

McGowan News

August 16, 2022

We Can Lead in the Right Direction

The times are asking us: How can we make ethics fashionable? Which priorities are crucial both in leading and in giving?

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Making Better Lives

That's not just a motto. It's a way of working. Meet Prudential's Charles F. Lowrey, McGowan's Ethical Leader of the Year Award recipient.

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Fresh Air from Young Leaders

Worried about the future? Take heart in what these young MBAs have to say.

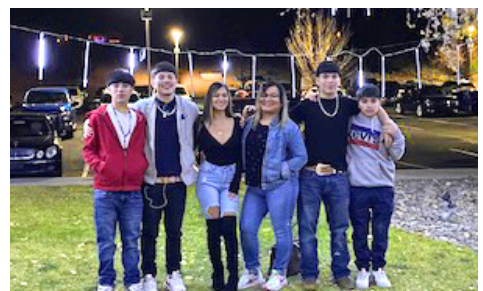
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The 100 Percent Solution

Three low-paying jobs. Five kids. Zero family support. For Claudia and thousands like her, housing is a measure of equity that can be achieved.

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We Can Lead in the Right Direction

*A letter from Executive Director
Diana Spencer*



Dear Friends,

On June 13, the Fund presented the inaugural Ethical Leader of the Year Award to Charles F. Lowrey, chairman and CEO of Prudential Financial. The year leading up to this moment offered all of us here at the Fund a sense of hope that ethical leadership could become societal norm.

In this newsletter, you'll meet Charles Lowrey. You'll also meet MBA students who have completed the McGowan Fellows Program and participated in ethical leadership development training. Finally, you'll hear about Claudia, the mother of five who achieved housing and a sustainable life.

I believe all these things are connected. All reflect the Fund's progress toward catalyzing ethics in business and in society through values-based leadership and principled giving.

First, the leadership award. When we started working on this, the world had faced more pain and division during the height of COVID than it had in 50 years. Trust of organizational leaders was reduced to 23 percent. We knew there were strong, ethical leaders in our country, and we knew that highlighting the work of one such leader could help bring a divided nation together—shine a light, invite others to think about the values all of us can bring to work.

We came to the process with principles in mind—McGowan's six principles, which include accountability, character and integrity, courage, empathy, resilience, and self-awareness. These principles undergird our work as grant makers

and our fellowship program, and they guided our thinking. Months were spent in the process. When it came down to the final two candidates, our C-suite panel of judges deliberated for hours. We had two good candidates, but what were the differentiating factors?

Ultimately, Lowrey was chosen due to his guiding principles, strong recommendations from many who knew him, and his deep expectations and communication of this to every Prudential employee: Do the right thing, every day, in every conversation, and in every decision. After his selection for the award, Lowrey maintained his position that it's all about the company, ensuring that the only press release announcing the win was internal to the company.

Second, you'll meet some McGowan Fellows, MBAs who have gone through our fellowship program. As McGowan alumni, they have taken our development training into the world and they have something to say about ethics in real organizations, real jobs, real lives. More reason to hope! Another reason to hope: Many of them reunite every year to discuss their experiences, explore new ideas, and support one another.

And third, you'll meet Claudia, a mother fleeing domestic abuse. Access to housing is the first step in her new trajectory. There's an ethic in her story, an understanding of equity; and there's hope when a program can tap into reserves of courage, empathy, and resilience and achieve a 100 percent return. Claudia's story demonstrates why the Fund counts housing as a major priority.

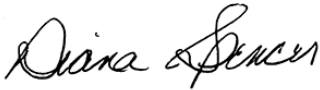
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Through all these stories, the power of ethics is palpable. In corporate C-suites and in nonprofits, leadership should be tied to values. Ethical consideration should be the societal norm.

Every day, ethical dilemmas arise and decisions are made. In your work, what are the ethical issues you face? What are the principles you adhere to? We would love to hear from you. [hlf](#)

Sincerely,



Diana Spencer
Executive Director

Making Better Lives

According to McGowan's Ethical Leader of the Year, ethics are good for both the bottom line and society.

Anything but linear.

That's how Prudential's chairman and CEO Charles F. Lowrey describes his career, an unexpected path from founding an architecture firm to heading a financial services giant. But like the beams that are invisible and yet ensure a building's integrity, there's a consistent theme through Lowrey's career—a strong sense of purpose and commitment to ethical leadership.

At Prudential, Lowrey focuses on the company's financial performance, but he has additional priorities: Define and communicate a clear sense of purpose and establish a rigorous code of conduct, titled "Making the Right Choices."

Elevating ethics to being an early and top priority may sound unusual for the head of a financial behemoth, but for Lowrey, the Fund's inaugural winner of the William G. McGowan



Ethical Leader of the Year Award, it's the right thing to do.

"Working with integrity is fundamental to everything we do," he said in his remarks while accepting the McGowan Award. "Without that fundamental commitment, we could not sustain the trust of our customers, our investors, and other stakeholders—nor would we deserve their trust. Integrity is vital for every organization that values its future, which requires ethics to be a priority every single day."

What does that mean for Prudential's 40,000 employees? It means clarity around why they do what they do. Prudential defines its purpose as, "We make lives better by solving the financial challenges of our changing world."

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It means building on the company's heritage as the first U.S. company to provide life insurance to working class families and committing to increasing access to financial solutions. It means fostering an environment where feedback is encouraged, and a pledge of \$200 million for diversity, equity, and inclusion initiatives.

It also means focusing not just on customers, shareholders, and employees, but also on the impact on society. The Ethical Leader Year of the Award comes with a grant of \$25,000 to an organization of the winner's choice. Lowrey chose the Newark Alliance, a nonprofit dedicated to revitalization of the New Jersey city.

This choice reflects Prudential's steadfast commitment to Newark, the city where it was founded in 1875. Over the last decade, Prudential has committed more than \$1.2 billion to Newark. The grant also reflects Lowrey's leadership style, putting the company front and center while keeping a low profile.

Prudential has won accolades for the way it conducts business, including being an eight-time consecutive honoree as one of the world's most ethical companies by Ethisphere, a research center that defines and measures corporate ethical standards. Prudential has scored 100

percent for 19 consecutive years on the Human Rights Campaign Foundation's Corporate Equality Index and has been included twice on Fortune magazine's Change the World list for backing affordable housing in "low opportunity" communities. The headlines focus on the company, not its leader.

That's just how Lowrey prefers it. When he was announced as the winner of the Ethical Leader of the Year Award, Prudential's only press release was for internal circulation.

But with an estimated 18,000 people watching the award ceremony, Lowrey stepped into the spotlight to deliver a powerful call to action.

"Now more than ever, people around the world are looking to businesses to lead as trust in other institutions has eroded. They're expecting us to set the standard for ethical behavior and to exemplify honesty, transparency, and a commitment to fairness. That's a big responsibility, but it's also an amazing opportunity," he said.

As Lowrey sees it, it's time for corporations to prove that doing business the right way is good for both stakeholders and for society. "We can help drive progress and positive change and help build a better future." Ethical leadership demands just that. [hll](#)

Fresh Air from Young Leaders

There's hope in the attitudes of newly minted leaders.

It's easy to feel discouraged. By one measure, fraud increased 61 percent globally in 2021, and the documentaries about bad leadership and unethical behavior just keep coming. "I have seen firsthand how unethical and toxic leadership has ruined mission-driven teams and organizations," Tiana Veldwisch, who heads a software product development team at Indigo Ag, wrote recently.



An alum of [McGowan's fellowship program](#), as well as Sloan School of Management at MIT, she launched her career the same year Microsoft's CEO counseled women not to ask for raises and one of Boston's most prominent social activists got caught embezzling hundreds of thousands of dollars.

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The good news? Veldwisch, along with other young leaders we've worked with through the fellowship program, are aiming for an ethical society. "I am committed to building respectful and ethical teams through open feedback and aligned values," she noted.

In the wake of choosing [McGowan's Ethical Leader of the Year](#), we gathered insights and opinions from young leaders we've worked with.


Here's a sampling:

"To me, two core elements of ethical leadership are acting with integrity and aiming to serve a broader good." —Nicole Chin Bell, director, economic and neighborhood development, for the City of Chicago

"Ethical leadership is needed to provide the best outcomes for all stakeholders, including customers, employees, suppliers, and local communities." —Adam Wenneker, chief information officer at Wehner Multifamily

Ethical leadership is *"about operating with a sense of purpose and energy to achieve ambitious goals. It is leadership that emphasizes thoughtful, data-informed, and openly reflective decision-making. It's about doing what's needed, even when it's not your job."* —Nipun Jasuja, executive director, JPMorgan Chase

"We need ethical leaders to maintain the guardrails in which our capitalist system can thrive. Ethical leaders complement good government by steering the market away from excess." —David Anthony Gross, director of industry relations and strategy at University of Chicago

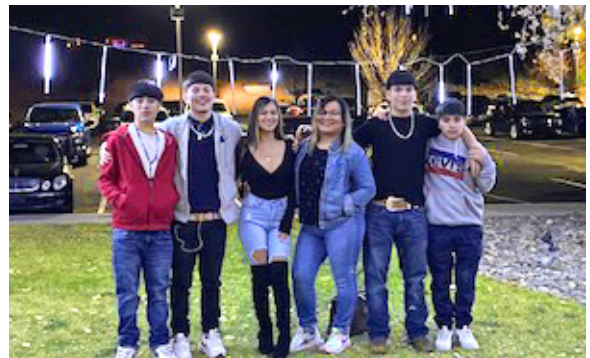
Ethical leadership can be defined as *"considering the best interests of all stakeholders when making decisions. Ethical leaders bring empathy to the workplace—they treat their teammates and customers as humans first, and business relations second."* —Emily Lampert, priority operations, Stripe 

The 100 Percent Solution

It takes time—and support—to build a sustainable life.

When Claudia came to Colorado-based BeyondHome, the odds of becoming self-sufficient looked daunting. She was fleeing abuse. She had a sixth-grade education. Three low-paying jobs. Five kids, three in diapers. Zero family support. Claudia was trapped in poverty—and exhausted.

Seven years later, she is a pharmacy technician and proud homeowner. The catalyst? BeyondHome's wraparound services, which offer everything from safe housing to financial literacy and emotional counseling for families at risk of homelessness.



BeyondHome's executive director Karen Allen sees safe housing and the wraparound services as a matter of equity. Housing and the means to maintain it are out of reach for many adults—due to family circumstances, ill health, and poor access to education, transportation, childcare, and good-paying jobs.

"We don't all start from the same place. And when you start from way below zero, it is going to take a long time to reach your true potential," she says.

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Lack of housing is particularly acute in regions like the Denver Metro area where housing costs are high, making it difficult for even those working 60 hours a week at minimum wages to keep their families afloat without government assistance.

Founded in 1987 as Colorado Homeless Families, the organization rebranded to BeyondHome in 2020. The new name reflects the holistic approach towards self-sufficiency. The name change also takes into account feedback from the program's graduates, some of whom were reluctant to publicize that they were once homeless.

That sense of listening to those it serves and ensuring that their dignity is intact permeates the program. Families are provided with housing that they can be proud to call home, children have youth programs that offer fun and community, and parents are matched with mentors. Allen likens it to parenting new college students—families are given the right tools, knowledge, and support before being encouraged to fly.

Such support requires a long-term view; equity takes time. On average, families stay for four years; so far, the shortest tenure has been 18 months. Claudia's family stayed seven years, the longest anyone has stayed in the program. Support doesn't end when families are financially independent but until they are emotionally stable as well, an important element especially for victims of domestic violence who are at high risk for falling into abusive relationships. Says Allen, "If you don't deal with the emotional side, you can unwittingly go back to where you started."

Accordingly, tenure is not how BeyondHome evaluates itself. Instead, here's another data point: 100 percent of the organization's graduates have stayed self-sufficient. It's a remarkable statistic.

As demand for its services grows, BeyondHome has plans to expand. It is an expensive proposition, but Allen keeps her sights on the future. "Think about the money that taxpayers spend on families who never get off public assistance," she says. "Our approach is expensive in the short run, but it gives families opportunities to break out of generational poverty. The payoff is in the future." 

Read about old traditions and recent trends in America's housing crisis:

Efforts to solve the housing crisis are meeting a traditional form of community resistance—[even in places you might not expect](#).

In Houston, 25,000 people have left the streets. The decade-long effort started with tent-side interviews.

Here's a question: If housing is healthcare, should Medicaid pay? [Philadelphia says yes](#).

The numbers aren't good. A map of [who is unhoused in America](#).

