

Nygaard Notes

Independent Periodic News and Analysis

Number 642

June 14, 2019

Corporate Generosity

On April 15th Minnesota's 21st-largest company, HB Fuller, announced that it "used tax savings to reimburse more of the costs their employees faced for health insurance." This made the front page of the Business Section of our local paper, the Star Tribune.

The article noted the fact that the announcement came on April 15, Tax Day, which was also the day that President Trump made a well-publicized visit to Minnesota to "celebrate the Tax Cuts and Jobs Act, the 2017 Republican tax cut bill he signed into law." This led the Star Trib to remark that Fuller's announcement "underscored the length that firms are going to illustrate that the 2017 federal tax reform affected workers and not just corporate income statements."

Keep that word—"illustrate"—in mind as we proceed.

The article quotes Paula Cooney, vice president of human resources at HB Fuller, saying "As a result of tax reform, we have been able to invest in a meaningful and long-term way in our employees' health and wellness." This moved the reporter to comment that "Better benefits are a tool to recruit and retain employees and more companies are turning their attention to improving benefits in the competitive labor market."

It was exactly one week earlier that the same Business Section of the same Star Tribune featured a story headlined "As Competition for Skilled Workers Heats Up, Manufacturers Improve Health Benefits; As manufacturers compete for skilled workers, they are getting more generous with health benefits."

This fits with the larger story here, which is that the Trump tax cuts do not explain improvements in private sector health benefits. Harper's Magazine, in its May issue, notes that the overwhelming majority of US businesses (84 percent) say that "the 2017 tax cuts have had no impact on their hiring or investment plans." Including, presumably, investments in their employees' benefits.

Cast your mind back to that comment made by the Star Trib that Fuller's announcement "underscored the length that firms are going to illustrate that the 2017 federal tax reform affected workers." Even if that is true in the case of Fuller—which may be among the small minority of companies who make such claims—it certainly doesn't "illustrate" the larger reality, which appears to be that the so-called Trump tax cuts have done little if anything for workers.

Fuller's announcement does illustrate a propaganda point, however. And that is the idea that workers are better off relying on the generosity of their employers for access to health care than if their health care were funded by public spending.

Looked at from an individualistic perspective, this is a "good news" story: HB Fuller workers are getting better health care benefits. Looked at from a social perspective, we see a significant amount of publicly-controlled tax revenue being diverted to privately-controlled corporate revenue. And even a tidbit of research shows that very little of the revenue thus diverted is being used to address the social problem of unaffordable, and thus inaccessible, health care in the United States.

And thus do we understand the nature of corporate generosity in the USA. Maybe it would be better to pray for a generous gift from a nearby billionaire? ♦

Greetings,

This issue of the Notes is about power. Some of it is about the power of propaganda to steer our thinking in anti-social ways. But what I'm really thinking about is how a society decides to allocate its resources and—more importantly—who has the power to do the allocating. As it stands, the power to allocate resources resides in the hands of an ever-shrinking group. It doesn't have to be this way. This issue of Nygaard Notes is intended to encourage you to imagine, and help to build, a different society, one built on a foundation of solidarity.

Sweet dreams of a better future,
Nygaard

Billionaire Generosity

On May 20th, five weeks after the Fuller announcement, a story entered the news cycle about a graduation ceremony at the historically-black Morehouse College. A multibillionaire named Robert F. Smith was in attendance to deliver the college's 2019 commencement address, and he went off script during his speech to make a startling announcement: He said he will pay off all of the student loans for the entire graduating class of 396 students. The total cost of his gift is estimated at \$40 million, an average of a bit more than \$100,000 *per student*. The news rocketed through the media and around the world. It's worth taking a minute to think about why it was such big news.

Many news outlets reported some of the considerable negative response to the gift from Smith. The New York Times, for example, included this paragraph in its article about the gift:

“This is generous, no doubt,’ said Anand Giridharadas, author of ‘Winners Take All’ and a frequent critic of large-scale philanthropy. ‘But a gift like this can make people believe that billionaires are taking care of our problems, and distract us from the ways in which others in finance are working to cause problems like student debt, or the subprime crisis, on an epically greater scale than this gift.’”

Many have echoed his assessment that Smith's \$40 million gift is generous. I've written about the nature of generosity before, recommending that the word not be used until we put the size of the gift in context by looking at the size of the wealth from which it comes. It's a simple enough calculation.

Described as “the richest black man in America,” Robert F. Smith is reported to be worth about \$5 billion. So—get out your calculator!—Smith's \$40 million gift to Morehouse graduates amounts to about 8 tenths of one percent of his net worth. We can compare that to a gift of the same percentage of our own net worth. So, in my case, 8 tenths of one percent of my net worth of roughly \$20,000 would be around \$160.00. Would that be generous?

Just in case anyone does believe—as Giridharadas suggests—that billionaires are taking care of the student debt problem, consider: USA Today reports that “Americans are carrying \$1.57 trillion in outstanding student loan debt, more than what they owe on their credit cards.” So Smith's gift of \$40 million to the 2019 graduating class at Morehouse—generous or not—covers about 2.5 one-thousandths of one percent of student loan debt in the U.S.

But, wait... Maybe the generosity of wealthy black capitalists can at least address the problem of burdensome student loan debt at the nation's Historically Black Colleges and Universities, or HBCUs? Well... get out your calculator again, and let's have a look.

The US Department of Education reports that there are 107 HBCUs with more than 228,000 students enrolled. According to Forbes Magazine, there are about 2,208 billionaires in the world, 11 of whom are black. In the US there are, as far as I can tell, a total of 3 black billionaires. Even if each of them decided to follow the lead of Smith, the richest of all, it would barely make a ripple in the sea of student loan debt facing those ↗↗↗

→→ graduating from HCBUs, let alone the other 44 million people carrying student loan debt.

Of the nation's 107 HBCUs, fifty-six are under private control, like Morehouse, and 51 are public colleges and universities. The public institutions account for more than two-thirds of the students enrolled in HBCUs. When assessing "generosity" I would factor in the cost to society of our failure to stake a claim on the wealth of the billionaire class. One cost of low tax levels for the wealthy, for example, might be an inability to provide

adequate funding to public colleges, squeeze which serves to restrict access to education to those with more resources.

What I am saying is that the generosity of billionaires is not the answer to the social problem of unaffordable education. In fact, I'm saying that the widely-reported \$40 million gift is not even particularly generous. Why then has it been so widely reported? And if we can't rely on the generosity of billionaires, then from where will come the resources we need to address our problems? Read on... ♦

Generosity, Propaganda, Solidarity

I suggested in the previous essay that we think a bit about why the Smith gift to Morehouse students was such big news. Surely a part of the reason is the sheer size of the gift; an unexpected gift of \$40 million does get one's attention. And billionaires aren't expected to give away even small chunks of their wealth, so when they do it often gets noticed. And when a large corporation says they are using a tax break not to increase profits but to help their workers get health care, that makes the newspapers, too. Whether it's true or not.

I chose to highlight these stories about generosity—HB Fuller's generosity with health benefits and Robert Smith's generosity with Morehouse College students—because they are examples of how Deep Propaganda works.

What do I mean by "Deep Propaganda"? Most people think of propaganda as a specific and often conscious attempt to get people to believe something. I suggest that such specific communications are just the "top level" of a multi-level process of propaganda. This top, most obvious, level is what I call "Overt Propaganda." It doesn't have to be intentional to have the effect of propaganda, it just has to ask, or assume, that we believe something that is debatable.

At a deeper level, beneath and behind any Overt Propaganda, there is an idea, or set of ideas, that support that Overt Propaganda. I call these ideas "Deep Propaganda." I often say that Overt Propaganda is the thing you are supposed to believe and Deep Propaganda is what makes it believable. With this in mind, let's look at the propaganda effects of these two stories; one about the generosity of a corporation and the other about the generosity of a billionaire.

They're Generous, We're Told

What is the Overt Propaganda in these two stories? It seems straightforward: We are expected to see these stories as examples of generosity. So, what IS generosity? I turned to the Oxford English Dictionary, which defines generosity as "the quality of being kind and generous." To be generous is to show "a readiness to give more of something, especially money, than is strictly necessary or expected."

The very definition is based on an individualistic understanding of the allocation of resources in a society. In fact, one of the ways we can tell that this story is based on an individualistic worldview is that it specifically does not look at the individual acts of the wealthy in the context of the larger social issue of the society-wide allocation of resources.

Looked at from a social perspective, a whole set of questions present themselves: Is it not "strictly necessary" that a significant percentage of each generation be educated to a level sufficient to maintain or improve our standard of living and enrich our cultures? Is it not "strictly necessary" that health care be available to all? Since "generosity" is the giving

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of more than is expected, why do we not “expect” such things? And what does it mean that the workers and students in these stories are dependent on the decisions of those above them in the social hierarchy for their well-being? To engage with such questions could well help us evolve our understanding of health care and education in the U.S.

This is one of the ways that Deep Propaganda works: By framing the subject in such a way that the reader/viewer is encouraged to make sense of the story by accepting certain sets of ideas that may or may not ever actually be stated.

As we dig down into the Deep Propaganda in these stories, at least three sets of ideas are revealed. One set has to do with what is necessary for society. Another set of ideas involves what is expected of the holders of wealth in relation to what is necessary for society. At a slightly deeper level we can see a third set of ideas, having to do with “being kind.”

Another way that Deep Propaganda works is by failing to mention, or interrogate, the deepest and most powerful ideas upon which the story depends. The deepest level of propaganda in the current examples is a set of interrelated ideas about power and privilege, such as:

- Decisions about the allocation of resources are best made by private individuals and businesses
- Voluntary giving on an individual level is what we know as generosity
- Giving only counts as generous if it is voluntary
- Private spending is good and wise, public spending is not

A belief in some or all of these Deep Propaganda ideas is needed to make the Overt Propaganda of generosity “go.”

One can imagine a different set of ideas that would radically change our understanding of the HB Fuller and Robert Smith stories. What if we believe that a public, democratic, and social process, rather than a collection of private gifts, is the better way for a society to allocate its resources? What if public spending is better and wiser than private spending? What if the majority decides that social problems need a social response, and that the accumulation of immense wealth in a small number of hands is an obstacle to this priority?

What if generosity, rather than being the privilege of the wealthy, is the right of us all?

When I started writing this essay I thought I would advocate for what I was calling Social Generosity, in which we would enable the non-billionaires in our society to engage in mass philanthropy. I do like the term Social Generosity; it has a nice feel to it. But, the more I think about it, the more I think that the transformation I seek leads us away from generosity entirely, whether individual or social. Instead of generosity, we need to build a society based on solidarity. Instead of relying on the lottery game of grants and gifts, which depend on the benevolence of the monied classes, we need to build structures that are based on the principle of All for One and One for All.

Martin Luther King, Jr. spoke of the need for a “revolution of values” that would put human rights above property rights. Referencing the parable of the Good Samaritan, King spoke of “true compassion” rather than solidarity, but I think his words are relevant here. Here’s how he put it in his famous sermon at New York’s Riverside Church on April 4 1967:

“A true revolution of values will soon cause us to question the fairness and justice of many of our past and present policies. On the one hand, we are called to play the Good Samaritan on life's roadside, but that will be only an initial act. One day we must come to see that the whole Jericho Road must be transformed so that men and women will not be constantly beaten and robbed as they make their journey on life's highway. True compassion is more than flinging a coin to a beggar. It comes to see that an edifice which produces beggars needs restructuring.”

And the media edifice that unthinkingly produces Overt and Deep Propaganda in service to maintaining a grossly unequal status quo also needs restructuring, so that we can stop praying for generous gifts from above and begin relying on solidarity from below as we build a society prepared to meet the needs of all. ◆

“Quote” of the Week:

“A Developmental, Economic, Security, Social and Moral Issue”

A global independent group with the ungainly name *Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services* will soon release a massive report on the global decline in biodiversity and what it means for human beings (as indicated by the weird term “ecosystem services”). The full 1,500-page report, due to be published later this year, is said to be the most comprehensive report of its kind ever. On May 6th the group released a 40-page summary—a sort of preview—of its findings. It’s mind-boggling. Here are just a couple of paragraphs to ponder:

To increase the policy-relevance of the Report, the assessment’s authors have ranked, for the first time at this scale and based on a thorough analysis of the available evidence, the five direct drivers of change in nature with the largest relative global impacts so far. These culprits are, in descending order: (1) changes in land and sea use; (2) direct exploitation of organisms; (3) climate change; (4) pollution and (5) invasive alien species.

Current negative trends in biodiversity and ecosystems will undermine progress towards 80% (35 out of 44) of the assessed targets of the Sustainable Development Goals, related to poverty, hunger, health, water, cities, climate, oceans and land. Loss of biodiversity is therefore shown to be not only an environmental issue, but also a developmental, economic, security, social and moral issue as well.

You can look at the whole summary online by going online here:

<https://www.ipbes.net/news/ipbes-global-assessment-summary-policymakers-pdf>

If you like to learn about things via video, and if you have access to Netflix, check out the new David Attenborough series “Our Planet.” It provides the awe-inspiring visual accompaniment to the academic study quoted here.

Bonus “Quote” of the Week: ***“The primary culprit is screen time”***

On June 4 the Washington Post published an article that my local paper picked up and ran on page 5 of the Business Section a couple of days later. It began like this:

“Children’s bicycle manufactures and retailers are bracing for rough times ahead as market research shows fewer kids are riding bikes, while prices for cycling equipment are almost certain to increase because of the Trump Administration’s tariffs on Chinese-made goods.”

Certainly sounds like a Business story, doesn’t it? But, for those who read the entire article, paragraph #14 might seem to summarize the big news here. It read:

“Youth fitness activists and sporting goods market analysts are in agreement about what’s been keeping kids off bikes. The primary culprit, they say, is screen time, whether on phones, televisions or video games. A 2018 study from the American Heart Association found kids and teens ages 8 to 18 averaged more than seven hours a day looking at screens.”

(Editor’s Irony Alert: Remember, you can always print out Nygaard Notes instead of reading it on your screen.)

Nygaard Notes
P.O. Box 6103
Minneapolis, MN 55406
E-mail: nygaard@nygaardnotes.org
Web: www.nygaardnotes.org