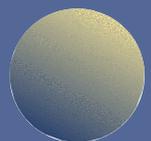




Institute
for
Global
Ethics

1999

Annual
Report



M I S S I O N

THE
INSTITUTE FOR GLOBAL ETHICS
IS A NONPROFIT, NONSECTARIAN,
NONPARTISAN RESEARCH AND EDUCATIONAL
MEMBERSHIP ORGANIZATION ESTABLISHED TO
DISCOVER AND ARTICULATE THE GLOBAL COMMON
GROUND OF ETHICAL VALUES, ANALYZE ETHICAL
TRENDS AND SHIFTS IN VALUES AS THEY DEVELOP
AROUND THE WORLD, GATHER AND DISSEMINATE
INFORMATION ON GLOBAL ETHICS, AND
ELEVATE PUBLIC AWARENESS AND
DISCUSSION OF GLOBAL ETHICAL
ISSUES.

ETHICAL FITNESS™ FOR THE 21st CENTURY

PRESIDENT'S REPORT

The past year has seen the Institute for Global Ethics truly spread its wings.

Our goal—to promote a world of discourse and action based on shared moral values—finds expression in an ever-wider array of venues and through ever-broader means.

We saw solid success promoting candidate codes of conduct in the 1998 race. With our encouragement, candidates and their campaign staffs paid closer attention to the ethical tenor and content of their campaigns. So did the media. And, from the response we have received, the voters were delighted. Through these efforts, we are putting codes of ethical behavior squarely on the table as an issue of consequence among citizens.

In education, we continued to bring character-building tools to a broader audience. In our new middle-school video, *Tough Choices: Today and in History*, words and images portray the anguish of contemporary and historical ethical decisions. Our ethics work with at-risk youth and prisoners is growing, with research suggesting how powerful an ethics component can be in a service-learning environment.

In our corporate work, the Institute is increasingly a key provider of ethics services to the

insurance industry and major corporations such as the Ford Motor Company. *Business Ethics Newline*, our weekly on-line ethics news and commentary newsletter, has become required reading among many corporate ethics executives. And our two CD-ROM training modules, for insurance agents and for philanthropic foundations, are allowing participants to choose their own pace and time for ethics training.

Beyond the United States, the Institute for Global Ethics UK Trust has grown into a key player in many regional and national ethics initiatives in Britain. Our work allowed us to deliver our message to a broad range of organizations, and to continue our role as a convener of high-level conferences at Windsor Castle.

As we near the end of an evolutionary century, I remain confident that we can continue to introduce a robust, powerful, and highly analytical language of public ethical discourse. Our efforts are made possible by the steadfast support we receive each year from individuals, corporations, and foundations. Without the scaffolding they provide, we could never have reached this high.

—Rushworth M. Kidder,
President

E D U C A

THE INSTITUTE'S EDUCATION DEPARTMENT CELEBRATED A LANDMARK YEAR. WE WERE CALLED THROUGHOUT THE COUNTRY, TO WORK WITH MIDDLE-SCHOOL TEACHERS AND STUDENTS IN OHIO, PRISONERS IN NORTH CAROLINA, AND COLLEGE STUDENTS IN ILLINOIS, ALONG WITH MANY OTHERS.

Among this year's highlights, we produced a curriculum-based video for middle-school students, in collaboration with teachers and students in Orrville, Ohio. The video, *Tough Choices: Today and in History*, draws upon moving personal stories from the 1920s, 1960s, and 1980s to highlight the tough but inescapable process of ethical decision making.

The Character Education Program within the North Carolina Division of Prisons continued to grow during the past year. By May 1999, 40 prisons in North Carolina, nearly half the state's total, were offering the program, and more than 3,000 inmates had already participated. We also began a new program, funded by the UNUM Foundation, targeting "at-risk" youth in Portland, Maine.

"We say people are basically good—not perfect but good. We all want to behave ethically, to see the best in others, to be members of a team, a community, the world." —Patricia Born

T I O N

During the past year, we completed the research portion of our ethics and service-learning project, funded by the W. K. Kellogg Foundation.

The results of this work appear very heartening, showing a strong correlation with the core values the Institute has identified.

We also began a new research project for the Illinois Community College System surveying members of the public in Illinois to determine their views on values and the role of community colleges in teaching values.

Ethical Fitness™ seminars and Train-the-Trainer workshops were held coast to coast, in California, Connecticut, Georgia, Maine, New

Jersey, New York, North Carolina, Ohio, Tennessee, Virginia, and Wisconsin. Education staff presented the Institute's Ethical Fitness process at the annual conferences of the Character Education Partnership, the National Service-Learning Alliance, and the Association for Supervision and Curriculum Development.

We hosted an Ethics Forum in Camden on the topic of character education for youth at risk. The panelists discussed and ultimately supported the theory that teaching youthful offenders to think more clearly about choices helps them turn their lives around.



P U B L I C

1999 WAS A SEASON OF CAMPAIGNS MADE TURBULENT BY THE THREAT OF IMMINENT IMPEACHMENT AND THE SHARPENING OF PARTISAN KNIVES. AS THE CAMPAIGNS UNFOLDED, BOTH CHALLENGERS AND INCUMBENTS FACED DISTRACTED AUDIENCES AND SHARP PARTISAN DIFFERENCES.

Nevertheless, the Institute's Project on Campaign Conduct achieved surprising success in creating mutually agreed-upon codes of conduct for candidates in two pilot states, Washington and Ohio.

All told, 38 of 79 candidates in the races on which we focused participated in the project. We ultimately persuaded candidates in six races (20 percent) to come to an agreement. In fact, the first statewide debate in the gubernatorial race in Ohio found candidates responding to questions about attack tactics and referring to our project in an attempt to demonstrate the high moral ground.

“We’re still getting calls from people eager to get involved. It seems clear that the call for clean campaigns resonated. . . . It is this voter support that is most important. After all, that’s what elections are all about.”

—Brad Rourke at the National Press Club.

P O L I C Y

Meanwhile, in Washington, in the congressional campaign between incumbent Jack Metcalf and challenger Margarethe Cammermeyer, civility was the watchword—a significant development, given that their race had received attention for its potential to be a dirty contest.

Perhaps most important, the project drew a surprising level of attention in the media and among campaign professionals.

Journalists generally were intrigued with our ideas, felt campaign conduct was an important issue, and gave the subject serious coverage. From the spring of 1998 through the election, more than 260 articles were written about the campaign conduct project, along with significant radio and TV coverage.

Our experience indicates that the voters are eager for a set of clear rules by which to judge candidate behavior. The Project on Campaign Conduct may have served as a voice to make clear the type of campaign behavior voters want to see.

During this year, the Institute for Global Ethics also continued to be a public voice focusing on values in all aspects of civic life. Commentary by Institute president Rushworth M. Kidder appeared throughout the country in major daily newspapers, as did pieces by the rest of the Institute's management team.

Key Institute talks focusing on public policy included Rushworth Kidder at the Smithsonian Institution and the Chautauqua Institute, and Brad Rourke at the National Press Club.



C O R P O R A T

THE CORPORATE SERVICES DEPARTMENT WORKED HARD THIS YEAR TO EXPAND THE CORPORATE MARKET FOR INSTITUTE PRODUCTS. WE SPENT PART OF THE YEAR FOCUSING OUR EFFORTS ON DEVELOPING A MARKET WITHIN THE NATION'S INSURANCE COMPANIES.



Selling insurance is a business based largely on trust, which we know to be based on shared ethical values. The Institute is ideally suited to provide ethics training to insurance companies, based on the notion that training in ethics will help foster trust between client and agent.

This year we revised *Navigating the Waters*, the CD-ROM previously created for MetLife by the Institute. The new version is a generic property and casualty insurance edition, suitable for any insurance firm. We approached insurance companies directly to inform them of the product and attended insurance association conferences to publicize the CD-ROM and our training seminars.

“The rewards from ethical practices exist in areas like quality and productivity; trust among employees, customers, and suppliers; lower employee turnover; and less litigation, not to mention a reduced focus on security.” —Marty Taylor

ESERVICES

Corporate Services believes in the value of building on our work with existing clients. Thus we made a strong effort to expand our relationships with such familiar enterprises as Ford; Visteon; Becton, Dickinson and Company; MetLife; the St. Paul Companies; the U.S. Coast Guard; the U. S. Navy; Irwin Financial; Fairchild Semiconductor; Northrop Grumman; Nortel Networks; Lockheed Martin; the United Way; and Tenet Healthcare Systems. Many of these companies increased their corporate subscriptions to *Business Ethics Newline*, while others trained their in-house trainers, continued in-house seminars, or otherwise expanded the audience for the Institute's message and tools.

During the last half of the year we made *Business Ethics Newline* the

focus of a major marketing push, by mailing information to select groups with follow-up telephone calls.

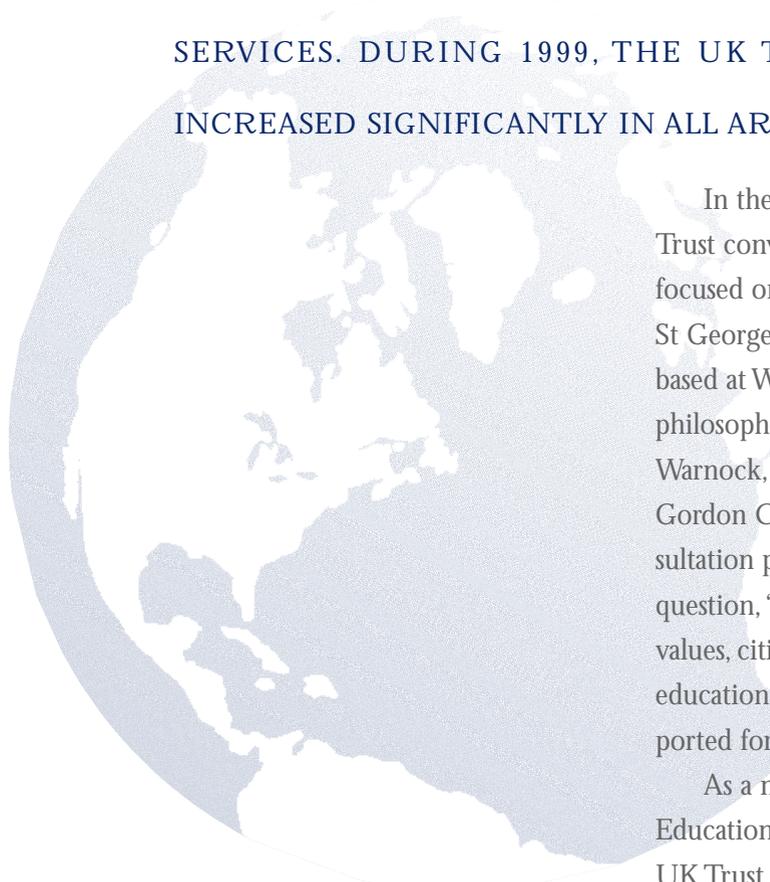
Based on a study of early subscribers, a number of improvements have been made to *Newline*, including an index of topics. We are pleased to note that *Newline* continues to appeal to a wide range of businesses. As a result of a generous donation from a stalwart Canadian supporter of the Institute, we offered free *Newline* subscriptions to high-profile companies, government agencies, educational institutions, and other organizations in Canada.

We also hosted a special Ethical Fitness™ Seminar for visiting anti-corruption representatives from the Middle East, Far East, Pacific Rim, Eastern Europe, Africa, and the Caribbean.



THE UK TRUST

LIKE ITS PARENT ORGANIZATION, THE UK TRUST CARRIES OUT ITS MISSION IN THREE MAIN STRATEGIC AREAS: EDUCATION, PUBLIC POLICY, AND CORPORATE SERVICES. DURING 1999, THE UK TRUST ACTIVITIES INCREASED SIGNIFICANTLY IN ALL AREAS.



In the area of education, the UK Trust convened a conference focused on ethics and education at St George's House, a study center based at Windsor Castle. Chaired by philosopher Baroness Mary Warnock, and sponsored by the Gordon Cook Foundation, the consultation posed to participants the question, "How can education in values, citizenship, and character education be encouraged and supported for all ages?"

As a member of the Values Education Council of the UK, the UK Trust works with similar organizations, such as Values Education for Life (Birmingham), the Values Development Unit (Bristol), and VECTOR (Edinburgh), as well as with representatives of the Citizenship Coalition.

"This year has seen the UK Trust come of age in establishing its constitutional relationship with the Institute parent organization, and in the number of collaborative ventures it has been involved with in the UK." —Sheila Bloom

UK Trust director Sheila Bloom was also invited to be an advisor to the Huddersfield University School of Education research project on secondary school teacher and pupil values, and to the Industrial Society's 2020 Vision Project for young people aged 16 to 24. In addition, we conducted a workshop for American Community Schools, England, which led to the participation of three of their teachers in our Train-the-Trainer program.

Our public policy efforts resulted in the initiation of a two-year project entitled Values and Responsibility in Society.

The goal of this project is to promote shared values, and the practice of personal responsibility based on those values. It is supported by the Comino and Gordon Cook Foundations.

The Royal Society for the Encouragement of Arts, Manufactures, and Commerce monthly Forum for Ethics in the Workplace, of which the Trust is a steering group member, featured UK Trust advisor Yve Newbold and the Institute's president Rushworth Kidder as speakers.

Due to demand, we increased the number of workshops and seminars offered to corporations and organizations during the year. We made presentations to a wide variety of groups, including the Association of Chief Executives of National Voluntary Organisations; Becton, Dickinson and Company; the Financial Services Authority; KPMG; and the National Neighbourhood Watch Association. We were delighted by the number of participants in our four open-enrollment Ethical Fitness™ Seminars, as well as our first UK Train-the-Trainer seminar.

Our involvement in the corporate sector continues as a member of the advisory group of the HUB National Forum on the Purpose and Values of Business, and as one of the founder organizations of an education group set up to look at business ethics provision in the UK, following an ethics summit in the city of London.



FOUNDATION SERVICES

DURING THIS PAST YEAR, THE INSTITUTE FOR GLOBAL ETHICS CREATED A GROUND-BREAKING CD-ROM: *CORNERSTONES FOR ETHICAL FOUNDATIONS*.

The CD-ROM was funded by the David and Lucile Packard Foundation, as part of a major grant to the Institute. The project's goal is to provide ethical training to all branches of the grantmaking community, including private, community, corporate, family, and operating foundations.

To fully understand the ethical conflicts faced by foundations, we

mas to draw upon. This survey work on behalf of the Packard Foundation culminated in articles in the *Chronicle of Philanthropy* and *Foundation News and Commentary*, and laid the groundwork for developing a CD-ROM that truly meets foundations' needs.

Cornerstones for Ethical Foundations is introduced by our president, Rushworth M. Kidder, and by James A. Joseph, U.S. Ambassador to South Africa and past president of the Council on Foundations. This exciting new product was launched at the Council on Foundations annual conference in April. A standing-room-only crowd took part in a seminar based on the CD-ROM, followed by a lively reception with foundation heads and staff and the press. The conference provided an energetic kick-off to our comprehensive marketing program for both *Cornerstones* and the Institute's Ethical Fitness™ Seminars.



met and talked with foundation trustees and staff across the United States. Our focus groups at the Carnegie Corporation of New York and at the Miriam and Peter Haas Fund headquarters in San Francisco provided a wealth of real-life dilem-

1999

INSTITUTE FOR GLOBAL ETHICS FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDING MAY 31, 1999

EXPENSES

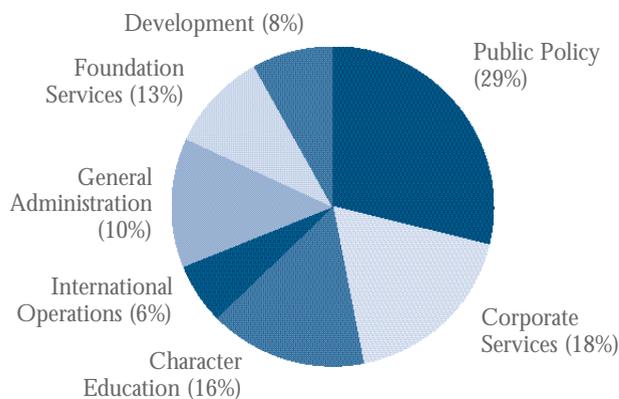
| PROGRAM SERVICES | |
|--------------------------|---------------------|
| Public Affairs | \$ 561,463 |
| Corporate Services | 354,336 |
| Character Education | 316,082 |
| International Operations | 121,819 |
| Foundation Services | 264,943 |
| | <u>1,618,643</u> |
| SUPPORTING SERVICES | |
| General Administration | 190,487 |
| Development | 159,884 |
| | <u>350,371</u> |
| TOTAL EXPENSES | \$ 1,969,014 |

SUPPORT AND REVENUE

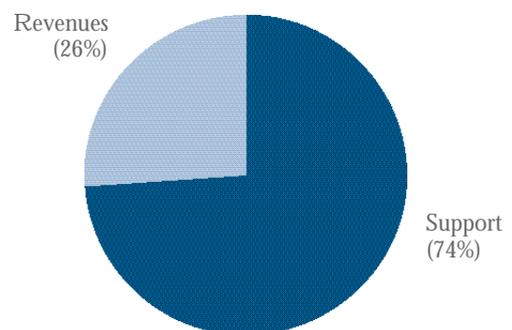
| | |
|---------------------------------------------|---------------------|
| SUPPORT: Grants, Contributions, Memberships | 1,518,456 |
| REVENUE: Fees, Sales, Etc. | 534,920 |
| TOTAL SUPPORT AND REVENUE | \$ 2,053,376 |
| INCREASE IN UNRESTRICTED NET ASSETS | \$ 84,362 |

NET ASSETS, as of May 31, 1999

| | |
|------------------------|--------------|
| UNRESTRICTED | \$ (110,279) |
| TEMPORARILY RESTRICTED | \$ 539,489 |



EXPENSES



SUPPORT AND REVENUE

B E N E F A C T O R S

O U R

MUCH OF THE INSTITUTE'S WORK IS MADE POSSIBLE BY THE GENEROUS CONTRIBUTIONS OF MEMBERS, FRIENDS, CORPORATIONS, AND FOUNDATIONS. WE ARE VERY GRATEFUL FOR THIS SUPPORT, WHICH ENABLES US TO BRING PRACTICAL ETHICS KNOWLEDGE AND TOOLS TO MORE AND MORE PEOPLE WORLDWIDE.

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- W. K. Kellogg Foundation
- The Membery Foundation
- The David and Lucile Packard Foundation
- The Pew Charitable Trusts
- The Steckler Family Foundation
- Tiny Tiger Foundation
- UNUM Foundation

And in the U.K. from:

- Comino Foundation
- Gordon Cook Foundation

Donations to the Institute for Global Ethics are tax deductible in the United States under section 501(c)(3) of the Internal Revenue Code. The Institute has also received approval of its charitable status in the United Kingdom and in Canada.

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