

Case 13: Corporate Giving

Jessi works at Wand, a large, well-known soap company. Wand's CEO has placed Jessi in charge of this year's corporate giving campaign, and given her a budget of \$50,000. The CEO has given Jessi no constraints on how she may use the funds.

For the past few decades, Wand has used its giving budget to send thousands of bottles of its own product to the Wildlife Protection Agency (WPA), which uses the soap to clean off animals affected by oil spills. The WPA and Wand have no formal agreement that this arrangement will continue. However, the widely circulated pictures of oil-covered birds being washed clean with Wand following an oil spill always generate good publicity for the company, followed by short-lived, but significant, spikes in Wand sales. Furthermore, consumers consistently report positive feelings about Wand as a brand, and most in the company suspect that this is due in part to the WPA donations and resulting publicity.

Still, Jessi feels that Wand's charitable money could do more good elsewhere. Although Jessi, like most people, finds the pictures of oil-covered wildlife heartbreaking, she also (again like most people) values human lives significantly more than non-human lives. She knows that \$50,000 could dramatically improve the lives of people if given to cost-effective global health charities.[1] Jessi doesn't know how much good \$50,000 of in-kind soap donations to the WPA will do, but she strongly suspects that, given the disparity between the value of human and non-human lives, it is a lot less than the amount of good the money could do if given to global health.

Jessi does not worry about how her decision will impact her career; she is set to retire next year and was given the assignment (and free reign over it) as a reward for her years of loyal service to Wand. Someone else will run next year's giving campaign.

Study Questions:

1. Is Jessi right to value (non-human) animal lives less than human lives? Why or why not?
2. Does the fact that Wand has donated to the WPA for a long time create a duty of continued aid?

3. Ought we to (try to) maximize the good we do with our finite charitable resources? Must we? What are the implications of your answer?
4. If Wand's previous giving campaigns were largely motivated out of desire to generate positive publicity, is it still right to call them "charitable"?
5. Does Wand have a duty to its shareholders to maximize profits? [2] If so, does this mean that Wand has an obligation to allocate its charitable donations in a way that maximizes positive publicity?

[1] See <https://www.thelifeyoucansave.org/impact-calculator>

[2] Cf. <https://www.nytimes.com/roomfordebate/2015/04/16/what-are-corporations-o...>