

DIALOGUES ON CIVIC PHILANTHROPY
P E R F E C T I N G O U R G R A N T S

a project of:

HUDSON INSTITUTE'S BRADLEY CENTER FOR PHILANTHROPY AND CIVIC RENEWAL
THE COUNCIL ON FOUNDATIONS
THE PETTUS-CROWE FOUNDATION
THE ASSOCIATION OF SMALL FOUNDATIONS
BILL & MELINDA GATES FOUNDATION
ACHELIS & BODMAN FOUNDATIONS
THE CONFERENCE OF SOUTHWEST FOUNDATIONS
THE GEORGIA HUMANITIES COUNCIL

online at www.civicphilanthropy.net

Dialogue 1

Goals and Intentions:
What Should Today's Philanthropy Aim to Do?

Edited Transcript of the Discussion

March 17, 2005
1:30 to 4:30 p.m.

Washington, DC
Hosted by the Council on Foundations

This transcript has been edited specifically for online posting by the Dialogues on Civic Philanthropy team. It was posted on the web site of the Dialogues on Civic Philanthropy, <http://www.civicphilanthropy.net>, on June 30, 2005.

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Individuals' remarks may be cited as follows: [SPEAKER'S NAME], roundtable discussion, "Goals and Intentions: What Should Today's Philanthropy Aim to Do?" March 17, 2005, transcript, Hudson Institute, http://www.hudson.org/files/pdf_upload/2005_03_17_Kass_Dialogue_1.pdf (accessed [DATE]).

INTRODUCTION TO DIALOGUE 1

Organized American philanthropy has long been devoted to a variety of ends, including direct alleviation of suffering, promoting social change, advancing social justice, developing and sustaining civic life, and correcting social ills through research into their “root causes” and efforts to counter them with public policy. Although they commonly appeal to serving “the public (or common) good” or promoting “the general welfare,” foundations often differ widely on the meaning of their ideals and how best to promote them. Despite a general historic shift in institutional giving from more specific goals (e.g., ending yellow fever) to broader social goals (e.g., “creating civic society”), the social goods that are being served have become less clear.

Some critics, observing the host of agents that claim to be devoted to the same or similar ends, wonder whether philanthropy still has a unique role to play in our polity. Others, more skeptical, wonder whether the so-called “public” good that is allegedly aimed at is anything more than private good writ large. Still others, increasingly cognizant of the wide gap between the public’s perception of philanthropy – i.e., philanthropy as charity – and philanthropy’s own self-understanding, wonder whether there is any room left in philanthropy for charity.

What are the goals of philanthropy as practiced today? How are they related to the goals of governmental programs and public policy, or to the activities of voluntary associations, including religious institutions? What is the relation between philanthropy and charity? Above all, what should today’s philanthropy aim to do?

COMMISSIONED ESSAYS FOR DIALOGUE 1

These essays, which served as background for the discussion, can be found online at www.civicphilanthropy.net.

“What Can and Should Philanthropy Do in the Future” by Rick Cohen

“The pH Factor: philanthropic Humility” by Marvin Olasky

“Foundations and the Founding” by William Schambra

“Money Talks—But What Do We Want It to Say?” By Karl Stauber

DIALOGUES ON CIVIC PHILANTHROPY: THE DISCUSSION SERIES 2005-2006

1. Goals and Intentions: What Should Today’s Philanthropy Aim to Do?

Hosted by the Council on Foundations
Washington, DC
March 17, 2005

2. Accountability: For What and To Whom Should Philanthropy Be Responsible?

Hosted by the Northwest Area Foundation and the Minnesota Council on Foundations
St. Paul, MN
May 19, 2005

3. Grants, Grantors, Grantees: What is the Meaning of a Grant? What Obligation—What Sort of Relationship—Does It Imply for Grantors and Grantees?

Hosted by the Foundation Center
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4. Philanthropic Leadership: What Should We Expect from Philanthropic Leadership?

Hosted by Southern California Grantmakers
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5. Bequests and Legacies: What should guide people who leave their money? What should govern its receipt?

Hosted by the Communities Foundation of Texas and the Conference of Southwest Foundations
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6. Effectiveness: How should philanthropy judge its success?

Hosted by the Georgia Humanities Council and the Southeastern Council of Foundations
Atlanta, GA
June 15, 2006

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DIALOGUE 1 PROCEEDINGS

AMY KASS: Thank you all very much for participating in our inaugural session of the “Dialogues on Civic Philanthropy.” I am Amy Kass, the director of this new project. I am, as well, senior fellow at the Hudson Institute in Washington, DC, and senior lecturer at the University of Chicago.

Let me begin by asking each of you to introduce yourself. Tim, do you want to start?

[Brief introductions follow. The information given by each participant appears in the list above and will not be repeated here.]

AMY KASS: Before I begin, I want to give special thanks to our co-sponsors: the Bradley Center for Philanthropy and Civic Renewal, the Pettus-Crowe Foundation, the Association of Small Foundations, and the Council on Foundations, and also special thanks to the Council on Foundations for hosting this inaugural session.

There is an old Chinese curse that warns, “May you live in interesting times!” Alas, we do live in interesting times. The morning newspaper is evidence enough. But for people, like ourselves, who are engaged in the work of the philanthropic sector, these times may seem especially interesting, and to many, no doubt, especially vexing. But whatever the outcome, I would suggest that the curse, if that is what it is, has already shown itself to have a silver lining.

Thanks to the current ferment, the nonprofit sector has been given an opportunity to take a good hard look at itself. And it surely appears to be rising to the occasion. Witness the Council on Foundation’s new initiative on strong and ethical foundations. Witness too the recent report of the panel convened by Independent Sector, and its many recommendations for strengthening the governance and accountability of nonprofit organizations. Regardless of where one stands on the issues they highlighted, or on their particular recommendations, one cannot help but be impressed by the range and number of the things they examined, as well as by the range and number of people that they consulted. Their final report, forthcoming in June, promises to delve even more deeply, and to address the most contentious issues, including compensation and noncash donations.

Still, however good the new codes, rules, or regulations are that these initiatives and reports eventuate in, I suspect that the real opportunity before the sector will have been lost if its members do not also step back and reflect on their own fundamental attitudes and dispositions, goals and intentions. For these are the things that, willy-nilly, ultimately determine whether what is preached will also be practiced. If this opportunity is not also used to look beyond procedural guidelines to values and beliefs, if practitioners do not also take a fresh and deeper look at what really moves them, one must wonder whether the new codes, rules, or regulations will make much of a difference at all.

This dialogue, the first of six that will be held across the country, is intended to help advance this more basic sort of reflection. The specific question before us today is: “What should today’s philanthropy aim to do?” Or, to put it more pointedly and personally, “What is *your* understanding of the goals that today’s philanthropy should aim at?” “What do *you* think its intentions or motives ought to be?”

We will turn, in a little while, to the four short papers specially prepared for today’s session to help us think about the ends or goals of philanthropy. But before doing so, I suspect it might be both interesting and useful for each of us to go back to basics, however briefly, and to try to articulate what we mean by “philanthropy.” What is your living definition—as opposed to the dictionary definition—of the term “philanthropy”? Do you, for example, think of philanthropy primarily as an institution, a virtue, a

disposition, or a practice or activity? If it is an activity, is it the same or different from doing charity? Does philanthropy include all acts of giving, i.e., time and talent as well as wealth? Or is it just about money?

In other words, what do you have in mind when you use the term? Notwithstanding the fact that ‘philanthropic institutions and mechanisms have multiple shapes, forms, and purposes,’ to paraphrase Rick Cohen, is there a common meaning – or set of meanings – that we are talking about when we use the term? To help spark your reflections, I have collected four attempts by people in philanthropy to explain their usage.

[Quotes listed on handout, shown in box to the right.]

AMY KASS: The first one is by Julius Rosenwald, “satisfaction-guaranteed-or-your-money-back” Rosenwald, a Chicago magnate who set up a fund in 1917 to create schools for rural blacks in America, to aid Jewish relief agencies in Russia and the Middle East, and to construct YMCA and YWCA buildings and programs.

Rosenwald indicates his understanding of philanthropy by expressing his displeasure with the term itself.

Bill, would you mind reading it?

WILLIAM SCHAMBRA: Am I supposed to do an imitation of him?

AMY KASS: Whatever you think is appropriate.

WILLIAM SCHAMBRA: [Reads text.]

AMY KASS: The second is by that famous woman who goes by the name Anonymous. Would you please read it, Joanne?

JOANNE SCANLAN: [Reads text.]

AMY KASS: The third quote comes from Paul Schervish, who is the co-author of the study on the \$41 trillion transfer of wealth, and the head of the Center on Wealth and Philanthropy at Boston College.

Tim, would you like to read it?

Defining “Philanthropy”

Julius Rosenwald: “In the first place ‘philanthropy’ is a sickening word. It is generally looked upon as helping a man who hasn’t a cent in the world. That sort of thing hardly interests me. I do not like the ‘sob stuff’ philanthropy. What I want to do is to try to cure the things that seem to be wrong. I do not underestimate the value of helping the underdog. That, however, is not my chief concern but rather the operation of cause and effect. [As a philanthropist, I] . . . do . . . thing[s] . . . to aid groups and masses rather than individuals.”

Anonymous: “Thanks to the influence of Christianity and its emphasis on the universal love of neighbor, philanthropy acquired its modern meaning—the disposition to promote human well-being in general—which makes it a synonym for charity. Indeed, because charity is the same as philanthropy, we can easily see why compassionate humanitarianism has come to be seen as philanthropy’s guiding nerve.”

Paul Schervish: “[I]n *Les Miserables* Jean Valjean consoles the dying Fantine by agreeing to bring Fantine’s daughter, Cosette, under his care. This is a philanthropic relation with both Fantine and Cosette not because Valjean is attempting to do good. Nor because his help is tax-deductible or housed within the boundaries of the nonprofit sector. It is philanthropy because it matches the resources of a giver to the needs of a recipient through a social relation that is directly mobilized and governed by strength of character and a moral compass, born of identification with another as a radical end like oneself.”

Lao Tze: “If you give a man a fish, you feed him for a day. If you teach a man to fish, you feed him for a lifetime.”

TIM WALTER: Sure. [Reads text.]

AMY KASS: Finally, there is the very famous quote from Lao Tze: “Give a man a fish, you feed him for a day; you teach a man to fish, you feed him for a lifetime.”

I include this last quote because of my experience leading conversations with people in philanthropy. It is often cited, and, believe it or not, some people think the first sentence perfectly captures the spirit of philanthropy and other people think the second sentence perfectly captures the spirit of philanthropy.

Do any of these definitions strike a chord with you? What do you mean when you use the term “philanthropy?”

WINSOME McINTOSH: Well, I’ll take the last statement: “If you give a man a fish, you feed him for a day; if you teach a man to fish, you feed him for a lifetime.” I equate the first part of that as charity and the second part of that as philanthropy.

AMY KASS: Another sentence. Why is the second part what you mean by philanthropy?

WINSOME McINTOSH: To me, philanthropy is taking risks, trying to fill voids in the social fabric that need attention in some way that will better the lives of many, many people.

RUTH McCAMBRIDGE: I like the third sentence, which is: “Sometimes you have to change the fishing industry.” I think that philanthropy, in my mind, I don’t like false distinctions, I think can include all things, all of those things at the same time, but needs to be thoughtfully crafted to understand the unanticipated consequences of whatever it is you’re doing. It needs to be crafted and followed.

But whenever I hear this particular quote, it always bothers me that that last line, because it is—that’s the higher level intervention that I think that probably Julius Rosenwald was concerned about, but I do believe there is a continuum in there that sometimes you have to observe all at the same time to do true philanthropy.

AMY KASS: So true philanthropy would be, as Karl Stauber suggests, a continuum: beginning with giving a man a fish but ending with changing the fishing industry.

RUTH McCAMBRIDGE: Yes.

AMY KASS: But the ultimate purpose would then be to change the fishing industry?

RUTH McCAMBRIDGE: I think the ultimate purpose is to achieve some social equity and social justice. So that would be my—and I’m probably driving Bill [Schambra] crazy when I say that—that would be my interpretation.

AMY KASS: Very good. But you would want to say, also, if I may press you for a second, that philanthropy then is an activity and it is an activity which is really akin to doing certain fundamental works, like repairing injustice.

RUTH McCAMBRIDGE: No, I wouldn’t say that. I think I would call it, in its best form, a deeply reflective practice, and that is what it should be, in its best form.

That is why when you are looking at the whole, you are not getting narrowly focused on any one piece and you are listening constantly and thinking about what are you really causing to happen.

AMY KASS: Donn?

DONN WEINBERG: If I were to make a distinction, if one wants to have a distinction, I would see charity as being a less complex and simpler act that arises out of voluntary individual benevolence, whereas philanthropy is a much more complicated, thoughtful, organized act than is charity, and both are good.

For example, someone who sees a truly starving person on the street, and sets aside all of the other issues that go with that, and just pulls a dollar, that's charity.

There isn't a lot of thought that goes into it, necessarily, although there can be.

Someone who writes a check off to the American Cancer Society, that is an act of charity; but when someone says what am I trying to accomplish and how do I get there and starts organizing his or her thinking around that, with a certain amount of resources, I think, at that point, you start moving into philanthropy.

AMY KASS: So philanthropy, you would agree with Ruth, is a more reflective practice than charity, as it involves strategy or it is done with a specific strategy in mind.

DONN WEINBERG: In its ideal form.

AMY KASS: Thank you. Please, Gene.

EUGENE WILSON: In our culture, we tend to define things that we can measure. If philanthropy is measured as \$240 billion, in the most recent year, and that includes Karl's continuum, it includes religion, it includes small individual contributions as charity, it includes the institutional giving from corporations and from foundations that now is such a hot topic because of misuse.

So it seems to me that if you take it in the whole, the term of philanthropy, it has to be both responsive, compassionate, and much more highly focused toward some objective.

AMY KASS: Responsive to?

EUGENE WILSON: Whatever my heart and my head tells me—I can do something with my money.

AMY KASS: What do you mean it's responsive to your heart and head?

EUGENE WILSON: If I see a need or opportunity and it tugs at my heart strings, then that is measured as a part of philanthropy and is what I consider, personally, to be charity.

It's not what a major \$5 billion foundation is likely to do.

AMY KASS: But in both cases, with philanthropy or charity, you would say it begins with something that tugs at your heart strings. That is the chord that is struck.

EUGENE WILSON: A philanthropist, in the page-a-day calendars that we used to see about philanthropy, a philanthropist was defined as a rich and typically bald old man, whose conscience has learned to grin while his pocket was being picked.

AMY KASS: How about it, some of the rest of you? Please.

TIM WALTER: I'm just drawing in a couple of these thoughts. I guess, for me, philanthropy is voluntary. So it is a gift or a transfer of something which I am not compelled to make, but I do make.

I agree with Mr. Wilson that it is from my assets or my resources or those that the society has said belong to me, but it is done with another focused purpose. So those are the three things I would highlight.

It's with somebody else's best interest, not mine, at heart. Whether it is strategic or charity, those you can lay on top of it as good philanthropy or good giving.

But I also, from the activity or the institution point of view, I have never thought of any of my program officers that I have received a grant from as philanthropists. So I don't see it as a career.

AMY KASS: What do you see it as?

TIM WALTER: Employees, somebody who is—not my employees, but they're not—they're doing their jobs. They're working for an institution, they're working for Henry Ford's philanthropy, but they are not philanthropists.

I have never had another officer identify himself or herself to me as a philanthropist. So I don't think I'm saying anything shocking.

AMY KASS: And you don't regard yourself as a philanthropist.

TIM WALTER: Not by career, but I have a little bit going on, but that's a different—that's a private thing that my wife and I do.

AMY KASS: But you would not call those kinds of private activities philanthropy.

TIM WALTER: Good point. They are philanthropic activities, but I'm not big enough to be an institution yet. I have a little donor-advised fund.

AMY KASS: Are you saying that the real nerve here is that you have to give money away?

TIM WALTER: You have to give—well, in this context, yes, as opposed to—or some resources. I think within this context, it tends to be money, rather than time or knowledge or other resources. In this context, I'm going with money.

AMY KASS: And you would go with big money?

TIM WALTER: No. I think a child giving five bucks, that is a philanthropic activity.

AMY KASS: Jeff?

JEFF WEISSGLASS: There's a lot here already. I think that the image of a large institution or the bald, old, rich guy are the images that I hold and that most of the people I have worked with hold about what a philanthropist is or what a philanthropist does have a couple of connotations which fall into really two categories.

So I hear people struggling with am I a donor or am I a philanthropist. It's one of the ways of striking a balance. The word "philanthropy" itself has so much baggage. [Inaudible.]

The other is that I've had the, um, even he would say mixed fortune of spending many hours in a room with Paul Schervish, a wonderful guy, and I have been deeply influenced by his view of creating, the concept of "the moral economy of care."

When I think about philanthropy, I do think about it in terms of love of human kind and activity that promotes caring.

I would prefer that we define very broadly all of those exercises in caring for one another, but I'm not sure where that leaves us.

It's one piece, it's one [inaudible] to cut it off and say what we're talking about here is charitable giving, whether it's—and you count the dollars dropped in a Salvation Army box or given to somebody on the street who [inaudible] charity.

But for the purpose of how we are going to direct the money or capital of society for promoting a good or love of humankind [inaudible].

AMY KASS: But now you seem to be focusing on what you're giving the money to. Is this your main focus or is it what you said a little bit ago when you cited Paul Schervish?

JEFF WEISSGLASS: Friend, colleague, colleague.

AMY KASS: One of the striking things Schervish says is that philanthropy is a relation, and it seems not to matter whether you are going to change the world or not.

It is a relation and it seems to be a relation between two people, givers and receivers, in which one identifies with the other.

Is that what you mean by "caring for" or do you have something else in mind, something larger than that?

JEFF WEISSGLASS: I actually think I have something different in mind. I don't know if it's larger or not, but [inaudible].

But for me, it's about what I, as a giver, care about and how I act on that, I think, there is one conversation, how any of us acts on it and how we test whether the way we are acting is appropriate or not and the strategies we choose, whether there is a moral question about whether we should be working one way or another way or at all, are critical questions.

But from the standpoint of the question of what do I think about myself when I think about philanthropy, I think about focusing on what I care about and understanding the best I can where that caring comes from, where my beliefs about how to act on it comes from, what the best way to act on that is.

MARVIN OLASKY: That's a helpful comment, and Gene Wilson's comment about tugging at the heart strings of philanthropy I think is helpful, also, because it points to, uh, maybe there's not a whole lot of difference between charity and philanthropy.

A fork in the road, about a century ago, came when some folks wanted to say that philanthropy is scientific and fully rational; we're not going to get our emotions involved in this; we're just going to see what needs to be done in a highly rationalistic way.

And charity is emotional and that's where the distinction started to be made, and it may be not a very valuable distinction.

And these comments indicate that there is a lot of emotion in philanthropy and there should certainly be a lot of intellect and hard thinking.

So maybe the words really should not be differentiated.

AMY KASS: But your reading of history is that charity is to begin with a matter of the heart and philanthropy a matter of the head, and now they're all mixed up together.

MARVIN OLASKY: Yes. I think that's the way it started to be defined about a century ago, to differentiate the two, and it may have been a mistake in differentiation and the differentiation really doesn't work out in practice.

DEBORAH BRODY HAMILTON: It just occurs to me, I really resonate with the Paul Schervish quote here, because some of what I think about, and I think this is true, again, in the whole field, I mean, it's true in lots of places, but we spend a lot of time talking about what is philanthropy, what is charity, and how do you [inaudible], and probably not enough time thinking about what it means to be a decent human being and probably, if we got back to that, I think a lot of the things that philanthropy is trying to solve might take care of themselves.

AMY KASS: So philanthropy is a matter of being a decent human being. Gene, do you want to respond to that?

EUGENE WILSON: Yes. Behavior shows that big philanthropy tends to benefit big institutions, and, at some point in the shift, I think it goes from part compassion to some other ego-driven purpose. I don't know where that happens.

SARA ENGELHARDT: I'm trying to reconcile this conversation, which I find fascinating, and I can find myself agreeing with everybody, with my daily life, where we talk about perpetuity [inaudible] institutional and the degree to which—I think that is an important piece of—you can't leave that out.

I'm trying to figure out how to begin without dehumanizing it, which is what I hear beginning to happen, because I think it is an incredibly important activity in a society, performed by many of us who are ourselves philanthropists or charitable givers in our own lives, but we're not doing it from the heart.

We're doing it from the head, but we're also doing it, I hope, with human kindness and caring, and true belief that the core issues we're trying to get to are really the important ones for our society.

AMY KASS: Do you think people are consciously making that distinction, I mean, doing it from the heart and doing it from the head?

SARA ENGELHARDT: I think if you're in a foundation, it's not your money, and many people are in foundations where it isn't their money, so that's another issue, and then they feel they do it from the head.

But if you're not doing it—you may be working in a field that you feel deeply about, but the decisions about giving money away, in the end, are based on the donors, whoever set up the foundation, the direction that that person gave. They are based on the board and the current leaders of the foundation, and the strategy that they have defined.

They are based on your own explorations of a field, if you're the one making a recommendation for a grant, where you are doing your damndest to do the right thing and sort out the pros and cons and different sorts of things, and it becomes a very—I've done this, and I know it can become a very emotionally straining issue, because we're not—it's not your money and you're not the philanthropist, but, in the end, you care deeply about it.

AMY KASS: Or, in the beginning you care deeply about it, but you have to separate your own cares or your own desires from what you actually do?

SARA ENGELHARDT: I wouldn't say separate. You have to strive to articulate the cares in language that will sell it to people who either have the money and are going to do it because they want to do it based on the heart, or the people who are making the decision, who are also making terrible choices among goods.

ANNA FAITH JONES: I do think philanthropy involves two parties. To keep talking about what I want to do doesn't get at it.

I think we have to identify a need or resonate with the humanity in others, and that means heart, head; as human beings, we encompass the whole thing.

So if you are sitting there saying "this is my money," which, for any institution of philanthropy, is wrong, you're taking advantage of the public laws to shelter your money, you have spent them to the public arena and you have said the money is going to be used for some broader common good.

I think how you—the first step that you make in deciding what to do with that is to identify with what you value in yourself, that you see it in others, and that you resonate with that humanity and with the strivings of others.

That doesn't free you from the obligation and the responsibility for making choices, but unless you have that identification of what you feel is best in yourself and you see it in others, I don't think you *can* care about it.

RUTH McCAMBRIDGE: Anna [Faith Jones] and I used to work together at the Boston Foundation, and I was just sitting here thinking of exactly what she was just talking about, because when I was at the foundation, I was in charge of the fund for the homeless, and one of the things that we did very soon after I got there was to involve homeless people in making decisions about what the priorities were around the giving.

Well, it was a bizarre idea, and I remember the first time that homeless people actually came to the foundation for a meeting and the reaction of the staff to that. It was shock, you know.

But it was one of the things that, over time, at the foundation, we developed, very much as Anna just talked about, in the sense that we had to extend ourselves to understand who that other person was, to ensure that what we were doing was the right thing to do.

That takes something extra and it may be it's a particular belief system and that it is not—it doesn't cover all of philanthropy, but to me, it is an absolutely essential piece, because it does take you into that focus on the other and out of yourself and your own ego and selfish motives.

DONN WEINBERG: Let's ask ourselves this question, if this distinction is important. Two people, a person who earns a \$100,000 a year and he writes out a series of checks that total \$10,000 a year to various charitable organizations.

The second guy makes a billion dollars a year and writes out a series of checks that total a \$100 million a year to various charitable organizations.

In terms of normal nomenclature, we would normally say the first guy was being charitable and the second guy was being philanthropic.

Now, it may not be a correct way of putting it, but I think that if you ask most people, that would be—the first guy would be very charitable, he's giving away one-tenth of his income, and the second guy is giving away one-tenth of his income, but a much larger income.

So the question I would pose is, does the amount make a difference? Is there a certain difference between charity and philanthropy that relates to the amount of money being given?

And in each case, remember, it is ten percent of income.

SARA ENGELHARDT: I would suggest that what you're talking about is not the difference between charity and philanthropy, but different kinds of strategies that are possible in the context in which you're working, and I think this is very true in the field of foundations, because most foundations don't have staff, they don't have programs.

Are they doing charity and others doing philanthropy? I don't think so. I think they have a certain amount of money and there are certain things that they can strive to do with that amount of money in the field that they have chosen, with the partners they have in their community. It kind of leverages the money that you have.

Most people who give away small amounts of money give it for general support for a few organizations that they feel are doing very good work.

When you have more money, you start being, quote, what—we use the word “strategic” and probably not well or effectively, but that's the word we use.

You can be strategic about how you use that money. You can start trying to leverage other resources in different ways, get policies, issues on the table that hadn't been there.

But I think you put your finger on a very critical issue. It is not a question of motive. It's a question of the context in which you are giving and what kinds of choices you make about how you behave.

AMY KASS: Donn seemed to be suggesting that it's not just the motive and conscience. It has essentially to do with the amount, and there are certain amounts that warrant calling it philanthropy and then there are other amounts that warrant calling it charity.

DONN WEINBERG: Well, I'm not really suggesting that, because—if I could add an aspect to this, a layer.

Let's say that the man with his \$10,000 of giving—we'll use the neutral word, there—was very strategic about it, as we understand "strategic." The man with the billion dollars, it would be surprising, a man who had a \$100 million to give away, if he's made that kind of money. Let's say he inherited it. So he's one of these spoiled children or grandchildren. He just wrote a bunch of checks, gave them all to various organizations.

Can we then say that the man of modest upper-middle class means is the philanthropist and the billionaire is just giving charity? I don't know. I don't know the answer to the question. I'm trying to do what you're doing.

KARL STAUBER: Really to go at your question somewhat sideways. I would suggest that in our society, there is this assumption that the more money you have, the smarter you are.

AMY KASS: You don't hang around universities.

KARL STAUBER: You know, I hang around the worst part of the university. I hang around the college of agriculture.

AMY KASS: And they believe that?

KARL STAUBER: My observation, as a part-time faculty member, at times, at the University of Minnesota, is the people at the medical school think they are the smartest. The people at the business school think they're the next smartest, because they're the next—the people in the English department think they are the most literate, but they have the least money.

So I would suggest that even within the university—now, I know the University of Chicago is a world unto itself, but I would suggest that there is a class hierarchy; that this perception about money, whether it is inside an academic institution or—how many times have I watched, within the professional foundations, there is this assumption that if you are the head of the Ford Foundation, you're smarter than the head of the Knights of Pythius Foundation, and it just goes with the territory.

So I think part of this is not a reflection of philanthropy, but is a reflection of the inherent class bias within our own culture that just gets played out in philanthropy, because philanthropy is about money, and honey attracts flies.

SARA ENGELHARDT: So what does being smart do for you that having money doesn't? I mean, is there a difference between being smart and having money?

KARL STAUBER: I'm afraid to answer any of those questions, because somebody might assume something, and it would be an egotistical statement. We could throw in good looks and I'd be in great shape.

EUGENE WILSON: On Donn's example, he has introduced a new consideration because of public visibility, and I think as public visibility goes up, expectations of accountability go up, as well.

So I think there is a different standard for a \$100 million giver than the \$100,000 or \$10,000 giver, and I think that transfers, also, institutionally, when we talk about organized giving.

AMY KASS: Okay. But to go back to what was suggested by Donn's wonderful question, to what extent does your understanding of philanthropy—your *living* understanding of philanthropy—have to do with the amount at stake? Or does it mainly have to do with strategies? Or is there something else?

ROBIN TRYLOFF: Well, in my living understanding of it, and I'm not pretending to presume how other people perceive it, but in my living understanding of it, there isn't an arbitrary dollar threshold. Philanthropy, for me, is about intent—the intention to change the world positively, to have an impact, your intentions about the greater good.

Therefore, you can do that with a small amount of money or a large amount of money, but it's not what some might call mindless giving or giving for egotistical reasons or giving for publicity reasons or giving for social status reasons.

But the motivation, the intent is about doing the greater good, and, for me, that's a breaking point, rather than an arbitrary financial one.

AMY KASS: And if you simply take your bearings from that minimal statement, would you make a distinction between philanthropy and charity?

ROBIN TRYLOFF: Well, I am more ascribed to Karl's theory that there is a continuum. I don't think it's quite that clear-cut and I'm not entirely convinced that there is a useful purpose in trying to define these two words separately and differently.

I think it can be a red herring that takes us off into an interesting intellectual conversation, but I'm not sure it moves the needle eye.

The real question of the day is what we should aim to do.

AMY KASS: Bill, what were you going to suggest?

WILLIAM SCHAMBRA: Following on what Karl said, in relating now to this distinction between charity and philanthropy, I don't think it's so much wealth and the perception about being smart as it is about the problem introduced into this whole discussion by professionals, which has something to do with wealth and something to do with expertise. It's a great deal about the distinction we see between philanthropy and charity, as suggested by Julius Rosenwald at the turn of the 20th century, when there really was a kind of embrace of philanthropy understood as a professional activity, carried on by trained professionals who could be masters of the then newly emerging social sciences. That understanding of philanthropy as a professional activity, driven by professionals, governed by certain scientific assumptions, I don't think we can get away from that still sort of dominant understanding of the way foundations should conduct themselves today, and a certain continuing sort of contempt for charity.

I think although we can verbally kind of bring them together and suggest they are on a continuum, I think we do our discussion a disservice if we don't acknowledge that our colleagues out in the world of philanthropy really do see a difference.

I mean, the distinction between charity and philanthropy is the fundamental, just like the distinction between government and administration or politics and administration, that core distinction in the discipline of public administration.

The distinction between charity and philanthropy is the distinction that issued in modern philanthropy, and I think it has had some pretty awful consequences.

AMY KASS: Anybody want to respond to that?

KARL STAUBER: I would like to. I think it has had some awful consequences. I think it has also had some very good consequences.

I don't know that it has ever fulfilled the promise, but—I see philanthropy as a product of or the handmaiden of, or whatever you want to say, the reform movement of a 100-plus years ago that came out of probably the greatest episode of corruption in American history.

So it didn't just happen. It happened in response to Tammany Hall, it happened in response to the massacre of women and children in Ludlow, Colorado.

My understanding of the driving force behind the creation of the Rockefeller Foundation was the man that's called the father of public relations in America, a gentleman by the name of Ivy [Ledbetter] Lee.

So Rockefeller gets formed, PR gets formed. There is a connection here.

Having said that, I think Bill is right that there is this kind of scientific rationalist piece. I think there is also a struggle that you are suggesting in your paper and that Rick suggests in his paper between a kind of elite and egalitarian view and that, for many, philanthropy is seen as the purview of the elite, and it is not quite clear what is seen as the purview of the egalitarian.

I was interested in both your papers, which cross a pretty broad political continuum yet represent some similar things. (I know you both well enough to know that you collaborated very closely in the construction of them.)

Part of what I wondered, if it's going on right now in this country is, are we in the process of creating a third option: philanthropy, with all of its reformist activities; charity, with its origin in the church and the notion of the worthy poor—you don't have to worry about the unworthy poor—those types of things.

And is there something emergent that has yet to be fully understood and named, and is that part of what this conversation is, in a sense your whole series of conversations, are about?

AMY KASS: Thank you very much. That is very helpful. It was, in fact, observing so many apparent similarities among the four papers that were written for today's session, similarities which I did not expect to find, that led me to begin by asking what we mean by philanthropy.

While there is lots of talk about how philanthropy, unlike charity, is professional, and professional philanthropists and/or philanthropoids often insist that they are **not** doing charity, there seems to be a coming together of the two, when we talk about the aims of philanthropy.

Indeed, taking my bearings from some of the suggestions that have already been registered in this conversation, several of us do think that philanthropy and charity are different sides of the same coin. Take, for example, Anna [Faith Jones'] suggestion, namely, that first of all philanthropy requires one to identify and resonate with the humanity in yourself and others. If a would-be philanthropist started with this understanding, would he/she insist on the difference between charity and philanthropy? I think not. Would the amount of money involved make any difference? I think not.

On the other hand, if you really think philanthropy has something specifically to do with things that are strategic and professional, then all that other stuff, i.e., what it means to be human, or what it means to be

a decent human being—the sort of things that Deborah was pointing to—are beside the point. Philanthropy, properly understood, would be viewed more like a science and developed in a way that would maximize its own ability to make a difference.

ANNA FAITH JONES: I was going to say maybe it would be helpful to put it in context, because actually philanthropy, as we know it, is a uniquely American institution, and we're talking about a practice that has developed in a democratic society.

There are some that would say that philanthropy, being part of the voluntary sector, is a necessary third leg to the stool, that there is government which is often too monolithic to get things done; there is business and corporations which is governed by greedy people. So then you've got the voluntary sector, of which philanthropy is a part, which tries to keep this balance of keeping the awareness of the common good, keeping people aware that they should be and can become involved in the society, and seeing to it that society does the kinds of things that they want it to do.

And I think when you look at it that way, we can get a better sense of how philanthropy has developed really out of a notion of charity, people being in dire need and kind of giving them something that they need—if they're naked, you give them some clothes; if they're hungry, you give them some food.

It's more a responsibility than that in a democratic society.

It was interesting to go to Europe and see them beginning to develop their whole notion of foundations and foundation society, because, for them, it was always charity, and charity was done by the church, and then you had government which did all the social programs, so that people, individuals voluntarily getting involved in trying to support programs and respond to people who felt that somehow their needs weren't being met, was completely new.

AMY KASS: I think your point is very well taken, but in America charitable giving also was transformed. So it's not simply personal, one-on-one giving.

ANNA FAITH JONES: Right.

AMY KASS: Okay. Emmett?

EMMETT CARSON: I'm having really some challenge of trying to understand the relevance at the end of the day. We just made the statement that it will help us, and I guess I want to argue I'm not so sure that it will help us.

AMY KASS: To understand what we're talking about.

EMMETT CARSON: Well, to have a common—would my mother understand the difference or would she use the words “giver” and “philanthropist” and “donor” interchangeably? If she would do that and view it that way and if most of the people out there would view it that way, what does it matter that we create these distinctions?

I want to at least add a third complication. I meet with people all the time who decide to create charitable funds, who view themselves as philanthropists, who do it because of tax code, and as much as we might not like those people for their motivation, they fundamentally do it because a financial advisor has said either give it to the government or you can give it away, and they have consistently said, “I'd rather give it away.”

They don't necessarily know what they want to give it to. They don't necessarily have some passion to have wanted to give it away originally, but here they are now stuck with an untenable option of either giving it away and maybe getting some credit for it or giving it to the government, which is, in their minds, the worst thing to do, and they don't fit in any of the definitions that I have heard mentioned here.

Some become very passionate about it and others throughout do it begrudgingly, and, again, I'm back to the point, why do I care. Do I now want to anoint one group of those as the true givers, and say you in this group are the true philanthropists, and you in the other group are not, either because you're not doing it, or you're putting your name on the building and so you've got psychic value, or because you are getting a benefit out of it. They get their kids in college later on, and so they give to their alma maters.

So I'm not quite sure if we're not just tying ourselves up in knots over something that, at the end of the day, won't advance us about—another approach might be to say, we are interested in the philanthropy that worries about social justice, and the other stuff is good, the other stuff is valuable, we're glad people do that, but we are interested in *that* piece of it and how it works or doesn't work or could be advanced, or we are interested in the piece that is around charity and direct service.

And the other piece is good and strategic and you do that, but we are interested in *this* piece of it. But the piece of this is better, this is worse, you are more virtuous, you didn't really want something back, you thought about it this way and you didn't, at the end of the day, I don't know what we do with it.

AMY KASS: Bill?

WILLIAM SCHAMBRA: Let me suggest one reason why we need to care; that is, that that tax break that people are eager to take advantage of may disappear, if Congress is given to understand that the only reason that it is there is for people to take advantage of it, and, indeed, there are people in Congress who are beginning to ask precisely that question, which sort of leads us to the interesting times in which we live.

Unless we can come up with some kind of statement beyond, "Hey, we don't know what people are doing with this money, some people are just doing it to keep it out of your hands, Senator Grassley, and some people want to do social justice, so I don't know; so you guys just go off and do what you want to do," I think that would be a fatal abdication of responsibility on the part of those of us who would like to preserve the philanthropic sentiment.

EMMETT CARSON: Bill, do you think there's a revelation of Senator Grassley, that there are people who do this so that it doesn't go to the government? It's a different question to say what are people doing with these resources. That's a different question. But there are hundreds of motivations for why people do it and I think we are caught up in the motivation rather than a discussion of what people are doing.

That is the only point I am trying to make. I think there are hundreds of motivations why people do it. Your kid ends up with a disease, so now you are passionate about that disease; before your kid got it, you couldn't care less.

There are thousands of reasons how people get into it. We are not going to sort out that piece. What we can talk about is the people who have done it, for whatever motivation, here is the value to our society. That's a different question.

ROBIN TRYLOFF: For me, your argument just made the opposite case; that if Congress got wind of the fact that somehow you could distinguish between people who have good motives and people who are bad,

who are just using the tax base, they want us to start pointing you're that, you're that, you're that, so they can stop peeling them off of the tax code.

So for me, that actually makes the case for keeping it muddy, so that they can't start trying to legislate what is charity and what is philanthropy.

WINSOME McINTOSH: It occurs to me that the reason that there is much greater attention to this philanthropic sector, if we want to call it that now, is because of tremendous growth in the last 20 years.

All of a sudden, this has become a rather large—in terms of money and influence—counterbalance to government, to other sectors of our society that make up our whole, and because of that, there is, obviously, going to be greater attention to it, as there should be.

The thing that makes this country strong is the fact that we have that sector which does counterbalance and help out social programs—I use that as an example—which means that this country doesn't necessarily have to have a government of social programs, as in Europe, because there was a comparison made between our philanthropy and European and new philanthropy emerging in Japan, Asia, and places like that.

There is nothing wrong with the tax code influencing that kind of a third sector, and I don't think we should apologize, as you are saying, for saying I'd rather give the money away than the government, because I don't have faith that the government can do a very good job of it.

When you see somebody like Grassley, who uses the pork barrel with the best of them, with a \$240 million rain forest exhibit in his state and he thinks that that is a wise use of money, this is where people begin to sort out, I've worked hard for my money, how best can I use it now that I have it, and if part of that means giving it back to society and if the motivation is because it is a good tax break, that's a good motivation for anybody anyway and we shouldn't apologize for that.

I think there are probably other things beyond that that they begin to think about, and, that is, legacy, stewardship, teaching their family stewardship principles, that sort of thing.

So I agree we should get off of what is a philanthropist, what motivates them, and let's get on with what good are we doing here and how can we tell that better picture to our societies as a whole and to our government in particular, in this time, which reflects a similar time that I remember, as a very, very young philanthropist, emerging philanthropist, in 1969, and all it takes is a few bad apples to raise the awareness and bring the government into focusing on it, and it is cyclical and we are going through this again.

AMY KASS: I appreciate your comments and your eagerness to turn, more directly, to the question of ends. But for the record, I did not think that many of the comments that were made earlier around this table were primarily concerned with motivation. But that said, I do not think that anybody would doubt that there are many philanthropists in this world who do things for the wrong reasons or who do things for rather crude and self-interested reasons, and that it doesn't really make any difference because whatever they are doing is doing a whole lot of good.

And I do not think that anyone would question your observation that once one gives, even if it's simply for a tax break, that one suddenly gets involved in the giving and that is or can be a transformative experience.

The reason for the discussion was, I repeat, to see whether we really do have a common view of what we mean by philanthropy, and notwithstanding much talk to the contrary, whether we really regard

philanthropy as something fundamentally different from or akin to charity. What I have heard thus far makes me understand, a bit better, why there appears to be so much congruity in the four papers. But best to turn to those papers directly to see whether this is the case, which we will do after a very short, five minute, break.

[Recess.]

AMY KASS: Would everybody please take a seat.

In beginning this next part of our conversation, let me invite each of our writers to state his thesis briefly and to clarify, as you do so, what the **civic good** is that will be served by what you are proposing philanthropy should do.

For the sake of moving as quickly as possible to the issues themselves, I urge each of you to keep your comments to five minutes maximum. After each person speaks, if anyone wants to ask for clarification, please do so. But in the interest of allowing time for more general discussion, let's also try to limit the time devoted to such questions. We will go in this order: Bill Schambra, Rick Cohen, Marvin Olasky, and Karl Stauber.

WILLIAM SCHAMBRA: As my piece tried to indicate, philanthropy serves a critical civic good in America, in that the framers of the Constitution left in its hands—they had no intimation of the modern, sort of scientific philanthropy—but founders left in the hands of the charitable sector the formation of character, and they understood a certain kind of character would be essential for survival of a self-governing democracy, the first successful one, they hoped, in the history of mankind, because previous democracies had destroyed themselves because they were unable to establish and maintain the sort of self-governing character essential for this democracy, and the charitable sector, the nonprofit sector, foundations finally are in charge of developing that kind of character.

Do they do a good job? I guess my point about scientific philanthropy is that, no, scientific philanthropy does not do a good job developing that kind of character. In fact, it undermines it, for reasons we can discuss momentarily. But a sort of a decentralized, grassroots neighborhood-focused philanthropy would provide that sort of character that is essential for democratic self-governance.

I think it is a mistake, as we will soon discover, to assume that all the papers are very close. I hope that the philanthropic sector's desire always to reach consensus quickly, I hope we can overcome that inclination and really explore some of the very deep and profound differences between what I think Rick Cohen has in mind, by way of local community democracy, and what I have in mind, and it would be—and I think I can capture the difference in this question to Rick, which I hope he will answer at some point—that is, what is his understanding of the constitutional order? Those who want to work for social justice and more equitable distribution of resources, how do they understand what they are doing in the context of the Constitution?

AMY KASS: Does anybody have any specific questions about the piece? No? Well, then, I do.

Are scientific philanthropy and civic renewal philanthropy necessarily mutually exclusive?

WILLIAM SCHAMBRA: Absolutely.

AMY KASS: So we're not talking about a continuum. We're talking about things that are utterly different. Are you suggesting that we really ought to roll back Progressivism?

WILLIAM SCHAMBRA: I think Progressivism—I think Karl’s characterization of Progressivism as a reaction to the most profound period of corruption in American history, that is one way of understanding what Progressivism was.

Another way of understanding it, and, incidentally, emerging from the scholarship of the radical historical revisionists of the ‘60s and ‘70s, another way of understanding Progressivism is a way of taking power out of the hands of local neighborhood political entities and putting it in the hands of professional elites.

In that sense, I think the Progressive Era got us started, got this era, this professional ethos sort of underway, and we continue to wrestle with the problem of professionalism today, not simply as conservatives, but some of the best writing on this problem, some of the best writing has been done by folks from the left, people like Christopher Lasch and John McKnight and Ivan Ilyich, and they are the ones who have pointed us to the problem of progressive elites and how they have managed to crowd out self-governance and popular democracy, which has particular—and it is particularly ironic that this happens in the philanthropic and nonprofit sector, which was somehow meant to be, I think, the last preserve of nonprofessional, amateur self-governance.

AMY KASS: But what is the implication for what you are actually advocating? Roll back what has been done?

WILLIAM SCHAMBRA: Well, you can’t undo history, but I would say that we need to challenge the professional elite, the reliance on professional elites that Progressivism bequeaths.

AMY KASS: Thank you.

JEFF WEISSGLASS: I just want to ask one question. I read the first two paragraphs and was sort of dying for the footnotes, because there is a lot here, you’ve thought about a lot.

But I was particularly interested in the piece about, you have a sense of the people engaged in commerce the Founders understood to be too stubborn and moderate, too busy to with comfort [inaudible].

My question is essentially about the proposition Bill makes about the role of commerce being intentional—it seems that there was an intentional effort to get us too engaged in commerce to seek too much political power. I’m not quite sure what the point was, but where did that come from? Let’s just hear a little bit more about that.

WILLIAM SCHAMBRA: A number of the 18th-century political philosophers understood commerce to be—and the sort of the new focus on self-interest—to be valuable, because it would moderate the political zeal and religious zeal that had destroyed all previous popular governments, namely, all the previous democracies.

The problem was you need to somehow or another—before you can turn government over, in a sense, to the *demos*, the people, their political inclinations had to be, in some fashion or another, moderated and tamed. That was the understanding of that sort of 18th-century political philosophy that was picked up by Madison and others like that and became part of—I mean, they understood that America would be a successful democracy for the first time, because we were a large commercial republic, and in the infinite multiplication of self-interest and economic interest groups and whatnot, there would be that, as they put it in the Federalist Papers, you would have coalitions—you wouldn’t have coalitions on anything other than a kind of broad understanding of public interest rather than the narrow sort of politically and religiously driven zeal.

IRENE CROWE: Bill, can you say a little bit more about what you mean by citizenship?

WILLIAM SCHAMBRA: I think citizenship means self-governance. It has its political aspects and it has its moral aspects. The political aspect of self-governance is rooted in the kind of moral understanding of self-governance and it's the ability to govern your *self*, your own passions and interests, that you learn in the small associations of civil society. It's the only way to teach that. I don't think we have ever figured out a way—I mean, whenever you talk about this, whatever you cite Tocqueville, people say, “Oh, that's just romantic nonsense. The day of the small village is gone—what are you talking about this for.”

I don't think we've ever figured out a way to create decent citizens from young people coming into the world without those attributes in any other way than to immerse them in small communities in which those virtues are taught, where they are reinforced at every turn. Everyone in the neighborhood is on the same page in terms of the virtues that have been inculcated in the young person.

It is in that context that citizenship, by which I understand moral and political self-governance, is nurtured.

ANNA FAITH JONES: It's interesting. That was the message of an interesting book written toward the end of the '80s called *Habits of the Heart*. This guy actually went around and did interviews with a lot of people, and that's exactly what he says. People have become so self-interested that they have forgotten about the people, the habits of the heart that bound us into communities and neighborhoods—the basis of what, in our Constitutional documents, we call common good. We have forgotten what that was.

AMY KASS: Rick?

RICK COHEN: Well, I think I have to actually comment on some of the earlier discussion in order to be able to get to Bill's point. So let me raise a couple of points and then give a brief summary of what I think I was trying to say.

I have to acknowledge the fact that there are three people in this room, as philanthropic leaders, who have affected me and my history greatly, and that's Gene Wilson, Karl Stauber, and Emmett Carson. So I'm really afraid now that they're going to say “this guy never understood anything we were telling him all these years.”

First, I was struck by the heart string issue, because I'm sort of where Emmett is. I know many philanthropists that don't have heart strings, they don't have a heart. I'm not really concerned about the heart. I'm concerned about fighting for what we want the money to be used for and how we affect their philanthropic perspectives and their purposes.

So I give wide variety to what philanthropy can be used for, but I think philanthropy, which goes to Donn's point early on, is deliberative. It's not a size issue. It's a sense of whatever the money is that you're dealing with. It's something that I felt was structural, defined for me in the 9/11 context. I looked at many people who responded to 9/11 who responded quickly and said “I've got the money to do things, I have to show my caring and concern, and I want to demonstrate it and I want to do the caring,” and I viewed that as good, solid charity, and there is nothing wrong with charity. This is not a hierarchical distinction between good philanthropy and bad charity. That was a fine response.

Then there was a response to 9/11 that said what are the deeper, long-term consequences that have to be addressed in terms of what has happened to our community and what has happened to our society and how do you rebuild Lower Manhattan. I view that is more deliberative, and, to me, the deliberative side was the philanthropic side.

That means I don't say that philanthropy has to agree with me and my concerns around social justice. It's that it is deliberative and I accept wide varieties of what people can deliberate their philanthropy to do.

So that may not be a helpful piece, but it goes to Bill's point and Bill's challenge to me.

But I think there is actually an area of agreement that all four papers have, because it was a weakness in our discussion that I think Anna started to get to, is that we talk about this like we were talking about business, except if we were talking about business, we would be talking about business with no customers and no markets. We were talking about philanthropy without the people, the systems, the recipients, the dynamics of how philanthropy operates in all four papers and that relationship between the philanthropic institutions or the philanthropic people and the people with whom they interact as core to it, and I think that shaped and it brought some of the papers together.

Where Bill and I probably disagree—and Bill and I are always searching for areas of why we can disagree and how we disagree—is that I don't worry as much about where people come from to reach those decisions.

Being an old lefty, as I am, I remember the Left always having long discussions over who understood the right aspect of whatever the text they were looking at was, and you'd talk to the Marxists, and they would all argue over who really owned the economic and philosophic manuscripts of 1844, as though that was really critical.

And when Bill cites Ivan Ilych, and, of course, Ilych was a great person, I agree, but he also formed the writing of Paul O'Frerro [ph]. I remember that the Leftists had real trouble with Frerro, because he would cite among his references Antonio Granci [ph] and Pope John XXIII, and the Leftists just couldn't understand that idea that he was taking Pope John XXIII as a basis for his thinking.

So I think there are many routes for how we get to what we are arguing about. I think we have to be arguing, to some extent, about what we want philanthropy to do, which is really the heart of, I think, what your question is.

In the challenge for me in my paper was that it's hard to talk about philanthropy without going into bromides. We're talking about 60, 70, 80,000 philanthropic grant-making institutions, and you add corporations to it and beyond that total, you have 1.4 million or so nonprofits and associations—who knows—it's a very complex and polyglot kind of sector to try to say here is what I think philanthropy ought to be and here is what I think philanthropy ought to do.

So it's more about arguing over what I would like to have philanthropy do that we want and that there are lots of different kinds of purposes of philanthropy.

But I think key is that whatever that deliberation is, it should be focused around things that are really important. I think it's the sense of dealing with important concerns and important issues that distinguishes what I think is really good philanthropy from somewhat more frivolous philanthropy.

My organization has done lots of studies of conservative foundations. What I love about the conservative foundations, it is serious philanthropy. I mean, we have fabulous conversations, because it's addressing important stuff, and I think that becomes the critical question to us.

That means, to me, and this goes a little bit to the question about the tax exemption, is, I would be asking are we measuring up to the trust that the public has invested in us for saying with the tax exemption, I choose to use this money in the public purposes myself as opposed to letting government do it.

To have philanthropy, and all of us around the room, no matter what our political perspective is, say to ourselves, are we earning that trust? Are we behaving in a way that measures up and says to the public—and I don't care about whether it's Senator Grassley or anybody else—that we've really measured up to be warranted with the trust the public has given us in the use of these tax-exempt funds.

I think that's a question that, if people were to ask that on a regular basis, and I don't think it is asked very often, it would be a huge deliberative improvement in the way philanthropy operates.

I use that as sort of my point to get into a couple of issues, which I'm amazed that the Council lets me in the room half the time, but the issues that I generally raise about the fact that, in talking to grassroots organizations, where I think much of democracy is occurring, the *vibrant* democracy of many communities, I talk to those organizations and they feel that there is an ice age coming.

Karl or Gene, one of you said that larger organizations tend to fund larger organizations. They feel that, quite correctly, they feel that the large foundations are favoring organizations that look and feel like them, that feel comfortable to them, and there is a real sense of discomfort and fear among many nonprofits, at the grassroots level in particular, that provide voices, some of them important democratic constituencies—and I would say there is a real challenge for philanthropy there in saying, how much are we really building the voice and contributing to the voice of that dynamic, and, therefore, I go to, how are foundations delivering their value. I've looked at the often debilitating kind of grant-making that foundations engage in, where they, in many ways, impoverish rather than strengthen organizations, going to the number of ways that everybody around this table knows how grant-making can impoverish.

I look at the fact of the restrictions that foundations put on them, and here we are talking about a democratic process, and yet foundations often don't support the thing that community-based organizations and nonprofits themselves do. That is their contribution to a democratic dynamic.

And then the odd anomaly, which probably troubles me greatly in this whole conversation, and I don't have a way out of it, I don't have a good answer, that we are talking about philanthropy as addressing democratic process and contributing to democracy, and yet philanthropy is, in and of itself, a somewhat undemocratic structure.

It's almost like they are asking the self-perpetuating aristocracy to be sensitive to the concerns of the people who don't like the aristocracy.

So there are questions about how you rethink the voice, and Ruth's comment about the homeless program at the Boston Foundation, I think it's a fabulous example of the kinds of things that maybe philanthropy can do, without undoing how philanthropy is structured and how it's motivated and how it's produced, to increase the democratic dynamic.

And then, finally, just so the Council on Foundations can throw me out of the room completely, when I heard about the billion-dollar person that wanted to give ten percent of his assets, I thought great, the payout rate is up! I've been waiting for that to occur.

I think the problem is, you look at the concentration of wealth and the needs and concerns of communities around the country and they look at the assets and say these assets are not being well mobilized; not only in the grant-making, but, also, in the deployment of the balance sheet part of the foundation. We forget

that when you have a half a trillion dollars worth of money and the focus on the little bit that goes out as grant-making, there are ways of really mobilizing capital on behalf of this that go beyond simply what is given out through the grant-making process.

So I think there are questions about purpose that we can fight over, but I think there are a lot of legitimate purposes to philanthropy, but certain things that I think philanthropy can be doing that if we don't think about, we undo some of the things that probably everybody here, no matter what their political perspective, even as diverse as Bill and me, that we can even agree about what we're trying to achieve.

WINSOME McINTOSH: You say, "Ultimately the answer has to be, in democratizing foundation governance, breaking the near monopoly of people's wealth and privilege and controlling philanthropic resources, else institutional philanthropy becomes increasingly anachronistic."

Would you entertain the idea that when foundations reach a certain level of size and, as they do that, they instinctively become democratized in their governance, and what I'm thinking of is, there are 60,000 foundations in this country; 40,000 of them probably are small family foundations, with assets of a million to two million dollars, something that is not very large, and they have no staff and their trustees run amuck.

You have to separate out, in my mind, the distinction between these two types of institutions and you don't make a distinction in your paper at all.

And I can see where democratization of large institutions, like Ford, Mellon, MacArthur, that has already happened, in a sense. There are no family members on those.

But are you suggesting that virtually all democratization should take place at the smaller family foundation level, as those new foundations are emerging, as well?

RICK COHEN: No, no, no. First, I pointed out that there are so many different kinds of foundations, that the problem of these papers is that we make descriptions without recognizing the fact that there are huge differences.

So I'm troubled by the differences. I'm actually—if I were to talk about democracy as the voice of the communities in philanthropy, in philanthropic decision-making, I'll bet that I'll find many small foundations that are much closer to their communities and hear much better than the large institutional foundations.

So that if I were to say, what is the definition of democracy, in some cases, it might be changing the governance; in some cases, it might be changing the hearing patterns of foundations.

So I'm not sure, and, in fact, I would probably sharply disagree that the large foundations, because they are large and the family members are no longer playing a dominant role, are, by definition, more democratic because family is no longer a part of that.

I would say—I cited Madeline Lee, of the New York Foundation, and one of the things that Maddy Lee once said to me was that how a foundation learns about and communicates with its grant-making constituencies and stakeholders is one of the best tests of the accountability of foundations.

If I took the word "accountability" out of that and put the word "democracy" or "democratization" in there, that might be the same sentence.

So I think it's—I didn't prescribe a bromide. I didn't prescribe, let's kick the family members out.

WINSOME McINTOSH: It sounded like you were going to throw the baby out with the bath water.

RICK COHEN: I might stick some non-family members into these foundations, but I think that that doesn't guarantee me democracy and I would hesitate to say that a large bureaucracy or, in Bill's definition, a professionalized bureaucracy is necessarily democratic. It could be as undemocratic as an oligarchy of wealthy people that have no ability to listen to the voices of the community.

WINSOME McINTOSH: There is one sector in the foundation community, though, that has those characteristics, and that's the community foundations who are—and their money is put together by wealthy people and families and those—the governance of that usually is community, *really* community leaders and community stakeholders.

RICK COHEN: I would say there are two sectors, at least two, and there are probably many more. I think community foundations, because they are products of community, and, again, are closer to their communities, have, in many cases, but not all—some community foundations operate like a glorified commercial funds. So let's not make speak in generalizations again about the community foundation sector.

But because they are products of and closer to community, they often come up with structures like that homeless program that Anna [Faith Jones] and Ruth [McCambridge] talked about at the Boston Foundation.

I also think the other one is the health conversion foundations. Many of the models for community input into foundation grant-making I have found in the conversion foundations.

Now, again, there is a community or a public process behind the creation of some of those foundations, which may say, opening up foundations to more interaction with the public gets a more democratic kind of dynamic in new grant-making.

So I didn't want to prescribe a fiat that says kick all the family members out, or kick them out and make all of the [inaudible] for 25 percent. I thought that that wasn't necessarily the best or only, although there may be some real value in reducing the control of family members, but I think it's deeper than that.

AMY KASS: A quick question of information?

MARVIN OLASKY: A quick question. I'm just wondering about this sentence: "The unparalleled opportunity for foundation grant-making to ratchet up support for community-based groups to organize and advocate for attention to and change in government and corporate policy and behavior."

Question: Is the unparalleled opportunity to ratchet up support for that particular type of community-based group—what if there is a community-based group and they're just people who want to go and hold AIDS babies, or they want to build a home for orphans? They're really not interested in organizing and advocating for change in governmental policies. They just want to do that.

Is that also part of the unparalleled opportunity or would you rather have them concentrate on—

RICK COHEN: First, I think that building an infrastructure of community organizations is a critically important thing, because those organizations, whether they're holding AIDS babies or advocating for

better AIDS support, is important, because they are closer to the voices of the people that are most concerned about those issues.

What I'm saying, though, in that part, though, is that frequently many foundations will provide support for that organization that provides assistance to people with AIDS and not give it the resources to do the advocacy as well, because many times those groups want to do that, because, unlike people who are advocates who talk about these distant, generalized, academic kind of needs, that organization knows the needs better, because it is in more direct contact, and to give them a voice about what those victims are really feeling is an important thing, yet they are frequently denied that resource.

So I think there's both—building that organization is critical, because it gets the voice and the contact with the people who are concerned about the issues done. At the same time, we're hearing that organization talk about those concerns, and we often don't hear them because the funding streams often say, "you're an advocacy organization, you're a service organization, we can't possibly blend the two."

MARVIN OLASKY: Does the advocacy have to push in a different and specific way to continue with, let's say, an AIDS ministry? Let's say they are also opposed to same sex marriage. So last fall, in 11 states, they got involved in referendum about same sex marriage.

So they're involved in care, but they are also involved in advocacy, but it's advocacy, in one sense, towards the right and care towards the left.

Are you open to all those?

RICK COHEN: I have actually written about the effectiveness of it, and my argument has been that the Left has been much less effective in supporting the effort and advocacy on its side, and the Right has been—the Right has actually said, this is an important thing to go do.

MARVIN OLASKY: I'm just trying to understand the dimensions of this. If there is—and, certainly, you know that in inner city areas, particularly, often, churches are the going game in town and if these are church-based and strongly involved in religion, is this also something for foundations to be pushing for support of?

RICK COHEN: I think the question on religion, I think many foundations do support religion and that is certainly within their mandates to do so.

The question becomes what are we actually using tax-exempt resources for and are people eligible to benefit from the use of tax-exempt resources. I think that is a legitimate debate point here at the table, which may be one of the elements of difference.

But I do think that there is nothing that prevents an organization or a group from advocating for its beliefs, so long as it is doing it within the bounds of the law.

MARVIN OLASKY: So foundations, then, you're saying, should be pushing for all of this and there should not be—and you're not—when you talk about organizing and advocating for attention to and changing government and corporate policy and behavior, you're not pushing left, you're not pushing right, you're pushing for whatever the community wants to do.

RICK COHEN: I think foundations can do all of that. I'm pushing for a particular side of it, because I think that the issues that have been of most concern to the people that I work with, the organizations that I work with, have gotten very little support from foundations, despite the large, wealthy foundations.

So when I say I'm pushing, I'm pushing for a particular side of that dimension. The ability of foundations to do that is certainly something that they should be doing that is serious. It's serious work. But many conservative foundations have taken that work, I think, in a more serious and thoughtful manner than sometimes—and, again, these are bromides. I hate to use the generalizations, but I think more so than many foundations—the people that populate them might agree more with me, with their politics, but I think they do less serious work with their philanthropy.

IRENE CROWE: I am not at all adverse to bromides. I just want to make sure I understand one thing you are saying.

RICK COHEN: I'm sorry. I apologize for attacking bromides.

IRENE CROWE: Wow, you really are true to yourself, as they say.

Listen. Are you really saying that advocacy is the virtue, in and of itself, that that is really what is important?

RICK COHEN: I do think that the successes of the nonprofit growth, if you look at the fine work that many nonprofits have done in service delivery and the fine work they have done in other areas, the distinctive successes of the nonprofit world, and somebody said, what is distinctive about the philanthropic sector in our nation, it is that our nonprofits have actually advocated for changes when the major sectors of government and business have been deaf to those voices.

So that while I have great value—and, by the way, I often look at service delivery as yardstick competition for many in the current standards of how things are delivered by large institutions of government and business, so that even that delivery becomes a way of advocating.

But I think it is the advocacy role of nonprofits, which, in this nation, is quite distinctive, that I think is the unusual value that, in history, I can cite lots of examples of what nonprofits have created through their advocacy.

It goes into what Karl raised in his paper, but I think we support too little of that, and the reason I like it so much is that unlike the people in government or people in business, I think nonprofits hear the voices of the people they are talking about and advocating for better than the people who are distant and don't know the reality.

They talk about them as abstractions, and nonprofits know them.

AMY KASS: Time is pressing. Let me push forward, so that we get to all the papers. Marvin?

MARVIN OLASKY: Well, I'm going to try to tie together perhaps a little bit of the discussion earlier this afternoon with what Rick was just saying, with my own paper.

Sure, the growth of philanthropy, as a special discipline, a hundred years ago was, in some ways, a reaction to corporate and political corruption in the 1870s and the 1880s and so forth.

It was also a reaction to the populism of the 1890s. The populism reacting, in some ways, to that corruption was seen as a great threat by many of the Progressives and was much more powerful than, say, the corporate power at that point.

If you look at the rise of William Jennings Bryan, for example, getting the presidential nomination of the democratic party in 1896 and 1900, that was basically the populous party taking over the democratic party, over the fervent opposition of Grover Cleveland and the Gold Democrats, as they were called at that point.

It was kind of like if Ross Perot and gotten a Republican nomination in 1992 and 1996. There was a takeover, and the Progressives, in many ways, were reacting against that by saying we don't want these corrupt corpo-crats to run American society, we especially don't want these populists to run American society; we want to set up a rule by experts.

So you had the growth of the city manager idea. You were going to take elections out of the hands of people. You're going to set up a city manager and he was going to run the city on a professional basis.

You had the growth of the commission form of national government starting way back, in what, 1877 with the Interstate Commerce Commission, but then you had the growth of all those other commissions, and, again, that was taking these crucial areas of society out of the control of the people.

And in some ways, you had the growth of philanthropy which paralleled that, philanthropy as a discipline. You're going to have scientific management of giving and so forth. You weren't going to put it in the hands of people. And there was also a rebellion against, in many ways, control of charity by churches.

I mean, churches were the major charity deliverer, very active in fighting poverty—hundreds, I mean, thousands of organizations that were fighting, in many ways, a successful war on poverty in terms of helping people to move out of poverty.

New immigrants then came in, but people were moving out. So there was an opposition to that, setting up a scientific system of management, and that has proceeded, basically, and advanced over the past century.

Where are we now? There is a real populist uprising against control by what are sometimes called elites. There is a populist uprising against governmental control by elites, corporate control.

There's a whole lot of fervor out there concerning courts and control by judges and so forth. All these, in some ways, represent a populist upsurge.

What I am proposing, essentially, is that this time, as opposed to a century ago, where the people involved in big-time giving said, "No, we want to stop, we want to move away from that populist upsurge, we don't want to do what, in a sense, the people are yearning for and we especially don't want to do these religious things that lots of people are involved in," that, at this point, we respond to the public and say, "Well, yeah, maybe you actually do have more wisdom than we do."

I was talking earlier with Bill about the people sometimes designing new dormitories or quads at colleges, and rather than putting down particular pathways in which they believe students will walk, they don't put down any pathways at first and they see how the students do it and they follow that.

What I have seen in the past 20 years, basically, of seeing a lot of community organizations, is that people do not tend to think about some of the issues in a way that people in Washington think about the issues.

People tend to see a problem with crime and they are looking at, what can we do right now in our community, and maybe they aren't doing the long-range thinking about what needs to be done to get to the root causes and so forth.

They say, what can we do right now to deal with particular problems, like, for example, if there is a big field—this is a situation in Dallas—a big field where drug dealers are stashing stuff and stuff is overgrown, let's mow the field. I mean, let's take away that particular place. Let's do things like setting up street lights and so forth to do specific things, which may not get to the root causes, but they do cut down crime a lot.

This is what you hear actually in talking with people in communities, for the most part. Unless they have been taught by folks coming in or people in various sociology programs and so forth, you don't hear people talking, for the most part, about community political organizing.

You hear people saying, "Hey, here's a problem, we want to do something about it. Here are kids who can't read and we want to tutor them." And one hopes, also, that they get to some of the structural programs and the problems of why education in the inner cities is so bad, but, for the most part, they are saying, "here is a direct problem, we want to act on it directly," and it seems to me that we should do some listening to what these folks are doing.

I guess my major point here, concerning philanthropic humility, is that we should not be like the writers of dissertations that I supervise in my Ph.D. program.

The idea is, all right, you come up with an idea that you think is a grand way of explaining something, and then you do a lot of research to make sure, you do a literature search to make sure no one else has come up with that same idea, and if someone has come up with that same idea, that's a terrible thing, because then maybe you won't be able to do your dissertation.

You're looking to come up with something that you uniquely have derived from your own rationalization, your own rational thought processes. You are looking to make sure no one else has done it, and then you're going out and doing research on that.

That is often the way we proceed in philanthropy, it seems to me, from my look at a lot of foundations. People come up with, a-ha, here is a problem, a-ha, here is a root cause, a-ha, I have a brainy theory as to how I'm going to deal with it, and now I'm going to solicit funds, I'm going to bring in people, we're going to do this, and, eventually, if all works well, we'll have a big government program down the road.

I proceed the exact opposite way. Start with, well, we're not so smart. Often, we don't live in the community that we are trying to help. Listen to the people who live in that community. Spend a lot of time going there and listening.

Don't visit there and then try to think, a-ha, I have found out who a community leader is, because this person is the vocal person or this person is one who is getting this publicity and so forth.

For the most part, you find that the people really doing the job are doing it very well, are not particularly vocal about it and they're not the ones that have gotten a lot of publicity. They're spending their time doing it.

So you have to spend a lot of time in the community, listening to people, seeing what's going on, seeing what works, and then working to come alongside those people and help them do a better job; not your ideas, but *their* ideas. Listen to *them*.

Again, this is a hard process. It is not something that foundation officers want to do, because foundation officers, like all the rest of us, want to be brainy guys rather than listeners.

But it's a process that, in fact, is very rewarding when you find out who the real community leaders are and you can help them do a better job.

I can't stress how important it is to spend that time scouting. I bought some stamps this morning and saw that there is a John Wayne stamp now, which reminded me of a movie from 1948 called Fort Apache, where Henry Fonda is a spit-and-polish kind of eastern general who was sent west to fight the Indians.

John Wayne is kind of a veteran fighter on the frontier. And Henry Fonda comes there full of big ideas about how to do the job and he thinks, after doing a little bit of scouting, he knows the terrain. In fact, he tells John Wayne, "Well, I saw some of those Apaches you're always talking about and they didn't look so tough to me," and John Wayne responds, "If you saw them, they weren't Apaches."

And that is often the way it is when looking at what's going on in communities that we ourselves don't live in. You have to spend a lot of time scouting. It's not a Star Search or American Idol, where the folks are going to come forward and come on stage before you. They're not going to do that. They don't spend time that way. They spend time actually administering to people who need help. Then very often, you're going to have to spend a lot of time in churches, and, in some neighborhoods, in synagogues, and, in some neighborhoods, in mosques. That is where very often the vibrant social institutions of communities, particularly inner city communities, are.

That also goes against the tendency of lots of people in universities and perhaps a number of people in foundations, as well. So it's a whole different process of thinking that is involved. In some ways, it is being more a journalist; I mean, a journalist who actually goes and listens and observes and watches, as opposed to the dissertation writer who comes up with a brainy idea and then does research and hopes it catches on.

Very different type of understanding of how we perceive it.

AMY KASS: Any questions?

IRENE CROWE: I just wonder if you could help us by saying a little bit more about what you mean by the real members of mankind are those on the streets every day.

But my question is what happens if some of those people on the streets are saying, "Look, I don't just want to have this particular field leveled, because of the dope problem," as you suggested, "but I want my children to not have to go on leveling their fields."

In other words, what happens if she says, "I want greater access to social and economic goods which will enable me to not have to engage?"

MARVIN OLASKY: If she does that, that's great, if she does that. You will find very often, at least I have found in communities that there is a certain skepticism or even cynicism about grand plans to rid entire neighborhoods of drugs permanently.

They have heard such things before. They have seen such plans, and, again, generalizing here, for the most part, they see this as outsiders parachuting in, trying to tell them how to organize things and what to do and so forth.

I have found folks are not hugely excited about people coming in to raise their cautions. They tend to be—again, generalizing—more involved with specific solutions.

My own bias—I mean, I’m going to go in several months to South Africa and Namibia to visit some and write about some orphans homes. These are the people I respect and cherish, the people who are actually out there doing it, and that’s what I mean by paying more attention to the streets.

I have a friend who runs a homeless shelter in Denver, who talks about a doctor of streetology, which he has, being much more useful than the doctor of philosophy that I have. He’s exactly right. He understands things a lot better than I do.

IRENE CROWE: Just to quickly follow up. As I understood it, and I am most likely wrong, you are suggesting that one group of people is doing all the listening, which people are most, often outsiders. They then advocate for changes, as they see them, which change may or may not be important in the community. Is this the point? That’s the part I’m not quite clear how you relate to.

MARVIN OLASKY: I guess there are two major theories of social change. One could be called, I suppose, one-by-one from the bottom-up, and perhaps, also, from the inside-out, in terms of spiritual and psychological changes.

Another theory of change could be essentially million-by-million from the top-down, basically—try to change the law, try to change from the top-down and then individuals will respond to those particular stimuli that they face.

My own experience, and, I guess, at this point, my own theory is that change one-by-one from the bottom-up and from the inside-out tends to be a lot more effective and a lot longer lasting than that which tends to be imposed from the bottom.

AMY KASS: Thank you. Karl?

KARL STAUBER: I am basically arguing that charity and philanthropy are football and baseball. They’re different. They’re related. They can be placed on a continuum.

But I believe that institutions are very much a product of the time in which they emerge. The scientific rationalists were, in fact, a product of the time in which they emerged. From my perspective, the new right reformists of the 1820s were a product of the time in which they emerged.

I could give other examples, but it is my perception that charity is a product of the Middle Ages, and it is important. It does good things.

Rick was talking about 9/11. I thought your distinction was useful. A lot of people responded by giving money to help out, to reduce the pain and suffering, that they were all the “worthy sufferers.”

So my reading of the history of charity is that there has been great debate about the worthy sufferers versus the unworthy sufferers. Jews were not worthy sufferers, if you were a Christian charity. Christians were more likely to be. Women were more likely to be. So there were those kind of divisions.

Philanthropy, I think, is a product of scientific rationalism, that reformist period, and, you are probably right, a good bit of it is anti-populist in its nature and its orientation.

As a native son of the South, where populism ran the Democratic Party and kept Blacks in apartheid for a hundred years after the end of the Civil War, you know, populism is a good thing sometimes. If we can have La Follette in Wisconsin, it’s a great thing. If we could have McCarthy in South Dakota, it’s a great thing. If we have McCarthy in Wisconsin, it’s a different thing.

But philanthropy is a product of that scientific rationalist period, and I think has, as its core assumption, that, in fact, what we want is knowable in a scientific and rational way.

So whether it's the Green Revolution, whether it's reducing gender discrimination in the public schools, these types of things, the idea is that we can come up with a plan—it's knowable, and if it's knowable, it's doable.

Going back to Emmett's question, why is that important. Well, in a grand public debate, it may not be important, because we may not be able to get the debate to that level.

But in my own thinking, it is important, because there are, in fact, different norms of judgments about it. If you're looking at charity, the norm of judgment—if you're going back to the 9/11 event, I was amazed at how many people were unhappy that it took months to get the money out, and part of that was about who is a worthy recipient and who is not a worthy recipient. I mean, if a regular private foundation had done it, it would have taken *years* to get the money out. We would have had three commissions, the whole bit.

So I think there are different norms that are inherent in charity and in philanthropy, and when I listen to the public debate, when I listen to Mr. Grassley and Mr. Baucus talk about these things, I hear them confusing the norms. I hear them making judgments about philanthropy based on charitable norms and I hear them making judgments about charities based on philanthropic norms.

I don't know that we will ever be able to separate that conversation and it may not be worth our effort, but I think, internally, it is important for us in this process to understand those distinctions.

Now, with regard to the 20th-century model of philanthropy, which is the second half of what I try and talk about: it's an elite model. It is largely an academic model. The elites get to identify a problem that they think is important. They get to support some exploration, some analysis. They experiment for a while. They get it to a certain scale, and through most of the 20th century, the solution has been, they transfer it to the "feds."

Well, maybe because I used to be a fed and was in this town for the balanced budget agreement, I think that the core assumption of the 20th-century philanthropic model of an activist in expanding federal government no longer fits the United States.

I think, at best, we are going to have a flat federal government. I think, realistically, if you look at mandatory spending versus discretionary spending, on the discretionary side, we are going to have a declining federal government, and I don't think it matters whether it's a Democratic administration or a Republican administration.

I just think that is the way in which it is going to work, with the baby boom demographics and other things, over the next 20 to 30 years.

So if that assumption doesn't work anymore, what is our model? I talk about it as the Rockefeller-Carnegie-Ford model, because I think those institutions have used it extremely well. It is an elite model, but that elite model is based on an assumption that I, at least, argue doesn't play anymore.

So what I am suggesting is that we ought to be quite intentionally experimenting—and what I don't know is whether or not there is both political will and political tolerance for this—but we ought to be

experimenting, just like we were in the 1870s and the 1880s and the 1890s, and we ought to be trying out a lot of these things.

We ought to be quite intentional about it. I'm not saying be scientific about it, but I think we ought to be rational about it. Really, ask the question, can we apply knowledge-based standards to see if approach A works better in this circumstance than approach B type of thing.

It is interesting listening to Marvin talking about what he is advocating. The Northwest Area Foundation is trying to do that in a lot of ways. We are going to work with ten communities for at least ten years and we're going to put an average of \$10 million into each one.

Now, we're not coming in saying, what do you want to do? We're coming in and saying we have one objective, and that is to help you reduce poverty. You need to help us figure out how you will reduce poverty.

If they say we want to stabilize the middle class, we say fine, get some other money. If they say, we want to build great cultural institutions, we say, tell us how it reduces poverty.

So we make ten-year commitments. The funds are released on a performance basis, on standards that are agreed to by both parties.

Usually, our local partner is a nonprofit, but we see the customers as being the community, not being the institutions of the community, but being the community itself, and, in many cases, we have to force a new conversation in that community.

In many cases, what we find is the community version of what you are talking about nationally. There is a real struggle going on between the populists and the elites, and the elites are often the ones that own the timber mill or control access to the forest or get most of the money from the federal government for crop subsidies.

So we find ourselves in the middle of those political debates.

So, I guess, to stop and to summarize, we are trying to identify what works, not in a scientific way, but in a community-based way. We are trying to share that, and then advocate it, and help the communities do the same. We see the communities as our customers, not the federal government, not any single set of institutions, and we put certain norms on it.

We want it to be inclusive. We want it to build new economic engines, things of that sort. But at the end of the day, the success occurs at the community level, and if we are successful, we become a transfer agent.

So let me stop there, rather than going further into it.

AMY KASS: Questions? Please.

JOSEPH PERPICH: I would like the four speakers to tell us a little bit more about their definition of community. Having worked in various, quote-unquote community programs—community mental health, geographically, a variety, through churches—can you give me a sense of how you define it and how you see it evolving, and especially in the digital world, the virtual world in which we live, or increasingly live, where there are many different communities, there's a whole different world of thinking about communities and how they might be defined. So I'm really kind of interested in your sense of how you

see the evolution of that concept, in your own mind, from where you've come and where you see it in the future.

AMY KASS: Why don't you start, Karl?

KARL STAUBER: We don't have a standardized definition of community and we think, in fact, many federally imposed and government-imposed definitions of community get in the way.

In some of the urban communities we work in, the cities have decided, this is a neighborhood and they have defined them legally.

In many of the rural communities, and I work in 75 percent rural communities, significantly on Indian reservations, the county has said, this is the unit.

What we are trying to understand is, what does it take, economically, socially, and politically, for this area to have enough political clout, enough social bonding, and enough economic activity to pull it off.

So in Montana, the community has decided—not the foundation, the community has decided—that their community of work is ten counties, and the top line on that ten counties is 200 miles.

In north Minneapolis where we are working, the community has decided that it's 13 neighborhoods. We started off with nine. They pushed it and it went out to 13.

So, one of the listening exercises we do in communities, we go in and we identify—in a lot of the places we work, the hospital administrator knows what the community is.

The person who runs the tire retreading business knows what the community is. The wholesale grocer knows what the community is.

They are thinking about these things in both economic and social terms, because that is where their employees come from, that is where their customers come from.

So we see it as a very organic definition, but it has, as its underpinning, political—if you do it in too small of a unit, they are never going to have the political power to make anything happen. It has a political dimension, it has an economic dimension, and it has a social dimension.

If you do it in too big of an area, people see themselves as not relating to those folks. So it ends up being kind of a simultaneous-equation solution rather than a standardized solution.

JOSEPH PERPICH: So you find local community leaders who you think speak for the community. How do they become the received wisdom of the local community?

KARL STAUBER: We do very little with individuals. We do things with collective groups, and we spend 18 months to two years in a community before we ever start getting into that community.

I'll give you a simple example. If you ask the leaders, the elected traditional leadership in Miner County, South Dakota, which is a 100 miles from Sioux Falls and 75 miles from Mitchell, for those of you that have been to the Corn Palace, I see none of you have, Red Skelton played there in 1956, if you ask the local leaders are there any Latinos in this community, they'll tell you no.

If you ask the guy that runs the one grocery store in the county, he'll tell you, yeah, there are a bunch of Latinos here; they've been coming in, they've been asking for this product, we've been getting this product for them.

If you ask the school superintendent, the school superintendent is not likely to know. If you ask the school nurse, the school nurse knows.

So you have to draw intelligence and wisdom from lots and lots of different points. I think one of our greatest challenges at the Northwest Area Foundation is what I think Bill was talking about earlier. We are much comfortable talking with people like us, people with advanced academic degrees, people that are used to being around the academy, dealing with ideas, that kind of stuff.

We've got to get away from that pretty quickly, and sometimes that means you can't be the primary information contact. You have to hire somebody else to be the intermediary to help you with that.

AMY KASS: If you were able to make lots of visits to whatever area you are interested in, and you located one program or project or one person who was having an enormous impact, why wouldn't you support that one?. I'm trying to understand this: What is the virtue of getting multiple people involved in defining what to do?

KARL STAUBER: A couple of things. It has been our experience that if a community doesn't own it, the community won't sustain it.

We're going to invest ten years, we're going to invest ten million. The highest we have invested is 20 million. The lowest we have invested is four and a half million.

Our money is not going to make this happen. Our money is—whichever one of us talked about oil on the tin man. I mean, it's important, often because it legitimizes a discussion, but if we are seen as coming in and appointing the bishops of economic development in north central Montana, it is our experience that that is not going to work.

There is also a real probability it's not going to work with the mass of people, but we think there is a higher probability. There is no guarantee, but we think there is higher probability, if, in fact, it is an inclusive process that is reflective of the community.

Now, we've gotten in trouble because some people only want us to work with one piece of the community, and our great fear in that is that you are then getting caught in an "us-them."

In north Minneapolis, after we worked there a year, in our developmental work, I got a phone call from the Black Ministerial Association. They asked me to come meet with them.

I went and met with them and they said, "Give us the money, we represent the community." And I looked around the room and I said, "Forty percent of the community is non-African-American. They are not represented here."

I said, "What are you doing with the Ethiopian and Somali communities." They said, "Well, those people aren't Christians."

And I said, "The reason we are not going to give you the money is because you, in fact, don't have the ability to bring the whole community in. We would ask you to participate with us, if you want to."

So we have this fundamental belief in inclusiveness from a populist, non-elitist perspective. Sometimes it backs us into a challenging situation.

Some of you know we are getting sued in one community we worked in. Marvin, you describe a wonderful process. Be real careful what you wish for.

AMY KASS: What is the difference, in your understanding, between what you are doing and what Bill, Marvin and Rick are talking about? For the three of them also recognize and emphasize the importance of grassroots. What really is the unique difference in what you are proposing?

KARL STAUBER: I would say the unique difference is, we are not asking the community an open-ended question. We are asking the community, do you want to reduce poverty and how do you reduce poverty, and that is all we're going to fund.

So if they think the real issue in their community, and a lot of the communities we work in are in the West, if they think the real issue is irrigation—water, you know—more power to 'em. We're not going to accept anything that the community says.

Over the six years we have been doing this work, we have tried to get much clearer about what our value frame is, and it makes it easier to do the work in the community.

I don't know if that's fair or not.

RICK COHEN: It strikes me—two things. First, I think that, saying what you are trying to do, “alleviate poverty,” that is your philanthropic mission. There are many philanthropic missions, and philanthropists and philanthropic institutions can make those choices.

I think your model—I think maybe you are a continuum kind of guy—but in a sense, you just described a model which I think is a challenge to a false dichotomy that is at the table. Well, partially, I think it is a false dichotomy. Partially, I think it's also an underestimation of people at the community level.

The false dichotomy is that we have—I'm extending your comments, so then you can tell me I have misunderstood everything you have said. But it is that there are these two models. There is the top-down imposition or the listening-and-responding-to-the-community as though there is nothing in the middle.

You said, in passing, that one of the things the Northwest Area Foundation does is accumulate knowledge about what people have learned about this.

So that in a way, you're not saying that you are purely, without a lens, listening to the community, and you're not saying, I have a preset form of poverty alleviation which I will stamp on Yakima County, Washington.

But there is an interplay between the two, which is the reality of how many things occur. Emmett knows me better than most people, and he knows that I'm an old community organizer. I come out of public housing and I worked in the community development world for, unfortunately, many years more than I probably should have. I find that community people, because they are not stuck in their communities—there's the internet, there's TV, there's radio, there is their own intelligence—are quite able to stand up for themselves and say to the outside experts who come in with the clipboards and the cameras, “I don't buy your argument, I don't buy your analysis, we have a different approach.”

So the idea that we either listen and don't engage, as opposed to engaging people in a discussion of, "Here is what I think I know and our research at Northwest Area says that some of the more promising examples are A, B and C," and in a particular community in north Minneapolis, they say, "Well, what about D, and how would you like to try that and we think it would be worth it," that is what people do in these communities. It's not just top-down or bottom-up. I think it is something that you are trying to do that puts you in the middle of that continuum. That is a healthy and realistic approach to the dynamics that play out.

MARVIN OLASKY: One question. Let's say you find one group that is not inclusive because it only represents 40 percent of the area defined as a community, and then you find that a second group represents, say, 30 percent, and a third group represents 20 percent, and a fourth group 10 percent.

So with those four groups, you have the community covered, but none of them is inclusive.

Would you say, okay, we'll work with these four groups, or would you want to try to set up some group that would be inclusive?

KARL STAUBER: Well, that's a great question. We've done it both ways, and here is my observation based on the bumps and the bruises that have gone with that.

In communities where power is based on saying no, bringing those groups together doesn't work. But in communities where power is based on saying yes, that works.

Now, how do you get a community to say yes or to say no? There are some communities that, in my experience, have been so abused by the outside academicians coming in that their first response is always no, we don't want to have anything to do with you.

There are other communities where there are fundamental distrust issues, often around race lines and around economic lines, and I think that resolving those is a 20 to 30 year process. That's not a ten year process.

So I'm not saying it's not possible, but it takes a different approach, and we are actually thinking about some of those different approaches now and some of the states that we work in, with the rural Latino community, there are parts of the rural Latino community that are very Catholic Church based, they are Cesar Chavez based, they come of the farm work.

In Idaho, there is a whole newer wave of people that come out of the Pentecostal community. They don't want anything to do with farm workers. They think that is old stuff. They don't like the union model.

Those two groups don't want to work together. They actually see themselves as political enemies and, in some ways, economic enemies.

We can't do the kind of inclusive approach there that we want to do, so we are instead making a four-year investment and trying to start some different kind of conversations in those communities to see if we can, in fact, help to create some common ground.

I don't know whether it will work or not. It goes back to the notion that you have to be pretty flexible and willing to try different approaches, as long as you are clear about what is the end you want to produce.

AMY KASS: Bill?

WILLIAM SCHAMBRA: Well, it sounds to me like you are trying to engineer community where it doesn't exist, and it strikes me that what you have described is gravitating to more toward the top-down rather than the bottom-up solution.

One looks at American history—my German ancestors came here and formed organizations of all sorts that were primarily German, and I am sure they had all sorts of terrible attitudes toward the Irish and other folks in Wheeling, West Virginia. But this is how Americans organized—according to certain narrow parochial interests which it was, in part, the Progressive intention to destroy, because they didn't like that, because it was not only ethnically centered, but centered around various kinds of faiths that were antagonistic toward the modern future that we were ushering in with these scientific advances.

Why try to engineer that? What is the virtue of trying to force a conversation on the community and, therefore, define a community that doesn't exist?

I'm not quite sure what the point of that is. The example that comes to my mind is from my experience at Bradley Foundation—the example of on the one hand, Father Dennis Lewis, who, through the Catholic Church, was working with a segment of the population, and on the other hand, the Lao Community Center, which worked with a portion of the Hmong population. So, obviously, part of that population was Catholic and part of it was animist, and we could have spent a lot of time anguishing about the fact that the ACT/CDC was not talking to the Lao Community Center, but they are both doing terrific things. You support them. You hope, over time, I suppose, that they talk to each other, but why is that my business? Why am I trying to engineer a dialogue that—I mean, what is the virtue of that? To put it as bluntly as I can!

KARL STAUBER: Well, you quote Father Lewis. I'll quote Monsignor Baroni. Geno's view of the world, as I understood it when I used to sit at Geno's feet and he used to stick those stinky cigars in my face, was, at some level, it is about having the political clout to see that you have the ability to do what you want to do.

Now, I will admit, in the confines of this room, that half of my doctoral training is in economics. I don't want that spread around.

I think economic power is just as important as political power, and a lot of the communities that we work with—I mean, I'm talking about counties, in many cases, that have a population of 2,000 people and they are the size of half of Connecticut.

If they keep thinking about the world as their county, what is the probability that they are ever going to have the economic or the political clout to transform away from the agriculture that they came out there in the 1880s and 1890s to found and what is happening today?

Now, maybe you just say that's okay, let them move to the cities, let them find jobs there; that's a different variety of social engineering. It's a little more Darwinistic than we are willing to do.

So one of the questions we are asking is, what is the scale necessary? Can you get to the transformative point? We're still interested in the transformation. Can you get to the transformative point, individual small nonprofit by individual small nonprofit, in an environment of declining federal support?

WILLIAM SCHAMBRA: So behind this, though, there is this larger and largely unspoken end that you are trying to achieve that does involve economic and political transformation of some sort. At some point, one would want to—

KARL STAUBER: It's not unspoken.

WILLIAM SCHAMBRA: Well, the substance of that transformation, I think, would need to be spelled out more.

AMY KASS: In fairness, he's saying solve the problem of poverty.

WILLIAM SCHAMBRA: Through social and economic transformation. Okay.

KARL STAUBER: People say I don't like social engineering. I believe America was founded on social engineering and I believe the debate between Hamilton and Jefferson was a debate about which form of social engineering, not about, are we going to have it or aren't we going to have it.

AMY KASS: Okay. Tim, Emmett, and then Jim.

TIM WALTER: I don't know if this is a comment or a question or it's just part of the conversation, but one of the things, Karl, I am struck by is something earlier that you said about foundations should experiment/model/test.

But I'm kind of curious to see how the recipients of the grants in the ten communities, if they are comfortable feeling that they are experiments—and my guess is you are fairly straightforward with folks about that.

But just in terms of the role of what philanthropy should be doing, this is the—that is where the real sort of “miss,” I think, is.

To me, what I am hearing between you and the other folks, the other three speakers, that the—and I get this from Casey Foundation, too, saying we're going to be place-based initiative now, and I'm thinking, well, that's good, but the people who are already based on those places don't want to see you coming in and trumpeting your place-based initiative.

Yet, it's great that it is place-based and you are thinking that way, but for the recipients of the money, this is home and this is not an experiment.

KARL STAUBER: We don't, in communities, talk about experiments, because it sounds too lab rat. What we do say very clearly is, “Look, we're not giving you this money because we think you're pretty or we are nice. We are giving you this money because we expect to learn and we expect to share that knowledge with other communities.”

So our core strategy, if you look at our website, our website is organized by “identify,” “share,” “advocate.”

At least the leadership of the communities that we are working in intensively understand that the reason we are doing it is not because they are worthy people. That is important. We want something back.

I think we make a great mistake in philanthropy by acting like we are giving people money because they are really nice people. Male bovine excrement, as I have learned to say. It's a Department of Agriculture thing.

TIM WALTER: Remarkably untechnical.

KARL STAUBER: It is, though. Everybody can get it. That's right.

But when Bradley gave money, what did Bradley want back? I have heard you talk about one of the real powers of your grant-making was that you were clear on the ends you wanted to produce and you didn't all get hung up in process stuff.

WILLIAM SCHAMBRA: It wasn't our ends. It was their ends. They came to us with their ends and that was—I mean, we don't sit there and tell groups this is what we are hoping to accomplish; now, you all come and show up and change your ends in some way so that it's—

KARL STAUBER: So a bunch of lefty groups are going to come to you, the Center for Community Change is going to come to you and—

WILLIAM SCHAMBRA: This Casey, you guys, you'll be funding all the groups that are working on the social and economic transformations. We'll be working on it with a different—but that's part of it.

SARA ENGELHARDT: You're making choices, too.

WILLIAM SCHAMBRA: Of course. Absolutely. Absolutely.

SARA ENGELHARDT: Choosing it based on the degree to which their purposes coincide with your goals, I hope.

WILLIAM SCHAMBRA: The Lao Community Center and the ACTS Community Development Center are working—are representatives of the Lao community, which is badly under-represented in the world of nonprofits in Milwaukee, and we support their goals.

I'm not quite sure exactly what their model of change is, because we didn't ask. You know, we don't ask them questions based on our preconceived understandings of how you go about social change.

SARA ENGELHARDT: It sounds to me like the conversation we are having here is the conversation that goes on around the boardrooms of foundations, whether they have staff or not, around the country all the time.

How do we get something good done in this world? There are as many answers as there are people at the table, and foundations work it out this way.

I guess my discomfort in this is that, if we're not all going to make a grant together, so that we aren't going to come to some satisfactory—anything a foundation does is going to be criticizable. Any strategy is not always going to work.

I mean, Andrew Carnegie is often extolled because he gave public libraries to 2,500 communities. He required that they put books in there and provide the land, and he was criticized *roundly* for trying to engineer the goals of these communities.

Everything you do can have a downside, and I think that is one of the take-home messages of this discussion.

What I worry about is, with a bunch of lawmakers here in Washington eager to make some laws, they will misunderstand this kind of conversation, which we have all the time among ourselves. They will pick one

answer that they hear said and they will put it into law and it will kill the goose that lays the golden egg. We all do lay eggs at times now!

AMY KASS: Emmett?

EMMETT CARSON: I just wanted to make the observation that words can't, and I am troubled by language, Bill, when you say "force." Grant-making is reciprocal. People choose to either request and they choose to accept terms and conditions.

Any community chooses, any nonprofit chooses. It is a marketplace of ideas and opportunities.

And so this notion that you came and you sort of come in and you *make* people do things, people have an opportunity to say *no*, and grant-makers have an opportunity to say I'm not interested in that.

And it's a market, and I am always surprised that when you have a market, that people who say, well, you can't have your views in the market and people can't choose to accept that point of view in the market, but if they do it this way, it's okay. *It's a market.*

It's a marketplace of money and ideas and strategies and it's a market of people who say I want to apply to do that under those terms, or I don't. No community is forced to take a grant. No nonprofit is forced to the terms of agreement.

They choose. They negotiate. They dialogue. That's the reality of it.

This notion that you make people take your money or that you don't have a value behind the grants that you give—or you shouldn't—just is not consistent with anything that I have ever done with grant-making.

Every donor that gives has an idea, they have some notion of what they would like to have happen. It may or may not happen.

I have never seen anyone say I'm going to put money out the window, whoever is the first one to rise to get it, take it, go do whatever it is you want to and you don't have to report back to me.

I've never seen that. Yet, some of the comments around the table suggest to me that if it's not like that, either you've got too much control that you're exercising or—it goes to what Rick said. This idea that communities don't have smart people, that they don't enter into other kinds of contractual relationships, and nonprofits are being misled, I mean, it's a dialogue and people choose and fit, and it's a market, and I'm surprised we don't celebrate the marketplace of philanthropy. That is what makes it special.

MARVIN OLASKY: Just real quickly. I know professors who defend the practice of having sex with students, saying it's—

EMMETT CARSON: They are wrong.

MARVIN OLASKY:—consensual. They are saying it's consensual. It's a market. It's a dialogue.

EMMETT CARSON: They are wrong. Because, see, this teacher works for the student. The philanthropist doesn't work for the nonprofit. That is where the analogy breaks down.

JEFF WEISSGLASS: As but I've listened to this conversation on both over the last couple hours, I've felt my stomach clenching every time somebody talks about these "elite." Well, I'm one of them, and everybody in this room, at some level, is one of them, and the thousands and hundreds of thousands of people in this country who are thinking, educated people are among those "elites" that we keep talking about.

Frankly, an awful lot of them are creating community, Bill, around, very much around the issues that they see in the world.

So when you go to look for a community, you can look for the environmental-activist community as an example. I think it's a very strong bond that, in the modern world, much different than your German ancestors or my Jewish ancestors coming and settling in some neighborhood and working together.

So I am really feeling a need for us to rethink what we are saying about ourselves and how we are honoring the role and the humanity of the people who try to do the work all over the country, and how we really, rather than setting this up as the elite versus the communities, talk about how the human beings who are deciding to devote their lives not to commercial enterprise, but to, somehow, whether through government service or nonprofit service or philanthropic service, to serve the public good, how we can support and nurture and build really truly respectful partnerships in this marketplace, perhaps, that we talk about.

Of all the things I read, the sentence that jumped out at me that has just been rambling around, Bill, was your sentence that says, "It's not clear what can be done about our cultural materialism for societies, disenfranchising professionalism."

In some ways, that is what my work is all about, asking that question, what can be done about that, and I think that if we just say, "Well, all the smart educated people should just go up in commerce and we should leave the communities to do what they want," then we are letting commerce be our social engineering, essentially, because we set that up.

So for me, the fundamental question is how we can all partner [inaudible] injecting the notion that there is something valuable for smart educated people to do, other than commerce.

AMY KASS: I observed almost everybody suggesting precisely that: wanting to build certain kinds of partnerships. What those would look like would be very different perhaps, but certainly Karl Stauber is doing that for his communities. I think Bradley, what Bill was talking about, is doing that. They are supporting somebody there who is doing something terrific.

That's a long question. And I've got responses to just about everything, but our time is running out.

RUTH McCAMBRIDGE: There is just so much stuff to talk about. Nothing happens in a vacuum and everything has an effect.

So when you begin talking about this as a market, you have to look at, who is the customer supposedly being served by philanthropy—who is the customer and who is the customer paying for the philanthropy. They are two different things.

And when I've got the go-between, you basically—you have a market for nonprofits, where they are responding to one group as a buyer and, very often, another group as the recipient of the service.

Now, the buyer doesn't necessarily ever talk to the recipient of the service about what they really want or what they really think is going to work.

So what I am hearing people talk about is some distress with that, but we have now created quite a monster. We have created a monster where we actually have nonprofits out there, I'm not going to idealize them, that don't respond to their constituencies. They respond to the guy who is paying the bills.

So you've got a complete mismatch of strategy to community, and we have created that by not insisting that the governance mechanisms of the nonprofits serving those communities respond to those communities in a very direct way.

The same holds true—it's just like it repeats itself up the ladder, and it's a system. So we either remake that market, in a very intentional way, or we keep doing these silly—I'm sorry, I don't mean to call any experiment silly, but when I'm thinking about some of the things that foundations, that will remain unnamed, and not yours, Karl, because I don't know—

KARL STAUBER: We are silly.

RUTH McCAMBRIDGE: That have done community-building work and then walked away from it all across this country—it is embarrassing, and if we are going to call them experiments, at least let's decode what has happened there.

But in my opinion, we've got some much deeper work to do about the opinions of the people we are honoring and how we do that, and what our processes are for doing that, to ever have this conversation really in a way where we feel like we are being *honorable*, because, to me, this conversation has just been—I feel like I need a decoder ring.

It's still very muddy. Let me just say one other thing.

There is also this other problem. When we talk about philanthropy, we talk about it even though we have two very different things. One is institutionalized philanthropy and the other one is kind of a more individual or family orientation to what we're doing.

These are two extremely different things. Now, we might want to begin to bring them, in practice, closer together, and we should talk about how to do that, but they are very different things, and when you are dealing with employees who are trying to meet the needs of the institution and then trying to translate between the needs of the institutions—say, a Carnegie or Ford or a Boston Foundation or whatever—and the community and the nonprofits, you are going to have a lot of muddy area in there.

So I think that, in general, these are very complicated questions. I wish that we could begin to promote models so that we can say, here are a bunch of various models that we can choose from.

For instance, one model is, identify people who are already really active in the community and let 'er rip, support them, and some foundations have that as a model. Then other foundations have something more like what you are talking about, let's re-create a process, because the people who say they represent that community don't necessarily represent it, so we need to just re-create the entire process.

But I think it's a bunch of very complicated questions. I love that I always experience Bill and Rick as mostly agreeing, because, to me, that means that—and like I told Bill, I tell Bill that I think he has plot flaws. That's the problem there.

But I enjoy that they mostly agree, because I actually think there is something in there that we all have to work out about the way democracy actually needs to happen, and the way, if a foundation is actually interested in supporting democracy, the way that gets done.

EUGENE WILSON: All of us in this conversation, I think, in answering your question today, what should philanthropy aim to do, would agree with all four writers that increased civic participation more broadly at the grassroots level is a desirable goal and it would be wonderful if more foundations would pay attention to that. Unfortunately, they don't.

However, I haven't heard anybody define, to my satisfaction, what the major social issues of the nation are, nor have I heard anybody define what is the public benefit, and I would object strongly that if those definitions were imposed on us by some central authority.

What should philanthropy aim to do? I believe, in a few years, we will list, as a great grant, the grant that the Gordon and Betty Moore Foundation just made, \$25 million, for a study of nanotechnology.

That is not civic participation, but that is an issue really close to Gordon and Betty Moore's hearts, and, at a place like Cal Tech, I think that will really produce results.

I think the money that goes for performing arts centers is an important addition to our culture. So, yes, civic participation is important, but philanthropy, in terms of advancing this country, covers an awfully broad range.

When you get to the democratization of the decision—we haven't talked about the trustees. We've talked about the arrogant program officers. But in my experience, trustees want big, hairy, audacious goals. They want to know where the whole run is coming from and they want to reduce the mean time to benefit, and they want it more-better-faster, and there is a mismatch between the complex messiness of grassroots and the acknowledgment that the churches are really important in democracy for the health of a society, and the ego-driven impulse for recognition.

We have talked about that and I think that is a crucial point when we get to the answer of what should today's philanthropy do.

AMY KASS: Clearly this conversation can be taken in any number of additional directions and we have, at best, only made a beginning on the large topic before us. But, alas, we are out of time.

By way of closing, let me remind you, as the title of this project, "Dialogues on **Civic Philanthropy**," suggests, that I am particularly interested in what philanthropy can do to develop and enhance civic life. And the many ideas discussed this afternoon have certainly given me food for more thought on this subject. But a propos the relation between philanthropy and civic health, there is one thing in particular that many of your comments drove home for me.

Let me take you back for a moment to a sentence in Marvin Olasky's little piece: "A foundation can add to what's already there perhaps oiling tin joints, but it cannot give anything new. It especially cannot give courage, which is probably the quality most needed for effective poverty-fighting."

Now, I have long believed, contrary to Marvin, that philanthropy can indeed give people courage, which I readily agree with Marvin is the one thing most needed for effective poverty-fighting, as well as for so many other things. And I have long thought that it does so, first and foremost, by giving the sort of support that provides people with hope without which little else, including courage, can grow or flourish. But how does it give people hope?

It occurs to me now that it does so precisely by taking people seriously in the various ways so many of you have emphasized – by listening to their voices, by building partnerships, by enabling people to face and to solve their own problems in their own ways, and by helping people build their own communities of trust and support.

If philanthropy can really continue to do this, then I believe there is every reason to be hope-filled about the prospects for civic life, and perhaps, even more generally, about the ‘interesting times in which we live.’

Again, let me thank you all very much for coming this afternoon. Let’s continue our conversation informally at the lovely reception the Council has arranged for us.

[Applause.]

[END OF AUDIO RECORDING.]
