

Foster Friess, a wealthy manager of a multi billion dollar mutual fund loves music, but strongly believes that government agencies should not subsidize the arts. "Why should the single mother who makes \$6 an hour as a clerk be subsidizing ... my seats at the symphony through the local, state, and federal taxes taken out of her paycheck", asks Mr. Friess. Recently Mr. Friess offered a donation of \$40,000 to the Grand Teton Music Festival in Jackson Hole, Wyoming, which has an annual budget of \$1.2 million, on the condition that the Festival not accept a grant of \$10,950 from the National Endowment for the Arts, an agency of the federal government. Assume you are on the Board of Directors of the Grand Teton Music Festival.

Do you vote to accept or reject Mr. Friess's offer? If so, why? If not, why not?

MODERATOR'S ANSWER: You should vote to reject Mr. Friess's offer. If the Board of Directors accepted the donation, under the conditions that Mr. Friess set, it (the Board) would thereby express public endorsement of Mr. Friess's position that government ought not to subsidize the arts. Granted, the issues of whether government support for the arts is a good public policy, or of whether it violates the rights of taxpayers who do not wish to have public funds used in such a way, are legitimately disputable. Granted also, that the Board of Directors of a music festival may legitimately consider a wide array of factors, including matters of moral or political principle, when making decisions about whether to accept or seek financial support from various sources. The problem in this case, however, is that the decision of the Board of Directors would be widely interpreted as based solely upon a desire to obtain the \$40,000 offered by Mr. Friess. The Board would thus create an impression that the Festival will publically endorse any moral or political position so long as a sufficiently large financial contribution results from doing so. It is inappropriate for the Board of Directors of a music festival to act in a way that naturally and inevitably creates such an impression.

Case from the February 26, 1998 Intercollegiate Ethics Bowl. Copyright Robert Ladenson, Center for the Study of Ethics at the Illinois Institute of Technology, 1998.