

Giving and getting: Business fraud

by [Martin E. Marty](#) in the [September 25, 2002](#) issue

Suppose you and I were on the dock at the Boston Tea Party in 1773. Suppose you, being well heeled and generous, gave me a dollar (in 2002 currency value) and, a second later, gave me another. Your means and generosity were lavish, so you and your agents kept giving me and my friends a dollar a second, night and day, 365 days a year. This summer the total of that giving would be \$7.2 billion.

University endowments are big, big deals. While university leaders are happy to receive gifts of buildings, they are really happy when someone contributes to endowments. The University of Chicago 110 years ago received its first endowment gifts from John D. Rockefeller. Throughout the 20th century philanthropists kept making generous gifts. By the centennial the endowment had reached \$1.2 billion. One year ago the amount had risen to \$3.5 billion. (I don't want to look at what it has dropped to this year, hit by the stock market collapse.)

Admittedly, the University of Chicago is only in 13th place on the College and University Endowments list. But \$3.5 billion is significant. It comes pretty close to being half of \$7.2 billion, a figure I am trying to keep before you.

Most of us work on far smaller scales than those I've just described. If you are a church member you know how hard it is to meet congregational budgets. My church body, the Evangelical Lutheran Church in America, has 2,804,329 "communing and contributing members" among its 5,125,919 baptized members, spread among 10,851 congregations. But on "Giving as a Percentage of Income by Denomination" charts, the ELCA comes in about 20th. Is it because we are largely a rust-belt and farm-belt denomination, outdone by our sun-belt counterparts? Or is there rust on the hinges of ELCA members' purses, or rust in too many members' hearts? Still, communicants did give, on average, \$506.90 each last year.

I know that many of these givers are seniors on fixed incomes or living off dwindling retirement accounts. Some who are unemployed struggle to keep their pledges. These are hard times for farmers, and it is not easy for many to give. That \$506.90 per member amounted to \$2.387 billion (\$87 million of which got channeled to and

put to work through “headquarters”). If those members keep giving as they have, in three years they will have given \$7.2 billion.

Why is \$7.2 billion the benchmark in this column? Read your newspapers. WorldCom, only one of the several major crooked companies that “took” you this year, admitted to \$7.2 billion in “accounting irregularities” or “violations.” Its top people have now been “charged with securities fraud” and other “criminal actions.” You can bet that a couple of folks associated with companies like this will spend a couple of years in minimum-security suburban prisons for those “violations.”

The Boston Tea Party illustration, the University of Chicago endowment after 110 years of giving and growth, and the fact that all congregational giving by a large denomination annually comes to only one-third of \$7.2 billion gives us some idea of the scope of the problem of business fraud.

As Qwest was sinking, CEO Phil Anschutz sold \$1.57 billion of its stock; as Gateway was heading downward, CEO Ted Waitt sold \$1.10 billion. Together those two, who knew what shareholders didn’t know, walked away with more than the ELCA’s 2.48 million givers gave in a year. Indeed, they probably didn’t walk but flew in company jets, given them as part of their settlement packages. If so, they could laugh as they looked down on us struggling mortals.