



THE ALMANAC OF AMERICAN PHILANTHROPY



a lively compendium of
Great Donors
Major Achievements
Essential Books & Quotations
Vital Statistics & Polls
History & Timeline
and more!

Karl Zinsmeister
The Philanthropy Roundtable

AlmanacOfPhilanthropy.org



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Introduction Part One | The Almanac of American Philanthropy | The Philanthropy Roundtable

Philanthropy is a huge part of what makes America America.

Start with the brute numbers: Our nonprofit sector now employs 11 percent of the U.S. workforce. It will contribute around 6 percent of GDP in 2015 (up from 3 percent in 1960). And this doesn't take into account volunteering—the equivalent of an additional 5 to 10 million full-time employees (depending on how you count), offering labor worth hundreds of billions of dollars per year.

America's fabled "military-industrial complex" is often used as a classic example of a formidable industry. Well guess what? The nonprofit sector passed the national defense sector in size way back in 1993.

And philanthropy's importance stretches far beyond economics. Each year, seven out of ten Americans donate to at least one charitable cause. Contributions are from two to twenty times higher in the U.S. than in other countries of comparable wealth and modernity. Private giving is a deeply ingrained part of our culture—a font of social creativity and crucial source of new solutions to national problems. Voluntary efforts to repair social weaknesses, enrich our culture, and strengthen American community life are and always have been a hallmark of our country.

Yet, somehow, there exists no definitive resource that chronicles American philanthropy broadly and explains it in a context where it can be fully understood and appreciated. Until now.

This entirely new *Almanac of American Philanthropy* offers everyday citizens, givers, charity workers, journalists, local and national leaders, and others the information needed to put in perspective the vital role that philanthropy plays in all of our daily lives. The facts, stories, and history contained in these pages can fill gaping practical and intellectual holes in our self-awareness.

You will find here an authoritative collection of the major achievements of U.S. philanthropy, lively profiles of the greatest givers (large and small), and rich compilations of the most important ideas, statistics, polls, literature, quotations, and thinking on this quintessentially American topic.

There are also *Iliads* and *Odysseys* of human interest in this volume. Some tremendously intriguing Americans of all stripes have poured time and treasure into helping their fellow man. You'll meet lots of them here.

Absent the passion and resources that our fellow countrymen devote to philanthropy, it's not only our nation that would be less thriving. Our individual days would be flatter, darker, uglier, more dangerous, and less happy. You'll find vivid evidence of that in machine-gun presentations throughout this volume. Let's get a taste by meeting a few of the hundreds of philanthropists who live in the middle of this book.

Larger-than-life characters

Ned McIlhenny, born and raised on a Louisiana bayou, was an expert on camellias, on alligators, on the hundreds of varieties of bamboo that grow around the world, and on wild turkeys. He was an Arctic explorer. His skills as a hunter once helped save the lives of 200 ice-bound sailors. He was an ornithologist who personally banded more than a quarter of a million birds. He also had a day job selling the hot-pepper condiment invented by his family: McIlhenny Tabasco sauce.

It turns out there is real money in burning mouths, and McIlhenny used his for an amazing array of good works. For one thing, he got very attached to a fellow native of Louisiana's bayous: the snowy egret. When McIlhenny was young, hats bearing egret plumes were for ladies what Coach handbags are today. This fashion mania had the effect of nearly driving the snowy egret to extinction, and no one was doing anything about it. So the philanthropist swung into action.



Ned McIlhenny

McIlhenny beat the bushes in wild parts of the island his family owned, and managed to find eight baby egrets in two nests. He raised these hatchlings in a protected area, paid for their care over a period of years, and by 1911 had built up a population of 100,000 egrets on his private refuge. He simultaneously recruited John Rockefeller, Olivia Sage, and other philanthropists to buy up and preserve swampy land in Louisiana that is important as winter habitat of migratory waterfowl, including egrets. And in this way he rescued a magnificent creature that was on the verge of disappearing from the Earth.

Later in his life, McIlhenny took action to stave off a very different kind of extinction. He had been raised with Negro spirituals in his ears, and loved them dearly. Around his 60th birthday, McIlhenny realized that these songs were dying out and at risk of being forgotten forever. So he again sprang into action with both his checkbook and his personal involvement.

He used his contacts to find two elderly singers who still remembered many of the songs—which until then had existed only in an oral tradition—and he hired a musicologist to sit with him as these ladies performed so the lyrics and melodies could be written out. The two men took care to preserve the music in scrupulous detail, exactly as it had been handed down among generations of slaves.

McIlhenny then published these songs as a book, which became a classic of the genre. All but a handful of the 125 spirituals he captured were unrecorded in any other place—he single-handedly saved these soulful artifacts of American history for future generations.

McIlhenny's songs included one that provided Martin Luther King Jr. with his most famous line:

When we allow freedom to ring...from every village and hamlet...we will...speed up that day when all of God's children, black men and white men, Jews and Gentiles, Protestants and Catholics, will be able to join hands and sing in the words of the old Negro spiritual:

*Free at last! Free at last!
Thank God Almighty, we are free at last!*

Another red-blooded American philanthropist who helped freedom last was Alfred Loomis. His philanthropic field was national defense. Many of us think of defense as the ultimate government responsibility, and a place without room or need for philanthropy, so it may come as a surprise to learn that throughout our history private donors have played important roles in securing our nation. Private donors financed our Revolution. They created the modern field of code-making and -breaking. Donors single-handedly developed the field of rocketry, and fanned private space launch into fiery success. (See “[Donors Who Come to the Aid of their Country](#)” in the [Summer 2015](#) issue of *Philanthropy* magazine for details on how philanthropy has repeatedly bolstered our national defense.)

No donor was more crucial in building America’s military strength than Alfred Loomis. After financing much of the electrification of rural America as a Wall Street dealmaker, he became convinced that the stock market was overvalued and converted everything he owned to cash and T-bills in 1929. When the October 1929 Crash came he was not only protected but in a perfect position to go shopping at bargain prices. By the early 1930s Loomis was one of the richest men in America, and at age 45 he retired from finance to put all of his time and energy, and much of his money, into his true love: science. He set up one of the world’s great science labs in a mansion near his home, invited top researchers from around the world to experiment there, and conducted his own state-of-the-art investigations.

While visiting Berlin in 1938, Loomis was disturbed to find how popular Hitler was, and how good German scientists were. He returned home convinced that war was brewing, and that science would have a lot to do with who won. He poured himself and his money into one new field in particular: using radio waves to detect moving objects. His lab quickly became the national leader in what we now call radar. Thanks to Loomis’s funding and leadership, practical radar sets were created under his supervision and delivered to the Army and Navy by the thousands, turning the tide of World War II.

If radar won the war, the atomic bomb ended it. And as it happens Alfred Loomis had a lot to do with that as well. The method he used for his radar triumphs was to relentlessly gather the best scientific minds, without regard to their prior specialties, give them rich resources, and protect them from bureaucratic interference. When it became apparent how powerful Loomis’s modus operandi was, it was directly copied for the Manhattan Project; indeed most of his scientists were transferred over to work on the bomb. Franklin Roosevelt later said that aside from Winston Churchill, no civilian did more to win World War II than Alfred Loomis.

By the way, it isn’t only Alfred Loomis’s brilliant model for conducting crash research that lives on today. He also left behind a flesh-and-blood embodiment of his whirlwind entrepreneurial philanthropy. His great-grandson is Reed Hastings—who as CEO of Netflix, and one of the nation’s most influential progenitors of charter schools as a donor, has been a huge game-changer in both business and philanthropy.

Philanthropic passion

Another entrepreneurial philanthropist who put deep imprints on America was George Eastman. He popularized photography in the early 1900s as founder of Kodak in upstate New York. When he began, the photographic process was all art and guesswork, and no science. During the frantic startup phase of his company, for example, a calamitous failure of the gelatins used in his photo-developing process threatened to kill his firm. It eventually turned out that the cows whose carcasses were being boiled down to create the industrial gelatin had been shifted to new pastures where their forage lacked sulfur, and that tiny missing ingredient was enough to wreck the delicate chemical process.



George

Eastman

Determined to figure out the basic chemistry of photography so he wouldn't be prisoner to these inconsistencies, Eastman started hiring chemists from an obscure little school in New England known as Boston Tech. Grateful for the well-trained minds he came to rely on, Eastman later funded much of the transformation of Boston Tech into today's MIT, including building the entirely new campus where that university now resides. Eastman likewise nurtured the University of Rochester into a great research and educational facility, including creating its medical school from scratch.

Eastman adored music, and had a huge pipe organ installed in his home and played every morning to wake him as his alarm clock. One friend who accompanied him on a New York City trip where they took in 12 operas in six days described Eastman as "absolutely alcoholic about music." This passion led to one of the great cultural gifts in American history, as Eastman methodically created and built to world prominence the Eastman School of Music at Rochester, which currently enrolls 500 undergraduates, 400 graduate students, and 1,000 local child and adult students. The Eastman School was important in Americanizing and popularizing classical music, which had previously existed as a European transplant, and remains one of our country's top cultural institutions.

Another great American donor was Milton Hershey. Many readers will insist that his crowning gifts to humanity came in brown bars and silver kisses. By transforming chocolate from expensive rarity to treat affordable by all, he did create an explosion in new ways of making Americans feel happy.

Hershey's deepest passion, though, was his remarkable school for orphans, which he and his wife created and ultimately gave their entire company to. Hershey's father was a neglectful drinker, and the separation of his parents turned his boyhood into a shoeless and hungry trial. To relieve other children of similar ordeals he built up his orphanage in a gradually surging ring of family-like houses encircling his own home, where each small group of youngsters was overseen by a married couple who lived with them. The school also provided a thorough basic education and excellent training in industrial crafts.



Hershey

School

Hershey was a constant physical presence among his youngsters until his death in 1945. At one point he announced, "I have decided to make the orphan boys of the United States my heirs." And he did—endowing the Milton Hershey School with a nest egg currently worth \$11 billion. That allows the school to serve 2,000 endangered children from around the U.S. every year, putting many of them on a dramatically elevated life path.

Philanthropists come in all stripes. That's one of the field's strengths: Different givers pursue different visions, so you get many solutions to problems rather than just one. If Milton Hershey's cure for child neglect was large-scale fostering, Katharine McCormick's attempt was to make orphans rarer by manipulating biology. It's pretty widely known that medical breakthroughs like the polio vaccine and hookworm eradication were products of philanthropy. But how many people know that the birth-control pill was the creation of a sole private funder?

A reaper of the International Harvester fortune, McCormick was an early women's rights activist. She initiated a connection with Gregory Pincus, a brilliant biologist who had been fired by Harvard for ethical lapses, to discuss whether it might be possible to prevent pregnancy by

means as easy as taking an aspirin. Before leaving the room after their first meeting, McCormick wrote Pincus a check for \$40,000.

She funded his private laboratory steadily thereafter, eventually investing the current equivalent of about \$20 million in their quest to develop a daily birth-control pill. McCormick was the sole and entire funder of this work, and hovered constantly over the lab, influencing many of its research choices. By 1957 this duo had an FDA-approved pill, and the Earth wobbled a little on its axis. McCormick reveled in her accomplishment, even taking her own prescription to be filled at a local pharmacy—despite being a matron in her 80s at that point—just for the sheer frisson.

Lots of little guys

Dwight Macdonald once described the Ford Foundation as “a large body of money completely surrounded by people who want some.” (Back when the foundation’s headquarters was on a southern California desert estate, the staff sometimes called the place “Itching Palms.”) It’s easy to look at a big pile of silver like Ford and think that’s what American philanthropy is all about. But philanthropy in the U.S. is not just a story of moguls. In fact, it is not even primarily about wealthy people or (even less) big foundations.

Do you realize that only 14 percent of charitable giving in the U.S. comes from foundations? And only 5 percent from corporations? The rest comes from individuals—and the bulk of that from everyday givers, at an annual rate of about \$2,500 per household. Even among foundations there is a strong tilt toward the small. Less than 2,000 foundations (2 percent of all) have assets of \$50 million or more today. Most foundations are modest in size. And most giving is even smaller—but it is practiced very widely.

It is inexorable giving by humble Americans that constitutes the main branch of U.S. philanthropy. Take Gus and Marie Salenske, a plumber and nurse who lived quietly into the first decade of the new millennium in a small house in Syracuse, New York. Their one indulgence was weekly square dancing; other than that they were savers. After they died, this simple couple left more than \$3 million to good causes, mostly their beloved Catholic Church.

Anne Scheiber was a shy auditor who retired in 1944 with just \$5,000 in the bank. Through frugal living and inspired stock picking she turned this into \$22 million by the time she passed away in 1995 at the age of 101. She left it all to Yeshiva University so that bright but needy girls could attend college and medical school.

Minnesota farmer Harvey Ordnung consumed modestly and invested prudently. When he passed on, he left \$4.5 million to 12 charities in his home region. The largest portion went to a program that gives college scholarships to local kids.

Elinor Sauerwein painted her own home, kept a vegetable garden, and mowed the lawn herself until she was in her 90s. She eschewed restaurants, cable TV, and other expenses as unnecessary luxuries. But when she died in 2011, she left \$1.7 million to the local Modesto, California, branch of the Salvation Army. “Her goal for years and years was to amass as much as she could so it would go to the Salvation Army,” reported her financial adviser.

Millicent Atkins earned a teaching degree in 1940, but eventually left that profession to help manage the family farm in South Dakota. She developed a keen eye for productive land and an appetite for buying, eventually owning 4,127 acres. When she died in 2012 she left \$38 million to two nearby universities and her church.



Oseola

McCarty (right) with first McCarty Scholarship recipient Stephanie Bullock.

Albert Lexie has shined shoes in Pittsburgh for more than 50 years, and made a decision decades ago to donate every penny of his tips to the Free Care Fund of the Children’s Hospital of Pittsburgh, which benefits families who can’t afford treatment. Since 1981, Lexie has handed over more than \$200,000 to Children’s Hospital—a third of his total earnings.

One of these humble givers you may have heard of is Oseola McCarty. I tell her story in detail in our [Philanthropy Hall of Fame](#) section. Her life could not have started much harder—she was conceived when her mother was raped on a wooded path in rural Mississippi. And it didn’t get easier with age. She started to work ironing clothes in elementary school, and dropped out at sixth grade to support her ailing aunt by taking in washing.

Hers wasn’t a standard-issue home laundry. McCarty scrubbed her clients’ clothes by hand on a rubboard. She did try an automatic washer and dryer in the 1960s, but concluded that “the washing machine didn’t rinse enough, and the dryer turned the whites yellow.” After years of boiling shirts and linens and then doing four fresh-water rinses, that wasn’t good enough to meet her high standards. So she went back to her bubbling pots, Maid Rite scrubboard, and 100 feet of open-air clothesline.

Early in her life, McCarty reported, “I commenced to save money. I never would take any of it out. I just put it in.... It’s not the ones that make the big money, but the ones who know how to save who get ahead. You got to leave it alone long enough for it to increase.” This was a life secret she mastered, and when she retired in 1995, her hands painfully swollen with arthritis, this washerwoman who had been paid in little piles of coins and dollar bills her entire life revealed

another secret: She had \$280,000 in the bank. Even more startling: She decided to give most of it away—not as a bequest, but immediately.

Setting aside just enough to live on, McCarty donated \$150,000 to the University of Southern Mississippi to fund scholarships for worthy but needy students seeking the education she never had. When the community found out what she had done, more than 600 men and women in Hattiesburg and beyond made donations that more than tripled her original endowment. Today, the university presents several full-tuition McCarty scholarships every year.

The power of little guys and big guys joined together

Can anything large and consequential really be accomplished by these little and middling givers, or by the very limited population of big givers? The clear answer from American history is yes. Many remarkable things have been achieved by dispersed giving, which often aggregates in formidable ways.

Once upon a time, our country even built its naval ships via dispersed giving. When newborn America was having terrible troubles with pirates in the Mediterranean and revolutionary French raiders off our coasts, many communities took up subscriptions and gathered voluntary funds to build warships and hire captains. The good people of Salem, Massachusetts, for instance, contributed \$74,700, in amounts ranging from \$10 given by Edmund Gale to a pair of \$10,000 donations from Elias Derby and William Gray, and built the frigate USS Essex, which became one of the most storied vessels in our new navy.

When the War of 1812 arrived it was dispersed giving that saved us from calamity. As the conflict broke out, the U.S. Navy possessed a total of seven frigates and less than a dozen other seagoing ships. The British Navy at that same moment numbered a thousand warships, including 175 double-gundeck “ships of the line,” of which the United States had none. The comparison by firepower was even starker: a total of 450 cannons carried by the U.S. Navy versus 27,800 afloat in the Royal Navy.

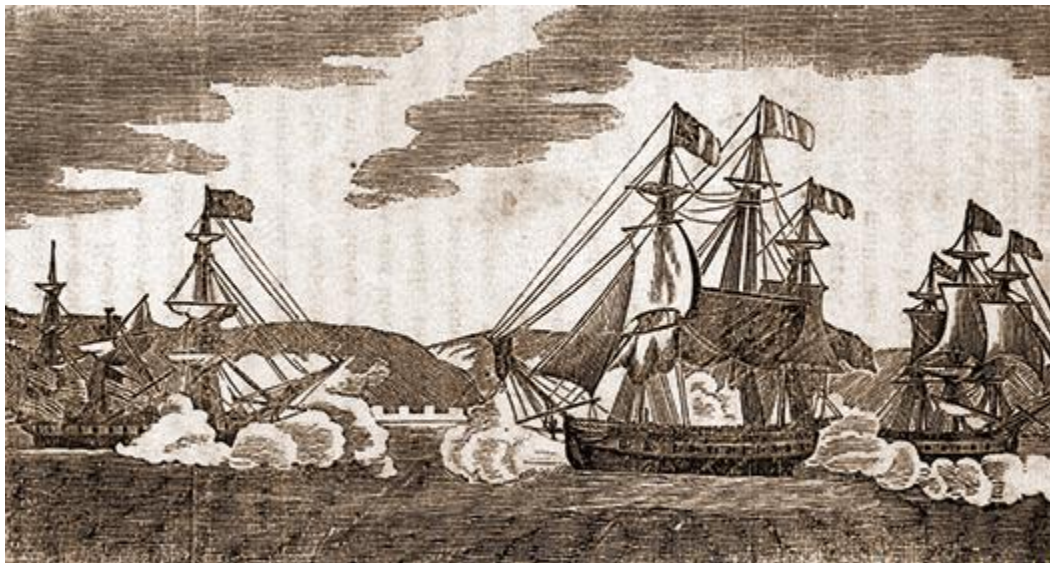
So how did America avoid obliteration by the English juggernaut? Individually funded, decentralized warfighting—in the form of privateers. Not long after hostilities were declared there were 517 privately equipped and manned corsairs defending the U.S. “Let every individual contribute his mite, in the best way he can to distress and harass the enemy, and compel him to peace,” urged Thomas Jefferson in 1812. During the course of the War of 1812, the U.S. Navy captured or sunk about 300 enemy ships, while U.S. privateers captured or sunk around 2,000, blasting British trade.

The American merchants and ordinary sailors who voluntarily organized themselves into fighting units got everything they hoped for. No more impressment of U.S. seamen. A restoration of free trading. And deep respect for the ability of America’s small colonies—weak of government but strong of civil society—to defend their interests.

That same pattern has been followed in many other sectors of American society. In chronicling the astonishing bloom of colleges in the U.S., author Daniel Boorstin noted that the state of Ohio,

with just 3 million inhabitants, had 37 colleges in 1880. At that same time, England, a nation of 23 million people, had four. Why the difference? Education philanthropy.

Education philanthropy in the U.S. stretches back to our earliest days, a century and a half before we even had a country. The New College was established in the Massachusetts Bay Colony in 1636. Three years later it was renamed, after young minister John Harvard donated his library and half of his estate to the institution.



Print of the USS Essex battling British frigates in the harbor of Valparaiso. The Essex was one of America's most famous warships, with a central role in building the outsized reputation of the U.S. Navy in its earliest years. Amid threats to the nation from revolutionary France and the Barbary pirates, the frigate was built by patriotic citizens from the small city of Salem, Massachusetts, who took up a collection to raise the necessary funds in donations ranging from \$10 to \$10,000. The donors also hired a captain, then put the ship into national service.

America's first recorded fund drive was launched in 1643 to raise money for the college; after 500 British pounds were collected it was deemed a "great success." The next year, colonial families were asked to donate a shilling in cash or a peck of wheat to support the citadel of higher learning in their midst. These voluntary donations, known as the "college corne," sustained Harvard for more than a decade.

Fast forward to 2015. Nearly 50 American colleges were in the midst of fundraising campaigns aimed at raising at least a billion dollars in donations. Private gifts power even our public universities—institutions like the University of Virginia and the University of California, Berkeley now receive more revenue from voluntary giving (gifts and interest off previous gifts) than they do from state appropriations.

Relying on private individuals to train up the next generation of leaders, rather than leaving that responsibility to the crown or church, was an entirely new development in higher education. It burst forth across our new land, producing the College of William & Mary in 1693, the precursor to St. John's College in 1696, Yale in 1701, and many others. Sub-innovations followed, like the

spread of the endowed professorship from a first example in 1721. The pervasiveness of the endowed chair in the U.S. today tempts one to assume that this practice must be common everywhere, but actually it remains rare outside America, where it has helped drive our universities to international preeminence.

Our nation's great bloom of universities illustrates perfectly the fruitful mixing of little and big givers. Institutions like the Rensselaer Polytechnic Institute in upstate New York—a pioneer of science-based education that granted the first civil engineering and advanced agriculture degrees in the English-speaking world—relied on big gifts from major patrons like Stephen Van Rensselaer. Other places such as Western Reserve University in Ohio, founded just two years after Rensselaer and likewise destined to become a science powerhouse, relied on an entirely different philanthropic model—the sacrificial giving of thousands of local neighbors on the frontier. One supporter spent a whole winter hauling building supplies to the school from a quarry ten miles away. Another typical family pledged a portion of their annual milk and egg sales.

Starting in the 1840s, hundreds of eastern churches began to pool small donations to support collegiate education across the western frontier. Within 30 years they had raised more than a million dollars to sustain 18 colleges. Hillsdale College was built up at this same time after professor and preacher Ransom Dunn circled through more than 6,000 miles of wild lands collecting nickels and dimes and dollars from settlers.

The power of personalism

Pledging your family egg sales to a local institution. Hauling stone all winter for a good cause. Donating your shoeshine tips. In our country, giving is often very *personal*.

Michael Brown was a Broadway lyricist with a hit musical under his belt, so his family was enjoying a burst of unanticipated prosperity. For their 1956 Christmas celebration he and his wife and two sons hosted a close friend, a young writer who was far from her home in the South. At the end of their gift exchange, the Browns handed their guest an envelope. Inside was a note that read: “You have one year off from your job to write whatever you please. Merry Christmas.”

The writer's name was Harper Lee. When she had decided to try to make it as a novelist, she relocated (like many before her and since) to New York City. After getting there she found (like many before her and since) that she was so preoccupied with paying her rent—by working at an airline office and bookstore—that she had little time left over to focus on her literary craft. The Browns noticed this, and through some very personal philanthropy changed the course of U.S. literature.

With their donation in hand, Harper Lee quit her retail jobs. And during that gift year she wrote *To Kill a Mockingbird*. It won the Pulitzer Prize in 1961 and became one of the most influential American books of all time.

While this was an especially intimate contribution, this kind of personalism is not at all unusual in American philanthropy. In fact, gifts where the givers and recipients are involved with each

other, familiar with one another's characters, committed to each others' flourishing, are some of the most successful forms of philanthropy. You can see this yourself any day. Volunteer at a Habitat for Humanity building project and you will often work next to the person who is going to occupy the house as soon as you get the roof on and the oven in. Sponsor a child in an inner-city Catholic school (or an overseas village) and you will have opportunities to follow the life progress of the beneficiary, share in his or her dreams, and perhaps attend a graduation.

Knowing the character of the person you are trying to help—strengths and weaknesses, needs and temptations—allows the giver to focus his help much more effectively and to avoid wasteful or mistaken or perverse forms of “help.” As William Blake put it, “If you would help another man, you must do so in minute particulars.” One man's medicine can be another man's poison; donors must prescribe for particular people, not treat “mankind” as some cold, interchangeable abstraction. Much of the best anti-poverty work carried out during America's immigrant waves and transitions to industrialism during the 1800s and early 1900s took highly personal forms, where givers rolled up their sleeves and offered not only money but mentoring and guidance and support to specific men and women in need.

Stephen Girard was one of the five richest men in American history, when his wealth is measured as a percentage of GDP. But when the yellow-fever epidemics swept his home town of Philadelphia—as they did many summers in the years before anyone realized that the deadly malady was carried up from the tropics on sailing ships, and spread by mosquitoes—Girard was a tireless personal leader in the efforts to tamp down the disease. This required courage, as the terrifying affliction would kill hundreds of people per day in a horror of delirium and bloody vomiting.

Residents who could afford it generally fled the city when epidemics roared through. Not Girard. He stayed in Philadelphia in 1793, 1797-1798, 1802, and 1820 to guide relief efforts, fund hospital operations, and provide direct care for individuals—often bathing and feeding the dying himself. He routinely put his personal and business affairs on hold during outbreaks. “As soon as things have quieted down a little you may be sure I shall take up my work with all the activity in my power,” he wrote to a friend in 1793. “But, for the moment, I have devoted all my time and my person, as well as my little fortune, to the relief of my fellow citizens.”

Nicholas Longworth grew up poor, apprenticed to a shoemaker for a period, before eventually earning great wealth. He gave much of it away to what he called “the devil's poor,” whom he identified and helped in extremely personal ways. “Decent paupers will always find a plenty to help them, but no one cares for these poor wretches. Everybody damns them, and as no one else will help them, I must,” he concluded.

Longworth distributed food directly to these most abject cases, built apartments to salve their homelessness, and held personal sessions where he would listen patiently to sad stories and offer solace and assistance. When he died in 1863 in Cincinnati, Longworth's funeral procession numbered in the thousands, a great many of them outcasts. Drunkards, prostitutes, beggars, and criminals sobbed at the loss of their one true friend.

The Tappan brothers, Arthur and Lewis, were successful New York merchants and among this country's most accomplished philanthropists at changing society and politics. They worked on a much more national scale than Longworth or Girard. Yet their machinations were often just as personal.

Fired by their evangelical Christian convictions, the Tappans were leading donors to the cause of abolishing slavery. After their funding turned the American Anti-Slavery Society into a mass movement with 250,000 members, mobs attacked their homes and businesses. Arthur escaped with his life only by barricading himself in one of the family stores well supplied with guns. Lewis's home was sacked that same evening, with all of his family possessions pulled into the street and burned by slavery apologists.

The brothers did not buckle. Lewis left his house unrepaired—to serve, he said, as a “silent anti-slavery preacher to the crowds who will flock to see it.” More substantively, the two men decided to flood the U.S. with anti-slavery mailings over the following year. This brought them more death threats and harassment, none of which slowed them down.

When a group of Africans who had been captured by Spanish slavers rose against the crew of the ship transporting them and eventually came ashore on Long Island, Lewis immediately organized their defense against murder charges for having killed a crewmember. He decamped to Connecticut, where he clothed and fed the defendants, located and hired an interpreter of their African dialect, and brought in Yale students to tutor them in English, American manners, and Christianity. Then he retained top lawyers to represent their interests. He attended the court proceedings himself every day, organized a public-relations campaign, and eventually got the Africans freed after pushing their case all the way to the U.S. Supreme Court. His personal devotion and single-handed financing turned abolitionism into a cause célèbre.

If the campaigning of the Tappans on behalf of slaves was impressively personal, the devotion of Joseph de Veuster to miserable lepers was out-and-out heroic. Better known as Father Damien after he became a Catholic priest, de Veuster thought it inhumane that when leprosy reached the Hawaiian Islands victims were forced to live in isolation on a wild peninsula without any buildings or goods or services. The newly diagnosed would be dropped off with nothing but a few tools and some seeds, and proceed to live miserably in shelters made of sticks.

Father Damien moved into the leper colony himself in 1873, brought anti-social residents into line, rescued orphans, provided medical care, and organized building and gardening efforts. He organized large fundraising campaigns by mail that brought in donations sufficient to pay for his many improvements, and to decently bury the 1,600 people whose funerals he presided over in a period of six years. He died himself at age 49 from complications of leprosy. The sacrifices made by Father Damien are especially piercing, but there are many examples of philanthropists who risked happiness, health, and even life itself to carry out their good works.

Philanthropy regularly grows out of pain. The death of John Rockefeller's grandson from scarlet fever in 1901 cemented his desire to build a medical research facility that could banish such afflictions. The result was the great Rockefeller University, whose researchers over the years have been awarded dozens of Nobel prizes. The organizer and funder of today's wildly

successful National Kidney Registry, which matches donors to patients with organ failure, acted after his ten-year-old daughter was nearly lost to kidney disease.

America's most fecund artist colony, known as Yaddo, was created by Thomas Edison's financial partner Spencer Trask and his wife, Katrina, as a cathartic effort after the couple endured the profound pain of losing all four of their young children, in separate incidents, to disease and early death. The Trasks envisioned a place where "generations of talented men and women yet unborn" would be "creating, creating, creating." Since its opening in 1926, Yaddo has nurtured 71 Pulitzer Prize winners, 68 National Book Award winners, a Nobel literature laureate, and countless other productive musicians, playwrights, and novelists. The Trasks sweetened and softened a world that may have felt hard and bitter when they started giving.

Though it sometimes grows out of pain, philanthropy is more frequently sparked by opposite emotions like gratitude and joy. The first charity hospital in America was created in, of all places, 1735 New Orleans—at that point a ragingly ragged and largely ungoverned city first populated just 18 years earlier by people drawn from jails, poorhouses, and urban gutters. The hospital benefactor was a dying sailor named Jean Louis, who had made some money for the first time in his life by going into the boatbuilding business in the brand-new French colony. He wanted to pass on his good fortune. And his Charity Hospital offering free care to the indigent became one of the most useful of its type, finding a vast market in a town known even then for creativity in vice.



Judah Touro

Sticking to that same unlikely place and time, we can easily pluck up another example of great philanthropy growing out of gratitude. Judah Touro arrived in New Orleans in 1801, where he set up as a merchant and rode to great fortune the city's rise and incorporation into the United States of America. Touro became a noted patriot and philanthropist, gratefully donating all across the country to a society that offered freedom and fair play to Jews like him. In his appreciation for the value of sincere faith, Touro financed synagogues and churches alike. He built hospitals, orphanages, almshouses, asylums, schools, and libraries. He bequeathed even

more when he died in 1854, a human advertisement for what a determined donor can accomplish.

> [Continue to Part Two: Good Charity, Bad Charity?](#)

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Some activists today are eager to define what is good or bad, acceptable or unacceptable, in other people's giving. Princeton professor Peter Singer has lately made it almost a career to pronounce that only certain kinds of philanthropic contributions ought to be considered truly in the public interest. Only money given directly to "the poor" should be counted as charitable, he and some others argue.

Former NPR executive Ken Stern constructed a recent book on this same idea that charity must be "dedicated to serving the poor and needy." Noting that many philanthropists go far beyond that limited population, he complains that it is "astonishingly easy to start a charity; the IRS approves over 99.5 percent of all charitable applications." He disapprovingly lists nonprofits that have "little connection to common notions of doing good: the Sugar Bowl, the U.S. Golf Association, the Renegade Roller Derby team in Bend, Oregon, and the All Colorado Beer Festival, just to name a few."

Is that a humane argument? Without question, the philanthropy for the downtrodden launched by people like Stephen Girard, Nicholas Longworth, Jean Louis, the Tappans, Milton Hershey, Albert Lexie, and Father Damien is deeply impressive. But the idea that only generosity aimed directly at the poor (or those who agitate in their name) should count as philanthropic is astoundingly narrow and shortsighted. Meddling premised on this view would horribly constrict the natural outpouring of human creativity.

Who is to say that Ned McIlhenny's leaps to preserve the Negro spiritual, or rescue the snowy egret, were less worthy than income-boosting? Was the check that catalyzed Harper Lee's classic novel bad philanthropy? Were there better uses for Alfred Loomis's funds and volunteer management genius than beating the Nazis and Imperial Japanese military?

Even if you insist on the crude utilitarian view that only direct aid to the poor should count as charity, the reality is that many of the most important interventions that reduce poverty over time have nothing to do with alms. By building up MIT, George Eastman struck a mighty blow to increase prosperity and improve the health and safety of everyday life—benefiting individuals at all points on the economic spectrum. Givers who establish good charter schools today are doing more to break cycles of human failure than any welfare transfer has ever achieved. Donors who

fund science, abstract knowledge, and new learning pour the deep concrete footings of economic success that have made us history's most aberrant nation—where the poor improve their lot as much as other citizens, and often far more.

And what of the private donors who stoke the fires of imagination, moral understanding, personal character, and inspiration? Is artistic and religious philanthropy just the dabbling of bored and vain wealthholders? Aren't people of all income levels lifted up when the human spirit is cultivated and celebrated in a wondrous story, or haunting piece of music, or awe-engendering cathedral?

When a donation is offered to unlock some secret of science, or feed an inspiring art, or attack some cruel disease, one can never count on any precise result. But it's clear that any definition which denies humanitarian value to such giving, because it doesn't go directly to income support, is crabbed and foolish. Much of the power and beauty of American philanthropy derives from its vast range, and the riot of causes we underwrite in our millions of donations.

To illustrate this rather than just claim it, let's take a somewhat random whirl through some of the evidence packed into the back of this book. We'll scroll through a few dozen of the thousands of philanthropic accomplishments accumulated in this volume. We will begin with very tangible products like historic buildings and parks, consider services like medicine and education, and touch on more ethereal accomplishments in fields like the arts.

The wild richness of American philanthropy



Mount Vernon

(Andrea Scott)

How many readers know that some of America's top cultural treasures—the homes of our founders—are preserved and kept open to the public not by the National Park Service or other agency of government but rather by privately funded nonprofits? George Washington's Mount Vernon was saved from ruin by thousands of small donors and today thrives under the ownership of the Mount Vernon Ladies' Association, a wonderful story told later in this book. The separate home where Washington was born was also retrieved from oblivion by a mix of small donors plus John Rockefeller Jr. Likewise, Monticello—Thomas Jefferson's residence sometimes described as his "greatest creation"—has been protected and interpreted to visitors for about a century by a private foundation that receives no government funding. Ditto for Montpelier, the nearby home of the father of our Constitution, James Madison.

The summer cottage where Abraham Lincoln spent a quarter of his Presidency and made some of his most momentous decisions, including formulating the Emancipation Proclamation, was a neglected part of American history until private donors came along to restore it and open it to the public in 2008. Williamsburg, Virginia; Touro Synagogue; Greenfield Village; Mystic Seaport; Sturbridge Village; Plimoth Plantation; Old Salem—these beloved historic sites and scads of others have been saved for future generations by philanthropy, not taxpayers.

Our great cathedrals are products of private giving. St. John the Divine, one of the most monumental Christian edifices in the world, was begun in New York City with gifts from J. P. Morgan, and then raised up over decades via thousands of small donations. Riverside Church, a grand gothic pile just another ten blocks up Broadway, was a gift of John Rockefeller Jr. On the other hand, the National Cathedral in Washington, the second-largest such church in the country after St. John (and probably the last pure Gothic cathedral that will ever be built), was a flowering of mass philanthropy, and built over a period of 97 years as small funds donated by the public pooled up.

Our cathedrals of human learning—libraries—are also an invention of philanthropy. Ben Franklin promulgated the idea that in a democratic nation like America, everyday people should have easy access to books, and that making them available is a worthy calling for the generous. Even the rough-and-ready city of New Orleans in 1824 got a Free Library courtesy of Judah Touro, who also helped endow the Redwood Library in Newport. John Jacob Astor, James Lenox, and Samuel Tilden gave millions between 1849 and 1886 to create what became the New York Public Library. Financier Joshua Bates launched the Boston Public Library, and Enoch Pratt provided brilliant planning as well as money for a magnificent multibranch library in Baltimore that inspired Andrew Carnegie to create more than 2,500 other libraries in the decades following. Today there are 16,000 public libraries in the U.S. and they are visited a billion and a half times every year.



St. John the

Divine (Noah Zinsmeister)

Many magnificent parks are also fruits of philanthropy. In the mid-1850s, donors started giving lovely botanical gardens to the public in various cities. The list of national parks sparked by donors is long and stretches from Maine's Acadia to the Virgin Islands, from Great Smoky to Grand Teton.

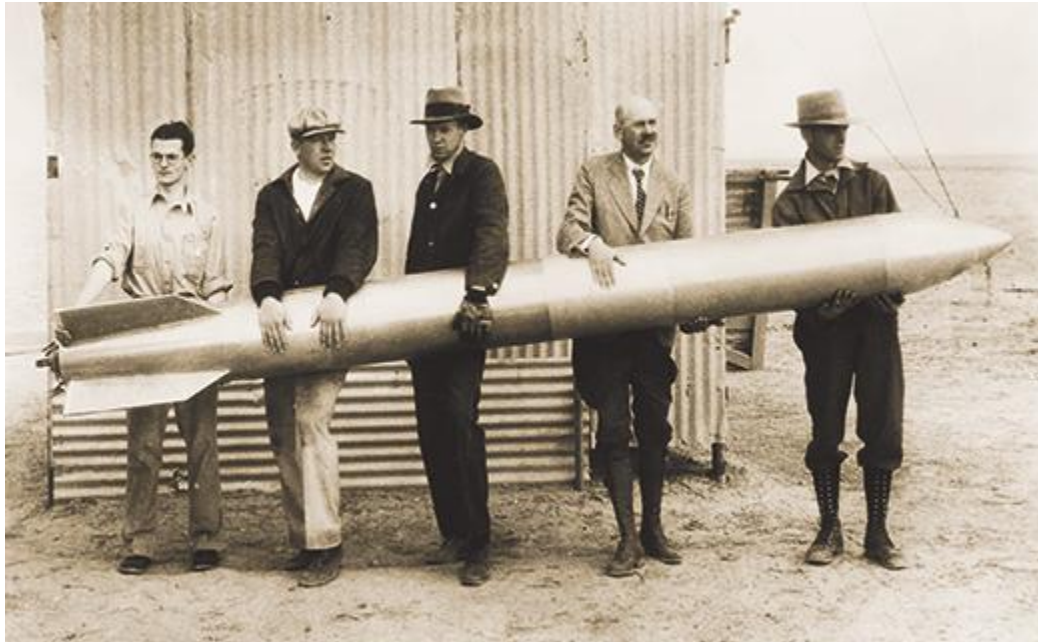
A recent research report declared that thanks to philanthropy we are currently living in the golden age of urban parks. Inspired by the success of the Central Park Conservancy, which donors created to bring New York's green haven back from the brink of disastrous decay and disorder, conservancies have spread all across the country, creating parks that delight citizens by the millions. Manhattan's High Line, Discovery Green in Houston, Chicago's 606 trail, the new \$350 million oasis springing up in Tulsa, Dallas's Klyde Warren Park carved out of thin air over a busy freeway—these are all new gifts. And tired or underdeveloped older recreation areas like Shelby Farms in Memphis, Piedmont Park in Atlanta, Buffalo Bayou in Houston, the Olmsted parks in Louisville, and our National Mall are also being renovated and expanded in much-loved ways thanks to generous givers.

Clever private ideas as well as private money have been at the center of miraculous recoveries of several endangered species. The peregrine falcon is the fastest creature on earth when flying, but as a reproducer it had become such a snail that it was flirting with extinction. Government biologists tried to speed its breeding but failed. Then a grant from the IBM Corporation mixed with small donations from falconry hobbyists allowed birders to experiment with some unconventional ideas (including that city skyscrapers might be among the best places for the height-loving, pigeon-dining creatures to make their comeback). Today, the peregrine is out of danger. Fresh ideas and donor funds were similarly crucial in the comebacks of the wolf, the bluebird, whooping cranes, wild turkeys, the swift fox, and many threatened waterfowl.

Philanthropy isn't going to bring dinosaurs back to life. It has, however, fueled much of the paleontology that has dramatically transformed the field in recent decades. Jack Horner has levered \$12 million of donations into radical new understandings that some dinosaurs exhibited mothering behaviors, that millions-of-years-old bones can contain soft tissue residues that explain biological secrets, that the T. Rex may have been as much scavenger as predator. And voluntary donations have been vital in making dinosaurs real for their fans, via imaginative new museum exhibits in places like Montana, the Smithsonian, and New York City's Museum of Natural History.

The philanthropy of science

Science in general is deeply entwined with philanthropy in America. Take the high-end telescopes with which astronomers and astrophysicists have made many of the most important discoveries about our universe. They have all been filled with light by philanthropy. Donors created the Lick and Yerkes Observatories before the twentieth century. It was Carnegie money that placed 60-inch and later 100-inch reflecting telescopes on Mount Wilson, and Rockefeller funding that built the 200-inch Hale telescope on Mount Palomar. The Keck Foundation made possible the pair of 33-foot reflectors that opened in Hawaii in 1993. And the two massive instruments under construction today—the Giant Magellan and the 30-Meter Telescope—are both being built with donations. *Big* donations, like the \$250 million that Intel founder Gordon Moore slapped down to design and kick off the 30-Meter instrument (which will produce images *12 times* sharper than NASA's Hubble telescope).



Robert

Goddard (with bald head and tie), the world pioneer in rocketry, was laughed at and ignored by academics, government funders, and the media. Luckily for the U.S. he had private admirers who almost single-handedly bankrolled his crucial innovations over a period of two decades: the Guggenheim family. After World War II, the federal government actually made a million-dollar

payment to the Guggenheim Foundation and Goddard's widow for infringing, during the way emergency, on the patents produced by donor and scientist. (NASA)

Certain large areas of science have been spurred especially hard by donors. Aeronautics, for instance. The Guggenheim family took a very early interest in the field, and in the first half of the 1900s created most of America's infrastructure for supporting flight, including nearly all of our original university aeronautical engineering departments. The Guggenheims were also virtually the sole funders, starting with a 1930 grant of \$100,000, of Robert Goddard—the world's greatest genius in rocketry, and the man most responsible for putting the U.S. on the path to world leadership in space flight.

Oceanography is another field mostly created by donors. Ellen Scripps made possible the Scripps Institution of Oceanography in San Diego, and the Rockefellers spawned a similar research operation on the Atlantic at Woods Hole in Massachusetts. There are likewise great research aquariums on both the West Coast (thanks to David Packard) and the East Coast (paid for by Bernie Marcus).

It would be hard to exaggerate the importance of some of these science gifts. In 2013, *Philanthropy* magazine undertook some deep historical investigation on John Rockefeller's pioneering funding for medical research, which commenced in 1901. We found that an astonishing 47 Nobel science-prize winners had received significant financial support from Rockefeller before they earned their awards. Another 14 Nobel laureates were supported by Rockefeller money sometime after their award, allowing them to expand their research or to mentor a new generation of scientists. The discoveries made by these men and women included blood typing, penicillin, the yellow-fever vaccine, electrical signaling in the nervous system, the operation of optical nerves, fundamental understandings of DNA and genetics, and much more.

These kinds of breakthroughs fueled by intensive philanthropy are by no means just something from history. A number of philanthropists have of late made brain research a high priority of their giving. Four donors alone have put a billion and a half dollars into this area in recent years, and their efforts are beginning to cumulate in important findings. When President Obama announced a human-brain initiative as a \$100 million federal project in 2013, his roadmap was drawn by researchers involved in the much larger philanthropic brain-science blitz already underway.

Saving lives

Medical philanthropy has had many splendid triumphs. After World War II, the entire budget of the National Institutes of Health was less than \$10 million, and the major forces in biomedical research were smart donors. The John Hartford Foundation was smart indeed, catalyzing many advances in health care during the 1950s, '60s, and '70s with its grants in areas like immunology, organ rejection, development of the artificial heart, microneurosurgery, and cancer research.

Hartford was a special savior for the many people suffering from kidney failure. They funded some of the world's first successful kidney transplants at Boston's Brigham Hospital, and

underwrote creation of the important professional societies where kidney specialists exchange information. Hartford made kidney dialysis practical, funding the machines created for the world's first out-of-hospital dialysis center. For the one out of every 100,000 Americans who experience kidney failure, these gifts lifted a death sentence.

Lab directors prize private giving above all other forms of support, for very concrete reasons.

In similar fashion, Uncas Whitaker more or less willed the new field of biomedical engineering into legitimacy by leaving \$700 million for that sole purpose when he died in 1975. The trustees of his bequest pushed the money out the door quickly and wisely, at a time when most universities and the government medical-funding agencies opposed a blending of engineering and medical disciplines. The Whitaker efforts created curricula for the new field and funded inaugural research projects. They paid for classrooms, labs, and 13 entire buildings. They gave dozens of colleges the money to hire dual-purpose faculty, fellows, and interns, and otherwise encouraged talented people to take up work at the intersection of technology and medicine. They spawned professional societies and launched the careers of 1,500 biomedical engineers who founded more than 100 companies and accumulated over 400 patents or property licenses.

The results are dramatic. Biomedical engineering has become the fastest growing specialty in all of engineering. And revolutionary products like lab-grown skin and organs, laser surgery, advanced prosthetics, large-scale joint replacement, cochlear implants, and hundreds of other miracles are now commonplace.

Like overlooked medical disciplines, philanthropy has been helpful in bringing new attention to overlooked diseases. Autism was barely understood when philanthropists offered the funds for deeper research and wider public education. Schizophrenia, certain kinds of blindness, and prostate and breast cancer have all receded in the face of donor pressure.

Huntington's disease afflicts one out of every 10,000 Americans, and there is no cure for the slow, suffocating killer. It gets modest attention from the NIH. Throughout the past decade and a half, though, philanthropist Andrew Shechtel has stimulated expansive new research on the affliction via \$732 million in donations.

Philanthropists have also done marvelous things on the social side of medical care. They have, for instance, funded giant advances in palliative care and patient comfort—creating the Fisher Houses, which now unite wounded servicemembers with their families during treatment, and the Ronald McDonald houses, which do the same for sick children. Humane hospice care was brought to America by philanthropists starting in 1974.

It isn't just in the field of medicine that donors have been able to save and improve lives. Literally hundreds of millions of people have avoided starvation thanks to the crucial foundation investments that created the Green Revolution. Today, the Gates Foundation is putting money into extending the agricultural progress of the Green Revolution across Africa.

It is estimated that tobacco could kill a billion people globally during the present century. Philanthropists are investing hundreds of millions of dollars in educational efforts to head off

many of those deaths. Dangerous roads that kill thousands of people in developing countries every year are another area where donors have recently started working creatively to save lives.

Disaster zones are one of the most visible realms where the philanthropic impulse does battle against danger and chaos. From the Red Cross and Samaritan's Purse to World Vision and Doctors Without Borders, there are many vehicles and vessels through which the generous now act to rescue the perishing. Entries later in this book chronicle multiple philanthropic outpourings in response to earthquakes, for instance: San Francisco in 1906, Italy in 1909, Armenia in 1989, Haiti in 2010, and so on. The largest recent charitable gushes in response to cruel twists of fate were the \$2.8 billion donated by Americans after the 9/11 attacks and the \$5.3 billion offered up after Hurricane Katrina.

Elevating minds

Philanthropy doesn't just fill bellies and fill pockets. It also fills heads with productive knowledge, and souls with inspiration and ideas. Education, religion, giving to culture and the arts are primeval philanthropic imperatives.

Philanthropy is, for instance, the central factor behind the greatness of American universities. Donors like Mary Garrett didn't just give the money to create learning citadels (in her case, the Johns Hopkins medical school), they also demanded business-like procedures and reforms that separated U.S. colleges from their European predecessors. Garrett insisted, in return for her support, that Hopkins raise academic standards, and accept women into its medical school on equal footing with men, making it the first place those two things were accomplished.

Members of U.S. churches and synagogues send four-and-a-half times as much money overseas to needy people every year as the Gates Foundation does.

As I am writing, more than a half-billion dollars of private giving is creating a remarkable new campus on New York City's Roosevelt Island where cutting-edge engineering and entrepreneurship training will be combined under the aegis of Cornell University. Donors also brought in as a partner Technion, the Israeli university that has proven one of the most effective in the world at spinning off lab discoveries as useful products. Cornell Tech, as the new institution will be called, has great promise of becoming a hub that not only provides superb student training but also generates a flood of economic productivity in the surrounding region, à la MIT or Stanford (two other products of entrepreneurial philanthropy).

In addition to dominant universities, philanthropy has yielded many remarkable academies for younger students. From the Catholic schools that serve as lifelines for families stranded in neglected urban neighborhoods, to superb vocational instruction at institutions like the Williamson School, to alternative programs like Waldorf schools, to many privately supported schools that provide top-flight academics, generous scholarship and endowment gifts have done wonders for generations of American children. Donors have created and sustained distinctive - American institutions like the Hershey School and the Kamehameha Schools in Hawaii. The Hawaiian institution was bequeathed 365,000 acres of land by Bernice Bishop, allowing it to educate more than 7,000 youngsters every year at almost no charge to their parents.

Within just the last 20 years, donors have powered what I suspect historians will someday categorize as the most important social invention of our time—the charter school. As this book is published, 3 million children are attending 7,000 charter schools, and both of those numbers are rising rapidly (from zero just a couple decades earlier). Even more remarkably, the top charters have invented starkly original techniques and procedures that allow them to take children with harsh life disadvantages and dreadful conventional schools in their neighborhoods and lift them into well-above-average academic results.

The 9,000 students at the Uncommon Schools charter network are 98 percent minority and 78 percent low-income, yet all seniors take the SAT and their average score is 20 points above the college-readiness benchmark. At KIPP schools, 95 percent of their 70,000 students are minority and 86 percent are low-income, yet 83 percent go to college. In New York City, the average charter-school student now absorbs five months of extra learning per year in math and one extra month in reading compared with counterparts in conventional public schools.

Creative juices

In the U.S., philanthropy is the rain that keeps the tree of artistic life in bud. Consider symphony orchestras. Fully half of their income today comes from donations (33 percent from annual gifts, 16 percent from revenue off of endowments given previously). Only 6 percent of symphony funds come from local, state, or federal government support. (The rest comes from concert income.)

The story is about the same for other arts. Nonprofit arts institutions as a whole currently get 45 percent of their budgets from donors. Subtract the philanthropy and our lives immediately become duller, flatter, darker, more silent.

Voluntary support for artistic activity in our country sprawls across a delightful range of fields. The little gems are often just as sparkly as the big diamonds. Take the Van Cliburn piano competition. Established in Fort Worth, Texas, in 1962 by local donors anxious to encourage gifted players like their native son Mr. Cliburn, it is a kind of Olympiad for amateur piano players. Every four years, the greatest non-professionals in the world descend on Bass Hall and play until their fingers can flutter no more. Spectacular performances are available not only to the live listeners but also to broadcast, Internet, and film audiences.

George Eastman's pet project, his School of Music and the 3,100-seat hall he built for it, remains one of the treasures of American culture. He created the venue to be much more open and welcoming to audiences than European concert halls, and programmed it from the very beginning not only with classical music but also with other arts like film (which was then considered a vulgar and unserious trifle). Eastman made Martha Graham's career by bringing her in to choreograph avant-garde dances that could be presented between film reels to mass audiences who would never darken the door of a ballet performance.

Now that it is recognized as both a potential art form and a potent shaper of popular culture and opinion, film has become a field of interest to other savvy philanthropists. The individual most committed at present is the former co-founder of eBay, Jeff Skoll, who has poured hundreds of

millions of his dollars into an operation that makes popular movies with a message. He also funds a “social-action campaign” for each release, which encourages people to alter their thinking and behavior based on what they have seen. Skoll has convinced big names like Matt Damon, Julia Roberts, and George Clooney to take roles in his filmanthropy, which has hit some popular and creative nerves. A charmed Hollywood establishment has given more than 30 Oscar nominations to his pictures—which include works like *The Help*, *Syriana*, *Lincoln*, *Charlie Wilson’s War*, *Waiting for Superman*, and *An Inconvenient Truth* (which brought Al Gore his Nobel Peace Prize).

Creative work undertaken under the banner of art and culture can also yield practical progress in unexpected ways. In the days before mass media, two donors—library and art patron Ada Moore, and the Carnegie Corporation—gave money to the American Foundation for the Blind to fund a crash program to bring books to the sightless in some practical audio form. The foundation decided to see if a brand-new patent for what was being called the “long-playing record,” or LP, might work.

LPs were much larger and slower-spinning than the 78-rpm records that were then popular, and thus allowed four times as much material on each side, making them practical for extended readings from books. The AFB experimented with making discs out of various materials, seeking one durable enough to stand up to shipping from house to house among blind subscribers. They eventually settled on vinyl. The foundation also had to build the first players for the records.

This philanthropic product-development effort succeeded, and “talking books” began to be shipped around the country, leaving blind Americans wide-eyed with wonder at the joys of literature. For the first 14 years of its existence, the LP record funded by Moore and Carnegie was enjoyed exclusively by the blind. Only later did CBS turn it into a medium for the general public to play music. A charitable creation thus became a big part of American pop culture.

> [Continue to Part Three: Fixing Problems via Philanthropy vs Government](#)

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Philanthropy is not interchangeable with government spending. It typically takes quite different approaches to solving problems.

John Updike once wrote an essay about how government administrators view change—noting that their every incentive is for continuation of the status quo. Change disrupts bureaucracies and creates work for those who man them. People working in government thus tend to shun departures from prevailing procedure, and to seek more of the same, not innovation. Updike

writes poetically that “the state, like a young child, wishes that each day be just like the last.” Whereas an inventive private actor “like a youth, hopes that each day will bring something new.”

This pierces to the heart of why government problem-solving is generally so sluggish and uninspired. Of course, philanthropy can also become bureaucratic and timid—as can any human activity under certain conditions. But there are fundamental structures and incentives to private giving that, in the main, make it much more imaginative, flexible, and interested in transformation, as well as more individualized, more pluralistic, more efficient. One at a time, let’s look at some of the distinctive qualities of private giving that set it apart from public spending.

Philanthropy is inventive

Both in its approach to problems and in the forms through which it operates, American philanthropy has shown itself to be highly experimental and creative.

For instance, the institution of the charitable foundation itself—which allowed donors to codify their giving and extend it to future generations—is an invention of American philanthropy. The first foundations emerged in the U.S. around the turn of the twentieth century. By 1915 there were 27 in operation; in 1930 the total was over 200. The British began to copy the foundation structure in 1936; it was 1969 before the French and Japanese got some of their first examples. Today the foundation (and U.S.-style philanthropy in general) is just beginning to be understood and copied in places like China, the Middle East, Russia, and India.

Heaps of examples illustrate the inventiveness of private philanthropy in substance as well as form. Take just the past decade of grantmaking in a single field—education. Five donors recently set up a fascinating effort to trim the soaring costs of college by producing top-quality, low-cost textbooks for the country’s 25 most-attended college courses. They will use the open-source method commonly applied to producing great software, along with an expert-review process. And the resulting books will be free to students. Given that college students spent an average of \$1,200 on texts in the 2013 school year, this effort is expected to save collegians \$750 million in its first years. The donors are now expanding it to the high-school level.

The genius of the philanthropic mechanism is that it takes people just as they are and helps them do wondrous things, even when they’re not saints.

In the same year that this clever venture was launched, other donors paid to bring a new testing yardstick to schools so they can measure their performance against peers in other countries. Yet others provided the means to set up MOOCs—massive open online courses from top colleges that can be taken for free by anyone—thanks to philanthropic sponsorship. Simultaneously, philanthropists concerned about the low quality of many of the colleges that train schoolteachers created a new guide, in collaboration with rating expert *U.S. News and World Report*, that scores every one of the nation’s 1,668 teacher colleges for effectiveness.

There were creative educational thrusts by other givers at about the same time. One donor paid for a major experiment in Chicago that is testing whether at-risk preschoolers get a bigger

academic boost from long-term training for parents, or from special financial incentives for teachers who produce results in a year, or from small weekly payments that reward specific achievements by parents, teachers, or children. Other givers paid for Khan Academy to offer “a free, world-class education for anyone, anywhere” via thousands of free online seminars. A contemporaneous donor-driven innovation was a practical new system that allows school districts to measure how far students progress from their starting point during a school year, and then to reward the teacher accordingly.

Meanwhile, several radically different and effective new ways of drawing fresh talent into teaching were created with charitable funds. Philanthropy invented a superb math and science initiative that spread rapidly to 560 schools in its first seven years. (It causes the number of students earning passing scores on math and science Advanced Placement exams to jump 85 percent in the first year, on average, and to nearly triple within three years.) And it was thanks to generous givers that less than a decade after Hurricane Katrina wiped out every one of its miserable public schools, New Orleans had an entirely new 100-percent-charters school system in place that allowed the city’s students to mostly catch up with the performance of students in the rest of the state, for the first time in state history.

And so on. We could walk through similar bursts of philanthropic invention in medicine, economic development, overseas aid, and other areas. You’ll find examples of all of these in the Major Philanthropic Achievement lists at the heart of this book.

Philanthropy is nimble

Private giving is light years quicker than government action, and it tends to adapt effectively to changing conditions on the ground. A simple example is donor John Montgomery’s provision of lifesaving radio gear in central Africa. Residents of that region had been terrorized for years by warlord Joseph Kony and his mercenary army that routinely popped out of the jungle to kill, steal, and kidnap children from remote villages. Montgomery suggested that if a radio network were created so information on Kony’s movements could be quickly shared, imperiled villagers could be warned in time to flee. In very short order he had tribal chiefs equipped with the necessary transmitters and receivers, and many families were spared.

Another illustration of the responsiveness of philanthropy came during the 2014 Ebola scare. As the disease swept into new nations, neither the international nor American health bureaucracies showed much capacity to adjust or speed up their distribution of resources. Enter philanthropist Paul Allen with an almost instant \$100 million pledge, rapidly matched by \$50 million from the Gates Foundation, \$25 million from Mark Zuckerberg, and other gifts. By, for instance, immediately establishing protocols for aid workers who get infected, providing financial support for their evacuations and insurance-coverage gaps, and paying for the dispatch of 500 emergency respondents and their equipment to west Africa, Allen’s quick gift was credited by experts with stanching the bleeding (literally). The comparative speed of charities is often visible in disaster relief—where organizations like Samaritan’s Purse and Team Rubicon are routinely able to put supplies and help-teams on the ground days faster than public authorities.

Interestingly, the nimbleness and speed of philanthropy coexist with a proven ability to be patient and take an extraordinarily long-term approach when appropriate. “Unlike business and the state, foundations can ‘go long,’” writes Stanford professor Rob Reich. He cites the multigeneration creation of public libraries, the decades-long Green Revolution, the painstaking creation of our national 911 emergency call system by philanthropists, and other examples.

Philanthropy is individualized

Howard Husock once wrote in *Forbes* that “the more individualized attention a problem calls for, the less well-suited government is to dealing with it—and the more likely that independent, charitably supported groups can help.” This is indubitably true.

Many of the most successful mechanisms in the charitable world—like microlending circles, Alcoholics Anonymous, the successful mentoring programs for prisoners, college-dropout preventers like the Posse Foundation, and good job-training programs for welfare moms and the homeless—rely heavily on one-to-one human linkages and accountability. They take advantage of all the useful information that becomes available when you actually know someone, instead of dealing with a stranger. And they use the power of relationships to help people change behavior.

I once did a study of the informal lending circles that many immigrants use to build economic success after they come to the U.S. Typically, a group of six to ten individuals who are related or know each other will band together, and each month every participant will put a few hundred dollars into the circle. When your turn comes up you get to collect that month’s kitty—which recipients typically use for things like starting a business, or making a downpayment on a car or house, or buying some equipment or education that can be used to make a living. These circles almost never have contracts or receipts or any legally binding structure. So what prevents someone from walking off with the pot then refusing to kick in their share of contributions in the future? Relationships!

Enlightened, practical, democratic leaders won’t just tolerate the independent actions of donors and volunteers, they will embrace and encourage them.

There is the pressure of not letting down your relatives or friends or neighbors whom you will see in the future. There is also the confidence that comes from entering the circle with valuable knowledge of the character of the other people in it, making it less likely you will be taken advantage of yourself. These are not anonymous strangers in a transfer program, they are people whose strengths and weaknesses are known to each other. These are personal, not impersonal, transactions.

“I never think about crowds. I think about individuals,” Mother Teresa used to say. The administrator of a government helping program, on the other hand, has to focus wholly on the crowd. Government programs can’t have different approaches and different rules for different kinds of people; they are all about equal opportunity, about being strictly the same for all participants in all places at all times. Cramped minds sometimes romanticize this “consistency” of government programs, and contrast it favorably to the “patchwork” variations of charitable aid. But consistency is not really how humans work.

If you have one child who needs a very structured environment, and another who blooms when left to navigate on her own, and a third who doesn't do any kind of book learning well but has vibrant creative skills, you don't want "consistent" schools; you don't want one size fits all. You want individualized services that recognize and work with intimate differences of personality. You'll have a hard time finding that in government-run programs, but it's a hallmark of philanthropic efforts.

Great philanthropists know all of this. That's why many donors prefer to work in their own backyards, where they know the characters of many recipients. When allying themselves with social entrepreneurs, donors tend to seek out neighborhood operators who have intimate acquaintance with the problem at hand, and the persons suffering through it. Donors sift through competing petitions for help and choose those where they have some direct knowledge, and confidence the transactions will be personal enough to keep people accountable and tuned in to real needs.

Successful benevolence uses the power of intimate knowledge. That greatly improves the chances of social success. An individually tailored approach is often the central difference between philanthropy done right and ineffective government check writing.

The great giver Julius Rosenwald once described the aim of philanthropy as "healing the sore spots of civilization." This is easier to achieve by working in personal rather than impersonal ways. Consider the story of a young woman named Liz Murray who grew up as the neglected daughter of two drug addicts.

In her teenage years Murray began reaching out to potential allies for help in saving herself. On one particular day she had two back-to-back human interactions that were climactic in her life. The first was in a New York City welfare office where she attempted to qualify for aid for the first time so she could have an apartment instead of living on the street as she had been for two years. The transaction was all about forms and rules. It was impersonal. And it ended in yelling, her being mocked by the government caseworker, and a refusal of aid—which was disastrous given her precarious circumstance at that moment.

Murray's next interview that day was at the *New York Times* headquarters, where she sat down with the committee in charge of awarding the charitable college scholarships handed out every year by the New York Times Company Foundation. This transaction was highly personal. She told them how her mother sold their donated Thanksgiving turkey for drugs; how she had slept in stairwells since her mother died of AIDS; about not eating and living off a food pantry; and about what kept her spirits intact throughout these trials. She was soon awarded one of the foundation's six scholarships (with which she eventually graduated from Harvard). And when a very personal story about her life was published by the *Times*, donations poured in which not only allowed Murray to occupy an apartment and start eating regularly, but also provided the means for the foundation to award 15 more college scholarships than expected.

Murray herself makes clear how important personal factors are in any helping interaction. "During my more vulnerable moments, I was always seeing myself through the eyes of others."

If they looked at her as a failure, “then I was one.” And if they looked at her as “someone capable, then I was capable. When teachers like Ms. Nedgrin saw me as a victim—despite her good intentions—that’s what I believed about myself too. Now I had teachers who held me to a higher standard, and that helped me rise to the occasion. The deeply personal relationships in this intimate school setting made me believe.” With the help of just a few well-placed helping hands—philanthropists as it happens, though that is too cool and greek a word to capture the intimacy of what they did for her—Murray eventually wrenched herself out of a death-spiral. It could not have been done without human closeness.

Philanthropy frequently seeks to transform, not just treat

Philanthropists are often driven by a deeper, wider, more comprehensive ambition than just giving aid. Instead of merely compensating for ills, philanthropy often tries to correct them. It works preemptively to stop the flow of hot lava, rather than simply putting out the fires it creates.

An early advocate for this aspect of American philanthropy was Ben Franklin. His own extensive giving aimed not so much to relieve men in their misfortune as to reform them into a healthier state. “The best way of doing good to the poor is not making them easy in poverty, but leading or driving them out of it,” he wrote. Improving the world that strugglers live in was Franklin’s notion of the best way to do good for fellow men. Libraries, schools, occupational training, and all forms of education, self-improvement, and character-building were his favorite causes.

This connects to the previous point about philanthropy being individualized and intimate. If improving private behavior and building self-governance is what you are trying to do, a personal approach is essential. And in our country, the goal of charity has always been individual competence and independence, not just social quiet.

Philanthropy has a long history of taking up crucial burdens in the face of government failure.

As a Polish journalist who traveled across the U.S. in 1876 observed to newspaper readers back in Europe, the charitable impulses of Americans are very specific. “A man who is old and infirm, a woman, or a child receive more assistance in the United States than anywhere else,” he noted. But “a healthy young man will almost invariably hear one piece of advice: ‘Help yourself!’ And if he does not know how to follow this advice, he may even die of starvation.”

Strong citizens and strong communities make most palliative aid unnecessary. In law enforcement it is a truism that heading off bad behavior is much preferable to cleaning up after a crime. American philanthropists often take a similar approach to social reform—better to help people build sturdy habits than to rescue them after they fall.

In a free society, one doesn’t really want government, with its coercive powers, to get into the business of personal transformation. There’s too much risk of Big Brother authoritarianism in that. But donors can do this work well on a voluntary basis. They offer carrots that encourage individual reform, while at the same time assisting recovery from prior mistakes. This has great value to society.

In 2015 The Philanthropy Roundtable published a book called [*Clearing Obstacles to Work*](#) that catalogues the secrets of hundreds of successful charities that help homeless people, released prisoners, welfare moms, and other at-risk populations succeed economically and stand on their own two feet. These effective charities don't just give out jobs and apartments and checks. Without exception, they require their clients to rise to the occasion—they expect them to learn and cooperate and expend effort. In short they treat them as equal partners and ask them to contribute, rather than patronizing them with undemanding alms.

Philanthropy is pluralistic

Polyarchy. That's a great \$50 word for any American to know. It refers to a society in which there are many independent sources of power. Contrast it to monarchy. The United States has a notably polyarchic culture, and independent grassroots philanthropic giving is one big aspect of this.

The polyarchy fed by philanthropy increases variety in our lives and protects non-mainstream points of view. There is only one federal government, and it necessarily applies a uniform approach to all who approach the throne. At the state level we have 50 power centers but only one applies to our own life. If you count every single school board and village administration and water district in the U.S. there are about 100,000 government entities all told, but again only one holds sway where we live, and we usually have no alternative to what it presents us.

Meanwhile, there are about *two million* independent organizations in our civil society, and *hundreds of millions* of separate adult donors. These overlap and compete; none have an exclusive franchise; we can pick and choose, mix and match. And as alternate sources of resources and organizing power these voluntary elements are antidotes to any uniform authority that could become oppressive, or just ineffective. ("The legislator is obliged to give a character of uniformity...which does not always suit the diversity of customs and district," observed Tocqueville.)

Yale law professor Stephen Carter points out that "the individual who gives to charity might measure the needs of the community by different calipers than centralized policy makers, and will therefore contribute to a different set of causes. These millions of individual decisions lead to a diversity in spending that would be impossible if we adopted the theory that the only money spent for the public good is the money spent by the state." Philanthropy "also helps resolve an information problem: Government officials, no matter how well-intentioned, cannot know all the places where donations are needed, or the form that will be most useful." Philanthropy is thus "democracy in action."

Give away houses built by bleeding-heart church volunteers! Ask small business owners to have coffee with a prisoner every month, and college kids to spend a day with his children! Adapt Mormon welfare programs to other hungry and homeless people! Recruit school teachers from the Ivy League! It is much easier for private givers to invent and experiment in these sorts of ways. They can try liberationist models, authority-based models, religious approaches, mentoring influences, and other strategies that would be off-limits to public agencies.

The sprawling, multidimensioned society that America has grown into is often too complex for government-provided single-solution answers. In areas like family life, schooling options, health, and so forth, many citizens would prefer to choose from independent and voluntary social solutions rather than have a government-provided version forced on them. Do we really want public authorities deciding what's in our art galleries, who trains our children in moral virtues, and the size of soda we should drink? It will often be more realistic and desirable

to address these sorts of issues through multifarious private voluntary efforts. Let a thousand flowers bloom.

Philanthropic solutions, right-leaning professor Les Lenkowsky has pointed out, are “especially important for people with ideas that may be unpopular, innovative, or directed at a minority of the population.... Philanthropy, in short, is an expression of pluralism.” Left-leaning professor Rob Reich makes the very same point. Because they “decentralize production of public goods and curtail government orthodoxy,” he writes, philanthropists provide “pluralism of public goods.”

In addition to reinforcing freedom and innovation, this aspect of private giving has many practical advantages. What works to reverse homelessness or alcoholism or loneliness in old age may be quite different in Nebraska than in Newark (or Namibia). Yet in public programs it's hard to allow different rules and pursue varying strategies. In philanthropy that's easy. Indeed that's one of the field's inherent strengths.

One of the distinctive (and for many of us encouraging) aspects of contemporary life is the rapid “nicheification” of choices. Not long ago we had three national news networks, and three national car makers, and three national entertainment channels. Many neighborhoods had one hospital choice, one public school, one department store, and one dominant employer. Today we have many more options, allowing us to select from quite different priorities, and values, and tastes. Philanthropy has always enjoyed this rich variety.

Another subtle way that philanthropy protects diversity and options is by giving the social visions of different time periods their chance to chip away at problems, allowing points of view that are out of fashion, or just forgotten, to retain a foothold. “The great thing about the legal protection of charitable trusts over time is that we don't all have a bunch of institutions in 2013 that are wholly determined by what trustees happen to think in 2013. That would lead to an appalling homogenization of our cultural, social, and educational landscape. Instead, people set up different projects in 1880, or 1938, or 1972, and those visions, sometimes gloriously out of step with how we currently think...continue to thrive.”

So wrote a trustee of a college in the rural West whose founder stipulated a hundred years ago that it had to be one of the most academically selective in the country, yet require its students to put half of their time into ranch work, that it had to be all male, and never bigger than a few dozen students per class. We wouldn't want every American college to have that signature, but how wonderful that there is one that does. Thanks to its donor's rules, Deep Springs College

offers a rare and perfect education for a special type of student, while producing results and insights that the rest of the educational establishment can learn from.

Philanthropy is flexible

If you talk to problem-solvers who rely on both private donors and government grants to support their operations, they will tell you that one of the most invaluable things about philanthropy is its flexibility, its trust in social entrepreneurs, its comparative lack of red tape, its willingness to adapt.

This can be seen with crystalline clarity in science philanthropy. It was donors like John Rockefeller, John Hartford, and Lucille Markey who created modern biomedical research and set the template for the way government funders like the National Science Foundation and the National Institutes of Health operate today. Even after the federal science agencies began gushing billions of dollars in all directions, philanthropy remains crucial to the field because it is more flexible.

MIT professor Fiona Murray recently studied the 50 universities that top the list for science-research spending in the U.S. She found that private donors now provide about 30 percent of the total research funding at these places. So the sheer volume of dollars is consequential.

But what's even more important about science philanthropy is the way it is structured. Private funders often take up work that is neglected by federal funders because it is too experimental, too obscure, pursued by scientists too young to have a record, and so forth. "Government research is powerfully conservative. I've been an NIH researcher for decades, and to get an NIH grant today you essentially have to already have solved the problem in question," says Charles Marmar, a top medical scientist at New York University. Private funding is not only more willing to take risks, it is also much faster and less bureaucratic, according to Marmar. "On the philanthropic side donors tend to have business acumen and know how to get things done," he notes.

Philanthropic money often functions as venture capital, supporting high-risk, high-payoff science that is at an early stage or taking an unconventional approach. "What I've always loved about philanthropy is it's money that has a potential to be flexible. It's money that can catalyze new ideas. It's money that lets you push the frontiers, follow the leading edge," states Leroy Hood, one of today's leading biologists. "At the National Institutes of Health, if you haven't completed two thirds of your research, you're probably not going to get a grant, because everything is so competitive and so conservative. So a philanthropist who is willing to say 'Yes, I'll step in and help you find something new' is a jewel."

Hood has relied on donors over and over in his illustrious career. When he was creating a machine to automate the labor-intensive process of sequencing DNA, he applied for NIH grants and "got some of the worst scores the NIH had ever given. People said it was impossible, or they said, 'Why do this? Grad students can do it more easily.'" So Hood turned to Sol Price, the entrepreneurial whiz who originated the warehouse superstore concept that produced Costco and

Sam's Club, and then later Bill Gates. With support from these two donors, Hood produced the technology that made much of today's genomic revolution possible.

There are many simple things that make science philanthropy so valuable. For example, the federal bureaucracies are hugely biased toward scientists who have already made their mark—the average age at which researchers receive their first federal grant is 43, and only 1 percent of NIH grants go to researchers 35 or younger. Yet most science breakthroughs originate from precisely those young inquirers who haven't yet fallen into conventional ways of approaching topics. Private funders are vastly more likely to support young investigators.

Private donors are also vastly more willing to buy machines, and erect buildings, and hire technology aides—creating the infrastructure within which discoveries can take place. Government grants are notoriously unwilling to pay for this sort of foundation-laying. Federal grants must be tailored for one discrete experiment and its immediate costs only. That makes it hard for directors to keep their labs operating and continuously improving.

Philanthropy has special importance in bringing resources to new fields, new places, new approaches. Ignoring conventional advice that they give only to established health centers, donors have built top-flight new medical facilities from scratch in places like Kansas City, San Diego, and Houston. Eminent neuroscientist Steven Hyman, who is investigating the genetic bases of mental illness, wanted to do work in Africa because of its unusually diverse genetic pool, “but it would take a huge administrative or bureaucratic effort to run federal grants there. We couldn't think of doing that without private money.”

As easily as it fills geographical gaps, philanthropy fills gaps in popularity, conventional wisdom, and intellectual fashion. The list of “orphan” maladies that neither government nor corporate funders were much interested in before donors became involved is long. Trachoma, schistosomiasis, Guinea worm, onchocerciasis, and many other tropical diseases. Geriatric medicine. Retinitis pigmentosa blindness. Huntington's disease. Malaria. “Diseases like schizophrenia, bipolar disorder, and autism have moved out of this black box,” reports Hyman. “Without private philanthropy, we wouldn't be able to take risks or get our research up to scale.”

The medical establishment was dismissive of his idea when George Papanicolau used a “highly speculative” grant from the Commonwealth Foundation to invent the Pap smear. The AIDS epidemic was still a blurry terror when the Aaron Diamond Foundation ripped into it with a nimbleness, speed, and tolerance for risk that allowed it to pioneer many of the key research and treatment findings needed to battle the disease.

Lab directors prize the fact that private giving usually comes without onerous strings attached. “Unrestricted funds are gold; they're magic,” says Eric Lander, director of the Broad Institute and another of the nation's top scientists. “We're able to say when we have a good idea, ‘Let's start investing in it now rather than write a grant and start working on it two years from now after it wends its way through the NIH system.’”

In combination, these practical advantages can have remarkable effects. The trust set up by Lucille Markey to support biomedical careers is an excellent illustration. It operated only from the mid-1980s to 1997, when it shut its doors for good after distributing more than \$500 million in 200 grants.

Philanthropy is crucial to keeping America operating as that exceedingly rare society where most individuals can steer their own lives.

The Markey funding was everything that government granting isn't. It was tremendously flexible. Preliminary investigations and risky science of the sort that give NIH or NSF funders lockjaw? No problem. Spend money recruiting great new scientists or graduate students whose exact roles will be determined in the future? Can do. Build or equip a lab before the exact experiments that will unfold there have been plotted? Sure. Shift money from one year to another, or one project to another, to fuel the most promising avenues as they open up? Yup. Dramatically change research directions in response to unexpected experimental results? You'd be stupid not to! Yet almost none of those things can be done with government funding.

The rules which allowed the Markey grants to fuel so much innovation by recipients were explicit: favor young investigators with promise and nurture them through the "valley of death" that extends from the end of their training until their reputations are established. Trust outstanding researchers with wide discretionary powers in using their funds. Support fields with the biggest upside. Fund areas that are important but not popular. Allow not just basic science but also "translational" research that turns new discoveries into useable treatments and technologies. Pay for the infrastructure necessary for great research, not just the research itself. Be patient.

The Markey Scholar Awards offered funding for five to seven years to each recipient, plus money to establish his or her own lab. The 113 Markey awardees turned out to be extraordinarily successful and productive. Eric Lander is an example—during his fellowship he refined new concepts of gene mapping in the lab Markey supported, and today he heads the largest genome center in the world.

A current example of how different philanthropy-funded science can be from state-funded science is the Howard Hughes Medical Institute. The eccentric billionaire who founded it created the institute primarily to conduct its own research instead of handing money to facilities with their own agendas. A 1985 sale of gifted stock made it the wealthiest medical philanthropy in the country.

About 350 Hughes Investigators operate at more than 70 universities, hospitals, or labs across the country in an unusual organizational structure. Their dispersal allows them to benefit from cross-fertilization of ideas, yet they are employed by the institute rather than their host, and benefit from its independence and patience. As a companion to these investigators working far afield, Hughes recently created a major research campus of its own outside Washington, D.C., where it has concentrated more than 400 biologists to do high-risk, long-term research in large interdisciplinary teams. Their more corporate style of investigation is quite different from the

traditional individual-researcher model favored by government funders (and by Hughes in its other support), and brings special advantages to certain kinds of discovery work.

A 2009 study by the National Bureau of Economic Research found that these philanthropic models are unusually effective. “Investigators of the Howard Hughes Medical Institute, which tolerates early failure, rewards long-term success and gives its appointees great freedom to - experiment...produce high-impact papers at a much higher rate than a control group of similarly accomplished NIH-funded scientists,” the study concluded. This meshes with many other observations. “Philanthropy fuels new opportunities in exciting ways,” concludes Leroy Hood. “At really excellent places like MIT or Caltech or Harvard, new innovation almost always comes from philanthropy.”

Philanthropy is efficient

A few years ago, academics collected 71 different studies comparing the efficiency of offerings when the same basic service was available from both public agencies and private organizations. They found that in 56 out of the 71 cases, the philanthropic provider was more cost-effective. In ten cases there was no clear difference, and in only five cases was the public provider more efficient.

The public senses and understands this reality, which is one root of its deep affection for charitable operations. Americans know most philanthropic efforts get a lot of bang for the buck. That’s why they voluntarily handed \$360 billion to charities in 2014.

Asked in 2011 “Which do you think is more cost-effective in promoting social good—private charities or the government?,” 73 percent of adults nationwide said charities were the most cost-effective, while 17 percent selected government agencies. (Perhaps you’ve heard the old definition of social science: “Elaborate demonstrations of the obvious, by methods that are obscure.”) Asked in 2010 whether they most trust government, business, or nonprofits to solve “the most pressing issues of our time,” 71 percent of Americans picked nonprofits.

To gather more evidence on public attitudes toward philanthropy, The Philanthropy Roundtable commissioned its own national poll in 2015. The results revealed deep public confidence in both the effectiveness and the efficiency of private giving. The results are laid out in a separate section later in this book.

> [Continue to Part Four: Common Criticisms of Philanthropy](#)

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Introduction Part Four | The Almanac of American Philanthropy | The Philanthropy Roundtable

It's very easy to underestimate philanthropy. After all, it is carried out in radically decentralized ways, and most of us rarely see anything other than small fragments in operation. Most philanthropy takes place on a local level. It is often private, anonymous, or simply happening out of the public eye.

Even most donors and nonprofits grossly underestimate the problem-solving power of charitable action and how crucial it is to our national flourishing. So not surprisingly there are plenty of out-and-out critics who discount or even mock the idea that major concerns can be addressed via private responses. Philanthropy can be cute, but if you're *serious*, they suggest, get big and governmental or go home.

You've all heard the complaints: Philanthropy is a drop in the bucket! Philanthropy is amateurish! Philanthropy is chaotic and uncoordinated! Its programs are a crazy patchwork! Some donors are mean, or vain, or in it for all the wrong reasons!

Let's look at a few of those claims.

It's a drop in the bucket!

The next time you hear the gibe above, recall the numbers at the very beginning of this Introduction: The U.S. nonprofit sector now totals to 11 percent of our workforce and 6 percent of GDP, making it much bigger than the "military-industrial complex" and many other important sectors of our society. Let me add one more number: Nonprofits currently control total assets of about \$3.5 trillion. That's trillion with a "t."

And here's a little perspective: The Gates Foundation alone (which is just a tiny sliver of our entire philanthropic apparatus) distributes more overseas assistance than the entire Italian government. It is estimated that in just its first two decades, the Gates Foundation's overseas vaccine and medical program (only one element of its total giving) will directly and immediately save the lives of 8 million preschool children. Is that a drop in the bucket?

Many of the most important interventions to reduce poverty have nothing to do with alms. They are gifts that increase the prosperity of everyday life—benefiting individuals at all points of the economic spectrum.

Then absorb this: Members of U.S. churches and synagogues (who are, in turn, just one part of America's philanthropic army) send *four and a half times* as much money overseas to needy people every year as the Gates Foundation does! Indeed, private U.S. philanthropic aid of all sorts sent overseas now substantially exceeds the official foreign aid of the U.S. government. As of 2011, the annual totals were \$39 billion of philanthropy versus \$31 billion from government. (And on top of that, individual Americans, mostly immigrants, sent an additional \$100 billion abroad to support relatives and friends in foreign lands.)

When Tocqueville made his classic visits across America he wrote, "In the United States I am even more struck by the innumerable multitude of little undertakings than by the extraordinary size of some of their enterprises.... One is therefore in daily astonishment at the immense works

carried through without difficulty by a nation which, one may say, has no rich men.” The power of innumerable little undertakings is even clearer today—when wealth and power are spread all across our sprawling continental nation.

Getting seduced by giantism is easy, but it’s an egregious mistake. Just because something is big and shiny and official doesn’t mean it is effective. And just because certain actions are small doesn’t mean they can’t accumulate into mighty rivers of joined effort. When private citizens in every community take care of little things, nearby things, civic needs in their own towns, the net result will often be mightier than any bureaucratic mobilization.

The best metaphors for the achievements of philanthropy are not marching armies or triumphant grand-slam home runs. Think instead of the gradual changes wrought by nature. “For many years a tree might wage a slow and silent warfare against an encumbering wall, without making any visible progress,” writes Lloyd Douglas in his novel *The Robe*. Then one day the wall topples over. “The patient work of self-defense...had reached fulfillment.”

In one of his poems, Arthur Clough offers a similar image of the power of subtle, gradual action:

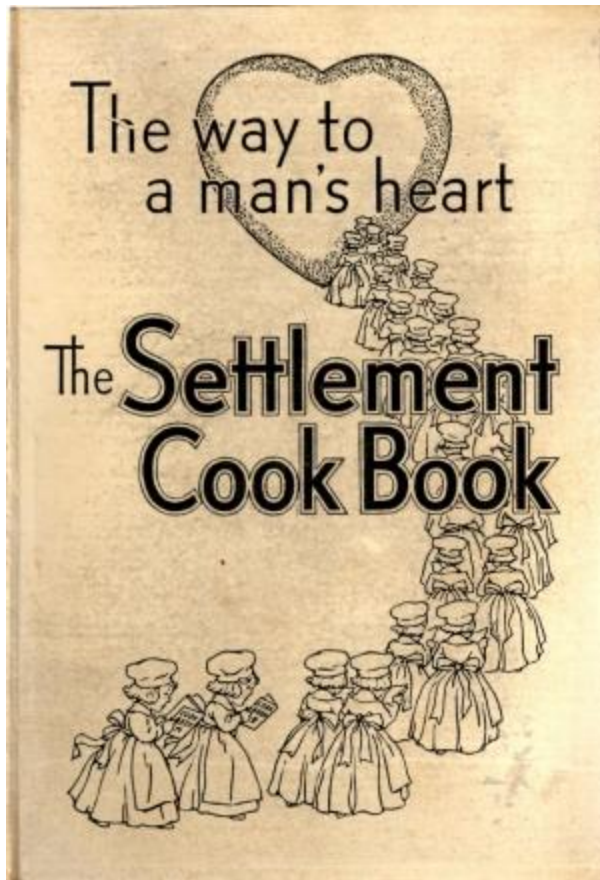
...while the tired waves, vainly breaking,
seem here no painful inch to gain,
far back, through creeks and inlets making,
comes silent, flooding in, the main.

These descriptions capture well the way that philanthropy works. Drop by drop, yes. But inexorable, omnipresent, and adding up forcefully.

It’s amateurish!

It’s easy to caricature grassroots solutions. You’ve probably seen the wise-guy bumper stickers saying things like “It’ll be a great day when social issues get strong public funding and the Pentagon has to hold bake sales to buy bombers.” Well, I’m here to tell you that bake sales, and other small-scale acts like them, can do great things.

Lizzie Kander was working as a truant officer in Milwaukee in the 1890s when she discovered that the home conditions of Russian immigrant families were “deplorable...threatening the moral and physical health of the people.” Believing that women were the keys to household success and acculturation, she devoted herself to charitable initiatives teaching cleanliness, child education, good nutrition, household skills, and economically useful trades to Russian women. By 1900 she was deeply involved in running a settlement house that assimilated Jewish immigrants using funds donated by Milwaukee businessmen.



When additional money was needed, Kander compiled a 174-page cookbook-cum-housekeeping-guide to sell as a fundraiser. The board of directors would not pay the \$18 needed to print the book, so she paid for production by selling ads. It became known as the *Settlement Cook Book*, with the very politically incorrect subtitle, "The Way to a Man's Heart." Goofy little bake-sale project, right? Well, the book eventually sold two million copies. And the revenue stream from this idiosyncratic effort paid for the mainstreaming of Jewish immigrants in the upper Midwest for 75 years, along with many other charitable projects.

Let me extend the point with another example from the same era and a similar cause. Amid the turmoil of World War I and pogroms breaking out in Eastern Europe and the Near East, many American Jews became concerned for the safety of co-religionists abroad. So, in classic American fashion, a charitable fundraising committee was formed to help resettle refugees, and a goal of \$5 million was announced. To kick things off, four anonymous donors pledged \$100,000 each if another \$600,000 could be raised in New York at a single event. A gala was scheduled at Carnegie Hall for December of 1915. Very soon, requests for tickets were triple the hall's capacity. On the day of the fundraiser more than 3,000 people congregated outside the building in the hope of being admitted at the last minute.

The event featured a string of speakers describing the dangers Jews faced abroad. Then people began walking to the stage one by one to drop off donations. In addition to cash, slips of paper pledging monthly gifts piled up. The *New York Times* reported that some in attendance left rings, necklaces, and earrings. When the event ended, the gifts exceeded \$1 million. This inspired

major donors like Julius Rosenwald, Jacob Schiff, Nathan Straus, and Felix Warburg to make big pledges. Throughout the next few years an estimated 3 million Americans donated, raising many millions for this urgent cause.

Fully 47 Nobel science-prize winners received significant financial support from Rockefeller before they earned their awards.

Even when they don't make a big wave like the Carnegie Hall fundraiser, or Lizzie Kander's cookbook-fed-charity, quirky human-scale projects can do lovely things. There is a little \$5 million foundation in Baltimore called the Anna Emory Warfield Fund that has one simple mission: help elderly women who want to stay in their homes do so "in the style to which they are accustomed." Grants can be as little as a few hundred dollars to pay for a handyman to repair overflowing gutters, or a few thousand dollars to catch up on mortgage payments or weather a temporary health crisis. No one has any illusions that these grants are changing the world. But for a widow at risk of outliving her savings, or a retired teacher who doesn't have the means or inclination to enter a nursing home, this quiet support can be a godsend that prevents life from spiraling out of control.

Programs that grow naturally from the bottom up rather than the top down not only collect together into larger actions, but have overlapping qualities that can magnify their effect. Piece together a handyman grant here, a meal-delivery service there, and a volunteer program for driving people to doctor's appointments, and independent life remains possible. Add a video-medicine program that lets you consult with out-of-town specialists, and a hospice when the end draws near. A family-building effort down the street, an alternative school across town, and a county-wide college scholarship program might make all the difference to a young person. Take an inspiring donor-funded museum nearby, and a devoted effort to get local kids out of foster care, and your community feels different. Cumulate these kinds of philanthropic projects and soon you have a gorgeous, continually regenerating, transcontinental quilt that covers millions of local needs and longings.

Amateur webs of giving and volunteering make every one of our home towns more livable, richer, safer, more charming, more interesting. The varied and sometimes underappreciated gifts that donors offer their fellow citizens fill human hungers that would otherwise be ignored or foisted on impersonal and less effective state agencies. This work is a great strength of our country.

It's uncoordinated!

Even loyal donors will sometimes complain that the factor limiting philanthropy is that it's not coordinated. Rules vary all over the place. It lacks uniformity. There are holes. Everybody gets to make their own decisions. People go off in many different directions. No one's in control. Chaos! The Wild West! Some observers are really bothered by a lack of standardizing forces that get everyone marching in the same direction (as government programs do).

There's one problem with that rather authoritarian critique: Non-coordination can just as easily be considered an advantage as a problem. Recent decades have taught us that in economics,

technology, social practice, and community life, decentralized multiplicity can be a saving grace. That is even truer in philanthropy than in many other areas.

Philanthropy is the rain that keeps the tree of artistic life in bud.

I worked for three years in the West Wing, overseeing domestic policy for the President, and one of the deepest impressions that work made on me was how heavy the tread of the federal government is. We'd take up a problem and I'd realize, "whatever we do, however well-considered our reforms, we are going to discombobulate millions of people." Since the entire federal apparatus swings in one direction with any rule change, it is very hard to test competing policies, to turn faucets on slowly, or to allow differing solutions in different places. Almost every new federal policy turns over the apple carts of many completely innocent parties and disrupts the settled expectations of large numbers of families and communities. I left the White House hungry for less monolithic, less uniform, more decentralized ways of attacking problems.

Humans are not predictable robots, so the healthiest forms of society-building often proceed in an empirical way: test, experiment, undertake lots of trials, recognizing that many—perhaps most—will fail. But so long as our whole society isn't swerving in unison in one direction, the errors will generally cancel each other out, the failures will be exposed, and the successful ventures will become visible and then be copied.

This is an argument for dispersal of resources. For divided attacks. For independent assessment. Exactly the things that private philanthropy provides.

Yes, you will be told that breaking the responsibility for social problem-solving into hundreds of pieces and then handing these off to thousands of charities and foundations and private doers of good is medieval, and will never be effective in our modern world. Critics will portray it as mere dabbling in the face of giant pressures. Such criticism, however, seriously misunderstands the power of the human anthill, at least under American organization.

A wonderful new word was coined in 2005 to describe a reliance on dispersed authority to fix things: crowdsourcing. The effectiveness of chewing through big issues via lots of small bites by dispersed participants is a fundamental reality understood by wise humans for millennia. But it has been brought into high relief by aspects of the computer revolution.

In the early years of computing (not very long ago), the largest supercomputers were extraordinarily complex centralized devices, where all the wires led to one extremely expensive custom-made processing chip. Today, there is no king processor in a supercomputer. The latest versions are made with around 40,000 plebeian, everyday chips just like the one in your Dell, all working in democratic parallel. And this so-called "distributed intelligence" has turned out to be vastly more potent than the elegant genius of the old centralized Cray supercomputers that worked from the top down.

Forms of distributed computing are being applied to many of today's most difficult problems. For instance, the vast amounts of astronomical data that need to be sifted through in order to discover a possible planet transiting a distant sun, or a possible radio signal from another

civilization, are being processed by hundreds of thousands of volunteers on their home computers.

Or take the Linux computer operating system—the computer code which has become the backbone of the digital business world. There is no master control over what goes into Linux. Software drafts are passed around over the Internet, where thousands of informal contributors just add and subtract and tinker with the code and then put the result out there in the marketplace. If that sounds like chaos, you haven't been paying attention. This so-called open-source method of creating software solutions has turned out to be remarkably orderly and powerful, and the result is that Linux quickly turned into the most flexible and effective computer operating system available.

The pattern of complex problems being solved by small actors working locally and independently without heavy central direction is not just the story of the Internet, it is a phenomenon common to much of technology, and biology, and human history.

Some years ago, I read a book called *Ants at Work*, written by a Stanford entomologist who spent 17 years studying a large colony of harvester ants. The author's goal was to learn how these tens of thousands of tiny creatures coordinate the specialized tasks essential to colony health—food harvest and storage, care of offspring, tunnel digging, garbage toting, war fighting, etc. Who's directing the show to make sure the right work gets done at the right time?

The answer, she discovered, is that *nobody is in charge*. No insect issues commands to another. The colony operates without any central or hierarchical control. These complex societies are instead built, she reports, on thousands of simple decisions made by individual creatures based on what they see around them, with those many microdecisions melding together to yield an efficient macro-result. I suggest the right term for this is *self-organization*, and it's something of an iron rule throughout the natural world, not only among bugs, but also at the very top of nature's pyramid—in human society.

As a simple example of the general superiority of decentralized problem-solving, consider what happens every fall weekend in football stadiums. Even a boozy crowd can drain itself from a packed oval in a matter of minutes. Yet emptying that stadium by commanding each person from some master perch, as readers with some background in mathematics or statistics will know, is an almost insoluble problem. You could cover the field from goal post to goal post with computers and programmers, and you'd end up frustrated. There are just too many variables—80,000 people, 25 exits, scores of stairways, thousands of stairs, pillars that block certain routes, backups in specific aisles; it's just too much to orchestrate.

Yet leave each Joe to himself and he'll be opening the door to his Chevy before the scoreboard lights are cool. He may not realize that he's exhibiting what scientists call “large-scale adaptive intelligence in the absence of central direction.” But he is. Less trivial examples abound: vast and absolutely crucial human tasks like food distribution, for instance, are managed in the U.S. without any central organization. This is not just acceptable, it is an advantage, increasing variety and innovation and customization to meet specific circumstances.

Thanks to technology making the mechanics easier, crowd-based problem-solving is on a sharp upswing today, including in philanthropy. Did you know that way back in 2012, Kickstarter roared past the National Endowment for the Arts in providing money for arts and culture projects? Charities like DonorsChoose.org offer remarkable opportunities for Americans to fund grassroots educational help. The fascinating philanthropy SpiritofAmerica.net collects ideas from U.S. Special Forces operators in poor, dangerous countries on ways to enhance stability and reduce the temptation to violence and radicalism by making small improvements in community life. Donors view choices online and sign up to send sewing machines to Iraqi women, or educational supplies to a school destroyed by terrorists in the Philippines, or handheld spotlights for police working the Pakistan-Afghanistan border. Even the Smithsonian launched a crowdfunding campaign in 2015, seeking \$500,000 to restore the space suit worn by Neil Armstrong on the moon. The effort quickly exceeded \$720,000, given by 9,500 people.

Dispersed authority and funding may be new to military work, or to the Smithsonian. But it is the longstanding backbone of philanthropy. I'll plant my little seeds over here, and you till your garden over there, and soon the world turns green and lovely.

This is not a matter of ideology, or of sweet-breathed philanthropists trumping wicked government officials. It is a simple matter of practicality and surrender to the facts about how humans accomplish things most effectively. Local citizens tend to have better information than remote authorities on the optimal ways to solve their problems. Trying to separate good schools or good doctors from poor ones is a very hard task from Washington, but people in the neighborhood can usually steer you right away to either. Nearby helpers are also likelier to tailor solutions to specific circumstances and to create varied answers instead of just one template for everybody. Decentralized solutions tend also to be more respectful of individual sovereignty and personal preferences.

So lack of coordination and uniformity needn't be considered a problem. Indeed, it is often helpful. To take just one example, philanthropists can take much bigger risks than a government program creator would dare because the philanthropist knows he's not betting the entire national farm. He can try something new, retune as it unfolds, and expand or walk away depending on how it succeeds.

What do you suppose ran through the minds of the foundation officials who were first pitched on the idea of a bank built on \$27 loans to rag pickers and fruit-cart pushers in Bangladesh? Probably that it sounded wildly improbable. Thank goodness they gave it a shot anyway. And thus was microfinance born, which grew quickly into a strapping poverty-squashing grownup.

It's a patchwork!

Our society has rapidly moved beyond the old industrial-revolution paradigm of the one big factory. We now rely much more on networks and ecosystems of smaller providers working in loose synchronization. A perfect example of this is one of the great philanthropic creations of the last generation—charter schooling.

The very largest charter-school chain in the nation, KIPP, operates a total of 183 schools. Meanwhile, there are now more than 7,000 charter schools in total. So this is a radically decentralized sector. Most schools are solo operations or part of a very small group running just a handful of campuses.

And this allows a riot of choices. There are math and science schools. Schools built around the Great Books. Hippie schools without walls, doors, or other controlling features! Work oriented schools! Quasi-military schools where the all-male student body wears uniforms and has ranks! Academies that only assign books by gentle left-handed poets! The charter movement is built on the idea that there is no single definition of what constitutes a good school, that education is an exercise in matching each child's temperament and gifts with an institution that can bring out his or her best self.

Part of this bubbling variety is churn. Every year now, about 650 new charter schools open their doors and offer their new neighborhood some fresh approach. And in that same year, more than 200 schools will close down, because their offerings were not well embraced.

The nimbleness and speed of philanthropy coexists with a proven ability to be patient and take an extraordinarily long-term approach.

Here's a Rorschach test: Are those wildly different schools, and that annual churn, signs of inconsistency, patchwork, and trouble? Or are they healthy signs of adaptation to what people want? If you prize stability and predictability, the conventional public school (which is basically impossible to close down even when it's abysmal!) may be your preference (at least for other people's children). But if it seems humane to offer citizens more of what they prize, and less of what they are choosing to walk away from, then the constant gurgling and gap-filling may be a reflection of the very kindest and gentlest sort of philanthropy.

Within the charitable sector itself there are even further levels of customization and "inconsistency." The KIPP schools are an example. While they have a few bedrock principles and uniform high standards, schools in various regions are given a wide degree of independence and autonomy for coping with their own particular needs.

Goodwill Industries, another extraordinarily successful charity, is likewise more interested in results than in uniform rules and operations. Goodwill's operation is vast: workforce training provided to 26 million persons annually in a great variety of fields; over \$5 billion in revenues; more than 3,000 stores in the U.S., Canada, and 13 other countries. Yet each of the 165 Goodwill regional branches is autonomous in policy and funding, and has its own board of directors. Local branches can assist each other, and can request advice or aid from the world headquarters. But the central office's budget is dwarfed by those of affiliates in cities like Milwaukee and Houston.

This same lack of monolithic uniformity can be seen across the philanthropic sector—in everything from the 1,500 independent local chapters of Habitat for Humanity, to the very different regional branches of the Appalachian Mountain Club that maintain thousands of mile of hiking trails in their own distinctive ways. This locally varying "nicheification" of service provision is also a strong trend in private business today. The Netflix company actually has a

catchphrase for the way it puts this principle to work inside the firm. It wants its various corporate teams to be “highly aligned, yet loosely coupled.” The vision, in other words, needs to be shared, but the execution should be decentralized.

This longstanding hallmark of charitable work is nothing that philanthropists should feel embarrassed or apologetic about. A riotous patchwork can be a thing of great beauty.

Some donors aren't nice!

Another reality which sometimes gets critics fulminating and makes philanthropists defensive is the fact that certain donors are mean, or selfish, or seem more interested in getting their name on a building, or a tax break, than in altruism. In my experience, human kindness and empathy are commoner among loyal donors than among an average cross-section of the population, but it is definitely true that there are some philanthropists who do their good for not so good reasons. Indeed, certain of these men and women are laughably far from angelic in their motivations.

J. Paul Getty was a cheapskate who made visitors to his estate use a pay phone at a time when he was one of the richest men in the world. He was a serial womanizer whose own father didn't trust him. When his grandson was kidnapped for \$17 million ransom he kept dickering for a lower payment until the criminals cut off the boy's ear and mailed it to grandpa. Even then, Getty only put up as much of the ransom as was tax-deductible (\$2.2 million), and gave his son the rest as a loan—at 4 percent interest. Yet Getty gave the world one of its most sublime collections of Greek and Roman art, a gift that will elevate souls for centuries to come.

The goal of charity in our country has always been individual competence and independence, not just social quiet.

Russell Sage was a notorious miser and convicted usurer. He cheated his wife's father in business. When a mad extortionist dynamited his office, he used a clerk as a human shield, then refused to pay compensation for the man's injuries. Yet Sage's fortune created one of the most influential early charitable foundations in the country.

There is no denying that corruption made Leland Stanford rich. To build his railroad fortune he employed kickbacks, bribes, stock watering, collusion, monopolization, and political manipulation. Yet genuine grief over the death of his son motivated Stanford to use his ill-gotten lucre to benefit the children of California (and ultimately all of humanity) by creating Stanford University.

George Eastman could be as cold-blooded as he was brilliant and generous. He asked his doctor to outline the exact location of his heart on his chest. Later he reclined on his bed, centered a pistol where the doctor had drawn, and committed suicide rather than face old age.

So philanthropists are not always pretty. And even when they do bring the best of motives to the task, their efforts can disappoint. As Andrew Carnegie established the Carnegie Endowment for International Peace with a \$10 million grant, he optimistically included a stipulation on what the group should do after it ended all armed conflict: “When the establishment of universal peace is

attained, the donor provides that the revenue shall be devoted to the banishment of the next most degrading evil.” He wrote that in 1910. Oops.

Are there stupid or cruel givers? Are there dumb projects launched by donors? Of course. But charitable programs that don’t produce results soon die or transform into something more useful. When was the last time you saw a dumb government program die?

And here’s the fascinating secret of philanthropy: Charity doesn’t have to come from people who are charitable. You don’t need to be an angel to participate. In fact, motivations of any sort aren’t that important. The genius of the philanthropic mechanism is that it takes people just as they are—kind impulses, selfish impulses, confusions and wishes and vanities of all sorts swirling together in the usual human jumble—and it helps them do wondrous things, even when they’re not saints.

Philanthropy is a machine that is able to convert the instincts and actions of even the meanest of men into truth, uplift, and beauty. Adam Smith taught us that freely conducted commerce can take normal human behaviors, including ugly and mercenary ones, and turn them to broadly productive uses. This is as true in the world of philanthropy as in business. Base impulses like greed, insecurity, image-laundering, and egotism can become gold, or at least good useful brass.

Happily, most philanthropy is the work of decent and earnest men and women. Even the worst misanthropes, however, are regularly redirected into doing useful, and even great, things for all of society. That is part of the power of America’s charitable structure.

> [Continue to Part Five: Big-picture Benefits of Philanthropy](#)

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Let’s close this introduction by looking at some of the broadest and deepest ways that philanthropy makes our lives and our nation better. I don’t mean the good done to recipients of aid, or the pragmatic value of donated money and time, or other obvious advantages. In this final section we’ll look at some of the philosophical, moral, and political gains to America that grow out of our giving tradition.

Private giving satisfies deep human needs

It’s easy to overlook the fact that philanthropy doesn’t just help the recipients—it offers profound life satisfaction to givers as well. It opens avenues to meaning and happiness and ways of thriving that aren’t easily found otherwise. When I was in college I had a philosophy professor

named Louis Dupre who told me a story I've never forgotten. He had a wonderfully generous friend from whom he eventually fell away for the most paradoxical reason: this friend was unable to let Dupre be generous and giving in return. Receiving gifts and favors can be lovely, but there is also a potent and irreplaceable joy of giving that most people need to express.

The joy of giving is captured frequently in literature:

It is one of the most beautiful compensations of life that no man can sincerely try to help another without helping himself. —Ralph Waldo Emerson

As the purse is emptied the heart is filled. —Victor Hugo

*If you want happiness for a year, inherit a fortune. If you want happiness for a lifetime, help someone else.
—Confucius*

The best recreation is to do good. —William Penn

If you want to lift yourself up, lift up someone else. —Booker T. Washington

A man there was, though some did count him mad, the more he cast away, the more he had. —John Bunyan

Giving is an ancient impulse. Way back in 347 B.C., Plato donated his farm to support students at the school he founded. It is also a widespread impulse. Even people who have very little money are eager to give, and feel good when they do, as documented in several places later in this *Almanac*.

The book *Breaking Night* tells the true story of a neglected girl and the kind people who intervened to help her succeed in spite of her horrendous upbringing. “What was most moving about all of this unexpected generosity,” writes the now-grown child, “was the spirit in which people helped. It was something in their moods and in their general being...how they were smiling, looking me right in the eyes.”

Without the passion and resources devoted to philanthropy, our days would be flatter, darker, uglier, more dangerous, and less happy.

She describes a woman named Teresa who came up to her and said, “Since I didn’t have any money to help you out, I thought I couldn’t do anything for you at all. And then last night, I was doing my daughter’s laundry, and I thought, how silly of me, maybe you had laundry I could do for you.” Every week for the remainder of the author’s time in school, Teresa picked up dirty clothes and returned them clean and folded, taking great pleasure in this little thing she could do to help.

Lots of research shows that this is a common phenomenon. A 2014 book by two Notre Dame social scientists called *The Paradox of Generosity* combined national surveys with in-depth

interviews and group observations. It concluded that “the more generous Americans are, the more happiness, health, and purpose in life they enjoy. This association...is strong and highly consistent.... Generous practices actually create enhanced personal well-being. The association...is not accidental, spurious, or an artifact of reverse causal influence.” They conclude with the observation that “People often say that we increase the love we have by giving it away.... Generosity is like love in this way.”

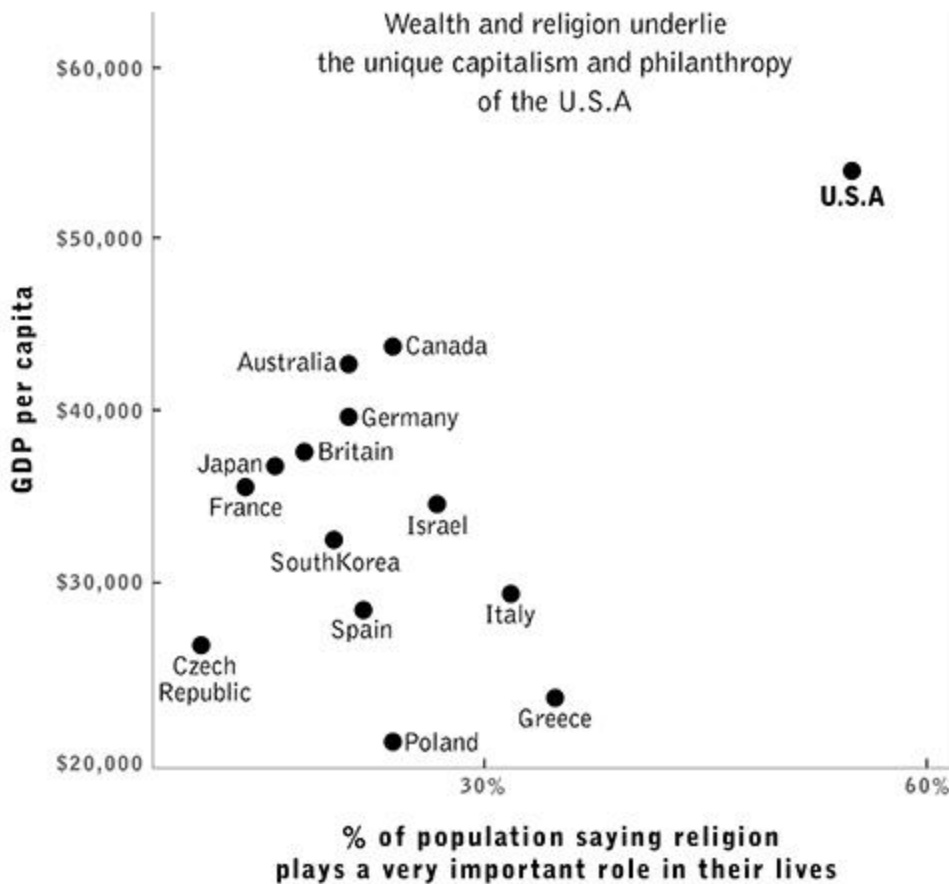
In a 2008 paper published in *Science*, three researchers gave study participants money, asking half of the group to spend it on themselves, and the other half to give it to some person or charity. Those who donated the money showed a significant uptick in happiness; those who spent it on themselves did not. In his book *Who Really Cares*, economist Arthur Brooks cites a host of similar studies showing that Americans who make gifts of money and time are much more likely to be satisfied with life than non-givers who are demographically identical.

Private giving improves capitalism

Capitalism and philanthropy have always been closely tied. In the 1600s when the Netherlands was gestating free trade and many modern business patterns, there were alms boxes in most taverns (where business negotiations generally took place), and a successful deal was expected to conclude with a charitable gift.

Philanthropy and business are entwined especially tightly in America. One of the most distinctive aspects of American capitalism is the deep-seated tradition of philanthropy that has evolved among American business barons. Our capitalism also differs from the capitalism practiced in other countries in two other important ways—in its linkage to religiosity, and its preference for entrepreneurial forms. Both of these are also connected to philanthropy.

Let’s unpack this a bit, starting with religion. In 2014, the Pew Research Center released data comparing the per capita wealth of nations with the religious beliefs of their people. The U.S. stands out like a sore thumb:



Source: Pew Research Center, 2013 data

[Expand Image](#)

The Calvinism that came to the U.S. with the Pilgrims (and continued to dominate our religious views for generations right up to the present) treats wealth as something that passes through the hands of a successful person—with the steward expected to apply it to uplift his fellow man. Thus John Rockefeller gave away 95 percent of his fortune by the time he died. Bill Gates is in the process of giving away tens of billions of dollars, leaving his three children only \$10 million each.

That is different from the pattern in Europe, where many of the same dynasties have dominated the rolls of the wealthy for generations. The Howard family, for instance, has been one of Britain’s richest for more than 500 years. In the U.S., wealth tends to be extremely transient. Only 15 to 20 percent of the individuals on today’s *Forbes* list of richest Americans inherited wealth. About half the the *Forbes* 400 had parents who didn’t go to college at all. Even the foundations left behind by the previously wealthy rapidly get eclipsed in America: the

Rockefeller Foundation, once our richest, now ranks a mere number 15, while the Carnegie Corporation has fallen to number 24.

A second distinctive aspect of American capitalism is its entrepreneurial bent. As economists Zoltan Acs and Ronnie Phillips write, “American capitalism differs from all other forms of industrial capitalism” in two ways. One is its emphasis on the creation of new wealth via entrepreneurship. New firms, new ideas, and nouveau riche wealthmakers are at the core of our economic success.

This can be demonstrated in many ways. If you look at the 500 largest companies in the world today, you find that 29 percent of the U.S. firms were founded after 1950, compared to just 8 percent of the European firms. On a per capita basis, the U.S. has four times as many

self-made billionaire entrepreneurs as Europe.

Entrepreneurialism and philanthropy are often tightly connected, and linked directly with economic success. In their book *SuperEntrepreneurs*, Swedish researchers Tino and Nima Sanandaji investigated about 1,000 self-made billionaires from around the world. They found “a very strong correlation” between entrepreneurship, wealth, and philanthropy.

Acs and Phillips argue that in addition to its distinctive means of creating wealth through new enterprises, the U.S. has a distinctive means of “reconstituting” wealth via philanthropy. “Philanthropy is part of the implicit social contract that continuously nurtures and revitalizes economic prosperity,” they write. Philanthropy is a very important mechanism for recycling wealth in America, agree the Sanandajis. “The notion exists that wealth beyond a certain point should be invested back in society to expand opportunity for future generations,” they write. “The legitimacy of American capitalism has in part been upheld through voluntary donations from the rich’ Much of the new wealth created historically has thus been given back to society. This has had several feedback effects on capitalism. For one, the practice has limited the rise of new dynasties. Another positive feedback mechanism is that the donations to research and higher education have allowed new generations to become wealthy.”

Private giving strengthens democracy

Civil society and charitable action sprang up in the U.S. even before government did. In most of our new communities, mutual aid among neighbors was solving problems long before there were duly constituted agencies of the state.

Americans of all ages, all conditions, and all dispositions constantly form associations...religious, moral, serious, futile, general or restricted, enormous or diminutive. The Americans make associations to give entertainments, to found seminaries, to build inns, to construct churches, to diffuse books, to send missionaries to the antipodes; in this manner they found hospitals, prisons, and schools. If it is proposed to inculcate some truth or to foster some feeling by the encouragement of a great example, they form a society. Wherever at the head of some new

undertaking you see the government in France, or an aristocrat in England, in the United States you will be sure to find an association.

Can anything large and consequential really be accomplished by little and middling givers, or by the very limited population of big givers? The clear answer from American history is yes.

That was Tocqueville's observation in *Democracy in America* close to 200 years ago.

As the title of the French visitor's book suggests, what impressed him about voluntary action in the U.S. was not just its practical ability to solve problems, but the way it exercised and built up the social muscles needed if people were to govern themselves in a healthy democracy. Tocqueville considered American voluntary associations not just signs, but the source, of effective self-rule. He wished aloud that this American tradition could be transferred to Europeans, who had lost "the habit of acting in common" on their own, due to generations of smothering by the state.

Some people, Tocqueville wrote,

claim that as the citizens become weaker and more helpless, the government must become proportionately more skilled and active, so that society should do what is no longer possible for individuals.... I think they are mistaken.... The more government takes the place of associations, the more will individuals lose the idea of forming associations and need the government to come to their help. That is a vicious circle of cause and effect.... The morals and intelligence of a democratic people would be in [danger]. Feelings and ideas are renewed, the heart enlarged, and the understanding developed only by the reciprocal action of men upon another.

Edmund Burke also viewed local association as the nursery for broader loyalty to one's fellow man. "The little platoon we belong to in society is the first principle (the germ as it were) of public affections. It is the first link in the series by which we proceed towards a love to our country, and to mankind," he wrote.

The great advantages that accrue to America from possessing a bubbling voluntary sector that acts independently have been under threat since the Great Depression, cautions author Richard Cornuelle. The economic crash gave American confidence a knock and planted the idea that "only government seems big enough" to solve serious social issues. "Our habit of sending difficult problems to Washington quickly became almost a reflex" and parts of the public and some of our leaders have turned their back on our deep tradition of indigenous alternatives to government action.

Cornuelle complains that we often now

speak of American life in terms of only two "sectors": the public sector (government), and the private sector (commerce). We leave out the third sector in our national life, the one which is neither governmental nor commercial. We ignore the institutions which once played such a decisive part in the society's vibrant growth...[which] made it possible for us to build a humane society and a free society together.

This third sector, operating in the space between the individual and the state, between the coercion of law and the profit-seeking of commerce, goes by various names: civil society, the voluntary sector, charitable action. Back in 1970, the Peterson Commission pointed out the crucial need for “institutions standing outside the frame of government but in support of the public interest.” Cornuelle called these philanthropic institutions the “independent sector,” and warned that they have

a natural competitor: government. Both sectors operate in the same industry: public service and welfare.... The quality of life in the U.S. now depends largely on the revival of a lively competition between these two natural contenders for public responsibility. The struggle would enhance the effectiveness of both.

In some quarters, Cornuelle observes,

the very idea of competition with government is, by a weird public myth, thought to be illegitimate, disruptive, divisive, unproductive, and perhaps immoral.... Far from being illegitimate, lively competition with government is essential if our democratic institutions are to work sensibly....

The government doesn't ignore public opinion because the people who run it are naturally perverse. It isn't wasteful because it is manned by wasteful people.... Without competition, the bureaucracy can't make government efficient.... Innovation painfully disrupts its way of life. Reform comes only through competitive outsiders who force steady, efficient adjustment to changing situations.

The independent sector will grow strong again when its leaders realize that its unique indispensable natural role in America is to compete with government. It must be as eager as government to take on new public problems.

There are times and places where governmental rulers feel threatened by the philanthropic process. Philanthropy practiced on a mass level, as in America, becomes a kind of matrix of tens of thousands of private legislatures that set goals and priorities, define social ills, and methodically marshal money and labor to attack them—without asking the state's permission. Some rulers prefer dependent citizens who are *consumers* rather than *producers* of governance.

Certainly tyrants hate philanthropy. They want the state to be the only forum for human influence and control. “Everything within the state, nothing outside the state, nothing against the state,” was Mussolini's encapsulation. Independent associations and private wielders of resources must be co-opted or suppressed. The charitable sector is not only denied a seat at the table, it is put on the menu to be eaten. One of the first things every totalitarian government has done upon assuming power—from Nazis, to communists, to radical imams—is to destroy charities, private giving, and voluntary groups.

We're seeing the same phenomenon today in authoritarian countries like Russia, China, and Iran, where charities are being shut down out of fear that they will provide alternate sources of ideas, cultural solutions, and social legitimacy. Only the freest societies have had flourishing

philanthropic sectors. In America, our freedom to expend charitable resources without supervision or control is ultimately sheltered by the First Amendment of our Bill of Rights, which protects our right to assemble and act outside of government, to dissent, to take heterogeneous, unpopular, or minority-supported action to redress grievances.

Philanthropists come in all stripes. That's one of the field's strengths: Different givers pursue different visions, so you get many solutions to problems rather than just one.

Enlightened, practical, democratic leaders shouldn't just tolerate the independent actions of donors and volunteers, they should embrace and encourage them. Social entrepreneur Neerav Kingsland, who gained prominence by helping build the nation's most extensive web of independent charter schools in New Orleans after the Katrina disaster, has argued that the most effective and humane thing that many public servants can do today to help needy populations is to let go of their monopolies on power. He uses the term "Relinquishers" to describe progress-minded officials who are willing to transfer authority away from centralized bureaucracies in order to allow experimentation and improvement driven by philanthropy, commerce, grassroots activism, and other independent forces.

To illustrate how quickly societal conditions can improve when intelligent Relinquishers cede power to civil actors, Kingsland cites examples from the U.S. and abroad. He charts the explosion of per capita income in India since 1991, where economist and then Prime Minister Manmohan Singh promulgated new policies that made him "one of the greatest Relinquishers of the modern world. Over the past 20 years, his work in transferring power to India's citizens...improved the well-being of hundreds of millions."

Another Relinquisher triumph unfolded in New Orleans after philanthropists were allowed to pour resources and expertise into restructuring that city's schools. Government continued to provide funds, fair rules, and accountability, but it allowed independent operators to take over the running of classrooms and academies. The result was that the number of classroom seats rated "high-quality" quadrupled in four years. The fraction of students testing at the proficient level leapt from 35 percent to 56 percent. The ACT scores of graduating seniors hit an historic high.

Sharing responsibility for societal improvement with funders and volunteers in civil society will often be a government policymaker's speediest path to excellence and success—as well as a more democratic course.

It's not wise to rely solely on government

"Every single great idea that has marked the twenty-first century, the twentieth century, and the nineteenth century has required government vision and government incentive." That's Vice President Joe Biden. "The ballot box is the place where all change begins in America." That was Senator Ted Kennedy.

These speakers overlook the vast improving powers of free enterprise. (Government didn't produce the air conditioning that transformed the South, or the mobile phone that is now

revolutionizing everything from news to conversation to human attention spans.) They also ignore the profound role of independent philanthropy in altering American history.

Gifts where the giver and recipient are involved with each other, familiar with one another's character, committed to each others' flourishing, are some of the most successful forms of philanthropy.

Let's take the civil rights movement—a favorite example of advocates who would have you believe that nothing good happens unless government does it. Back in 1704—when 1,500 African Americans in New York City were held as slaves with full government sanction, and educating them was forbidden, private donors set up schools to instruct hundreds of slaves on the quiet. In the early 1830s, when state and federal governments still made it a crime to teach a slave to read, private donors like Arthur Tappan were paying for African Americans to go to college. Less than two years after the bullets of the Civil War stopped flying, philanthropist George Peabody was distributing millions of his own dollars across the South to train teachers and set up schools without racial considerations so that freed slaves and other illiterates could get learning—despite the ferocious antipathy of state and local governments for that cause. In 1891, philanthropist Katharine Drexel gave her entire fortune (half a billion dollars in contemporary terms) to create a new religious order devoted to assisting blacks and Indians. She established 50 schools for African Americans, 145 missions and 12 schools for Native Americans, and the black college Xavier University in New Orleans. In these same years, governments at all levels were doing little more than breaking promises to Native Americans and neglecting African Americans.

As the twentieth century opened, hundreds of governments were fiercely enforcing Jim Crow laws that stunted the education of blacks. But John Rockefeller was pouring money into his new creation for providing primary education to African Americans. Then he boosted up 1,600 new high schools for poor whites and blacks. He eventually put almost \$325 million of his personal fortune into the venture. Simultaneously he was spending millions to improve the health of poor blacks and whites by nearly eliminating hookworm.

Numerous private givers followed the leads of George Peabody and John Rockefeller and donated millions of dollars to improve the education and social status of African Americans at a time when they had no friends in government. The philanthropic help came from Anna Jeanes' Negro Rural Schools Fund, the Phelps Stokes Fund, the Virginia Randolph Fund, the John Slater Fund, and others. These all continued their work until government finally caught up and started desegregating schools in the 1960s.

African American children whose education and social conditions were being wholly neglected by the state got their biggest lift of all from philanthropist Julius Rosenwald. Starting in 1912, he donated the current equivalent of billions of dollars to build schoolhouses in hundreds of counties where black education was ignored. In less than 20 years, the Rosenwald program erected 4,977 rural schools and 380 companion community buildings in most of America's locales with a substantial black population. At the time of Rosenwald's death in 1932, the schools he built were educating fully 27 percent of all the African American children in our country.

Many economic producers and sensible leaders were produced by these philanthropic projects. Absent these private efforts by donors, racial improvement and reconciliation in our country would have been delayed by generations. Government not only had little to do with this philanthropic uplift—many arms of government did their very best to resist or obstruct it.

A curmudgeon might say, “Well that’s nice, but it’s ancient history. Today, the government leads all necessary change.” That is gravely mistaken.

Guess where America’s most segregated and often most inadequate government-run schools are located at present? All in northern cities with activist governments: Detroit, Milwaukee, New York, Newark, Chicago, and Philadelphia, research shows. According to the UCLA Civil Right Project, New York is the state with the country’s most segregated schools—thanks to New York City, where the proportion of schools in which at least 90 percent of the students are black or Hispanic rose sharply from 1989 to 2010.

The government-operated schools in New York City drip with rhetoric about “social justice.” But it is private philanthropy that is shaking up the city’s complacently bad educational establishment today—by launching charter schools. As of 2014, there were 83,200 New York City children in charters, nearly all of them minorities and low-income, and 50,000 more remain on waiting lists. Stanford investigators and others find that these children are receiving significantly better educations than counterparts in conventional government-run schools, in some cases outscoring comfortable suburban schools in annual testing. Yet donors and charter-school operators continue to have to fight through the resistance of reactionary progressives in city hall and the New York City Council.

Or let’s look at another area where conventional wisdom says nothing important will happen except under governmental banners: Who saved the refugees disrupted by the two World Wars and the ethnic genocides of those decades? When the U.S. Ambassador to Turkey discovered that Ottomans were starving and killing Jews in Palestine, he sent an urgent telegram to philanthropist Jacob Schiff in New York. A fundraising committee was set up, and over the years to come it distributed hundreds of millions of dollars, donated by more than 3 million private givers, saving many thousands of Jews.

It wasn’t only Jews who needed saving. At that same time, Muslims were carrying out a jihad against Armenian Christians that ultimately took 1.5 million lives. The U.S. government did little, but everyday Americans, missionaries, church members, and philanthropists sprang into action to both save lives immediately and then sustain the Armenians dislocated by the genocide. Nearly 1,000 Americans volunteered to go to the region to build orphanages and help refugees. They assumed responsibility for 130,000 mother- and fatherless children, and rescued more than a million adults.

However often it grows out of pain, philanthropy is even more frequently sparked by opposite emotions like gratitude and joy.

It was a similar story when fascism swept Europe. The U.S. government dragged its feet and failed to organize any speedy effective effort to save the Jews, gypsies, Christians, and others

targeted by the Nazis. Private donors jumped into the breach. The Rockefeller Foundation, for instance, established two special funds that worked, under the most difficult wartime conditions, to relocate mortally endangered individuals to Allied countries.

As with our civil-rights example, philanthropy taking up crucial burdens in the face of government failure is not just a story in the past tense. In 1993, all Western governments were pathetically slow and inadequate in their response to the ethnic cleansing in Bosnia that killed tens of thousands. The most effective actor by far was philanthropist George Soros—who used \$50 million of his own money to insert a highly effective relief team into the city of Sarajevo while it was under siege, re-establishing gas and electric service during the bitter winter, setting up an alternate water supply, and bringing in desperately needed supplies. It has been estimated that Soros’s gift saved more lives than the efforts of all national governments plus the United Nations combined.

The list of great ideas and dramatic improvements instigated by philanthropy while government was AWOL could be expanded endlessly, from the Green Revolution and invention of microlending abroad, to domestic achievements like the recovery of desolated urban parks, control of drunk driving, and creation of the country’s best job-training programs for economic strugglers. And philanthropic change tends to come with much less friction. As one social entrepreneur has put it, philanthropy generally practices “the politics of addition and multiplication,” while government action often comes via “the politics of subtraction and division.”

Why philanthropy is indispensable to American freedom

Let’s open this final section with a bit of extended historical analysis by Richard Cornuelle, from his book *Reclaiming the American Dream*:

We wanted, from the beginning, a free society, free in the sense that every man was his own supervisor and the architect of his own ambitions. So our founders took pains to design a government with limited power, and then carefully scattered the forces that could control it.

We wanted as well, with equal fervor, a good society—a humane, responsible society in which helping hands reached out to people in honest distress, in which common needs were met freely and fully. In pursuit of this ambition, Americans used remarkable imagination. We created a much wider variety of new institutions for this purpose than we built to insure political freedom. As a frontier people, accustomed to interdependence, we developed a genius for solving common problems. People joined together in bewildering combinations to found schools, churches, opera houses, co-ops, hospitals, to build bridges and canals, to help the poor. To see a need was, more often than not, to promote a scheme to meet it better than had ever been done before.

The American dream was coming true. Each part of it supported another part. We were free because we limited the power of government. We prospered because we were free. We built a good society because our prosperity yielded surplus energy that we put directly to work to meet human needs. Thus, we didn’t need much government, and because we didn’t, we stayed uniquely free. A sort of supportive circle, or spiral, was working for us.

The part of the system least understood, then as now, was the network of non-governmental institutions that served public needs. They did not leave an easy trace for historians to follow. They did not depend on noisy political debate for approval, nor did civil servants have to keep very detailed records of what they did. [Yet] they played a significant role.... They took on almost any public job and so became the principal way Americans got things done.

For years the leading colleges and universities were created by the churches. Hospitals began in a variety of ways, and in the era before the Civil War, under Clara Barton's leadership, they blossomed into today's major system of independent institutions. Many of our giant commercial firms, notably in insurance and mutual savings, grew out of early self-help organizations.

Urgent problems filled the agenda of public business in early America. Citizens, acting on their own, took the heavy load. Localities and states took most of what was done by government. We rarely needed the federal government, a distant thing to the frontiersman. We limited government, not only because people knew its limitations and wanted it limited, but because we left little for it to do.

This description of America's social order, and its dual devotion to freedom and goodness, is helpful in understanding why philanthropy is indispensable to American society. I view it as indispensable in two senses:

1) Philanthropy is not able to be replaced by something else. And 2) bad things will happen to the nation if it is not adequately continued.

The aspect of America that many of us cherish most is the latitude allowed individuals to chart their own course, to be responsible for themselves, sometimes to reinvent themselves if they choose and are able. Historically, this degree of individual independence and freedom is highly unusual. Every preceding society was in one fashion or another paternal. On the wide spectrum stretching from starchy monarchy to socialist beehive, all pre-American governments basically took responsibility for every individual, and in return reserved the right to tell him or her how to live. More specifically, a small caste of strongmen at the top of the heap (king, tribal chief, warlord, bishop, emperor) told everyone else how to live.

One can't really claim that's unfair—it's how all but a thin sliver of humanity has always existed. The individual liberty and self-reliance carved out in America was the anomaly. And one of great preciousness, because it has allowed a quality of life and existential autonomy never approached by people in other times and places.

Our non-paternalized freedom is also a somewhat frail arrangement, however. For the reality is that all of us will occasionally misuse our independence in various ways, and a substantial minority of us will make a complete hash of our lives under a system of profound freedom. And when elderly profligates start dying in the street, or neglected children peer up at us with starving eyes, all the old solutions to governance will immediately be proposed.

Monarchy or socialism or blanketing welfare-state all boil down in one way or another to setting up a paternal fief under which individual freedoms will be traded away in exchange for more secure and predictable lives. Then the shirkers and the drunks and the abandoned are no longer at

risk of perishing on the street. But personal liberties also evaporate, and the ceiling under which we must all fly falls down to match the lowest common denominator. Life becomes less risky, but all citizens are debased—not only the failures who are henceforth ordered how and where to live, but also everyone who had succeeded independently, and even members of the master class who must cage and feed the failures. All experience a decline in dignity, self-determination, and life satisfaction.

Lovers of freedom object: “That’s too high a price, we must therefore let the failures fail, else our whole system will tumble into busybodying oppressiveness.” But stepping over wasted children or dead bodies will soften many citizens to the idea of trading independence for security. Which is why nearly all human societies have ended up in one of the many paternal structures.

It’s just a fact of human empathy: one way or another, the miserable must be lifted up from the sidewalks where they sprawl. Common decency will not tolerate the alternative. Yet when the lifting is done in conventional collective ways, it leads to enslavement on both sides of the transaction.

It was voluntary action and private giving that allowed America to escape this terrible dilemma. We made the magical discovery that voluntary action can be a non-enslaving kind of paternalism, enabling us to meet Judeo-Christian and humanitarian responsibilities to fellow men without setting in motion the statist spiral which kills individual sovereignty. In solving basic security hungers and primal fears of a “jungle” freedom, philanthropy thus enabled enormous liberty. Philanthropy turned out to be indispensable to personal independence and national success. It kept America functioning as that exceedingly rare society where average people can steer their own lives.

This is why philanthropists are different from doctors, or teachers, or businessmen, who also do social good, and different from soldiers or ministers or others who sometimes sacrifice their own interests to aid fellow citizens. Doctors, businessmen, and soldiers are valuable contributors, but they are not essential to maintaining America’s basic social contract. They are not indispensable.

Effective philanthropists are indispensable. They allow us to have a good society without a paternalist state. They are the prophylactic against public lurches for freedom-killing security blankets.

Philanthropy is the guardian of our self-rule. It is one of just a few sine qua nons essential to our national health. Without it there is no America as we know it.

As you amble through the multifarious and sometimes quirky human actions described on the pages of *The Almanac of American Philanthropy*, and absorb the colorful stories of charity as it has been practiced in our land over four centuries, I hope you will also keep sight of this profound reality that underlies voluntary giving in America.

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Great Philanthropy Quotations | The Philanthropy Roundtable

The proper aim of giving is to put the recipients in a state where they no longer need our gifts.

—C. S. Lewis

It is one of the most beautiful compensations of life that no man can sincerely try to help another without helping himself.

—Ralph Waldo Emerson

Most people think that Americans are generous because we are rich. The truth is that we are rich, in significant part, because we are generous.

—Claire Gaudiani

No one need wait a single moment to improve the world.

—Anne Frank

No one would remember the Good Samaritan if he'd only had good intentions—he had money as well.

—Margaret Thatcher

I wanted to give my children enough money so that they would feel they could do anything, but not so much they could do nothing.

—Warren Buffett

If you can't feed a hundred people, then feed just one.

—Mother Teresa

We make a living by what we get, we make a life by what we give.

—Winston Churchill

I'm not doing my philanthropic work out of any kind of guilt. I'm doing it because I can afford to do it, and I believe in it.

—George Soros

Donors represent a private version of the legislative process—a deliberative process that selects goals, sets values, and allocates resources.... an alternative vehicle for getting things done.

—Paul Ylvisaker

Governments don't really like organizations which are outside their control. There is much talk today in the voluntary sector of a "compact" with the state. This could turn out to be the sort of compact which the oysters had with the Walrus and the Carpenter: it ends up with one party getting eaten by the other.

—Robert Whelan

It's better to tell your money where to go than to ask where it went.

—Farmer's Gazette

Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.

—Margaret Mead

If you combine all the spectral rays into a single beam, you get white light; and if you combine all the virtues into a single beam you get charity.

—Austin O'Malley

If you want happiness for a year, inherit a fortune. If you want happiness for a lifetime, help someone else.

—Confucius

Whoever sows sparingly will also reap sparingly, and whoever sows bountifully will also reap bountifully.

—St. Paul

No act of kindness, no matter how small, is ever wasted.

—Aesop

It is prodigious the quantity of good that may be done by one man, if he will make a business of it.

—Benjamin Franklin

Every man goes down to his death bearing in his hands only that which he has given away.

—Persian proverb

The charitable give out the door and God puts it back through the window.

—Traditional proverb

Neither the individual nor the race is improved by almsgiving. The best means of benefiting the community is to place within its reach the ladders upon which the aspiring can rise.

—Andrew Carnegie

If you want to lift yourself up, lift up someone else.

—Booker T. Washington

The true friend of the people should see that they be not too poor, for extreme poverty lowers the character of the democracy.

—Aristotle

The world is moving so fast these days that the one who says it can't be done is generally interrupted by someone doing it.

—Harry Emerson Fosdick

I can testify that it is nearly always easier to make \$1,000,000 honestly than to dispose of it wisely.

—Julius Rosenwald

Do all the good you can. By all the means you can. In all the ways you can. In all the places you can. At all the times you can. To all the people you can. As long as you ever can.

—John Wesley

No one is useless in this world who lightens the burdens of another.

—Charles Dickens

Some writers have so confounded society with government as to leave little or no distinction between them; whereas they are not only different, but have different origins.

—Thomas Paine

I believe the power to make money is a gift from God...to be developed and used to the best of our ability for the good of mankind.

—John Rockefeller

The foundation is an instrument forged by citizens who transfer profit from the commercial sector and put it directly to work as risk capital for the general betterment of the society.

—Richard Cornuelle

There are only four things you can do with your money.

1. You can give it to the government.
2. You can spend it.
3. You can give it to your kids to their detriment. My three sons understand this. I never want to deprive them of the wonderful feeling of making it on their own. I don't think you do your kids a favor by leaving them a lot of money, or letting them think they're working with a net.
4. And the fourth thing you can do with your money is create something good with it. I think it's incumbent on everybody with any amount of funds at all to start thinking like that.

—James Kimsey

It is by spending oneself that one becomes rich.

—Sarah Bernhardt

It is a misconception that corporate or government support has ever provided the majority of arts funding. Each U.S. citizen pays about the cost of one postage stamp in taxes to support national arts. The real stars of arts giving are individual donors, who give more to arts than corporations and government entities combined.

—Beth Nathanson

Any good that I can do or any kindness that I can show to any human being, let me do it now. Let me not defer or neglect it, for I shall not pass this way again.

—Mahatma Gandhi

The more government takes the place of associations, the more will individuals lose the idea of forming associations and need the government to come to their help. That is a vicious circle of cause and effect.

—Alexis de Tocqueville

Different philanthropists have different views about what makes society better off. One of the things that I think is wonderful about the non-accountability of philanthropy is that it allows for multiple versions of what makes society better off. The U.S. is unique in supporting those multiple versions of the good.

—Paul Brest

It is more difficult to give money away intelligently than to earn it in the first place.

—Andrew Carnegie

The best philanthropy is not just about giving money but giving leadership. The best philanthropists bring the gifts that made them successful—the drive, the determination, the refusal to accept that something can't be done if it needs to be into their philanthropy.

—Tony Blair

Benevolence today has become altogether too huge an undertaking to be conducted otherwise than on business lines.

—Julius Rosenwald

Philanthropic leaders genially speak of complementing government, not competing with it as if monopoly were good and competition destructive—thus unwittingly conspiring against the public interest.

—Richard Cornuelle

Never respect men merely for their riches, but rather for their philanthropy; we do not value the sun for its height, but for its use.

—Gamaliel Bailey

To get the best long-term results the foundation should not only provide grants to help competent men do their best work, but should also seek to increase the supply of competent men.

—1949 Ford Foundation report

My theme for philanthropy is the same approach I used with technology: to find a need and fill it.

—An Wang

Men who leave their money to be distributed by others are pie-faced mutts. I want to see the action during my lifetime.

—George Eastman

If you want to feel proud of yourself, you've got to do things you can be proud of.

—Oseola McCarty

To say or imply that the foundation exists only on the sufferance of government is to reason from the untenable notion that the citizen and all his institutions are creatures of the state, not the other way around.

—Richard Cornuelle

The political maturity of a country is measured by what citizens willingly do for themselves and one another.

—Frank Prochaska

A man wrapped up in himself makes a very small bundle.

—Benjamin Franklin

Let no one go hungry away. If any of the kind of people should be in want of corn, supply their necessities, provided it does not encourage them in idleness.

—George Washington

God sends us the poor to try us.... And he that refuses them a little out of the great deal that God has given lays up poverty in store for his own posterity.

—William Penn

In America, communities existed before governments. There were many groups of people with a common sense of purpose and a feeling of duty to one another before there were political institutions.

—Daniel Boorstin

A large part of altruism...is grounded upon the fact that it is uncomfortable to have unhappy people about one.

—H. L. Mencken

Don't just think, do.

—Horace

Rich men are neither better nor worse than all other humans. They contribute to greatness or mediocrity, strength of character or weakness in exactly the same proportion as persons in all other walks of life do.

—Julius Rosenwald

Where charity keeps pace with gain, industry is blessed.

—William Penn

We are the most individualistic country on the face of the earth...and yet this individualistic society is still one of the most communitarian and undoubtedly the most philanthropic on the face of the earth. How can the most individualistic of societies also be the most philanthropic? Because of another great American tradition: that every individual is worthy, and no one is trapped by their circumstance.

—Condoleezza Rice

Many people are alienated by faceless bureaucracy and what they see as an erosion of participatory democracy. Consequently, there has been a revival of interest in charitable service.

—Frank Prochaska

Society is produced by our wants, and government by our wickedness. The former promotes our happiness positively by uniting our affections, the latter negatively by restraining our vices. The one encourages intercourse, the other creates distinctions. The first is a patron, the last a punisher.

—Thomas Paine

The man who dies rich dies disgraced.

—Andrew Carnegie

The spirit of community will be revived as we succeed in devising ways to reinvolve people in solving the perplexing problems they see about them, not just in talking about them, and certainly not in petitioning government to solve them.

—Richard Cornuelle

As the purse is emptied the heart is filled.

—Victor Hugo

Not what we give, but what we share, for the gift without the giver is bare.

—James Russell Lowell

Every right implies a responsibility; every opportunity, an obligation; every possession, a duty.

—John Rockefeller Jr.

Do what you can, with what you have, where you are.

—Theodore Roosevelt

It is not our part to master all the tides of the world, but to do what is in us for the succor of those years wherein we are set, uprooting the evil in the fields that we know, so that those who live after may have clean earth to till. What weather they shall have is not ours to rule.

—J. R. R. Tolkien

Earlier in this century, philanthropy often flowed from the wills of dead industrialists. In recent decades, it's as likely to have come from a very alive business leader.

—Michael Milken

No person was ever honored for what he received. Honor has been the reward for what he gave.

—Calvin Coolidge

Let no one be discouraged by the belief that there is nothing one person can do against the enormous array of the world's ills, misery, ignorance, and violence. Few will have the greatness to bend history, but each of us can work to change a small portion of events. And in the total of all those acts will be written the history of a generation.

—Robert Kennedy

Your Giving Pledge has a loophole...permitting pledgees to simply name charities in their wills. Some billionaires hate giving large sums of money away while alive and instead set up family-controlled foundations to do it for them after death. And these foundations become, more often than not, bureaucracy-ridden sluggards.

—Robert Wilson replying to Bill Gates's invitation to sign the Giving Pledge

Let him that hath done the good office conceal it; let him that received it disclose it.

—Seneca

As the furnace purifies the silver, so does charity rid wealth of its dross.

—William Downey

Leisure is time for doing something useful.

—Benjamin Franklin

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.

—Henry Ward Beecher

Charity is the note that resolves the discord.

—Austin O'Malley

A man there was, though some did count him mad, the more he cast away, the more he had.

—John Bunyan

Nothing contributes more to make men polite and civilized, than true and genuine charity.

—Wellins Calcott

Charity is a universal remedy against discord, and a holy cement for mankind.

—William Penn

Community is a consequence. It results when people come together to accomplish things that are important to them and succeed. People who are uninvolved cannot feel this connection.

—Richard Cornuelle

I have always believed that most large fortunes are made by men...who tumbled into a lucky opportunity. Hard work and attention to business are necessary, but they rarely result in achieving a large fortune. Do not be fooled into believing that because a man is rich, he is necessarily smart. There is ample proof to the contrary.

—Julius Rosenwald

It is calculated that a certain amount of revenue is lost to the government because a private college is tax exempt. The logic is that all of society's wealth really belongs to the government and that the government should therefore be able to determine how wealth exempted from taxation should be used. This implication is incipiently totalitarian.

—Peter Berger and Richard John Neuhaus

Charity is injurious unless it helps the recipient to become independent of it.

—John Rockefeller

Gain all you can without harm to mind or body, your own or your neighbor's, by honest industry and by common sense. Save all you can to keep yourself, as well as your children from prodigal desires.... And, finally, as God placed you here not as a proprietor, but a steward, give all you can.

—John Wesley

What do we live for, if it is not to make life less difficult for each other?

—George Eliot

A bone to the dog is not charity. Charity is the bone shared with the dog, when you are just as hungry as the dog.

—Jack London

Men have committed murder for jealousy's sake, and anger's sake, and hatred's sake, and selfishness' sake, and spiritual pride's sake; but no man that ever I heard of ever committed a diabolical murder for sweet charity's sake.

—Herman Melville

When we do any good to others, we do as much, or more, good to ourselves.

—Benjamin Whichcote

When I talk to young people who seem destined for great success, I tell them...concentrate on your family and getting rich (which I found very hard work). Don't forget that those who don't make money never become philanthropists.

—Robert Wilson

The value of a man resides in what he gives.

—Albert Einstein

Let your heart feel for the afflictions and distresses of every one, and let your hand give in proportion to your purse. It is not every one who asks that deserves charity; all, however, are worthy of the inquiry, or the deserving may suffer.

—George Washington

In the modern era, government has been seen as society's problem-solving agency, the place people go to address every conceivable need. This assumption of government omnipotence has

profoundly influenced the evolution of philanthropy. The principal function of a philanthropic group becomes interesting government in carrying out its goal, rather than being a problem-solving institution in its own right.

—James Payne

To give away money is an easy matter and in any man's power. But to decide to whom to give it and how large and when, and for what purpose and how, is neither in every man's power nor an easy matter.

—Aristotle

The highest use of capital is to make money do more for the betterment of life.

—Henry Ford

If you want to do something for your children and show how much you love them, the single best thing—by far—is to support organizations that will create a better world for them and their children.

—Michael Bloomberg

As I give, I get.

—Mary McLeod Bethune

Do not give, as many rich men do, like a hen that lays her egg and then cackles.

—Henry Ward Beecher

The ultimate achievement is how you feel about yourself. And giving your wealth away to have an impact for good does help with that.

—Gerry Lenfest

I resolved to stop accumulating and begin the infinitely more serious and difficult task of wise distribution.

—Andrew Carnegie

Charity is the great channel through which the mercy of God is passed on to mankind. It is the virtue that unites men and inspires their noblest efforts.

—Conrad Hilton

Many persons have a wrong idea of what constitutes true happiness. It is not attained through self-gratification but through fidelity to a worthy purpose.

—Helen Keller

Speeches by businessmen on social responsibility...may gain them kudos in the short run. But it helps to strengthen the already too prevalent view that the pursuit of profits is wicked.... There is one and only one social responsibility of business—to...engage in open and free competition without deception or fraud.

—Milton Friedman

You take nothing with you that you gained—only what you gave away.

—Francis of Assisi

I particularly dislike people saying, "I'm going to leave it in my will." What they're really saying is, "If I could live forever, I wouldn't give any of it away."

—Jon Huntsman Sr.

The best recreation is to do good.

—William Penn

We must be knit together in this work as one man, we must entertain each other in brotherly affection, we must be willing to abridge ourselves of our superfluities, for the supply of other's necessities.... We must delight in each other, make others' conditions our own...always having before our eyes our community as members of the same body.

—John Winthrop at the founding of the Massachusetts Colony

Giving frees us from the familiar territory of our own needs by opening our mind to the unexplained worlds occupied by the needs of others.

—Barbara Bush

What we do for ourselves dies with us. What we do for others and the world remains and is immortal.

—Albert Pine

There's no substitute for rolling up your sleeves and working with the people who can make a difference. They get the benefit of your participation and you gain a direct understanding of the real problems and potential solutions, which makes you a more informed giver.

—Michael Milken

The greatest use of life is to spend it for something that will outlast it.

—William James

For scientific researchers, charitable donations are enormous engines of new opportunities, of starting in directions that wouldn't have been possible to fund by conventional sources.

—Leroy Hood

Help your brother's boat across, and your own will reach the shore.

—Hindu proverb

Too often, a vast collection of possessions ends up possessing its owner.

—Warren Buffett

I cannot think of a more personally rewarding and appropriate use of wealth than to give while one is living.... Interventions have greater value and impact today than if they are delayed.

—Charles Feeney

There are eight levels of charity.... The highest is when you strengthen a man's hand until he need no longer be dependent upon others.

—Maimonides

If life happens to bless you with talent or treasure, you have a responsibility to use those gifts as well and as wisely as you possibly can.

—Bill and Melinda Gates

Historically, Americans did not raise funds by appealing to donors' guilt, or by urging them to "give back" to society. Instead, they appealed to their fellow citizens' ideals and aspirations, their religious principles, and their desire to create.

—Adam Meyerson

Philanthropists enjoy...the freedom to experiment and take risks—risks that business and government entities cannot, or will not, accept. In fact, philanthropy has served as society's "risk capital" for more than a century.

—Tom Tierney and Joel Fleishman

At the head of any new undertaking where in France you would find the government, or in England some great lord, in the United States you are sure to find an association.

—Alexis de Tocqueville

If your aims as a donor are modest, you can accomplish an awful lot. When your aims become elevated beyond a reasonable level, you not only don't accomplish much, but you can cause a great deal of damage.

—Irving Kristol

Each man should give what he has decided in his heart to give, not reluctantly or under compulsion, for God loves a cheerful giver.

—St. Paul

A bit of fragrance always clings to the hand that gives roses. If you are generous, you will gain everything.

—Confucius

Cast your bread upon the waters, for after many days you will find it again.

—Ecclesiastes

These great donors, all deceased, changed our nation and the world through their charitable giving. In the entries below we offer historic images and brisk biographical profiles that capture the essence of each man and woman, the sources of their fortunes, and the tactics and results of their philanthropy.

The honorees, nearly three score in number, are organized alphabetically below. But you may re-sort them by any of several particular qualities just by clicking on the relevant button.

go to http://www.philanthropyroundtable.org/almanac/hall_of_fame/

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Prominent US Living Donors | The Philanthropy Roundtable

There is no way to say with certainty who America's top living donors are today. Many philanthropic gifts are made quietly, even anonymously, and are never widely known.

Givers who make lots of moderate-size contributions also tend to be less visible—even though they may give away larger total sums than persons who get noticed for one or two huge donations.

So the 149 names that follow should not be considered the final, definitive universe of America's top donors. However, the lion's share of our nation's most generous and influential living practitioners of philanthropy are listed here.

These individuals were compiled from several sources. We started with the Philanthropy 50 list of biggest annual donors, cumulated all of the gifts reported there from 2000-2014, and then identified those persons who gave at least \$175 million over that period. To these, we added top givers over that same period from the "Million Dollar List" published by Indiana University. Then we included all of the American signers of the Giving Pledge who were not already showing up on those top-giver lists. Recall that Giving Pledge signers are billionaires who have promised to donate at least half of their fortune to charity; while some are already well on their way to meeting their promise, others will do most of their giving in the future—but they will all be heard from. Finally, we added two smaller groups of donors who have earned plaudits for the perspicacity of their charitable work: Recipients, who are still living, of the William E. Simon Prize for Philanthropic Leadership, and selected contemporary donors identified by the Bridgespan Group as "Remarkable Givers."

- Bill & Karen Ackman
- Sheldon & Miriam Adelson
- Paul Allen
- Philip & Nancy Anschutz
- John & Laura Arnold
- John Arrillaga
- Stephen Bechtel
- Marc & Lynne Benioff
- Steve Bing
- Sara Blakely
- Arthur Blank
- Michael Bloomberg
- Geoff Boisi
- David & Suzanne Booth
- Donald Bren
- Sergey Brin
- Eli & Edythe Broad
- Charles Bronfman
- Warren Buffett
- Ben Carson
- Steve & Jean Case
- Raymond Chambers
- Steve & Alexandra Cohen
- Claudia & William Coleman
- Lee & Toby Cooperman
- Joe Craft
- Joyce & Bill Cummings
- Ray & Barbara Dalio
- Robert Day

- John DeJoria
- Michael & Susan Dell
- Desh Deshpande
- Richard & Helen DeVos
- Barry Diller & Diane von Furstenberg
- John & Ann Doerr
- David & Dana Dornsife
- Stanley Druckenmiller
- Glenn & Eva Dubin
- David & Cheryl Duffield
- Larry Ellison
- Charles Feeney
- Doris Fisher
- Phillip & Patricia Frost
- Ira & Mary Lou Fulton
- Bill & Melinda Gates
- David Geffen
- Dan & Jennifer Gilbert
- Jeff & Mei Greene
- Ken Griffin
- Llura & Gordon Gund
- Harold Hamm
- Frank Hanna
- Reed Hastings & Patty Quillin
- Roger Hertog
- Lyda Hill
- Barron Hilton
- Amos & Barbara Hostetter
- Karen & Jon Huntsman
- Pitt & Barbara Hyde
- Irwin & Joan Jacobs
- Charles Johnson
- Paul Tudor Jones
- George Kaiser
- Vinod & Neeru Khosla
- Sidney Kimmel
- Rich & Nancy Kinder
- Beth & Seth Klarman
- Phil & Penelope Knight
- David Koch
- Charles Koch
- Jan Koum
- Elaine & Ken Langone
- Liz & Eric Lefkofsky
- Gerry & Marguerite Lenfest
- Lorry Lokey

- George Lucas & Mellody Hobson
- Ann Lurie
- Peter & Carolyn Lynch
- Duncan & Nancy MacMillan
- Alfred Mann
- Joe & Rika Mansueto
- Bernie Marcus
- Richard & Nancy Marriott
- Craig & Susan McCaw
- Red & Charline McCombs
- Robert Meyerhoff
- Michael & Lori Milken
- Tom Monaghan
- Gordon & Betty Moore
- John & Tashia Morgridge
- Dustin Moskovitz & Cari Tuna
- Charles Munger
- Elon Musk
- Jonathan Nelson
- Pierre & Pam Omidyar
- Natalie & Paul Orfalea
- Bernard & Barbro Osher
- Larry Page
- Sean Parker
- Bob & Renee Parsons
- John Paulson
- Pete Peterson
- Ron Perelman
- Raymond Perelman
- Jorge & Darlene Perez
- T. Boone Pickens
- Emily Pulitzer
- Ernest & Evelyn Rady
- Jan & Trevor Rees-Jones
- Julian Robertson
- David Robinson
- David Rockefeller
- Edward & Deedie Rose
- Robert Rosenkranz
- Stephen Ross
- David Rubenstein
- John & Ginger Sall
- Henry & Susan Samueli
- Sheryl Sandberg
- Herbert Sandler
- Denny Sanford

- Vicki & Roger Sant
- Lynn Schusterman
- Stephen Schwarzman
- Walter Scott
- Tom & Cindy Secunda
- Tom & Stacey Siebel
- Craig Silverstein & Mary Obelnicki
- Jim & Marilyn Simons
- Paul Singer
- Jeff Skoll
- John & Susan Sobrato
- Michelle & Patrick Soon-Shiong
- George Soros
- Ted Stanley
- Mark & Mary Stevens
- Tom Steyer & Kat Taylor
- Jon Stryker
- Tad Taube
- Ted Turner
- Walton family
- David Weekley
- Sandy & Joan Weill
- Shelby White
- Oprah Winfrey
- Nicholas & Jill Woodman
- Charles & Meryll Zegar
- Mark Zuckerberg & Priscilla Chan
- Mortimer Zuckerman

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In September 2015, the Inner-city Scholarship Fund run by the Archdiocese of New York announced the largest-ever U.S. gift to Catholic schooling. Christine and Stephen Schwarzman gave a record \$40 million to an endowment that will provide 2,900 New York City children per year with scholarships. The Schwarzmans started contributing money in 2001 to this cause. “We’ve met so many impressive young women and men who have benefited greatly from the values provided by a Catholic-school education,” stated Christine, who also serves as a trustee of the Inner-city Scholarship Fund. The fund combines contributions from New York business leaders and church donors, and provided tuition assistance to nearly 7,000 Catholic-school students in 2015, prior to the Schwarzman gift. The church has pledged to match the

Schwarzman gift, and to raise an additional \$45 million from other donors to increase the fund's scholarship endowment by \$125 million in total.

- Andy Smarick and Kelly Robson [Catholic School Renaissance: A Wise Giver's Guide to Strengthening a National Asset](#) (The Philanthropy Roundtable, 2015)

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B. J. Cassin has taken the venture-capital model that made him wealthy and applied it to his Catholic-schooling philanthropy. He was a key funder in building Chicago's acclaimed Cristo Rey Jesuit High School from a single site in 2000 to a network of 30 schools in 20 states today, with more on the way. These Catholic schools now serve 10,000 low-income students each year, with excellent educational results (in 2014, every single Cristo Rey graduate was accepted to college), an acclaimed program for placing every student in a work-study job at one of 2,000 partner businesses, affordable tuition, and a sustainable economic model. (See 2000 entry describing Cristo Rey schools in detail on our companion list of achievements in Education.)

Now Cassin is seeking to amplify this success. He is part of a group of Catholics seeking new models for financing religious schools, whose enrollments as a proportion of the entire U.S. student body have declined by a third over the past half century. He and two colleagues have launched a philanthropic venture called the Drexel Fund that will invest in carefully selected academies, education entrepreneurs, and school networks with the intention of "transforming" and expanding faith-based schooling. The fund will raise \$85 million from a variety of wealthy individuals and use it as venture capital to create tens of thousands of new seats in excellent, sustainable schools—most of them Catholic, but also including other religious orientations and some secular private schools.

"There are a lot of interesting new models in faith-based and especially Catholic schools, but we don't have a platform to replicate the most successful ones," Cassin says. "That's where the idea of Drexel came from." It seeks to do for religious schools what the NewSchools Venture Fund and the Charter School Growth Fund have done for charters: provide capital to scale up successful existing institutions and start promising new networks. Cassin gave \$1 million in seed money and recruited several other donors, allowing the effort to launch in six states where tax credits or vouchers also help parents afford religious and private schools—Arizona, Florida, Indiana, Louisiana, Ohio, and Wisconsin.

By 2024, Drexel's funders aim to create 125 new schools, grow six to eight school networks, and cultivate 40 new school entrepreneurs. And if all goes according to plan, no more than 15 percent of a Drexel-supported network's budget will come from philanthropy once it is fully functional.

- *Philanthropy* magazine reporting, philanthropyroundtable.org/topic/excellence_in_philanthropy/stronger_together

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In 2015, a \$400 million construction project was launched by the Green family to create a highly visible, philanthropically created Museum of the Bible in Washington, D.C. Located three blocks from the National Mall and U.S. Capitol, the building will house the Green Collection of Biblical Artifacts (see 2011 entry), attractions like a reconstruction of first-century Nazareth and specialized films, a 500-seat performing-arts theater, and a large scholarly wing with a reference library, artifact research labs, and academic conference center. A flight simulator will allow guests to soar over Washington, then swoop down and read the Biblical inscriptions that adorn so many of its landmarks. Textured bronze panels at street level, custom stained-glass work, and a 200-foot LED-panel ceiling will display artistic interpretations of Biblical themes.

“The Bible has had a huge impact on our world today—from culture and politics, to social and moral justice, to literature, art and music, and more,” explains philanthropist Steve Green, chairman of the Museum of the Bible, and president of Hobby Lobby, which his family founded and owns privately. “Our family has a passion for the Bible and we are excited to be part of a museum dedicated to sharing its impact, history, and narrative with the world.” The museum is on track to open in 2017.

- Steve Green interviewed in *Philanthropy*, philanthropyroundtable.org/topic/excellence_in_philanthropy/interview_with_steve_green
- *Architectural Record* on the museum design, archrecord.construction.com/news/2015/02/150220-Hobby-Lobby-Owners-Break-Ground-on-Bible-Museum.asp?WT.mc_id=rss_archrecord

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There are facilities across the U.S. and the globe that remember the World War II genocide against Jews. But great museums celebrating the rich history and contemporary vigor of Jewish life are rare. A group of American donors led by San Francisco businessman Tad Taube and the Koret Foundation set out to remedy that.

The group focused their efforts on the country that had the largest Jewish community in the world at the onset of the twentieth century—Poland. They donated \$30 million (\$20 million of it committed by Taube) to create a series of exhibits that include a replication of a seventh-century synagogue, dozens of films, and a trove of historical documents and artifacts. The government of Poland erected an \$80 million building to house the exhibition, which opened in late 2014.

The museum aims to undo some of the erasures of Jewish existence carried out during the Nazi period—when Jewish cemeteries were bulldozed, synagogues destroyed, and books and official records burned. “I want to improve the Jews’ image of themselves. And I want to see the world abandon its attempt to make Jews the victims,” says Taube in explaining his gifts that celebrate the strength and endurance of Jewish community traditions.

- *Philanthropy* article on the Polin Museum, philanthropyroundtable.org/topic/excellence_in_philanthropy/a_tribute_to_life

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The Saint John's Bible, commissioned by the Benedictine fathers of Saint John's Abbey in Collegeville, Minnesota, and funded by 1,500 donors, is a completely handwritten and hand-illuminated Bible. It is a glorious seven-volume work of art, each volume stretching two feet tall by three feet wide when open, and weighing 35 pounds. The text and images were inked with hand-ground pigments and platinum- and gold-leaf on pages made of calf-skin vellum.

Theologians selected passages for large-scale illustration. Computers scaled images and plotted line breaks. All calligraphy and illumination was crafted by hand in a scriptorium—*Smithsonian* magazine described the end product as “one of the extraordinary artistic undertakings of our time.” Goose, turkey, and swan quills were used for lettering. Mineral pigments were mixed with egg yolks and water to paint pages in vivid hues that will endure for centuries, as in medieval illuminated manuscripts.

Production extended over two decades and cost \$8 million. To bring the Bible to a wide audience, trade books reproducing the seven volumes in a smaller format are being sold. The original work is touring churches, museums, and libraries around the world for in-person viewing of what Pope Benedict XVI called “a great work of art...a work for eternity.”

- The Saint John's Bible, saintjohnsbible.org/process

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David Green founded Hobby Lobby and built it into a nationwide arts-and-crafts chain. From its Sunday closures to its debt-free policy, Hobby Lobby runs on consciously Biblical principles. This fascination with the Bible extends to the Green family's philanthropy. Starting in 2009, the family began collecting what quickly became the world's largest private collection of Biblical artifacts. The more than 40,000 items acquired by the Greens include an unpublished fragment of Genesis from the Dead Sea Scrolls, the Codex Climaci Rescriptus (which contains the earliest known manuscript of the New Testament in Palestinian Aramaic), many rare cuneiform tablets, the Roseberry Rolle (a translation of Psalms into Middle English that predates John Wycliffe's famous English Bible by 40 years), and more than 1,000 different versions of the Jewish Torah.

At the 400th anniversary of the King James Bible in 2011, the Greens launched their collection on a world tour, sending the artifacts to the Vatican, New York, and other cities until they settle into a permanent home at the new Museum of the Bible in Washington, D.C. That facility is being constructed by the Green family—see nearby 2015 entry.

- *Philanthropy* article, philanthropyroundtable.org/topic/excellence_in_philanthropy/illuminated_giving
- New York Times report, nytimes.com/2010/06/12/business/12bibles.html?_r=2&pagewanted=all

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About 6,900 languages are currently in use across the globe. Only a few hundred of these have a complete translation of the Christian Scripture; another 2,300 have a partial translation. There are 2,200 languages into which the Bible is currently being translated (often a laborious process—an alphabet or grammar sometimes has to first be created because the language is spoken but not written). That leaves more than 1,900 tongues for which no Bible translation has even been started; these have around 200 million native speakers.

Wycliffe Bible Translators was founded in 1942 by Cameron Townsend, who discovered while serving as a missionary in Guatemala that many of the people he was working with didn't understand Spanish; they spoke Cakchiquel, in which no Bible text was available. Since then, Wycliffe and other nonprofits have made great progress in translations. University of Notre Dame professor Mark Noll describes the creation of Wycliffe Bible Translators as “one of the great Christian events of the century,” and “a turning point symbolizing the movement of Christianity from the northern hemisphere to the southern.” It has also been found that Bible literacy often becomes an entryway to multiple forms of progress for isolated peoples, not only in reading and writing but in bettering public health, agricultural improvements, human rights, and economic development.

However, it was a huge task that Wycliffe took on. By 1999 the group was launching Bible translations at the rate of 20 new languages per year; at that pace it would have required an additional century and a quarter to reach all remaining populations. So Wycliffe committed

to a breakthrough: It promised to raise a billion dollars of donated money and use that to hire additional linguists and deploy new techniques to fast-track translations. Soon, the so-called Last Languages Campaign was launching 109 new versions of Scripture each year. The goal is to have a translation at least begun in every language under the sun within 17 years of the campaign's 2008 commencement.

In short order the Last Languages Campaign had raised \$235 million, including one anonymous \$50 million gift. Today Wycliffe employs nearly 6,000 translators, linguists, aviators, and supporting humanitarian workers and teachers. Along with Biblical literacy, its teams now bring water purification systems, AIDs education, and other assistance to 90 poor countries.

- *Christian Post* reporting, christianpost.com/news/wycliffe-raises-250-million-for-last-2000-bible-translations-47680
- Wycliffe timeline on Bible translations over the centuries, wycliffe.org/about

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Approximately a quarter of the world's population is Muslim, and their faith's zakat requirements enjoin them to share a portion of their annual income with the less fortunate. Much of this giving traditionally has been done in secret, spontaneously, or without any system. After years of giving to medical charities, victims of the 2005 Pakistan earthquake, and other causes, Chicago physician Tariq Cheema decided to form a group to make Muslim giving easier, more strategic, and more open. He also recognized that it is now important for donors to Islamic charities to make certain their gifts will not support advocates of violence.

Cheema and collaborators launched the first World Congress of Muslim Philanthropists in Istanbul in 2008. Wealthy Muslim donors, foundations, companies, and charities gathered to share best practices, create multi-donor pooled funds for battling poverty, and encourage others in their faith to become generous givers to causes that are accountable and effective.

- WCMP website, thewcmp.org/home
- *Chronicle of Philanthropy* report on WCMP founding, philanthropy.com/article/New-Group-Meets-to-Promote/163185

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Minnesota businessman Jack Remick and his wife, Mary Ann, are long-time supporters of the Alliance for Catholic Education, an extraordinarily successful program created at the University of Notre Dame to train teachers for needy Catholic schools. (See 1993 item on companion list of Education achievements.) In 2008, a gift from the Remicks allowed the Alliance to create an additional program for training principals to lead Catholic schools. ACE founder Timothy Scully reports that his organization is going to particularly zero in over the next decade “on forming principals and superintendents. School leaders establish the culture of high expectations; they hire the teachers. That’s why we are going to focus on the principal.”

Scully argues that “thoughtful philanthropists can have their greatest leverage on Catholic education by investing in leadership programs,” and that this will in turn change American inner cities. “Evidence shows that Catholic schools form citizens who are two and a half times more likely to graduate from college, who have high expectations, who are more tolerant, who are more generous. Those are the kinds of schools we need.”

In 2014 the Remicks donated \$10 million to double the endowment of the ACE principal-training program. By then, approximately 250 of the program’s graduates were already leading Catholic schools across 41 states.

- Q&A with Timothy Scully, philanthropyroundtable.org/topic/excellence_in_philanthropy/qa_with_timothy_scully

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Alan Barnhart is an evangelical Christian, and when he and his brother Eric decided to go into business together in 1986 (they were in their mid-20s), Alan studied the Bible to see what it said about moneymaking. Wherever he turned he found warnings that money can be dangerous. “I read all these verses and I thought, ‘I want to be good in business, and I’m competitive. But I don’t want to make a lot of money if doing so would damage my life. And I could see where it really could.’” So the two young men did something very unusual. When they launched their new crane and rigging company, they vowed to cap their income at the level of the middle-class fellow members of their Sunday-school class in Memphis, Tennessee, and channel much of their company’s profits to charity. In their first year of business they donated \$50,000—more than Alan’s salary.

Nearly 30 years later, the two men run a company with \$250 million of annual revenue, but they have stuck to their decision on salaries and profits and have given away about \$100 million. Half of the money made each year by Barnhart Crane & Rigging is reinvested in the company; the other half goes to charity. There is no corporate foundation or bureaucracy—committees of employees and their spouses meet regularly to decide where to donate. Currently most of the funds are sent to development projects and Christian ministries in poor countries in Africa, the Middle East, India, and southeast Asia. Employee Joye Allen says that’s where she and her co-workers see the largest needs. “That’s where God is really working.”

In 2007, the Barnharts decided to go even further: They moved the entire company into a charitable trust owned by the National Christian Foundation. NCF has developed a specialty at helping entrepreneurs donate still-operating businesses, and they set up a structure which allows Alan and Eric to continue to run the firm. This retains the for-profit power of the enterprise and its skilled managers, while guaranteeing that all of the wealth generated by the company, either in annual earnings or increased valuation, ultimately goes to charitable good. Alan’s wife, Katherine, says the donors get something out of the bargain too: “Giving feeds our soul. Giving has us looking outward...to serve the God that we love.”

Alan views it as a bonus that this arrangement prevents his children from growing up wealthy. “There are great benefits to a kid to hear the word ‘no,’ and the theology of the Rolling Stones: ‘You don’t always get what you want,’” he says. “I taught them the joy of giving early,” adds Katherine. “I taught them the joy of contentment.”

- *Philanthropy* magazine profile, philanthropyroundtable.org/topic/donor_intent/giving_it_all1

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Religious donors have worked productively with churches over the past decade to get needy children adopted into permanent families, as the 2005 entry below catalogues. In addition, where children are not candidates for adoption, donors and believers have united in some remarkable ways to improve the availability and quality of foster care. Most children whose family lives become disrupted remain legally connected to their parents; they merely go temporarily into state care. On average, they spend about five months outside their natural home while authorities work to stabilize the parents. It is much better for most children if they pass this time with a foster family rather than in an institution. But in many places there are not enough foster families to go around, especially not enough good ones.

Social entrepreneur Bill Hancock and philanthropist Rick Jackson (both of whom are devoted Christians who grew up in disrupted families) went to work on this problem, starting in 2006. They knew that, historically, church members tended to be the most patient and effective foster parents, and reasoned that a church congregation could be a valuable support to any fosterer if volunteers were trained and organized to help. Jackson, who had created 25 companies as a health-care entrepreneur, provided strategic advice and offered to fund the effort single-handedly for five years.

Hancock researched where children in need of fostering in their home state of Georgia were coming from, then started visiting churches in those neighborhoods to see if couples in the congregations could be aided and encouraged to take on local children in need of sheltering. Organizing circles of church members who will help the families that volunteer to foster or adopt turned out to be crucial. Individuals who can't commit to full-blown fostering can at least offer respite care, babysitting help, assistance with food and clothing, emotional support, and other backup that makes the church programs work.

The Jackson/Hancock nonprofit, now known as FaithBridge Foster Care, has been enormously successful. The foster families recruited from churches by FaithBridge methodically draw on support from their congregations, and 96 percent stay with fostering. These couples have already served hundreds of children across a growing number of Georgia counties. The nonprofit spends about \$3,600 per case, which compares to an annual cost of \$90,000 (and far worse social outcomes) for a child housed in an institution.

The organization now has satellite operations in two other Georgia cities, in Florida, in New York, and in Arkansas. FaithBridge estimates that its model of improved fostering can easily be duplicated in 17 metro areas where three quarters of the nation's demand for foster care is currently located.

- FaithBridge Foster Care, faithbridgefostercare.org
- *Philanthropy* magazine reporting, philanthropyroundtable.org/topic/excellence_in_philanthropy/making_forever_families

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Among evangelical Christians, the adoption of unprotected youngsters, both domestic and foreign, has become a charitable passion in recent years. When Colorado pastor Robert Gelinas discovered in late 2004 that there were hundreds of children in his home state who were legally available for adoption but had no one willing to take them, he urged fellow Christians to “make sure there are no children waiting for homes.” He and other Coloradans launched Project 1.27 to train couples and congregation support teams to adopt or foster children languishing under state institutional supervision. Over the next few years, hundreds of children who had been waiting for adoption were scooped up by families guided by the program.

Taking its name from James 1:27 (“look after orphans and widows in their distress”), Project 1.27 is not an adoption agency, but rather educates parents on the legal, financial, and emotional issues involved in adoption and fostering. Participants pay a nominal \$100 administrative fee; all other expenses of being trained and legally certified are covered by donors. It costs the organization an average of \$5,000 to help a family adopt one child. That compares to \$50,000 of annual cost to the government to maintain one child in the foster-care system.

Families recruited from affiliated churches are given 36 hours of training over a period of several weeks. Church leaders and members of the local community are also trained to help, because the organization believes families taking on needy children require the support of friends and neighbors. The organization shepherds volunteer families through the required paperwork, helps

church leaders establish parent-support groups and adoption resources within their congregations, and advocates for parents throughout their engagement with the foster-care system.

Project 1.27 expanded beyond Colorado in 2014 and 2015 to Arizona, D.C., New York, Wisconsin, and Florida, and opened collaborations with eight similar organizations operating across the country. The group relies mostly on volunteers, and receives financial support from many small donors who give monthly, sponsor one child, or offer annual gifts. Pastor Gelinas, who has himself adopted five children with his wife, tells audiences that if “people of faith step up...it is possible that a foster-care system can be emptied.”

- The Project 1.27 network, project127.com/1-27-network
- *Orange County Register* background on church adoptions, ocregister.com/articles/children-248143-care-orange.html

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According to the latest census conducted by the AVI CHAI Foundation, total enrollments in U.S. Jewish day schools increased from 184,000 children in 1998 to 255,000 in 2013, as many parents sought to strengthen the Jewish identity of their children in the course of educating them. In Boston, three anonymous families made a major gift of \$45 million in 2004 to improve the 14 Jewish day schools operating in that metro area. Over the previous 15 years, the number of day-school students in greater Boston had more than doubled, and this grant aimed to improve teaching, curriculum, and educational excellence.

The grant inspired a smaller subsequent grant from Boston’s Ruderman Family Foundation to improve the quality of instruction and care for special-needs students at these same schools. This allowed placement of a dedicated staff of 12 special educators at 12 of the region’s Jewish day schools.

- *Boston Globe* reporting, boston.com/news/education/k_12/articles/2004/10/10/jewish_day_schools_given_45m_gift?pg=full
- AVI CHAI 2014 census, avichai.org/knowledge_base/a-census-of-jewish-day-schools-in-the-united-states-2013-14-2014

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From the Middle East to social issues, religion is a huge influence on current events and news today. In addition, faith is a big part of personal life for most Americans: According to the Pew Research Center, 56 percent of Americans say that religion is “very important” to them, while another 26 percent say it’s “somewhat important.”

Yet for many or most reporters, religion is a foreign land. “I was practically born and raised in the news business, and know firsthand that newsrooms are exceedingly secular places,” says veteran journalist Carl Cannon. Religion expert Michael Cromartie recounts how he once

mentioned the Book of Ephesians while providing a reporter with information for a story that touched on faith; the reporter asked him for the name of the author and the publisher.

To help fill some of this unhealthy knowledge gap, Cromartie and Luis Lugo, who worked within the Pew Charitable Trusts, discussed how it might be possible to “educate the press on religion.” In 1999 they began staging lunchtime seminars in D.C., a common practice in

the nation’s capital. Cromartie eventually proposed getting the journalists out of Washington and “away from their deadlines, to actually have a reflective two days with serious scholars.”

Pew provided funding, and in 2002 a weekend conference, now hosted semiannually near Miami, was launched. It is known as the Faith Angle Forum, and features presenters like megachurch pastors Tim Keller and Rick Warren, Pakistani ambassador Husain Haqqani, National Institutes of Health director and Christian Francis Collins, and an expert on Mormonism during Mitt Romney’s Presidential run. Every invitation-only conference is limited to about 20 reporters, columnists, or producers, including some of the most influential correspondents in the country.

The gatherings cost about \$150,000 each to produce. Pew footed most of the costs for the first ten years. Additional funders like the John Templeton Foundation, Pierre Omidyar’s Democracy Fund, the Gloria Dei Foundation, and the Lynde and Harry Bradley Foundation have contributed in recent years.

- Faith Angle Forum, eppc.org/programs/the-faith-angle-forum
- *Philanthropy* magazine reporting, philanthropyroundtable.org/topic/excellence_in_philanthropy/building_religion_in_reporters

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The Christian-led national reconciliation taking place in the east African nation of Rwanda after its horrendous genocide some years earlier has attracted many generous Christian donors, including Dale Dawson. A serial entrepreneur looking for his next challenge, Dawson was visited by an Anglican bishop from Rwanda raising donations for his war-torn country. The cleric challenged him. “Rwanda doesn’t have a vibrant economy,” said Bishop John Rucyahana, donations will help only fleetingly. “You’re a businessman. Why don’t you build businesses in Rwanda?”

Captivated by the bishop’s charge, Dawson investigated a Christian overseas-development nonprofit called Opportunity International. The investment banker in him was quickly impressed by Opportunity’s carefully developed microlending model. Soon Dawson was not only making his own multimillion dollar donations but also serving as a spokesman and fundraiser for the group. Among other projects, Dawson eventually spearheaded the creation of a popular bank that quickly became Rwanda’s most important financial institution (see 2007 entry in our companion list of Overseas achievements).

As his interest in faith-based solutions in Africa grew, Dawson first joined a few other donors in building schools in Rwanda for genocide orphans and other needy children. Their church-linked group Bridge2Rwanda kept creating schools. And then it established a scholars program that paid for promising Rwandans to attend colleges abroad. Soon, Dawson was spending half of his time in the country.

Dawson and colleagues subsequently expanded Bridge2Rwanda into economic development projects. These included a coffee exporter, an egg farm, a shoe distributor, a feed mill, and an entity providing financial services to foreign companies operating in the country. A think tank to educate people across Africa on the merits of market enterprise was launched by B2R in 2010.

- *Philanthropy* magazine profile of Dale Dawson, philanthropyroundtable.org/topic/excellence_in_philanthropy/lending_a_hand
- About Bridge2Rwanda, bridge2rwanda.org/about

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The successful Campus Crusade model for religious work on college campuses (see 1951 entry) asks missionaries to raise their own funds and moves them from institution to institution. The Christian Union is distinctive in raising funds tied to particular schools. When donors contribute to Christian outreach at a specific college, the funding stays there. Christian Union is also unusual in its focus on bringing the evangelical message to a particular type of setting—the predominantly secular world of the Ivy League. Founder Matt Bennett, a Cornell alumnus, recognized that graduates from these selective schools will end up as “leaders in so many places in society,” and “we need people who have the values of Jesus Christ” in those slots. So the Christian Union now operates on the campuses of Princeton, Columbia, Cornell, Yale, Harvard, Dartmouth, Brown, and the University of Pennsylvania.

While the group seeks to find, create, and encourage believers, its primary focus is on Christian leadership development. Instructors take eight to ten students through a book of the Bible each semester, seeking lessons for living. They also provide two specialty courses: one for freshmen on sex and spirituality, another for seniors on vocations. The group offers one-on-one mentoring, a weekly lecture series, book giveaways, and conferences as well.

At Princeton, the Christian Union now attracts 500 students per year to at least one of its programs. That’s about 10 percent of undergraduates, making it one of the more successful student groups on campus. The Harvard chapter attracts 200 participants.

Though most of the students already are believers when they become involved with the Christian Union, students experience religious conversion through the group every year. Student demand on its campuses is outstripping fundraising, despite an annual budget of about \$6 million. Many of the union’s hundreds of donors are Ivy League alums who wish they had had access to such a program when they were in school. Others simply agree with Bennett that “if we want to see the nation change for the better, people who are in leadership in culturally influential institutions have to have the right values. That’s why we do what we do.”

- Christian Union’s description of its focus on leaders, christianunion.org/about/why-leaders
- *Philanthropy* magazine reporting, philanthropyroundtable.org/topic/excellence_in_philanthropy/campus_crusades

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The Perpetual Education Fund, created in 2001 to provide loans for schooling to needy Mormon students, is a 150-year echo of one of the very first efforts at mutual aid set up by the Church of Jesus Christ of Latter-day Saints. It is modeled on an earlier LDS revolving charitable pool called the Perpetual Emigration Fund (see 1849 entry). While the Emigration Fund was established to help isolated Mormons move to the church’s new heartland in Utah, today’s Education Fund offers church members living in any part of the globe financial assistance to train and educate themselves.

Loans can be used for technical, vocational, or professional education, and can include tuition, training materials, books, and licensing fees. To qualify for a loan, students must go through a process similar to the selection process for missions service, including getting a bishop’s certification of church involvement. The fund is supported by donations from fellow Mormons and loan repayments from previous beneficiaries. The program now operates in 63 countries. Around 100,000 students, mostly young adults in poor nations, have so far financed their studies using the PEF.

- Program description, lds.org/topics/pef-self-reliance/perpetual-education-fund?lang=eng

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For years, venture capitalist B. J. Cassin gave scholarships to inner-city kids; then he wanted to help on a wider scale. In 2000 he and his daughter visited Chicago to investigate a new kind of Catholic high school. The Cristo Rey Jesuit High School not only provided low-income children with an excellent, values-rich education, it also offered a new financial model, after the loss of low-cost teaching by nuns wrecked the finances of most inner-city Catholic schools. Cristo Rey designed into its high school a corporate work-study program that has all students working entry-level jobs at firms like JPMorgan Chase or Pricewaterhouse Coopers. Four students share one full-time position. Each student works one day per week, then takes a full schedule of classes compressed into the remaining four days. The students thus acquire business familiarity, skills, and mettle that give them a foot in the door to white-collar professions. And the firms pay the school for the work received—which covers two thirds of the school’s expenses.

Cassin donated \$12 million to expand Cristo Rey into a network of schools applying this shared work/learn structure. He also dedicated a large chunk of time to chairing the network. Each potential school first undergoes a nine- to 12-month feasibility survey, and those that pass are then given a half-million-dollar seed grant over three years, with additional start-up costs covered by local donors. In 2003, the Bill & Melinda Gates Foundation was so impressed it began multimillion-dollar contributions to seed the creation of even more schools. Donors in particular cities, like David Weekley and others in Houston, have also paid for new schools.

A Gates official noted early on that the work-study component is especially valuable for Cristo Rey's low-income students. Their "sense of confidence and efficacy" is striking, he observed. "They appreciate being treated as adults and given real responsibility. They also recognize they're gaining valuable work experience and learning a lot of things they wouldn't learn at school."

By 2015, 9,000 students attended the Cristo Rey network's 30 schools in 19 states and D.C. They worked in more than 2,000 different partner businesses. Among the network's graduates from the past five years, 90 percent have enrolled in college and persisted into their sophomore year—twice the rate of peers from the same socioeconomic background.

- Andy Smarick and Kelly Robson [*Catholic School Renaissance: A Wise Giver's Guide to Strengthening a National Asset*](#) (The Philanthropy Roundtable, 2015)
- Cristo Rey work-study program, CristoReyNetwork.org/page.cfm?p=372

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Birthright Israel was founded in 1999 to send young Jews on a fully paid ten-day trip to Israel so they can explore Judaism and understand their personal connections to the Jewish homeland. It was the brainchild of philanthropists Charles Bronfman and Michael Steinhardt, who put up \$8 million apiece and recruited 15 other partners to contribute \$5 million each to get things started. Today, the program has a broad base of 25,000 individual donors who make it possible for about 51,000 souls to travel to the Jewish homeland each year. (Sheldon and Miriam Adelson have been the single biggest donors, giving \$250 million to the organization since 2007.)

To date, Birthright has brought to Israel over 400,000 young Jews from more than 66 countries, most of them for the first time. The organization is thus strengthening Jewish faith and identity. In a 2012 study of long-term effects, Brandeis University researchers found that 90 percent of Birthright participants reported feeling "closer to Israel," and trip-goers were somewhat more likely to marry someone Jewish and to place importance on raising a family in Judaism.

Steinhardt warns that Birthright is just a starting point, not a panacea for lost religious identity. He cautions that "the ten days of Birthright Israel cannot fully offset the appallingly poor Jewish education most of its participants were subjected to." Nonetheless, the philanthropic footprint of the program is impressive: A 2013 Pew Research study found that 44 percent of American Jews under 30 have now visited Israel, and about half of them did so courtesy of Birthright.

- About the trips, birthrightisrael.com/visitingisrael/Pages/About-the-Trip.aspx
- *Philanthropy* magazine reporting, philanthropyroundtable.org/topic/excellence_in_philanthropy/nonprofit_spotlight

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The Maclellans of Chattanooga, Tennessee, have long been sacrificial givers to Christian causes, with family members having years ago increased their charitable "tithes" to as high as 70 percent of their annual income. The Maclellan Family Foundations make grants to more than 200

ministries and charities every year, with a special focus on faith-based solutions to serious social problems, in the U.S. and around the world. They methodically support Christian education within a 500-mile radius of their headquarters in Chattanooga. They have been generous funders of national and international groups, like Campus Crusade for Christ, that bring the evangelical message to young people and other seekers. Their grants have trained Christian and nonprofit leaders in China to grapple with local concerns in an effective way. And the Maclellans were crucial early backers of a pathbreaking program called First Things First, which strengthens marriage and parental bonds with children.

In 2000, the Maclellan Foundation launched a parallel organization called Generous Giving specifically to educate and inspire wealthy Christians to share more of their bounty. Noting that the fraction of household income donated to charity has not risen since the 1930s, despite the large jump in living standards since then, Generous Giving aims to help more people “experience the joy of generosity and excel in the grace of giving.” The group sponsors an annual two-day “Celebration of Generosity” attended by about 400 living religious donors who participate in teaching, storytelling, worship, and interaction with peers. Smaller “Journey of Generosity” retreats are intimate 24-hour gatherings hosted by a couple or individual or organization, where the small group explores how generosity can change one’s life. Generous Giving held more than 150 of these meetings in 2014.

There is no soliciting or agenda at GG meetings; the emphasis is on conversation with Christian peers about the satisfactions of sharing resources effectively. President Todd Harper reports that uncertain donors often come in with a mindset of “I ought to give,” and leave with the view that “I get to give!” The gatherings are credited with having a transformative effect on many wealthy participants.

- Generous Giving, generousgiving.org
- Maclellan Foundation profile in *Philanthropy*, philanthropyroundtable.org/topic/excellence_in_philanthropy/maclellan_foundation

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When he became Catholic bishop of Memphis, Tennessee, says Terry Steib, “I was shocked that our schools were closing. I thought, ‘That’s not the church’s way.’” In 1999 he announced that the slide would be reversed: Eight previously shuttered Catholic schools would be reopened to serve children in the greatest need—those living in the poor urban neighborhoods of Memphis. They were to be called the Jubilee Schools, in honor of the forthcoming millennium of 2000, a year of mercy for the poor within Catholicism. An anonymous non-Catholic donor called and offered a \$15 million gift to back the brave plan; from that point on the project was popularly known as the Miracle in Memphis. The diocese had the first school reopened, and 20 children registered, within three weeks. Today more than 1,200 students attend eight reopened schools. Tuition is on a sliding scale, and minimal for poor families—thanks to the \$60 million Memphis residents and groups like the Poplar and Hyde Family foundations donated to reconstruct and endow the schools, and the fact that operating costs per pupil are held down (to half of what neighboring public schools cost). Fully 90 percent of the children attending Jubilee Schools live

below the poverty level, and 81 percent are non-Catholic. Yet the Catholic high schools of Memphis ultimately graduate nearly 100 percent of their students.

- Article in *Catholic Education*, digitalcommons.lmu.edu/cgi/viewcontent.cgi?article=1662&context=ce
- *Philanthropy* magazine coverage, philanthropyroundtable.org/topic/k_12_education/an_episcopalian_an_atheist_and_a_jew_walk_into_a_catholic_school

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As the harvest of a century of religious persecution, only 2 percent of Russians now attend church weekly; 7 percent attend at least once a month. To help rebuild the faith, a group of American Christian philanthropists decided to launch an American-style Christian liberal-arts college. The Russian-American Christian University opened its doors in Moscow in 1996, offering business and social work as its first two majors. The mission, explains Howard Dahl, the owner of a North Dakota manufacturing firm who donates three quarters of his income to charity, and a founding member of the college's board of directors, was to produce students who would come out of their education "bilingual, computer literate, with a deep sense of the value of a liberal-arts education, and a strong Christian faith." An early slogan was "Character, Competence, and Christian Worldview."

Along with Dahl and other individual donors, the Lynde and Harry Bradley Foundation was a supporter. The college produced several hundred graduates before running into political and government opposition, a refusal of state accreditation, and heavy taxes which forced it to close its undergraduate program in 2010. The school of social work was spun off to the Russian Orthodox Church and a few programs continue under the rubric of the Russian-American Institute.

Howard Dahl also helped build up Lithuania Christian College, one of the only other private, faith-based liberal-arts colleges in the territories of the former Soviet Union. He and his wife have also funded social and fraternal groups working to re-establish Christian practice in former Soviet lands, including a thriving youth organization in south Russia connected to Young Life.

- Howard Dahl interview in *Philanthropy* magazine, philanthropyroundtable.org/topic/excellence_in_philanthropy/interview_with_howard_dahl
- Interview with the college president, eastwestreport.org/35-english/e-18-2/278-moscow-s-russian-american-institute-instilling-character-competence-and-christian-worldview

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In the early 1990s, the Reverend Tim Scully and other leaders at the University of Notre Dame decided that if Catholic elementary and secondary schools were going to survive and prosper in the future they would need help from Catholic colleges. In 1993 Scully founded the Alliance for Catholic Education, which recruits and trains about 90 new top-ranked college graduates each year to serve as teachers for two years in an underresourced Catholic school. During summers,

the 180 active ACE participants undergo intensive training and study on the Notre Dame campus, and at the end of their two-year teaching commitment more than 90 percent emerge with a no-cost master's degree in education. During their two years as a classroom instructor they live with other ACE students in group houses provided by their local Catholic diocese—which allows sharing of work experience and knowledge, along with emotional support and spiritual growth. Fully 82 percent of ACE graduates continue to serve as educators after their two-year commitment is up, and 75 percent are still working in education five years out.

The Alliance for Catholic Education has been built on the support of the University of Notre Dame and myriad individual donors like Chicago investor John Jordan, who designated the program as one of the beneficiaries of the \$150 million he has given the university in recent years. In the cities where it sends its teachers, ACE also encourages donors to support local schools. An example would be the \$1 million Ralph and Trish Nagel donated to Catholic schools in their hometown of Denver, where in many of the classrooms 90 percent of the children live at the poverty level. The most enduring supporters of ACE have been Minnesota businessman Jack Remick and his wife, Mary Ann, whose latest gift of many was a 2014 donation of \$10 million. (See 2008 entry.)

ACE has sent more than 1,300 teachers to serve in high-need schools throughout the United States. The group has recently added to its offerings professional and consulting services to help strengthen local Catholic schools. The Alliance's success has inspired 12 other Catholic colleges to launch similar teacher-training programs, which under the umbrella of the University Consortium for Catholic Education annually instruct and send forth 400 much-needed teachers.

- Brief ACE history, ace.nd.edu/about/history
- Release on Jack and Mary Ann Remick gifts, insideindianabusiness.com/newsitem.asp?ID=65115

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After graduating from college in 1949, Marvin Schwan went to work with the family dairy and dramatically expanded it over a period of decades into a huge food-service company. At the end of his life, Schwan created a nearly billion-dollar foundation by giving it two thirds of his company in 1993. The foundation, like Schwan himself, has maintained a low profile throughout its existence. But it has operated as a bulwark of traditional Lutheranism in America.

Schwan instructed his foundation trustees to support seven Lutheran organizations, including five evangelical organizations and two colleges. These groups have received hundreds of millions of dollars in donations from the foundation in the years since. The churches, missions, and schools of the conservative Lutheran faith have thus been strengthened and perpetuated into the future.

- Facts about the Schwan Foundation, faqs.org/tax-exempt/MO/Marvin-M-Schwan-Charitable-Foundation.html#b

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Zalman Bernstein served in the U.S. Navy, acquired an education in economics, and then brazened his way onto Wall Street—first talking his way into an entry-level job and eventually founding his own brokerage firm on boldly unconventional practices. He made a fortune, and later in life devoted himself to Orthodox Judaism. Bernstein eventually gave most of his money to three different foundations intended to help Jewish religious practice flourish in the modern age. The Tikvah Fund, created in 1992, was the smallest but perhaps the most influential because it focused, under the direction of Roger Hertog (a business associate of Bernstein and himself a savvy philanthropist), on advancing intellectual excellence within traditional Judaism and bringing this wisdom to Jewish leaders.

The Tikvah Center in Manhattan offers one- to three-week institutes on Jewish thought and history, two- to three-day workshops for busy professionals, and summer fellowships for college and high-school students. Tikvah also sponsors public lectures and events. And the fund subsidizes publications: the quarterly *Jewish Review of Books*, the monthly *Mosaic*, the Library of Jewish Ideas book series, and others. Tikvah was also important in the creation of Shalem College, Israel's first Ivy League-style liberal arts college with a core curriculum.

- Tikvah Fund, tikvahfund.org/about

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After Catholic Archbishop of New York John O'Connor returned from a tour of the Dachau concentration camp, he penned an article for the archdiocese newspaper mulling how easily humans can lapse into disregard for life, and envisioning a new burst of pro-life activism. In June of 1991, eight women committed themselves to this mission, forming a new religious order called the Sisters of Life. To the three traditional vows of Catholic nuns, the sisters added a fourth: “to protect and enhance the sacredness of human life.”

The Sisters of Life focus on caring for women with troubled pregnancies. At their mission house in Manhattan, they welcome women to live with them, providing a safe place offering sustenance, care, and counseling while they carry their children to term and get their upbringing well-launched. The nascent order relied on donations of funds and supplies—particularly from members of the Sisters of Life Guild, individuals who donate at least \$1,000 a year. An outpouring of funding allowed the sisters to provide residential care for mothers and newborns for up to a year after birth.

Subsequently, additional convents where these services could be offered to mothers in distress were opened across New York City, and then outside the city. At a time when other Catholic orders were shrinking dramatically, the Sisters of Life have grown to 80 nuns. In 2007, the archbishop of Toronto invited the sisters to establish their first international mission in Canada. (See 1968 entry for information on the rise of other pro-life religious charities.)

- Reporting at AmericanCatholic.org, americancatholic.org/Messenger/Jan2010/Feature1.asp
- About the Sisters of Life, sistersoflife.org/about-the-sisters-of-life

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Seven members of the First Presbyterian Church in Philadelphia joined together in 1990 to provide meals for individuals and families afflicted by the new and scary AIDS epidemic. The goal was not only to help sustain those who were ill, but to help them feel less isolated from the church's care. Soon scores of volunteers were involved and MANNA (the Metropolitan Area Neighborhood Nutrition Alliance) was delivering thousands of meals and nutritional counseling from a commercial kitchen and a fleet of trucks.

After delivering more than 2 million meals, MANNA expanded its mission to help feed other area residents stressed by life-threatening illnesses like cancer, renal disease, cardiac disease, and diabetes. The average recipient is now 61 years old and has a household income of \$10,188. All meals (65,000 per month) and counseling are delivered free of charge. MANNA annually receives donations of more than \$1.6 million, and volunteer labor worth a half-million dollars. By its twenty-fifth anniversary, the group had delivered 8 million meals and was a good exemplar of hundreds of other church-initiated and -staffed feeding programs in existence across the U.S.

- History of MANNA, mannapa.org/history

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Bursts of philanthropic support helped create important new centers of religious intellectual dynamism in the 1980s and 1990s. The venerable Jewish magazine *Commentary* expanded its circulation during the 1980s and became a prominent advocate for liberty abroad. Lutheran and then Catholic pastor Richard Neuhaus became an increasingly influential advocate for traditional religious understandings of social issues, and in 1990 founded the acclaimed ecumenical religious journal *First Things*. That same year, the Reverend Robert Sirico co-founded the Acton Institute, a new research organ promoting the complementarity of economic freedom and religious practice. Around the same time, Catholic intellectual George Weigel was publishing defenses of democratic capitalism and creating his definitive biography celebrating Pope John Paul II's role in the collapse of communism. Along with Michael Novak's work reconciling capitalism and religion (see 1978 entry), these energetic new scholars, groups, and journals—all donor-supported—generated fresh public understanding of the role of spiritual faith in maintaining the health of Western society.

- *First Things* journal, firstthings.com
- *Commentary* magazine, commentarymagazine.com
- Acton Institute, acton.org
- George Weigel, *Witness to Hope: The Biography of Pope John Paul II* (Harper Collins, 1999)

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Music plays an important part in nearly all religious traditions. But sacred music is not necessarily self-preserving. Dedication and foresight are sometimes needed to ensure that

musical traditions will be around for future generations to experience. Inspired by his “own interest in music, and deep abiding commitment to synagogue life,” philanthropist Lowell Milken created the Milken Archive of Jewish Music to catalogue and preserve the diversity of sacred and secular music linked to “the American Jewish experience.”

Since its founding in 1990, Milken has committed more than \$30 million to the archive, which now includes impressive collections of written and recorded music, oral history, and historical artifacts. In addition to saving existing works, the archive has commissioned new recordings, by artists ranging from Dave Brubeck to the Vienna Boys Choir. In partnership with the Naxos classical music label, the Milken Archive of Jewish Music has released a 50-disc series that documents the span of Jewish music.

- Milken Archive of Jewish Music, milkenarchive.org
- Catalogue of Naxos recordings, naxos.com/series/milken_archive_of_american_jewish_music.htm

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White Memorial Presbyterian in Raleigh, North Carolina wanted to help house families who were homeless or at risk of becoming homeless. Eventually, that mission transformed into a job-training approach. The effort was initially funded by the church budget and the generosity of several congregation members. Soon the ministry was incorporated as a multi-denominational nonprofit supported by several churches, and eventually also by individuals, the John William Pope Foundation, and other donors.

A major 2004 grant from the White Memorial Community Fund laid the foundation for StepUp Ministry’s current two-pronged approach: life-skills training and job-skills workshops. The job-skills portion begins with a weeklong classroom-instruction period where students learn the ins and outs of finding and maintaining employment. The life-skills training extends over a full year and is designed to help participants stabilize their living patterns so they can hold jobs for the long haul.

Careful attention to practical details helps the programs succeed. For instance, the job-skills classes are held in a different location each day because the ministry found this reminds participants that getting to a job site can take time and requires planning and consulting maps or bus schedules in advance.

A more fundamental secret to StepUp’s success is that it reinforces family interdependence. When a father or mother requests assistance, StepUp requires that the children also be enrolled in complementary programs. The whole family is ministered to. “Four out of five African-American males are not living with their children and the birth mom. Dealing with that fracture and helping to restore families is critical,” says president Steve Swayne.

By using careful tracking mechanisms, StepUp is able to demonstrate impressive results. The ministry made 326 job placements in 2014, with 67 percent of the new workers being ex-

offenders, 38 percent homeless, and 31 percent recovering substance abusers. This was accomplished on an operating budget of \$1.6 million.

The ministry recently expanded to Greensboro, where it made 181 job placements in 2013. It next aims to replicate its programs in Durham and other parts of North Carolina. StepUp and programs like it created in other parts of the country—like Houston’s WorkFaith Connection which placed more than 3,500 graduates in jobs between 2007 and 2015—are emblematic of hundreds of local efforts by churches and faith-driven nonprofits to improve the economic status of the poor.

- About StepUp Ministry, stepupministry.org/about-stepup/history
- David Bass, [*Clearing Obstacles to Work: A Wise Giver’s Guide to Helping Strugglers Become Self-Reliant*](#) (The Philanthropy Roundtable, 2015)

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Ralph Beeson was legendarily cheap when it came to his own needs. Once, when given some new corduroys, the insurance executive turned them down on account of already owning a pair. At his modest house just south of Birmingham he often chose not to operate the air conditioning during brutal Alabama summers, saying it “costs a fortune to run that thing.” But just down the hill from his home, he had a view of Samford University—to which he was nothing but generous.

As a 29-year-old life-insurance salesman, Beeson had poured his savings into the stock of his company, Liberty National, just after the crash of 1929. The bet paid off handsomely, and he cashed in for \$100 million in the 1980s. From that windfall, he gave \$70 million to create a new divinity school at Samford as a tribute to his father. Knowing that its future clergy would mostly hold low-paying jobs after graduation, Ralph went to great lengths to ensure that the seminary would be affordable. As a result, tuition is held to just a fraction of what comparable schools charge, even though the student body is capped at 180 to maximize teaching quality.

Beeson aimed for much more than just affordability, though. He told the founding dean, “Now, Timothy, I want you to keep things orthodox down there.” Moreover, “I want you to train pastors who can preach.” Thanks to the donor’s clear guidance, a quarter-century after his death the school remains richly evangelical, and known for turning out excellent sermonizers.

Methodist by upbringing, Beeson was married to a Baptist and became Presbyterian—so his divinity school, though located at a Baptist university, welcomes all Christian faiths. That same eclecticism is on display in the school’s architectural centerpiece—the beautiful Hodges Chapel. It combines classical Palladian and colonial American designs, pairs the cruciform footprint of a Catholic cathedral with a traditionally placed Protestant pulpit, and employs Renaissance-inspired art to celebrate Christian historical figures. Only in America does one find this kind of generous religious mix.

Upon his death in 1990, Beeson also left \$39 million to Asbury Theological Seminary, a prominent evangelical graduate school in Kentucky. That gift doubled Asbury’s endowment and

funded the creation of new academic programs and seminary buildings. Though the two recipients of Beeson's beneficence have differences, they are united in their commitment to Christian theological education that is orthodox but ecumenical, and consistently excellent.

- Reporting in the *American Spectator*, spectator.org/articles/41731/welcome-beeson
- History at FaithandLeadership.com, faithandleadership.com/jason-byassee-argument-stone

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Since its early days, the Mormon church has run highly effective relief societies and special programs to aid the needy within its fold. (See this list's 1936 and 2001 entries for descriptions of some large-scale efforts that attend to the welfare and educational needs of fellow church members.) In 1985, LDS Charities was set up to methodically offer humanitarian services to people of other religions across the globe.

That year, the church collected a special "fast-offering" (where congregants skip meals and donate what they would have spent on themselves) and earmarked it to help famine victims in Ethiopia. When officials traveled to that country to decide how best to use the \$6 million raised, they found staggering need. A second fast-offering of about the same size was collected later in the year, and that led to a gradual institutionalization of overseas humanitarian work.

Today, members of the Church of Jesus Christ of Latter-day Saints may designate their gifts for developing-world aid in a variety of ways. The church covers all administration and overhead so that every penny given to LDS Charities goes to direct services and care. Since 1985, more than a billion and a half dollars have been donated, helping 30 million people in 179 countries without regard to religion or culture. In addition to disaster relief and emergency services, favored projects include long-term initiatives in clean water, food production, immunization, and vision care.

- Background on the founding of LDS Charities, lds.org/church/news/viewpoint-1985-fast-marked-beginning-of-lds-charities?lang=eng
- 2014 Annual Report of LDS Charities ldscharities.org/pages/2014-annual-report?lang=eng

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When Angelus Temple opened in Los Angeles in 1923 with seating for 5,300, the megachurch was born. An evangelical Christian congregation led by a charismatic pastor, committed to welcoming new believers, Bible-based but lacking conventional denominational boundaries, the new church drew huge crowds. Lakewood Church, founded in Houston in 1959, was another early example of the type. It was theologically conservative, racially inclusive, and popular from the start. By 1979 Lakewood was attracting more than 5,000 people to its services; today it is America's largest church, with average weekly attendance of 43,000. (Megachurches are among the most integrated institutions in the U.S., averaging a 20-percent-minority mix of congregants, while Lakewood is 40 percent white, 30 percent black, 30 percent Hispanic.)

Megachurches are conventionally defined as those attended by at least 2,000 congregants per week. There are now 1,300 such churches in the U.S. (up from just 50 in 1970), housing about a tenth of all U.S. churchgoers, and they are continuing to expand in both size and influence. They include prominent institutions like the Willow Creek Church led by Bill Hybels, the Saddleback Church under Rick Warren, the McLean Bible Church founded by Lon Solomon, and the Potter's House pastored by T. D. Jakes.

This vast expansion was driven not just by congregational donors but also by broader philanthropy. Bob Buford built a large network of cable television stations, but he was also a devoted Christian and in his mid-50s felt strongly drawn into the world of nonprofits and church-building. Buford had become close friends with famed management theorist Peter Drucker, who viewed America's vigorous civil society of churches, charities, and helping organizations like the Salvation Army as secrets to the country's success, and vital buffers between private interests and the state. Together they discussed what became the Leadership Network—a group devoted to helping the pastors of fast-growing churches thrive even more. Leaders of new churches with a thousand members or above would be brought together with similar peers so they could learn from each other, and be taught essentials of excellent management and oversight.

Bill Hybels and Rick Warren were just two of many church founders who benefited from Leadership Network training and resources as they grew their congregations to over 20,000 members. Bob Buford also joined with philanthropist Phil Anschutz to finance the Burning Bush Fund, which concentrated on planting new churches and cultivating new leaders to open churches. Pastors like Tim Keller, Larry Osborne, and Greg Surratt were aided by the fund as they built thriving, multi-campus evangelical churches. In a 1998 *Forbes* interview, Peter Drucker characterized megachurches as “surely the most important social phenomenon in American society in the last 30 years.”

- *Forbes* reporting on Buford, Drucker, and Warren, forbes.com/sites/richkarlgaard/2014/03/26/peter-drucker-and-me
- *Christianity Today* background, christianitytoday.com/edstetzer/2014/april/catalyst-that-fostered-movement.html

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In 2014, the National Christian Foundation was the fifteenth largest charity in America. It handed out \$859 million during the year, and received more charitable contributions than groups like the American Cancer Society, Harvard University, and Habitat for Humanity. The foundation continues to grow dramatically, as it has since its 1982 creation.

The brainchild of three evangelical financial professionals, NCF was established to “simplify the process of giving, multiply the results, and glorify the Lord.” The founders created one of the first donor-advised funds designed specifically for Christian givers. They also focused on making it easier to donate non-monetary gifts—like an operating business—which most philanthropic organizations find too complex to handle. They are now national leaders in this work.

By streamlining the philanthropic process, connecting Christian donors with the wisdom and charitable choices of other givers, providing up-to-the-minute advice on Christian nonprofits, and offering definitive handling of complicated donations, the National Christian Foundation has become not only one of the most important religious philanthropies in the U.S. but one of the most innovative philanthropic organizations of any sort. Its grants to religious charities now exceed a billion dollars a year, and in 2015 reached a total of \$6 billion since the organization's founding.

- National Christian Foundation, nationalchristian.com/home
- *Philanthropy* magazine reporting, philanthropyroundtable.org/topic/excellence_in_philanthropy/alms_alchemy

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Hundreds of thousands of American families currently have no medical insurance yet know that their health-care needs are covered. They have joined one of the four major "health-care sharing ministries" now operating across the U.S., the earliest of which was formed in 1981.

These religious nonprofits allow their members to share the costs of each other's medical needs, without the commercial mechanisms of insurance. Inspired by ancient Christian practices of burden sharing and mutual aid, each of these groups requires enrollees to make a profession of Christian faith, and to avoid smoking, alcohol abuse, and other practices they deem incompatible with faithful Christian living. These requirements cement the personal commitment, communal feeling, unity, and trust that have allowed these voluntary networks to thrive.

The lifestyle pledges also help contain expenses, as does the prudence with which members seek care, knowing that fellow believers will be asked to share all bills. The monthly costs of health-care sharing ministries tend to be half or less of what comparable commercial insurance would require. Each ministry operates differently, but all involve a considerable degree of personal contact and mutual support. People send notes and prayers along with the checks they mail to families in health crises, which participants cite as one of the great satisfactions of their voluntary pooling of medical needs.

These ministries have proven quite practical, flexible, and effective, with billions of dollars of reimbursements having taken place since their creation. When the Affordable Care Act was written in 2009, with penalties for parties lacking insurance, health-care sharing ministries were granted an exemption. The organizations have experienced record enrollments in the years since.

- *Philanthropy* magazine reporting, philanthropyroundtable.org/topic/philanthropic_freedom/sharing_health1

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Around the time that the Cold War abroad and culture wars at home reached their peak after the election of Ronald Reagan, some worshippers in mainline denominations became distressed by politicization of church statements and policies. One flash point was open support among some

church officials for Marxist causes, including undemocratic and illiberal rebel groups in Latin America. A drift into left-wing social policies and “liberation theology” was another trend that set off alarms. In response, some members of the United Methodist Church along with other concerned Christians raised funds, created a board of directors, and launched the Institute on Religion & Democracy as a membership organization in 1981.

As one of the group’s leaders put it, “We believe the church should be the church, proclaiming the Gospel, discipling believers, assisting the needy, and teaching broad principles for a better society without becoming narrowly political. Our unity as Christians is based on our faith in Jesus Christ, not positions on secular legislation.” In the words of founding board member and prominent theologian Thomas Oden, “we are not presuming to create new doctrine but hold firmly to apostolic teaching in ways pertinent to current circumstances.” Funding has come from membership dues, church contributions, individual donors, and grants from foundations like the John M. Olin Foundation, Smith Richardson Foundation, and the Lynde and Harry Bradley Foundation.

The IRD has promoted renewal of an energetic Christian orthodoxy—within the Methodist, Presbyterian, and Episcopal churches in particular. It has also closely monitored the National Council of Churches, the National Association of Evangelicals, and other ecumenical groups, reinforcing theology that is “orthodox, reliable, stable, beautiful, familiar, and glorious.” Religious liberty in foreign lands has always been an important issue for the group, and continues to be today.

- Institute on Religion & Democracy, theird.org

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Michael Novak wrote a Vietnam protest book, worked for Eugene McCarthy, Robert Kennedy, George McGovern, and Sargent Shriver, nearly became a priest, and launched a new program for the Rockefeller Foundation supporting scholarship in the humanities. Then in 1976 he published, in *Harper’s Magazine*, an early story worrying over the deterioration of the family. Thus began a theological journey from left to right (Novak later defined a conservative as “a progressive with three teenage children”) that ultimately had national and international political consequences.

In 1978 Novak became a researcher at the American Enterprise Institute, where he was supported year after year by the John M. Olin Foundation—in what subsequent AEI president Christopher DeMuth called “a pretty high-risk investment, a brilliant bet. At that time almost everybody, including its defenders, viewed capitalism as useful for fueling progress and high levels of material welfare, but essentially amoral and selfish at its root. Nobody did more to uncover the ethical attributes of the free-market system than Michael Novak, and he did this entirely on year-to-year philanthropic support.” In 1982, Novak’s book *The Spirit of Democratic Capitalism* injected a new moral and spiritual dimension into our understanding of economics. The work was widely translated, and helped inspire rebellion against Marxist economics in Latin America and behind the Berlin Wall.

In 1983, Novak led a group of 100 influential Catholics through new thinking on the morality of nuclear weapons, and their publication of a lengthy letter bolstered the move toward missile defense. Novak made the case for moral pressure on the Soviet Union based on human-rights concerns, and he was eventually appointed as a human-rights ambassador of the U.S. government. In more than 45 books and other voluminous writing, he applied religious principles and moral arguments to scores of other public controversies: welfare reform, environmental conservation, liberation theology, and arms control. His analysis of the linkages between economic freedom and moral and political freedom influenced Pope John Paul II's important encyclical on economics, *Centesimus Annus*, which defended private property rights and voluntary associations, and refuted state socialism.

- Novak biography, michaelnovak.net/biography
- DeMuth on Novak, [Agenda Setting](#) (The Philanthropy Roundtable, 2015), pp. 64-65

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“What the poor need is not charity but capital, not caseworkers but co-workers.” So declared Millard and Linda Fuller in the letter that launched their new group Habitat for Humanity in 1976. Millard had become a millionaire by age 29, but his workaholicism nearly destroyed their marriage. As part of their healing the couple joined Koinonia Farm, a small interracial Christian community outside Americus, Georgia, and there they conceived the idea for “partnership housing.” After a stint as overseas missionaries, the Fullers began to put their vision into practice.

Habitat for Humanity has grown to have more than 1,400 local affiliates across America and the globe. Its housing program uses volunteer labor and donations (large and small) of money and material to build and rehabilitate homes with “partner families” who are in need. Local affiliates select the families, who then invest hundreds of hours of “sweat equity” in their own home. The families also provide a down payment and monthly mortgage payment. These family contributions make the house “their own,” but the volunteer labor, donated

materials, no-interest mortgages, and no-profit sale combine to bring ownership within reach of people who would otherwise have no chance of possessing their own residence.

Many of the families Habitat works with need some counseling and nurturing as well, which the organization provides. The result is a very low default rate, and families tend to increase their education and incomes after earning their home, while their children tend to become healthier and do better in school. “We are openly and unashamedly a Christian program,” Fuller proclaimed in the early years, and the program retains its Christian roots today. It refuses any government funds that would limit its ability to proclaim its faith-based mission. At the same time, it is thoroughly ecumenical in the persons it helps and the volunteers it recruits.

And Habitat for Humanity doesn't just help the poor: as Fuller told *Philanthropy* magazine, wealthy people “can have a poverty of spirit...and when we put them out on a Habitat work site they literally weep, because they feel like their lives are meaning something.” By 2012, Habitat had placed over 4 million people in more than 800,000 families into homes of their own.

- *Philanthropy* interview with Millard Fuller, philanthropyroundtable.org/topic/excellence_in_philanthropy/millard_fuller_give_that_man_a_hammer
- Millard Fuller, *The Theology of the Hammer* (Smyth & Helwys, 1994)

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When Daryl Richman arrived at the University of Virginia in 1968 he encountered students who had little experience of church but hungered to understand the intellectual traditions of Christianity. Some of these pursued studies at places like the L'Abri Fellowship that evangelical theologian Francis Schaeffer created in Switzerland. Soon there was interest in having a somewhat similar gathering place at UVA where Christian intellectual life, lectures, and fellowship would be supported. In 1976, with financial help from townspeople and faculty, the Center for Christian Study bought a house on the edge of campus and began to host events.

The group expanded, and soon inspired similar entities on other campuses in California, Minnesota, Connecticut, and elsewhere. In 2009 an informal network of these groups formed themselves into the nonprofit Consortium of Christian Study Centers. By 2015 the consortium had 19 member centers at colleges across the country, where students wrestled to connect Christian beliefs with their classroom work and with challenges in the world around them. An annual budget of about \$300,000 provided by donors allowed the organization to incubate new campus affiliates, advise their growth, and help them find staff and speakers. “This is a movement,” says director Drew Trotter.

Some of these study centers have become quite advanced in their offerings. For instance, the Chesterton House at Cornell now provides not only stimulating talks, study groups, and social events, but also opportunities to take classes in theology and Biblical studies and get Cornell credit. Thanks to dual million-dollar gifts from the parents of one student, Chesterton House is establishing residential units—jokingly referred to by the director as “crosses between a fraternity and a monastery”—for both men and women.

- Membership map for the Consortium of Campus Study Centers, studycentersonline.org/membership/map
- *Philanthropy* magazine reporting, philanthropyroundtable.org/topic/excellence_in_philanthropy/campus_crusades

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In 1976, ministering to prisoners was “an unfashionable, underrated, underfunded, Christian activity with no national or international leadership,” observes a Chuck Colson biographer. Notorious as President Nixon’s “hatchet man,” Colson had a religious conversion shortly before entering prison for obstruction of justice, and after serving his time he founded Prison Fellowship to battle the reality that two thirds of all prisoners released back into society returned to committing crimes. His group, which combined a message of repentance and reconciliation under God with strong advocacy for prisoners’ interests, grew tremendously.

Colson himself donated \$77,000 of the first-year budget of \$85,000, and \$240,000 of the second year's \$440,000. For the rest of his life he continued to donate all the speaking fees and book royalties he earned, plus his \$1 million honorarium upon being awarded the Templeton Prize. Almost from the beginning Prison Fellowship also received significant funding from Art DeMoss, the evangelistic founder of the Liberty Life Insurance Company (who posted bail for ex-Black Panther Eldridge Cleaver after his conversion). Other significant donors have included Phil and Nancy Anschutz, Richard and Helen DeVos, and Thomas and Sandra Usher.

Prison Fellowship's ministry now attracts 50,000 volunteers, and has expanded to include helping the families of prisoners, improving prison conditions, aiding crime victims in new ways, training volunteers to work in prisons, and reconciling victims and victimizers. One area of special effectiveness is efforts to help prisoners when they re-enter society and are most vulnerable. The ministry has been replicated in many other countries. Sociologists like Byron Johnson have documented the group's effects in lowering recidivism, and in preventing crime by heading the children of criminals away from illegal activity.

- Jonathan Aitken, *Charles W. Colson: A Life Redeemed* (WaterBrook Press, 2005)
- Resources from Prison Fellowship, prisonfellowship.org/resources/training-resources

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The growth of America's Muslim population (which rose from less than a million a generation ago to 3.5 million in 2015) has created demand for many more mosques and Islamic schools in the U.S. To help meet this need, a donor-funded endowment known as the North American Islamic Trust was created in 1973 to finance mosque construction for new congregations. A 2000 study found that over a quarter of all U.S. mosques had by then been funded by NAIT, and many more have been financed since. To ensure their perpetual use for Islamic purposes, NAIT now holds title to more than 300 Islamic centers in 42 states.

The trust also established a publishing arm to produce the texts needed for Islamic worship. In addition, NAIT created sharia-compliant mutual funds and business investments where congregations can build endowments to support Muslim religious and community life in the future.

There is controversy around NAIT. Some of the founders of the trust were members of the Muslim Brotherhood, which is banned or watched closely by police in many countries due to a history of militancy. With extensive funding from Saudi Arabia, the trust sometimes supports Wahhabist strains of Islam that can become extremist. During the past decade, leaders of NAIT-owned mosques in Florida and New York have been convicted of supporting terrorist activity.

- North American Islamic Trust, nait.net

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“How little we know, how eager to learn.” That was the motto that guided John Templeton through much of his success as an investor, and that animated much of his philanthropy. Religion

is one of the areas where Templeton believed man has the most to discover. Concerned that modern intellectual life often neglects metaphysical wisdom, and particularly the role of religion in undergirding human advancement, he created the Templeton Prize for Progress in Religion in 1972, with a purse (currently around \$1.6 million) engineered to be larger than the Nobel awards.

The Templeton Prize honors a living person who “has made an exceptional contribution to affirming life’s spiritual dimension, whether through insight, discovery, or practical works.” It aims to identify “entrepreneurs of the spirit” who expand our vision of human purpose and ultimate reality. The prize celebrates no particular faith tradition or notion of God, but rather many diverse manifestations of the divine. Templeton stipulated that there would be at least one judge from each of the five major religions “so that no child of God would feel excluded.”

The first recipient was Mother Teresa of Calcutta, who six years later would win the Nobel Peace Prize. Other Templeton laureates have included religious leaders like Billy Graham, Baba Amte, Charles Colson, and the Dalai Lama, philosophers and theologians such as Aleksandr Solzhenitsyn, Michael Novak, and Charles Taylor, and scientists including Freeman Dyson, Stanley Jaki, and Martin Rees.

- Prize information, templeton.org/signature-programs/templeton-prize
- John Templeton biography in the Philanthropy Hall of Fame, philanthropyroundtable.org/almanac/hall_of_fame/john_m._templeton

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Bob Pierce was an evangelist in China when he met some Christian women who were living as missionaries among lepers. In 1970, their devotion inspired him to create a new nondenominational ministry that would support evangelical Christians providing spiritual and physical aid to hurting people around the world. He called the group Samaritan’s Purse, echoing the Biblical example of the Good Samaritan. It soon developed a specialty in getting assistance to victims of war, poverty, natural disaster, disease, and famine in some of the neediest corners of the globe. (Pierce had previously founded the Christian overseas charity World Vision—see 1950 entry.)

Billy Graham’s son Franklin was a bit of a prodigal, but during a period when he was drifting abroad he connected with Bob Pierce and his group. Franklin Graham was powerfully moved by their mission, and after Pierce died of leukemia, Graham became president of Samaritan’s Purse in 1979. He proved to be a formidable fundraiser, and led the charity through a period of explosive growth.

Today, Samaritan’s Purse raises more than \$500 million every year to feed African children, provide medical care to cyclone victims, offer HIV treatment in countries like Peru, donate Christmas gift boxes to the dispossessed, and otherwise deliver physical aid and spiritual hope. The group has a particular reputation for operating without bureaucracy or corruption, and for eschewing red tape in ways that allow its planes and aid workers to arrive first and get things done when poor people are hurting. It has been named many times as one of today’s most efficient religious charities.

- 2013 ministry report, [s3.amazonaws.com/static.samaritanspurse.org/pdfs/2013 Samaritans Purse Ministry Report.pdf](https://s3.amazonaws.com/static.samaritanspurse.org/pdfs/2013_Samaritans_Purse_Ministry_Report.pdf)

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In 1968, two Catholic priests, Bruce Ritter and James Fitzgibbon, resigned from comfortable professional college work and moved into a tenement building in New York City's East Village to establish a ministry for helping runaway teenagers and other troubled youths. They called their home Covenant House, and their effectiveness in providing a mix of counseling and practical shelter, food, and safety services to vulnerable youngsters drew many clients and volunteers. The organization was incorporated in 1972 and set out to acquire additional properties, first in midtown New York, and then across the country. The group developed a specialty in rescuing sexually exploited teenagers, and added to its homelessness services drug counseling, physical and mental-health programs, foster-care transitions, and other assistance.

Originally, much of the group's funding came from contracts with New York City agencies, but disagreements with city officials over how facilities should be run led Covenant House to decide most of its funding should come from private donations instead of government. Catholic philanthropists like Peter Grace and Bill Simon became loyal donors. Simon started volunteering in the group's homes, often with his children, starting in the 1970s. When grown, his children later became important donors and volunteers at Covenant House chapters.

In 1990, charismatic founder Bruce Ritter became embroiled in a sexual scandal and resigned. Donations collapsed and the organization was in peril. Aggressive intervention by the board of directors, with help from Cardinal O'Connor, resulted in a thorough investigation and airing of all findings, changes in staff and internal governance, and a stern new director in the person of Sister Mary Rose McGeady. The organization stabilized, and donations recovered. Today Covenant House shelters and otherwise serves 62,000 youths per year, in 21 locations, relying on \$100 million of annual contributions.

- *Philanthropy* magazine history, philanthropyroundtable.org/topic/excellence_in_philanthropy/when_founders_fall

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Religious charities like the Salvation Army, Jewish Maternity Homes, Catholic Charities, and others have long offered assistance to women facing unexpected pregnancies. As sexual experimentation and abortion rates soared during the 1960s, concerned Christians and churches established a new wave of modern centers to help individuals facing pregnancy crises. The first examples opened in California in 1968, and in 1971 many of these nonprofits organized themselves into the first national network of such groups, now known as Heartbeat International (which publishes an online directory of pregnancy resource centers that is searchable by zip code and service needed). Three other large associations currently help local PRCs improve and coordinate their offerings: Care Net, Birthright, and the National Institute of Family and Life Advocates.

Today there are about 2,500 pregnancy resource centers in operation, offering various levels of services including pregnancy testing, sonograms, obstetrical care, counseling, financial assistance, clothing and food banks, nutrition guidance, childbirth classes, midwife services, lactation consultation, child psychology classes, and other social work. All aim to offer alternatives to abortion, and adoption assistance is available for mothers who seek it. More than 70,000 volunteers, including volunteer physicians and nurses, plus \$200 million of annual donated funding, allow PRCs to serve about 2.3 million clients every year. Most services are free to the users. More than 20 states provide some funding for the centers, as has the federal government sporadically, but 80 percent of all centers are completely reliant on private support, and more than 90 percent of the total annual revenue of the nation's pregnancy resource centers comes from individual donations, often raised through churches.

Special philanthropic campaigns have been launched to equip pregnancy resource centers with ultrasound machines that can be used to confirm pregnancies, detect dangerous ectopic conceptions, and determine if the fetus is viable and how far along it is in development. The Knights of Columbus, the National Institute of Family and Life Advocates, Focus on the Family, and the Southern Baptist Convention have donated substantial funding to purchase hundreds of ultrasound machines for centers, and fund training and personnel that will allow more centers to add higher-level medical services to their counseling and social work offerings. As of 2010, a majority of PRCs (54 percent) were offering ultrasound services.

- Family Research Council national survey and report on PRCs, downloads.frc.org/EF/EF12A47.pdf
- Worldwide directory of pregnancy resource centers, heartbeatinternational.org/worldwide-directory

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Growing up as a poor Mexican-American, Freddie Garcia despised Anglo society, joined a gang, and ended up a heroin addict with a live-in girlfriend and two children. After numerous federal- and state-funded rehab programs failed to change his life, he tried Teen Challenge, a religious program, even though he couldn't imagine how "Jesus, whom I can't see, feel, or touch" could succeed where so many credentialed experts had failed. But the program dramatically altered Garcia's life in 1965. He married his children's mother, and together they felt called to minister to street addicts. They opened their tiny San Antonio home to anyone in bad straits, and soon it was overflowing with desperate cases. Garcia then opened a church focused on helping addicts receiving treatment, along with graduates of rehab who needed continuing support. The ministry used the recovering addicts to help current ones.

The couple spread their ministry throughout Texas and far beyond. Garcia died in 2009, and his son Jubal now runs the fellowship, which has helped more than 14,000 men and women leave drugs and alcohol behind. More than 70 satellite centers operate in New Mexico, Texas, California, Colorado, Puerto Rico, and some Latin American countries.

A major step in the ministry's growth occurred in 2005, when the Center for Neighborhood Enterprise helped Garcia raise funds for a multibuilding home campus in San Antonio. An

anonymous donor provided \$1 million and challenged the group to raise the rest. Local San Antonio businessmen led by Jack Willome and Bill Lyons pulled together pledges for the needed funds, and the new Victory Home was completely paid for when it opened.

Victory Fellowship is also known for being pressured by the Texas Commission on Alcohol and Drug Abuse, which demanded in 1992 that the ministry employ medical specialists or close. After a media outcry, the commission backed down, but in 1995 it attacked another faith-based rehab program in San Antonio. That led newly elected Governor George W. Bush to introduce legislation that changed regulations to allow faith-based programs—an innovation he later continued as President.

- Freddie and Ninfa Garcia, *Outcry in the Barrio* (Freddie Garcia Ministries, 1987)
- *Charisma* magazine reporting, charismamag.com/blogs/199-j15/features/christian-compassion/409-when-god-came-to-the-barrio

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Longtime Sun Oil president and Pennsylvania philanthropist Howard Pew had a multipronged approach to his religious philanthropy. He served as president of the board of trustees and chair of the National Lay Committee of the Presbyterian Church (of which he was a lifelong member), using both his time and his contributions to bolster its traditional theology. But Pew also funded the then-emerging “parachurch” institutions of the evangelical movement. He contributed \$150,000 to launch Carl Henry’s *Christianity Today* magazine in 1956. He gave millions to merge two seminaries into Gordon-Conwell Theological Seminary, which remains evangelical and is the largest facility training pastors in the northeast. He supported the Billy Graham Evangelistic Association, the National Association of Evangelicals, and the International Congress on World Evangelization. Pew sought to keep left-wing politics out of Christian ministry, and encouraged church leaders to focus on mission and new disciples.

Pew helped to build Spiritual Mobilization, a group which involved business executives in church leadership. He later was instrumental in the Christian Freedom Foundation, which sent a “Christian Economics” newsletter twice a month to 180,000 ministers. Pew did not achieve to his own satisfaction his goal of saving his church from loss of relevance and public support. As it drifted to the left during the ’80s, ’90s, and ’00s, the Presbyterian Church (USA) shrunk from 3.1 million members to 1.9 million. In his other giving, however, Pew helped to create an evangelical infrastructure that now supports many fast-growing churches in the U.S.

- J. Howard Pew profile in the Philanthropy Hall of Fame, philanthropyroundtable.org/almanac/hall_of_fame/j._howard_pew
- Kim Phillips-Fein, *Invisible Hands* (W. W. Norton, 2009)

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Don McClanen was a 29-year-old basketball coach at a small Oklahoma college nursing a big idea. It would be good for young athletes and good for America if some of today’s obsession

with sports was redirected into higher purposes. To turn his idea into reality, he sent out letters to pro athletes whom he knew to be Christian and got a few to sign on. His challenge was funding.

In 1954, McClanen met with Branch Rickey, the legendary baseball manager who drafted Jackie Robinson, invented the minor-league farm system, and won four World Series. Rickey was also a devout Methodist who had never played on a Sunday. After a five-hour meeting, Rickey pledged to raise \$10,000. “This thing has the potential for changing the youth scene in America in a decade,” he said. Among the early supporters Rickey recruited was Pittsburgh oilman Paul Benedum. From those beginnings, the Fellowship of Christian Athletes grew rapidly, offering national camps, programs for youth and adults, and ministries and Bible studies (called “huddles”) on campuses. In 2014, FCA reached nearly 10,000 coaches and 450,000 student-athletes at nearly 12,000 sites nationwide. The group raised \$101 million in donations that year for its missions.

- FCA annual reports, fca.org/about-fellowship-of-christian-athletes/ministryreport
- “A League of God’s Own,” *Sojourners*, 2009

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At the very same time Johannes Gutenberg was creating his historic first printed Bible, and perhaps in the very same town, one of the last great handwritten and illustrated Bibles was being inked near Mainz, Germany. It is even possible, say experts, that this written Bible was a direct influence on the size, shape, and design of Gutenberg’s initial edition. In any case, the Giant Mainz Bible represents a culmination of centuries of Christian tradition that kept Biblical knowledge alive only through laborious scribe work. Penning and illustrating the Mainz Bible took its artist 15 months of intensive labor, ending in 1453.

One of America’s major book collectors—Lessing Rosenwald, son of the great philanthropist Julius Rosenwald and an important donor is his own right—acquired this beautiful and historic copy of the Scriptures. In 1952, he gave it, along with other important books, to the Library of Congress. The Giant Mainz Bible is considered one of the prizes of the Library’s collection, and is on constant display in the original Library building, just outside the entrance to its main reading room.

- Library of Congress description, loc.gov/exhibits/bibles/the-giant-bible-of-mainz.html

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Campus Crusade for Christ (more recently known as Cru) is one of the largest evangelical organizations in the world, ministering not only to 64,000 college students but also to members of the military, sports teams, politicians, and others via offshoot organizations. Similar groups like the Navigators and InterVarsity Christian Fellowship also minister to college students with opportunities for Christian learning, small-group intimacy, Bible study, fellowship, and social fun. These nonprofits are all supported entirely by philanthropy, and collectively they touch hundreds of thousands of young Americans every year.

The older evangelical Protestant groups have more recently inspired other faith branches to create campus networks of their own. FOCUS, the Fellowship of Catholic University Students, is modeled on Campus Crusade, using recent college graduates as two-year missionaries who help students wrestle with questions of faith. From its first branch formed at Benedictine College in Kansas in 1998, the FOCUS network exploded to 99 chapters in 35 states by 2014. Some of these chapters constitute the largest student group on their campus.

Judaism has had its own growth spurt on campuses. Most colleges have for years had a branch of Hillel, the organization for Jewish students founded in 1923. But the rapid growth of the last generation has been driven by the group Chabad on Campus, which teaches Jewish orthodoxy, pride in Judaism, and “active goodness and kindness,” as its president puts it. Private-equity founder and philanthropist George Rohr provided seed funding which helped Chabad mushroom from about 30 centers in the mid-1990s to 250 now. British donor David Slager helped fund the creation of 26 new centers across Europe in recent years. Mark Gottlieb of the Tikvah Fund, another donor, describes Chabad as “a bulwark” against the encroachments on religion “that many college campuses foster.”

- *Philanthropy* magazine reporting, philanthropyroundtable.org/topic/excellence_in_philanthropy/campus_crusades

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Billy Graham was one of the most influential men of the twentieth century, but in his early years Graham owed his success to two wealthy newsmen: William Randolph Hearst and Henry Luce. In 1947, Hearst instructed his newspapers to promote the Los Angeles rallies held by the 29-year-old evangelist. Hearst’s favorable coverage led to positive support from *Time* and *Life* publisher Luce, who had grown up as a Presbyterian “missionary kid” in Taiwan.

Financially, Graham’s ministry was built on grassroots giving. Offerings received at the rallies would be used to support local evangelistic groups and to organize future editions of the popular crusades. Throughout his career Graham depended on everyday giving from Christians rather than big philanthropy.

In his memoir *Just As I Am*, Graham recounts a story from early in his career, when he was approached by a man who at the time was among the richest in the country. The man offered to underwrite the evangelist’s crusades. Graham thanked the donor but told him, “We are getting about fifteen to twenty thousand letters a week. Most of those letters will have a little money in them, maybe \$1, maybe \$5. But every one of those letters is saying, ‘We’re praying for you.’ If they know there’s a rich man underwriting my work, they’ll stop praying, and my work will take a nosedive. So I can’t accept it.”

- Billy Graham, *Just As I Am* (Harper Collins Publishers, 1999)
- Billy Graham archive at Wheaton College, wheaton.edu/bgc/archives/bg.html

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Bob Pierce was a Baptist minister helping the group Youth for Christ hold evangelical rallies in China, where the depth of misery he witnessed among the poor had a powerful effect on him. When a Western missionary teacher brought a battered and abandoned child to him and challenged him to care for the youngster, he gave the woman, Tena Hoelkedoer, his last five dollars and promised to send the same amount each month for the child's care. This was the seed of the child sponsorship model that became the heart of the charitable efforts of World Vision—the group Pierce founded in 1950 to relieve child poverty in Asia.

The original emphasis was on buying food and protection for children in orphanages in China. The effort spread to Indonesia, Thailand, India, and eventually to almost 100 countries. (And two decades later, Pierce founded another important Christian overseas charity, Samaritan's Purse—see 1970 entry.)

Pierce filmed short movies to help Americans understand the penury of children abroad. His films also helped evangelicals understand how the communist revolution in China was causing problems in that country. He is considered a pathbreaker in popularizing the social-action movie. World Vision still relies on short videos of children it aids to connect them to small donors.

Today, World Vision describes itself as “a Christian humanitarian organization dedicated to working with children, families, and their communities worldwide...as a demonstration of God's unconditional love for all people.” The organization retains a focus on individual child sponsorship, while offering aid in many forms. In 2014, the group raised \$600 million in private contributions.

- Bob Pierce history, worldvision.ca/aboutus/Pages/History.aspx
- World Vision mission, worldvision.org/about-us/who-we-are

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Dave Weyerhaeuser, an executive of Weyerhaeuser Timber Company, created a family trust in 1947 to “contribute to the propagation of the Christian Gospel by evangelical and missionary work.” With it, he supported the growth of numerous evangelical organizations, including Young Life, InterVarsity Christian Fellowship, the Moody Bible Institute, the National Association of Evangelicals, and Fuller Theological Seminary. He also gave generously to overseas work: Mission Aviation Fellowship, Wycliffe Bible Translators, the China Inland Mission, Food for the Hungry, and World Vision.

Weyerhaeuser considered it Biblically sound to do his giving anonymously, and declined all offers to have his name attached to any projects. He focused on making general operating grants. He also gave generously of his time, serving on more than 60 boards of Christian organizations. By the time of his death in 1999, Dave Weyerhaeuser had given more than \$100 million to religious causes, making him one of the century's most significant Christian donors.

- Biography at Weyerhaeuser's foundation, stewardshipfdn.org/applying-for-funding/submitting-an-applicationproposal/our-founder

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The Second World War reduced much of Europe to a shadow of its former glory. Cities and villages across the continent were destroyed, churches lay in ruins, millions of people were uprooted from their homes. While the U.S. government would eventually take the lead in rebuilding Europe with the Marshall Plan, that would not commence until 1947. America's Catholic bishops were ahead of their government in the relief business. In 1943 they formed War Relief Services to address the widespread devastation and aid in the resettlement of refugees. By 1955 that organization had become Catholic Relief Services and expanded its reach into Africa, Asia, and Latin America.

In the early years, support for CRS work came from grassroots giving via parish offerings. As the organization grew, Catholic philanthropists began to offer larger gifts as well. John and Helena Raskob, for instance, became early and strong supporters. John had made a fortune handling finance at DuPont and then General Motors, and later used his earnings to build the Empire State Building. The Raskob Foundation today involves more than 100 family members and has given more than \$150 million to Catholic entities working at home and abroad. A typical CRS project funded recently by Raskob trained Afghan women in embroidery skills so they can support themselves while living in refugee camps.

- Raskob Foundation for Catholic Activities, rfca.org/AboutUs/History/tabid/57/Default.aspx
- Catholic Relief Services history, crs.org/about/history

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When he was in seminary, a local minister challenged Jim Rayburn to consider the local high school his parish and figure out ways of connecting with kids who had no interest in church. In 1941, Rayburn and four other recently minted pastors created a new organization, Young Life, to run clubs where students could learn that faith in God can be both fun and life-changing. The idea spread across Texas, and then the U.S., and eventually to 95 countries.

Special ministries to children with disabilities, middle-schoolers, rural students, military children, and multicultural urban students were added to the original formula. Energetic summer camps were also established. Today, about 60,000 adult volunteers lead close to 7,000 local Young Life chapters that are funded by hundreds of thousands of donors. The organization had \$311 million of revenue in 2014.

Young Life is on a path to reach 2 million children annually by the year 2016.

- About Young Life, younglife.org/About/Pages/default.aspx

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With the need for financial aid to European Jews becoming urgent in the late 1930s, three of the most prominent Jewish charities came together to form the United Jewish Appeal for Refugees

and Overseas Needs (UJA). By joining forces, the three groups were able to raise nearly \$2 billion between UJA's founding in 1939 and 1967.

Right after World War II, UJA focused its efforts on evacuating Holocaust survivors; in 1947 alone, 25,000 refugees were resettled in the United States. With the founding of the State of Israel in 1948, endangered Jews were more often brought to Israel, along with funding to strengthen the fledgling nation. When the Six Day War threatened Israel, UJA raised \$308 million for relief. Six years later, with the onset of the Yom Kippur War, the organization mustered \$100 million before the first week of hostilities concluded. And when the Soviet Union crumbled in the late 1980s, the group removed Russian Jews to Israel, raising \$900 million in 1990 alone to provide 800,000 Jews with safe passage.

In 1999 another merger of Jewish charities folded the UJA into what is now the Jewish Federations of North America. The JFNA provides money and organizational assistance to the more than 150 local Jewish Federation chapters spread across the United States and Canada. These local federations have raised and disbursed funds since 1895, when the first chapter was organized in Boston. Collectively, these partners raise more than \$3 billion every year and distribute it for social welfare, education, and religious services.

- About the JFNA, jewishfederations.org/about-us.aspx

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John Rockefeller Jr. started the Sealantic Fund in 1938 to provide additional support to some of the causes he was funding personally, especially in support of liberal Protestantism. It began with an initial endowment of \$23 million. Protestant theological education was its main emphasis.

Among other places, Sealantic grants went to Harvard Divinity School, New York City's Interchurch Center, Union Theological Seminary, and the Interdenominational Theological Center. Sealantic partnered with the American Theological Library Association to develop religious libraries. To strengthen liberal seminaries and divinity schools, the fund promised them gifts if they would raise matching dollars.

In 1973, 13 years after the death of "Junior" Rockefeller, the Sealantic Fund was merged into the Rockefeller Brothers Fund.

- Account of the founding of the Interchurch Center, interchurch-center.org/history.html

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With assets of \$10 billion and annual giving of around \$350 million, the Lilly Endowment is one of the largest foundations in America. It was founded in 1937 when three members of the Lilly family donated stock in the Eli Lilly pharmaceutical company. Along with education, and development of its home city of Indianapolis and home state of Indiana, "deepening and enriching the religious lives of American Christians" is the other major charge of the endowment.

Enhancing the quality of ministry in the U.S. is a primary focus of its grantmaking. This involves recruiting and training top candidates, and stimulating existing ministers in pursuit of “pastoral excellence.” Strengthening religious education, congregational life, faith formation, and public understanding of religion are also interests of Lilly’s.

- Lilly’s Insights into Religion, religioninsights.org
- Lilly’s Resources for American Christianity, resourcingchristianity.org

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From the time of their baptism at age eight, members of the Church of Jesus Christ of Latter-day Saints are encouraged to tithe. The church also asks the able-bodied to fast for two consecutive meals on one Sunday every month and donate what would have been spent to help the needy. These disciplines have made Mormons America’s biggest givers.

Among other effects, this giving has allowed their church hierarchy to build the most robust welfare system in the country. From its nineteenth-century beginnings, the LDS church has had a tradition of creating storehouses that provide food for the hungry. This system was expanded and refined amidst the hardships of the Great Depression, when it proved highly effective in rescuing people from want.

Wherever the church has congregations there is a facility where groceries, clothing, furniture, and other staples are available to any person who receives a slip from his or her bishop certifying need. The church has developed a network of its own farms, ranches, dairies, canneries, and other food processing and storage facilities to produce goods, and a central storehouse of roughly 600,000 square feet now serves five regional storehouses which redistribute to more than 200 smaller local storehouses. The church also operates 40 thrift stores.

Church officials broker employment between those who need jobs and those who have work to offer. And counseling and help navigating service providers is available to those with marital or health problems. The church focuses on its members, but also assists others outside of its congregations, including large numbers overseas.

The principle of mutual aid governs all interventions. “The real long-term objective of the welfare plan is the building of character in the members of the church—givers and receivers,” explains an official. “The aim of the church is to help the people to help themselves. Work is to be enthroned as the ruling principle of the lives of our church membership.”

As a current LDS leader told *Philanthropy*, when serving the needy today, there is a growing tendency to “wait for experts with specialized knowledge to solve specific problems. When we do this, we deprive our neighbor of the service we could render. And we deprive ourselves of the opportunity to serve.”

- *Philanthropy* magazine reporting, [philanthropyroundtable.org/topic/excellence in philanthropy/a welfare system that works](http://philanthropyroundtable.org/topic/excellence-in-philanthropy/a-welfare-system-that-works)

- Historical memoir in the *American Enterprise*, unz.org/Pub/AmEnterprise-1995sep-00031
- Glenn Rudd, *Pure Religion: The Story of Church Welfare Since 1930* (Church of Jesus Christ of Latter-day Saints, 1995)

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Dorothy Day was working as a reporter for socialist publications in New York City when the faith and commitment of her three Catholic roommates made an impression on her. In 1927 she converted to Roman Catholicism herself. After reporting on a Hunger March in 1932, Day went to Washington's Shrine of the Immaculate Conception to pray. She later wrote that she "offered up a special prayer...which came with tears and anguish, that some way would open up for me to use what talents I possessed...for the poor."

The next morning, she met Peter Maurin, a Franciscan who encouraged her to bring attention to Catholic social thought and offer uniquely Catholic solutions to social ills. Captivated by the suggestion, Day financed the production and publication of a newspaper she called the *Catholic Worker*, whose first edition appeared in 1933. In the pages of the *Worker*, Day offered her unique synthesis of Catholic social thought. Her religious-political vision resonated in that era, and the paper was an instant success.

Soon Day was not just describing but acting. She opened two houses in New York for the destitute and the difficult, where those offering assistance and those needing assistance lived together in simple circumstances as equals. These establishments were partially funded by the wages of those who lived there, plus financial and in-kind donations from donors across the city.

Today there are 217 Catholic Worker communities located throughout North America and Europe. Each serves a particular neighborhood in its own way. More than three decades after Day's death, her vision is still alive as a Christian social movement.

- Dorothy Day biography, learningtogive.org/papers/paper86.html
- Catholic Worker Movement perspective, catholicworker.org/dorothyday/ddbiographytext.cfm?Number=72

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Capuchin friars first came to Detroit to work among the poor in 1883. With the arrival of the Great Depression they established a feeding program that was avidly received. Generations later, the Capuchin Soup Kitchen still operates, offering more than 2,000 free nutritious hot meals every day at two sites to anyone desiring to eat. The city's Capuchins also operate a house that offers substance-abuse treatment to indigent men, a bakery that employs recovering addicts and the formerly incarcerated, a children's program, an emergency shelter, and services that distribute 30,000 articles of clothing and 300,000 pounds of groceries to poor families every month. The Capuchin Soup Kitchen receives no government funds, relying as it has for 85 years on donations, plus earnings from the bakery.

- History of the Capuchin Soup Kitchen, cskdetroit.org/about_us/history

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The construction of Washington National Cathedral atop the highest point in the District of Columbia was a grand epic. Located on land set apart by Pierre L'Enfant for a “great church for national purposes,” its creation stretched from a congressional charter in 1893 to the placement of the final carved stone in 1990. The nation’s second-largest cathedral, it was described by George Will in 1978 as “the last pure Gothic work the world will see built.”

The building was erected as donated funds became available. The foundation was laid in the 1900s, the nave was completed in the 1970s, and the west towers were finished in 1990. The work was supported by thousands of Episcopalians and other Christians from across the country.

A big financial impetus to the project was the intervention of retired World War I hero General John Pershing, when he became president of the National Cathedral Association during the 1920s. Pershing raised funds tirelessly, squiring donors around the in-progress facilities and even taping a nationwide movie-reel appeal in 1930. At a 1928 fundraiser he argued that “the capital of the nation is the strategic point at which to make a demonstration of our common Christianity. To try to build a worthy nation without God is impossible. I welcome you tonight, therefore, not only as friends, but as co-workers in an enterprise which seems to me of vital importance to the future of our country—the hastening of the day when it can no longer be said that in...the capital of the United States, there is no adequate expression of the religious faith of the people.”

The National Cathedral has hosted many services of national significance. These have included the national prayer service following the 9/11 attacks, and funerals for former Presidents Dwight Eisenhower, Ronald Reagan, and Gerald Ford. It is a popular site in Washington, and often a symbol of national unity in times of trouble.

- Cathedral history, nationalcathedral.org/about/history.shtml
- John Perry, Pershing: *Commander of the Great War* (Thomas Nelson, 2011)

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“I am going to give a good part of what I make to the Lord,” said tobacco and hydroelectricity entrepreneur James Duke, “but I can make better interest for Him by keeping it while I live.” Duke exaggerated a bit—he was involved in philanthropy during his lifetime—but he did labor to build up a large private fortune that could be entrusted to religious and other social purposes after his passing. In 1924, less than a year before he died, Duke created the Duke Endowment and dedicated it to supporting Carolina hospitals, Carolina orphans, four Carolina universities (especially the future Duke University), and the Methodist church.

“If I amount to anything in this world,” he would say, “I owe it to my daddy and the Methodist church.” Duke instructed the endowment to give 12 percent of its annual payout to Methodist causes—10 percent for the construction and maintenance of rural Methodist churches in North Carolina, and 2 percent for the support of “worn-out” Methodist clergymen and their widows (a

common enough risk in the days of Methodist circuit ministry). Duke's funding allowed Methodist churches to invest in upgraded facilities to meet their communities' needs, and it provided security in retirement for ministers and their family members who had often known privation during their careers.

Since 1924, the Duke Endowment has distributed nearly \$150 million to Methodist causes in North Carolina and the result has been the steady growth of Methodism in the state. Today, North Carolina's two United Methodist regional groups rank third and eighth in membership size among the nation's 60 counterparts, with a total of approximately 1,900 churches and 530,000 members in the state.

- Rural Church program at the Duke Endowment, dukeendowment.org/program-areas/rural-church
- James Duke history in *Philanthropy* magazine, philanthropyroundtable.org/topic/donor_intent/duke_of_carolina

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When the United States entered World War I in 1917, the prospect of a military draft troubled American Quakers who were religiously principled pacifists. To support conscientious objectors and find alternative ways that they could serve the nation amidst the national mobilization, they formed the American Friends Service Committee. Quakers drove ambulances, did medical duty, and served stateside.

Long known for their philanthropy, the Quaker churches also sent volunteers to Europe to aid civilians disrupted by the fighting. And at the conclusion of the war Herbert Hoover asked the AFSC to help distribute food in Germany. The Friends took similar roles during World War II, and the Quakers were awarded the Nobel Peace Prize in 1947 in recognition of AFSC's service and donations across Europe during the three decades of warring.

The group has become extensively involved in "peace and social justice" advocacy over the decades. Private contributions and bequests have always fueled the organization, and continued to make up 99 percent of its 2014 budget of \$32 million.

- AFSC 2014 Annual Report, afsc.org/document/afsc-annual-report-2014-0

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When many Jews were endangered amid the turmoil of World War I, a committee was formed with the goal of raising \$5 million. The American Jewish Relief Committee for Sufferers of the War announced that four anonymous donors had each pledged \$100,000 to launch the campaign, if another \$600,000 could be raised in New York in a single event. Requests for tickets to the December 1915 gathering at Carnegie Hall soon tripled the number of available seats, and more than 3,000 people congregated outside the hall in the hope of being admitted at the last minute. There were addresses by the Episcopal bishop of New York, the president of the Central

Conference of Rabbis, and speakers describing the plight of Jews caught between war and pogroms abroad.

Then people began walking to the stage one by one to drop off donations. In addition to cash there were slips of paper pledging one-time or monthly gifts. Others, the New York Times reported, left rings, necklaces, and earrings. When the event ended well after midnight the gifts exceeded \$1 million, and the campaign was off to a roaring start. Julius Rosenwald, head of Sears, Roebuck & Company, subsequently donated a million dollars, and others like Jacob Schiff, Nathan Straus, and Felix Warburg made similar large gifts. Most remarkable was the breadth of giving. An estimated 3 million Americans made a donation to this cause at some time during the war.

The funds were used to aid to Jewish refugees, and to finance relocation of families to safer countries. This campaign demonstrated the commitment of American Jews to their brethren abroad. It was a tie that would be tested repeatedly over the course of the twentieth century.

- *New York Times* account, query.nytimes.com/mem/archive-free/pdf?res=9C0CE0D61239E333A25751C2A9649D946496D6CF
- Albert Lucas, “American Jewish Relief in the World War,” *Annals of the American Academy of Political and Social Science*, Vol. 79, 1918

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In twenty-first-century America, orphanages might seem like relics of the past. Because research in human attachment has taught us that children need close and lasting human connections, when those with disrupted lives need new homes, every effort is now made to place them in families rather than institutions. Sometimes, however, this isn’t feasible—due to shortages of foster or adoptive parents, or behavioral issues and special needs beyond what most substitute parents are equipped to handle.

The default option is to send such youngsters to state-run group homes. Many of these are miserable places. Thanks to private philanthropy, though, a number of high-quality residential homes and schools exist across the country as alternatives for children with severe challenges. One of the most iconic is a Christian residential school called Crossnore.

Crossnore was founded by Mary Sloop and her husband, Eustace, two young physicians anxious to serve as medical missionaries. In 1911 they moved to an impoverished mountain county in North Carolina and began offering medical, educational, and economic aid to local children. Their project gradually evolved into a boarding school for orphans and other needy children. Adjoining the school, the Sloops set up a weaving workshop and a working farm where the children could learn skills and personal disciplines. This, along with resources donated and raised by the Sloops, allowed the school to be largely self-supporting.

Crossnore currently houses about 100 kids at any one time, ages one to 21, who have been severely neglected or abused, and whose needs aren’t met by the foster-care system or public schools. They live in cottages, supervised by couples, and attend classes and intensive activities

that promote healing, faith, and self-improvement. The school has its own K-12 charter school that is also open to children from the surrounding community, a special program to help residents ages 17 to 21 transition gradually to independent living, and a scholarship program that pays tuition of alumni who go to college. There is also a special effort to assist the adoption of Crossnore kids into families.

Impressed by the good results achieved with difficult children at this facility, a loyal cadre of Christian donors has provided financial support over more than a century. A recent capital campaign raised \$20 million for the school's private endowment. Similar facilities in other states include the Alabama Baptist Children's Homes & Family Ministries; Hope Village for Children in Meridian, Mississippi; Safe Harbor Boys Home of Jacksonville, Florida; the Hendrick Home for Children in Abilene, Texas; and 11 homes operated across the country by Youth Villages.

- Crossnore School, crossnoreschool.org
- North Carolina Encyclopedia entry on Mary Sloop, ncpedia.org/biography/sloop-mary

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The president of Catholic University in Washington, D.C., invited Catholic clergy and laity to gather on his campus in 1910 to launch Catholic Charities. Local parishes had been doing charitable work right from their beginnings—there were more than 800 Catholic social services organizations nationwide around the turn of the twentieth century. Some Catholics, however, felt there needed to be a more centralized anti-poverty effort.

Today about 170 social service efforts across the U.S. are supported by Catholic Charities, serving several million people each year. The 501(c)(3) coordinating body, Catholic Charities USA, raised \$24 million in contributions and grants in 2013. Linked to its origins in the nation's capital, and its continued headquartering there, Catholic Charities has also involved itself extensively in political debates right from its beginning. It organized letter-writing campaigns on behalf of New Deal legislation, for instance, and led pushes for various forms of public housing. In the 1960s, the group tilted further toward advocacy of government activism. Today, about two thirds of Catholic Charities' annual spending comes from government sources (more than half a billion dollars of federal grants alone).

- CCUSA, catholiccharitiesusa.org
- Critique of the swing to government funding, city-journal.org/html/10_1_how_catholic_charities.html

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In 1898, two traveling businessmen found themselves sharing a room in an overbooked Wisconsin hotel. On discovering that they were both Christians, they studied the Bible together and knelt in prayer. Encouraged by their fellowship, a year later these businessmen met with another friend in Janesville, Wisconsin, and formed a ministry for travelling businessmen. Calling themselves the Gideons—after the Old Testament judge who did whatever God called him to—they came up with an additional strategy for reaching their fellow travellers: placing a

Bible in every hotel room in America. With the philanthropic support of their members and members' home churches, the Bible project launched in 1908 became the Gideons' signature outreach. Today, with 290,000 members in 190 countries, the Gideons have distributed 1.7 billion Bibles, stocking most hotels in the U.S. and many other countries.

- About the Gideons, gideons.org/?HP=USA&sc_lang=en

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Edgar Helms was a Cornell grad and ordained Methodist minister hunkered down in a South Boston outpost in 1902 fighting some of the city's worst poverty. His building was collapsing, the nation was in a depression, and his church lacked funds. A staff member suggested they repair and sell the used clothes often received as donations. Helms realized clothes donations were easier to collect than monetary ones and that a market existed for cleaned and repaired clothes. But he was even more attracted by the fact that the process would provide what his congregation most needed: employment.

In 1905, Helms incorporated the first branch of what became Goodwill Industries. Helms differed from many poverty-fighters of his day. Some focused on single problems like drunkenness among the poor. Others bypassed direct service to poor persons in favor of lobbying government for reforms of housing, medical care, and wages. Helms insisted that what the poor most needed was work that would make them self-reliant and self-respecting. "You can't help a man by doubting him. When he tells us he wants work, we assume that he does," Helms explained, stressing that the poor need "a chance, not a charity."

In 1915, Helms's innovative program spread to Brooklyn. Then, in 1919, the Methodist church provided several hundred thousand dollars of seed money that helped Goodwill expand across America, Canada, and abroad. By the mid-1930s Goodwill Industries had 100 branches in the U.S., and others in foreign countries. During the Great Depression Goodwill narrowed its focus to employment of men and women with disabilities, a specialty it has preserved to this day.

The founder's most important legacy may be the decentralized structure of his organization. The 165 local Goodwill branches can assist each other and request advice and aid from the world headquarters, but each is autonomous in policy and funding—a stark contrast to centralized nonprofits like the Red Cross and Catholic Charities. The central office's budget is dwarfed by those of branches in cities like Milwaukee and Houston. Yet the movement is vast: nearly \$5 billion in worldwide revenues; over 3,000 stores in the U.S., Canada, and 13 other countries; and workforce training provided to 26 million persons in a great variety of fields. The central office's current CEO, Jim Gibbons, echoes Helms's original principle: "We believe work is the mechanism by which people gain financial and personal independence."

- Goodwill timeline, goodwill.org/wp-content/uploads/2011/01/First_100_Years_Timeline.pdf
- *Philanthropy* magazine profile, philanthropyroundtable.org/topic/excellence_in_philanthropy/goodwill_industries
- Beatrice Plumb, *The Goodwill Man: Edgar J. Helms* (Denison & Co., 1965)

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While working as a truant officer in Milwaukee in the 1890s, Lizzie Kander discovered that the home conditions of Russian immigrant families were “deplorable...threatening the moral and physical health of the people.” Believing that women were the keys to household success and acculturation, she devoted herself to a variety of self-funded initiatives to teach cleanliness, child education, good nutrition, household skills, and economically useful trades like sewing to Russian women. By 1900 she was deeply involved in running a settlement house that assimilated Jewish immigrants using funds donated by Milwaukee businessmen. When additional money was needed, Kander compiled a 174-page cookbook-cum-housekeeping-guide to sell as a fundraiser. The board of directors would not pay the \$18 needed to print the book, so she paid for production by selling ads. It became known as the *Settlement Cook Book* and eventually sold two million copies—thereby funding the mainstreaming of Jewish immigrants in the upper Midwest, and many other charitable causes, for 75 years.

- 1901 edition of the *Settlement Cook Book* with background information, digital.lib.msu.edu/projects/cookbooks/html/books/book_52.cfm

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By the beginning of the twentieth century the organ had become an important animator of worship in American churches. Andrew Carnegie turned up the volume by donating nearly 7,700 organs to churches worldwide (4,100 of those in the U.S.), starting in 1902. Carnegie, only a sporadic churchgoer himself, considered fine music a devotional experience, and quoted Confucius’ line: “O Music, sacred tongue of God, I hear thee calling, and I come.” His organ-funding program was very methodical. Churches applying to his foundation had to contribute half of the funds, and they had to select an organ that was suited to the size of their worship hall. It was an ecumenical program—Baptist, Presbyterian, Methodist, Congregational, Lutheran, and Episcopal congregations alike received instruments. This highly personal initiative by one of America’s seminal donors transformed American church life.

- Account at Estey Organ archive, esteyorgan.com/carnegie.htm
- Peter Krass, *Carnegie* (Wiley, 2002)

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Wall Street banker J. P. Morgan was a devoted Episcopalian. He was an officer of his local church. He served on a national committee charged with revising the Book of Common Prayer (much of which he knew by heart). As an adult, he set aside three full weeks every third year to meet with theologians and discuss faith. And he quietly underwrote the salaries of scores of Manhattan clergy.

He was also the principal funder behind the construction of the Cathedral of St. John the Divine in upper Manhattan, one of the largest stone churches in the world. In 1892 alone, the year construction began, Morgan donated the current equivalent of \$13 million to underwrite construction of an Episcopal edifice that could compare with the Catholic St. Patrick’s Cathedral

begun a dozen years earlier in midtown. The massive church—covering much of a city block, with interior ceiling heights of 124 feet—is constructed in traditional stone-on-stone style without steel or modern supports, in a riotous Gothic/Byzantine/Romanesque style. Its rose window is made of 10,000 pieces of glass assembled in traditional medieval fashion. Ellis Island opened the year construction began, so the cathedral includes seven chapels designed in seven distinct national styles to represent the seven largest immigrant groups then flooding into the U.S.

In the 1920s, Franklin Roosevelt headed a campaign to raise \$10 million in private donations (the equivalent of \$134 million today) for the next stage of construction. This allowed building to continue even through the Depression. Work was stopped by World War II, however, and the cathedral, though heavily used, remains incomplete in many of its elements—sparking its nickname, St. John the Unfinished.

Among many remarkable elements of Christian iconography on the building are a series of stone carvings reflecting apocalyptic scenes from the Book of Revelation, which was authored by the cathedral's namesake, the apostle John. Interpretations by the modern stonecarvers include scenes of New York City being engulfed by a tidal wave, the Brooklyn Bridge cracking in two, and the World Trade Center towers and Chrysler building teetering. Even as a work in progress, this wholly donor-funded cathedral represents one of the most monumental Christian edifices in the world.

- General history, legacy.fordham.edu/halsall/medny/stjohn2.html

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Katharine Drexel was born in 1858 into one of America's wealthiest families—the namesake founders of Drexel University and the Drexel Burnham Lambert investment firm. Her parents were of French Catholic extraction, and devout and deeply charitable. The family opened its grand home to hundreds of poor Philadelphians twice a week, providing food, clothing, and rent money. This was only part of the family's annual giving, which was roughly equivalent to \$11 million today.

Katharine felt a calling to religious life as early as 14, and it intensified during a trip through the American West, where she was troubled by the poverty of Native Americans. After her father died in 1885, the young woman took her multimillion-dollar inheritance and began funding schools and missions for New Mexican Indians. During an audience in 1887 with Pope Leo XIII she urged that more missionaries be sent to help Native Americans. The Pope replied, "Why not, my child, become a missionary yourself?" In 1889 Katharine bade farewell to Philadelphia high society and became a nun with the Sisters of Mercy.

Two years later, Drexel founded her own order, the Sisters of the Blessed Sacrament, and made a special vow not to "undertake any work which would lead to the neglect or abandonment of the Indian or Colored races." She converted her family estate into a home for African-American orphans, using it also to train young novices before they departed as missionaries to the western U.S. Drexel developed a network of 145 missions, 12 schools for Native Americans, and 50

schools for African Americans throughout the South and West. Staffed by laypersons and often attached to a local church, the schools offered religious instruction and vocational training. Students did not have to be Catholic to enroll.

In 1915, Drexel provided a \$750,000 grant that allowed the sisters to found Xavier University in New Orleans—the only historically black Catholic college in the United States (and one that, among other educational contributions, has produced a quarter of the black pharmacists in America over the last century). Katharine led the Sisters of the Blessed Sacrament until 1938. During her lifetime she is estimated to have given away half a billion dollars in present-day funds to support her order. She was canonized by Pope John Paul II in 2000.

- Philanthropy Hall of Fame profile, philanthropyroundtable.org/almanac/great_men_and_women/hall_of_fame/st._katharine_drexel
- Ellen Tarry, *Saint Katharine Drexel: Friend of the Oppressed* (Farrar Strauss, 1958)

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Cyrus McCormick, the inventor of important farm machinery, was a generous religious philanthropist, giving away at least \$550,000 in the second half of the nineteenth century to religious organizations—mostly the Presbyterian church, seminaries, and other schools. His wife, Nettie, raised in a devout Methodist and devotedly philanthropic home, outlived her husband by 39 years and became an even more prolific giver to religious causes on her own, starting in 1889. She felt strongly that she was accountable to God for how she used the money entrusted to her, and sought gifts that had a crisp moral purpose, a spiritual or educational benefit, and a chance of helping recipients better themselves.

Nettie gave away millions of dollars. Orphanages, schools, colleges, hospitals, and relief agencies all benefited from her endowments. She took a strong interest in schools like Tusculum College, the Moody Bible Institute, and Princeton University in the U.S. And her large gifts made several Christian colleges and hospitals possible overseas, including Alborz College in Tehran, and a theological seminary in Korea. It has been estimated that McCormick was the lead funder of at least 46 schools, and possibly more.

- Nettie McCormick profile in the Philanthropy Hall of Fame, philanthropyroundtable.org/almanac/hall_of_fame/nettie_fowler_mccormick

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Jacob Schiff was born in Germany in 1847, the son of a prominent rabbinical family. Over the objections of his father, he traveled to New York City in 1865 to work a brief stint as a broker. Eventually he settled in the U.S. and took a position at the prominent banking firm of Kuhn, Loeb, and Company. By the close of the nineteenth century Schiff was one of the richest and most prominent men in the country. He channeled much of his wealth into Jewish causes like Hebrew Union College, Jewish Theological Seminary, and the American Jewish Relief Committee.

Indeed, Schiff supported nearly every major Jewish charity of his day. He was a major lifelong funder of the Henry Street Settlement that did so much to reduce immigrant squalor in New York City's Lower East Side. Amid rising pogroms in Russia and elsewhere he financed Zionist organizations and efforts to relocate European Jews to safety in Palestine. He also aided many non-Jewish causes. He funded the Montefiore Hospital in New York for decades, served as its president, and visited the hospital weekly. Throughout his philanthropic career Jacob Schiff resisted public recognition. When he saw plans for a plaque on the Jewish Theological Seminary building he immediately crossed out his name.

- Biography, jewishvirtuallibrary.org/jsource/biography/schiff.html

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The first Catholic school in America was opened in St. Augustine, Florida, in 1606. In New Orleans, the Ursuline Academy opened in 1727 and is still operating today as the oldest Catholic school in the U.S. Other U.S. faith-based schools have roots nearly as deep. The first Jewish day school opened in New York City four decades before the American Revolution. The oldest Quaker school in the world, currently known as the William Penn Charter School, was established in Philadelphia in 1689.

But Catholic schools are the largest element in faith-based schooling today—representing about one out of every three religious schools operating in the U.S. They grew up primarily after the Civil War, as immigration from Catholic countries created demand for facilities where education could coexist with spiritual training and Catholic culture. After several efforts to secure government funding for religious education failed, the American Catholic bishops met in Baltimore in 1884 and decided that all parishes should establish schools themselves for the children of congregants. (The same council passed the resolution that led to the creation of the Catholic University of America.) Thus began many decades of grassroots philanthropy to establish, construct, and maintain parochial schools.

Financed by religious subsidies plus modest tuition payments from parents, Catholic schools exploded from only about 200 in the first half of the 1800s to 5,000 by the year 1900, and 13,500 schools educating 5.6 million children at their peak in 1965. Catholic schools have since receded to 6,600 and an enrollment of 2 million, but philanthropists are working to maintain and revive them, particularly in poor urban neighborhoods where they offer the only decent education to local children (now mostly minorities, and not Catholic).

With backing from donors, new networks, economic models, management structures, and funding methods are now being energetically experimented with, all aiming to secure Catholic education as an option for families in future generations. New York City's Catholic schools currently receive as much in large philanthropic donations as they do in aid from the archdiocese.

- Andy Smarick and Kelly Robson, [Catholic School Renaissance: A Wise Giver's Guide to Strengthening a National Asset](#) (The Philanthropy Roundtable, 2015)
- *New York Times* report on 1884 Plenary Council, query.nytimes.com/mem/archive-free/pdf?res=FA0A16FB3F5B10738DDDAE0894D9415B8484F0D3

- White House report on urban faith-based schools, www2.ed.gov/admins/comm/choice/faithbased/index.html

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Methodist minister William Booth and his wife, Catherine, founded the Salvation Army in London in 1865 to help prostitutes, drunks and drug addicts, and the poor—using his “three S’s” approach: “first, soup; second, soap; and finally, salvation.” Some observers were put off by the flamboyance of the “Sallies,” with their brass bands and bright uniforms and their direct engagement with the lower classes. But they achieved great success, and then strong support from the public in dollars and volunteer hours.

In 1880, the Salvation Army arrived in the U.S. with its flags flying (emblazoned “Blood and Fire”). Fascinated reporters were told that the arriving officers were part of an “army of men and women mostly belonging to the working class” who had been saved from immorality and wasted human potential. They immediately strode into saloons, brothels, and slums, engaging the most desperate residents, and established what became one of America’s largest and best-run charities.

In less than a decade this combination church and social movement created a citywide service network. By 1900, reports historian Marvin Olasky, the Army had 20,000 American volunteers, its employment bureaus placed 4,800 persons a month into jobs, and it operated 141 relief operations including 52 shelters, 14 homes for women facing crisis pregnancies, and two children’s homes. The Army’s massive disaster relief after the 1900 Galveston hurricane and the 1906 San Francisco earthquake further enhanced its reputation. Disaster relief continues to be offered—Army workers and volunteers gave more than 900,000 hours of service after Hurricane Katrina.

Today, the Salvation Army’s several thousand uniformed officers oversee 7,600 centers and a multibillion-dollar budget serving tens of millions of Americans. Its lean, decentralized management system pays officers the minimum wage and raises and spends all money locally. Management expert Peter Drucker called it “by far the most effective organization in the U.S.”—nonprofit or for-profit. “No one even comes close with respect to clarity of mission, ability to innovate, measurable results, dedication, and putting money to maximum use,” he concluded. Forbes calculated that if the Army’s employees and volunteers in 126 countries were paid market wages, it would be one of the world’s largest companies.

In 2003, McDonald’s heiress Joan Kroc left more than \$1.5 billion to the Army, the largest philanthropic gift ever given to one charity. A recent National Commander in the U.S. explained its unchanging view on helping the needy: “You can’t divorce individual responsibility from the societal ills that create poverty. Low-income persons begin to see their own self-worth as they take responsibility for themselves.”

- Diane Winston, *Red-hot and Righteous: The Urban Religion of the Salvation Army* (Harvard University Press, 1999)
- *Philanthropy* magazine interview with National Commander, philanthropyroundtable.org/site/print/venture_capitalists_of_the_streets

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During the nineteenth century there was much experimentation in the U.S. at combining religious observance with new dietary practices. Seventh-day Adventism had a significant effect in this area through its Battle Creek Sanitarium. The church follows the food codes prescribed in Leviticus, and recommends vegetarianism to adherents, while banning alcohol and tobacco. Seventh-day Adventists put these principles into practice at their Battle Creek Sanitarium in Michigan, funded by the donations of congregants.

Under the direction of physician John Kellogg, the Adventist church created what amounted to an early health spa, where a low-fat diet rich in whole grains, fiber, and nuts was served, along with something new: flaked cereals. Both Kellogg's younger brother, W. K., and sanitarium visitor C. W. Post picked up on this innovation and created companies offering the convenience and nutrition of flaked cereals to the general public—ventures which created a large industry.

In addition to controlled diet and lots of exercise, John Kellogg offered many exotic health treatments like cold-air exercise, hydrotherapy, water-and-yogurt enemas, and odd sexual regimens. The sanitarium became a popular spot, generating national interest in health and wellness and attracting famous patients like Mary Lincoln, William Taft, Henry Ford, and Amelia Earhart. It went into decline during the Depression.

- Battle Creek Sanitarium history, heritagebattlecreek.org/index.php?option=com_content&view=article&id=95&Itemid=73
- Brian Wilson, *Dr. John Harvey Kellogg and the Religion of Biologic Living* (Indiana University Press, 2014)

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The Chautauqua Institution is a quintessentially American organization where citizens have been trooping for a century and a half to fire their spirits and refine their souls. Founded in 1874 by a Methodist minister and an inventor/philanthropist named Lewis Miller,

Chautauqua's original purpose was to educate and train Sunday-school teachers from around the nation so they could more effectively instruct and minister to their charges back home. The original assemblies were in tents pitched thickly along Chautauqua Lake in western New York. Over time, the grounds grew into a seasonal village of beautiful little cottages, outdoor lecture spaces, numerous chapels, several theaters, and recreation areas. The grounds are now listed as a National Historic Landmark.

A century and a half after its start, Americans continue to flock to Chautauqua for religious inspiration, opportunities to improve their minds, and chances to develop their creative talents. All day long, there are lectures, Bible studies, art classes, concerts, dance performances, sports activities, singalongs, and study groups of all sorts. Every evening there is lively conversation around dinner tables and on packed front porches.

The Chautauqua Literary and Scientific Circle, which was founded to promote independent learning, particularly among those unable to attend formal schools, is the oldest book club in the United States. The institution has had its own permanent summer orchestra, theater, opera, ballet, and fine-arts programs for decades. Many religious denominations operate houses on the grounds where learning, conversation, fraternity, and daily worship are shared. Much of the instruction at Chautauqua is self-guided, and the animating purpose behind spending a week or a summer at Chautauqua has always been to improve oneself. This earnest do-it-yourself learning caused Teddy Roosevelt to describe the Chautauqua gatherings as “the most American thing in America.”

By the turn of the twentieth century, this upstate New York phenomenon had become so popular and influential it spawned several hundred other “daughter Chautauquas” in locales across the country. The word thus entered the American lexicon to describe any assembly where Americans come together with the goal of re-forming themselves into better people.

- Chautauqua Institution history, ciweb.org/about-us/about-chautauqua/our-history

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The anti-alcohol movement, which was rooted in America’s Protestant churches, powered by philanthropy and female volunteers, and ultimately a powerful political force, was an organic response to a real problem. During the first half of the 1800s, the average American over age 15 drank almost seven gallons of pure alcohol per year. That’s three times modern U.S. consumption levels.

It was primarily men who abused alcohol. The effects included vicious fighting (eye gouging was popular), the dissipation of wages, and domestic violence. It was often women and children who were particularly victimized by drinking.

So not surprisingly, the temperance movement was primarily driven by women, specifically religious women. It sought, first, to moderate alcohol use. Then came an emphasis on helping drinkers lean on each other to resist the temptation to drink. Finally, the temperance movement sought local, state, and national laws prohibiting alcohol.

Amid even greater horrors, temperance became less visible and urgent during the Civil War. But after the war, the arrival of waves of immigrants from Ireland, Germany, and Italy brought spikes in alcohol consumption and production that rekindled many Americans, led by Methodist and Baptist clergy. Starting in upstate New York in 1873, thousands of distraught wives and mothers organized themselves into the Women’s Christian Temperance Union and became a potent social force. Local laws began to regulate and restrict alcohol consumption, and nearly every school in America used a WCTU anti-alcohol educational curriculum. Concomitant drives to clean up slums, protect children, and secure women’s rights often led to overlapping support for controls on alcohol.

The WCTU was joined in its anti-alcohol work by the Anti-Saloon League. The ASL also worked very closely with churches, and enjoyed many small funders, but in addition it attracted

funding from major philanthropists like Henry Ford, Andrew Carnegie, and John Rockefeller Jr. When the creation of the income tax in 1913 made the federal government less dependent upon liquor taxes, the campaign for prohibition shifted into high gear. In 1920, production and consumption of alcohol became illegal nationwide.

Enforcing the ban would prove chimerical. Alcohol consumption, however, would never return to its nineteenth-century levels. And some modern philanthropists (like the Robert Wood Johnson Foundation, which is also a leader of America's anti-smoking effort) continue to support efforts to moderate alcohol consumption.

- Women's Christian Temperance Union background, wctu.org/earlyhistory.html
- Anti-Saloon League background, westervillelibrary.org/antisaloon-history-saloon
- PBS history of prohibition, pbs.org/kenburns/prohibition/roots-of-prohibition

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From childhood, John Rockefeller was a devout Baptist. Even before he made his fortune with Standard Oil he consistently tithed 10 percent of his income to religious causes. Starting around 1864 he exhibited a particular interest in supporting Baptist colleges.

He began by giving \$5 to a school in Gambier, Ohio. That was followed by a \$500 donation to another Ohio Baptist facility, Denison University. Denison had received \$22,000 more from Rockefeller by 1882.

In 1884, Rockefeller covered the nearly \$5,000 debt of the Atlanta Baptist Female Seminary, which out of gratitude took the maiden name of its donor's wife and renamed itself Spelman Seminary. That same year, he gave \$25,000 to the African-American Baptist seminary in Richmond, Virginia. And when Northern Baptist officials created a separate society to support higher education, Rockefeller pledged \$100,000 to launch it in 1888.

The American Baptist Education Society ultimately received more than \$800,000 from John Rockefeller between 1890 and 1914. Among other causes, Rockefeller and the Society partnered to create a flagship Baptist university for the country: the University of Chicago. In today's dollars, Rockefeller's giving to the University of Chicago during its first 20 years comes to about \$35 million.

- Rockefeller and the American Baptist Education Society, rockarch.org/publications/resrep/rose1.pdf

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The carnage at the First Battle of Bull Run (just a preview of the destruction to come in our Civil War) stirred the hearts of many Americans. Among those summoned to action were members of the Young Men's Christian Association. At their 1861 convention they created the United States Christian Commission to provide war relief. Unlike the U.S. Sanitary Commission, another

private aid organization that raised \$25 million to succor war victims (see 1861 entry on Prosperity list), the USCC would not separate physical from spiritual assistance.

The USCC organized 5,000 volunteers to serve in military camps and on battlefields. It also collected \$6 million worth of goods and supplies, which it distributed to those in need. The group brought Christian love and comfort to many thousands of soldiers, spurring spiritual revivals in numerous encampments.

Among the USCC's most dedicated supporters was inventor Matthias Baldwin, owner of the Baldwin Locomotive Company. Baldwin was already providing crucial support to the Union cause by supplying the army with trains—for which he ultimately lost nearly all of his Southern customers. In addition, he donated 10 percent of his company's profits to the USCC during the war. Support from Baldwin, Philadelphia merchant George Stuart, and other contributors enabled the USCC to construct permanent chapels alongside army forts, to offer reading rooms and literature, to provide medical care to the wounded and dying, and to turn its attention late in the war to literacy training among black soldiers.

- *New York Times* background on USCC revivalism, opinionator.blogs.nytimes.com/2011/12/22/onward-christian-soldiers

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New England merchant Judah Touro set up shop in New Orleans in 1801, and he profited handsomely from the growth of the Crescent City and eventual addition of Louisiana to the United States. This allowed him to become one of the most prolific religious philanthropists of his day.

Although he was without a synagogue for most of his life, Touro remained a devout Jew. When he arrived in New Orleans, his co-religionists in the city could be counted on two hands, and as late as 1826 there were no more than a few hundred Jews in all of Louisiana. In 1828, Touro financed the founding of New Orleans' first synagogue. When it divided into separate Ashkenazi and Sephardic congregations after some years, he gave generously to both groups, while attending the Sephardic gathering. (In 1881 the synagogues merged back together, and today the combined congregation is named for its benefactor.)

Touro also created and funded numerous Jewish relief agencies and Hebrew schools in New Orleans. He gave liberally to Christians, too. At one point he purchased an imperiled Christian church building and assumed its debts, allowing the congregation to use the building rent-free in perpetuity. When a colleague suggested the property might be valuable if sold for commercial purposes, Touro responded, "I am a friend to religion and I will not pull down the church to increase my means!")

Touro died in 1854. In his will, he bequeathed \$500,000 to institutions around the country—more than half of them non-Jewish. (As a percentage of GDP, those gifts would approximate billions of dollars today.) His last testament included crucial support for the historic Touro Synagogue in Newport (see 1763 entry) and the Touro Infirmary in New Orleans. He also

bequeathed to various benevolent societies, hospitals, orphanages, almshouses, asylums, libraries, schools, and relief efforts for Jews and Christians overseas, especially in Palestine. Touro's gifts of thousands of dollars each to 23 Jewish congregations in 14 states made him one of his era's greatest benefactors of his faith.

- Judah Touro profile at the Philanthropy Hall of Fame, philanthropyroundtable.org/almanac/hall_of_fame/judah_touro
- Leon Huhner, *The Life of Judah Touro* (Jewish Publication Society of America, 1946)
- Max Kohler, *Judah Touro, Merchant and Philanthropist* (American Jewish Society, 1905)

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In 1854, the first Hebrew Young Men's Literary Association opened its doors in Baltimore to serve Jewish immigrants. Other branches soon opened in additional cities, serving as libraries, cultural centers, settlement houses, and social hubs. Amidst heavy Jewish immigration around the end of the century, the HYMLAs became important in acculturating new arrivals, teaching them English, and coaching them in American civic responsibilities.

When World War I broke out, the group raised money, established rules, and recruited rabbis to serve Jewish soldiers. Contributions of more than \$6 million from Jewish philanthropists like Jacob Schiff and many others allowed distribution of prayer shawls, mezuzahs, calendars, and scrolls. The group had to work to overcome divisions among Judaism's orthodox, conservative, and reform factions, and even produced a prayer book that could be shared by soldiers from different branches.

Credibility earned in this process allowed the association to absorb other Jewish fraternal organizations and take responsibility for building community centers, children's camps, and other communal facilities for Jews across the country. Jewish community centers became rallying points for Hebrew education, cultural and sports events, and Jewish celebrations. Today, the JCC Association is the successor organization, with responsibility for more than 350 community centers and camps.

- JCCA, jcca.org/about-jcc-association

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In the late 1840s, Thomas Sullivan had retired after a long career as a sea captain, but he continued to sail as a marine missionary. While in London, he admired a place called the Young Men's Christian Association where men and boys, far from home, could get a clean and safe place to stay, find fellowship, and be taught the Christian gospel. Inspired to provide a "home away from home" for young American seamen on leave, Sullivan brought the YMCA to Boston, opening the first U.S. branch of the organization in 1851 at the Old South Church. As it grew, the Y added educational programs and a gymnasium to its original offerings of overnight lodging, socializing, and prayer and Bible-study meetings.

Prominent evangelist Dwight Moody worked for the YMCA for many years in the later 1800s and expanded its missions work. Evangelist John Mott did likewise in the first half of the 1900s, steering the Y into war relief and assistance to foreign needy as a supplement to its domestic mission. Mott was awarded the Nobel Peace Prize in 1946 for leading the YMCA's international humanitarian efforts.

With the growth of additional branches across the country, the YMCA became a haven for young people arriving in cities looking for work after leaving rural farms, and later for travelers during the tumultuous decades of the world wars and Great Depression. The Y also helped make basketball and volleyball popular sports, and YMCA summer camps introduced many children to the great outdoors. The organization eventually became a cultural touchstone for suburban Americans. In the process, however, the Y lost its explicitly Christian orientation. Today, YMCA chapters serve 21 million Americans per year at 2,700 sites.

- History of the YMCA movement, home.gwi.net/~bathymca/yhistory.htm

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Established in 1849 by the Church of Jesus Christ of Latter-day Saints, the Perpetual Emigration Fund distributed loans that enabled more than 30,000 Mormons to settle in the American West. Supported by church donations, private contributions, and repayments that were then distributed again on a revolving basis, the loans made it possible for converts from across the world to relocate themselves into the company of fellow believers in the burgeoning LDS heartland in Utah. Many of these immigrants came from the Midwest, the previous center of the Mormon diaspora, while others arrived from overseas, with transportation for many being organized out of Liverpool, England.

Once relocated, those assisted by the PEF would begin paying back their loans, thus enabling the settlement of yet more church members. In this way, a nascent church was able to consolidate and expand its embryonic and oft-threatened community despite very limited finances. In 1880, on the occasion of the LDS Church's fiftieth anniversary, a Jubilee Year was declared and half of all debts to the PEF, totaling \$337,000, were forgiven.

- Background, historytogo.utah.gov/utah_chapters/pioneers_and_cowboys/perpetualemigratingfundcompany.html

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Throughout much of America's early history, Catholic philanthropy was characterized by its decentralization. Nearly all giving originated in and was disbursed by individual parishes, often through religious orders supported by the congregation. One of the first efforts to provide services on a wider level than the parish began when the Society of St. Vincent de Paul was imported to St. Louis, Missouri, to provide relief for the poor, 12 years after it had been founded in Paris. The group has provided many charitable services during its history, from running homeless shelters to prison ministry to providing emergency aid after disasters. The emphasis

has always been on person-to-person care, modeled on the interactions of Christ with his followers. As one of the organization's later presidents put it, "the Society has two aims: to do a great deal of spiritual good to its members through the exercise of charity, and to do a little spiritual good to a few poor families in the name of Jesus."

- Society history, svdpusa.org/About-Us/History

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A majority of America's private colleges and universities were founded with a distinct religious affiliation and aim. Yale was created by Puritan clergymen. Harvard was named for a Christian minister. Baptists launched Colgate and the University of Chicago. Duke and Syracuse University grew out of Methodism. Princeton was a Presbyterian project. Georgetown was started by Jesuits. Many institutions of higher education like these, however, have now surrendered or lost their religious foundation. (Andrew Carnegie actually accelerated this by insisting that only secular institutions could participate in the important fund he set up to pay for pensions to professors, which became today's TIAA-CREF company.)

Yet other colleges have maintained a coherent faith angle, keeping religious orientation as a countercultural centerpiece of their teaching, their wider mission, and their campus identity. Notre Dame has proclaimed a clear Catholic mission since its founding in 1842. Baylor University has clung to its Baptist heritage since its birth in 1845. Wheaton College in Illinois and Calvin College in Michigan have built strong orthodox Protestant identities over a century and a half. Brigham Young University, created in 1876, remains a citadel of Mormonism. Yeshiva University fills a similar role for orthodox Jews, dating back to 1886.

Universities with unabashed religious identities continue to be formed in the U.S. Some of them have grown rapidly into established educational institutions, thanks to powerful philanthropic backing. Oral Roberts (1963), Liberty (1971), and Ave Maria (1998) universities are examples in the last generation.

- William Ringenberg, *The Christian College* (Baker, 2006)

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Arthur and Lewis Tappan first imbibed their evangelical Protestant beliefs at the Northampton, Massachusetts, church where Jonathan Edwards had preached. They were apprenticed to Boston merchants and soon began a lifetime of keen business dealings, but never lost their religious fervor. Lewis dabbled in Unitarianism for a while, but in 1827 Arthur drew him back to Christianity and the Congregational church.

As they made money, the brothers poured large sums into a wide range of religious and social causes. Most famously these included their brave leadership in the movement to abolish slavery and improve the lot of freedmen. (See 1833, 1841, and 1846 entries on our list of achievements in Public Policy.)

But, sparked by their Christian convictions, the Tappans were also active in many other causes. They subsidized the Sunday School movement, supplied Bibles and other resources for new churches in the West, and funded religiously infused colleges. They defended Christian Cherokees against forced removal by the federal government. Before the Civil War they shipped Bibles to slaves, and after the war they backed schools and colleges charged with increasing literacy and prosperity among African Americans. And the Tappan brothers subsidized many missionaries who brought the Gospel, education, and health care to poor countries abroad.

- Bertram Wyatt-Brown, *Lewis Tappan and the Evangelical War Against Slavery* (LSU Press, 1997)

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In the early nineteenth century, American philanthropists desperately sought peaceful solutions to the horrid dilemmas of slavery. One proposal involved buying the freedom of slaves and repatriating them to western Africa. The American Colonization Society was founded in 1816 to promote this idea. It was presented as having dual benefits: restoring blacks to their rightful freedom, while introducing Christianity, the beginnings of literacy, and economic improvements to desperately poor countries as the liberated returned to the lands of their ancestry.

The ACS became a mass movement, with numerous local auxiliaries. It was collecting annual membership revenues of \$15,000 by its tenth year. The society attracted support from American leaders like John Marshall, Andrew Jackson, Daniel Webster, James Madison, and Henry Clay, for a variety of motives.

The ACS drew criticism from African-American civil-society organizations like the African Methodist Episcopal Church. It was also opposed by slave owners, and by some abolitionists. Yet under President James Monroe the ACS became an official partner of the U.S. government in establishing the colony that is now the nation of Liberia—where 13,000 black freedmen were ultimately settled, using a mix of privately donated and federal funds.

- Kathleen McCarthy, *American Creed: Philanthropy and the Rise of Civil Society* (University of Chicago Press, 2003)

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The ABCFM was founded during the Second Great Awakening by several students from Williams College, with the intention of helping to spread Christianity worldwide. The organization was supported by individual donations and financial apportionments from the Congregationalist, Presbyterian, and Dutch Reformed denominations. It sent its first missionaries to British India in 1812, and added missions to Ceylon, China, Singapore, Siam, Greece, Cyprus, Turkey, Palestine, Syria, Persia, western Africa, southern Africa, and the Sandwich Islands.

All missionaries were ordained, trained individuals, often from colleges like Middlebury, Amherst, and Williams where evangelical feeling then burned brightly. Many of them translated the Bible into new, sometimes previously unwritten, languages. They built schools and health

facilities. Lots ended up advising local governments. More than 1,230 missionaries were sent afield in the organization's first 50 years, almost always in married couples.

The ABCFM also developed a strong emphasis on missions to American Indians. They first ministered to Cherokees in Tennessee, and then followed displaced southeastern tribes to Michigan, Wisconsin, the Dakotas, Minnesota, and Oregon. During Indian uprisings, missionaries attended to Indians in jail or sent on exile. They produced Bibles, dictionaries, and schoolbooks in Dakota and Ojibwe when there were no print versions of these languages. They trained indigenous preachers and leaders.

Another religiously driven, philanthropically funded missionary society that had major effects on America and overseas countries during the nineteenth century was the American Missionary Association. For more information on that group, see the 1846 entry on our companion list of achievements in Public-Policy Reform.

- Dissertation on the formation of the ABCFM, maxfieldbooks.com/abcfm.html
- Brief history, christianity.com/church/church-history/timeline/1801-1900/american-missions-11630355.html

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Elizabeth Seton was raised an observant Episcopalian in New York, but after she was widowed at age 29, with five young children while living in Italy, she was exposed to a tender Roman Catholicism that had an effect on her. She returned to the U.S. and converted two years later, then became a nun in 1809. Soon Seton and a few other nuns started America's first sisterhood, the Sisters of Charity.

A wealthy Catholic donor named Samuel Cooper gave the church \$10,000 and 269 acres near Emmitsburg, Maryland, to establish a home for the order. He continued to support its work for many years. A school for girls was launched—one of the first in the U.S. catering to needy children, and the foundation from which a vast network of American Catholic schools would soon grow. Seton taught, trained teachers, wrote textbooks, and later pioneered a new business model: admit some students whose parents could pay in order to subsidize students whose parents could not.

A whole string of other charitable entities developed simultaneously, including projects to aid the elderly and to help the poor find work. After assuming control of a Philadelphia orphanage in 1814, the Sisters of Charity began opening other orphanages. Then came hospitals, old-age homes, and settlement houses, all across the rapidly growing country.

Today the order has 1,246 sisters working in charitable establishments across the U.S. and South America. They run schools, nurseries, medical facilities, homes for the aged, and services for visiting the poor in their homes. In 1975, a century and a half after she died, Elizabeth Seton became the first native-born American to be canonized by the Catholic Church.

- Biography of Seton, emmitsburg.net/setonshrine/index.htm

- History of the order, famvin.org/wiki/Sisters_of_Charity_of_Saint_Joseph
- Joseph Dirvin, *Mrs. Seton: Foundress of the American Sisters of Charity* (Farrar, Straus & Giroux, 1975)

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Early American Christian philanthropists placed great importance on sharing the Bible through various associations—preeminent among them the New York Bible Society and the American Bible Society. The founders of the NYBS in 1809 included Henry Rutgers (namesake of Rutgers University), William Colgate (founder of what became Colgate-Palmolive), and Thomas Eddy (the first commissioner of the Erie Canal). Their ambitions quickly grew beyond New York—they funded a translation of the Bible into Bengali by missionary William Carey. By 1815, the NYBS had distributed 10,000 Bibles; by 1909, 4.9 million; and by 1990, 300 million in over 400 languages. Today known as Biblica, the society also holds the copyright on the New International Version, today’s bestselling English translation of the Bible.

With help from the NYBS, another group of Christian donors launched the American Bible Society in 1816. This second collaborative undertook four national surveys to ascertain where Bibles were most in need. It also created translations—its first being a Delaware Indian version of the epistles of John, another being the first Bible in braille. The ABS began the country’s long and continuing tradition of distributing Scripture to members of the armed services when it supplied Bibles to the crew of the USS John Adams. Almost 450,000 Bibles were distributed by the American Bible Society in its first decade, a remarkable figure given the difficulties of manufacturing and the state of roads and trade in the early 1800s.

Generations of American philanthropists have supported both of these organizations. Sometimes they have done so on a very large scale, like the Russell Sage Foundation’s \$500,000 gift to the ABS in 1908.

- About Biblica, biblica.com/en-us/about-us
- ABS historical timeline, americanbible.org/about/history
- Kathleen McCarthy, *American Creed: Philanthropy and the Rise of Civil Society* (University of Chicago Press, 2003)

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The oldest graduate school of theology in the U.S. (and oldest graduate school of any sort, for that matter) is the Andover Theological Seminary. It was Boston merchant Samuel Abbot who provided most of the initial financing for the new institution. The widow and son of the founder of Phillips Academy, Phoebe and John Phillips, also made important contributions when they constructed two buildings on the campus of Phillips Academy to house the theological students and administrators and get the seminary launched. Many prominent American pastors, scholars, and theologians came out of Andover, including leaders of numerous other seminaries and colleges.

- About Andover, ants.edu/about

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As Unitarianism started to become fashionable in New England, a group of Boston Congregationalist parishioners joined together in 1804 to form a “Religious Improvement Society” that would reinforce traditional Christian understandings of the Bible, prayer, and the trinitarian God. This grew into an energetic and fast-growing congregation, whose members soon contributed \$100,000 to build a meetinghouse: the Park Street Church. Over the next two centuries the church would pioneer many new elements of Christian outreach, and build and then keep alive an evangelical spirit in the oldest part of America.

Park Street became a hub of the abolitionist movement. Harriet Beecher Stowe’s brother Edward was pastor there in the 1820s, and William Lloyd Garrison gave his first major anti-slavery address in the sanctuary in 1829. He rejected the idea of African colonization, and urged emancipation instead, saying, “I call upon the churches of the living God to lead in this great enterprise.”

Park Street Church was also a hub for the religious arts. Boston’s Handel and Haydn Society (America’s second-oldest musical organization) was formed there in 1815. The church’s organist Lowell Mason composed the standard settings of hymns like “Joy to the World” and “Nearer, My God, to Thee.” Many of today’s congregational singing patterns began at this church.

Park Street also became a leader in Christian foreign missions. It sponsored the first American missionaries to the Hawaiian islands and several other overseas locations. It continues to send out missionaries today, concentrating on locations where Christianity is unknown. It funds its own Bible translation and church-planting efforts, and provides health, schooling, and economic services in poor lands.

In the mid-twentieth century Park Street Church was influential in the formation of the modern evangelical movement. It took part in Billy Graham’s crusades, helped create the National Association of Evangelicals, and contributed to the formation of Gordon-Conwell and Fuller seminaries.

Park Street currently has a thriving congregation of about 2,000. Its present charitable outreach activities include the City Mission Society that it co-founded, America’s first prison ministry, an inner-city school for minority children called Boston Trinity Academy, homeless ministries, a crisis pregnancy center, an Animal Rescue League, and language training for immigrants. Park Street Congregational Church may have had a greater impact on American history than any other single U.S. congregation.

- Garth Rosell, *Boston's Historic Park Street Church: The Story of an Evangelical Landmark* (Kregel Publishing, 2009)
- Park Street Church today, parkstreet.org

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When America was born as a nation, Charleston, South Carolina, had the largest Jewish population in the U.S. The city had been the main receiving point for Sephardic refugees for more than a century. Many of Charleston's Jews were merchants, and amid a burst of post-Revolution prosperity they wanted to share their good fortune with others.

In 1784 they formed the oldest Jewish charitable society in the United States, which led in 1801 to the creation of a dedicated group "for the purpose of relieving widows, educating, clothing, and maintaining orphans and children of indigent parents." The constitution of the Hebrew Orphan Society cited the good fortune of Jews living "in the United States of America, where freedom and equal rights, religious, civil and political, are liberally extended to them," and stated that the aim of the society's charity was to "qualify" recipients to exercise "those blessings and advantages to which they are entitled" as they "freely assume an equal station in this favored land."

Orphans were mostly placed in private homes and provided with money, clothes, and education by society members, though for several decades before the Civil War a group home and school for orphans was also operated. Today the society still exists, and funds medical needs in Charleston, gives grants to schools and nonprofits, and awards ten to 20 annual college scholarships.

- History, [jhssc.org/JHSSC Hebrew Orphan Society.html](http://jhssc.org/JHSSC_Hebrew_Orphan_Society.html)

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At the tender age of 20, Rebecca Gratz founded the Female Association for the Relief of Women and Children in Reduced Circumstances, an 1801 charitable organization that assisted victims of the American Revolution. Several years later she was a principal contributor to the establishment of the Orphan Society of Philadelphia. While the society was a Christian organization and Gratz was a devout Jew, she served as one of three original board members and gave of her family fortune. When a fire destroyed the society's building, Gratz led the fundraising campaign to build a new one. Gratz was equally active in Jewish causes. She was a founding member of the Female Hebrew Benevolent Society in 1819, which continues two hundred years later in its mission of aiding Jewish women in financial crisis. Gratz also helped start the Hebrew Sunday school and laid the groundwork for Philadelphia's Jewish Foster Home and Orphan Asylum.

- Detailed history of Gratz and her charitable works, jwa.org/womenofvalor/gratz

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Anthony Benezet immigrated from France to North America with hopes of becoming a successful merchant. When he fell on hard times instead, he sought support from the Society of Friends, whose worship circles he had joined upon his arrival in Philadelphia. Soon Benezet began teaching at the Friends' English School. In 1754 he founded the first school in Pennsylvania that offered girls more than an elementary-level education.

Later he made an even more unconventional decision for his day—he would offer classes for poor blacks during the evening. After several years, he secured Quaker financing to start the Negro School at Philadelphia in 1770. Amid his religious and occupational devotion to educating blacks, Benezet began producing written materials arguing that slavery was inconsistent with Christian beliefs. This eventually led him to found the Society for the Relief of Free Negroes Unlawfully Held in Bondage. Benjamin Franklin and Benjamin Rush would later reorganize the group in 1784 as the Pennsylvania Abolition Society.

Like numerous Quakers who would follow in his steps, Benezet's work at aiding forgotten populations was motivated by a desire to improve the condition of men and women of all sorts. "Though I am joined in Church fellowship with the people called Quakers, yet my heart is united in true gospel fellowship with the willing in God's Israel," he wrote. "Let their distinguishing name or sect be as it may."

- Benezet biography, abolition.e2bn.org/people_27.html

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When the Sunday School movement began to spread across America in the 1790s and early 1800s as part of the Second Great Awakening, these gatherings were the only places where many poor children had a chance to learn to read. Christian philanthropists wanted to both acquaint youngsters with the Scriptures and free them from a life of illiteracy. The Bible was the textbook, and all the requirements of reading and writing—alphabetic instruction, word sounds, penmanship—were assiduously taught in church classes. Millions of children became literate by copying out Biblical passages. The appetite for Bibles, language primers, and religious instructional materials in turn stimulated the growth of publishing houses and other aids to reading.

Christian morality and virtues were inculcated by the Sunday School movement. And pupils often graduated to become Sunday School teachers—providing a leadership opportunity the poor rarely enjoyed in other parts of their lives. Every state had Sunday Schools by 1826, and the percentage of New York children attending Sunday School was double the enrollment of the public schools in 1829. By the mid-nineteenth century, Sunday School attendance was a near-universal aspect of American childhood; parents who were not regular churchgoers often insisted that their children attend. Even Marxist atheists observing from abroad credited the Sunday School movement with being important in elevating the working classes in the U.S.

With Sunday Schools dramatically increasing the overall U.S. literacy rate, the U.S. ended up at the top of international lists in this area. Literacy in turn "sparked an avalanche of organizational activity" that fed American prosperity. Historians argue that the learning and personal habits spread by charitable Sunday Schooling improved social conditions, fueled commercial prowess, and revved the nation's economic metabolism.

- Anne Boylan, *Sunday School: Formation of an American Institution 1790-1880* (Yale University Press, 1990)

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For nearly a century starting in 1768, Spanish priests (mostly Franciscans) founded and operated 21 missions across California to bring Catholicism and European-style development to the far coast of North America. The missions introduced to the region not only Christianity but schools and medical facilities, European crops and animals plus cropping and husbandry techniques, water works, and art and architecture that is still admired. These missionaries established much of the initial pathbreaking, population settlement, and place naming of our most important state. The Catholic church financed the initial mission settlements, which then undertook various kinds of economic activity in an effort to support themselves and the Indians seeking aid at their walls. Few of the missions ever became wholly self-sufficient, though, so supplementary funding came from a private religious endowment known as the Pious Fund of the Californias. It was built from voluntary donations by Mexican families and churches. This represented one of the most significant charitable ventures in early American history.

- Summary on Spanish missions at 2013 Annual Meeting of The Philanthropy Roundtable, philanthropyroundtable.org/general/a_leading_role_for_philanthropy

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As the oldest extant Jewish house of worship in America, dating from 1763, Touro Synagogue in Newport, Rhode Island, would be famous under any circumstances. But Touro's place in history was cemented when George Washington visited Newport to drum up support for passage of the Bill of Rights. The warden of the synagogue sent Washington a welcoming message, and, in return, the newly ensconced head of state penned a 340-word response.

In his note, Washington unveiled a glimmering vision of a nation where citizens of all faiths abide together under a government that “gives to bigotry no sanction, to persecution no assistance.” Closing with imagery straight from the Old Testament, he expressed his wish that “the children of the stock of Abraham who dwell in this land continue to merit and enjoy the goodwill of the other inhabitants—while every one shall sit in safety under his own vine and fig tree and there shall be none to make him afraid.” The father of his country was well aware that Americans would not overlook his gesture towards this small, frequently persecuted minority, and his letter became a seminal document in the history of American religious freedom, cited by judges, politicians, and philosophers.

Supporters of the Touro Synagogue have sustained the facility for two and a half centuries. The name comes from two sons of an early prayer leader who made a series of gifts over several decades to maintain and expand the worship hall and its grounds (in the process establishing themselves among the first great American philanthropists). Abraham Touro bequeathed large funds to maintain the building and the street it sits on, after having previously built a wall around the adjoining Jewish cemetery. His brother, Judah Touro, gave several gifts of his own, plus a large grant in his will to preserve the facility (amidst many other donations he made to Jewish and non-Jewish charities around the U.S.—see 1854 entry).

In a nice twist of philanthropic genealogy, it was yet another descendant of the Touro family—financier John Loeb—who funded the new visitor’s center built next to the synagogue in 2009. The exhibit-filled building is a shrine to religious liberty and to George Washington. The associated George Washington Institute for Religious Freedom extends the mission of the Touro Synagogue, reinforcing respect for faith among the next generation of Americans.

- History of the Touro Synagogue, tourosynagogue.org/history-learning/synagogue-history

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In the first half of the 1700s, a crucial religious revival swept the American colonies. In addition to setting the stage for a political revolution based on the sovereignty of the individual, it sparked a vital transformation of American philanthropy. The so-called Great Awakening highlighted the importance of each person’s direct connection to God, unmediated by church or other institutions, and in the process fueled desires within the colonial population to live life as Christ would want, taking personal responsibility for the goodness of one’s behavior. This inevitably fueled charitable generosity and made it a mass phenomenon, even among the poor. “Of all the conversions wrought by the Great Awakening certainly the most remarkable was the transformation of do-goodism from a predominantly upper- and middle-class activity...into a broadly shared, genuinely popular avocation,” wrote historian Robert Bremner.

One of the strongest drivers of this new understanding of the importance of individual charity was George Whitefield, a charismatic 25-year-old Methodist preacher who set out in 1739 on a series of evangelizing tours that brought him into contact with thousands of everyday colonials stretched across a wide frontier. He excited his audiences with his vision of an intensely personal relationship with Christ and urged them to live out their internal convictions via generosity to fellow men. Whitefield took up collections at his meetings for many good causes: relief of victims of disaster (of which there were many in this raw land), assistance to keep debtors out of prison, funds to buy books for the hard-pressed new educational institutions of the colonies—Harvard, Dartmouth, the University of Pennsylvania.

Whitefield’s personal top charitable priority was an orphanage he founded in impoverished Georgia in 1740. It was modeled on an institution created by the German clergyman and philanthropist August Francke, and Whitefield labored to build it up over three decades. It never met his expectations, but as he described the effort during his seven preaching tours across the America, his charity became for many of his listeners a template for how a serious Christian might offer up money and energy to assist the abandoned, the ill, the poor, and victims of sickness, fire, or other misfortune. Individual humanitarian action became a distinctive mark of the American character.

- Robert Bremner, *American Philanthropy* (University of Chicago Press, 1960)

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When 11 Ursuline nuns arrived in New Orleans in 1727—at which point the French colonial city was a raw settlement just nine years old—they established a school for girls. It educated not just

European children but also slaves, Native Americans, and free girls of color. It continues to operate today, the oldest Catholic school in America. The Ursulines also created a hospital, which nursed 30-40 patients at any given moment, in a place and time when other medical attention was virtually nonexistent.

In 1729 the nuns set up an orphanage (originally to take care of children who survived the Indian massacre of settlers at Fort Rosalie that year). Over a period of years it fed, cared for, and trained up hundreds of children who had no other protectors or resource. The nuns were supported by the French and New World church, and by donations from merchants and residents.

- James Zacharie, *New Orleans Guide* (Hansell, 1893)

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Quakers showed deep philanthropic conviction from their earliest days in America. They gave generously of both money and time to scores of causes—building schools, aiding the sick, donating to the poor, registering early opposition to slavery. Prison reform was one of their earliest crusades.

William Penn had been imprisoned several times in the Tower of London for his religious beliefs. (He wrote his Christian classic *No Cross, No Crown* while locked up.) So when King Charles II handed over to Penn, as repayment for a debt the king owed Penn's father, the land that now makes up Pennsylvania and Delaware (one of the largest individual land grants in history), Penn was determined that his new colony would take a very different approach to imprisonment.

In 1681 he spelled out that in Pennsylvania “all prisoners shall be bailable...unless for capital offences, where the proof is evident, or the presumption great.” At a time when prisoners had to pay for their food, and for small services like having their irons unlocked so they could appear in court, Penn stipulated that “all prisons shall be free as to fees, food, and lodging.” Penn limited the death penalty to the crimes of murder and treason—at a time when English law doled out capital punishment for more than 200 different crimes. He also insisted that instead of being dungeons, prisons should be workhouses, aimed at rehabilitation, with inmates taught a trade that could allow them to earn an honest living once released. In his lockups, men finished and shaped wood, and women spun yarn. Penn intended that in these new measures “an example may be set up to the nations as...a holy experiment.”

Quakers continued to put energy and money into prison reform for centuries. Dismayed by the nineteenth-century convention of locking 30 to 40 inmates together in large rooms, the Quakers pushed to have hardened criminals separated from novices, debtors from the violent, women from men, and so forth. They were instrumental in establishing separate channels to handle juvenile delinquents. (See 1825 entry on companion list of achievements building Prosperity.)

In 1829 Quakers opened a famous prison in Philadelphia that housed every resident in a strict solitary confinement meant to encourage penitence. The concept became influential worldwide. This innovation was taken to an extreme—the isolation and silence could also sometimes

encourage mental illness—but the shift to small cells, more humane treatment, and rehabilitative efforts became the new norm in America and other countries.

- Quaker history, fcnl.org/issues/justice/quakers_know_prisons
- Quaker history, archstreetfriends.org/exhibit/p078.html

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Essential Books and Articles on Philanthropy

To offer you a shortcut to the very best that has been said and written on philanthropy, we've compiled the crucial literature — from recent essays to classic books. For ease of browsing, we've sorted them according to general theme, and provided many short extracts and reviews. If you want to explore more deeply, we've linked to the full works.

Strategies for Giving

[“Gain, Save, Give”](#) by John Wesley

In his 1744 sermon, “The Use of Money,” John Wesley, clergyman and founder of Methodism, gives three “plain rules” for the stewardship of wealth. The excerpt provided through the link above highlights Wesley’s key points.

[Random Reminiscences of Men and Events](#) by John D. Rockefeller

America’s original grand philanthropist outlines his vision for improving society through benevolent gifts in the last two chapters of his book—“The Difficult Art of Giving” and “The Benevolent Trust.” Read [an excerpt from “The Difficult Art of Giving,”](#) where Rockefeller discusses principles of the “best philanthropy.”

[“The Best Fields for Philanthropy”](#) and [“The Gospel of Wealth”](#) by Andrew Carnegie

Carnegie’s oft-cited essay “The Gospel of Wealth” contains an impassioned plea to the wealthy to give their money away while they are still able to guide its use, and in “The Best Fields for Philanthropy” he opines on specific areas where public good could be done. For further commentary on Carnegie’s insights, read [this analysis by James Otteson](#). For a look at how his foundation, the Carnegie Corporation, is doing at preserving its founder’s intent today, read [Leslie Lenkowsky’s feature piece](#) for *Philanthropy* magazine.

[The Intelligent Donor’s Guide to College Giving](#) by Anne Neal and Michael B. Poliakoff

For donors who want to support colleges and universities, the second edition of this short book is a clearly written guide that will help you make sure you get what you pay for. Step-by-step strategies for avoiding common mistakes, plus lots of case histories of college giving done well.

Pursuing Philanthropy Like a Business

[*Good to Great and the Social Sectors*](#) by Jim Collins

A short book by the prominent management consultant in which he applies to philanthropy many of his discoveries on the factors that allow companies to perform at a high level.

[*Philanthrocapitalism*](#) by Matthew Bishop & Michael Green

This 2009 book examines the “venture investing” movement, which combines for-profit techniques with nonprofit goals. It includes interviews with a host of wealthy, motivated investors like Bill Gates, Ted Turner, George Soros, Michael Bloomberg, and others.

[*"Madison Avenue Mercies"*](#) by Nicholas Kristof and Sheryl WuDunn

The virtues of advertising, overhead, and other wicked ways of doing good.

[*"Business Marries Charity!"*](#) by Howard Husock

The hopes and hazards of bringing market mechanisms to philanthropy.

[*"Giving Made Easy"*](#) by Joanne Florino

Donor-advised funds are bringing new convenience to philanthropy.

[*"Stronger Together"*](#) by Evan Sparks

Donors are increasingly using expert intermediaries to bundle and target their giving.

[*"Alms Alchemy"*](#) by Liz Essley Whyte

The National Christian Foundation’s ability to turn unusual contributions to gold is creating a new trove of generosity.

[*"Catalytic Philanthropy"*](#) by Mark Kramer

Rather than leaving all responsibility for finding and implementing solutions to social problems to charitable organizations, ambitious donors can set in motion their own solutions.

[*"Virtuous Capital: What Foundations Can Learn from Venture Capitalists"*](#) by Christine W.

Letts, William Ryan, and Allen Grossman

This short article from the *Harvard Business Review* argued that funders should not only write checks to non-profits but help them develop their organizational capacity—as venture capitalists do for small businesses.

[*Money Well Spent*](#) by Paul Brest and Hal Harvey

A leading advocate of “strategic,” “measured,” “transformational” philanthropy offers suggestions on how to organize one’s giving so as to improve your chances of having prominent effects. Read [Matthew Bishop and Michael Green’s review](#) in *Philanthropy* magazine.

The Role of Moral Issues in Charitable Success

[“In Praise of Do-It-Yourself Do-Good”](#) and [“Broken Windows Philanthropy”](#) by William Schambra

Two short essays representative of many others produced by a leading critic of current fashions in large scale, “root causes,” measurement-driven, “change the world” philanthropy. He prescribes a humbler, more local, more “charitable” style of helping which accepts the difficulty and sometimes undesirability of transforming people and social institutions.

[The Tragedy of American Compassion](#) by Marvin Olasky

Excavates lost history on how poverty can—and cannot—be fought effectively. Concludes that the real problem with much contemporary aid is not that it is too stingy but that it doesn’t address, in a personal way, the damaged hearts and souls that are at the root of much economic failure. Here is a brief bit of [relevant reporting](#) by the book’s author.

[The Triumphs of Joseph](#) by Robert Woodson

Readers meet a string of neighborhood heroes who are struggling not only against the problems of urban poverty but also against bureaucratic notions of social service fashionable among philanthropists and government officials. Read [an extract from the book](#) in which Woodson explains how grassroots social ministries can help the underclass.

[Poverty and Compassion](#) by Gertrude Himmelfarb

This Victorian history compares the guiding lights behind the Christian Salvation Army and the socialist Fabians, traces the development of concepts such as unemployment and the poverty line, and concludes that the material and moral dimensions of poverty were inseparable in the minds of the Victorians. Read [Peter Berger’s review](#) in *Commentary*.

[Give Smart](#) by Thomas J. Tierney and Joel L. Fleishman

Six big questions that should guide donors who want to get results—topics like “What are my values and beliefs?” and “What is ‘success’ and how can it be achieved?” Read [Adam Meyerson’s discussion](#) of the work in *Philanthropy*.

[What Your Money Means](#) by Frank Hanna

A contemporary donor offers guidance on why you have money, what your money calls you to be, how to shield yourself and your loved ones from the dangers inherent in wealth, and how, if philanthropy is your calling, to give wisely. Read [George Weigel’s review](#) of the book for *Philanthropy*.

The Special Case of Corporate Philanthropy

[“The Social Responsibility of Business Is to Increase Its Profits”](#) by Milton Friedman

A classic *New York Times Magazine* essay where Nobel-winner Milton Friedman insists that, when it comes to corporations, the most “pro-social” use of funds is to make the business thrive, not to give money to non-profits.

[“Business and Philanthropy”](#) by Irving Kristol

Businesses have no obligation to give away money, writes editor, author, and think-tank scholar Irving Kristol, and if they choose to, they should do so in ways that serve the interests of their enterprise.

[“The Competitive Advantage of Corporate Philanthropy”](#) by Michael E. Porter and Mark R. Kramer

Rather than making PR-driven corporate donations, companies should give to improve their competitive standing, urges this *Harvard Business Review* article. Exxon Mobil makes large donations to improve roads in developing countries where it operates. The film studio DreamWorks trains students in skills required by the entertainment industry. Tech-dependent businesses may donate to institutions that improve math and science skills.

[*The Market for Virtue: The Potential and Limits of Corporate Social Responsibility*](#) by David Vogel

An assessment of the movement for “corporate social responsibility” by a Berkeley professor who concludes that while it has achieved some success in improving labor, human rights, and environmental practices in developing countries, there are limits and substantial costs to “socially responsible” business behavior.

Respecting the Intentions of Donors

[ProtectingDonorIntent.com](#)

This is a rich collection of articles and information for donors serious about keeping their philanthropy focused on the causes they support, even after they have passed away. Includes a detailed Resource Library at

philanthropyroundtable.org/topic/donor_intent/donor_intent_resource_library.

[“When Philanthropy Goes Wrong”](#) by Adam Meyerson

This text, condensed from a 2012 essay in the *Wall Street Journal*, sketches the risks when donors fail to carefully define the purposes and future control of their foundations.

[*The Great Philanthropists and the Problem of Donor Intent*](#) by Martin Morse Wooster

Wooster provides history’s worst examples of disrespect for donor intent as well as happier stories of donor intent preserved.

[“Letter to an Aspiring Philanthropist”](#) by Randy Richardson

Some brief advice from an experienced foundation head on what he calls the “Perpetuity Temptation.”

[“The Principles of Public Giving”](#) by Julius Rosenwald

In this *Atlantic Monthly* article, one of the great early philanthropists strongly encourages donors to resist setting up permanent bureaucracies that dribble out money in their name for centuries, and instead give more rapidly to address the needs of their present time, preferably while they are alive to guide the spending wisely. Read the full essay by clicking on the title above and read [Martin Morse Wooster’s perspective](#) in *Philanthropy* magazine.

[Protecting Donor Intent: How to Define and Safeguard Your Philanthropic Principles](#) by Jeffrey J. Cain

and [Should Foundations Exist in Perpetuity?](#) by Heather R. Higgins and Michael S. Joyce
Short guidebooks from The Philanthropy Roundtable which examine practical aspects of making sure a foundation stays true to the principles and interests of the donor, even after he or she passes from the scene.

[Starting a Private Foundation: Carrying Out the Donor’s Intent](#) by Paul Rhoads and Stephanie Denby

A short guide to the nitty-gritty of establishing a foundation that will respect its donor’s intent. Details the benefits and drawbacks of the conventional foundation, tax considerations, choice of location, and many other practical issues. Walks donors through the planning stage, initial funding, and opening meetings, as well as explaining the basics of record-keeping, grant guidelines, and more. Available at PhilanthropyRoundtable.org.

["Clawing Back Donor Intent After It Has Been Lost"](#) by Evan Sparks

Some cautionary examples from the experience of the Daniels Fund—one of the few foundations that managed to reclaim its donor’s intent after straying. Excerpted from “Back to Bill,” originally published in the Fall 2011 issue of *Philanthropy*.

In Defense of Private Giving

This collection of brisk, short texts on philanthropic freedom outlines the vital role private giving has always played in improving America, and why it is important to defend philanthropy’s continuing value to the nation.

[“America is Built on Giving”](#) by Adam Meyerson

Philanthropic freedom is an indispensable part of political freedom.

[“Necessary, Important, and in Jeopardy”](#) by Daniel Patrick Moynihan

A warning on the subject of government vs. private social aid. What follows is an excerpt from the late Senator’s March 5, 1980 address to the charter meeting of the new philanthropic organization Independent Sector.

[“Beware the Concept of ‘Tax Expenditures’”](#) by Peter Berger and Richard John Neuhaus

A cautionary about using the slippery term “tax expenditures” to describe the measures that protect private charities from taxation, from the book *To Empower People* by Peter Berger and Richard John Neuhaus.

[“The Great Charitable Myth”](#) by Heather R. Higgins
On the danger of treating philanthropic dollars as public money.

[“How Foundations Should and Should Not Be Held Accountable”](#) by Adam Meyerson
The independence of foundations is essential to a free society.

[“The Politics of Giving”](#) by Katherine Mangu-Ward
Adam Meyerson discusses American philanthropy and the importance of the charitable deduction in this diverse sector.

[“The Myth of the ‘Third’ Sector”](#) by Irving Kristol
Philanthropy is part of the private sector and needs to be defended against centralizing impulses, says the distinguished social critic Irving Kristol in this excerpt from a 1980 speech to the Council on Foundations.

[“Democracy in Action”](#) by Stephen L. Carter
Individuals acting as donors measure community needs differently than centralized policymakers, says a Yale law school professor.

[“Preserving National Values Through the Charitable Deduction”](#) by Robert J. Shiller
Yale economics professor Robert Shiller argues in a December 15, 2012 *New York Times* column that “instead of curtailing the charitable deduction, we should be aiming to make it an even bigger part of our culture.”

[“The Rising Threat to the Charitable Deduction”](#) by Howard Husock
A warning against viewing the charitable deduction as “just one more ‘tax expenditure,’” by Howard Husock in *Forbes*, December 14, 2012.

[“What’s Behind Recent Attacks on the Charitable Tax Deduction?”](#) by Joanne Florino
Does the government know how to spend money better than private citizens? Do uniform monolithic solutions to social problems trump diversity and experimentation? From an open letter published by the Triad Foundation.

philanthropyroundtable.org

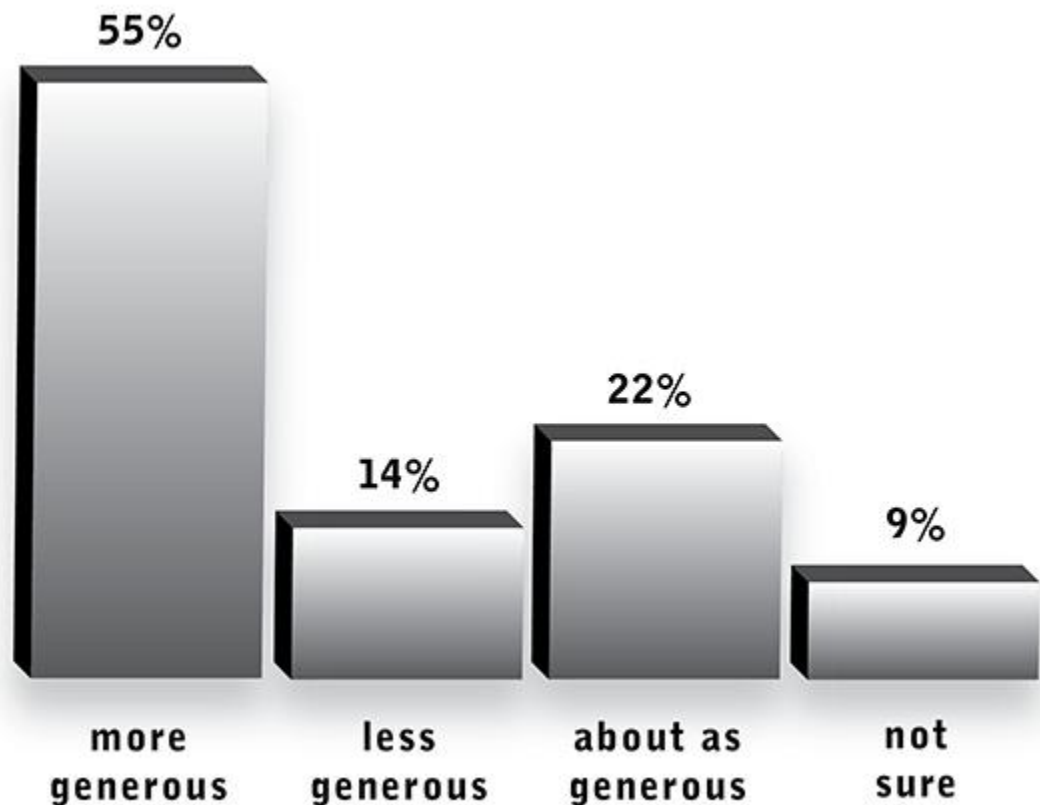
Results of an Original 2015 National Poll | The Philanthropy Roundtable

Comparatively little polling has been conducted on big questions at the heart of voluntary giving. So in 2015 The Philanthropy Roundtable commissioned a survey of 1,000 American likely voters over age 18. Results and brief analysis follow.

The graphs show nationwide results. In places where citizens of a certain age or origin or viewpoint gave answers that differ in interesting ways from the overall result, we mention that in the commentary.

The firm Pulse Opinion Research used random selection, oversamples, and a dynamic weighting program to ensure that the respondents represented the overall U.S. population in terms of sex, age, race, political preference, religion, family structure, education, income, and other factors. The margin of sampling error for the full results is plus or minus 3 percentage points at a 95 percent confidence level.

Question 1: When it comes to voluntarily giving money to a charitable cause, are Americans more generous, less generous, or about as generous as people in other developed nations?

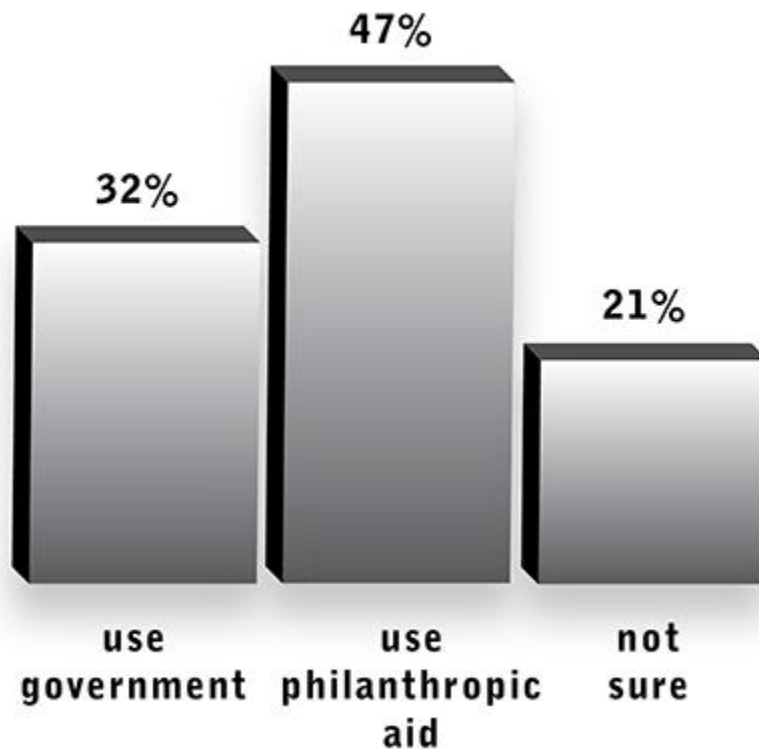


A large minority of Americans—45% in total—don't realize that their country is all by itself at the front of the pack in the practice of making voluntary donations to others. For the actual hard numbers, see the last chart in the section that follows this one, Statistics on U.S. Generosity. You'll see that the level of charitable offerings in the U.S. ranges from roughly twice what takes place in lands like Britain and Canada to almost *20 times* the rate of Italians and Germans.

Interestingly, younger Americans ages 18-39 (who often think of themselves as more globally aware) are actually far less likely than compatriots 40 and over to appreciate how much their country differs from others on this front.

This slight blind spot may help explain why younger citizens, in some of the sub-detail behind Question 5, are more willing to countenance efforts that push fellow Americans to give more.

Question 2: Would your first choice for solving a social problem in America be to use government or to use philanthropic aid?



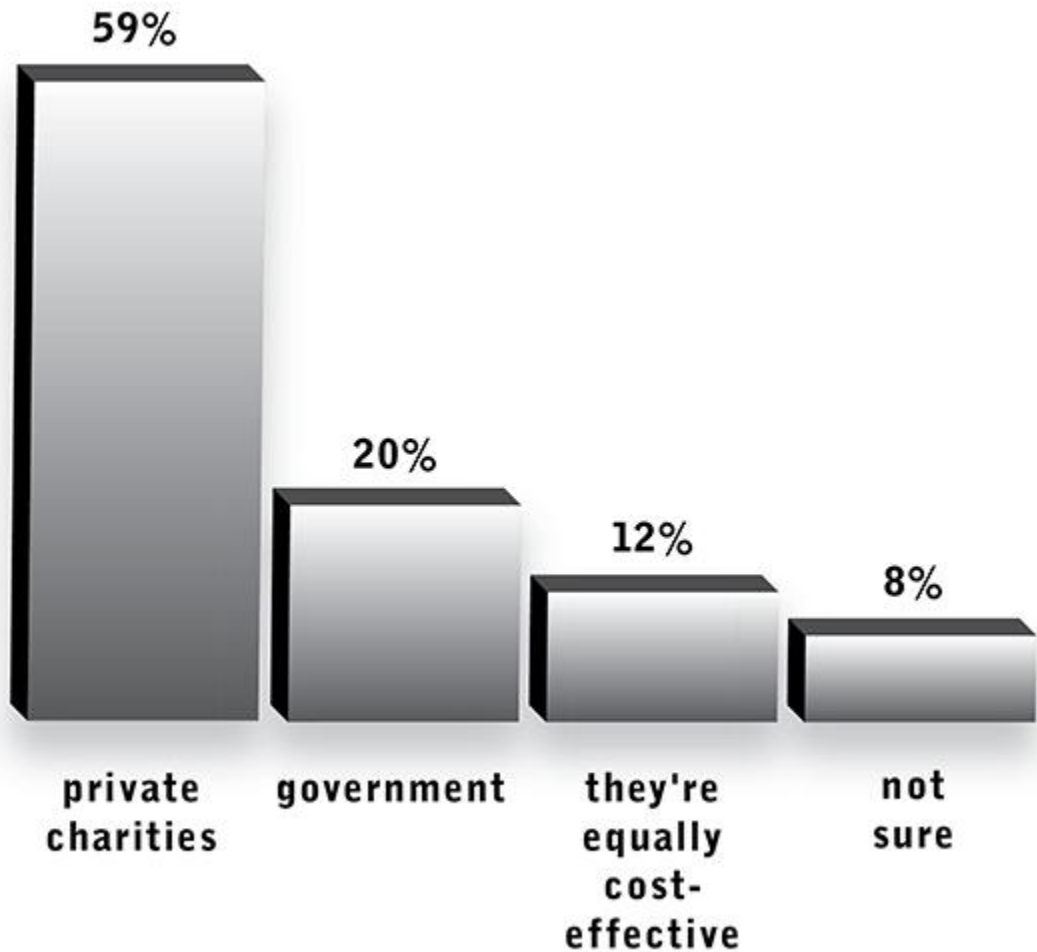
Another area where Americans are distinctive is in attitudes toward fixing social problems. Our strong preference is to pull the lever of private aid wherever possible, instead of relying on government.

This is partly just a response to what we see around us: in crucial areas like medical care, disaster relief, college education, family life, addiction treatment, sharing the arts, expanding home ownership, and so forth, the most effective actors are often charitable and voluntary groups, not state agencies.

Predictably, the biggest split on this question is by political viewpoint. Overall, men and women alike prefer private aid as their first choice, as do people of all ages and religions. But while

Republicans and Independents prefer philanthropy over government by more than 2:1, Democrats run against the trend by picking government over philanthropy by 51% to 31%.

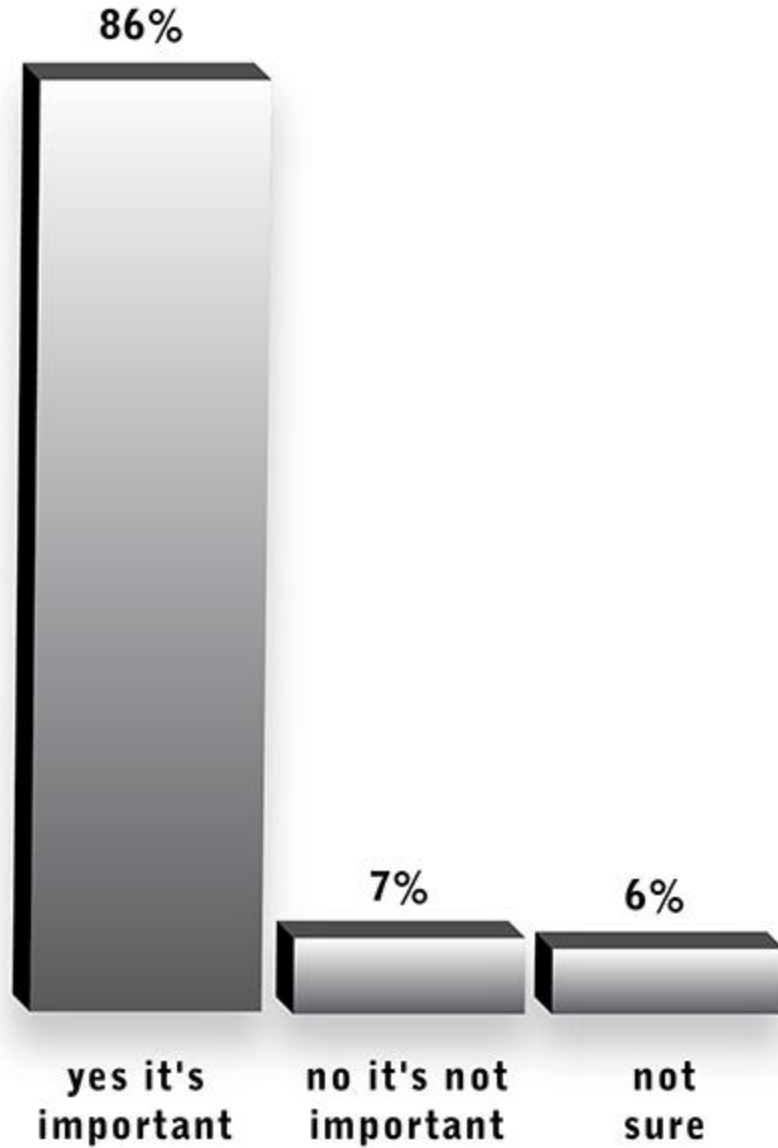
Question 3: Which is more cost-effective in promoting social good—private charities or government?



One thing the public is pretty clear on—charities are much better at stretching a dollar and avoiding waste.

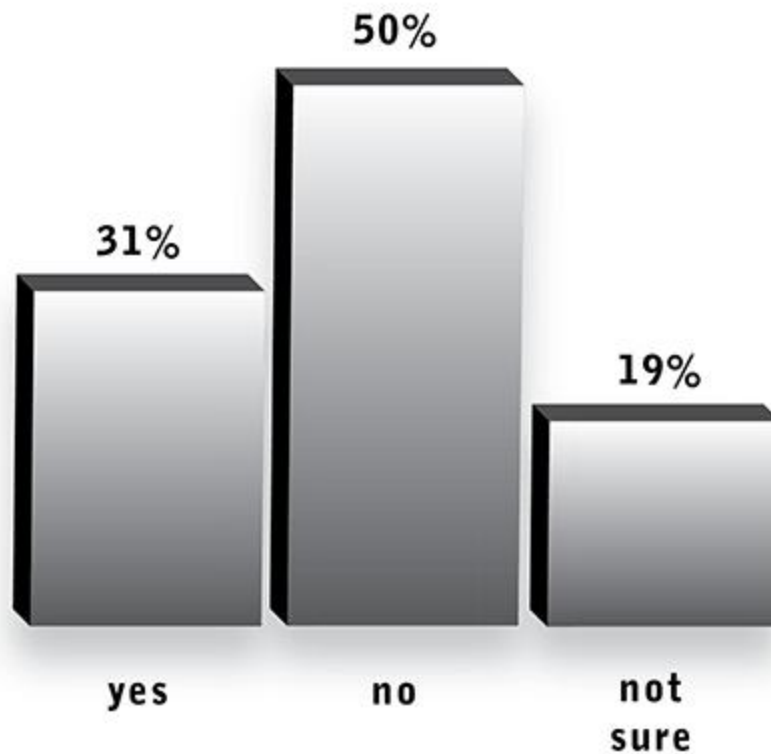
Here, political liberals are even starker outliers. Individuals who use that label to describe themselves think 37% to 34% that government will be more cost-effective. They are the sole exception: Both sexes, all races, all religions, all education and income levels—indeed, every other demographic category we measured—agree that private aid will be more efficient.

Question 4: Is it important that Americans continue to give money and time to charities?



In opinion polling, results this strong are rare. So underline it: Americans think charitable giving is very important to keeping their country healthy and successful.

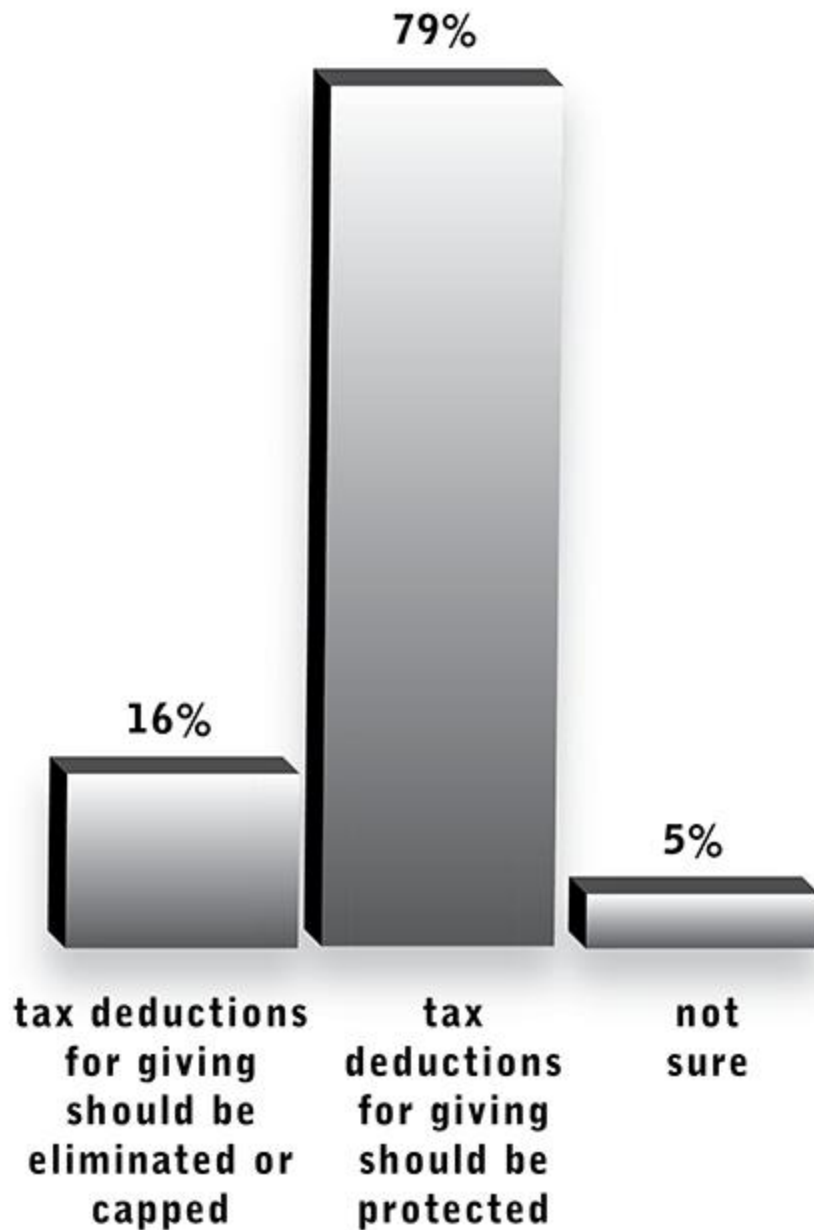
Question 5: As a personal matter, *not* as a matter of law, should people be encouraged to contribute a larger percentage of their income to charity?



At the same time, it's clear that the voluntary part of voluntarism is a crucial part of the sector's appeal. The public doesn't even want to be encouraged to increase donations, so you can be dead certain it doesn't want to be pushed into mandatory do-gooding.

This presents something of a dilemma to charity boosters. Even while the country has gotten much richer over the last century, the fraction of national income donated has held basically constant. While a vastly larger number of actual dollars is handed over, thanks to economic growth, it's still about the same percentage of our adjusted gross income that we give away now compared to a generation ago. (See Graph 1 in our Statistics section.)

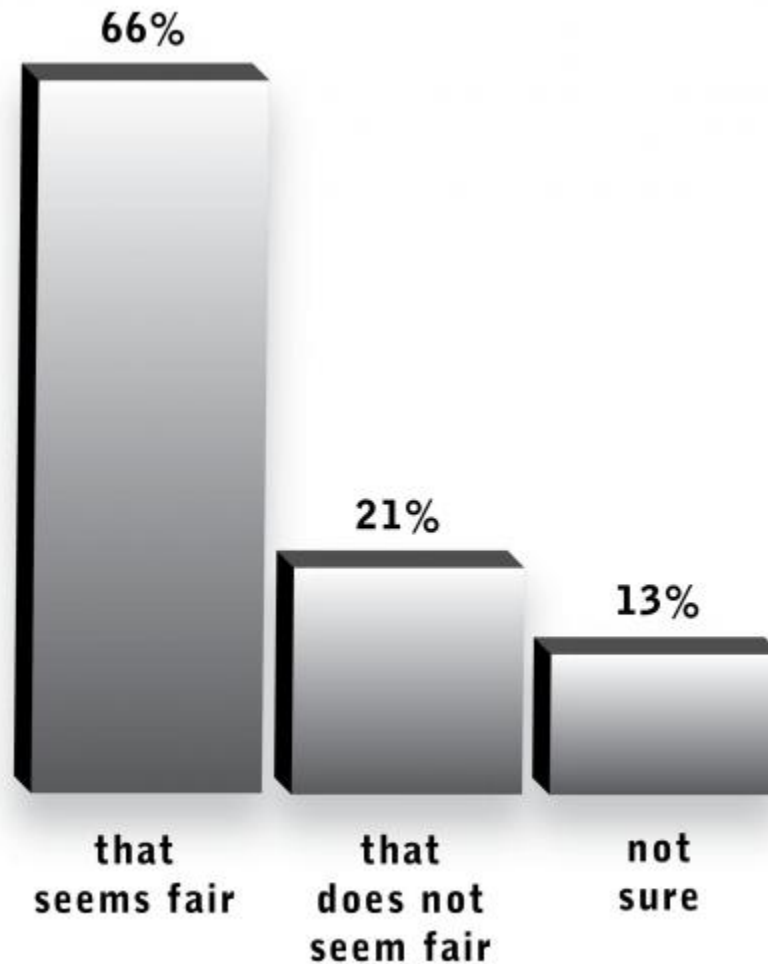
Question 6: Should tax deductions for charitable contributions be eliminated or capped because they cost the government tax revenue, OR should tax deductions for charitable contributions be protected because they encourage people to help others in voluntary and selfless ways?



Americans consider it entirely reasonable and indeed desirable that when someone gives money to charity rather than consuming it or saving it for himself, he should be allowed to deduct that from his income. This is overwhelmingly supported by every demographic slice in our polling sample.

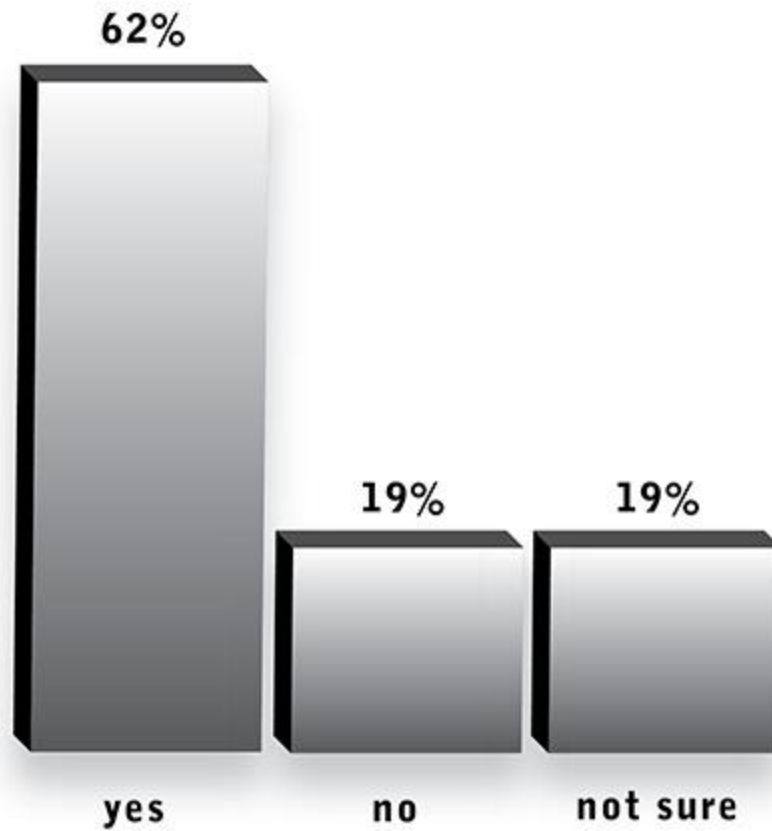
Our examination of historical polling further shows that this sentiment has been firmly lodged in the national bosom for decades, at about the same level as captured in our survey question above.

Question 7: Is it fair that the tax deduction for charitable contributions could result in one family paying less tax than another family with the same income, just because the first family gave more to charity?



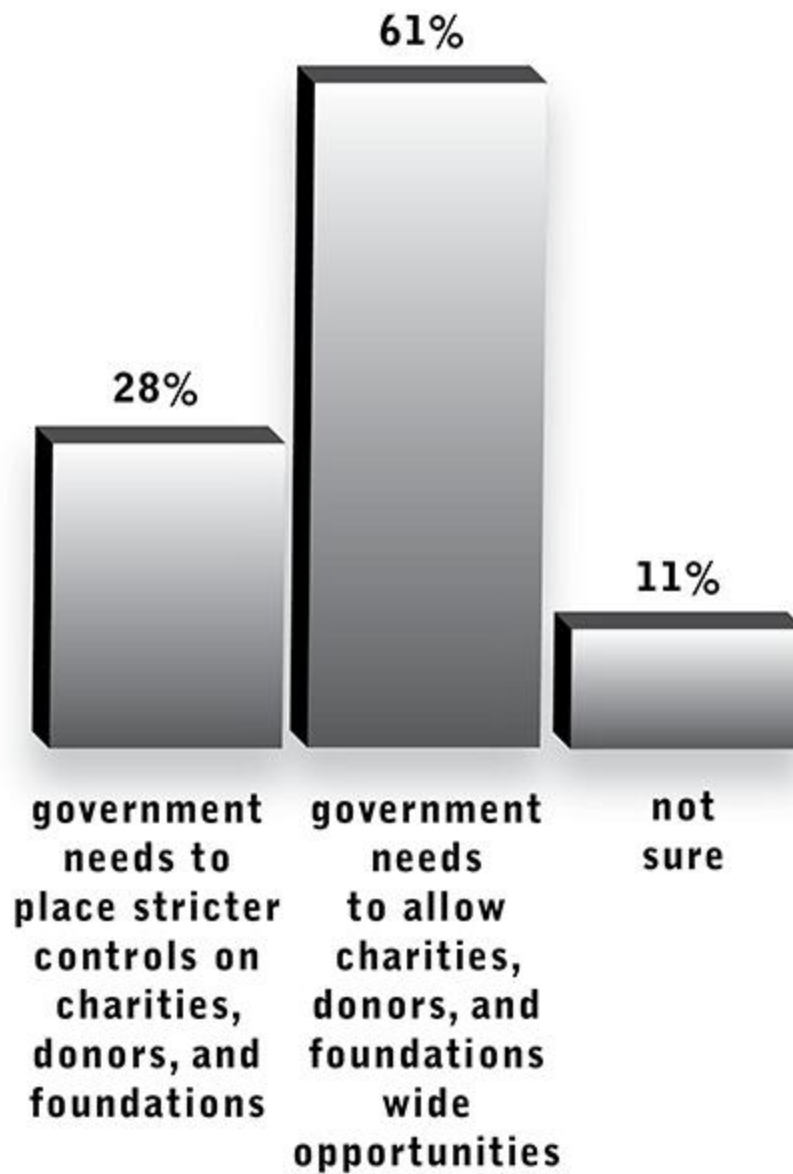
More evidence that Americans have no objection to tax deductions for charity, even when it results in unequal payments to the government. Support for the charitable deduction has actually strengthened a bit compared to 2003, when a similar question was asked in a national poll.

Question 8: Would capping or eliminating the tax deduction for donations have a negative effect on charities and the people they serve?



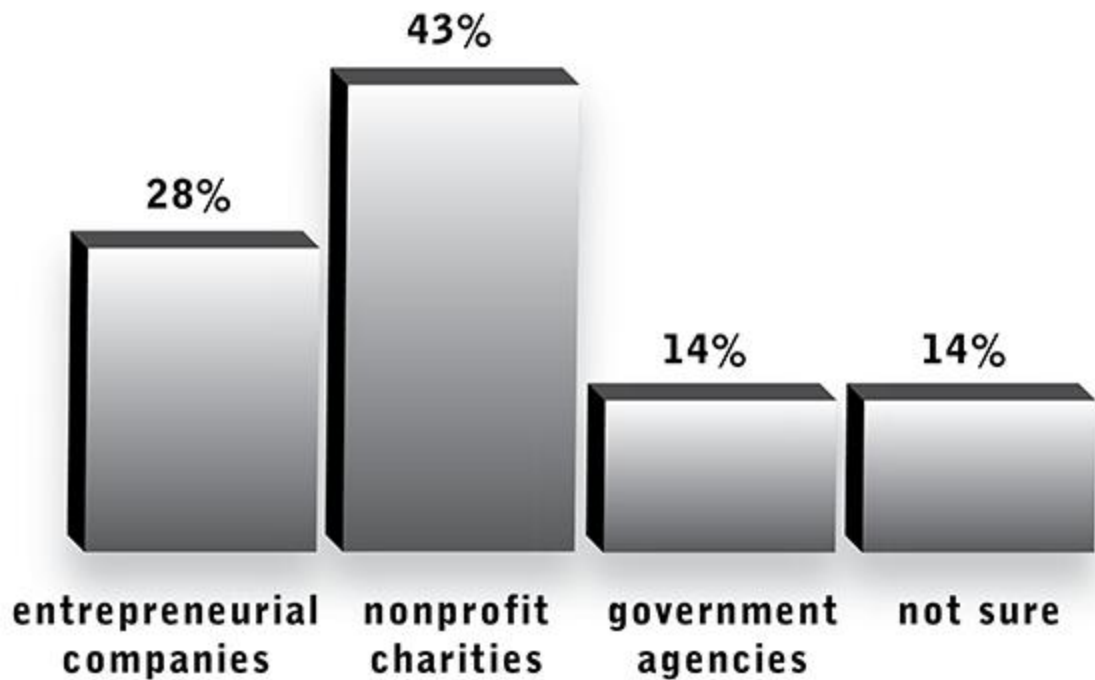
Some political figures suggest the charitable tax deduction could be capped or eliminated without damaging the flow of donations to charitable works. The public disagrees.

Question 9: Does the government need to place stricter controls on how charities, donors, and foundations operate, OR does the government need to allow charities, donors, and foundations wide opportunities to find new and better ways of solving social problems?



Voters aren't wanting more regulation of charity. Not even self-described liberals (40% "control 'em" vs. 43% "leave 'em alone") or Democrats (40% to 48%) tip in favor of more policing and direction.

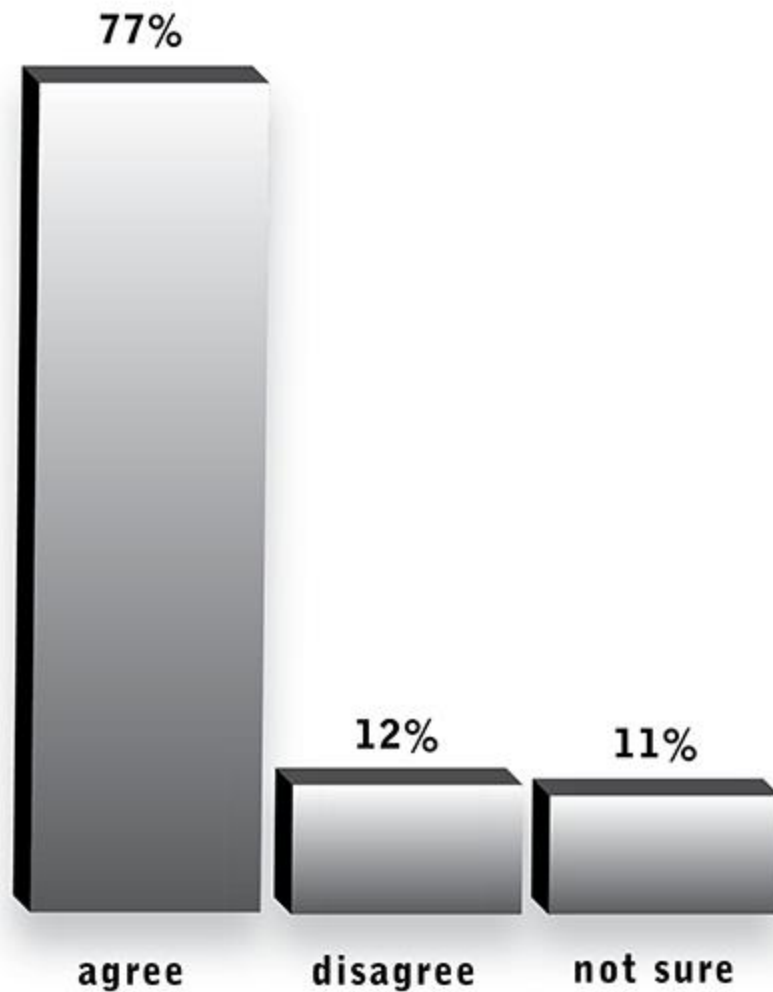
Question 10: When it comes to addressing the most pressing issues of our day, which social sector do you trust most—entrepreneurial companies, nonprofit charities, or government agencies?



Charities enjoy an extraordinary public trust. People have more confidence in their ability to deliver on tough assignments than competing organizations.

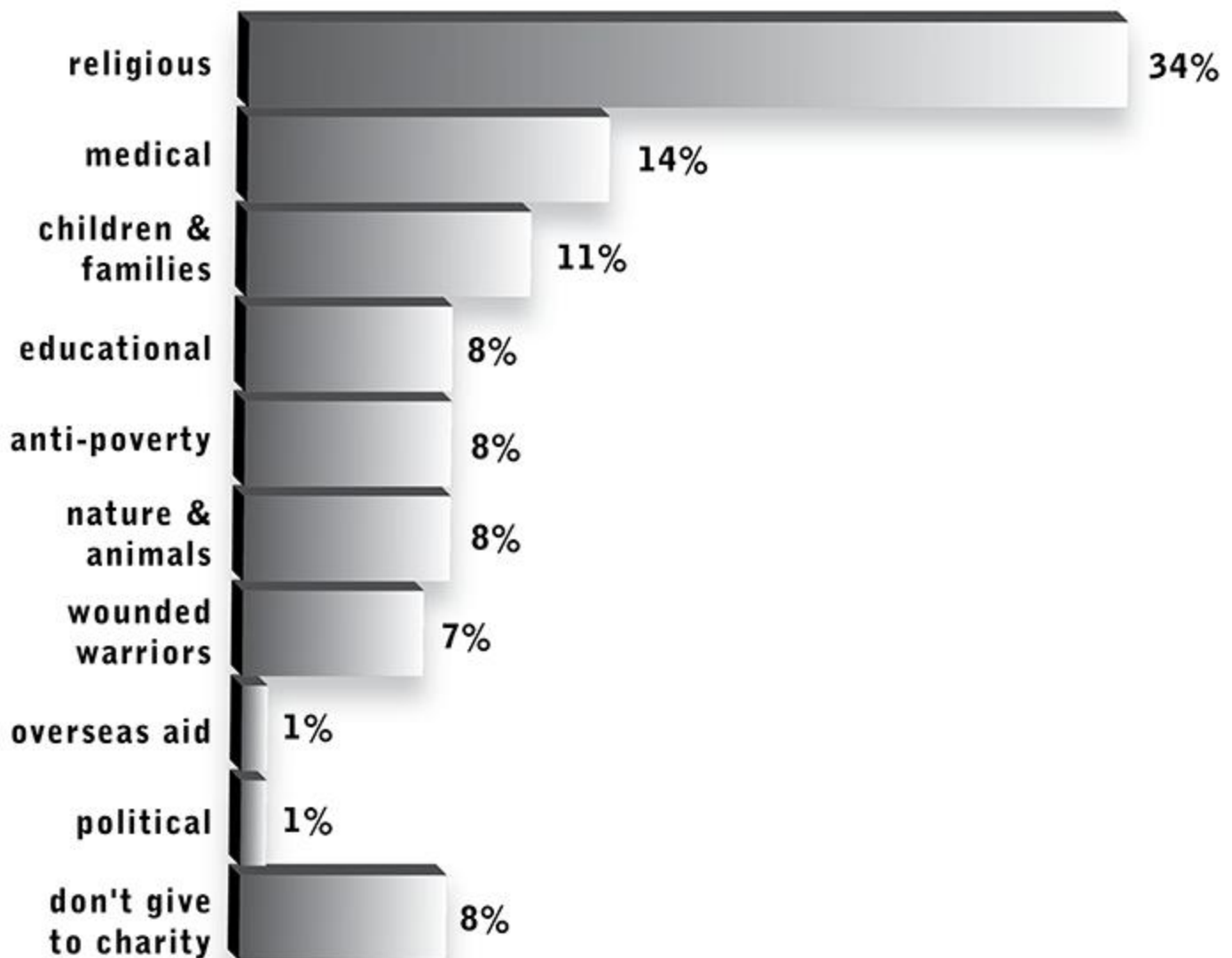
It's intriguing to see that there is almost no partisan or ideological split on this question—Republicans and Democrats, conservatives and liberals, give nonprofit charities almost the same vote of endorsement. It's between the other two entities where there is a huge political gulf. The preferences among Republicans: 42% for entrepreneurial companies, 43% for nonprofit charities, 4% for government agencies. Among Democrats: 13% for entrepreneurial companies, 46% for nonprofit charities, 28% for government agencies.

Question 11: Do you agree or disagree with the following? It is in my power to improve the welfare of others, by personally giving or volunteering.



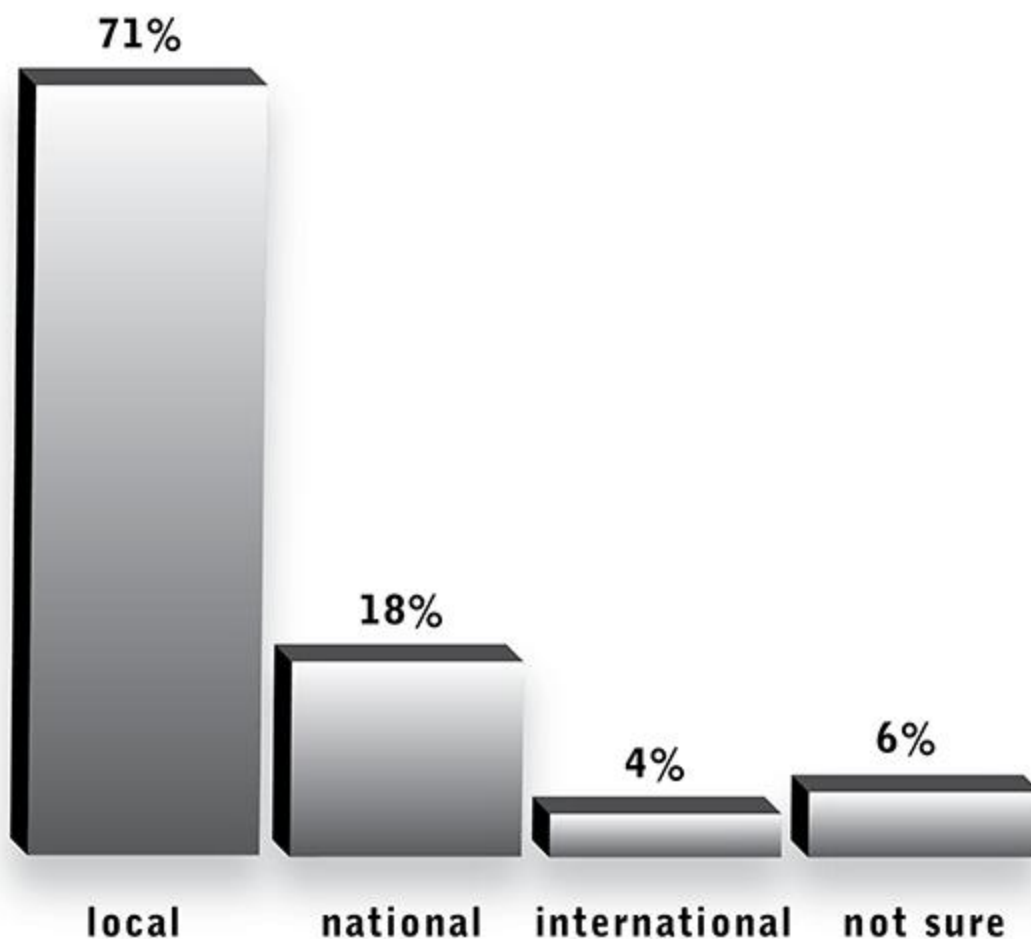
You see here the strong confidence of Americans that individual acts of kindness will make a real difference in the lives of others. The only subset of the population that diverges slightly from this powerful view is high-school dropouts—and even they still say by 51% to 27% that personal good deeds will help the recipient.

Question 12: Thinking about your own personal giving, which charitable cause do you give most to?



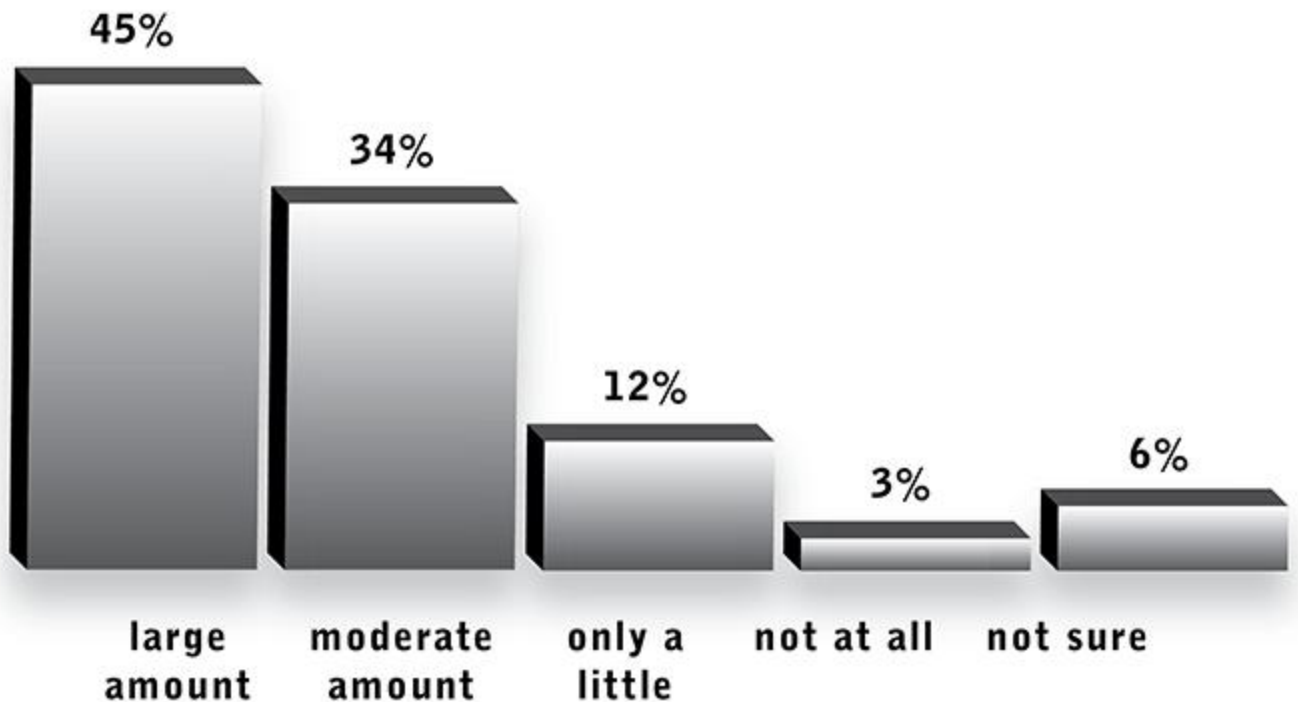
In descending order, you can see here how people prioritize charitable causes when it comes time to share their own dollars. Religious charities are, and always have been, the ones Americans are most willing to contribute to. In addition to serving spiritual needs, of course, religious charities are often leaders in other fields listed above. Many of the best medical and overseas charities, for instance, are religious. The Salvation Army and Habitat for Humanity are top anti-poverty charities, Catholic schools bring donor dollars to more poor children than any other educational charity. Much of today's aid for the homeless is a product of churches. And so forth.

Question 13: When you make a charitable contribution, are you more likely to give to local causes, national causes, or international causes?



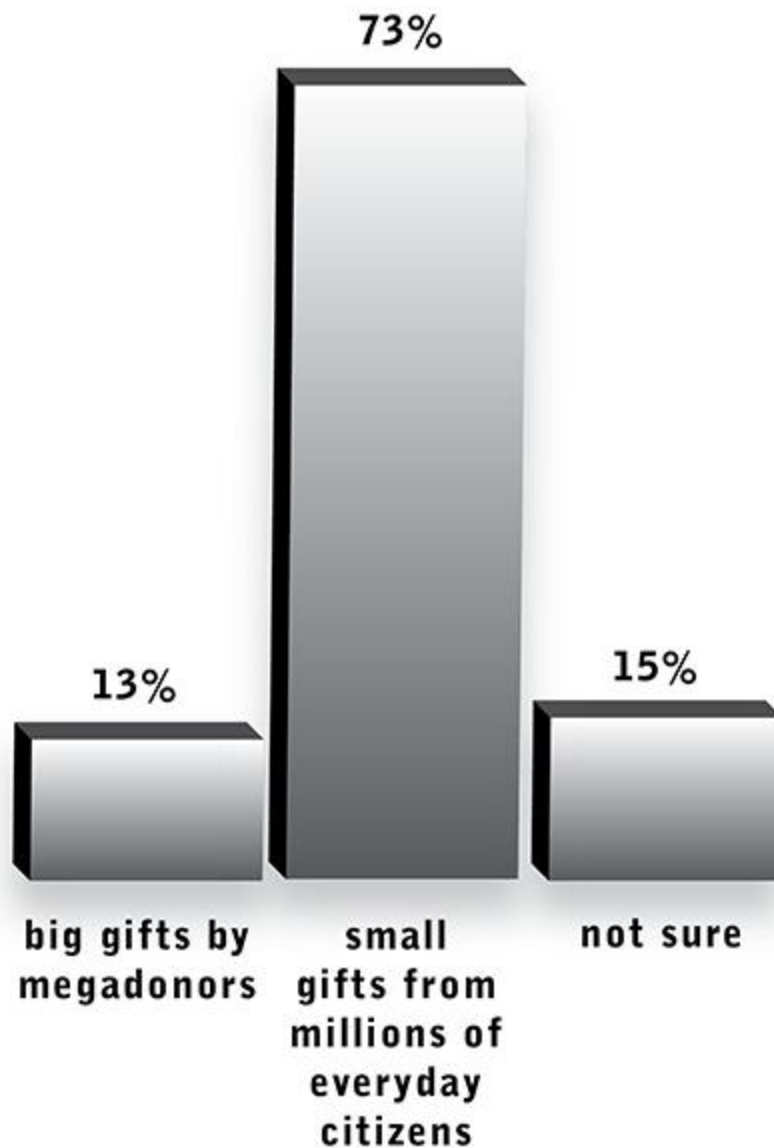
U.S. givers send lots of money overseas, but their first impulses are to think locally and act locally. This is true of *all* of the country's demographic groups—though compared to others, evangelical Christians and younger people are more likely to give internationally, and liberals are significantly more likely to give at the national level.

Question 14: How much does society as a whole benefit when Americans donate money to charity—a large amount, a moderate amount, only a little, or not at all?



Here again we see evidence of the overwhelming confidence of people in the efficacy, honesty, and value of our nation’s charitable giving. Within this powerful trend there are some variations. There is a clear influence by education: The response “society benefits a large amount” rises on a straight line from 30% among high-school dropouts right up to 55% among those with graduate degrees, while the combined “only a little/not at all” response tumbles from 36% among dropouts to just 8% among the highly educated. Democrats are also less enthusiastic, with 38% describing the benefit of charitable donations as “large” and 40% choosing “moderate”—compared to 52% “large” and 31% “moderate” among Republicans.

Question 15: Between two general categories of giving—big gifts by megadonors, or small gifts from millions of everyday citizens—which is more important to America?



Our national sample believes that even more than the big checks from moguls it is the flurries of \$20 and \$100 bills that make U.S. giving distinctive and powerful. Only among the young and high-school dropouts are there noticeably more votes for the big gifts—and even within those two groups it is fewer than one out of every five persons who name megadonors as more important.

philanthropyroundtable.org

Who Gives Most to Charity | The Philanthropy Roundtable

From Alaskan bush villages to center-city Manhattan, local-scale philanthropy unfolds every day in nearly all American communities. At first glance this modest, unsplashy, omnipresent giving may seem mundane. Yet such microphilanthropy leaves deep imprints in almost every corner of American life, due to its sheer density and the intimate ways in which it is delivered.

The fireworks show that delighted your town this week. The children's hospital where the burned girl from down the street was saved. The Rotary scholarship that allowed you to become dear friends with a visiting Indonesian graduate student. The church-organized handyman service that keeps your elderly mother in her home. The park that adds so much to your family life. These gifts, products of modest offerings from local foundations or groups of community donors, accumulate in powerful ways to make our daily existences safer, sweeter, more interesting.

It is easy to think of philanthropy as something done by the very wealthy, or big foundations, or prosperous companies. Actually, of the \$358 billion that Americans gave to charity in 2014, only 14 percent came from foundation grants, and just 5 percent from corporations. The rest—81 percent—came from individuals.

And among individual givers in the U.S., while the wealthy do their part (as you'll see later in this essay), the vast predominance of offerings come from average citizens of moderate income. Between 70 and 90 percent of all U.S. households donate to charity in a given year, and the typical household's annual gifts add up to between two and three thousand dollars.

This is different from the patterns in any other country. Per capita, Americans voluntarily donate about seven times as much as continental Europeans. Even our cousins the Canadians give to charity at substantially lower rates, and at half the total volume of an American household.

There are many reasons for this American distinction. Foremost is the fact that ours is the most religious nation in the industrial world. Religion motivates giving more than any other factor. A second explanation is our deep-rooted tradition of mutual aid, which has impressed observers like Tocqueville since our founding days. Third is the potent entrepreneurial impulse in the U.S., which generates overflowing wealth that can be shared, while simultaneously encouraging a "bootstrap" ethic that says we should help our neighbors pull themselves up (partly because, in our freewheeling economy, we could be the ones who need help next time).

But what lies beneath our high national average? Do subgroups of the U.S. population vary in their giving, and if so, how much? What exactly do we know about who gives in America, and what motivates them?

Dissecting who is generous and who is not can be controversial. And not all of the research agrees. So we have methodically waded through heaps of studies and drawn out for you the

clearest findings. You're about to learn what today's best social science has to say about the geography, demography, and economics of generosity in America. Some of it will surprise you.

How U.S. regions vary

There have been several attempts to compare the charitable giving of different U.S. states and regions. The most straightforward measures match the itemized charitable donations of local taxpayers to their incomes (both pulled from official IRS figures). The Fraser Institute and the Catalogue for Philanthropy have each used variations of this method to reveal what fraction of their annual resources residents are giving away to philanthropic causes, versus consuming or saving for themselves.

Top ten states: Fraction of their income that residents give to charity		
2010	national rank	2004
Utah	1	Wyoming
Wyoming	2	Utah
Georgia	3	Tennessee
Alabama	4	Arkansas
Maryland	5	Texas
South Carolina	6	Alabama
Idaho	7	Oklahoma
North Carolina	8	Mississippi
Tennessee	9	South Dakota
New York	10	New York

Source: Fraser Institute (2010 IRS data), Catalogue of Philanthropy (2004 IRS data)

These “giving ratios” reveal a consistent pattern. Measured by how much they share out of what they have available, the most generous Americans are not generally those in high-income, urban, liberal states like California or Massachusetts. Rather, people living in states that are more rural, conservative, religious, and moderate in income are our most generous givers. (See the two charts above for listing of the top and bottom givers.)

Bottom ten states: Fraction of their income that residents give to charity		
2010	national rank	2004
Louisiana	41	New Mexico
New Mexico	42	Iowa
Alaska	43	Ohio
Rhode Island	44	Hawaii
Hawaii	45	Montana
Vermont	46	Vermont
New Hampshire	47	Wisconsin
Maine	48	New Hampshire
North Dakota	49	Rhode Island
West Virginia	50	Maine

Source: Fraser Institute (2010 IRS data), Catalogue of Philanthropy (2004 IRS data)

This same pattern is seen in data very different from the IRS returns. The Panel Study of Income Dynamics is a high-quality microstudy of several thousand U.S. households that are representative of the national population, and whose characteristics have been tracked in detail by researchers over a period of years. When income and charitable giving are compared among this carefully documented group, the willingness to “give until it hurts” can be seen to vary sharply by locale.

Giving by region	
	national rank
Mountain	1
East South Central	2
West North Central	3
West South Central	4
South Atlantic	5
Pacific	6
East North Central	7
Middle Atlantic	8
New England	9

Source: Panel Study of Income Dynamics

In the PSID statistics, the top regions for donations as a percent of income are the Mountain West, the East South Central states (Tennessee, Alabama, Mississippi, Kentucky), the West North Central states (South Dakota, North Dakota, Iowa, Kansas, Minnesota, Missouri, Nebraska), and the West South Central states (Arkansas, Texas, Oklahoma, Louisiana). The least giving region was New England, closely trailed by the Middle Atlantic states (New Jersey, Pennsylvania, New York). The variations are not trivial: the top group of Utah, Idaho, Wyoming, Arizona, Colorado, Montana, Nevada, and New Mexico were more than twice as generous as the residents of New England or the Mid-Atlantic region. (See “Giving by region” above.)

Major study released

A third take on this topic was assembled by the *Chronicle of Philanthropy*. Its study “How America Gives” analyzed IRS income and giving data right down to the level of individual counties in the U.S. The researchers used the latest IRS returns available—2012 in their most

recently published update. (More details on the results can be seen in Graphs 16 and 17 of this book's "Statistics on U.S. Generosity" section.)

The results? Not much different from the portraits above. Using four large regional groupings, "How America Gives" reported that Southerners are America's most sacrificial givers, while Northeasterners are substantially less generous.

Giving in four major regions	
	percentage of adjusted gross income donated to charity
South	5.2
West	4.5
Midwest	4.3
Northeast*	4.0

**New England plus New Jersey, New York, and Pennsylvania*

Source: How America Gives

Regional results are above. Below are the top and bottom ten states for giving, according to the *Chronicle* calculations. Once again, the biggest givers are found to be concentrated in "Bible Belt" states in the South or where Mormons make up a large portion of the population.

On the other hand, scant-giving households are heavily concentrated in relatively wealthy and secular New England.

Top ten states for giving	
	giving as % of adjusted gross income
Utah	6.6
Mississippi	5.0
Alabama	4.9
Tennessee	4.5
Georgia	4.2
South Carolina	4.1
Idaho	4.1
Oklahoma	3.9
Arkansas	3.9
North Carolina	3.6

Source: How America Gives, January 2015 update

This effect holds up not only across states but also in major cities. For instance, denizens of Salt Lake City, Birmingham, Memphis, Nashville, and Atlanta donate from 4 to 6 percent of their discretionary income to charity, while counterparts in Boston, Hartford, and Providence average just 2 percent. Silicon Valley is legendary for its wealth, yet lags badly in charity—the Chronicle data show San Jose and San Francisco falling near the bottom among our 50 biggest cities, giving away just 2.2 percent and 2.4 percent, respectively, of their income.

Bottom ten states for giving	
	giving as % of adjusted gross income
Hawaii	2.5
Wisconsin	2.4
North Dakota	2.4
Connecticut	2.3
Massachusetts	2.2
Rhode Island	2.1
New Jersey	2.0
Vermont	2.0
Maine	2.0
New Hampshire	1.7

Source: How America Gives, January 2015 update

There are about the same number of people in urban, high-education San Francisco County as there are in the rural, religious state of South Dakota, economist Arthur Brooks once noted. And families in these two regions give almost exactly the same amount to charity every year. Yet because the average family income is about \$45,000 in South Dakota compared to \$81,000 in San Francisco, the typical South Dakota household is actually giving away 75 percent more of its income every year than a San Fran counterpart.

Struggling to explain New England’s lag

A few years ago, some Bostonians chagrined by these findings created a study which tried to further “rebalance” the national statistics, which they felt did not fully reflect the willingness to give in their region. They used their own methods for adjusting income downward to compensate for high taxes and living costs, and they created estimates of additional giving by persons who don’t itemize their contributions on their taxes. Their results are quite different from all other measures.

In this more synthetic data, evidence of scant giving in New England remains, but the top and bottom groups are otherwise much more jumbled and difficult to see patterns in.

**Boston-model re-estimates of
top and bottom states for giving**

	national rank after income is adjusted and giving is extrapolated for non-itemizers
New York	1
Utah	2
Maryland	3
Connecticut	4
California	5
New Jersey	6
Hawaii	7
Wyoming	8
Virginia	9
North Carolina	10
Ohio	41
Wisconsin	42
South Dakota	43
Vermont	44
Iowa	45
New Mexico	46
West Virginia	47
New Hampshire	48
North Dakota	49
Maine	50

Source: *The Boston Foundation*

The Boston data have not been widely embraced, for a variety of reasons. About 80 percent of all charitable dollars are captured in the itemized giving data from the IRS (which provide the backbone for the “Generosity Index” and “How America Gives” studies cited earlier). And a large proportion of the donations that are not itemized come from religious conservatives who do not reside heavily in the regions the Boston analysts aim to bolster. These factors leave many observers skeptical of statistical manipulations that reorder the clear trends seen in the IRS data—which are hard measures, not extrapolations or statistical models like the Boston numbers.

One intriguing pattern that emerges from the Boston data is a class stratification in New England when it comes to charitable giving. Among people making \$100,000 or more in 2003, New Englanders were actually more generous than the national average. Yet among people in the middle-income band (\$25,000 to \$99,999), New Englanders fell *below* the national average in giving. And among the low-income (less than \$25,000 of annual income in 2003), New Englanders were notoriously skin-flinty, giving at less than half the national average for that income group. All of this may reflect the region’s lower level of religious belief, a factor which, as we’ll see, dramatically lifts giving, even among the comparatively poor.

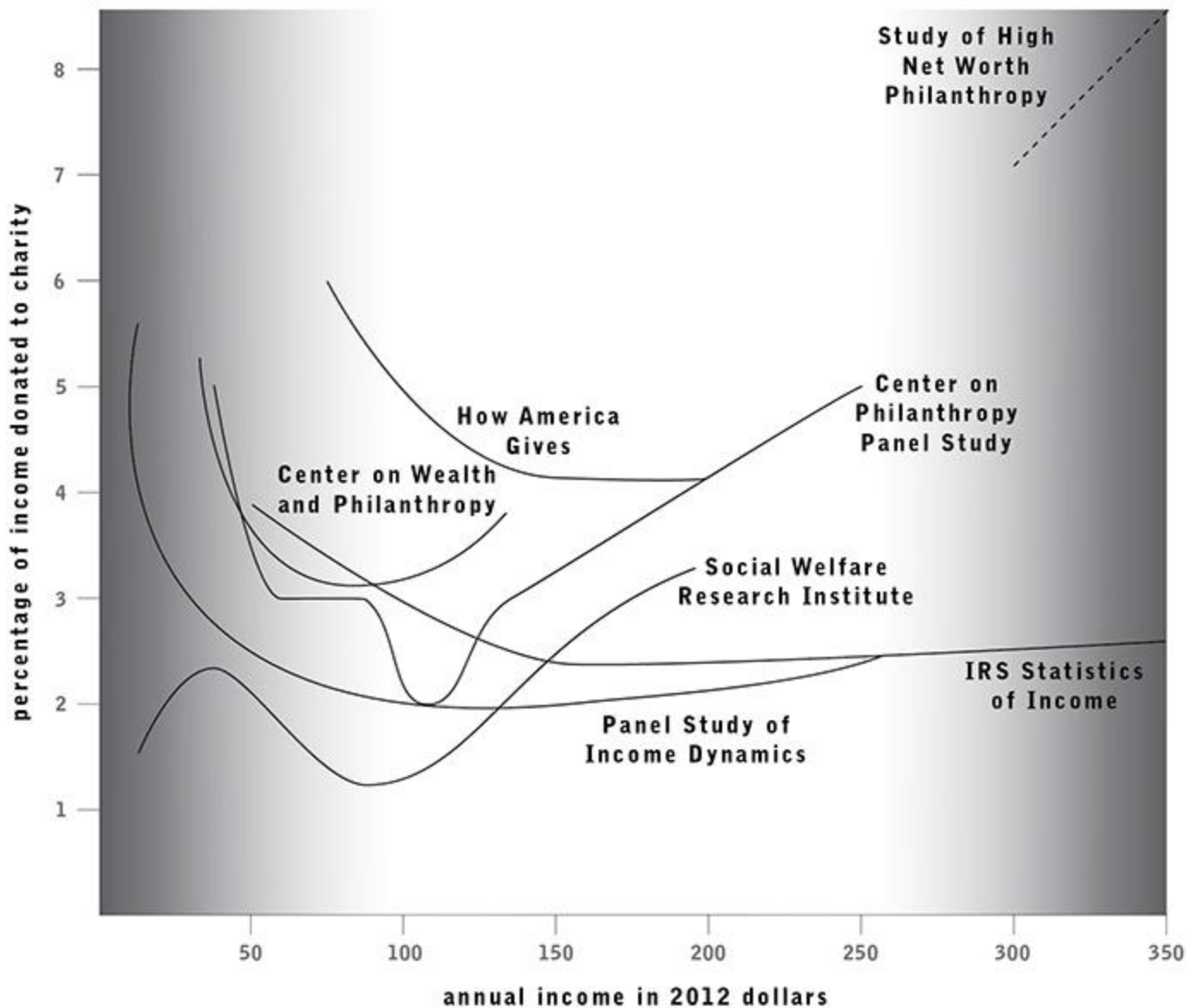
Red state versus blue state

A strong pattern that makes some commentators uneasy is the fact that, as Brooks put it, “the electoral map and the charity map are remarkably similar.” Or to quote the *Chronicle of Philanthropy*’s 2012 summary of its giving research, “the eight states that ranked highest voted for John McCain in the last presidential contest...while the seven lowest-ranking states supported Barack Obama.”

In addition to this political tinge, there are many other fascinating demographic and cultural patterns in the national giving statistics. For instance, the PSID survey shows that while New Englanders rank dead last in percentage of income donated to charity, their *participation rate* (fraction of the population who give something) is actually higher than in any other region. New Englanders reflect, and indeed may lead, the extraordinary American propensity to donate to others. They just don’t give as much as residents of other regions.

Some other results emerging from statistical regression of the PSID data: All other things being equal, the self-employed give less to charity. So do people who have moved residences more than the norm. Residents of rural areas and small towns, on the other hand, donate at higher levels.

Charitable giving's u-curve



The demographic characteristic most likely to increase giving to charitable causes is marriage. Compared to the unmarried, married households were 62 percent more giving in 2011. This was after all other factors like income, race, region, etc. were statistically adjusted for, using base data from the government's Consumer Expenditure Survey.

Surprisingly, people who volunteer at secular organizations are a bit undergiving, in regressions of the PSID statistics. Meanwhile, persons who volunteer at religious organizations are dramatically bigger donors of money.

Religious practice is the behavioral variable most consistently associated with generous giving. Charitable effort correlates strongly with the frequency with which a person attends religious services. Evangelical Protestants and Mormons in particular are strong givers. Compared to Protestant affiliation, both Catholic affiliation and Jewish affiliation reduce the scope of average giving, when other influences are held constant.

Finer-grain numbers from the PSID show that the faithful don't just give to religious causes; they are also much more likely to give to secular causes than the non-religious. Among Americans who report that they "never" attend religious services, just less than half give any money at all to secular causes. People who attend services 27-52 times per year, though, give money to secular charities in two thirds of all cases. (See page 1138.)

Sociologist Robert Putnam has chronicled the many pro-social and philanthropic overflow effects of religious practice. Not only is half of all American personal philanthropy and half of all volunteering directly religious in character, but nearly half of all associational membership in the U.S. is church-related. Religious practice links us in webs of mutual knowledge, responsibility, and support like no other influence.

Indeed, faith is as important as basic financial success in increasing giving. And religious conviction is often what separates one sub-group from another when it comes to charitable practice. For instance, African Americans, who are generally more religious than whites, are consequently 18 percent bigger givers when households of the same income, region, education, and so forth are compared.

Giving by income level

The curve charting charitable generosity by income takes on an unexpected U-shape largely thanks to the faith factor described above. People with means, as you might expect, are substantial givers. Middle-class Americans donate a little less. But the lower-income population surprises by giving more than the middle—and in some measures even more than the top. (As a percentage of available income, that is. In absolute dollars, those in higher income groups give much, much more money.)

The graph below combines results from six different studies of how giving varies as income changes. Each study uses somewhat different definitions of income, different universes of households, measured in different years, so they are not strictly comparable, but I have made some basic standardizations and converted results to present-day dollars so readers can observe the general trend uncovered by each of these analyses: If you measure charitable donations as a fraction of the donor's income, giving is most robust at the top and bottom of the earnings spectrum.

People are generally more philanthropic toward the end of their lives, when they tend to have more savings, time, and motivation to help others. (Giving peaks at ages 61-75, when 77 percent of households donate, compared to just over 60 percent among households headed by someone 26-45 years old.) Some of the low-income givers charted on my "u-graph" are undoubtedly

retirees who, while their annual incomes are modest, have accumulated wealth that allows them to be generous donors.

The other factor accounting for the high level of donations among low-income Americans is that a significant minority of them are religious tithers who powerfully push up the group average through sacrificial giving. If you look at what fraction of each group gives, various studies show that the rate of donation among low-income persons is actually half or less of what it is for the rest of the population. Only about a third of low-income individuals give any money at all in a year. But those who are givers tend to be extremely generous, with a third or half of them giving at least 5 percent of their income. These sacrificial givers motivated heavily by religion are found much more among what might be called the working class (households making \$25,000-\$45,000 in current dollars) than among the truly poor.

The 1 percent

High-income households provide an outsized share of all philanthropic giving. Those in the top 1 percent of the income distribution (any family making \$394,000 or more in 2015) provide about a third of all charitable dollars given in the U.S. When it comes to bequests, the rich are even more important: the wealthiest 1.4 percent of Americans are responsible for 86 percent of the charitable donations made at death, according to one study.

At the top of the income spectrum, charitable giving bumps upward both in dollars and as a fraction of income. The fullest study of wealthy donors is done every two years by the Lilly Family School of Philanthropy at Indiana University. The chart on the opposite page averages findings from three of its recent reports.

The very wealthy, this shows, give away a much larger chunk of their earnings than others. These robust rates of giving are elevated, however, by the extreme generosity of a subset of the rich. While donations to charity are almost universal among wealthy households (more than 97 percent make some annual gift, according to the Indiana data), data show that many of those gifts are comparatively modest. Others are extraordinarily copious—and these push up the donation average.

Portion of income that the wealthy give to charity	
	percentage
Households earning less than \$200,000 but with liquid assets of at least \$1 million	9.7
Households earning \$200,000-\$500,000	8.6
Households earning \$500,000-\$2 million	8.3
Households earning \$2 million and above	14.0

Source: Study of High Net Worth Philanthropy (2005, 2007, 2009)

If instead of the average percentage of income given away by wealthy households, we look at the median percentage (meaning that half gave more than this amount, and half gave less), the wealthy appear less magnanimous. From 2007-2011, the median wealthy household (having annual income of \$200,000+ or assets of \$1 million+) gave away 3.4 percent of its income.

Interestingly, when rich people live in separate enclaves they are not as generous as when they live interspersed in normal communities. The “How America Gives” study showed that when households earning \$200,000 a year make up more than 40 percent of the residents of a particular ZIP code, they give just 2.8 percent of their discretionary income to charity. If they live in more mixed neighborhoods and towns, though, they give an average of closer to 5 percent.

Physical separation and economic stratification corrode social cooperation and generosity. In towns, villages, and cities where Americans of differing fortunes live in more traditional combinations, though, generosity flourishes. And for many Americans, the resulting giving seems to be deeply connected to satisfaction in life.

“I came to realize that expanding my philanthropic activities could be both meaningful and fun,” successful oil businessman Jim Calaway told *Philanthropy* magazine in 2015. “Making a lot of money and spending it on yourself is not a lot of fun,” he noted in an earlier interview with the

Chronicle of Philanthropy. “What is a lot of fun is to live modestly so that you can give to the common good. That’s where happiness really lies.”

philanthropyroundtable.org

The Almanac of American Philanthropy | The Philanthropy Roundtable

Periodically, some politician seeking increased government revenues will propose to chop down the tax deduction for charitable contributions. Were this to happen, U.S. charities would lose billions of dollars. We as American citizens, however, stand to lose much more than that if the tax protections long afforded to charitable giving were to be withdrawn.

The charitable deduction protects our freedom to create and operate institutions that make up a civil society separate from government. Electing representatives is not our sole means of expressing ourselves and contributing to national success. As citizens of a free country we also have the right to act directly in the public sphere. The many private organizations that act within our borders—educating, assisting individuals, influencing culture, addressing social needs—are the ultimate bedrock underlying our democratic system.

The individual deduction for donations to these civic organizations, and the income-tax exemption for charitable operations, are more than just tax rules. They form a vital legal boundary between the state and civil society. They are not subsidies for civil society, but rather fences that keep government from interfering in a sector that is vital to our national freedom.

Income taxes are the contributions we make to the public good indirectly by force of law. Charitable donations are the contributions we make to the public good directly and voluntarily. Direct giving through donations, and indirect giving through taxes, are dual aspects of our right to self-governance. Altering the charitable deduction would renegotiate the fundamental relationship between citizens and the state, and undermine our ability to shape our own society.

Is there more to the public sector than government?

In recent years, our deficit-ridden federal government has been coveting the billions of dollars that citizens send annually to charities. For several years in a row, President Obama proposed cutting the income-tax deduction for charitable giving. Congress entertained some of its own proposals for capping, eliminating, or altering the charitable deduction as part of tax reform.

Policymakers sometimes justify these changes by claiming that the charitable deduction is a government *subsidy* for charity. A more accurate understanding is that the charitable deduction is simply an accounting mechanism to ensure that your income is measured accurately. Money you give away for public benefit is neither part of your income nor the government’s money to claim. Any income tax requires a charitable deduction as a matter of principle, because funds given away for the public good are not part of a taxpayer’s personal resources.

The state doesn't sponsor and subsidize civil society using tax revenue. It is individuals who create civil society using their own funds. The state simply avoids interfering when it eschews taxing of those transactions.

There is a fashionable argument at present that the charitable deduction is a subsidy from the state. That's entirely wrong.

Some activists say that charitable contributions should be taxed because they are a form of personal consumption. If the donor feels good about himself for giving money away, he has "consumed" the warm glow that comes from being a donor. The rejoinder to this is that the economic value of the charitable contribution actually settles on the recipient of the gift, not the donor. When I buy and eat a pint of ice cream, I literally consume some of my income. When I give money to a disaster-relief fund or cancer hospital, the person whose home or body has been ravaged consumes the funds. I may get a good feeling from both experiences, but the private gulping and the giving to others are wholly different acts.

At its core, the issue of whether charitable contributions should be included in the tax base is a matter of values as much as economics. It is a question of what the relationship should be between citizen and state. If you believe that a citizen's right to elect representatives is all that's needed for self-governance, then interfering with citizens' direct contributions to the public good may not bother you. Under this view, charitable contributions are a luxury that a democratic government may choose to indulge through charitable deductions when it is wealthy, or eliminate when it is poor. Not only does income belong to the state, but so does philanthropy; the donor's choice is irrelevant.

On the other hand, if you believe that citizens should have the freedom to contribute directly to the public good without government interference, that civil society is an end in itself, and that civic engagement is healthy for democracy, then charitable contributions should not be treated as part of the tax base. The donor's right to support independent organizations is part of his fundamental freedom, as valuable as his right to vote.

Citizen, private charity, state

Kamal Jahanbein has a vision. He believes that everyone in the world should have the right to prosper, to speak his or her mind, and to petition the government for redress. Born in Iran, Kamal derives tremendous personal satisfaction from the American system of philanthropy which enables him to enact his vision of the public good without interference from anyone, a precious freedom to those with experience living under an oppressive regime.

Kamal runs a neighborhood pub in Washington, D.C., called the Saloon. The most surprising thing about this popular business is the sign on the door that says, "The Saloon will be closed for the month of August while we go to Africa to do some good." After 20 years of nurturing his now-profitable business, Kamal began building schools in some of the world's poorest towns. He has now completed more than 16 schools around the world, as well as medical facilities and homes, in places like Bafang, Cameroon; Rio Dulce, Guatemala; and Pakua, Laos. By his own

estimate, Kamal has given away more than \$1.5 million and countless hours to his humanitarian projects. Hundreds of names on the bricks that line his pub belong to individuals who have contributed to his philanthropic projects.

When Kamal builds a school, he seeks to give the gift of self-empowerment, the strength to strive against forces that seem greater than oneself—to have the confidence of David in a world full of Goliaths. Before he begins, Kamal asks representatives from the village where the school will be built to raise 10 percent of the funds from their own pockets, “so they are invested in the project.” Then Kamal helps the village negotiate with the local government to provide the teachers, furniture, and equipment necessary to operate the school. When the project is complete, Kamal makes sure the village representatives have copies of the contract with the government so that they can enforce it. “You have never seen such a beautiful sight as a government minister’s office filled with determined mothers, waving their contracts and demanding the teachers that they were promised,” he said, smiling.

Talking to Kamal, you realize that giving to charity is a radical act. It is defining what is good for society, and putting your money where your mouth is. Marshaling resources for the good of society is also what governments do, which is why there can be a tension between charities and political officials. The ability to create an institution to accomplish a particular vision of the public good creates a locus of power that is separate and apart from the governmental authority. Government is about centralized power; charity is about local problem-solving.

Before there is government, there is charity: ordinary people gathering together to provide for the common good by helping the needy, healing the sick, teaching the ignorant. At its core, charity is about self-reliance. The charitable institutions we create are manifestations of our right to self-governance that is truly by the people, for the people.

A nation can be judged by the amount of charity it permits within its borders. A government that represents its citizens’ best interests is not threatened by the additional exercise of self-governance. On the contrary, the exercise of self-reliance by the citizenry strengthens civil society, the stuff of which democracies are made.

Competition between the government and nonprofits to best represent the public interest dates to the founding of America. It is perhaps understandable, given human jealousies, why the government should prefer to control the vast resources of the private nonprofit sector, and to manipulate their contributions to serve government purposes in public policy. But that is not the system of self-rule enshrined in our Constitution. In fact, that is just the sort of government that our founders fought and died to rebel against.

The right of self-governance

Americans tend to chafe against restraints on our liberty to speak, act, worship, or band together, even if these acts are heretical or otherwise controversial. Nor do we wait for government to become involved when we perceive a problem. We act on our own, or in concert, to solve it as we see fit. Our ability to define what is wholesome and necessary for the public good, as individuals or self-organized groups, is the essence of American freedom. And making charitable

contributions without government interference or taxation is an important part of this original right.

America's passion for self-governance is manifest in our many associations. We have more than 1.5 million tax-exempt organizations, including 900,000 public charities, 100,000 private foundations, and 600,000 other types of nonprofit organizations, including chambers of commerce, fraternal organizations, and civic leagues, and roughly 320,000 religious congregations. Many associations are effective; many are not. Some last a century; some never get off the ground. But in America, that is our business, not the government's. We are free to create, free to operate, and free to terminate our associations as we please.

Charitable contributions are protected from taxation in order to keep government from entangling itself with the exercise of individual freedom.

Since our nation's founding, the federal government and private associations have been rivals, and the lines of battle have shifted back and forth over the years. Today we take it for granted that private associations serving the public benefit may compete with the federal government. That, however, is a freedom that was hard-fought and won by previous generations.

In 1816, the state of New Hampshire attempted to seize control of Dartmouth College, a private university established by charitable contributions in 1754 for the purpose of educating Native Americans and other people of New Hampshire. The motivation for taking over Dartmouth was political. The Jeffersonians had won the New Hampshire governorship and state legislature in the election of 1812. The trustees of Dartmouth College, however, were members of the opposition Federalist party, and the state sought to replace them with loyal Jeffersonians.

The Jeffersonians argued that the government should have the right to control charitable contributions. As Thomas Jefferson himself explained in a letter he wrote to New Hampshire Governor William Plumer in 1816, a private gift to accomplish a public purpose such as education is, in effect, a gift to the people, and as the people's representative, the democratically elected government of New Hampshire should have the right to oversee the gift. Jefferson believed that state control of Dartmouth was critical to ensure that Dartmouth educated the future leaders of New Hampshire in a manner meeting state approval. Why should a state controlled by Jeffersonians allow a Federalist educational agenda to continue?

Jefferson saw no need to protect Dartmouth from government interference because he believed that democracy itself guaranteed that the government's purposes and those of Dartmouth College would always be synchronous. He wrote, "the idea that institutions, established for the use of the nation cannot be touched or modified, even to make them answer their end, because of rights gratuitously supposed to be in those employed to manage them in trust for the public, may, perhaps, be a salutary provision against the abuses of a monarch, but it is most absurd against the nation itself."

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The college challenged the state in the Supreme Court. Daniel Webster, a Dartmouth alumnus,

argued the case for Dartmouth's freedom to operate from government interference—even when that government is a democracy. He said, "Shall our state legislature be allowed to take that which is not their own, to turn it from its original use, and apply it to such ends or purposes as they, in their discretion, shall see fit? Sir, you may destroy this little institution; it is weak; it is in your hands! You may put it out; but if you do, you must carry on with your work! You must extinguish one after another, all those great lights of science, which, for more than a century, have thrown their radiance over the land! It is, sir, as I have said, a small college, and yet there are those who love it."

Spoken just 40 years after the signing of the Declaration of Independence, Webster's words resonated deeply with those present.

Writing for the Court, Chief Justice John Marshall was moved to agree with Webster. He found that the state could not replace the trustees of Dartmouth College, because doing so would interfere with the charitable contributions of Dartmouth's donors. Dartmouth was a vehicle through which individual donors pooled their resources to accomplish public benefits they deemed appropriate, and the Constitution gave the state no right to interfere with such a private contract. A gift to accomplish a public benefit is not a gift to the government, and doesn't allow the state to interfere with the institution created by the gift.

It would be difficult to overstate the importance of the *Dartmouth* decision in shaping American civil society over the past two centuries. With one stroke, the Supreme Court severed the public and private spheres, making clear that under our Constitution the government could not direct private associations to implement government policy. After *Dartmouth*, private associations were free to operate autonomously, to accomplish whatever public purposes they choose, constrained only by the legal framework of the tax law, general laws against fraud,

discrimination, and so forth, and their ability to obtain resources from charitable donors.

The great flourishing of private associations for the public benefit that followed the *Dartmouth* decision has been the hallmark of American civil society ever since. Writing a couple decades after *Dartmouth*, French philosopher Alexis de Tocqueville observed that public-benefit associations are the foundation on which American democracy rests. Private associations working for the public benefit are not just signs of a healthy democracy, he concluded, they are its cause.

The tax man cometh

The power struggle between charities and the government continues to this day. The difference is that today, the battle is waged through the tax law. Nearly 100 years after the *Dartmouth* case, Congress gained the power to tax income through ratification of the 16th Amendment to the Constitution. It enacted the corporate and individual income taxes in 1913. Previous attempts to enact an income tax, dating back to the Civil War, all exempted charitable organizations from taxation, as our current code does. The individual deduction for contributions to charities was first introduced in 1917, and has been in place since. This protection of charities and charitable contributions from taxation was a manifestation of the unwritten social contract that private

giving should be excluded from the tax base out of deference to the sovereignty of American citizens.

Sacrificing the charitable deduction to improve federal finances would be a profound renegotiation of the relationship between the government and our civil society, a drastic move running counter to the spirit and longstanding practice of American democracy.

That is very different from the claim made in some quarters today that our present partial tax protections of charitable contributions are a gift from the state—a subsidy. The historic understanding is also completely at odds with today's fashionable argument that, as a contributor, the government has a right to decide how much charity to subsidize, which recipients to support, and how best to manage them.

Those who believe the charitable contribution deduction is a subsidy from the state often argue that the purpose of subsidizing charitable goods and services such as education, poverty relief, scientific research, and health care is because the government would have to provide these things if charities did not. The problem with this view is that if the purpose of the charitable deduction is to serve governmental purposes, then the charities should also be under government control. Under this view, charities should be subject to the rules that apply to government contractors, and the government should have rights to direct and supervise charitable actions.

As yet, the government does not tell charities what goods and services to provide, when and where to provide them, or how much they should cost. The government cannot hire and fire charities at will, reward the ones it favors, or dock the ones that displease officials. The government so far has no right to appoint a charity's board of directors or to select its officers. The government cannot refuse to subsidize charities controlled by individuals the government does not like. When a new government is elected, disfavored charities do not lose their tax benefits, and loyal charities do not get extra credit. (These are not just theoretical worries, but real dangers—as shown by recent actions like IRS discrimination against social-welfare organizations affiliated with the Tea Party, and HHS Secretary Sebelius's phone calls asking companies to give money to new charities operated by former Obama campaign staff to help implement Obamacare.)

Under current law, anyone can form a charity, regardless of his or her experience, expertise, or political persuasion. To secure tax exemption and be eligible to receive deductible contributions, all that is required is that the organization promise the Internal Revenue Service that it will primarily conduct activities that further its charitable purpose, not intervene in political campaigns or engage in excessive amounts of lobbying, and not distribute profits to shareholders. To maintain its tax exemption, the organization simply must file annual information returns and continue to operate as promised. The government may periodically audit the organization to confirm that it is not breaking its promises, but beyond that the government is supposed to stay out of the picture, and let charities govern themselves and pursue their own purposes. All of that existing practice would be very different if the charitable deduction was accepted as a government subsidy rather than a bulwark against government intrusion.

Moreover, there is another crucial flaw in the idea that protecting charity from taxation represents a government subsidy. Many of the objects of American charity—like religious flourishing—are things our government cannot Constitutionally subsidize. That’s why the Supreme Court has expressly rejected subsidy theory as an explanation of the charitable exemption from income tax—because it cannot be reconciled with the clauses of the Constitution protecting free exercise of religion and forbidding establishment of an official church.

The Court has found that tax exemption of churches is not a favor granted to churches, but a democratic necessity to ensure that the state does not infringe on individuals’ religious freedom. As Chief Justice Burger wrote in *Walz v. Tax Commission of the City of New York*: “The exemption creates only a minimal and remote involvement between church and state, and far less than taxation of churches. It restricts the fiscal relationship between church and state, and tends to complement and reinforce the desired separation insulating each from the other.”

In other words, churches are exempt from tax not because the government is underwriting religion, but because it is vital, Constitutionally, that a free and fair government stay out of their business—which is best accomplished by tax exemption.

Subsidy or immunity?

This, then, is the crucial point: Charitable contributions must be protected from taxation not because the government wishes to subsidize charitable activity, but because government intrusion in this sector would dangerously entangle the state with the exercise of individual freedom. Through charitable contributions, Americans make real many of our Constitutionally protected rights—creating organizations that engage in freedom of speech, freedom of association, freedom to practice religion. The civil society we build through our nonprofit institutions is not just some sweetener of our quality of life. It is fundamental to our democracy, a replenishing source of nourishment to individual freedom.

The justification for the charitable deduction is akin to the intergovernmental immunity from taxation that the Supreme Court recognized in *McCulloch v. Maryland*, where Justice Marshall famously wrote that “the power to tax involves the power to destroy.” Just as the principles of federalism constrain the federal government’s power to tax the states and the states’ power to tax the federal government, the individual freedoms the Constitution guarantees to American citizens who engage in civil society by creating and funding nonprofit organizations should likewise block intrusive government manipulation of charity via taxation.

Although someone focused only on the federal budget might not care whether the charitable deduction is justified as a subsidy or as an immunity from tax, these diametrically opposed justifications are built on entirely different understandings of the relationship between citizen and state. And legislative action growing out of these two different interpretations could eventually lead to dramatically different results in American society.

Tax subsidies are things the government chooses not to tax in order to encourage behavior that the government supports. The government may manipulate these as it sees fit. Tax immunity is a framework that strictly limits the government’s ability to control and collect revenue from an

activity. The charitable deduction, which protects the vital role of civil society in America, should be understood as a tax immunity, not a subsidy. It is crucial that donors and lovers of liberty in America protect this traditional understanding and not fall into the trap of letting it be redefined as a subsidy, not even a benevolent one.

Charities do not normally provide goods and services to help the government. In fact, they often provide goods and services that the government cannot or will not provide, and even things the government does not like. Philanthropy in America is rich with examples of citizens acting where government has refused to act. It was charitable giving that educated Native Americans at Dartmouth and Hamilton colleges. It was private givers who set up thousands of schools for African Americans when the state was scorning them during the Jim Crow era. It was Rockefeller donations that eliminated hookworm in the U.S. when embarrassed hot-weather state governments refused to acknowledge that such parasites were endemic among their residents. Philanthropists like Bill Gates pursued vaccines for diseases like malaria when that was too costly for government or insufficiently profitable for corporations to pursue.

Charitable giving has even repeatedly spawned movements that fundamentally alter the complexion of democracy. Reforms ranging from abolition to women's suffrage to protections for religious conscience to tort reform have all been inaugurated by philanthropy. In each case, the government has been more adversary than contributor, until the government itself was changed by the movement.

So today's debate over the charitable deduction is about much, much more than taxes and deficits. The charitable deduction is a main artery within our body politic. It nourishes American civil society and gives strength to our democracy. It gives form and substance to our basic freedom of self-governance—a right that is not fully discharged by our ability to elect representatives. It is not a luxury we can do without.

If the charitable deduction were eliminated, Americans would no doubt continue to give generously at some level. But that is not the point. The charitable deduction does not exist to subsidize good works, though the good effects are many. Rather, we shield private donations from the brunt of taxation in order to limit government interference with our personal choices on how best to further the public interest. The charitable deduction is a mechanism for ensuring that the government does not lay claim to that which it should not own: private gifts devoted to the good of the people.

The charitable deduction is a negotiated bargain between citizens and the state, establishing a delicate balance of power. We have accepted limits on how much money we may contribute, on the types of property that can be given, on the arrangements that constitute a gift, on the broad sectors we may give to, and on what the recipients are forbidden to do with our gifts. But, historically and philosophically, there are more reasons to argue that the charitable deduction should be expanded today than that it should be further circumscribed.

Sacrificing the charitable deduction is not a wise, safe, or acceptable means of improving today's warped federal finances. The appropriation of charitable revenue by the federal government would be a profound renegotiation of the relationship between the American government and our

civil society. Bluntly, such a drastic move would run counter to the entire history and spirit of American democracy.

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