

Welcome to the January 2025 newsletter!

Hi there philanthropoids,

I would say Happy New Year, but firstly it's probably a bit late for that and secondly I'm not sure it's entirely appropriate given how January has gone so far.

On a global level, the world continues to seem like a very unsettled place right now. The early days of Donald Trump's second term as US President very much suggest that the unsettledness isn't going away any time soon, and the challenges for nonprofits and civil society - in particular - look like they may be even greater than many anticipated and feared. (We'll look at what some of those emerging challenges are in a moment).

On a much more solipsistic personal level, so far this year I have had to contend with the family car irretrievably breaking down on New Year's Day en route to a short break in the Lake District, and having to take antibiotics for 2 weeks to deal with an infected spider bite. (No, really). If you want a silver lining, I can say that the help various friends and strangers gave my family, which meant we were still able to go on our trip despite the car debacle, was a very welcome reminder of the fact that there is plenty of kindness out there in the world even when the

headlines make the world seem pretty grim. (A special shout here out to the National Trust volunteers who gave my slightly tearful kids some free cake and a pin badge each, which really was above and beyond). I can't, however, draw any uplifting life lessons from the spider bite: that is, unfortunately, just grim.

Speaking of grim, I should probably give a content warning that this month's newsletter is definitely not the most cheerful one we've had. I've done my best to leaven the gloom with some uplifting (or at least not actively depressing) content, but it's fair to say that the general tone is "sombre", because the world just feels a bit like that at the moment. Still, as a philanthropist I spoke to recently said to me: all you can do at times like these is take your next best step. So, in that spirit of just getting on with it, let's get on with the news and updates.

Best,

Rhodri

PHILANTHROPY IN THE NEWS

Trump's policy blitzkrieg hits civil society

As we mentioned up top, following his inauguration on 20th January, returning US president Donald Trump lost no time in issuing a dizzying array of policy decrees and executive orders. Many of these were directly linked to campaign promises he had made to begin rolling back various pieces of Biden-era policy and legislation from day one, and to divisive culture war topics that play well with his MAGA base, and will have immediate and direct impacts on civil society organisations and philanthropy. Here are four of the key ones we know about so far.



Last chronologically, but almost certainly most shocking of all, was the announcement of the <u>Trump administration's intention to call an immediate halt to the vast majority of US federal grant funding</u>. The precise details of the plans for the halt were somewhat confusing, as it wasn't entirely clear what would be affected and what wouldn't, but what was clear was that it would undoubtedly have a catastrophic effect on many nonprofits that deliver services on behalf of government, and – even more importantly – on the people and communities they serve, many of whom are heavily reliant on the support they receive through these state-funded programs.

Thankfully mobilisation efforts by the nonprofit sector have been successful in winning at least a short term reprieve: a federal judge put a block on the order just before it was due to come into effect, following a suit from the National Council of Nonprofits, and then in a further surprise twist, Trump issued a new memo saying that the original order had been rescinded. We shouldn't assume for a second that this means the threat has gone away, though, as the White House Press Secretary was clear that the administration had no intention of backing down in its "fight against waste", so nonprofits will need to keep on their toes for whatever comes next.

The freeze on federal grant funding would have been cataclysmic by itself, but it came only days after news that the US State Department

had issued a memo declaring an immediate 90-day in almost all foreign development assistance, which had already caused immediate and understandable uproar; not just in the US nonprofit sector but in many other countries around the world where USAID (the US's international aid agency) is a major funder of key programmes and organisations. The State department memo said that the purpose of the pause was to allow a review into "efficiencies and alignment with policy aims", which echoes remarks made previously by Secretary of State Marco Rubio, who has argued that the US should only give money abroad if it makes America "stronger", "safer" or "more prosperous". As many pointed out, however, there will be a significant human cost to this decision, because many vital projects around the world rely on USAID funding, and lives will almost certainly be lost as a result. (Indeed a sobering BBC report told of the impact Trump's aid pause is already having on refugee camps and medical programs in some of the poorest part of the world).

And just in case we all thought this wasn't already cruel and inhumane enough, and that at least existing funding could continue (even if new funding had to be paused), Trump issued a further memo clarifying that the "stop-work" directive applies to existing funding too, and that USAID employees who ignore this order and have the temerity to go on helping people and demonstrating compassion and basic humanity, will face disciplinary action. (For the avoidance of doubt that last sentence should be read in a tone that is both sarcastic and extremely angry). In what I guess passes for good news in this context, Marco Rubio has also since issued a memo adding to the list of programs that are exempted, so that now "humanitarian programs that provide life-saving medicine, medical services, food, shelter and subsistence assistance" will not necessarily have their funding frozen. Which I think might make Rubio history's greatest philanthropist...? (Again: sarcasm & anger).

The third piece of bad news for nonprofits and civil society came in the form of another new executive order ostensibly "ending illegal discrimination and restoring merit-based opportunity", but which was in reality a direct attack on the Diversity, Equity and Inclusion initiatives that have become such a lightning rod for the anger of the US political right in recent years. The focus of Trumpian ire is undoubtedly going to be DEI programs within government agencies, but as the *Chronicle of*

Philanthropy reported, non-profits that have government contracts, as well as higher education institutions and foundations with assets over \$500 million dollars could all find themselves under investigation too.

This is obviously a matter of deep concern, but is probably less of a surprise given the longstanding MAGA antipathy to DEI and the concerted attacks on the Fearless Fund in the last 18 months (as covered in previous editions of the newsletter), in which conservative activists tried to challenge the very idea of providing targeted assistance to marginalised groups. Anyone who kept up with that story will also not have been particularly surprised to see Trump trying to co-opt the language and ideals of the civil rights movement to justify his attacks on

DEI, as this was a big part of the legal challenge to the Fearless Fund.

round.

Although that doesn't make it any less crass and objectionable this time

The final new challenge for philanthropy and civil society (well, almost certainly not the final one by any means, but the last one we are going to cover for now), came with the announcement that Trump is once again going to withdraw the US from the Paris Climate Agreement. In this instance there was an immediate philanthropic response, with Michael Bloomberg announcing that his foundation (along with others) would be stepping in to help cover the cost of the US's contributions towards U.N. work on climate (as, indeed, they did between 2017 and 2020, during the last Trump administration).

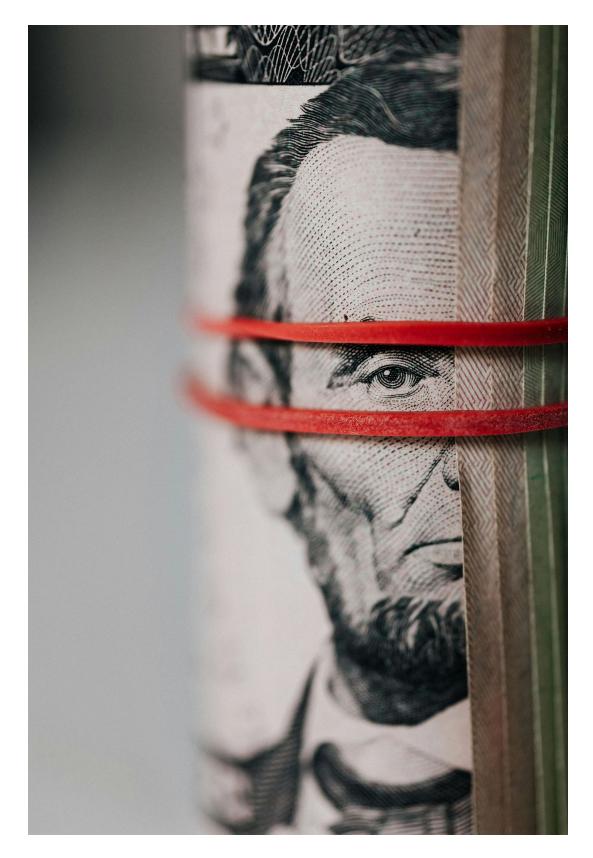
As I have already said, this is just within the first few weeks of Trump v 2.0, so there is no doubt at all that there will be further challenges for US philanthropy and civil society in the months and years to come. But it is clear that some major questions of strategy and tactics will need to be decided by donors and nonprofits pretty quickly. Should they step in to cover gaps left by the withdrawal of government funding, for instance, or does that bring with it a risk of vindicating the government's policy decisions or at least making it easier for them to downplay the negative consequences? Or is the practical reality simply that if the funding is needed to keep organisations afloat and potentially save lives, there is a moral compunction to provide it (even if it will never be enough to compensate for lost state funding)?

Similarly, if the government is displaying clear antipathy to certain cause areas ways of working, should nonprofits working in those areas or using those approaches adjust what they are doing in the hope of avoiding censure (which might imperil their work)? Or should they lean into it, and prepare themselves for the reality of a much more oppositional role in which they (and their staff) may find themselves under constant attack? Is there any danger that in doing so, they might add further fuel to the fire of critics within the new administration (such as Vice President J.D. Vance), who already claim that foundations and non-profits are acting antidemocratically to push "progressive agendas", and want to curb their freedoms even further? Or can nonprofits successfully mobilise public support on their side in the face of attacks by the Trump administration?

There are clearly no easy answers here, and it would be easy to feel overwhelmed by the scale of some of the challenges. But as many US nonprofit and civil society leaders have already pointed out, it is at times like these that the work matters the most, so the task is to stick to your values and principles and to find ways to get on with what needs doing, in the hope of making the present less bad than it otherwise might be and at the same time shaping a better future.

It's DAF-initely political...

An article earlier this month in Fast Company about the rise in funding for political causes via Donor Advised Funds (DAFs) was a timely reminder that whilst some philanthropists and funders might find themselves on the receiving end of Trump's new policies, there are others who will be rejoicing and celebrating their role in having paved the way for those policies in the first place. As the article makes clear, DAFs have become a popular tool for donors on both the right and the left of the political spectrum to direct money towards think tanks, grassroots campaigning organisations and (increasingly) legal challenges and test cases.



It is easy to think this is a straightforward cautionary tale about the influence of philanthropic "dark money", and DAFs certainly do raise concerns about their ability to obfuscate and to reduce levels of transparency. However, we do also have to make sure we aren't falling into the classic trap that so many fall into when considering this issue:

seeing donations to causes we disagree with as an antidemocratic menace that needs to be stamped out, whilst lauding donations that we do agree with as a vital part of the lifeblood of democracy, and a potential counterweight to the power of government or the "tyranny of the majority". David Callahan puts this point very well in his book *The Givers*, where he argues:

"When donors hold views we detest, we tend to see them as unfairly tilting policy debates with their money. Yet when we like their causes, we often view them as heroically stepping forward to level the playing field against powerful special interests or backward public majorities... These sort of a la carte reaction don't make a lot of sense. Really, the question should be whether we think it's okay overall for any philanthropists to have so much power to advance their own vision of a better society?"

The relevant thought experiment, to my mind, is always to take the worst possible example of currently lawful philanthropic support for a cause you don't like, and then ask yourself if allowing that is an acceptable price to pay for the causes you *do* like to get support. And if you perform that thought experiment properly, the answer almost certainly won't be straightforward.

The interesting thing about concerns over DAFs, and wider calls for reform of philanthropy more generally, is that increasingly they are coming from both sides of the political spectrum, as noted in an article in *Inside Philanthropy* this month. The antipathy that we have already noted Vice President J.D. Vance feels towards big foundations means that in an odd way he might end up having common cause with the progressive activists leading initiatives like the Donor Revolt for Charity Reform, even if they come at the issues from very different starting points. Whether those activists think this is a good thing because it gives them a potential opportunity to push through reforms, or whether the very fact that Vance agrees with them gives them reason to question their own positions, remains to be seen.

Giving in the fast lane?

There was an interesting story on CNBC this month about the tech entrepreneur Jeff Atwood – co-founder of the computer programming platform Stack Overflow – who has announced plans to give away half of the fortune he has newly acquired thanks to the \$1.8 billion sale of his company. That's great, I hear you say, but isn't that basically just what the Giving Pledge is already doing? Yes, but the difference in Atwood's case is the pace at which he plans to do it: rather than setting himself the goal of giving half of his money away by the time he dies, he has pledged to give it away *in the next 5 years*.



In doing so, Attwood is adding his name to the list of donors who are slowly chipping away at one of the core tenets of modern philanthropic dogma: that "giving away money is hard", and therefore it needs to be done slowly and carefully over a long period of time. As Ben Soskis highlighted in a piece for the *Chronicle of Philanthropy* a little while ago, this is an idea that goes back at least as far as Andrew Carnegie, and we have heard it enthusiastically echoed by Jeff Bezos, among others. Interestingly, one of the people who has done most to challenge this received wisdom in recent years is Bezos's ex-wife Mackenzie Scott, whose pace of giving (\$19.2 billion since 2019) suggests that if you are willing to adopt a suitably unrestricted approach to philanthropy then perhaps giving a lot of money away quite quickly need not be that difficult after all. (For more on the various ways in which Scott is challenging philanthropic orthodoxy, see this WPM article).

A Match Made in Heaven (or Westminster?)

It was reported in *Third Sector* this month that a group of UK charity infrastructure and membership organisations has written to the Chancellor of the Exchequer, Rachel Reeves, with a series of proposed low-cost measures that could boost support for the voluntary sector, including a call to provide match funding for places or causes that are

crucial to the Labour Government's "five missions". (Those missions being: kickstarting economic growth, making Britain a clean energy superpower, taking back our streets, breaking down barriers to opportunity, and building an NHS fit for the future).



It is good to see concerted efforts being made to keep support for civil society on the government's radar, and judging from all the LinkedIn posts I see from various colleagues in the sector pictured coming out of roundtable meetings in Downing Street, it seems as though there is a decent level of engagement right now, so fingers crossed this will lead to new policy measures that result in a real boost in support for charities. In the past I have always been slightly wary of proposals to target tax relief on donations by cause area or geography, or to align it with government priorities, as I worry that this reflects a misunderstanding of the fundamental nature of that tax relief and may represent a slippery slope if future governments then feel free to see it is a tool to direct towards their own pet projects or interests. (For more on the question of tax relief on donations, check out this recent episode of the <u>Philanthropisms podcast</u>). However, direct match funding is a different kettle of fish in my book, and using that to encourage (albeit not force) more activity in areas that align with government priorities seems like a sensible and pragmatic move, so it would be great to see Labour take this idea forward.

All the news that's fit to fund?

There were a couple of noteworthy stories this month about philanthropic funding for journalism. This is a topic I have long been interested in (as regular readers will know), and these stories caught my eye in particular because they were about sizeable gifts to legacy/mainstream news outlets, rather than gifts to smaller or more niche nonprofit news organisations. The *FT* reported that the UK's Independent Media Group (publisher of the *i paper* and the online Independent) has been given more than \$700k by the Gates Foundation to fund journalism in "under-reported parts of the world" over the next 18 months. Meanwhile, fundraising.co.uk reported that Twitter founder Jack Dorsey's philanthropic initiative #StartSmall has donated \$750K to BBC Media Action, the UK public broadcaster's charity through which it works with independent media and journalists around the world to support them with the skills and resources they need to report on issues that otherwise might get little or no coverage.



In the context of increased interest over the last few years in philanthropy's potential role in supporting quality, independent journalism, it is interesting to see two funders take a similar decision that the best way to fund is via big name traditional media organisations, in the hope of getting money to where it is needed on the ground. Whether those working in the nonprofit journalism field will feel this is a good thing, or a missed opportunity I don't know – and I would be really interested to hear any views. It is also worth saying that whilst gifts of \$700K are not to be sniffed at (and again, if anyone has a strong urge to give a gift of this size to support quizzical ponderings about philanthropy, do feel free to slide into my DMs...), there is clearly a lot more scope for philanthropic funding of journalism. And, given the likely trajectory of the next 4 years of Trumpian political chaos, misinformation and disinformation, a pretty strong case for getting on with it now.

WHAT WE'VE BEEN UP TO

This is the section where I update you on what we have been doing at Why Philanthropy Matters over the last month or so

Blueprint 2025 event with Lucy Bernholz

On 29th Jan 2025 I teamed up with renowned society scholar Lucy Bernholz from the Stanford Center on Philanthropy and Civil Society (Stanford PACS), for what was probably technically the first ever official Why Philanthropy Matters online event. This was part of a series of "keeping the conversation going" events to support the publication of the 16th annual edition of the *Blueprint* series, and the focus of this one was the idea of "blurring boundaries" between civil society, the private sector, technology and politics.



Watch the recording

The Philanthropisms podcast:

The Philanthropisms podcast returned this month after a short break over the festive period with two great new episodes. First up we had the 8th in our partnership series with ERNOP, featuring mini-interviews with academics whose work has been featured in the latest release of ERNOP Research Notes. And secondly we had a conversation with political scientist Daniel Stid about philanthropy, pluralism and democracy.



Philanthropisms

ERNOP: Connecting Philanthropy Academia & Practice #8





Philanthropisms · Episode

Daniel Stid: Philanthropy, Pluralism & Democracy



Listen to the ERNOP episode

Listen to the episode with Daniel

ICAEW Charity Conference

I took part in an interesting panel discussion on "reframing overheads" as part of the Institute of Chartered Accountants in England and Wales (ICAEW) annual Charity Conference this month, alongside Lisa Allan from the Pay What It Takes Charity Consortium in Australia, and Naziar Hashemi from Crowe UK (and chaired by PwC partner Daniel Chan). I think anyone who registered for the conference is able to access a recording, but I don't yet know if there are any plans to release it more widely at any point.

Inside Philanthropy article

It was great to give some comment this month for an article in *Inside Philanthropy* (which is very much one of my favourite sources of philanthropy news and insight). The focus of the article was the fact that Michael and Susan Dell have put more than \$5bn into their foundation since 2023, and I was offering some thoughts on how we should understand the wider phenomenon of various eye-wateringly large top-up donations being made to US foundations recently, with surprisingly little fanfare.

Read the article (\$)

UPCOMING EVENTS



The Future of Giving: Al's Role in Generosity

SPONSORED

Presented by Fred Kaynor, Managing Director, DAFgiving360; Rhodri Davies, Research Fellow at the Centre for Philanthropy, University of Kent, and Shelly Kurtz, Professor of Innovation Management, Pacific Lutheran University

Moderated by Aaron Bady
Date Wednesday, February 26, 2025
Time 11 a.m.-12 p.m. PT / 2-3 p.m. ET

On 26th Feb, I will be taking part in a panel on AI and philanthropy for Stanford Social Innovation Review (in partnership with DAFgiving360)

Sign up for free here

OTHER GOOD STUFF

This is the bit where I share other philanthropy-related things I have come across this month that might not quite count as news but are definitely worth checking out.

Blueprint 2025:

One of the best parts of the end of year for philanthropy nerds is the <u>publication of philanthropy and digital civil society expert Lucy</u>

<u>Bernholz's annual Blueprint report</u>, which track trends and offer thoughts on what to look out for in the year ahead. This year, for various reasons, marks the end of the report in its current form – so alongside the many interesting insights on what is going on in tech and civil society, there is a call to think about how the spirit and aims of the Blueprint can be carried on in future years. I have so far been doing my small part by hosting one of the "keeping prior conversations going" events (as detailed above), but I would encourage others to think about how they could pick up the baton and help to build on the legacy of the Blueprint over the last 16 years too. Let's make it so.



Johnson Center 11 philanthropy trends:

The *other* exciting end of year thing for philanthropy nerds in recent times has been the publication of the "11 trends in philanthropy" blog by The Dorothy A. Johnson Center for Philanthropy at Grand Valley State University. As someone who does my own annual attempt to track trends and offer predictions (which you can listen to here), I always really appreciate the ideas and food for thought in these blogs. (I also heartily approve of the decision to go with 11 items in the list – like a classic Buzzfeed listicle circa 2014).



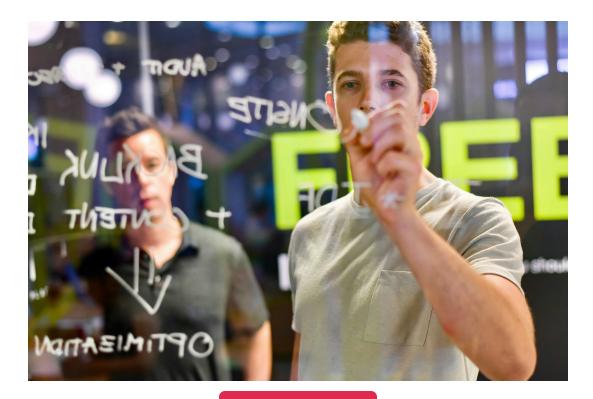
Read the blog

Moral Optimization: a flawed ambition?

One of the best things I read this month was an article by Sigal Samuel in Vox, arguing that "you can't optimize your way to being a good person". She takes as her starting point her own disillusionment with Effective Altruism's demands that giving be made entirely rational and optimal, but then goes on to explore the long history of the idea that moral choices should be made "better", and how it has instantiated at various points, before bring it right up to date with some thoughts on how we should think about these questions in the current context of datafication and Al. Including great nuggets like this:

"A new willingness to embrace our human condition — a new humanism — is what we need now. The point is not to swear off data or optimization or tech, all of which can absolutely enhance the human condition when used in the right domains. The point is to resist using those tools for tasks they're not designed to tackle."

A must read.



Read the article

Taking on Philanthropy's Toughest Critiques:

My University of Kent <u>colleague Prof Beth Breeze was a guest this month</u> on the excellent <u>Giving Done Right</u> podcast from the Center for Effective <u>Philanthropy</u>, hosted by Phil Buchanan and Grace Chang Nicolette, to talk about her book "In Defence of Philanthropy" and why some of the criticisms of philanthropy in recent years might be overblown or misguided.



Listen to the episode

Think tank funding in the UK

A blog from the Good Law Project this month detailed the findings of research they have done which shows the extent of funding for think tanks in the UK coming from charitable sources. (None of which was particularly new, it has to be said, but seeing it synthesised is useful). Think tanks remain a contentious issue in debates about the relationship between charities and politics in this country: many think tanks have charitable status themselves, or maintain charitable arms that are able to take donations in order to benefit from tax breaks, but critics point out that they are notoriously lacking in transparency about where funding comes from. At the same time, these think tanks continually test the boundaries of what constitutes "political activity"

rather than "partisanship", and many of them take advantage of the fact that the charitable purpose of "advancement of education" allows for a large amount of grey area.

In recent years there have been particular concerns that right-wing think tanks have played a leading role in efforts to bring US culture war narratives into the UK, which have led to an increasingly polarised environment for political debate. Given where things now stand in the US, it certainly seems sensible to be on guard against this threat. Even if you wouldn't go as far as suggesting that think tanks should be stripped of their charitable status (which would admittedly be difficult and could potentially lead to the work of other charities being affected), there's certainly room for a whole lot more transparency in this space. (NB: for more on charities and politics in the UK check out this WPM article, and for more on philanthropy and culture wars, check out this one).



Image by Paul Farmer, CC BY-SA 2.0

Read the article

Charities are "swapping altruism for activism"

While we're on the subject of opaque right-wing think tanks, one of the worst things I read this week was an article in the *Spectator* by someone from the Legatum Prosperity Institute. Now, I realise that reading things in the Spectator and getting annoyed by them is like smashing your foot

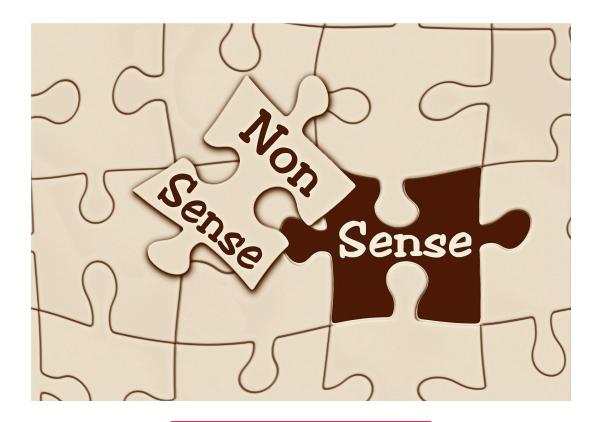
with a hammer and then complaining about having a sore toe, but I'm afraid I couldn't help myself getting drawn in by this one. To give you a sense of the tone, here's the opening paragraph:

"Charity no longer begins at home. It starts with a thunderous denunciation of western sins, promotes an excoriation of this country's past and then advocates the dismantling of white privilege – all paid for by you. Welcome to the charity industrial complex, the money-guzzling, taxpayer-subsidised assault on common sense that has turned the impulse to generous altruism into a licence for radical activism."

It's hard to know where to start with this kind of nonsense, but it is definitely worth pointing out at the very least the factual inaccuracy of the suggestion that charities and philanthropists engaging in activism is a new thing. For hundreds of years, people have recognised the need to address the underlying causes of societal problems as well as addressing their symptoms; in fact, when the word "philanthropy" reentered the English language in the late C17th/early C18th it was mostly applied to social reformers that we would nowadays view as "campaigners" or "activists". (As detailed in this WPM article).

It also takes some pretty impressive chutzpah for someone working for a thinktank that is funded by a not-especially-transparent charitable foundation (The Legatum Institute Foundation) to opine about "the money guzzling, taxpayer-subsidised charity-industrial complex". But I guess what he means is "the money guzzling, taxpayer-subsidised charity-industrial complex of organisations I don't happen to agree with". Which, again, is a common intellectual flaw in a lot of these arguments.

The use of terminology like "charity industrial complex" is in itself interesting, as this is a term that has very much arisen out of progressive critiques of philanthropy, so to see it being deployed here suggests that critics from the other end of the political spectrum are either making common cause, or have realised that the terminology has traction so they are willing to fling it around with wild abandon.



Read the article (if you must) (£)

Is Progressive Philanthropy to blame for the crisis in leftwing political organising?

Relevant to the discussions of political funding and philanthropy reform covered earlier in this newsletter, there was a fascinating article in *The Nation* this month from the political strategist Nina Luo, asking whether the failures of left-wing organizing in the US in recent times are partly the fault of progressive philanthropy. Her argument is that progressive funders lack a coherent strategy about what is needed at a macro level to drive social change, so each of them works in isolation on their own little bit of the puzzle and often ends up doing more harm than good by funding the wrong things or funding in ways that divert efforts away from where they would have the greatest impact.

As Luo writes:

"I've seen organizations prop up out-of-touch leaders, losing issues or bills for years because they're funded to do so; duplicative coalitions that fight with each other for the same reason; organizations forced to, for the worse, reshape 501c4 (electioneering) work into 501c3 (non-election-related) work;

organizations unable to take on ambitious or experimental projects because they're too overwhelmed working on existing but ineffective funded projects; and zombie "base-building" organizations that should have sunsetted decades ago continue to lumber along without purpose. For each of these problems, there is a funder directive behind it: The funder is narrowly invested in a siloed issue or bill; the funder wants to donate c3 money and not c4 money for tax reasons; the funder can't tell which organization or coalition is best positioned to take on a project, so it funds competing or even contradictory efforts; the "zombie" organization's founder is a funder darling even though everyone on the ground knows that the organization doesn't do what it says it does anymore."

Luo is fairly unflinching in her diagnosis of the failings of progressive philanthropy and left organizing, which she also compares to the notable successes that right-wing funders in the US have enjoyed over the last few decades. By funding a loose network of think tanks, academics and grassroots conservative groups, and doing so with a broadly coherent overall vision and a high degree of flexibility, these right-wing funders have managed to fundamentally shift the goalposts on many key economic and social issues. As Luo points out, it isn't as simple as saying that the left should just copy this approach, as that would work for a variety of reasons. (That being said, there are undoubtedly lessons that could be learned). But she does offer some thoughts on whether left-wing organisers could take a different approach of trying to build broad-based support from everyday donors, and what that might mean for philanthropy.

Interesting stuff.



Read the article

Companies encouraged to give 100% of profits to charity

There was a report from Associated Press this month about a new <u>initiative to encourage companies to give 100% of their profits to charity.</u> The initiative, known as 100% For Purpose, has been launched by the Newman's Own Foundation to celebrate what would have been their founder, actor Paul Newman's, 100th birthday. Newman's Own itself has long been an oddity within the US philanthropy landscape, since the foundation is the majority owner of the company that bears the same name. This used to be fairly common in the US – in fact, it was so widespread that fears about people taking advantage of the ability to give away corporate shares to their own nonprofit and still retain control of the company led to new rules in the 1969 Tax Act which prevented a nonprofit from owning more than a 20% shareholding in any one company. Newman's Own long argued that its situation was different, because the company has always given 100% of profits back to the foundation anyway, and in 2018 an exemption was introduced into the law to account for this specific kind of case. (For more on this, and how

the idea of nonprofit ownership of companies is making a comeback, see this WPM article).

The idea behind this new initiative is to encourage other companies to follow suit in adopting a model where 100% of their profits go to charity, and it already has at least one additional signatory in the shape of the Australian events booking company Humanitix.



Read the article

Guidance on using AI in funding applications

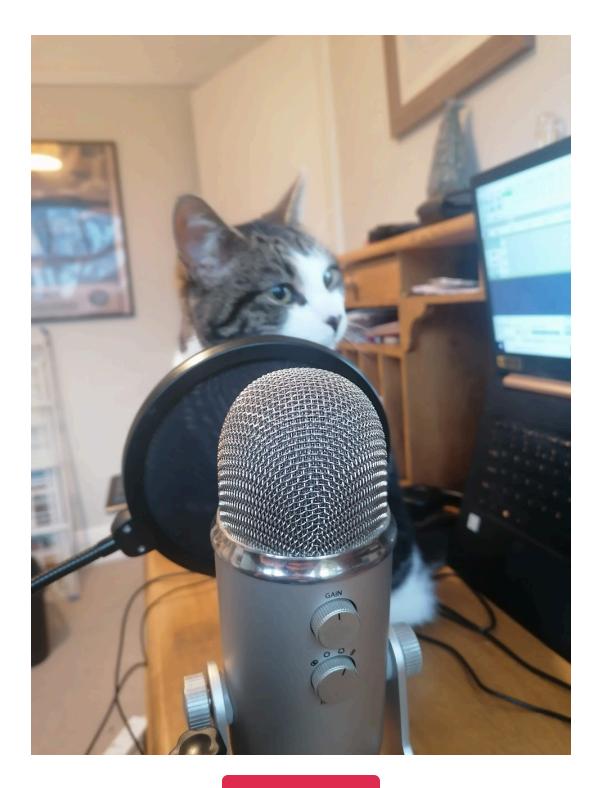
One of the main practical questions on the minds of many grant-seeking organisations when it comes to AI is understandably "can I use this tool to write more and better grant applications?" And one of the main questions for the grantmakers on the other side of the relationship has therefore been "can we tell if people are using AI, and if so what should we do about it?" It was encouraging, therefore, to see a major UK grantmaker, the National Lottery Community Fund, issue some clear and helpful guidance on this topic. The guidance makes it clear that it is OK to use AI tools when making grants to NLCF, but that people need to be aware of the risks in terms of incorrect information, bias etc and that they need to be clear and open about how AI tools have been used. This seems to me like a very pragmatic approach, given that the genie is

pretty much out of the bottle now, so it feels a bit unrealistic to tell people they simply can't use AI (as some of them almost certainly still would, but they'd just try to hide it).

Read the guidance

Dr Doolittle, but with AI?

At the other end of the practical/speculative spectrum when it comes to philanthropy and AI, there was an eye-catching article in the *Independent* this month about a nonprofit lab – The Earth Species Project – that is reportedly attracting funding from some big name donors (including LinkedIn co-founder Reid Hoffman), for its work using AI to try to decode animal languages. Apart from the inherent interest many people might have in being able to converse with other species (although tbh, my cats don't really seem to have any problem making their wishes and feeling known already...), the hope is that the project might also help to foster greater appreciation of the interconnectedness of our planet in the face of climate change. Which seems like a good thing to me.



Read the article

The responsibilities of wealth: Carnegie edition

There was a good piece in *The Conversation* this month from Tobias Jung from the University of St Andrews, arguing that as it becomes increasingly apparent that we are in the midst of a new "Gilded Age", complete with "Robber Barons" in the form of today's tech moguls, there

is a lot that these billionaires could learn from Andrew Carnegie and some of his contemporaries when it comes to recognising the responsibility to give back that comes with great wealth. As Tobias points out, Carnegie himself was far from perfect, and came in for plenty of criticism during his lifetime, but there is not doubting that he gave a vast amount and did a lot of good in the process. And that is currently more than can be said for many of today's tech elite.



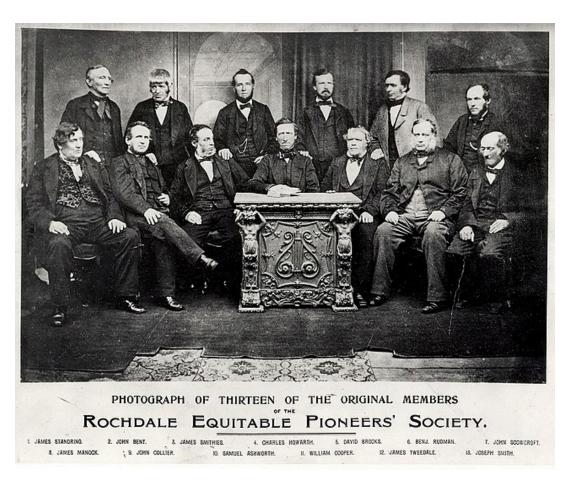
Read the article

The responsibilities of wealth: Rochdale edition

I spied a piece in the *Manchester Evening News* this month highlighting the story of <u>millionaire from Rochdale, Richard Hagan, who has joined</u> the Patriotic Millionaires movement and is calling for higher taxes on <u>wealthy people like himself</u>. Explaining his decision, Hagan said:

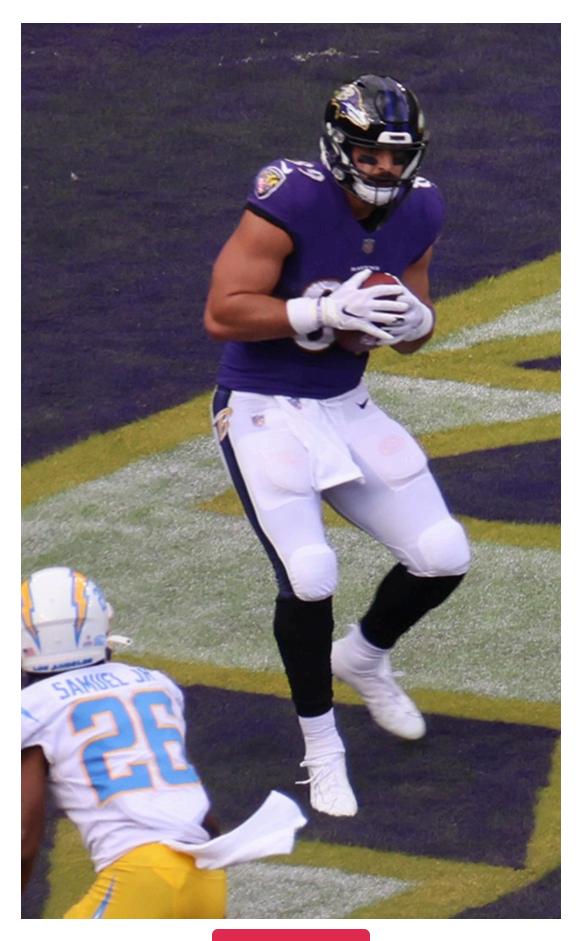
"It should not be up to millionaires to determine how much tax they feel like paying, we should all be mandated to pay our fair share. After all, tax is not philanthropy, nor is it voluntary - it is the backbone of a decent society and millionaires should be paying far more than they're currently asked to."

This story, and the sentiment he expresses, will be familiar to anyone who has read other coverage of Patriotic Millionaires – but it is good to see more coverage of this kind of thing, and I especially liked the nod to Rochdale's history as the birthplace of the co-operative movement. (And I say that as the proud owner of a graphic novel all about the Rochdale Pioneers...)



AND FINALLY 1: Sports fans in being nice to opponent shocker

There was a great story this month in the *New York Times* about the response of NFL fans to a match-losing dropped catch by the Baltimore Ravens receiver Mark Andrews in their playoff game against the Buffalo Bills. Andrew's dropped the catch in the end zone in the last seconds of the game, which resulted in the Ravens failing to score a touchdown that would have given them the win and kept their season alive. Unsurprisingly, a lot of Ravens fans took this pretty badly; but more surprisingly a couple of Bills fans felt so bad for Andrews that they decided to start a fundraising campaign in his name. Andrews has Type 1 Diabetes, and has to prick his finger 30 times per game to check his blood sugar level. Knowing this, the Bills fans launched a fundraising drive for a Diabetes research and advocacy nonprofit that Andrews has previously supported, and managed to raise over \$120,000 in only a few days (well above their original goal of \$5,000).

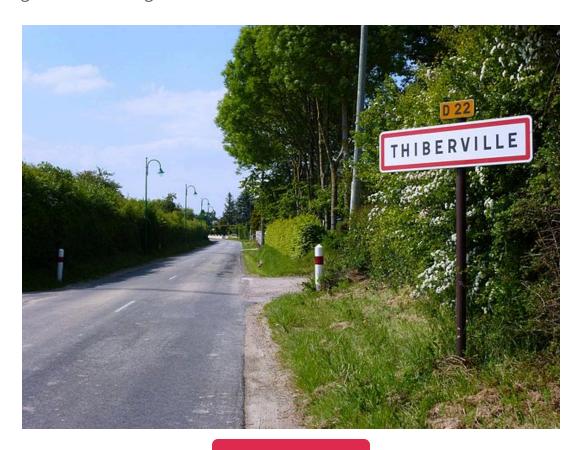


Read the article

AND FINALLY 2: What's in a name?

There was another great story this month in the *Guardian*, about the small French town of Thiberville, which received a surprise gift of EUR 10 million from a Parisian man who was named after the town. The man in question, Roger Thiberville, had never actually been to the town that was his namesake, but when he died last year at the age of 91 it transpired that he had decided to leave his entire fortune as a gift to the town. The town's mayor and residents were clearly delighted, as the donation represents five times the town's entire annual budget, but have promised to use the money prudently and sensibly and are planning to pay off a bank loan that they had taken out to build a new primary school.

Given that the usual stories we hear are about donors having things names after them, I really enjoyed the inversion of a donor choosing to give to something because he was named after it!



Read the article

AND FINALLY 3: Musk's worst crime?

I'm not sure it really qualifies as philanthropy news (except insofar as he is the richest person in the world and should be giving a lot more away), but I couldn't resist including another story from this month that gives a window into quite what a gigantic man-child Elon Musk appears to be. In addition to his many, many other character flaws and objectionable acts, it has now been alleged by some high-profile members of the gamin community that Musk's claims to be a "world class player" of various games including *Path of Exile 2* and *Elden Ring* are fraudulent. Suspicions arose after Musk livestreamed himself playing *Path of Exile 2* and it was clear to seasoned gamers that he was - how can I put this? – a bit rubbish at it. Subsequently further allegations were made that Musk has paid other gamers to play on his accounts in order to boost his scores and strengthen his characters.

This is obviously an absolutely pathetic story, but it does probably provide some insight into who Elon Musk is as a person. And it also seems to have finally soured the opinions of some of his hardcore online fans in the gaming community (who were apparently fine with all of the other stuff, but cheating at games is a Step Too Far...)



Well, that was all a bit extra, wasn't it? Quite a lot to take in for January, so I think I'll leave it there and bid you *au revoir* until February.

Best,

Rhodri



Why Philanthropy Matters Haskell House 152 West End Lane, London United Kingdom



You received this email because you signed up on our website or made a purchase from us.

<u>Unsubscribe</u>

