

Faith, Country, and Neighbor

An Interview with Carl A. Anderson,
Chief Executive Officer and Chairman of the Board, Knights of Columbus



Carl A. Anderson

EDITORS' NOTE Carl Anderson became the Chief Executive Officer and Chairman of the board of directors for the Knights of Columbus in 2000 following a distinguished career in government and education. He served in various White House positions from 1983 to 1987, including Special Assistant to the President of the United States and acting Director of the White House Office of Public Liaison, and served for nearly a decade as a member of the U.S. Commission on Civil Rights. Since 1988, he has been Vice President of the Pontifical John Paul II Institute for Studies on Marriage and Family in Washington, D.C., and serves on a number of advisory bodies at the Vatican, including the Pontifical Council for the Laity, the Pontifical Council for the Family, and the Pontifical Council for Justice and Peace. He holds degrees in philosophy from Seattle University and in law from the University of Denver, and is author of New York Times bestselling books *A Civilization of Love* and *Our Lady of Guadalupe: Mother of the Civilization of Love*.

ORGANIZATION BRIEF The Knights of Columbus (www.kofc.org) was founded in 1882 as a fraternal benefit society to assist widows and orphans and has since grown to become the world's largest Catholic lay organization, with 1.75 million members in the United States, Canada, Mexico, Poland, the Philippines, and the Caribbean. As an insurance company for members and their families, the Knights is

consistently receiving the highest ratings from Standard & Poor's, A.M. Best Company, and the Insurance Marketplace Standards Association (IMSA). The Knights of Columbus has more than \$70 billion of life insurance in force covering its members and their families. The order has focused on charity to neighbors and communities throughout its history, and last year, members of the order donated more than \$150 million and 69 million volunteer hours to worthy causes, helping the neediest in many countries.

The Knights of Columbus has had quite a year of growth in spite of the economic downturn. To what do you attribute that?

All of our investments are screened to ensure that they meet our religious, moral, and ethical standards and that they are not in conflict with our beliefs, which I believe to be a primary reason that our investment income rose to \$814 million in 2008, an increase of 2 percent. Our total portfolio yield was a very competitive 5.75 percent. We understand that profits are important, of course, but putting our standards ahead of profits has helped us, not hindered us. By keeping in mind that we are in business

to protect the financial security of our members and their families, we have always kept a long view and have put their safety before fast profits. We have excellent people working for us in our investment department, but so do many other companies. What we try to do differently is to create a corporate culture where protecting our members and their assets is the first priority.

You set new records in charitable giving and service hours. Tell us a little about the culture of service at the Knights of Columbus.

Despite the severe recession of the past year, the dedication of the Knights of Columbus to charity shone brighter than ever. Again this year, we set new all-time records for charity. While total charitable giving in the United States fell by 2 percent last year, our total charitable contributions went up by 3.5 percent. Knights of Columbus donations to charity last year climbed by a spectacular \$5.1 million to more than \$150 million.

Our members also donated 68,783,653 hours of volunteer service, a jump of almost 88,000 hours over last year, and also a new record. Independent Sector, a foundation that



Recipients of "KC Coats for Kids" in Washington, D.C.

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encourages charitable giving, estimates that the value of a volunteer hour in 2008 was \$20.25, which would put the total value of our volunteer efforts last year at \$1.39 billion.

Over the past decade, we have donated more than \$1.325 billion to charity, and have given nearly 626 million hours of our time to charitable service, with a value of more than \$11 billion.

Our leadership in volunteering our time is well-known among charities everywhere. So when we decided to sponsor a nationwide summit on volunteerism in New York City last February, executives from more than three dozen educational, corporate, charitable, and governmental organizations responded. "Neighbors Helping Neighbors: A Summit on Volunteerism as a Response to the Economic Crisis" was a huge success.

Among the groups participating were Habitat for Humanity, United Way, The Salvation Army, Catholic Charities, the National Fraternal Congress of America, the New York City Coalition Against Hunger, General Electric, the Foodbank of Greater New Jersey, the Connecticut Public Broadcasting Network, Goldman Sachs, and Volunteers of America.

All of them understood immediately that if greed – one of the worst aspects of human nature – helped push us into the current economic crisis, then one of the best aspects of our nature – generosity – will be necessary to help pull us out of it.

What kind of people give their time to the Knights of Columbus?

So many people give of their time and talent with the Knights to help their fellow neighbor that it is always difficult to give just one example – so many of the stories are compelling. Take, for example, retired Captain Alfredo Fuentes of the FDNY Marine Division. He was acting as battalion commander on 9/11 when he was buried in the rubble of a collapsing building. He was a hero on 9/11, working to save lives, but he doesn't consider his work done. He has continued to be a leader in charitable activity through his work with the Knights of Columbus. In fact, he is featured in our commercial which ran in several U.S. markets including New York during the NFL games. He

than 9 in 10 see personal career and financial advancement as playing a major role in such decisions. I think if we look back at the events of 9/11, we saw in that moment what mattered most: faith, country, and neighbor. We need to think that way again.

What leadership do you think business executives can provide as our nation seeks to recover from the economic downturn?

In this economic climate, it is not surprising that people are looking for leadership from all of those whose decisions have wide-ranging effects – be it government officials or business leaders. Among other things, our nation suffers from a crisis of confidence and a strong belief that our moral compass is pointing in the wrong direction.

For example, we do a great deal of polling on ethical values as part of our moral compass project. Earlier this year, we found that more than three quarters of Americans believe that our nation's corporate moral compass is pointing in the wrong direction. Nearly 60 percent of executives agreed.

But surprisingly, we also discovered that 94 percent of executives and 75 percent of Americans believe that a business can be ethical and successful. We know it can be done and the American people know it can be done. We must simply have the courage to look to the future and make decisions that create lasting success, not short-term bubbles.

How do you see corporate culture affecting popular culture?

is not content to rest simply because of his 9/11 heroism. In fact, he says compellingly in that spot: "I need to and I will give back; it is what the Knights of Columbus have always shown me for 38 years." He added something else that I think corporate executives should pay attention to: "Each of us is responsible to help our neighbor."

According to our polling, only 31 percent of Americans believe "the public good" plays a major role in business decisions, though more

Consumers are looking for companies that make a positive difference, and I think we have seen that corporate decisions can really be effective catalysts for positive change. Take, for example, the environmental policies now in place at so many of America's companies. Corporate responsibility, especially in going green, has shown sensitivity to both the physical and business environment. Caring about the environment is a good start, and as businesses have taken up the cause, it has become even more mainstream. We hope that we will see an increasing variety of ethical corporate behaviors emerging in this fashion.

Many corporations also have corporate volunteer programs or other kinds of community outreach. Such programs provide excellent leadership within communities and help make businesses good, responsible corporate citizens.

Why should a corporation care about its ethical reputation?

What's interesting is that we also found that more than 90 percent of executives and Americans in general believe that a company's reputation for honesty and ethical conduct should figure importantly into investment decisions. So in contemplating its branding, a corporation should consider ethics a key component. In this climate especially, where people have seen the downside of greed all too clearly, consumers want to have faith in the foundational beliefs of those with whom they do business. Business leaders too should realize that the focus on ethics isn't just the right thing to do morally, but that it also makes a difference in the long-term stability of a company and in its ability to brand itself as an organization, which people should want to do business with, thereby building affinity as well.

In short, businesses have everything to gain from ethical decision-making and developing an ethical reputation. ●



Captain Alfredo Fuentes, New York City Fire Department Marine Division - Retired, a Knights of Columbus volunteer