

EDITOR'S NOTE

Whither Big Philanthropy

Over the last decade, there has been a sharp increase in the number of extremely wealthy people around the world who are giving away substantial amounts of money. And rather than waiting until they are old, which was common practice in the past, many are engaging in philanthropy at a much younger age.

Most people, I would guess, see this uptick in giving by the superrich as a good thing. After all, donations from the world's estimated 2,200 billionaires play an important role in helping to tackle society's pressing problems.

But not everyone is happy about this trend. There is a growing chorus of critics who question whether big philanthropy is actually a good thing: Anand Giridharadas, author of *Winners Take All: The Elite Charade of Changing the World*, is one; David Callahan, author of *The Givers: Wealth, Power, and*

Philanthropy in a New Gilded Age, is another; and Rob Reich, author of *Just Giving: Why Philanthropy Is Failing Democracy and How It Can Do Better*, is a third.

Reich is a professor of political science at Stanford University and codirector of the Stanford Center on Philanthropy and Civil Society, which publishes *Stanford Social Innovation Review*. He is also the author of *Philanthropy in the Service of Democracy*, the cover story in our Winter 2019 issue.

In his article, Reich raises important questions about big philanthropy. He points out that the US federal tax code (particularly after the changes initiated by President Trump) provides many more financial benefits to wealthy people who give to charity than it does to ordinary Americans. He also makes a compelling argument that private foundations (which are favored by the rich) are in many ways plutocratic organizations that enable the wealthy to wield power over society in perpetuity.

Reich believes that the most important role that private foundations can play is to take risks and fund nonprofits and programs that are experimenting with new approaches to solving social problems. Because private foundations are accountable only to themselves, it is much easier for them to take risks than it is for the government, he argues.

The role of government, says Reich, is to scale up programs initiated by philanthropy once they have been proven to work and have the support of the public. He points to the national 911 emergency response system and Pell Grants as examples of programs that started as experiments funded by philanthropy, and that were later scaled up nationally by government. Some foundation leaders will no doubt take issue with Reich's argument, pointing out that the government is no longer scaling up programs, and that foundations must take up the slack.

Reich doesn't stop with his critique. He also offers policy changes that he thinks will help improve philanthropy. He advocates having government impose restrictions that would require all private foundations to be much larger, shorter lived (no more operating in perpetuity), and subject to peer review to make sure they focus on experimentation.

I encourage you to read Reich's article and to join the debate about his ideas and policy proposals at www.ssir.org. —ERIC NEE

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