— EDITED TRANSCRIPT—

HUDSON INSTITUTE's
Bradley Center for Philanthropy and Civic Renewal
presents a discussion of

Taking Philanthropy Seriously

Thursday, March 22, 2007, Noon Noon to 2:00 p.m.
The Betsy and Walter Stern Conference Center, Hudson Institute

In his introduction to *Taking Philanthropy Seriously: Beyond Noble Intentions to Responsible Giving*, co-editor William Damon notes that "Philanthropy stands as an exception among the fields of highly consequential work in that it conducts its affairs without reference to common codes that are known throughout the field, learned by all practitioners, widely accepted, and circulated by an authoritative professional association."

This is profoundly unhealthy, he argues. "Philanthropy, like medicine and other professional activities, is a powerful intervention. It can and does change lives." But because philanthropy is so manifestly well-intentioned, it tends to ignore the fact that, like any effort to change human lives, it can as readily lead to disaster as to improvement. The remedy, in his view, is to pay more attention to the harms that giving can produce, which will in turn evoke a new seriousness within philanthropy about developing its core "domain" – the "base of knowledge, skills, standards, and best practices the field has evolved to date."

Does modern philanthropy tend to be insufficiently aware of the harms that it can produce, as well as the benefits? Should philanthropy seek to develop a greater sense of moral awareness and professionalism? Would greater professionalism dampen the passionate enthusiasm that often attracts individuals of wealth to philanthropy? How would it affect democratic responsiveness? On March 22, these and other questions were tackled by a panel of experts including editor **WILLIAM DAMON** of Stanford University and the Hoover Institution, *Nonprofit Quarterly* editor **RUTH MCCAMBRIDGE**, **ALBERT KEITH WHITAKER** of Calibre and Boston College, and Stanford University's **ROB REICH**, who has an essay in Damon's volume. The Bradley Center's **WILLIAM SCHAMBRA** served as the discussion's moderator.

PROGRAM and PANEL

12:00 p.m. Welcome by Hudson Institute's **WILLIAM SCHAMBRA**
12:10 Panel discussion
Panelists: **WILLIAM DAMON**, Hoover Institution
ROB REICH, Stanford University
RUTH MCCAMBRIDGE, *The Nonprofit Quarterly*
ALBERT KEITH WHITAKER, Calibre
1:00 Question-and-answer session
2:00 Adjournment

This transcript was prepared from an audio recording and edited by Krista Shaffer. To request further information on this event or the Bradley Center, please contact Hudson Institute at (202) 974-2424 or e-mail Krista Shaffer at krista@hudson.org

HUDSON INSTITUTE

1015 15th Street, N.W.
Suite 600
Washington, DC 20005
202.974.2400
202.974.2410 Fax
http://pcr.hudson.org

Panel Biographies

William Damon is a senior fellow at the Hoover Institution, the director of the Stanford Center on Adolescence, and a professor of education at Stanford University. Damon's current research explores how people develop character and a sense of purpose in their work, family, and community relationships. He also has written widely about how to educate for ethical understanding. Damon's most recent books are *Taking Philanthropy Seriously: Beyond Noble Intentions to Responsible Giving* (2006); *The Moral Advantage: How to Succeed in Business by Doing the Right Thing* (2004); and *Noble Purpose: The Joy of Living a Meaningful Life* (2003). He has written ten other books, many book chapters, and numerous articles for professional journals. Damon is editor in chief of *The Handbook of Child Psychology*, fifth and sixth editions (1998 and 2006). Before coming to Stanford in 1997, Damon was a professor of education and University Professor at Brown University, where he continues to hold an appointment as an adjunct professor of human development.

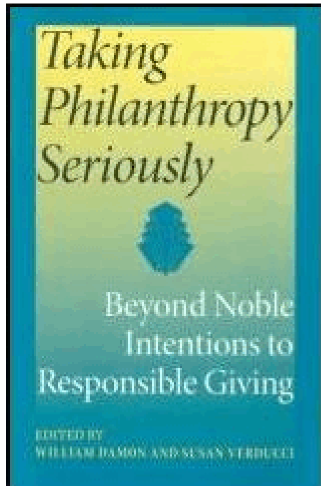
Ruth McCambridge is the editor in chief of the *Nonprofit Quarterly*, this country's premier journal for nonprofit practitioners. She began her career more than forty years ago door-knocking in Boston for a national civil rights organization and spent the next twenty years working in grassroots organizations that mixed self help and organizing with policy advocacy. In the late 1980s, McCambridge took a longstanding interest in organizational dynamics to the Boston Community Foundation where she managed the Fund for the Homeless, a public/private partnership, and developed and implemented a number of collaboratively funded city and statewide capacity building initiatives. *The Nonprofit Quarterly* is six years old, and newly independent.

Rob Reich is assistant professor of Political Science, Ethics in Society, and, by courtesy, Education, at Stanford University. His main interests are in contemporary liberal theory, and he is working on two projects, the first on the ideals of equality and adequacy as applied to school law and reform, the second about topics in ethics, public policy, and philanthropy. He is the author of *Bridging Liberalism and Multiculturalism in American Education* (University of Chicago Press, 2002) and co-author of *Democracy at Risk: How Political Choices Undermine Citizen Participation and What We Can Do About It* (Brookings Institution Press, 2005). Reich is the recipient of the Walter J. Gores Award, Stanford University's highest award for teaching. He has also received fellowships from the Spencer Foundation and the Stanford Humanities Center. In 2004-05, he was a Laurance Rockefeller Visiting Fellow at the Center for Human Values at Princeton University.

Albert Keith Whitaker is director of Family Dynamics at Calibre, a national practice specializing in multi-generational wealth management. Whitaker advises families on communication techniques, governance, and legacy planning, using a comprehensive consultation process to foster family strengths. He helps families develop and reach shared goals in a variety of enterprises, including family business, wealth management, and philanthropy. Prior to joining Calibre, Whitaker was a philosophy professor at Boston College, focusing on political philosophy and ethics. He also managed a family office for over a decade, trusteeing a variety of personal and charitable trusts, facilitating family meetings, and serving as president of a private foundation. Whitaker remains a research fellow at Boston College's Center on Wealth and Philanthropy, and his work has appeared in *Philanthropy Magazine*, the *Journal of Financial Planning*, and *More than Money Magazine*. Later this year, he and Center director Paul Schervish will be publishing a book on spirituality and philanthropy.

Proceedings

WILLIAM SCHAMBRA: The focus of today's panel, entitled "Taking Philanthropy Seriously," is a thought-provoking new volume of essays edited by Stanford University's William Damon and his colleague Susan Verducci, entitled *Taking Philanthropy Seriously: Beyond Noble Intentions to Responsible Giving* (Indiana University Press, 2006). (For more information or to order the book, visit Indiana University Press online at http://www.iupress.indiana.edu/catalog/product_info.php?cPath'1037_2545_2581&products_id'40880.)



Professor Damon provides the introductory essay to this volume, and at the heart of that essay—and this is a free interpretation—is this sobering and troubling syllogism. Major premise: Philanthropy is such a powerful intervention into human affairs that without a domain—a base of knowledge, skills, standards, and best practices accepted by most in the field—it is likely to cause as much harm as good. Minor premise: Modern American philanthropy does not possess the domain. Conclusion: Modern American philanthropy is likely to cause as much harm as good. And as I said, that's a free interpretation which I'm sure Professor Damon will dispute to some degree momentarily.

We know a couple of things about Professor Damon from this syllogism. First, we know that his career aspirations lie in a field other than philanthropy. Second, we know that from this perspective outside philanthropy he brings a courageous and insightful point of view to those of us who labor in the vineyards. His argument raises a number of questions that need to be taken seriously by anyone who takes philanthropy seriously:

- Is it the case that modern philanthropy is so enamored of its good intentions, so insulated by its wealth and power, that it is insufficiently aware of the harms that it can cause?
- To avoid these harms, would it be useful for philanthropy to develop and propagate a domain, a widely accepted set of professional standards and practices?
- Might that not in fact dampen the personal passions and energies of likely donors in America and thereby, over time, diminish the flow of wealth into philanthropy?
- At any rate, don't we hear the complaint today from some that the field is already too professionalized, and that what it truly requires is a good dose of participatory democracy?

These and other questions will be tackled by today's panelists starting with Professor Damon himself. Professor Damon is a senior fellow at the Hoover Institution and a professor of education—not philanthropy—at Stanford. He will be followed by Rob Reich (pronounced "Reesh"), who has a contribution in the volume and is a professor of political science, ethics, and education at Stanford. We'll then hear from Ruth McCambridge, editor in chief of *The Nonprofit*

Quarterly, the nation's premier journal for nonprofit practitioners. And finally, we'll turn to Keith Whitaker, who is director of Family Dynamics at Calibre, a national practice specializing in multi-generational wealth management, and a research fellow at Boston College's Center on Wealth and Philanthropy, where he has been working on a book with Paul Schervish entitled *The Will of God and Wealth* (forthcoming, Indiana University Press). The book should be published—as he put it—"in time for the giving season" next fall, so we will certainly have him back to talk about the book later this year or early next year.

Let's get things underway with Professor Damon—I understand you have a PowerPoint presentation for us?

WILLIAM DAMON: I do! And Bill, I appreciate your introduction because you set up for me already the contrast that I am trying to make. Philanthropy is an intervention—and that's a statement in and of itself that is not always appreciated by folks who donate funds or time to causes that they consider to be worthwhile. The contrast, exactly, is really what Tom (Thomas) Tierney calls "feel-good philanthropy," which sometimes takes place under the assumption that giving money away is automatically going to do something good. What harm can it possibly do? If you give somebody money, of course it is going to improve their lot in life. In the extreme version, Jim (James Allen) Smith (in the audience today) reminds us of the Roman tradition called *sparsio*, where wealthy people scattered coins from their chariots and watched as people scrambled around to grab them. As Jim points out, the motives for doing this were questionable. Sometimes the wealthy person just enjoyed seeing people debase themselves. Is that really in their interest? Is that "doing good"? That's an extreme version, but I think that there is a widespread assumption in the field and among wealth donors that more is better, and if you give money away, that in and of itself is going to produce social good. That's what we are going to argue against, and in fact make the case that in order to produce social good, a strategy is needed, caution, and the same kind of expertise that is needed in, for example, medicine—which to me is a reasonable analogy. Medicine is an intervention in the human corpus; you wouldn't do it lightly. If somebody does brain surgery on you, you want them to know where the brain is and how to get to it.

The book *Taking Philanthropy Seriously* contains essays, many of which cluster around a study we did as a part of the GoodWork Project (http://goodworkproject.org/). The GoodWork Project looked at a lot of domains, a lot of professions—journalism, law, medicine, science—and always with the same question: How can people in these cutting-edge professions accomplish good work under pressures, complexities, and all of the stumbling blocks and obstacles of modern life including marketplace pressures and so on?

When we took a look at philanthropy—and we did this at the urging, and funding, of the Hewlett Foundation—we came to the view that philanthropy actually isn't that easy, either. This surprised me, new to the field as I was. We took a look at philanthropy comparatively; we did a study in which we interviewed virtually everybody from every role we could think of from the donor end to the recipient end. We tried to cover the landscape of the types of giving, the types of foundations, and the types of agencies that did this kind of thing. We did some case studies of successes and failures. And as I said, we had a database that could compare philanthropists' work with law, medicine, business, journalism, and other leading professions.

I want to start on a positive note; I'm not trying to trash philanthropy as a field—and by the way, I think that it's one of the noble enterprises in the history of the world. Nothing I say should be interpreted as being anti-philanthropy or discouraging people from giving their funds and their time. So on the positive side of things, the field has some very distinct strengths even when compared with other professions or specialties. Certainly the intentions of people are benevolent, by and large. Nothing is 100 percent. Certainly there are a few people in it for control and so on. But we pretty much found in a credible way that people really cared about what they were doing.

And as Bill (Schambra) indicated, people who give away billions of dollars—and we interviewed billion-dollar givers—have a certain passion and joy, and philanthropoids, as people often refer to people who work in foundations, are a very hard-working lot, even in comparison with other tough professions. They work lawyers' hours, believe it or not. And there is a sense of stewardship. There is no question that the professionals in the field understand that it's not their money. They say that; it's almost a mantra. And they understand that there's a responsibility there.

We did not find any brewing scandals. There are some, of course—there's the Bishop Trust in Hawaii. Every now and then, people do things that are improper. But by and large our predication was and our assessment is that people are acutely aware of conflict of interest—and avoid them. They're ethical.

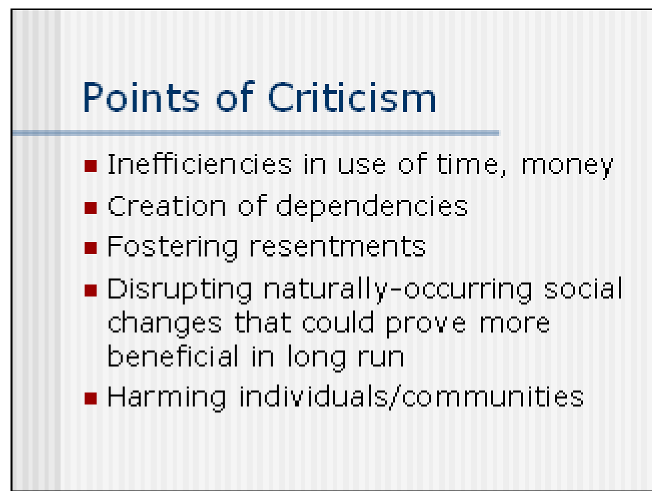
All of these things, I think, are reasonable generalizations about the field that were reflected in our findings. That's the good news—and I think that's significant good news.

A couple of our interviews gave us a kind of foreshadowing of some of the things that we were going to find. Two in particular were very fascinating; they were with two of the great thinkers of the 20th century—one from the nonprofit world, John Gardner, and one from the for-profit world, Peter Drucker. We had the great fortune of interviewing both of them, and the interviews were wonderful and full of insights.

There was almost no overlap among them except for one remarkable coincidence. When they were referring to philanthropy, they both cited the same *Peanuts* cartoon—one in which Charlie Brown's baseball team suffers yet another humiliating loss. Charlie Brown, the team's manager and pitcher, wonders aloud, "How can we lose when we're so sincere?" And that was the way both of these very insightful gentlemen summed up their view of American philanthropy—which

gave us a bit of pause. And also, they and virtually everybody else told us that we ought to start looking at Andrew Carnegie's "The Gospel of Wealth."

Andrew Carnegie is, of course, the great godfather of American philanthropy, and in fact, Carnegie himself said a couple of surprising things—at least, surprising to me. One is that 95 percent of philanthropy, he claimed—and I don't think he spoke lightly, 95 percent of philanthropy does more harm than good. That's in "The Gospel of Wealth." And he also said that from his point of view, it was a lot easier to make money than to give it away well. Again, I don't think this is something that is intuitively obvious—if you believe Carnegie. And I think Carnegie, at least judging from his own *gravitas*, was quite serious about his claims; these were not light claims. So again, it kind of gives you a little bit of foreshadowing of some of the difficulties. "It's not a slam dunk" is the message there.



What were the points of criticism that we discovered as we interviewed and studied the field? Some of them are obvious. A lot of people complained and there was a lot of documentation about how money is inefficiently given; there's not enough accountability; and huge projects are funded and then end up on a foundation's bookshelf as a report, with very little impact. That's rather obvious. Carnegie's point, himself, was the idea that giving people money carelessly could create dependencies. And that's a well known point by now. I think when he said it, over hundred years ago, it was not. But certainly the welfare debate in the late 20th century brought that into public consciousness, and I think that is understood.

One of the things that is maybe a little more surprising and maybe less understood is how resentful we found the recipients to be, time after time. We went to career recipients—people who had spent twenty, thirty, and forty years living on soft money, basically, from foundation grants in the non-profit world—who were bitter as can be about the kinds of hoops and obstacles that foundations had forced them to go through. That's something, again, to think about. Does this bitterness signal something that is wrong about how this is being done?

We also discovered a lot of cases in which people were convinced that the philanthropic project derailed a natural evolution of ideas that would have ended up being more beneficial to society. I'll tell you just one of those examples that we found, but there were many, all of them tragic because there were such good intentions behind them. The example is in the field of education, which is actually my field. The large Annenberg gift in the 1990s—I think it was half a billion dollars—created a lot of school reform projects all over the place.[1] But according to people we

[1] For more information on the Annenberg Challenge, see page 70 in *Taking Philanthropy Seriously*, part of Chapter

spoke to—and a lot of people mentioned this—it soaked up a lot of the energy and talent and resources in the communities it went into to do the work of the favored projects that got funded by Annenberg, which according to some were not very carefully chosen. And whether or not they were indeed carefully chosen, they didn't end up with any good results. At *Education Week*, a bunch of folks documented this: Just people stumbling along with fewer resources and a different track, people felt, would have produced more credible and useful kinds of education reform ideas.

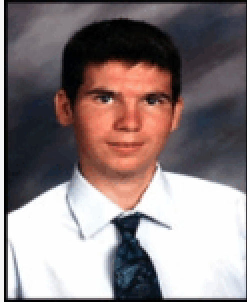
That's one example. You go in with a lot of money and you create a lot of activity. But is the activity beneficial? Does it move forward at all, or does it derail stuff that otherwise would have been better—even with less money?

The final point of criticism is hard to imagine, but it's a point that really needs to be brought home: You can actually directly harm people through philanthropy done in an incautious way. I'll just give you a couple of really quick examples just because it's so hard to believe, it's worth illustrating. And some of these, by modern sensibilities, seem incredible. For example, in the late 19th century, a railroad magnate was willing to fund Admiral Peary's expedition under the condition that he bring back some Greenland Eskimos so that people could see what they looked like. Peary brought six of them back to New York, including Minik. He kept them in the bottom of his ship, and when the arrived, he insisted that they dress as they did in Greenland, even though it was July. He then moved them to the Natural History Museum, I believe, where he kept them in the basement with a grate over their head so people could walk by and look at them as if they were animals. By modern sensibilities, this is incredible. But this really did happen.

Five of the six died. I think Minik actually made it back to Greenland, but died a short time later. Again, it's not the kind of thing that would happen today, but you have to wonder: What are we doing today that might, in a hundred years, seem just as outrageous?

4, "Toward Higher-Impact Philanthropy" by Thomas Tierney. A detailed description of the Annenberg Challenge can be found in Chapter 8 of *Great Philanthropic Mistakes* by Martin Morse Wooster, published by Hudson Institute's Bradley Center for Philanthropy and Civic Renewal in 2006. (Order this book online at: https://www.hudson.org/bookstore/itemdetail.cfm?item=56601)

Jesse Gelsinger, 1981-1999



Something that is more recent is the Jesse Gelsinger case. He was a young man who died in a genetic engineering project. Over two dozen foundations and national agencies were funding this. And at that point, Harold Varmus and other people had widely written about the dangers of this technique. This young man had a disease which, apparently, was controllable, and yet he was willing to do this without—according to the family—well enough informed consent for the sake of science. It wasn't as if he had a fatal illness. You'd think that in all of those foundations, somebody would have insisted that a little more care be taken. Where were the safeguards?

And then there's the very well known social engineering project, almost symptomatic of urban renewal issues. It was a government project, but it was actually initiated—like a lot of government projects are—by private donors who drummed up the idea that the West End of Boston was a slum that ought to be cleared, and people ought to have better housing. The people in these foundations—the Elizabeth Peabody foundation and other local donors—concluded that people were living under terrible conditions, and that they needed to do something about it. But nobody asked the people living in town. This was a community that everybody said worked; there were churches and playgrounds—it was a real community, albeit not very well off.

The foundations managed to clear the land by demolition in 1958-59. Now the area contains parking garages and freeways. A sociological study done later of the residents who were cleared out found that about half of them had improved their housing, while half of them had not. They interviewed the half that had improved their housing, and virtually every single one of them said that they would give anything to go back to their old West End neighborhood. This was, again, supposedly a project for the good of humanity.

You have to ask questions—and ask the right questions—before you do these things.

Now there have been successes—and lots of them. We studied several of them. Some of them are easy—libraries, cultural institutions. I'm going to talk about "ideational funding" just very quickly because it's a case in point of how some people have done good work carefully. But as I said, in our book *Taking Philanthropy Seriously* we have case studies of a bunch of successful interventions that have been done by some of today's foundations—

Past, Present Successes:

- Libraries, Arts, Cultural Institutions
- Ideational Funding
  - Scientific, medical research
  - Innovative social policy ideas
- Organizational capacity: Teach for America, Jumpstart, EMCF programs
- Social Enterprise, Microfinance (grants and loans)

including social enterprise, venture and places that build organizational capacity. You can read about those in some detail in the book.

Let me just talk a little bit about ideational funding, because it is an example of funding done in such a way that the impact is clear, I think. Moreover, it is a Bradley Foundation-sponsored organization hosting this panel today, and so this an appropriate place to talk about this.

We took a look at foundations such as Olin, Bradley, Smith Richardson, and others which under the lead, initially, of Bill Simon, Irving Kristol, and other people began funding new social policy ideas that were contrary at the time. Just to give you a sense of the scale of this, between 1999 and 2001 these foundations gave away $252 million as opposed to $30.5 billion given by the mainstream foundations—Ford, MacArthur, Rockefeller, and so on. And yet, who created a lot of the social policy agenda of the late 20th century and so on? It's clear that these very small foundations ate the lunch of the other foundations because the other foundations really weren't interested in ideas. In fact, one of the people from Ford we interviewed—who had worked at Ford in the 1970s—said, well frankly, we thought that everything that needed to be known was already known, and we just had to go out and do it. And I thought to myself—I'd never say this to anybody gracious enough to be interviewed—I thought, anybody who thinks that everything that needs to be known is already known is headed for trouble in this world. It's just not part of what's given to us humans to know everything.

Successful Ideational Giving

(Olin, Bradley, S-R Foundations)

- $252 Million, '99-'01:$30.5 Billion in '01
- Extensive discussions of mission, vision
  - Interest in new ideas
  - "Precautionary thinking": anticipating harms
- Strategic approach (provide resources for dissemination, other leverage)
- Frequent and flexible assessment: open communication without interference or rigidly defined outcomes
- Persistent, long-term support

At these smaller foundations, everybody who was involved in the original decision-making was still alive except for the elder Bill Simon, so we were fortunate to be able to interview virtually everybody. As a strategy—I think this is a good lesson—there was a lot of interest in new ideas. They actually went through exercises of precautionary thinking. Discussion groups were convened and discussed the question, What harm can we be doing? This actually happened. They took a strategic approach including not just funding the scholarship and the ideas, but also providing resources for dissemination, for example, and other leverages. They did assess, but they were very flexible about it, and they basically had a lot of communication with the folks they were funding, but without having the kind of hubris to think that they could micromanage how this was going to be done. And they gave persistent, long-term support—in one case, twenty years was the length of time. That's almost unheard of in the foundation world.

Common Missteps

- Misguided goals
- Underestimating problem
- Under-assessing outcomes ("feel-good" philanthropy)
- Role confusion: acting like principal
- Non-transparency
- Lack of learning on part of individual, organization, field

As a strategy for producing impact, these are not bad ideas, I would suggest. You can compare them with a lot of the missteps we found in the failure examples: not thinking through your goals, not assessing properly the outcomes. Role confusion—the foundation program officer or donor acting as though he or she is the one doing the work. That's a very common orientation, and one that is likely to fail.

But as Bill (Schambra) said, one of the things we're interested in is the whole idea of building a field, here. And the point I'll end on is this: A field or domain is a body of knowledge that one can rely on. It evolves—like chemistry; we know more than the alchemists knew in the 15th century. This is because we have textbooks, and people write about failures. If you do an experiment that doesn't turn out, you report it, and then you improve. Philanthropy does not do this. It is very nontransparent as a field. People cover up their mistakes. They don't say, well, unfortunately, we funded these guys and it didn't work. The field is not going to make progress that way. Failure has to be seen as a step toward progress. So as a field, there is a lack of learning on the parts of individuals, organizations, and the field as a whole. Our recommendation is to open things up and to learn from them.

Thank you very much!

ROB REICH: First, I want to thank Hudson Institute for inviting me here. This is my first time at a public policy institute in DC, so I'm excited to be here. I also want to mention, because this is one of my first times venturing into DC, if you thought you were going to see the former labor secretary, I'm sorry to disappoint you. I labor under sharing his name. But maybe at this particular place, you're not all that disappointed. (Laughter.)

I'm a political scientist, a political theorist, by training, and the chapter I wrote in the volume that Bill (Damon) edited is called "Philanthropy and Its Uneasy Relation to Equality" (pp. 27-29, *Taking Philanthropy Seriously*). I just want to say a couple of things about philanthropy and its relationship to liberty and equality.

By way of introduction, I think that it's important to note that the entire volume is basically an effort to discuss the moral life of philanthropy. And there are three particular types of questions you might think about when you think about the moral life of philanthropy. First, there's the moral life of the donor and the recipient—so, in a sense, the moral psychology of philanthropy. Second, there's the moral life of the profession, to the extent that one exists. The professions have a distinctive moral character, and that is a very prominent theme within the book. And third, the focus of my contribution is the moral life and the moral aspects of public policy, or what you could call the moral dimensions of the institutional and legal arrangements that govern and structure philanthropy. In that respect, my focus is somewhat different than many of the

essays in the volume, which focus either on the individual psychology of the donor and the recipient or the profession. I'm really looking at the moral dimensions of public policy.

To state what is probably obvious, there are some clear overlaps between these three kinds of moral aspects, but also some tensions. Just to flag one that seems to be obvious, the moral dimensions of the institutional and legal arrangements include looking for a justification for the tax incentive to be offered in public policy for people to give money away. And then many of the questions about the moral life of the individual or the donor are concerned with the moral character of the giver and whether or not philanthropy is a virtue—and you might ask whether or not introducing an economic incentive for people to give money away essentially muddies or corrupts the virtue of giving. In that respect, the moral lives of these different domains don't always sit happily in the same place.

What I'd like to look at is the connection between philanthropy and liberty and equality. One perhaps tendentious way of setting up the question or giving you a sense about how I approach this, is to ask yourself the following question: Philanthropy is a practice that is millennia old; I'm sure it has been around as long as humanity has been here. The institutional arrangements we have here in the United States today, for example tax deductions and exemptions for people who give money away, are less than one hundred years old—at least with respect to the tax deduction. So one simple question you might ask, and I'm inclined to ask, is: Why should we—"we" being here the state, the collective body of citizens—why should we subsidize the liberty of people to give money away?

I try and frame this question in the book by also saying that philanthropy is historically connected to equality. If you think about the roots of philanthropy and charity especially, an awful lot of the commonplace connotations that go along with philanthropy and charity have to do with almsgiving, efforts to redress poverty, efforts to strategically intervene in other people's lives so as to lift them out of desperate situations. And in that respect you might think that the connection between philanthropy and equality is quite tight. In the sense that many of the essays in the volume try and document the possible harms that can occur within philanthropic giving, I take a look at the institutional arrangements, the public policy structure, and the kinds of harms that might exist or be implicit within them.

And so I'll just tick off three things for your consideration. For economists who study philanthropy, I think these are all pretty straightforward and commonplace, but I'll try and connect them with this larger theme of the moral life of philanthropy. First, it's a simple factual matter: The United States Treasury has foregone, roughly speaking, $40 billion last year in tax revenue in the charitable contribution deduction, and therefore taxpayers have lost $40 billion in what would otherwise be direct governmental spending in order to stimulate philanthropic giving. What would be the justification for such a public policy?

The first thing, of course, is that you have to look at the tax code in order to understand how this works. The charitable contribution deduction allows individual taxpayers to deduct money from their taxable income, and because of the progressive nature of our tax code, that essentially puts in place what is called an upside-down subsidy. The richer you are, the greater the benefit you get to give money away—which is to say that the opportunity cost of the virtue of being

charitable or philanthropic *falls* the higher you are on the income scale. There's also the relatively odd feature that if you're not an itemizer—you take the standard deduction on your tax form—you get no incentive to give money away at all. And since 70 percent of Americans aren't itemizers, they receive essentially no stimulus to make a charitable or philanthropic contribution. So the moral dimensions of the tax code look interesting.

Second, and this was a real shock to me as I am a newcomer to this whole area, this whole field, when I went and looked up the distribution of charitable and philanthropic dollars, I was really surprised to find how little money goes to social service agencies, poverty reduction groups. Stephanie Strom wrote in her *New York Times* piece that is now about a year old about the fact that that small amount has actually diminished over the last ten or twenty years. ("What is Charity?" *New York Times*, Nov. 16, 2005)

It's an odd feature of academic life, as least as I've experienced it so far, is that when I read articles about charity or philanthropy in academic journals that discuss it, there's often a footnote in the first or second paragraph saying that for the purposes of this discussion, the author will leave out all of the charitable contributions that go to religious organizations and then proceed on with the analysis of whatever it is that he or she wants to talk about. Sixty percent of individual donations are directed towards religious groups! Of all charitable contributions, it's about 35 or 38 percent. So giving to religious groups is in a certain respect the big gorilla in the room of charity and philanthropy, and it oftentimes doesn't get discussed in questions about the redistributional nature of the charitable and philanthropic sector.

I conclude the chapter I wrote in the volume with a look at a particular kind of giving that has arisen relatively recently, and especially so in California, where I live, and that is private, philanthropic giving to public schools. Many school districts and schools have started things that go beyond parent-teacher organizations, parent-teacher associations. They have things now called local education foundations in which the contributions of parents to the local schools or school district are tax deductible. The private money thus enhances or is a supplement to the public dollars that flow to the public school. Now, I actually went out and collected some data on this, but you don't really need to think very hard about what the distributional effects of this might be. Local education foundations are predominantly successful in wealthy, suburban communities, and you find that wealthy suburban communities can add one or two or three thousand dollars per child in private funds to supplement the public school budget in those areas. And then if you add the tax deduction to that, they're essentially getting a tax break on worsening the inequality that exists between public school districts.

In that respect, the question for me, when looking at the public policy measures, is not about the liberty of parents to give money away to help their own kids, but why is it that we have an incentive within the tax code for people to give money away. Why, again, do we subsidize the liberty of people to give money away when the consequence of this, at least within local education foundations, is to worsen an inequality which ostensibly the state might be responsible for redressing in the first place?

So, all of this is to say that the basic thrust of the chapter I've written is to raise some questions about the connection between philanthropy and equality. Philanthropy clearly is very deeply

connected to liberty. It's a voluntary activity of free individuals, and you might say that one of the chief purposes of a liberal democratic state is to protect the liberty of people to do what they want with their own money. The historically odd feature of the modern state is that we subsidize the liberty of people to give money away—and for what you might have thought was for connecting the impulse to give money to some egalitarian virtue, some egalitarian ideal. But on the ground, the egalitarian nature of the charitable and philanthropic sector doesn't look all that robust. So my chapter ends with a question: Why do we have these tax policies? Why do we have these public policies governing the sector in the way we do?

I leave that open as a question.

RUTH McCAMBRIDGE: I thought it was funny when I got a little note about coming to this session—I was showing it to somebody else before I came up here. It was addressed to "Drs. Damon, Reich, Whitaker and Ruth." (Laughter.) So as somebody who is not among the highly educated nor among the moneyed, I speak to you on behalf of the embittered many who have living off of these foundations for years, trying to do what they can to do good work. (Laughter.)

I do speak with some measure of authority in that *The Nonprofit Quarterly* is driven by the ideas and interests of its readership, and its readership consists of nonprofit leaders and people who work within nonprofits. And so when we go out and we ask them, what's really bugging you? we get back a whole lot of information. And always in among there is a good measure of the bitterness from feeling manipulated, feeling constrained, feeling extraordinarily frustrated that the work that they're doing requires so much dancing to even begin to approach what they originally meant to do.

I have been a so-called philanthropoid myself; I was at the Boston Foundation for ten years. So I take on a measure of guilt in that—myself. But I also want to be really clear about this: For the most part, the decision-making within a philanthropy is done by elites. If it is not by people who come from money and are highly educated, it's done by people who are at least very highly educated. In a lot of cases, their world view does not at all coincide with the world view of the people for whom they are trying to give money. And so they are essentially acting blind unless they make some attempt to go out and find out what those people think. Hence, Scollay Square in Boston no longer exists; it was a very rich neighborhood that people are still mourning. And there are a million stories like that around the country—where people just kind of blindly went forward because something sounded rational to them. They did not consult the people who were going to be most impacted by what they were planning on doing. Instead, they just went ahead with what they thought was a great idea, backed by academics—they all sat down in rooms and talked about it, and then they all went out and implemented it.

But on behalf of philanthropists, I have to say that they couldn't really do that if nonprofits did get in line and line up for their money—and in fact, they do, in a lot of cases. There are a lot of nonprofits which basically will do what the third party funder asks them to do; use the language that they ask them to use, the language of dependency and the language of inadequacy. And so what we end up not being able to see anymore is the incredible strengths of the neighborhoods and the people whom we are actually intending to help. And that is possibly the worst damage

that we could do to any individual or community. When you rob someone of his or her voice, you rob him of his weight in the world. And "doing to" and "doing for" are not "doing with."

I want to give a couple of examples of this that in my experience have been particularly egregious. I worked with the Fund for the Homeless at the Boston Foundation, and I have a lot of stories about that. Little known is the fact that Kitty Dukakis was the chair of my board. Well, I don't know if a lot of you remember Kitty Dukakis, but Kitty had a substance abuse problem. It's no secret. It was pretty open, after a while; there were a lot of exposes about it. And Kitty was a character. She was also a very good fundraiser, I have to say.

When I first went to the Fund for the Homeless, one of the things I found out very early on is that "the homeless" meant a group that was considered to be less than human. "The homeless" were a big, seething mass of people who were existing on the streets and in shelters without opinions. And so we went about trying to change that, to bring them into the mix of designing the programs that they were meant to benefit from. And a psychiatrist who had done a whole bunch of research in those shelters basically came out with the finding that the women in these shelters are not connected to their communities, in fact have broken family ties, and are in many ways mentally incompetent and emotionally incompetent to manage their families. And because I was beginning to see that her pathologizing this whole, huge mass of people was the norm within the funding community in that area—both private philanthropy and the federal government. So I brought the psychiatrist's findings to our committee and I said, "I don't believe this for a minute! I've been in and out of those shelters for years. I know these women. It's not true!" and I asked them, "What do we do?" Unfortunately, already a lot of funding was designed around those findings and the psychiatrist's very faulty research.

Kitty Dukakis, God bless her, had a very simple comment. I'll never forget it. She said, "Well, if I was in that damn shelter, I'd be crazy, too!" Absolutely! Where is the common sense in those findings? We're looking at women who have been through years of stress to even get to the point where they are homeless with their children. They're under additional stress in the shelter. And they're being studied for their pathology in that condition?! Where's the sense? And yet at some point during that period I participated in a panel about the federal government doing big grants to homelessness programs, and on the panel we had to attend to the truthfulness of these particular studies, which we had to fund towards—the fact that these were the truths that we were dealing with. Well, needless to say, I didn't get very far in that panel.

There are a million stories like that. I remember a big foundation in New York City that did a very long project—five years long, which in philanthropy can be long—with a set of organizations, the purpose of which was to create these inclusive, community-changing programs. So they worked to include nonprofits and the residents in decision-making. But when they decided to shut that program down, whom did they include in decision-making? They included the board only. They did not go out and ask, should we shut this program down? to all of the people who had invested in this project. There had been a lot of leadership development; there were a lot of promises made. But at some point the foundation just pulled out. Well, there is no clearer indication that this is not an equal endeavor. This is not a community of practice. There are some very serious power dynamics here that make it very, very difficult for these people in philanthropy to even have the moral imagination to understand the damage that they

might be doing. And so they don't understand, and they will never understand the damage that they might be doing until they get into conversations with the people in question—and excuse me, but it is not common practice.

They work through intermediaries, nonprofits. There was a great study done—I think in Philadelphia—called "Do You See What I See?" As a part of the study, they actually went out and looked at a bunch of nonprofits who were working in the community and the nonprofits didn't even know what the residents were thinking. They were busy using the language of funders even to communicate with one another.[2]

Now, to me, this is not principled practice. It is anti-human rights, as far as I'm concerned. It is certainly anti-empowerment. It is anti-democracy. And it needs to get fixed. My worry about the idea of professionalizing this—and we want to call it a profession—is that the people who are involved in this right now would not have a clue about how to do that in a reasonably moral way. Probably more reasonable would be an effort to try and democratize a little bit the decision-making of philanthropy so that it is at least a little bit more aware of the damage that can be done.

I just want to say one or two more things.

To people who are working on the ground, foundations to a large extent look very fickle and fattish. We learn very quickly how to use the language that we have to use, how to dance the dance that we have to dance. I worked for a long time on battered women's issues, and we could go to the judicial conduct commission when a judge really badly flubbed up a domestic violence case. For foundations, there is no commission we can go to because guess what! If you begin to complain too loudly, you're putting yourself seriously at risk. And so you're caught between a rock and a hard place.

So the level of conversation back that people get about how their practices may not be meeting the mark is not great. It's no wonder that learning doesn't happen easily. There's very little honesty in the relationships between grantees and philanthropists. But beyond that, there are a million reports of projects that didn't work that are buried. We will never see them. You can see the ruins of those projects in low income communities. You can go to any city in this country and see some ruin left over from a bright idea that some national foundation had, a project that people invested in and then had to take apart afterwards, or is still kind of limping along, taking up space in the community.

There is a long way to go to think about professionalizing. I don't actually think that it's the logical next step or the moral next step. I think the moral next step is to really think carefully about how we involve the people whom we want to have benefit from our work in deciding what it is that needs to get done. Scollay Square never would have disappeared if that had been done.

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[2] For more information on "Do You See What I See? Nonprofit and Resident Perceptions of Urban Problems" by Rebecca Kissane and Jeff Gingerich, please read an excerpt of the report published in *The Nonprofit Quarterly*'s Summer 2004 issue, online at http://www.nonprofitquarterly.org/section/519.html. The full text can be downloaded through a link on the page.

There are a million examples of just blindness on the part of philanthropists. It is a very, very broken system. It will become more broken with the growth of much larger foundations unless we really think imaginatively about how they can be held accountable—because they have no natural market. They are not held accountable by anybody right now. Some of them have budgets the size of small countries. But there is no accountability.

And that is my "mad dog" presentation.

Editor's note: The next panelist, Keith Whitaker, submitted for the record an expanded version of his remarks, which appears below. Spoken portions that did not appear in the written text he submitted have been added. Whitaker would welcome your comments and thoughts on what he has written. Please send your comments to Krista Shaffer at Krista@hudson.org; she will send them along.

KEITH WHITAKER: When reading Bill Damon's book, I thought of Aristotle—and that's not surprising, because most things make me think of Aristotle. So I'm going to start with Aristotle, and what I'm going to do is follow up some of the things that Ruth just said, although in a somewhat different vein. I don't call for more democracy in philanthropy, but rather more friendship. And I'm going to—using Rob (Reich)'s terms—work from the moral psychology of the relationship between the donor and recipient, which isn't a large theme in this book, towards the moral psychology of the profession, which is a large theme.

I have always considered one of the most powerful, puzzling, and beautiful passages in Aristotle's *Ethics* to be the passage in which he discusses reciprocity. Aristotle says,

> Reciprocity holds the city together. For people demand that they be able to give evil for evil, for not to seems slavish; and to give good for good, failing which no exchange takes place, and it is exchange that holds them together. And that is why they set up shrines to the Three Graces in the marketplaces, to remind men to return a kindness, for that belongs to grace. (*Ethics* V, 1133a, AKW trs)

Aristotle begins his discussion of reciprocity by claiming that it is not the same as justice. He ends up making it sound as though a certain sort of reciprocity—the kind that pays attention to the differences in giver and recipient—in fact encompasses a sort of justice. Certainly these reflections attest to its power.

Aristotle's beautiful mention of the Graces came to my mind in reading the essay by James Allen Smith (present in the audience) in *Taking Philanthropy Seriously*, in which he summarizes Seneca's discussion of the three sisters: they represent Joy, Charm, and Beauty. They link arms to show that a benefit passing from one hand to another nevertheless returns to benefit the giver.

This book plants the flag for seriousness, professionalism, and duty. These are *noble* things. I don't dismiss them. But I would like to plant another flag: for Joy, Charm, and *Beauty*. Contrary to the fears of some of the authors in this volume, laborers in the philanthropic vineyard hear quite a lot about seriousness, professionalism, and duty. We hear precious little about Joy,

Charm, and Beauty—at least as they pertain to our giving itself, and not just the products of our gifts.

(Indeed, in a recent gathering of grantmakers I attended, more than half those present said their giving inspired in them and in those around them feelings of dread, pain, and distaste.)

But perhaps my flag metaphor is too militaristic and hence misleading. Let's return to Aristotle once again. He says that every good giver demonstrates ethical virtue. He defines ethical virtue as an activity of the soul in accordance with *to kalon*. For example, a good gift conforms to *to kalon*.

To kalon is usually translated in one of two ways: as "the noble" or as "the beautiful." Classicists and philosophy professors distinguish these as the moral and the aesthetic meanings of the word. Think the difference between "rules" and "looks." But Aristotle did not divorce these meanings from one another. That is a distinction that finds its roots in Enlightenment thought, which sought to render moral rules abstract and scientific and leave aesthetic matters to the realm of free judgment, inspiration, or will.

For Aristotle, in contrast, the noble is beautiful and the beautiful is noble. He spends no time on compliance or best practices in part because these codifications lack beauty. They also cannot stretch to accommodate or rather foster nobility.

I would like to make an excursis here on the difference between rules and character. This book calls for (without actually developing) an ethic of *rules* around philanthropy (variously called "best practices," "professional standards," or "core domain"). I think this call shows good intentions, but that it is misguided.

Arts or crafts or sciences, in Greek *technai*, need rules to work well. For each of these knows or encompasses opposites. To use the authors' favored analogy, the medical art knows how to heal and it knows how to kill. The Hippocratic Oath restricts doctors from a set of possible outcomes of the medical art. Medicine can give a deadly dose or cause an abortion. Doctors, as doctors, should not do so.

Virtue, in contrast, does not encompass opposites. As you all know, virtue in one sense is a mean. But Aristotle introduces this way of thinking about virtue only as a rough and practical guide. In truth, each virtue is an extreme, an extreme of goodness.

A few additional points may make this distinction clearer. Art or craft or science may benefit from accidents. A doctor may stumble into a cure and be well-pleased. Virtue cannot act by accident. A giver who accidentally gives well has, in a way, failed.

Another point: arts or crafts or sciences may be forgotten. A doctor who does not practice his art regularly begins to lose it. In contrast, someone who is a good giver, or a good friend, or a just person, will not forget his or her virtue. The virtuous person would have to cease, in some essential way, to be him or herself to lose the virtue.

In my view, philanthropy, good giving, is a virtue (or perhaps even a couple of virtues). It is not an art, craft, or science. As a virtue, it cannot be defined by rules. It is defined by *ethos*, which is to say character, a stamp, a way of life. To give well, one needs character, which requires *nurture*—not rules, which require aptitude and memory.

If I may further extend this critical excursis, I take issue, for related reasons, to the authors' attempt to shape up philanthropy into a profession. To my mind, a profession has a number of salient characteristics: It is a body of rules of behavior that constrain members' actions and also identify them as members. As such, it also excludes non-members. As a *pro*-fession, it is a stance of avocation. A professional identifies him or herself and publicizes that identification. A profession is also a *vocation*, that is to say, something that calls to you. It has an existence apart from its individual members. The professions define the members and not vice versa. (E.g., you can choose to become a doctor, but you cannot choose what doctoring means.) Finally, as a pro-*fession*, it exists as a claim upon the trust of non-members, that professionals are who they say they are.

I am sure that there are other important characteristics of profession. But the ones I have cited all seem to me to be rooted in one critical fact about professions: they arise from skills or arts or sciences, and these skills or arts or sciences are morally ambiguous. That is to say, the profession arises in order to delimit the possible outcomes of the skill, art, or science to morally or socially acceptable ones.

For these reasons, I do not see professions or professionalism as proper to virtues. E.g., we do not see professions of the courageous, or the gentle, or the just. Shall I dare add, here in a think-tank, that I do not think we have professions of the practically wise or prudential either?

To return from these excurses among rules and professions, I agree strongly with the authors of this volume that philanthropy can do great good and that its lack or failure can do great harm, and that this is one quality that makes it serious. (I don't think it is philanthropy's most serious quality.) I disagree with the implication in some of the essays that few philanthropists recognize the harm they can do or few seek to avoid it. We have all had the experience of giving and receiving bad gifts. It is a hurt we do not easily forget.

I also disagree with the practical recommendations that they draw from their often acute observations. I do not believe that professional standards or best practices would foster *to kalon* in giving, for reasons that I have sketched above. Quite to the contrary, I think such codifications would prove one more obstacle to graceful giving.

In contrast, I think that givers in our day need several other forms of help:

- Just as one learns any craft by watching others and then trying it oneself, one comes to act beautifully by seeing others act beautifully. Givers need more experience with beautiful giving. In our gray and overly *professional* world, it often seems that the best access to such experience is through literary presentations, as Amy Kass has collected in the *Perfect Gift*. Some visual presentations, in art and film, are available. Graceful givers need an education of the imagination, to shape up their "eye."

- Human activities require not only watching and acting but also vocalizing, expressing fears, frustrations, pride, as well as joy and charm. Givers need to speak more with one another *and with their recipients*. "Professionalism" has long been the obstacle to such dialogue. In contrast, such dialogue should be seen as a primary mark of professionalism, as long as it is kept graceful.

- This point leads to my final and encompassing recommendation: givers need to recognize the power of friendship to giving. Most people in our field identify friendship as the antithesis of *professionalism*. (A strange equation, given that Americans idolize business and most business gets done among friends.) At a philanthropic gathering a couple of years ago (sponsored by the Hudson Institute's Bradley Center), I once said that I give only to my friends. I was not (and am not) calling for cronyism or nepotism in philanthropy. Rather, givers should see their giving as fostering and blossoming in friendship. This friendship should be between giver and recipient. It should also be between the giver and him or herself. These two forms of friendship embody two forms of care: the care for others and the care for your own soul (in Greek, *psychotherapeia*).

This last recommendation imposes a large duty on givers (and recipients). But I also believe that it is the most beautiful end we can pursue.

Thank you again.

WILLIAM SCHAMBRA: As is my custom, let me try to formulate a question while you all are thinking about your questions. And panelists, you should feel free to pose questions to each other at this point.

Bill (Damon), your call for professionalization meets some resistance or skepticism here, both in the name of democracy and in the name of friendship. And I suspect that if you were to explore this a bit, a budding friendship between a grantmaker and a grantee in many ways explains the practices that you describe as useful practices among conservative foundations. If you support someone for twenty years, which as you say is not an unusual practice among some foundations, a kind of a friendship develops—and a kind of equality develops. Not strictly so; it's not sufficient to entirely overcome the power relationship, but nonetheless it does move toward a kind of democratic friendship.

The problem has been, I think, Bill, that professionalism has been almost entirely identified—since the beginning of the 20th century—with a kind of social science. And by your chemistry analogy, you seem to suggest that social science is the direction in which you would like to go. Social science always looked toward the natural sciences—chemistry and so forth—as the model for themselves. Gee, wouldn't it be great if we could do these experiments, acknowledge errors, have this social laboratory, and come up with a solid body of knowledge that we accumulate over time? The demolition of Boston's Scollay Square was, I'm sure, justified eight ways from yesterday by lots of theories, as suggested by Ruth, here. Lots of theories no doubt lay behind that—about how people should arrange their lives and so forth.

How could we pursue a kind of professionalism without falling into the same mistakes that we fell into over the course of the 20th century, during which philanthropy was very explicitly devoted to professionalizing itself? That was the whole distinction between careless "charity" and careful, scientific "philanthropy." What do you have in mind that would somehow get us beyond that?

WILLIAM DAMON: Thank you. It's the right question, and I appreciate the comments, too, because they well help me to clarify what I mean by philanthropy's need to develop a domain of knowledge.

First of all, philanthropy never really has tried to develop a domain of knowledge on its own in any kind of systematic way. To the extent that it has drawn on social science, it has drawn not on evidence of its own successes and failures—empirical evidence of philanthropic activities—but rather other kinds of bodies of knowledge, which it has then applied to community development and so on.

What I am recommending is that philanthropy develop *in its own manner* a body of knowledge according to its own type of analyses. It doesn't have to be social science. It could look more like history, for example. It does need to be empirical. It needs to have evidence of what has actually happened, and it needs to be honest and truthful and open and transparent. My call is for philanthropy to develop that body of knowledge in a systematic way and for people to support that.

And as far as the professionalization goes, the professional's obligation would be to learn that body of knowledge and to base practice on that. It does not have to do with rule-following. I am not in favor of regulating the field. As far as I know, the word "rules" never came up in any of the essays that I wrote—maybe it came up in others. But that is not what I have in mind. I have in mind the development of strategies and standards, not rules and certainly not government regulation. In no manner should it be a regulated field.

But it does need to be an empirical field, and it does need to be an informed field—informed based upon the accumulated wisdom of the predecessors of people who have done this. That could be, as I said, a multi-disciplinary field. It doesn't have to be social science, and it doesn't have to be physical science.

And one final statement, Ruth's statement about democratic practice could exactly be the kind of strategy that the field develops as a conclusion. We can say that we've learned through empirical evidence and through studies of our successes and failures that we need to make decisions democratically; we need to bring in the recipients. That could exactly be the kind of practice, standard, and strategy that is drawn as a conclusion from this body of knowledge.

So the idea of professionalization is not an idea of developing an elite corps of people that just kind of self-perpetuates. That's not my point. My point is that the field, the domain has to be built in an empirical, reliable way that people can learn from. And as far as professionalization

goes, it's the obligation of the professionals to be aware of that knowledge. That is my point. Not to follow a set of rules or regulations.

ROB REICH: I'll turn my role from presenter to questioner, here. From the public policy standpoint, the definition of the 501(c)(3) sector and the subclass of nonprofit organizations to which tax-exempt status is given to give money away are rules that govern or at least provide very strong incentives with regard to how we direct our giving. I'm curious to ask if this panel might be reaching the shocking—at least to me—conclusion that if we worry about rules and regulations, we should maybe get rid of that. And then because we want to encourage friendship and we worry about economic incentives muddying the virtues of philanthropy, are we reaching the conclusion that we should get rid of tax deductions for charity?

KEITH WHITAKER: I'd put myself out of business, but I say, let's get rid of the tax code. (Laughter.)

RUTH McCAMBRIDGE: I don't thing there is a body of knowledge that has any kind of integrity at all to draw on. That's my opinion. I believe that they body of knowledge that is present in philanthropy is missing the opinions of the beneficiaries of that philanthropy. That is a very important omission. And so if we work from the body of knowledge that his held in philanthropic halls—even if everybody were to give up finally their bad evaluations, which I don't for a minute believe they will because they've all been long rewritten and shredded—there really is no body of knowledge to draw from.

I think there does need to be ethos. I think there do need to be principles of practice that people adhere to, and that they need to acknowledge the human rights of the individuals who are being affected by philanthropy. Philanthropy affects too many things. It affects public policy. It affects ideology and public opinion. It affects too many things for there not to be some principles of practice around it. I agree with that. But I think that those principles need to be much more basic, and that the body of knowledge is actually questionable at this point.

WILLIAM DAMON: Again, the domain, the discipline certainly ought to draw on moral philosophy. That should be a core part of it. As I said, it needs to be multi-disciplinary. But the fact that there doesn't exist a reliable body of knowledge right now doesn't mean that one could not be developed or should not be developed. I agree that it doesn't exist. That's what I'm complaining about. But it's not hard to imagine bringing in the voices of recipients, bringing in that perspective. That's how you make progress. You don't give up just because it doesn't exist now. You say, If it's needed, we'll do it.

WILLIAM SCHAMBRA: Before we get to the audience's questions, I'd like to acknowledge James Allen Smith, whose name came up several times. He has an essay in *Taking Philanthropy Seriously*. It was through Jim that we were able to put this panel together, and we're very grateful for him—and we have some of his students here as well.

With that, perhaps he would like to ask the first question? (Laughter.)

JAMES ALLEN SMITH: This is not a question but a response to the comments about a body of

knowledge. I think, Ruth, that you may be focusing primarily on the evaluation literature within foundations. I think historians have been at work for quite some time, and we do have I think a fairly credible and growing body of knowledge coming from the historical universe, the universe I come from. We certainly know a lot about the Ford Foundation interventions in the 1960s. We know a lot about the Green Revolution. We know a lot about the funding of historically black education. We know a lot about library funding. I think we've got to encourage that body, which comes from—by and large—people outside the foundation world, outside the professional evaluation community, and it gives us what we need more than anything in understanding philanthropy, and that is the dimension of time. We have to look at these interventions, if they are to have an impact, or if we are to reappraise them as we've done with the Green Revolution, over a time period of twenty, thirty, forty years. These are not simple interventions that we can judge on a quarterly, yearly, or a five-year basis.

REBECCA ADAMSON, First Peoples Worldwide: We work with indigenous people around the world, and I'd like to build on that point, because I do think we need to be more strategic in philanthropy to be more effective. Specifically, we need a feedback loop that is immediate, because there are unintended consequences no matter what you're planning, or no matter how far back you study. And right now we're dealing with indigenous people who are being evicted to make way for parks. There are huge amounts of conservation funding flowing out there now, funding which is basically devastating indigenous people as we make more and more parks. There is no feedback loop taking news of what's happening and possible unintended consequences back to the funders so that we can be agile and quick to adapt to these unintended consequences.

To me, it's not so much what we've done in the past and understanding it from a historic point, the empirical data, that's important. Bill (Damon), when I looked at your list of strengths and weaknesses, I didn't see anything about ownership. Who owns the project on the ground? The local ownership is the key, to me. That's where you get all the unintended consequences addressed on the ground. To be agile as a funder, we've got to have a feedback loop that takes into account, Do they even own the project? Ownership on the ground makes the project happen or not. And then the feedback coming back on the unintended consequences should allow a foundation to be agile and move at the time that it's needed, not twenty years later when they look back at the Green Revolution and discover that they've displaced the local farmer, or when they put in a new medical service and traditional medicine is now gone and poor people have no access to traditional medicine. Ten years later, lo and behold! We've figured it out…

No matter how strategic we think we are, we need a feedback loop now that turns us into learning organizations, and that holds us accountable for the damage we've done, because it's through being held accountable for the damage we've done that we have the incentive to become a learning organization that can adapt quickly. Otherwise, I think everything we've done in the past will only get us to be tighter strategists and not actually better funders. Our past mistakes will make us more rigid and narrowly focused, and we'll miss the point that I think you're trying to get at—the point of effectiveness. Unintended consequences come no matter how strategic we think we're being. Until we hit the ground, we don't know how it's going to play out. So we need some loop that brings feedback in realtime, so we can be agile in responding to it.

RUTH McCAMBRIDGE: I would just note that nonprofits are not accurate feedback.

REBECCA ADAMSON: Right.

RUTH McCAMBRIDGE: Not always, in any case. I'm not talking bad about nonprofits, but they do not always give accurate feedback. They're talking back to the source of their livelihood, and that is sometimes a very awkward position. So sometimes they close their ears to the feedback and just kind of muddle forward because they're on the road with a particular funding source. And so I think it has to go fairly deep.

I totally agree with everything you said.

WILLIAM DAMON: Me, too! (Laughter.) Thank you—that was very helpful.

PABLO EISENBERG, Georgetown University: Bill (Damon), your book is really an intellectual inquiry into how foundations work and don't work—their moral and other shortcomings. The problem is that there is no similar intellectual inquiry in the entire foundation world. There is no intellectual vigor. No one raises any questions. And there's no leadership.

The question I have—one of the questions I have—is: How do you find a pathway between the intellectual work of academics and historians—I include historians among that group—and the practitioners who run foundations and the individual donors at a time when there is no serious leadership in the foundation world, to assume that type of mantel that you're saying they should?

Your book doesn't really talk very much about foundation leadership. Where does that come from?

WILLIAM DAMON: It's a fascinating point, because if you look at other fields, at least in the 20th century, you see what has been called "field-building," and a lot of that field-building has actually been initiated by foundations. The Rockefeller Foundation in the early 20th century did a lot of that kind of work. The Templeton Foundation these days is doing an awful lot of that.

Now, in the world of philanthropy, how do you field-build in the same field in which the foundations are operating? Foundations are, of course, biased and not indifferent to the outcome. They're compromised.

I've thought about this, and I would say that organizations such as the Council on Foundations and the Philanthropy Roundtable should open up their forums to these hard questions. It's a little difficult for them because of course they are organizations of foundations, and yet those are the forums we have—that national kinds of forums. I think these would make very exciting intellectual events. Controversial. But that's the only thing I see. I don't see the foundations themselves, directly, being the venues for this kind of debate because they are compromised. But I think the professional organizations that exist, if they have the leadership and the courage to do it—and the publications that they run also, should step up. That's the best I can see, anyway.

NINA BELYAEVA, Interlegal International Public Foundation, Moscow: I'm from the

Interlegal Foundation in Moscow, which is a grantee of the American International Foundation as well as a grantor. I'm also the chair of the public policy department of the State University Higher School for Economics (http://www.hse.ru/), which studies philanthropy. My question would be to Bill Damon, particularly to support a little bit that body of knowledge that all the newcomers to philanthropy in America and around the world seek to acquire—and I believe that Russia in the 1980s was a newcomer to this field, including myself.

As Russians we were brought through dozens of workshops on philanthropy in which that body of knowledge was shared. We felt it was overwhelming. There are so many institutions—the Council on Foundations, International Society for Third Sector Research, the Center on Philanthropy. There are dozens of centers that study philanthropy and accumulate that knowledge. I've been through a fellowship in philanthropy, which over the course of a number of years taught what philanthropy is and should be. Basically, they told us you would not ever get any grants without noticing who your target group is, how you are going to get feedback from them, who the target group is supposed to beyond just the intermediaries with which you have contact, and how you are going to get those additional people's responses. So we had a feeling that this was all kind of *over*-professionalized, in a way, and there are too many rules and regulations.

Here in this book, I see this was not even touched upon. Was this a purposeful thing, that you did not build on the work of, for example, Johns Hopkins University and the Center on Philanthropy in New York, and others?

WILLIAM DAMON: We took a look at all of that, sure. And there are thoughtful people in all of those locations, and I really don't want to make any irresponsible critiques and say, you know, that they're all wrong-headed or something like that. But I will make a generalization and say that a lot of that so-called professional training is taking place at the wrong level, at least by my standards. It's not asking or entertaining the fundamental questions of this kind of precautionary thinking that I mentioned—where you really take seriously the idea that this is a morally serious intervention, and there are fundamental moral issues. When you go in and you presume—and I'll use that word, you *presume*—to change a community or a way of life, there are fundamental questions that you have to ask before you do that just as a physician—I'm going to stick with that analogy—needs to have a fundamental understanding of the human body and of the results or consequences of the intervention that he or she is going to make. That's the kind of dialogue that I have not seen very much of in all of the locations that you mentioned. I see an emphasis on legal issues—and of course, it's important to know to avoid conflict of interest, yes. I see an emphasis on procedures, on very specific strategies of grantmaking—all of which is useful. But the gap is in these fundamental issues that a number of you have raised here. And that's why recipients of grants are feeling so aggrieved and bitter; they're feeling abused by this.

AMY KASS, Hudson Institute: I have a question that might sound a little far afield, but I think it's basically on one of the issues you brought up—and that is, the impact of the "webification" of philanthropy on philanthropy. Everybody's going to the World Wide Web. Does it possibly enhance or will it put an end to all of the charm, joy, and beauty of philanthropy? Will it enhance or will it alleviate the problems of professionalization? Will it promote equality, or will it have the opposite effect? Will it be a bonus for strategies and the kind of knowledge and information

that you are after, or the opposite? That is the wave of the present and future, I suspect, and so I'm wondering what your thoughts are on that.

WILLIAM DAMON: We have a chapter in *Taking Philanthropy Seriously* about this, and Amy, the jury is obviously out on this. But it's going to happen anyway. It's a little bit like when people ask us about journalism, which is another field we studied. It's not a question of, Is this going to be a disaster for journalism or are we still going to be able to do good journalism this way? You have to be able to do good journalism this way. This is where it's moving to. There's a huge amount of e-giving on the web already. And I see this as a change in media and medium that doesn't affect the fundamental concerns. All of these concerns can be raised. Information can be provided. You can create bodies of knowledge and disseminate them on the web. The questions we're asking are very fundamental, basic questions that apply to that venue as well, and the jury is still out as to whether they'll be answered just as the jury is still out as to whether they'll be answered in the Ford Foundation.

I'd love to hear my fellow panelists' comments on this.

RUTH McCAMBRIDGE: In my idealistic world, I think you should have to look into the eyes of the people whose lives you've affected, and that requires being able to be with people over time with whom you've worked to make some kind of significant change in their lives and their communities. And I don't think there is any replacement for that. It always makes me very nervous when we assume that we can know something either through reading about it or watching a video of it; it doesn't require us to somehow be in conversation.

It reminds me of this little program that I came across at one point. It was called Voice Training, and it was run by this little, tiny project in a very low-income community. The project had a number of individual donors who were connected to it. And the "voice training" was bringing women of means together with women without means to share their lives. It happened over a period of years. And so they knew when somebody's child was sick, or when somebody's child died. It makes you truly understand the course of people's lives, what it is you're doing, and with whom. They understood that.

I don't think that you can get that same thing through divorcing yourself from relationship. It's that kind of cross-class community building that should happen through philanthropy, instead of that kind of arm's length figuring-out of someone else's problem that can be way-laid by overdependence.

KEITH WHITAKER: I agree with what both Ruth and Bill (Damon) have said. The web can be a great resource for sharing knowledge. It can also, I think, be an impediment to the personal relationships at the heart of philanthropy. I was thinking of Bill's analogy of medicine. The web has become useful to doctors for sharing information and sharing diagnoses, but yesterday I got an automated call from Children's Hospital for my daughter's appointment today which said, "To check in for your appointment, go to URL such-and-such, enter passcode such-and-such…" And I just thought, What in the world are they thinking!

Another practical thought: In my field, in the wealth management industry about ten years or

seven years or so ago, everyone was excited about getting family foundations to set up virtual boardrooms and share their philanthropy decisions online. With people strewn all over the country, you could put all of the documents online and have all of the grantmaking done online. It was driven by the professionals—by the banks and wealth management institutes and so forth. And we just wasted millions of dollars on this because people don't want to give that way as a family, at least. It can be helpful in gathering small donations, but it is not an effective means for, again, that personal relationship and the discussion and conversation at the heart of philanthropy.

CURTIS GANS, American University: I'm in a slightly different world—I'm in the public policy world. Bill (Schambra) helped me at one point in his previous incarnation to get a grant from the Bradley Foundation, and I've gotten a grant from Smith Richardson, but most of my dealings have been with the so-called liberal foundations. And what I found there in terms of obstacles to partnership is, first, you have a lot of the thirty-to-forty-year-old, very bright, very dedicated, very hard-working people who have all sorts of a priori assumptions and there is no way to get through to them. Those a priori assumptions are reinforced through the creation of affinity groups among foundations, and the more ecumenical groups in the foundation world inviting only the speakers who support that point of view. There are very, very few foundation executives who indeed invite partnership. I was fortunate to know one, who is no longer with us—David Ramage at New World Foundation along time ago. But most of them are hiring you to implement their policy, in terms of almost getting instantaneous results. That's also their problem

The other thing is, it is rare that you get, in contradistinction to Bradley and Olin, long-term general support. In the public policy realm, it takes years to bring about change. And only long-term general support makes it possible. These are the problems that those of us who are in the public policy realm face as distinct from those people for whom charity is an equalizing experience.

WILLIAM DAMON: My only comment would be that I think there is some kind of rough justice involved, because I think that the progressive foundations that have operated that way have actually lost a lot of the impact and the effectiveness precisely because they haven't managed to develop the kinds of powerful ideas and results that they would have been able to develop if they'd had better procedures or better strategies. And my message is really non-partisan—I love to see the progressives get more enlightened about how to do this. The world needs ideas from all points of view, and I think it has been a tremendous waste that they've operated in this very close-minded way. We've documented that and seen that, in contrast with the way that I presented that Bradley, Olin, and Smith Richardson operated.

WILLIAM SCHAMBRA: Mr. Reich, I want to take that question and sort of turn it a little bit, if I could. An awful lot of the progressive foundations are motivated by egalitarian ends. They profess to be interested in challenging systemic inequalities in society by using their funds to leverage public policy in various ways. This is why a lot of them now are engaged in public policy advocacy of various sorts. The Gates Foundation has now said that it is devoting 10 percent of its resources to "public engagement," by which it means challenging inequities. Now, that isn't explicitly redistributive in any kind of actual leveling-of-resources fashion. But how

does that end of progressive philanthropy stack up against your challenge?

ROB REICH: I don't have any brief to make on behalf of progressive foundations as opposed to conservative foundations, except insofar as asking the simple and fundamental question: If we have a system of public policy that provides subsidies for people to exercise their liberty to give money away, and we look at the on-the-ground distribution of the dollars, is there any egalitarian ideal or end that is being served? I don't want to have a system of public policy that picks out certain foundations or certain donors as having met that ideal. I want to think about whether or not there is an egalitarian ideal that ought to be included. It ought not be at the level of the Gates Foundation as opposed to Hudson Institute. It ought to be something that is a worthy topic of conversation for all participants in the debate.

Just to be slightly more concrete, maybe a little less abstract or elusive about this, I would be surprised if in the sense in which the most conservative foundation is operating, there wasn't an egalitarian ideal at least at the root of some vision about what they wanted to accomplish—the equal dignity of all human beings—out of which grows some kind of vision about how public life ought to be or how it ought to be organized. And so I don't want to have a partisan ideal of equality that is implemented within public policy. I want to know simply why it is that liberty is the only ideal worth taking seriously within the public policies that govern philanthropy, and not some ideal of equality. Let's get the debate about what equality means out on the table rather than being indifferent to it and in fact obscuring the distributional consequences of foundations and garden-variety charitable giving.

WILLIAM SCHAMBRA: But just to be very concrete, 10 percent of Gates' annual giving—in other words, 10 percent of 10 percent of annual American philanthropy—is devoted explicitly to the problem of inequity. Do you take that at face value? I mean, is your understanding of an egalitarian end something else?

ROB REICH: I don't know the actual specifics of how they define what the 10 percent goes to, but in the absence of that, I've at least considered the idea that if, when you look at the pie chart of where charitable dollars go and you see that social service organizations are in the single digits in the percentage, maybe there would be some case—*maybe* there would be some case—to say, organizations which serve those who are defined as impoverished by some state standard ought to get an additional incentive or ought to be able to provide an additional incentive to those who donate to them. There are policy mechanisms that are available in order to provide greater incentives for giving to those organizations that provide direct services to the poor. I don't think you get that policy as a deductive matter from first principles, but on the ground level, in order to insert some kind of egalitarian ideal into the current discussion, that seems to me something worth discussing.

DINO DRUDI: I'm a local civic leader, president of the citizen's association in my neighborhood and on the executive board of the Federation of Citizens' Associations. There is nothing more frightening to us than when the do-gooders and the developers get together to do something to "improve" our neighborhood or somebody else's to the profit of the developer.

The question I would have for the panel, though—and it sort of dovetails on what Dr. Damon

said—is this: What skill set do people who work in philanthropy or who evaluate philanthropy need to have? I mean, when I went to university, you had math or biology or French literature or electrical engineering. You had these nice little titles for what you majored in. Now, you have peace and justice studies. You have hotel management. MBAs are becoming very popular. You have all of these specific fields that are more job-specific skills or more narrow than you did when I was going to university.

One thing that the Phi Beta Kappa Society has a debate on is whether or not liberal education is really good, and the conclusion they've reached is that it is. It's particularly good if you're going into something like running a philanthropy. It might not get you a job in business, but if you're running a philanthropy, that's the right kind of education to have.

In universities, what specific programs and specific majors can people study or get their master's degree in that will give them the skills needed to accomplish what the panel seems to think needs to be accomplished? What kinds of fundamental reforms need to be made in higher education? What kinds of new fields of study need to be introduced? What kinds of courses should students be taking in an interdisciplinary field to prepare themselves to redo philanthropy in the way that most of the panel seems to want?

WILLIAM DAMON: It's an excellent question. Let me say that the answer to that question really would be part of the endeavor that I'm urging. It's a part of building a domain to figure out what the body of knowledge is and what the skills are that people working in the domain need to master. We're very far from being able to answer that. But I have two or three candidates, and the first isn't even a skill set; it's a personal disposition that ought to be nurtured: humility. I think that any educational program ought to stress the importance of people developing the virtue of humility. Then there are general inquiry and research skills, and understanding how to communicate with communities and possible recipients. And there probably are a number of specific skills that might be needed for particular areas of the philanthropic world. But as I said, that question—which is an excellent question—is exactly the kind of question that would be answered by building a real, true, valid domain of this field.

WILLIAM SCHAMBRA: I trust Ruth will have something to say about nonprofit management as a discipline, right?

RUTH McCAMBRIDGE: I would say that there are a number of programs around the country that call themselves—and are, in fact—training grounds for people who want to go into philanthropy and the nonprofit sector. I would say, Bill (Damon), I certainly agree with you about humility. That is the one word—if I were to say that there is a watch word that needs to be observed at every moment, it is humility. But it's not just humility; it's humility and disciplined humility. Because if you don't have mechanisms that really allow you to understand and get that quick feedback loop, and that keep you in deep conversation with the people with whom you're working to try to affect some change, you're dead in the water in terms of the amount of damage that you could potentially do. And so I think that there is a lot of work to be done around that, but I also think that there are disciplines that reflect humility that potentially could be developed.

I just want to say one other thing, and that is: I do not believe in "no standards for foundations." I

don’t believe in “no rules for foundations.” I do believe that issues like you brought up, Rob (Reich), about the tax code are the kinds of things that desperately need to be addressed. Payout levels. The payment of trustee fees in foundations. Those are issues—important moral issues in philanthropy—that I think should be controlled. They do need regulation. And they do reflect, to some extent, the sensibilities of philanthropy and they need to be addressed that way. But I think that overall, philanthropy suffers from a lack of self-criticism and the ability to confront itself, and that we need to help them with that.

JOHANNA EDENS: I’m program director at the Association of Small Foundations, which is an association of about three thousand grantmaking foundations across the country which have few or no staff. My question builds a little bit off of the curriculum question. There are some obvious ways that we can educate budding philanthropists and practitioners, but I spend forty hours a week educating the current practitioners and the volunteers—the trustees, the sole staff executive directors. And a lot of the education out there is legal. It’s accounting and grantmaking practices. There is very little discussion around the morality of grantmaking. But in my experience, that kind of discussion doesn’t “sell,” both literally and figuratively.

A few years ago, we held a conference in New York which included an eight-hour seminar on how to prepare 990 PF forms for the IRS and a day-long discussion on creating strong and honest communication with grantees. Forty people signed up for the 990 PF seminar. Four signed up for the discussion. Those volunteer trustees and volunteer practitioners may want to have these conversations, but we’ve found that they aren’t willing to take the same steps as they take to get the knowledge they feel they have to have.

How do we bring them to the table?

WILLIAM DAMON: There is a term for what you might try in the business management field: “deficit creation.” You have to convince people that they need to know what you want to teach them. As a part of the GoodWork Project, the one area in which I’ve done a lot of workshop kind of stuff, training people, is journalism. And it’s very interesting, what happened over the last five years in journalism. When we got started, we had the same kind of experiences you’re having. People came to the workshops if they thought we were going to show them how to sell more newspapers and that kind of thing. And then all of these scandals started breaking—the Jayson Blair thing, and on and on and on. And as the momentum built up, people all of a sudden wanted to know about ethics and journalism, and that kind of thing.

So we need to do some deficit creation in the field of philanthropy, and this book is one small step in that direction, I hope. We need to convince people that if they don’t pay attention to this, you’re going to spend your life doing more harm than good! I agree with you that there is a lot of complacency in this field, and that has to be shaken up a bit.

ROB REICH: I also take what you say, Johanna, as a quick illustration of the possible tension I mentioned at the beginning of my remarks between the moral domain of institutional arrangements and the moral domain of the individual who is giving money. So if we create a set of public policies which require of every donor or family foundation a whole host of compliance issues with the tax code, it partially redirects their attention to those issues as opposed to the

moral matters at the heart of giving and receiving.

KEITH WHITAKER: I'd like to add one point on this, Johanna, because I think it's a great question, too, and one that I've struggled with. I would like to make the distinction—and I don't know if anyone else would find it helpful—between the principal and agent distinction. Bill (Damon) referred to it briefly in his remarks. In philanthropy, I think that that gets so blurred so often.

I want to add that in my view, when I was distinguishing between virtue and skills, I would assign the virtues around giving primarily to the principals—by whom I mean the donors and the boards of organized philanthropies, whereas I think there is an additional, highly important skill that should belong to the program officers and executive directors of organized philanthropies, and that's the skill of advising. I think too often, for a host of reasons, the people in those roles come to see themselves as principals, as grantmakers, and by doing so actually give up a critical power and responsibility in the place that they have as advisors to their principals, on the one hand, and as advisors to the recipients, on the other. By "advisor" I mean someone who is in a helping relationship vis-à-vis someone else, to help them reach their desired ends but also help them reach their desired ends with joy and charm and beauty, to go back to the Graces.

I spend a lot of my days teaching and advising advisors. And I think there is a body of knowledge and skill around being a good advisor, and that body of knowledge and skill can be learned—and can be taught, too. I don't think that virtue can be taught, though I do think that it can be learned. So I do think that there is a different approach between the cultivation of the principals, the board members and donors you deal with, primarily, at the Association of Small Foundations, and the whole host of others who are talked about in this book, the program officers and executive directors and so forth. I think that if we could build that distinction more into our language and our thinking, it would be helpful to us.

WILLIAM SCHAMBRA: I think we'll let Pablo Eisenberg have the last question. Have you ever tried to create deficit awareness in this field, Pablo? (Laughter.)

PABLO EISENBERG: In pushing for higher standards or at least minimal standards in philanthropy, Bill (Damon), in your book you somehow underplay or don't give much attention to governance. As Ruth indicated, we have in the more than 72,000 foundations in the United States the most elitist institutions in this country. People of wealth or very highly paid professional corporate executives who don't have much to do with—as one foundation director put it—the Great Unwashed in this country. And in many of the boards' terms, the Great Unwashed includes middle class as well as low-income and people of color!

As long as we have the makeup of governance totally of one class, namely the one tenth of one-tenth percent of our country, is it really possible really to change the ethos and the standards of at least institutional philanthropy? And if it's not possible, what do you do to democratize the governance of our institutional philanthropy?

WILLIAM DAMON: I think that's a great question that I would say, from my point of view, needs to just hang out there. I'd love to hear what other people on the panel think, but to be

honest, the reason it's not in the book is because I haven't myself been prepared to—I'm a psychologist, and I'm not a management and governance type. So I understand what you're saying and I think you really have an important point, there. What kind of systemic governance alterations could promote this? I'll think about that. It's a really important thing to think about—but I don't have an answer for it.

RUTH McCAMBRIDGE: I would just say, to me it's particularly important because there is no natural market for foundations. There is a natural market for nonprofits—foundations, the government, whoever their funder is. They basically control the line of accountability. There is no line of accountability for foundations. And without that, what have you got? It's purely kind of judgment of self, and I don't think that that's a very healthy situation, and I think that we have to try to encourage for there to be very much clearer lines of accountability that include people who might be impacted by work foundations do. What that looks like—it is a nice question to let hang out there, to be worked on.

KEITH WHITAKER: I would just advert to what I said previously—that I think there is a role for philanthropy advisors and the staff of foundations to be in the position of being helping counselors to their principals. And I think that—to use the medical analogy, again—you could say that most doctors come from one class, and there are governance approaches to broadening the membership in the medical community that have been attempted with some limited success. And then there have been other approaches along the lines of, just to go back to Bill (Damon)'s comment about psychology, a psychological approach to teaching others empathy, to teaching the human counseling skills that have actually made quite large inroads in the medical community—and those are the kinds of things that I work with on my advisors and on the families that we try to help. Approaching it by saying that the folks in foundations are themselves one class with a limited viewpoint, who are morally blinkered, who cannot come to an understanding of the human realities of others, simply limits our own abilities to help them, I think. And so I would start—just as I do when advising advisors or helping families—by questioning my own assumptions about them and about our roles, and then helping them to do likewise. And again, I think there is a body of knowledge and skill deriving most immediately from psychology that helps us do that. That's what I would recommend.

WILLIAM SCHAMBRA: That will have to be our last comment. Let's thank our panel.

(Applause.)