

of social entrepreneurs<sup>2014</sup> is challenging old models of nonprofit management. Seen from the supply side, nonprofit organizations have a logic that is far more complex than a simple response to a gap in government service or the failure of the market to meet a particular demand. The entrepreneur, donor, and volunteer take on a much greater role in this model, since it is the supply of new ideas, charitable dollars, and volunteer commitments that is the real driving force behind the sector. This means that the task of explaining the emergence of nonprofit and voluntary organizations

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21 requires studying and developing typologies of social entrepreneurs who use the nonprofit form to pursue their private visions of the public good. The supply-side approach has an important normative component, which holds that we must reassess the moral claims that needy clients have on nonprofit programs. Instead of asking that a nonprofit meet a test of moral stewardship that is ultimately decided by the level and quality of service provided to those in need, the supply-side approach advises that society should look to and protect the private interests and values of the critical actors who are fueling nonprofit and voluntary action, including philanthropic donors, volunteers, and social entrepreneurs. In order to ensure the continued flow of charitable inputs, the interests and values of these actors should be the first priority of those who seek an enlarged role for nonprofits. This means recognizing that the satisfaction of donors and the preservation of their intent constitute a critical normative task for the sector. Arguing that donors, volunteers, and social entrepreneurs should be the centerpiece of the sector is a controversial position because it unabashedly diminishes the claims that needy populations have on the charitable resources. Supply-siders counter this complaint with the argument that if one is truly committed to helping the needy, then constructing a sector that recognizes, protects, and encourages action by the private parties who control the resources should be an obvious priority.

Distinguishing between the demand and supply sides of the nonprofit and voluntary sector is a primary task when it comes to sorting through the arguments that have emerged in recent years. Yet we must also develop a second dimension for our conceptual framework. As soon as we begin to consider the broad number of important projects and causes to which the sector is dedicated, it becomes clear that nonprofit and voluntary organizations rest on two different ideas about what justifies and gives meaning to the work that is carried out in the sector.

First, nonprofit and voluntary action is an important instrument for the accomplishment of tasks that communities view as important. Nonprofit service agencies and volunteer helping organizations play an important role in the delivery of critical services in a broad array of fields. Nonprofits can be the principal means through which job training, arts education, shelter for the homeless, health care, neighborhood cleanups, firefighting, crime patrols, and countless other functions are accomplished.

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When the sector works to accomplish popular social purposes, it acquires powerful instrumental value. It becomes a concrete tool to achieve some collective purpose that society considers important. The sector's instrumental value is measured in terms of its concrete outcomes. In the search for validation and learning, the programmatic outcomes of nonprofit and voluntary action are increasingly being measured and evaluated using metrics borrowed from the business and public sectors. The growing emphasis on performance has led to a vast new literature on nonprofit management, which is aimed at making these organizations more efficient and useful

instruments for the accomplishment of public purposes.<sup>44</sup> The idea that nonprofit and voluntary organizations are valuable because they can be useful tools for the accomplishment of public purposes constitutes the core of what I will term the instrumental dimension of the nonprofit and voluntary sector.

Second, the sector can be seen as valuable because it allows individuals to express their values and commitment through work, volunteer activities, and donations. By committing to broad causes that are close to the heart or by giving to an effort that speaks directly to the needs of the community, nonprofit and voluntary action answers a powerful expressive urge. For donors, volunteers, and particularly staff, the very act of attempting to address a need or fight for a cause can be a satisfying end in itself, regardless of the ultimate outcome. The value that is created may be entirely psychic and may arise simply from the act of expressing commitment, caring, and belief. The expressive quality of the sector has led some to conclude that the narrow focus on the financial resources available to nonprofit organizations and on the level of services delivered has detracted from the deeper meaning of nonprofit and voluntary action, which derives from the fellowship and self-actualization experienced by those who give or volunteer. This is what I will refer to as the expressive dimension of nonprofit and voluntary action.<sup>45</sup>

The expressive and instrumental dimensions of nonprofit and voluntary action can compliment each other or they can create tensions. In the best cases, the moral energy that motivates those who deliver services can be harnessed to produce better and more effective programs. In some ways, this connection seems obvious: a committed volunteer or social entrepreneur is more likely to work hard to create value through his activities than someone who holds a job merely to earn a paycheck. In some cases, however, values and personal expression can be out of sync with instrumental goals and may lead to trouble. On the one hand, if strong expressive desires draw people to causes and community problems without adequate structure or planning, frustration can easily set in and group cohesion may be threatened. On the other hand, if too much focus is placed on improving a charitable organization's bottom line and maximizing the instrumental efficiency of its operations, an organization runs the risk of dimming the expressive flame of its staff, volunteers, and supporters. The managerial challenge, of course, is to bring the expressive and instrumental dimensions into alignment.

The contrast between the supply and demand sides and the opposition of the expressive and instrumental dimensions give us a basis for thinking systematically about the functions of nonprofit and voluntary action. We can construct a matrix that depicts, on one side, the nature of the value produced by the sector (instrumental versus expressive) and, on the other side, the underlying animus or force (demand versus supply). This book is organized around the four cells generated by this matrix (see Figure 1.2), which have come to represent the four underlying functions of the nonprofit and voluntary sector: encouraging civic and political engagement, delivering needed services, enacting private values and religious convictions, and providing a channel for social entrepreneurship.

The book works through and elaborates current debates relating to each of these four functions. Chapter 2 considers the role nonprofit organizations play in fostering civic and political engagement. Local nonprofits contribute in important ways to community cohesiveness, social solidarity, and what some call social capital, which is constituted by the norms, networks, and forms of trust that make communities work. These ties prepare people to play an

active role in civic life and democracy. Grassroots community organizations also have the capacity to harness this community spirit and generate social and political change.<sup>46</sup> Using the protection afforded by the First Amendment, these advocacy and organizing efforts are a critical ingredient in our national political life. In fields ranging from environmental protection to world peace, nonprofit and voluntary organizations have begun to exercise considerable political power. Nonprofits play a powerful role in setting the terms of many public debates, in mobilizing key constituencies, and in coordinating grassroots campaigns to effect change at the local, state, national, and transnational levels.<sup>24</sup>

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Chapter 3 considers how nonprofits represent an effective and powerful tool for responding to concrete public needs that the market and the state fail to meet. On the questions of why nonprofit organizations come into being and what role they play in society, a strong line of argument has emerged. Starting in the 1970s and continuing into the 1980s, theories about nonprofits focused heavily on the idea of government and market failure. Researchers proposed the idea that nonprofit provision of particular services arises when either government is unable to meet demand or when consumers are resistant to purchasing a given service in the for-profit marketplace. This positive theory of nonprofits embraced the subtle assumption that nonprofits were really just government partners, charged with helping to deliver needed services.

Since government and nonprofit organizations were thought to have the same basic goals and values, collaboration between sectors was seen as largely unproblematic. Some of the progenitors of this early, foundational perspective on the Idea of a Nonprofit and Voluntary Sector

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1.2 The four functions of nonprofit and voluntary action.

Expressive rationale

Instrumental rationale

Demand-side orientation

Supply-side orientation

Service delivery

Provides needed services and responds to government and market failure

Social entrepreneurship

Provides a vehicle for entrepreneurship and creates social enterprises that combine commercial and charitable goals

Values and faith

Civic and political engagement

Mobilizes citizens for politics, advocates for causes, and builds social capital within communities

Allows volunteers, staff, and donors to express values, commitments, and faith through work

Some argue that the future of the nonprofit sector lies in its capacity to cooperate and collaborate effectively with government, even though tensions between sectors appear to be rising. Chapter 3 presents the nearly models of nonprofit production, while raising new practical questions about the interaction of nonprofits with government and the market.

Chapter 4 considers the essentially private character of nonprofit and voluntary action that makes the sector an ideal vehicle for the expression of personal values and spiritual beliefs. Nonprofit and voluntary organizations are places where believers of all sorts are welcome, some of whom are motivated by faith, others by commitment to issues, and still others by strongly held private values and norms. The value component of nonprofit work which goes beyond the rational, purposive function of that work is part of what defines the sector and attracts donors, volunteers, and entrepreneurs to nonprofit and voluntary action. The values that animate nonprofit and voluntary action can often be important sources for innovation and experimentation, as private visions of the common good are tested and refined. The discussion covers the controversial normative position that has evolved in recent years from this positive analysis, which holds that the special visions of donors and entrepreneurs not the growing demands of the recipient

organizations and their clients should define and shape nonprofit activity. It is important to note that when one shifts the focus of the normative analysis from recipients to donors, volunteers, and social entrepreneurs, the evaluative criteria for the sector change radically. Instead of measuring outputs and outcomes for clients, evaluation looks at the subjective experience of those funding and delivering the services. Because it flies in the face of the more progressive ideas that have dominated thinking about the sector, this particular part of the supply-side vision represents a way of seeing nonprofit and voluntary activity that challenges some of our comfortable assumptions about nonprofit organizations.

Chapter 5 tracks one of the most important changes in the sector over the past two decades—namely, the growth of a new kind of social entrepreneurship and the rise of commercial activities as a way of financing aggressive growth agendas. Rather than waiting for donors to support initiatives with charitable dollars, more and more nonprofit managers are exposing their organizations to market forces. The rise of entrepreneurship in nonprofit organizations is manifest in many different ways, including the creation of new kinds of hybrid organizations, the influx of a new generation of younger, more business-oriented managers, and a willingness to rethink the traditional boundaries between for-profit and not-for-profit enterprises. Many of the new entrepreneurial nonprofits explicitly start out with the intention of producing social innovations that will in turn create their own demand. This marks a major change from the traditional idea of delivering services for which there is already a demand. To finance this start-up strategy, some social entrepreneurs have developed funding plans that rely heavily on revenues from commercial ventures of all kinds, not just charitable contributions or government grants. Chapter 5 looks at both the theory and practice of nonprofit entrepreneurship.

After reviewing the four core functions of the sector, Chapter 6 explores emerging challenges connected to the sector's rapid growth and identifies a few significant consequences that flow from seeing the sector as a diverse and pluralistic realm. The chapter, and the book as a whole, advances a message connected to both the management of individual nonprofit organizations and the direction of the sector as a whole: each of the four functions of nonprofit activity is important in itself. But when pursued in isolation and in excess, any of the functions can lead to imbalance, at both the organizational level and the sectoral level. If individual nonprofits and the sector as a whole are seen as only engaging in political organizing and advocacy, charges of excessive politicization are likely to arise sooner or later. If the sole focus of nonprofit activity is the inefficient delivery of publicly funded services, concerns about independence and vendorism will never be far away. If nonprofits do nothing but enact private values and interests, worries about particularism will almost certainly arise. If nonprofit activity comes to be focused too much on the creation of income-generating ventures, objections related to commercialism will be difficult to counter. Balance and a plurality of purposes thus turn out to be critical to sustaining nonprofit organizations and to the sector's continued growth and success.

At a time when nonprofit and voluntary activity has been the subject of increasing public attention and academic study, the breadth and depth of our understanding of this phenomenon has been severely constrained by the lack of a clear statement of the sector's core activities, rationales, and dimensions. This book strives to respond to this need by presenting four critical functions that the sector performs. While it does not pre-

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 intend that these functions entirely exhaust the range of purposes and rationales that guide nonprofit and voluntary action, the book argues that many of the most essential conceptual and policy problems within the sector can be usefully captured with this framework. The normative argument of the book is simply that the sector cannot survive and garner financial, political, and volunteer support if it swings too far in the direction of any particular function. In the long run, balance, achieved through the fulfillment of a diversity of functions, is ultimately essential within the vast range of nonprofit organizations and across the sector as a whole. Nonprofit and voluntary action can be a powerful force for good in society. Yet a good many myths have grown up around these private organizations that fulfill public purposes. In searching for the core functions of the nonprofit and voluntary sector, the book challenges some of these myths and suggests that the nonprofit and voluntary sector is an evolving and at times contradictory realm that now faces a number of significant challenges to its continued growth and legitimacy. Rather than attempting to smooth over and resolve these tensions, the exposition here deliberately brings them out in to the open. Ultimately, it is the diversity of purposes and rationales embodied in nonprofit and voluntary organizations that make them increasingly visible and exciting vehicles for the pursuit of common social goals. And it is the sector's diversity and flexibility that may well help nonprofit organizations to solve some of the pressing challenges they now confront.

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 Civic and Political Engagement  
 Civic and Political Engagement  
 Nonprofit and voluntary organizations respond to the deeply rooted need of individuals to be part of something bigger than themselves. As an antidote to atomistic individualism, nonprofit and voluntary activity at the local, state, national, and transnational levels brings people out of their isolation and puts them in touch with others who share their concerns and interests. The connections forged when people are drawn into civic space can be used to respond to community concerns, needs, and demands. By virtue of their emphasis on expressive, associational activity, nonprofits allow individuals and communities to transform their commitment into concrete collective action. When nonprofits speak directly to important public needs and lead collectivities to devise effective solutions to public problems, these diverse organizations ranging from block clubs to national membership groups help overcome some of the cynicism and distrust that stifle civic and political engagement. The special ability of nonprofit and voluntary activity to mobilize and connect individuals clearly has significant direct and indirect political implications.

Nonprofit and voluntary organizations are linked with the political process in six different ways, which range in character from nonpartisan to very partisan. First, nonprofits build trust, cohesion and social capital in communities. Through church groups, veterans' clubs, PTAs, and many other kinds of organizations and associations, individuals find connections to one another and build a sense of community and solidarity that leads to greater enthusiasm for community life. This trust, or social capital, represents a critical reservoir of good will and serves as a catalyst for civic and political engagement. Second, nonprofits promote civic engagement directly by offering individuals a door that opens onto the public square and a tool for demonstrating commitment to something greater than narrow self-interest. Civic engagement skills are learned and honed through nonprofit and voluntary action. Third,

non-profits translate trust and civic engagement into direct political action by organizing people at the grassroots around interests and causes, by registering voters and spurring them to get out the vote, and by organizing town hall meetings and a host of other participation and empowerment activities aimed at bringing the individual into the public sphere. Fourth, nonprofits are linked to politics through advocacy work. Organized around broad issues and concerns, nonprofits play an important role in informing and educating the public and policymakers. Advocacy efforts take place at the local, state, national, and transnational levels. Fifth, nonprofits engage in direct lobbying around specific legislative issues. Almost every time government moves forward with a decision, lobbying on both sides of the issue occurs. Different from advocacy in that it focuses on specific bills of legislation, lobbying is a way to translate public concerns into legislative action. Sixth, nonprofits figure prominently in our electoral system. Campaign fundraising organizations, political action committees, and a range of party institutions are all tax-exempt organizations. In recent years, cynicism about the role of moneyed interests in politics has raised some difficult questions about this particular function of nonprofits. As they work to build cohesion in communities and as they speak out on issues, nonprofits enjoy freedom of association and speech under the First Amendment. While nonprofits have often had an adversarial relationship with government, the diverse forms of their political activity are still guaranteed government protection. No matter what causes they seek to advance, nonprofits do not risk the loss of their protected status as long as they follow a few basic rules when exerting their fundamental rights to speech and association. There is no test of reasonableness when it comes to the political views of nonprofits, nor are there prohibitions on coalitions forming behind any peaceful cause imaginable. Of course, this has led to the advocacy of policies and agendas that have been controversial, often because they challenged majority positions. Still, the file is too long and its contents have been truncated.

"cloud\_doc\_url": null}, {"matched\_text": "\u001019\u0020source\u003011", "start\_idx": 1426, "end\_idx": 1437, "alt": null, "type": "file", "name": "On Being Nonprofit A Conceptual and Policy Primer (Peter Frumkin) (Z-Library).pdf", "id": "file-o0TG3NdARlccxURLJHM7nlfY", "source": "my\_files", "snippet": "\n\n\nOn Being Nonprofit\n\n\n\n\nOn Being Nonprofit\nA Conceptual and Policy Primer\n\n\nPeter Frumkin\n\n\nHARVARD UNIVERSITY PRESS\n\n\nCambridge, Massachusetts\n\n\nLondon, England\n\n\n\n\nFor my parents,\nAllan and Jean\n\n\nCopyright \u00a9 2002 by the President and Fellows of Harvard College\n\n\nAll rights reserved\n\n\nPrinted in the United States of America\n\n\nFirst Harvard University Press paperback edition, 2005\n\n\nLibrary of Congress Cataloging-in-Publication Data\n\n\nFrumkin, Peter.\n\n\nOn being nonprofit: conceptual and policy primer / Peter Frumkin.\n\n\nnp. cm.\n\n\nIncludes bibliographical references and index.\n\n\nISBN 0-674-00768-9 (cloth)\n\n\nISBN 0-674-01835-4 (paper)\n\n\n1. Nonprofit organizations. I. Title.\n\n\nHD2769.15 .F78 2002\n\n\n361.7\u00fffd63\u002014dc21 2002017227\n\n\n\n\nPreface Preface\n\n\nPreface\n\n\nIn recent years, the study of nonprofit and voluntary organizations has been a growth field, a fact that is apparent in the proliferation of non-profit degree and certificate programs in schools of business and public affairs, the founding of new independent centers devoted to nonprofit research, and the steady increase in scholarship concerned with non-profit organizations. To date, however, the study of nonprofit organizations has yet to find a home in any single discipline. And this may well be for the best. Our understanding of nonprofit organizations has bene-

benefited from the attention of economists, political scientists, sociologists, psychologists, historians, and management scholars. In writing this book, I have endeavored to bring together some of the most significant and contentious ideas about the nonprofit and voluntary sector and to integrate at least some elements of the competing disciplinary perspectives that have emerged. This is, after all, a book about the nonprofit and voluntary sector written by an organizational sociologist who teaches strategic management in a public policy school. It is my sincere hope that this book will cross disciplinary bounds and that it will serve as a useful and clarifying overview of the pressing conceptual and policy problems facing nonprofit organizations today.

Dividing nonprofit action into four broad functions, this book examines how nonprofit organizations promote civic and political engagement, deliver critical services within communities, provide an institutional vehicle for social entrepreneurship, and allow the expression of values and faith. The core of the book explores the tensions and problems that have arisen in each of these functional realms and the boundary disputes that have broken out as nonprofit organizations have been drawn into competition and collaboration with government and business. In exploring the multiple roles of nonprofit organizations, I argue that the long-term health and viability of nonprofit organizations depend on the achievement of balance among the four functions, so that no one function is allowed to dominate the other three. This has not always been achieved in recent years and the results have been painfully clear: charges of politicization, vendorism, commercialism, and particularism have plagued nonprofit organizations. The argument developed here is that only when nonprofits achieve important successes in each of their functions will they receive and sustain the financial support and public acceptance that they need to continue to grow. In tackling these broad and complex issues, I have aimed to provide a perspective on nonprofit activity that will be relevant to scholars and students approaching the topic from a wide array of backgrounds and levels of familiarity.

The intellectual debts I have accumulated over the years are very large. From the very first moment I joined the faculty of Harvard University's Kennedy School of Government and began to work on this book, I have benefited greatly from the good counsel and insightful criticisms of Mark Moore and Christine Letts, who together helped launch the Hauser Center for Nonprofit Organizations, where I have been a faculty affiliate. I am grateful to both of them for creating a place where it is possible to do serious work within a community of scholars and students. My faculty colleagues at the Hauser Center and within the broader Kennedy School of Government have all contributed directly or indirectly to the completion of this book. Through numerous seminar presentations, e-mail exchanges, and hallway discussions over the years, their active and sometimes aggressive questioning has led me to sharpen and improve my arguments. I owe a special debt to Peter Dobkin Hall, who read and commented on the entire manuscript and generously shared with me his encyclopedic knowledge of all things nonprofit. My understanding of the nonprofit sector has been substantially enriched by friendships, conversations, and collaborations over the years with Joseph Galaskiewicz, Paul Light, Steven Rathgeb Smith, Brint Milward, Barry Karl, Ellen Condliffe Lagemann, Marion Fremont-Smith, Allen Grossman, Elizabeth Keating, Donald Haider, David Reingold, and William Ryan.

One of the real pleasures of working at the Kennedy School of Government has been the opportunity to teach and work with a group of superb doctoral students, including especially Alice Andre-Clark, Gabriel Kaplan, and

Mark Kim. For several years, Kennedy School students in my class on the nonprofit sector patiently listened and questioned me as the ideas in this book were formed and developed. From the start, Shawn Bohan has expertly managed the Hauser Center's work and growth and, with great humor and patience, helped me navigate the serpentine world of Harvard rules, regulations, and budgets, while also providing the kind of advice and help that was necessary for seeing many projects to completion. Jennifer Johnson provided wonderful research assistance throughout the writing of the book and helped bring the manuscript to final form. Michael Aronson at Harvard University Press guided this book from an idea to a manuscript, arranged helpful reviews, patiently explained the publishing process to me, and made the whole process appear less mysterious. Behind the scenes of much of my research, a group of generous supporters have allowed me to pursue ideas wherever they led. It is a pleasure to thank the Hauser Center for Nonprofit Organizations, Claude Rosenberg of NewTithing Group, Patricia Brown of the Burton G. Bettingen Corporation, Ted Halstead of New America Foundation, and Mark Abramson of the PriceWaterhouseCoopers Endowment for the Business of Government, all of whom supplied critical financial support for elements of my broader research agenda. Within the Kennedy School, Alan Altshuler, Ron Heifetz, and Fred Schauer furthered the project at critical stages, and I am grateful for their help. Finally, my greatest debt is to my wife, Elizabeth, who encouraged me from my first day of graduate school and through all my subsequent research. Her unstinting support has made everything seem possible.

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The Idea of a Nonprofit and Voluntary Sector

The Idea of a Nonprofit and Voluntary Sector

The Idea of a Nonprofit and Voluntary Sector

The nonprofit and voluntary sector is the contested arena between the state and the market where public and private concerns meet and where individual and social efforts are united. Nonprofit and voluntary action expresses a complex and at times conflicting desire to defend the pursuit of private individual aspirations, while at the same time affirming the idea of a public sphere shaped by shared goals and values. For this difficult balancing act to work, participation in the sector demands a commitment to, among other things, expression, engagement, entrepreneurship, and service. Constituted by both legally chartered nonprofit organizations and myriad informal groups and voluntary associations, this sector occupies an increasingly critical and visible position in our political, social, and economic life. Yet despite its size and perceived influence, there is considerable uncertainty and confusion about its boundaries. The lines delimiting the sector have frequently been subject to challenge and revision, as funds and responsibilities have shifted back and forth among business, nonprofit, and government organizations. Reaching consensus on the very definition of the nonprofit and voluntary sector is difficult because many of the core features and activities of nonprofits increasingly overlap and compete with those of business and government. Thus, the nonprofit and voluntary sector is at once a visible and compelling force in society and an elusive mass of contradictions. On the one hand, the rise of nonprofits is thought to have contributed to democratization around the world, opening up societies and giving people a voice and a mode of collective expression that has in too many cases been suppressed. In the United States, nonprofit and voluntary



organizations are seen as playing a central role in generating, organizing, and emboldening political opposition, working through national networks and building international linkages. Nonprofit and voluntary organizations have also acted as practical vehicles for the delivery of a broad spectrum of community services, ranging from affordable housing to theater performances to vocational training to health care. The nonprofit sector appears, therefore, to be a real and identifiable group of tax-exempt organizations that encourage political engagement and produce services. The sector is in fact a documented economic powerhouse that employs millions of people and accounts for a significant portion of the nation's gross domestic product. All of which makes the nonprofit sector a strong and compelling concept that appears grounded in economic, political, and legal reality. On the other hand, the nonprofit and voluntary sector is home to such a wide range of organizations that grouping them together into one entity is highly problematic. From the largest hospitals and universities (which fund their operations by collecting fees or tuition) to small mentoring programs and avant-garde arts organizations (which survive on charitable contributions), nonprofits span a tremendous range of organizational forms. Many of these forms are stable and lasting, while others are fragile and transient. Some of the organizations that are considered part of the nonprofit sector, such as religious congregations and private membership organizations, operate without government funding. Other nonprofit organizations, particularly those that service the elderly and poor, could not survive without the steady flow of funds from federal, state, and local government. Beyond differences in funding, the organizations within the sector are balkanized by legal status, level of professionalization, and underlying purpose. Thus, any exploration of the nonprofit and voluntary sector would do well to begin by acknowledging its fundamentally contested nature. This chapter reviews the difficulties in defining the central characteristics of nonprofit and voluntary organizations, the conflicting nature of the words we use to describe this part of our world, and the evolving place the sector occupies in America's fragmented and polarized political sphere. Throughout, the tensions inherent in the very idea of organizations operating between the state and the market emerge again and again. All of which leads to the analytic framework that guides this book.

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in its exploration of the overarching functions of the nonprofit and voluntary sector.

### Three Features of Nonprofit and Voluntary Organizations

Attempting to define the fundamental features of the disparate entities that constitute the nonprofit and voluntary sector is a complex and daunting task. Yet there are at least three features that connect these widely divergent entities: (1) they do not coerce participation; (2) they operate without distributing profits to stakeholders; and (3) they exist without simple and clear lines of ownership and accountability. Taken together, these three features might make nonprofit and voluntary organizations appear weak, inefficient, and directionless, but nothing could be further from the truth. In reality, these structural features give these entities a set of unique advantages that position them to perform important societal functions neither government nor the market is able to match. Perhaps the most fundamental of the three features is the sector's noncoercive nature. Citizens cannot be compelled by nonprofit organizations to give their time or money in support of any collective goal. This means that, in principle at least, nonprofits must draw on a large reservoir of good will. This noncoercive character is also what most starkly differentiates the sector from

government, which can levy taxes, imprison violators of the law, and regulate behavior in myriad ways. The power of coercion that the public sector possesses is a powerful tool for moving collectivities toward common ends, but it is also a source of strife and contention. Trust in government is now low,<sup>3</sup> making the effective use of state power more and more difficult as its legitimacy fades. For nonprofit and voluntary organizations, these issues do not arise. Free choice is the coin of the realm: donors give because they choose to do so. Volunteers work of their own volition. Staff actively seek employment in these organizations, often at lower wages than they might secure elsewhere. Clients make up their own minds that these organizations have something valuable to offer. Though they stand ready to receive, nonprofit and voluntary organizations demand nothing. As a consequence, nonprofits occupy a moral high ground of sorts when compared to public sector organizations that have the ability to compel action and coerce those who resist.

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In some ways, the noncoercive character of the nonprofit and voluntary sector situates it closer to the market than to government. Business depends on the free choice of consumers in a competitive market where alternatives are often plentiful and where no firm has the capacity to compel anyone to purchase its goods or services. Similarly, nonprofit organizations cannot coerce participation or consumption of their services. The sector makes choices available, rather than deciding for others. When it comes to the mobilization of funds, the parallel between business and nonprofits is equally clear. Just as no one forces anyone to buy shares or invest in enterprises, no one forces anyone to give or volunteer in the nonprofit world. The flow of resources to a nonprofit depends entirely on the quality and relevance of its mission and its capacity to deliver value. To the extent that a business firm or a nonprofit organization is performing well, investors and donors will be attracted to it. Should things take a turn for the worse, investment funds and philanthropic funds usually seek out other options quickly.

The second feature of nonprofit and voluntary organizations sharply differentiates them from business firms, however. While corporations are able to distribute earnings to shareholders, nonprofit and voluntary organizations cannot make such distributions to outside parties. Rather, they must use all residual funds for the advancement of the organization's mission.<sup>4</sup> By retaining residuals rather than passing them on to investors, nonprofit organizations seek to reassure clients and donors that their mission takes precedence over the financial remuneration of any interested parties. The nondistribution constraint has been seen as a tool that nonprofits can use to capitalize on failures in the market. Since there are certain services, such as child care and health care, that some consumers feel uncomfortable receiving if the provider is profit driven, nonprofits are able to step in and meet this demand by promising that no investors will benefit by cutting corners or by delivering unnecessary services.

While the noncoercive feature of nonprofits brings nonprofits closer to business and separates them from government, the nondistribution constraint pushes nonprofits closer to the public sector and away from the private sector. Government's inability to pay out profits from the sale of goods or services is related to its need to be perceived as impartial and equitable.<sup>5</sup> With nonprofits, the nondistribution constraint also builds legitimacy and public confidence, though this does not mean that special powers are vested in these organizations. In both sectors, the nondistribution constraint strongly reinforces

the perception that these entities are acting for the good of the public. The third feature of nonprofit and voluntary organizations is that they have unclear lines of ownership and accountability.<sup>6</sup> This trait separates these entities from both business and government. Businesses must meet the expectations of shareholders or they risk financial ruin. The ownership question in the business sector is clear and unambiguous: shareholders own larger or smaller amounts of equity in companies depending on the number of shares held. Similarly, government is tethered to a well-identified group of individuals, namely voters. Executive and legislative bodies and the public agencies they supervise at the federal, state, and local levels must heed the will of the electorate if they are to pursue public purposes effectively and retain the support and legitimacy needed to govern. There is also a long tradition in the United States of conceiving government as belonging to citizens, though the ways in which this ownership claim can be exercised are severely limited. In the nonprofit sector, clear lines of ownership and accountability are absent.<sup>7</sup> Nonprofit and voluntary organizations must serve many masters, none of which is ultimately able to exert complete control over these organizations. Donors, clients, board members, workers, and local communities all have stakes, claims, or interests in nonprofit and voluntary organizations. Yet none of these parties can be clearly identified as the key ownership group. The relative strength of these ownership claims depends on how an organization is funded and on its chosen mission.<sup>8</sup> Nonprofit organizations that depend heavily on charitable contributions are often held closely accountable by their donors, some of whom believe that as social investors they have a real stake in the organizations to which they contribute. Nonprofits that are largely driven by service fees or commercial revenues are in a different position. While these more commercial organizations do not have donors asserting claims over them, social entrepreneurs and professional staff may view themselves as the key stakeholders in these more businesslike organizations. Often, however, the lines of ownership and accountability are rendered more complex by the fact that many nonprofit organizations combine funding from multiple sources foundations, corporations, and government with earned income, making it hard to point to any particular party as the key stakeholder to whom these special institutions owe. The Idea of a Nonprofit and Voluntary Sector 5 must answer.<sup>9</sup> One might be tempted to point out that nonprofit and voluntary organizations are almost always governed by boards, and to propose this as a solution to the ownership and accountability issue. Unfortunately, board members are not owners. They are stewards who are held responsible for the actions of their organization. In the end, nonprofit and voluntary organizations are authorized to act in the public interest by the communities in which they operate, though the lines of accountability are weaker than those in the public sector and the lines of ownership far more obscure than in the business sector. These three features of nonprofit organizations are not without controversy and contention. In fact, each has been called into question in recent years. First, the noncoercive nature of the sector has been challenged by the growing tendency to mandate community service or volunteer work. In the case of welfare reform, many states have required aid recipients to complete a community service requirement in order to continue receiving their monthly support payments.<sup>10</sup> A growing number of high schools now make volunteering with a local organization a condition for graduation. In addition, there have long been parts of the nonprofit landscape where strong norms are enforced on those who

have\ncommitted to membership. Within professional associations, licenses to\npractice medicine, law, and other callings are granted and denied by\nnonprofit entities.<sup>11</sup> Within many religions, the behavior of adherents is\nseverely constrained by doctrine. In some neighborhoods, independent\ncommunity groups have been granted the power to plan and constrain\nfuture development by residents. The exercise of power may be subtle\nin some cases. For example, many private funders exercise consider-\nable influence over the recipients of their grants. This influence can take\nthe form of a gentle suggestion or a condition of support that pro-\ngrams be revamped.<sup>12</sup> Although the constraints imposed in each case\nfollow a decision to participate and join, the power of some nonprofits\nover groups of individuals is considerable. In each and all such in-\nstances,<sup>13</sup> the noncoercive character of these organizations is called into\nquestion.\n\nSecond, the nondistribution constraint of nonprofit organizations has\nlikewise been under assault from a number of different directions. In re-\ncent years, increased scrutiny of the high salary levels of many nonprofit\nexecutives has led some to ask whether the \u201cprofits\u201d\u2014or, more accu-\nrately, the increased program revenues\u2014are not in fact being routinely\ndistributed to staff in the form of generous compensation and benefit.\n\n6 The Idea of a Nonprofit and Voluntary Sector\n\nIn the area of capitalization, large nonprofit organizations\nhave been aggressive in raising funds through bond offerings, which\ndo not offer investors the ownership stake that stock offerings do, but\nwhich have the effect of opening up major capital flows into the non-\nprofit sector. The accumulation of capital in the form of large endow-\nments has also called into question the boundary between business and\nnonprofit organizations: endowment funds, by their nature, are not used\nto fulfill an organization\u2019s immediate needs. Instead, they are invested in\nstocks, real estate, and other speculative investments designed in the\nlong run to maximize financial return. This is a strategic move that some\nhave characterized as contrary to the public purposes of nonprofit orga-\nnizations.<sup>15</sup> Making the boundary between nonprofits and business firms\neven more opaque, at least one study has argued that the nondistri-\nbution constraint does not significantly increase consumer confidence\nin the trustworthiness of nonprofits compared to business firms.<sup>16</sup>\n\nThird, the ownerless character of nonprofit and voluntary organiza-\ntions has come under fire as the legal claims of nonprofit stakeholders\nhave evolved. The courts have held that only members (in the case of a\nmembership organization), trustees or directors, and the attorney gen-\neral in the state where the nonprofit is located have legal standing to\ncontest the action of a charitable corporation. Over the years, however,\nthe power of trustees and directors has grown substantially, not to the\npoint where they can claim ownership of the assets of a nonprofit, but to\nthe point where boards now have tremendous leeway in the way they\noperate a charitable organization.<sup>17</sup> While these claims have rarely come\nto equal those of ownership, the lines of accountability have been drawn\nmore sharply, particularly as questions about the transfer of assets have\ncome up when nonprofit organizations have attempted to convert to for-\nprofit status.<sup>18</sup>\n\nThe ultimate result of these debates and trends is that the defining fea-\ntures of nonprofit organizations are evolving and are the subject of con-\nsiderable debate. The notion that there is some simple and unambiguous\ntest that can be developed to decide what sector an organization belongs\nto is no longer reasonable. While the Internal Revenue Service (IRS) and\nthe states have developed statutes and rules that define and regulate\nthese special institutions, a different and far more complex reality has\nemerged. The legal code is often of limited value in the effort to deter-

mine which organizations are really nonprofit and voluntary in their operation. The Idea of a Nonprofit and Voluntary Sector 7

Composition of the Nonprofit and Voluntary Sector

In the United States today, there are more than one and a half million registered nonprofit organizations, as well as several million informally organized community groups. The formally registered organizations fall into two broad and porous categories: those that serve the public and those that serve members. The public-serving organizations, classified under section 501(c)3 of the IRS code, operate in almost every imaginable field of human endeavor, and include, among countless others, social service agencies helping children, the elderly, and the poor; independent schools and private colleges; community clinics and hospitals; think tanks; environmental organizations; cultural groups such as museums, theaters, and historical societies; and a range of international assistance organizations. They are the most visible and recognizable part of this organizational universe. But substantial resources are concentrated in the member-serving or mutual benefit organizations, which include credit unions, business leagues, service clubs, veterans' organizations, and trade associations. They tackle problems ranging from the most complex issues of business policy to the most prosaic challenges of small-town life. Also included in the sector (though not filing forms annually with the IRS) is a vast array of churches, synagogues, and mosques that form the foundation of the nation's religious life. While we tend to think of congregations as membership organizations, they are treated differently by government and are not subject to the same forms of oversight as other member-serving nonprofits.

While the largest and better-financed nonprofit organizations receive the bulk of public attention, important work is done by the army of less visible associations, clubs, networks, and groups through which communities come together and act.<sup>19</sup> There is considerable dispute as to whether the legally chartered nonprofit organizations share enough traits with informal voluntary associations to justify including both groups in one sector.<sup>20</sup> However, leaving these grassroots associations out of the picture grants far too much deference to the tax treatment of nonprofits and ignores the fact that informal associations and formal nonprofits both eschew the distribution of profits, are noncoercive, and have no owners.

Public awareness of the sector is rapidly increasing, though surprisingly little is known about the underlying purposes and values that animate it.<sup>8</sup> The Idea of a Nonprofit and Voluntary Sector

mate nonprofit and voluntary action or the vehicles through which these values and purposes are channeled. In part, this is because these activities reflect a sometimes confusing agglomeration of strongly held private values, as well as a set of complex public purposes. The sector can thus be conceived as a tent covering public-serving charities, member-serving organizations, and a range of informal organizations, including voluntary and grassroots associations (see Figure 1.1).

This diverse and at times contradictory group of entities comprises organizations and associations that are neither part of the state nor fully engaged in the market. The sector's solutions to community and public problems at times represent a conscious disavowal of commercial markets and a realization that some exchanges are simply better conducted under terms of mutuality and trust than under the strict dictate of caveat emptor.<sup>21</sup> Using charitable contributions, many nonprofit and voluntary organizations can deliver services to clients who are unable to pay. At other times, nonprofit and voluntary action represents an attempt to move beyond government action to find solutions to public problems that a majority of citizens are unable or unwilling to support.

Nonprofits

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1.1 Elements of the nonprofit and voluntary sector.

The nonprofit and voluntary sector

Member-serving nonprofits

Voluntary associations

Public-serving nonprofits

can and do speak to community needs that lie outside the priorities of the median voter. But the position of this group of organizations in relation to the market and the state is far more complex and changeable than these simple claims of differentiation might lead one to believe. In some fields of activity within the sector, intense commercialism has eroded the moral high ground of these organizations and transformed nonprofits into shadow businesses that compete actively for clients able to pay for the services they offer. In other fields, nonprofits have lost their autonomy from government and have come to serve as dutiful implementers of public sector programs and priorities. The lack of clarity in the identity of nonprofit and voluntary organizations in relation to business and government becomes ever more evident as soon as one considers the range of names used to speak about these entities.

What's in a Name?

The process of arriving at a single term to designate this sphere of activity has been long and conflicted. Although the term nonprofit and voluntary sector is common today, many other terms have been devised over the years. The long-standing confusion over terminology can be traced to the diversity of activities that need to be covered by whatever term is chosen.<sup>22</sup> Programs are delivered through both formal and informal organizations, carried out by both salaried and volunteer staff, and supported through donations, contracts, and commercial revenues. As a consequence, the formal organizations that constitute the sector have at various times and for various reasons been called the tax-exempt sector, the nongovernmental sector, the independent sector, the third sector, the civil society sector, the commons, the charitable sector, the voluntary sector, the nonproprietary sector, and the nonprofit sector. The terminological debate continues today. Each of the many terms that has emerged over time has had its own historical and political baggage. A brief review of these terms will illustrate the scope of the sector, even if a definitive defense of any particular term is impossible.

One of the earliest names attached to these organizations was in some ways the narrowest and the most descriptively accurate: tax-exempt. After the ratification of the Sixteenth Amendment to the Constitution and the establishment of the national income tax in 1913, Congress

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granted tax-exempt status to those organizations that were specifically organized and operated exclusively for charitable, scientific, and educational purposes. Later additions included a long series of very specific purposes, including prevention of cruelty to children or animals (1918), community chest, fund, or foundation (1921), and testing for public safety (1954). The categories of tax-exemption have shifted over time; today there are more than twenty different specific categories of tax-exempt organizations delineated under the Internal Revenue Code. The arbitrariness of these narrow categories can best be seen today in the fact that international sports organizations are specifically recognized, whereas health organizations are not. But this is of little consequence, since the vast majority of public-serving nonprofits file today under the catch-all category 501(c)(3). For a time, the moniker tax-exempt organizations was widely used inside

government and within the legal community because it pointed or at least appeared to point to the black letter of government regulation. Yet because this approach did not capture the huge number of clubs, associations, and groups that have never been formally registered with the IRS, it fell out of favor and was replaced with others. In the 1970s, efforts to find a broader and more inclusive term led to a whole series of names that aimed at positioning the sector in opposition to government. Today, the term nongovernmental organization (NGO) remains popular around the world. It is used to denote the array of organizations that pursue public purposes through largely private means. It covers both indigenous organizations working within particular countries overseas and international organizations that work around the world. While not specifically limited to a particular field of activity, when the term nongovernmental organization is used today, it usually denotes an organization that works to promote such things as rural development, education, environmental quality, and community health. What is interesting about the term nongovernmental is that it defines these independent organizations in opposition to government, rather than in opposition to business firms. One possible explanation for the popularity of this term internationally is the power and dominance that the state enjoys in many developing countries and the relative absence of organized opposition. The sector is thus defined as that which is not part of the state, rather than that which is not oriented toward profit-making. This choice also implicitly reflects the oppositional role of the Idea of a Nonprofit and Voluntary Sector 11 nongovernmental organizations, which do in fact challenge governments and hold them accountable. In some countries, small, informal organizations within the broader NGO sector are at times termed people's organizations and community-based organizations, as a way of differentiating them from larger, more formal institutions. The label nongovernmental remains firmly entrenched in current usage, particularly when Americans seek to distinguish between American nonprofit organizations and international NGOs. The term independent sector came into popular usage in the 1980s and can be traced to a particular event namely, the founding of Independent Sector, the national trade association representing both grant-making and grant-receiving organizations.<sup>23</sup> Founded in 1979, the group consolidated two existing associations and sought to unify the motley world of foundations and nonprofit organizations. By advancing the use of the term independent sector, organizers of the association wanted to emphasize the capacity of these organizations to devise solutions free from the market and political pressures. The only problem with this term is that over time it became increasingly obvious that nonprofits were neither independent from government nor free from the pressures of the marketplace. As government funding for social service and health nonprofits has risen sharply, many have come to view nonprofit organizations as engaged in important collaborative relationships with government. Independence from government has come to be seen as more of a wish than a reality. Similarly, the idea that nonprofit organizations operate independently from the market has been called into question by the growing number of cross-sector partnerships, joint marketing agreements, and nonprofit commercial ventures. At times, the term third sector has been in vogue. Popularized by several early researchers in the field of nonprofit and voluntary action,<sup>24</sup> this term had the advantage of covering both formally constituted nonprofit organizations and the countless informal grassroots

organizations that populate the sector. The idea that nonprofit and voluntary action was somehow third in line after government and business rubbed some people the wrong way, however. It seemed to imply a kind of inferiority and subsidiarity that few in the sector were willing to concede. While the term "third sector" is still sometimes used in the research community, the practitioner community rarely uses it. Like "nonprofit" and "The Idea of a Nonprofit and Voluntary Sector" "nongovernmental," the term "third sector" seems to define these organizations in isolation from the other sectors. The term "civil society" was coined by the classic writers of political theory, and has regained currency of late. The modern idea of civil society plays a prominent role in the work of Hobbes, Montesquieu, and Hegel, who used it to refer to the broad private realm outside the state. One of the problems with using the term today is that "civil society" traditionally encompassed everything from the family to the church to the business corporation. Still, the term is acquiring popularity both in the United States and internationally, and it has lately come to refer to something more concrete than the huge and abstract private realm outside the state. In practice, it has come to denote a set of voluntary mediating institutions that invite individuals to come together to pursue shared interests, values, and commitments. Over the past decade, "civil society organizations" has come to compete with "nongovernmental organizations" among people interested in indigenous social movements around the world, ranging from small local organizations to large international institutions. More recently, yet another solution to the name game was proposed. Instead of a term that either defined the essential characteristic of these organizations or that situated these organizations in relation to government and the market, a new form of reference was proposed: "the commons." Advocates for the term argued that the vast landscape of nonprofit and voluntary action constitutes a special terrain of shared concerns.<sup>25</sup> The commons was intended to solve some of the problems associated with previous attempts at naming the sector. It denoted the vast array of relationships between benefactors, intermediaries, and beneficiaries that constitutes a space in which associative communities can operate freely. Linked to the Greek term *koinonia*, "the commons" emphasizes free participation, common purpose, shared goods, a sense of mutuality, and a commitment to fairness.<sup>26</sup> A critical part of what distinguishes "the commons" from other attempts to delineate the non-market and nonstate realm of activity is that the definition focuses not just on what kinds of purposes are accomplished, but also on the ways in which they are accomplished. By pointing to the features of *koinonia*, "the commons" defines the boundary of the sector in ethical terms. In several European countries today, the dominant term is "the charitable." The Idea of a Nonprofit and Voluntary Sector table sector, which captures the critical philanthropic character of these organizations and their activities. The very use of the term "charity," however, harks back to Victorian England, the settlement house movement, and the class elitism associated with "poor aid" and "calms giving." Because self-help and community empowerment have become rallying points for the sector, the idea of calling this part of society "charitable" offends some people because it puts the spotlight on the contributions of elite patrons and donors, not on the efforts of activists, caregivers, and clients. The term also implies that much of the work of the sector is unfunded through private gifts, when in reality government funding and earned



income now fuel large parts of the sector. The voluntary sector has been in use intermittently for decades, both in the United States and abroad. One clear advantage of the term is that it focuses on the vast landscape of formal and informal organizations that work for the public good. It is a way of including the millions of neighborhood-based groups that operate without legal recognition. Yet the name has been criticized at times for obscuring the growing professionalism of nonprofit activity, a subject of considerable sensitivity. As part of the process of receiving more and more funding from public sector agencies through contractual relationships, many nonprofit managers now take great pride in the fact that they have removed all vestiges of amateurism associated with volunteerism and have replaced it with the professional work of highly trained people. Most recently, some people dissatisfied with the existing alternatives have begun using the term "nonproprietary organizations" in order to highlight the ownerless character of these entities. In contrast to business firms that are proprietary, nonproprietary organizations are not linked to a clear owner or ownership group. This alternative has been advanced because the term "nonprofit" obscures the fact that many "nonproprieties" do in fact generate surplus revenue, though they do not directly distribute their earnings to shareholders or owners. While this term has the benefit of drawing a clear line between business firms and nonprofits, it does not resolve the question of what differentiates nonprofits from government agencies, which are also nonproprietary. Of the many competing options, the term "nonprofit sector" has been the most widely used over time. Rather than defining these organizations in terms of the special privilege they enjoy of being free from taxation, the term points in a different and less contentious direction by emphasizing the benevolent character of the sector. Though there is some question as to when exactly the term "nonprofit sector" came into use, the consensus is that it is a product of the 1950s and 1960s. The term "nonprofit" focuses on one of the three defining features mentioned above—namely, that these organizations are not intended to generate profits and distribute them to investors. Since this term distinguishes nonprofit organizations from business corporations, some observers have argued that it was actually designed to confer a kind of legitimacy and trustworthiness.<sup>27</sup> In recent years, the substantial increase in commercial revenues and executive salaries within the nonprofit sector has led many to question just how unprofitable the sector truly is. Still, the label "nonprofit sector" has the benefit of currency and simplicity. Because the sector comprises both legally chartered nonprofit organizations and countless informal groups and voluntary associations, I will use the somewhat cumbersome though descriptively accurate "nonprofit and voluntary sector" to denote the organizations occupying an increasingly critical and visible position in our political, social, and economic life. Though not perfect, the term points accurately to the target population of organizations that are emerging as critical actors even though they operate without coercion, profits, or owners. This is a compromise solution that many researchers working in this field use, though some fall back on "nonprofit sector" for brevity's sake. Though it does not please everyone, the term does meet the requirement of being broad enough to cover the range of organizations and groups that are acting privately for some collective good. Underlying all the names that have been used to describe these entities is the fact that even when agreement is reached on a single appropriate name, it is

not entirely clear that this complex and varied set of organizations constitutes a single coherent societal sector.<sup>28</sup> In many ways, the word sector is just as problematic as independent, third, nongovernmental, and all the terms that have preceded it. An important part of the problem is the lack of consistency across the organizations that are said to be part of this sector. After all, the sector includes organizations that cater to the narrow needs and desires of their memberships, as well as organizations that have broad public service missions.<sup>29</sup> The sector is also home to highly institutionalized organizations with millions of dollars in revenues and informally organized groups with little or no money. The sector includes political parties that exist to

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15 shape public policy and service delivery organizations that depend on the political process to deliver needed funds. The sector counts as its constituents both foundations that give away money<sup>30</sup> and a multitude of organizations that seek grants, as well as a growing number of organizations that depend on fees and commercial revenues. Thus, given the great diversity of formal and informal structures, the varieties of purposes pursued, and the range of financing systems used to support these organizations, the very use of the word sector is troublesome because it implies far more consistency than may be present. Some scholars of nonprofits thus maintain that the idea of a coherent sector may be an invention, which has begun to outlive its usefulness and now merely provides cover for a large and diverse group of organizations that have little in common.<sup>31</sup>

Yet, by defining a set of activities that are neither part of government nor part of the market,<sup>32</sup> we acknowledge that there is a sphere where coercion is not used, where profits are not the principal motive, and where lines of ownership are not clearly drawn. Why nonprofit and voluntary organizations exist and what functions they perform are among the central topics of this book. Before presenting a framework for thinking about these issues, it is important to recognize some of the political cleavages that the very idea of a nonprofit and voluntary sector creates.

The Politics of the Nonprofit and Voluntary Sector

The nonprofit and voluntary sector occupies an ambiguous and at times contentious position in the current American political scene. Just as few people agree on the right name to use to describe these organizations, Americans are likewise engaged in heated debate about the sector's underlying politics. Today, for quite different reasons, nonprofit and voluntary organizations are embraced by both conservatives and liberals. How can this be? The answer lies in the fact that the sector comprises a great number of complex, multidimensional organizations that appeal simultaneously to many constituencies. The fact that both sides of the political spectrum applaud and see the potential of nonprofit and voluntary organizations, far from revealing some underlying weakness, ultimately reflects the sector's strength and enduring relevance.

For at least three reasons, nonprofit and voluntary organizations have, particularly from the 1960s forward, represented a tremendous resource

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and ally to liberals. First, a natural affinity between liberals and nonprofit workers quickly became apparent, since those willing to toil in often low-paying or voluntary positions and frequently in difficult circumstances constitute a self-selected group of socially committed individuals dedicated to the idea of making a difference and initiating change. As membership in labor unions declined, thus eroding one of the traditional bases of the

Democratic party, the rise of nonprofit social service agencies in the 1970s came at a very opportune moment. Not only could nonprofit organizations serve as new channels through which social programs could be delivered, but they also represented a new and important space in which potential supporters of progressive policies might well be located.<sup>33</sup> The second reason liberals were attracted to the sector as a whole was more operational. Nonprofit organizations were seen as an ideal and untainted partner to government, one that could most effectively deliver needed services to the most disadvantaged populations. As concern over the impact of Great Society programs grew and as distrust of government increased, nonprofits came to be seen as neutral and legitimizing forces with the capacity to give large human service initiatives a more diverse, pluralistic face.<sup>34</sup> The funding crunch that most nonprofit organizations face on a continuing basis appeared to put government in a position to use its substantial resources, in the form of contracts and grants, to gain control over a whole new range of community actors and problems. At the same time, nonprofits represented an ideal "bottom-up" approach to implementation, one that empowered the grassroots level and that gave government tremendous leverage for each dollar spent. Third and finally, liberals were attracted by the political activity of many nonprofits and their ability to mobilize groups around issues and concerns in a distinctive way. Unlike corporations, which are beholden to shareholders and the bottom line, and unlike government, which is bound by the limits of the Constitution and the pressures of public opinion, nonprofit organizations have a great deal more freedom to operate. This flexibility lends itself well, in principle, to the pursuit of progressive, alternative agendas. Moreover, since many advocacy nonprofits seek to give voice to populations that have long been excluded from the political debate, liberals continue to view the broader nonprofit sector as a means to exert pressure for social change and justice.<sup>35</sup> Changes in the national political climate since the 1980s coincided with the Idea of a Nonprofit and Voluntary Sector 17 with a very different set of ideas about the nonprofit sector. Instead of considering nonprofits a potential source of political and social change, conservatives were attracted by three completely different features of nonprofits. First, they believed that nonprofit organizations might well represent an appealing alternative to direct public expenditures on social programs that conservatives believed had not produced results.<sup>36</sup> Questions about whether the War on Poverty had failed were in the air, especially in the early 1980s. By encouraging private charities to take responsibility for local community needs, conservatives believed they could make an effective argument for shrinking government. After all, if churches and community groups were able to function with voluntary contributions of time and money, the need for an ever-growing number of public spending programs would surely be diminished. Compared to taxation and national spending, private charity and volunteerism were seen as preferred means of solving social problems because they permitted greater individual freedom and choice. A strong and vital nonprofit and voluntary sector fit well with the emerging ideas of both devolution and privatization, two mantras of the conservative movement. As government functions were pushed "down" from the federal level to the state and local levels, and transferred "out" of government to private providers through contracting, nonprofits were ideally situated to deliver services that once had been the province of "bureaucrats" in the national capital.<sup>37</sup> Second, conservatives also argued that nonprofits, particularly faith-based nonprofits, were in a position to bring to social programs

something that public entitlements had long lacked—namely, a moral or spiritual component.<sup>38</sup> Faith-based nonprofits were seen as willing to make demands on the recipients of charity and require a change of character and behavior in exchange for assistance. At the same time, given that many nonprofits are fueled by volunteer labor and private contributions, conservatives were attracted to the idea of nonprofits because they represented the ideal of self-help and independence. This was a powerful feature that, conservatives argued, was perilously missing from public assistance programs.<sup>39</sup> For those who believed that public entitlements bred dependence and complacency, the idea of delivering not just a check but a moral and spiritual message was a very strong attraction.

Finally, for conservatives, nonprofit organizations were also a potential wellspring of innovation, representing a plurality of local solutions.

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to social problems and a powerful alternative to the ongoing search for uniform national solutions to public problems. Grounded in an ethos of self-help and respecting regional cultural variations, voluntary action fit well with a growing sense among conservatives that a broad range of alternatives to an expanding state needed to be actively cultivated. By giving local organizations a chance to try their hand at program implementation, conservatives believed that good ideas would percolate up from communities. Conservatives argued that expenditures on federal social welfare and education programs should not be increased. Instead, funds could be used most effectively and creatively when channeled through local groups that were more in touch with the diverse and changing needs of the people. Nonprofit organizations thus represented a way of breaking through the red tape of Washington to find new approaches to longstanding problems. Nonprofits, conservatives maintained, could serve as a battering ram for policy innovation.<sup>40</sup>

At first blush, it might appear that the capacity of nonprofit and voluntary organizations to speak to both liberals and conservatives implies neither a split and conflicted identity or a simple lack of political scruples. In reality, the sector is a remarkably complex entity, one that is capable—like an inkblot—of evoking a broad range of reactions and interpretations. Because it simultaneously supports the autonomy of the private individual actor while affirming the importance of shared and public purposes, the politics of nonprofit and voluntary action can take on many different meanings. The ability to speak across, or rather above, traditional political boundaries has become one of the most powerful features of the sector, and this trait has led to its growth and popularity, particularly among young people.

### The Two Dimensions of Nonprofit and Voluntary Action

Given the confusion over what to call this sector and the complex and at times confused politics that have surrounded it, the goal of this small book is to help shape our understanding of the many different ways one can approach the core functions of these independent organizations. To make this task easier, I organize my exposition of the central functions of voluntary and nonprofit organizations along two broad conceptual distinctions. The first critical distinction concerns how the sector is explained; the question is whether nonprofit and voluntary activity is

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19 driven primarily by demand or by supply—that is, whether it can best be understood as a response to unmet demands or whether it is taken to be an important supply function that creates its own demand. The second distinction concerns how the sector is justified; here the issue is whether the value of nonprofit and voluntary action is seen as residing in the instrumental character of the outcomes that are generated for society or in the

inherently expressive quality of the activities themselves that reward those who undertake them. These are complex and difficult distinctions, which will be discussed in turn and then brought together to form the conceptual framework for the analysis that constitutes the core of the book.

Starting with the distinction between demand and supply, it is easy to see nonprofit and voluntary action as responding to two quite different but important forces.<sup>41</sup> The demand-side perspective starts with the premise that the sector exists by virtue of the broader social context within which it is embedded and that its activities are responsive to the demands of the public or its members. Thus, nonprofits exist because they are able to meet important social needs. Urgent public problems such as illiteracy, drug addiction, and violence demand solutions, and the nonprofit sector exists to respond to the powerful pull of such issues. The demand-side approach to nonprofit activity has both descriptive and normative dimensions. Descriptive demand-side theories focus on patterns of nonprofit formation and growth. In the 1970s, researchers proposed detailed economic models and explanations for nonprofits' behavior,<sup>42</sup> most of which started with the assumption that nonprofits fulfill important demands that for one reason or another the market and government are unable or unwilling to meet. This led to the broad and popular belief that nonprofits were really gap-filling entities that historically have arisen when public needs were sufficiently strong.

On a more normative level, the demand-side approach to nonprofit organizations has spawned a literature focusing on the social and political responsibilities of nonprofit organizations defined in relation to the demands of the neediest members of society. Starting with the claim that the tax exemption accorded these institutions conveys an obligation to help, many people have made the normative argument that nonprofit organizations should seek to assist the most disadvantaged and empower the most disenfranchised members of society. Accordingly, the success or failure of the sector can and should be judged by how well or how

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poorly it meets society's needs. The demand for nonprofit and voluntary action leads neatly to a set of prescribed activities, including greater advocacy work within the sector, and the empowerment and mobilization of those left out of the political process. The demand for nonprofit activity thus brings with it the expectation that these institutions will help give voice and opportunity to those who have been marginalized by the market economy and the political process.

The idea of a demand-driven nonprofit and voluntary sector dominates much of the research that is conducted in this field. Yet a central claim of this book is that the demand-side approach captures but one aspect of this broad social phenomenon. An alternative, supply-side position argues that the sector is impelled by the resources and ideas that flow into it—resources and ideas that come from social entrepreneurs, donors, and volunteers.<sup>43</sup> This is a more controversial perspective because it has led to some strong claims about how nonprofit organizations should be managed and operated. Rejecting many of the preceding arguments about the needs that pull on the sector, the supply-side perspective holds that nonprofit and voluntary organizations are really all about the people with resources and commitment who fire the engine of nonprofit and voluntary action. Drawn to the sector by visions and commitments, social entrepreneurs bring forward agendas that often operate independently of immediately obvious and enduring community needs.

This supply-side theory of nonprofits, like the demand-side approach, has both descriptive and normative elements. On the descriptive side, this approach emphasizes the entrepreneurial

quality of nonprofit activity. Instead of starting with the demand of clients, positive supply-side theories of the nonprofit sector draw attention to the way various forms of entrepreneurship fuel innovation within the sector and how an emerging class of new social enterprises increasingly led by a new generation of social entrepreneurs is challenging old models of nonprofit management. Seen from the supply side, nonprofit organizations have a logic that is far more complex than a simple response to a gap in government service or the failure of the market to meet a particular demand. The entrepreneur, donor, and volunteer take on a much greater role in this model, since it is the supply of new ideas, charitable dollars, and volunteer commitments that is the real driving force behind the sector. This means that the task of explaining the emergence of nonprofit and voluntary organizations

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requires studying and developing typologies of social entrepreneurs who use the nonprofit form to pursue their private visions of the public good. The supply-side approach has an important normative component, which holds that we must reassess the moral claims that needy clients have on nonprofit programs. Instead of asking that a nonprofit meet a test of moral stewardship that is ultimately decided by the level and quality of service provided to those in need, the supply-side approach advises that society should look to and protect the private interests and values of the critical actors who are fueling nonprofit and voluntary action, including philanthropic donors, volunteers, and social entrepreneurs. In order to ensure the continued flow of charitable inputs, the interests and values of these actors should be the first priority of those who seek an enlarged role for nonprofits. This means recognizing that the satisfaction of donors and the preservation of their intent constitute a critical normative task for the sector. Arguing that donors, volunteers, and social entrepreneurs should be the centerpiece of the sector is a controversial position because it unabashedly diminishes the claims that needy populations have on the charitable resources. Supply-siders counter this complaint with the argument that if one is truly committed to helping the needy, then constructing a sector that recognizes, protects, and encourages action by the private parties who control the resources should be an obvious priority.

Distinguishing between the demand and supply sides of the nonprofit and voluntary sector is a primary task when it comes to sorting through the arguments that have emerged in recent years. Yet we must also develop a second dimension for our conceptual framework. As soon as we begin to consider the broad number of important projects and causes to which the sector is dedicated, it becomes clear that nonprofit and voluntary organizations rest on two different ideas about what justifies and gives meaning to the work that is carried out in the sector.

First, nonprofit and voluntary action is an important instrument for the accomplishment of tasks that communities view as important. Nonprofit service agencies and volunteer helping organizations play an important role in the delivery of critical services in a broad array of fields. Nonprofits can be the principal means through which job training, arts education, shelter for the homeless, health care, neighborhood cleanups, firefighting, crime patrols, and countless other functions are accomplished. The Idea of a Nonprofit and Voluntary Sector

is accomplished. When the sector works to accomplish popular social purposes, it acquires powerful instrumental value. It becomes a concrete tool to achieve some collective purpose that society considers important. The sector's instrumental value is measured in terms of its concrete outcomes. In the search for validation and learning, the

programmatic outcomes of nonprofit and voluntary action are increasingly being measured and evaluated using metrics borrowed from the business and public sectors. The growing emphasis on performance has led to a vast new literature on nonprofit management, which is aimed at making these organizations more efficient and useful instruments for the accomplishment of public purposes.<sup>44</sup> The idea that nonprofit and voluntary organizations are valuable because they can be useful tools for the accomplishment of public purposes constitutes the core of what I will term the instrumental dimension of the nonprofit and voluntary sector.

Second, the sector can be seen as valuable because it allows individuals to express their values and commitment through work, volunteer activities, and donations. By committing to broad causes that are close to the heart or by giving to an effort that speaks directly to the needs of the community, nonprofit and voluntary action answers a powerful expressive urge. For donors, volunteers, and particularly staff, the very act of attempting to address a need or fight for a cause can be a satisfying end in itself, regardless of the ultimate outcome. The value that is created may be entirely psychic and may arise simply from the act of expressing commitment, caring, and belief. The expressive quality of the sector has led some to conclude that the narrow focus on the financial resources available to nonprofit organizations and on the level of services delivered has detracted from the deeper meaning of nonprofit and voluntary action, which derives from the fellowship and self-actualization experienced by those who give or volunteer. This is what I will refer to as the expressive dimension of nonprofit and voluntary action.<sup>45</sup>

The expressive and instrumental dimensions of nonprofit and voluntary action can complement each other or they can create tensions. In the best cases, the moral energy that motivates those who deliver services can be harnessed to produce better and more effective programs. In some ways, this connection seems obvious: a committed volunteer or social entrepreneur is more likely to work hard to create value through his activities than someone who holds a job merely to earn a paycheck.

In some cases, however, values and personal expression can be out of sync with instrumental goals and may lead to trouble. On the one hand, if strong expressive desires draw people to causes and community problems without adequate structure or planning, frustration can easily set in and group cohesion may be threatened. On the other hand, if too much focus is placed on improving a charitable organization's bottom line and maximizing the instrumental efficiency of its operations, an organization runs the risk of dimming the expressive flame of its staff, volunteers, and supporters. The managerial challenge, of course, is to bring the expressive and instrumental dimensions into alignment.

The contrast between the supply and demand sides and the opposition of the expressive and instrumental dimensions give us a basis for thinking systematically about the functions of nonprofit and voluntary action. We can construct a matrix that depicts, on one side, the nature of the value produced by the sector (instrumental versus expressive) and, on the other side, the underlying animus or force (demand versus supply). This book is organized around the four cells generated by this matrix (see Figure 1.2), which have come to represent the four underlying functions of the nonprofit and voluntary sector: encouraging civic and political engagement, delivering needed services, enacting private values and religious convictions, and providing a channel for social entrepreneurship.

The book works through and elaborates current debates relating to each of these four functions. Chapter 2 considers the role nonprofit or-

Organizations play in fostering civic and political engagement. Local nonprofits contribute in important ways to community cohesiveness, social solidarity, and what some call "social capital," which is constituted by the norms, networks, and forms of trust that make communities work. These ties prepare people to play an active role in civic life and democracy. Grassroots community organizations also have the capacity to harness this community spirit and generate social and political change.<sup>46</sup> Using the protection afforded by the First Amendment, these advocacy and organizing efforts are a critical ingredient in our national political life. In fields ranging from environmental protection to world peace, nonprofit and voluntary organizations have begun to exercise considerable political power. Nonprofits play a powerful role in setting the terms of many public debates, in mobilizing key constituencies, and in coordinating grassroots campaigns to effect change at the local, state, national, and transnational levels.

The Idea of a Nonprofit and Voluntary Sector Chapter 3 considers how nonprofits represent an effective and powerful tool for responding to concrete public needs that the market and the state fail to meet. On the questions of why nonprofit organizations come into being and what role they play in society, a strong line of argument has emerged. Starting in the 1970s and continuing into the 1980s, theories about nonprofits focused heavily on the idea of government and market failure. Researchers proposed the idea that nonprofit provision of particular services arises when either government is unable to meet demand or when consumers are resistant to purchasing a given service in the for-profit marketplace. This positive theory of nonprofits embraced the subtle assumption that nonprofits were really just government's partners, charged with helping to deliver needed services. Since government and nonprofit organizations were thought to have the same basic goals and values, collaboration between sectors was seen as largely unproblematic. Some of the progenitors of this early, foundational perspective.

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1.2 The four functions of nonprofit and voluntary action.

- Expressive rationale
- Instrumental rationale
- Demand-side orientation
- Supply-side orientation
- Service delivery
- Provides needed services and responds to government and market failure
- Social entrepreneurship
- Provides a vehicle for entrepreneurship and creates social enterprises that combine commercial and charitable goals
- Values and faith
- Civic and political engagement
- Mobilizes citizens for politics, advocates for causes, and builds social capital within communities
- Allows volunteers, staff, and donors to express values, commitments, and faith through work

The perspective argue that the future of the nonprofit sector lies in its capacity to cooperate and collaborate effectively with government, even though tensions between sectors appear to be rising. Chapter 3 presents the nearly models of nonprofit production, while raising new practical questions about the interaction of nonprofits with government and the market. Chapter 4 considers the essentially private character of nonprofit and voluntary action that makes the sector an ideal vehicle for the expression of personal values and spiritual beliefs. Nonprofit and voluntary organizations are places where believers of all sorts are welcome, some of whom are motivated by faith, others by commitment to issues, and still others by strongly held private values and norms. The value component of nonprofit work, which goes beyond the rational, purposive function of that work is part of what defines the sector and attracts donors, volunteers, and entrepreneurs to nonprofit and voluntary action. The values that animate nonprofit and voluntary action can often be important sources for



innovation and experimentation, as private visions of the common good are tested and refined. The discussion covers the controversial normative position that has evolved in recent years from this positive analysis, which holds that the special visions of donors and entrepreneurs do not the growing demands of the recipient organizations and their clients should define and shape nonprofit activity. It is important to note that when one shifts the focus of the normative analysis from recipients to donors, volunteers, and social entrepreneurs, the evaluative criteria for the sector change radically. Instead of measuring outputs and outcomes for clients, evaluation looks at the subjective experience of those funding and delivering the services. Because it flies in the face of the more progressive ideas that have dominated thinking about the sector, this particular part of the supply-side vision represents a way of seeing nonprofit and voluntary activity that challenges some of our comfortable assumptions about nonprofit organizations.

Chapter 5 tracks one of most important changes in the sector over the past two decades namely, the growth of a new kind of social entrepreneurship and the rise of commercial activities as a way of financing aggressive growth agendas. Rather than waiting for donors to support initiatives with charitable dollars, more and more nonprofit managers are exposing their organizations to market forces. The rise of entrepreneurship in nonprofit organizations is manifest in many different ways, including the creation of new kinds of hybrid organizations, the influx of a generation of younger, more business-oriented managers, and a willingness to rethink the traditional boundaries between for-profit and not-for-profit enterprises. Many of the new entrepreneurial nonprofits explicitly start out with the intention of producing social innovations that will in turn create their own demand. This marks a major change from the traditional idea of delivering services for which there is already a demand. To finance this start-up strategy, some social entrepreneurs have developed funding plans that rely heavily on revenues from commercial ventures of all kinds, not just charitable contributions or government grants. Chapter 5 looks at both the theory and practice of nonprofit entrepreneurship.

After reviewing the four core functions of the sector, Chapter 6 explores emerging challenges connected to the sector's rapid growth and identifies a few significant consequences that flow from seeing the sector as a diverse and pluralistic realm. The chapter, and the book as a whole, advances a message connected to both the management of individual nonprofit organizations and the direction of the sector as a whole: each of the four functions of nonprofit activity is important in itself. But when pursued in isolation and in excess, any of the functions can lead to imbalance, at both the organizational level and the sectoral level. If individual nonprofits and the sector as a whole are seen as only engaging in political organizing and advocacy, charges of excessive politicization are likely to arise sooner or later. If the sole focus of nonprofit activity is the inefficient delivery of publicly funded services, concerns about independence and vendorism will never be far away. If nonprofits do nothing but enact private values and interests, worries about particularism will almost certainly arise. If nonprofit activity comes to be focused too much on the creation of income-generating ventures, objections related to commercialism will be difficult to counter. Balance and a plurality of purposes thus turn out to be critical to sustaining nonprofit organizations and to the sector's continued growth and success.

At a time when nonprofit and voluntary activity has been the subject of increasing public attention and academic study, the

breadth and depth of our understanding of this phenomenon has been severely constrained by the lack of a clear statement of the sector's core activities, rationales, and dimensions. This book strives to respond to this need by presenting four critical functions that the sector performs. While it does not pretend that these functions entirely exhaust the range of purposes and rationales that guide nonprofit and voluntary action, the book argues that many of the most essential conceptual and policy problems within the sector can be usefully captured with this framework. The normative argument of the book is simply that the sector cannot survive and garner financial, political, and volunteer support if it swings too far in the direction of any particular function. In the long run, balance, achieved through the fulfillment of a diversity of functions, is ultimately essential within the vast range of nonprofit organizations and across the sector as a whole. Nonprofit and voluntary action can be a powerful force for good in society. Yet a good many myths have grown up around these private organizations that fulfill public purposes. In searching for the core functions of the nonprofit and voluntary sector, the book challenges some of these myths and suggests that the nonprofit and voluntary sector is an evolving and at times contradictory realm that now faces a number of significant challenges to its continued growth and legitimacy. Rather than attempting to smooth over and resolve these tensions, the exposition here deliberately brings them out into the open. Ultimately, it is the diversity of purposes and rationales embodied in nonprofit and voluntary organizations that make them increasingly visible and exciting vehicles for the pursuit of common social goals. And it is the sector's diversity and flexibility that may well help nonprofit organizations to solve some of the pressing challenges they now confront.

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Civic and Political Engagement

Civic and Political Engagement

2 Civic and Political Engagement

Nonprofit and voluntary organizations respond to the deeply rooted need of individuals to be part of something bigger than themselves. As an antidote to atomistic individualism, nonprofit and voluntary activity at the local, state, national, and transnational levels brings people out of their isolation and puts them in touch with others who share their concerns and interests. The connections forged when people are drawn into civic space can be used to respond to community concerns, needs, and demands. By virtue of their emphasis on expressive, associational activity, nonprofits allow individuals and communities to transform their commitment into concrete collective action. When nonprofits speak directly to important public needs and lead collectivities to devise effective solutions to public problems, these diverse organizations ranging from block clubs to national membership groups help overcome some of the cynicism and distrust that stifle civic and political engagement. The special ability of nonprofit and voluntary activity to mobilize and connect individuals clearly has significant direct and indirect political implications.

1 Nonprofit and voluntary organizations are linked with the political process in six different ways, which range in character from nonpartisan to very partisan. First, nonprofits build trust, cohesion and social capital in communities. Through church groups, veterans' clubs, PTAs, and many other kinds of organizations and associations, individuals find connections to one another and build a sense of community and solidarity that leads to greater enthusiasm for community life. This trust, or social capital, represents a critical reservoir of good will and serves as a catalyst for civic and

political engagement. Second, nonprofits promote civic engagement directly by offering individuals a door that opens onto the public square and a tool for demonstrating commitment to something greater than narrow self-interest. Civic engagement skills are learned and honed through nonprofit and voluntary action. Third, nonprofits translate trust and civic engagement into direct political action by organizing people at the grassroots around interests and causes, by registering voters and spurring them to get out the vote, and by organizing town hall meetings and a host of other participation and empowerment activities aimed at bringing the individual into the public sphere. Fourth, nonprofits are linked to politics through advocacy work. Organized around broad issues and concerns, nonprofits play an important role in informing and educating the public and policymakers. Advocacy efforts take place at the local, state, national, and transnational levels. Fifth, nonprofits engage in direct lobbying around specific legislative issues. Almost every time government moves forward with a decision, lobbying on both sides of the issue occurs. Different from advocacy in that it focuses on specific bills of legislation, lobbying is a way to translate public concerns into legislative action. Sixth, nonprofits figure prominently in our electoral system. Campaign fundraising organizations, political action committees, and a range of party institutions are all tax-exempt organizations. In recent years, cynicism about the role of moneyed interests in politics has raised some difficult questions about this particular function of nonprofits. As they work to build cohesion in communities and as they speak out on issues, nonprofits enjoy freedom of association and speech under the First Amendment. While nonprofits have often had an adversarial relationship with government, the diverse forms of their political activity are still guaranteed government protection. No matter what causes they seek to advance, nonprofits do not risk the loss of their protected status as long as they follow a few basic rules when exerting their fundamental rights to speech and association. There is no test of reasonableness when it comes to the political views of nonprofits, nor are there prohibitions on coalitions forming behind any peaceful cause imaginable. Of course, this has led to the advocacy of policies and agendas that have been controversial, often because they challenged majority positions. Still, the file is too long and its contents have been truncated.

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with the organization's goals, and creating meaningful engagement opportunities. This approach not only secures immediate financial support but builds a foundation of loyal supporters who are invested in the organization's mission for the long haul.

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millions if not 21.310 billions to rid the world of of preventable diseases from which millions die every year or maybe rebuilding cities or maybe creating education and investing in disenfranchised populations but what's the problem with this picture I think the biggest challenge is that philanthropy and the idea of being a philanthropist is such a far cry from everybody's everyday life day jobs childcare managing homework but I'd like to challenge this idea about how philanthropy and the loving of humanity and the exercise of one values to benefit another is actually something that can happen every day by anyone anywhere in small simple personal and meaningful ways I'd like to challenge the idea that the person you'd least expect could be a philanthropist and that the sum of many small parts has an enormous impact and that everyone with some skill or talent can share and that together we can create a new culture based on these ideas so how many of you have raised funds or funded something on a crowdfunding site okay reasonable proportion of you there well a lot of us think of these sites is actually being very commercially oriented but did you know that in 2012 the online site that site Kickstarter actually exceeded the National Endowment for the Arts in terms of funds distributed to arts groups in the United States and as of this year Kickstarter has raised one and a half billion dollars for over 80,000 art projects that gave aspiring artists theatre practitioners musicians filmmakers and the a chance to realize their dreams with an average contribution of \$25 perhaps though less obvious are hidden heroes whose life choices can really inspire us a couple years ago I vetted I visited Myanmar and I met this woman Hana so she was living about an hour and a half outside of Yangon and she ran an orphanage with 19 children from the ages of like 3 months all the way up to 218 years old the older kids helped the younger kids the place was completely spotless everybody's toothbrush was really neatly lined up in the washing area and then when I asked her who supports you she told me a church in Singapore and my two sons and my first impression was of course that her two sons were like doctors lawyers or accountants or something you know maybe in Yangon or maybe even expats somewhere else but I asked her and they were actually expats but one was a security guard in a shopping mall and the other one was a construction worker and so later that week when I came home I glanced at that Burmese security guard and I saw him with new eyes could he have been the philanthropist that funded Hannah's home I imagined them eating sparingly not spending very much on personal luxuries and probably saving 50% of their salaries to remit back home and then I thought you know that's pretty much what Bill Gates and

Warren\n00:06:10.330 Buffett decided to do with the Giving\n00:06:12.100 Pledge back at home last year we\n00:06:15.790 actually also undertook this fascinating\n00:06:18.160 experiment we found two brothers Kauai\n00:06:21.430 and kaha aged 9 and 11 and these two\n00:06:25.630 brothers had posted or I guess their\n00:06:27.490 mother had posted on social media that\n00:06:29.080 they were giving away their own Bao\n00:06:31.240 money you know collected during Chinese\n00:06:33.940 Chinese New Year to the Singapore Cancer\n00:06:36.040 Society I guess they had\n00:06:37.550 family related resonance with that with\n00:06:41.480 the cause and these two brothers had\n00:06:44.870 just decided to do that and so we seize\n00:06:47.150 the day and we said hey let's just let's\n00:06:48.770 share this idea let's tell other people\n00:06:51.170 that you know maybe they could do that\n00:06:52.550 too if even if it's 1% 5% or 10% you\n00:06:56.630 know of whatever they could they could\n00:06:58.520 make a giveaway from from their own\n00:07:00.170 phone money to support a cause that just\n00:07:02.270 represented something that their family\n00:07:04.640 cared about and the results were\n00:07:07.520 astounding in the first 20 days of\n00:07:10.760 Chinese New Year donations through our\n00:07:13.040 online site were up 73 percent\n00:07:16.970 year-on-year it was a simple fun and\n00:07:20.330 meaningful idea that every everyone\n00:07:22.640 could participate in and it made all the\n00:07:24.650 difference to the nonprofit's that they\n00:07:26.600 supported but giving is a lot more than\n00:07:32.030 just money\n00:07:33.020 it's time it's loving when you're it's\n00:07:36.650 loving your neighbor\n00:07:37.610 it's person-to-person and it's the\n00:07:41.030 offering of even if like our skills so a\n00:07:44.330 great a great Singaporean actually is a\n00:07:47.480 photographer Bob Lee some of you may\n00:07:50.120 have may have heard of him or seen him\n00:07:51.800 too and he was asked to teach\n00:07:54.440 photography to the blind he was called\n00:07:58.640 one day by a charity dialogue in the\n00:08:00.320 dark and and and given this intriguing\n00:08:04.040 offer sponsors had come in to help\n00:08:07.040 provide cameras printing services and\n00:08:09.230 space and everything and and Bob began\n00:08:12.830 to teach and one of his students was it\n00:08:17.390 was a gentleman called an elderly\n00:08:18.950 gentleman called uncle William and he\n00:08:20.780 produced his first photograph as you can\n00:08:22.970 see here kind of like cut off legs of\n00:08:26.000 someone and a dustbin and Bob asked him\n00:08:30.110 what's what's that about William we\n00:08:32.840 didn't quite get the composition quite\n00:08:34.880 quite right but Uncle William told him\n00:08:38.390 well actually it's about the dustbin and\n00:08:42.340 and Bob said okay well how does that\n00:08:44.870 actually work and he said well you know\n00:08:47.930 every day when I when I take this route\n00:08:50.090 he\n00:08:50.720 no to to go to work I look for that\n00:08:53.449 dustbin because when I hit it it tells\n00:08:55.160 me to turn so that I can cross but one\n00:08:59.509 day this cleaner actually moved the\n00:09:01.189 dustbin and I need him to put it back\n00:09:04.389 and Bob realized that sharing his skill\n00:09:11.439 gave him a view into a whole new world\n00:09:14.170 that he was seeing the world with fresh\n00:09:16.759 eyes and with deeper compassion as a\n00:09:19.370 result so maybe you can take photographs\n00:09:23.060 maybe you can cook maybe you can do\n00:09:26.509 accounts maybe you can write stories or\n00:09:29.180 maybe you're just a really good\n00:09:30.410 listening ear how could you use your\n00:09:33.949 skill in service of someone else\n00:09:40.810 my friend Wally uses his company and his\n00:09:45.500 voice he's a filmmaker and he

raises\n00:09:48.649 awareness or he&#x27;s sought to raise\n00:09:50.209 awareness when he&#x27;s not like making\n00:09:53.120 videos of like wedding or weddings or\n00:09:55.040 doing beautiful food photography that he\n00:09:58.670 decided he was going to do something to\n00:10:00.170 combat this this haze which has kind of\n00:10:01.939 been enveloping you know our our whole\n00:10:04.250 our whole region recently and he decided\n00:10:06.740 that instead of just like moaning about\n00:10:08.959 it like most of us that he was actually\n00:10:11.629 going to crowdfund for masks and for air\n00:10:14.779 quality monitors and he was going to go\n00:10:17.930 with volunteers down to Kalimantan to\n00:10:21.259 distribute them and help educate the\n00:10:23.240 local the local people there and he did\n00:10:27.230 this at a time when of course most of us\n00:10:31.220 were just moaning about a 400 you know\n00:10:35.209 pia PM 2.5 and and he told me that when\n00:10:39.439 he went to Kalimantan the monitors\n00:10:41.959 actually didn&#x27;t work but the year but\n00:10:43.459 the app with the actual PM 2.5 levels\n00:10:46.370 there were actually in excess of 2\n00:10:48.050 million society is made better because\n00:10:51.319 of Wally&#x27;s who share their voice Bob&#x27;s\n00:10:54.259 who share their skill and families like\n00:10:57.350 kaho and kauai who teach the next\n00:11:00.529 generation the values of generosity and\n00:11:03.319 the love for human\n00:11:05.680 society is better because of the two\n00:11:07.880 nameless sons of Hana for practicing\n00:11:11.270 their radical love so my dream is to see\n00:11:15.170 all these parts and pieces connected in\n00:11:17.390 a big Network where skills voices funds\n00:11:22.040 ideas are all shared in one place in our\n00:11:24.890 city and what if we were able to\n00:11:28.370 actually create a marketplace where the\n00:11:30.770 whole city comes together and can we\n00:11:33.080 create for our common good\n00:11:35.680 what if neighbors knew what was needed\n00:11:38.180 and that those needs could be met in a\n00:11:41.330 timely in a timely way with available\n00:11:44.300 resources we all have some margin to\n00:11:48.560 spare and to share we all have influence\n00:11:52.040 and voice and we have friends and\n00:11:54.680 colleagues and family members to reach\n00:11:56.870 out to and I believe that we all have\n00:11:59.660 dreams of being lovers of humanity in a\n00:12:03.740 city of good my colleagues and I are now\n00:12:07.760 imagining and trying to build this\n00:12:09.320 giving platform so we can be Wally&#x27;s\n00:12:11.750 Bob&#x27;s or Hannah&#x27;s children or we can\n00:12:14.330 support them with our voice our skills\n00:12:17.390 or our funds as an expression of our\n00:12:19.460 love and we are well aware that\n00:12:22.130 technology is not the solution but\n00:12:24.980 purely an enabler for philanthropy and\n00:12:27.020 acts of love to be expressed so look\n00:12:31.520 around you I think you&#x27;ll see a\n00:12:34.340 philanthropist waiting to be discovered\n00:12:37.510 thank you\n00:12:46.310 you\n", "title": "tactiq-free-transcript-cJ0gl44Q358.txt", "tether\_id": null}, "status": "finished\_successfully", "end\_turn": null, "weight": 1.0, "metadata": {"command": "context\_stuff", "is\_visually\_hidden\_from\_conversation": true, "message\_type": null, "model\_slug": "gpt-4", "default\_model\_slug": "gpt-4", "parent\_id": "71ce9cc6-4168-47e4-b058-735be8767c9b", "request\_id": "8888f2f79f8d0e5e-MXP", "timestamp": "absolute"}, "recipient": "all", "channel": null}, "parent": "71ce9cc6-4168-47e4-b058-735be8767c9b", "children": [{"id": "1d5ec248-db31-4920-b248-7af813723e6a"}], "1d5ec248-db31-4920-b248-7af813723e6a": {"id": "1d5ec248-db31-4920-b248-7af813723e6a", "message": {"id": "1d5ec248-db31-4920-b248-7af813723e6a", "author": {"role": "tool", "name": "myfiles\_browser", "metadata": {}}, "create\_time": 1716508243.963946, "update\_time":

null, "content": {"content\_type": "tether\_quote", "url": "file-LSYdPcJBHEdJxbifzQUKvbZJ", "domain": "week 4.pdf", "text": "\n5/24/24, 1:05 AM 12 Common Criticisms of Philanthropy\u2014and Some Answers\n\nStanfordSOCIAL\n\nINNOVATIONReview\n\nInforming and inspiring leaders of social change\n\nPhilanthropy& Funding\n\n12 Common Criticisms of Philanthropy\u2014and\n\nSome Answers\n\nCritics have argued that charitable giving isn't focused enough on the poor, isn't sufficient to make a difference, is undemocratic, and more, but research\u2014and history\u2014show otherwise.\n\nBy Karl Zinsmeister | May 17, 2016\n\nSince January, I've been traveling around the United States talking to audiences about my new book, \n\nThe Almanac of American Philanthropy, and how private giving affects our nation. During these\n\nsessions I've collected 12 broad criticisms of charitable action that people sometimes raise. From the\n\nlessons of my Almanac research, I offer responses below.\n\nI. Charitable aid should focus on the poor; too much giving today goes to other causes!\n\nThis increasingly common argument is supported by the so-called "effective altruism" movement, which complains that a dollar spent on a university or park or music school could instead have headed off a dire problem such as, say, river blindness for an impoverished African.\n\nThe most specious part of this criticism is the suggestion that donors can't do both things.\n\nPhilanthropists are currently producing good results across a vast spectrum of causes, including many\n\nefforts to help the poor. In fact, the fastest-growing sector of US private philanthropy in recent years has\n\nbeen overseas aid to poor people. Indeed, the poor in foreign countries now get more help from US\n\ndonors (\$39 billion per year) than from official US government aid (\$3 billion).\n\nAre you enjoying this article? Read more like this, plus SSIR's full archive of content, when you\n\nsubscribe.\n\n1/8https://ssir.org/articles/entry/12\_common\_critcisms\_of\_philanthropyand\_some\_answers#\n\n\n5/24/24, 1:05 AM 12 Common Criticisms of Philanthropy\u2014and Some Answers\n\nMoreover, it's shortsighted and often inhumane to suggest that donating to causes other than poverty\n\nreduction is somehow immoral. Yes, places like MIT and Johns Hopkins are wealthy institutions, but\n\nvoluntary gifts to them ultimately result in things like portable x-ray machines, new vaccines, and\n\ninexpensive cell phones that are valuable to all people, especially the poor\n\nPart of what makes philanthropy powerful and beautiful is its riotous variety. Allowing donors to follow\n\ntheir passions has proven, over generations, to be an effective way of inspiring powerful commitments\n\nand getting big results. Cramped definitions of philanthropy that limit donors to approved areas would\n\nsuffocate many valuable social inventions.\n\n2. Charity is an artifact no longer necessary in a modern welfare state!\n\nSome view private giving and problem-solving as vestiges of simpler times, with which we can now\n\ndispense. The public, however, disagrees. In a nationally representative survey of likely US voters in\n\n2015, respondents chose philanthropy over government as their "first choice for solving a social problem\n\nin America\u2014by 47 percent to 32 percent. Asked whether they most trusted entrepreneurial companies,\n\nnonprofit charities, or government agencies, 43 percent of respondents chose charities, 28 percent\n\nselected entrepreneurial companies, and just 14 percent chose government agencies.\n\nPhilanthropy solves problems differently than government. It tends to be more inventive and\n\nexperimental, quicker, nimbler, more efficient, more varied, more personalized, more interested in\n\ntransformation than treatment, and more efficient. The public sees this and values it.\n\n3. Charitable donations are just a drop in the



bucket!\n\nAmerica's nonprofit sector now commands 1 percent of our workforce and 6 percent of GDP\n\nincluding volunteer time, which, if we attached a reasonable hourly wage to it, nearly equals the \$360 billion we donate in cash every year.\n\nThe Gates Foundation alone now distributes more overseas assistance than the entire Italian government. It is estimated that in just its first two decades, its overseas vaccine program alone will save the lives of 8 million preschool children. Then consider that members of US churches and synagogues\n\njust one division of America's larger philanthropic army\n\nsend four and a half times as much money overseas to poor people every year as the Gates Foundation does!\n\n2/8https://ssir.org/articles/entry/12\_common\_criticisms\_of\_philanthropyand\_some\_answers#\n\n5/24/24, 1:05 AM 12 Common Criticisms of Philanthropy\n\nand Some Answers\n\nThe fact that most philanthropy takes place out of the public eye\n\nin small doses, and often in private or\n\neven anonymous ways\n\nmakes it easy to overlook its size and power. But getting seduced by the\nngiantism of official aid is an egregious mistake. Small actions can and do converge into mighty rivers of\nncumulative effort.\n\n4. There are too many amateur efforts in philanthropy!\n\nIt's easy to write off "homemade" solutions as amateurish, but grassroots efforts accomplish many great\n\nthings. Consider the the ALS Association's Ice Bucket Challenge, which raised money for Lou Gehrig's\nDisease research. The initiative occasioned snickers and sniping from some professional\n\nphilanthropists, but donations it generated led to a major scientific breakthrough at Johns Hopkins\nUniversity and pre-funding of clinical trials for new therapies.\n\nThere are many more examples. Crusades against autism by Bernie Marcus, against prostate cancer by\nMichael Milken, and against breast cancer by Nancy Brinker were all thought quixotic when they kicked\n\noff, yet each paid huge dividends. The Stowers Institute for Medical Research, the Howard Hughes\nMedical Institute, and Markey fellowships would never have seen the light of day if many professionals\n\nhad had their way. And it was support from the Guggenheim family that allowed physicist Robert\nGoddard to overcome scorn from other scientists and ridicule by the New York Times to become the\nngenius of rocketry and father of America's success in space.\n\nAmerica's strong system of decentralized giving and homegrown problem-solving supports wide\n\nexperimentation and avoids putting all of our eggs in one national basket.\n\n5. Philanthropic aid lacks standardization! It's a chaotic patchwork!\n\nThe lesson of the Internet is the accumulated power of millions of small actions. The story of today's\n\nhacker culture is that one individual with a laptop can do astonishing things. Small-scale action that\n\nlacks uniformity should not be considered a failing. It's not chaos, it's crowdsourcing\n\nhordes of\n\neveryday people taking lots of small bites at a problem and eventually chewing through even very big\n\nissues.\n\nThere are rich examples of the power of dispersed decision-making throughout biology and across\n\nhuman history. Many of our most effective charities discovered the power of decentralization\n\n generations ago. Each of the 1,400 local chapters of Habitat for Humanity, for example, are independent\n\n3/8https://ssir.org/articles/entry/12\_common\_criticisms\_of\_philanthropyand\_some\_answers#\n\n5/24/24, 1:05 AM 12 Common Criticisms of Philanthropy\n\nand Some Answers\n\nentities with their own rules, practices, and funding. All of the 164 regional branches of Goodwill have\n\ntheir own boards of directors, and are autonomous in policy and funding; the central office is tiny\n\ncompared to working affiliates in cities like Milwaukee and Houston. And the Appalachian Mountain\nClub efficiently

maintains thousands of miles of hiking trails through a network of local branches. This same principle of accomplishing important tasks through loosely coupled teams or networks of independent actors is also a powerful trend in many of today's most successful private businesses. Every Uber city in America has different fares, different products, different practices. Philanthropy can be proud of having been a pioneer in solving problems via a flexible ecosystem of participants, rather than by following standardized formulas.

6. Charity may work for individuals, but what we really need are solutions that benefit entire groups. Ambitious people may look at the *one soul at a time* model prevalent in philanthropy and conclude that it's just too slow. But that perspective misunderstands what social reclamation usually requires. For tough problems like addiction and recidivism, the most successful solutions rely heavily on one-to-one human accountability. They take advantage of the useful information available when we actually know someone, instead of dealing with a stranger. By creating personal instead of impersonal transactions, we can wield the power of relationships to teach and change behavior. It's easy to romanticize the *"consistency"* of government programs, and contrast it favorably to the *crazy-quilt* of individualized variations in charitable aid, but consistency is not really how humans work. If you have one child who needs a very structured environment and another who blooms when left to navigate on her own, you don't want one-size-fits-all schools; you want individualized services that recognize and work with intimate differences of personality. You'll have a hard time finding that in government-run programs, but it's a hallmark of philanthropic efforts.

Ben Franklin was one of the first donors to argue that philanthropy shouldn't just transfer funds in an attempt to relieve men in their misfortune. It should help build up individuals into a healthier state. The goal of charitable aid in the United States has always been individual competence and independence—not just social quiet. And this often requires a personal touch, real mentoring, and one-on-one aid of the sort many philanthropic efforts emphasize.

7. Philanthropy is undemocratic!

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12 Common Criticisms of Philanthropy and Some Answers

Some critics, especially from the left, complain that donors accumulate too much power and that their money lets them impose their point of view on society. But it's important to note how radically decentralized US giving is. Only 14 percent of total giving today comes from foundations started by the wealthy. The vast majority of annual donations come from individuals, dominated by everyday donors who give at a rate of about \$2,500 per household. The very largest single giver in the United States—the Gates Foundation—grants out about \$4 billion per year. Measured against the \$360 billion of cash that Americans donate annually, and nearly that much more in the value of volunteered time, Gates Foundation commands less than 1 percent of our annual philanthropy. That is not an unhealthy concentration of power.

American philanthropy is also diverse and diffuse. Its millions of givers and hundreds of thousands of charitable organizations compose a kind of huge matrix of private legislatures that define social ills, set goals and priorities, and methodically marshal resources to attack problems near at hand—without asking the state's permission. Admirers of participatory democracy ought to be excited by these mass actions. As Yale law professor Stephen Carter points out, individuals who give to charity often

"measure the needs of the community by different calipers than centralized policy makers, and will therefore contribute to a different set of causes. These millions of individual decisions lead to a diversity in spending that would be impossible if we adopted the theory that the only money spent for the public good is the money spent by the state." For this reason Carter refers to philanthropy as "democracy in action." Alexis de Tocqueville said in *Democracy in America* that what impressed him about America's voluntary activity was not just the practical problems it solved, but the way the country's hyperactive giving and volunteering builds up the social muscles needed for a people to be self-governing. Philanthropy is not just a sign of self-rule, but also a source of it—a kind of nursery for broader loyalties to one's fellow citizens. A healthy democracy should encourage, not discourage, people from acting on their own to improve what they judge to be the common good. Only government can lead important social change in a fair way! History tells a different story. Private donors and volunteers created the first schools, missions, colleges, and apprenticeships for Indians and African Americans, often in the face of state resistance. At the same time government was enforcing Jim Crow laws, philanthropist Julius Rosenwald erected 4,977 rural schools across America's black belt. At the time of his death, 27 percent of all African American children in the United States were educated in one of the schools he built.

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Those who view such examples as ancient history and believe that all necessary reforms now flow from government are gravely mistaken. According to the UCLA Civil Rights Project, America's most segregated and often most inadequate government-run schools are all in northern cities with activist governments: Detroit, Milwaukee, New York, Newark, Chicago, and Philadelphia. In fact, the country's most segregated schools are in New York state, thanks to New York City, where the proportion of schools in which at least 90 percent of the students are black or Hispanic rose sharply from 1989 to 2010. It is private philanthropy that is shaking up New York City's complacent educational establishment today by launching charter schools. There are currently 95,000 New York City children in charters, nearly all of them minorities and low-income, and another 42,600 on waiting lists. Stanford researchers and other investigators find that these children are receiving significantly better educations than counterparts in conventional government-run schools, in some cases even outscoring comfortable suburban schools in annual testing. Some donors are mean, vainly seek their name on things, or take part in charity for all the wrong reasons! It's true that philanthropists aren't always pretty. Prominent donors like J. Paul Getty, Leland Stanford, Russell Sage, and John MacArthur were known to exhibit shabby behavior. (Stanford, for example, employed stock watering, kickbacks, bribery, and collusion.) Nonetheless, each ultimately managed to be very helpful to others. The genius of the philanthropic mechanism is that it accepts people just as they are—kind impulses, selfish impulses, confusions and vanities, wishes of all sorts swirling together in the usual human jumble—and helps them do wondrous things, even when they're not saints. Adam Smith taught us that freely conducted commerce can take normal human behaviors—including ugly and mercenary ones—and turn them to broadly productive uses. The same is true in the world of philanthropy. Part of the magic of America's charitable structure is that it can convert common human

impulses into truth, uplift, and beauty for all of society. No . Philanthropy distracts people who ought to focus on business! The right side of the political spectrum sometimes complains that philanthropy drags too many unproductive business people into do-gooding, distracting them from creating the commercial bounty that

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society counts on. But there are reasons to think that philanthropy actually strengthens capitalism. Economists Zoltan Acs and Ronnie Phillips have observed that the United States has a distinctive means of

reconstituting wealth via philanthropy. Philanthropy is part of the implicit social contract that continuously nurtures and revitalizes economic prosperity, they write. Researchers Tino and Nima Sanandaji agree that the legitimacy of American capitalism has in part been upheld through voluntary donations. They note that much of the new wealth created historically has been given back to society. This has had several feedback effects on capitalism. For one, the practice has limited the rise of new dynasties. Another positive feedback mechanism is that the donations to research and higher education have allowed new generations to become wealthy?

II. Philanthropy encourages collective thinking, collective responsibility, and collective action ultimately leading to more government! This is another concern sometimes launched from the libertarian right, where observers argue that what American society really needs is more individual responsibility, not more giveaways. However, we can just as plausibly turn that argument around, because there is evidence that philanthropy helps limit government sprawl. When some members of a society become needy, it is a fact that many citizens will insist, "Something must be done!" Most times and places, the responsibility for picking up those in trouble has fallen to the state. America's energetic voluntary sector, however, allows Americans to meet humanitarian and Judeo-Christian responsibilities to their fellow humans without setting up large government apparatuses and regimenting rules that suffocate individual sovereignty. By solving basic security hungers and stretching multiple safety nets among the general populace, philanthropy has made Americans much more tolerant of the creative destruction that's part of a dynamic economy, leaving us with a freer and faster-growing economy than comparable industrial nations. Philanthropy has thus been crucial in allowing America to grow up as an exceedingly rare society where average people can steer their own lives without the state lurking over their shoulder.

12. Donating money is sometimes too much about the giver's needs! Giving is a two-way transaction, and the satisfactions of helping are just as real and just as good for human flourishing as the satisfactions of having someone come to your aid. That's why even

people

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with little disposable income are eager to give, and feel good when they do. Social science research supports this. In a 2008 paper, three investigators gave study participants money, and then asked half of them to spend it on themselves, and the other half to give it to some person or charity. Those who donated the money showed a significant uptick in happiness; those who spent it on themselves did not. Other academic work has shown that offering aid can actually make the giver healthier lowering blood pressure, stress, illness, and mortality. Americans

who make gifts of money and time are more likely to prosper and be satisfied with life than non-givers who are demographically identical. A 2014 book by the University of Notre Dame researchers concludes, "The more generous Americans are, the more happiness, health, and purpose in life they enjoy. This association is strong and highly consistent. Generous practices actually create enhanced personal well-being." We shouldn't overlook or discount the good effects of giving on the giver. Support SSIR's coverage of cross-sector solutions to global challenges. Help us further the reach of innovative ideas. Donate today. Read more stories by Karl Zinsmeister. Karl Zinsmeister is creator of The Almanac of American Philanthropy, a new encyclopedic reference to the field, just released by The Philanthropy Roundtable. DOI:10.48558/jm4I-v703. If you like this article enough to print it, be sure to subscribe to SSIR! Copyright © 2024 Stanford University. Designed by Arsenal, developed by Hop Studios.

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School review of Corporate Social Responsibility and Philanthropy's New  
Agenda: Creating Value by Michael E. Porter and Mark R. Kramer. From the Magazine  
(November-December 1999). During the past two decades, the number of  
charitable foundations in the United States has doubled, while the value of their  
assets has increased more than 1,100%. Foundations now hold over \$330 billion in  
assets and contribute over \$20 billion annually to educational, humanitarian, and  
cultural organizations of all kinds. No other country in the world can claim such  
substantial and widespread commitment to philanthropy and volunteerism. But are we,  
as a society realizing the full fruits of this commitment? Grant-giving  
foundations are intermediaries between the individual donors who fund them and the  
various social enterprises that they, in turn, support. But if foundations  
serve only as passive middlemen, as mere conduits for giving, then they fall far  
short of their potential and of society's high expectations. Foundations can  
and should lead social progress. They have the potential to make more effective use  
of scarce resources than either individual donors or the government. Free from  
political pressures, foundations can explore new solutions to social problems with an  
independence that government can never have. Foundations  
Create Value in Four Ways. One grant. Multiple grants. 3X-5X. Entire  
operating budget of one organization. 50X-100X. Entire  
field. >1,000X. Billions of dollars of resources affected by foundation  
activity. Each successive approach leverages a foundation's special assets  
more than the preceding one as the pool of. Selecting the Best  
Grantees. The process of value creation here is straightforward. Like investment

advisers in the business world, foundations can use their expertise to channel resources to their most productive uses within the social sector by funding organizations that are the most cost effective or that address urgent or overlooked problems. For example, of the many organizations that seek funding for programs aimed at reducing the high school dropout rate, a foundation can select the most effective one. Thus its dollar will earn a higher social return than a dollar given less knowledgeably by an individual donor. In this way, choosing recipients and allocating funds is itself a source of value. Expertise to benefit from the increased tourism. The Packard Foundation's grant paid for marketing consultants who taught CEDO how to turn tourists into members, creating an ongoing revenue stream for CEDO far greater than the Foundation's \$50,000 grant. The Echoing Green Foundation, created by venture capitalist Ed Cohen, gives \$1.4 million a year to improve the performance of the nonprofit sector even more broadly. It invests in social entrepreneurs, individuals with the drive and vision to catalyze social change. It aims to build a community of public-service leaders who share their experience, knowledge, and energy with none another. To date, Echoing Green has funded more than 300 fellows who not only pursue their own projects but also visit with none another to share best practices. The lessons learned are recorded, distributed to all grantees, and made publicly available. In the fall of 1998, for example, the Charles and Helen Schwab Family Foundation in San Mateo, California, joined with the Peninsula Community Foundation and the Sobrato Foundation in a \$2 million, two-year initiative to address internal issues of management and growth at 16 local family-service agencies. Every eight weeks for the life of the project, foundation staff members meet with all 16 agency directors. Management experts are brought in to address relevant topics. As a result of the group discussions, three of the grantees have decided that they can The range of ways in which foundations can assist nonprofits goes well beyond making management-development grants. Foundations can become fully engaged partners, providing advice, management assistance, access to professional service firms, clout, and a host of other non-cash resources. Improving the performance of grant recipients often requires foundations to work closely with grantees. It also requires the willingness to engage for the long term. Foundations are capable of both. They can operate more efficiently if they merge, and foundation staff has worked closely with them to accomplish the merger. Because technology management has surfaced as a major issue, the foundations have researched and funded technology needs at several of the agencies. 4. Advancing the State of Knowledge and Practice. Foundations can create the greatest value by funding research and a systematic progression of projects that produce more effective ways to address social problems. At its best, such work results in a new framework that shapes subsequent work in the field-making every dollar spent by philanthropists, government, and other organizations more productive. Within six years, India doubled its rice production, and Mexico, once an importer of wheat, became an exporter. Nigeria and Colombia created their own research institutes modeled on the foundations' research. The Rockefeller Foundation subsequently disseminated its results to organizations from 28 developing countries. Altogether, many millions of the world's poorest people benefited from the knowledge created by those two foundations. Foundations are uniquely positioned to study a field in depth. They can set a new agenda and change both public sentiment and government policy. The green revolution, for example, had its roots in research sponsored jointly by the Ford and Rockefeller Foundations

in the late 1950s and early 1960s. Concerned with world hunger and population growth, the two foundations created research institutes that developed new strains of wheat and rice that doubled and tripled crop output per acre. Studies by the Carnegie Foundation have had a similarly powerful impact on education in the United States over the last 95 years. In 1904, Carnegie funded research by Abraham Flexner on the state of medical education, which revealed a widespread lack of it. In the field of education, the Philanthropic Ventures Foundation in Oakland, California, for example, focuses on grassroots funding. In 1995, PVF created the Teacher Resource Grants program. Working within the large field of education, PVF chose a specialized positioning appropriate to its small size. PVF provides inexpensive but badly needed classroom materials to teachers in its region materials that are useless if they don't arrive quickly, when the teacher needs them. PVF notified more than 6,000 teachers that grants of up to \$1,500 would be available for classroom materials, field trips, or teacher training courses. (After a year of experience, PVF lowered the ceiling to \$500 per grant.) Teachers refer to the program as the fax-grant program because the foundation takes requests by fax, and then sends an answer within one hour of receipt and a check within 24 hours. Since its positioning is to help under-resourced teachers and it makes thousands of small grants, the Philanthropic Ventures Foundation developed a no-paperwork rule, freeing teachers from time-consuming grant applications. PVF finds that an elaborate process around the receipt, investigation, consideration, and funding of grant requests is not necessary in its chosen area. PVF is a perfect example of a foundation that tailored its activities to create value. Only by doing things differently from others, in a way that is linked tightly to what the foundation seeks to accomplish, can it achieve greater impact with the same grant dollars or enable its grantees to be more successful. Tailoring activities to strategy is the way a foundation institutionalizes and reinforces its distinctive strengths. The tyranny of the grant cycle, with barely the time to write up pending grant requests between board meetings. (See the exhibit Resources Are Scattered.) Resources Are Scattered across too many fields. U.S. Foundations by Asset Size ~520 billion, 44,000+ asset size 100% (in millions)

Asset Size Range (Millions)	Number of Foundations	% of Total
\$100M - \$500M	155	6%
\$500M - \$1B	40	16%
\$1B - \$5B	12	5%
\$5B - \$10B	5	2%
\$10B - \$50B	2	1%
\$50B - \$100B	1	0.5%
\$100B+	1	0.5%

Source: The Foundation Center, based on a sample of 1,000 foundations giving at least \$1 million in 1997 and excluding grants below \$10,000.

The data show that resources are spread thin at foundations of all sizes, but the problem is more acute at the smaller foundations. Across staffs spread too thin across too many small grants. Resources Are Scattered . . . Source: The Foundation Center, based on a sample of 1,000 foundations giving at least \$1 million in 1997 and excluding grants below \$10,000. The average foundation, for example, makes grants in ten unrelated fields every year, where fields are such broadly defined areas as education and health care. Fewer than 9% of foundations make 75% or more of their grants in a single field, and only 5% focus more than 90% of their grants in one field. Such scattered giving is

inconsistent with a clear strategic positioning. Nor do the data suggest that many foundations are taking advantage of their unique ways to create value. Among the largest foundations, with assets in excess of \$1 billion, each professional employee handles approximately seven grants per year (and up to 100 times as many grant requests). There are, on average, just three professional employees for every field in which the foundation makes grants. Staff at the largest foundations may well have sufficient time and expertise to evaluate grants, but it is hard to see how even the most dedicated staff could have much time to assist grantees. The smaller the foundation, the more stretched the staff. Among the hundreds of foundations with \$50 million to \$250 million in assets, there are five times as many grants per professional, and an average of two staff members handle grants in 11 unrelated fields. The smallest foundations often rely on the volunteer efforts of trustees, making it almost certain that many decisions are reached with little formal evaluation at all. Those broad metrics also suggest that foundations are not using the more powerful forms of value creation beyond selection. Foundations rarely contribute resources other than financial support. Only 2.2% of foundation grants were designated to improve the grantees' performance. Ninety-five percent of all foundation grants are for one year. Although one-year grants are sometimes awarded for several years in a row, there is little evidence that foundations exploit the opportunity to work more closely with grantees over extended periods of time to improve their performance. Foundations, which should be able to take the long view tend to focus on grant making quarter-to-quarter. Finally, while foundations express a strong interest in innovation and advancing the state of knowledge about society's problems, very few fund studies that explore the relative effectiveness of different approaches to a given problem. Only 8.8% of foundation grants went to research, and most of that was in basic medical and scientific areas. Funding studies or data collection is rare, and foundations generally see them as less desirable than current social services. Instead of funding research, many foundations seek to promote innovation through seed grants that are designed to establish and support specific new programs. There is little benefit, however, in starting new initiatives if they do not survive and grow. Too often foundations overlook projects aimed at fostering the growth and replication of new initiatives, or they fail to support the grantee over an appropriately long time span. They rarely do the up-front research and the postevaluation needed to ascertain if their programs have been successful and have continued to thrive after the initial period of seed grant support. In some ways, however, the overall failure to evaluate the results of foundation grants is the most telling danger sign of all. Almost no money is set aside for program evaluation. Many foundations are ambivalent about whether funds should be spent on evaluation and whether assessing the performance of past grants can improve future grant making. This ambivalence about evaluation is reinforced by the performance criteria used to judge foundation staff. These tend to emphasize the paper trail of pregrant analysis and recommendations and give little credit for achieving the real-world results that motivated the grant in the first place. Program evaluation, therefore, has only a downside: failure risks censure, but success adds no reward. The evaluations that do take place are often problematic in three ways. First, they are limited to reports as to whether the money was spent as intended (output evaluation); they do not attempt to measure social impact (outcome evaluation). Second, many of the evaluations are done by the grant recipients themselves, who invariably seek



further support from the foundation. How objective and reliable are these reports likely to be? Third, even in the few cases where the social impact of a program is measured by an outside consultant, it is usually assessed at the single grantee level, in isolation from the foundation's other grants. Therefore, it does not reflect the foundation's success in reaching its overall goals.

Certainly, evaluation may at times be costly and complex. But given clear goals at the outset, it is always possible. The criteria to evaluate a job-training program will differ from those used to evaluate a funding program for young artists. But meaningful criteria can be established for both.

Consider the San Francisco-based Roberts Enterprise Development Fund, which focuses on creating employment for the homeless and indigent. Working closely with its grantee Rubicon Programs, REDF developed 25 criteria that not only measure the success of job-training programs but also help Rubicon to manage the programs more effectively. In addition to the most obvious criteria—changes in employment stability, wages, and job skills—REDF and Rubicon found that related factors such as substance abuse and even qualitative factors such as the trainees' own assessments of their success in reaching personal goals were all meaningful measures of outcomes the program was trying to achieve.

Without evaluation, a foundation will never know whether or not it has been successful. The most basic premise of strategy—striving for superior performance—is violated if performance is not measured.

Addressing the New Agenda

How can foundations begin down the path we have outlined? A number of foundations, including those operating under the new rubric of venture philanthropy, are already moving in the direction outlined here. But none that we have encountered has gone all the way. Putting these elements together into a coherent whole will require developing a strategy, aligning operations with that strategy, and revising the foundation's governance so that the strategy can be monitored effectively. Responsibility for such change lies ultimately with the trustees and directors, who are the fiduciaries accountable for the use of the foundation's (and society's) funds.

To develop a strategy the place to start is positioning. This always requires systematic thought and research into important social challenges that are not being addressed well by others. The goal is not necessarily to identify the most important problem, since many are important. What matters is how effectively the foundation can contribute to its solution.

Second, a foundation can learn from prior efforts within its chosen area of funding. Do current socioeconomic trends favor one approach over another? What are other organizations doing in the field? Can the work of this foundation reinforce or complement theirs? Can we uncover root causes of the problem?

Third, what unique strengths will enable this foundation to create value most effectively in its field? Part of the answer to this question comes from examining objectively where the foundation has made the greatest impact in the past. It also comes from a realistic assessment of weaknesses.

Scale plays an important role in the choice of strategy. A foundation needs enough resources to pursue its particular way of creating value. Larger foundations may well have the scale to work in more than one field. If they choose to do so, each area must have its own strategy and tailored operations. All foundations, however, can create more value by putting a greater proportion of their resources to work. This means stepping up the rate of giving in their chosen fields and investing a portion of their investment portfolios to support their philanthropic work.

Once the foundation has chosen a strategy, it can begin to realign its

operations. A foundation, like any enterprise, is a collection of many activities. Each activity—how proposals are solicited, for example, and how grantees are supported—must be tailored to the chosen strategy. A particularly important aspect of operational alignment is the development of measures to help the foundation know whether or not it has been successful. Operating strategically will require most foundations to rethink their governance systems. Change will be difficult in an environment where the pressure of processing grants and getting the money out the door extends beyond the staff to the boardroom. Today boards of all but the very largest foundations discuss and approve specific grant allocations at their meetings. Without goals or strategy, they have no way to delegate the grant selection process to staff and no framework through which to evaluate their experience. The Chicago-based Crown Foundation, in an effort to break this cycle, considers grant requests at only two of its quarterly board meetings each year; the other two are reserved for discussing policy, reviewing performance, and studying issues in more depth. Boards need to move away from the operating function of approving grants to focus on setting strategy and evaluating outcomes. With goals, a strategy, and evaluation mechanisms in place, staff could have greater independence to make grant decisions themselves on a more timely and flexible basis. At the Colorado Trust, the board considers and approves multiyear, multimillion-dollar initiatives that have clearly defined goals and a clearly articulated strategy. Once the board sets the framework, program staff has the authority to make individual grants for the life of the initiative. Staff members, then, have greater responsibility and more freedom to make decisions on individual grants, and the board has the time to study the field, set overall strategies, and assess staff performance. For those who care deeply about social problems and work tirelessly to make a difference, current foundation practices not only diminish effectiveness, they inevitably reduce the satisfaction that donors, staff, and trustees derive from their work. Scattered funding, arm's-length relationships with grantees, and a lack of awareness of outcomes necessarily create a divide between the foundation and the ultimate results of its work. Acting strategically is much more difficult. But for trustees and staff alike, it will be far more rewarding as well. Improving the performance of philanthropy would enable foundations to have a much greater impact on society. Foundations could play a leading role in changing the culture of social sector management. They could spearhead the evolution of philanthropy from private acts of conscience into a professional field. Until foundations accept their accountability to society and meet their obligation to create value, they exist in a world where they cannot fail. Unfortunately, they also cannot truly succeed. A version of this article appeared in the November–December 1999 issue of Harvard Business Review. Michael E. Porter is the Bishop William Lawrence University Professor at Harvard Business School. He has served as an adviser to governments and campaigns around the world on the advancement of social policy and economic policy, including Mitt Romney's presidential campaign. His latest paper is The Role of Business in Society. He is an academic adviser to the Leadership Now Project. Mark R. Kramer is a senior lecturer at Harvard Business School. He is also a cofounder of the social impact consulting firm FSG and a partner at the impact investing hedge fund at Congruence Capital. Recommended For You Blue Ocean Strategy What Is Strategy Again? PODCAST Could a New Business Model Make Clinical Drug Trials More Accessible to Patients? Seven Surprises for New CEOs

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be the next president United States I could work in the White House just as he had done for President Kennedy I got a job as the chief counsel for a man named burby who was running for president in 1976 30 days after I joined his staff he dropped out of his presidential campaign so I said uhoh maybe this happened to some to you as well I wasn't a good lawyer my clients didn't think I was good my colleagues didn't think I was good I went to join a campaign in effect it it ended after 30 days and then I got a call out of the blue some of you may have in your career as well it said uh would you like to work for another man running for president who is this Jimmy Carter and I said well he's the peanut farmer from Georgia and they said yes he's going to be the nominee for Democratic party in 76 I got the interview I went down to Georgia Carter was 33 points ahead when I joined his campaign he won by one point so he often said to me you know what did you really contribute but White House staffs are not filled on Merit they're filled on who worked in the campaign so I became the deputy domestic policy adviser at the president United States at the age of 27 three years out of law school I wasn't qualified for that job he wasn't qualified for his job so I figured we fit in um I managed to get inflation to 19% in my job very difficult to get inflation 19% nobody's done it since um there was a rumor that I was going to be promoted in the second term to be the senior domestic adviser if Carter's reelected and on the strength of that rumor President Carter thinks he lost the election so I had to go find a job I went back and practice law in Washington it took me many months to convince somebody I knew how to do something in practicing law after finding myself being humiliated because I was a White House Aid one day next day I couldn't get a job at practicing law finally somebody felt sorry for me I practiced law but once again my client said to me you know this might not be for you and I said to my my partners what do you think about this should I stay and they said maybe not so I decided I would and I took a chance I read that on average an entrepreneur starts a company between the ages of 28 and 37 and I read that when I was 37 so I said okay I'm going to start a company so without knowing anything about Finance I decided to start something called the carw group and I started in Pennsylvania Avenue I recruited three people actually knew something about Finance I told them I had some money but I really was exaggerating I told him when they showed up I would get the money so ultimately uh we start a company with \$5 million today we manage \$200 billion and it's turned out to be one of the largest private Equity firms in the world when I hit the age of 54 Forbes Magazine put a story out about

my net worth and my partner's net worth and it became obvious to me that I had made so much money that I couldn't possibly spend it on houses and planes and boats and so forth which I didn't really care much about anyway so I decided what I would try to do is atone for my sins getting inflation to 19% and maybe give it back to the UN government give back to the US government give back to my country but I wasn't sure how to do it and it came about in a kind of unusual way one day I was invited to an uh an auction in New York I was told I would be able to see the Magna Carta and I said how you see the Magna Carta it's in England it turned out there are 17 copies of the Magna Carta and I had a chance to to see one of them it was the only one in private hands I decided that I would try to buy that and make sure it stayed in the United States because it was probably going to be auctioned off I was told by the auctioneer and leave the country so I went back that next night I bought it and I now put it on display at the National Archives it'll be there permanently and I said I'll do this for the country is a way to kind of make sure this document which was the inspiration for the Declaration of Independence the Bill of Rights the Constitution stays here and then other documents came available the declaration independence the Emancipation Proclamation the 13th Amendment which Freeds slaves the Constitution the Bill of Rights and I bought rare copies of them and put them on display at the state department the national Constitution Center the Smithsonian the library Congress as a way of saying to Americans take a look at these and learn more about your history in a recent Pew survey it turned out that 35% of Americans when they asked what river did George Washington cross during the Revolutionary War said the Rin River not that's not true 33% of Americans when they asked who was the first treasury secretary didn't know it was Alexander hamilt and they said it was Larry Summers so my theory is Americans don't know enough about their history and you can be a better uh citizen if you know more about your history so I'm trying to buy these historic documents and put them on display make sure people know more about history as a way of introducing them to our history another thing happened by S tippity as well one time I was at the keny center and the man on the board was the head of the Park Service he told me that Washington Monument had suffered earthquake damage I told him I'll tell you what I'll put up the money just ignore the government and the usual constraints forget Congress tell me how much it cost I'll put up the money to fix it so he did he later came back and said Congress wanted to share the credit because they weren't getting a lot of good credit so they said can they put up half the money I said okay so I just put up the money

to\n00:06:10.199 repair the Washington Monument some of\n00:06:11.599 you may have seen the scaffolding there\n00:06:12.960 from time to time and then I came up\n00:06:14.520 with the idea that well that was a good\n00:06:15.960 idea but why not fix other historic\n00:06:17.800 things so I decided to help fix up\n00:06:20.000 monachello Thomas Jefferson's home mon\n00:06:22.000 peer James Madison's home Mount Vernon\n00:06:24.039 George Washington's home the custus Lee\n00:06:25.840 Mansion at the top of Arlington and some\n00:06:27.639 other things that I'll announce uh down\n00:06:29.120 the road and so what I've decided to do\n00:06:30.680 is to fix these historic buildings in\n00:06:33.000 part because I want to remind Americans\n00:06:34.319 of their history and try to do what I'm\n00:06:35.960 now called patriotic philanthropy which\n00\nThe file is too long and its contents have been truncated.\n", "title": "tactiq-free-transcript-ClnCelvaook.txt", "tether\_id": null}, "status": "finished\_successfully", "end\_turn": null, "weight": 1.0, "metadata": {"command": "context\_stuff", "is\_visually\_hidden\_from\_conversation": true, "message\_type": null, "model\_slug": "gpt-4", "default\_model\_slug": "gpt-4", "parent\_id": "eb8871e0-4b9f-4ee9-8d97-a9f79242ea4a", "request\_id": "8888f2f79f8d0e5e-MXP", "timestamp": "absolute"}, "recipient": "all", "channel": null}, "parent": "eb8871e0-4b9f-4ee9-8d97-a9f79242ea4a", "children": [{"id": "b7333c02-9bae-4fc3-bcfc-f0e316ccbed0"}], "b7333c02-9bae-4fc3-bcfc-f0e316ccbed0": {"id": "b7333c02-9bae-4fc3-bcfc-f0e316ccbed0", "message": {"id": "b7333c02-9bae-4fc3-bcfc-f0e316ccbed0", "author": {"role": "tool", "name": "myfiles\_browser", "metadata": {}}, "create\_time": 1716508243.964402, "update\_time": null, "content": {"content\_type": "text", "parts": [{"\nPlease remember to search the user's documents if an answer to their question is not contained in the above snippets.\n"}]}, "status": "finished\_successfully", "end\_turn": null, "weight": 1.0, "metadata": {"is\_visually\_hidden\_from\_conversation": true, "message\_type": null, "model\_slug": "gpt-4", "default\_model\_slug": "gpt-4", "pad": "AAA", "parent\_id": "06c66448-8a83-4c30-bde6-e980a1029eae", "request\_id": "8888f2f79f8d0e5e-MXP", "timestamp": "absolute"}, "recipient": "all", "channel": null}, "parent": "06c66448-8a83-4c30-bde6-e980a1029eae", "children": [{"id": "aa12d47b-4a7a-4502-a6e7-0357d6381288"}], "aa12d47b-4a7a-4502-a6e7-0357d6381288": {"id": "aa12d47b-4a7a-4502-a6e7-0357d6381288", "message": {"id": "aa12d47b-4a7a-4502-a6e7-0357d6381288", "author": {"role": "assistant", "name": null, "metadata": {}}, "create\_time": 1716508243.96456, "update\_time": null, "content": {"content\_type": "text", "parts": [{"The narrative paragraph provided most heavily cites the ideas from the source titled 'On Being Nonprofit' by Peter Frumkin\n30108\n2020\nsource\n3011. This source provided foundational definitions and a detailed explanation of the distinction between fundraising and development, as well as insights into how development strategies can enhance fundraising efforts over the long term."}]}, "status": "finished\_successfully", "end\_turn": true, "weight": 1.0, "metadata": {"finish\_details": {"type": "stop", "stop\_tokens": [100260]}, "citations": [{"start\_ix": 122, "end\_ix": 132, "citation\_format\_type": "tether\_og", "metadata": {"type": "file", "name": "week 4.pdf", "id": "file-0ALsWs9dynkgdtMPP5VuvzmZ", "source": "my\_files", "text": "\n5/24/24,1:05 AM 12 Common Criticisms of Philanthropy\n2014\nand Some Answers\n\nStanfordSOCIAL\nINNOVATION\nReview\n\nInforming and inspiring leaders of social change\n\nPhilanthropy& Funding\n\n12 Common Criticisms of Philanthropy\n2014\nand\nSome Answers\n\nCritics have argued that charitable giving isn't focused enough on the poor, isn't sufficient to make a difference, is undemocratic, and more, but research\n2014\nand

history\2014show otherwise.\n\nBy Karl Zinsmeister | May 17, 2016\n\nSince January, I've been traveling around the United States talking to audiences about my new book,\n\nThe Almanac of American Philanthropy, and how private giving affects our nation. During these\n\nsessions I've collected 12 broad criticisms of charitable action that people sometimes raise. From the\n\nlessons of my Almanac research, I offer responses below.\n\n1. Charitable aid should focus on the poor; too much giving today goes to other causes!\n\nThis increasingly common argument is supported by the so-called "effective altruism" movement,\n\nwhich complains that a dollar spent on a university or park or music school could instead have headed\n\noff a dire problem such as, say, river blindness for an impoverished African.\n\nThe most specious part of this criticism is the suggestion that donors can't do both things.\n\nPhilanthropists are currently producing good results across a vast spectrum of causes, including many\n\nefforts to help the poor. In fact, the fastest-growing sector of US private philanthropy in recent years has\n\nbeen overseas aid to poor people. Indeed, the poor in foreign countries now get more help from US\n\ndonors (\$39 billion per year) than from official US government aid (\$31 billion).\n\nAre you enjoying this article? Read more like this, plus SSIR's full archive of content, when you\n\nsubscribe.\n\n1/8[https://ssir.org/articles/entry/12\\_common\\_critcisms\\_of\\_philanthropy\\_and\\_some\\_answers#](https://ssir.org/articles/entry/12_common_critcisms_of_philanthropy_and_some_answers#)\n\n5/24/24, 1:05 AM 12 Common Criticisms of Philanthropy\2014and Some Answers\n\nMoreover, it's shortsighted and often inhumane to suggest that donating to causes other than poverty\n\nreduction is somehow immoral. Yes, places like MIT and Johns Hopkins are wealthy institutions, but\n\nvoluntary gifts to them ultimately result in things like portable x-ray machines, new vaccines, and\n\ninexpensive cell phones that are valuable to all people, especially the poor\n\nPart of what makes philanthropy powerful and beautiful is its riotous variety. Allowing donors to follow\n\ntheir passions has proven, over generations, to be an effective way of inspiring powerful commitments\n\nand getting big results. Cramped definitions of philanthropy that limit donors to approved areas would\n\nsuffocate many valuable social inventions.\n\n2. Charity is an artifact no longer necessary in a modern welfare state!\n\nSome view private giving and problem-solving as vestiges of simpler times, with which we can now\n\ndispense. The public, however, disagrees. In a nationally representative survey of likely US voters in\n\n2015, respondents chose philanthropy over government as their "first choice for solving a social problem\n\nin America\201d\2014by 47 percent to 32 percent. Asked whether they most trusted entrepreneurial companies,\n\nnonprofit charities, or government agencies, 43 percent of respondents chose charities, 28 percent\n\nselected entrepreneurial companies, and just 14 percent chose government agencies.\n\nPhilanthropy solves problems differently than government. It tends to be more inventive and\n\nexperimental, quicker, nimbler, more efficient, more varied, more personalized, more interested in\n\ntransformation than treatment, and more efficient. The public sees this and values it.\n\n3. Charitable donations are just a drop in the bucket!\n\nAmerica's nonprofit sector now commands 1 percent of our workforce and 6 percent of GDP\2014not\n\nincluding volunteer time, which, if we attached a reasonable hourly wage to it, nearly equals the \$360\n\nbillion we donate in cash every year.\n\nThe Gates Foundation alone now distributes more overseas assistance than the entire Italian\n\ngovernment. It is estimated that in just its first two decades, its overseas vaccine program alone will save\n\nthe lives of 8 million preschool children. Then consider that members of US churches and synagogues\n\n\2014just one

division of America's larger philanthropic army\u2014send four and a half times as much money overseas to poor people every year as the Gates Foundation does!\n\n2/8[https://ssir.org/articles/entry/12\\_common\\_criticisms\\_of\\_philanthropyand\\_some\\_answers#](https://ssir.org/articles/entry/12_common_criticisms_of_philanthropyand_some_answers#)\n\n5/24/24, 1:05 AM 12 Common Criticisms of Philanthropy\u2014and Some Answers\n\nThe fact that most philanthropy takes place out of the public eye\u2014in small doses, and often in private or\u2014even anonymous ways\u2014makes it easy to overlook its size and power. But getting seduced by the\u2014giantism of official aid is an egregious mistake. Small actions can and do converge into mighty rivers of\u2014cumulative effort.\n\n4. There are too many amateur efforts in philanthropy!\n\nIt's easy to write off "homemade" solutions as amateurish, but grassroots efforts accomplish many great\u2014things. Consider the the ALS Association's Ice Bucket Challenge, which raised money for Lou Gehrig's\u2014Disease research. The initiative occasioned snickers and sniping from some professional\u2014philanthropists, but donations it generated led to a major scientific breakthrough at Johns Hopkins\u2014University and pre-funding of clinical trials for new therapies.\n\nThere are many more examples. Crusades against autism by Bernie Marcus, against prostate cancer by\u2014Michael Milken, and against breast cancer by Nancy Brinker were all thought quixotic when they kicked\u2014noff, yet each paid huge dividends. The Stowers Institute for Medical Research, the Howard Hughes\u2014Medical Institute, and Markey fellowships would never have seen the light of day if many professionals\u2014had had their way. And it was support from the Guggenheim family that allowed physicist Robert\u2014Goddard to overcome scorn from other scientists and ridicule by the New York Times to become the\u2014genius of rocketry and father of America's success in space.\n\nAmerica's strong system of decentralized giving and homegrown problem-solving supports wide\u2014experimentation and avoids putting all of our eggs in one national basket.\n\n5. Philanthropic aid lacks standardization! It's a chaotic patchwork!\n\nThe lesson of the Internet is the accumulated power of millions of small actions. The story of today's\u2014hacker culture is that one individual with a laptop can do astonishing things. Small-scale action that\u2014lacks uniformity should not be considered a failing. It's not chaos, it's crowdsourcing\u2014hordes of\u2014everyday people taking lots of small bites at a problem and eventually chewing through even very big\u2014issues.\n\nThere are rich examples of the power of dispersed decision-making throughout biology and across\u2014human history. Many of our most effective charities discovered the power of decentralization\u2014generations ago. Each of the 1,400 local chapters of Habitat for Humanity, for example, are independent\n\n3/8[https://ssir.org/articles/entry/12\\_common\\_criticisms\\_of\\_philanthropyand\\_some\\_answers#](https://ssir.org/articles/entry/12_common_criticisms_of_philanthropyand_some_answers#)\n\n5/24/24, 1:05 AM 12 Common Criticisms of Philanthropy\u2014and Some Answers\n\nentities with their own rules, practices, and funding. All of the 164 regional branches of Goodwill have\u2014their own boards of directors, and are autonomous in policy and funding; the central office is tiny\u2014compared to working affiliates in cities like Milwaukee and Houston. And the Appalachian Mountain\u2014Club efficiently maintains thousands of miles of hiking trails through a network of local branches\n\nThis same principle of accomplishing important tasks through loosely coupled teams or networks of\u2014independent actors is also a powerful trend in many of today's\u2014most successful private businesses. Every\u2014Uber city in America has different fares, different products, different practices. Philanthropy can be\u2014proud of having been a pioneer in solving problems via a flexible ecosystem of participants, rather than\u2014by following standardized formulas.\n\n6. Charity may work for



individuals, but what we really need are solutions that benefit entire groups! Ambitious people may look at the "one soul at a time" model prevalent in philanthropy and conclude that it's just too slow. But that perspective misunderstands what social reclamation usually requires. For tough problems like addiction and recidivism, the most successful solutions rely heavily on one-to-one human accountability. They take advantage of the useful information available when we actually know someone, instead of dealing with a stranger. By creating personal instead of impersonal transactions, we can wield the power of relationships to teach and change behavior. It's easy to romanticize the "consistency" of government programs, and contrast it favorably to the crazy-quilt of individualized variations in charitable aid, but consistency is not really how humans work. If you have one child who needs a very structured environment and another who blooms when left to navigate on her own, you don't want one-size-fits-all schools; you want individualized services that recognize and work with intimate differences of personality. You'll have a hard time finding that in government-run programs, but it's a hallmark of philanthropic efforts. Ben Franklin was one of the first donors to argue that philanthropy shouldn't just transfer funds in an attempt to relieve men in their misfortune. It should help build up individuals into a healthier state. The goal of charitable aid in the United States has always been individual competence and independence—not just social quiet. And this often requires a personal touch, real mentoring, and one-on-one aid of the sort many philanthropic efforts emphasize.

7. Philanthropy is undemocratic! [https://ssir.org/articles/entry/12\\_common\\_critcisms\\_of\\_philanthrop\\_yand\\_some\\_answers#](https://ssir.org/articles/entry/12_common_critcisms_of_philanthrop_yand_some_answers#) 4/8/2015 5/24/24, 1:05 AM 12 Common Criticisms of Philanthropy and Some Answers Some critics, especially from the left, complain that donors accumulate too much power and that their money lets them impose their point of view on society. But it's important to note how radically decentralized US giving is. Only 14 percent of total giving today comes from foundations started by the wealthy. The vast majority of annual donations come from individuals, dominated by everyday donors who give at a rate of about \$2,500 per household. The very largest single giver in the United States—the Gates Foundation—grants out about \$4 billion per year. Measured against the \$360 billion of cash that Americans donate annually, and nearly that much more in the value of volunteered time, Gates Foundation commands less than 1 percent of our annual philanthropy. That is not an unhealthy concentration of power. American philanthropy is also diverse and diffuse. Its millions of givers and hundreds of thousands of charitable organizations compose a kind of huge matrix of private legislatures that define social ills, set goals and priorities, and methodically marshal resources to attack problems near at hand—without asking the state's permission. Admirers of participatory democracy ought to be excited by these mass actions. As Yale law professor Stephen Carter points out, individuals who give to charity often "measure the needs of the community by different calipers than centralized policy makers, and will therefore contribute to a different set of causes. These millions of individual decisions lead to a diversity in spending that would be impossible if we adopted the theory that the only money spent for the public good is the money spent by the state." For this reason Carter refers to philanthropy as "democracy in action." Alexis de Tocqueville said in *Democracy in America* that what impressed him about America's voluntary activity was not just

the practical problems it solved, but the way the country's hyperactive giving and volunteering builds up the social muscles needed for a people to be self-governing. Philanthropy is not just a sign of self-rule, but also a source of a kind of nursery for broader loyalties to one's fellow citizens. A healthy democracy should encourage, not discourage, people from acting on their own to improve what they judge to be the common good. . Only government can lead important social change in a fair way! History tells a different story. Private donors and volunteers created the first schools, missions, colleges, and apprenticeships for Indians and African Americans, often in the face of state resistance. At the same time government was enforcing Jim Crow laws, philanthropist Julius Rosenwald erected 4,977 rural schools across America's black belt. At the time of his death, 27 percent of all African American children in the United States were educated in one of the schools he built.

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Those who view such examples as ancient history and believe that all necessary reforms now flow from government are gravely mistaken. According to the UCLA Civil Rights Project, America's most segregated and often most inadequate government-run schools are all in northern cities with activist governments: Detroit, Milwaukee, New York, Newark, Chicago, and Philadelphia. In fact, the country's most segregated schools are in New York state, thanks to New York City, where the proportion of schools in which at least 90 percent of the students are black or Hispanic rose sharply from 1989 to 2010. It is private philanthropy that is shaking up New York City's complacent educational establishment today by launching charter schools. There are currently 95,000 New York City children in charters, nearly all of them minorities and low-income, and another 42,600 on waiting lists. Stanford researchers and other investigators find that these children are receiving significantly better educations than counterparts in conventional government-run schools, in some cases even outscoring suburban schools in annual testing. . Some donors are mean, vainly seek their name on things, or take part in charity for all the wrong reasons! It's true that philanthropists aren't always pretty. Prominent donors like J. Paul Getty, Leland Stanford, Russell Sage, and John MacArthur were known to exhibit shabby behavior. (Stanford, for example, employed stock watering, kickbacks, bribery, and collusion.) Nonetheless, each ultimately managed to be very helpful to others. The genius of the philanthropic mechanism is that it accepts people just as they are kind impulses, selfish impulses, confusions and vanities, wishes of all sorts swirling together in the usual human jumble and helps them do wondrous things, even when they're not saints. Adam Smith taught us that freely conducted commerce can take normal human behaviors including ugly and mercenary ones - and turn them to broadly productive uses. The same is true in the world of philanthropy. Part of the magic of America's charitable structure is that it can convert common human impulses into truth, uplift, and beauty for all of society. . Philanthropy distracts people who ought to focus on business! The right side of the political spectrum sometimes complains that philanthropy drags too many productive business people into do-gooding, distracting them from creating the commercial bounty that

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society counts on. But there are reasons to think that philanthropy

actually strengthens capitalism. Economists Zoltan Acs and Ronnie Phillips have observed that the United States has a distinctive means of reconstituting wealth via philanthropy. Philanthropy is part of the implicit social contract that continuously nurtures and revitalizes economic prosperity, they write. Researchers Tino and Nima Sanandaji agree that the legitimacy of American capitalism has in part been upheld through voluntary donations. They note that much of the new wealth created historically has been given back to society. This has had several feedback effects on capitalism. For one, the practice has limited the rise of new dynasties. Another positive feedback mechanism is that the donations to research and higher education have allowed new generations to become wealthy. II. Philanthropy encourages collective thinking, collective responsibility, and collective action ultimately leading to more government! This is another concern sometimes launched from the libertarian right, where observers argue that what American society really needs is more individual responsibility, not more giveaways. However, we can just as plausibly turn that argument around, because there is evidence that philanthropy helps limit government sprawl. When some members of a society become needy, it is a fact that many citizens will insist, "Something must be done!" Most times and places, the responsibility for picking up those in trouble has fallen to the state. America's energetic voluntary sector, however, allows Americans to meet humanitarian and Judeo-Christian responsibilities to their fellow humans without setting up large government apparatuses and regimenting rules that suffocate individual sovereignty. By solving basic security hungers and stretching multiple safety nets among the general populace, philanthropy has made Americans much more tolerant of the creative destruction that's part of a dynamic economy, leaving us with a freer and faster-growing economy than comparable industrial nations. Philanthropy has thus been crucial in allowing America to grow up as an exceedingly rare society where average people can steer their own lives without the state lurking over their shoulder. I2. Donating money is sometimes too much about the giver's needs! Giving is a two-way transaction, and the satisfactions of helping are just as real and just as good for human flourishing as the satisfactions of having someone come to your aid. That's why even people

[https://ssir.org/articles/entry/12\\_common\\_critcisms\\_of\\_philanthropyand\\_some\\_answers#](https://ssir.org/articles/entry/12_common_critcisms_of_philanthropyand_some_answers#) 5/24/24, 1:05 AM 12 Common Criticisms of Philanthropy and Some Answers with little disposable income are eager to give, and feel good when they do. Social science research supports this. In a 2008 paper, three investigators gave study participants money, and then asked half of them to spend it on themselves, and the other half to give it to some person or charity. Those who donated the money showed a significant uptick in happiness; those who spent it on themselves did not. Other academic work has shown that offering aid can actually make the giver healthier lowering blood pressure, stress, illness, and mortality. Americans who make gifts of money and time are more likely to prosper and be satisfied with life than non-givers who are demographically identical. A 2014 book by University of Notre Dame researchers concludes, "The more generous Americans are, the more happiness, health, and purpose in life they enjoy. This association is strong and highly consistent. Generous practices actually create enhanced personal well-being." We shouldn't overlook or discount the good effects of giving on the giver. Support SSIR's coverage of cross-sector

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big results. Cramped definitions of philanthropy that limit donors to approved areas would\nsuffocate many valuable social inventions.\n\n2. Charity is an artifact no longer necessary in a modern welfare state!\n\nSome view private giving and problem-solving as vestiges of simpler times, with which we can now\ndispense. The public,however, disagrees. In a nationally representative survey of likely US voters in\n2015, respondents chose philanthropy over government as their "first choice for solving a social problem\nin America\u201d\u2014by 47 percent to 32 percent. Asked whether they most trusted entrepreneurial companies,\nnonprofit charities, or government agencies,43 percent of respondents chose charities, 28 percent\nselected entrepreneurial companies, and just 14 percent chose government agencies.\n\nPhilanthropy solves problems differently than government. It tends to be more inventive and\nexperimental, quicker, nimbler, more efficient, more varied, more personalized,more interested in\ntransformation than treatment, and more efficient. The public sees this and values it.\n\n3. Charitable donations are just a drop in the bucket!\n\nAmerica's nonprofit sector now commands 1 percent of our workforce and 6 percent of GDP\nnot\nincluding volunteer time, which,if we attached a reasonable hourly wage to it, nearly equals the \$360\nbillion we donate in cash every year.\n\nThe Gates Foundation alone now distributes more overseas assistance than the entire Italian\ngovernment. It is estimated that in just its first two decades, its overseas vaccine program alone will save\nthe lives of 8 million preschool children. Then consider that members of US churches and synagogues\njust one division of America's larger philanthropic army\u2014send four and a half times as much money\noverseas to poor people every year as the Gates Foundation does!\n\n2/8[https://ssir.org/articles/entry/12\\_common\\_criticisms\\_of\\_philanthropyand\\_some\\_answers#](https://ssir.org/articles/entry/12_common_criticisms_of_philanthropyand_some_answers#)\n5/24/24,1:05 AM 12 Common Criticisms of Philanthropy\u2014and Some Answers\n\nThe fact that most philanthropy takes place out of the public eye\u2014in small doses, and often in private or\neven anonymous ways\u2014makes it easy to overlook its size and power. But getting seduced by the\ngiantism of official aid is an egregious mistake. Small actions can and do converge into mighty rivers of\ncumulative effort.\n\n4. There are too many amateur efforts in philanthropy!\n\nIt's easy to write off "homemade" solutions as amateurish, but grassroots efforts accomplish many great\nthings. Consider the the ALS Association's Ice Bucket Challenge,which raised money for Lou Gehrig's\nDisease research.The initiative occasioned snickers and sniping from some professional\nphilanthropists, but donations it generated led to a major scientific breakthrough at Johns Hopkins\nUniversity and pre-funding of clinical trials for new therapies.\n\nThere are many more examples. Crusades against autism by Bernie Marcus,against prostate cancer by\nMichael Milken, and against breast cancer by Nancy Brinker were all thought quixotic when they kicked\noff, yet each paid huge dividends. The Stowers Institute for Medical Research, the Howard Hughes\nMedical Institute, and Markey fellowships would never have seen the light of day if many professionals\nhad had their way. And it was support from the Guggenheim family that allowed physicist Robert\nGoddard to overcome scorn from other scientists and ridicule by the New York Times to become the\ngenius of rocketry and father of America's success in space.\n\nAmerica's strong system of decentralized giving and homegrown problem-solving supports wide\n experimentation and avoids putting all of our eggs in one national basket.\n\n5. Philanthropic aid lacks standardization! It's a chaotic patchwork!\n\nThe lesson of the Internet is the accumulated power of millions of small actions. The story of today's\n hacker culture is that one

individual with a laptop can do astonishing things. Small-scale action that lacks uniformity should not be considered a failing. It's not chaos, it's crowdsourcing\u2014hordes of everyday people taking lots of small bites at a problem and eventually chewing through even very big issues.

There are rich examples of the power of dispersed decision-making throughout biology and across human history. Many of our most effective charities discovered the power of decentralization generations ago. Each of the 1,400 local chapters of Habitat for Humanity, for example, are independent.

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Entities with their own rules, practices, and funding. All of the 164 regional branches of Goodwill have their own boards of directors, and are autonomous in policy and funding; the central office is tiny compared to working affiliates in cities like Milwaukee and Houston. And the Appalachian Mountain Club efficiently maintains thousands of miles of hiking trails through a network of local branches.

This same principle of accomplishing important tasks through loosely coupled teams or networks of independent actors is also a powerful trend in many of today's most successful private businesses. Every Uber city in America has different fares, different products, different practices. Philanthropy can be proud of having been a pioneer in solving problems via a flexible ecosystem of participants, rather than by following standardized formulas.

6. Charity may work for individuals, but what we really need are solutions that benefit entire groups!

Ambitious people may look at the "one soul at a time" model prevalent in philanthropy and conclude that it's just too slow. But that perspective misunderstands what social reclamation usually requires. For tough problems like addiction and recidivism, the most successful solutions rely heavily on one-to-one human accountability. They take advantage of the useful information available when we actually know someone, instead of dealing with a stranger. By creating personal instead of impersonal transactions, we can wield the power of relationships to teach and change behavior.

It's easy to romanticize the "consistency" of government programs, and contrast it favorably to the crazy-quilt of individualized variations in charitable aid, but consistency is not really how humans work. If you have one child who needs a very structured environment and another who blooms when left to navigate on her own, you don't want one-size-fits-all schools; you want individualized services that recognize and work with intimate differences of personality. You'll have a hard time finding that in government-run programs, but it's a hallmark of philanthropic efforts.

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The goal of charitable aid in the United States has always been individual competence and independence\u2014not just social quiet. And this often requires a personal touch, real mentoring, and one-on-one aid of the sort many philanthropic efforts emphasize.

7. Philanthropy is undemocratic!

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Some critics, especially from the left, complain that donors accumulate too much power and that their money lets them impose their point of view on society. But it's important to note how radically decentralized

US giving is. Only 14 percent of total giving today comes from foundations started by the wealthy. The vast majority of annual donations come from individuals, dominated by everyday donors who give at a rate of about \$2,500 per household. The very largest single giver in the United States the Gates Foundation grants out about \$4 billion per year. Measured against the \$360 billion of cash that Americans donate annually, and nearly that much more in the value of volunteered time, Gates Foundation commands less than 1 percent of our annual philanthropy. That is not an unhealthy concentration of power. American philanthropy is also diverse and diffuse. Its millions of givers and hundreds of thousands of charitable organizations compose a kind of huge matrix of private legislatures that define social ills, set goals and priorities, and methodically marshal resources to attack problems near at hand without masking the state's permission. Admirers of participatory democracy ought to be excited by these mass actions. As Yale law professor Stephen Carter points out, individuals who give to charity often "measure the needs of the community by different calipers than centralized policy makers, and will therefore contribute to a different set of causes. These millions of individual decisions lead to a diversity in spending that would be impossible if we adopted the theory that the only money spent for the public good is the money spent by the state." For this reason Carter refers to philanthropy as "democracy in action." Alexis de Tocqueville said in *Democracy in America* that what impressed him about America's voluntary activity was not just the practical problems it solved, but the way the country's hyperactive giving and volunteering builds up the social muscles needed for a people to be self-governing. Philanthropy is not just a sign of self-rule, but also a source of it a kind of nursery for broader loyalties to one's fellow citizens. A healthy democracy should encourage, not discourage, people from acting on their own to improve what they judge to be the common good. Only government can lead important social change in a fair way! History tells a different story. Private donors and volunteers created the first schools, missions, colleges, and apprenticeships for Indians and African Americans, often in the face of state resistance. At the same time government was enforcing Jim Crow laws, philanthropist Julius Rosenwald erected 4,977 rural schools across America's black belt. At the time of his death, 27 percent of all African American children in the United States were educated in one of the schools he built.

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Those who view such examples as ancient history and believe that all necessary reforms now flow from government are gravely mistaken. According to the UCLA Civil Rights Project, America's most segregated and often most inadequate government-run schools are all in northern cities with activist governments: Detroit, Milwaukee, New York, Newark, Chicago, and Philadelphia. In fact, the country's most segregated schools are in New York state, thanks to New York City, where the proportion of schools in which at least 90 percent of the students are black or Hispanic rose sharply from 1989 to 2010. It is private philanthropy that is shaking up New York City's complacent educational establishment today by launching charter schools. There are currently 95,000 New York City children in charters, nearly all of them minorities and low-income, and another 42,600 on waiting lists. Stanford researchers and other investigators find that these children are receiving significantly better educations than counterparts in conventional

government-run schools, in some cases even outscoring comfortable suburban schools in annual testing. 9. Some donors are mean, vainly seek their name on things, or take part in charity for all the wrong reasons! It's true that philanthropists aren't always pretty. Prominent donors like J. Paul Getty, Leland Stanford, Russell Sage, and John MacArthur were known to exhibit shabby behavior. (Stanford, for example, employed stock watering, kickbacks, bribery, and collusion.) Nonetheless, each ultimately managed to be very helpful to others. The genius of the philanthropic mechanism is that it accepts people just as they are—kind impulses, selfish impulses, confusions and vanities, wishes of all sorts swirling together in the usual human jumble—and helps them do wondrous things, even when they're not saints. Adam Smith taught us that freely conducted commerce can take normal human behaviors—including ugly and mercenary ones—and turn them to broadly productive uses. The same is true in the world of philanthropy. Part of the magic of America's charitable structure is that it can convert common human impulses into truth, uplift, and beauty for all of society. No. Philanthropy distracts people who ought to focus on business! The right side of the political spectrum sometimes complains that philanthropy drags too many unproductive business people into do-gooding, distracting them from creating the commercial bounty that [https://ssir.org/articles/entry/12\\_common\\_critcisms\\_of\\_philanthropyand\\_some\\_answers#](https://ssir.org/articles/entry/12_common_critcisms_of_philanthropyand_some_answers#) answers. On 5/24/24, 1:05 AM 12 Common Criticisms of Philanthropy and Some Answers society counts on. But there are reasons to think that philanthropy actually strengthens capitalism. Economists Zoltan Acs and Ronnie Phillips have observed that the United States has a distinctive means of reconstituting old wealth via philanthropy. Philanthropy is part of the implicit social contract that continuously nurtures and revitalizes economic prosperity, they write. Researchers Tino and Nima Sanandaji agree that the legitimacy of American capitalism has in part been upheld through voluntary donations. They note that "much of the new wealth created historically has been given back to society. This has had several feedback effects on capitalism. For one, the practice has limited the rise of new dynasties. Another positive feedback mechanism is that the donations to research and higher education have allowed new generations to become wealthy?" II. Philanthropy encourages collective thinking, collective responsibility, and collective action—ultimately leading to more government! This is another concern sometimes launched from the libertarian right, where observers argue that what American society really needs is more individual responsibility, not more giveaways. However, we can just as plausibly turn that argument around, because there is evidence that philanthropy helps limit government sprawl. When some members of a society become needy, it is a fact that many citizens will insist, "Something must be done!" Most times and places, the responsibility for picking up those in trouble has fallen to the state. America's energetic voluntary sector, however, allows Americans to meet humanitarian and Judeo-Christian responsibilities to their fellow humans without setting up large government apparatuses and regimenting rules that suffocate individual sovereignty. By solving basic security hungers and stretching multiple safety nets among the general populace, philanthropy has made Americans much more tolerant of the creative destruction that's part of a dynamic economy, leaving us with a freer and faster-growing economy than comparable industrial nations. Philanthropy has thus been crucial in allowing America to grow up as an exceedingly rare society



where average people can steer their own lives without the state lurking over their shoulder. \n\nI2. Donating money is sometimes too much about the giver's needs!\n\nGiving is a two-way transaction, and the satisfactions of helping are just as real and just as good for\nhuman flourishing as the satisfactions of having someone come to your aid. That's why even

people\n7/8[https://ssir.org/articles/entry/12\\_common\\_critcisms\\_of\\_philanthropyand\\_some\\_answers#](https://ssir.org/articles/entry/12_common_critcisms_of_philanthropyand_some_answers#)\n\n\n5/24/24, 1:05 AM 12 Common Criticisms of Philanthropy\u2014and Some Answers\n\n\nwith little disposable income are eager to give, and feel good when they do.\n\n\nSocial science research supports this. In a 2008 paper, three investigators gave study participants\nmoney, and then asked half of them to spend it on themselves, and the other half to give it to some\nperson or charity. Those who donated the money showed a significant uptick in happiness; those who\nspent it on themselves did not\n\n\nOther academic work has shown that offering aid can actually make the giver healthier\u2014lowering blood\npressure, stress, illness, and mortality. Americans who make gifts of money and time are more likely to\nprosper and be satisfied with life than non-givers who are demographically identical. A 2014 book by\n\n\nUniversity of Notre Dame researchers concludes, \u201cThe more generous Americans are, the more\nhappiness, health, and purpose in life they enjoy. This association \u201cis strong and highly consistent.\u201d\n\n\nGenerous practices actually create enhanced personal well-being.\u201d\n\n\nWe shouldn't overlook\u2014or discount\u2014the good effects of giving on the giver.\n\n\nSupport SSIR's coverage of cross-sector solutions to global challenges.\n\n\nHelp us further the reach of innovative ideas. Donate today\n\n\nRead more stories by Karl Zinsmeister.\n\n\nKarl Zinsmeister is creator of The Almanac of American Philanthropy, a new encyclopedic reference to the\nfield, just released by The Philanthropy Roundtable.\n\n\nDOI:10.48558/jm4I-v703\n\n\nIf you like this article enough to print it, be sure to subscribe to SSIR!\n\n\nCopyright @ 2024 Stanford University.\n\n\nDesigned by Arsenal, developed by Hop

Studios\n8/8[https://ssir.org/articles/entry/12\\_common\\_critcisms\\_of\\_philanthropyand\\_some\\_answers#](https://ssir.org/articles/entry/12_common_critcisms_of_philanthropyand_some_answers#)\n\n\n", "cloud\_doc\_url": null}}}, "recipient": "all", "channel": null}, "parent": "b7333c02-9bae-4fc3-bcfc-f0e316ccbed0", "children": ["aaa208b8-8fc7-4708-a471-21152b837fbb"]}, "aaa208b8-8fc7-4708-a471-21152b837fbb": {"id": "aaa208b8-8fc7-4708-a471-21152b837fbb", "message": {"id": "aaa208b8-8fc7-4708-a471-21152b837fbb", "author": {"role": "user", "name": null, "metadata": {}}, "create\_time": 1716508299.498516, "update\_time": null, "content": {"content\_type": "text", "parts": ["which source does this paragraph most heavily site? "]}, "status": "finished\_successfully", "end\_turn": null, "weight": 1.0, "metadata": {"targeted\_reply": "In practice, especially within organizations aiming to create a more equitable world through cooperative resource allocation, these concepts are implemented in several impactful ways. Engaging the community as active participants in decision-making and planning ensures that development activities resonate deeply with community needs and values. Emphasizing transparency about how funds are used can fortify trust and deepen donor relationships. Moreover, diversifying funding sources by exploring revenue streams beyond traditional donations\u2014like social enterprises or membership programs\u2014enhances financial stability and ensures alignment with the organization's mission. Collectively, these strategies not only boost fundraising efforts but also align them with the broader goal of fostering a more equitable and joyful society.", "request\_id": "8888f4862fea4be7-MXP", "message\_source": null, "timestamp": "absolute", "message\_type": null}, "recipient": "all", "channel": null}, "parent": "aa12d47b-4a7a-4502-a6e7-0357d6381288", "children": ["2e4b7251-82cf-

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copyand\_some\_answers#\\n\\n\\n5/24/24,1:05 AM 12 Common Criticisms of Philanthropy\\u2014and Some Answers\\n\\nMoreover, it&#x27;s shortsighted and often inhumane to suggest that donating to causes other than poverty\\nreduction is somehow immoral. Yes, places like MIT and Johns Hopkins are wealthy institutions, but\\nvoluntary gifts to them ultimately result in things like portable x-ray machines, new vaccines, and\\ninexpensive cell phones that are valuable to all people, especially the poor\\n\\nPart of what makes philanthropy powerful and beautiful is its riotous variety. Allowing donors to follow\\ntheir passions has proven, over generations, to be an effective way of inspiring powerful commitments\\n\\nand getting big results. Cramped definitions of philanthropy that limit donors to approved areas would\\nsuffocate many valuable social inventions.\\n\\n2. Charity is an artifact no longer necessary in a modern welfare state!\\n\\nSome view private giving and problem-solving as vestiges of simpler times, with which we can now\\n\\ndispense. The public, however, disagrees. In a nationally representative survey of likely US voters in\\n2015, respondents chose philanthropy over government as their &quot;first choice for solving a social problem\\nin America\\u201d\\u2014by 47 percent to 32 percent. Asked whether they most trusted entrepreneurial companies,\\nnonprofit charities, or government agencies, 43 percent of respondents chose charities, 28 percent\\nselected entrepreneurial companies, and just 14 percent chose government agencies.\\n\\nPhilanthropy solves problems differently than government. It tends to be more inventive and\\nexperimental, quicker, nimbler, more efficient, more varied, more personalized, more interested in\\ntransformation than treatment, and more efficient. The public sees this and values it.\\n\\n3. Charitable donations are just a drop in the bucket!\\n\\nAmerica&#x27;s nonprofit sector now commands 1 percent of our workforce and 6 percent of GDP\\u2014not\\n\\nincluding volunteer time, which, if we attached a reasonable hourly wage to it, nearly equals the \$360\\nbillion we donate in cash every year.\\n\\nThe Gates Foundation alone now distributes more overseas assistance than the entire Italian\\ngovernment. It is estimated that in just its first two decades, its overseas vaccine program alone will save\\n\\nthe lives of 8 million preschool children. Then consider that members of US churches and synagogues\\n\\n\\u2014just one division of America&#x27;s larger philanthropic army\\u2014send four and a half times as much money\\noverseas to poor people every year as the Gates Foundation does!\\n\\n2/8[https://ssir.org/articles/entry/12\\_common\\_criticisms\\_of\\_philanthropyand\\_some\\_answers#](https://ssir.org/articles/entry/12_common_criticisms_of_philanthropyand_some_answers#)\\n\\n\\n5/24/24,1:05 AM 12 Common Criticisms of Philanthropy\\u2014and Some Answers\\n\\nThe fact that most philanthropy takes place out of the public eye\\u2014in small doses, and often in private or\\n\\neven anonymous ways\\u2014makes it easy to overlook its size and power. But getting seduced by the\\ngiantism of official aid is an egregious mistake. Small actions can and do converge into mighty rivers of\\ncumulative effort.\\n\\n4. There are too many amateur efforts in philanthropy!\\n\\nIt&#x27;s easy to write off &quot;homemade&quot; solutions as amateurish, but grassroots efforts accomplish many great\\nthings. Consider the the ALS Association&#x27;s Ice Bucket Challenge, which raised money for Lou Gehrig&#x27;s\\nDisease research. The initiative occasioned snickers and sniping from some professional\\n\\nphilanthropists, but donations it generated led to a major scientific breakthrough at Johns Hopkins\\nUniversity and pre-funding of clinical trials for new therapies.\\n\\nThere are many more examples. Crusades against autism by Bernie Marcus, against prostate cancer by\\nMichael Milken, and against breast cancer by Nancy Brinker were all thought quixotic when they kicked\\n\\noff, yet each paid huge dividends. The Stowers Institute for Medical Research, the Howard Hughes\\nMedical

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6. Charity may work for individuals, but what we really need are solutions that benefit entire groups! Ambitious people may look at the "one soul at a time" model prevalent in philanthropy and conclude that it's just too slow. But that perspective misunderstands what social reclamation usually requires. For tough problems like addiction and recidivism, the most successful solutions rely heavily on one-to-one human accountability. They take advantage of the useful information available when we actually know someone, instead of dealing with a stranger. By creating personal instead of impersonal transactions, we can wield the power of relationships to teach and change behavior.

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12 Common Criticisms of Philanthropy and Some Answers

Some critics, especially from the left, complain that donors accumulate too much power and that their money lets them impose their point of view on society. But it's important to note how radically decentralized US giving is. Only 14 percent of total giving today comes from foundations started by the wealthy. The vast majority of annual donations come from individuals, dominated by everyday donors who give at a rate of about \$2,500 per household. The very largest single giver in the United States—the Gates Foundation—grants out about \$4 billion per year. Measured against the \$360 billion of cash that Americans donate annually, and nearly that much more in the value of volunteered time, Gates Foundation commands less than 1 percent of our annual philanthropy. That is not an unhealthy concentration of power.

American philanthropy is also diverse and diffuse. Its millions of givers and hundreds of thousands of charitable organizations compose a kind of huge matrix of private legislatures that define social ills, set goals and priorities, and methodically marshal resources to attack problems near at hand without asking the state's permission. Admirers of participatory democracy ought to be excited by these mass actions. As Yale law professor Stephen Carter points out, individuals who give to charity often "measure the needs of the community by different calipers than centralized policy makers, and will therefore contribute to a different set of causes. These millions of individual decisions lead to a diversity in spending that would be impossible if we adopted the theory that the only money spent for the public good is the money spent by the state." For this reason Carter refers to philanthropy as "democracy in action."

Alexis de Tocqueville said in *Democracy in America* that what impressed him about America's voluntary activity was not just the practical problems it solved, but the way the country's hyperactive giving and volunteering builds up the social muscles needed for a people to be self-governing. Philanthropy is not just a sign of self-rule, but also a source of it—a kind of nursery for broader loyalties to one's fellow citizens. A healthy democracy should encourage, not discourage, people from acting on their own to improve what they judge to be the common good.

Only government can lead important social change in a fair way! History tells a different story. Private donors and volunteers created the first schools, missions, colleges, and apprenticeships for Indians and African Americans, often in the face of state resistance. At the same time government was enforcing Jim Crow laws, philanthropist Julius Rosenwald erected 4,977 rural schools across America's black belt. At the time of his death, 27 percent of all African American children in the United States were educated in one of the schools he built.

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12 Common Criticisms of Philanthropy and Some Answers

Those who view such examples as ancient history and believe that all necessary reforms now flow from government are gravely mistaken. According to the UCLA Civil Rights Project, America's most segregated and often most inadequate government-run schools are all in northern cities with activist governments:

Detroit, Milwaukee, New York, Newark, Chicago, and Philadelphia. In fact, the country's most segregated schools are in New York state, thanks to New York City, where the proportion of schools in which at least 90 percent of the students are black or Hispanic rose sharply from 1989 to 2010. It is private philanthropy that is shaking up New York City's complacent educational establishment today by launching charter schools. There are currently 95,000 New York City children in charters, nearly all of them minorities and low-income, and another 42,600 on waiting lists. Stanford researchers and other investigators find that these children are receiving significantly better educations than counterparts in conventional government-run schools, in some cases even outscoring comfortable suburban schools in annual testing.

Some donors are mean, vainly seek their name on things, or take part in charity for all the wrong reasons! It's true that philanthropists aren't always pretty. Prominent donors like J. Paul Getty, Leland Stanford, Russell Sage, and John MacArthur were known to exhibit shabby behavior. (Stanford, for example, employed stock watering, kickbacks, bribery, and collusion.) Nonetheless, each ultimately managed to be very helpful to others.

The genius of the philanthropic mechanism is that it accepts people just as they are—kind impulses, selfish impulses, confusions and vanities, wishes of all sorts swirling together in the usual human jumble—and helps them do wondrous things, even when they're not saints. Adam Smith taught us that freely conducted commerce can take normal human behaviors—including ugly and mercenary ones—and turn them to broadly productive uses. The same is true in the world of philanthropy. Part of the magic of America's charitable structure is that it can convert common human impulses into truth, uplift, and beauty for all of society.

Philanthropy distracts people who ought to focus on business! The right side of the political spectrum sometimes complains that philanthropy drags too many unproductive business people into do-gooding, distracting them from creating the commercial bounty that [https://ssir.org/articles/entry/12\\_common\\_critcisms\\_of\\_philanthropyand\\_some\\_answers#](https://ssir.org/articles/entry/12_common_critcisms_of_philanthropyand_some_answers#) answers. But there are reasons to think that philanthropy actually strengthens capitalism. Economists Zoltan Acs and Ronnie Phillips have observed that the United States has a distinctive means of reconstituting wealth via philanthropy. Philanthropy is part of the implicit social contract that continuously nurtures and revitalizes economic prosperity, they write. Researchers Tino and Nima Sanandaji agree that the legitimacy of American capitalism has in part been upheld through voluntary donations. They note that "much of the new wealth created historically has been given back to society. This has had several feedback effects on capitalism. For one, the practice has limited the rise of new dynasties. Another positive feedback mechanism is that the donations to research and higher education have allowed new generations to become wealthy?"

II. Philanthropy encourages collective thinking, collective responsibility, and collective action—ultimately leading to more government! This is another concern sometimes launched from the libertarian right, where observers argue that what American society really needs is more individual responsibility, not more giveaways. However, we can just as plausibly turn that argument around, because there is evidence that philanthropy helps limit government sprawl. When some members of a society become needy, it is a fact that many citizens will insist, "Something must be done!"; Most times and places, the responsibility

for picking up those in trouble has fallen to the state. America's energetic voluntary sector, however, allows Americans to meet humanitarian and Judeo-Christian responsibilities to their fellow humans without setting up large government apparatuses and regimenting rules that suffocate individual sovereignty. By solving basic security hungers and stretching multiple safety nets among the general populace, philanthropy has made Americans much more tolerant of the creative destruction that's part of a dynamic economy, leaving us with a freer and faster-growing economy than comparable industrial nations. Philanthropy has thus been crucial in allowing America to grow up as an exceedingly rare society where average people can steer their own lives without the state lurking over their shoulder.

II. Donating money is sometimes too much about the giver's needs! Giving is a two-way transaction, and the satisfactions of helping are just as real and just as good for human flourishing as the satisfactions of having someone come to your aid. That's why even

people

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with little disposable income are eager to give, and feel good when they do.

Social science research supports this. In a 2008 paper, three investigators gave study participants money, and then asked half of them to spend it on themselves, and the other half to give it to some person or charity. Those who donated the money showed a significant uptick in happiness; those who spent it on themselves did not.

Other academic work has shown that offering aid can actually make the giver healthier, lowering blood pressure, stress, illness, and mortality. Americans who make gifts of money and time are more likely to prosper and be satisfied with life than non-givers who are demographically identical. A 2014 book by two University of Notre Dame researchers concludes, "The more generous Americans are, the more happiness, health, and purpose in life they enjoy. This association is strong and highly consistent. Generous practices actually create enhanced personal well-being."

We shouldn't overlook or discount the good effects of giving on the giver.

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Read more stories by Karl Zinsmeister.

Karl Zinsmeister is creator of The Almanac of American Philanthropy, a new encyclopedic reference to the field, just released by The Philanthropy Roundtable.

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giving isn't focused enough on the poor, isn't sufficient to make a difference, is undemocratic, and more, but research and history show otherwise.

By Karl Zinsmeister | May 17, 2016

Since January, I've been traveling around the United States talking to audiences about my new book, *The Almanac of American Philanthropy*, and how private giving affects our nation. During these sessions I've collected 12 broad criticisms of charitable action that people sometimes raise. From the lessons of my Almanac research, I offer responses below.

1. Charitable aid should focus on the poor; too much giving today goes to other causes!

This increasingly common argument is supported by the so-called "effective altruism" movement, which complains that a dollar spent on a university or park or music school could instead have headed off a dire problem such as, say, river blindness for an impoverished African.

The most specious part of this criticism is the suggestion that donors can't do both things. Philanthropists are currently producing good results across a vast spectrum of causes, including many efforts to help the poor. In fact, the fastest-growing sector of US private philanthropy in recent years has been overseas aid to poor people. Indeed, the poor in foreign countries now get more help from US donors (\$39 billion per year) than from official US government aid (\$3 billion).

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Moreover, it's shortsighted and often inhumane to suggest that donating to causes other than poverty reduction is somehow immoral. Yes, places like MIT and Johns Hopkins are wealthy institutions, but voluntary gifts to them ultimately result in things like portable x-ray machines, new vaccines, and inexpensive cell phones that are valuable to all people, especially the poor.

Part of what makes philanthropy powerful and beautiful is its riotous variety. Allowing donors to follow their passions has proven, over generations, to be an effective way of inspiring powerful commitments and getting big results. Cramped definitions of philanthropy that limit donors to approved areas would suffocate many valuable social inventions.

2. Charity is an artifact no longer necessary in a modern welfare state!

Some view private giving and problem-solving as vestiges of simpler times, with which we can now dispense. The public, however, disagrees. In a nationally representative survey of likely US voters in 2015, respondents chose philanthropy over government as their "first choice for solving a social problem in America" by 47 percent to 32 percent. Asked whether they most trusted entrepreneurial companies, nonprofit charities, or government agencies, 43 percent of respondents chose charities, 28 percent selected entrepreneurial companies, and just 14 percent chose government agencies.

Philanthropy solves problems differently than government. It tends to be more inventive and experimental, quicker, nimbler, more efficient, more varied, more personalized, more interested in transformation than treatment, and more efficient. The public sees this and values it.

3. Charitable donations are just a drop in the bucket!

America's nonprofit sector now commands 1 percent of our workforce and 6 percent of GDP not including volunteer time, which, if we attached a reasonable hourly wage to it, nearly equals the \$360 billion we donate in cash every year.

The Gates Foundation alone now distributes more overseas assistance than the entire Italian government. It is estimated that in just its first two decades,



its overseas vaccine program alone will save the lives of 8 million preschool children. Then consider that members of US churches and synagogues just one division of America's larger philanthropic army send four and a half times as much money overseas to poor people every year as the Gates Foundation does!

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The fact that most philanthropy takes place out of the public eye in small doses, and often in private or even anonymous ways makes it easy to overlook its size and power. But getting seduced by the gigantism of official aid is an egregious mistake. Small actions can and do converge into mighty rivers of cumulative effort.

4. There are too many amateur efforts in philanthropy! It's easy to write off "homemade" solutions as amateurish, but grassroots efforts accomplish many great things. Consider the the ALS Association's Ice Bucket Challenge, which raised money for Lou Gehrig's Disease research. The initiative occasioned snickers and sniping from some professional philanthropists, but donations it generated led to a major scientific breakthrough at Johns Hopkins University and pre-funding of clinical trials for new therapies.

There are many more examples. Crusades against autism by Bernie Marcus, against prostate cancer by Michael Milken, and against breast cancer by Nancy Brinker were all thought quixotic when they kicked off, yet each paid huge dividends. The Stowers Institute for Medical Research, the Howard Hughes Medical Institute, and Markey fellowships would never have seen the light of day if many professionals had had their way. And it was support from the Guggenheim family that allowed physicist Robert Goddard to overcome scorn from other scientists and ridicule by the New York Times to become the genius of rocketry and father of America's success in space.

America's strong system of decentralized giving and homegrown problem-solving supports wide experimentation and avoids putting all of our eggs in one national basket.

5. Philanthropic aid lacks standardization! It's a chaotic patchwork!

The lesson of the Internet is the accumulated power of millions of small actions. The story of today's hacker culture is that one individual with a laptop can do astonishing things. Small-scale action that lacks uniformity should not be considered a failing. It's not chaos, it's crowdsourcing!

hordes of everyday people taking lots of small bites at a problem and eventually chewing through even very big issues.

There are rich examples of the power of dispersed decision-making throughout biology and across human history. Many of our most effective charities discovered the power of decentralization generations ago. Each of the 1,400 local chapters of Habitat for Humanity, for example, are independent

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entities with their own rules, practices, and funding. All of the 164 regional branches of Goodwill have their own boards of directors, and are autonomous in policy and funding; the central office is tiny compared to working affiliates in cities like Milwaukee and Houston. And the Appalachian Mountain Club efficiently maintains thousands of miles of hiking trails through a network of local branches.

This same principle of accomplishing important tasks through loosely coupled teams or networks of independent actors is also a powerful trend in many of today's most successful private businesses. Every Uber city in America has different fares, different products, different practices. Philanthropy can be proud of

having been a pioneer in solving problems via a flexible ecosystem of participants, rather than by following standardized formulas. 6. Charity may work for individuals, but what we really need are solutions that benefit entire groups! Ambitious people may look at the "one soul at a time" model prevalent in philanthropy and conclude that it's just too slow. But that perspective misunderstands what social reclamation usually requires. For tough problems like addiction and recidivism, the most successful solutions rely heavily on one-to-one human accountability. They take advantage of the useful information available when we actually know someone, instead of dealing with a stranger. By creating personal instead of impersonal transactions, we can wield the power of relationships to teach and change behavior. It's easy to romanticize the "consistency" of government programs, and contrast it favorably to the crazy-quilt of individualized variations in charitable aid, but consistency is not really how humans work. If you have one child who needs a very structured environment and another who blooms when left to navigate on her own, you don't want one-size-fits-all schools; you want individualized services that recognize and work with intimate differences of personality. You'll have a hard time finding that in government-run programs, but it's a hallmark of philanthropic efforts. Ben Franklin was one of the first donors to argue that philanthropy shouldn't just transfer funds in an attempt to relieve men in their misfortune. It should help build up individuals into a healthier state. The goal of charitable aid in the United States has always been individual competence and independence—not just social quiet. And this often requires a personal touch, real mentoring, and one-on-one aid of the sort many philanthropic efforts emphasize.

7. Philanthropy is undemocratic! 4/8https://ssir.org/articles/entry/12\_common\_criticisms\_of\_philanthropy\_and\_some\_answers# 5/24/24, 1:05 AM 12 Common Criticisms of Philanthropy and Some Answers Some critics, especially from the left, complain that donors accumulate too much power and that their money lets them impose their point of view on society. But it's important to note how radically decentralized US giving is. Only 14 percent of total giving today comes from foundations started by the wealthy. The vast majority of annual donations come from individuals, dominated by everyday donors who give at a rate of about \$2,500 per household. The very largest single giver in the United States—the Gates Foundation—grants out about \$4 billion per year. Measured against the \$360 billion of cash that Americans donate annually, and nearly that much more in the value of volunteered time, Gates Foundation commands less than 1 percent of our annual philanthropy. That is not an unhealthy concentration of power. American philanthropy is also diverse and diffuse. Its millions of givers and hundreds of thousands of charitable organizations compose a kind of huge matrix of private legislatures that define social ills, set goals and priorities, and methodically marshal resources to attack problems near at hand without asking the state's permission. Admirers of participatory democracy ought to be excited by these mass actions. As Yale law professor Stephen Carter points out, individuals who give to charity often "measure the needs of the community by different calipers than centralized policy makers, and will therefore contribute to a different set of causes. These millions of individual decisions lead to a diversity in spending that would be impossible if we adopted the theory that the only money spent for the public good is the money spent by the state." For this reason Carter refers to philanthropy

as \u201cdemocracy in\naction.\u201d\n\nAlexis de Tocqueville said in Democracy in America that what impressed him about America&#x27;s voluntary\nactivity was not just the practical problems it solved, but the way the country&#x27;s hyperactive giving and\nvolunteering builds up the social muscles needed for a people to be self-governing. Philanthropy is not\njust a sign of self-rule, but also a source of it\u2014a kind of nursery for broader loyalties to one&#x27;s fellow\nncitizens. A healthy democracy should encourage, not discourage, people from acting on their own to\nimprove what they judge to be the common good.\n\n8 . Only government can lead important social change in a fair way!\n\nHistory tells a different story. Private donors and volunteers created the first schools, missions, colleges, \nand apprenticeships for Indians and African Americans, often in the face of state resistance. At the\nsame time government was enforcing Jim Crow laws, philanthropist Julius Rosenwald erected 4,977\nrural schools across America&#x27;s black belt. At the time of his death, 27 percent of all African American\nchildren in the United States were educated in one of the schools he built\n\n5/8[https://ssir.org/articles/entry/12\\_common\\_criticisms\\_of\\_philanthropyand\\_some\\_answers#](https://ssir.org/articles/entry/12_common_criticisms_of_philanthropyand_some_answers#)\n\n5/24/24, 1:05 AM 12 Common Criticisms of Philanthropy\u2014and Some Answers\n\nThose who view such examples as ancient history and believe that all necessary reforms now flow from\ngovernment are gravely mistaken. According to the UCLA Civil Rights Project, America&#x27;s most\nsegregated and often most inadequate government-run schools are all in northern cities with activist\ngovernments: Detroit, Milwaukee, New York, Newark, Chicago, and Philadelphia. In fact, the country&#x27;s\nmost segregated schools are in New York state, thanks to New York City, where the proportion of\nschools in which at least 50 percent of the students are black or Hispanic rose sharply from 1989 to\n2010.\n\nIt is private philanthropy that is shaking up New York City&#x27;s complacent educational establishment\ntoday by launching charter schools. There are currently 95,000 New York City children in charters,\nnearly all of them minorities and low-income, and another 42,600 on waiting lists. Stanford researchers\nand other investigators find that these children are receiving significantly better educations than\ncounterparts in conventional government-run schools, in some cases even outscoring comfortable\nsuburban schools in annual testing.\n\n9. Some donors are mean, vainly seek their name on things, or take part in charity for all the wrong\nreasons!\n\nIt&#x27;s true that philanthropists aren&#x27;t always pretty. Prominent donors like J. Paul Getty, Leland Stanford,\nRussell Sage, and John MacArthur were known to exhibit shabby behavior. (Stanford, for example,\nemployed stock watering, kickbacks, bribery, and collusion.) Nonetheless, each ultimately managed to\nbe very helpful to others.\n\nThe genius of the philanthropic mechanism is that it accepts people just as they are\u2014kind impulses,\nselfish impulses, confusions and vanities, wishes of all sorts swirling together in the usual human\njumble\u2014and helps them do wondrous things, even when they&#x27;re not saints. Adam Smith taught us that\nfreely conducted commerce can take normal human behaviors\u2014including ugly and mercenary ones\u2014\nand turn them to broadly productive uses. The same is true in the world of philanthropy. Part of the\nmagic of America&#x27;s charitable structure is that it can convert common human impulses into truth,\nuplift, and beauty for all of society.\n\n10 . Philanthropy distracts people who ought to focus on business!\n\nThe right side of the political spectrum sometimes complains that philanthropy drags too many\nproductive business people into do-gooding, distracting them from creating the commercial bounty that\n\n6/8[https://ssir.org/articles/entry/12\\_common\\_criticisms\\_of\\_philanthropyand\\_some](https://ssir.org/articles/entry/12_common_criticisms_of_philanthropyand_some)

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nkhQ3zMaTEEUAcxu8P8xX74Q", "domain": "GW ASSIGNMENT 1.docx", "text": "Global Happiness Initiative Foundation\n\nAlexis Lindsay\nClaremont Lincoln University\nMSI 5323-01: Grant Writing and Sustainable Fundraising\n\nProfessor Javier Lopez\nMay 19 2024\nIntroduction\nThe Global Happiness Initiative Foundation stands out with its unique approach. We believe that an individual's happiness is not just a personal achievement but a societal asset. A content person is a beacon of positivity capable of enriching their community. When we collectively strive for happiness we also invest in our well-being and foster a society free from the shackles of discontent. These ideas reflect our vision where individual happiness is the cornerstone of societal harmony.\n\nAs the renowned author John Donne (2010) famously proclaimed \u201cNo man is an island.\u201d This sentiment holds true in our pursuit of societal greatness. Achieving this requires unity and collaboration. However when an individual is grappling with internal conflicts such as mental health struggles physical ailments and a general decline in well-being overcoming these challenges alone becomes an insurmountable task. Wellness is not just a personal concern but a societal issue that impacts us all.\n\nIn addition to discussing wellness it is necessary also to address the role of education. If wellness is the foundation education is the next step where individuals acquire the necessary skills to lead purposeful dignified and joyful lives. Nobody is inherently equipped with the knowledge to improve their surroundings; it must be learned. Therefore education holds equal significance in the pursuit of wellness. As one begins to grasp the world's order concepts like the principles of space and time the philosophies of Aristotle the mathematics of our universe and the evocative poetry of Yates one starts to perceive the world in a new nuanced way. Therefore to truly understand oneself it is sometimes necessary to first understand one's environment. Thus in parallel with well-being education holds great importance.\n\nAs individuals gain knowledge about the world around them they instinctively desire to explore it further engaging with it through the senses of touch taste and sight. Rather than solely studying Mozart and reading musical notations experiencing the music in person is essential. Therefore travel is an invaluable gateway to becoming a well-rounded individual capable of positively contributing to society.\n\nThe Global Happiness Initiative Foundation is committed to creating a better world. By leveraging the support of donor investors the foundation aims to empower individuals to pursue their own happiness by providing necessary tools. Our efforts involve establishing partnerships with local government bodies and healthcare providers to ensure easy access to government services and healthcare and make travel accessible to all who desire it. These initiatives will lay the foundation for our long-term vision of a globally interconnected and joyful society.\n\nPurpose\nThe primary purpose of the Global Happiness Initiative Foundation is to enhance the overall well-being and happiness of individuals globally through increased access to essential life-enhancing services. The Global Happiness Initiative Foundation is committed to providing the necessary tools for individuals to pursue their happiness. Our starting point is ensuring access to healthcare and mental health services as a fundamental human right and a crucial component in our efforts to build a better world. We also aim to utilize well-being travel cultural immersion and education resources to empower individuals to gain self-awareness understand others and collectively achieve holistic happiness.\n\nGoals\nThe Global Happiness Initiative Foundation is committed to enhancing the global quality of life through two strategic goals.\n\nLong-term Goal: Increase Access to Key Well-being Services\nOur long-term goal is to significantly increase access to key well-being services globally with our

efforts first being localized in the United States and Italy. By doing so we aim to improve the quality of life and foster sustained happiness in diverse communities. This goal will not only benefit the communities we serve but also provide donor-investors with the satisfaction of knowing that their support is making a tangible difference in people's lives. The impact of these programs will be measured by tracking the number of individuals accessing these services the improvement in health and education outcomes and overall satisfaction rates among participants reflecting the direct benefits of our initiatives.

**Short-term Goal: Establish and Strengthen Partnerships**

Partnerships are at the heart of our strategy. Our short-term goal is to establish and strengthen partnerships with local and international public and private organizations. These partnerships are not just beneficial; they are crucial for enhancing our capability to deliver critical services effectively and efficiently. By collaborating with organizations with established infrastructures and expertise in our target regions we can leverage their strengths to better serve the communities' needs. Formalizing at least five significant partnerships within the first six months will be vital to achieving this goal.

Both goals complement existing efforts in the target communities rather than duplicate them ensuring that our interventions add value and create a measurable impact. Through these focused efforts the Global Happiness Initiative Foundation seeks to build a foundation for long-term social change that contributes to the well-being of individuals worldwide.

**Objectives**

The Global Happiness Initiative Foundation (GHIF) has set ambitious yet achievable objectives to ensure a broad and lasting impact on global well-being.

**Educational Expansion**

Our first objective focuses on education expansion. Within the first year GHIF plans to launch educational programs in at least two countries aiming to reach over 5000 individuals. These programs will be developed to address local educational gaps better equip youths with functional skills and promote holistic learning experiences. Evidence shows that educational programs can significantly enhance psychological well-being by increasing self-efficacy social support and overall life satisfaction (Ross & Willigen 1997). Moreover education has been linked to improved health outcomes and better mental health with increased years of education correlating with lower rates of depression and anxiety (Kondirolli & Sunder 2022). The success of these programs will be measured by the number of programs successfully launched the total number of participants enrolled and participant feedback on program effectiveness.

**Healthcare Partnerships**

Simultaneously GHIF aims to establish healthcare partnerships to enhance access to medical and mental health services. By the end of the first six months we will secure partnerships with at least five major healthcare providers. These collaborations will focus on providing comprehensive health services emphasizing preventive care and mental health which are crucial for improving individual well-being. Studies have shown that partnerships between educational institutions and healthcare providers can significantly improve health outcomes particularly in preventive care and mental health services (Ross & Wu 1995). The effectiveness of these partnerships will be assessed through the number of agreements signed the range of services provided and feedback from service users regarding the accessibility and quality of care.

**Wellness Travel Model**

Lastly our third objective is to develop a wellness travel model which will be designed developed and ready for implementation within the first eighteen months. This model will provide frameworks for wellness-oriented travel experiences promoting mental and physical health benefits through carefully crafted travel packages. Wellness programs embedded in educational and travel contexts have shown positive impacts on well-being reducing



stress and improving mental health (Young et al. 2020). The model's success will be evaluated based on participant satisfaction measured through surveys and the repeat engagement rate indicating the model's appeal and effectiveness in enhancing participants' well-being.

**Organizational Capacity**

**Foundation Structure and Management Capability:**

The Global Happiness Initiative Foundation (GHIF) is designed to be a robust organization capable of managing large-scale projects and substantial grants. At its inception GHIF will establish a governance structure with a board of directors comprising education healthcare mental health and non-profit management experts. This board will provide strategic oversight and ensure all activities align with our mission and objectives.

**Founding Team Expertise:**

The founding team of GHIF will include highly qualified professionals selected for their extensive experience in project management international development healthcare and educational programming. Our recruitment strategy focuses on identifying individuals with a proven track record such as a Project Director with significant experience in managing and scaling community health programs an Education Specialist renowned for developing effective curricula in diverse cultural settings and a Mental Health Advocate with a strong background in leading global mental wellness initiatives. This planned assembly of expertise ensures a comprehensive and skilled approach to achieving the foundation's objectives.

**Project Management Systems:**

GHIF will implement rigorous project management methodologies to oversee all foundation activities. We will utilize established frameworks such as the Project Management Body of Knowledge (PMBOK) guidelines to plan execute monitor and close projects. Additionally GHIF will adopt modern project management tools for real-time tracking and reporting facilitating transparent and efficient management of the grant funds.

**Preparatory Actions for Grant Management:**

Prior to receiving the grant GHIF will:

- Formulate detailed project plans including timelines budgets and resource allocation.
- Establish financial management policies tailored to ensure accountability and prudent use of funds.
- Initiate discussions with potential partners and stakeholders to build a support network for immediate project launch upon funding.

**Demonstrating Capacity through Strategic Intentions:**

While GHIF is a nascent organization our strategic planning reflects a clear and actionable roadmap for immediate impact upon funding. The foundation's goals are backed by a commitment to leverage the diverse skills of its team and the strategic insights of its board to establish a high-performing organization. GHIF's initial actions and detailed project preparations demonstrate our readiness and capability to effectively manage and utilize the grant to achieve significant social impact.

**Cross-Sector Collaboration**

The Global Happiness Initiative Foundation (GHIF) is committed to developing localized high-impact programs that serve as models for global implementation. To achieve this GHIF emphasizes cross-sector collaboration mainly focusing on strategic partnerships in Italy and the United States. These collaborations are designed to leverage regional strengths and address specific local needs ensuring the adaptability and effectiveness of our well-being services.

**Localized Educational Partnerships**

GHIF will collaborate with leading educational institutions in Italy and the United States to integrate well-being practices into educational curricula. This initiative will focus on regions with significant disparities in educational outcomes providing targeted interventions that are culturally and contextually relevant. Research indicates that collaborative learning environments and educational partnerships can significantly enhance student outcomes and well-being (Kilgo et al. 2015). Success in these partnerships will be evaluated based on academic improvements student well-being metrics and the

scalability of the programs to other regions.

**Healthcare Alliances**

GHIF plans to partner with healthcare organizations in Italy and the United States to increase access to quality health services. These partnerships will focus on integrating mental health services with primary care a critical need in both countries according to local health reports. Studies have shown cross-sector healthcare collaborations can improve health outcomes particularly when mental health services are integrated with primary care (Randall et al. 2023). By working with local health providers and community organizations these initiatives aim to create sustainable health improvement models suitable for global replication.

**Public-Private Partnerships**

GHIF will seek partnerships with local government bodies and private sectors in Italy and the United States to support infrastructure development vital to program delivery. These partnerships will help facilitate the creation of community wellness centers which will serve as hubs for education healthcare and community activities. Effective public-private partnerships have been shown to significantly enhance community health and well-being (Ovseiko et al. 2014). The effectiveness of these centers will be measured through community engagement rates and the overall improvement in community health and educational outcomes.

**Community Engagement**

Integral to our strategy is the direct involvement of local communities in Italy and the United States in the planning and implementation phases. GHIF believes that community input is essential to tailoring programs that genuinely reflect and meet local needs. Feedback mechanisms and community advisory boards will be established to monitor the programs' impacts and guide iterative improvements as evidence proves that community involvement is crucial for the success and sustainability of public health programs (Mattessich & Rausch 2014).

**Program Plan**

**Introduction to Program Strategy**

The Global Happiness Initiative Foundation (GHIF) is committed to addressing critical needs in communities across the United States and Italy. We implement multifaceted strategies that enhance individual well-being and community health specifically designed to complement rather than duplicate existing services. Our comprehensive approach leverages local strengths and targets specific challenges through innovative and sustainable solutions.

**Integration with Government and Healthcare Services**

Our initiative targets significant gaps in access to healthcare and government support services. These gaps have been identified through extensive community outreach and stakeholder engagement underscoring a pressing need for improved service accessibility and quality. To address these challenges GHIF plans to forge strategic alliances with local health departments and social service agencies creating a referral network that simplifies the process for individuals to access the services they need. This network aims to increase the efficiency and responsiveness of health and social care systems.

**Partnership development** is crucial for the success of our healthcare integration strategy. By collaborating with local health authorities and service providers we aim to establish robust partnerships that facilitate streamlined access to healthcare and support services. These partnerships will be foundational in building a comprehensive referral system that enhances service delivery and meets the specific needs of the communities we serve.

In addition to building partnerships GHIF will engage in advocacy and policy work to enhance healthcare delivery. We will work closely with policymakers to advocate for regulations and policies prioritizing the health and well-being of underrepresented communities. Our focus on advocacy aims to influence policy changes that improve healthcare accessibility and address systemic barriers in service delivery.

**Training community health workers** is another critical component of our strategy. GHIF will implement comprehensive training programs

designed to enhance the capabilities of health workers in assisting individuals effectively. These programs will focus on developing empathy technical skills and a deep understanding of the healthcare system. This will ensure that community health workers are well-equipped to support individuals in navigating health and social services.

**Wellness Travel Model**

GHIF recognizes the therapeutic potential of travel in promoting mental and physical well-being. To harness this potential we are developing a Wellness Travel Model that integrates health benefits with cultural and educational experiences. This innovative approach to wellness extends beyond traditional health settings and includes travel packages that feature guided meditations wellness workshops and cultural tours. Each package is designed in collaboration with travel experts and cultural institutions to ensure that it offers genuine health benefits and facilitates cultural appreciation.

**Community-based involvement** is integral to the design and execution of our Wellness Travel Model. We engage local communities in developing travel experiences to ensure they are culturally respectful and enriching for visitors and hosts. This engagement helps create authentic travel experiences sensitive to the host communities'; cultural dynamics and provides meaningful interactions that benefit all participants.

**Holistic Educational Access**

GHIF is also dedicated to transforming educational access by integrating a curriculum that includes advanced technology training and comprehensive arts education. This holistic approach aims to bridge the gap in technological and creative skills preparing individuals for the demands of the modern workforce and personal development. Our curriculum includes coding robotics visual arts and music training and is designed to be integrated into school systems and community learning centers.

GHIF will establish ongoing learning opportunities through workshops and seminars open to all age groups to complement our formal education initiatives. These initiatives focus on continuous skill development and personal growth promoting lifelong learning and adaptability. By offering workshops and seminars that cover a range of skills and artistic disciplines we aim to foster an environment of continuous learning and creative exploration.

**Timeline and Evaluation**

The timeline for these initiatives is strategically set to ensure a phased implementation. By the end of the second quarter of 2025 GHIF will establish the initial partnerships necessary for the referral systems and develop training programs for community health workers. Following the establishment of partnerships early in the same year the Wellness Travel Packages are expected to be launched by the third quarter of 2025. Educational program rollouts will begin in the fourth quarter of 2024 and be fully implemented across targeted regions by the second quarter of 2025.

Each element of the program plan is designed to measure specific outcomes related to access satisfaction and educational attainment ensuring that GHIF's interventions create measurable and sustainable impacts in the communities served. This strategic planning demonstrates GHIF's capability to manage a large grant effectively and fulfill its mission of building a foundation for long-term social change that contributes significantly to global well-being.

Deliverables	Activities	Due Date	Expected Challenges
Set up Referral Systems	Establish partnerships develop training for staff	Q2 2025	Regulatory hurdles securing partner cooperation
Launch Wellness Travel Packages	Design packages negotiate with travel agencies	Q3 2025	Logistics coordination ensuring accessibility and inclusion
Rollout Educational Programs	Develop curricula and integrate into schools	Q4 2025	Adaptation to local educational standards funding
Public Workshops and Seminars	Plan and implement workshops and lifelong learning seminars	Q1	

2026\t\nCommunity engagement sustaining interest over time\n\n\nReferences\nCunningham W. E. Hays R. D. Ettl M. K. Dixon W. J. Liu R. C.-C. Beck C. K. & Shapiro M. F. (1998). The prospective effect of access to medical care on health-related quality-of-life outcomes in patients with symptomatic HIV disease. *Medical Care* 36(3) 295\u2013306.\nDonne J. (2010). No man is an island. *Am Soc Neuroradiology*.\nGu D. Zhang Z. & Zeng Y. (2009). Access to healthcare services makes a difference in healthy longevity among older Chinese adults. *Social Science & Medicine* 68(2) 210\u2013219.\nKilgo C. A. Ezell Sheets J. K. & Pascarella E. T. (2015). The link between high-impact practices and student learning: Some longitudinal evidence. *Higher Education* 69 509\u2013525.\nKondiroli F. & Sunder N. (2022). Mental health effects of education. *Health Economics* 31 22\u201339.\nMattessich P. W. & Rausch E. J. (2014). Cross-sector collaboration to improve community health: A view of the current landscape. *Health Affairs* 33(11) 1968\u20131974.\nvseiko P. V. 0\u2019Sullivan C. Powell S. C. Davies S. M. & Buchan A. M. (2014). Implementation of collaborative governance in cross-sector innovation and education networks: Evidence from the National Health Service in England. *BMC Health Services Research* 14 1\u201314.\nRandall S. White D. & Dennis S. (2023). A collaborative primary health care model for children and young people in rural Australia: Explorations of cross-sectoral leader action. *Australian Journal of Primary Health*.\nRoss C. E. & Van Willigen M. (1997). Education and the subjective quality of life. *Journal of Health and Social Behavior* 275\u2013297.\nRoss C. E. & Wu C. (1995). The links between education and health. *American Sociological Review* 719\u2013745.\nSeid M. Varni J. W. Cummings L. & Schonlau M. (2006). The impact of realized access to care on health-related quality of life: A two-year prospective cohort study of children in the California State Children\u2019s Health Insurance Program. *The Journal of Pediatrics* 149(3) 354\u2013361.\nYoung T. Macinnes S. Jarden A. & Colla R. (2022). The impact of a wellbeing program imbedded in university classes: The importance of valuing happiness baseline wellbeing and practice frequency. *Studies in Higher Education* 47(4) 751\u2013770.

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 process of\n00:00:25.710 opening a hotel and at the same time I\n00:00:30.570 had also  
 been involved with various\n00:00:32.159 nonprofits and it actually found out

too\n00:00:36.989 that so many of the migrant workers the\n00:00:41.040 men and women who come to Singapore to\n00:00:42.570 clean to build to service Singapore\n00:00:47.190 we&#x27;re actually paying anywhere from six\n00:00:49.890 months even to two years of their\n00:00:52.590 salaries to labor agents that was not\n00:00:57.210 acceptable so my friend Peter and I\n00:01:00.949 thought about trying to create an\n00:01:04.170 alternative system a different way to\n00:01:07.830 recruit people and so we created a new\n00:01:12.540 process that would cap fees that would\n00:01:16.409 tell the people who are coming here\n00:01:18.150 exactly what they were getting for\n00:01:19.680 anything that they were paying and would\n00:01:21.900 actually help prepare them before they\n00:01:23.820 came to manage their expectations and\n00:01:25.799 actually welcome them once they had\n00:01:29.070 arrived it was important to me that we\n00:01:34.259 were able to help them feel at home so\n00:01:38.159 it was a little more effort than usual\n00:01:40.049 maybe but this was a business that I\n00:01:42.509 could influence in a small way for that\n00:01:45.689 for the better and I didn&#x27;t do it to be\n00:01:47.909 a philanthropist I did it because it was\n00:01:50.700 the right thing to do and maybe that&#x27;s\n00:01:53.640 what being a philanthropist is all about\n00:01:57.560 so what do you think of when you hear\n00:02:00.299 the word philanthropist who or what\n00:02:03.960 comes to mind\n00:02:05.600 tech giant wildly crazy entrepreneur\n00:02:12.390 super savvy investor I guess in many of\n00:02:17.680 our minds it&#x27;s sort of the rich and the\n00:02:19.060 powerful who give away millions if not\n00:02:21.310 billions to rid the world of of\n00:02:23.440 preventable diseases from which millions\n00:02:25.750 die every year or maybe rebuilding\n00:02:28.420 cities or maybe creating education and\n00:02:32.769 investing in disenfranchised populations\n00:02:37.500 but what&#x27;s the problem with this picture\n00:02:40.299 I think the biggest challenge is that\n00:02:43.209 philanthropy and the idea of being a\n00:02:45.549 philanthropist is such a far cry from\n00:02:47.680 everybody&#x27;s everyday life day jobs\n00:02:50.680 childcare managing homework but I&#x27;d like\n00:02:55.030 to challenge this idea about how\n00:02:56.859 philanthropy and the loving of humanity\n00:03:00.159 and the exercise of one values to\n00:03:03.400 benefit another is actually something\n00:03:05.560 that can happen every day by anyone\n00:03:08.140 anywhere in small simple personal and\n00:03:13.150 meaningful ways I&#x27;d like to challenge\n00:03:16.180 the idea that the person you&#x27;d least\n00:03:18.579 expect\n00:03:19.299 could be a philanthropist and that the\n00:03:21.940 sum of many small parts has an enormous\n00:03:24.940 impact and that everyone with some skill\n00:03:28.450 or talent can share and that together we\n00:03:33.849 can create a new culture based on these\n00:03:36.370 ideas so how many of you have raised\n00:03:41.410 funds or funded something on a\n00:03:44.319 crowdfunding site okay reasonable\n00:03:49.150 proportion of you there\n00:03:50.400 well a lot of us think of these sites is\n00:03:53.049 actually being very commercially\n00:03:54.400 oriented but did you know that in 2012\n00:03:58.260 the online site that site Kickstarter\n00:04:02.220 actually exceeded the National Endowment\n00:04:04.810 for the Arts in terms of funds\n00:04:06.910 distributed to arts groups in the United\n00:04:09.040 States and as of this year Kickstarter\n00:04:12.910 has raised one and a half billion\n00:04:15.040 dollars for over 80,000 art projects\n00:04:19.149 that gave aspiring artists theatre\n00:04:21.760 practitioners musicians filmmakers and\n00:04:24.370 the\n00:04:24.970 a chance to realize their dreams with an\n00:04:27.940 average contribution of \$25 perhaps\n00:04:35.920 though

less obvious are hidden heroes\n00:04:39.010 whose life choices can really inspire us\n00:04:41.610 a couple years ago I vetted I visited\n00:04:44.920 Myanmar and I met this woman Hana so she\n00:04:49.450 was living about an hour and a half\n00:04:50.710 outside of Yangon and she ran an\n00:04:52.600 orphanage with 19 children from the ages\n00:04:54.730 of like 3 months all the way up to 2 18\n00:04:58.270 years old the older kids helped the\n00:05:01.120 younger kids the place was completely\n00:05:02.710 spotless everybody's toothbrush was\n00:05:05.080 really neatly lined up in the washing\n00:05:06.940 area and then when I asked her who\n00:05:09.340 supports you she told me a church in\n00:05:13.330 Singapore and my two sons and my first\n00:05:17.740 impression was of course that her two\n00:05:19.150 sons were like doctors lawyers or\n00:05:21.010 accountants or something you know maybe\n00:05:23.290 in Yangon or maybe even expats somewhere\n00:05:26.590 else but I asked her and they were\n00:05:29.620 actually expats but one was a security\n00:05:33.940 guard in a shopping mall and the other\n00:05:36.400 one was a construction worker and so\n00:05:40.090 later that week when I came home I\n00:05:42.090 glanced at that Burmese security guard\n00:05:46.150 and I saw him with new eyes could he\n00:05:49.960 have been the philanthropist that funded\n00:05:52.210 Hannah's home I imagined them eating\n00:05:55.840 sparingly not spending very much on\n00:05:58.450 personal luxuries and probably saving\n00:06:00.970 50% of their salaries to remit back home\n00:06:04.510 and then I thought you know that's\n00:06:08.020 pretty much what Bill Gates and Warren\n00:06:10.330 Buffett decided to do with the Giving\n00:06:12.100 Pledge back at home last year we\n00:06:15.790 actually also undertook this fascinating\n00:06:18.160 experiment we found two brothers Kauai\n00:06:21.430 and kaha aged 9 and 11 and these two\n00:06:25.630 brothers had posted or I guess their\n00:06:27.490 mother had posted on social media that\n00:06:29.080 they were giving away their own Bao\n00:06:31.240 money you know collected during Chinese\n00:06:33.940 Chinese New Year to the Singapore Cancer\n00:06:36.040 Society I guess they had\n00:06:37.550 family related resonance with that with\n00:06:41.480 the cause and these two brothers had\n00:06:44.870 just decided to do that and so we seize\n00:06:47.150 the day and we said hey let's just let's\n00:06:48.770 share this idea let's tell other people\n00:06:51.170 that you know maybe they could do that\n00:06:52.550 too if even if it's 1% 5% or 10% you\n00:06:56.630 know of whatever they could they could\n00:06:58.520 make a giveaway from from their own\n00:07:00.170 phone money to support a cause that just\n00:07:02.270 represented something that their family\n00:07:04.640 cared about and the results were\n00:07:07.520 astounding in the first 20 days of\n00:07:10.760 Chinese New Year donations through our\n00:07:13.040 online site were up 73 percent\n00:07:16.970 year-on-year it was a simple fun and\n00:07:20.330 meaningful idea that every everyone\n00:07:22.640 could participate in and it made all the\n00:07:24.650 difference to the nonprofit's that they\n00:07:26.600 supported but giving is a lot more than\n00:07:32.030 just money\n00:07:33.020 it's time it's loving when you're  
it's loving your neighbor\n00:07:37.610 it's person-to-person and it's the  
00:07:41.030 offering of even if like our skills so a  
00:07:44.330 great a great Singaporean actually is a  
00:07:47.480 photographer Bob Lee some of you may\n00:07:50.120 have may have heard of him or seen him\n00:07:51.800 too and he was asked to teach\n00:07:54.440 photography to the blind he was called\n00:07:58.640 one day by a charity dialogue in the\n00:08:00.320 dark and and and given this intriguing\n00:08:04.040 offer sponsors had come in to

help\n00:08:07.040 provide cameras printing services and\n00:08:09.230 space and everything and and Bob began\n00:08:12.830 to teach and one of his students was it\n00:08:17.390 was a gentleman called an elderly\n00:08:18.950 gentleman called uncle William and he\n00:08:20.780 produced his first photograph as you can\n00:08:22.970 see here kind of like cut off legs of\n00:08:26.000 someone and a dustbin and Bob asked him\n00:08:30.110 what's what's that about William we\n00:08:32.840 didn't quite get the composition quite\n00:08:34.880 quite right but Uncle William told him\n00:08:38.390 well actually it's about the dustbin and\n00:08:42.340 and Bob said okay well how does that\n00:08:44.870 actually work and he said well you know\n00:08:47.930 every day when I when I take this route\n00:08:50.090 he\n00:08:50.720 no to to go to work I look for that\n00:08:53.449 dustbin because when I hit it it tells\n00:08:55.160 me to turn so that I can cross but one\n00:08:59.509 day this cleaner actually moved the\n00:09:01.189 dustbin and I need him to put it back\n00:09:04.389 and Bob realized that sharing his skill\n00:09:11.439 gave him a view into a whole new world\n00:09:14.170 that he was seeing the world with fresh\n00:09:16.759 eyes and with deeper compassion as a\n00:09:19.370 result so maybe you can take photographs\n00:09:23.060 maybe you can cook maybe you can do\n00:09:26.509 accounts maybe you can write stories or\n00:09:29.180 maybe you're just a really good\n00:09:30.410 listening ear how could you use your\n00:09:33.949 skill in service of someone else\n00:09:40.810 my friend Wally uses his company and his\n00:09:45.500 voice he's a filmmaker and he raises\n00:09:48.649 awareness or he's sought to raise\n00:09:50.209 awareness when he's not like making\n00:09:53.120 videos of like wedding or weddings or\n00:09:55.040 doing beautiful food photography that he\n00:09:58.670 decided he was going to do something to\n00:10:00.170 combat this this haze which has kind of\n00:10:01.939 been enveloping you know our our whole\n00:10:04.250 our whole region recently and he decided\n00:10:06.740 that instead of just like moaning about\n00:10:08.959 it like most of us that he was actually\n00:10:11.629 going to crowdfund for masks and for air\n00:10:14.779 quality monitors and he was going to go\n00:10:17.930 with volunteers down to Kalimantan to\n00:10:21.259 distribute them and help educate the\n00:10:23.240 local the local people there and he did\n00:10:27.230 this at a time when of course most of us\n00:10:31.220 were just moaning about a 400 you know\n00:10:35.209 pia PM 2.5 and and he told me that when\n00:10:39.439 he went to Kalimantan the monitors\n00:10:41.959 actually didn't work but the year but\n00:10:43.459 the app with the actual PM 2.5 levels\n00:10:46.370 there were actually in excess of 2\n00:10:48.050 million society is made better because\n00:10:51.319 of Wally's who share their voice Bob's\n00:10:54.259 who share their skill and families like\n00:10:57.350 kaho and kauai who teach the next\n00:11:00.529 generation the values of generosity and\n00:11:03.319 the love for human\n00:11:05.680 society is better because of the two\n00:11:07.880 nameless sons of Hana for practicing\n00:11:11.270 their radical love so my dream is to see\n00:11:15.170 all these parts and pieces connected in\n00:11:17.390 a big Network where skills voices funds\n00:11:22.040 ideas are all shared in one place in our\n00:11:24.890 city and what if we were able to\n00:11:28.370 actually create a marketplace where the\n00:11:30.770 whole city comes together and can we\n00:11:33.080 create for our common good\n00:11:35.680 what if neighbors knew what was needed\n00:11:38.180 and that those needs could be met in a\n00:11:41.330 timely in a timely way with available\n00:11:44.300 resources we all have some margin to\n00:11:48.560 spare and to share we all have

influence\n00:11:52.040 and voice and we have friends and\n00:11:54.680 colleagues and family members to reach\n00:11:56.870 out to and I believe that we all have\n00:11:59.660 dreams of being lovers of humanity in a\n00:12:03.740 city of good my colleagues and I are now\n00:12:07.760 imagining and trying to build this\n00:12:09.320 giving platform so we can be Wally&#x27;s\n00:12:11.750 Bob&#x27;s or Hannah&#x27;s children or we can\n00:12:14.330 support them with our voice our skills\n00:12:17.390 or our funds as an expression of our\n00:12:19.460 love and we are well aware that\n00:12:22.130 technology is not the solution but\n00:12:24.980 purely an enabler for philanthropy and\n00:12:27.020 acts of love to be expressed so look\n00:12:31.520 around you I think you&#x27;ll see a\n00:12:34.340 philanthropist waiting to be discovered\n00:12:37.510 thank you\n00:12:46.310 you\n", "title": "tactiq-free-transcript-cJ0gl44Q358.txt", "tether\_id": null}, "status": "finished\_successfully", "end\_turn": null, "weight": 1.0, "metadata": {"command": "context\_stuff", "is\_visually\_hidden\_from\_conversation": true, "message\_type": null, "model\_slug": "gpt-4", "default\_model\_slug": "gpt-4", "parent\_id": "f649ee39-1954-49bc-b24c-cblaeb9c16c1", "request\_id": "888919335a70ba9d-MXP", "timestamp\_": "absolute"}, "recipient": "all", "channel": null}, "parent": "f649ee39-1954-49bc-b24c-cblaeb9c16c1", "children": [{"id": "886e33b5-605c-4206-88a0-fbddc985f039"}], "886e33b5-605c-4206-88a0-fbddc985f039": {"id": "886e33b5-605c-4206-88a0-fbddc985f039", "message": {"id": "886e33b5-605c-4206-88a0-fbddc985f039", "author": {"role": "tool", "name": "myfiles\_browser", "metadata": {}}, "create\_time": 1716509831.778649, "update\_time": null, "content": {"content\_type": "tether\_quote", "url": "file-EW7Qx0ZWNCNd8YFVqyosmmwC", "domain": "tactiq-free-transcript-ClnCelvaook.txt", "text": "# tactiq.io free youtube transcript\n# Everyone can be a philanthropist | David Rubenstein | TEDxPennsylvaniaAvenue\n# https://www.youtube.com/watch/ClnCelvaook\n\n\n00:00:01.790 [Music]\n00:00:12.240 as well let me tell you my briefly my\n00:00:13.759 story um I&#x27;m from Baltimore um my\n00:00:17.119 last name is Rubenstein and you think if\n00:00:18.920 name like that you might be somebody who\n00:00:20.880 is from a wealthy family their father is\n00:00:22.519 a doctor lawyer but my father um dropped\n00:00:24.960 out of high school to go into World War\n00:00:26.439 II as part of the Marines came back he\n00:00:28.960 met my mother they got married uh\n00:00:30.840 neither graduated from high school my\n00:00:32.279 father worked in the post office his\n00:00:33.600 entire life made about \$7,000 at the\n00:00:35.719 peak so I knew if I was going to get\n00:00:37.640 anywhere I probably had to do it on my\n00:00:39.120 own uh in the sixth grade I heard a\n00:00:41.520 speech that was given not far from here\n00:00:43.719 I watched it on television some of you\n00:00:45.160 may be old enough to remember this\n00:00:46.320 speech was given by John Kennedy and he\n00:00:48.559 said in his famous inaugural address\n00:00:50.039 which was only 14 minutes the greatest\n00:00:51.480 inaugural dress I think of the 20th\n00:00:53.000 century he ask not what your country can\n00:00:54.920 do for you but what you can do for your\n00:00:58.039 country and I that speech my teacher\n00:01:00.960 drilled it into our heads and I just\n00:01:02.239 said okay I want to do something for my\n00:01:03.920 country making money meant nothing to me\n00:01:05.720 my parents had no money I didn&#x27;t think\n00:01:07.240 about making money so I said I want to\n00:01:09.040 do something to help my country so\n00:01:10.720 ultimately I decided the way I could do\n00:01:12.080 it was to go to law school and\n00:01:13.840 ultimately work in government and do\n00:01:15.720 something that might help my country if\n00:01:17.759 I did a good job in government so I got\n00:01:19.640 a



scholarship to Duke University I got a\n00:01:21.720 scholarship to univ Chicago law school\n00:01:23.600 and then I went to work in a law firm in\n00:01:25.040 New York that a partner at which was the\n00:01:27.600 man who wrote that speech for John\n00:01:29.119 Kennedy his name was Ted s the greatest\n00:01:30.720 presidential speech writer I think of\n00:01:32.079 all time and after a few years of\n00:01:34.240 working for him um he s of hinted maybe\n00:01:37.000 that I wasn't such a great lawyer maybe\n00:01:38.479 I should do something different and I\n00:01:40.560 talked to my clients and I said well you\n00:01:42.200 know I might do something different what\n00:01:43.399 do you think they said now's a good time\n00:01:44.680 to leave so I got the idea that I\n00:01:46.680 probably wasn't a great lawyer and Ted\n00:01:48.640 soon got me an interview with a man he\n00:01:50.600 said we be the next president United\n00:01:51.840 States I could work in the White House\n00:01:53.000 just as he had done for President\n00:01:54.079 Kennedy I got a job as the chief counsel\n00:01:56.200 for a man named burby who was running\n00:01:58.680 for president in 1976\n00:02:00.360 30 days after I joined his um Senate\n00:02:02.600 staff he dropped out of his presidential\n00:02:04.039 campaign so I said uhoh maybe this\n00:02:06.000 happened to some to you as well I wasn't\n00:02:08.080 a good lawyer my clients didn't think I\n00:02:09.479 was good my colleagues didn't think I\n00:02:10.758 was good I went to join a campaign in\n00:02:13.520 effect it it ended after 30 days and\n00:02:15.560 then I got a call out of the blue some\n00:02:16.879 of you may have in your career as well\n00:02:18.560 it said uh would you like to work for\n00:02:20.519 another man running for president who is\n00:02:22.120 this Jimmy Carter and I said well he's\n00:02:23.680 the peanut farmer from Georgia and they\n00:02:25.080 said yes he's going to be the nominee\n00:02:26.120 for Democratic party in 76 I got the\n00:02:28.000 interview I went down to Georgia Carter\n00:02:30.280 was 33 points ahead when I joined his\n00:02:32.000 campaign he won by one point so he he\n00:02:34.840 often said to me you know what did you\n00:02:36.200 really contribute but White House staffs\n00:02:37.680 are not filled on Merit they're filled\n00:02:38.879 on who worked in the campaign so I\n00:02:40.519 became the deputy domestic policy\n00:02:42.040 adviser at the president United States\n00:02:43.280 at the age of 27 three years out of law\n00:02:45.200 school I wasn't qualified for that job\n00:02:47.080 he wasn't qualified for his job so I\n00:02:48.440 figured we fit in\n00:02:50.400 um I managed to get inflation to 19% in\n00:02:53.680 my job very difficult to get inflation\n00:02:55.560 19% nobody's done it since um there was\n00:02:58.280 a rumor that I was going to be promoted\n00:02:59.680 in the second term to be the senior\n00:03:01.200 domestic adviser if Carter's reelected\n00:03:03.040 and on the strength of that rumor\n00:03:04.080 President Carter thinks he lost the\n00:03:05.239 election so I had to go find a job I\n00:03:07.400 went back and practice law in Washington\n00:03:08.959 it took me many months to convince\n00:03:10.120 somebody I knew how to do something in\n00:03:11.560 practicing law after finding myself\n00:03:13.920 being humiliated because I was a White\n00:03:15.400 House Aid one day next day I couldn't\n00:03:16.680 get a job at practicing law finally\n00:03:18.159 somebody felt sorry for me I practiced\n00:03:19.920 law but once again my client said to me\n00:03:21.959 you know this might not be for you and I\n00:03:24.080 said to my my partners what do you think\n00:03:25.920 about this should I stay and they said\n00:03:27.280 maybe not so I decided I would and I\n00:03:30.200 took a chance I read that on average an\n00:03:31.959 entrepreneur

starts a company between\n00:03:33.400 the ages of 28 and 37 and I read that\n00:03:35.599 when I was 37 so I said okay I&#x27;m going\n00:03:38.120 to start a company so without knowing\n00:03:39.959 anything about Finance I decided to\n00:03:41.519 start something called the carw group\n00:03:43.640 and I started in Pennsylvania Avenue I\n00:03:45.280 recruited three people actually knew\n00:03:46.480 something about Finance I told them I\n00:03:48.159 had some money but I really was\n00:03:49.280 exaggerating I told him when they showed\n00:03:51.080 up I would get the money so ultimately\n00:03:53.400 uh we start a company with \$5 million\n00:03:55.239 today we manage \$200 billion and it&#x27;s\n00:03:57.519 turned out to be one of the largest\n00:03:58.480 private Equity firms in the world when I\n00:04:00.239 hit the age of 54 Forbes Magazine put a\n00:04:02.879 story out about my net worth and my\n00:04:04.599 partner&#x27;s net worth and it became\n00:04:05.920 obvious to me that I had made so much\n00:04:07.920 money that I couldn&#x27;t possibly spend it\n00:04:09.599 on on houses and planes and boats and so\n00:04:12.319 forth which I didn&#x27;t really care much\n00:04:13.720 about anyway so I decided what I would\n00:04:15.400 try to do is atone for my sins getting\n00:04:17.399 inflation to 19% and maybe give it back\n00:04:19.759 to the UN government give back to the US\n00:04:21.560 government give back to my country but I\n00:04:23.160 wasn&#x27;t sure how to do it and it came\n00:04:24.520 about in a kind of U unusual way one day\n00:04:27.600 I was invited to an uh an auction in in\n00:04:29.800 New York I was told I would be able to\n00:04:31.360 see the Magna Carta and I said how can\n00:04:33.440 you see the Magna Carta it&#x27;s in England\n00:04:34.720 it turned out there are 17 copies of the\n00:04:36.560 Magna Carta and I had a chance to to see\n00:04:38.960 one of them it was the only one in\n00:04:40.080 private hands I decided that I would try\n00:04:41.919 to buy that and make sure it stayed in\n00:04:43.360 the United States because it was\n00:04:44.280 probably going to be auctioned off I was\n00:04:45.440 told by the auctioneer and leave the\n00:04:47.000 country so I went back that next night I\n00:04:49.039 bought it and I now put it on display at\n00:04:50.880 the National Archives it&#x27;ll be there\n00:04:52.080 permanently and I said I&#x27;ll do this for\n00:04:53.759 the for the country is a way to kind of\n00:04:55.440 make sure this document which was the\n00:04:56.880 inspiration for the Declaration of\n00:04:58.080 Independence the Bill of Rights the\n00:04:59.680 Constitution stays here and then other\n00:05:01.479 documents came available the declaration\n00:05:03.199 independence the Emancipation\n00:05:04.360 Proclamation the 13th Amendment which\n00:05:05.800 Freeds slaves the Constitution the Bill\n00:05:07.720 of Rights and I bought rare copies of\n00:05:09.400 them and put them on display at the\n00:05:10.600 state department the national\n00:05:12.320 Constitution Center the Smithsonian the\n00:05:14.120 library Congress as a way of saying to\n00:05:16.240 Americans take a look at these and learn\n00:05:17.919 more about your history in a recent Pew\n00:05:19.800 survey it turned out that 35% of\n00:05:21.840 Americans when they asked what river did\n00:05:23.160 George washington cross during the\n00:05:24.440 Revolutionary War said the Rin River not\n00:05:27.039 that&#x27;s not true 33% of Americans when\n00:05:29.479 they asked who was the first treasury\n00:05:30.720 secretary didn&#x27;t know it was Alexander\n00:05:32.479 hamilt and they said it was Larry\n00:05:33.479 Summers so my theory is Americans don&#x27;t\n00:05:35.600 know enough about their history and you\n00:05:36.759 can be a better uh citizen if you know\n00:05:38.759 more about your history so I&#x27;m trying to\n00:05:39.960 buy these historic documents and put\n00:05:41.720 them on display make sure people know\n00:05:43.520 more about

history as a way of\n00:05:44.880 introducing them to our history  
another\n00:05:46.840 thing happened by S tippity as well one\n00:05:48.639 time I was  
at the kenyan center and the\n00:05:50.919 man on the board was the head of  
the\n00:05:52.160 Park Service he told me that Washington\n00:05:53.520 Monument had  
suffered earthquake damage\n00:05:55.199 I told him I&#x27;ll tell you what I&#x27;ll  
put\n00:05:56.639 up the money just ignore the government\n00:05:58.280 and the usual  
constraints forget\n00:05:59.680 Congress tell me how much it cost  
I&#x27;ll\n00:06:01.199 put up the money to fix it so he did he\n00:06:02.800 later  
came back and said Congress wanted\n00:06:04.039 to share the credit because they  
weren't\n00:06:05.560 getting a lot of good credit so they\n00:06:06.560 said can  
they put up half the money I\n00:06:07.840 said okay so I just put up the money  
to\n00:06:10.199 repair the Washington Monument some of\n00:06:11.599 you may have  
seen the scaffolding there\n00:06:12.960 from time to time and then I came  
up\n00:06:14.520 with the idea that well that was a good\n00:06:15.960 idea but why  
not fix other historic\n00:06:17.800 things so I decided to help fix up\n00:06:20.000  
monachello Thomas Jefferson's home mon\n00:06:22.000 peer James Madison's  
home Mount Vernon\n00:06:24.039 George Washington's home the Custis  
Lee\n00:06:25.840 Mansion at the top of Arlington and some\n00:06:27.639 other things  
that I&#x27;ll announce uh down\n00:06:29.120 the road and so what I&#x27;ve decided  
to do\n00:06:30.680 is to fix these historic buildings in\n00:06:33.000 part because I  
want to remind Americans\n00:06:34.319 of their history and try to do what  
I&#x27;m\n00:06:35.960 now called patriotic philanthropy which\n00:06:37.680 means  
giving back to your country and\n00:06:39.599 all of us have probably been  
benefited\n00:06:41.720 from this country more than we might\n00:06:43.039 think if I  
had grown up with my last\n00:06:44.639 name and with my modest means in  
another\n00:06:46.479 country I don't think I would have been\n00:06:47.520 able  
to do what I&#x27;ve been able to do so\n00:06:49.080 I want to dedicate my life now  
to giving\n00:06:51.360 back to the country I assigned the\n00:06:52.720 giving pledge  
I was the only person in\n00:06:54.039 the private Equity industry and the  
and\n00:06:55.919 one of the first 40 people that signed\n00:06:57.440 the giving  
pledge which says you&#x27;re\n00:06:58.360 going to give away half your money  
but\n00:06:59.759 I&#x27;ve decided to give away all my money\n00:07:01.400 on the  
theory that my children really\n00:07:02.759 aren't going to be benefiting from  
all\n00:07:04.080 this money now they may not agree with\n00:07:05.560 that completely  
but um there's no\n00:07:08.160 evidence that people that inherit  
\$500\n00:07:09.879 million go on to win a Nobel Peace Prize\n00:07:11.759 were doing  
something wonderful usually\n00:07:13.319 the people who do great things in  
the\n00:07:14.520 Life are people that don't inherit\n00:07:16.560 enormous sums  
of money there's obviously\n00:07:18.520 exceptions but but I thought that  
my\n00:07:20.160 kids would be better off if they really\n00:07:21.840 had the modest  
means uh going along it\n00:07:24.039 that I had and give them more drive  
so\n00:07:26.199 I&#x27;m trying to give away my money in ways\n00:07:27.720 that say  
to the country thank you thank\n00:07:30.039 you for what you&#x27;ve done but I try  
to\n00:07:31.400 remind people you don't need to be\n00:07:33.520 wealthy to be a  
philanthropist you don't\n00:07:34.919 need to be wealthy to help your  
country\n00:07:36.479 philanthropy is an ancient Greek word\n00:07:38.080 that means  
loving Humanity it doesn't\n00:07:39.599 say rich people writing checks so  
you\n00:07:41.360 can give your time your your energy your\n00:07:43.720 ideas  
whatever it might be you can be\n00:07:46.080 a great philanthropist I think Wendy

cop\n00:07:48.199 who created Teach for America she didn't\n00:07:49.800 have a lot of money but she created that\n00:07:51.360 that organization which has helped\n00:07:52.440 America a great deal and she's a great\n00:07:54.159 philanthropist in my view I don't like\n00:07:56.039 it when you see the great list of\n00:07:57.599 philanthropists and it only lists how\n00:07:58.800 much money they've given not how much\n00:08:00.360 time or energy or ideas they might have\n00:08:01.840 given to the country but think back on\n00:08:03.759 this uh all of you uh what have you done\n00:08:06.840 to help your country all of you probably\n00:08:08.360 have come from different backgrounds but\n00:08:09.800 all of you have benefited from the the\n00:08:11.720 freedoms and the rights and that this\n00:08:13.759 country has now we're not a perfect\n00:08:15.120 country for sure we've struggled for\n00:08:16.800 many years to get certain rights and we\n00:08:18.400 still don't have all these rights but\n00:08:20.039 still it's an extraordinary country and\n00:08:22.080 it's going to be made even more\n00:08:23.319 extraordinary if we get citizens to want\n00:08:24.879 to give back to the country not just\n00:08:26.720 take from the country so in my modest\n00:08:28.639 means when I'm trying to do is to say I\n00:08:30.560 will buy historic documents make sure\n00:08:32.440 that people see them and that they're\n00:08:34.000 part of our country's history forever\n00:08:35.958 and and people can see them all the time\n00:08:37.719 whenever they want to see them and learn\n00:08:38.839 more about history keep fix up our\n00:08:40.640 historic monuments not because they're\n00:08:42.159 the most important things in our country\n00:08:43.519 there are many more important things but\n00:08:45.320 it's a way of saying this symbolic uh\n00:08:47.800 representation of our country is worth\n00:08:49.440 your knowing about it learn more about\n00:08:51.160 the history of George Washington Thomas\n00:08:52.680 Jefferson James Madison the founding\n00:08:54.399 fathers because if you do so you can be\n00:08:56.080 a better informed citizen now if you're\n00:08:58.040 selfish you could say to yourself why\n00:08:59.800 should I be a philanthropist why should\n00:09:01.560 I give back why don't I just give money\n00:09:03.240 to myself and buy homes well think about\n00:09:05.320 this the great philanthropists live a\n00:09:06.959 long time so you could look at it\n00:09:08.480 selfishly John D Rockefeller lived to be\n00:09:10.640 97 David Rockefeller just turned 100 I\n00:09:13.279 have a theory that God looks favorably\n00:09:15.000 on people who give away their\n00:09:16.600 money he keeps them on Earth for a long\n00:09:19.120 time so no philanthropist drops dead\n00:09:21.560 very quickly so if you're just selfish\n00:09:23.519 about it if you want to live a long time\n00:09:25.480 give away your money or give away your\n00:09:26.880 time your energy your ideas because I\n00:09:28.519 think there's a very good thing uh uh\n00:09:31.360 that's likely to await you now I do have\n00:09:33.160 a theory that not only will you live a\n00:09:34.560 long time but there's a special place in\n00:09:36.640 heaven reserved for people that do\n00:09:38.839 philanthropy now I can't prove that but\n00:09:41.279 why would you want to take a chance\n00:09:43.519 right so it's very important I think in\n00:09:47.200 this country that people should learn\n00:09:49.560 more about the history of the country\n00:09:51.480 learn more about how we've got where we\n00:09:53.560 are the mistakes we made so that we can\n00:09:55.320 avoid repeating these mistakes and I\n00:09:57.440 think everybody here should look back\n00:09:59.160 and what they're doing with their life\n00:10:01.079 you're only on this Earth for a very\n00:10:02.959 short period of time you if you're

lucky\n00:10:05.120 80 years 85 years 90 years if you&#x27;re\n00:10:07.519 very lucky but and that&#x27;s a very short\n00:10:10.120 span of time really when you consider\n00:10:11.839 that humans have been on the earth for\n00:10:12.959 maybe a million years or so and you&#x27;re\n00:10:14.519 going to be here for a short period of\n00:10:15.760 time don&#x27;t get to your deathbed and say\n00:10:18.079 I wish I had done something to help my\n00:10:19.680 country I wish I had done something to\n00:10:21.399 help my community do it when you&#x27;re\n00:10:22.920 younger don&#x27;t wait till you&#x27;re 54 years\n00:10:24.519 old don&#x27;t wait till you do the kind of\n00:10:26.560 things I did do it younger and make it\n00:10:28.760 part of your DNA and I think if we can\n00:10:30.880 do that and we can get young people to\n00:10:32.279 do this and we can get people to get\n00:10:33.560 their children to do it the country will\n00:10:35.079 be a better place very often we take for\n00:10:37.320 granted the great rights and freedoms\n00:10:39.200 this country has given us while it&#x27;s not\n00:10:41.480 a perfect country it&#x27;s a better country\n00:10:43.279 in my view than any other country with\n00:10:44.720 the freedoms and rights and the\n00:10:45.839 opportunities we have and so I think we\n00:10:47.639 should do something to say thank you to\n00:10:49.120 the country from time to time not in an\n00:10:50.920 unduly patriotic way not in a way that\n00:10:53.279 makes patriotism something that is\n00:10:55.519 something you can hide behind but\n00:10:57.079 something that you&#x27;re not afraid of of\n00:10:59.519 being patriotic I&#x27;m not afraid of saying\n00:11:01.279 I&#x27;m a patriotic philanthropist I&#x27;m\n00:11:03.079 giving back to the country because I&#x27;m\n00:11:04.560 proud of being an American I&#x27;m proud\n00:11:06.279 that I was able to do what I&#x27;m able to\n00:11:07.519 do and I&#x27;m proud the country made it\n00:11:09.200 possible for me to do this so all of you\n00:11:11.360 as you think about what you&#x27;re doing\n00:11:12.560 with your life think about what more you\n00:11:14.480 might be able to do if you just spent a\n00:11:16.440 little time giving back to the country\n00:11:18.279 in some modest way it doesn&#x27;t have to be\n00:11:19.959 rep repairing a monument or buying a\n00:11:21.480 document but just something that you can\n00:11:23.279 do that you can say later in life or\n00:11:26.000 even now yes I&#x27;ve done something to give\n00:11:27.880 back to my country and yes have done\n00:11:29.680 something to make the world a slightly\n00:11:31.040 better place all of us on this Earth for\n00:11:33.040 periods of time that are relatively\n00:11:34.360 short as I mentioned nobody knows why\n00:11:36.440 we&#x27;re really here but presumably we&#x27;re\n00:11:38.200 here to make the world a slightly better\n00:11:39.680 place and we shouldn&#x27;t wait until the\n00:11:41.639 end of our life and say uh oh I better\n00:11:43.320 do something for the next last five\n00:11:44.800 years of my life do it earlier and don&#x27;t\n00:11:47.279 don&#x27;t hesitate to do so and don&#x27;t worry\n00:11:49.560 only about your career worry about\n00:11:51.279 helping the country as well thank you\n00:11:52.880 very much\n", "title": "tactiq-free-transcript-ClnCelvaook.txt", "tether\_id": null}, {"status": "finished\_successfully", "end\_turn": null, "weight": 1.0, "metadata": {"command": "context\_stuff", "is\_visually\_hidden\_from\_conversation": true, "message\_type": null, "model\_slug": "gpt-4", "default\_model\_slug": "gpt-4", "parent\_id": "17021555-cef9-4ff5-9be0-efb2e515dc7d", "request\_id": "888919335a70ba9d-MXP", "timestamp\_": "absolute"}, {"recipient": "all", "channel": null}, {"parent": "17021555-cef9-4ff5-9be0-efb2e515dc7d", "children": [{"ef7a257b-8c92-4dd4-ae65-388366b05eb5"}], {"ef7a257b-8c92-4dd4-ae65-388366b05eb5": {"id": "ef7a257b-8c92-4dd4-ae65-388366b05eb5", "message": {"id":

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been or will be a great philanthropist.\n"]], "status": "finished\_successfully", "end\_turn": null, "weight": 1.0, "metadata": {"attachments": [{"id": "file-XuxWwyk4jvkpfEuQSQhLu8SF", "size": 13029, "name": "tactiq-free-transcript-cJ0gl44Q358.txt", "mime\_type": "text/plain"}, {"id": "file-EW7Qx0ZwNCNd8YFVqyosmmwC", "size": 20525, "name": "tactiq-free-transcript-ClnCelvaook.txt", "mime\_type": "text/plain"}, {"id": "file-nkhQ3zMaTEEUAcxu8P8xX74Q", "size": 305159, "name": "GW ASSIGNMENT 1.docx", "mime\_type": "application/vnd.openxmlformats-officedocument.wordprocessingml.document"}], "request\_id": "88891a644847ba9d-MXP", "message\_source": null, "timestamp": "absolute", "message\_type": null, "recipient": "all", "channel": null, "parent": "424017d4-4deb-464c-bd83-83c02f0242be", "children": [{"id": "e3039a1b-8b08-4328-bee2-6c7cdela7d35"}, {"id": "e3039a1b-8b08-4328-bee2-6c7cdela7d35", "message": {"id": "e3039a1b-8b08-4328-bee2-6c7cdela7d35", "author": {"role": "tool", "name": "myfiles\_browser", "metadata": {}}, "create\_time": 1716509873.144826, "update\_time": null, "content": {"content\_type": "tether\_quote", "url": "file-nkhQ3zMaTEEUAcxu8P8xX74Q", "domain": "GW ASSIGNMENT 1.docx", "text": "Global Happiness Initiative Foundation\n\nAlexis Lindsay\nClaremont Lincoln University\nMSI 5323-01: Grant Writing and Sustainable Fundraising\nProfessor Javier Lopez\nMay 19 2024\nIntroduction\n\nThe Global Happiness Initiative Foundation stands out with its unique approach. We believe that an individual's happiness is not just a personal achievement but a societal asset. A content person is a beacon of positivity capable of enriching their community. When we collectively strive for happiness we also invest in our well-being and foster a society free from the shackles of discontent. These ideas reflect our vision where individual happiness is the cornerstone of societal harmony.\n\nAs the renowned author John Donne (2010) famously proclaimed \u201cNo man is an island.\u201d This sentiment holds true in our pursuit of societal greatness. Achieving this requires unity and collaboration. However when an individual is grappling with internal conflicts such as mental health struggles physical ailments and a general decline in well-being overcoming these challenges alone becomes an insurmountable task. Wellness is not just a personal concern but a societal issue that impacts us all.\n\nIn addition to discussing wellness it is necessary also to address the role of education. If wellness is the foundation education is the next step where individuals acquire the necessary skills to lead purposeful dignified and joyful lives. Nobody is inherently equipped with the knowledge to improve their surroundings; it must be learned. Therefore education holds equal significance in the pursuit of wellness. As one begins to grasp the world's order concepts like the principles of space and time the philosophies of Aristotle the mathematics of our universe and the evocative poetry of Yates one starts to perceive the world in a new nuanced way. Therefore to truly understand oneself it is sometimes necessary to first understand one's environment. Thus in parallel with well-being education holds great importance.\n\nAs individuals gain knowledge about the world around them they instinctively desire to explore it further engaging with it through the senses of touch taste and sight. Rather than solely studying Mozart and reading musical notations experiencing the music in person is essential. Therefore travel is an invaluable gateway to becoming a well-rounded individual capable of positively contributing to society.\n\nThe Global Happiness Initiative Foundation is committed to creating a better world. By leveraging the support of donor investors the foundation aims to empower individuals to pursue their own happiness by providing necessary tools. Our efforts involve establishing partnerships with local government bodies and healthcare providers to ensure easy access to government services and healthcare and

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make travel accessible to all who desire it. These initiatives will lay the foundation for our long-term vision of a globally interconnected and joyful society.

**Purpose**

The primary purpose of the Global Happiness Initiative Foundation is to enhance the overall well-being and happiness of individuals globally through increased access to essential life-enhancing services. The Global Happiness Initiative Foundation is committed to providing the necessary tools for individuals to pursue their happiness. Our starting point is ensuring access to healthcare and mental health services as a fundamental human right and a crucial component in our efforts to build a better world. We also aim to utilize well-being travel cultural immersion and education resources to empower individuals to gain self-awareness understand others and collectively achieve holistic happiness.

**Goals**

The Global Happiness Initiative Foundation is committed to enhancing the global quality of life through two strategic goals.

**Long-term Goal: Increase Access to Key Well-being Services**

Our long-term goal is to significantly increase access to key well-being services globally with our efforts first being localized in the United States and Italy. By doing so we aim to improve the quality of life and foster sustained happiness in diverse communities. This goal will not only benefit the communities we serve but also provide donor-investors with the satisfaction of knowing that their support is making a tangible difference in people's lives. The impact of these programs will be measured by tracking the number of individuals accessing these services the improvement in health and education outcomes and overall satisfaction rates among participants reflecting the direct benefits of our initiatives.

**Short-term Goal: Establish and Strengthen Partnerships**

Partnerships are at the heart of our strategy. Our short-term goal is to establish and strengthen partnerships with local and international public and private organizations. These partnerships are not just beneficial; they are crucial for enhancing our capability to deliver critical services effectively and efficiently. By collaborating with organizations with established infrastructures and expertise in our target regions we can leverage their strengths to better serve the communities' needs. Formalizing at least five significant partnerships within the first six months will be vital to achieving this goal.

Both goals complement existing efforts in the target communities rather than duplicate them ensuring that our interventions add value and create a measurable impact. Through these focused efforts the Global Happiness Initiative Foundation seeks to build a foundation for long-term social change that contributes to the well-being of individuals worldwide.

**Objectives**

The Global Happiness Initiative Foundation (GHIF) has set ambitious yet achievable objectives to ensure a broad and lasting impact on global well-being.

**Educational Expansion**

Our first objective focuses on education expansion. Within the first year GHIF plans to launch educational programs in at least two countries aiming to reach over 5000 individuals. These programs will be developed to address local educational gaps better equip youths with functional skills and promote holistic learning experiences. Evidence shows that educational programs can significantly enhance psychological well-being by increasing self-efficacy social support and overall life satisfaction (Ross & Willigen 1997). Moreover education has been linked to improved health outcomes and better mental health with increased years of education correlating with lower rates of depression and anxiety (Kondirolli & Sunder 2022). The success of these programs will be measured by the number of programs successfully launched the total number of participants enrolled and participant feedback on program effectiveness.

**Healthcare Partnerships**

Simultaneously GHIF aims to establish healthcare partnerships to enhance access to medical and mental health services. By



the end of the first six months we will secure partnerships with at least five major healthcare providers. These collaborations will focus on providing comprehensive health services emphasizing preventive care and mental health which are crucial for improving individual well-being. Studies have shown that partnerships between educational institutions and healthcare providers can significantly improve health outcomes particularly in preventive care and mental health services (Ross & Wu 1995). The effectiveness of these partnerships will be assessed through the number of agreements signed the range of services provided and feedback from service users regarding the accessibility and quality of care.

**Wellness Travel Model**

Lastly our third objective is to develop a wellness travel model which will be designed developed and ready for implementation within the first eighteen months. This model will provide frameworks for wellness-oriented travel experiences promoting mental and physical health benefits through carefully crafted travel packages. Wellness programs embedded in educational and travel contexts have shown positive impacts on well-being reducing stress and improving mental health (Young et al. 2020). The model's success will be evaluated based on participant satisfaction measured through surveys and the repeat engagement rate indicating the model's appeal and effectiveness in enhancing participants' well-being.

**Organizational Capacity**

**Foundation Structure and Management Capability:**

The Global Happiness Initiative Foundation (GHIF) is designed to be a robust organization capable of managing large-scale projects and substantial grants. At its inception GHIF will establish a governance structure with a board of directors comprising education healthcare mental health and non-profit management experts. This board will provide strategic oversight and ensure all activities align with our mission and objectives.

**Founding Team Expertise:**

The founding team of GHIF will include highly qualified professionals selected for their extensive experience in project management international development healthcare and educational programming. Our recruitment strategy focuses on identifying individuals with a proven track record such as a Project Director with significant experience in managing and scaling community health programs an Education Specialist renowned for developing effective curricula in diverse cultural settings and a Mental Health Advocate with a strong background in leading global mental wellness initiatives. This planned assembly of expertise ensures a comprehensive and skilled approach to achieving the foundation's objectives.

**Project Management Systems:**

GHIF will implement rigorous project management methodologies to oversee all foundation activities. We will utilize established frameworks such as the Project Management Body of Knowledge (PMBOK) guidelines to plan execute monitor and close projects. Additionally GHIF will adopt modern project management tools for real-time tracking and reporting facilitating transparent and efficient management of the grant funds.

**Preparatory Actions for Grant Management:**

Prior to receiving the grant GHIF will:

- Formulate detailed project plans including timelines budgets and resource allocation.
- Establish financial management policies tailored to ensure accountability and prudent use of funds.
- Initiate discussions with potential partners and stakeholders to build a support network for immediate project launch upon funding.
- Demonstrating Capacity through Strategic Intentions:

While GHIF is a nascent organization our strategic planning reflects a clear and actionable roadmap for immediate impact upon funding. The foundation's goals are backed by a commitment to leverage the diverse skills of its team and the strategic insights of its board to establish a high-performing organization. GHIF's initial actions and detailed project preparations demonstrate our readiness and capability to effectively manage and utilize the grant

to achieve significant social impact.

### Cross-Sector Collaboration

The Global Happiness Initiative Foundation (GHIF) is committed to developing localized high-impact programs that serve as models for global implementation. To achieve this GHIF emphasizes cross-sector collaboration mainly focusing on strategic partnerships in Italy and the United States. These collaborations are designed to leverage regional strengths and address specific local needs ensuring the adaptability and effectiveness of our well-being services.

### Localized Educational Partnerships

GHIF will collaborate with leading educational institutions in Italy and the United States to integrate well-being practices into educational curricula. This initiative will focus on regions with significant disparities in educational outcomes providing targeted interventions that are culturally and contextually relevant. Research indicates that collaborative learning environments and educational partnerships can significantly enhance student outcomes and well-being (Kilgo et al. 2015). Success in these partnerships will be evaluated based on academic improvements student well-being metrics and the scalability of the programs to other regions.

### Healthcare Alliances

GHIF plans to partner with healthcare organizations in Italy and the United States to increase access to quality health services. These partnerships will focus on integrating mental health services with primary care a critical need in both countries according to local health reports. Studies have shown cross-sector healthcare collaborations can improve health outcomes particularly when mental health services are integrated with primary care (Randall et al. 2023). By working with local health providers and community organizations these initiatives aim to create sustainable health improvement models suitable for global replication.

### Public-Private Partnerships

GHIF will seek partnerships with local government bodies and private sectors in Italy and the United States to support infrastructure development vital to program delivery. These partnerships will help facilitate the creation of community wellness centers which will serve as hubs for education healthcare and community activities. Effective public-private partnerships have been shown to significantly enhance community health and well-being (Ovseiko et al. 2014). The effectiveness of these centers will be measured through community engagement rates and the overall improvement in community health and educational outcomes.

### Community Engagement

Integral to our strategy is the direct involvement of local communities in Italy and the United States in the planning and implementation phases. GHIF believes that community input is essential to tailoring programs that genuinely reflect and meet local needs. Feedback mechanisms and community advisory boards will be established to monitor the programs' impacts and guide iterative improvements as evidence proves that community involvement is crucial for the success and sustainability of public health programs (Mattessich & Rausch 2014).

### Program Plan

#### Introduction to Program Strategy

The Global Happiness Initiative Foundation (GHIF) is committed to addressing critical needs in communities across the United States and Italy. We implement multifaceted strategies that enhance individual well-being and community health specifically designed to complement rather than duplicate existing services. Our comprehensive approach leverages local strengths and targets specific challenges through innovative and sustainable solutions.

### Integration with Government and Healthcare Services

Our initiative targets significant gaps in access to healthcare and government support services. These gaps have been identified through extensive community outreach and stakeholder engagement underscoring a pressing need for improved service accessibility and quality. To address these challenges GHIF plans to forge strategic alliances with local health departments and social service agencies creating a referral network that

simplifies the process for individuals to access the services they need. This network aims to increase the efficiency and responsiveness of health and social care systems.

Partnership development is crucial for the success of our healthcare integration strategy. By collaborating with local health authorities and service providers we aim to establish robust partnerships that facilitate streamlined access to healthcare and support services. These partnerships will be foundational in building a comprehensive referral system that enhances service delivery and meets the specific needs of the communities we serve.

In addition to building partnerships GHIF will engage in advocacy and policy work to enhance healthcare delivery. We will work closely with policymakers to advocate for regulations and policies prioritizing the health and well-being of underrepresented communities. Our focus on advocacy aims to influence policy changes that improve healthcare accessibility and address systemic barriers in service delivery.

Training community health workers is another critical component of our strategy. GHIF will implement comprehensive training programs designed to enhance the capabilities of health workers in assisting individuals effectively. These programs will focus on developing empathy technical skills and a deep understanding of the healthcare system. This will ensure that community health workers are well-equipped to support individuals in navigating health and social services.

Wellness Travel Model

GHIF recognizes the therapeutic potential of travel in promoting mental and physical well-being. To harness this potential we are developing a Wellness Travel Model that integrates health benefits with cultural and educational experiences. This innovative approach to wellness extends beyond traditional health settings and includes travel packages that feature guided meditations wellness workshops and cultural tours. Each package is designed in collaboration with travel experts and cultural institutions to ensure that it offers genuine health benefits and facilitates cultural appreciation.

Community-based involvement is integral to the design and execution of our Wellness Travel Model. We engage local communities in developing travel experiences to ensure they are culturally respectful and enriching for visitors and hosts. This engagement helps create authentic travel experiences sensitive to the host communities' cultural dynamics and provides meaningful interactions that benefit all participants.

Holistic Educational Access

GHIF is also dedicated to transforming educational access by integrating a curriculum that includes advanced technology training and comprehensive arts education. This holistic approach aims to bridge the gap in technological and creative skills preparing individuals for the demands of the modern workforce and personal development. Our curriculum includes coding robotics visual arts and music training and is designed to be integrated into school systems and community learning centers.

GHIF will establish ongoing learning opportunities through workshops and seminars open to all age groups to complement our formal education initiatives. These initiatives focus on continuous skill development and personal growth promoting lifelong learning and adaptability. By offering workshops and seminars that cover a range of skills and artistic disciplines we aim to foster an environment of continuous learning and creative exploration.

Timeline and Evaluation

The timeline for these initiatives is strategically set to ensure a phased implementation. By the end of the second quarter of 2025 GHIF will establish the initial partnerships necessary for the referral systems and develop training programs for community health workers. Following the establishment of partnerships early in the same year the Wellness Travel Packages are expected to be launched by the third quarter of 2025. Educational program rollouts will begin in the fourth quarter of 2024 and be fully implemented across targeted

regions by the second quarter of 2025. Each element of the program plan is designed to measure specific outcomes related to access satisfaction and educational attainment ensuring that GHIF's interventions create measurable and sustainable impacts in the communities served. This strategic planning demonstrates GHIF's capability to manage a large grant effectively and fulfill its mission of building a foundation for long-term social change that contributes significantly to global well-being.

Deliverables

- Activities
- Due Date
- Expected Challenges
- Set up Referral Systems
- Establish partnerships develop training for staff
- Q2 2025
- Regulatory hurdles securing partner cooperation
- Launch Wellness Travel Packages
- Design packages negotiate with travel agencies
- Q3 2025
- Logistics coordination ensuring accessibility and inclusion
- Rollout Educational Programs
- Develop curricula and integrate into schools
- Q4 2025
- Adaptation to local educational standards funding
- Public Workshops and Seminars
- Plan and implement workshops and lifelong learning seminars
- Q1 2026
- Community engagement sustaining interest over time

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small parts has an enormous impact and that everyone with some skill or talent can share and that together we can create a new culture based on these ideas so how many of you have raised funds or funded something on a crowdfunding site okay reasonable proportion of you there well a lot of us think of these sites is actually being very commercially oriented but did you know that in 2012 the online site that site Kickstarter actually exceeded the National Endowment for the Arts in terms of funds distributed to arts groups in the United States and as of this year Kickstarter has raised one and a half billion dollars for over 80,000 art projects that gave aspiring artists theatre practitioners musicians filmmakers and the a chance to realize their dreams with an average contribution of \$25 perhaps though less obvious are hidden heroes whose life choices can really inspire us a couple years ago I vetted I visited Myanmar and I met this woman Hana so she was living about an hour and a half outside of Yangon and she ran an orphanage with 19 children from the ages of like 3 months all the way up to 21 years old the older kids helped the younger kids the place was completely spotless everybody's toothbrush was really neatly lined up in the washing area and then when I asked her who supports you she told me a church in Singapore and my two sons and my first impression was of course that her two sons were like doctors lawyers or accountants or something you know maybe in Yangon or maybe even expats somewhere else but I asked her and they were actually expats but one was a security guard in a shopping mall and the other one was a construction worker and so later that week when I came home I glanced at that Burmese security guard and I saw him with new eyes could he have been the philanthropist that funded Hannah's home I imagined them eating sparingly not spending very much on personal luxuries and probably saving 50% of their salaries to remit back home and then I thought you know that's pretty much what Bill Gates and Warren Buffett decided to do with the Giving Pledge back at home last year we actually also undertook this fascinating experiment we found two brothers Kauai and kaha aged 9 and 11 and these two brothers had posted or I guess their mother had posted on social media that they were giving away their own money you know collected during Chinese New Year to the Singapore Cancer Society I guess they had family related resonance with that with the cause and these two brothers had just decided to do that and so we seize the day and we said hey let's just let's share this idea let's tell other people that you know maybe they could do that too if even if it's 1% 5% or 10% you know of whatever they could they could make a giveaway from their own phone money to support a cause that just represented

something that their family\00:07:04.640 cared about and the results were\00:07:07.520 astounding in the first 20 days of\00:07:10.760 Chinese New Year donations through our\00:07:13.040 online site were up 73 percent\00:07:16.970 year-on-year it was a simple fun and\00:07:20.330 meaningful idea that every everyone\00:07:22.640 could participate in and it made all the\00:07:24.650 difference to the nonprofit&#x27;s that they\00:07:26.600 supported but giving is a lot more than\00:07:32.030 just money\00:07:33.020 it&#x27;s time it&#x27;s loving when you&#x27;re it&#x27;s\00:07:36.650 loving your neighbor\00:07:37.610 it&#x27;s person-to-person and it&#x27;s the\00:07:41.030 offering of even if like our skills so a\00:07:44.330 great a great Singaporean actually is a\00:07:47.480 photographer Bob Lee some of you may\00:07:50.120 have may have heard of him or seen him\00:07:51.800 too and he was asked to teach\00:07:54.440 photography to the blind he was called\00:07:58.640 one day by a charity dialogue in the\00:08:00.320 dark and and and given this intriguing\00:08:04.040 offer sponsors had come in to help\00:08:07.040 provide cameras printing services and\00:08:09.230 space and everything and and Bob began\00:08:12.830 to teach and one of his students was it\00:08:17.390 was a gentleman called an elderly\00:08:18.950 gentleman called uncle William and he\00:08:20.780 produced his first photograph as you can\00:08:22.970 see here kind of like cut off legs of\00:08:26.000 someone and a dustbin and Bob asked him\00:08:30.110 what&#x27;s what&#x27;s that about William we\00:08:32.840 didn&#x27;t quite get the composition quite\00:08:34.880 quite right but Uncle William told him\00:08:38.390 well actually it&#x27;s about the dustbin and\00:08:42.340 and Bob said okay well how does that\00:08:44.870 actually work and he said well you know\00:08:47.930 every day when I when I take this route\00:08:50.090 he\00:08:50.720 no to to go to work I look for that\00:08:53.449 dustbin because when I hit it it tells\00:08:55.160 me to turn so that I can cross but one\00:08:59.509 day this cleaner actually moved the\00:09:01.189 dustbin and I need him to put it back\00:09:04.389 and Bob realized that sharing his skill\00:09:11.439 gave him a view into a whole new world\00:09:14.170 that he was seeing the world with fresh\00:09:16.759 eyes and with deeper compassion as a\00:09:19.370 result so maybe you can take photographs\00:09:23.060 maybe you can cook maybe you can do\00:09:26.509 accounts maybe you can write stories or\00:09:29.180 maybe you&#x27;re just a really good\00:09:30.410 listening ear how could you use your\00:09:33.949 skill in service of someone else\00:09:40.810 my friend Wally uses his company and his\00:09:45.500 voice he&#x27;s a filmmaker and he raises\00:09:48.649 awareness or he&#x27;s sought to raise\00:09:50.209 awareness when he&#x27;s not like making\00:09:53.120 videos of like wedding or weddings or\00:09:55.040 doing beautiful food photography that he\00:09:58.670 decided he was going to do something to\00:10:00.170 combat this this haze which has kind of\00:10:01.939 been enveloping you know our our whole\00:10:04.250 our whole region recently and he decided\00:10:06.740 that instead of just like moaning about\00:10:08.959 it like most of us that he was actually\00:10:11.629 going to crowdfund for masks and for air\00:10:14.779 quality monitors and he was going to go\00:10:17.930 with volunteers down to Kalimantan to\00:10:21.259 distribute them and help educate the\00:10:23.240 local the local people there and he did\00:10:27.230 this at a time when of course most of us\00:10:31.220 were just moaning about a 400 you know\00:10:35.209 pia PM 2.5 and and he told me that when\00:10:39.439 he went to Kalimantan the monitors\00:10:41.959 actually didn&#x27;t work but the year but\00:10:43.459 the app with the actual PM 2.5

levels\n00:10:46.370 there were actually in excess of 2\n00:10:48.050 million society is made better because\n00:10:51.319 of Wally&#x27;s who share their voice Bob&#x27;s\n00:10:54.259 who share their skill and families like\n00:10:57.350 kaho and kauai who teach the next\n00:11:00.529 generation the values of generosity and\n00:11:03.319 the love for human\n00:11:05.680 society is better because of the two\n00:11:07.880 nameless sons of Hana for practicing\n00:11:11.270 their radical love so my dream is to see\n00:11:15.170 all these parts and pieces connected in\n00:11:17.390 a big Network where skills voices funds\n00:11:22.040 ideas are all shared in one place in our\n00:11:24.890 city and what if we were able to\n00:11:28.370 actually create a marketplace where the\n00:11:30.770 whole city comes together and can we\n00:11:33.080 create for our common good\n00:11:35.680 what if neighbors knew what was needed\n00:11:38.180 and that those needs could be met in a\n00:11:41.330 timely in a timely way with available\n00:11:44.300 resources we all have some margin to\n00:11:48.560 spare and to share we all have influence\n00:11:52.040 and voice and we have friends and\n00:11:54.680 colleagues and family members to reach\n00:11:56.870 out to and I believe that we all have\n00:11:59.660 dreams of being lovers of humanity in a\n00:12:03.740 city of good my colleagues and I are now\n00:12:07.760 imagining and trying to build this\n00:12:09.320 giving platform so we can be Wally&#x27;s\n00:12:11.750 Bob&#x27;s or Hannah&#x27;s children or we can\n00:12:14.330 support them with our voice our skills\n00:12:17.390 or our funds as an expression of our\n00:12:19.460 love and we are well aware that\n00:12:22.130 technology is not the solution but\n00:12:24.980 purely an enabler for philanthropy and\n00:12:27.020 acts of love to be expressed so look\n00:12:31.520 around you I think you&#x27;ll see a\n00:12:34.340 philanthropist waiting to be discovered\n00:12:37.510 thank you\n00:12:46.310 you\n", "title": "tactiq-free-transcript-cJ0gl44Q358.txt", "tether\_id": null}, {"status": "finished\_successfully", "end\_turn": null, "weight": 1.0, "metadata": {"command": "context\_stuff", "is\_visually\_hidden\_from\_conversation": true, "message\_type": null, "model\_slug": "gpt-4", "default\_model\_slug": "gpt-4", "parent\_id": "e3039alb-8b08-4328-bee2-6c7cdela7d35", "request\_id": "88891a644847ba9d-MXP", "timestamp": "absolute"}, {"recipient": "all", "channel": null}, {"parent": "e3039alb-8b08-4328-bee2-6c7cdela7d35", "children": ["224885ec-f998-4eed-8113-d02e0e673b68"]}, {"224885ec-f998-4eed-8113-d02e0e673b68": {"id": "224885ec-f998-4eed-8113-d02e0e673b68", "message": {"id": "224885ec-f998-4eed-8113-d02e0e673b68", "author": {"role": "tool", "name": "myfiles\_browser", "metadata": {}}, "create\_time": 1716509873.145316, "update\_time": null, "content": {"content\_type": "tether\_quote", "url": "file-EW7Qx0ZwNCNd8YFVqyosmmwC", "domain": "tactiq-free-transcript-ClnCelvaook.txt", "text": "# tactiq.io free youtube transcript\n# Everyone can be a philanthropist | David Rubenstein | TEDxPennsylvaniaAvenue\n# https://www.youtube.com/watch/ClnCelvaook\n\n\n00:00:01.790 [Music]\n\n00:00:12.240 as well let me tell you my briefly my\n\n00:00:13.759 story um I&#x27;m from Baltimore um my my\n\n00:00:17.119 last name is Rubenstein and you think if\n\n00:00:18.920 name like that you might be somebody who\n\n00:00:20.880 is from a wealthy family their father is\n\n00:00:22.519 a doctor lawyer but my father um dropped\n\n00:00:24.960 out of high school to go into World War\n\n00:00:26.439 II as part of the Marines came back he\n\n00:00:28.960 met my mother they got married uh\n\n00:00:30.840 neither graduated from high school my\n\n00:00:32.279 father worked in the post office his\n\n00:00:33.600 entire life made about \$7,000 at the\n\n00:00:35.719 peak so I knew if I was going to get\n\n00:00:37.640 anywhere I probably had to do it on my\n\n00:00:39.120 own uh in the



sixth grade I heard a\n00:00:41.520 speech that was given not far from here\n00:00:43.719 I watched it on television some of you\n00:00:45.160 may be old enough to remember this\n00:00:46.320 speech was given by John Kennedy and he\n00:00:48.559 said in his famous inaugural address\n00:00:50.039 which was only 14 minutes the greatest\n00:00:51.480 inaugural dress I think of the 20th\n00:00:53.000 century he ask not what your country can\n00:00:54.920 do for you but what you can do for your\n00:00:58.039 country and I that speech my teacher\n00:01:00.960 drilled it into our heads and I just\n00:01:02.239 said okay I want to do something for my\n00:01:03.920 country making money meant nothing to me\n00:01:05.720 my parents had no money I didn't think\n00:01:07.240 about making money so I said I want to\n00:01:09.040 do something to help my country so\n00:01:10.720 ultimately I decided the way I could do\n00:01:12.080 it was to go to law school and\n00:01:13.840 ultimately work in government and do\n00:01:15.720 something that might help my country if\n00:01:17.759 I did a good job in government so I got\n00:01:19.640 a scholarship to Duke University I got a\n00:01:21.720 scholarship to univ Chicago law school\n00:01:23.600 and then I went to work in a law firm in\n00:01:25.040 New York that a partner at which was the\n00:01:27.600 man who wrote that speech for John\n00:01:29.119 Kennedy his name was Ted s the greatest\n00:01:30.720 presidential speech writer I think of\n00:01:32.079 all time and after a few years of\n00:01:34.240 working for him um he s of hinted maybe\n00:01:37.000 that I wasn't such a great lawyer maybe\n00:01:38.479 I should do something different and I\n00:01:40.560 talked to my clients and I said well you\n00:01:42.200 know I might do something different what\n00:01:43.399 do you think they said now's a good time\n00:01:44.680 to leave so I got the idea that I\n00:01:46.680 probably wasn't a great lawyer and Ted\n00:01:48.640 soon got me an interview with a man he\n00:01:50.600 said we be the next president United\n00:01:51.840 States I could work in the White House\n00:01:53.000 just as he had done for President\n00:01:54.079 Kennedy I got a job as the chief counsel\n00:01:56.200 for a man named burby who was running\n00:01:58.680 for president in 1976\n00:02:00.360 30 days after I joined his um Senate\n00:02:02.600 staff he dropped out of his presidential\n00:02:04.039 campaign so I said uhoh maybe this\n00:02:06.000 happened to some to you as well I wasn't\n00:02:08.080 a good lawyer my clients didn't think I\n00:02:09.479 was good my colleagues didn't think I\n00:02:10.758 was good I went to join a campaign in\n00:02:13.520 effect it it ended after 30 days and\n00:02:15.560 then I got a call out of the blue some\n00:02:16.879 of you may have in your career as well\n00:02:18.560 it said uh would you like to work for\n00:02:20.519 another man running for president who is\n00:02:22.120 this Jimmy Carter and I said well he's\n00:02:23.680 the peanut farmer from Georgia and they\n00:02:25.080 said yes he's going to be the nominee\n00:02:26.120 for Democratic party in 76 I got the\n00:02:28.000 interview I went down to Georgia Carter\n00:02:30.280 was 33 points ahead when I joined his\n00:02:32.000 campaign he won by one point so he he\n00:02:34.840 often said to me you know what did you\n00:02:36.200 really contribute but White House staffs\n00:02:37.680 are not filled on Merit they're filled\n00:02:38.879 on who worked in the campaign so I\n00:02:40.519 became the deputy domestic policy\n00:02:42.040 adviser at the president United States\n00:02:43.280 at the age of 27 three years out of law\n00:02:45.200 school I wasn't qualified for that job\n00:02:47.080 he wasn't qualified for his job so I\n00:02:48.440 figured we fit in\n00:02:50.400 um I managed to get inflation to 19% in\n00:02:53.680 my job very difficult to get inflation\n00:02:55.560 19%

nobody's done it since um there was a rumor that I was going to be promoted in the second term to be the senior domestic adviser if Carter's reelected and on the strength of that rumor President Carter thinks he lost the election so I had to go find a job I went back and practice law in Washington it took me many months to convince somebody I knew how to do something in practicing law after finding myself being humiliated because I was a White House Aide one day next day I couldn't get a job at practicing law finally somebody felt sorry for me I practiced law but once again my client said to me you know this might not be for you and I said to my my partners what do you think about this should I stay and they said maybe not so I decided I would and I took a chance I read that on average an entrepreneur starts a company between the ages of 28 and 37 and I read that when I was 37 so I said okay I'm going to start a company so without knowing anything about Finance I decided to start something called the carw group and I started in Pennsylvania Avenue I recruited three people actually knew something about Finance I told them I had some money but I really was exaggerating I told him when they showed up I would get the money so ultimately uh we start a company with \$5 million today we manage \$200 billion and it's turned out to be one of the largest private Equity firms in the world when I hit the age of 54 Forbes Magazine put a story out about my net worth and my partner's net worth and it became obvious to me that I had made so much money that I couldn't possibly spend it on on houses and planes and boats and so forth which I didn't really care much about anyway so I decided what I would try to do is atone for my sins getting inflation to 19% and maybe give it back to the UN government give back to the US government give back to my country but I wasn't sure how to do it and it came about in a kind of unusual way one day I was invited to an uh an auction in New York I was told I would be able to see the Magna Carta and I said how can you see the Magna Carta in England it turned out there are 17 copies of the Magna Carta and I had a chance to to see one of them it was the only one in private hands I decided that I would try to buy that and make sure it stayed in the United States because it was probably going to be auctioned off I was told by the auctioneer and leave the country so I went back that next night I bought it and I now put it on display at the National Archives it'll be there permanently and I said I'll do this for the country is a way to kind of make sure this document which was the inspiration for the Declaration of Independence the Bill of Rights the Constitution stays here and then other documents came available the declaration independence the Emancipation Proclamation the 13th Amendment which Freeds slaves the Constitution the

Bill of Rights and I bought rare copies of them and put them on display at the state department the national Constitution Center the Smithsonian the library Congress as a way of saying to Americans take a look at these and learn more about your history in a recent Pew survey it turned out that 35% of Americans when they asked what river did George Washington cross during the Revolutionary War said the Rin River not that's not true 33% of Americans when they asked who was the first treasury secretary didn't know it was Alexander hamilt and they said it was Larry Summers so my theory is Americans don't know enough about their history and you can be a better uh citizen if you know more about your history so I'm trying to buy these historic documents and put them on display make sure people know more about history as a way of introducing them to our history another thing happened by S tippity as well one time I was at the keny center and the man on the board was the head of the Park Service he told me that Washington Monument had suffered earthquake damage I told him I'll tell you what I'll put up the money just ignore the government and the usual constraints forget Congress tell me how much it cost I'll put up the money to fix it so he did he later came back and said Congress wanted to share the credit because they weren't getting a lot of good credit so they said can they put up half the money I said okay so I just put up the money to repair the Washington Monument some of you may have seen the scaffolding there from time to time and then I came up with the idea that well that was a good idea but why not fix other historic things so I decided to help fix up monachello Thomas Jefferson's home mon peer James Madison's home Mount Vernon George Washington's home the custus Lee Mansion at the top of Arlington and some other things that I'll announce uh down the road and so what I've decided to do is to fix these historic buildings in part because I want to remind Americans of their history and try to do what I'm now called patriotic philanthropy which means giving back to your country and all of us have probably been benefited from this country more than we might think if I had grown up with my last name and with my modest means in another country I don't think I would have been able to do what I've been able to do so I want to dedicate my life now to giving back to the country I assigned the giving pledge I was the only person in the private Equity industry and the one of the first 40 people that signed the giving pledge which says you're going to give away half your money but I've decided to give away all my money on the theory that my children really aren't going to be benefiting from all this money now they may not agree with that completely but um there's no evidence that people that inherit

\$500 million go on to win a Nobel Peace Prize were doing something wonderful usually the people who do great things in the Life are people that don't inherit enormous sums of money there's obviously exceptions but but I thought that my kids would be better off if they really had the modest means uh going along it that I had and give them more drive so I'm trying to give away my money in ways that say to the country thank you thank you for what you've done but I try to remind people you don't need to be wealthy to be a philanthropist you don't need to be wealthy to help your country philanthropy is an ancient Greek word that means loving Humanity it doesn't say rich people writing checks so you can give your time your your energy your ideas whatever it might be you can be a great philanthropist I think Wendy Cop who created Teach for America she didn't have a lot of money but she created that organization which has helped America a great deal and she's a great philanthropist in my view I don't like it when you see the great list of philanthropists and it only lists how much money they've given not how much time or energy or ideas they might have given to the country but think back on this uh all of you uh what have you done to help your country all of you probably have come from different backgrounds but all of you have benefited from the the freedoms and the rights and that this country has now we're not a perfect country for sure we've struggled for many years to get certain rights and we still don't have all these rights but still it's an extraordinary country and it's going to be made even more extraordinary if we get citizens to want to give back to the country not just take from the country so in my modest means when I'm trying to do is to say I will buy historic documents make sure that people see them and that they're part of our country's history forever and and people can see them all the time whenever they want to see them and learn more about history keep fix up our historic monuments not because they're the most important things in our country there are many more important things but it's a way of saying this symbolic uh representation of our country is worth your knowing about it learn more about the history of George Washington Thomas Jefferson James Madison the founding fathers because if you do so you can be a better informed citizen now if you're selfish you could say to yourself why should I be a philanthropist why should I give back why don't I just give money to myself and buy homes well think about this the great philanthropists live a long time so you could look at it selfishly John D Rockefeller lived to be 97 David Rockefeller just turned 100 I have a theory that God looks favorably on people who give away their money he keeps them on Earth for a long time so no philanthropist drops