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Three Must-Read Stories: The Weekend Reader

By James Willhite

Every weekend we select a handful of in-depth articles we think are worth a bit of your valuable time, either because they peel back the layers on a compelling business story, or somehow make us look at business in a different light.

CEOs share the wealth, plus benefits. Facebook Inc. CEO Mark Zuckerberg's decision to give away $45 billion in the pursuit of philanthropic aims has a "coolly rational outcome," beyond making the world a better place, the FT's John Gapper writes. For one, it provides a separate outlet for the company's social mission as outlined years ago in its letter to investors. "An ambitious ethical stance is bound to make investors uneasy because they do not know what it involves," Mr. Gapper writes. And talk about the tax benefits! He can use donations "to shelter billions of other income," Robert W. Wood, a tax lawyer, writes in Forbes. Such good deeds by one-percenters—include Bill Gates and Warren Buffett in the mix—can have a negative effect on the country's tax base, warns The New Yorker's John Cassidy. And then there's the possibility of certain individuals having a bigger say in determining policy than ordinary citizens. "This is one gift horse we should look closely in the mouth," Mr. Cassidy concludes.

About that CEO paying everyone $70,000. It had the perfect makings of a viral story in the era of income-inequality anxiety. Dan Price, chief executive of Seattle-based Gravity Payments Inc., was not only raising the minimum salary at his company to $70,000—he was cutting his own $1.1 million compensation to pay for it. And shortly after the move, Mr. Price's brother Lucas, who owns 30% of Gravity, filed a suit saying that the CEO had paid himself too much in the first place—a move that Dan insinuated was pegged to the generous pay increases. But writing for Bloomberg, Karen Weise wonders whether the Robin Hood posturing was actually a reaction to the coming lawsuit, instead of the cause of it. "I began to see how Price was writing his own origin myth one interview at a time."

The rise and fall of the theory of skill-biased technological change. New York Times columnist Paul Krugman says today's economic inequality and ongoing uncertainty in the job economy can’t be explained away as the result of a technological revolution. If that were so, corporations would be investing more in new tech instead of “parking their profits in banks or using them to buy back stocks,” he writes in the New York Review of Books. There is a revolution, all right, he says, citing a new book on the topic by former U.S. Secretary of Labor Robert B. Reich, but it involves the failure of antitrust regulation to check the unfettered market power—and growing political influence—of certain companies. Given Mr. Krugman’s belief that today’s primary economic challenge comes from certain market players—the system, so to speak—and not technology, “the notion that increasing workers’ skills can reverse the trend is looking less plausible still.”