

Welcome to the October 2023 Newsletter!

Hello Philanthropoids,

I hope you are all doing OK, after what I know has been a particularly difficult month. On top of the many other issues the world was already facing, the tragic situation in Israel and Palestine has brought a painful new set of challenges, with the ongoing loss of many thousands of lives and resultant anger and polarisation in communities around the world.

I'm sure that some of you reading this will have been affected personally, and that many others will work for organisations whose work has been affected, so I hope that you are able to find ways to navigate this turbulent time whilst recognising the importance of holding on to our shared humanity.

We'll take a brief look in this edition of the newsletter at how the conflict in Israel and Palestine is affecting philanthropy, and we'll also bring you news and insight about other things that have been going on in the wider philanthro-sphere, plus the usual update on what we have been up to at Why Philanthropy Matters.

Hope you enjoy, and as ever if you want to follow up on anything you have read, you can drop me an email at rhodri@whyphilanthropymatters.com.

PHILANTHROPY IN THE NEWS

The Israel-Palestine situation's effect on philanthropy

The situation in the Middle East right now is extremely complex and fast moving; thus one of the dangers in writing about is that anything you write goes out of date almost as soon as people get to read it. The other danger, of course, is that this conflict (perhaps more than any other) gives rise to strong feelings and highly polarised views, so saying anything can potentially make you susceptible to criticism. (And indeed not saying anything may be seen by some as a sin of omission, and thus bring criticism of its own).

The way in which the situation has so far affected philanthropy very much reflects these dynamics. Following a surge in donations to Israel in the immediate aftermath of the October 7th attacks by Hamas (as highlighted in this article in *The* Conversation), the debate about philanthropy's role has since moved on to focus more on what it is *failing to do* than on what it is doing. An <u>opinion piece in the Chronicle of Philanthropy</u> criticised secular philanthropic organisations in the US for <u>failing to speak up against a rising tide of anti-semitism</u>, whilst an <u>op-ed in Alliance magazine accused funders of going "missing in action"</u> for not being willing to take a stance on either the original Hamas attacks or on Israel's reprisals.

In some cases organisations have spoken up, and found that this immediately put them in conflict with donors who take issue with their stance. This has been a particular challenge for universities, and it was reported by CNN that both Harvard and the University of Pennsylvania have been threatened with the withdrawal of large philanthropic gifts by donors who feel as though the universities' statements on the Israel-Palestine situation, or their failure to deal appropriately with actions

taken by students, reflect an unacceptable bias towards the Palestinian point of view.

This is not just a problem for grantee organisations, either; some donors and funders have found themselves becoming targets of intense criticism for statements or actions that are perceived to demonstrate bias as well. The Ford Foundation, for instance, announced that it would be helping to fund humanitarian relief efforts in Palestine, and called on other philanthropists and funders to do likewise. This saw it accused of anti-semitism by the conservative Jewish *Tablet* magazine (which also tried to draw a conspiratorial and implausible link to the known antisemitism of original founder Henry Ford to back up its argument).

In such a febrile and polarised climate it is perhaps no surprise that many organisations and funders have been hesitant to say or do much (especially when they feel as though it is not directly relevant to them or their mission). However, as the situation goes on and the news out of the region gets increasingly dire, more funders and nonprofits will almost certainly have to speak up or act in order to avert an impending humanitarian catastrophe. We just have to hope that this can happen without philanthropy as a whole tearing apart at the seams.

Philanthropy, EA and AI

There were a couple of interesting news stories this week about the intersection of philanthropy, Al and politics, and in particular the growing influence of Effective Altruism in that Venn diagram. *Politico* had a piece about the way in which Open Philanthropy (the EA-adjacent philanthropy vehicle of Facebook co-founder Dustin Moskovitz and his wife Cari Tuna) has funded a network of "tech fellows" who now occupy positions in a number of key US Senate offices. The are two main concerns here. The first is the general one that allowing any single funder to exert this kind of apparent influence on the political system raises uncomfortable questions about whether big philanthropy is a problematically antidemocratic force. The second is that in the specific context of Al policy, Open Philanthropy may be contributing to a growing focus on addressing the longer term risks posed by

superintelligent artificial general intelligence (AGI), at the expense of focussing on more immediate challenges of AI (such as the dangers of algorithmic bias or the erosion of trust and authenticity online as a result of the use of deepfakes and other AI tools).





<u>Dustin Moskovitz at Web Summit in 2017</u>, by Web Summit <u>CC BY 2.0</u>, and <u>Cari Tuna at EA Global in 2016</u>, by the Center for Effective Altruism, <u>CC BY-SA 4.0</u>

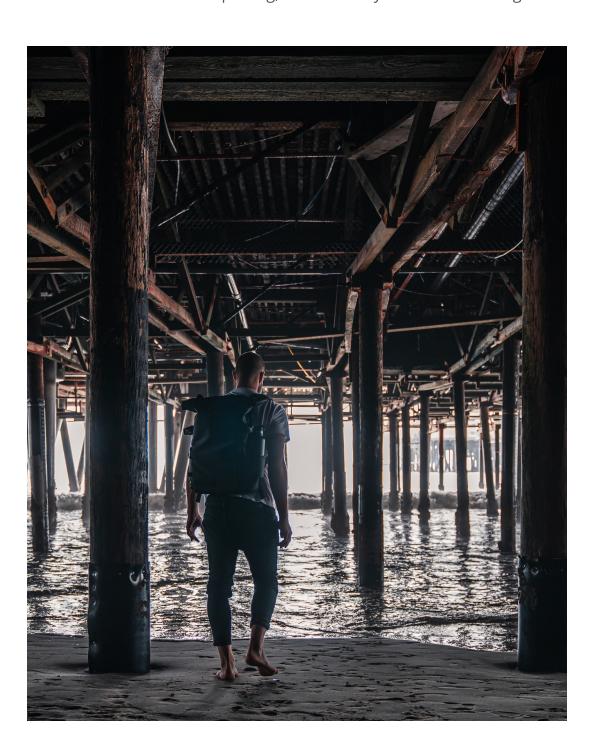
And just to reassure us all this this is not merely a US problem, *Byline Times* carried an article about the <u>links between the UK's new Al</u> <u>taskforce and the EA movement</u>. Admittedly some of this is a bit on the tenuous side, and certainly doesn't amount to a smoking gun for a conspiracy theory that positions EA as a sinister SPECTRE-like organisation bent on world domination, but it does also chime with things I have been hearing for a few years now about the disproportionate influence EA seems to wield in policy circles.

(For more thoughts on EA, you can check out this WPM article I wrote a little while ago asking "Why am I not an Effective Altruist?")

Attacking the Foundations?

There were a couple of interesting articles about philanthropic foundations this week, which both highlighted in different ways the fact that some quite challenging and fundamental questions are being asked about the foundation model and its ongoing relevance to the modern context for philanthropy.

The first one that caught my eye was the news that the Brooklyn Community Foundation in the US is ditching the word "foundation" as part of a rebrand, and will from now on be known as Brooklyn Org. The President of the organisation (or should I say "org"?), Jocelynne Rainey explained that the decision is meant to convey the idea that the organisation "serves the residents of Brooklyn and highlights the expertise of its people, instead of suggesting a "top-down" approach sometimes taken by grantmakers." She also specified that it was partly driven by a sense that the younger donors they are trying to engage find the word "foundation" off-putting, because they see as "controlling".



One of the first questions that came to my mind as a philanthropy history nerd (as it usually does) was whether this is a new phenomenon, or reflects themes that we have seen before. I'm undecided as yet on the answer to that question: it did occur to me that in the history of more radical foundations and grantmakers there are a decent number of examples of organisations that have shied away from the foundation terminology somewhat (e.g. The American Fund for Public Service (aka The Garland Fund), the Rosenwald Fund, the Stern Fund, the Haymarket People's Fund); and perhaps that was partly driven by a similar desire to get away from the top-down or controlling connotations of the word "foundation"? But then again, there are also plenty of radical funders that provide counterexamples to that idea (e.g. the Vanguard Foundation, The Field Foundation), so maybe it's a bit of a dead-end!

Looking ahead to the future, the more interesting question is whether Brooklyn Org is an outlier, or whether we will see other funders take a similar decision to move away from the foundation terminology? For some this may already be an appealing move from an ideological point of view, whilst for other it may prove to be more of a pragmatic choice (particularly if it is true that the next generation of donors view the word as a turn off).

The other thing it made me think is that we probably need to be a lot clearer about what we mean by a "foundation". A well-worn one-liner in the philanthropy world has it that "if you've seen one foundation.... then you've seen one foundation", and whilst this might be a slight exaggeration, it is still true that treating the word "foundation" as if it refers to some clearly-defined and homogenous field of activity is pretty far from reflecting the reality. Apart from anything else, if we look at this from a global perspective, it quickly becomes clear that foundations look very different and do very different things in different places around the world. To take just one example, in the UK there isn't in fact any such legal structure as a "foundation" (we have charitable trusts, but no additional designation that makes something a foundation), yet we still happily bandy the term about as if everyone clearly knows what it means. (And I will hold my hands up to being as guilty of that as the next philanthropoid). If we are all happy with fuzzy definitions and

"essentially contested concepts" (as the sociologists would have it), then maybe this isn't a big deal. But if we are going to get into an argument about abandoning the word "foundation", then we probably need to be clear about exactly what we are abandoning and why.

(For more on the language we use when talking about philanthropy, and why it matters, check out this WPM article from a few years back).

Rates of Increase: should foundations be forced to pay more?

The second article about foundations that caught my eye was one in the *Financial Times*, reporting on new research by Pro Bono Economics about how much potential philanthropic capital is currently locked up in UK charitable foundations. The PBE report argues that if grantmaking trusts and foundations across the UK set their grantmaking at a minimum of 3% of their assets per annum, this would generate at least £300 million of additional income for civil society per year.

The idea of a minimum payout requirement for UK foundations is not a new one, but the fact that it has made it into a publication such as the FT is interesting. To me it seems of a piece with the way in which other relatively technical issues about foundation philanthropy (such as the controversial rise of Donor Advised Funds (DAFs) have become part of mainstream debate in recent times. Unfortunately, payout rates are about as divisive an issue for the UK philanthropy sector as you could find, as the response to this story ably demonstrated!



I plan to go into more detail on this whole issue in a blog or podcast soon, but for now the brief snapshot is this: the key arguments in favour of payout requirements are that they have them in the US (at 5% for private foundations) and that the urgency of the challenges facing charities right now as a result of the economic crisis we are facing (not to mention all the other crises on top of that) mean that there is an imperative to get far more money out of the door right now. (There is an intriguing historical echo here, as in the mid 19th century it was growing anger at the scale of money locked up in dormant Parochial trusts that led to new legislation allowing the freeing up of philanthropic assets in certain circumstances, as well as the birth of what eventually became the modern Charity Commission. But that's a story for another time...)

The key arguments against a UK payout requirement, meanwhile, are that not everything that works in the US is necessarily right for the UK (and usually added as a corollary to this is the fact that in the UK we have dedicated charity regulators, whereas in the US the regulation is done by the IRS so it is purely from a financial/taxation point of view); that a mandatory payout rule would fail to take into account the highly diverse nature of the UK grantmaking sector; that there is a risk that any payout rule could "become a ceiling rather than a floor" (i.e. that funders would limit their grantmaking to 3% or whatever the payout rule

dictated, rather than seeing that as a starting point above which they could spend more); and that a payout rule is unnecessary because UK grantmakers are already giving enough (although this is obviously the contention that is directly challenged by the PBE research).

As I say, I will set out some thoughts on this in more detail soon, but for now I would expect the debate to keep rumbling on...

Tainted Donations #1: Nazis

Another pair of stories this month touched on a different recurring theme for philanthropy: the problem of tainted donations and what to do with them.

First was this story from Canada, about the decision by the University of Alberta to return \$30,000 of donations from the family of Yaroslav Hunka, a former member of the notorious Waffen SS Galicia division in WWII (and whose invitation to the Canadian House of Commons during a recent visit by Ukranian President Vlodymyr Zelensky caused an uproar which led to the resignation of House Speaker Anthony Rota). The University of Alberta is reviewing a number of other donations in light of this situation, including an endowment of about \$430,000 in the name of Volodymyr Kubijovych (who played a key role in the SS unit's establishment in 1943), which critics argue must also be returned if the university is to maintain a consistent approach to tainted money.



I take it that Nazi money is pretty uncontroversially bad, so the question of *whether* the money is tainted in this case is fairly clear-cut. The more interesting question, perhaps, is what to do about it. The University of Alberta seems to be adopting a policy of trying to return the money to the donor or their family, but is this the right thing to do? If you have decided that money is "bad" or "tainted", then does it make sense to return to it to where the harm it has caused was done, or is it better to keep the money and to put it good uses? In the university's case, even if it feels uncomfortable accepting the money itself, could it consider handing it over to an organisation that in some way working to redress harms caused by the legacy of the Nazis? Perhaps that would simply be impossible from a legal point of view (although my understanding is that giving money back to donors once it has been gifted isn't exactly easy either...), but it certainly feels odd to be talking about giving large sums of money back to the families of Nazi collaborators just because there is no better option.

Tainted Donations #2: Trafficking and charity

Another story this month also touched on the theme of tainted donations, and acted as a salutary reminder that we are definitely not

just talking about money that is problematic as a result of harms done in the past. This story concerned <u>UK millionaire and philanthropist</u> <u>Hamish Ogston, who has been accused of engaging in human trafficking, sexual exploitation and drug offences</u>, and using his eponymous foundation as vehicle for some of his misdeeds. The *Sunday Times*, which published the original investigation, reported that in correspondence Ogston made clear his intention to use his philanthropy as a cover for his crimes, with him writing in one message: "The charity won't be funding this, it would be me privately, but we could use the charity as some foil."

Major UK charities such as the National Trust and English Heritage are now taking advice on what to do about sizeable donations they have received from Ogston's foundation, and again face difficult legal and ethical calculations about the best course of action.

(For more on the history of concerns about tainted donations, and the ethical and practical issues they raise, <u>check out this episode of the Philanthropisms podcast</u>).



The Hamish Ogston story seems like a particularly egregious example of philanthropy being used as a smokescreen for wrongdoing, so it was perhaps appropriate that this month also saw the publication of an article in *Teen Vogue* which argued that "<u>Big Philanthropy Is a Scam That</u> Makes the Rich Look Better, Conceals Their Crimes".

Now, I have mixed feelings about this one. On the one hand, as someone who considers myself something of a connoisseur of critiques of philanthropy, it is kind of heartening to see this kind of thing make it all the way into the pages of a mainstream publication aimed at teens (a bit like when your favourite obscure band makes it big - although does that also mean that I now can't like philanthropy anymore and that I have to go around telling everyone that I only liked its earlier stuff...?) And when you get beyond the headline, there is quite a lot in the substance of the article that is hard to argue with, as it reflects lots of criticisms of philanthropy that are grounded in existing discourse in the nonprofit sector and in academia.

teen VOGUE

On the other hand, however, I'm always wary that the lure of catchy headlines and easy sloganeering makes it easy to tip over from valuable critique into one-sided polemic. It is one of my ongoing bugbears that philanthropy issues are often presented as if they are straightforwardly black and white, whereas in reality they tend to be are a lot more nuanced and contain far more grey area than you would think if you only read these kinds of headlines or spent too much time on social media. (Or at least, I think they are, but then again, I have decided to spend my entire life trying to point out why and how they are more complicated than people think, so I'm probably baised!) In the case of *Teen Vogue* the question is whether offering such a negative and broad-

brush take on philanthropy is merely going to breed cynicism among the young people reading it, and whether that is a good outcome?

A Genuinely Admirable Philanthropist?

To offer a potential palate cleanser to all that negativity, there was also the news this month that <u>Irish-American businessman and philanthropist Chuck Feeney had died at the age of 92</u>. Now that was obviously not good news in itself (although if anyone can be said to have lived a full life, it is probably Feeney), but it did prompt an outpouring of celebration and remembrance about the outsized philanthropic legacy he left behind.

The ATLANTIC Philanthropies

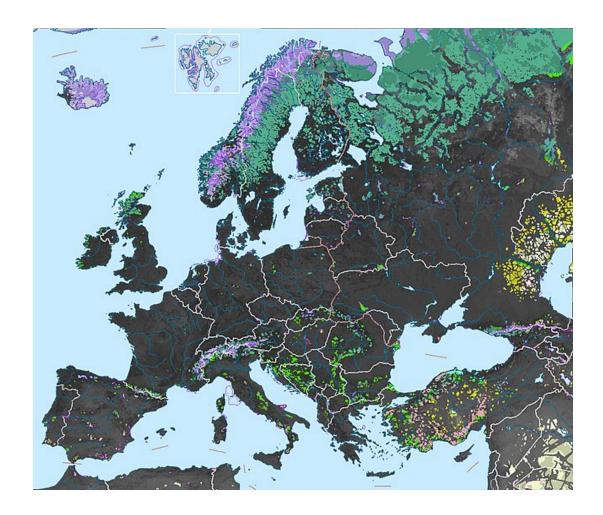
Feeney was notable not just for giving away a large sum of money (more than \$8 billion), but for the fact that he did it extremely quietly (almost invisibly, indeed, until his giving came to light thanks to a mandatory disclosure as part of a business deal) and for his adoption of a strict 'giving while living' approach that saw him give away almost all of his wealth during his lifetime, and saw his Atlantic Philanthropies foundation shut its doors in 2020 at the end of its planned lifespan. Whether the example he set will influence others to adopt similar values and methods for their giving still remains to be seen, but the positive assessment of his philanthropy following the news of his death suggests that he will long be remembered as one of the key figures of philanthropy in the latter half of the 20th century. RIP.

(If you want to find out more about Feeney's life and philanthropy, it's worth checking out <u>this recent episode of the BBC's *Good Bad Billionaire*</u>

<u>podcast</u>; and if you want a really interesting look at the history of the giving while living ethic that Feeney adopted, then I thoroughly recommend <u>this paper written by US historian of philanthropy Ben</u> Soskis).

Some Good News About Philanthropy?

The other piece of philanthropy news that caught my eye, and seemed to be pretty uncontroversially positive, was the announcement that Cambridge University has just received a gift of \$72 million from the Arcadia Fund (the philanthropy vehicle jointly set up by Lisbet Rausing and Peter Baldwin) to support the large-scale restoration of endangered land and sea habitats across Europe. Now I don't doubt it is possible to take issue with this ("why is the money going to an already-rich university?" "why should these wealthy donors get to choose where the money goes?" etc), but as someone who cares a lot about biodiversity and habitat loss and is currently having a hard time watching Planet Earth III with their kids and having to explain why we aren't doing more to protect nature and address climate change, I think I am just going to see it as a good thing.



Remaining wilderness areas in Europe at the start of the 21st century, according to the IUCN.

WHAT WE'VE BEEN UP TO

This month I have mostly been fitting everything in around frantically trying to finish the draft of a chapter for a forthcoming book on AI and philanthropy (due out next year) - which I'm pleased to say I managed, although at some cost to my fingernails. Despite that, there has also been plenty else going on with WPM, so here is a brief round up:

Guest Article: Why we (still) need to move beyond "overheads" as a way of judging charities

This month we had our second ever guest article! This one was by Tom Le Fanu from the charity Raise Your Hands, looking at why the 'overhead myth' is still so pervasive, why that is such a problem for charities and what we can do about it.



Read the article

On the Philanthropisms podcast

This month on the podcast, we had the third of our collaborations with ERNOP, bringing you updates from the world of European philanthropy academia: this time featuring interviews with Marlou Ramaekers, Nina Sooter and Livia Ventura - about how parents and partners influence informal volunteering, the prospects for using Virtual Reality in fundraising, and how we should understand B Corporations.

We also had an interview with Joshua Amponsem, one of the cofounders of the new Youth Climate Justice Fund, about how we can get more philanthropic funding for climate justice and how to get that into the hands of youth activists and grassroots movements.



Connecting
Philanthropy
Academia & Practice
#3 (with ERNOP)



Joshua Amponsem

Listen

Listen

Psst.. Pass It On

I did a guest Q&A this month for Lauren Crichton's Pass It On newsletter, talking about how I got into philanthropy, my thoughts on some of the big current debates, and how philanthropy intersects with technology. You can read it below:



Events, dear boy, events

I was lucky enough to take part in a couple of events this month: a great panel on charities and the culture wars at the Charity Law Association conference and an online session on deploying capital for social change as part of UK Community Foundations' Together 23 conference. I don't think there is video from either of them, so you had to be there- but if you were, then thanks for coming along!

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).



University of Kent Centre for Philanthropy 15th Anniversary

On **9th November** from 12 noon to 7pm, the Centre for Philanthropy at the University of Kent (where I work part time as a Research Fellow) will be holding an event on the "Past, Present & Future of Philanthropy" to mark the Centre's 15th anniversary, featuring guest speakers including Charity Commission Chair Orlando Fraser.

If you can make it to Canterbury do come along (and you can even say hello to me, if that sounds appealing to you!)

Sign up

ACOSVO Annual Conference



On **Wednesday 22nd October**, I will be in Edinburgh to talk about AI at the ACOSVO annual conference. So if you are a Scottish charity sector leader, I may see you there!.

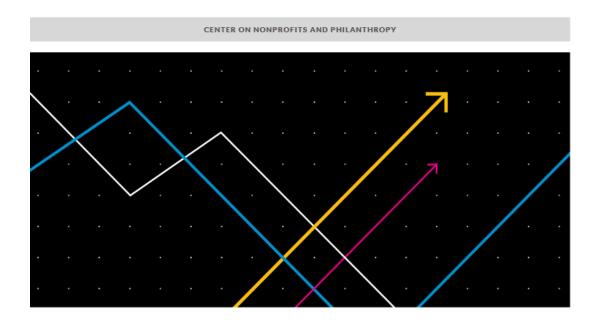
Event info

OTHER GOOD STUFF

Urban Institute paper on pluralism:

If you fancy a really fascinating, meaty read on the thorny question of pluralism in philanthropy, then you should definitely check out this new paper from Ben Soskis at the Urban Institute (and that actually makes it two shout-outs for his work in this edition of the newsletter!) The paper looks at the roots of cause pluralism in the US (i.e. the idea that a

diversity of causes focussed on by philanthropy is a good thing, and that we should resist any attempts to claim that any one cause is "better" than others), and then explores two influential schools of thought that have emerged which challenge this doctrine in different ways - the movement for racial justice and the Effective Altruism movement – and what this can tell us about where the pluralism debate stands today.



RESEARCH REPORT

Charitable Cause Pluralism and Prescription in Historical Perspective

Benjamin Soskis October 2023

Read the report

Business For Good, or just Good for Business?

There was an interesting <u>comment piece this month from Axios's Felix Salmon</u>, on a phenomenon I have also noticed: the increasing traction among tech philanthropists of the idea that their commercial ventures are themselves a form of philanthropy (and perhaps even the BEST form of philanthropy).

I have long been uneasy about this idea (here's <u>an article I wrote back in 2014 while at CAF</u> to prove the point), as to me this is where the blurring of lines between profit and purpose gets potentially problematic: if we allow the very wealthy to self-define what counts as social good, and it just so happens that this coincides with "what I was already doing that made me lots of money in the first place" is that cause to celebrate a valuable win-win, or should it be reason to view such claims sceptically? I'm going to say "option b" here, particularly as tech billionaires seem particularly prone to a sort of messianic belief that in creating their products and platforms they are not only making money but genuinely making society better in ways that no-one else could. And when you think like that, it is pretty easy to get confused between the sort of 'enlightened self-interest' that has always been a part of philanthropy and just good old-fashioned naked self-interest.

Of course, even if today's tech billionaires are particularly guilty of this, claiming that how you make your money is more socially beneficial than giving it away is not a new move by any means, as I pointed out in my book "What is Philanthropy For?":

"Some wealthy business owners who dismiss the idea of wider corporate social responsibility have further argued they are doing enough good in society already through their commercial activities. John Paul Getty famously said that 'the best form of charity I know is the art of meeting a payroll', words echoed years later by the Mexican billionaire Carlos Slim Helú when he said that he could 'do more good by building solid companies than by going around like Santa Claus donating money'. More recently, there seems to be a clear belief among big figures in the tech industry that the products and platforms that have made them so rich are also the best way to solve the world's problems. Hence Elon Musk's declaration in an interview in 2022 that his commercial companies Tesla, SpaceX and Neuralink are 'all philanthropy' and a reflection of his overarching ambition to 'extend the light of consciousness to the stars'."

Read the article

MrBeast Roars Back

Regular readers of this newsletter will know that I am grimaly fascinated by megastar YouTubers Jimmy "MrBeast" Donaldson and his approach to philanthropy. This month your favourite publication and mine- yes, that's right *Essentially Sports* – carried a piece detailing some of MrBeast's responses to recent criticism levelled at his giving. (And if you want more context, check out our WPM article all about MrBeast's philanthropy).



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Read the article

Read our WPM article

Oh goody, this again.

Thanks to it being Conservative Party conference at the start of October we got to hear from former Charity Commission Chair Baroness Tina Stowell about her views on charities and campaigning. I was a bit hesitant to include this, as I'm not sure how helpful it is to hear the same tired old arguments about "charities staying out of politics", but in the end I decided it was worth reminding ourselves that there is still work to be done to counter such challenges to the legitimacy of charities' vital campaigning and advocacy role. (You know, the one they have performed for hundreds of years? Which is a vital part of a healthy democracy? Yeah, that one).



Read the article

AND FINALLY... #1: Altruistic Ales

Right, we've got a trifecta of stories this month that I can only really justify including in an extended "and finally" section.

First up is this piece from the FT taking a look at where philanthropy and the craft beer renaissance intersect, in the form of "altruistic ales". If you are a beer drinker yourself this might act as a handy ethical shopping guide, but even if not there are some interesting examples in here.



Read the article

AND FINALLY... #2: Papa was a Rolling Stone?

The Guardian reported on comments this month by Rolling Stones frontman Mick Jagger that he is considering donating the band's back catalogue to charity rather than leaving it to his children, on the basis that they don't need the money.

Jagger has yet to confirm or deny the suggestions of conspiracy theorists that the Stones' 1969 song "Gimme Shelter" is a coded indication of his plans to leave it all to the homelessness charity of the same name. Only time will tell...



Read the article

AND FINALLY... #3: Audrey Hepburn, the Dutch Resistance and Philanthropy

And if you like your philanthropy news with a dash of improbable mid 20^{th} century glamour, then check out this article in *Far Out* magazine detailing how style icon Audrey Hepburn's experience with the Dutch Resistance in WWII helped to shape her outlook on philanthropy for the rest of her life.



Read the article

Well, I think that is certainly more than enough for another month. I'll be back at the end of November with some more missives from the philanthro-sphere, but until then keep well.

Rhodri



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