

What We Talk about when We Talk about Democratizing Philanthropy

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Since its origins at the turn of the last century, modern philanthropy has been celebrated as an expression of democracy and attacked as a threat to democracy. The tension between these two attitudes has long fueled public debate over philanthropic giving in the United States. For some, the tension is fatal, a product of philanthropy's deeply inegalitarian original sin: concentrated wealth. For others, it's a source of dynamism that calls for creative resolution. In fact, over the years Americans have developed several strategies to achieve that resolution, by incorporating democratic themes and ethics into philanthropic practice.

Today, the tension between philanthropy as democratic threat and democratic expression runs as high as ever. It's not surprising, then, that the democratization of philanthropy has become an increasingly prominent center-point of discussion within the sector. It was, in fact, a key theme at Urban Institute's recent Giving Innovation Summit and the explicit topic of one of its panel discussions. Now, as a century ago, invoking democracy is a powerful rhetorical tool. Yet as the panel made clear, for precisely that reason, it's important to think carefully about how we are using the concept.

Specifically, we need to reflect more upon the relationship between the rhetoric of democratization and the realities of social change. Democratizing philanthropy can mean expanding access to the sector as it is currently configured—providing more seats at the table while serving the same fare. It can also mean transforming philanthropy by reallocating power over its decisionmaking and resources. It can even involve rethinking how we define the project of philanthropy itself. In other words, because it can refer to all these dynamics, and because the term itself is so rhetorically potent, those who wield it have a special obligation to delineate, and differentiate among, its multiple meanings.

A century ago, the imperative to democratize philanthropy took on many forms. One involved inviting small donors to participate in the sorts of institutions the wealthy had developed to harness and discipline their own giving. This was, for instance, a motivation behind the establishment of community foundations, which were open to small local donors as well as large ones. As the banker and lawyer Frederick Goff, who founded the first community foundation, explained, the institution “is especially open to poor people with enough idealism about small amounts of philanthropy to want these to be kept useful as the years go by.” (Goff didn't mention that these poor people would rarely have any representation on the boards that controlled these resources.) The federated local fundraising drives that became popular at the turn of the century also developed under the banner of democratizing philanthropy.¹

¹ Olivier Zunz, *Philanthropy in America: A History* (Princeton: Princeton University Press, 2012), 54–55.

Relatedly, the democratization of philanthropy could include expanding the base of the giving expected to sustain key civic institutions. In the final decades of the nineteenth century, when professional fundraisers used public campaigns to tap Harvard and Yale alumni to give to their universities, they promoted the fundraising drives in these precise terms; previously, universities had turned to only a small corps of wealthy benefactors. What constitutes democratizing clearly depends on the initial reference point: if you started with Rockefeller as your baseline, then inviting *mere* upper-crust lawyers and businessmen to the philanthropic vocation counted.²

Sometimes, encouraging widespread, small-scale mass giving was explicitly understood as a direct challenge to elite philanthropy, as with the early twentieth century campaign to fight tuberculosis. As the famed photographer Jacob Riis explained in an influential 1907 article, “no millionaire” had come forward to endow the campaign, and none was wanted; the job would be “far better done by the people themselves.”³ The social reformer Jane Addams extended this line of argument even further. There was something fundamentally undemocratic about the relationship between benefactor and beneficiary, she maintained. Although she refused to apply the term “philanthropy” to Hull House, the settlement house she established in Chicago, it represented her effort to reconcile democracy and philanthropy. After initial support from a local benefactress, Hull House would be a place where immigrants could congregate, alongside upper-middle-class citizens like herself, to share and learn together as neighbors, strengthening the social, cultural, and intellectual life of their community. “Unless all men and all classes contribute to a good,” Addams wrote in *Democracy and Social Ethics*, “we cannot even be sure that it is worth having.”⁴ This represented a fundamental reimagining of how philanthropy should be defined in a democratic society.

A half century later, the 1960s and 1970s witnessed another surge in campaigns to democratize philanthropy. Some leaders of the sector tried to introduce more diversity into foundation boards and leadership positions. Others sought to encourage what came to be called participatory philanthropy or [social movement philanthropy](#), dissolving the boundaries between grantee and grantor by giving community members a measure of power over the disbursement of philanthropic resources. And the influential Donee Group Report to the Commission on Private Philanthropy and Public Needs (the Filer Commission) made many of its recommendations under the banner of the democratization of philanthropy.⁵

Fifty more years and we are in the midst of another surge; as before, efforts to democratize philanthropy have taken on many different forms. Donor-advised funds (DAFs), whether sponsored by commercial firms like Fidelity, [community foundations](#), or web-based entities, have all invoked the rhetoric of democratization to promote their cause. Unlike traditional philanthropic foundations, DAFs

² Bruce Kimball, “‘Democratizing’ Fundraising at Elite Universities: The Discursive Legitimation of Mass Giving at Yale and Harvard, 1890-1920,” *History Education Quarterly* 55 no. 2 (May 2015): 164–89.

³ Riis quoted in Zunz, *Philanthropy in America*, 47–48.

⁴ Jane Addams, *Democracy and Social Ethics* (New York: Macmillan, 1902), 220.

⁵ “Private Philanthropy: Vital and Innovative or Passive and Irrelevant: The Donee Group Report and Recommendations,” in Commission on Private Philanthropy and Public Needs, *Research Papers*, vol. 1, pt. 1 (Washington, DC, 1977), 49–85.

are not just for the wealthy, DonorsTrust explains. They “democratize philanthropy” by “put[ting] into the reach of a large segment of the population a sophisticated philanthropic giving vehicle that allow charitably minded individuals to move from ‘checkbook’ giving to thoughtful, strategic charitable giving.”⁶ Giving circles, Giving Tuesday, crowd-funding sites, and other online giving marketplaces have all been celebrated in similar terms. So too has enhanced foundation responsiveness to grantee feedback. In fact, never has the concept of democratization covered so much territory in the philanthropic sector as now.

This development is in many respects a welcome one, suggesting a greater sectorwide commitment to equality, accountability, and innovation. But there’s also a danger in granting too expansive a reach to the “democratization of philanthropy.” The concept could end up standing for so much that it ultimately means very little.

That’s why scrutinizing the term and interrogating the practice of democratizing philanthropy is so crucial. Those tasks require fighting the strong temptation to invoke democratization as a sort of mystical, sectorwide watchword that conveys instant legitimacy on any philanthropic enterprise. We need to ask, what are we talking about when we talk about democracy in philanthropy?

This was the conversation begun at Urban’s Giving Innovation Summit, which highlighted various emerging methods of “mobilizing more givers and new forms of philanthropic capital.” That distinction and relationship between “more” giving and “new” giving became key to the discussion, suggesting the ways in which democratization can involve both an expansion and a transformation of current practice.

The Summit’s panel on “democratizing giving” featured three speakers. Ann Wheatley Canela, vice president of Global Impact, discussed Growfund, a DAF that could be started with as little as one dollar. Hali Lee, founder and executive director of the Asian Women Giving Circle, discussed how by pooling resources, ordinary citizens could begin to think of themselves—and act with the same deliberateness—as elite philanthropists. Finally, Ebonie Johnson Copper, founder of the Young, Black & Giving Back Institute, spoke of her organization’s effort to “change the face of philanthropy” by empowering African Americans to wear the label of “philanthropist,” training them as civil leaders and, in the process, transforming what “philanthropist” means.

Each of the three speakers underscored a slightly different understanding of the democratization of philanthropy and how that process relates to elite philanthropy. For each, expanding the base of giving would also change how we understand philanthropy more generally, although the precise means by which this transformation would occur, and its potential social consequences, were left unspecified.

An April 2017 paper by Ann Wheatley Canela and Global Impact’s president, Scott Jackson, tries to add more specificity. “[Donor Advised Funds: Democratizing Philanthropy to Change the World](#),” part of The Conference Board’s *Giving Thoughts* series, highlights the range of meanings that democracy can have in relation to philanthropic giving.

⁶ “Myths and Misconceptions about Donor-Advised Funds,” blog entry, DonorsTrust, September 30, 2015, <https://www.donorstrust.org/donor-advised-funds/myths-and-misconceptions-part-1/>.

In noting that people of color are underrepresented in the sector, Canela and Jackson promote donor-advised funds like Growfund, with extremely low minimum deposit levels, as a way to increase racial and socioeconomic diversity. In doing so, the authors reclaim the language of democratization from the commercial DAFs now dominating the sector, whose common minimum deposit of \$5,000 might be more inclusive than traditional foundations but is still beyond the reach of many Americans.

When Canela and Jackson discuss the involvement of women ages 30–45, “the next demographic cohort of significant givers,” they suggest that democratization requires granting respect and attention to potential givers commensurate with their resources and social status. And in another section, they associate democratization with facilitating philanthropic participation more generally, extending opportunities to groups on the margins and to those who face barriers (such as not having time to do extensive research) to become more involved.

As the paper describes Growfund’s mission (in language also used during the Urban panel), it would “put the same tools that major philanthropists have into the hands of every person”—meaning, access to a donor-advised fund. As Canela and Jackson argue, this would greatly expand the US donor population and would represent “a radical shift in the systems for giving.”

Here we encounter a tension that goes unexamined in the report—and in the sector more generally—and that represents an important opportunity for future reflection and analysis, the tension between the dynamics of continuity and change. How does extending the *same* tools that define the current system to a wider pool of users promise to transform that system? How does having more people think of themselves as philanthropists change the nature of philanthropy? These questions do not necessarily point to a contradiction: in other settings, we recognize that expanding boundaries can inexorably change the relations and identities of the populations contained within them; expanding the franchise, for instance. But the association between expanding access and affecting social change is not inevitable or logically axiomatic—not in the realm of politics or of philanthropy.

The intellectual task of the new generation of thinkers and doers seeking to incorporate democracy into philanthropy is to grapple, publicly and unabashedly, with the critical questions that this work raises: What precisely will the increased democratization of giving change within the philanthropic sector, and what will it leave the same? And even more essentially: What do we really talk about when we talk about philanthropy and democracy?

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