westside and later in the west Omaha neighborhood where his foster parents lived, he got to know teenagers whose parents were middle-class and other teenagers whose parents were upper crust.

He was one of the poorest students at Westside, Hoich says. And that, he thinks, may have been his greatest stroke of luck.

"Being around that atmosphere separated me from the idea that I didn't have any money or any parents. It impacted me in a positive way like, 'Hey, I can do that, too.'

"I've often wondered if I could have done what I did had I attended another school, and I'm just not sure I could have."

Hoich took business classes at the University of Nebraska at Omaha, using his lawn care profits as well as a scholarship from the lawnmower company Toro to pay for school.

He joined a local Rotary club at the tender age of 19, and soon he was hobnobbing with the members — and mowing all their lawns.

Mowing home lawns turned into mowing businesses' lawns, then corporations'.

He bought a house with the profits, and then a duplex, and then an 80-acre farm, and then a shopping center.

By the age of 30, John Hoich had made his first million dollars. He knew many more millions were on the way. He could see the summit.

He could not see the long way down the other side.

* * *

The single worst deal was named in honor of Standing Bear, the famed Ponca chief.

Some honor.

Hoich and a business partner developed the Standing Bear shopping center at 144th and Fort Streets even as the American economy began to show clear signs of strain in 2007.

Just one problem: By the time Standing Bear opened, no one wanted to rent a space in it.

As the recession crashed over him, Hoich sold Standing Bear. He lost $3.2 million in the deal.

"I've been on the planning board for 16 years, and the last thing I always tell anybody is, 'We do not need another strip mall in Omaha, Neb. Not a single one.' " he says.

Which is fascinating, because even as Hoich was dispensing that advice to others, he was continuing to buy and develop and sell those high-risk, multi-million-dollar properties faster than most people start and finish a tube of toothpaste.

In retrospect, it is easy to see the warning signs of his fall even as he continued to climb.

He expanded, then expanded some more: a second lawn business, this one focused on maintenance at military bases across the country. Hotels and a meatpacking plant. An ethanol plant that "didn't go at all well." These were businesses he knew less and less about — ventures further and further from his core business and humble beginnings.

His spent more and more money, both on himself and his ever-wider circle of friends. By the early 2000s, he owned almost $1 million worth of art. He felt like a one-man Ticketmaster, dispensing free passes to his skybox or to big Omaha sporting events to every extended hand.

Even his philanthropy was out of control — Hoich estimates he's given away $8 million. He's only 55 years old.

"I probably should have listened to Warren Buffett and kept investing and given it away later in life," he says. "I don't regret any of the money I gave, but …," his voice trails off as he shakes his head.

Hoich financed all this spending with loans. He piled debt on top of debt, which worked just fine for more than three decades. Then it didn't.

That day in his accountant's office marked the beginning of a one-man fire sale.

He sold Standing Bear, and then nearly every debt-laden shopping center and commercial property he owned.

He sold his house — the one that he'd put almost $4 million into, he says. He sold it for $1 million, to a church that now uses it as its headquarters.

"I like to say I gave the other $3 million to Jesus," he says.

He sold almost $60 million worth of assets in all, he says, and almost every penny went to pay down debt.

Losing money wasn't even the hardest part — that was the loss of control, the sense that he was sliding and couldn't do a darn thing to stop it.

So, the big question: Why? Why not stop with the two lawn care businesses, both of which proved wildly successful? Why not pull back and diversify and enjoy life after your first $20 million?

Hoich is sitting on the back deck of his new house — a nice one, but no mansion — when he is asked this. He leans back in his chair and begins to describe the face of a man who has come home drunk and violent. He's beating his son, beating him so hard that the boy will later have to go to school and invent reasons for his black eyes.

But the physical pounding isn't the worst part, Hoich thinks. The worst part is what the man is saying as he beats his son.

You are a piece of crap, he tells his son. You will never amount to anything.

You are worth nothing. You are nothing.

The father is a one-time South Omaha bar owner who lost the bar to the bank after he drank all the profits, divorced his wife and then missed most of the child support payments. He disappeared and died young after he pickled his liver with booze.

The son is John Hoich.

It is like this, Hoich says as he sits on his back deck. Sometimes a self-made man knows only the accelerator, not the brake, because he never had anyone teach him to drive.

Sometimes a self-made man feels he needs to have the biggest house, the fastest car, the best seats at the Nebraska football game, to prove something to those Americans who have been rich for several generations.

Sometimes a self-made man is fighting a ghost.

At this point, I do not have the heart to tell John Hoich that the researchers in that groundbreaking study on social mobility found another reason why some cities produce more rags-to-riches stories than others.

It may prove to be the single most important factor in social mobility, other experts think.

That factor: stable, two-parent homes.

* * *

A funny thing happened to John Hoich on the way down.

Eventually the fall didn't hurt anymore. Eventually down started to feel like up.

Oh, don't get him wrong: He has plenty of bruises. He got divorced, laid off dozens of employees and grew so despondent that several friends began calling him three times a day just to make sure he was OK.

John Hoich went to therapy. He started going to church more. He started to think more about what he had done and why.

"The whole time I thought it was the second house, the private plane, my net worth," he says. "That was how we kept score. That was the summit.

"But then I got there, and I didn't feel like I accomplished much. I just had stuff … it was just this stuff, and I couldn't even use the stuff because I was so busy!"

These days John Hoich lives in a nice house in a nice neighborhood. He runs his two lawn care businesses and a couple of small real-estate ventures and employs around 30 people.

He spends more time with his twin boys, who are now 16. They just got back from a fishing trip.

They went to Minnesota instead of an exclusive fishing resort in Manitoba.

They bought plane tickets instead of a private jet, and rented a cabin instead of buying one, and rented a boat instead of buying that, too.

No cellphone deals with lawyers. No need to buy the art they saw when they went into town.

Just the three of them, all by themselves, for two weeks.

"I wish I would've stayed under the radar more like that," Hoich says. "I wish I would've been more humble, kept the ego out of business.

"But I really feel like I've reinvented myself now. My job now is to make sure my sons know the new me."

It was one of the best trips John Hoich has ever taken.

It was the American Dream, he thinks. His new American Dream. The real one.

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REBECCA S. GRATZ/THE WORLD-HERALD

John Lee Hoich in his home office. It's quite a change from the palatial surroundings he once lived in, after rising from nothing to become one of Omaha's richest men, then suffering big losses in the Great Recession.