

Introduction

On October 5, 2009, the day before testifying for the first time to Congress, I visited the Robert A. Taft Memorial and Carillon in Washington, D.C. A ten-story bell tower located between the U.S. Capitol and Union Station, it is the only memorial to a member of Congress situated on the grounds of the U.S. Capitol. I was to testify on behalf of financial service firms in front of the House Financial Services Committee. The U.S. Congress was writing financial regulatory reform legislation and it wanted the viewpoint of the banks, broker-dealers, and asset management firms most affected.

I visit that memorial because Robert Taft is my grandfather. My grandfather had public service in his blood. He grew up in the White House, one of three children of U.S. President William Howard Taft (1909–1913), who was the only president to also serve as Chief Justice of the Supreme Court (1921–1930). He was the leader of the Republican Party in the United States Senate in the 1940s and early 1950s, earning him the unofficial title “Mr. Republican.” His four sons included a congressman and senator from Ohio, a U.S. ambassador to Ireland, and a physicist (my father) who served as dean of Yale College. His grandchildren include senior administration officials in the Department of



Robert A. Taft Memorial and Carillon in Washington, D.C.

SOURCE: Architect of the Capitol.

Defense, NATO, the State Department and Department of Health and Human Services, and a two-term governor of Ohio. Standing in front of Robert Taft's statue, I am at once inspired and overwhelmed by the power of my family's legacy; by the Taft family sense of responsibility and obligation to serve; and by our family's commitment, generation after generation, to giving back to society.

Throughout his life, my grandfather set an example of being loyal to core principles, and exemplified the importance of locking one's moral compass onto a personal true north. In his case, true north was the

principle of “Equal Justice Under Law.” To him, those words were the foundation of a free society. They were important enough to compel him to speak out against what he believed to be a controversial example of everything that was contrary to this principle, which earned him a chapter in John F. Kennedy’s book *Profiles in Courage* . . . and also cost him the Republican nomination for president in 1948 and 1952.

“Robert A. Taft,” Kennedy wrote, was “a man who stuck fast to the basic principles in which he believed—and when those fundamental principles were at issue, not even the lure of the White House, or the possibilities of injuring his candidacy, could deter him from speaking out.”¹

“[H]e was more than a political leader, more than ‘Mr. Republican.’ He was also a Taft—and thus ‘Mr. Integrity.’”²

Perhaps because of those visits to the Taft Memorial, perhaps because of my family’s legacy, I have always believed in the importance of core principles. I believe that if you don’t get them right, nothing else matters.

Conversely, if you do get them right, everything else falls into place.

The origins of this book lie in a speech and a white paper titled *Creating a Clear Path Forward** which I wrote for our individual investor clients—and, quite frankly, our employees—during the height of the 2008–2009 financial crisis. At the time, I was searching for something I could say to comfort them while they were experiencing things many of them had never been through before, such as a 50 percent collapse in the value of their retirement savings. My words needed to reassure them while they were feeling emotions more extreme and primitive than they had ever felt in their adult lives, like fear, confusion, desperation, even despair.

It’s particularly in times like a financial crisis that core principles matter. Core principles are the only solid ground under our feet when everything is, or seems to be, unstable.

The solid ground I discovered in writing *Creating a Clear Path Forward* was the realization that we have all been put on the earth for a reason: to leave the world a better place than we found it.

*See Appendix C.

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That, in a nutshell, is our Stewardship responsibility, our Stewardship calling.

Leaving a Stewardship legacy requires that we see ourselves not just as individual actors in economic or social systems, but that we see ourselves as members of communities. It also requires that we define our purpose not in terms of self-interest alone, of “what’s in it for me?,” but in terms of how we can serve others. Finally, our Stewardship legacy is defined not just by how we serve others during our lifetimes, but by the impact of our actions on generations in the future.

Our collective willingness to live up to our Stewardship responsibilities will determine whether or not we repeat or abet future recurrences of the financial crisis of 2008–2009. It will also determine whether we prevent similar sustainability threats to society in areas like resource scarcity, climate change, population growth, fiscal policy, and income inequality.

It’s not an exaggeration to say that our future literally depends on our willingness to think and act like responsible stewards.