

LAKE FAMILY INSTITUTE ON FAITH AND GIVING

THE MARKET

— A N D —

THE DONOR

CREATIVE DESTRUCTION AND CREATIVE CONSTRUCTION



MARTIN E. MARTY

THE MARKET & THE DONOR

Creative Destruction and Creative Construction

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FOREWORD

For its second annual lecture, the Lake Family Institute on Faith and Giving, a program of the Center on Philanthropy at Indiana University, called upon Martin E. Marty, one of the preeminent theologians in this country, to address faith and giving from a scholarly perspective. Dr. Marty, whom *Time* magazine once called “the nation’s most influential interpreter of religion,” brought both creativity in addressing contemporary issues and intellectual energy to the 2005 Lake Lecture. In it, he outlines how the “humanizing element” of what he calls “creative construction” can be a “generous counter-motion” to the phenomenon that economist Joseph Schumpeter called “creative destruction,” the pushing aside of the old to make room for the new, a move that is often brutal. Dr. Marty identifies generosity as the hallmark of creative construction.

The Lake Family Institute was fortunate in securing Dr. Marty’s participation in its efforts to encourage reflection on the market, the donor, and the relationship of these two to faith. Dr. Marty is a widely sought-after speaker, has published more than 50 books, is a winner of the National Book Award, and is the author of a 2005 treatise on religious conflict (*When Faiths Collide*). In this lecture, which is a flagship program of the Lake Family Institute, he offers an original prescription for certain market-related ills of our time (of which the loss of any sense of Sabbath in a 24/7 world is a symptom).

The Lake Family Institute honors the legacy of Thomas and Marjorie Lake and ensures that their values and commitment to faith and philanthropy will be passed on to future generations. The Lake Family Institute’s programs are designed to:

- Build a lasting scholarly foundation for the exploration of the vital role religion plays in philanthropy through the Thomas H. Lake Scholar in Religion and Philanthropy;

- Examine connections between faith and giving among the world's three prominent faiths—Christianity, Islam, and Judaism (and other religions later);
- Pursue research on important philanthropic issues relevant to churches, communities and nonprofit organizations;
- Engage the community through several events, including this lecture, as well as through seminars and mentorships and through publications.

The Institute's director is Dr. William Enright, formerly senior pastor of Second Presbyterian Church in Indianapolis, where he served for more than 20 years.

Research at the Center on Philanthropy, based on our long-term Center on Philanthropy Panel Study, continues to demonstrate the need for an institute to examine the close associations between faith and giving. We know, for example, that patterns of religious giving and of religious involvement differ significantly for Baby Boomers as compared to the generation of Americans born before World War II. Such findings provide the empirical background for the work of the Lake Family Institute on Faith and Giving. With this thought-provoking lecture by Dr. Marty, we continue our examination of faith and philanthropy in challenging times.

Eugene R. Tempel
Executive Director
The Center on Philanthropy at Indiana University
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A first glance at the title of this essay might suggest that it is fundamentally an engagement with ethics and the market. Instead, while morals and meanings are webbed, this discussion about value-loaded words such as ‘destruction’ and ‘construction’ has to do mainly with meaning and meanings. An Institute on Faith and Giving certainly invites and encourages discussions of meanings.

Articles on ethics written by practitioners in the market world and by academic specialists fill libraries. One cannot easily enter the field in which they operate and have much fresh to say in a short essay, especially if one is a professional neither in the market nor in business ethics. To make a contribution, one would need to engage in empirical research of some sort. At the same time, broaching the subject of the ties between markets and morality or ethics also inevitably carries with it the need to encounter complex issues of political economies or economic politics. Such encounters and comments usually depend rather heavily on prejudgments and commitments of sorts that we have to bracket here in order to further the purposes we have chosen to pursue.

To approach the sufficiently complex field that we have selected to address and to do so efficiently calls forth a thesis. Here is mine:

While free market enterprises and economies *may* and *do* create, they *must* destroy.

Enterprises and endeavors marked by generosity *will* be creative and *will* construct.

The theme that best addresses the promise of construction is “generosity,” and we will concentrate on seeing it in expansive roles in the second part of this treatment.

Creative Destruction

The market economy has become normative for our epoch and dominates not only in certain societies and polities but across the board. Thus, China may not

allow for liberties that are taken for granted in much of the West, but its leadership certainly encourages markets, and its citizenry has moved into a market world. The few places where communist-style economies still reign—as in Cuba or North Korea—survive only through repression.

Over the past two centuries a number of terms came to be applied to market economies, among them “capitalism,” “the Protestant Ethic,” and “free enterprise.” Theorists such as Adam Smith, Karl Marx, Max Weber, Milton Friedman, Frederick Hayek, and Joseph Schumpeter have contributed to understandings of these terms and what they represent. Some of these contributions are based on observation, and others are promoted as pure theory. Most advocates are realistic enough to deal with the dark and down sides of the systems. Among the references the most helpful for present purposes is the one proposed by Schumpeter. His “creative destruction” sounds oxymoronic, but it has gained support, in part because it recognizes tension, allows for criticism from many angles, and leaves room for constructive consequent action.

Joseph Schumpeter (1883-1950) needs little introduction to students of the economy, but with a general readership in view, a brief review is in order. The Austrian-born economist and later United States citizen offered a challenging prophesy within his theoretical economic framework. Marxists and other critics of capitalism from the left foresaw and worked toward the system’s demise and proposed its replacement by economic ventures of their own, replacements for which millions suffered in revolutions. By the time Schumpeter wrote, he considered that the main life had gone out of collectivist approaches, though they might long survive. Instead, he taught participants in free economies not to fear that these would be killed by such outside attacks. Instead, they could fail precisely because they succeeded.

In *Capitalism, Socialism, and Democracy* (1942), Schumpeter praised the entrepreneurial spirit, stressing that it had little to do with “invention” and almost entirely with “innovation.” The two terms are kin, but they issue in very different consequences. Invention was easy to applaud. It is integral to market development and, for that matter, to almost every other kind of development that depends upon human agency. Schumpeter was not very interested in mere invention and saw little economic consequence in it. What mattered was innovation. By its very nature, the new represented a challenge to existing patterns. Pushing aside the old to make room for the new was often a rather brutal move. Celebrating innovation meant recognizing that old ideas, technological creations, products, instruments, skill and inventories were all threatened.

One could promote innovation while cherishing and preserving that which was old, but such preservation belonged in antique shops and museums. Innovation and tradition can coexist, if in limited ways. But the overall pattern that is a correlate of innovation will be “creative destruction.” No honest entrepreneur or analyst could gloss over the market’s secret: that there will be destruction.

Innovating in the worlds of capital and production or counseling others to innovate is not for the faint-hearted.

When addressing subjects like this, I find that members of audiences, classes, and other response groups recognize and bring forth innumerable illustrations of their own. They all draw on their own experience and observation to document features that illuminate the sequence of changes by which creative expression leads to or depends upon destruction. Scholars might examine these offerings up close and find them flawed, but they are not likely to convince publics who welcome the products and services that result from creative destruction in markets. They will pay a considerable emotional and spiritual price in the face of the destruction because they see benefits in innovation and its products. Readers can offer examples off the top of their heads; here are some from worlds which are so familiar that we take their consequences for granted:

- In sound reproduction, a succession from the wax cylinder through 78 and 45 down to 33 rpm records, followed by the compact disk and transmission on the web.
- In capturing images, from the daguerreotype through film and Polaroid photography to the digital inventions. One *New Yorker* cartoon depicted a salesperson pointing to a feature in the latest camera. He was informing a potential customer that when a particular red light came on, this meant that the camera had just become obsolete.
- In computing, from the mainframe past the desktop PC through the laptop and next to the hand-held device.
- In medicine every innovation challenged the old approach or medication and ordinarily rendered it obsolete. Yes, there were transitional survivors, such as aspirin. But in the medical technology world, although finger-probe techniques may still be availing, they are no longer the only instrument upon which physicians can rely to learn about one's "insides." In the era when modern medicine was making its way, some medics for a time used leeches in their treatment of patients, but that employment has been superseded and leeches are pretty much out of a job. Each new medicine is a threat to the market for the old. In technology the X-ray and then the CAT scan and MRI each superseded or at least challenged what had gone before it. People thought of as superstitious might rely on old-fashioned magic potions and patent medicines, but most consumers favor modern pharmaceuticals that appear to destroy the market for last year's cure.
- In transportation, from the horse-drawn Studebaker wagon to the Studebaker auto, leaving wagons only for museums and eventual oblivion.

- In patterns of government, democracy creatively destroyed arguments for monarchy and led citizens to reject totemism and other forms of unrepresentative leadership.
- In science, flat earth champions did not have the field to themselves after their theories were creatively destroyed by Copernicus and Galileo, followed by Einstein, Hubble, and some of the current “total explanation” hypotheses.
- In exchange itself, the open-air market, still favored by purists and the nostalgic, largely gave way to the mom-and-pop grocery and saw creative destruction going on as the supermarket or local store was challenged by the efficient megamarket outlet.

Carrying the mixed amusing-and-pathetic list of citations further would serve no purpose except stylistic, to enable observation of creative destruction in every realm. Still, just for fun, and to illustrate how we citizens and consumers take for granted the creative destruction going on, I will offer some references to our subject from one day’s newspapers, collected on a typical day not long before this lecture took place. This clipping activity found me making confetti out of newspapers and a magazine on February 28, 2005:

Here are “creative destruction” instances in headlines, the detail of each of which need not be cited, since the main point in adducing them becomes obvious and redundant:

- “Wisconsin Town Reeling Over Closing of Lands’ End Call Center: Difficult times for workers feeling betrayed by a company with a strong family-oriented culture.” Destroyed as “the web” replaces “the phone” among customers.
- “Department Stores in Limbo: May’s \$11 Billion Sale Brings Cheers, Fears. Federated Purchase Could Signal End of Era.” “More Luster Lost from Palaces of Retailing.”
- “For the Love of Chocolate” and “Godiva: Once the last word in fancy chocolate . . . upscale competition” brought a new product to favor.
- The *Economist* weekly: “An Ode to Failure:” on “how exactly should a hyper-competitive society deal with its losers?”
- “Free degrees to fly: Already a big global business, is higher education poised for take-off?” On the web-based assault on traditional “located” higher education.
- “Computer expert helped create Macintosh concept,” obituary for Jeff Baskin. “When the Mac was unveiled in 1984, it radically changed the personal computer industry. No longer were users forced to type commands,” etc., and old style was challenged, often replaced.
- “Tale of 2 Conferences: High-tech Innovation Comes in Many Guises.”

- “The Lawrence Summers Mess: Harvard Enters the Internet Age: Bloggers, with torches, assault an ivory tower.” On how Harvard’s old secretive-elite approach is being “creatively destroyed” by web-based transactions.
- “Some don’t believe American cars in the running.” On new technological challenges by non-American-made cars.
- “Don’t blame Wal-Mart,” op-ed by Robert B. Reich. “We expect our suppliers to drive the costs out of the supply chain. It’s good for us and good for them,” said a Wal-Mart spokeswoman. “We can blame big corporations, but we’re mostly making this bargain with ourselves”—as the chain drives competition into bankruptcy and workers lose jobs to foreign sources.

Schumpeter could observe that what matters in each case is competition from the new commodity, the new technology, the new source of supply, the new type of organization. This is competition, he would note, that in the business world strikes not at the margins of the profits and the outputs of the existing firms but at their foundations and their very lives. One does not have to believe in Progress or Utopia to see that much of this competition can be constructive and productive of the good, but Schumpeter’s formulation and reportage also point to destructions, personal and impersonal, ideational and practical.

Schumpeter defined creative destruction as the “process of industrial mutation that necessarily revolutionizes the economic structure *from within*, incessantly destroying the old one, incessantly creating a new one. This process of creative destruction, he wrote, is the essential fact about capitalism. It is what capitalism consists of and what every capitalist concern has got to live in. . . .” In summary and with a vivid metaphor, he spoke of “the perennial gale of creative destruction.”

Schumpeter pinned much on “industrial” mutation, but his theme has analogues in the “idea” world, among others. And the innovation in modern times does not have to be *utterly* new; the process also went on in pre-industrial times, as a visit to museums of tools suggests.

We are not going to make a dogma out of Schumpeter’s endlessly debated but classic observation. Too many economics schools exist, each making its own proposals and claims, to allow for a monopoly on talk about innovation to one figure. Schumpeter’s reputation and proposal have on several occasions gone relatively out of favor and then come emphatically back into favor. As an example of the latter, we observe Parisian economist Philippe Aghion, who translates the idea into the highest (to this moment)-tech world, where he connects economic growth and all kinds of institutions. Aghion discusses the politics of entrepreneurship, the connection to law and lobbying by self-protective entrepreneurs. Here is where, in his view and world, the political-economic debates center.

However much credit or blame one wants to direct to Schumpeter, it is clear to all observers that capitalism can never be static and stationary; it is always evolutionary, developmental, dynamic, “costly.” The free market ethos and achievement are expensive in several spheres.

First among these costs are the ideologies, whether of capitalism or socialism or something else. We have heard from the left of occasions in which prominent liberation theologians did what Lenin claimed classically: “Our idea is right, no matter what the empirical situation is. . .” Because it was profoundly true, they argued, nothing in the empirical situation could counter it. Still, the various rationales for Communism are on the ash heap, where they will probably be deposited alongside ideological rationales. Philosopher Ernest Gellner liked to report on how counter-ideologies, such as militant Islamic fundamentalisms, outlasted the U.S.S.R system, which suddenly imploded.

Casualty number two of the free market’s creative destruction is the cluster of self-delusive understandings among those who saw nothing but good in it. They lived with illusion, stressed the positive features, obscured sight or thought about the negative, and overlooked the victims of change.

Another illustration that mixes creativity and destruction is this: On the defensive in our century are those in governmental life who are not at ease with the line of separation between religion and the civil authorities. From the 4th century to the 18th in the Christian world, civil authority under monarchs and their kin and kind prevailed to the point that they enjoyed monopoly, or at least hegemony, but then were creatively destroyed by democracies. Those who today participate in retro movements—characterized by calls such as that we should “take back America” and reintroduce quasi-theocratic measures—suffer frustration as they lose most of their struggles.

Add to these the critical details of prophecies that there would be nothing but dire consequences thanks to economic change and the more moderate but still-searching critiques that offer and rely on humanistic and theological dimensions more than on ethical attacks. Craig M. Gay in his *Cash Values: Money and the Erosion of Meaning in Today’s Society* presented a humanistic view of what sociologist Robert Bellah called “market totalitarianism” (p. 73) or of what Gay himself noticed as the “weightlessness” of culture and of the efforts of agents and victims within it. These are typical critiques that challenge creative destruction when it is superficially justified or taken for granted.

First among these is the humanistic toll that results from over-zealous individual competition. The loss of any sense of Sabbath by leaders in the market world who know no off-time in a 24/7 world of efficiency leads to obsession with work and achievement. With respect to the consumer’s relation to the market, commodification rules. With it, everyone—and everything—is measured with their fiscal and economic dimensions in the forefront of action and thought.

Associated familiarly with all this is the human cost to the agencies of intimate community. Creative destruction puts burdens and strain on the family, neighborhood, communal and associational life, and religious communities and sometimes destroys them.

While some of this destruction is in the eye of the beholder, since no single polity and policy works for all, it takes its toll in the civil and commercial order, where transactions occur. Politics and advertising, for example, rely on such destruction and innovation.

Not arbitrarily chosen for illustration is the sphere of global health, where creative destruction can leave the biggest damage in the natural environment. Each industrial advance in food production, processing, or providing access to markets illustrates how industrial progress “eats” earlier versions and uses ever more resources. The destruction of the family farm where agribusiness prospers illustrates this. Yet something creative is also going on.

Should and can the order that is based on “creative destruction” then be creatively destroyed in order to be replaced with something else, something better? The prospects for such replacement are few and, while each has plenty of advocates and participants, it is hard to make a counter-proposal stick. At best, one can make tentative suggestions. Thus utopian dreams are in more trouble than before, since we have seen too many of the proposals based on these destroyed quickly and effectively.

As for polities, socialisms by and large have been discredited, and none of the survivors can serve as a viable alternative; the social costs of such patterns have been too obvious and unpromising to offer anything new. Suggested alternatives along those lines are really mere revisions and, ironically, these usually include market expansions into new areas and worlds in which ideas and practices rejected by critics “at home” are deemed to be worthy innovations elsewhere in the world.

Third, some propose total replacement of the system of creative destruction, be it utopian or on socialist grounds. The possibility of achievement of this is so remote, so unlikely, that it is better to put energies into the search for a *humane* economic order than to seek replacements for all details of the present one. Whether those in charge of any conceived total replacement would be benign or malign; whether they are proponents of expansion or retrenchment, or are of the political left or right; whatever decisions and policies come forth are too small to be regarded as a potential replacement of the current complex.

All these and similar proposals are regularly called into question, given the bad track record of other grand-scale entries in recent centuries. All systems, including the prevailing one, are to be seen as finite, contingent, transient. Theological analysts could observe ideologies and governments on the right or left claiming to be examples of an economic system that is uniquely congruent with the purposes of God. It is appropriate to remind them in respect to their heroes among economic theories and systems that God got along without capitalism until John

Calvin and Adam Smith arrived on the scene as well as that God got along without communism through the decades.

As I wrote and delivered this lecture and then wrote this essay, it occurred to me that critics might well accuse me of shrugging off responsibility for one part of the vocation of a theologian, which is to be prophetic. By ‘prophetic’ is meant bringing in a transcendent perspective which authorizes and informs radical criticism, in this case of the free market order. Even if one does not claim the mantle of the prophet and shrugs off efforts by others to impose it, should one not put energies into judging and undercutting the entire economic and social system with which one lives, since it is not to be equated with the kingdom of God? The historian in me, or myself as historian, sees futility or hubris in the adoption of the prophetic vocation. The human story is too complex for someone to come along with a claim that he or she has found a replacement, or can be completely distanced from it to have much to offer.

As one who often moves among defenders of the present system, I hear critics of “prophets” saying that being completely critical of that system while speaking from the protective posts of academic tenure or the security of an endowed chair or pension program shows bad faith. Certainly, the professor is in some ways as beholden to and captive of the market economy as are people in any profession. Nevertheless, it comes with better grace to interpret and criticize from within the system, ambiguous as its effects may be. I have found it more advisable to engage not in top-to-bottom foundational analysis but to envision some ways of living off the system while humanizing various elements and dimensions within it. An indefinite number of counter-forces are conceivable, but we will concentrate on one humanizing element. This is the “creative construction” that we posed to complement or follow Schumpeter’s approach. I will focus on the concept and practice of generosity.

Transition: a “faith and giving” institute in our culture has room for biblical texts. Here are two, one from Isaiah and one from Second Isaiah:

The first text is on creative destruction, with ancient real estate acquisitions seen as a mode of “creative *destruction*.”

“Woe to you who join house to house, who connect field with field, till no room remains, and you are left to dwell alone in the midst of the land!” (Isaiah 5:8 NAB)

The successful acquirer of property is so ungenerous and so successful that he pays a devastating price. He can enjoy his hubris and his greed, but he cannot enjoy company, because he has none. He has destroyed the others who would have represented other humans, and is left abandoned, alone.

The second text is on the theme of the “*creative*.”

“Is not this the fast that I choose: to loose the bonds of injustice,

to undo the thongs of the yoke, to let the oppressed go free, and to break every yoke? Is it not to share your bread with the hungry, and bring the homeless poor into your house; when you see the naked, to cover them, and not to hide yourself from your own kin?”
(Isaiah 58:6-7 NRSV)

And this one concentrates on “*construction*.”

Then your light shall break forth like the dawn, and your healing shall spring up quickly. . . then your light shall rise in the darkness and your gloom be like the noonday. . . and you shall be like a watered garden, like a spring of water, whose waters never fail. Your ancient ruins shall be rebuilt; you shall raise up the foundations of many generations; you shall be called the repairer of the breach, the restorer of streets to live in. . . (Isaiah 58:8-12 NRSV).

Creative Construction

When we turn to “creative construction” as a complement to “creative destruction,” we do not move from ambiguity about meaning in life, work, and culture to utopia. Instead, everything addressed and attempted remains within the context of finitude. All creators will die. Similarly, everything will be subject to contingency—accident and caprice and fate will play their roles. Creative construction will not transcend transience: everything attempted will fade and pass in the course of the years. Therefore, just as the market as “creative destruction” has limits, so will generous counter-motions have manifest limits. Still, one proposes alternatives and makes efforts.

Frustrated efforts at countering the negative effects of the state and the market can lead great numbers of people to become resigned or apathetic. Among them one will hear it said that they could participate in construction if only they could begin with perfectible or perfect institutions. They aver that they cannot work until better instruments for rebuilding are available. For a sample: Critics of institutions such as the church will announce that they will sign on as members of a religious body when they find the perfect church to welcome them and house their actions. The reply that is most appropriate for them is: Yes, find a perfect church. Then join it. It will become immediately imperfect. The same is true of voluntary associations of all sorts.

Here one can profitably employ Reinhold Niebuhr’s approach to irony. We refer here not to literary irony but to historical or humane irony. Someone sets out to find a perfect instrument, such as a nation, as an agent to effect a perfect policy, a form of government or association in which that person along with his colleagues will have a major initiating part. Then something goes wrong. We have seen this “going wrong” with wars whose outcomes do not match the intentions and expectations of those who wage them or good welfare programs that have as their downside the loss of initiative among some who are to benefit from them. When

something goes wrong, observers are tempted to say, “This proves that it does not pay to try anything,” or “What fools these mortals be,” or “It’s all been tried and there is failure here again.”

Niebuhr framed the background to historical irony. He reminded readers in *The Irony of American History* that—my terms, not his—inside our knowledge there is enough ignorance; alongside our innocence there is enough guilt; countering from within our virtue there is enough vice; under the cloak of our security there is enough insecurity that in due course ignorance, guilt, vice, and insecurity will have their say and their day. Something goes radically wrong. But Niebuhr, invoking Psalm 2:4 about how the One who sits in heaven laughs at human pretension and folly, says that the same God still holds us responsible and does not disdain human achievement.

The late Dr. Lewis Thomas, former head of the Memorial Sloan-Kettering Cancer Center, wrote about the role human error can even play in construction. He observed that we do not say that we learn through trial and triumph, but through trial and error. Something goes wrong in the laboratory or clinic. We learn not from what went wrong but from what people say when they respond with, “Even so, look at that!” Out of that observation comes the possibility of invention and innovation and the potential for the new construction of which we speak in the face of ruins caused by “creative destruction.”

Some motivation for new constructing can come from an imaginative revisiting of past episodes within a broken world. In spite of all the setbacks, there have been renewals. In the economic realm, many changes which antedate the market system give evidence that generous and far-seeing people adapted to change and innovated, and that their efforts were succeeded by even more creative inventions and productions. In both eras, the innovators and discoverers left behind not only the signs of destruction of previous solutions and achievements but also enhancements of human possibility and achievement. Not everything has been left to fate and fortune.

Thus, in our own decades we have seen the effects of destruction through the pollution of the natural environment, part of the pattern of creative destruction impelled by the market. Generous individuals, often against all odds, have worked to restore that environment and to slow or even divert tendencies that further the destruction. They regard nature as generous, but they also see that it cannot deliver unless they make generous provision for its protection. Similarly, in the face of homogenizing and repressive forces that came with industrialization and the loss of some rights, some of them worked generously in the forms of compensatory action that has meant enlargement of human rights among populations in numbers of political and commercial environments. In the midst of a depersonalizing set of forces, generous humans have responded with personalist philosophies and therapies and found new ways to help assure freedom and integrity to millions. Utopia is out of range, but achievement is not.

My half-dozen references to generosity and being generous in the preceding two paragraphs focus not on money but on time, energies, reflection, and the like. Generosity includes everything from the mien and manner, the bearing and stance of individuals to the way corporate life is organized.

I have my own gallery of philosophers who contributed to the countering of destructive forces, impersonal and personal as they may be. In this essay I can only point to a few of them, hoping that readers may find among them indicators of bibliographical riches: Gabriel Marcel, Eugen Rosenstock-Huessy, Emanuel Mounier, Martin Buber, Emanuel Levinas and others who are devoted to what Buber pointed to as the “I and Thou” dialectic as opposed to “I and It” relations.

Each of us who would respond to the call to engage in creative construction is free to reach for a root metaphor, a lever, a clue that might provide impetus and insight. My nomination would be generosity, the theme that should appeal most of all to the constituency of this Institute on Faith and Giving. Generosity, to prosper and grow, relies on peoples’ being aware of their receipt of gifts and their desire to transmit gifts. One excellent treatment of the subject on which I will draw is Arthur W. Frank, *The Renewal of Generosity: Illness, Medicine, and How to Live* (2004). Lest reference to generosity seem to provide an all-purpose resolution, let me complement that with Jean Starobinski, *Largesse* (1997), since it uses visual arts to demonstrate all the ways in which generosity can be and is compromised. Starobinski represents quality control of generosity and Frank offers a philosophical and therapeutic impetus and reflection.

The reader of a book like Frank’s that reports on and urges “the renewal of generosity” can read it, mistakenly I believe, as a counsel for an individual who would be true to ideals and conscience against all odds within a world that is hostile to them. It is easier for an individual to take a turn that will result in one’s becoming generous where she had been less generous or ungenerous before than it is for institutions to embody, exemplify, and effect acts and programs of generosity. Similarly, it is easier for an individual to “risk hospitality” in a prejudiced and inhospitable world than it is for societies and institutions to do so. I have isolated this corollary theme in my recent *When Faiths Collide* (2005) wherein I had to wrestle with the precise issue before us: how to relate an individual change of course to societal and communal repentance, out of which could come revisioning and reconstruction.

Were I to counsel the Lake Family Institute on Faith and Giving beyond the one-day stage provided by this lecture or beyond the one hour it might take to read this essay, I would ask colleagues there to set forth an agenda on this extension of generosity. Let me illustrate, beginning with a set of questions.

Can there be a generous *international agency*, or can there be reconstructive improvements among those that have made starts in this direction? We expect self-interest to be a motivator of nations that support, however wanly, the United Nations or however prudently, the World Bank. The fiscal stewards and repre-

representatives of the participating nations know that if economies collapse in numbers of nations, the world economy is itself threatened, and so they act. Yet along with this self-interest, which in isolation can hardly be classified as generosity, these international agencies can use discernment, foresight, and impulses of empathy to find ways to bring resources from rich nations to poor ones.

More credible is the suggestion that there can be generous *nations*. By now, gifted as we are with “the hermeneutics of suspicion,” we are likely to view with some suspicion every generous-looking act by one nation toward another, as in the case of the United States and the Marshall Plan in Germany after World War II, or with the rebuilding of Japan in the same period. It was to the advantage of America to help construct where it had participated in not always creative destruction in the form of the bombing of cities in both nations. It was urgent after the war to find economic partners and citizens who bore fewer grudges than would be expected, were less motivated to seek revenge, and who stood a chance of contributing to mutually beneficial economies, so, it is asked, why not be generous? Yet, there were other choices available to Americans and they chose this route, supplementing it with acts of individual generosity and many material gifts, often by churches.

Among the mixture of motives for the reconstruction are those that are linked to profound philosophical, theological, and societal gestures that are unquestionably generous. What Frank calls “the renewal of generosity” comes in such cases as an imparting of realistic hope, dogged resolve, and considerable know-how. The United States is or ought to be regularly embarrassed when relatively neutral observers announce results of their measurements. This nation is among the lowest among the industrialized nations when humanitarian and other non-military aid is measured in proportion to the Gross National Product. Sophisticated analysts of such comparative reckonings can help quiet consciences by engaging in creative statistical revision and political explanation. “We are better than those figures suggest,” it will be said. “For instance, our navies help keep the sea-lanes open, to the benefit of nations who cannot or will not do so, and that has to be seen as an act of overlooked largesse!” Yet it is not only religious prophets and philosophical interpreters who find great gaps between majority American expressions of self-satisfaction and the reality of greed and self-seeking. Asking how much more a truly generous nation could achieve becomes the goad for improvement. Democratic nations, republics, in which citizens as voters hold strong hands have the best potential for turning generous and countering the destructive side of market economies and imperial nations.

Insisting as we already have that generosity does not simply mean financial giving but acts of open spirits and hospitable people, it is important to point out that through such America is not seen only as ungenerous, but that fair-minded people everywhere recognize that the work of students, business people, church representatives and others can compensate and contribute to the renewal of generosity and creative reconstruction.

Third on the agenda would be finding ways to enhance the spirit of generosity among *voluntary associations*. This field should be one of the more creative possibilities, because such associations were founded for expressions of generosity. The track record of many of these organizations gives encouragement to those who hope for creative construction as a provider of elements of meaning within free societies. They can be secular, drawing on diversity within populations where there is no injunction to be generous as a means of serving God or finding heaven. Where there is a true spirit of generosity, secular and religious agencies can coalesce and associate, without choosing ungenerously to measure and critique the work and motives of others. The religious associations do have some disadvantages, since they cannot appeal to whole populations. For instance, most non-Jews do not channel their charitable funds through Jewish agencies. They also have advantages, because it can be shown that generous acts and gifts from the religiously motivated members of communities tend to be profound and durable.

The fourth sphere may be the most difficult to develop: the generous company or corporation. The company may have it easier, since it has no shareholders to satisfy. A mom-and-pop store, an individually- or family-owned business can be an extension of the personal generosity of individuals who know how to give. If the company is to survive, there must be a profit, but beyond that it is up to the proprietors to find ways to be generous and show generosity. On the other hand, the corporations, key to the market in the modern world and collectively holders of power, are unmatched, often even by nations. And the first reality about the corporation is that shareholders have their interests and that management faces competitors. The interests of those shareholders may not and ordinarily do not simply coincide with the charitable interests of corporate leaders. The democracy of the dollar is threatened when management is so generous that it threatens the yield to the shareholders, who react noisily when offended.

This is not to say that leaders of corporations have always been markedly ungenerous. Much of the history of modern philanthropy focuses on magnates and enterprisers who had specific visions of where to direct resources of the corporation to meet human or environmental needs. Often, leaders who have profited from a corporation's yield give generously, and this reflects on the image of the firm as being generous. As with other corporate entities, even these generous-appearing and even genuinely discernible acts of generosity are subject to scrutiny by cynics, competitors, ethicists, and the like. We cannot take this up on a case-by-case basis. Still, with sufficient frequency there appear to be exemplary acts by prospering corporations that are not matched among ungenerous competitors of theirs. Generosity in some cases can be seen as good business—which does not always mean that motives beyond financial payout to shareholders and the survival of executives are absent.

One could easily add to this list: entertainment, educational, artistic, and social enterprises have the chance and choice to contribute to the renewal

of generosity and to mitigate the effects of creative destruction that compromise efforts to find meaning in the market world.

An Institute on Faith and Giving will have on its agenda other approaches to the enhancement of meaning in the context of the creative destruction that capitalist innovation produces. We have already mentioned self-centered strategies that are not only negative, since they can be a means of effecting construction. When I said that being generous is a root metaphor for a culture whose members are seeking meaning, I was trying to signal that the focus on generosity is central to the cause if not superior to other approaches. Generosity is remarkably syncretistic, adaptable, and reliant on cooperation beyond the narrower definitions sometimes attached to it.

The “case book” by Frank sets some of the theme for this. Frank, who is not unfriendly to religion as expressed in Christianity and Judaism, defines himself as a “dialogical Stoic.” His call for the renewal of generosity draws on Marcus Aurelius and other Stoics, both testaments of the Bible, and philosophers like Emanuel Levinas and Mikhail Bakhtin. Frank does not “construct” on the basis of biblical-style *agape*, which is spontaneous and unmotivated love; nor does he draw on “thanksgiving,” though both love and thanksgiving can be motivators that are compatible with his approach. He employs health and medical cases and themes, but I believe these can be correlated with other realms beyond medicine. I commend his chapters on “The Generosity of the Ill,” “Physicians’ Generosity,” and “Unfinalized Generosity,” all of which serve to remind us that generosity does not always and only have to do with money.

The bearing, mien, manner, and discernment of priorities among physicians and seekers of health can be matched in other spheres of life, such as among citizens as citizens and as contributors to the general and larger order, as through philanthropies and volunteering of time.

Celebrating the Stoic approach, Frank uses this citation from Starobinski as an epigraph to a chapter: “Must one despair of seeing the triumph of the pure gift, the gift without compensation, the gift given without consideration for one’s own interest? Would it not be preferable to return to the Stoic god by giving. . . without striking a bargain where those who worked to relieve human suffering would be remunerated with future happiness?” (p. 123) Frank, who knows how hard it is to reach the other in empathy and with valid gifts, reports on what Michael Ignatieff thought as he stood in line with pensioners. He summarized: “. . . I am also aware of how [state] mediation walls us off from each other. We are responsible for each other, but we are not responsible to each other.” (p. 123).

Having learned more from Frank than other sources on this theme, I would like to carry on the conversation with him. As he refers to religious giving, he strikes me as being too much negatively moved by medieval Christian almsgiving. So he has some difficulty crediting biblical influences on generous Jews and Christians. The Stoic, he reminds us, expects nothing in return, while for him the

Christian generosity is mediated through a “calculus of exchange,” which makes “heaven indebted to” the donor, who “accumulates a treasure.” There goes the generous spirit! Similarly, Enlightenment-era giving, as it was associated with the American founding, is seen as calculating. The Age of Reason’s emphasis on rationality often led it to turn giving from a moral relationship to an administrative problem which characterizes much philanthropy and volunteering of services in our time, argues Frank.

He recognizes that this modern approach invents an “artificial person,” much like philosopher Thomas Hobbes’s “fictional person,” a creation which does not rely on or even ordinarily permit face-to-face relations. Such a limitation does not deter Frank from promoting the renewal of generosity as the main theme in what his subtitle suggests: counsel on “how to live.” Not being a utopian or perfectionist and not asking his contemporaries to be such, Frank foresees ways in which citizens can be awakened to seeing new visions of human need, even as they will become newly aware of what they cannot do to fulfill their promise. He includes an important qualifying sentence from Levinas (pp. 129-130). That philosopher speaks of “living with brokenness,” as Frank would have others do, even if this means having “always a bad conscience”—in fact, that is good!

The generous person, nation, agency, institute, company, or association always involves relating to the other. Frank quotes Michael Holquist (p. 132) on this turn to the other: “The question now becomes, what shall we make of this gift of the other?” The physician asks that of the patient, and the patient of the physician. By extension: so do the generous professor and student. For Frank, the medical world, so often marked by impersonality, is the best place to envision the effects of renewed generosity as a pattern of social construction. Always ready to adduce the voices of others, Frank reinforces this theme with this from (p. 136) Hilary Putnam: “Only by keeping an ‘impossible’ demand in view. . . can one strive for one’s ‘unattained but attainable self.’” That would have to be at the heart of creative reconstruction.

The market, capitalism, the state, and agencies cannot themselves “assure or produce holiness,” yet where the spirit of renewed generosity provides meaning, “there have been, if not saints, at least exemplars,” and their presence can inspire democratization of the generous spirit.

One of my own strongest proposals for the renewal of generosity over against creative destruction is the development of exemplarity and the encouragement of exemplars. Here I would enlarge upon references to medieval lexicons, which gave the etymology of the *exemplum*, with (“ex,” as in “ex-cise”] a cutting out. Those lexicons enlarge this abstract definition with a concrete reference to “a clearing in the woods.” Keeping that metaphor in mind can be of aid as people seek strategies for inspiring the renewal of generosity. Here is why:

First, the clearing in the woods represents definition. Modern life, including the world of obsessive competition and constant destruction of old landmarks and

achievements, leaves one in a figurative “dark wood,” much like the one in which Dante found himself at mid-life. Lost in that dark wood with its entangling undergrowth and ominous shadows, the person who emerges to a clearing finds definition: there is woods, here is non-woods, clearing. Here is clearing, there is non-clearing, woods. Exemplars who have been generous and teach generosity are defining mentors. We do not know how to find generous impulses, how to bring them forth, how to act on the basis of them. Generous exemplars define.

Second, the clearing represents where light falls. One is lost in the dark woods not simply because it is thick, the paths are not evident, and there are entanglements. One is lost because the canopy of leaves and the obstructions of trunks are darkening. Then comes the clearing, and one can see what there is to be done and how to do it. The development of generosity as key in a counter-balance to creative destruction demands research, probing, poring, squinting, gazing, and discerning—visual acts that need light. The generous exemplar mentors such endeavors.

Third, the generous exemplar, be this a person or an institution, a communal or corporate entity, cultivates, which is what goes on in the clearing. One may harvest fruit and nuts in the dark and ill-defined woods. In the clearing, represented in simpler landscape by a cabin, a cow tethered to a post, homespun laundry on the line, the man chopping wood, smoke rising from the chimney, we see cultivation, represented by an orchard, vineyard, and small plowed field. These stand for exemplars who find an indefinite number of inventive responses to creative destruction.

I would hope that an Institute on Faith and Giving would make such defining, enlightening, and cultivating part of its agenda.

Among other ways of supporting and supplementing “generosity,” which could never be an all-purpose way of extending meaning and human purpose on the scene of creative destruction, are reliance on instruments that put what Gay calls “the money metric” into a larger perspective. One approach to finding meaning on that scale may be petite: “Around the edges of the system,” Frank suggests, some of this can be done “by maintaining strong family ties and through our participation in voluntary associations and institutions—such as churches—that are dedicated to the preservation of traditional value systems.” (Peter Berger, pp. 76-77 in Gay).

Still another approach to overcoming whatever stands in the way of developing generosity is philosophical, theological, and volitional. Robert Goudzwaard has spoken of the dangers attendant to the “idolization of progress,” which is integral to the plot of creative destruction. It results, he says, in a “persistent narrowing of human relations and purposes to technical and economic achievements as ends in themselves, a problem implicit in virtually all modern ideologies, for example liberalism, socialism and Marxism, as well as nationalism in its many varieties.” (Quoted in Gay, p. 77) This is at the heart of his critique

of isolated “creative destruction.” But Gay presses himself and his readers further by asking whether we have not been crippled at the outset by the ‘alchemy of monetary valuation.’ This alchemy is a spiritual corollary of physical “creative destruction.” Goudzwaard asks whether our ‘value’ has been ‘devalued’: “Haven’t our families, our associations, even our churches suffered under the commodification of meaning and purpose?”

The most famous person in the world at the turn of the millennium and the most-followed leader, the head of the one-billion-member Roman Catholic Church, Pope John Paul II, spent most of his decades fighting the opposite of market life, Soviet Communism and its extensions into the Pope’s homeland, Poland, and so much of the world. After the Iron Curtain tore in 1989 and the Berlin Wall fell not too much after, the Pope saw that socialism of aggressive sorts had lost whatever soul or potential it once had. Instantly, he turned to the spirit of the economic victors, the enterprise capitalists and the consumers of their products and services. The key term is the one we have just used, commodification, in which the people become commodities, the personal ‘I’ becomes an ‘It.’

Gay addresses this reality by reference to, among others, Martin Buber and that philosopher’s invocation of the category of ‘grace,’ which I relate integrally to ‘generosity.’ To define and clear space, he cites Jacques Ellul on the idolization of money. “Nothing, whether in human nature or in the nature of things, whether in technology or in reason, adequately explains the original act of creating and accepting money. Nothing explains the blind confidence that we continue, in spite of all crises, to place in money. This is an absurdity which neither economists nor sociologists are able to clarify.” (Gay, p. 87)

While an Institute on Faith and Giving draws on secular, spiritual, and philosophical resources, it would be foolish for its leaders and constituents to overlook the religious texts, traditions, and communities that prevail in the culture of the nation surrounding it. Predictably, but now with fresh effect, Gay turns to the crucial classic text, Matthew 6:19-34, as it deals with God and Mammon as rival deities. Indeed, says Gay (p. 91), the most subversive and ultimately redemptive idea that we can set loose within the capitalist world today is the simple recognition that *life is a gift*. Among the implications is the awareness among believers that our survival does not depend simply upon our own cunning and ingenuity. “Rather we have been brought forth into a world that is *alive* with purposes that, far from being inimical to our best interests, have been ordered in such a way as to sustain our lives and render them fruitful.”

Gay enlarges on this theme also by reference to the Hebrew scriptures, as in Genesis 8:22 and the promise to Noah. After it was effected, in the light of that text, “everything that is, everything that we are, everything that we are able to do, all of these are ultimately the gifts of God.” (See also Ecclesiastes 5:18-20). He continues: “There is also a sense in which, having received the gift of the world, we are to respond by giving the things of the world back to God.” (Gay, p. 94)

Finally, before we close Gay's book, this quotation from Dumitru Staniloe, an Eastern Orthodox theologian, can summarize the religious case:

The gifts given to us by God can become our gifts to God through the fact that we are free to give things back to God. We transform things into our gifts by the exercise of our freedom and by the love which we show to God. Towards this end we are able to transform and combine them endlessly. God has given the world to man not only as a gift of continuous fruitfulness, but as one immensely rich in possible alterations, actualized by each person through freedom and labour. This actualization, like the multiplication of talents given by God, is the gift of humankind to God. (Gay, p. 94)

Gay's own conclusion relates to creative destruction and creative construction joined: "I do not think we should be overly critical of the market system and neither should we be too concerned to defend it. Free market capitalism is a remarkably good system, but it is not perfect. The system has always stood and will always stand in need of moral valuation and discipline. Along this line, I believe we should *use* modern capitalism for the sake of our fellow servants, showing them grace, forgiving their debts, unexpectedly lightening their burdens, employing whatever wealth we have—wealth that we know we cannot keep for long—in the service of fellowship and friendship." (p. 99)

I am conscious of all the limits that come with this presentation, limits born of my own relative unfamiliarity with many elements of market systems and an awareness that generosity embodied and exemplified looks like and may be a weak instrument against such powerful forces. For example, it is easier to speak as we have at some points chiefly to the individual person. Important as that audience is, it leaves the question of the *polis*, the way this informs, connects with, alters, and helps transform institutions.

Further, in criticism: the texts at this point have referred to divine grace, in the biblical tradition(s). But two-thirds of the human race and twenty percent of U.S. citizens are not directly responsive to such traditions and their impulses. At the same time, it is in place to remind readers that if more people in the biblical tradition, moved by grace, translated its effect into renewed "generosity," there would be vast changes in the larger culture. Further, there are impulses toward generosity in other "high religions" and many philosophies, including secular ones. In Frank's case, after his critique of the Christian approach, he refers to Marcus Aurelius, the Stoic. He cites Marcus as an aid to restoring generosity: "Everything you are trying to reach—by taking the long way around—you could have right now, this moment. If you'd only stop thwarting your own attempts." (Frank, pp. 137-140). This means translation into practice and habit. It means reevaluating *perceptions, desire, and action*.

Frank enlarges Marcus Aurelius's Stoic outlook, which sounds so monological, to the dialogical. This strikes me as most promising. Growth in generosity, marked as it is also by individual resolve, is developed communally. The French novelist Stendhal argued that "one can acquire everything in solitude, except character." Goethe also stressed the social context: "character begets character," so the generous beget more generous people, producing more generosity.

To conclude, taking off from Staniloe's words, which I see as a charter for philanthropies, endowments, foundations, and voluntary associations, with implications for the generous nation, the generous company, and so on, we have to advance in detail the paradoxical-sounding project of institutionalizing the impulse without losing its personal edge. So, to summarize institutions:

The state, we have seen, is a prime illustration, because the modern nation, often idolizing itself, is essentially self-protective, and its humanitarian aid—we are talking money—is usually related to "the national interest," defensively defined. There will always be much self-interest in the generous acts of nations. That does not mean there can be no generous spirit or acts.

The complex company or corporation is another front, because of stockholder interests, competition, and the need to produce a yield. Yet there are corporations that are generous, and they and their ways deserve study.

The foundation or endowment represents a third illustration, because it works through a "fictional person" and is a classically "mediating" institution, yet it also has potential through its personnel and programs to penetrate to "the other" with dialogue, alterity, "face," justice, gratitude, and joy.

We would be ill-served by short-lived nations, companies, and endowments that do not do some kinds of calculating, but in this larger context, the "calculus exchange," which will always have to be reckoned with in the real world, will not have a monopoly and will not exhaust other approaches or dimensions related to exchange in ways that do not end with "commodification."

I cannot resist a lighter-hearted text: A. C. McGiffert's *No Ivory Tower*, a history of Chicago Theological Seminary (p. 178). Two Congregationalist titans, a century and a half ago were front and center: Pastor Washington Gladden vs. professor and activist Graham Taylor. Gladden attacked John D. Rockefeller, the founding donor of (Baptist) University of Chicago, saying, "His fortune is laid in the most relentless rapacity known as modern commercial history. . . [in a] system of plunder. . . of brigandage." When Chicago Theological Seminary (Congregationalist) accepted Rockefeller's unsolicited gift of \$100,000, Gladden called it a 'dishonorable alliance. The money has been iniquitously gained. We cannot accept it without being partakers in it of the iniquity.'" Taylor, Gladden's friend, disagreed. "What counted in a penny," he said, was "not its pedigree but its destiny." And he went on to ask, "Does Money Taint Its Good Use?"

Moral and strategic discourse would have to deal with rapacity, plunder, brigandage, dishonor, and iniquity in the pedigree of pennies. Of course. At the same

time, Taylor's word, while in no way encouraging iniquity among donors, serves as a reminder that generosity can work its effects in an imperfect and impure world.

Notes

Reference in relation to Part I of this lecture/essay: Rebecca M. Blank and William McGurn, *Is the Market Moral? A Dialogue on Religion, Economics and Justice* (Washington, D.C.: Brookings Institution Press, 2004) is a lively "both sides" presentation of many of the current issues connected with that subject.

On generosity vs. the culture of consumption see Rodney Clapp, *The Consuming Passion, Christianity and the Consumer Culture* (Downers Grove, Ill.: InterVarsity Press, 1998). It deals with "The Generous Passion" and "Generous Culture." Clapp makes reference (p. 169) to biblical roots, Aristotelian philosophy, and Christian history and philosophy as he discusses, in a clever turn of phrase, what it would mean if some believers were 'not consuming to live but living to consume.'

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The Center on Philanthropy's Lake Family Institute on Faith and Giving is dedicated to helping people of faith, regardless of their religious persuasion, think creatively and reflectively on the relationship between their faith and their giving. The Institute engages in research, provides resources that will educate and help people better understand giving as a reflection of their faith, and creates venues for civic conversation on this subject.

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