



2023 ETHICS TEAM EVENT

ART CLUB SUPERVISOR TRIES TO PLAN CRAFT FAIR AMIDST BUDGET CUTS

CASE STUDY

The Art Club always puts on an annual Craft Fair for the school and community. This fair is an important funding source for the Visual Arts department, whose budget is typically used to cover the cost of art supplies, field trips, and Art Club activities. In the past, products for sale have always been made from high-quality materials. Due to district budget cuts as a result of COVID-19, this year's budget for the Visual Arts department has been reduced.

Mr. Kim, who is the Art Club supervisor and responsible for organizing the fair, is considering buying lower-quality supplies with this year's budget while maintaining the typical Craft Fair prices. This will allow the Art Club to sell items for a higher profit, and recoup some of the money lost in budget cuts. Mr. Kim knows that using lower-quality components to cut costs, especially following COVID-19, is a strategy used by larger manufacturers. However, Mr. Kim worries that school and community members may notice the decrease in quality from last year's fair, and the students may be disappointed by the lack of quality materials.

Is following in the steps of larger manufacturers the way to go in this scenario? How can companies conduct business ethically when trying to remain profitable in such difficult circumstances? What steps can Mr. Kim take to preserve the integrity of the Craft Fair event while still supporting the Art Club amidst budget cuts?



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GUIDING QUESTIONS:

- Who are the stakeholders involved in Mr. Kim’s decision? In what way(s) are they potentially impacted—and to what extent?
- Are businesses acting with **integrity** when they use lower-quality components to recoup costs lost from difficult circumstances? Why or why not? How is this responsibility made more complicated by circumstances out of their control?
- To what extent should businesses be expected to maintain quality and prices when there are unprecedented circumstances impacting production? Can we hold companies **accountable** for changes in product quality as a result?
- How **transparent** should businesses be about their decisions regarding quality level and pricing? How does this affect **trust** in the companies and manufacturing process?
- If businesses decide to use lower-quality components that impact the integrity of their products, how will this affect company and product **viability**? What if companies spend money on higher-quality components and potentially sacrifice profit?
- In what way(s) does this dilemma impact large corporations? What about small businesses? Is it **fair** that companies may be affected differently?

Please follow the event guidelines to prepare your response, which can be found at:

<https://mideca.org/events/eth/>