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## 28 BUSINESS, INVESTMENT, ACADEMIC, & LABOR LEADERS JOIN ASPEN INSTITUTE IN BOLD CALL TO OVERCOME SHORT-TERMISM

**Washington, DC**—Twenty-eight leaders representing business, investment, government, academia, and labor joined the Aspen Institute Business & Society Program’s Corporate Values Strategy Group (CVSG) to endorse a bold call to end the focus on value-destroying short-termism in our financial markets and create public policies that reward long-term value creation for investors and the public good.

Among the signers are John Bogle, Warren Buffett, Barbara Hackman Franklin, Jack Ehnes, Louis Gerstner, Martin Lipton, Ira Millstein, John Olson, Peter Peterson, Felix Rohatyn, Charles Rossotti, Richard Trumka, John Whitehead, and James Wolfensohn.

The statement, “Overcoming Short-termism: A Call for a More Responsible Approach to Investment and Business Management,” identifies three leverage points for encouraging a renewed focus on long-term value creation and for addressing one part of market short-termism, shareholder short-termism:

1. **Market incentives:** encourage more patient capital through tax policy
2. **Alignment:** better align the interests of financial intermediaries and their ultimate investors
3. **Transparency:** strengthen investor disclosures

Ira Millstein commented that he joined this diverse group to help move discussion about reform beyond “pious wishful thinking, to the core issue in our market economy — how to incentivize capital to go long term.” He adds, “The current system cannot achieve that result. The proposals presented in our statement are intended to place this issue front and center and to engender serious, realistic debate.”

The statement highlights the need to focus on the system and not just the corporation, recognizing that a complex dance involving corporate managers, boards, investment advisers, providers of capital, and government drives the results we have now. This distinguished and diverse group is unified in calling for a comprehensive examination of market short-termism in our economy. The signatories hope that policy makers in Congress, the Executive branch, and relevant regulatory agencies will heed this call.

“As America slowly pulls itself out of the worst recession in history, it is vital that long-term vision rather than short-term gain guides economic decision-making in the decades to come. We cannot afford to repeat the mistakes that led us to the economic damage currently surrounding us,” said Jim Rogers, chairman, president and CEO of Duke Energy, and a signatory to the statement. “We hope the proposals here will help to focus the attention of business and investors on long-term performance.”

“I was pleased to be part of the non-partisan group that drafted this statement because I'm convinced that we need to make fundamental changes in the economic incentives that drive decisions in the public and private sectors,” John F. Olson remarked. “I see real danger in our settling for cosmetic reforms that don't address the critical problem: failure to aim for long term sustainable value.”

Richard L. Trumka, Secretary-Treasurer, AFL-CIO, also stated: “Workers' pension funds need capital markets that work on behalf of a strong real economy, not against it, and that requires long term time horizons.”

Recognizing that voluntary action alone is not enough to address today's economic reality, a small group came together to create the foundation for this much-needed public policy conversation. The current drafting committee began with a set of ideas shared in Aspen CVSG meetings among varied market players beginning in July 2008. This effort builds on the CVSG's ongoing focus on sustainable value for investors and society, including the “Aspen Principles for Long-Term Value Creation,” that were released in June 2007 by a coalition of business, labor, institutional investors, and corporate governance experts. The Principles called for voluntary change in practice by business and investors around metrics of success, investor communications, and executive compensation.

“Short-termism must be addressed as a conceptual whole — piecemeal approaches do not work,” said Judith Samuelson, executive director of the Aspen Institute's Business & Society Program. “Now is the time for bold ideas to drive change in the incentives and behaviors critical to transformation of how value is created and sustained.”

Added Bill George, author of *7 Lessons for Leading in Crisis* and former CEO of Medtronic: “Short-termism is the root cause of the financial meltdown of the past year. To rebuild the US economy, we must restructure incentives around long-term sustainable performance.”

**Reporters and editors are welcome to join a press call with three signatories, J. Michael Farren, Ira Millstein, and Judith Samuelson, at 11:00am ET on September 9. To participate, call +1.518.825.1400 and use access code: 886880.**

The full statement will be available for download at [www.aspeninstitute.org/bsp/cvsg/policy2009](http://www.aspeninstitute.org/bsp/cvsg/policy2009) at 9:30 am on September 9, 2009.

A list of signatories, with affiliations, is attached to this release. The full list of signatories includes:

- John C. Bogle
- Warren E. Buffett
- James S. Crown
- Lester Crown
- Steven A. Denning
- Jack Ehnes

- J. Michael Farren
- Margaret M. Foran
- Barbara Hackman Franklin
- Bill George
- Louis V. Gerstner, Jr.
- David H. Langstaff
- Martin Lipton
- Jay W. Lorsch
- Ira Millstein
- John F. Olson
- Peter G. Peterson
- James E. Rogers
- Felix G. Rohatyn
- Charles O. Rossotti
- Judith Samuelson
- Henry Schacht
- Lynn A. Stout
- Richard L. Trumka
- John C. Whitehead
- John C. Wilcox
- Ash Williams
- James D. Wolfensohn

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**Signatories to Statement, “Overcoming Short-termism:  
A Call for a More Responsible Approach to Investment and Business Management”**

**John C. Bogle**, Founder, The Vanguard Group, Inc.

**Warren E. Buffett**, CEO, Berkshire Hathaway Inc.

**James S. Crown**, President, Henry Crown and Company

**Lester Crown**, Chairman, Henry Crown and Company

**Steven A. Denning**, Chairman, General Atlantic, LLC

**Jack Ehnes**, Chief Executive Officer, CalSTRS

**J. Michael Farren**, Former General Counsel and Corporate Secretary, Xerox Corporation

**Margaret M. Foran**, Governance Expert

**Barbara Hackman Franklin**, Chairman, National Association of Corporate Directors and Former United States Secretary of Commerce

**Bill George**, Professor of Management Practice at the Harvard Business School and Former Chairman and CEO, Medtronic

**Louis V. Gerstner, Jr.**, Retired Chairman and CEO, IBM Corporation

**David H. Langstaff**, Founder and former CEO, Veridian Corporation

**Martin Lipton**, Partner, Wachtell, Lipton, Rosen & Katz

**Jay W. Lorsch**, Louis Kirschstein Professor of Human Relations at the Harvard Business School

**Ira Millstein**, Senior Associate Dean for Corporate Governance, Yale School of Management and Senior Partner, Weil, Gotshal & Manges

**John F. Olson**, Senior Partner, Gibson, Dunn & Crutcher LLP and Distinguished Visitor from Practice, Georgetown University Law Center

**Peter G. Peterson**, Chairman and Founder, Peter G. Peterson Foundation

**James E. Rogers**, Chairman, President, and CEO, Duke Energy

**Felix G. Rohatyn**, Former U.S. Ambassador to France

**Charles O. Rossotti**, Former United States Commissioner of Internal Revenue; Co-founder and former Chairman and CEO, American Management Systems, Inc.

**Judith Samuelson**, Executive Director, The Aspen Institute Business & Society Program

**Henry Schacht**, Former CEO, Cummins Inc. and Lucent Technologies

**Lynn A. Stout**, Paul Hastings Professor of Corporate and Securities Law, UCLA School of Law

**Richard L. Trumka**, Secretary-Treasurer, AFL-CIO

**John C. Whitehead**, Former Chairman, Goldman Sachs

**John C. Wilcox**, Chairman, Sodali and Former Head of Corporate Governance, TIAA-CREF

**Ash Williams**, Executive Director and CIO, Florida State Board of Administration

**James D. Wolfensohn**, Ninth President, World Bank Group

**Note:** Organizational affiliations are for purposes of identification only; signatories are signing as concerned individuals and not on behalf of any organization. **List as of September 8, 2009**