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Greed, Money, Politics and Charity

Many of the seemingly divergent problems facing us today have the same fundamental cause: greed.

In both government and corporations -- and even in the nonprofit sector -- the greed of some damages and diminishes all of us while also undermining those very institutions that are supposed to protect us and America itself.

The stakes are too high and the time too fleeting for inaction. It is surprising that charity and foundations officials have not stepped forward and taken leadership to speak with clarity and with force so that truth can be heard and the public galvanized for action toward the common good.

Let's begin with government. By catering to the avarice of some of the wealthiest Americans, many members of Congress reflect their own greed -- to get and hold power they are willing to serve private interests over public ones. As a result, the portion of tax measures that directly benefit the rich may deny the Treasury about a trillion dollars.

Too many elected officials are willing to pay that price to curry favor. Yet, this painful loss of government revenue is little discussed by the vast majority of charity leaders, even those who are finding it impossible to maintain services amid federal and state spending cuts and losses in private donations..

Faced with deficit problems, politicians look reality in the face and then turn to wink at their campaign-financing benefactors. Congress let the estate tax completely expire for 2010, though continuing it at 2009 levels would have affected only the super-super-wealthy -- 99.75 percent of all estates would have remained free of the tax. Billions and billions of dollars (\$9 billion in the case of just one Texan) flow entirely to heirs this year, costing the Treasury about \$15 billion.

This is particularly greedy since much of the privately retained billions comes from unearned investment gains that now will never be taxed.

The repeal of the estate tax was but one of a number of cuts passed during the Bush administration that have hurt people who depend on government programs -- and that means all of us.

President Obama wants to allow those other tax cuts to expire on schedule for the wealthiest 2 percent of Americans (those families making more than \$250,000 a year) while extending them for everyone else. Many members of Congress, led by the Republicans, would preserve these other tax cuts for the wealthy at a cost of about \$680-billion.

In fact, in 2011 alone, a plan promoted by Republicans would provide a \$31-billion benefit just to households that already earn more than \$1-million a year. Do these millionaires and their political agents really think it justifiable to deny a financially strapped populace the public services that that amount of cash could finance?

A focus on just tax issues is insufficient to fully understand the damage done to even to charities and the people they serve by an unending thirst for greater riches and power. We decry corrupt foreign officials, but seem to see nothing wrong with a Congress in which politicians solicit and accept contributions from the specific corporations they are supposed to oversee and regulate.

More than \$2.5-billion was raised in the 2008 elections and more than 75 percent of that came from business. In fact, in their selfish quest for campaign contributions, elected officials fight to get assigned to the committees that regulate corporations with the deepest pockets. There are even "congressional charities" set up by some politicians to extend tax exemptions to their corporate benefactors. As the philanthropist Phil Stern once wrote, we've got the best Congress money can buy.

Corporations appear unconcerned with popular democracy, working instead to elect officeholders who look out for their private interests. The principal purpose of regulations is to protect Americans from dangers imposed by the unbridled pursuit of profit -- be it in our supermarkets and the foods that we eat, in the financial institutions on which we depend for credit and reliable retirement savings, or about what gets used in our homes, workplaces and communities and for our travels between them. Yet, businesses want to roll back oversight and rules.

While many nonprofit organizations work valiantly to strengthen protections in their areas of concern, relatively few charity or foundation leaders demand that this corrosive influence of money in politics be better controlled before this corruption of democracy gets completely out of hand.

Even in the face of global warming, confronted by heat waves, droughts and wild fire conflagrations, by astounding rainfalls and massive floods and landslides, by turmoil on and below our ocean waters, by Code Red alerts for the air we breathe, corporate lobbyists have

managed to stop meaningful climate control legislation. Where is the voice of charitable leaders - not just environmentalists -- to contest this capitulation?

How, in the face of obvious human and planetary disaster, can the greed of corporations for ever-greater profit, and of legislators in protecting their interests, be generally unchallenged by nonprofit leaders?

Those same dynamics of greed have brought us to the edge of economic disintegration and close to a double-dip recession. It was deregulation of banking institutions by Congress in the late 1990s that got us into this crisis, and now we see corporations keeping us in it. Beyond the grossly irresponsible gambling that turned Wall Street into a casino with safe bets for insiders, beyond their lobbyists' efforts to weaken the financial reform legislation recently enacted to help protect us from such behavior, corporations are now holding the economy hostage to their next quarters' profits. In spite of occasional stock market rallies, the economy cannot truly recover without jobs, and they aren't even beginning to offer enough of them

Although corporate profits set an all-time record of \$1.37-trillion in the first quarter of this year - and, astoundingly, they are sitting on \$2-trillion in cash -- corporations are not rehiring the more than 8-million workers they laid off in this recession.

With unemployment hovering around 9.5 percent, it is said that corporate leaders are waiting for a more favorable business climate, by which they mean still lower taxes and still more deregulation -- and now they have the Obama administration working on \$180-billion in tax cuts to spur hiring.

In effect, corporations are saying, Feed our greed or most Americans will continue to suffer.

And so too will nonprofit organizations. Corporate contributions fell significantly last year, and they are expected to remain flat in 2010 -- so besides holding back on the hiring necessary for economic recovery, they are also shortchanging the charities that are helping the jobless and other Americans in these terribly strained times.

More and more, "corporate philanthropy" seems to be an oxymoron -- their ostensibly philanthropic actions reflect marketing strategies instead of altruistic purposes. Cause-related marketing, profit-generating charitable partnerships, and publicity-seeking crowd-sourced donation programs all benefit corporations more than charities. After they cut a profitable deal with Verizon, we even see the much-heralded public-spirited Google reversing itself on the information age's fundamental social policy of Net neutrality. Again, private greed over public interest.

Greed may be killing the American dream. For about the last four decades, the income of 90 percent of Americans has essentially remained flat, and we are now seeing new generations of Americans actually losing ground, realistically expecting to do worse than their parents no matter how hard they try. During that same time, the income of the super-wealthy has more than tripled. We have seen the wages of CEOs go from 26 times the median income of Americans to more than 300 times that figure.

Most of us, wherever we work, simply acquiesce to what seems the inevitable imperative for greater riches. Too many of us just do what everyone else is doing, just want what everyone else is wanting. Yet we all hold some responsibility for not seeking and speaking truth.

While greed appears endemic in the corporate world and among its political cronies, the nonprofit sector has not been totally spared this insidious dynamic.

Some charity and foundation executives, with the complicity of their board members, have allowed greed to crowd out public service. Outrageous salaries, benefits, and other expenses characterize, although still proportionately few, far too many nonprofit organizations. These selfish practices not only imperil individual organizations but also make vulnerable the entire nonprofit world.

So where does all of this leave us?

We need nonprofit and foundation officials to call us to reject the avalanche of limitless political and corporate greed, first by naming it, then by exposing and helping all to see it, and finally countering it by promoting new public policies and private practices.

Corporations and the politicians they support won't fill this moral void. But the country increasingly is ready for the emergence of new leaders and a reassertion of important American values.

Leadership must come from the charitable and philanthropic community, and it is needed now. It is wrong to abdicate responsibility in fear of complex national and global dynamics and a polarized electorate. Timid or confused silence is not an option for those who assert to represent our better natures; rather, it is an abdication of the fundamental moral and social obligations of the charitable community.

The nonprofit world needs to speak clearly for the common good and to work assiduously toward it. Its organizations need to get beyond their own parochial interests and to find shared purpose across areas of concern. We all suffer at the hands of the greedy in and beyond the ways noted here. By pulling these pieces together, by pulling ourselves together, by showing the greedy for what they really are, we can begin to build a more democratic, caring and equitable society.

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