



Are the Rich Cheap? (3)

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I've pointed out in recent weeks that the American people are the [most generous](#) in the world.

But I was surprised to learn the working poor give a larger percentage of their income than the rich. Last week I did a TV special, "Cheap in America," in which I playfully gave some billionaires a hard time about what they don't give to charity.

Ted Turner is giving \$1 billion to the United Nations. He got lots of great publicity for that, and he told me that he'd like to give away more, but he was too poor. "I've given away so much, and lost so much. It's all I can do. I'm doing all I can. I'm worried about the viability of our Social Security. I want to be sure that I have enough money to make it through,

you know, my old age, when I finally do retire, at about 95."

But he still has \$2 billion left. Isn't that enough? "Not enough! Not in the way inflation -- you know, I was worth \$10 billion about four, five years ago, and I lost eight of it, so the other two could evaporate overnight."

Dan Duncan had a different excuse. He's made \$7 billion by finding cheaper ways to pipe natural gas and oil from place to place. He and his wife have given millions to charity, but their gifts are only about 2 percent of his net worth.

I suggested that maybe he was "cheap," and he answered: "Sometimes you're better off to hold on to that money longer and make it big-

ger." His wife, Jan, added, "It takes money to make money so that we'll have more to give away."

That may have sounded cheap to my TV audience, but it's actually a pretty good reason for Duncan not to give to charity. Great business creators like Duncan and Turner waste their skills if they just give money away. They do more for the world by creating businesses. Turner started with 12 employees. By the time he merged CNN with Time Warner, he employed 12,000 people.

Is there a better way to help the poor than by creating jobs -- opportunities for self-improvement? And when businesses make useful products cheaper and more plentiful, that helps the poor more than charity. Discount retailers like Wal-Mart help low-income people tremendously. Would Sam Walton have done as much for the poor by giving all his money to charity? I don't think so.

That's what T.J. Rodgers, founder of Cypress Semiconductor, thought when Turner gave \$1 billion to the United Nations, a bureaucracy famous for squandering money. "What he said is patently stupid," Rodgers told me. "What he should

do is take his money and invest it. And to have the companies and buildings and plants that are created with his investment create jobs and wealth and products for other people. So running around giving his money away is a way to maybe make himself feel good. But it sure as hell isn't a good way to help people!"

It's a shocking comment in this season of giving, but it's also a good point. We lavish praise on the philanthropist, but you can't give away what hasn't been created.

Philosopher David Kelley put it this way. "Why do we think that giving away money is better than making money? Giving away money is a lot easier than building a new business or a new industry where you've created something that didn't exist before. I have a lot more respect for Ted Turner for building CNN at a time when no one thought it was possible than I have for any possible good he could do as a philanthropist."

I'll still give 20 percent of my income to charity, because I'm not good at building businesses. But for those of you who are, no need to apologize for creating wealth.

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