

## **ON GIVING: The Future of Philanthropy: Wisconsin and Washington, D.C. Joint Panel Draft Possibilities**

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Giving is a deeply American value, one that is reified in our tax code. It is also a sector rooted in notions of privilege. To give is also an expression of power and control.

These panels in Washington, D.C. and Wisconsin sought to disrupt prevailing notions of who is a giver in society, versus who is a taker. Beyond the wealthy elite who are deemed benevolent “philanthropists,” “giving” also includes immigrants who give remittances to their home countries, working-class people who give to needy family members and to faith-based organizations. Giving also encompasses the broad and expansive notion of service and justice advocacy. Giving is also the ethical pursuit of social justice and honoring organizational and individual responsibilities to society at large. The following possibilities for public discussion raise important questions about the Future of Philanthropy and how to make a more equitable and just society.

#### **POSSIBILITIES:**

- 1) Build Stronger Foundations
- 2) Check the Power of Givers
- 3) Increase Access, and Reduce Inequality in Leadership
- 4) Use Market-based Tools for Innovation
- 5) Increase Ethical Awareness Among Givers
- 6) Recognize Labor as a Gift

#### **1) Build Stronger Foundations**

Tax breaks on charitable donations pull resources away from public coffers which are governed and distributed according to public consensus and consent. Tax breaks to “givers” leave fewer resources in public coffers to address basic human needs. Philanthropy/giving allows government to evade responsibilities to constituents in realms of education, health care, nutrition, etc. This possibility looks to support philanthropy that focuses on creating *common good* charitable organizations of the future, one that prioritizes remedies to inequality. This includes identifying and adopt “best practices” to maximize resources and effectiveness (including measurable outcomes.) This recognizes societal crises—sexism, racism, inequality, injustice, large-scale disasters, environmental degradation, etc.—with an “all hands-on deck” spirit).

**Possible implementations:**

- Look to models in other advanced economies such as in Europe that eliminate tax breaks to “givers” and instead use public funds to pay for society’s basic needs through the democratic process.
- Use international development studies to shape and prioritize needs and operations
- Create ground-level participatory methods for recipients and partners
- Create models that account for differences between response to disasters, disaster recovery, infrastructure repair, public health initiatives and longer term economic development

**2) CHECK THE POWER OF GIVERS**

Whether through 501c3 giving or 501c4 advocacy, philanthropy gives a bigger voice in shaping society and financial benefit to wealthy donors. There are often strings attached to giving. Givers often have agendas that may not be in view. Outsiders can thus dictate values inside a community and wield power to impose those values. Non-governmental organizations (NGOs) in marginalized communities here in the U.S. and abroad repress indigenous infrastructure and self-efficacy, create dependent populations and disrupt local sustainability. There is insufficient regulatory oversight of philanthropic sector to ensure that the non-taxed funds are serving purposes worthy of tax exemption. “Giving” decisions are often based on flawed premises and data/analysis, flawed standards of measurement, and lack of sustainability.

This possibility would establish an external community board to review the activities of tax-exempt organizations, in order to determine if they deserve tax-exempt status.

**Possible Implementations:**

- Develop advisory boards of different levels of philanthropy to review practices and make recommendations in this field
- Create a Department of Philanthropy to bring government nonprofit regulatory matters under consolidated oversight
- Create sliding scales of tax deductibility based on charitable goals/public purpose that reflect urgency and social utility
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- Look to “effectiveness” in terms of evidence-based evaluations, peer review, and review protocols

**3) INCREASE ACCESS, REDUCE INEQUALITY IN NONPROFIT LEADERSHIP**

There is a lack of diversity and cultural competence as well as institutional racism in philanthropic sector. Many givers are ill-equipped to address issues related to race, gender, poverty, and other equity issues rooted in history and structures. There are social limitations for who gets access to leadership roles in charities that can be an “Old Boys’ Club.” Onerous

regulations and licensing policies prevent individuals from affected communities from taking leadership roles in nonprofit sector.

This possibility would develop leaders among individuals that come from affected communities and support men of color and women-led nonprofit organizations.

#### Possible Implementations:

- Build in diversity in governance as a component of evaluations and public purpose requirements
- Promote a public conversation on the needs of underserved or distressed groups/neighborhoods/regions
- In K-12 and higher education develop philanthropy service learning that places students in various aspects of fundraising, nonprofit operations, and service delivery

#### 4) USE MARKET-BASED TOOLS FOR INNOVATION

There is need to move on from dated models, i.e. Carnegie/Ford, which served industrialists and that Industrial Era. There is a lack of imagination. In times of crisis, philanthropy doubles down, plays it “safe” to old strategies instead of “taking moon shots.” New philanthropic models such as “venture philanthropy” could help to support innovation in the sector. In doing so, these innovations should aim to be distributed equitably and avoid destabilizing public investments in community institutions and infrastructure.

This possibility would seek ways to amplify the successes of venture capital-based models of philanthropy using technology and other emerging tools.

#### Possible implementations:

- Create Virtual Non-Profits. Enlist young people into new forms of online charities that can help fill the role that older, bricks and mortar fraternal groups and civic organizations once occupied.
- Encourage leaner, more nimble giving groups that mobilize through social media
- Work with social media platforms to provide templates of effective giving presences and support services
- Use technological tools to provide better synchronization, better anticipatory capacity, more nexus to social justice and ecological soundness concerns, and overarching coordination to philanthropy

#### 5) RAISE ETHICAL AND MORAL AWARENESS AMONG GIVERS

What is the source of philanthropic largess? Philanthropists often “give” ill-gotten profits accrued from exploiting the weak and the environment. For example, the Sackler family

profited off Oxycontin/opioid crisis, Georgetown University stayed afloat by selling off slave holdings from donors. The Booker Prize for literature was funded by slave labor.

This possibility would support efforts to raise questions about the ethical and moral dimensions of giving among students and policy-makers.

#### Possible implementations:

- Create strong ethics component in training and career development for nonprofit professionals
- Deal with misrepresentation in the philanthropic sector in context of consumer protection.
- Scrutinize shifts in charitable purpose. Provide safeguards and monitoring to prevent charitable “trolling” and scams
- hold forums that grapple with the history of wealth.

## 6) RECOGNIZE LABOR AS A GIFT

This possibility honors the givers among all of us: Those of us who give our time to various causes, which may be more valuable than anything. This possibility could include giving tax credits for “time-banking,” and “social accounting” which includes counting volunteer hours as “giving” to honor the notion that peoples’ labor is a valuable resource to society. This possibility would promote economies of sharing.

#### Possible implementations:

- Promote a Philanthropic Ethic: Promote giving as a citizen responsibility and enlarge the sphere of what is considered “giving” (volunteering, sharing, etc.)
- Encourage non-profits to “team-up” in partnerships to enlarge and enhance capacity and to discourage “fiefdoms” and “vanity projects”.
- Support a requirement of partnership possibilities in grant proposals
- Create databases and clearinghouses of perspective partners and activities