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FAMILY
PHILANTHROPY

Ethics in Family Philanthropy: Right vs. right Decision-making

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The National Center for Family Philanthropy

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Presenter: **Dr. Rushworth Kidder**
President and Founder
Institute for Global Ethics

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About Our Presenter

Widely known as a provocative speaker and stimulating author, Rushworth Kidder brings more than 30 years of insights to his discussions of corporate and global ethics. Dr. Kidder's latest book, *Moral Courage* (HarperCollins, 2005), uses real-life stories from business, education, government, sports, and other areas to explain what moral courage is, what it does, and how we can develop it. Dr. Kidder's previous book, *How Good People Make Tough Choices: Resolving the Dilemmas of Ethical Living*, has been praised by Jimmy Carter as "a thought-provoking guide to enlightened and progressive personal behavior."

His prolific writings often involve him in interviews with business and government leaders around the world. For his 1994 book *Shared Values for a Troubled World: Conversations with Men and Women of Conscience*, he interviewed 24 opinion makers from 16 countries in an effort to identify a global code of ethics. Commenting on this book, Bill Moyers noted that "only Rush Kidder would have made this odyssey, and only Rush Kidder could have returned with such a valuable cargo of insights."

Dr. Kidder also serves as executive editor of Ethics Newsline®, the world's first weekly, Internet-based, ethics information service, for which he writes a weekly column. Prior to founding the Institute for Global Ethics in 1990, Kidder was senior columnist for *The Christian Science Monitor*, an international daily newspaper highly regarded for its depth, balance, and ethical stance. From 1983 to 1990, he wrote the paper's weekly "Perspectives" column on social issues and trends.

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Ethical Expectations

In a series of interview by the Institute for Global Ethics with 40 foundation executives and trustees in 1998 they found that:

- 95 percent of foundation representatives believe ethics is very or somewhat important as a topic of public concern
- 98 percent said ethics is very or somewhat important in the foundation community
- Only 55 percent felt that ethics played a very extensive role in their organization
- Only 10 percent believed that people are clear about what is meant by the word 'ethics.'

Source: "Navigating the Waters in Today's Philanthropy: An Ethical Compass," Institute for Global Ethics, 1998.

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Examples of Ethical Issues in Family Philanthropy

- Self-dealing
- Conflict of interest
- Transparency
- Diversity and pluralism
- Nepotism
- Ethical investing
- Abuse of power and privilege
- What to fund — charity or systemic change
- Arrogance in dealings with nonprofits
- Inside information about nonprofits
- Lack of candor, and how to temper unbounded optimism
- Spending — long-term versus short-term

Source: "Why Did I Make All This Money: Values and Ethics in Family Philanthropy," National Center for Family Philanthropy, 2003.

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IGE's framework

I. Moral Awareness

- To assess the current ethical climate

II. Values Definition

- To identify the shared values of the group

III. Ethical Analysis

- To explore the nature of "right versus right" dilemmas

IV. Dilemma Resolution

- To provide practical tools for resolving difficult dilemmas

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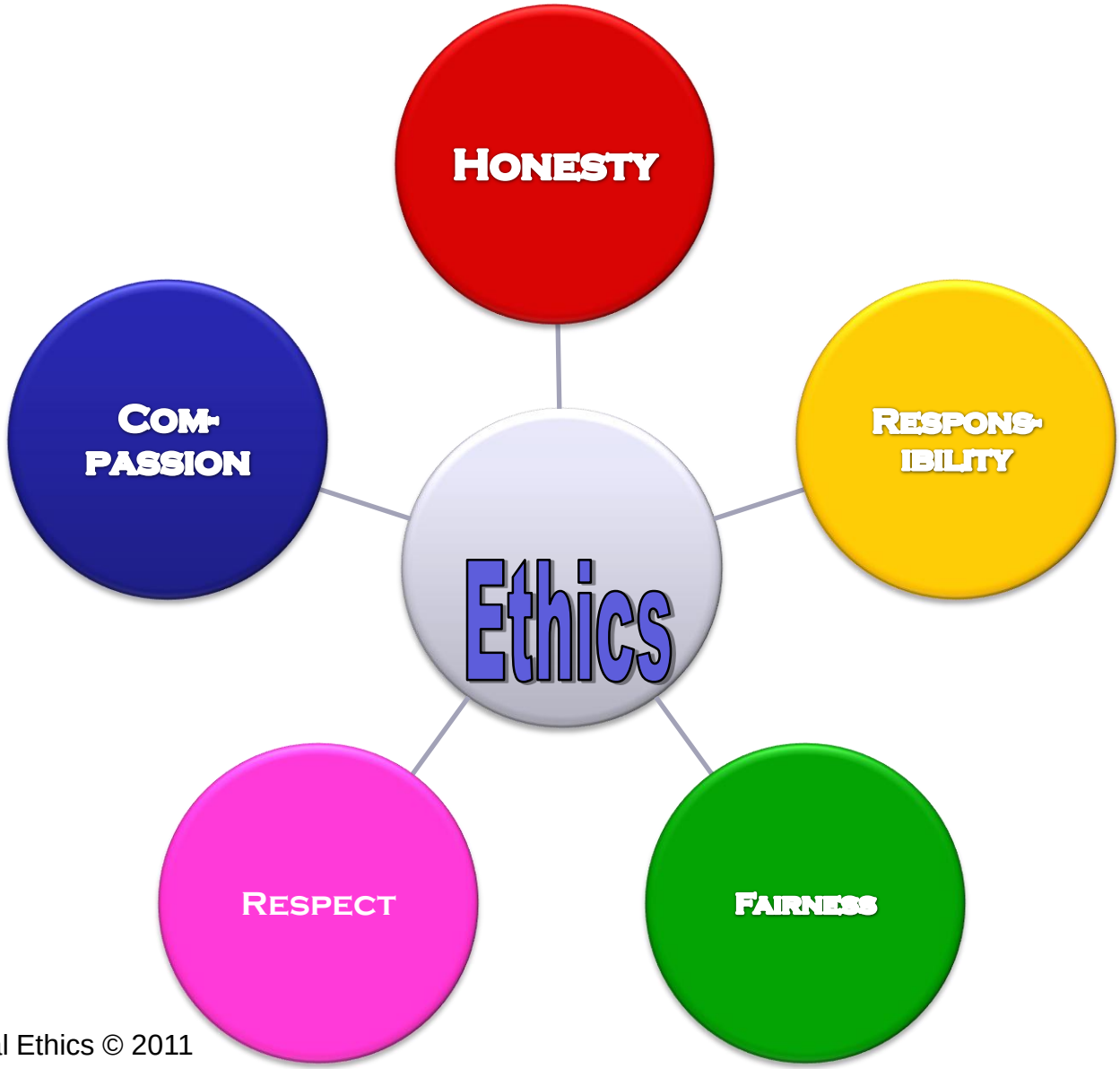
Five core values



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The values–tactics ladder

Values

Goals

Plans

Tactics

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Five tests for wrong-doing

Legal

Regulations

Stench

Front-page

Mom

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Ethics vs. compliance

"Obedience to the unenforceable"

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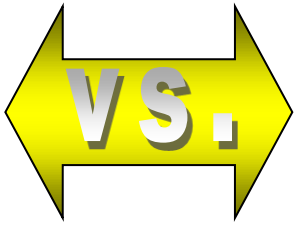
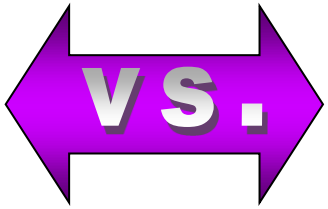
Four dilemma paradigms

Truth 

Loyalty

Individual 

Community

Short-term 

Long-term

Justice 

Mercy

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Resolution Principles

ENDS-BASED: *Utilitarianism*

- "The greatest good for the greatest number"
- Consequentialist (Teleological)

RULE-BASED: *Categorical Imperative*

- Universal Law: Immanuel Kant
- "I ought never to act except in such a way that I can also will that my maxim should become a universal law."
- Non-consequentialist (Deontological)

CARE-BASED: *Golden Rule*

- "Do to others as you would have them do to you."
- Reversibility

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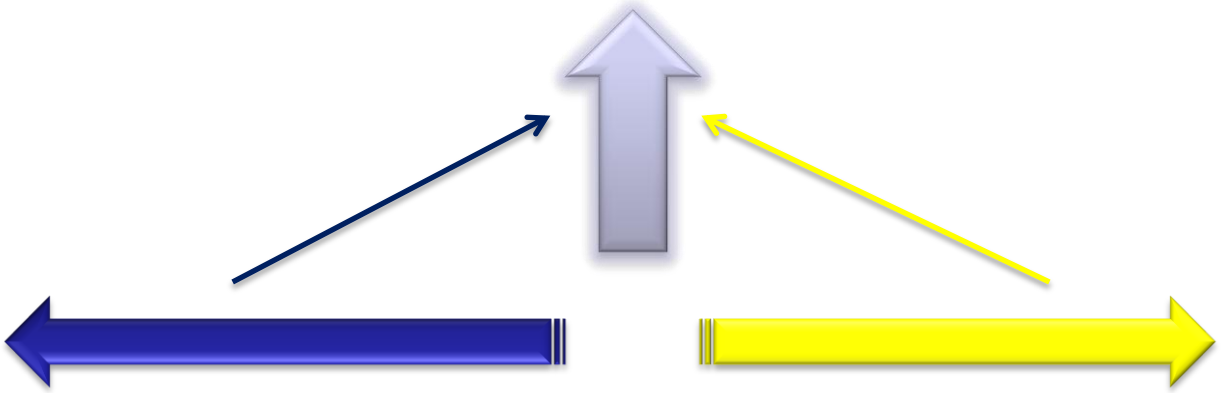
The trilemma option



Choice #1

Choice #2

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Nine Checkpoints for Ethical Decision Making

1. **Awareness:** Recognize there is a moral issue.
2. **Actor:** Whose dilemma is this?
3. **Facts:** Gather all the relevant details.
4. **Right vs. Wrong:** Test for wrongdoing.
5. **Right vs. Right:** Determine paradigms
6. **Resolution:** Apply Resolution Principles
7. **Trilemma:** Is there a third way out?
8. **Decision:** Decide what to do.
9. **Reflection:** Revisit the decision later.

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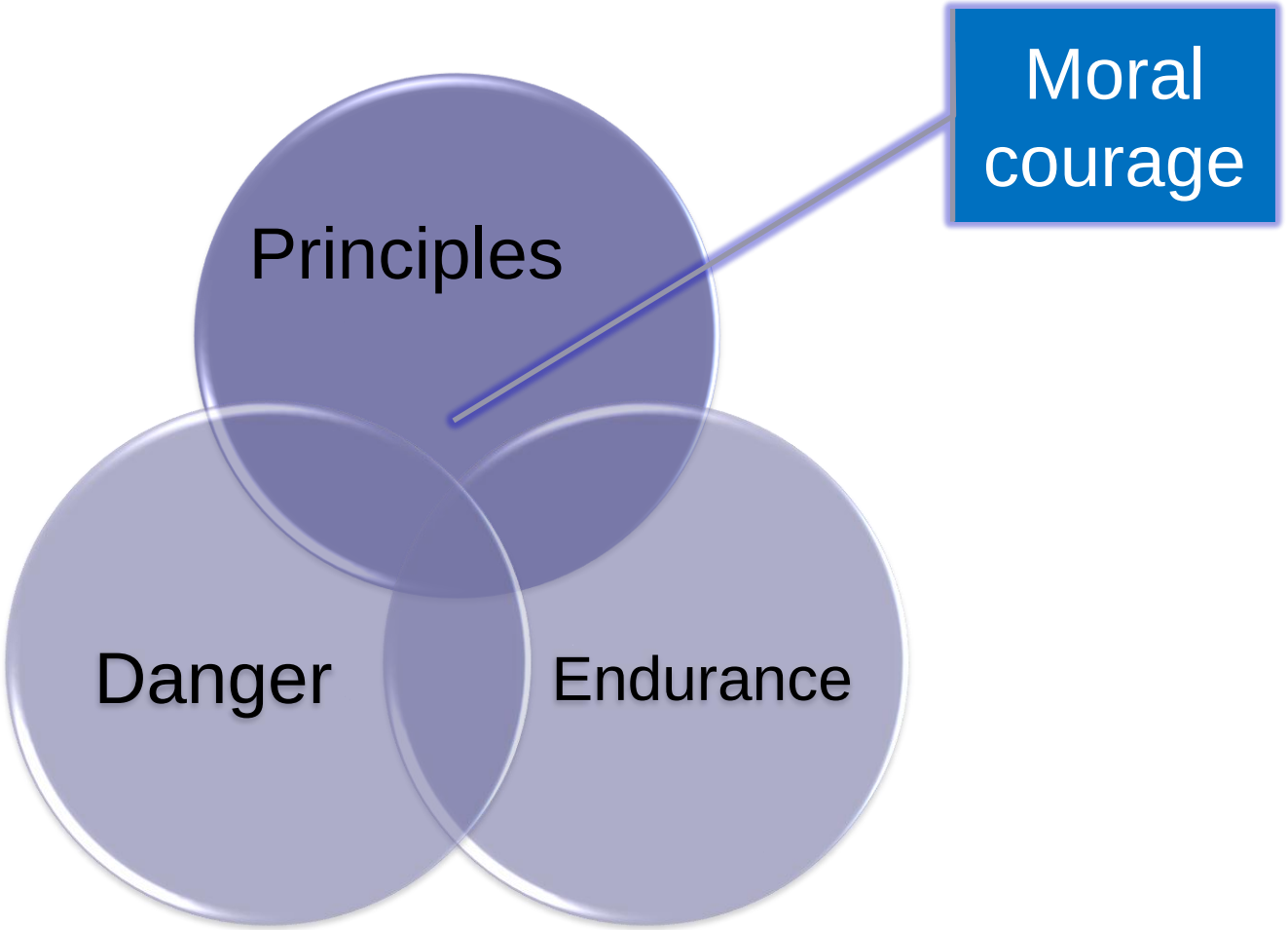
Moral Courage



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Cultures of Integrity

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Additional Resources

Copies of the following resources are attached to this presentation:

- "Why Did I Make All This Money: Values and Ethics in Family Philanthropy," from Splendid Legacy: The Guide to Creating Your Family Foundation (National Center for Family Philanthropy, 2003, pages 42-49), by Rushworth M. Kidder
- "The Ethics of Right Versus Right," Chapter One of How Good People Make Tough Choices: Resolving the Dilemmas of Ethical Living, 2nd edition (HarperCollins, 2009, pages 1-18), by Rushworth M. Kidder.
- Sample Code of Ethics, The Homer A. and Mildred S. Scott Foundation
- Sample Code of Ethics, The Surdna Foundation
- Institute for Global Ethics: Philanthropy Dilemmas: http://www.globalethics.org/philanthropy-dilemmas.php

WHY DID I MAKE ALL THIS MONEY?
Values and Ethics in Family Foundations

by Rushworth M. Kidder

Donors who create successful family foundations generally begin by addressing three kinds of issues. The first are immediate and worldly — tax consequences, legal relationships, family involvement, public visibility, and so forth. The second are a pair of searching issues that every donor must answer: Why did I make all this money? And, what do I want to do with it?

If the answer to the last question is, To be charitable, a third range of issues arises. Because philanthropy seeks to serve others, it lives within the precincts of some of the deepest moral and metaphysical soul-searching about core values. Successful startup boards can explore those values by asking some of the big questions: Who are we? Why are we here? How do we understand our purpose? What is our obligation to others? What can we do to make a difference?

The act of creating a foundation, then, is the act of translating deeply held values into practical action. Thus, one of the most useful frameworks for a new foundation is a code of values — a statement of the attributes that should characterize the foundation's work. Such a code is generally brief, sometimes comprising only a few key words. It is aspirational rather than descriptive in nature — a promise of what the donor wants the foundation to be, rather than a declaration of how good he or she thinks it already is. It is also broadly shared, hammered out in discussions with all the relevant participants.

A code of values is not, however, a mission statement which, going back to the Latin meaning of *mission*, tells the foundation board and staff (if one exists) what it has been sent to do. Nor is it a strategic plan, which is a blueprint of the steps needed to fulfill the foundation's mission. Nor is it just a motto, a generalized inspirational saying that hints at some popular sentiment without committing to any particulars. A code of values, by contrast, tells *how* staff and board are to accomplish the foundation's mission, implement strategy, and commit to reaching ideals.

Because shared values underlie the ethical culture of any group, articulating a code of values is important for any organization. For a foundation, having such a code goes beyond important to essential. Why? For two reasons. First, the public holds the nonprofit and charitable sector in high regard, expecting from it a more lofty ethical standard than it expects from the commercial or public sectors. The concern about lapses in ethical conduct touches every part of society, wrote Brian O'Connell, former executive director of Independent Sector, in a seminal 1991 report on ethics for nonprofits. "But, the public expects the highest values and ethics to be practiced habitually in the institutions of our charitable, nonprofit sector. Because these institutions, fundamentally, are dedicated to enhancing basic human values, expectations of them are particularly high. *Those who presume to serve the public good assume a public trust*." [emphasis in original][1]

Second, foundation executives and trustees generally recognize these moral expectations — and realize that more

needs doing to fulfill them. In a series of interviews by the Institute for Global Ethics staff with 40 foundation executives and trustees in 1998, [2] they found that:

- Fully 95 percent believe ethics is very or somewhat important as a topic of public concern these days;
- Nearly 98 percent said ethics is very or somewhat important within the foundation community;
- Only 55 percent, however, felt that ethics played a very extensive role in their organizations; and
- Only 10 percent believed that people are clear about what is meant by the word ethics.

One of the foremost tasks for a new family foundation, then, is to establish with some clarity, foundation values, what they mean, and how they can be applied in practical ways when ethical issues arise.

Is ethics important? Without a doubt. Is it being applied? Somewhat. Is it well understood? Hardly. One of the foremost tasks for a new family foundation, then, is to establish with some clarity, foundation values, what they mean, and how they can be applied in practical ways when ethical issues arise.

Whose Values?

While trustees may agree on the importance of a code of values, they may stumble over an old canard: Whose values will we adopt? The question presupposes that each of us has a different set — that we're all so different that we can't possibly agree on something as basic as our moral values.

In fact, the opposite is true. A decade of research at the Institute for Global Ethics strongly suggests that wherever you ask people to define the core moral values they would most like to see on a code of ethics for the global future, they articulate five things: *honesty, responsibility, respect, fairness, and compassion*. So universal are these five ideas that they appear across nationalities, cultures, races, religions, genders, economic strata, and political alignments. The Institute has verified these findings in survey work, in focus groups, and through a Values Definition Process in seminars around the world.[3]

These five values may or may not be the ones your foundation chooses to carve in stone. Even if they are, they'll require further work to make them operational and applicable to the foundation's particular circumstances. But they suggest an important point: If foundation board members settle for the notion that arriving at a set of shared values is impossible because we're all so different, they haven't pushed far enough. Individuals differ on huge numbers of things. But on core values there is wide agreement on a few key things. Finding that common ground gives trustees, in the startup as well as the operational phases, the courage to differ from one another over matters of mission, objectives, strategy, and tactics — while still respecting the core values that hold the foundation together.

Once a code of values is in place, one of the clearest ways to understand ethics is to recognize that ethical issues arise in two (and really only two) ways. First, they result from violations of a key value — when, for instance, someone is found being dishonest in an organization that regards honesty as a core value. In that case, ethics becomes (as it is most popularly thought to be) a matter of right versus wrong. Sometimes the wrongdoing rises to the threshold of illegality. The family-office manager who takes home old computers to sell for his or her personal benefit, the executive director who cooks the books to pocket unwarranted compensation, the trustee who fiddles foundation funds to pay for family vacations, are all violating the law.

But some profoundly unethical behaviors may or may not be legal: A personnel officer who advertises widely for a position he or she knows will be filled by someone inside the foundation, a program officer who delays responding to a request for funding until the applicant has gone out of business, or a board chair who tells only some of the trustees about a key meeting and leaves the others in the dark until the last minute. Although there is not always something *illegal* about these actions, ethically, the actions are just plain wrong.

The second way in which ethical issues arise is more complex — and more significant. They can come about from a clash between two core values already on the code — when, for example, we have a choice to make between fairness and compassion. In that case, ethics has nothing to do with right versus wrong. It's a matter of right versus right. Such an issue lies at the heart of the dilemma, based on a real-life example, that faced the hypothetical Francine Michaud Family Foundation (see below). Given the strength of the donor's pro-life views before she passed away two decades ago, and the concern among her descendants on the board about the current need for family planning, what should the foundation do? We can make a powerful case for "right" on both sides. Yet we can't do both. That's where ethics gets tough.

When Generations Disagree[4]

George is a trustee of the Francine Michaud Family Foundation. The foundation was created by George and his siblings as a memorial to George's mother, her values and ethics, and the way she helped people during her lifetime. While the formal grantmaking guidelines are fairly general, the foundation's key criterion boils down to a question: Would Mom have made these grants?

George's mother was Catholic, and had agreed with the church's position on abortion. Among her many volunteer activities, she had put her pro-life beliefs into action by serving as a telephone hotline contact person for young women with unexpected pregnancies. Since its founding, the foundation has provided funding for similar hotlines and information services for years, and has also provided modest support for other human services programs.

Twenty years after Francine Michaud's death, the grandchildren have begun to join the foundation's board. Several of them, however, are much more comfortable with family planning than their elders, some even favoring legal abortion.

One of George's sisters feels so strongly about pro-life issues that she is proposing that they concentrate virtually all of the foundation's resources in that one area. She is convinced that her mother felt more strongly about this issue than any other, and that the only way to honor her memory is to provide maximum funding to anti-abortion activities, from counseling to advocacy to policy research.

The grandchildren haven't asked to allocate foundation funds directly to pro-choice issues; however, several are balking at putting large amounts into fairly militant pro-life activities. They argue that were she alive today, their grandmother would want the foundation to take a temperate approach to this issue, and also to broaden support of other areas of growing community need such as education and job development.

Which side should George support? Should he support his sister's commitment to spend everything, powerfully, on this one issue? Or should he side with the grandchildren, tempering pro-life grants with expanded funding in other program areas?

What Is an Ethical Organization?

Ethics is so often thought of as right versus wrong that, for many people, it has come to mean little more than compliance with rules and regulations. And so it is — in part. There is no question that an ethical organization must, at the

most basic level, live by the law. It is imperative that the trustees and staff of family foundations understand the relevant legal frameworks for their activities. They must know the right and avoid the wrong.

But knottier aspects of ethics can arise where *both* sides are right and where the best resolution may lie beyond the guidance of the law.. When the Institute's survey of foundations asked respondents to share their principal ethical concerns, they responded with 12 key topics — almost all of which involved an interplay between right-versus-wrong and right-versus-right issues:

- Self-dealing;
- Conflict of interest;
- Transparency;
- Diversity and pluralism;
- Nepotism;
- Ethical investing;
- Abuse of power and privilege;
- What to fund — charity or systemic change;
- Arrogance in dealings with nonprofits;
- Inside information about nonprofits;
- Lack of candor, and how to temper unbounded optimism; and
- Spending — long-term versus short-term.

The first of these, *self-dealing*, is clearly illegal. It involves the deployment of foundation resources for the personal gain of one of its trustees or staff. Not always obvious, it can come in some tricky disguises, as when a trustee is part-owner of the public relations firm the foundation wants to hire, or when a family member leases office space to the foundation in a building he or she owns. No matter how efficient these may appear, they remain illegal.

Three other issues can also have strong legal overtones:

- *Conflict of interest*. Should a foundation trustee sit on the board of a grantee? Doing so can provide great insight into the grantee's activities and, depending on the nature of the activity, can be a tremendous learning experience for a trustee who may have deep interest in that particular field. But when that trustee begins to argue for the grantee's interests at the expense of the foundation's concerns, there can be real conflict. This issue can have legal ramifications if it skates too close to self-dealing, although in many instances it may be more a matter of ethics than of law.
- *Transparency.* This, too, can be a legal issue, as in the requirement of full disclosure in such documents as Form 990 of the Internal Revenue Service. But what about publishing an annual report: Are scarce foundation resources better spent on shining a light on internal workings or on making more grants?
- *Diversity and pluralism*. Some foundations strive to ensure that trustees, staff, and grantees reflect the multiple cultures of the communities they serve. Others focus on single cultures in particular need of help. When the issue of diversity and pluralism touches on fair hiring and promotion practices, it has legal ramifications. In general, however, decisions to fund within a broader or narrower cultural bandwidth are ethical rather than legal.

But what about these others, where the law allows more latitude?

- *Nepotism*. Is it right to invite family members to serve in key positions within a family foundation, since they have such a strong stake in upholding the legacy and intent of the donor? Or do such family ties create managerial entanglements that impede the smooth functioning of the organization?
- *Ethical investing.* Is it right to invest the corpus with an eye solely for financial considerations, seeking the best return regardless of the nature of the stock to maximize the potential for programmatic giving? Or should trustees invest only in firms that don't operate in sectors they feel are unethical — as tobacco, armaments, and gambling are seen by some to be — even if that restriction lowers the return and limits the charitable impact of the foundation? (Trustees are, of course, also held to the Prudent Investor

and IRS rules that require them to protect the assets of the foundation.)

- *Abuse of power and privilege.* When a trustee steers funding to a certain nonprofit to win a seat on its prestigious board and move in more exalted social circles, that's abusive — though it may not be illegal. But when a foundation uses some of its resources to elevate its public profile and attract better grantees and partnerships, isn't that an acceptable use of power and privilege?
- *What to fund — charity or systemic change.* This question, a variant on the give-a-man-a-fish platitude, poses a tough dilemma. Do you ensure that foundation funds go directly to the worst hunger cases, the most gripping public health situations, and the neediest classrooms? Or, do you use them to build better nonprofits capable of strategically addressing the underlying causes of these ills — even if some of today's sufferers get no relief?

Ethics is so often thought of as right versus wrong that, for many people, it has come to mean little more than compliance with rules and regulations. And so it is — in part.

- *Arrogance in dealings with nonprofits.* Not returning phone calls from potential grantees, brushing off well-meaning inquiries, and spending more time telling charities how to behave than listening to their perspective — these things are not illegal and may not noticeably harm a foundation's early record of success, though they surely speak of arrogance. Yet if a budding foundation is to protect its time and resources to focus on first-intensity issues, must it not find ways to limit the energy spent responding to queries, pleas, and inappropriate proposals?
- *Inside information about nonprofits.* How much information about grantees should a foundation share with other foundations? If a particular grant was unsuccessful, does that give a family foundation the right to blackball the grantee with a few negative words? Yet if the foundation discovers serious problems in a nonprofit's accounting, honesty, or competence, doesn't it have an obligation to warn other potential funders?
- *Lack of candor, and how to temper unbounded optimism.* Learning to say No nicely is just as difficult in the foundation world as in other walks of life. On some occasions, a delayed No can lead to huge expenditures of time and energy on the nonprofit's part — not to mention a hopefulness that will only be shattered. But on other occasions, a too-quick denial may shut off a promising project that, with coaching and fine-tuning, could become one of the foundation's finest grants.
- *Spending — long-term versus short-term.* One of the Institute's survey respondents put it neatly when he said, "If we look to the long term, we will conserve what we have today for tomorrow's problems. But such are the problems today, that it can be argued that we must spend more of our wealth now." Which is right for a particular foundation?

These issues raise tough moral questions. How does a foundation decide which is the higher right? A framework for decisionmaking, put in place as the foundation is developing, can help trustees and staff recognize ethical issues as they appear. It can help the foundation identify the basic paradigms into which right-versus-right issues tend to fall — truth versus loyalty, individual versus community, short-term versus long-term, and justice versus mercy — where clashes between good values become the drivers of the foundation's toughest ethical challenges. And it can help the foundation to apply some of the key resolution principles from moral philosophy — the ends-based principle of Utilitarianism, the rule-based principle anchored in Immanuel Kant's categorical imperative, and the care-based principle rooted in the Golden Rule.[5]

The capacity for this kind of moral decisionmaking referred to by the Institute as Ethical Fitness™ starts with the core

In the end, there are two intuitional tests for foundation ethics. Is the foundation doing things right? And, is the foundation doing the right things?

values of the foundation. Experience suggests that, where such values are embedded at the outset, the ethical issues will be far less problematic. Values won't prevent such issues from arising: Far from it. Having a focus on values tends to highlight moral concerns that, in a less values-driven culture, might slip past unseen. But a focus on values, and a commitment to address ethical issues courageously and robustly as they arise, help ensure that no unethical seedlings are allowed to grow into the kinds of stifling entanglements that can divide families and paralyze good grantmaking.

Is the Foundation Doing Things Right? Doing the Right Things?

In the end, there are two intuitional tests for foundation ethics. Is the foundation doing things right? And, is the foundation doing the right things? The first holds the foundation to the highest standards of ethical behavior and motivation. The second requires that foundation board and staff apply right-versus-right tests to every programmatic decision — separating the merely worthwhile from the absolutely essential, aligning funding with mission, and ensuring that the efforts of the foundation are in the service of its most enduring values which, after all, was why the donor made all that money.

[1] Independent Sector, "Obedience to the Unenforceable: Ethics and the Nation's Voluntary and Philanthropic Community," Washington, DC: Independent Sector, 1991, p.5.
[2] Graham Phaup, "Navigating the Waters in Today's Philanthropy: An Ethical Compass," Camden, ME: Institute for Global Ethics, 1998, pp. 5-7.
[3] Rushworth M. Kidder, "Chapter 8." *Shared Values for a Troubled World: Conversations with Men and Women of Conscience*. Camden, ME: Institute for Global Ethics.
[4] Dilemma prepared by Institute for Global Ethics staff for *Foundation News & Commentary* July/August 2001, p. 40. Reprinted by permission of the Council on Foundations.
[5] For a full explanation of this decision-making process, see Rushworth M. Kidder, *How Good People Make Tough Choices: Resolving the Dilemmas of Ethical Living*, New York: Simon & Schuster, 1997. For specific application of these concepts to family foundations, see *Ethics for Family Foundations*, a CD-ROM-based interactive ethics module and accompanying workbook (Camden, ME: Institute for Global Ethics, 2001). See www.foundationethics.org for more information.

CHAPTER ONE

OVERVIEW: THE ETHICS OF RIGHT VERSUS RIGHT

Excerpt from***, How Good People Make Tough Choices: Resolving the Dilemmas of Ethical Living,*** 2nd edition (HarperCollins, 2009, pages 1 – 18)*,* by Rushworth M. Kidder**.**

All of us face tough choices.

Sometimes we duck them. Sometimes we address them. Even when we address them, however, we don't always decide to resolve them. Sometimes we simply brood endlessly over possible outcomes or agonize about paths to pursue.

And even if we *do* try to resolve them, we don't always do so by energetic self-reflection. Sometimes we simply bull our way through to a conclusion by sheer impatience and assertive self-will—as though getting it *resolved* were more important than getting it *right*.

This is a book for those who want to address and resolve tough choices through energetic self-reflection. Those are the people, after all, whom we often think of as "good" people. They are good, we say, because they seem to have some conscious sense of vision, some deep core of ethical values, that gives them the courage to stand up to the tough choices. That doesn't mean they face fewer choices than other people. Quite the opposite: Those who live in close proximity to their basic values are apt to agonize over choices that other people, drifting over the surface of their lives, might never even see as problems.

Sound values raise tough choices; and tough choices are never easy.

That was the case with a librarian who, some years before the USA Patriot Act of 2001 put borrowers' privacy considerations into play, was working the reference desk at the public library in her community. The phone rang. The questioner, a male, wanted some information on state laws concerning rape. The librarian asked several questions to clarify the nature of his inquiry. Then, in keeping with long-established library policy designed to keep phone lines from being tied up, she explained that she would call him back in a few minutes after researching his question. She took down his first name and phone number, and hung up.

She was just getting up to do the research when a man who had been sitting in the reading area within earshot of the reference desk approached her. Flashing his police detective's badge, he asked for the name and number of the caller. The reason: The conversation he

had overheard led him to suspect that the caller was the perpetrator of a rape that had happened the night before in the community.

What should she do? On one hand, she herself was a member of the community. She felt very strongly about the need to maintain law and order. As a woman, she was particularly concerned that a rapist might be at large in the community. And as a citizen, she wanted to do whatever she could to reduce the possibility that he might strike again. After all, what if she refused to tell—and another rape happened the following night?

On the other hand, she felt just as strongly that her professional code as a librarian required her to protect the confidentiality of *all* callers. She felt that free access to information was vital to the success of democracy, and that if people seeking information were being watched and categorized simply by the kinds of questions they asked, the police state was no far behind. The right of privacy, she felt, must extend to everyone. After all, what if this caller was simply a student writing a paper on rape for a civics class?

The choice she faced was clearly of the right-versus-right sort. It was right to support the community's quest for law and order. But it was also right to honor confidentiality, as her professional code required. What made the choice so tough for her? The fact that her values were so well defined. Had she been less concerned about the confidentiality of information—which, in its highest form, grows out of a desire to respect and honor everyone in her community—she might not have hesitated to turn over the name to the detective. She might have bowed so entirely to the authority of the officer—or sought so willingly to help him bring the criminal to justice—that she would never have noticed how quickly, in her mind, "the caller" became "the criminal" before he had even been questioned. On the other hand, had she been single-mindedly committed to her profession as a gatekeeper of society's information, she might never even have considered her obligations to the larger community. She might simply have stood on the principle of confidentiality and seen no conflict with the urgency of a social need.

Tough choices don't always involve professional codes or criminal laws. Nor do they always involve big, headline-size issues. They often operate in areas that laws and regulations don't reach. That was the case for a corporate executive with a nationwide manufacturing firm, who faced such a choice shortly after becoming manager of one of his company's plants in California. Every year, he learned, the producer of Hollywood's best-known television adventure series shot a segment for one of its shows in the plant's parking lot. Every year, the upper management at his firm's corporate headquarters allowed the crew to do the filming free of charge—typically on a Saturday, when the lot was empty. And every year Mr. Gray, the former plant manager, had given up weekend time with his family in order to be on location and assist the television crew.

So this year the new plant manager did the same. The shoot went as planned. At the end of the day, the producer came up to him, thanked him for his help, and asked how the check for five hundred dollars should be made out. Surprised, the manager replied that it should be made out to the corporation. Surprised in turn, the producer said, "Oh, okay. In the past we've always made it out to Mr. Gray. Shouldn't we just make it out to you?"

Tough choice? In a sense, yes. The corporation, which incurred no expenses and sustained no losses because of the shoot, neither asked for nor expected any payment. The plant manager, on the other hand, had given up an entire weekend day with no additional compensation. Yet the asset that made the shoot possible belonged not to him but to the corporation. Whose money was this? Was this payment to the corporation or a contribution for his personal services? If the latter, was it a bribe to ensure the same site would be available next year, or a gesture of appreciation for his helpfulness? Furthermore, if he *did* turn over the check to the corporation, would that lead to questions about what happened to last year's money and cause trouble for Gray, who may have reasoned out the issue in a different way and felt comfortable accepting the payment? Or might such an investigation lead to the discovery that this incident was part of a deceptive pattern established by Gray, who might have been regularly using corporate assets to produce personal gain? The manager knew that many people many people in his position would have pocketed the check with a murmur of appreciation and a live-and-let-live shrug. For him, it was hardly that simple—because of his core values of honesty, integrity, and fairness, and his desire to avoid even the appearance of wrongdoing. All in all, he felt that there was some right on both sides—that it was right for him to be compensated, and yet it was right for the company to receive whatever payments were made.

Tough choices, typically, are those that pit on "right" value against another. That's true in every walk of life—corporate, professional, personal, civic, international, educational, religious, and the rest. Consider that:

- It is right to protect the species inhabiting the Arctic National Wildlife Refuge (ANWR)—and right to ease the ever-escalating global energy crisis by drilling for oil in their habitat.
- It is right to honor a woman's right to make decisions affecting her body—and right to protect the lives of the unborn.
- It is right to provide our children with the finest public schools available—and right to prevent the constant upward ratcheting of state and local taxes.
- It is right to extend equal social services to everyone regardless of race or ethnic origin—and right to pay special attention to those whose cultural backgrounds may have deprived them of past opportunities.
- It is right to refrain from meddling in the internal affairs of sovereign nations—and right to help protect the undefended in warring regions where they are subject to slaughter.
- It is right to bench the star college quarterback caught drinking the night before the championship game—and right to field the best possible team for tomorrow's game.
- It is right to provide social benefits for undocumented workers already in the country—and right to ask taxpayers to subsidize only what is legal.
- It is right to condemn the minister who has an affair with a parishioner—and right to extend mercy to him for the only real mistake he's ever made.
- It is right to find out all you can about your competitors' costs and price structures—and right to obtain information only through proper channels.
- It is right to take the family on a much-needed vacation—and right to save money

for your children's education.

- It is right to speak up in favor of a minority viewpoint in your club—and right to let the majority rule.
- It is right to support the principle of creative and aesthetic freedom for the curator of a photography exhibition at a local museum—and right to uphold the community's desire to avoid displaying pornographic or racially offensive works.
- It is right to "throw the book" at good employees who make dumb decisions that endanger the firm—and right to have enough compassion to mitigate the punishment and give them another chance.

Right versus right, then, is at the heart of our toughest choices. Does that mean that there are no right-versus-wrong choices? Is "wrong" only someone else's definition of what I think is "right"?

No. The world, unfortunately, faces plenty of right-versus-wrong questions. From cheating on taxes to lying under oath, from running red lights to inflating the expense account, from understating your income from tips on your tax forms to overstating the damage done to your car for insurance purposes—the world abounds with instances that, however commonplace, are widely understood to be wrong. But right-versus-wrong choices are very different from right-versus-right ones. The latter reach inward to our most profound and central values, setting one against the other in ways that will never be resolved simply by pretending that one is "wrong" Right-versus-wrong choices, by contrast, offer no such depth: The closer you get to them, the more they begin to smell. Two shorthand terms capture the differences: If we can call right-versus-right choices "ethical dilemmas" we can reserve the phrase "moral temptations" for the right-versus-wrong ones.

When good people encounter tough choices, it is rarely because they're facing a moral temptation. Only those living in a moral vacuum will be able to say, "On the one hand is the good, the right, the true, and noble. On the other hand is the awful, the wicked, the false, and the base. And here I stand, equally attracted to each." If you've already defined one side as a flat-out, unmitigated "wrong," you don't usually consider it seriously. Faced with the alternatives of arguing it out with your boss or gunning him down in the parking lot, you don't see the latter as an option. To be sure, we may be tempted to do wrong—but only because the wrong appears, if only in some small way and perhaps momentarily, to be right. For most people, some sober reflection is all that's required to recognize a wolflike moral temptation masquerading in the lamb's clothing of a seeming ethical dilemma.

The *really* tough choices, then, don't center on right versus wrong. They involve right versus right. They are genuine dilemmas precisely because each side is firmly rooted in one of our basic, core values. Four such dilemmas are so common to our experience that they stand as models, patterns, or paradigms. They are:

- Truth versus loyalty
- Individual versus community
- Short-term versus long-term

- Justice versus mercy

The names for these patterns are less important than the ideas they reflect: Whether you call it law versus love, or equity versus compassion, or fairness versus affection, you're talking about some form of justice versus mercy. So too with the others. But while the names may be flexible, the concepts are not: These four paradigms appear to be so fundamental to the right-versus-right choices all of us face that they can rightly be called *dilemma paradigms.* These paradigms are more fully explained in chapters 5 and 6. Here, however, is an example of each:

Truth versus loyalty. As a professional working for a large defense electronics firm, Stan found himself riding a roller coaster of concern about layoffs. Every few years, it seemed, top management slashed jobs as work slacked off—only to hire again when things started looking up. So when Stan and his team members noticed that the executives were again meeting behind closed doors, they suspected the worst.

Stan's boss, however, was a good friend—and also a voluble talker. So Stan felt no qualms asking him about the future. His boss explained the contingency plan at length—mentioning that, if layoffs were needed, Stan's team member Jim would be slated to lose his job. He also made it plain that Stan was to keep that information confidential.

Not long after that conversation, Jim approached Stan and asked whether he could confirm what the rumor mill was saying: that he himself would be the target. That request landed Stan squarely in the truth-versus-loyalty dilemma. Because he knew the truth, honesty compelled him to answer accurately. But he had given his word to his boss not to break a confidence, and he felt a strong loyalty to that relationship.

Whichever course he chose, then, would be "right." And he could not choose both.

Individual versus community. In the mid-1980s, the administrator of a residential care facility in California received a letter from a nearby university hospital, where his elderly residents typically went for medical attention. The letter reminded him that five of his residents had recently had surgery at the hospital. It also informed him that the medical staff suspected that some of the blood used in their transfusions may have been tainted with HIV. While making it clear that the probabilities of infection were low, the letter asked him to call the hospital immediately and arrange further testing for these five.

That letter, he recalled, presented him with a stark and direct question: What should he tell, and to whom should he tell it? Given the public and professional ignorance about AIDS—this was, remember, the mid-1980s, when the disease was little understood and legal regulations offered him no clear guidance—he felt certain that, if he told his staff, their fear would be so great that they would refuse to enter the rooms of those five, making it impossible to deliver even minimal care to them. But suppose he did not tell the staff and one of them contracted AIDS: Surely he would be culpable.

As it happened, none of the five ultimately tested positive. But that crucial fact was unknown at the time. What was he to do? He knew it was right to honor the individual rights of each of those five residents—the privacy of their medical histories, the expectation of high-quality care at his facility, their dignity as individuals. It was right, in other words, to say nothing.

On the other hand, he knew it was right to protect the community from disease. The staff had not signed on for hazardous duty. Most of them saw themselves as unskilled hourly workers, not members of a life-endangering profession to which they had been called by noble duty and prepared by intensive training. Never mind that they might all phone in sick the day after the announcement: They deserved protection so they could continue to deliver care, with full regard for safety, to the many other residents who were *not* among the five. So it was right to tell them. Both sides were right, and he couldn't do both.

Short-term versus long-term. When he graduated from college with a degree in science, Andy had found a solid job in his profession, married, and had two sons. Twelve years later, he moved to another company that promised steady advancement within its managerial ranks. A devoted family man, he admired his wife's dedication to raising the boys. But he also observed that his sons, nearing their teen years, benefited greatly from his fatherly friendship and counsel—especially as they approached what he and his wife realized could prove to be a difficult transitional period in their upbringing. So he made a commitment to spend plenty of time with them, playing baseball and helping with their schoolwork.

But he also loved his work and did well at it. And it quickly became apparent that, to advance rapidly up the managerial ranks, he needed an MBA. A nearby university offered the degree in an attractive evening-and-weekend program that would allow him to continue full-time employment. But it would soak up the next several years of his life and throw most of the family activities into his wife's hands.

Andy's dilemma set the short-term against the long-term. It was right, he felt, to honor his family's short-term needs—to stick close to his sons at a time when a father's influence seemed so important. Yet it was right to build for the long-term needs of his family—to equip himself with an education that would make him a better provider in the coming years, when he would presumably need to pay college tuitions.

Both were right, and he couldn't do both.

Justice versus mercy. As feature editor for a major daily newspaper, I found myself in charge of a broad array of different departments. Like most newspapers, ours ran features on education, books, science, and the arts—as well as on cars, chess, stars, gardening, and food. I quickly learned that what makes any of these departments sing is the skill of the writing—and that even in areas where I had no discernible interest, a well-crafted story could seize and hold my attention just as well as a breaking front-page sizzler. So we always sought to hire young staff members who, whatever other talents they might have, were good writers.

We had just such a young woman on the food page. She had come to us from one of the nation's finest colleges, and had progressed rapidly to the point where, as assistant editor, she wrote regularly. So one summer day, when I noticed that she had submitted a story on Maine blueberries, I was pleased to see it in the queue, awaiting publication in several more days.

The next day I looked up from my computer terminal to find the food editor herself—a woman with decades of experience, one of the best in the business—standing silently in front of my desk. In one hand she held a copy of her young assistant's story on blueberries. In the other hand she held a battered, tan cookbook some thirty years old. She laid each on my desk. And there, on the pages of that cookbook, was our young friend's story, printed word for word.

Among the few cardinal sins of journalism, one stands supreme: You don't plagiarize. Nothing should be drummed more insistently into the minds of your journalists. Nothing defrauds your readers more egregiously. Nothing is more difficult to detect. And nothing, as former *New York Times* reporter Jayson Blair learned when his journalistic frauds came to light in 2003, destroys a career more rapidly. This was no right-versus-right ethical dilemma. For our young friend, it was a pure and simple case of right-versus-wrong moral temptation—and she had chosen wrong.

For me, however, it *was* an ethical dilemma. I found myself torn by two conflicting desires. Half of me wanted to lunge from my desk, brush past the senior editor, and make a beeline for the assistant's desk—whereupon I would overturn it, scatter its contents across the newsroom floor, grab her by the scruff of her neck, heave her out into the street, and call out after her, "Never, *never* come back—and never let me hear that you are working in journalism anywhere else!" The other half of me wanted to walk over to her desk, quietly pull up a chair, and say, "What on earth has come over you? You know better than that! Is there something going wrong in your personal life that I haven't been aware of? Let's go have a cup of coffee—you and I have to talk!"

Half of me, in other words, wanted to see justice done in no uncertain terms—punishment swift and sure, the example emblazoned forever into the annals of American journalism—despite the fact that, were I to take such a course, many in the newsroom might well line up on one side muttering, "Hard-hearted fascist, too rigid to care!" The other half yearned to be merciful, to extend the hand of compassion in a situation that seemed so desperately to need it—even though, were I to do so, I could foresee the rest of the newsroom lining up on the other side and muttering, "Bleeding-heart liberal, soft on crime!"

It was right to be merciful. It was right to enforce justice. And I could not do both at once.

This last situation offers two useful lessons. First, dilemmas have actors. Any analysis must begin with the question, Whose dilemma is this? For the young writer, it was a case

of right versus wrong. For me, it was right versus right. For the senior food editor, I'm sure, it was a different sort of right versus right: Do I approach my young assistant directly, or do I take the case to a higher authority?

Second, the way this problem was eventually resolved illustrates an important point about solutions. Resolutions often arise when, in analyzing an apparently stark, rigidly bipolar ethical dilemma, we see a middle way open up between the two rights. In this case, we found that middle course. We learned that the young assistant was indeed having some serious personal problems. And since her blueberry piece had not yet been published, we had some latitude in our actions. So we moved her to an editing slot, with the understanding that she was to do no more writing. She remained in that position several years, eventually leaving to take a job outside journalism. In listening to and analyzing hundreds of ethical dilemmas like these, I have found that they generally fit one (or more) of the four paradigms. But so what? How does this process of determining a paradigm help us make tough choices?

I think it does so in three ways:

- It helps us cut through mystery, complexity, and confusion—assuring us that, however elaborate and multifaceted, dilemmas can be reduced to common patterns. By doing so, it reminds us that this dilemma—the one that just landed on my desk in the middle of an otherwise ordinary Tuesday afternoon—is not some unique event created sui generis out of thin air and never before having happened to anyone in the universe. It is, instead, an ultimately manageable problem, bearing strong resemblance to lots of other problems and quite amenable to analysis.

- It helps us strip away extraneous detail and get to the heart of the matter. Under this sort of analysis, the fundamental fact that makes this an authentic dilemma—the clashing of core moral values—stands out in bold relief. Looking at this clash, we can easily see why we have a conflict: Each value is right, and each appears to exclude the other.

- It helps us separate right-versus-wrong from right-versus-right. The more we work with true ethical dilemmas, the more we realize that they fall rather naturally into these paradigms. So any situation that fits one or more of the paradigms must in fact be an issue of right versus right. But what about those situations that strike us as ethical conundrums but resist every effort to fit themselves into the paradigms? Usually there's a simple reason they don't fit: They turn out to be right-versus-wrong issues. Any attempt to make them square with one of these four patterns typically mires itself in frustration. While one side immediately appears right, the other side doesn't. Why? Because there's nothing right about it: It's wrong. In this way, the litmus of the paradigms helps us spot the difference between ethical dilemmas and moral temptations.

But merely to analyze a dilemma—even to fit it into the above paradigms—is not to resolve it. Resolution requires us to choose which side is the *nearest* right for the circumstances. And that requires some principles for decision-making.

The three principles outlined here are drawn from the traditions of moral philosophy. Of the many theories that have been propounded for ethical decision-making, these represent three that are particularly useful in helping us think through right-versus-right issues. Each gives us a way to test the twin rights of a dilemma. Each has a long and noble tradition behind it. Each, as we shall see in later chapters, has powerful arguments in its support—and significant refutations lodged against it. For clarity, we'll give them three shorthand labels: *ends-based, rule-based,* and *care-based.* These principles are more fully discussed in chapter 7. Here, in thumbnail detail, is the gist of each:

- **Ends-based thinking.** Known to philosophers as *utilitarianism,* this principle is best known by the maxim *Do whatever produces the greatest good for the greatest number.* It demands of us a kind of cost- benefit analysis, determining who will be hurt and who helped, and measuring the intensity of that help. It is the staple of public policy debate: Most legislation, these days, is crafted with this utilitarian test in mind.

At the heart of this principle is an assessment of consequences, a forecasting of outcomes. Philosophers typically refer to utilitarianism, in fact, as a form of *consequentialism*—or, more precisely, as a *teleological* principle, from the Greek word *teleos,* meaning "end" or "issue." Why? Because you cannot determine the "greatest good" without speculating on probable futures. Hence the "ends-based" label: Utilitarianism examines possible results and picks the one that produces the most blessing over the greatest range.

- **Rule-based thinking.** Often associated with the name of the German philosopher Immanuel Kant, this principle is best known by what Kant somewhat obtusely called "the categorical imperative." Kant put it this way: "Act only on that maxim through which you can at the same time will that it should become a universal law." Simply put, that means, "Follow only the principle that you want everyone else to follow." In other words, act in such a way that your actions could become a universal standard that others ought to obey. Ask yourself, "If *everyone in the world* followed the rule of action I am following, would that create the greatest good or [in Kant's words] the greatest 'worth of character'?"

This mode of thinking stands directly opposed to utilitarianism. Arguing that consequentialism is hopelessly flawed—how, after all, can we *ever* imagine we know the entire consequences of our actions?—the rule-based thinker pleads for acting only in accord with fixed rules. Never mind outcomes: Stick to your principles and let the consequential chips fall where they may. Based firmly on duty—on what we ought to do, rather than what we think might work—it is known among philosophers as *deontological* thinking, from the Greek word *deon,* meaning "obligation" or "duty."

- **Care-based thinking.** Putting love for others first, this third principle comes into play most frequently in the Golden Rule: *Do to others what you would like them to do to you.* It partakes of a feature known to philosophers as *reversibility:* In other words, it asks you to test your actions by putting yourself in another's shoes and imagining how it would feel if you were the recipient, rather than the perpetrator, of your actions. Often

associated with Christianity—Jesus, after all, said, "All things whatsoever ye would that men should do to you, do ye even so to them" (Matt. 7:12 [KJV])—it is in fact so universal that it appears at the center of every one of the world's great religious teachings. While some philosophers (including Kant) have disputed its standing as a practical principle, it is for many people the only rule of ethics they know, deserving consideration for the moral glue it has provided over the centuries.

How do these three principles apply? First, some hypotheticals. You're walking through an outdoor shopping mall one day when the woman ahead of you opens her purse and pulls out a handkerchief. Unknown to her, a ten-dollar bill floats out of her purse onto the pavement. You pick it up and hand it back to her.

From the Kantian perspective, you have just invoked a rule or maxim—in this case, "Don't ever steal"—that you would wish to see universalized. It's not hard to see that, if everyone in the world did what you have just done in similar circumstances, the world would indeed be a better place.

But suppose it's later in the day and you're eating an ice-cream cone. You've nearly finished, except for the soggy, damp, and altogether unappealing butt-end of the cone. You're worried that, if you hold it much longer, the melted ice cream will begin running down your hand and along your arm. There's not a trash container to be seen. There is, however, a low hedge beside you, under which are lodged a few bits of trash. You consider chucking the cone into the hedge—but not until (being in an unusually philosophical mood) you ask yourself what the three resolution principles would counsel you to do.

Start with the utilitarian principle. A quick assessment of consequences suggests that (1) the mall probably employs sweepers to clean up trash, and (2) the hedge is probably visited regularly by squirrels, birds, and ants, and (3) there's no one else around eating a cone. Your little butt-end will make hardly any difference to the hedge or to the general neatness of the mall: It will, in other words, be a largely inconsequential act. So throw it away.

Not so fast, says the Kantian. Remember, you are setting the standard for the entire world. Throw it in the hedge, and you must be prepared to have *everyone,* from now until eternity, chuck away the butt-ends of their ice-cream cones under hedges, until shoppers all across the malls of the world are up to their eyeballs in soggy cone-tips. An extreme example? Certainly. But it helps remind us that the only reason we feel we can "get away" with the utilitarian principle is that there are only a few others who will do what we've just done, and that our tiny act will be of small consequence in a large universe. Yet is that, the Kantian would ask, any reason to break rules? Is that really the way you want others to behave? Which, of course, is just what the Golden Rule would instruct: Don't do what you don't want others doing. How would you react if that woman ahead of you flipped *her c*one-end into the hedge? What about the rest of her hot dog? What about her cigarette butt? What about the entire contents of her sack of fast-food leftovers? Would you not be even slightly offended that she was degrading the orderliness of *your* experience? Then what about the woman behind you as you toss away your cone—and

for that matter, what about the child she has with her? Do you want other adults to set good examples for your children, even in situations where an action that might be construed as a *bad* example is probably pardonable and might even be justified?

The point, here, is not to perform three tests and then vote to score a three-to-nothing or two-to-one victory. The point is to reason. The usefulness of these principles is not that they will deliver an airtight answer to your dilemma. They are not part of a magic answer kit that produces infallible solutions. If they were, ethics would be infinitely easier than it is, and the moral problems of the world would have been satisfactorily sorted out centuries ago. No, the principles are useful because they give us a way to exercise our moral rationality. They provide different lenses through which to see our dilemmas, different screens to use in assessing them. To see how the principles work, look at two of the dilemmas raised above: the case of the librarian facing the question about rape, and the case of the young journalist who plagiarized the blueberry story.

What should the librarian do? Analyzing her dilemma, it seems most readily to fit the paradigm of individual versus community: the lone caller's right to privacy versus the community's right to live in safety. The utilitarian, looking at consequences and numbers affected, may well urge the librarian to hand over the phone number to the detective. The good of the community, in this view, must prevail over the rights of the individual. What if he is innocent? What if the police, in their zeal to get a confession, make his life most unpleasant? That's unfortunate, but that's what is implied in utilitarianism: The fact that the greatest good goes to the greatest number suggests that every once in a while the not-as-good—even, at times, the very bad—will go to the few. Suppose (continues the utilitarian) the librarian refused to hand over the number—and that very night a second rape occurred. And suppose that happens night after night. Doesn't the community have the right to be protected?

The categorical imperative puts it in a different light. Arguing the hallowed regard for duty, the Kantian may well urge the librarian to elevate to first place her sense of obligation to her profession. The rule is simple and direct: You don't divulge the names of those who call for information. No matter what the circumstances, you simply don't do it—because, if you do, you are saying that every librarian in the world should do what you're about to do.

In explaining her reasoning to us, in fact, the librarian who originally related this dilemma backed it with another example. Suppose a small business entrepreneur in your community gets a flash of inspiration and decides to set up a miniature golf course. He calls the library to get information about how to build one. That information is immediately made public—and a big-bucks developer, who already has a piece of land and plenty of cash, decides he'll build it before this little guy even has a chance to explore the possibilities. Her point: Librarians have a sacred trust to protect the identity of information-seekers, in order to ensure the free use of libraries and promote the most inventive and productive society possible.

But would Mr. Big Bucks really do that, asks the utilitarian? Aren't the chances of that happening pretty slim? And isn't there a huge difference between rape and miniature golf? Surely the end result of a developer's financial coup pales in contrast to a criminal's conviction.

There you go again (replies the Kantian), speculating on consequences—as though you really could read the future. Since you can't, the only safe course is to stick to your duty: Don't tell. And remember: Whatever this librarian does in this case is going to set the standard for every librarian for all time. That's the imperative of the category of action she is creating. Go down this road, and you open yourself up to all sorts of consequences. Yes, every suspected rapist may be behind bars. But the libraries will all be bugged, and we'll all live free from crime and full of terror in a Soviet-style police state.

And the Golden Rule? Here the issue turns on whom we mean by *others.* If the other is the caller, he doesn't want to be turned in—particularly if he's just a student working on a paper. If the other is the detective, however, he really needs that number. If the others are women in the community, they too might well want the detective to know. How the librarian decides will depend in part on which one she thinks of as "the other." But only in part. It will also depend on her concept of what it means to *care for* others. Can she express the highest sense of caring by defending the long-term interests of a free society, where no one is put at risk merely by asking for information? Or does her highest sense of caring lie in protecting the community from what might be an immediate threat?

Three principles, three ways to think—and no clear vote. Whether you put the individual above the community, or the community above the individual, depends on the weight each of the lines of reasoning carries for you.

That's true as well for the blueberry story and its justice-versus-mercy paradigm. There, the utilitarian will urge an examination of consequences. Sure, throw the book at her: But what will you do if, the next day, you read that she committed suicide? That her private life was so entangled that she was driven to desperation—and you pushed her over the brink without even bothering to find out what was wrong? Or what if she sues you for sexual harassment because of your vigorous actions? What if . . . and what if? All things considered, the utilitarian might argue for bending the principle that plagiarism is a cardinal evil—leaning toward mercy, even if just this once.

The Kantian will want to ask not about the *what ifs* but about the rules. Remembering that whatever you do will be done by every editor in similar circumstances from now on, the Kantian wants to lay down a firm standard. If you must always obey one or the other side, which will it be? Here the logic may lean toward justice—an enforcement of the rules, with no concern for the consequences of your action in this particular case, but with a clear eye on the larger duty of eradicating plagiarism. After all, to lean in the other direction—to make mercy the infallible rule—would in essence make justice void. If every editor always acted as though justice could be set aside "just this once," what good is justice?

The Golden Rule, focusing on reversibility, asks, What would I want to have my superior do to me in such circumstances? What, I might ask, would have driven me to do such a thing? Am I struggling with overwhelming personal problems? Then maybe I want counsel. Am I frightened by the possibility of failure? Then maybe I want to be encouraged. Am I driven by a need to succeed at all costs? Then maybe I need to be brought to my senses by the tough, swift response of my boss. Maybe, in fact, this is an unconscious plea for help—a situation so blatant that it cries out to be caught, punished, and reformed.

The decisions examined here are all tough. And they are all tough in the same way. They all pit one powerful right against another. In the following chapters, we'll look at the concept of right versus wrong (chap. 2). We'll examine what it means to be ethically fit (chap. 3). We'll consider where we get our sense of what's right and how we develop our core of values (chap. 4). We'll examine in much more detail the dilemma paradigms (chaps. 5 and 6) and the resolution principles (chap. 7). In chapter 8, we'll apply these paradigms and principles to a rich array of examples drawn from the private and public realms. Finally, in chapter 9, we'll consider the nature of ethics in our global future and our individual relation to it.

First, however, we need to explore some age-old questions:

What about right and *wrong?*

Doesn't it matter that people do bad things?

As we move into the twenty-first century, what's the reading on our moral barometer—and how important is that reading?

Does ethics really *matter*?

Homer A. and Mildred S. Scott Foundation
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  - Be always mindful of the Foundation's position and reputation in the community;
  - Be professional, trustworthy, fair, and honest in all matters;
  - Do not discredit or embarrass yourself or the Foundation; and
  - Provide leadership in advancing the vision and values of the Foundation and be aware of, and obey, all laws and regulations and policies of the Foundation that apply to your activities.

Surdna Foundation Code of Ethics

This collection of policies from the Surdna Foundation describe their approach in a variety of important areas regarding grantee relationships and interactions with the donor and donor's family. The introduction to the policies reads as follows:

Board and Staff of the Surdna Foundation are committed to being responsible, transparent and accountable stewards of the public trust. We are committed to fulfilling our mission with personal and professional integrity – working with colleagues in supportive and fair relationships, avoiding conflicts of interest and complying with the spirit and letter of applicable laws. We recognize and act upon our obligations to multiple stakeholders: the donor and the donor's family, grantees and grantseekers, the public and governmental bodies.

The Foundation has established the following to support ethical conduct:

- *Our Stated Approach to Grantmaking*
- *Responsible Stewardship*
- *Whistleblower Policy*
- *Measuring Success*
- *Conflict of Interest Policy*
- *Inclusiveness and Diversity*

Read the complete statement here: http://www.surdna.org/about-the-foundation/code-of-ethics.html