Why Philanthropy Matters

# Welcome to the October 2026 newsletter

Hi there philanthropoids,

I hope you are all well?

I feel like I should apologise that this newsletter is once again running into the following month, but tbh I am finding it pretty hard to carve out the required time for writing these things – so we may all just have to accept this as the new normal.

Thankfully, as I cast my eye back over the past few weeks, I realised that this has been one of those months in which there has undoubtedly been some philanthropy news, but it has been mercifully concentrated around a couple of stories, so I don't have to try to pull too many threads together and hopefully we can keep things manageable.

Before we get to the main business of the day, a quick mention for *Celebrity Traitors* (the celebrity version of the hugely popular UK reality gameshow). I have long been maintaining a lonely resistance against *Traitors* in my household (as it isn't particularly my bag), but my kids eventually managed to wear me down, so I did watch most of this series. I'm not sure it really counts as relevant news for the purposes of this newsletter, but in the current climate of populist rhetoric and far right attacks on charities in the UK, I found it quite heartening to watch the winners, Romesh Ranganathan and Bash Croft – a second

generation immigrant and a young queer man – announcing that their prize money would be going to help charities working with refugees (The Refugee Council and Choose Love). Without getting too deep into it, that feels much more like a vision of Britain I'm on board with than the divisive false nostalgia we see being peddled by some figures who get far too much airtime these days.

Of course, it turns out that wasn't everyone's view of things. There was an inevitable (and depressing) backlash from certain sections of the right-wing media and from the usual tedious keyboard warriors, claiming that this was merely more evidence of the BBC's "woke bias" and suggesting that somehow the result of Celebrity Traitors had been fixed to ensure that the winnings went to these progressive charities. (Which is clearly absolute nonsense, and would be an absolutely mad and very elaborate way to go about getting money to specific causes). Sigh.

anyway, a quick bit of personal news: I found out this month that the minor corrections on my PhD in Philanthropic Studies (which I have been doing at the University of Kent) have been approved! So I am now officially Dr Philanthropy Nerd, and I am ready and willing to step in the next time I am on a plane and the pilot puts out an emergency call for someone to step in and settle a heated debate about the distinction between charity and justice.

Now that you are reassured that you are in safe hands, let's get newslettering...

Rhodri

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# PHILANTHROPY IN THE NEWS

## Surfing the 3rd wave

The idea of the "3rd wave of philanthropy" has really taken off since it was popularised by Nan Ransohoff in a Substack post earlier this year.

To the extent that it is now officially the case that the second biggest growth industry in the world after AI itself is commenting on what AI wealth will mean for philanthropy.



This month didn't disappoint, with plenty of new entries in the annals of "3rd Wave Philanthropy speculation". There was a piece in *Spears* magazine about "how AI mega-IPOs could reshape philanthropy", a briefing in *Axios* about "How AI giants will reshape global philanthropy", and a piece in *Fortune* by the VP of the Milken Institute, Melissa Stevens, arguing that "In nearly 2 decades of leading philanthropy... I've never seen a tidal wave like the one that's coming". So I think it is fair to say that a trend can be discerned.

One of the interesting things about all this 3rd Wave philanthropy chat is that from the outset it hasn't particularly been confined to the philanthropy sector – mainstream outlets have also latched on to the idea and have continued to run pieces about what AI wealth will mean for the nonprofit world. This includes the *New York Times*, which this month ran an article about what it claims is a "new scramble among healthcare organisations to tap into AI wealth". (Which is just one more example of a rapidly-expanding new genre of stories of the form "what the boom in AI philanthropy means for [insert cause area]". Next week I'm planning on doing "what the boom in AI philanthropy means for

hedgehog conservation" and "what the boom in AI philanthropy means for model railway societies", as I think I may have spotted a gap in the market...)

Joking aside, however, I do worry that the "scramble is on to capture AI wealth" narrative merely perpetuates the notion of resource scarcity within the nonprofit sector, and that everyone has to "compete fiercely" to get donations. It also seems to take as read that nonprofits should adapt to the priorities and wants of newly-wealthy AI donors, rather than there being any suggestion that those donors might need to adapt to the needs of nonprofits. (Maybe that is the pragmatic reality, given where the resources sit in this equation, but it doesn't necessarily mean we should accept it without questioning it).

## Full Anthropic? AI mega giving gathers steam

The excitement over AI philanthropy was given further impetus this month by Anthropic's announcement of its plans to build a vast new public benefit fund which will receive 5% of the company's shares as part of its highly-anticipated IPO.



(Image credit: TechCrunch CC BY 2.0)

This builds on commitments made by the company's original founders to give away 80% of their equity holdings, as well as a matched giving

programme through which Anthropic employees can donate their own equity in the company. According to Anthropic this now means that, "roughly 20% of Anthropic shares will be dedicated to the public good, plus any additional percentage that could be added if the company reaches specific valuation milestones."

There are a number of interesting aspects of this story to unpick (in addition to the obvious headline-grabbing/eye-watering amounts involved, of course). The first is that you will notice that I wrote "public benefit fund" rather than "foundation", since this new vehicle is definitely not a traditional philanthropic foundation. Rather it is structured as an LLC – apparently to "give adjustability between different forms of giving" (whatever that means). Setting aside snark for one moment, Anthropic are far from alone within the philanthropy world in seeing LLCs as the best vehicles for giving, and there is a justifiable argument that they allow for greater flexibility; in terms of investing in commercial ventures or funding political activity. (Although interestingly, Anthropic have been clear that "none of the Anthropic equity held by the LLC will be used for lobbying or political giving, in the US or abroad"). It is, of course, also true that LLCs come with drastically reduced transparency and reporting requirements compared with foundations – but that is presumably just incidental... (Oh - maybe I hadn't actually set aside the snark. Whoops).

Another thing that is interesting in this story is how Anthropic Founder Dario Amodei has chosen to structure his own giving: this time not in an LLC, but in every tech billionaires *other* favourite philanthropy acronym – a DAF. The fact that Amodei is giving through a DAF probably wouldn't be that noteworthy by itself, tbh, given how widespread and popular these vehicles are these days. What *did* catch my eye, however, was the fact that as part of its IPO, Anthropic has created a range of new share types – from A to F – and the shares being put into DAFs by Amodei and his founder friends have been structured in such a way as to allow them to retain majority voting rights within the company. Again, there is nothing inherently wrong with this *per se*: Yvon Chouinard did something similar when he "gave away" his company Patagonia back in 2022. Although, as I argued in a WPM piece at the time, given that nonprofit ownership of companies was effectively

barred for a long time in the US precisely because of concerns that people were giving to their own corporate foundations as a way of getting a sizeable tax break, whilst still retaining effective control of the company, it does seem slightly odd that this now seems to be so back in fashion.

The broader point about all of this, of course, is that it raises questions about how we as a society think the wealth from the coming AI boom should be redistributed. I have no doubt that Dario Amodei and his co-founders are all well-intentioned people (or at least, they certainly seem more thoughtful and genuinely interested in questions of the public good than some of their tech billionaire peers – but maybe that's not such a high bar...) However, regardless of how public-spirited or well-meaning they are, is it right that we allow individuals to decide where the resources that come from AI are going to be directed, based on their worldviews and assessment of where society's needs lie? Or should we be looking instead to make such decisions collectively, through more democratic means? This is obviously not a question unique to AI – one can pose similar challenges to all forms of big money philanthropy – however, the sheer scale of the wealth being created within this industry, combined with the scale of the impact that it might have on society, makes it feel altogether more pressing IMHO.

## Space Balls: Elon Musk's improbable pledge

Inevitably, like a toddler who is upset that their younger sibling is getting too much attention, Elon Musk decided to pipe up following the Anthropic announcement in an attempt to grab some of the headlines for himself, announcing that he was going to give a share in his company Space X to "every child in America".




In line with his recent trashing of traditional approaches to philanthropy, Musk tried to cast doubt on the potential effectiveness of Anthropic's approach (even though, as we have already seen, what they are doing can hardly be called "traditional"). Instead, he argued, it would be far better to give the money in the form of direct gifts of stock to individual children.

As an article in Forbes pointed out, based on the current valuation of SpaceX and the number of people in the US under the age of 18, this would amount to a gift of roughly $11bn – which would mark a significant increase in Musk's philanthropic giving, but would barely make a dint in his overall fortune (which is currently valued at a frankly idiotic $909 bn).

I think the most important thing to say here is that all of this is 100% not going to happen. Not ever. Not because it isn't an interesting idea - there is certainly a lot to be said about the merits of direct giving, or about the idea of pre-seeding accounts in order to build up wealth for children – but because it is Elon Musk saying it. This is a man with a long history of making overblown claims, failing to follow through on promises, and generally acting like a carnival barker: the latest launch event for Tesla even claimed that the company was about to bring out a flying car (which I'm going to go out on a limb and say isn't actually going to happen). I'm entirely confident that his recent philanthropy

announcement fits seamlessly into this pattern, which is why I suggested in a quote for *Inside Philanthropy* that it should be seen as "basically shitposting". (Which I was using as a technical term, and which I totally stand by).

Right, I'm going to stop talking about Elon Musk now, because it is making me feel sad and I would rather do something else.

## The Strange Death of Liberal England's civil society infrastructure

There was more worrying and sad news for the UK voluntary sector this month, with the shock announcement that the Directory of Social Change is to close after more than 50 years of providing help, training and support to charities and community groups.



First and foremost, this is obviously horrible news for the people who work at DSC – many of whom I have worked with at one time or another over the years – so my heart goes out to them, and I hope they are all OK and manage to land on their feet. But it is also one more in a series of stories about voluntary sector infrastructure organisations closing down: recent years have seen the loss of FSC, Children England and

GMCVO among others, and last month Reach Volunteering was only saved after an 11th hour rescue by a group of funders.

Following the DSC closure, four of the main remaining infrastructure bodies - NCVO, the Charity Finance Group (CFG), NAVCA and ACEVO – have issued a joint proposal for a new independent commission to look at the issues around voluntary sector infrastructure. And what is particularly interesting is that they have framed this very much as not just being about asking for more funding (although that is undoubtedly needed), but about facing up to some hard questions about what charity infrastructure ideally looks like in this day and age. I have worked in and around the UK charity sector for about 20 years, largely in the infrastructure part of the sector, so I have seen plenty of both the good and the bad here. I have certainly met many smart and committed people, but I have also been aware at times of duplication and inefficiency. (Indeed, I regularly used to make offhand jokes about being part of the "alphabet soup of infrastructure organisation acronyms", which seemed funny at the time, but perhaps seems less so now). And in the last few years, the situation has been transformed by the availability of AI and other technology tools which can do a lot of the work that would once have required paid training or consultancy (and thus provided vital income streams for many infrastructure organisations).

It is undoubtedly true that we do also need to make a renewed case for the value and importance of civil society infrastructure, and find ways to get funders and donors to support it. But I think NCVO et al are right that this cannot be backward-looking, and that if we are going to make this case then it needs to be done on the basis of a compelling future-focussed vision of what infrastructure could and should be, rather than just what it happens to be now – even if this may be a challenging, and at times uncomfortable, conversation.

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# WHAT WE'VE BEEN UP TO

This is the section where I provide a bit of an update on what WPM has been up to over the last month or so.

### Philanthropisms Podcast

There have been two episodes of the Philanthropisms podcast this month. First up was the 15th in our partnership series with ERNOP, featuring mini-interviews with philanthropy academics whose work that has featured in the latest batch of ERNOP research notes. This time we heard from Cassandra Chapman from the University of Queensland, Philine van Overbeeke from the Gradel Institute at the University of Oxford and Katy Adams from the University of Sheffield.

The second episode this month featured a conversation with Martha Mackenzie from the Civic Power Fund and Sufina Ahmad from the John Ellerman Foundation about the future of campaigning and advocacy in the UK.




**Philanthropisms**

ERNOP: Connecting Philanthropy Academia & Practice #15



**Philanthropisms**

Martha Mackenzie and Sufina Ahmad: the future of civil society campaigning & advocacy

Listen to the ERNOP episode

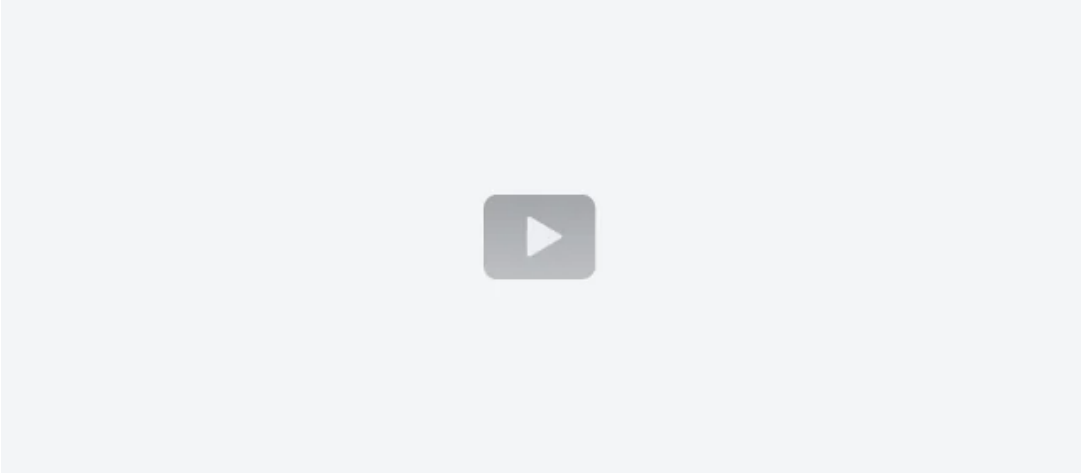
Listen to the episode with Martha and Sufina

### Delegitimizing Civil Society event

On 29th October WPM teamed up with Maecenata Foundation and Deutsch-Britische Gesellschaft for an online discussion bringing together global perspectives on the delegitimization of civil society. The conversation was chaired by Ansgar Gessner from Maecenata Foundation and featured contributions from:

- Catherine Anite, human rights lawyer, Uganda
- Marwa El-Daly, The American University in Cairo, Egypt
- Benjamin Gidron, Ben-Gurion University of the Negev, Israel
- Mark Sidel, University of Wisconsin-Madison and ICNL, USA
- Rupert Graf Strachwitz, Maecenata Stiftung, Germany
- And me!

If you missed the discussion, never fear, as you can now watch a recording.



Watch the recording

### Inside Philanthropy piece on Elon Musk:

As mentioned in passing above, I gave a few comments to *Inside Philanthropy* this month about Elon Musk's highly improbable pledge to give every child in the US shares in SpaceX.

Spoiler alert: I was not especially positive about it

Read the article ($)

### Byline Times article on Cambridge Circus report:

I also gave some comments this month to the investigative news outfit Byline Times, who were doing an in-depth look at Cambridge Circus, the mysterious new right wing think tank who earlier this year published a highly critical report about campaigning by charities.

Read the article

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# OTHER GOOD STUFF

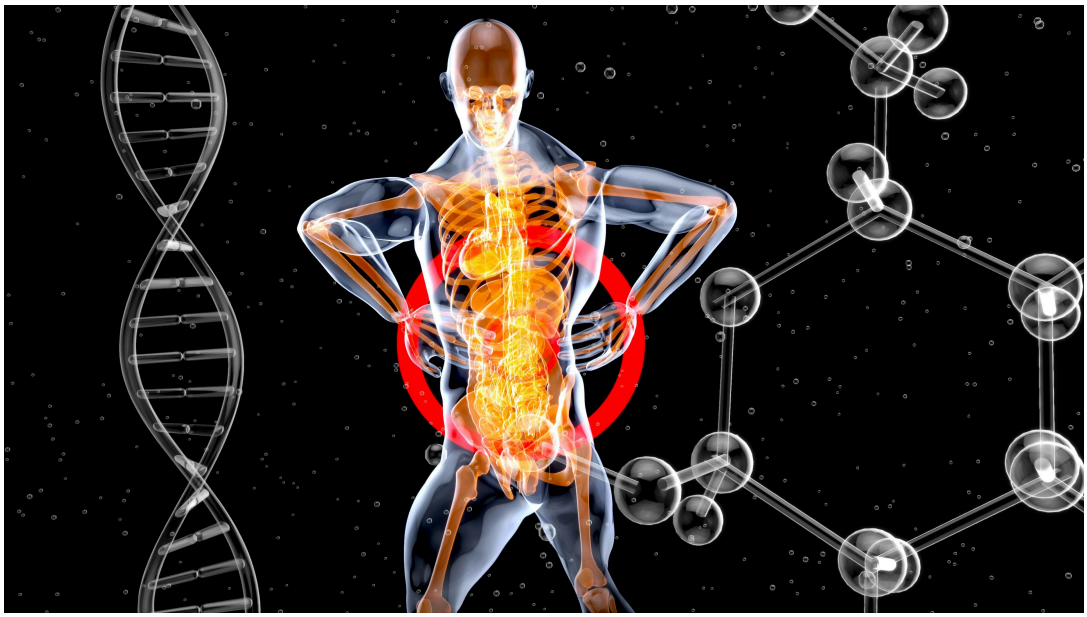
This is the bit where I share other philanthropy-related things I have come across that might not quite count as news but are definitely worth checking out.

### Tech billionaires and biomedical science:

Leading on from the discussion of AI and 'third wave' philanthropy above, there was a fascinating in-depth article in *Nature* this month, exploring the impact of tech philanthropy on research in biomedical sciences.

The piece highlights lots of examples of tech donors getting involved in this area, and acknowledges that this can bring benefits because these donors often have a high risk tolerance and are willing to fund long-term, interdisciplinary projects. It also warns of challenges, however, such as money skewing towards areas of research such as longevity, which might disproportionately benefit the rich themselves, rather than society as a whole (which I have written about before); or a tendency to want to invest in AI solutions, which could benefit AI companies by expanding their markets. There is also the more fundamental problem that when other sources of funding for research are being cut in many countries, institutions and researchers are increasingly reliant on philanthropy; and this means that the choices

which philanthropic funders and donors make about what to fund end up having a potentially huge distorting effect on the overall direction of scientific research.



Read the *Nature* article

### The radical philanthropy of tech billionaires ex-wives:

Sticking with tech philanthropy for just one more moment, I spotted a piece this month about how the ex-wives and widows of tech billionaires - Mackenzie Scott, Melinda French Gates and Lauren Powell Jobs – are reshaping philanthropy. Which is not an entirely new narrative, but what is new – and what caught my eye – is *where* this narrative was to be found: no less than the glossy pages of *Hello* magazine. Which definitely suggests that the idea is becoming more mainstream.




Read the article

## Ford Foundation new strategy:

The Ford Foundation announced a major revamp of its strategy this month, to a new focus on protecting the “preconditions for thriving democracies”. This comes less than a year after the foundation appointed a new leader - former Yale Law School President Heather

Gerken – and marks a shift from the core focus on inequality that was put in place by former Ford head honcho Darren Walker. Or, as Gerken suggests in a letter accompanying the announcement, perhaps it marks not so much a revolution as an evolution, since protecting the rule of law and democratic freedoms is a necessary precursor to dealing with inequality or any of the other societal issues that Ford has been concerned with over the years.

Coming as this does at the end of a year in which the US nonprofit sector has repeatedly found itself in the firing line of the Trump administration - and just a few weeks ahead of crucial mid-term elections - some may suggest that the announcement is a political move on Ford's part. However, Gerken is clear that what the foundation is doing is entirely consistent with what it has done throughout its long history, and that "the most important thing in a moment like this is not to be buffeted.




Read the article

### The New Nonprofit Visibility Gap

There was a really good piece by Andrew Dunckelman and Dale Nirvani Pfeifer in Stanford Social Innovation Review (SSIR) this month on the

"New Nonprofit Visibility Gap". It highlights how the shift from traditional search engines to AI-powered answer engines is making it harder for many smaller, newer or less well-known nonprofits to get seen, because AI summaries and recommender algorithms are leaving them out in favour of bigger-name organisations with a more obvious presence.

I was really interested to see this being raised as an issue, as it was something I warned about a couple of years ago in the chapter I wrote for the Routledge Handbook on AI & Philanthropy, "Guided Choices: The ethics of using algorithmic systems to shape philanthropic decision making" and I still think it is potentially only the tip of the iceberg in terms of the impact AI might have on how we make choices about giving (for both better and worse).

Read the article

### 50 Groups Changing Philanthropy:

I'm generally a bit sceptical of philanthropy lists (maybe because I'm not on them, and therefore bitter. Who can say...?) However, there was one from *Deseret News* this month of "50 ideas changing philanthropy" which caught my eye and contains some really interesting entrants. The list itself is fairly US-focussed (which is fair enough for a US publication), but it definitely got me thinking about what a similar list might look like in Europe or elsewhere too.

Check out the list

### Profile of Lilly Family School of Philanthropy::

It was interesting to see a profile of Indiana University's Lilly Family School of Philanthropy in Forbes this month ("Welcome to the school where Gen Z learns philanthropy as billionaire wealth explodes—with a 100% job placement rate"). It has long been one of the world's leading academic centres on philanthropy, and the article highlights it growth in recent years, as an increasing number of students start to take an

interest in studying philanthropy academically and considering it as a career (which you certainly would do, given that the centre currently has a 100% job placement rate for students!)

As someone with at least a partial vested interest in promoting the idea of Philanthropic Studies as a field (and with a shiny new PhD to my name…), I am, unsurprisingly, totally on board with this.




(Image credit: Sarah Stierch, CC BY 4.0)

Read the article

## Brazil's Giving Culture:

Speaking of philanthropy lists, there was an interesting interview this month with someone who appeared on another recent big list (*TIME* magazine's "100 Most Influential People in Philanthropy"): Paula Fabiani, the CEO of IDIS (and a former colleague of mine within the network of CAF global partners). Paula was talking to *Impakter* about her insights on the culture of giving in Brazil (and if you want a

companion piece, why not check out my far less well-informed thoughts about Brazilian philanthropy from a visitor's perspective in a recent *Alliance* article).



Read the article

### Using AI in grant assessments:

I spotted an intriguing post from the Clothworkers Foundation on LinkedIn this month, outlining how they are experimenting with using AI in their grant assessment processes. As they explain in the post, this is primarily driven by the need to manage rising demand – which is a challenge that many other foundations in the UK (and elsewhere) are also facing. In part this is clearly a reflection of rising need, but it is also in part about AI again; since tools like ChatGPT have made it possible for people to automate a large part of the effort of creating grant applications, and as a result the volume of applications has risen. It seems inevitable, therefore, that grantmakers are now looking to the same tools to see if they can also benefit from automation and thus rebalance the equation.

Read the post

### The 13th Century gift still giving millions to charity:

Regular readers will know that I love a spot of philanthropy history, so my spidey senses were set a-tingling by a piece on BBC News this month about a charitable endowment in Stratford-Upon-Avon that started life in the 13th century and is still going strong today. The Stratford Town Trust's origins are in properties that were gifted to the Guild of the Holy Cross in the 1200s, which it put into a trust, and the income generated was then used to fund schools and almshouses around the town.

Fans of history may enjoy the level of understatement in this line in the article: "It changed ownership after the reformation under King Henry VIII in the 16th century". Yep, "changed ownership" is certainly one way of putting the Reformation!

The trust has been run by the town council since the 1970s (which is not unusual for these kinds of medieval trusts, as it often ends up being impractical to run them as independent entities), and was merged into a newly-created charity in 2001. It currently owns 112 properties, and gives out over £1 million in grants each year to local charities. Which isn't bad after 800 years, if you ask me.




(Image credit: Lewis Clarke, CC BY-SA 2.0)

Read the article

## AND FINALLY: philanthropy taking centre stage on the small screen?

I often complain that there are not enough interesting portrayals of philanthropy in popular culture, so imagine my delight this month when the trailer for Netflix's glossy new drama *The Altruists* popped up on my timeline. I always thought that the story of Sam Bankman-Fried and the downfall of FTX (which we covered at length in this newsletter at the time) would make for a great drama, so I am excited to watch this one. Especially because I have enjoyed the two lead actors – Julia Garner and Anthony Boyle – in previous roles (Garner as Anna Delvey in *Inventing Anna* and Boyle as Arthur Guinness in *House of Guinness*)>

I am also slightly nervous, as I have been disappointed in the past by TV shows and films that fail to do justice to the philanthropy aspects of the stories they are telling. (The Madam CJ Walker biopic series *Self Made* being a case in point – what a missed opportunity!) And the philanthropy angle to the SBF story is a fairly complex one, as you've

got to explain Effective Altruism and the role it (allegedly) played in justifying some of the decisions and actions that led to his downfall.

I am reassured, however, by the trailer (and by the fact that the show is literally called “The Altruists”) that in this case, philanthropy is going to play a pretty big part in the story. (It probably helps that so many of the characters involved are deeply weird too!) It’ll be interesting to see how this goes – my suspicion is that EA won’t come out of it very well, but let’s see.




Watch the trailer

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So, here we are again at the end of another newsletter. Well done, everyone. I'll be back at some point before the end of the year with another edition.

Rhodri

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