

# Why Philanthropy Matters

## Welcome to the May 2023 Newsletter!

Hello there philanthropoids,

Hope everyone is well?

I have just returned from a half-term break to visit family to the dawning realisation that I may have taken on too many things over the coming months, and I am currently trying not to let the looming series of deadlines for articles, speaking gigs, podcast etc in my calendar overwhelm me to the point where I just curl up in a ball under my desk. So if you are feeling similarly stretched or stressed – solidarity. We can do this.

To add to the fun, the newsletter crossed the 500 subscribers count this month - which is obviously brilliant, but also meant that I was suddenly made subject to Mailchimp's punitive pricing policies. Hence I have shifted to a new platform (it turns out there is pretty good reason to boycott Mailchimp anyway, so maybe it's for the best...). Hopefully this won't make any difference to you, but please do excuse any glitches while I adapt.

As with the last newsletter, the balance for this one is heavier on interesting miscellanea than on straightforward news, but we have some top quality nuggets and gemstones that we have hewn from the living rock of the philanthropy landscape for your consideration, as well

as updates on what we have been doing here at WPM. So hope you enjoy!

Best,

Rhodri

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## PHILANTHROPY IN THE NEWS

### **Sackler update: off the hook for getting people hooked?**

There was [an interesting development this month in the long-running saga surrounding everyone's favourite poster children for tainted donations, the Sackler family](#). An appeals court in the US ruled that the family are to receive full immunity from future civil lawsuits related to their role in creating the opioid epidemic that has ravaged the country in recent decades.

Counterintuitively, this is – in one sense at least – potentially good news for non-profits and for those they work with, since it removes one of the key barriers that had been preventing the implementation of previously-agreed settlement terms, which include the distribution of around \$750 million directly to the families of opioid victims and a further \$6 billion to fund programs that help combat and prevent opioid addiction.

Furthermore, as part of the settlement the Sacklers are to give up their shares in their family company, Purdue Pharma, which will be rebranded as Knoa and will now direct profits towards a fund to help treat addiction.



[Image by Geographer on Wikimedia Commons, CC BY-SA 3.0](#)

Some will undoubtedly feel uncomfortable at this ruling, because they feel that it falls short of delivering justice. Although large amounts of the Sacklers' money will now go to addressing the problems they helped to create, the nature of the settlement gives the impression that they are being allowed to escape punishment – which for many people is an important element of ensuring justice is done. Furthermore, although the payments to fund treatment and prevention have been mandated by a court (and thus should not be seen as philanthropy, since they are not voluntary), the reality is that a lot of that funding will still end up in the hands of non-profits, so in the eyes of the public it will probably still *look* like philanthropy, and therefore may add to a cynicism that the rich and the powerful are able to use their giving to buy absolution for their sins.

For more on the long history of “tainted donations” and the ethical issues they raise, check out [this episode of the Philanthropisms podcast](#).

## **Full Nelsons: a philanthropy dispute in New Zealand**

The issues of power dynamics between donors and recipients are often particularly keenly felt in the world of universities and higher education, where the desire of philanthropists to be “hands-on” and to dictate how money is spent can clash uncomfortably with principles of academic freedom. This was evident in [a recent story from New Zealand, about a philanthropic couple, Grant and Marilyn Nelson who have ended up in a dispute with the Institute for Governance and Policy Studies \(IGPS\) at Victoria University, Wellington.](#)

The Nelsons gave \$10 million to the IGPS to create an endowment back in 2012, but subsequently decided that they weren’t happy with the way the institute was using the money and have spent a number of years renegotiating a new funding agreement (fairly acrimoniously by the sounds of things).



VICTORIA UNIVERSITY OF  
**WELLINGTON**  
TE HERENGA WAKA

Two things struck me in particular about this story. The first is that there seems to be no suggestion that the IGPS mis-used the money or did anything untoward: the complaint from the donors is merely that although the institute was technically working within the right area as

agreed in the original funding document, they failed to meet the donors' desire for a particular focus on research into political party donations and lobbying. The donors themselves admit that "we didn't specify what sort of work they actually had to do... they were free to decide whatever they wanted to do", but maintain that "the work had to be about lobbying and party political donations" and clearly didn't feel that the IGPS's work met the required remit. The IGPS, for its part, argues that this stipulation was never explicit in the original funding document, and that they had complied with the terms of the agreement.

The interesting thing about this from a wider philanthropy perspective is that it offers a warning about what can go wrong when funders use overly-broad or non-specific funding agreements *despite having specific aims or outcomes in mind*. At a time when there is more and more focus on shifting to a default of unrestricted or core cost funding this is a salutary lesson.

The other thing that struck me about this story is that it seemed like an interesting inversion of many of the standard tropes when it comes to concerns about philanthropists and academic freedom. The archetypal story always seems to be one in which a donor is trying to attach conditions to their funding which prevents universities and academics from engaging in work that is broadly progressive and may undermine the donor's own interests or result in them being criticised. However, in this particular case, the donors in question seem to be critical of the university for *not being progressive enough* (on the assumption that the cause of ensuring greater transparency in political donations is a progressive one, which seems reasonable to me). For those of a progressive bent who are sympathetic to the Nelsons aims, it might therefore be tempting to interpret this not as an example of unwarranted donor interference, but instead as an inspiring example of progressive funders being willing to challenge a (small "c") conservative institution. The danger here, of course, is that you end up falling into the trap of judging the legitimacy of a particular example of philanthropy not on an objective assessment of whether it meets criteria of being fair, democratic, socially positive etc, but merely on whether you happen to agree with it. And that is a difficult road to go down.

## Mo Money, Mo Problems?

There was an [interesting piece in the \*Chronicle of Philanthropy\* this month about a Ford Foundation programme know as “Build” which aims to help smaller non-profits to overcome some of the challenges that can come from having too much funding](#). Now, some of you may be wondering at this point if you read that right, since being overburdened with resources is pretty much the polar opposite of the situation that most non-profits face most of the time, but this can be a genuine problem. Particularly in this day and age, where the combination of emotive events and the ease of setting up online giving or crowdfunding campaigns is seeing more frequent examples of small, or sometimes entirely newly-formed, grassroots organisations receiving vast quantities of donations that they might not have the capacity to absorb easily.





I have long thought that there could be a symbiotic relationship between traditional funders and some of these new emergent organisations - where the former can lend the latter some of their carefully-developed institutional infrastructure, and in return can tap into the energy and enthusiasm they are able to draw upon from the people motivated to support them - so it is really encouraging to hear more about this work.

Of course, there is reason to be cautious too (as there always is). For one thing, as pointed out by Phil Buchanan from the Center for Effective Philanthropy in the article, we need to be careful not to perpetuate an

idea that non-profits are somehow *never* capable of accepting large gifts; when in reality many would be more than capable of doing so and adapting accordingly. (And would probably love to be faced with that particular problem tbh!) For another thing, there may be unintended consequences if, in trying to support grassroots organisations and help them develop, funders drive them to adopt formal structures and systems that are neither appropriate nor necessary, and thereby divert them away from the work they have been doing. Neither problem is unavoidable by any means, but we must take care to guard against them.

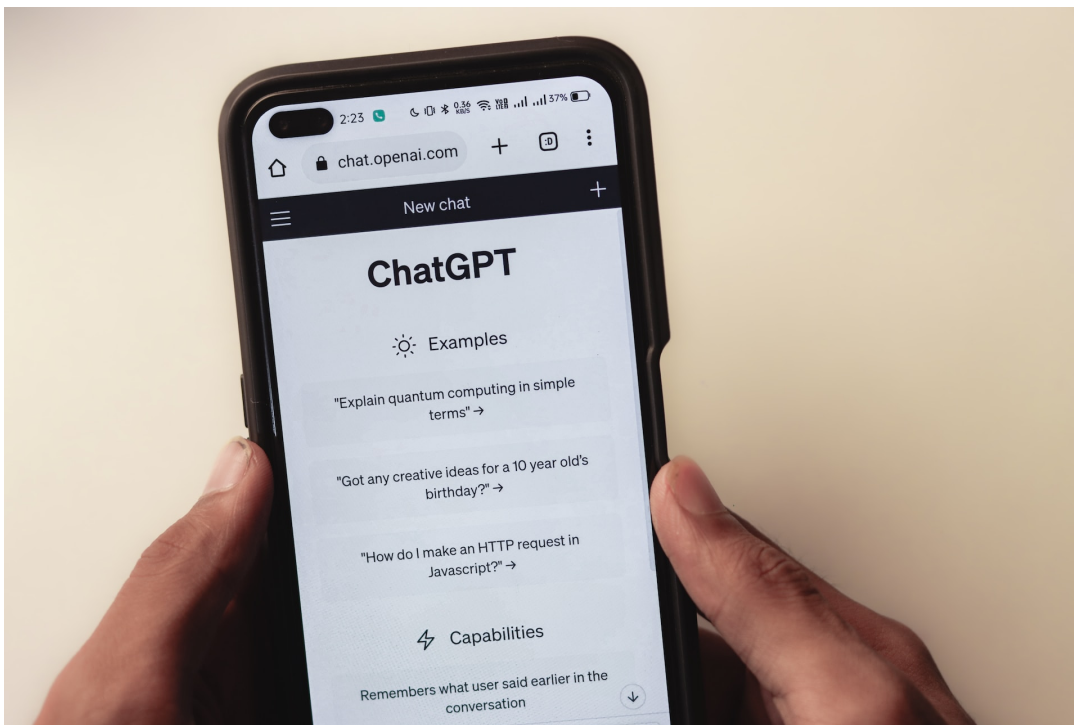
For a few more thoughts on crowdfunding and platform philanthropy, [check out this episode of the Philanthropisms podcast](#).

## **Machines of not-so-loving grace**

The clear winner of “most depressing non-profit news story I’ve read this month” was this [piece from Vice about an eating disorder non-profit in the US which decided to replace all of its human advice line operators with ChatGPT](#) (following their decision to form a union), only to find days before launch that the AI system was giving out advice that many experts agreed was totally contrary to best practice and may even result in further harm to those seeking help with their eating disorders.

There is a lot going on in this story. For one thing it centres around two issues that are (in my opinion) likely to become major challenges for many non-profit organisations in coming years: the unionisation of non-profit staff and the adverse consequences of AI. The non-profit in question here (the National Eating Disorder Association, or NEDA) does seem to have handled things particularly badly at pretty much every stage, but if one was being charitable one might also acknowledge that they are a relatively early frontrunner in having to dealing with these challenges and that they are unlikely to be the last non-profit that gets things horribly wrong. (Was that a defence? I’m not even sure tbh).





## Local News Organisations and charitable status

There was a [comment piece in the \*Press Gazette\* this month from George Brock of the Charitable Journalism Project \(CJP\), arguing that more should be done to make it easier for local news organisations to get charitable status](#). (And you want a tenuous segue from the previous story, I could point out that [Vice Media is reportedly on the brink of bankruptcy](#), so could presumably do with a bit of philanthropic support itself...)

The article acknowledges that charitable status is not a panacea, but argues that in an increasingly difficult commercial environment for local news it may offer an option for some organisations to bring in more revenue and make themselves sustainable. Unfortunately (in the UK, at least), there are still significant barriers to journalism organisations winning charitable status. To help overcome this, the CJP is encouraging any local news outlets that have considered applying for charitable status but have been discouraged to get in touch with them so that they can feed comments and insight to the Department for Digital, Culture, Media and Sport (DCMS) and the Charity Commission.



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## WHAT WE'VE BEEN UP TO

Here's a little update on what we have been up to at WPM over the last month.

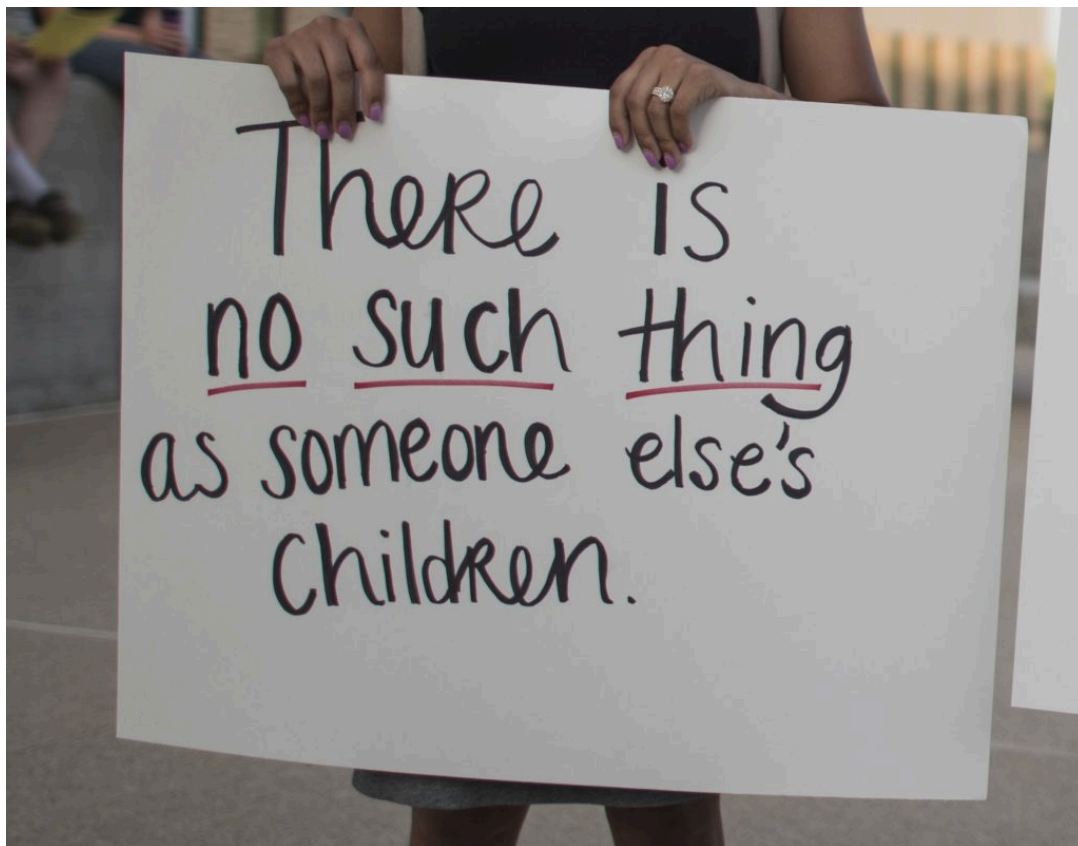
### **Our first guest article!**

In an exciting development, this month we had our first ever guest article on Why Philanthropy Matters. Lorena Gonzalez and Jes Olvera from the Young Center for Immigrant Children's Rights wrote a powerful piece about what it means to centre justice as philanthropic funder, and why it is so important for their work supporting immigrant communities to think in terms of solidarity, not charity.

I'm hoping this will be the first of many great guest articles, since one of the core aims of WPM is to provide a space for others (and not just me!) to try to put philanthropy in wider context and explore some of the big

questions that it poses. If you have an idea for an article and fancy becoming guest blogger #2 then do get in touch

[Rhodri@whyphilanthropymatters.com](mailto:Rhodri@whyphilanthropymatters.com)).



[Read the article](#)

### **Greater Giving Summit blog**

I mentioned in the last newsletter that I had just been over to Seattle to attend the Gates Foundation's Greater Giving Summit, and promised/threatened to write up some more detailed thoughts. Well, consider me a man of my word, as I did just that for this article on the website.



[Read the article](#)

## On the Philanthropisms podcast

This month on the philanthropisms podcast we had a break from interviews and took the opportunity for a couple of thematic deep dives instead.

We took a look at the long-standing relationship between philanthropy and music, inspired by the finals of the 2023 Eurovision being held in my adopted home city of Liverpool. (Although listeners will know that my prediction for the winner turned out to be inaccurate...)

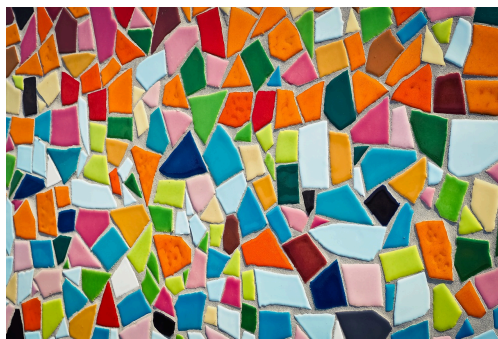
We also explored the thorny issue of pluralism in philanthropy – what the history of the idea is, why it has become such a hot topic of debate recently, and how philanthropic thinking and practice might need to change in future as a result.





## Philanthropy & Music

Listen



## Pluralism in Philanthropy

Listen

### Bonus podcast transcript

If you haven't yet listened to the [Philanthropisms podcast episode with Dr Ewan Kirk](#), or have already listened but would like to pore over it in more detail, then good news: the team at the Turner Kirk trust have very kindly gone and produced a transcript of the whole thing (which I always intend to do, but really don't have the capacity for, so I am very grateful to them!)

Read the transcript

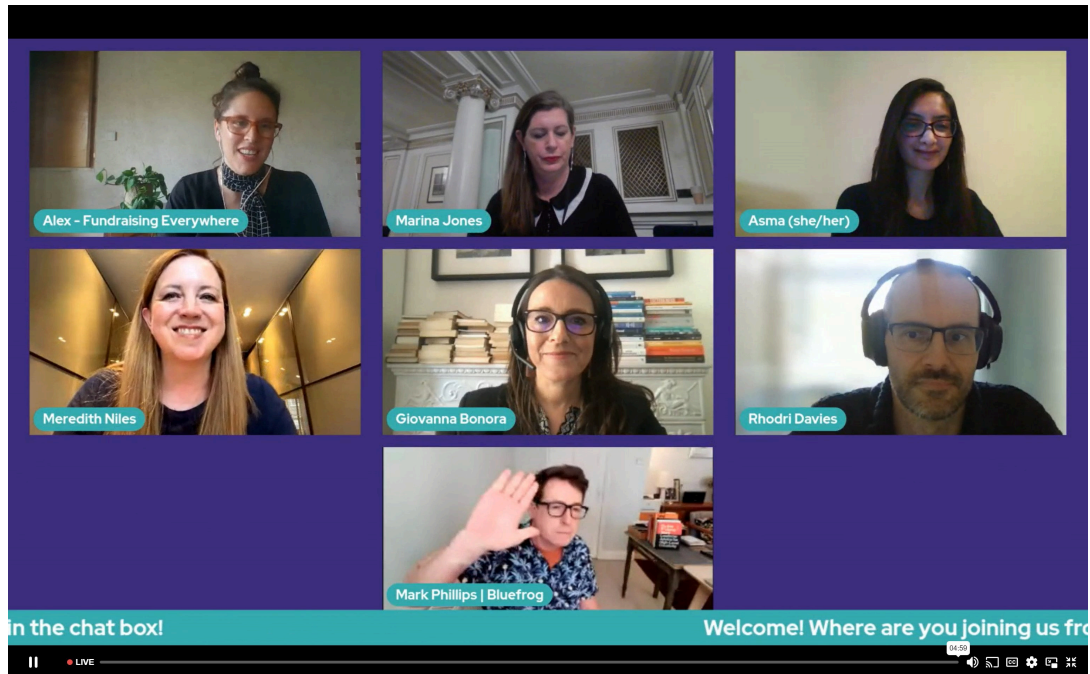
### Third Sector AI article

I gave some quotes that ended up being used in a column for *Third Sector* by Zoe Amar, about the potential impact of AI on charities.

Read the article (£)

### History of fundraising event

I had a great time this month taking part in a really interesting discussion about the history of fundraising organised by SOFII and Rogare, and hosted by Fundraising Everywhere. If you are interested, I think you can still watch the recording (for now at least).



[Watch the recording](#)

## Upcoming events

Just a few speaking gigs to alert you to this month, some of which you can sign up for and some of which you might be able to watch content from later (or I might do a write up if not).



## NPC AI event

On **14<sup>th</sup> June** at 4.30pm, I'm taking part in an event on "Ai in the charity sector" hosted by NPC AI event, which is free to attend

[Sign up](#)

## Carleton MPNL talk



On **19<sup>th</sup> June** I'm giving a guest talk for students on the Masters in Philanthropy & Nonprofit Leadership course at Carleton University in Canada (sadly only via Zoom rather than in person, but should still be fun...) Not sure if this one will be made available, but if not I'll update in a future newsletter on how it went.

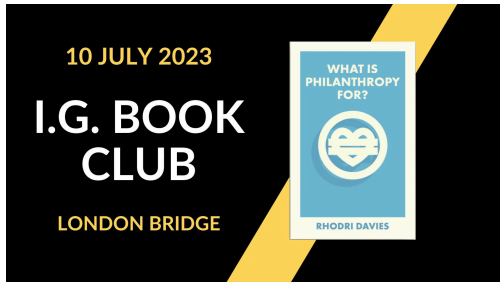
## Yorkshire Funders Annual Conference



On **21<sup>st</sup> June** I'm giving a keynote on "what is philanthropy for?" and also hosting a breakout on tech and philanthropy for the Yorkshire Funders Forum annual conference in Leeds. If you have an interest in grantmaking in the North of England, you can still sign up here I think.

[Sign up here](#)

# I.G. Book Club



Next month, on 10th July, I'll be in London IRL to chat about my new book. So if you fancy a philanthropy natter with some drinks & nibbles, come along!

Sign up

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## OTHER GOOD STUFF

### Charity, Symbolic Power & Abuse:

Jon Dean from Sheffield Hallam University, author of *The Good Glow* (which I thoroughly recommend reading) published a really important article this month in the *Nonprofit and Voluntary Sector Quarterly* exploring the role that ostentatious displays of charitable giving and fundraising played in burnishing the reputation of the former British TV personality and notorious sexual predator Jimmy Savile and thereby making it easier for him to carry on his sustained abuses over many years. An important if not necessarily easy read.

(Also grateful to Jon for mentioning in [this blog about the paper](#) the very small part I played in its genesis, thanks to the fact that he and I were delayed in San Diego airport on the way back from the 2019 ARNOVA conference and decided to spend the time very profitably and enjoyably sitting in a bar and having a long chat about all things philanthropy).

Read the article



## **Cultures of Generosity & Philanthropy within communities of colour:**

There was a great piece this month from Hali Lee, the co-founder of the Donors of Color Network and founder of the Asian Women Giving Circle, about different traditions of giving within immigrant communities and communities of colour. I heard Hali talk about some of this at the recent Greater Giving Summit, and learned a lot about giving and mutual aid traditions around the world that I hadn't heard of before (the Korean *geh*, the Mexican *tanda*, the West African *sou-sou* and more), so I thoroughly recommend checking this out.

[Read the article](#)

## **UK Foundation payout rate debate:**

This month Charles Keidan, the Editor of *Alliance* magazine (and [a former guest on the Philanthropisms podcast](#)), re-ignited the debate over whether UK charitable foundations should be subject to a US-style mandatory payout rate via a comment piece for *Civil Society*. This is a subject that tends to divide opinion quite strongly in the UK philanthropy world: some agree with Charles that a payout requirement is needed as part of efforts to cajole philanthropists and endowed grantmakers to distribute more money; others, however, argue that the UK context is significantly different to the US (we don't have a specific legal form for foundations, we have a dedicated charity regulator etc) and that there would be a danger than any payout rate we introduced with the intention of it being a minimum "floor" could instead become a maximum "ceiling" and actually result in less money being given out. (Though it should be said that the economic evidence I have seen suggests that idea is relatively shaky).

This is definitely not a debate that is going to get settled any time soon (particularly not in the foundation world, where things generally move at a pace that could reasonably be described as "unhurried"), but in the context of wider discussions of philanthropy reform it is an important one to pay attention to.

[Read the article](#)

## **Philanthropy and Justice:**

If you like substantive theoretical explorations of fundamental issues in philanthropy (and who doesn't eh?), then I can heartily recommend a recent paper I came across by the Australian legal scholar Matthew Harding, which analyses the various dimensions of the tension between philanthropy and justice and how these are reflected in charity law. I wouldn't describe it as a light read as such, but it is one of the most intellectually stimulating things I have read for a while so well worth the effort IMHO.

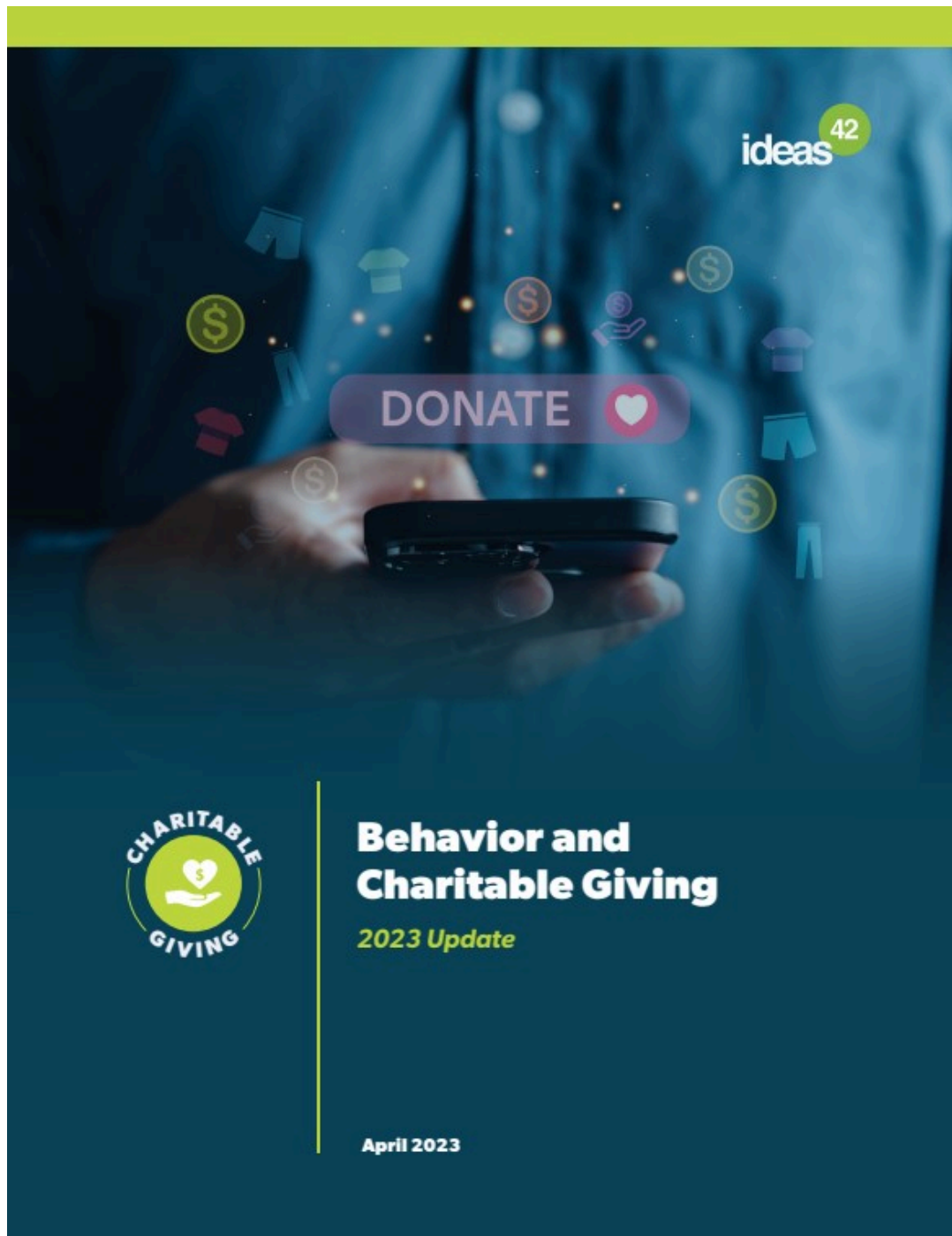


[Read the paper](#)

## **Behavioural research and giving:**

The non-profit research and consulting firm Ideas 42 has published a 2023 updated version of a really useful and accessible paper they have previously put out (with support from the Gates Foundation), which

provides a literature review of behavioural science studies about giving. Loads of good insights and anecdotal nuggets in here!



[Read the paper](#)

### **Donations and social media shares:**

There was an interesting article from the Kellogg School of Management at Northwestern University, summarising new research which shows

that getting donors to share information about the projects they are supporting (rather than details of their own donation) can be an effective way to harness the positive power of social information whilst avoiding the pitfalls of being seen as “virtue signalling” or bragging.

[Read the article](#)

### **And Finally...Bollywood philanthropy:**

For fans of celebrity philanthropy (and let's be honest, who doesn't love a bit of glamour), *Borgen* magazine had a good bit of fluff this month about the philanthropic exploits of various big name Bollywood stars. Definitely a good one for broadening your philanthropy pop cultural references if you aren't already across Bollywood (which I have to admit is a bit of a blind spot for me, although I thoroughly enjoyed watching the action epic *RRR* recently)



[Image by Meena Kadri, CC BY 2.0 license](#)

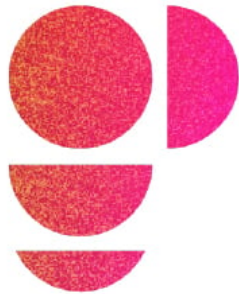
[Read the article](#)



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Well, that's all for this month. I'll be back at the end of June with some more dispatches from the philanthro-sphere, but until then adieu.

Rhodri



# Why Philanthropy Matters

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