

CORPORATE PHILANTHROPY -- VIEW FROM THE EXECUTIVE FLOOR
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IT IS A SPECIAL PLEASURE FOR ME TO BE WITH YOU TODAY. I SHARE THE GOALS OF THE INDEPENDENT SECTOR. I APPLAUD THE WAY YOU WORK TO DEFINE THE COMMON GROUND AMONG THE SOMETIMES CONTENDING SECTORS OF BUSINESS...FOUNDATIONS, CHARITIES, AND SOCIAL SERVICE ORGANIZATIONS. PARTICULARLY IMPRESSIVE IS YOUR RECENT PROGRAM TO CALL ATTENTION TO THE IMPORTANCE OF PHILANTHROPY AND VOLUNTARY INITIATIVE. COMING HERE ALSO GIVES ME THE CHANCE TO RECOGNIZE JOHN GARDNER. ALL OF US WHO STEP FORWARD TO MEET RESPONSIBILITIES TO THE COMMUNITY IN SOME WAY FOLLOW HIS PRECEPTS ON LEADERSHIP.

JOHN HAS WRITTEN, AND HOW TRUE IT IS OF THIS ORGANIZATION, I QUOTE, "ANY GROUP HAS A GREAT TANGLE OF MOTIVES. EFFECTIVE LEADERS TAP THOSE MOTIVES TO SERVE THE PURPOSES OF COLLECTIVE ACTION IN PURSUIT OF SIGNIFICANT SHARED GOALS." CLOSE QUOTE.

MY PERSPECTIVE -- FROM THE EXECUTIVE FLOOR, AS THE PROGRAM PUTS IT -- ADDRESSES THE ROLE OF EFFECTIVE LEADERSHIP: IN THE NATION, IN THE COMMUNITY, AND IN THE CORPORATION. CONSIDER JOHN GARDNER'S WORDS: "COLLECTIVE ACTION IN PURSUIT OF SIGNIFICANT SHARED GOALS." A CHIEF EXECUTIVE PLANNING CORPORATE PHILANTHROPY CAN'T GO FAR WRONG BY FIRST CONSIDERING THE MAJOR ISSUES REQUIRING NATIONAL LEADERSHIP AND THEN FOCUSING ON THE SIGNIFICANT GOALS THAT THE CORPORATION AND THE COMMUNITY SHARE.

THERE ARE SOME ISSUES BEFORE US TODAY THAT ARE SO PERVASIVE, SO ENTRENCHED IN OUR SOCIETY THAT THEIR SOLUTIONS REQUIRE THE COORDINATED ACTION OF ALL OF US - OF THE PUBLIC SECTOR - OF THE PRIVATE SECTOR - OF VOLUNTEERS - OF THE NON-PROFIT INSTITUTIONS - OF GOVERNMENT AGENCIES, CITY STATE AND FEDERAL.

THE KEY QUESTION, IT SEEMS TO ME, IS, "WHAT IS THE MOST EFFECTIVE BALANCE AMONG THESE INSTITUTIONS. IN THE THREE-WAY PARTNERSHIP, WHICH SHOULD BEAR THE PRIME RESPONSIBILITY FOR WHICH ACTIONS?"

THE EMPHASIS IN THE EIGHTIES ON VOLUNTARY ACTION TO SOLVE BIG, NATIONAL PROBLEMS HAS BEEN HEALTHY.

THE FEDERAL GOVERNMENT IS TOO BIG, TOO DISTANT, TOO INSULATED TO DEAL EFFECTIVELY WITH MANY ISSUES. BUT IN RECOGNIZING THOSE WEAKNESSES, WE JUST MAY HAVE UNDER-RATED THE IMPORTANCE OF NATIONAL LEADERSHIP.

I BELIEVE THAT FUNDAMENTAL NATIONAL NEEDS DEMAND POLITICAL LEADERSHIP AT THE HIGHEST LEVEL. ONLY THAT LEADERSHIP CAN MARSHALL RESOURCES, BUILD SUPPORT, HARNESS THE ENERGY OF OTHER SECTORS, AND SET AN EXAMPLE THAT ENCOURAGES ALL TO FOLLOW.

THIS IS NOT A CALL FOR MASSIVE FEDERAL SPENDING. IT IS A CALL FOR MORE FEDERAL LEADERSHIP. THE ANSWERS WE SEEK LIE IN THROWING LEADERSHIP AT THE PROBLEM, NOT MONEY.

WITHOUT NATIONAL LEADERSHIP, WE WILL STRUGGLE AND FIGHT THE BIG ISSUES, BUT WE ARE LIKELY TO FAIL. TO PUT IT BLUNTLY, TO MOBILIZE THE PUBLIC, WE NEED A FORUM THAT IS BROADER AND A FORCE THAT IS STRONGER THAN A SERVICE CLUB LUNCH.

THE SERVICE CLUB SPIRIT OF NEIGHBOR HELPING NEIGHBOR IS A PROUD AMERICAN TRADITION GOING BACK TO OUR FRONTIER DAYS. THE BANKE SALE, THE BARN RAISING, THE COMMUNITY CHEST...EACH OCCUPIES A CHERISHED PLACE IN OUR PAST..AND IN OUR PRESENT.

THAT SAME SPIRIT IS THE IMPETUS FOR CHARITABLE CONTRIBUTIONS BY BUSINESS. LAST YEAR, CORPORATE CONTRIBUTIONS TOTALLED FOUR AND ONE-HALF BILLION DOLLARS. THAT MONEY IS AN IMPORTANT SUPPLEMENT IN OUR EFFORTS TO ADDRESS SOCIAL ISSUES. MOST CORPORATE LEADERS RECOGNIZE THAT.

BUT THAT 4.5 BILLION DOLLARS IS LESS THAN 5 PERCENT OF TOTAL PHILANTHROPY. THE SOCIAL ISSUES ON THE NATION'S AGENDA REQUIRE RESOURCES, COMMITMENT, AND COORDINATED ACTION BEYOND THE ABILITIES OF CORPORATE CONTRIBUTIONS, VOLUNTEERS OR LOCAL GOVERNMENT. THE INDEPENDENT SECTOR IS RIGHT TO RESIST EFFORTS BY GOVERNMENT TO TRANSFER RESPONSIBILITY FOR HUMAN SERVICE PROGRAMS TO VOLUNTARY ORGANIZATIONS WHILE IT CUTS FUNDING FOR THOSE SAME ORGANIZATIONS.

1. EDUCATION AND ILLITERACY:

23 MILLION FUNCTIONALLY ILLITERATE ADULTS HAVE EMERGED FROM OUR SCHOOLS IN RECENT YEARS. THE NUMBER IS INCREASING.

THE COST OF ADDRESSING THIS ISSUE WILL BE HIGH. BUT, AS SOMEONE SAID, IF YOU THINK EDUCATION IS EXPENSIVE, TRY IGNORANCE.

THE CONCERNED PEOPLE AND GROUPS WHO HAVE TAKEN ON THE ADULT ILLITERACY PROBLEM DESERVE PRAISE. BUT DESPITE BIG CORPORATE CONTRIBUTIONS...DESPITE MILLIONS OF VOLUNTEER HOURS...DESPITE THE PUBLICITY...WE HAVE BARELY MOVED FROM A TO B IN THE EFFORT TO SPELL THE END OF ILLITERACY.

TO LEARN, CHILDREN NEED TO BE HEALTHY. TO REALIZE THEIR POTENTIAL THEY REQUIRE CARE WHILE STILL VERY YOUNG. ONE DOLLAR IN GOOD PRE-SCHOOL EDUCATION SAVES ALMOST FIVE DOLLARS IN THE COSTS OF WELFARE AND SPECIAL EDUCATION LATER. YET ONLY ONE IN FIVE ELIGIBLE KIDS IS NOW ENROLLED IN HEAD START PROGRAMS.

EARLY INTERVENTION, SUCH AS PRE-SCHOOL, SHOULD BE A TOP PRIORITY FOR FEDERAL ACTION. SOLVING THE PROBLEM REQUIRES NATIONAL LEADERSHIP, FEDERAL DOLLARS, AND IMPLEMENTATION BY VOLUNTARY AGENCIES AND STATE AND LOCAL GOVERNMENTS.

2. DRUGS:

IF ANY ISSUE THREATENS TO PUSH EDUCATION OFF THE FRONT PAGES, IT IS DRUGS. SOLVING THE DRUG ISSUE REQUIRES MORE THAN THAT WE BE TOUGH. WE MUST ALSO BE SMART.

SOME THROW UP THEIR HANDS AT THIS PROBLEM. SOME ADVOCATE LEGALIZING NARCOTICS. I REJECT THAT COURSE.

LEGALIZATION COLLAPSES AS AN ALTERNATIVE AS IT MOVES FROM SLOGAN TO SPECIFICS. WOULD THE LAW PERMIT SALES TO MINORS? SURELY WE WOULD NOT SELL CRACK TO A 17-YEAR OLD PROHIBITED FROM BUYING MARLBOROS OR MILLER LITE. YET, IF SUCH SALES WERE PROHIBITED, THEN THE ILLEGAL MARKET WITH ITS PROFITS, VIOLENCE, AND DESPAIR WOULD CONTINUE.

NO, WE SHOULD NOT LEGALIZE DRUGS. BUT WE NEED TO DO MORE THAN "JUST SAY NO". VOLUNTARY ACTION CAN GIVE MANY CHILDREN THE SUPPORT NEEDED TO KEEP OFF DRUGS. IT CAN PROVIDE SOME TREATMENT FOR THOSE SEEKING TO END THEIR ADDICTION. IT CAN COUNSEL EMPLOYEES. BUT VOLUNTARISM WON'T SOLVE THIS PROBLEM; IT CAN ONLY FIGHT IT.

A SOLUTION REQUIRES A CONCERTED NATIONAL POLICY THAT DOES NOT MERELY OPPOSE DRUGS BUT UPROOTS THEM AND TREATS THOSE WHO HAVE ALREADY BEEN ENSNARED. THE FEDERAL GOVERNMENT MUST GUARD THE BORDERS AND REACH BEYOND THE BOARDERS TO INTERRUPT THE SUPPLY AT THE SOURCE. FEDERAL LAW ENFORCEMENT MUST LEAD THE EFFORT TO INTERDICT THE NATIONAL DISTRIBUTION CHANNELS THAT BRING CRACK TO OUR CITIES AND SUBURBS.

3. AIDS:

THIS DISEASE IS SPREAD BY THE SAME SOCIAL PATHOLOGY THAT BREEDS ILLITERACY AND DRUG ADDICTION.

THE RE-USE OF NEEDLES IS NOW THE PRIMARY CARRIER THAT SPREADS THIS DISEASE. TO SLOW THAT SPREAD, WE REQUIRE EDUCATION. TO DEAL WITH THE MISERY OF AIDS

REQUIRES SENSIBLE METHODS TO FINANCE THE EXTENSIVE TREATMENT THAT VICTIMS REQUIRE. THESE STEPS CAN BE TAKEN WITH FEDERAL RESOURCES USING LOCAL AND VOLUNTARY INSTITUTIONS AS AGENTS.

BUT OUR BASIC NEED IS FOR A CURE, OR A PREVENTION, A VACCINE. THE ONLY REAL SOLUTION TO THIS TERRIBLE DISEASE WILL BE FOUND IN A TEST TUBE. RECOGNIZING THE REALITIES OF MODERN RESEARCH, FEDERAL FUNDS WILL BUY THAT CURE.

BECAUSE WE ARE A CARING PEOPLE, VOLUNTARY AGENCIES WILL CONTINUE TO GO THROUGH THE MOTIONS. THEY WILL RAISE AND SPEND A LOT OF MONEY. THEY WILL DIVERT THEIR ATTENTION AWAY FROM OTHER URGENT PROGRAMS. BUT IN THE END, THEY WON'T HAVE STOPPED THE PLAGUE. THEY CANNOT SOLVE THE PROBLEM, THEY CAN ONLY FIGHT IT. MASSIVE NATIONAL RESOURCES AND LEADERSHIP FOCUSED ON RESEARCH--AND A LITTLE LUCK--CAN PROVIDE THE SOLUTION.

4. HOMELESSNESS:

THE GROWING NUMBERS OF THE HOMELESS ARE THE MOST VISIBLE EVIDENCE OF THE DIVISION OF OUR COUNTRY INTO TWO SOCIETIES, SEPARATE AND UNEQUAL.

THE HOMELESS ARE NOT MERELY THE MENTALLY ILL OR THE DRUG ADDICTED. TO BELIEVE THAT IS A COMFORTING ERROR. IT ALLOWS US TO BLAME THE VICTIM, TO DISTANCE OURSELVES FROM THE SHABBY MAN IN THE CARDBOARD BOX AT THE BUS STATION.

THE FACT IS TWO AND ONE-HALF MILLION AMERICANS ARE DISPLACED FROM THEIR HOMES EACH YEAR.

THEY ARE THE VICTIMS OF URBAN RENEWAL. THE LOSERS WHEN A NEIGHBORHOOD IS GENTRIFIED. THEY ARE THE RENTERS, OUT OF A JOB, EVICTED FROM AN APARTMENT. THEY ARE THE FAMILY, SAVINGS ERODED BY ILLNESS, WHO LOSE THEIR HOUSE THROUGH FORECLOSURE.

THE PRIVATE SECTOR AND VOLUNTEERS ARE HELPING AMELIORATE THE WORSE EFFECTS OF HOMELESSNESS. THEY CANNOT SOLVE THE PROBLEM, THEY CAN ONLY FIGHT ITS EFFECTS.

FOOD, CLOTHING, COUNSELING, JOB PLACEMENT ALL CAN HELP. BUT THEY FAIL TO ADDRESS THE BASIC NEED: AFFORDABLE SHELTER.

A WORKABLE SOLUTION DEMANDS LOCAL IMPLEMENTATION BY GOVERNMENT AND NON-PROFIT AGENCIES; HOUSING CONSTRUCTION BY THE PRIVATE SECTOR; AND FEDERAL LEADERSHIP AND FUNDING TO SOLVE A PROBLEM THAT REACHES EVERY STATE AND WEAKENS THE FABRIC OF SOCIETY.

5. LONG-TERM HEALTH CARE:

55 MILLION PEOPLE AGED 55 OR OLDER ARE UNPREPARED FOR THE COST OF LONG-TERM CARE. INSURANCE POLICIES ARE AVAILABLE, BUT MANY FEEL THEY CANNOT AFFORD THEM. AS A NATION, WE ARE NOW SPENDING ONE PERCENT OF OUR GROSS NATIONAL PRODUCT ON SUCH CARE FOR OUR OLDEST CITIZENS. HALF OF THAT SPENDING IS PUBLIC DOLLARS, HALF IS PRIVATE. AS OUR POPULATION AGES AND AS HEALTH CARE COSTS CONTINUE TO ESCALATE, WE WILL DEVOTE A LARGER PORTION OF OUR NATION'S WEALTH TO LONG-TERM CARE. WE NEED A NATIONAL POLICY NOW. OTHER APPROACHES CANNOT SOLVE THE PROBLEM. THEY CAN ONLY FIGHT IT.

MANY OF THOSE WITH THE MOST SERIOUS HEALTH CARE NEEDS ARE THE ELDERLY POOR. A QUARTER OF THOSE OVER 75 LIVE BELOW THE POVERTY LINE. THEY HAVE SERIOUS AND EXPENSIVE HEALTH CARE NEEDS, AND THEIR NUMBERS ARE GROWING.

THOSE WHO CAN SHOULD ARRANGE FOR THEIR OWN HEALTH CARE. THE FEDERAL RESPONSIBILITY FOR THE VAST MAJORITY IS TO DEVELOP INCENTIVES FOR PEOPLE TO PROVIDE FOR THEIR OWN FUTURE NEEDS AND TO HOLD DOWN THE ESCALATION IN HEALTH CARE COSTS. WE NEED A NATIONAL INITIATIVE TO EXPLORE AN IRA FOR HEALTH CARE THAT ENCOURAGES THE WORKING POPULATION TO INVEST NOW FOR THEIR LONG-TERM NEEDS. SURE, CONTINUE LOCAL EXPERIMENTS, BUT WE NEED A NATIONAL SYSTEM. THE QUALITY OF CARE SHOULD NOT DEPEND ON WHAT STATE THE SICK PERSON LIVES IN. THE FEDERAL TAX SYSTEM IS THE MOST POWERFUL SET OF INCENTIVES AND DISINCENTIVES WE HAVE, AND WE SHOULD USE IT.

I DO NOT BELIEVE THIS CALL FOR NATIONAL LEADERSHIP ON THESE FIVE ISSUES IS AN ABDICATION OF RESPONSIBILITY. FOR YOU SEE IN A DEMOCRACY, WHEN WE TURN TO GOVERNMENT, WE TURN TO OURSELVES. THE FEDERAL GOVERNMENT WORKS BEST IN PARTNERSHIP WITH STATE AND LOCAL GOVERNMENT, WITH THE VOLUNTARY SECTOR, WITH LABOR AND WITH BUSINESS. BUT I DO HAVE A CONCERN. WHEN GOVERNMENT TURNS TO CORPORATE AMERICA, WILL IT RESPOND/

AMERICAN BUSINESS IS BEING ROCKED BY AN ECONOMIC AND ORGANIZATIONAL STORM. DURING THE FIRST HALF OF THIS YEAR, A WAVE OF BILLION-DOLLAR BUYOUTS SENT CORPORATE MERGERS SOARING TO A RECORD LEVEL, WITH ALMOST TWELVE HUNDRED ACQUISITIONS. THIS FRENZY OF RESTRUCTURING, MERGING, ACQUIRING, LEVERAGING, AND SPINNING-OFF THREATENS THE CORPORATE CULTURE NEEDED TO MAKE BUSINESS A PARTNER IN SOLVING SOCIAL ISSUES.

MERGER FEVER TENDS TO SHORTEN THE TIME HORIZONS OF BUSINESS LEADERS. INCENTIVES TO PURSUE PROFIT ALONE--AND QUICK PROFIT--BECOME EVER STRONGER. THE TEMPTATION IS TO SEVER TIES TO EVERY COMMUNITY...EXCEPT THE FINANCIAL COMMUNITY.

WE IN BUSINESS WHO ARE COMMITTED TO RESPONSIBLE COMMUNITY ACTION URGE THAT THE PRIVATE SECTOR HOLD FAST. YOU AND I BOTH KNOW THAT BUSINESS CANNOT PURSUE PROFITS IN A VACUUM, ISOLATED FROM THE INTERESTS OF SOCIETY. BUSINESS LEADERS CANNOT FORFEIT THE INITIATIVE TO BUILD A STABLE, PROSPEROUS, AND HEALTHY COMMUNITY.

BUT THE NEW ECONOMIC CLIMATE IS NARROWING THE DEFINITION OF THE INTERESTS OF THE CORPORATION AND PREACHING IS NOT LIKELY TO REVERSE THE TREND. A MORE USEFUL APPROACH TO THE DOWNSIZING DILEMMA IS TO USE A SHARPER PENCIL TO DEFINE THE CORPORATE INTEREST IN THE COMMUNITY. CORPORATE INVOLVEMENT OUGHT TO BE A WELL-PLANNED EXPRESSION OF THE BUSINESS'S LONG-TERM, ENLIGHTENED SELF-INTEREST. WE NEED TO BE CAUTIOUS IN HOW WE USE THAT SHARPER PENCIL. THIS NEW EMPHASIS ON EFFECTIVE PURSUIT OF CORPORATE INTERESTS IN THE COMMUNITY CAN LEAD US ASTRAY.

SOME NOW SEE THEIR PHILANTHROPIC BUDGET AS AN ADDITION TO THEIR ADVERTISING AND PUBLIC RELATIONS EXPENDITURES.

I CAN'T BUY THAT. THE SEARCH FOR EFFECTIVENESS OUGHT NOT CONFUSE MARKETING WITH PHILANTHROPY OR ADVERTISING WITH COMMUNITY INVOLVEMENT.

CORPORATE INVOLVEMENT IS MORE THAN A MARKETING TOOL. THE TEST OF EFFECTIVENESS OF YOUR CORPORATION INVOLVEMENT PROGRAM IS NOT HOW MANY MORE CONSUMERS SEE YOUR LOGO. THE TRUE TEST OF EFFECTIVENESS IS FOUND NOT IN THE IMAGE OF YOUR COMPANY, BUT IN THE REALITY OF THE COMMUNITY.

BUSINESS SHOULD APPROACH PHILANTHROPY AND COMMUNITY INVOLVEMENT AS CAREFULLY AS IT DOES PRODUCTION AND DISTRIBUTION.

A SUCCESSFUL BUSINESS IS ONE THAT MAKES PRODUCTIVITY, QUALITY, AND SERVICE INTEGRAL PARTS OF ITS CORPORATE CULTURE. IF IT WANTS TO IMPROVE THE QUALITY OF ITS PRODUCT, IT DOES MORE THAN SPEND MONEY. IT SPENDS TIME AND THOUGHT AND EFFORT TO MAKE QUALITY A CONCERN FROM THE BOARDROOM TO THE SHOP FLOOR. THE SAME APPROACH CHARACTERIZES THE MOST EFFECTIVE COMMUNITY INVOLVEMENT. WE AGREE, I THINK, THAT CORPORATE GIVING CAN BE ONLY A SUPPLEMENT--AN IMPORTANT SUPPLEMENT, BUT STILL A SUPPLEMENT--TO PERSONAL GIVING AND PUBLIC FUNDS.

BUT THE CONTRIBUTION OF TIME, OF PEOPLE, OF VOLUNTARY LEADERSHIP IS MORE THAN SUPPLEMENTAL. IT IS FUNDAMENTAL. THE VOLUNTARY LEADERSHIP OF THE CORPORATION'S EMPLOYEES, FROM THE EXECUTIVE FLOOR TO THE LOADING DOCK, MAGNIFIES THE IMPACT OF PHILANTHROPY. IT CAN TURN A COMMUNITY AROUND.

VOLUNTARISM UNLEASHES THE CORPORATION'S GREATEST ASSET, THE SKILLS AND ENERGY OF ITS PEOPLE. THEIR LEADERSHIP, THEIR COMMITMENT CAN MAKE THE COMMUNITY A BETTER PLACE TO LIVE AND THE CORPORATION A BETTER PLACE TO WORK. BUT FOR A COMPANY TO PUT ITS LEADERSHIP TO WORK IN THE COMMUNITY, THE CEO MUST FIRST PUT HIS LEADERSHIP TO WORK IN THE CORPORATION.

WITH VOLUNTARISM AS A PRIORITY, INVOLVEMENT BECOMES A PART OF CORPORATE CULTURE. EACH EMPLOYEE MAKES AN INDIVIDUAL DECISION ON WHERE AND HOW TO BE INVOLVED. BY BUILDING A COMMITMENT TO SERVICE, THE CORPORATION SERVES ITS COMMITMENT TO THE COMMUNITY. BY SERVING ITS COMMUNITY, IT SERVES ITSELF; IT SERVES THE NATION.

IN SUM, EFFECTIVE ACTION ON NATIONAL PROBLEMS DEMANDS NATIONAL LEADERSHIP, THE RESOURCES OF THE FEDERAL GOVERNMENT, THE SKILLS OF THE PRIVATE SECTOR, THE ENERGY OF VOLUNTEERS, THE COMMITMENT OF NON-PROFITS, AND THE KNOWLEDGE OF STATE AND LOCAL GOVERNMENTS.

WITH SUCH NATIONAL LEADERSHIP, WE CAN DEFINE A NEW CONSENSUS ON THE PROPER ROLES OF EACH SECTOR IN ADDRESSING MAJOR SOCIAL ISSUES. THAT CONSENSUS MUST MOVE BEYOND VOLUNTARISM, BEYOND LOCALISM, BEYOND FEDERALISM, TO WHAT HAS BEEN CALLED "THE COOPERATIVE SOCIETY". THE NEW CONSENSUS WILL DRAW ON THE CREATIVITY THAT IS LATENT IN THE DIVERSITY OF OUR NATION.

WHEN WE HAVE FORGED THAT CONSENSUS, WE CAN, TO RETURN TO JOHN GARDNER'S WORDS, PURSUE OUR SHARED GOALS THROUGH COLLECTIVE ACTION AND SHAPE OUR COMMON FUTURE.