

Dallas Morning News Business Day – “Getting and Giving”

Speech by Forrest Hoglund

Forrest and Sally Hoglund are deeply involved in philanthropy through their family’s Hoglund Foundation. Dallas and Houston have to share the couple - they have business and charitable interests in both places.

The two also give of themselves. Among Mrs. Hoglund’s many causes, the Alzheimer’s Association and its AWARE affiliate and the Family Place stand out. Mr. Hoglund sits on the boards of the University of Texas M.D. Anderson Cancer Center in Houston, where he once served as chairman, and the Houston Museum of Natural Science.

The Dallas Institute of Humanities and Culture invites a leading citizen - once in the fall and twice in the spring - to discuss an issue that is paramount to the city and today’s world at its Forum Luncheon Programs. In May, Mr. Hoglund spoke about “Getting and Giving: The Two Unique Faces of America.” Here’s a condensed version of his speech.

I want you to think about a unique part of our American culture. It has to do with the creation of wealth in our country, but just as importantly, what we do with that wealth.

First, let’s talk about getting, and let’s take a broader view of the world. In spite of all the seemingly endless focus on our problems, the world is making significant progress.

- Income adjusted for inflation has essentially doubled from 1965 to 1998, and the lowest-income portion of the world moved up a higher percentage than the rest.
- Illiteracy is diminishing rapidly. The world rate was 75 percent in 1925, 53 percent in 1950 and is 20 percent or lower now.
- Poverty has been reduced. Over 3 billion people have moved above the poverty line in just the last 50 years.
- Infant mortality has been reduced from 19 percent in 1950 to 6 percent by 1995.
- Average life expectancy has increased from 30 years in 1900 to 65 in 1998.

Let’s move to the United States. We are clearly the most successful economic growth story in the world, and all in a relatively short time.

After our basic human needs are met, wealth can be distributed to other assets. Probably the purest comparative gauge of creating wealth is the value of stocks.

The U.S. market has a value of roughly \$11.4 trillion, which is 51.6 percent of the world total. It is a tribute to our system and our effectiveness that we have created over half of the stock market value in the world with less than 5 percent of the population.

Using our Wealth

Now let’s look at another one of the unique things that has come out of our prosperity: our giving. It is up to individuals to decide how to use our wealth, not dictated by government. The wealth is highly concentrated, as you might expect in a free society, but it is also mobile, and new wealth is constantly being created.

A unique part of our wealth creation is the enormous contribution made to charitable causes. Individuals lead the pack, and that is even truer when you consider that bequests are largely made by individuals and that many foundations are established by individuals.

A total of \$241 billion was given in 2002. The figure is probably larger than that. For example, M.D. Anderson provides \$140 million patient care that doesn’t even get billed - and that’s just one provider.

Giving money is no more important than volunteer efforts. To me, a poor mother who takes on three more stranded kids to raise is a saint and deserves as much credit as someone who gives a lot of dollars.

There was an estimate of the number of volunteer hours given in 2000. It didn't include help within families and other acts of kindness, but the estimate was 15.5 billion man-hours. If we price that effort at \$15 per hour, the average hourly wage - and they shouldn't get minimum wage - the total comes to \$232 billion. The total of dollars and time comes to \$473 billion, and that equates to roughly 5 percent of our gross domestic product.

Giving to this extent just does not happen in Europe, China, Canada, South America or anywhere else on the earth.

The same traits that have led to the United States creating such wealth are being used to tackle some of our major problems.

Eight reasons

There is no reason for this outpouring of money and volunteer work. I've come up with eight reasons:

1. Wealth creation beyond needs and wants. You can only buy so many houses and ranches or cars or jewelry. When that point is reached, it generally causes introspection about what you want in life.
2. Our tax system encourages giving.
3. Social status. Giving large sums of money to charitable causes will generally let you move more easily in society.
4. Religion. Christianity, Judaism, Buddhism and Hinduism all have calls to help the poor, but it seems to happen much more frequently in the United States.
5. Desire to help less fortunate people. Sometimes this is combined with guilt. Why am I so fortunate? I should help others in need.
6. Desire to make a difference.
7. Create immortality. This motivation results in naming opportunities for building, equipment, foundations, scholarships and professorships.
8. Family growth and purpose. Involving the family in philanthropy can be a good catalyst to work together for common goals.

No one answer is better than another. Whatever reason people use to be helpful and generous is a positive for our communities and our country.

If we pat ourselves on the back for being able to create wealth, we should also pat ourselves on the back for what we do with that wealth. Five percent of GDP - wow!

How can we get more people to join this effort? We still have too much inequality, educational deficiencies and unsolved social and health problems. Why not 8 percent of GDP?