

The End of Philanthropy

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To speak of challenges facing American democracy is to assume that American democracy exists. To speak of philanthropy's role in alleviating those challenges is to assume that philanthropy *can* serve the interests of democracy. But American democracy does not yet exist due to the same phenomenon that allows philanthropy to exist: the concentration of unearned and unchecked power. Power, like all energy, obeys the law of conservation: it is never created or destroyed, but only transformed or transferred from one form—or one group—to another. Enormous accumulations of wealth and privilege by one group testify to the deprivations of the same for other groups, a reality that is obscured by the twin myths of merit and benevolence. In the United States, these myths serve to naturalize white men's continuing disproportionate share of social, political, and economic capital. For philanthropy to counteract the failures of democracy, it must count itself among them, and work to dismantle the structural inequalities of gender, race, and class that have made its existence possible.

A country built on the exclusion and exploitation of women and nonwhite men cannot properly be described as a democracy. That is why there is no question of *preserving* democracy in the United States; there is only the question of *achieving* it. And this achievement will not be possible without atonement for the foundational legacy of white male supremacy. It is not enough to grudgingly concede that what the framers of the Constitution meant by “we the people” was “we the wealthy white men” before celebrating the fact that the most overt and absolute forms of gender and racial subordination have eroded over time. What is required is an accounting of how multigenerational affirmative action for white men continues to pay dividends in the present day. Such an accounting must highlight how white men have benefited from playing fields cleared of nonwhite, non-male competitors; how their households, businesses, schools, and infrastructure have been enriched by the uncompensated civic and material labor of women and nonwhite men; and how they have enjoyed freedom from the demoralizing, distracting effects of entrenched sexism and racism.

Grotesque inequalities of wealth and influence are fundamentally incompatible with democracy. Democracy must, at a minimum, provide all its citizens equal access to opportunities and equal protection under its laws. All of the grave social ills facing the United States today—sexual and domestic violence, poverty, disease, mass incarceration, domestic terrorism, unemployment, discrimination, climate change, harassment, police brutality, disenfranchisement—can be traced to this country's original sin of white male supremacy, and none will be healed without providing restitution to its victims. The Me Too and the Black Lives Matter movements are only the most recent and most visible cries of protest against this country's long history of unjust enrichment through sexism and racism.

What role can philanthropy play in the belated achievement of democracy? The answer turns, first, on what we mean by the term. The word “philanthropy” means “love of humankind,” and it could be persuasively argued that this concept is the essential ingredient of democracy. The love

of humankind is the antithesis of selfishness, tribalism, and domination; it embodies the sharing of power. In the first recorded use of the term, the Greek playwright Aeschylus used “philanthropy” to describe Prometheus’s motive for sharing with humans the gift of fire, previously enjoyed only by the gods.¹ Prometheus, whose name means “forethought,” chose to ease the suffering of humans even though he knew it would mean increasing his own: as punishment for his actions, Prometheus would be condemned to live each day of the rest of his immortal life in agony, chained to a rock with an eagle feasting on his liver.

If philanthropy in modern times were understood in this ancient Greek sense—that is, as improving the welfare of others regardless of the impact on one’s own well-being—local charities and small nonprofits would fit the bill most readily. The individuals behind these operations often contribute huge amounts of labor, expertise, and time to people in need and do so at low or no cost despite not being particularly wealthy or advantaged themselves. For those who fight against sexism, racism, and other forms of bigotry, the cost of this work frequently includes risk to their personal safety and psychological health.

But such labor is not what most people think of when they hear the term “philanthropy.” Most often the term is understood to refer to large charitable donations made by extremely wealthy organizations and individuals, sometimes termed “Big Philanthropy.” Given that Big Philanthropy requires an enormous surplus of wealth, it is not surprising that major philanthropic foundations and organizations are dominated by white men. In 2019, almost 90 percent of billionaires around the world were male.² Of the 615 billionaires in the United States in 2020, only six are Black.³

Big Philanthropy tends to be associated with narratives of personal success and munificence: the origin of many foundations commonly involves captains of industry altruistically deciding to “share the wealth” with others less fortunate. While it is doubtless true that many exceptionally wealthy individuals are exceptionally talented and hardworking, talent and good work ethics are far more common in society than billionaires are. The chances that a person will be able to amass the kind of vast wealth that makes philanthropic ventures possible are greatly increased if that person is white, male, politically connected, born into a wealthy family, and well versed in the machinery of capitalism. The myth of merit in wealth acquisition was succinctly punctured by US Representative Alexandria Ocasio-Cortez’s assertion that “no one ever makes a billion dollars. You take a billion dollars.”⁴

While not all billionaires are predatory robber barons, every entity with the resources to fund million- and billion-dollar philanthropic efforts is a testament to a fundamentally distorted—and thus antidemocratic—market. In the same time that nearly 43 million Americans filed for unemployment due to the Covid-19 pandemic, American billionaires became \$565 billion richer.⁵ Martin Luther King Jr. once cautioned that philanthropy “must not cause the philanthropist to overlook the circumstances of economic injustice that make philanthropy necessary;”⁶ but it is equally important that the philanthropist not overlook the circumstances of economic justice that makes philanthropy possible.

It is sometimes argued that this reality provides all the more reason to be grateful to the individuals who choose to use their disproportionate wealth and influence for good. In this view, philanthropists should be praised for “giving back,” especially when the alternative is to simply hoard all their profits for themselves, further entrenching the disparities between the haves and the have-nots.

But on this point, it should be noted that modern philanthropy often requires no real sacrifice as many mass fortunes are of a magnitude that could never be spent in a human lifetime. For example, the net worth of Jeff Bezos, estimated at \$120 billion in April 2020, is greater than the GDP of several small countries. Bezos added a record-breaking \$13 billion to his net worth on a single day in July 2020,⁷ the same month that saw the US unemployment rate hit 11 percent.⁸ Any praise for the philanthropic gestures of multibillionaires should be tempered with this observation from Henry Ward Beecher: “When the crumbs are swept from our table, we think it generous to let the dogs eat them; as if that were charity which permits others to have what we cannot keep.”⁹

That philanthropy may require no actual sacrifice does not, by itself, resolve the question of philanthropy’s relationship to democracy. The strongest argument for philanthropy’s salutary effects on democracy is its power to provide alternative avenues for social change and advancement of the public good. This power is especially compelling when the government has abdicated its responsibilities for the welfare of its citizens and when the public sector has become corrupt, incompetent, or both.

But philanthropic giving helps perpetuate inequality and public sector dysfunction in several ways. For one, the very existence of private sector alternatives undercuts the urgency of demands to improve the public sector. Unethical government actors are more than happy to let private entities shoulder the burden of education, infrastructure, and health care. “Letting the market handle it” has long served as a pretext for government shirking.

Another is that the generous tax exemptions given to charitable donations deplete the funds available for public goods. Political science professor Rob Reich notes that “charitable donations will cost the US government \$750 billion in lost revenue over the next ten years. Citizens pay (in lost tax revenue) for foundations and, by extension, for giving public expression to the preferences of rich people.”¹⁰ In a trenchant critique titled “Is Philanthropy Bad for Democracy?,” Gara LaMarche writes, “However many well-intentioned and high-minded impulses animate philanthropy, the favorable tax treatment that supports it is a form of privatization. Money that would otherwise be available for tax revenue that could be democratically directed is shielded from public control for private use.”¹¹ The important question, LaMarche continues, is “whether the record of philanthropy justifies the foregone tax revenue that in our current dire fiscal state could be used to keep senior centers and libraries and after-school programs open, hold tuition within reach at public colleges and universities, expand internet access in rural communities, and on and on.”¹²

Rather than redirecting unearned wealth to the public, philanthropy tends to move wealth around among the members of an elite class and their chosen beneficiaries. What is more, the

relationship between donors and recipients generally replicates, rather than repudiates, the power asymmetry that creates extreme wealth inequality to begin with. Far too often, the very people who can do the most good in the communities that need the most help are sidelined by Big Philanthropy,¹³ and the ones who are graced with funding and attention are forced to cater to the whims of donors. As Joanne Barkan describes it:

The power relationship between grantor and grantee has always been one-sided in favor of the grantor. Sycophancy is built into the structure of philanthropy: grantees shape their work to please their benefactors; they are perpetual supplicants for future funding. As a result, foundation executives and trustees almost never receive critical feedback. They are treated like royalty, which breeds hubris—the occupational disorder of philanthro-barons. By taking over the roles of project originator and designer, by exercising top-down control over implementation, today's mega-foundations increasingly stifle creativity and autonomy in other organizations. This weakens civil society. Some mega-foundations even mobilize to defeat grassroots opposition to their projects. When they do, their vast resources can easily overwhelm local groups. This, too, weakens civil society.¹⁴

Philanthropy is an exercise of power, and “in a democratic setting, wherever power is exerted, it deserves our scrutiny, in order to understand whether it's serving democratic purposes or undermining them,” writes Reich.¹⁵ One early philanthropy skeptic criticized the ability of philanthropy to “deaden, by its large benefactions, a public criticism which otherwise would be as formidable as inevitable.”¹⁶

With its accumulation of unearned wealth, depletion of public resources, exercise of power without accountability, all obscured by the mythology of the benevolent self-made man, philanthropy of this nature would be better termed “malanthropy” given its tendency to perpetuate an antidemocratic status quo propped up by hierarchies of gender, race, and class.

And yet, another kind of philanthropy is possible, one that both harkens back to the ancient Greek concept of “love of humankind” and recognizes the role it can play in the unfulfilled promise of American democracy. The noblest forms of philanthropy seek to address the root causes of social ills, and the root cause of this nation's failures of democracy is inequality based on gender, race, and class. It is possible for philanthropy to openly acknowledge that the vast accumulation of

wealth in the United States relies on the extraction of labor from the groups originally excluded from “we the people.” Such philanthropy would focus on the needs of women, minorities, and the poor—not as an act of benevolence, as benevolence implies the absence of obligation, but as an act of restitution. In the words of John Rockefeller Jr., “Every right implies a responsibility; every opportunity, an obligation; every possession, a duty.”¹⁷

For philanthropy to truly serve the ends of democracy, it must be reparative. It must seek to transform the structural conditions of injustice rather than merely offering individual reprieves. Reparative philanthropy must be transparent, self-critical, accountable, and transformative. In his gloss on the parable of the Good Samaritan, Martin Luther King Jr. provided a glimpse of what reparative philanthropy could look like:

On the one hand we are called to play the Good Samaritan on life's roadside; but that will be only an initial act. One day we must come to see that the whole Jericho road must be transformed so that men and women will not be constantly beaten and robbed as they make their journey on life's highway. True compassion is more than flinging a coin to a beggar; it is not haphazard and superficial. It comes to see that an edifice which produces beggars needs restructuring.¹⁸

We can see glimpses of reparative philanthropy in the example of Julius Rosenwald. Rosenwald made his fortune as part owner of Sears, Roebuck and Company, and donated much of it to charitable causes. Half of these philanthropic contributions were made to African Americans. Together with Booker T. Washington, Rosenwald built nearly five thousand schools for Black children in the South between 1912 and 1932. According to the *Washington Post*, “During the early 1930s, one in every three black children in the South attended a Rosenwald institution.”¹⁹ Rosenwald school alumni include Maya Angelou and the late US Representative and civil rights leader John Lewis. Rosenwald also gave grants to support Black artists and writers, among them Marian Anderson, James Baldwin, and Langston Hughes. And Rosenwald used his fortune to support Black colleges, to build YMCA and YWCA community centers and urban dormitories for Black youth, and to fund a third of the litigation costs of *Brown v. Board of Education*.²⁰

In “The Principles of Public Giving,” an essay published in the *Atlantic Monthly* in 1929, Rosenwald claimed that, “while charity tends to do good, perpetual charities tend to evil, blessing neither him that gives nor him that takes.” He went on to ask:

What could happen . . . if the billions tied up in perpetuities in this country should be released over a period of fifty or one hundred years? What would become of

scientific research? How could society care for the sick, the helpless, and the impoverished? The answer is that all these needs would be as well provided for as the demands of the day justified. Wisdom, kindness of heart, and good will are not going to die with this generation.²¹

There is a rare humility in Rosenwald's approach to philanthropy, and his reflections on the virtues of philanthropic self-dissolution were not merely theoretical. The Rosenwald Fund "was the first major foundation in American history to voluntarily 'sunset' itself out of existence, in order to have better immediate results."²²

While his sustained dedication to the advancement of racial equality in both the private and public sectors is profound and illuminating, Rosenwald's "give while you live" approach to philanthropy did not go so far as to seek to dismantle the conditions of wealth inequality, and his reparative focus seems to have been blind to the injustices of sexism. A compelling, contemporary example is offered by MacKenzie Scott, one of the world's few female billionaires. Scott's approach to philanthropic giving is in stark contrast to that of her notoriously miserly ex-husband, Jeff Bezos. In a July 28, 2020, blog post, Scott wrote:

Life will never stop finding fresh ways to expose inequities in our systems or waking us up to the fact that a civilization this imbalanced is not only unjust, but also unstable. What fills me with hope is the thought of what will come if each of us reflects on what we can offer. Opportunities that flowed from the mere chance of skin color, sexual orientation, gender, or zip code may have yielded resources that can be powerful levers for change. People troubled by recent events can make new connections between privileges they've enjoyed and benefits they've taken for granted. From there, many will choose to share some of what they have with people whose equal participation is essential to the construction of a better world.²³

Scott is one of the signers of the Giving Pledge, a campaign begun in 2010 by Bill Gates and Warren Buffett that encourages extraordinarily wealthy individuals to contribute a majority of their wealth to philanthropic causes within their lifetimes. As of July 28, 2020, Scott had donated \$1.7 billion to causes explicitly devoted to gender and racial equity, economic equality, education, and public health.²⁴ In June 2020, Scott and Melinda Gates announced the Equality Can't Wait Challenge, which will "award \$30 million to the organizations or the coalitions of organizations with the most compelling ideas to help expand women's power and influence in the United States by 2030."²⁵

Scott's efforts offer a vision of philanthropy in its deepest sense. The love of humankind

demands an end to the radical inequality of sexism, racism, and classism. In the words of John Rockefeller Sr., “The best philanthropy is constantly in search of the finalities—a search for a cause, an attempt to cure evils at their source.”²⁶ While the immediate goal of philanthropy should be the advancement of equality, its ultimate goal should be the dismantling of the conditions that have made philanthropy both possible and necessary. The end of philanthropy should be the end of philanthropy.

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Notes

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