

Philanthropy and Philanthropic Organizations

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What is philanthropy?

Most broadly, philanthropy is the giving of one's time, talent and treasure to create improvements to the vitality of society.

Personal philanthropy

In our personal and private lives, we all give of our time, talent and treasure in ways that are helpful to others. Some give more time, while others give more treasure. We don't do it for private gain, but as an act of sharing or helpfulness. We sometimes help others directly. We may help with efforts to raise funds for good purposes or for the betterment of the neighborhood or community. Some of us go to meetings, serve on committees and boards of directors of charitable organizations. We sometimes write checks in response to solicitations received in the mail.

All of this is philanthropy, even though we may call it something less grandiose. If it's not about private gain or required by the government, and it is about being helpful out of a wish to do good, it's philanthropy. And as odd as it sounds, when we do something like that, we are philanthropists.

Philanthropic or charitable organizations

Some organizations, over a million of them in this country alone, are recognized by the IRS Tax Code (section 501) as charitable organizations. Their work is deemed charitable if their resources are directed to "religious, educational, charitable, scientific, literary, testing for public safety, to foster national or international amateur sports competition, or prevention of cruelty to children or animals."

In this project, when we refer to "philanthropy" or "philanthropic organizations, we refer to the whole range of efforts to do good for community, and the whole range of philanthropic organizations. We do not distinguish foundations from nonprofit organizations, or grantmakers from grantseekers, or donors from recipients. Instead we refer to all of them as "philanthropic organizations." They all collect, manage and distribute money and other resources for charitable purposes. They are all considered philanthropic because they work for the common good, not for private gain. They all have an important role to play in achieving progress in [social justice](#) and [racial equity](#).

Why do people give to philanthropic organizations?

People give for a variety of reasons:

- Giving money to certified charitable organizations allows the donor to reduce his or her tax liability. The U.S. Tax Code that encourages gifts to charitable organizations and permits the charitable sector to be as large as it is, is the envy of the world. “Tax advantage” has often been cited as the major, but not necessarily the primary or only motive for giving.
- Giving allows the donor to give back to the community that helped him or her achieve comfort and security or climb to higher heights.
- Giving allows the donor to contribute to a better, more healthy, viable or enjoyable community.
- Giving allows the donor to be involved in something larger than him/herself -- to contribute to a team or societal effort to solve social problems or elevate the quality of life for more people.
- Giving allows the donor to make a difference in the lives of others or the life of the community as a whole.
- Giving allows the donor to leave a legacy bigger than him/herself.
- Giving allows the donor to play a role, even a leadership role, in ways not found in the private or public sector.
- Giving allows the donor to feel compassionate, or even passionate. “Philanthropy” comes from two Greek root words meaning “love” and “humankind.” And love comes in many forms, with giving, sharing and generosity at its core.
- Giving allows the donor to exercise an unusual choice. There is no purchase of service, and no obligation whatsoever. Even when giving is favored by the Tax Code, giving is a choice over greed, over hoarding, and over the me-first culture.
- Giving allows the donor to assuage the guilt he/she might have felt from “taking” from the community in ways consistent with that famous quote from Balzac, “behind every fortune is a crime.”

Philanthropy is for everyone

The charitable impulse seems to be a universal human impulse. That is certainly the suggestion of an important book by James Joseph, former president of the Council of Foundations.¹

All societies, past and present, show behavior that is marked by generosity, sharing or a wish to do good for the benefit of the larger community. Of course there is considerable variation in how much, by whom, towards whom, how often and in what ways this is expressed. Nevertheless, the charitable impulse is nothing new and not uniquely of modern American society.

Philanthropy conjures up images of wealthy people. Wealthy upper-class White people, in fact. But the reality is that philanthropy isn't just for rich White folks anymore. It never was, actually. If philanthropy is defined as more than just about money, but about generosity with all manner of human resources, then philanthropic traditions have been evident in human communities from the beginning of time.

Recently, in organized efforts to promote philanthropy, different cultures of giving have been discovered, which is a little like saying America was discovered. One seminal work² dates Black philanthropy back to colonial days. Native American cultures in the Pacific Northwest and northern Great Plains held potlatches – potlucks – marked by ceremonial giving of possessions from the host to guests, even to the impoverishment of the host.

Women's funds have a 20-year tradition and are now expanding to particular ethnic groups, as with the Hmong Women's Giving Circle in Minnesota.

Community foundations around the U.S. have created funds catering to ethnic groups in their communities.

Youth philanthropy has been encouraged for the last fifteen years.

In rural America, giving is a long-standing tradition. However, formal philanthropy has only recently begun to find its way there.

¹ Joseph, James A., The Charitable Impulse. NY: The Foundation Center, 1989.

² Carson, Emmett D., A Hand Up, Black Philanthropy and Self-Help in America. Washington, DC: Joint Center for Political and Economic Studies Press, 1993