

# Why the Social Sciences Should Take Philanthropy Seriously

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**Abstract** Social scientists are not taking philanthropy seriously enough. New approaches to philanthropy such as venture philanthropy, philanthrocapitalism, strategic philanthropy, and effective altruism are creating what is often broadly termed “the new philanthropy.” Living hands-on mega wealthy donors such as Bill Gates, Michael Bloomberg, and John Arnold have publicly committed their energies and wealth to transforming society through philanthropy. Some of these philanthropic endeavors, notably in K-12 education, are creating jurisdictional challenges to the public sector. Others are approaching transversal and transnational issues in ways that are difficult to do through government policies. This essay provides an overview of these issues and, drawing from the other essays in this symposium, makes the case that scholars should do more research on the social contexts and consequences of philanthropy.

**Keywords** Philanthropy · Sociology · Inequality · Foundations · Wealth

The social sciences are not taking philanthropy seriously enough. If Bill Gates, Michael Bloomberg, Mark Zuckerberg, Bill Clinton, George Soros, and David Rockefeller, to name only a few most well known billionaire philanthropists, all view philanthropy as being a critical force shaping our world, so should social scientists. If they see it as worthy of their time and intellects, so should we. This sym-

posium focuses on recent developments in philanthropy to do just that.

It is a good time to reflect on the evolving role of philanthropy in society. We are said to be living in the second golden age of philanthropy. Though it is impossible to pinpoint an exact year the new era of philanthropy began, by 2006 ideas about philanthropy that germinated in the late 1990s were starting to bloom. In that year, Mathew Bishop, the Globalization Editor at the *Economist*, and contributor to this symposium, coined the term “Philanthrocapitalism” to describe an emerging form of philanthropy by the very rich that focused on using the tools of capitalism to address social problems. The same year, Bill Gates announced that he would turn his full time attention from business to philanthropy. Warren Buffett announced that he was donating most of his 44 billion dollar fortune to the Bill & Melinda Gates Foundation.

In the mid-1990s, there was not much new and innovative in the world of philanthropy: established foundations were supported by old money. When novel business models and technologies created an economic boom in the 1990s, however, the newly wealthy didn’t want to just keep building up the already established foundations. They wanted their own foundations and, more importantly, they wanted their foundations to emulate the experimental, innovative, technology-oriented solutions that had created the new wealth.

This was called “venture philanthropy”, a term still used more or less interchangeably with philanthrocapitalism. “Effective altruism,” “strategic philanthropy,” and “the new philanthropy” are other terms used to describe a new data-driven approach to philanthropy. The paradigm of this philanthropic model is the Bill & Melinda Gates Foundation, founded in 1999. The assets of this private family foundation expanded significantly in 2006, when Warren Buffett, then the world’s wealthiest man, pledged a large portion of his fortune

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to the Foundation in the form of stock shares of Berkshire Hathaway, Buffett's corporate conglomerate.

The strategies of these new and extremely wealthy foundations are based on models of venture capitalism, which organize the world according to measurable units and profitable outcomes. These new philanthropists question the division between business and charity. Why can't philanthropy be integrated into the competitive marketplace? Why shouldn't it be judged and measured on the basis of its outcomes? Or, even more radically, why shouldn't it turn a profit?

Almost ten years later it is time to assess what some of the outcomes of the new philanthropy have been. Has it produced radical transformation or was there really nothing new about the "new" philanthropy? There was a lot of heat about the potential for the new philanthropy to save the world and many worries that it would destroy democracy. But there has been very little light. What did it actually do?

### The Scope of Giving

Americans gave away 358.38 billion dollars in 2014, which accounts for a little over 2 % of the Gross Domestic Product (GDP), up 7.1 % from 2013. Bequests were up 13.7 %. As has historically been the case, about a third of charitable giving went to religious groups. The remainder went to education, human services, foundations, health and other areas. A few donors, mega-philanthropists, gave very large sums of money. The top ten donors gave away 3.3 billion dollars.

According to *Forbes* magazine, there are 1645 Billionaires in the world today, 80 % more than a decade ago. Roughly 90 % of these billionaires are men, less than 1 % are black, and just under 1/3 are American. Together they are worth 6.4 trillion dollars. \$6,400,000,000,000 is a staggering number. Linda McQuaig and Neil Brooks note that if you were given a dollar every second it would take you thirty-two years to earn 1 billion dollars. Bill Gates, by *Forbes* estimate, has 81 billion dollars.

The richest 400 Americans are worth 2.3 trillion dollars. The top 1 % of Americans – which includes but is not limited to these 400 billionaires, controls 1/3 of the country's wealth. Income too, in addition to accumulated wealth, is becoming more unequal. In the year leading up to the great stock market crash of 1928, a year known for its great inequality and unprecedented levels of wealth, the wealthiest 1 % of Americans earned roughly 21 % of all income. In 2007, right before the next crash, they earned slightly over 21 % of all income. Today, they earn just under that historic high – around 20 % – of all income. In comparison, in the 1950s, 60s, 70s and into the 1980s, the percentage hovered around 10 to 15 %.

The chasm between the rich and poor in the United States, in both economic and political terms, has been widening since the 1970s. "The Great Divergence," a phrase used by Timothy

Noah in his 2013 book by the same name, accelerated substantially during the last decade. Between 2007 and 2009, American families lost 40 % of their wealth. The years since the 2008 economic meltdown have only increased the concentration of wealth and power in the hands of a few. In the first year of the recovery the top 1 % made 93 % of the income gains.

Americans, of course, are aware of income inequalities. A 2009 study by the Pew Research Center found that 47 % of Americans thought there were strong or very strong conflicts between rich and poor. In 2011, only two years later, 66 % of Americans reported strong or very strong conflicts between the rich and the poor. At the same time, government is short on funds, long on problems, and reaching out to business and philanthropy more. Through new channels such as the White House Office of Social Innovation, government is seeking to create public/private partnerships to solve social problems, especially in education, which has traditionally been the domain of local government.

There has even been the advent of what are called Social Impact Bonds (SIBS). These "bonds" (they don't really function the way traditional bonds do) permit private investors to fund new social policy ideas and to profit from those that successfully save the government money or meet other predetermined benchmarks for success. The first SIB in the United States was for an anti-recidivism program in New York City. The program, which was funded by J. P. Morgan Chase and backed by Bloomberg philanthropy, was not successful. It did, however, establish the precedent for this type of funding for government programs in the United States.

Historian Maribel Morey argues that while the White House has previously had relationships with philanthropists, particularly Roosevelt and Carnegie, there is a different tone to the relationship now. She suggests that while Roosevelt was willing to work with Carnegie, he did not view him as having inherently more know-how than those in government. Moreover, she writes, he did not view Carnegie's money as being the rightful product of intelligence and hard work but rather was critical of some of Carnegie's business practices. She quotes Roosevelt as writing, "There is no type of man for whom I feel more contemptuous than one who makes a God of mere money-making" In contrast, she views the Obama administration as overly supplicant to major philanthropists. Overly supplicant or pro-actively partnering, however one views recent partnerships between government and private and philanthropic partners, it is clear that there is a qualitative shift occurring in these relationships.

### Who is Taking Philanthropy Seriously?

If you are unconvinced that philanthropy is undergoing a change worthy of study by any thoughtful person interested

in public life, it is worth reflecting on who is taking it seriously. By the mid 2000s, former mayor and media mogul Michael Bloomberg, Facebook's Mark Zuckerberg, eBay founder Pierre Omidyar, Hedge Fund maverick John Arnold, and many other newly minted billionaires were all turning their attention to philanthropy – some for the first time and others ramping up their efforts. In 2005, former president Bill Clinton convened the Clinton Global Initiative to bring together world leaders and philanthropists to strategize over solving global problems. In 2007, he published a book called *Giving* that highlighted the importance of philanthropy in the new global economy.

In 2008, Bishop released his book with Michael Green, *Philanthrocapitalism: How the Rich Can Save the World* into a context of near economic collapse. Economic collapse, some argued, that was caused by the very tools and values of capitalism being brought to the non-profit world. The idea is that the very wealthy can use their money coupled with the techniques of capitalism to reshape existing social institutions, such as K-12 education. As Sarah Reckhow explains in her article in this symposium, “Beyond Blueprints: Questioning the Replication Model in Education Philanthropy,” current trends in philanthropy are helping to develop new sets of alternatives to public systems. These are what Steven Teles and his colleagues have termed “jurisdictional challenges” to the public sector. Whether they are a good development or not depends largely on ones view of the public sector.

Bishop explained that in philanthrocapitalism: “First, there must be something for philanthropists to ‘invest’ in—something that, ideally, will be created by ‘social entrepreneurs,’ just as in the for-profit world entrepreneurs create companies that end up traded on the stockmarket. Second, the market requires an infrastructure, the philanthropic equivalent of stock markets, investment banks, research houses, management consultants and so on.... Third, philanthropists themselves need to behave more like investors.”

Philanthrocapitalism assumes that many institutions may resist being reshaped from the outside. But the financial power of the very wealthy in the context of broad social need can override these objections. Bishop notes, “The funding crisis in the government and the nonprofit sectors has increased the need for the philanthrocapitalist. There may be a greater willingness to partner and to go along with some of the philanthrocapitalists’ ideas from these sectors which have traditionally been quite hostile.”

Not everyone is convinced that this is a good idea. In a book review of *Philanthrocapitalism* in *The Chronicle of Philanthropy*, Phil Buchanan, president of the Center for Effective Philanthropy, wrote, “Let’s be clear: At least some of the social problems philanthropy seeks to reduce are ones corporate interests helped create in the first place as they pursued profits for their shareholders.” More recently,

challenging the turn toward business solutions, journalist Anand Ghiridharadas noted: “Our culture has turned businessmen and women into philosophers, revolutionaries, social activists, saviors of the poor. We are at risk of forgetting other languages of human progress, of morality, of democracy, of solidarity, of decency, of justice.” The idea that business is the only thing that can change the world today, what Ghiridharadas calls “the Davos Dogma,” took root.

Also in 2008, Paul Brest and Hal Harvey published their book *Money Well Spent: A Strategic Plan for Smart Philanthropy*, which made the case for “strategic philanthropy.” Overlapping considerably with philanthrocapitalism, strategic philanthropy, as John Slocum notes in his essay on migration in this symposium, targets *systems*. Philanthropic money has a greater impact, advocates of strategic philanthropy argue, if donors pick specific, measurable goals and allocate their money to create systemic changes in order to achieve these goals. Brest has called this “problem solving philanthropy.”

Slocum’s essay, “Seeing Like a Migrant”, comes at a time of renewed attention to the issue. The migration of Syrian refugees to Germany and other European Union (EU) countries is straining the capacity and will to help of the receiving countries. There is, however, an international humanitarian impulse to help refugees. At this writing, the body of a three year-old boy, Alan (originally reported as Alyan), had washed up onto a beach in Turkey. The picture stirred horror around the world. Original reports said that his parents were political refugees fleeing the group known as the Islamic State of Iraq (ISIS) for the safety of Canada. Later reports suggested that Alan’s father had put the family in the boat in search of better dental care. The first explanation would make the family’s migration forced while the second would make it voluntary – the later being a far less sympathetic category. Slocum’s essay convincingly suggests that these categories do not now capture the lived reality of migrants. He writes, “Migration, as an issue area, is both *transversal* and *transnational*.” For many waves of migration, and even for individual migrants, the decision to leave is not based on one threat but rather the interaction of multiple factors thereby being transversal. They are also, of course, increasingly transnational as the flow of people among countries increases. For Slocum, this creates a need for philanthropic dollars to fund the creation of new systems, capable of working transversally and transnationally, to improve the well being of migrants.

William Schambra and others criticize strategic philanthropy, with its promise of broad systematic change, for putting far more power in the hands of the donor than traditional philanthropy. Rather than supporting an array of non-profit organizations and trusting those within the organizations to come up with appropriate solutions to the most pressing social problems, strategic philanthropy locates the responsibility for identifying social problems

and coming up with appropriate solutions in the donor. This takes philanthropy from supporting “a thousand points of light,” to borrow George H. W. Bush’s analogy, to building high-powered lasers. For some libertarians and advocates of a strong civil society, the sharp focus of the new philanthropy is its weakness.

Strategic philanthropy is more global and less tied to specific places than traditional philanthropy. It is more centralized and less grassroots. If one is funding schools, for example, those are tied to particular places. Funding curricular reform, however, can have an almost unlimited impact on education. The shift toward strategic philanthropy is a logical outcome of globalization in which place becomes less important. The focus, at least initially, is on developing ways of doing things rather than on getting things done. The hope, of course, is that improved ways of solving social problems with ultimately have a greater impact than simply funding existing services or service providers. One consequence of this, however, is that strategic philanthropy increases the power of donors – and narrows the field of ideas and approaches – in a way that traditional philanthropy did not.

Ironically, at the same time major philanthropy is becoming more narrow and focused, there has been the emergence of scatter shot, social media driven philanthropy. Amy Schiller, in her symposium essay “Philanthropy As Political Liquidation, Or, Why Hannah Arendt Would Hate the Ice Bucket Challenge,” discusses Instagram, Twitter, and Facebook driven philanthropy arguing that it, perhaps counter intuitively, diminishes rather than enhances democracy. She argues that there is an “increasingly intertwined nature of two seemingly contradictory norms: philanthropy as self-effacing participation in a broader community, and publicity as a showcasing of one’s special role in the world.”

The narrow focus of philanthropists can also create competition within a field – one of the stated goals of strategic philanthropy – but is this always and necessarily good? In this symposium, Jennifer Bryan and her co-authors discuss the growing role of philanthropy in the prison system and some of the unintended consequences of competition for big donors. Bryan suggests a “collective impact” strategy to enhance collaboration among prison reformers. This in essence, would keep organizations competing for philanthropic money from losing the forest for the trees.

### Concentrated Wealth, Concentrated Power

In 2009, billionaires Bill Gates, Warren Buffett, and David Rockefeller invited Oprah Winfrey, media mogul Ted Turner, controversial philanthropist George Soros, former New York City mayor Michael Bloomberg, financial powerhouses Eli and Edith Broad and assorted other billionaires to a meeting in New York City. Together their net worth was

estimated to be around 125 billion dollars. Sitting at a large conference table, each person was instructed to speak for fifteen minutes about how private wealth should be used to solve the various crises facing the world. The group reportedly decided that population control, Bill Gates’s primary concern, was the most pressing issue. Attendees called the group the “Good Club”. As later reported in the *Times UK*, an anonymous Good Club member said that the group had convened in response to the global financial meltdown. The source said that Good Club billionaires articulated the need for the group to solve urgent global problems “independent of government agencies, which are unable to head off the disaster we all see looming.”

Paul Harris, U.S. correspondent for the *Guardian*, noted: “It was fitting that the Good Club was meeting near the UN. The club members’ extreme wealth makes it as powerful as some of the nations with seats inside that August chamber.” A year after the first Good Club meeting, Gates, Buffett, and Rockefeller announced the Giving Pledge, a call for America’s billionaires to give away at least half of their wealth to charity during their lifetimes or at the time of their deaths. By 2015, 137 people had made the giving pledge. The net worth of those who signed the giving pledge is estimated by the Foundation Center’s GlassPockets project to be over 610 billion dollars – a potentially game changing level of wealth. Interestingly, 73 % of that wealth comes from just four states, California, New York, Washington, and Nebraska.

These new, very wealthy philanthropists are embracing the call to “give back” financially. They are also embracing the message of philanthrocapitalism that they are called to be strategic in their giving and to leverage it through public and private partnerships. The simultaneous concentration of extreme wealth and elaboration of new methods for making philanthropy more of a catalyst for change rather than a funder of programs means that mega philanthropists such as Bill Gates and Michael Bloomberg are poised to play, and arguably already are playing, a greater role in social change than philanthropists of any previous generation. Add to this mix the economic crisis in government and retrenchment of welfare states and we have a situation in which philanthropy may become an even greater means of concentrating power among the economic elite. This deserves both scholarly and public attention.

Elder statesmen and industry titans turning their attention to philanthropy once their careers are done is not new. Francie Ostrower and others have documented the role of philanthropy in upper class culture. Still, by the mid to late 2000s a lot of relatively young and still very productive men – and they are mostly men – began to put their primary efforts into philanthropy. Something was going on. But what? Is there a “new philanthropy” being practiced by today’s economic elite? Or has philanthropy remained more or less the same despite the window dressing of terms like “philanthrocapitalism,” “social entrepreneurship” and “strategic philanthropy”?



In 2011, I wrote an article on the policy implications of philanthrocapitalism. Titled, “Why Philanthro-Policymaking Matters”, the article cautioned that this new and muscular philanthropy could be both good and bad for democracy and the broader public sphere. The most prominent peril of this new mega philanthropy is its potential to shift even more political and policymaking power to the economic elite and thus to erode democracy and further entrench existing inequalities. But I also noted the potential of the new philanthropy to be a positive force. There is more money and it is being strategically used by some of the best minds of our generation to try to eradicate social problems in health care, education, and development – just to name a few key areas.

Some critics on the left, such as Demos’s Michael Edwards, agreed with my core objections to philanthrocapitalism but felt that I was overly optimistic in seeing the movement as having the potential to be a positive force. More recently, Edwards commented to me in an email communication that he didn’t think philanthrocapitalism was having the transformative effect predicted by both its supporters and detractors:

There’s no evidence that “philanthrocapitalism” has had any significant effect on any significant problem, and no evidence that this style of giving has penetrated the great mass of ordinary givers - it remains an elite activity carried out, pushed forward, and controlled by the 1 % and the assorted hangers-on who gather around them. It will continue and expand somewhat in the future, because inequality will increase and philanthropy will be one of the most important legitimizing vehicles for the rich, but it won’t have any effect on the course of social change since that is decided elsewhere.

A more populist and somewhat libertarian criticism emerged after I published an OpEd in the *Washington Post* making a similar argument. The gist of that critique was: It is the philanthropists’ money, you have no right to an opinion on how they spend it.

Ironically, although the new philanthropy movement stresses the importance of data and measurement, information on philanthropy is harder to get today than it was in 2006. As Susan Danish noted in the *Stanford Social Innovation Review*, in 2008, the *Washington Post* lost its philanthropy beat reporter. *USA Today* and the *New York Times* ended their coverage of philanthropy in 2012. None of the top 10 newspapers now cover philanthropy as its own section, although they do cover philanthropy in issue areas such as education and health. Additionally, much of the media coverage on these and other issue areas are funded by major philanthropists, as Mike Janssen discusses in his article “Foundation Support for Media: A boon with strings attached” in this symposium. The situation in Academia is much the same.

In my own field, sociology, we have over 50 subsections of our national association, the American Sociological Association. They cover everything from politics to the economy to education, but nothing on philanthropy. The American Political Science Association is slightly more parsimonious than sociology with just under 50 sections and yet still none of them are on philanthropy. There are a handful of centers at universities that are dedicated to philanthropy, most notably at Stanford University, Duke University, and the University of Indiana. These centers produce more than their share of knowledge about the field, but they don’t have the capacity to make up for the lack of attention to philanthropy paid by the broader social science disciplines.

Recently there has been an increase in graduate programs in philanthropy. The first Philanthropic Studies PhD in the United States was awarded in 2008 to Yue Shang by the University of Indiana’s Center on Philanthropy’s newly minted, in 2004, doctoral program. New York University offers a Masters of Science in Fundraising and Grantmaking. They also offer a certificate in Global Philanthropy. These are primarily professional programs, however, and are not research focused. Their focus is inward on advancing the field and not on putting it into a larger social and economic context. Kathy Kretman, center director and research professor for the Georgetown Public Policy Institute, noted of the students in her program, “They are looking for resources, tools and best practices, as well as networking opportunities,” she said. “They are not looking for the heavy-duty theory you get in masters’ classes.”

The relatively few scholars in mainstream social science disciplines who are doing research on philanthropy are often frustrated by the lack of available information on both the giving patterns of foundations and major donors and the effectiveness of non-profits. The Foundation Center, which was established in 1956 to be a repository for information on grants and grantmaking, does not even list “researcher” among nearly a dozen options for visitors to categorize themselves. Much like the graduate programs in philanthropy, the focus at The Foundation Center is on practitioners.

David Callahan of *Inside Philanthropy*, bemoans “just how hard it is to learn what philanthropists are really up to or who in this sector is having the most impact.” In his article “Still in the Dark: Why Philanthropy Remains a Black Box,” Callahan writes, want to know “[w]here are philanthropic dollars going right now, and who’s writing the checks?... Good luck.” 990 tax forms are the primary source of information on foundations giving, but there is often a lag of over a year before they are released. Individual donations do not have to be declared. Education reform critic Anthony Cody, only half in jest, suggests in his book *The Educator and the Oligarch*, reviewed in this issue by Lisa Auslander, that we use metrics to assess how well philanthropists are doing. “Might we establish some

goals to which we could hold our billionaires accountable?”, he asks. While this might seem like a modest proposal in line with Jonathan Swift’s, it raises an important question. Why don’t we hold philanthropists accountable for the consequences of their actions? We hold businesses accountable and governments accountable. We view the market and politics as not only appropriate, but also necessary objects of study. Why not philanthropy?

If philanthropists are not changing the world – and given the firepower of many of the new philanthropists, I doubt that – then we should at minimum question the tax subsidies given in the United States to charitable donations and non-profits. Charitable deductions, political scientist Rob Reich and others have noted, are available only to taxpayers who itemizes their deductions and which are more valuable the higher one’s tax rate is, thus disproportionately benefiting wealthy donors. Why should tax-payers pay for something that doesn’t work? If they do work, as Gara Lamarche has pointed out, then public money is being used to support the private priorities of the well off. If philanthropists are changing the world, then they ought to be covered by newspapers and studied rigorously by sociologists, political scientist, and economists.

### Policy Priorities

Concern over the increasing concentration of wealth in the hands of a few grabbed the public’s attention in 2011 with the emergence of the occupy movement. Interestingly, there was little concern over the boom in mega philanthropy by the economic elite. In the context of extreme economic inequality, the rich giving billions of dollars to philanthropy sounds like a very good idea – perhaps even a vehicle to reduce inequality. And wealthy philanthropists have done great things with their money. Andrew Carnegie built libraries. Bill Gates is funding research to eradicate malaria. John D. Rockefeller, Sr. built universities. Numerous other philanthropists have filled museums with art from their collections. But might there be undesirable, arguably unintended, consequences to the wealthy giving so much? Is it possible that increased giving by mega philanthropists may further stratify American society by class and amplify the perspectives of the extreme economic elite in public discourse? Could philanthropy, especially the hands-on, results-oriented philanthropy crowd out other voices and perspectives in areas on which they focus, such as education, economic development, and health? Might it starve out other areas, such as poverty and social justice that are not favorite causes of the elite?

If we think that the very wealthy have social goals similar to our own, then we might think that it doesn’t matter where donated money comes from, as long as it shows up in the right places. But do they? A 2013 study by Benjamin Page, Larry

Bartels, and Jason Seawrite published in the journal *Perspectives on Politics*, suggests that the wealthy do not have similar policy priorities to the rest of the country. They found that 58 % of the top 1 % favor cuts in education, Medicare, and highways to reduce budget deficits. Only 27 % of the general public favor such cuts. The difference is even more striking when the researchers asked if the government should spend what is necessary to ensure that all children have good public schools. Only 35 % of the very wealthy agree compared to 87 % of the general public. We don’t need to assume that the general public is right on these issues to see that there is a considerable divide. This is particularly important because the top three areas that the very wealthy tend to contribute to are areas of great divergence: education, health, and the arts. In contrast, the general public is more likely to give to religious groups and charities that help the poor. As wealth becomes more unequal, so does giving. The top 1 % are now responsible for a greater proportion of philanthropic donations than the 99 %.

Another reason for the lack of attention to billionaire philanthropy is the perception that the giving is ideologically balanced. For every right-wing Koch brothers, there is a left-wing Soros, whose biography Neil McLaughlin reviews in this issue. Some givers, like Bill Gates, are widely perceived to be pragmatic rather than ideological, making the issue of politics irrelevant. The direct role of philanthropy in influencing politics in a post Supreme Court Citizens United decision America is critical. Mark Schmitt argues in this symposium, and I agree, that a primary political power of donors is in their ability to set agendas. He argues that the direct influence on policymaking via political donations may be muted by partisan gridlock. Still, the *New York Times* noted that fewer than 400 families had provided almost half of the money raised by presidential candidates in both parties as of the summer of 2015. Some of that money came through social welfare non-profits, which are permitted to act politically in ways that most non-profits are not.

There is a subtle influence of philanthropy on politics that I think also warrants mention. It has been aptly labeled, “The Aspen Consensus” by Anand Ghiridharadas after the Aspen Institute where so many leading policy thinkers, government officials, and business people meet to discuss ideas. The Aspen consensus, according to Ghiridharadas, is that “the winners of our age must be challenged to do more good but never ever tell them to do less harm.” Even more biting, Ghiridharadas observes:

Amid the twenty million dollar second homes and four thousand dollar parkas of Aspen it is a little gauche to observe that giving back is also a band aid that winners stick on the system that has served them in the conscious or subconscious hope that it will forestall major surgery to that system. Surgery that might threaten their

privileges. The Aspen consensus tries to market the idea of generosity as a substitute for the idea of justice.

Whatever one thinks of Ghiridharadas framing of the issue, it is hard to disagree with the core point that there are some things that are just not talked about in polite philanthropic society. The dominance of the wealthy in policy debates, something heightened by this new philanthropy, is politically important in that it defines the terms of policy debates over anything that would harm the interests of the rich firmly outside of the boundaries.

## Research

With so much happening – the near doubling of the number of global billionaires, growing income inequality, the financial crisis in government, the increase in giving by the very wealthy and the emergence of new philosophies of philanthropy that stress the hands-on leadership of wealthy philanthropists, why hasn't billionaire philanthropy gotten more scholarly attention to date? Sociologists have played an important role in documenting increased economic inequality and highlighting the dangers it poses to our society. The potential of philanthropy to further entrench – or to diminish – the power divide between the haves and the have-nots, however, has largely escaped the scrutiny of both scholars and the broader public. One reason is that private giving is, by definition, private and therefore it is very hard to get good comprehensive data on who is giving what.

Another great challenge involved in writing and thinking critically about philanthropy is more normative than practical; it seems rude to investigate giving, especially in areas where there is clear need. Several years ago, I was walking with a friend after a nice Italian diner. Our conversation turned to the involvement of philanthropists in public education. I expressed my concern that the increasing prominence of philanthropists in shaping education policy could diminish the power of public education to create an independent, engaged, and educated citizenry. This argument is not new. Diane Ravich, notably, has powerfully articulated these and other concerns about the role of philanthropy in public education. Still, my thoughtful friend turned to me with a look of disgust and asked, "You'd rather have kids not have a computer?"

Of course not. Every decent person wants children to be educated. We also want diseases to be cured and people to be fed. But that shouldn't stop us from looking at social and political aspects of philanthropy and how the institution of philanthropy – particularly as practiced by very wealthy, living, hands on donors – may be venturing further into the domain of public policy making, both

through soft policy and partnerships with governments. This matter is now making its way through the courts. In the late summer of 2015, a Washington state high court ruled that charter schools violate the state constitution because they are run by the appointees of school founders – and often funders – and are not democratically elected. What this will mean for the national charter school movement is hard to say.

A related argument against critical discussions of philanthropic giving is that philanthropists are good people. But what does that mean? Are people who give away some portion of their money inherently better than those who don't? Most of the research on giving indicates that charitable giving improves people's social standing and reputation. It also imparts a "warm glow" or good feeling to the givers. Businesses sometimes engage in corporate giving to create markets for their own goods, for example pharmaceutical companies that distribute drugs to poor countries. Michael Porter and Mark Kramer, in their article "The Competitive Advantage of Corporate Philanthropy," made the argument that philanthropy is used by corporations as a way to fund research and development for new products. It is hard to know what motivates charitable giving. From a sociological point of view, individual intentions do not really matter. It is the social impact of that giving that matters.

There are several other possible reasons why the social impact of the rise of mega philanthropy has received relatively little attention from the social sciences. Historically, philanthropy, much like social work, has been understood to be the real world application of social science to social problems. Philanthropists often did, and still do, fund social scientists. This creates conflicts of interest for researchers, particularly those seeking philanthropic funding. Similarly, many of today's leading philanthropists including Bloomberg, Gates, and Jon Stryker are working toward goals, such as gun control, disease prevention, marriage equality, and climate change also supported by many leading social scientists. Researchers may see themselves as a part of the same "team" as philanthropists, and may not view philanthropists as natural subjects of study.

Another potential barrier is that it is very difficult for social scientists to "study up" socially – for researchers to gain access to social classes above their own. The problem of "studying up" is compounded in the study of mega philanthropy by the fact that private foundations and charitable giving are far less transparent and have fewer accountability mechanisms than business and political activities. Therefore both the people and the institutions involved in mega philanthropy are difficult for scholars to access.

## Changing Philanthropy

Each reader will draw his or her own conclusions from reading this collection of essays on philanthropy and society. I encourage you to read them all because it is in the contrasts and similarities among them that I think a picture of the changing philanthropy emerges. There are, however, a few conclusions that are worth noting in advance. The first, and broadest, is that philanthropy is a social institution that is, like most institutions, undergoing radical change in the early 21st century. Much of this change is centered on a shift in the philosophy – if only to a limited extent the practice – of philanthropy toward a more global and market oriented endeavor. Second, the often self-made ultra-wealthy individuals of our time take a particular interest in the role of philanthropy in changing the world. Oddly, academics and journalists have not. This creates a potentially dangerous imbalance between power and accountability in philanthropy. Third, issue-oriented philanthropy, as well as partisan giving, must be considered political because, as we see in education, it may fund the

creation of non-democratic institutions that replace formerly democratic ones and which are disproportionately influenced by the rich. Finally, I hope that these essays in combination highlight what I believe is an opening space for philanthropy to do good things in the world. Advocating scrutiny of philanthropy does not inherently mean being hostile to philanthropy. It is, if anything, recognition of the great power and potential philanthropy has.

### Further Reading

- Bishop, M., & Green, M. 2008. *Philanthrocapitalism: How The Rich Can Save the World*. Bloomsbury Press (reissued 2009).
- Edwards, M. 2010. *Small Change*. Berrett-Koehler.
- Rogers, R. 2011. Why philanthro-policymaking matters. *Society*, 48, 376–381.
- West, D. 2014. *Billionaires*. Brookings Institution Press.

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