

“Corporate Social Responsibilities in the 21st Century”

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I'd like to visit with you today about the role of business in dealing with community problems. Most of my comments will be based on my own experience in business over the past 35 years, as well as my experience working with low-income neighborhoods in Dallas for the past six.

To begin, I'll briefly review my business career and explain why I decided to become so active in community issues. Next, I will talk about the benefits and the accompanying costs and excesses of our competitive free market system. I will challenge the notion that unbridled pursuit of self-interest promotes social welfare, both generally and in our cities. Then I will make a case for business involvement in addressing the social issues confronting our cities. Finally, I will describe my experiences in Dallas and suggest alternative ways that businesses may be involved in addressing the most significant urban social issues.

Section I

I began my career as an attorney, and practiced law for 7 years before joining the Trammell Crow Company as head of International Operations in 1973. At the first TCC partners meeting I attended, Hudson Institute director Herman Kahn was the featured speaker. During his speech, Mr. Kahn predicted a strong and sustained global business expansion, which he called “le troisième belle epoch,” in which the poor nations of the world would become rich and the wealthy nations richer. As a young businessman, I bought into this vision wholeheartedly.

At that time TCC was developing major real estate projects throughout the U.S. and in 9 foreign countries. Managing the company's extensive international operations was a heady experience for an aspiring 30-year-old businessman. The job became infinitely more complicated and challenging just five months later when, in October 1973, the Arab-Israeli war erupted in the Middle East, an oil embargo ensued and a decade-long global recession began.

The commercial real estate industry was not spared the devastating effects of recession. My aspirations plummeted as I went quickly from the ecstatic heights of sudden and great wealth to the agonizing pit of negative net worth. I spent the next 3 years traveling the globe to work out the company's debt problems, both domestic and international.

In the winter of 1977, I embarked on a whirlwind business trip during which I flew first to Brazil, then to France, Egypt, Lebanon, Kuwait and Iran. Three weeks and six countries later, I flew into New York's JFK in the midst of a major snowstorm and found that I had only a few minutes to catch the last flight to Dallas. There were no airport shuttles in sight, so I took off on foot toward the Braniff terminal. Running with a suitcase in one hand and a loaded briefcase in the other, I slipped and fell, then slid along on my belly and landed spread-eagle and facedown in the snow. At that moment I asked myself “What am I doing with my life?”

Lying there in the snow, I came to recognize that I was a workaholic, consumed and driven primarily by work and ambition. This led me to the realization that I was neglecting not only my wife and 5 children, but also my spiritual life, my church and my community. After a while I rose slowly to my feet and, giving up on the futile effort to catch that last flight home, I took a taxi to a hotel in the city where with prayer and Bible study I began to reclaim and redirect my life.

Shortly after this experience I discovered the work of Frederick Buechner, a world-renowned Christian philosopher and author. During this time of profound self-reflection and reorientation, I had the privilege to hear Mr. Buechner speak to a small group about his life, his work and his faith. He said that in this life each person faces three great searches: a person to be, others to love and work to do. I found this framework particularly helpful as I thought about my life.

In the search for a person to be, I rededicated my life to my Christian faith. I made Bible study and prayer priorities in my daily life, along with more active participation in my church.

In the search for others to love, I reallocated my time and mental energies to my wife and children. Committed to spending more time with them, I coached basketball and baseball teams, took up hunting, fishing and camping, and brought them along on many business trips both here in the U.S. and abroad.

I would like to focus on the third great search, which is the search for work to do.

In late 1977 Trammell surprised me (and the other partners) by asking me to be CEO. During my 17 years in that role I enjoyed, even in the midst of the turbulent ups and downs of commercial real estate, an extraordinarily interesting and satisfying career. I've had the privilege to serve on both publicly and privately held corporate boards, and also on the boards of local and national industry, civic, educational and religious organizations.

In 1994 I served as the Chairman of the Board of the Dallas Citizens Council, a civic organization composed of the CEOs of the largest Dallas-area corporations, as well as the CEOs of the largest ethnic minority and women-owned businesses in the Metroplex. It was during this time that I became acutely aware of the city's myriad social and structural problems. I felt a strong calling to become more actively involved in the search for solutions. I stepped aside as CEO of the Trammell Crow Company and became Chairman, which reduced my work commitment by 50% and enabled me to dedicate considerable time and energy to the issues plaguing the city's low-income neighborhoods.

My goal has been – and still is – to connect the corporate and philanthropic communities to the inner city neighborhood leaders and organizations that are successfully transforming their own communities. I established the Foundation for Community Empowerment not to be a service provider but to be a catalyst for change, renewal and transformation. One of my many mentors was Jim Rouse, a highly successful real estate developer, who at age 65 retired from business to form The Enterprise Foundation, which has assisted in financing more than 100,000 affordable homes across the country. Jim's favorite saying was "Whatever ought to be, can be."

I've kept one foot in the business community and operate from a business platform for two primary reasons. First, because that's "just the way things work" in Dallas. Unlike other major American cities, Dallas did not come into existence because of its proximity to a port or a river. Dallas is a business town created by the single-minded determination of businessmen, so there's a considerable respect for business ways here that isn't present in every city. Second, because of my national and international business experience, I am increasingly concerned about the direction of emerging business models in America and decided I could be more effective speaking from within rather than from without.

The remainder of my comments will focus on the current U.S. business model and its effects on social issues. I will then endeavor to make the case for business to enhance and expand its role and responsibility in addressing social and community problems.

Please bear in mind that I approach a critique of the current U.S. business model in the context of respect and appreciation. After all, I've personally benefited enormously from this system and believe deeply in its premises. On one hand, our business model has produced enormous gains in job creation and standards of living. On the other hand, I'm growing concerned that our business leadership may be losing its way, particularly with regard to the well-being of our community. I feel strongly that our society is experiencing a dangerous crisis of trust and increasing gulfs between socioeconomic classes. In any case, please consider my comments as a kind of "lover's quarrel."

Section II

Clearly this country has prospered immensely from the combination of democracy and the free market system. Evidence is clear that countries with a high degree of economic freedom experience higher rates of economic growth than countries with less economic freedom. Per capita income in free economies is, on average, nearly eight times greater than in restricted, government-controlled economies. Extraordinarily robust job creation and rising incomes have led to unprecedented levels of prosperity, home ownership, educational opportunities and leisure. When it comes to economic growth, democratic capitalism is clearly the horse to ride.

Our free market system has fostered capital formation while our institutions of higher education have produced technological progress through innovation and investment in both basic and applied research and development. Analysis of all the factors that have contributed to our long-term economic growth reveals that more than half the gains are the direct result of advances in knowledge and innovation, combined with continual technological progress. 668 months have elapsed since the end of World War II, and the U.S. economy has grown in 569 of them, or 85% of the time. This is an extraordinary record.

Economic growth has brought medical progress and concomitant reduction in physical suffering, as well as increased life expectancy. Improved transportation and communication systems have facilitated expanded social contact and the sharing of information. Individuals are more likely to be aware of both employment and consumption opportunities, and less likely to be exploited. Rather than being short and brutish, as it was for the average person until the last century or so, life in a market democracy is long and extraordinarily abundant. I believe corporations and other businesses are crucial institutions of civil society.

But it seems to me that this resounding success is now turning to a kind of triumphalism obsessed with the unconstrained pursuit of self-interest and profit maximization and their attendant excesses.

Over the past two decades, we've seen this tendency expressed in various ways, from President Reagan's "supply-side" economics to President Clinton's "it's the economy, stupid," as evidenced by having Federal Reserve Chairman Alan Greenspan seated next to the First Lady at the President's first State of the Union Address. Peter Berger describes our capitalist system as primarily an "economic culture." But we are paying a stiff price for this prosperity, and all businesses seem to be under constant pressure to grow revenues and profitability at nearly any cost. Wall Street and other investors show no patience for lack of financial results. And our American culture celebrates individual success and consumption to such degrees that community occupies a distant priority. We should be appropriately concerned about these costs of economic growth.

A. Breakdown of Family and Community

The drive to maintain or increase the standard of living in the U.S. has caused the workweek to rise steadily over the past 20 years and has caused many women, including mothers with young children, to enter the labor force in droves. The American worker now works 350 hours more per

year than the typical European, and a recent poll revealed that 68% of executives are working more hours today than just five years ago. Our growing fixation with personal possessions and a rising standard of living has reduced time spent in family relationships and has often made communities little more than a collection of well-appointed motels. For many people, time spent with family, community and faith has been sacrificed for the idols of material gain and career success, and the harm is reflected in a myriad of deteriorating social indicators, such as the breakdown in community.

When combined with the tremendous wealth generated by the market exchange commodities, a tendency toward self-interest has led to a general breakdown in community. Increasingly we live to ourselves. We drive to work alone, spend more and more hours watching television or videos or using computers, and have fewer interactions with folks in our residential communities. In Bowling Alone, Robert Putnam documents the significant decline in community involvement, ranging from political activity (such as a petition signing, voting and running for office) to civic activity (such as Rotary, NAACP, Boy & Girl Scouts, and countless other organizations). In order to get parents to attend PTA meetings in Fair Park/South Dallas, schools often have to resort to offering door prizes. Although Gallup polls reveal that a very high percentage of Americans believe in God, actual church/synagogue attendance and participation have fallen by about one third over the last 3 decades.

This anomie is evidenced in the U.S. through various cultural indicators. Over the past 3 decades we have seen: the divorce rate more than double; single parent families rise from 9% to 29% of all families; births to unmarried women rise from 5% to 31% of all births; the number of children living with both biological parents drop from 78% to 57%; and the juvenile violent crime arrest rate and the teen suicide rate more than triple. Social security, Medicare and Medicaid, private pension funds and growth in assets (particularly the value of the primary residence) have discouraged the continuation of the extended family. The market exchange culture does little to encourage and facilitate meaningful social relations.

And we're overspent. The emphasis on materialism and consumption has led to a mass keeping-up project. In 1986, the Roper polling organization asked Americans how much annual income they would need to fulfill all of their dreams. The answer was \$50,000. Less than 10 years later, the "dream fulfillment" level of annual income has more than doubled, to \$102,000. Between 1990 & 1996, consumer credit card debt has also doubled. Aggressive soliciting well beyond the traditional baseline of credit-worthiness to consumers they know cannot handle the debt makes credit card companies seem like "credit pushers." Sociologist Daniel Bell observes that "the greatest single engine in the destruction of the Protestant ethic was the invention of the installment plan, or instant credit. Previously, one had to save in order to buy. But with credit cards, one could indulge in instant gratification."

We also see the displacement effects of so-called "creative destruction," as old goods and livelihoods are replaced by new ones. While it's often a necessary component of the competitive market process, job displacement is extremely painful to individuals and their families. Workers find themselves displaced from occupations in which they have been employed for years, even decades. Beyond the negative impact on self-esteem and self-worth, displaced workers generally make less money in their new jobs, especially when they are older, less educated, less skilled,

African-American, female or union. It also takes these people longer to find new work. That's the dark side of progress: it can leave our neediest citizens behind.

B. Environmental Impacts

And of course there is the problem of environmental degradation. In an increasingly global economy where competitive advantage requires either lower costs or higher productivity, companies are unlikely to voluntarily absorb the environmental costs that spill over from their activities. The record in the U.S. is clear. While there may be individual firms that are exceptions, industry has generally used every means possible to keep from assuming the costs of the environmental damage they generate. We're currently helping community-based organizations address such issues in low-income areas of South Dallas, which have suffered the most significant environmental degradation. For example, the land beneath three of the four corners where Martin Luther King, Jr. Boulevard intersects Malcolm X (imagine the significance of this intersection!) contain hopelessly toxic levels of underground water contamination.

C. Moral Basics of Our Business Model

It seems that the motto for the American business model is: "Everything is fair game," since profit maximization and growth are paramount. And our history in this pursuit is not salutary. Recently all the major U.S. music companies along with the three largest makers of baby formula, and agricultural supply giants ConAgra, Hormel and Archer Daniels Midland, were convicted of price-fixing. The mantra among ADM upper management was: "The competitor is our friend, and the customer is our enemy." Meanwhile the tobacco industry is settling suits with all 50 states in a pay-out that may exceed \$300 billion for enhancing the addictive effects of nicotine through chemical additives and then lying about what they had done. In the absence of government oversight and competitive labor markets, companies have often squeezed labor in order to squeeze out an extra dollar of profit.

I serve on the board of Belo Corporation, which owns newspapers and television stations. Recently their Houston station KHOU broke the story of the Firestone tire failures. Instead of accepting responsibility, Firestone's first response was to fire off a letter to KHOU claiming falsehoods and misrepresentation, and accusing KHOU of sensationalism.

The prevailing business ethos appears to be: "everything is for sale," which is to say that any market, any product, is acceptable regardless of the consequences. Legal gambling in America, for example, totals more than \$560 billion a year. That's a conservative estimate, but it still adds up to more than \$2,000 for every man, woman and child. Americans spend more on gambling than the U.S. government does on national defense. Legal gambling now dwarfs all spending on all other forms of entertainment combined. When I served on the state's Connally Commission, which was appointed by Governor Ann Richards to review state tax policies, there was a strong consensus to support lotteries, even though evidence is clear that lotteries function primarily as a regressive tax on the poor.

Pornography is another example of the "everything is for sale" mentality that permeates the American business model. Annual expenditures on pornography in the U.S. are estimated

between \$15-\$20 billion, which exceeds the total combined spending on sporting events and live music performances, and equals the total annual contributions to religious organizations. As many as 20 million Americans, many of them children, visit cybersex sites on the Internet each month. Online pornography revenues increased from \$52 million in 1996 to over \$2 billion in 1999 (compared to online book purchases of \$1.3 billion and online air travel of \$800 million), leading some businesses to advertise on these sites. This is true even though public opinion surveys in the U.S. over the past decade have consistently found that the majority of adults believe that pornography leads to the breakdown of public morals and loss of respect for women, harms children, and causes some men to commit rape. Surprisingly, even large, well-respected U.S. corporations profit from pornography. For example, through its Direct TV satellite General Motors sells more graphic sex films every year than does Larry Flynt, owner of Hustler Enterprises. So does Rupert Murdoch's News Corp, through Echo Star Communications. And AT&T offers a hard-core sex channel, called "The Hot Network," to subscribers of its broadband cable service. The hotel industry reports that about 40% of all hotel rooms in the nation are equipped with television boxes that sell adult sex movies. Worse, nearly half of all guests buy these movies. Cable and hotel operators typically receive 80% of the revenue generated by such films, compared with 50% of other features. Only one chain, Omni Hotels (headquartered in Dallas) has chosen to remove sex films, a decision which cost the company nearly \$2 million in potential revenues.

Profit maximization, which is the central thesis of a free market economy, combined with earnings pressure from shareholders, causes corporations to work exceptionally hard to minimize or avoid paying taxes. In the 1950's corporate income tax represented between 25-30% of federal outlays. Today it's between 6-8%, despite record corporate profits and stock market valuations. Examples of this phenomenon include General Electric which in 1981 & 1983 paid no taxes whatsoever (and in fact got a \$150 million refund) despite \$6.5 billion in profits, and Allied Signal which, according to *The New York Times*, recently entered into a sham tax shelter that saved the company \$180 million in taxes, then paid Merrill Lynch \$25 million for structuring the deal. Since the IRS has fewer sources for scrutiny and is, according to recent reports, concentrating more of its audits on low-income taxpayers, sham tax shelters like these are seldom uncovered and thus are, for many companies, a low-risk, high-reward strategy. The March 5, 2001 issue of *Forbes* magazine carries the headline "How to Cheat on Your Taxes" and the lead article asks, "Are You a Chump" for paying taxes? Jane Novack reports in this article that, "All told – shady shelters and good old fashioned fudging – the tax cheating appears to be costing the Treasury well above \$200 billion a year, a devastating sum in relation to the \$1.1 trillion of income tax collections. Underpayment of taxes begets more of the same – Americans are becoming ever more shameless about how they dodge the IRS, and ever more confident that the IRS can't keep up with them."

D. Executive vs. Non-Executive Compensation

Another example of self-interest taken to an extreme is executive compensation. I've served on the compensation committees of several publicly held corporations, and it's clear there is an inexorable pressure to dramatically increase compensation for CEOs and other top executives – it is, after all, what the current market demands. I'm reminded of a story about Babe Ruth, who in 1930 was paid \$80,000. Asked why he made more than President Herbert Hoover, Ruth

replied: “I had a better year than he did.” The total pay for CEOs of the 362 largest U.S. companies was \$12.4 billion in 1999. That is more than 6 times the average CEO paycheck in 1990 and is 475 times the average wage for a blue-collar worker. The word “ravenous” comes to mind when hearing that in 1998 Walt Disney CEO Michael Eisner was paid \$575.6 million, or that in 1995 AT&T Chairman Robert Allen received a stock option grant worth \$10 million while announcing a workforce reduction of 40,000 jobs, or that last year Computer Associates CEO Charles Wang topped the executive compensation list by earning \$655 million. And Bill Gates’ net worth is equal to the combined wealth of the poorest 120 million Americans. Michael Novak, a champion of capitalism, warns that “business executives are blind to the social destructiveness of current levels of compensation.”

Although CEO pay has been soaring during the past 25 years, pay for the average worker has been languishing. The inflation-adjusted average hourly earnings for wage and salary workers peaked in 1973 at \$14.78 (expressed in 1999 dollars), declined precipitously through the 1981-82 recession, then recovered slightly only to decline again in the 1991-92 recession. The annual average for 1999 is only \$13.24, more than 10% below the 1973 peak. This decline in the inflation-adjusted wage has been most severe for workers with less education and for young males, particularly young African-American males. Also, over the past two decades the average workweek in America has increased by anywhere from 1 to 4 hours. The average workweek for females increased by as much as 6 hours – the equivalent of an extra month a year – which translates into fewer direct hours of care received by children. And during this same period the number of multiple job-holders doubled from 4 to 8 million, as more and more Americans hold multiple jobs in order to meet expenses and pay off debt. Economist James K. Galbraith concludes that income gaps have become so wide as “to threaten the social solidarity and stability of the country.” These disparities have led to counter efforts, such as the movement for living wages in which government and business (and their vendors) agree to minimum wage and benefit levels above the poverty line.

Moreover, during this period when the inflation-adjusted average wage was falling and median household income was flat, income inequality in the U.S. increased. As but one example of this gap, the total income of America’s African-American households is approximately \$430 billion per year. The net worth of the 30 richest Americans, according to Forbes, equals approximately \$440 billion. The top 1% of our population owns more than one third of the wealth in the U.S. The top 10% owns two thirds. So the bottom 90% of Americans control only about one third of the wealth of our nation.

It’s also clear that support is steadily declining for efforts to supplement the income of our least affluent fellow citizens. Aside from the studies showing the relative ineffectiveness of larger government programs like the War on Poverty, it is evident that the majority of Americans do not support social welfare spending. In contrast to citizens of other industrialized nations, Americans place a premium on the values of individualism, self-reliance and social mobility. While expressing a desire to help the poor, an overwhelming proportion of Americans also believe that lack of effort is an important cause of poverty. Consequently, high levels of support exist for government spending on Social Security, medical care and education, and low levels of support exist for spending on welfare, food stamps and other means-tested transfers. The debate

about whether poverty is attributable to flawed character or to systemic bias and limited opportunity rages on while our communities continue to suffer.

These views carry over into government actions to combat discrimination and its effects. The vast majority of Americans support equal opportunity and open competition, but are strongly opposed to special preferences such as affirmative action and quotas. Americans believe that individual effort and ability garner the appropriate rewards in the long run. Federal government efforts to combat discrimination in employment through the Equal Opportunity Commission (EEOC) and the Office of Federal Contract Compliance Programs (OFCCP) have been modest, partly due to insufficient legal powers and budgets, and partly due to political considerations.

E. Civic Society

Some, such as Professor Marvin Olasky of the University of Texas, have argued that civic society – families, churches, volunteer organizations – can join forces with the business community to stand in the gap left by the decline of social services in the U.S. At this point in time this appears to be unlikely. Although persons 65 and older spend about 50-75% more time than those aged 18 to 64 in religious and other volunteer activities, the amount of time they contribute per week is too low (1.6 hours) to offset the loss of younger female volunteers who are now in the labor force. Over the past 25 years, the number of adults doing volunteer work has fallen (from 52% to 49%). Likewise, although charitable giving rises each year, over the past 25 years total individual giving as a proportion of total personal income has fallen (to 1.6%), and giving to social services is losing ground to donations for other causes such as environmental protection.

F. Business Location

Rising real income and government policies have facilitated the suburbanization of our metropolitan areas, including the constant stream of corporate headquarters and regional offices to affluent suburbs. During the 1950s and 1960s the federal government provided grants to subsidize new water, sewer and highway infrastructure in the suburbs. Non-elderly public housing was confined to the central cities. Accelerated depreciation on the construction of non-residential buildings, as opposed to the renovation of existing structures, favored suburbanization of retail trade and service jobs. Federal personal income tax deductions for mortgage interest and property tax fueled the growing demand for more residential space, interior and exterior. Rising real income enabled families to move away from deteriorating central cities to newly-built homes in the suburbs, where they could avoid racial confrontations, rising crime, failing public schools and the fiscal blight that results from high concentrations of low-income households where the demand for services outstrips the local tax base. Yet what is good for individual middle and upper income households is not good for the whole metropolitan area. Research shows that in the long run the economic health of U.S. metropolitan areas is directly correlated to the economic viability of our central cities. In other words, in the long haul our suburbs and central cities are complements, not substitutes, and our private and public decisions need to reflect this reality.

Many large multi-national corporations have relocated their headquarters and other major operations to the Dallas Metroplex primarily because of the convenience of airline connections, relatively low wages and housing costs – i.e., economic reasons – but are reluctant to take any active role in civic and community life. In fact, several of my CEO friends have said they moved their companies here in part to escape the civic responsibilities expected in their hometowns, whether a small town in the Midwest or New York City.

All in all, I'm concerned that the current U.S. business model is evolving, at least for practical purposes, into a fundamentally libertarian philosophy, a sort of Ayn Rand notion of the indispensability of self-interest and the pursuit of selfishness as a virtue. Economist magazine recently reported that, "Today's new rich have the opportunity to shape America – and the world – just as profoundly as Carnegie and Rockefeller did. But so far most have failed to take it." And many of our New Economy business entrepreneurs/leaders seem to operate mainly from personal motivations of greed, fame, hedonism and self-gratification. In Dallas a telling example is the contrast between Mark Cuban and Todd Wagner, each of whom made a billion dollars in the sale of Broadcast.com to Yahoo. Cuban bought the Dallas Mavericks, a 27,000 square-foot home and a \$40 million airplane and appears to be a flamboyant self-promoter. By comparison, Wagner established a foundation to equip inner city kids with technology skills and computers and to bring the Inner City Games to Dallas, and personally invests his time, talent and resources in minority-owned technology companies. Theologian Hans Kung advocates an "ethic of responsibility," as illustrated by Wagner's actions, in place of an "ethic of success or disposition."

It appears that, for many amid the recent explosion of wealth from the New Economy's Internet and technology entrepreneurs, being filthy rich is once again fashionable. Apologists (such as George Gilder) defend these developments not only as technological and biological progress, but also as redemptive, wealth-producing liberation for the entire globe – the "overthrow of matter and the triumph of the spirit," in Gilder's words. Others, such as Gertrud Himmelfarb, describe this as a "toxic culture" in which "the sheer volume of incivility, vulgarity and immorality overwhelms you. There is so much materialism, narcissism and hedonism and after all, what good are our stock market returns when our lives have been diminished in this way." As Robert Bellah describes, "The American dream is often a very private dream of being the star, the uniquely successful and admirable one, the one who stands out from the crowd of ordinary folk who don't know how. And since we have believed in that dream for a long time and worked very hard to make it come true, it is hard for us to give it up, even though it contradicts another dream that we have – that of living in a society that would really be worth living in."

In his new book, The Loss of Happiness in Market Democracies, political scientist Robert Lane observes, "There is a spirit of unhappiness and depression haunting advanced market democracies throughout the world, a spirit that mocks the idea that markets maximize well-being." He concludes that more income alone won't solve this malaise, but rather friendship, family life and community integration are the keys.

Even a conservative like William Bennett says, “unbridled capitalism is a problem. It may not be a problem for production, but it is a problem for human beings. It’s a problem for the whole dimension of things we call the realm of values and human relationships.”

Some business leaders are sounding the alarm as well. International financier George Soros asserts that “the substitution of monetary values for all other values is pushing society toward a dangerous disequilibrium.” In laissez-faire economics, he says, “wealth does accumulate in the hands of its owners, and if there is no mechanism for its redistribution, the inequities can become intolerable. . . . In addition to markets, society needs institutions to serve such social goals as political freedom and social justice.” Even Adam Smith, the father of democratic capitalism, was never an advocate of laissez-faire economics. He recognized that human nature often leads business people to act to the disadvantage of society, ranging from price-fixing to wage restraint. He warned that the “affluence of the rich excites the indignation of the poor.” Smith believed that pursuit of self-interest could work to the common good when it was constrained by regard for others, a transcendent ethical framework, competition and an active system of jurisprudence.

I’m particularly hopeful that the swing of the pendulum toward the excesses of capitalism has reached its zenith and is now swinging back toward a balance that includes those who’ve been left out of this boom and shut out of our mainstream communities.

In his inaugural address President George W. Bush said, “In the quiet of American conscience, we know that deep, persistent poverty is unworthy of the Nation’s promise. . . .whatever our views of its cause, we can agree that children at risk are not at fault.”

What can be done? Can or will we in business redirect some of our resources and platform to engage our urban social issues? It’s my own view that business can and should.

Section III

This of course begs the question of why should business and business leaders be involved in the social issues of our cities? After all, many economic theorists, and individual and institutional investors, agree with Milton Friedmans's view that "there is one and only one social responsibility of business – to use its resources and engage in activities to increase profits so long as it stays within the rules of the game."

Economic theory assumes that maximizing profits is the objective of business. And it makes some sense. In the long run if a firm's revenues do not cover its costs, the doors will have to be shut. Certainly, within the market enterprise system, businesses contribute significantly to social well-being *by* maximizing profit. Goods and services are produced at competitive prices, meeting consumer demand and the production needs of various industries. This is how jobs are created. Even Jesse Jackson said, "The best social program I know of is a job."

Many business leaders agree with Friedman and disdain socially responsible activities, such as contributing to charities. Although it might seem noble, they argue, it could reduce dividends to shareholders, raise consumer prices or lower employee wages. In essence, company executives are taking the voluntary right for decisions on social spending away from those individuals. This assumes, however, that profit maximization and adherence to the law are measurable limits for business and individual ethical obligations. On the other hand, most companies recognize some value in civic involvement. Without a doubt, some individuals and firms in the pursuit of profit have engaged in behavior that is unethical and even abhorrent. At the same time, the majority of businesses and their employees conduct their work within the law and often adhere to ethical standards well above the law. In addition, the commitment of business to social responsibility is reflected in the \$8 billion of corporate donations to U.S. charities made each year, and a sizable portion of the 20 billion hours of volunteer time donated annually to charities comes from Americans who are encouraged, supported and even loaned by their companies to engage in such activities.

There are a number of rationales for business social responsibility.

- A. **Marketing, public relations or branding opportunities.** Most companies depend on favorable impressions from their customers and other constituents. In this context, civic involvement is considered an "investment" or a cost of doing good business that should generate returns or payoffs. It's interesting to note the aggressive efforts of Microsoft and The Bill Gates Foundation to increase its public philanthropy in the wake of an antitrust trial seeking to break up the company, as well as the tobacco companies' compulsory and obviously disingenuous public service warnings about smoking.
- B. **Employee morale.** In today's knowledge economy, recruitment and retention of qualified workers are keys to a company's success. In his book Leading People, Robert Rosen reports that corporations on the Domini Social Index (i.e., those that seek community involvement, exhibit respect for the environment and maintain good

employee relations) out-performed the S&P Index in the first half of the 90s, gaining 70% in value compared to 58% for the Index as a whole.

- C. **Educated workforce and customers.** Most companies recognize the value of having an educated, economically stable and civic-minded workforce and customers. Texas Instruments, headquartered in Dallas, has long been an advocate for and investor in public education and job training to prepare a qualified workforce.
- D. **Judeo-Christian ethos.** Commentators from various religious traditions, from Catholic intellectual Richard John Neuhaus to Jewish economist Meir Tamari, argue that corporations and business people have a moral obligation to demonstrate good citizenship and social usefulness beyond sheer economic performance and productivity. Some, such as Notre Dame's Oliver Williams, assert that corporate managers are often those with the greatest expertise in solving social problems, especially when they are related to their core business activities. He cites Ben & Jerry's Homemade Inc., an ice cream manufacturer that actively stimulates entrepreneurship among marginalized groups by doing business with vendors who are habitually locked out of the mainstream of American trade. Ron Sider, a theologian, writer and activist, has shown in several important books that both the Old and New Testaments mandate a special concern for the poor. "Biblical faith affirms the inestimable worth and dignity of all persons, no matter how poor. . . teaches those marginalized by society that the Lord of history hates oppression, cares especially for the poor, and is active now seeking justice for them. Biblical faith insists that justice means restoration to community – i.e., the economic and social power to be dignified participants in their community." He believes that with civic involvement we can end the scandal of widespread poverty in the richest society on earth.

There are many compelling reasons why all of us should actively engage the issues of our communities. At the East Austin Project, I met world-renowned economist Walt Rostow, who served in the LBJ cabinet and is now, at 84, a professor at the LBJ School at the University of Texas. Walt is devoting his last years to rebuilding inner city East Austin. He told me he believes that the problems of the inner city poor represent the most critical threat to America's leadership role in the world because if we do not solve these problems, more and more of our resources must be devoted to manage them, leaving us no funding for a world leadership role.

In his book The Fourth Great Awakening and the Future of Egalitarianism, Nobel Prize-winning economist Robert Fogel posits "At the dawn of the new millennium, the critical issues are no longer whether we can manage business cycles or whether the economy is likely to continue to grow at a satisfactory rate...The future of egalitarianism in America turns on the nation's ability to combine continued economic growth with an entirely new set of egalitarian reforms that address the urgent spiritual needs of our age, secular as well as sacred. Spiritual (or immaterial) inequity is now as great a problem as material inequity, perhaps even greater." In his view, this immaterial spiritual inequity begins with a lack of education and human, or knowledge, capital that are critical assets in the struggle for human self-realization. He worries that these spiritual assets – including "a sense of purpose, self-esteem, a sense of discipline, a vision of opportunity, and a thirst for knowledge" – are not being transferred to our lower income citizens at an early

age. He further asserts that “additional income alone will not ensure the elimination of inequities. It is, however, the newly emerging equity issues – pension rights, access to medical care, expanded educational opportunity, the accessibility of leisure-time activities, labor flexibility and the ability to combine careers with a full family life – that do the most to elevate the principle of equal opportunity to the fore.” He believes that we are at the beginning of a “Fourth Great Awakening” and calls on both religious and secular organizations to address these issues. Hopefully, there is a growing moral and spiritual energy in our country for service, and a new generation of young people and business leaders who are seeking meaning and connection. I believe we must recognize that there is more than one kind of poverty in this country – i.e., material poverty, but also civic and spiritual poverty. Robert Bellah calls this a “poverty of affluence” where “we have put our own good ahead of the common good.”

It seems to me that it’s time for an “all hands on deck” approach to solving our community issues. It’s time for business to create partnerships with schools and community-based organizations, including those that are faith-based. As the research of University of Pennsylvania social scientist John DiIulio (recently appointed as Director of the Bush administration’s White House Office of Faith-Based and Community Initiatives) clearly demonstrates, churches and other faith-based organizations are critical to the long-term success of any strategy designed to address the multiple pathologies of the inner city because they alone are capable of addressing both the material and spiritual dimensions of the problem.

Despite the concerns mentioned earlier, my experiences connecting business leaders to social organizations over the past 6 years suggests there is some reason for hope that business leaders may be increasingly willing to engage the tough issues of our times. My good friend Bob Buford, in his best-selling book Halftime: Moving from Success to Significance, made a strong case for and ultimately began (or at least articulated) a fledgling national movement of successful business leaders who are becoming more involved. Bob calls such people “social entrepreneurs,” because they use their business skills and experiences to transform the social sector. They are, he says, “out to fix the problems, not institutionalize them; to civilize the city, not subsidize it.”

In announcing the end of “salvation by society,” which is the result of government’s incapacity to produce a better society, Peter Drucker insists that corporations cannot evade social responsibility. “It is not only that the public demands it. It is not only that society needs it. The fact remains that in modern society there is no other leadership group but managers. If the managers of our main institutions, and especially of business, do not take responsibility for the common good, no one else can or will. Government is no longer capable.”

Drucker concluded in a recent interview that, “It is our next great task in America to civilize the cities, to turn geography into community.”

In America today, about 20% of our population – 20 million households – make less than \$15,000 per year. Michael Walzer, author of Spheres of Justice and social scientist at Princeton’s Institute for Advanced Studies, warns, “the inequalities in our society continue to get worse, and the public shows no real interest in the subject. Even the people most hurt by inequality appear unwilling and unable to mobilize against it.” Thus, many of our fellow citizens are being left behind, through no fault of their own. Exhortations to “try harder” are absurd

given the destructive synergism of grossly inadequate education, pervasive poverty, generational aid-dependence, fatherlessness, drug and alcohol abuse, gang violence and lack of accessible jobs that pay living wages and offer healthcare, which have combined to effectively disenfranchise an entire segment of Americans. As Glen Loury said, “a rising tide won’t lift sunken boats.”

Samuel Johnson once observed, “A decent provision for the poor is the true test of civilization.” In recent polls, more than 65% of Americans believe we should be doing more to help the poor. But what? And how? We have learned the hard, expensive way that in general, top-down, outside-in government programs are not effective.

Section IV

I believe if we in the business community were to set our minds and resources to engage our crucial community issues, extraordinary progress could be made, and a social revolution begin.

Over the past 6 years, I've spent most of my time in 2 separate but connected initiatives bearing on our lower income neighborhoods in Dallas: one is related to the entire Southern sector – the Southern half – of Dallas, and the other to a particular community, Fair Park/South Dallas.

In the broader initiative I've focused mainly on the economic development of Southern Dallas as a whole, while in Fair Park/South Dallas I've focused specifically on education, housing, job training, social and community organizations, and churches.

A. Economic Development – Southern Sector

Dallas is a tale of two cities, a flourishing north and a languishing south. Our Southern Sector comprises 47% of the land area but only 16% of the tax base. The 460,000 residents of South Dallas subsist on a per capita income of \$11,350, which is dramatically less than their counterparts in North Dallas. Most businesses don't even have Southern Dallas on their radar screen. And most business leaders never venture into the Southern Sector except on the way to the opera in Fair Park (soon to be moved downtown) or on the way to Austin, San Antonio or vacation homes in outlying areas.

1. Minority Business

My work has been enhanced and complemented by participation in several major civic organizations. The 40-member Dallas Together Forum, for example, created specifically to address race relations, consists of CEOs of the largest Dallas-area corporations and of the largest ethnic minority-owned firms. After working together for several years we adopted the Dallas Together Covenant, which challenges Dallas-area corporations to commit to improving economic opportunities for ethnic minorities and to report annually on their progress in:

- The number of new hires of ethnic minorities.
- The number of promotions to middle and senior management positions and board appointments of ethnic minorities.
- The volume of purchasing from ethnic minority-owned vendors.

The results over the past 7 years show considerable progress, but we have much further to go. In our regular meetings, we also discuss the current state of race relations and attendant political issues such as redistricting and racial profiling. An important and rewarding by-product of working through tough issues in the Dallas Together Forum is the development of genuine friendships across racial lines.

I co-chair the Southern Sector Committees of both the Dallas Together Forum and the Dallas Citizens Council. In general, it's been challenging to interest business leaders in increasing their involvements in our lower income neighborhoods. I've taken hundreds on tours and made

speeches and presentations to countless others. In general, I've found them skeptical of any business opportunity in lower income neighborhoods and mystified as to how to get involved on a constructive basis in social and community issues. In these tours and speeches, I identify a range of business or social opportunities in an effort to engage their interests. As to business opportunities, I became acquainted with Harvard Business School professor Michael Porter, who has done extensive research and published important studies on inner-city economic development. His research demonstrates that America's inner cities have enormous untapped economic potential that the private sector is only just beginning to recognize and invest in. Intrigued by Porter's findings, the consultants at Dallas-based McKinsey & Company undertook, on a pro bono basis, a comprehensive study of the economic potential in Southern Dallas and concluded that 1) the area is grossly under-served in retail and professional services (in fact, more than \$1 billion in purchasing flows out of our lowest income zip codes into affluent suburbs every year), and 2) there are significant competitive advantages to doing business in Southern Dallas, including lower land prices and rents, easier commutes, and a large supply of available labor.

Business leaders are beginning to recognize that tremendous economic opportunities and competitive advantages exist in Southern Dallas, and, as a result, investment in the area is increasing. One limitation to economic growth in Southern Dallas is the lack of equity funds available to emerging minority-owned businesses. Banks have ample debt financing available, yet minority business owners struggle for equity funds. To address this dilemma, we raised \$25 million in capital primarily from some of the largest businesses in the Dallas area, and created the North Texas Opportunity Fund, which invests equity in minority-owned businesses and those located in the Southern Sector. This fund seeks to do well (i.e., venture capital returns) by doing good (i.e., increasing minority wealth creation and jobs). I believe this is very achievable and if so a succession of such funds should ensue.

One problem is that Dallas does not have as many larger, successful minority-owned companies as other cities such as Atlanta. To help increase the number of minority-owned businesses, McKinsey & Company teamed up with major banks and other large corporations to sponsor a business plan writing competition, which included training sessions, individualized consulting from major Dallas-area businesses, and over \$75,000 in prizes in the form of equity investment in the winners' companies.

These are just a few examples of ways that business people, utilizing their core competencies and interests, can contribute to the economic health of lower income neighborhoods.

2. Affordable Workforce Housing

Dallas, like most other rapidly growing urban areas around the country, has a chronic shortage of fit and affordable workforce housing – i.e., decent housing in the \$55,000 to \$125,000 price range – for working-class families like clerical or other support staff, teachers, policemen and social workers. Because of the income inequalities mentioned earlier, most of these families have little savings and hence cannot afford a down payment on a house. Many have prior credit problems. Although the evidence is clear that default rates on affordable homes for first time buyers is not worse than that for middle class or affluent homeowners, lenders still discriminate.

The last fair market housing audit conducted by HUD showed that overall, African-Americans were victims of discrimination in 56% of their attempts to rent an apartment and 50% of their attempts to buy a home. Discrimination was even worse for Hispanics: 59% of renters and 58% of homebuyers were victims of discrimination. Research by the U.S. Department of Justice showed that whites with credit flaws were more likely to get their loans approved than were African-Americans with the same flaws. Discrimination in housing markets, for example, results in segregated public school systems in which African-American students are crowded into poorly funded inner city facilities. Low-income African-Americans and Hispanics are concentrated in run-down inner city neighborhoods where a lack of jobs exacerbates social pathologies. Despite millions of incidents of discrimination every year, Federal and state laws are weak, as is political will. Existing laws such as the Community Reinvestment Act (CRA) fall prey to the “friendly regulator” syndrome and as a result are weakly enforced. Nearly half of the nation’s banks and thrifts, for example, have unduly high CRA ratings not justified by their actual performance. What happened to the commitment and fervor to fight against the evils of discrimination so prevalent among Americans in the late 1960s and early 1970s?

Although Dallas is short more than 30,000 units of fit and affordable housing, the city has been regressive in its affordable workforce housing policies and practices, despite irrefutable evidence that home ownership increases one’s stake in the community, improves and stabilizes neighborhoods and schools, and adds to the tax base. (In Fair Park/South Dallas alone there are more than 3,200 vacant lots and abandoned homes that could be converted into new homes.) Workforce housing is not a priority for city staff and seems important only to a few, mostly minority, city council members. As a result, Dallas lags significantly behind competitor cities, such as Houston, Denver and Atlanta, in the production of affordable homes. For years, the Dallas Affordable Housing Coalition, consisting mainly of CHDOs (non-profit community home builders), has sought to reverse this trend, with few results. I chair the Dallas Citizens Council Affordable Workforce Housing Committee, which has sponsored research of “best practices” from other cities and joined forces with community organizations and others to reverse this trend. In partnership with the Coalition, we’ve put forth an agenda to increase housing production and add some “muscle” to help make things happen. (This kind of leverage should not be necessary, but seems to be the only way things get done in Dallas.) Our common agenda is principally focused on:

1. Making workforce housing development a real priority and reorganizing the City’s Housing Department to get results;
2. The efficient and economical transfer of city-owned lots/lands and increasing CHDO production for building new, affordable homes;
3. Infrastructure investments to support new developments in the Southern Sector; and
4. More subsidies for down payment assistance for working families who can afford monthly payments but not the down payment.

We’ve learned to call this housing initiative “workforce,” since most companies need accessible housing for their employees, and not just “affordable” which is often confused with public housing and homeless shelters.

B. Fair Park/South Dallas – Community Development

I am also engaged in the issues affecting a particular community. Fair Park/South Dallas, adjacent to downtown, is a community of 30,000 residents (down from 64,000 34 years ago). The median household income in Fair Park/South Dallas is only \$14,000 per year (compared to \$68,000 in Northern Dallas and \$38,000 in the whole of the Southern Sector). The median home value is \$30,000 (compared to \$105,000 for the rest of Dallas), and more than 25% of the homes and commercial buildings in the community stand vacant. Fair Park/South Dallas is served by 2 high schools, Madison and Lincoln. 396 freshmen entered Madison High School 6 years ago; 4 years later only 58 graduated – and 25% of its students were on parole or probation.

And yet this community has immense pride in its people and its history, and there are many capable and dedicated leaders among its residents, working hard to bring about change. They are living proof of Jim Wallis' dictum, "Hope is believing in spite of the evidence, then watching the evidence change."

I began working in Fair Park/South Dallas 6 years ago and hired neighborhood volunteer Candace Gray to help me learn as much as possible about the community. As we began our work together, Candace and I followed two basic processes:

1. Going into the community, we met with and listened to its "real" leaders (who are not always immediately obvious to outsiders), as distinguished from the self-appointed gatekeepers and politicians who have for years presided over, and often profited from, the decline of the neighborhood. We asked the community leaders 3 questions:
 - What are the assets and needs in this community?
 - What are you doing to address these issues?
 - How can we be helpful to you?

2. We studied inner city renewal initiatives throughout the U.S. to learn what works and what doesn't work, and why. We visited communities engaged in renewal all around the country, including: Baltimore's Sandtown/Winchester community, President Carter's Atlanta Project, Rebuild L.A., the Dudley Street Initiative and the Ten-Point Coalition in Boston, Chicago's Lawndale community, and the East Austin Project here in Texas, from which we learned that top-down, outside-in approaches are not sustainable. The key to systemic change and renewal resides within the community.

When I began this work, I assumed that well-intentioned, well-connected business leaders like myself would be welcomed in the inner city. To the contrary, I found a deep (and often well-deserved) distrust of outside institutions and their representatives, particularly businessmen. I heard stories about the many ways in which the business community misrepresented its intentions; an oft-cited example was the condemnation of homes in Fair Park in order to expand our state fairgrounds, which was then walled off from the community surrounding it.

In my first meeting with legendary Lincoln High School principal Dr. Napoleon Lewis, I outlined my plans to work in the community, but he seemed to show little interest. Realizing that the meeting was going nowhere, I politely rose to leave, at which time Dr. Lewis said, “Sit down, boy.” I replied, “Yes, sir, ” and sat down. He leveled his eyes at me and said, “I’ve been trying to figure out your hustle. I don’t think you’ve got a hustle, do you?” “No, sir,” I replied, “I’m not running for political office, Trammell Crow Company has no investments or developments in this community...” “Look,” he interrupted, “if you don’t have a hustle, we can work together. But you must know you’re the first white man that’s come to Lincoln in my 25 years here that didn’t have a hustle.”

That day was the beginning of a working partnership with Lincoln High School that continues to the present day. My point is that the business community has much to overcome and a long way to go in establishing relationships – relationships that lead to trust, respect, friendship and mutuality, and result in effective, working partnerships.

Early on, I came across the research of Northwestern University professors John Kretzmann and John McKnight, whose studies conclude that the key to strengthening inner cities is to build on the assets that already exist in every community. Too often, outsiders take one of two approaches in inner city: they do a “needs assessment” and then develop a program they think will meet those needs, or they bring into the community a new program developed from outside. Kretzmann and McKnight found that rebuilding must come from within the community (Eugene Rivers’ notion of “solutions from those closest to the problems”). The assets that exist in the inner city are almost always human, and can be found in the form of neighborhood leaders, community-based organizations and churches. Neighborhood-based leaders and organizations usually need additional resources, and business people can be particularly helpful in this regard, if they approach with an attitude of humility and respect, mutuality and partnership. Any notion of “quick fixes” or outside-in control will be ineffective and offensive. Moreover, the usual palliatives of turkeys at Thanksgiving or gifts at Christmas or photo opportunities for public relations purposes are, in the absence of such relationships, particularly offensive. But as Peter Drucker advocates, we can build “on the islands of health and strength” in the community and working together, in the spirit of partnership, with both partners giving and receiving, contend with the problems.

As a result of these efforts over the past 6 years, I’ve established the Foundation for Community Empowerment, a 501(c)(3) non-profit that seeks to strengthen the inner city leaders and organizations that are successfully rebuilding their own communities. We are currently focusing on four initiatives:

1. Improve public education.
2. Increase affordable workforce housing.
3. Strengthen community social capital through neighborhoods and organizations.
4. Mobilize churches to transform their neighborhoods.

In powerful ways, all these are interrelated since they combine to produce community – i.e., better schools attract home owners, jobs follow home owners, churches support families and so on.

In my remaining remarks I'll address these initiatives and suggest ways in which the business community can play a crucial, constructive role.

1. Public Education

I believe education – and specifically public education – is the most crucial social justice issue facing America today. In this age of information and technology, there exists an extraordinary gap in opportunities between people who are well educated and people who are not well educated, and that gap is growing. Inadequate education is the most significant cause of poverty in the U.S. This is particularly true as the service economy grows and companies use formal education as a quick screening device for job applicants.

A major source of disadvantage in the labor market is discrimination by race in the educational system. African-Americans continue to lag whites, and Hispanics continue to lag African-Americans in educational attainment in the U.S. In part this is because minorities are concentrated in urban schools with deficient facilities, shortages of textbooks, and a less than optimal learning environment. It is not surprising that seventeen-year-old African-American and Hispanic students read at the same level as thirteen-year-old Anglos. Fewer than half as many African-Americans and Hispanics as Anglos complete four years of college.

And this discrimination by race is reinforced by discrimination by socioeconomic class. Poor children drop out of high school at over twice the rate of non-poor children. A substantial number of poor children leave the educational system even before they enter high school. Data from the U.S. Department of Education shows that despite a variety of scholarship, grant and loan programs, only 21% of children from families earning less than \$10,000 a year are in college full-time, compared to over 56% of children from families earning \$50,000 or more per year. A young person with a high IQ from a high-income family is almost two and a half times more likely to graduate from college than a young person with a high IQ from a low-income family. What has happened to American meritocracy? As Dinesh D'Souza comments, "We must give the children of the poor the same chance to succeed as the children of the rich."

The weakening of the family, our primary institution for the nurturing of children and the building of community, has devastating economic consequences, in part because of the lack of attention to and oversight of the education of children who live in broken or single-parent homes. The former principal of Madison High School told me that up to 25% of his students are in homes with not only no parent or grandparent present, but also no adult. In fact, many serve as head of the household.

Children in separated, divorced or single-parent families are two to three times more likely than children in two-parent families to have emotional and behavioral problems. They are more likely to have academic trouble, drop out of high school, become pregnant in their teens, abuse drugs, commit crimes, become mentally ill, or get into trouble with the law. Children of never-married mothers are 75% more likely to fail a grade in school and more than twice as likely to be expelled or suspended than children living with both biological parents. They are less likely to start, and much less likely to graduate from, college.

If literacy is one of the keys to a civilized, democratic society, as I believe it is, then what should we do about the lack of reading skills among our lowest income children?

I serve on the board of Tom Luce's Just for the Kids, a non-profit foundation that seeks to improve student performance through research, school performance data, best-practice sharing and policy advocacy. Their research shows that, if children do not read at the 3rd grade level by the end of the 3rd grade, they are unlikely to graduate from high school and are much more likely to become involved in gangs and criminal activity, or to become pregnant. The best solutions to this problem appear to be:

- Early intervention (3-8 years old)
- Adult (parent) literacy
- Comprehensive after-school programs
- Volunteering and role-modeling

If the business community, in concert with others, were to set its sights on solving this problem, companies could mobilize their employees as volunteers for tutoring and mentoring, and sponsor quality training for teachers and principals. In Dallas, Texas Instruments has been particularly helpful in its commitment to Business-School Partnerships, in which corporate vice presidents trained in Total Quality Management become partners and mentors to local school principals, who often have not had any training in managing a quality-based, performance and results-driven organization. The result would be a better-trained labor force and decreased spending on social services.

Also, recognizing the need to intervene early and often, Texas Instruments partnered with Head Start and SMU to establish the Cone Center, a comprehensive pre-school program that addresses the numerous challenges faced by low-income families. First, the Cone Center staffs a part-time doctor and a full-time nurse to address health issues, since many of the children have never been to the doctor or the dentist. Second, the Cone Center staffs two full-time social workers (for 90 children – that's 45 families per social worker at the Cone Center, compared with 200-400+ families per social worker at public schools) who work closely with families to address issues that impair a child's ability to learn; for example, poor nutrition, fatherlessness, alcohol and substance abuse, sexual abuse, and violence in the home. Third, the Cone Center provides extensive, on-going training at SMU for Head Start caregivers so that instead of just babysitting, they can actually teach children the things they'll need to know when they enter kindergarten – things like the alphabet, identifying colors, and counting from one to ten. 90% of the children at the Cone Center come from single-parent families and have not been exposed to the parent-to-parent conversation that is crucial to pre-reading development. Only 42% of these parents have graduated from high school. Most are functionally illiterate themselves and therefore not able to read to their children, which is another crucial component to pre-reading development. 40% earn less than \$5,000 per year. 75% are dependent upon some form of government assistance. These are daunting obstacles. Without the Cone Center, these children would enter kindergarten already one and a half to two years behind, and most likely would never catch up.

We need more businesses to sponsor programs like the Cone Center. We need businesses to work in partnership with civic organizations such as churches, the Junior League, sororities and fraternities, and neighborhood associations, to provide tutors and mentors for kids from 3-year-olds to 3rd graders. This comprehensive, holistic approach will solve the problem. Trammell Crow Company currently works with kids at DeZavala Elementary School, where more than 20 of our employees spend 1-2 hours per week tutoring children in reading and math.

If there were in Dallas as much enthusiasm for every 3rd grader reading at the 3rd grade level as there is for winning the bid to host the Olympics in 2012, we would be a greater city. How can we tolerate, as the richest country in the history of the world, that 21% of all our children live in poverty, and that jumps to 41% of our Hispanic children and 47% of our African American children. To tell these children all they have to do is try harder is a grievous insult. Can we not, as Marion Wright Edelman proposes, help each child get a “safe, fair, healthy and moral start?”

As former Texas Instruments CEO Jerry Junkins said, “What is needed now is for business to get involved at the school level. We bring some special skills that can benefit schools – the focus on outcomes, the data-driven planning, the real-world knowledge of what the workplace demands, and an appreciation that competition is forcing those demands to increase at geometric pace. Over the years, my experience has been that people get what they ask for, what they tolerate, what they invest in – no more and no less. If we are not willing to ask for, indeed demand, educational excellence, and work with our schools in helping them achieve that goal, then we have no one to blame but ourselves.”

We also sponsor several programs in DISD that offer promising results. In partnership with UTD’s graduate business school, which provides the teachers, we pay students from Lincoln, Madison and Pinkston High Schools \$6.00 an hour to attend an SAT prep course for three and a half weeks each summer. We pay the students because they must earn money during the summer. The director of UTD’s graduate business school is Dr. Hasan Pirkul, and this particular initiative is led by Dr. George Fair. State university faculty volunteering their time to teach inner city kids during the summer is clearly a “best practice” in America. And the results? The average increase in SAT scores among students who successfully complete the SAT Prep class is 140, but several students have added 200, 300, even 350 points to their overall scores. That’s the difference between getting into college and not getting into college. All high schools in low-income neighborhoods deserve this program.

Also, thanks to the work of Peter O’Donnell and the O’Donnell Foundation, Dallas has an excellent incentive-based Advanced Placement program designed to effectively change the culture of an entire school. The evidence is clear that with excellent AP teachers on staff, the entire school improves academically. Teachers are selected for the program based on their command of their subject area and are trained for one hour every week by “master teachers” (teachers who have consistently proven their ability to teach effectively, and have delivered the grades and college-bound students over the years) to improve their teaching skills and effectiveness. They are also required to attend college board training. AP teachers receive a \$2,500 stipend in addition to their regular salary and are required to tutor students both before and after school, as well as in group sessions every Saturday. This intensive, performance-based teaching approach eventually improves the academic culture of the entire school because AP

teachers become better at teaching all their classes, not just their AP classes. As an additional incentive, AP teachers receive \$500 for every student who passes the AP exam with a score of 3 (out of a possible 5) or higher. AP students are also required to attend Saturday prep sessions throughout the year as well as a month-long PSAT Academy during the summer. The students also receive \$500 for passing the AP exam with a score of 3 or higher. The O'Donnell Foundation's Advanced Placement Incentive program is successful because it employs two old-fashioned all-American business principles: 1) success is a result of hard work and preparation, and 2) rewards are based on effort and performance.

We're also seeking to address the Digital Divide. Princeton physicist Freeman Dyson says, "people who are not wired are in danger of becoming the new servant class...the gulf between the wired and the unwired is wide and growing wider." Most businesses now require a minimum level of technological aptitude and competency. In general, low-income families, particularly ethnic minorities, do not have access to computers. Recent studies show that 80% of families with annual incomes over \$75,000 have computers in the home and nearly 60% use the Internet. Fewer than 20% of families with annual incomes of \$35,000 or less (mostly African-American and Hispanic) have computers in the home and fewer than 10% use the Internet.

Did you know that if Michael Dell were to dip into his portfolio and buy a computer for every high school student in the U.S. (an estimated cost of \$13.5 billion), he would still have \$6 billion left over? Since we're pretty sure that's not going to happen, we have to find other, more creative ways to address the digital divide. We decided that the best way to bridge the divide in Dallas is to provide free computers, with software and Internet access, for low-income families. Just over a year ago, the FCE made a commitment to give a free computer to students who live in South Dallas and attend school in DISD Area 2, which are the schools that feed into Madison, Lincoln and Pinkston High Schools. The only requirement is that the student's parent or guardian has to attend computer training classes. To date we have given away just over 500 refurbished computers at a cost of \$175,000. Several corporations have helped by donating computers and providing training and funding.

Central Dallas Ministries has taken the lead in developing cyber centers in low-income neighborhoods. Filled day and night with both children and adults, CDM's cyber centers offer basic computer training as well as more advanced training in areas like Fiber Optics, Web Design and Microsoft A+ Certification. Children as young as 4 years old visit the cyber center daily and are required to do at least one hour of educational software before they're allowed to "play" on the computer. The neighborhood cyber center is a key component of any comprehensive effort to eliminate the digital divide.

Other appropriate roles I believe the business community can and must play in the mission to improve our public schools include supporting qualified candidates for school boards, demanding and insisting on accountability as to results, and processes and budgetary allocations. On the other hand, the current practice of criticizing the Dallas School Board over cocktails at the country club, or providing occasional funding for non-essential things such as playground equipment, does little to help. Instead, we must all weigh in to help individual children learn to read, reason, compute, socialize and get a quality education.

As efforts are made to improve public school performance, the business community can also be helpful as policy advocates for important components such as teacher pay and accountability, adequate facilities, corporate internships and summer jobs. In some cases, various school environmental issues need to be addressed. In Fair Park/South Dallas, for example, the city of Dallas has allowed the liquor industry to locate package stores and nightclubs directly across the streets from schools. Only in low-income neighborhoods could such an affront to the community and its children be allowed to exist, despite clear evidence from researchers like John DiIulio, who reports that “neighborhoods with a high concentration of liquor outlets had more crime, more delinquency and more violence than otherwise comparable neighborhoods that did not.”

2. Workforce Housing

In this community, despite the low-income levels, there is a demand for home ownership and quality rentals for working families. Even though there are 3200 vacant lots and abandoned homes, the City has tax or various other liens on most of these and has been slow both to enforce codes on dilapidated or crime-infested houses and to exercise its rights to foreclose and turn over such lots to non-profits (CHDOs) that would build new homes. On the other hand, some CHDOs have been relatively ineffective and others have sought to use their status for purposes either of political control or personal employment. As a result, Dallas has generally lacked CHDO production compared to other cities, and the City has not demanded accountability as to results, even though it funds many of these organizations. We and other businesses (particularly banks) have sought to partner with the effective CHDOs in order to increase their production. One good example is Southfair Community Development Corporation, a highly effective CHDO that has already proven its ability to build decent and affordable housing in South Dallas. Committed to the holistic redevelopment of Fair Park/South Dallas neighborhoods, Southfair created a partnership between the local community and the many public and private organizations eager to help create decent housing that working people can afford. Eban Village Phase 1 is the first multi-family development completed by Southfair and it’s already 100% leased. Plans are now underway to develop affordable single-family units.

3. Strengthening Community Capital

I’ve enjoyed meeting and working with neighborhood-based organizations and community leaders who, at great personal sacrifice and struggle, are devoting themselves to turning around their own communities. Many of these leaders have a strong sense of history and pride in their community and are singularly effective in addressing its problems. These organizations range from neighborhood associations to the YMCA, from drug treatment to job training programs, and from gang intervention to neighborhood cleanup and homebuilding. Below is a sampling of the organizations we work with in Fair Park/South Dallas.

- a. **Neighborhood Associations.** Often low-income neighborhoods are not well enough organized to marshal the resources necessary to advocate their own interests. We work with authentic community leaders – not the power brokers and toll takers – to form and support authentic neighborhood associations. One such example is Sunny Acres Neighborhood Association, which began as a neighborhood watch group that worked

closely with the Dallas Police Department to rid the community of the criminals who had taken over. Eventually their activism led them to establish Sunny Acres Neighborhood Association, which is located in a renovated “crack house” once notorious for criminal activity. Sunny Acres provides computer training, GED classes, and ESL and other adult literacy classes, as well as a safe and nurturing place for neighborhood youngsters to hang out after school. Sunny Acres is a stellar example of community leaders who are transforming their own neighborhoods from within. We’ve been able to support Sunny Acres in a variety of ways, including sponsoring leadership training and non-profit management seminars. We’ve also provided funding for computer classes and recruited volunteers to help publish a monthly newsletter and to assist in neighborhood cleanups.

- b. **Recreational Outlets for Youth.** As youngsters, most of us participated in, and benefited tremendously from, year-round participation in organized sports such as baseball, basketball, soccer and swim leagues. One of the tragedies of urban life is that beyond the team sports offered in schools, there is a dearth of recreational options for inner city kids. Even where facilities exist, there is often a lack of funds for basics like maintenance, uniforms and sports equipment. The \$1 million recreational facility at the Park South YMCA is an example of this. When I first visited the Park South YMCA back in 1997, there was no water in the Olympic-size swimming pool, which had fallen into disrepair. There were no basketball leagues competing in the huge double gym. The 47,000 square foot facility was virtually empty everyday, except for the infants and toddlers in the daycare program, and several active senior citizens. We took business leaders (most of whose children had greatly benefited from YMCA programs in North Dallas) on tours of the area, and they stepped up to the plate to sponsor soccer, football, basketball and swimming leagues. Businesses bought uniforms and equipment, and provided funding to improve the grounds and building, and to restore the swimming pool. This past year, more than 6,000 children participated in programs at the Park South YMCA. Plans are now underway to develop a sports complex that will include a football field, a track, a playground, a gazebo and an Omni court that can be used for basketball or tennis. We’re helping the Park South YMCA to acquire land for expansion, and we’re helping to recruit volunteers for coaching, mentoring and fundraising.
- c. **Drug and Alcohol Treatment.** Inner cities are no less ravaged by drug and alcohol abuse than are affluent suburbs. The difference is that the affluent can afford intervention and treatment, while the poor cannot. As neighborhood leader Yolanda Nolan said, “if you have no money, you go to jail.” Recognizing that we cannot hope to restore the community to health without also addressing the problem of drug abuse and drug-related crimes, we support organizations that have proven to be effective in the treatment of substance abusers. One example is the Holmes Street Adolescent Residential Program, which provides comprehensive long-term treatment for alcohol and drug-addicted young men between the ages of 13-17. Started by a retired registered nurse and licensed by the Texas Commission on Alcohol and Drug Abuse, Holmes Street provides both substance abuse counseling and family therapy. To date, 386 young men have been treated in the Holmes Street residential program. The abstinence rate for discharged clients is 68%, which means that more than 250 young men in Fair Park/South Dallas are no longer addicted to drugs and are therefore no longer committing the crimes that often

accompany drug addiction. We provide some funding for Holmes Street, but we also connected them to the University of Texas at Arlington's School of Social Work, which will assist them in grant writing and provide additional counselors for a staff that's often stretched to its limit. A second example of an effective drug treatment program that we support in Fair Park/South Dallas is Victory Fellowship, which ministers specifically to heroin addicts. Started by a former heroin addict who nearly lost his family and his life because of his addiction, Victory Fellowship takes its message of recovery directly to the streets where addicts actively buy and use heroin. In addition to general operating support and leadership development, we support this organization by renting facilities for mission outreach to large groups; we help them publish and disseminate a book on one man's harrowing story of addiction, near death and recovery; and we help them to produce dramas that dramatically illustrate the reality and consequences of drug addiction.

- d. **Gang Intervention and Teen Violence.** Personal safety is one of the most basic expectations for citizens of a healthy community. But many inner-city residents – especially children and senior citizens – do not feel safe in their own neighborhoods because of violence caused most often by teenagers and members of gangs. It is clear that the police are relatively ineffective at controlling gang activity and teen violence. And there simply are not enough jails to accommodate the growing number of young men who make a living out of criminal activity and violence. Started by a former counselor for the Texas Youth Commission, Vision Regeneration works to transform the lives of young men who might become involved with gangs or violent crime. The leaders at Vision Regeneration are themselves former gang leaders who managed to turn their own lives around, often from the inside of a jailhouse. Determined to keep kids safe and in school, they work directly and intensively with boys at Madison High School and Pearl C. Anderson Learning Center, focusing primarily on kids who are either already involved with gangs or illegal activity, or are vulnerable to recruitment. Vision Regeneration is effective because former gang leaders speak with absolute authority about the grim reality of participation in gangs. Having witnessed first-hand the senseless murders of friends, brothers and innocent bystanders, and having themselves served some time, they are able to share vividly from their own experiences the truth that participation in gangs usually leads to one of two places: incarceration or death. The mission of Vision Regeneration is to save current and future generations of African-American boys from the self-destruction and annihilation that is usually the result of “gang-banging.” This organization *literally* saves lives, not only the lives of potential gang members but also the lives of countless innocent victims caught in the crossfire. There are many ways to support Vision Regeneration, including providing funding to expand the program to Lincoln High School, where two rival gangs have recently started a war. Our foundation sponsors the work they do at both Madison High School and Pearl C. Anderson Learning Center, and we also sponsor their participation in leadership training and conferences. We helped them to negotiate a contract that employed former gang members to do landscape maintenance at a public housing project in Fair Park/South Dallas. We also provide mentoring and role-modeling, and bring them into contact with successful businessmen.

- e. **Community Restoration & Involvement.** In his book The Tipping Point, Malcolm Gladwell cites the Broken Windows theory developed by criminologists James Q. Wilson and George Kelling, who argue that “crime is the inevitable result of disorder. If a window is broken and left unrepaired, people walking by will conclude that no one cares and no one is in charge. Soon more windows will be broken, and the sense of anarchy will spread from one building to the street on which it faces, sending a signal that anything goes. In a city, relatively minor problems like graffiti, public disorder, and aggressive panhandling...are all the equivalent of broken windows, invitations to more serious crimes...” An example of a grassroots organization attempting to address the problems of “broken windows” is Clean South Dallas, a neighborhood-based organization founded by a former Dallas School Board Trustee in collaboration with several Fair Park/South Dallas residents. Committed to the ultimate cleanup and restoration of the entire area, the organization seeks primarily to reduce the prevalence of litter and trash, while simultaneously increasing community involvement. Clean South Dallas works with schools to educate students about the importance of restoring and maintaining the physical beauty of their neighborhoods. Working hand-in-hand with the City of Dallas, the organization sponsors two major annual cleanups, often with the help of students and staff from local schools. Also, Clean South Dallas offers assistance to senior citizens seeking to improve their property; past projects include painting homes, planting flowers and mowing lawns. We have supported Clean South Dallas by providing funding, donating equipment and recruiting volunteers for community-wide cleanups.
- f. **Job Training & Support.** Although Dallas led the nation in new job growth in 2000 and its official unemployment rate is listed at 3.8%, we all know there are serious unemployment problems in low-income neighborhoods. In Fair Park/South Dallas, for example, the official unemployment rate is 9.5%, but the actual rate exceeds 50% because, incredibly, official unemployment statistics do not include those who have been jobless for 3 years or more.

Although enormous sums are being spent for publicly funded job training, there are serious questions about the effectiveness of much of this training. A better approach is found in groups like the Circle of Support program, which offers job training that provides a specific job upon completion and continues its support after employment has begun. Proof of its success is found in the fact that over 100 people who completed this program have been hired by Wyndham Hotels where, according to the VP of Human Resources, they perform at the top of all entry-level people.

In addition, many working families cannot escape poverty because of low wages and no benefits, such as health insurance. More businesses could raise low-end wages and offer health insurance and other benefits.

Also, in Texas over the past decade, we’ve cracked down on crime and put our citizens (mostly ethnic minority men) in prisons. Many of those who are eventually released managed to change their lives in prison. They’ve completed their GEDs, earned college credits, received life skills training, work experience and religious conversions. But upon release they discover that most companies will not hire ex-offenders. What alternatives

are available? Again, businesses could begin, as we've done at TCC, to hire and work with ex-offenders to help them get back on track. It's been particularly helpful to see some churches take the lead in re-assimilating ex-offenders productively, as has Potter's House in Southern Dallas. The objective of the Potter's House Adopt-A-Prison program is to provide inmates the training they need to reintegrate and function in the workplace and community. This program also enables churches and other civic groups across the nation to sponsor satellite equipment for specific prison sites. Prisons are thus able to receive via satellite quality programming that includes life skills classes, adult basic education and the success stories of ex-convicts. The Adopt-A-Prison program also provides mentoring and after-release care.

4. Church Mobilization

There are two institutions on nearly every block in Fair Park/South Dallas. One is a liquor establishment and the other a church. Many of these churches are small, with limited resources and a bi-vocational preacher. Others though have significant resources (both human and financial) because many of their members grew up in the neighborhood and now commute to church from prosperous suburbs. We are beginning to see an awakening as these churches, most of whose work has been internally focused, begin to engage the neighborhoods beyond their doors. Eugene Rivers, pastor and founder of Boston's Ten Point Coalition, says that "only the church has the moral authority and the vocabulary to introduce transcendent concepts of personal worth and the sacredness of life that will both inspire responsibility on a personal level and introduce purpose and definition to the role of civil government on a societal level." Who better to lead efforts to rebuild social capital in low-income communities than churches? With their focus on strengthening moral character, respect for others, work ethic, hope for the future and therefore the ability to delay gratification, and especially the renewal of marriage and wholesome two-parent families, which is fundamentally the best institution for shaping persons of moral character and passing on essential values to the next generation. I've seen the power of a living faith in this community. In fact, so far every one I've met who is making hope possible and change a reality is a person of faith, a faith that is reconciling, healing and empowering. As Jim Wallis advances in Faith Works, "spiritual renewal will supply the energy for justice. Faith and spirituality could become the most powerful forces for social justice in the beginning of the new millennium."

- An excellent example is Reverend E.D. Charles, who seeks to create in the lowest income neighborhood in Fair Park/South Dallas a community that is solidly rooted in Christian ethics and principles, a city where: people can work for living wages to take care of their families; families can find decent and affordable houses to live in; and children can obtain a decent education. He started the Rhoads Terrace Bible Fellowship 15 years ago in order to bring people to Christ for salvation, fellowship, and worship, but he also recognized the need to address the issues of affordable housing and education, to reduce the prevalence of crime and drugs and to restore the values of marriage and two-parent families. Reverend Charles is working to reclaim the neighborhood immediately surrounding his church because he knows that the entire community will be stronger when people are better equipped to lead in their homes, churches and civic institutions. In the past year or two we have helped

Reverend Charles acquire land and we've connected him to lenders and real estate professionals who can help him rebuild his community. Recognizing that lifetime renters need to be prepared for the maintenance demands and expenses of home ownership, we've helped Reverend Charles develop a Home Ownership Readiness Initiative. We've also established a scholarship fund to help students pay for college.

- A second example of a neighborhood church becoming actively involved in the life of the community is Garth Chapel. Seeking to promote leadership, strength of character and responsibility among men in the neighborhood, Reverend William Campbell hosts monthly breakfasts for young men from all backgrounds, both religious and non-religious. He has also created in the church building a computer lab that is available for all neighborhood youth, regardless of their church affiliation (or lack thereof). Like Reverend Charles, Reverend Campbell hopes to acquire vacant lots surrounding the church where he intends to build decent, affordable homes for his working class parishioners, and we are helping him toward that end by helping him to acquire vacant lots. We have provided Garth Chapel with computers and software, and funding to fix up the computer lab. We've also sponsored a Youth Entrepreneurial Initiative and a Community Forum.
- Inner-city churches can often benefit from partnerships with more affluent churches or synagogues from Northern Dallas and the suburbs, and vice versa. Martin Luther King, Jr. said, "Any religion which professes to be concerned with the souls of man and is not concerned with the slums that damn them, the economic conditions that strangle them and the social conditions that cripple them, is a dry-as-dust religion." An excellent example of successful collaboration between a North Dallas church and community organizations in Fair Park/South Dallas is King of Glory Lutheran Church. The collaboration began in the summer of 1998, when the youth ministry at KOG ran a Vacation Bible Camp for kids at the Park South YMCA. They also partnered with Clean South Dallas and did some neighborhood cleanups as well as yard work for senior citizens. They found the work so rewarding that they challenged the adult leadership at KOG to participate. Thus began KOG's partnership with several community-based organizations, including Circle of Support, Park South YMCA, St. Paul AME Church, Mt. Olive Lutheran Church, Southfair Community Development Corporation, Sunny Acres Community Association, Victory Fellowship and the Dallas Area Technology Alliance. Today KOG is a working model for successful partnerships between non-community-based churches and the Fair Park/South Dallas community. KOG's vision of neighbors helping neighbors has become a reality thanks to the tireless efforts of dedicated church leaders, many of whom are business executives. This suggests that business people can further their involvement and leverage through church and civic organizations to which they belong.

Many other affluent churches, such as Park Cities Presbyterian, Highland Park United Methodist, Park Cities Baptist, Temple Emmanuel, St. Michaels and All Angels Episcopal, Church of the Incarnation Episcopal and Skillman Church of Christ, are committing more resources to such partnerships.

My good friend John Castle, recently retired EVP of EDS is currently exploring ways in which high and low income churches can begin to work together more effectively on Dallas' urban issues. Such efforts need not be dismissed by conservatives as mere "social gospel" or by liberals as church invading the state. I believe the stakes are too high to dissipate much of our civic and business energy on a paralyzing debate between the sacred vs. the secular. Both are crucially needed, and boundaries can be set so neither side oversteps. As the principal at Pearl C. Anderson Middle School, Leon Hamilton, once told me, "trying to save kids in the hood, we don't have time to debate the separation of church and state." Many Christians need a more prophetic and less secularized engagement with our culture, and many non-believers need not resist the demonstrated efficacy of faith-based initiatives.

In each of the cases outlined above, we have worked directly with community leaders as they seek to turn around their own communities. Our involvements include some grant making and assistance in securing other funding; arranging for corporate or church partners to lend their support; advocacy for public sector policies; and code enforcement. An important part of our mission is to perform "due diligence" on organizations to distinguish those that genuinely contribute to rebuilding community from those self-appointed gatekeepers and tariff takers who add no value.

There are two other important aspects of low-income communities that we are only beginning to address: economic development and healthcare.

Economic Development

We are encouraging Dallas real estate firms (as well as architects, developers, contractors, lenders and title companies) to assist and advise community organizations in rebuilding the physical assets of the community and we're encouraging employers to consider locating both retail and assembly or warehousing operations within the South Dallas community.

Healthcare

Similarly, our low-income neighborhoods lack sufficient healthcare facilities and physicians, and more than 250,000 children in Dallas County are uninsured. Some of this is the result of companies that do not provide benefits. This is an issue the business community will face one way or the other – either through rising taxes so that Parkland (and of course, other hospitals) can use its emergency room as a primary care physician intake, or through leading initiatives in partnership with government to provide comprehensive health insurance and facilities in our lower income neighborhoods. I particularly admire Central Dallas Ministries, in partnership with Baylor Healthcare System, for making this happen in the Turner Courts housing development in South Dallas.

Policies and Practices

Robert Bellah concludes his book The Good Society by saying that “democracy means paying attention” to a “pattern of settlement and cultivation . . . it means a willingness to cultivate the purposes of individual and common lines rather than be swept along in the fervor of exploitation . . . Economic institutions should be judged not by the amount of wealth they produce but by how they produce and distribute it, in doing so they enable everyone in the community to take part in productive work, learning and public affairs.”

Business can certainly be part of this “paying attention” in ways that help build community. In addition to the particular opportunities to partner with community-based leaders and organizations, business can help in more general, advocacy ways, such as proactively fighting discrimination in housing markets, promoting programs that will enhance publicly funded education, supporting mass transportation that will reduce the discrepancy between where low-income workers reside and current centers of job growth, and following family-friendly HR policies that will particularly assist two-wage earner, low to moderate-income, and single-parent families (e.g., on-site day care; job sharing; flex hours), providing health insurance and paying a living wage – i.e., a wage that allows a person working full time to pay for the basic necessities of life, including food, shelter, clothing, healthcare, transportation and childcare.

From our business platform, we can also be advocates of public policy, both locally and nationally, of sound policies (including such items as an earned income tax credit or higher minimum wages, for example) that protect both the benefits of our democratic capitalistic system and the opportunities for the most marginalized and disadvantaged of our fellow citizens.

Conclusion

In conclusion, I would like to offer some personal observations and “learnings” that have emerged from this personal journey. On the whole, this has been the most gratifying and interesting set of experiences in my business life. I’ve met the most remarkable people who, against great odds, are doing the most extraordinary and important work in our civic communities, often at considerable personal sacrifice. And I’ve been fortunate to become friends with many of the remarkable people I’ve worked with – genuine friends who can speak honestly and authentically, disagree with mutual respect, and laugh and joke about our foibles. I’ve experienced the highs of seeing young children and their parents proudly carry their first computer home. I’ve experienced the lows of being conned and mistrusted because of the color of my skin or my business background.

I’ve experienced the gratification when business leaders finally “get it” and willingly begin to engage urban social issues with zest and competency. And I’ve been disappointed by those who either believe these problems to be intractable or simply show no interest in them. Others tour Fair Park/South Dallas with me in the role of voyeur, just to have interesting stories to tell at dinner parties about having met “poor folk.” Even worse, some have made commitments and then failed to perform, reinforcing the inner city experience with business people and politicians who always promise more than they deliver. But on the whole, I believe the business

community, in appropriate alliances, is rising to the occasion of “turning geography into community.”

There are a few other lessons I’ve learned, and many more that I’m still learning.

First, go into the inner city and meet the people. You don’t know what you don’t know. So listen. Begin with an open mind that seeks understanding, and popular myths and stereotypes will disappear. You’ll discover beneath the statistics a vibrant community of engaged citizens striving to overcome problems. Go and stay, persist and persevere. As Woody Allen says, 97% of life is just “showing up.”

Second, find where you fit in – that is, seek the issues that most interest you and engage your imagination and your heart, as well as the competencies, resources and creativity you can bring to bear. This will give you vibrancy and energy, and will enable you to sustain your efforts over the long haul.

Third, have the right enemies. Don’t expect everyone to greet you with open arms and accolades. Identify authentic community allies and partners you can work with and don’t give your energy or your resources to the naysayers.

Fourth, remember, it’s their community, so approach with an appropriate sense of humility and respect – and maintain a good sense of humor so that you don’t take yourself too seriously.

And finally, humanize everything – after all, “it’s the people, stupid.” There are no abstractions, no statistics, only human faces and names. Take it one person at a time. Each day we ask ourselves, what specific human being, whose face we see and whose name we know, has been helped by our efforts today? That’s the alpha and omega of our efforts!

I know I’ve personally been helped and inspired by them, for which I am eternally grateful. One person at a time could become a movement. And many people could be part of it, including you.

Consider the Athenian oath of citizenship in ancient Athens: “I pledge to leave Athens better than I entered it.” May we all endeavor to do the same for Dallas.

Thank you.

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