Experiential Activity
Business Ethics Dilemmas in
“It’s a Wonderful Life”

OVERVIEW

For this activity I decided to look at the business ethics dilemmas portrayed in the classic movie “It’s a Wonderful Life”. In this paper I am going to provide a brief summary of the movie, provide a list of the main characters, and briefly summarize the ethical dilemmas faced by the main characters in this movie.

This movie was produced and directed by Frank Capra and released in 1946. The story takes place in a fictional town named Bedford Falls. The main character named George Bailey was played by James Stewart. As George was growing up one of his dreams was to travel the world and leave Bedford Falls behind. However, throughout the film George is faced with several decisions that impact whether or not he is able to achieve his dream of leaving Bedford Falls. Some of those are the ethical dilemmas that will be spelled out further along in this paper. The film reaches a climactic point where George contemplates suicide, but is saved by a guardian angel named Clarence. Instead of killing himself George tells Clarence that he wishes he never was born. Clarence shows George what Bedford Falls and lives of the people he knew would be like if he was never born. In doing so George realizes that he has made a positive impact in his community.

MAIN CHARACTERS
Following is a brief summary of the main characters in this movie:

George Bailey: The main character of the film whose goal since he was younger was to get out of Bedford Falls and see the world. He sees himself as being stuck in this town.

Mary Bailey: George’s wife who went away to college but returned home after finishing school. She has been in love with George ever since she was in her early teens. She sees Bedford Falls as an excellent place to raise a family.

Henry F. Potter: Owner of the local bank and a slum lord. His goal has been to take over and shut down the Building and Loan in order to guarantee that the citizens of Bedford Falls have to deal only with him when they are looking to obtain a home mortgage.

Billy Bailey: George’s uncle who along with George’s father ran the ‘Bailey Brothers Building and Loan’. He was not necessarily a great businessman but along with George’s father he cared deeply about helping the people of Bedford Falls to get ahead.

Harry Bailey: George’s younger brother. George saves Harry’s life when they were younger. Harry was able to leave Bedford Falls and go off to college. In essence he lived the life that George had dreamt of.

Clarence: George’s guardian angel who shows George how life in Bedford Falls would have been if he had never been born. Only afterwards does George realize the positive impact he has had in his community.

BEDFORD FALLS BUSINESS WORLD

In the film we were exposed to both negative and positive portrayals of the business world. On the negative side we saw Henry Potter who was the owner of the local bank. His character represented all that can be said about the negative side of business. He was always in a hurry and in a grumpy mood. He was concerned about no one else but himself and making money. He saw the townspeople as a way for him to make more money. He saw anyone else making money as a threat to him. He had no family to help him look at life differently. He could not understand why the Bailey’s did not foreclose on homeowners that fell behind on their mortgages. Throughout the movie he was trying to gain control of the Bailey Brothers Building and Loan. He tried several different methods to including offering George a lucrative job in which control of the building and loan was turned over to Potter.
On the other hand the Bailey Brothers Building and Loan was portrayed as having a positive impact in the community. They had corporate social responsibility as part of their business model before the phrase was even coined. George’s father did not take advantage of the townspeople even though the opportunity was there. He could have made a large amount of money on the mortgages that the building and loan issued and the homeowners would not have seen themselves as being taken advantage of. This is because they would have still been getting a better deal than they would have gotten from Potter. In fact George’s father only made enough money to send one of his sons to college. Another example of the Building and Loan being portrayed positively is when George started the housing development “Bailey Park”. He offered new homes at an affordable price. This enabled many townspeople to move out of run down apartments and homes that they were renting from Mr. Potter. In fact George Bailey helped Mr. Martini, who bought the first home in the development, move into his new house. George was shown as being genuinely happy and fulfilled by being able to help the local realize their dream of home ownership.

ETHICAL DILEMMAS

There are several points in this film where the characters face ethical dilemmas where their choices and decisions will have an impact on many people and the community as a whole. In this section I am going to take what I see as three important ethical dilemmas faced by George Bailey, how those issues were resolved and whether or not the best decision was made.

The first dilemma I want to focus on is when the Board for the Building and Loan was meeting to decide what to do three months after George’s father had died and at the same time George was planning to leave for college. At this point George had been running the business and if he went off to college there would have been no one to run the Building and Loan.
George’s uncle Billy would have been available, but the board did not have confidence in his ability. Potter was on the board and he was pushing to close up the Building and Loan and have its assets turned over to his bank. The board did not want to do this but they did not seem to have anyone to effectively run the Building and Loan the way they wanted to. At the same time they did not want Potter to seize control of the business. George wanted very much to give the people of Bedford Falls a place to go to without having to crawl and beg at Potter’s knees, which Potter clearly enjoyed. The board voted to keep the Building and Loan operating as long as George agreed to stay on as the Executive Secretary. George could have easily left the town behind and gone on to realize his dreams. He chose to stay back and run the Building and Loan while his brother Harry went off to college. This was the best decision, not necessarily for George’s personal well being but for the entire community. The townspeople would have been worse off if they had Potter’s bank as the only choice in town. I truly believe I would have done the same thing. I would have been more concerned about the longevity of my family’s business that has a positive impact than my own short term goals.

The next dilemma that I want to look at is when there was a run on the bank as George and Mary were leaving town for their honeymoon. At this point the bank had called in the loan issued to the Building and Loan. George’s uncle Billy was forced to make the payment which depleted all their cash. He locked the front door which made customers nervous. When George realized what was going on he went to the Building and Loan, opened the doors in to deal with this crisis. Customers were coming in demanding that they be able granted access to their money. Some wanted to withdraw all their funds. Unfortunately the Baileys did not have any cash to provide their customers. There hope was to close up for six days while they replaced their funds. As this was going on word got out that Potter would pay the Bailey’s customers 50
cents on the dollar as long as they surrendered their shares to him. This was obviously another example of Potter exploiting an opportunity to gain control of the building and loan. The Baileys wanted to avoid this if at all possible. George’s wife Mary held up the cash that they had set aside for their honeymoon and offered to provide enough to cover the customers needs until things settled down. The Baileys were able to provide enough cash to satisfy their customers. They were down to two dollars when the last customer left and the day was done. The Baileys again made what I think was the right decision. George again placed the needs of the community ahead of his own. He could have easily let everyone receive payments from Potter, but they would have been worse off by getting only half of what they deposited. It would be difficult to place myself in this situation because banks and other financial institutions have deposit insurance. I believe I would have done the same thing. I would not have any problem postponing my honeymoon to save the family business. There would be a chance to have that getaway at a later time.

The third dilemma I want to look at is when George’s uncle Billy misplaced the $8,000.00 deposit on Christmas Eve. In this situation Billy is being inattentive and mistakenly mixes the deposit with a newspaper that he shows to Potter. He does this because he is excited about an article showing that Harry Bailey has received the Congressional Medal of Honor. Potter does find the money and he knows that it is the deposit that Billy has misplaced. Instead of doing the right thing and giving the money back he watches Billy panic and sees another opportunity to seize control of the Building and Loan. This just so happens at the same time that a bank examiner shows up to audit the Building and Loan’s records. If the examiner was not there they could have bought some time to track down what had actually happened to the deposit. Instead George panics and he turns to the only person he feels can get him out of this
situation, Potter. At no point does George place the blame with Billy. He is willing to take the fall for losing the money. This is interesting as he talks to Potter, because Potter knows that it was Billy who lost the deposit. Potter agrees to loan George the money as long as he provides some sort of collateral. The only collateral George has is a life insurance policy that has a $15,000 death benefit. At this point Potter says to George that he is better off dead. George still sees himself in a no-win situation. After going to the neighborhood bar and getting drunk he stumbles out on to a bridge where is very close to jumping off and killing himself. This is where George meets the guardian angel Clarence and George lets him know that he hates his life and that he wishes he was never born. Clarence sees this as an opportunity to show George that he has made a difference in Bedford Falls. When George sees that the town would be worse off without him he wishes for his life back. As this is going on word gets out about the situation that George is in. After George returns home to his wife and family the people of Bedford Falls show up at his doorstep bringing money to help the Baileys cover the missing deposit. George definitely made the right decision here. No situation is dire enough to justify killing yourself. There is always someone that you can turn to. Because he had put the community’s needs ahead of his own for so long the people of Bedford Falls did not hesitate to come to his aid. I don’t think the same would be said if Potter was in this situation. I am not sure if I would have done the same thing as George here. I would have come forward with the truth that the deposit was lost by Billy. Also, at no point would I have contemplated suicide. No situation is dire enough to justify killing yourself.

OTHER SITUATIONS

One other ethical dilemma that I saw early on was when the owner of the drugstore, Mr. Gower, mistakenly put poison in a prescription while he was drunk. George could have easily
looked the other way or told someone else what had happened. Instead he pointed out to Mr. Gower, who at first was angry but after realizing what happened was thankful to George. Another one was when Potter offered George a very lucrative job opportunity at the bank as long as George turned over control of the Building and Loan to Potter. Even though George would have been better off financially he chose not to take the job. The last one I want to point out is when Potter discovered that Billy had mistakenly mixed the $8,000 deposit in with the newspaper he handed to Potter. Potter should have done the right thing and returned the money to the Baileys. Instead he saw another opportunity for his own personal gain.

SUMMARY

Although it is seen as a feel good holiday movie, this film offers an excellent opportunity to examine different ethical dilemmas that face small business owners in small towns. It shows that businesses in small towns are faced with decisions that impact either in a positive or a negative way people who are their friends and neighbors. To go along with that as a business owner we may not clearly see the impact we have on peoples lives, we do in fact make a difference in many peoples lives. This could be negative as seen when George was shown a Bedford Falls where Potter had his way or it could be positive as George realized when he saw the alternative to him not being there. George Bailey proved that a small business can be successful even though the owner does not get rich monetarily but get rich in other ways.
SOURCES

All facts spelled out in the above are from the movie “It’s a Wonderful Life” originally released in 1946.