

Service with a Smile

Meet S. Truett Cathy, Winner of the 2008 William E. Simon Prize for Philanthropic Leadership

BY JOHN J. MILLER

STRUETT CATHY IS A WALKING PARADOX. He started his career at the Dwarf Grill, but went on to become a restaurant industry giant. He is the founder and chairman of Chick-fil-A, Inc., whose ads use cows to sell chicken. And he thrives in the competitive world of fast food, where profits are squeezed from drive-thru windows long after midnight, even though he closes all of his stores each and every Sunday.

One thing is certain: Cathy has done an awful lot of giving, both of his time and his money. He has welcomed children into his home as a foster parent. He has taught Sunday school. He is known for taking an interest in the welfare of strangers. He has also poured out the contents of his wallet. Last year, Cathy's WinShape Foundation spent \$18 million on foster homes, college scholarships, a summer camp, and marriage-counseling programs.

Soon, the WinShape Foundation will have a little extra cash to donate. Cathy has been selected as the 2008 winner of the William E. Simon Prize for Philanthropic Leadership. The award "honors living philanthropists who have shown exemplary leadership through their charitable giving, highlights the power of philanthropy to achieve positive change, and seeks to inspire others to support charities that achieve genuine results." It carries a purse of \$250,000, and will be formally presented to Cathy on November 7, 2008, at The Philanthropy Roundtable's Annual Meeting in Naples, Florida.

The 87-year-old Samuel Truett Cathy is bald, stocky, and jowly. His eyelids droop a little. For all his wealth, he is a surprisingly humble and frugal man. He and his wife, Jeannette, still live in the same modest home that they moved into more than half a century ago. If Cathy allows himself a single indulgence, it appears to be collecting cars. He has quite a collection—including a Batmobile. (Yes, an actual Batmobile!) It was used in *Batman Returns*, the 1992 movie starring Michael Keaton as the Caped Crusader.

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CATHY'S NOTION OF SERVICE influences everything HE DOES.

In at least one important respect, however, Cathy is anything but a paradox. A captain of the hospitality industry, he has given his life to service, in just about every sense of the word. One of his most significant services, of course, is his invention of the boneless breast of chicken sandwich. For that contribution alone, the human appetite will remain forever in his debt.

Yet Cathy has done much more than come up with a great idea for a sandwich. His notion of service influences everything he does, from how he insists that Chick-fil-A employees treat their customers to his deep personal and financial commitments to philanthropy. "My wife and I were brought up to believe that the more you give, the more you have," says Cathy. "Few people actually believe in this, but we do."

The Simon Prize is by no means Cathy's first award. Chick-fil-A keeps a tally of his honorary degrees, prizes, and other recognitions. In small type, the list scrolls for three pages. Cathy won the Horatio Alger Award in 1989, the Norman Vincent Peale Award in 1998, and the National Fatherhood Award in 2004. Ernst & Young named him the Entrepreneur of the Year in 2000, and Sonny Perdue, Governor of Georgia, designated May 23, 2006, as "Truett Cathy Day."

When he isn't stockpiling accolades, Cathy is in charge of an Atlanta-based company that sold more than 234 million chicken sandwiches last year. If all those sandwiches were laid end to end, they would stretch between Atlanta and Seattle six times. (The 1.64 billion chicken nuggets the company sold would cover half of the earth's circumference.) Revenues were \$2.64 billion, up 16 percent from the previous year. Based on this figure, Chick-fil-A is the second-largest quick-service chicken restaurant chain in the country, with some 1,400 stores in 37 states and the District of Columbia. Its corporate symbols—like the Chick-fil-A cows that hold up signs full of misspellings, lousy grammar, and comic pleas (most famously, "Eat Mor Chikin")—are among the most recognizable in America.

In truth, one of Cathy's sons, Dan, is the president of Chick-fil-A and runs its day-to-day operations. Another son, Bubba, is a senior vice president. Their father, however, is the author of the company's success and remains its CEO. "I still hold the title," Cathy says, "and I remind them of that every now and then."

THE BOY FROM EATONTON

THE STORY OF CATHY'S REMARKABLE ASCENT from rural Georgia to the "Moral Tycoon" (as a newspaper once dubbed him) began in Eatonton, Georgia, a small town about halfway between Atlanta and Augusta. There's something poetic about a restaurant magnate coming from a place called Eatonton, but Cathy spent only the first three years of his life there and barely remembers the place. His family was religious, and Cathy's unusual middle name—Truett, as his friends call him—comes from a popular Baptist preacher named George W. Truett (1867-1944). Times were tough even before the Great Depression, and Cathy's father went broke as a real-estate investor. The family moved to Atlanta so he could sell insurance. He was not very good at it. To help pay the bills, Cathy's mother took in boarders.



Truett Cathy gets a hug from a visiting schoolchild during a tour of Chick-fil-A's corporate headquarters in July 2006. (AP photo/Ric Field)

The Philanthropy Roundtable is greatly honored to have been asked by the William E. Simon Foundation to administer the William E. Simon Prize for Philanthropic Leadership. The foundation is named for its principal benefactor, the late financier, philanthropist, and Secretary of the Treasury, William E. Simon.

The purpose of the William E. Simon Prize for Philanthropic Leadership is to highlight the power of philanthropy to promote positive change and to inspire others to support charities that achieve genuine results. The prize is intended to honor living philanthropists who have shown exemplary leadership through their own charitable giving, either directly or through foundations they have created. The prize honors the ideals and principles which guided William E. Simon's many philanthropic initiatives, including personal responsibility, resourcefulness, volunteerism, scholarship, individual freedom, faith in God, and helping people to help themselves.

The Philanthropy Roundtable would like to thank the 2008 Selection Committee, composed of Kimberly O. Dennis, Betsy DeVos, Adam Meyerson, Fred Smith, John M. Templeton Jr., M.D., J. Peter Simon, and William E. Simon Jr.

She spent much of her day in the kitchen, but she never used a recipe. "She had an instinct, or an intuition, that guided her through everything she cooked, from fried chicken to sweet potato pie," says Cathy. "She salted and peppered her chicken and left it in the ice box all night before she fried it. The next day she fried it in a big iron skillet with a lid. The lid steamed the chicken as it fried, and kept it more moist." Cathy never forgot how his mother fried her chicken. Years later, her technique would revolutionize the fast-food industry.

No less important, however, were the entrepreneurial qualities in Cathy's character, acquired and developed at an early age. As an eight-year-old, he went door-to-door selling bottles of Coca-Cola. He discovered that he could buy a six-pack of Cokes for a quarter and sell them for 5¢ apiece—pocketing a nickel for himself in the process. He began to buy Coke in larger quantities, reaping higher profits. Before long, he had enough cash for a major purchase—his first bike, used, from a kid who lived down the street. Cathy graduated from Coke to magazine subscriptions and newspaper deliveries. The family continued to have trouble making ends meet, and sometimes the boy would chip in, using his proceeds to buy groceries that his mother wanted.

On his newspaper route, Cathy learned the virtue of hard work—and the value of good service. "The key to succeeding with a paper route—and the restaurant business, I would later learn—is to take care of the customer," says Cathy. He was unfailingly polite with his subscribers, cheerfully battling bad weather and always placing newspapers exactly where his customers wanted them. "The most effective way of promoting my business didn't cost me anything but a little kindness." By putting the interests of others before personal considerations, young Cathy planted the seeds of what would grow into his adult philanthropy.

Cathy graduated from high school and joined the Army. He did not leave the country, even during the Second World War. A civilian again in 1946, he never seriously considered college. Instead, he and his brother Ben decided to go into the restaurant business together. They pooled their money and took out a bank loan, coming up with a sum of \$10,600. They bought a lot near a Ford assembly plant, not far from the Atlanta airport. There they built a small

restaurant. They called it the Dwarf Grill (later renamed the Dwarf House). Their first menu offered breakfast food, hamburgers, steaks—but not chicken. Chicken took too long to cook.

For six days a week, the restaurant was open 24 hours a day. From the start, however, it closed on Sunday. It was the brothers' way of honoring God. Moreover, they were exhausted from working long hours Monday through Saturday. "If it took seven days a week to make a living with a restaurant, then we needed to be in some other line of work," says Cathy. To this day, Cathy regards this as the best business decision he ever made. Chick-fil-A still abides by it. Although Sunday is a popular day for eating out, none of the company's restaurants are open. "I find no conflict between biblical principles and good business practices," says Cathy. Besides, the policy gives him a chance to scope out the competition. "I generally eat out on Sunday," he admits. "We go to the drive-thru after church. I won't mention where."

Some people feel a call to be preachers. Cathy says he feels likewise summoned to his line of work: "I see the restaurant business as a divine calling that fills physical, emotional, and spiritual needs." With his employees, he emphasizes the importance of faith. "I'm a strong believer that the Bible is a roadmap for life," he says. "How to start a restaurant isn't written down in there, but we do have the Golden Rule. At Chick-fil-A, we are motivated by a serving spirit. We can compete with the toughest competition simply because of the kindness of our people." When customers say, "Thank you," team members are encouraged to respond, "My pleasure." Cathy insists that developing these habits makes an enormous difference. "It doesn't cost you any more to be gracious in a service industry, but it sure pays great dividends," he says.

FROM LITTLE DWARF TO CHICKEN GIANT

CATHY SAW DIVIDENDS EARLY IN HIS CAREER, though he confronted many setbacks, too. Tragedy struck in 1948, when Ben and another brother were killed in a plane crash. Suddenly, Cathy was running the Dwarf House by himself. He opened a second restaurant and thought about adding others, but decided that two kept him sufficiently busy. Then, in 1960, a fire destroyed one of his restaurants completely. "When I had two restaurants, I had one too many," he says. "So the Lord burned one down and gave me the chance to start Chick-fil-A."

Around the same time, health problems put him in the hospital. The experience frustrated him, but it also gave him time to think about



Cathy, behind the counter at the original Dwarf House. In the foreground are Truett's sons, Daniel Cathy (left), current president and COO of Chick-fil-A, and Donald ("Bubba") Cathy (right), senior vice president of Chick-fil-A. (Photo courtesy of Chick-fil-A)



Although Cathy regularly worked 36-hour shifts at the Dwarf House, he always closed the restaurant on Sunday. (Photo courtesy of Chick-fil-A)



Cathy poses in a replica of the Dwarf Grill, housed at the Chick-fil-A corporate museum, on November 8, 2001. (AP photo/Ric Field)

SERVICE WITH A SMILE



Chick-fil-A opened its first restaurant in Atlanta's Greenbriar Shopping Center in 1967. Its second restaurant, pictured above, opened in Savannah. (Photo courtesy of Chick-fil-A)

something other than getting out the next short-order meal. "My life is made of taking advantage of unexpected opportunities," he says. This was one of them. He had noticed the growing popularity of McDonald's and other fast-food restaurants, where customers placed orders at the counter and cleared their own tables. He decided to change the way he was doing business.

Chick-fil-A has a two-part corporate purpose:

"TO GLORIFY GOD

by being a faithful steward of

ALL THAT IS ENTRUSTED TO US.

TO HAVE A POSITIVE INFLUENCE ON ALL WHO

come into contact with Chick-fil-A."

Before long, another innovation occurred to him as well. Cathy had experimented with fried chicken on his menu, but he had not cared for the results. Then he thought back to his boyhood. "I remembered my mother's method of covering the pan with a heavy top, creating something of a pressure cooker," he says. "I

tried that and found that the chicken indeed cooked faster, and remained more moist as well. Then I discovered the recently introduced Henny Penny cooker, a pressure cooker that used oil and could cook a boneless chicken breast in four minutes, start to finish. Cooking so quickly meant we wouldn't have to cook our products ahead and hold them in a warming cabinet or under a heating lamp. All our chicken could be served fresh."

Rather than serving the chicken on a plate by itself, Cathy put it on a buttered bun. Through a process of trial and error, he came up with a special recipe for breading and seasoning. Finally, he topped the chicken breast with a pair of dill pickles. Thus was born an item he called "a chicken steak sandwich." A lawyer told him that he couldn't trademark a generic name like that, so Cathy tried to come up with something more distinctive. "It occurred to me that the best cut of beef is a fillet; why not call ours a chicken fillet? Or chick fillet? Or Chick-fil-A? The name literally just came to me, with the capital A—for top quality—on the end." He registered the name in 1963, and the logo has barely changed in 45 years.

At first, Cathy sold Chick-fil-A through other restaurants, but this left the preparation to people who did not work for him. Cathy grew frustrated with the uneven results and began thinking about what to do next. His sister ran a gift shop at a local mall. "Why don't you bring your chicken sandwich down here and sell it?" she asked. Cathy loved the idea, but at the time it was outlandish—nobody operated fast-food restaurants in shopping malls. The proprietors worried about litter, smells, and smoke. "They didn't want us, not next to the fancy dress shops," says Cathy. But he persisted, and Atlanta's Greenbriar Shopping Center agreed to take a chance on Chick-fil-A. The first one opened in 1967.

The timing was perfect. The country was about to go through a boom in mall construction. Americans also began to see health benefits in eating chicken as opposed to beef. Meanwhile, nobody else offered quite the same product. "I cannot explain why the fast-food giants did not catch on to the idea of a chicken sandwich—some say it was divine providence—but for many years we had the market to ourselves," says Cathy. (It was not until 1980 that Wendy's began to offer chicken sandwiches; three years later, McDonald's followed with Chicken McNuggets.) From the

mall owner's standpoint, providing a fast-food option generated a new revenue stream and even wound up encouraging shoppers to linger longer. Today, of course, no mall is complete without an elaborate food court—and Chick-fil-A is in many of them. There are plenty of Chick-fil-A restaurants outside of the malls, too. In 1986, the company started to build free-standing operations.

Chick-fil-A's growth has been almost uninterrupted. In 1982, however, it suffered a decline in same-store sales for the first (and only) time. Cathy saw this as a bad sign and became worried about his business. He stopped taking a salary and invited his executive committee to a two-day retreat, where they could talk about what they were doing away from the daily activities of the office. As they prepared to pore over statistics, charts, and projections, Dan Cathy asked three questions: "Why are we in business? Why are we here? Why are we alive?"

His father almost dismissed these concerns as irrelevant, but they managed to spark a conversation about first principles. When the retreat was over, Chick-fil-A did not have a revolutionary new product idea or a fancy business plan, but it did have a two-sentence Corporate Purpose: "To glorify God by being a faithful steward of all that is entrusted to us. To have a positive influence on all who come in contact with Chick-fil-A."

Cathy believes that this marked a turning point for the company. "Wonderful things began to happen," he says, pointing to a growth rate of 29 percent the next year. "I felt confident in the future." Cathy was so confident, in fact, that he decided to be not merely a world-beating businessman, but also a life-changing philanthropist.

A PHILANTHROPIST IN FULL

IN A CERTAIN SENSE, CATHY WAS ALWAYS A philanthropist. As a boy entrepreneur who sold bottles of Coke and then as a grown-up small-business owner who sold entire meals, he understood the importance of service to others. Moreover, from the first days of marriage, he and his wife Jeannette had tithed 10 percent of their income. Cathy credits another inspiration for that practice as well: "Sir John Templeton, the [late] financial investment expert and creator of the Templeton Funds, tells audiences that the safest recommendation and the one that pays the highest dividend is tithing—giving 10 percent of your earnings to honor God in the way you see fit." Cathy once asked Templeton about it personally: "He confirmed the statement and added that he had never known anyone who had tithed for 10 years who was not rewarded."

Much of Cathy's early philanthropy was personal. At the Dwarf House in the early 1950s, Eddie White, a teenage employee who had worked at the restaurant for several years, talked

From the first days of their marriage, TRUETT AND JEANNETTE tithed 10 percent of their income.

about dropping out of high school so he could earn more money for his family. Cathy worked out a plan with Eddie's father to guarantee the



Chick-fil-A has seen 40 consecutive years of annual sales increases, including double-digit increases for each of the last 14 years. (Photo courtesy of Chick-fil-A)

SERVICE WITH A SMILE



Truett Cathy and his wife, Jeannette, share a Chick-fil-A shake.
(Photo courtesy of Chick-fil-A)

boy sufficient hours on nights and weekends. Then, when customers complimented the quality of their food, waitresses would bring by a mayonnaise jar labeled “Eddie’s College Fund” and say, “The young man who prepared it wants to go to college.” These donations went a long way, but they did not cover all of Eddie’s expenses—so

All of Cathy’s employees TAKE OFF SUNDAY. With blue laws a relic, the rule is POSITIVELY COUNTERCULTURAL.

Cathy made up the difference himself. Eventually, Eddie earned a teaching certificate and became an assistant superintendent of schools.

Since then, Cathy has found more formal ways to involve himself and his company in education. In 1973, Chick-fil-A established a scholarship program for employees. In 1996, it updated this with what it calls the Leadership Scholar program, placing more emphasis on community service and leadership skills. Altogether, the company has provided more than \$23 million in scholarship assistance to more than 23,000 employees. This year, Chick-fil-A expects to contribute \$1.4 million to this ongoing effort. Separately, the S. Truett Cathy Schol-

ar Awards offer an extra \$1,000 to the top 25 Leadership Scholars. Since its inception in 1997, this program has given away \$300,000.

Programs such as these help explain why Chick-fil-A is renowned for its loyalty among both customers and employees. Many of its operators—the men and women who run individual franchises—have been with the company for more than two decades, and annual turnover among them is less than 5 percent. “I can’t imagine a serious discussion of loyalty in business that does not reference the accomplishments of the Cathy family and their company,” says Frederick F. Reichheld, a consultant who has written for the *Harvard Business Review* and is the author of *The Loyalty Rules!: How Today’s Leaders Build Lasting Relationships*. “By focusing on helping others around him make the most of their lives,” writes Reichheld, “Truett Cathy has achieved outstanding success on his own.”

Not every Chick-fil-A employee benefits from a company scholarship—but all of them benefit from that company-wide policy that lets them take Sundays off. With blue laws a relic, the rule is positively countercultural. It surely forfeits millions of dollars in sales. Yet Cathy claims that it gives him a competitive advantage. For one thing, it provides a day of rest. “Companies that are open seven days a week may try to rotate days off so that everybody gets one day off every week,” says Cathy. “But if the business is open, you’re going to be thinking about it, even if it’s your day off. That takes away from your relaxation.”

Moreover, Cathy believes that shutting down on Sundays attracts employees who are oriented toward faith and family. He wants his employees to devote themselves to Chick-fil-A, but not at the expense of something greater. “It’s sad when people neglect their families,” he says. “You can gain the whole world and lose what’s most precious.” This is hardly conventional corporate philanthropy, but it is nevertheless a gift to the people who work for Cathy.

Another form of unorthodox corporate philanthropy can be found inside every Chick-fil-A Kid’s Meal. To be sure, many fast-food chains offer toys with their meals for children, but these items are usually lucrative promotional tie-ins to new movies or television cartoons. Chick-fil-A, however, tries something different. “Very early we distinguished our Kid’s Meal by including a prize that

reflected our values,” says Cathy. “We have offered books on history, geography, weather, plants, animals, and dozens of other subjects. Stories on tape have helped children learn the importance of establishing certain character traits. And with interactive educational cards, kids have enjoyed English, social studies, geography, math, and science.”

Separately, Cathy has authored a short book of fatherly advice: *It's Better to Build Boys than Mend Men*. It includes nuggets of wisdom such as this: “Don’t be too concerned that your children don’t listen to you. But be very concerned that they see everything you do” and “When we share time with children, the little things often become lifetime memories for them.”

For Cathy, family is so important that he decided to enlarge his own beyond his wife and their three children. “Not many men can claim that more than 150 children call them ‘Grandpa.’ It’s my proudest distinction,” he says. Cathy’s experience as a foster parent began with meeting a young boy. The boy’s father was miss-

ing and his mother and grandparents were dead. Cathy met the boy through his church, invited him over to his house several times, and took a genuine interest in his well-being. “Jeannette and I grew to love him and wanted him to become a part of our family,” says Cathy. After high school, he essentially moved into the Cathy home. After college, he went to work at Chick-fil-A and eventually became a vice president.

The relationship with that young man was just a start. Following Chick-fil-A’s adoption of its two-sentence Corporate Purpose, Cathy institutionalized his philanthropy through the establishment of the WinShape Foundation in 1984. The name, says Cathy, tries to convey an idea: “shaping individuals to become winners.” Its headquarters are located on the campus of Berry College in Rome, Georgia, and one of its first major activities was to build a home for foster children.

Today, the foundation runs a dozen WinShape Homes, each of which is operated by a husband-and-wife team. The goal is “to provide a loving, nurturing home to those children



*“Not many men can claim that more than 150 children call them ‘Grandpa.’ It’s my proudest distinction,” says Cathy.
(Photo courtesy of Chick-fil-A)*

who are victims of circumstance and need a stable, secure family environment in which to grow and mature.” The homes accept boys and girls between the ages of six and 13, and they can accommodate as many as 12 children at a time. As a result, the homes have the capacity to keep groups of siblings together.

In deciding where to put the WinShape Homes, the foundation looks for good real-estate deals as well as aesthetic appeal—many of the houses are situated on beautiful properties. Geographically, they’re clustered in the South: eight in Georgia, two in Tennessee, and one in Alabama. There’s also a home in Brazil, where Cathy’s daughter performed missionary work.

CATHY FREQUENTLY QUOTES
PROVERBS 22:1,
 “A good name is rather to be chosen
 THAN GREAT RICHES, AND LOVING FAVOR
 rather than silver and gold.”

“We like to concentrate on kids—grown-ups have had their chance, and they’ve blown it,” says Cathy. “I can tell you success stories and disappointments. Some kids inherit weakness from their parents. They learn to lie and cheat. Some who have had the most potential have gone on to become the biggest disappointments. But I think we’re successful at least 75 percent of the time. This is worth my effort.”

One of those success stories is Leslie Hogan Hitchcock, who lived in a WinShape home as a teenager. “Mr. Cathy made a special trip to camp to meet me and to tell me how happy he was that I had chosen to live in one of his homes. He introduced himself as ‘Grandpa,’ and I thought that it was really great to finally have a Grandpa in my life.” She finished high school, went to college, and got married. “I am now equipped to break the generational cycle of poverty,” she says. “He truly saved my life and helped me to become a better person.” Eventually, Hitchcock became a foster parent for WinShape Homes. “Through Mr. Cathy, I have been able to give back to the community because he first gave to me.”

The WinShape Foundation funds a wide variety of other initiatives, including:

- *WinShape College Program:* Almost 25 years ago, Cathy and his wife visited the rustic campus of Berry College, in Rome, Georgia. They fell in love with the school, and identified it as a promising opportunity for careful philanthropic investment. Today, the WinShape Foundation helps students attend the college with four-year scholarships worth as much as \$32,000. Over the past two decades, nearly 900 students have benefited from the program. The foundation wants to help them earn college degrees, but more importantly, it wants to help form their characters. It emphasizes integrity, service, unity, and “Christ-followership.” Recipients of these scholarships live in special dormitories. They aren’t always former Chick-fil-A employees, but, as the program’s website explains, experience with the company is “preferred.”
- *Camp WinShape:* Founded in 1985 at Berry College, Camp WinShape aspires to offer “a camp experience that [goes] just a little deeper.” It brings in more than 1,900 boys and girls each summer to participate in typical camp activities, such as archery, arts and crafts, hiking, horseback riding, marshmallow roasting, mountain biking, and swimming. But there’s also time for Bible study, which allows the camp to fulfill its mission of helping children and their families “enhance their Christian faith.”
- *WinShape Wilderness:* This program, started in 1991 and also located at Berry College, offers team-building courses to businesses, schools, and church groups. By combining rock-climbing challenges and back-country camping with Bible study, it seeks to “glorify God by creating adventure experiences that encourage transformation.”
- *WinShape Marriage:* “Today, more than ever, America is missing the strong families that grow out of healthy, lasting marriages,” said Truett’s son Bubba in a 2007 interview with *Philanthropy*. “We have a rising generation of young people—kids of divorce especially—who want good, lifelong marriages, but who aren’t sure that it’s really even possible.” To address this concern,

WinShape Marriage provides retreats and counseling services for men and women in troubled marriages. It also has encouraged churches and corporations to take a stronger interest in family life. “The mission is simple: strong marriage, strong family, and a strong nation,” says Bubba Cathy.

- *WinShape International:* Three years ago, the foundation started WinShape International, which seeks to develop Christian leaders through service projects around the world. This year, it intends to participate in 27 missions to 20 countries. Next year, it plans to send people to Colombia, Ghana, Russia, South Africa, and the Ukraine. Most of its projects aim to include Chick-fil-A franchise owners and employees, though “selected business and professional leaders” also may participate.

Just as Cathy tithes his personal income, Chick-fil-A routinely donates 10 percent of its profits to the WinShape Foundation. The company does not discuss its profit figures publicly, nor does it have to, since it remains privately held—one of the largest privately held restaurant companies in the country, in fact. “In the early days,” says Cathy, “we did not offer stock for sale because I could not predict how fast the company might grow or what dividends we might pay to anyone who might invest.”

Nowadays, however, Chick-fil-A’s philanthropy provides an extra incentive for continued private ownership. What would happen if the company went public? “The value of that stock would always be determined by the profits of the corporation, and if I cut into those profits by giving away a bunch of the company’s money, employees and stockholders might resent my charity,” says Cathy. And that leads to another worry: “I’m afraid the directors, if we had a bad year, might tell me I’m old fashioned and fire me. Too often Wall Street analysts are more interested in profits than they are in principles and people.”

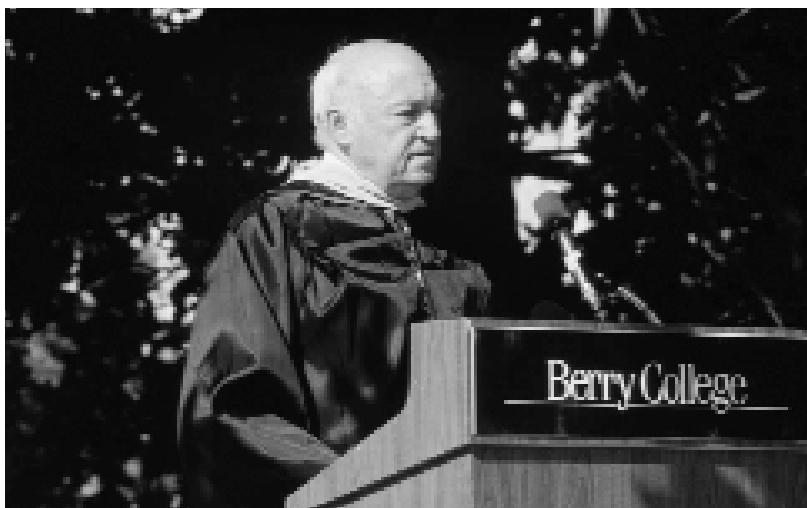
This is a common theme for Cathy. Six years ago, in the wake of the Enron collapse and other corporate scandals, he appeared before the House Subcommittee on Commerce, Trade, and Consumer Protection: “We all in America are covered up in greed,” he said. Nevertheless, he insisted that capitalism, the profit motive, and faith need not clash: “I see no conflict between Christian principles and good business practices.” Cathy also frequently quotes Proverbs 22:1, perhaps his favorite verse from the Bible: “A good name is rather to be chosen than great riches, and loving favor rather than silver and gold.”



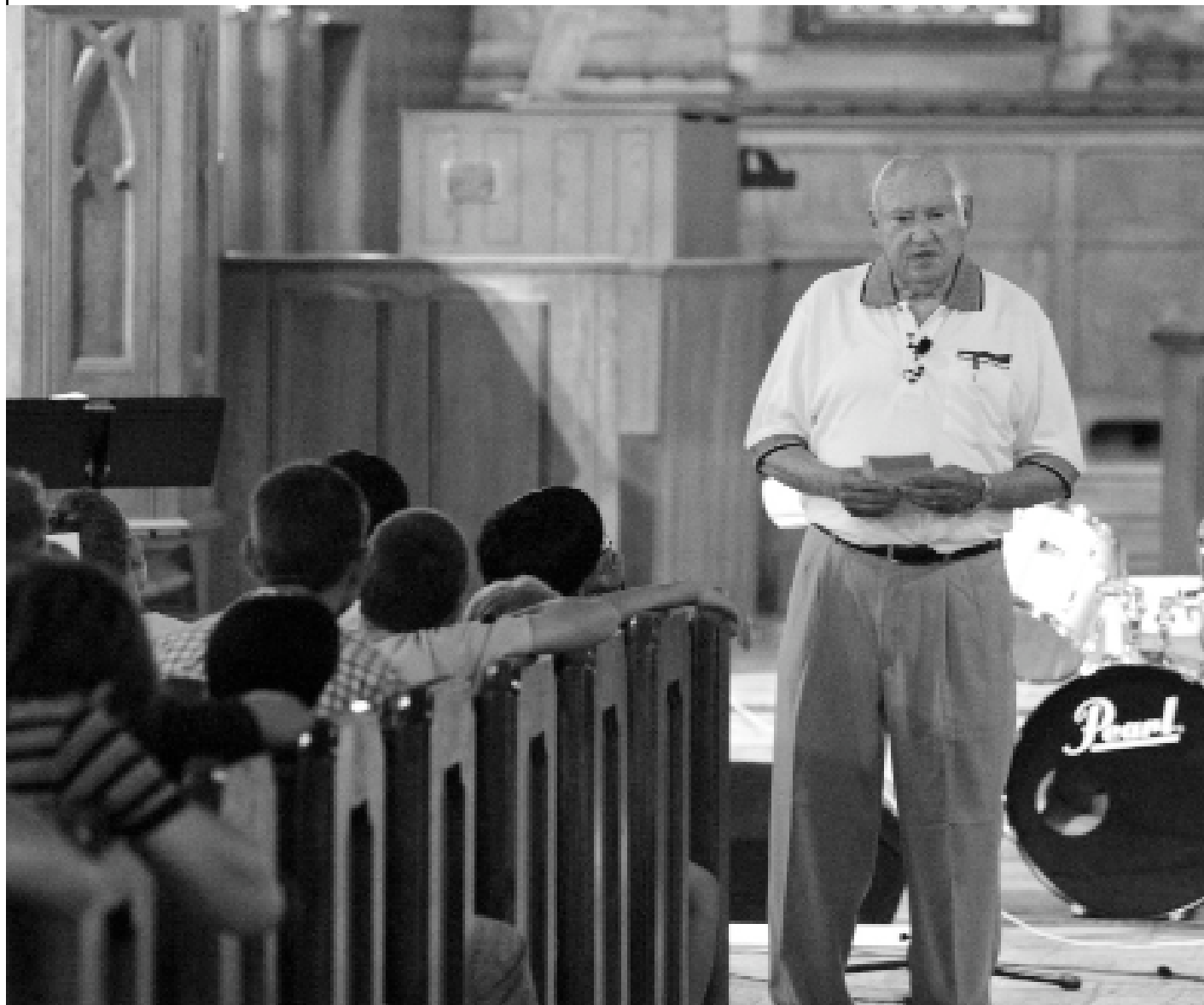
“I see no conflict between Christian principles and good business practice,” Cathy explained to the House Subcommittee on Commerce, Trade, and Consumer Protection, in July 2002. (AP Photo/Dennis Cook)



Cathy greets visiting schoolchildren at Chick-fil-A’s corporate headquarters in July 2006. (AP Photo/Ric Field)



Cathy speaks at Berry College in Rome, Georgia, which he has funded for nearly 25 years. (Photo courtesy of Chick-fil-A)



For 51 years, Cathy has taught Sunday School classes to 13-year-old boys. (Photo courtesy of Chick-fil-A)

With management consultant Ken Blanchard, Cathy wrote *The Generosity Factor: Discover the Joy of Giving Your Time, Talent, and Treasure*. The 2002 novella is essentially a parable based on Cathy's business and philanthropic practices, showing how they can be applied to areas of life outside the chicken-restaurant industry. "Some people think of generosity as an event," says a character modeled on Cathy. "They get behind some cause and participate in an annual fund drive. When their big splash is over, it's back to business as usual. But generosity is an attitude. It has to be cultivated daily." At another point, a wealthy woman who works with the homeless explains her behavior: "I

could easily give money," she says, "but what these people really need are my heart, my time, my listening ears. Someone right out there in the streets with them to help heal them."

This may be the most impressive aspect of Cathy's philanthropy: not that he gives away a lot of money, which he does, but that he personally commits himself to so many people. For 51 years, he taught Sunday school—he recently moved into semi-retirement from this obligation, but says he still steps in "when there's an emergency." "This is the fourth dimension of his philanthropy—what he does that isn't seen," says Buck McCabe, Chick-fil-A's chief financial officer and a director of the WinShape Foundation.



"This is the fourth dimension of his philanthropy—what he does that isn't seen," says Buck McCabe, Chick-fil-A's chief financial officer and a director of the WinShape Foundation. (AP Photo/Ric Field)

Most people do not know about this part of Cathy's philanthropy. They can go on the website of Chick-fil-A or the WinShape Foundation and learn all about its many programs, from picture and stories of foster homes to information on how the Chick-fil-A Bowl (formerly the Peach Bowl) donates a portion of its proceeds to charity. But a lot of Cathy's activities do not find their way into news stories and press releases. Yet his unseen philanthropy leaves a clear impression upon those it actually touches.

Lots of people tell similar stories about Cathy. In an article for *Christian Living*, writer Lisa A. Rice remembered when Cathy visited her class of 30 students at Georgia State College in the early 1980s. Cathy was an immediate hit. He not only passed out coupons for free food—deeply appreciated by the students—but also provided a respite from the previous night's speaker, whom Rice

describes as "a rather monotone bug exterminator."

Yet Cathy's words stayed with her. He told the story of his career, and shared the biblical principles that he believed were behind his success. "He invited each of us to call him when we graduated to discuss a possible career with the Chick-fil-A organization," wrote Rice. "Most amazing to many of us was the fact that this powerful business owner with a rapidly growing national company would trouble himself to come downtown and encourage such an ordinary—but grateful—group of business hopefuls."

For Rice, it was a little thing that became a lifetime memory. For Cathy, it was another ordinary act of kindness, further witness of his extraordinary generosity of spirit. Truett Cathy may in many ways be a walking paradox, but beneath the paradoxes is a simple truth. He has lived a life of service—with a smile.

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