

Voluntary Action for the Public Good

Most readers of this book can surely come up with at least a tentative answer to the question "What is philanthropy?" Chances are that these answers will vary widely, from "giving money" to "giving to help others" to the more literal and more general "love of mankind." In fact, the same would be true if we asked scholars of philanthropy for their definitions.

We said in the previous chapter that to get at the "Why" questions about philanthropy, we will explore some of *our* answers to this question, "What is philanthropy?" And we have already given our primary (though not our only) answer: "Philanthropy is voluntary action for the public good." The purpose of this chapter is to unpack that definition. In doing so we will have a chance to discuss many of the features of the broad and diverse subject of philanthropy and to clarify just what is distinctive about philanthropy and what is special about its mission.

A Broad, Affirmative Conception of Philanthropy

We started this book with the assertion that the concept of philanthropy is a multiplicity. In fact, when we dig deeper we see that our basic definition itself embraces this multiplicity. "Voluntary action," as we define it, encompasses both voluntary giving *and* voluntary service, the former usually

The Debate over Terms: Philanthropy as an Essentially Contested Concept

Philanthropy is an example of what the British philosopher W. B. Gallie called "essentially contested concepts." According to Gallie, these are concepts in which "there is no one clearly definable general use . . . which can be set up as the correct or standard use" and that "inevitably involve endless disputes about their proper uses on the part of their users."³ He offers democracy and art as examples of such concepts. Definitively resolving the disputes among various uses of such concepts is impossible. But Gallie and others say we should examine the contestation over such concepts because we can then gain insight into the arguments and reasoning behind competing uses, including our own. It helps us understand the complexity of the activities or ideas denoted by the concept.

Philanthropy is an essentially contested concept; it is an idea that is bent and distorted by attempts to contain within it a diversity of human phenomena that resist generalization and categorization. And different users of the term *philanthropy* endlessly dispute its meaning. In fact, the dispute goes beyond the meaning of this one term, as many people are dissatisfied with the use of a single term to encompass such disparate activities and values.

Philanthropy is just one among several circus tent terms in common use; others are *voluntary sector*, *nonprofit sector*, *third sector*, and *independent sector*. Philanthropic organizations are sometimes called *nonprofit*, or *not-for-profit*, or *nongovernmental* (NGOs). The ancient term *charity* is sometimes used instead of the ancient term *philanthropy*, and others like *benevolence*, *altruism*, *humanitarianism*, and *civil society* drift in and out of the conversation as well. *Eleemosynary* never did become popular, although the word *alms* remains from the dregs of it. And in the academic writing on this subject there are even more "tongue-twisting mouthfuls"—QUANGOs, PVOs, and so on, as Adil Najam found when he tried to make sense of the literature.⁴

For some people who work in this field, this quibbling over terms is distracting, confusing, or unimportant. But it is helpful to engage the terminological debate a bit here, not merely because we need to stake out our place in the academic landscape but also because the issues raised by this debate about an "essentially contested concept" are central substantive issues for understanding the subject itself.

Nonprofit is probably the dominant term in the United States, at least when we are speaking of organizations that make up a sector. Internationally, the preferred term is *nongovernmental organization*, which is used to refer both to organizations that operate in multiple countries, such as Catholic Relief Services, and to domestic groups in individual countries.

Besides *nonprofit*, there are limitations to the other proposed umbrella terms. While the voluntary or private character of this action is clearly important (and included in our definition), calling the philanthropic sector the *voluntary sector* is problematic because this term would apply equally well to the marketplace. *Independent sector* is now used both as a label for this part of society and as the proper name of the umbrella organization, Independent Sector, representing groups within the sector.⁹ And *third sector* is often rejected by scholars who point out that voluntary institutions serving the public good *actually came first*, historically; voluntary associations existed before formal government or business organizations.

Other umbrella terms that are used in different places and in certain circles are *civil society* and *civil society organizations*; these are the preferred terms of the international umbrella group CIVICUS, for instance. *Civil society* is a hotly debated term, recently in vogue in the academy, that unfortunately suffers from being too variously defined—sometimes the family or business is included, sometimes it is meant to describe a quality of society rather than a part of society. We like that *civil society* is an attempt to define the field in a positive way, that it is deliberately broad in scope, and that it emphasizes (in some connotations) the moral and value-laden nature of the work. But we think *philanthropy* is the more appropriate broad and affirmative term, for reasons we describe below.

In Europe, *social economy* has become a popular label, and in the corporate world all things philanthropic or nonprofit are often labeled part of the *social sector*; a term related to the ideas of social entrepreneurship and social enterprise mentioned earlier. In Canada, *voluntary sector* is the norm, while in the United Kingdom the terms *voluntary sector*, *charity*, and *community organizations* are common.

The issue of how to include less formal, or less publicly oriented, types of organizations also raises problems. It is difficult to find a comprehensive terminology and definition that will encompass the cooperatives, mutual-benefit, or “member-benefit” organizations like the Elks Club or credit unions (which are often defined in opposition to “public-benefit” groups), neighborhood or grassroots associations, and many others that Peter Frumkin describes as “the army of less visible associations, clubs, networks, and groups through which communities come together and act.”¹⁰ A few years ago, Lohmann proposed using the umbrella term *the commons* as a way to avoid the term *nonprofit* and to encompass those associations that were producing common goods through uncoerced cooperation.¹¹ More fundamentally, Lohmann and other scholars such as Jon Van Til also try to move *away* from structural definitions in terms of organizations in a sector

and to shift the focus onto definitions derived from the form and purpose of voluntary action.¹²

The Internal Revenue Service's taxonomy of tax-exempt entities is a likely source to turn to for clarity and authority on this issue, but in fact it provides little guidance. The two main categories, 501(c)(3) and 501(c)(4) organizations, carry outdated and cumbersome titles. 501(c)(3)s are described as "Religious, Educational, Charitable, Scientific, Literary . . . Organizations" (the list goes on after "Literary"). These (c)(3)s are further subdivided into "Private Foundations" and "Public Charities." The 501(c)(4)s are labeled "Civic Leagues, Social Welfare Organizations, and Local Associations of Employees" even though most people in the field refer to (c)(4)s as "advocacy organizations" and think of them as the groups that are unrestricted in their lobbying activity.¹³ Further complicating matters are the many other categories of organizations in the IRS code, including categories for chambers of commerce and the recently controversial new type of political advocacy groups known (because of their IRS classification) as "527s"—for example, the group Swift Boat Veterans for Truth that ran ads against U.S. presidential contender John Kerry in 2004 was a 527.¹⁴

As we wade through this terminological debate, we should remember that our terms are always social and cultural constructions; they are context-bound attempts to capture and simplify what is inherently complex. And as we noted, this field is particularly complex. Any umbrella concept for this field must capture phenomena that vary along multiple continua—from informal to formal, from big to small, from relevance to one or two places to relevance across the globe, from huge hospitals to tiny toy train hobby clubs, and so on. Still, we need these umbrella concepts. To help us make sense of this diverse activity as an interconnected part of society, we need to construct categories and terms that are general enough to encompass the diversity but also appealing enough to be used widely—terms comparable to *business* or *government*. Trying to remedy this perception problem and craft useful general concepts is a key purpose of books like this one, and we propose philanthropy as one such concept. But we should also remember that our constructions are inevitably informed by our own traditions and biases. Every country, for instance, has a slightly different set of terms and concepts that reflect their different culture and history and institutional makeup. And we should accept that any such constructions in a plural society will also always be disputed. The debate over this and other essentially contested concepts will go on.

Toward an Affirmative Construction

As we said, in this book we argue for a new, affirmative view of philanthropy. Other recent work has gone far in this direction (or in the opposite direction).

Lester Salamon, in his well-known book, *The New Nonprofit Organizations*, lists many of six characteristics shared by these organizations.¹⁵ These organizations

1. formally constituted;
2. private, as opposed to public;
3. not profit-distributing;
4. self-governing;
5. voluntary, and
6. of public benefit.¹⁵

This is a useful list, first, because it ends with the two key criteria highlighted by our basic definition.

However, as noted, Salamon's list of nonprofit organizations, rather than action, as our use of #5 and #6 is the habit of many people in this field. What he calls the "private nonprofit" by nonprofit organizations—"philanthropy"—the private giving that those organizations in that sector of philanthropy—philanthropy is the most common usage of the term in the more general meaning of philanthropy.

Still, we clearly agree with Salamon's emphasis on voluntary action. He defines nonprofit organizations as "entities dedicated to the public good." Philanthropy is not to be distinguished from philanthropy as a concept encompassing

Toward an Affirmative Conception

As we said, in this book we are proposing an affirmative conception of philanthropy. Other recent work has presented some elements of an affirmative view, and this work is helpful to our task here, even if it does not go as far in this direction (or in the same exact direction) as we do.

Lester Salamon, in his well-known primer on the field, offers a summary of six characteristics shared by what he prefers to call "nonprofit organizations." These organizations are

1. formally constituted;
2. private, as opposed to governmental;
3. not profit-distributing;
4. self-governing;
5. *voluntary, and*
6. *of public benefit.*¹⁵

This is a useful list, first, because it includes more than just the standard "nondistribution" criteria that is listed here as #3. But it is also useful because it ends with the two key general qualities (italicized here) that are highlighted by our basic definition.

However, as noted, Salamon intends this list to describe characteristics of nonprofit organizations, rather than characteristics of all philanthropic action, as our use of #5 and #6 does. In fact, Salamon adopts the usage habit of many people in this field, making a primary distinction between what he calls the "private nonprofit sector"—a sector of society populated by nonprofit organizations—and something separate that he calls "philanthropy"—the private giving that is one source of monetary support for those organizations in that sector.¹⁶ This narrower (than ours) conception of philanthropy—philanthropy as *just* voluntary giving—is perhaps the most common usage of the term, but one we find less satisfactory than our more general meaning of philanthropy.

Still, we clearly agree with that aspect of Salamon's definition which emphasizes voluntary action for the public good. In another book, he defines nonprofit organizations as "entities dedicated to mobilizing private initiative for the common good."¹⁷ By our definition, this means nonprofits are entities dedicated to philanthropy as a broadly conceived type of action. Philanthropy is not to be distinguished from the nonprofit sector; philanthropy as a concept encompasses the nonprofit sector.

Salamon's summaries of the nonprofit sector also detail the range of "roles" played by this sector, which is another significant way to establish an affirmative foundation for why this sort of activity exists. Salamon borrows directly from Ralph Kramer's famous summary of these roles, but both of these scholars owe a debt to Alexis de Tocqueville.¹⁸ Citing Tocqueville is, for good reason, de rigueur in any account of the importance of voluntary action and associations for a democratic society. Tocqueville observed that Americans turned to associations whenever they wished to get some public or communal work done or to express a shared interest. In addition to these roles, Tocqueville saw associations as an antidote to despotism, to the tyranny of the majority, and to the perils of individualism. Tocqueville even saw associations as playing a socialization role, functioning as "great free schools" teaching the civic skills—such as "the general theory of association"—that are necessary to make democracy work.¹⁹ As we will discuss in chapter 6, this makes philanthropy and especially voluntary associations an essential element of a free, open, and democratic society.

Modern scholars, following Tocqueville's lead, identify an even wider range of functions or social roles served by the nonprofit sector. In his book *On Being Nonprofit*, Peter Frumkin has built a conceptual framework for studying nonprofits around the idea that there are "four functions of nonprofit and voluntary action."²⁰ Two functions of the sector—what Frumkin labels "service delivery" and "social entrepreneurship"—illustrate an "instrumental rationale" for the existence of the sector; the sector exists to do what is needed. The other two functions of the sector—what Frumkin labels "civic and political engagement" and "values and faith"—illustrate an "expressive rationale"; nonprofit and voluntary action exists to express values and ideas.

Other scholars, including Salamon and Kramer, present similar lists of functions or roles. We find it most parsimonious to distill these down into what we can call *five roles for philanthropy*:

1. *Service role*: Providing services (especially when the other sectors fail to provide them) and meeting needs.
2. *Advocacy role*: Advocating for reform, for particular interests, for particular populations, or for particular views of the public good.
3. *Cultural role*: Providing a vehicle for expressing and preserving cherished values, traditions, identities, and other aspects of culture.

4. *Civic role*: Educating citizens, promoting civic participation.
5. *Kingdom role*: Promoting experimentation, innovation, and social change. (We borrow this role from the King's College.)

Not all of these roles have become tools in the same way. The advocacy role has become important to the public sector, and the service role has become important to the private sector. The cultural role has become important to the public sector, and the civic role has become important to the private sector. The kingdom role has become important to the public sector, and the service role has become important to the private sector.

But despite these differences, the sector serves essential purposes of nonprofit action. We call these purposes "What's the point?"

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The term we use to describe the sector is "philanthropy." The term we use to describe the sector is "philanthropy."

4. *Civic role*: Building community, generating "social capital," and promoting and increasing civic engagement.²¹
5. *Vanguard role*: Serving as the site for social innovation, experimentation, and entrepreneurial invention.
(We borrow the term *vanguard* from Kramer.)

Not all of these roles are viewed positively by all observers, and some have become tools to make political or ideological arguments of various sorts. The advocacy role is particularly controversial. Despite its central importance to the pluralist vision of democratic governance, in which citizens organize into groups to advocate for their shared interests, this advocacy activity has been criticized as blurring the boundaries between government and private interests, as politicizing (and therefore sully) charitable groups, etc.²² In fact, as we saw, this advocacy role is singled out for explicit regulation in the IRS tax-exemption statutes. In addition, the crucial service role has been used by some on the political right wing to promote philanthropy and nonprofits (particularly faith-based ones) as an alternative to a bureaucratic welfare state or to champion voluntary associations as "mediating structures" that intervene between individuals and big government and help check the unnecessary growth of government.²³

But despite these disputes, the main point remains that voluntary action serves essential, positive roles in society. So these summaries of the purposes of nonprofits are crucial steps toward an affirmative answer to the questions "What is philanthropy?" and "Why does philanthropy exist?"

Our theory of philanthropy's mission embraces this range of positive functions. We agree that philanthropy (and the nonprofit sector it encompasses) serves needs—for example, relieving suffering, improving the quality of life—and expresses collective values. However, listing philanthropy's roles is only part of an affirmative rationale for why philanthropy exists. We also think it is necessary to identify shared qualities of all sorts of philanthropic action and to clarify a general purpose for this action, as we do in this book. For example, we present philanthropy as voluntary action that advances a vision of the public good, as moral action that intervenes in the lives of others so as to make the world better through human effort.

Why Philanthropy: An Affirmative Term

The term we wish to propose for this field is *philanthropy*, which we define more broadly than most others do. The term comes from the Greek *phil-*

anthropia, meaning “love of mankind.” In some of its modern uses, *philanthropy* still retains its ancient meaning of general benevolence, of kindness, of generosity toward humanity. The modern English word *philanthropy* today is usually defined by dictionaries both as the sentiment of love and as action conducted in the spirit of this sentiment.²⁴

Philanthropy defines the field in a positive way, in terms of what this sort of action does and why. It affirms a value, a concern for the well-being of people beyond oneself, and a concern for the public good. It asserts that the most important aspect of action (formal or informal) in this so-called sector is the public purpose and mission of that action. *Philanthropy* is the best term, in our view, because it highlights this essentially moral nature of voluntary action for the public good. Even if we use the term in neutral, social scientific ways (as we often do), it is a normative term describing normative human activity.

The story of philanthropy in any culture records a moral quest that has shaped the moral agenda of that culture across the generations. As later chapters will argue, the history of philanthropy is the “social history of the moral imagination.” Philanthropy is a primary way that humans enact their moral visions of what is good, visions which always differ among people and groups within any single society. Humans use philanthropic action to relieve suffering or meet other pressing needs, to improve the quality of life or civic capacity in our communities, to advocate for or express ideas or values or identities, to experiment with new ideas for social change as well as to preserve traditions in the face of impending change. All of these and more are specific roles for philanthropy that can be encompassed by a broad, affirmative conception of philanthropy.

We prefer to define philanthropy more as a tradition than as a sector (though we use the term *sector* when it is relevant) to emphasize the deep historical roots of philanthropy—that is, some form of philanthropy has existed in all societies from the beginning because it is a basic human response to the human condition. We also want to emphasize the breadth of what is included under “voluntary action”—it is more than just formal or organizational action in a bounded social sector. And like all traditions, the philanthropic tradition in any society has culturally specific content. The specific story of how the moral imagination has been enacted through philanthropy in the United States will be different than the story in Mexico or India. Different religious doctrines, different national heroes, different linguistic resources, and different economic and ethnic patterns will all make for different philanthropic traditions.

There are other terms that will be used occasionally in this book to refer to others that we have chosen not to use. When we use “the sector,” we are referring to the formal sector—in addition to the informal sector, which we have chosen not to use. When we use “the sector,” we are referring to the formal sector—in addition to the informal sector, which we have chosen not to use. When we use “the sector,” we are referring to the formal sector—in addition to the informal sector, which we have chosen not to use.

However, we do not want to define philanthropy in a way that is too narrow. We want to define philanthropy in a way that is broad enough to encompass the following:

1. Philanthropy is a tradition that has existed in all societies from the beginning because it is a basic human response to the human condition.
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There are other, related affirmative terms that fit our focus and that we will use occasionally in this book, such as *good works* and *charity*. (And there are others that we find appropriate but don't use much, such as *benevolence* and *beneficence*.) When referring specifically to formal organizations or to "the sector," we occasionally use the terms *third sector* and *voluntary or nonprofit*—in addition to calling them *philanthropic organizations* in a *philanthropic sector*, which we would ultimately prefer. This is because terms like *nonprofit sector* are so common and widely used in the United States that readers are comfortable with them, and our purpose in holding up philanthropy as the umbrella term is to highlight and encompass key issues, not force people to change their language all at once.

However, we *do* want to encourage the use of our broader meaning of the term *philanthropy*. As noted earlier, many (perhaps most) people in this field define philanthropy in a narrower way. These narrower connotations include the following:

1. Philanthropy refers to giving (or perhaps giving and service both) and is therefore distinct conceptually from the nonprofit sector. Philanthropy is giving, and nonprofit groups are the entities that receive that giving.
2. Philanthropy refers to large-scale giving by wealthy "philanthropists," a meaning that was cemented a century ago as a way to describe the relatively new phenomenon of massive giving by people such as John D. Rockefeller and Andrew Carnegie.
3. Philanthropy refers solely to giving by private foundations or other institutional grantmakers.

There are surely other commonly held understandings of philanthropy not listed here. We find these narrower meanings to be problematic for a number of reasons. We believe the ancient concept of philanthropy contains more richness and versatility within it than just the notion of giving, or giving money, or giving only by certain people or certain institutions. And the fact is that sustained voluntary giving and serving are impossible without voluntary associations—the three parts of our definition of philanthropy are inextricably linked in practice. Think of the philanthropic response to a disaster like the 9/11 attacks. Gifts of money were an essential part, and so were the Herculean efforts of volunteers, and none of the philanthropic help would have been possible without the coordination pro-

vided by voluntary organizations. This is true whether we consider the immediate relief efforts or the much more difficult long-term work of helping the victims and the community recover, mourn, and rebuild their communities and their lives. We deserve a definition of philanthropy that highlights the integration of these elements, *not* just the money part. And all things "nonprofit" are best conceived as *part* of a general conception of "voluntary action for the public good" rather than distinct from it.²⁵

The broad, affirmative definition of philanthropy we propose here is, we argue, the best term to capture, unify, and help perpetuate this diverse but vitally important part of our lives. Of course, we realize that usage won't change overnight, and that activity (which is most important after all) will continue whether we have a useful general term or not.

Philanthropy and/versus Charity

Philanthropia was not the only ancient word meaning love or good works toward others, and these other words are also affirmative and focused on the moral dimension. The word *charity* is derived from the Latin word *caritas*, which meant love of others in a way that was distinct from other forms of love (e.g., erotic love, friendship).²⁶ *Agape* is another Greek word for love that comes from a root verb meaning "to treat with affectionate regard" and that refers to self-giving and selfless, even sacrificial, forms of love. In the Jewish tradition, the Hebrew term *tzedakah*—often translated as "charity" or "righteousness"—is the key. It is a concept that brings mercy and justice together in one idea, contending that it is impossible to have one without the other. Other religious traditions have similar focal terms.

Of these other possible alternatives to the term *philanthropy*, *charity* is the most common and intriguing, so we should take special care to consider its relationship to philanthropy, as we use these two terms. The common usage of *charity* versus *philanthropy* can be confusing. In this book, *philanthropy* is used primarily as an umbrella term for the entire spectrum of voluntary actions for the public good, while *charity*—which was at one time the umbrella term for the field—is used more narrowly. Occasionally, in popular usage, the two terms are differentiated according to the two broad objectives of voluntary action mentioned earlier: *philanthropy* for acts to improve the quality of life versus *charity* for acts to relieve suffering. Similarly, on an international scale, humanitarian "relief" aid is often referred to as charity, while "development" aid is called philanthropy.²⁷ In this view, if charity is a matter of bringing blankets and medicine and food to refugees, philanthropy is a matter of getting the refugees back home and putting their society back on the road to social and economic recovery.

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Both philanthropy and charity something of fundamental value for many people the word *philanthropy* money, particularly as *philanthropy* sionalized. In that sense, *philanthropy* with benevolence. As most people at bottom even about the redemptive word *charity*. In the sixteenth century bond of Perfection, because it was together."²⁸ The King James Version charity, these three" and says of Corinthians 13:13). But the distance the mundane practice of almsgiving to money. Almsgiving tainted the social inferiority and dependence idea of a "handout" and even the term is revealed in the context

As noted, *charity* means love. The word is always at risk of being misused. The sage about charity in Corinthians 13:13 was *agape*, which was the English word *charity*. The Bible says "the greatest of these is love." The favorite in Christian wedding vows is "Love is patient; Love is kind." and the "love" referred to is technical. It is intended to reduce love even to a mere and embarrassed when we use the word *charity*-as-love. And we are at least for some, such powerful

This way of distinguishing charity and philanthropy is sometimes handy, but in our usage, while we keep the more restricted connotation of charity (as acts to relieve suffering), we prefer a broader meaning for philanthropy.

Until about 1950, the word *charity* was the most widely used general term, unsatisfactory though many at the time thought it to be. *Charity* was the word in the tax law (it still is), and most people had an idea of what "charitable contributions" meant. The word *charity* was the umbrella term in the 1937 *Encyclopedia of the Social Sciences*, but *philanthropy* had replaced it in the 1967 *International Encyclopedia of the Social Sciences*.

Both philanthropy and charity are *normative* words—both words affirm something of fundamental value and importance. But as we noted earlier, for many people the word *philanthropy* has come to be more associated with money, particularly as philanthropy and fund-raising have become professionalized. In that sense, *philanthropy* appears to have lost its connection with benevolence. As most people use the word, it is about money, perhaps at bottom even about the redistribution of wealth. A similar fate befell the word *charity*. In the sixteenth century, Francis Bacon saw charity as "the bond of Perfection, because it comprehendeth and fasteneth all the virtues together."²⁸ The King James Version of the Bible refers to "faith, hope, and charity, these three" and says that "the greatest of these is charity" (I Corinthians 13:13). But the divine aspiration of charity became mixed with the mundane practice of almsgiving, and in time charity was also reduced to money. Almsgiving tainted the ideal of charity and made it a symbol of social inferiority and dependency; it connected the idea of charity to the idea of a "handout" and even to begging for handouts. This alteration in the term is revealed in the expression "I'd rather die than accept charity."

As noted, *charity* means love, and because *love* has several meanings, the word is always at risk of being misunderstood. Consider the famous passage about charity in Corinthians: the term in the original Greek New Testament was *agape*, which was translated into the Latin *caritas* and then into the English word *charity*. Today the term is often translated as "love," as in "the greatest of these is love." This is why the Corinthians passage is a favorite in Christian wedding ceremonies, where it can be quoted as "Love is patient; Love is kind," and so on (I Corinthians 13:4), even though the "love" referred to is technically not romantic love. In other cases, we have tended to reduce love even further to erotic love and then to feel awkward and embarrassed when we use the word in connection with friendship, benevolence, or even charity. But we have no acceptable alternatives to charity-as-love. And we are reluctant to give up a term that still carries, at least for some, such powerful emotional and historical freight.

This usage discussion could go on for pages. Our approach will be to focus on developing philanthropy as the core concept, but occasionally make use of charity (despite its baggage) when we want to emphasize the specific aspects of the field that fit with that term—e.g., acts to relieve suffering. Historically, we believe charity and philanthropy represent compatible and complementary rather than exclusive and opposing values. Both terms refer to values that are important parts of the tradition of good works we are concerned with here, and both sorts of values have inspired practices we consider essential.

For example, Jane Addams and Hull House, and the settlement house movement in general, distinguished between the two ideas and sought to provide both charity and philanthropy, moving from one to the other. They began with people who needed immediate charitable help, gave them that help, and then led them to help themselves through such “philanthropic” programs as literacy classes. Similarly, we noted in the previous chapter how the work of Soros’s Open Society Fund in the former Yugoslavia in the 1990s moved from meeting the necessity for the charitable relief of immediate suffering (and threat) to the need for long-term development of philanthropic institutions. In sum, while the basic distinction can occasionally be analytically useful, our broad, affirmative conception of philanthropy is meant to encompass charity under the umbrella of philanthropy.

Voluntary Giving, Service, and Association

We can already see how attempts to capture a complex subject like philanthropy in a phrase or sentence or concise definition are always flawed. They break down under close analysis, especially when they are pressed too hard to cover too much. This does not mean we can do without definitions; it simply means we should take the time to examine our working definitions closely. In our definition, “voluntary action” includes voluntary giving, service, and association. By bringing them all together under the umbrella of philanthropy, we want to emphasize their interconnectedness. In the sections that follow, however, we will separate them for a moment and take a closer look at each of these three dimensions of philanthropy in turn.

Voluntary Giving

Voluntary giving, as we usually use the term, is about gifts of money or property. We all know that some people give money rather than time and

talent to the work of philanthropy. There are various ways in which these gifts can be made, from buying a box of Girl Scout cookies to developing a sophisticated pattern of planned giving. Sometimes funds are given directly to a voluntary organization; sometimes they are channeled through intermediary agencies such as the United Way or a community foundation. More and more people with the means to do so are even starting their own private foundations. Some donors are dissatisfied with the normal vehicles for giving and come up with new ones, such as special "donor-advised funds" and mutual funds that give a portion of proceeds to charity (and only invest in socially responsible businesses). Recently, groups of donors around the country have started forming "giving circles" in which they pool their funds and collectively decide on joint gifts.²⁹

Gifts of property are common, too. The most familiar is the gift of clothing and canned goods for the poor, usually in winter and on the occasion of religious holidays. Companies often donate products; a great many of them did so following Hurricane Katrina. This reminds us that not all giving is from individuals (although the numbers we gave in the previous chapter show how the vast majority of giving *is* from individuals). A great deal of voluntary giving also comes from a variety of philanthropic foundations. Foundation giving is often a particularly visible and carefully determined form of giving; foundations are behind many of our most treasured activities and institutions, as well as many of our most notable efforts at fundamental social reform, and our most innovative efforts at global development.

We often give to strangers, such as refugees halfway around the world. But not all strangers in need are in other countries, and not all are refugees. In fact, only a very small part of our giving goes abroad, and only a very small part goes to help those who are not citizens of our own country. In fact, most of our giving is not only domestic but *local*. The largest part of the taxes we pay goes to national expenditures; that largest part of our voluntary contributions stays in the community. As Jefferson and Emerson and others have said, the wisest giving is to those things we know best; those things often are closest to home.

Giving money, unlike most forms of giving service, can usually be done at a safe distance. But many people give both money and service. As a general rule, service seems more often to lead to giving money than the other way around, but it is clear that the two are mutually reinforcing for a variety of reasons. This is a fact confirmed by many scholars and relied upon by many fund-raisers—fund-raisers know that people who identify with a group and its mission, and who build relationships with other people in the

group, will be more likely to give money to that group and to give more generously. One study found that the amount of money donated by volunteering households in the United States was more than double the amount given by nonvolunteers.³⁰

Research has also shown that the following factors will tend to increase a person's philanthropic giving: attending religious services regularly, being involved in giving or volunteering as a youth, having generous parents, having a college education, being married, having children, and not being worried about having enough money in the future.³¹ And as obvious as it seems, it is important that we remember that people often give because they believe in the mission or cause of an organization.

The more cynical readers will say, though, that giving is at least partly driven by tax considerations, at least in countries that allow such tax deductions. And yes, many Americans keep track of their charitable contributions so they can "write them off," even though many people admit they are not quite clear about how tax deductibility (and tax exemption for nonprofits) works.³² Most research on the United States has shown that taking a charitable tax deduction does *not* change whether someone gives, but it does affect how *much* they give. Itemizers give at least a third more than people who do not itemize.³³

However, the most commonly cited reason for giving listed by donors when we survey them is shockingly simple: they gave because they were asked.³⁴ The asking itself, as we all know, is a very large and by now quite sophisticated business. But asking matters. Many people give money or property only when asked, and although most of us complain about being asked too often, even incessantly, the most common explanation (or excuse) for not giving is not being asked.

Voluntary Service

Voluntary service is an important dimension of American life, important to those who offer it and to those they serve, and important to the society as a whole. Voluntary service covers a vast array of activities. It includes everything from the Candy Striper pushing a refreshment cart down a hospital corridor to an accountant donating time as a tax consultant for a small nonprofit, from a college student volunteer making recordings for the blind to a celebrity making a public service announcement about domestic violence. Volunteers raise money for the United Way, restore hiking trails, develop rural cooperatives in Africa, sort clothing to be sent to tornado victims, and publish Web sites to argue for reforms in education policy.

Because voluntary service depends simply on human resources, on giving your time and yourself, there is no such thing as having nothing to give. Time is said to be more precious than money; the Greek philosopher Theophrastus is often credited with the aphorism "Time is the most valuable thing one can spend."³⁵ Because of that, the gift of service can be a more generous gift than a gift of money. In fact, in many cases gifts of money are a poor substitute for the intimacy and companionship that are desperately needed. One cannot help but be deeply impressed by—and envious of—those people of infinite compassion and patience who sit by the beds of the dying, particularly those who were not previously their family or friends. They give the voluntary and valuable gift of silent companionship, the gift of human presence. A gift of one's time to philanthropy reduces the time available for other things—family, friends, recreation, relaxation, reflection. Giving service means that people become involved personally in the cause; it often involves personally intervening in the lives of others for their benefit.

The varieties of voluntary service are beyond enumerating but can be roughly categorized under two headings: service to others as individuals, and service to community. Voluntary service to other individuals in need—one individual helping another where the consequences of not helping are evident and serious—is considered by many people to be the most basic form of philanthropy. Service to others in need is the most immediate and personal and self-revealing—therefore the most challenging—form of service. Service to community can focus on alleviating suffering and misery, but it can also be about improving the quality of life. For example, service to community can involve picking up trash at the beach, or it can be devoted to reconciling groups who have been in conflict. We should remember that service to community is seldom a matter for individuals acting alone, which is another reason why voluntary service is so closely connected to voluntary association.

The reasons why people volunteer are similar to the reasons why they give. Being asked is the most commonly cited reason—one study found that 93 percent of young people who were asked to volunteer did, but only 24 percent of those who were *not* asked ended up volunteering anyway.³⁶ Religious participation and membership in organizations also increase volunteering, as does having volunteer experiences as a youth. Going to college seems to have a particularly significant effect on volunteering. Women volunteer more than men, and married people volunteer more than single people. And despite the stereotype that elderly retirees and other people who "don't have to work" make up most of the volunteer workforce, re-

search shows that employed people are more likely to volunteer than unemployed people.³⁷

We should remember, though, that there are troubling criticisms of voluntary service and of volunteerism. For some, the word *service* implies superiority of position rather than mutual respect. "I've come to help you" is resented as elitist, and the self-appointed helpers are said to focus on what they have to give rather than on what people need. This sort of criticism is not new, of course. The same denunciations were leveled against the upper-class ladies in the United Kingdom and the United States who practiced "friendly visiting" with poor families in the late nineteenth century, expecting that their manners and advice would help cure the illness of poverty. A related criticism of voluntary service is that it implies that everyone can afford to give time and money to the causes they care about. And while it is true that poor people do not volunteer in formal organizations as much as those in other income brackets, they do give their time philanthropically—remember, for many their time is the only thing they have to give.

Voluntary Association

While our definition of philanthropy includes the immense number of informal acts of giving and serving, this book is mostly about voluntary service and voluntary giving that has become organized and systematic. The instrument of voluntary action in that organized form is the voluntary association, a term which we use in a broad sense to describe the range of groups with a philanthropic purpose, from small grassroots associations to large, bureaucratized nonprofit institutions.³⁸

Much of philanthropy couldn't happen at all without organization. Organized philanthropy via voluntary associations gives leverage to the efforts of single individuals who would otherwise lack the strength in some circumstances to ease the burden of suffering or effect the improvement that seems necessary or desirable. It is possible for a single individual to give a few dollars to a homeless person to buy something to eat or a place to spend the night, but it is not possible for a single individual to house and feed and attend to the other needs of dozens of families in a homeless shelter for months at a stretch. If a single individual responds with sympathy to the televised picture of a hungry child in a refugee camp orphaned by a tsunami halfway around the world, and that individual wants to give money or personal assistance to that child, action (especially effective action) is possible only via a mediating organization. And giving blood or organs to

those who need them most would be impossible without institutions coordinating this giving.³⁹

As Tocqueville famously pointed out, Americans seem to be “forever forming associations.”⁴⁰ And as we noted earlier, Tocqueville argued strongly that associations are necessary for a well-functioning democracy. So associations can be seen as making organized philanthropy possible, but also making democracy possible.

Philanthropic organizations are in many ways like other types of organizations. Organizations require resources. Organizations must have a mission, and organizations must have goals and objectives. Organizations must be managed, and organizations must have measures of success and failure. While the goals and mission of philanthropic organizations may be different, the principles that control or limit or guide the management of such voluntary associations are often indistinguishable from the principles that managers of government agencies or business corporations confront.

Like all organizations, voluntary associations undertake a diverse range of actions. They implement philanthropic programs, they create and maintain their organizational structures and cultures, they reform and adapt to changing environments, and so on. The array of specific forms of voluntary associations carrying out these actions has become even more diverse in recent years, as illustrated particularly by the new hybrid forms of revenue-generating philanthropic organizations.

The secret to a successful voluntary association and perhaps the real test of philanthropy are to be found not in giving or service but in fund-raising. The principal philanthropic difference between the United States and the rest of the world may be the extent and the effectiveness of organized fund-raising. Fund-raising on a large scale is more highly developed and more widely practiced in the United States than anywhere in the world. The observers who claim that American philanthropy is unique are probably closest to the mark when we consider the scope and systematization of our fund-raising. Many people throughout the world, as well as many Americans, think of fund-raising as at best a necessary vice, at worst demeaning and crass. They never imagine that fund-raising can be ennobling and empowering, that it can be an affirmation of the mission of a philanthropic organization rather than a cheapening of it.

When we talk about the organized side of philanthropy, we must also confront the fact that over the past century philanthropy—giving, volunteering, fund-raising, etc.—has become much more professionalized. In addition to the people who give money and service and the people who are helped by it, there are a great many people who make their living helping

others—or by helping others to help others. And those people—who live *off* philanthropy rather than simply living *for* philanthropy, to modify Max Weber's famous distinction—have honed their craft, built their specialized knowledge, and established their standards of practice just like other professionals.⁴¹ In addition to individuals and companies functioning as fundraisers, there are associations of fund-raisers and of fund-raising companies; there are private foundations and public foundations and community foundations and family foundations—and associations of foundations. There are specialists who advise the wealthy about their philanthropic giving and about the tax consequences of giving in one way or at one time or another. There are people who design direct mail campaigns and others who call people on the telephone to ask for donations of used clothing. There are groups that specialize in helping people adopt children and other groups that specialize in helping children gain access to health care or to summer camp or to computers. And even some of the people who are professional lobbyists for nonprofits in Washington and in state capitals fall under our definition of people working in the philanthropic sector.

Philanthropy and the Three-Sector Society

The Filer Commission and the Concept of a Three-Sector Society

Having described the key elements of our basic definition and general concept of philanthropy, we can now discuss the relationship of our conception to the more familiar understanding of the “three-sector society.” This three-sector image is most prominent in the United States (which is our focus here), although it could be argued that, with some modifications, we could apply this image to other democratic societies.

Philanthropy has had a prominent role in the shaping of American society. Yet it was only thirty years ago that a national commission, noting the magnitude of philanthropy and the significant social issues it deals with, chose to describe the United States as a three-sector society, composed of government (the first sector), the marketplace (the second sector), and philanthropy (the third sector). The Commission on Private Philanthropy and Public Needs (known as the Filer Commission after its chairperson, John Filer) was set up at the instigation of John D. Rockefeller III (grandson of the original philanthropist), who saw a need to recognize public and voluntary activities that fell outside government and the marketplace.

In 1975, the Filer Commission's path-breaking report offered a new description of American society to replace the public-private dualism of the

past. The report consisted of a report and five accompanying volumes. There was a report prepared by the Filer Group, who felt the Commission had not heard other voices and failed to emphasize the importance of philanthropy.

The specific recommendations of the Filer Commission are undoubtedly outdated and will surely continue to be. However, in retrospect there are some aspects of the Commission's work that should not be forgotten. Together, these two contributions can be considered a watershed in our understanding of philanthropy.

First, the Commission began to build a knowledge base—about giving and about philanthropy—that mobilize that giving and volunteerism on an extraordinary scale and scope of activity. This has changed our very understanding of philanthropy.

Second, the Commission proposed a new sector society, in which a previous understanding of American society—the public-private dichotomy—was replaced by a three-sector philanthropic dimension—was replaced by a three-sector society. The Commission provided a new way of thinking about the sector and the beginning of an understanding of how they resemble each other and how they influence each other—that is, as a society. The Commission brought together under the common rubric of philanthropy activities that are diverse and did not have a consensus about usage of the term. The limitations to the whole “three-sector society” is the admittedly simplified notion of the three-sector societies is useful for us to conceptualize the many different activities in a single category.

Defining Features of the Three-Sector Society

The third sector concept can be used to describe the philanthropy we offer in this book if we

past. The report consisted of a summary volume entitled *Giving in America* and five accompanying volumes of studies and reports.⁴² In addition, there was a report prepared by a dissenting group known as the Donee Group, who felt the Commission and its findings neglected minority and other voices and failed to emphasize funding of activism and advocacy.⁴³

The specific recommendations of the Commission as well as the dissenting comments undoubtedly had some modest impact on current policies and will surely continue to be of more than historical interest. However, in retrospect there are two enduring contributions of the Commission's work that should not be underestimated. When considered together, these two contributions suggest that the Filer Commission should be considered a watershed in our national development.

First, the Commission began the development of a more extensive knowledge base—about giving, volunteering, and the organizations which mobilize that giving and volunteering—that has now dramatized the extraordinary scale and scope of philanthropy in America. This knowledge has changed our very understanding of what democracy means.

Second, the Commission promoted the image of America as a three-sector society, in which a previously ambiguous and mostly hidden dimension of American society—the public but nongovernmental dimension, the philanthropic dimension—was labeled a “third sector.” In this way, the Commission provided a new way of thinking—the concept of a third sector and the beginning of an understanding about how the three sectors differ and how they resemble each other, about how they interact and how they influence each other—that has changed the way we think of ourselves as a society. The Commission made it seem plausible and helpful to bring together under the common rubric of a third sector many philanthropic activities that are diverse and dissimilar. As we suggested before, there is no consensus about usage of the term *third sector*; and there are important limitations to the whole “sector” metaphor.⁴⁴ But despite this, we believe the admittedly simplified notion of America (and other democracies) as three-sector societies is useful for two reasons: (1) because it highlights the importance of this neglected third sector, and (2) because it makes it easier for us to conceptualize the many diverse activities of philanthropy under a single category.

Defining Features of the Three Sectors

The third sector concept can be made to fit with the definition of philanthropy we offer in this book if we specify more precisely what sorts of or-

ganizations we classify as part of the third sector and what the defining features of each of the three sectors are. In doing so, we will move further toward our goal of identifying the shared characteristics of philanthropic behaviors and organizations.

To start, think about what sorts of organizations we should include in our list of organizations engaged in what we call philanthropy. The Salvation Army, Harvard University, and Amnesty International are all on the list, but the Republican Party, West Point, and AT&T are all not on the list. National Public Radio is on the list, but CBS is not. Catholic Relief Services is on the list, but the Agency for International Development is not, nor is ExxonMobil Corporation or Archer-Daniel-Midlands, "super-market to the world." The YMCA is on the list, but Hilton Hotels are not.

But what do those organizations on the list have in common, and what similarities are the most important? Is tax-exempt status the key? Is it the nondistribution constraint? Why does it make sense to group the odd bedfellows of the Sierra Club and the Christian Coalition together (under the banner "philanthropy") and to distinguish them both from their seemingly more natural allies, respectively, the Environmental Protection Agency (which is under the banner "government") and the big Christian publishing company Zondervan (under the banner "business")?

Of course, making such distinctions and classifications is always tricky and sometimes unproductive. But we think it is important to try to distinguish the philanthropic sector from the others and to clarify very clearly what makes it distinctive. One reason why is because, when set off by itself, philanthropy is usually thought of as more marginal and less important than business and government, or it is simply absorbed into business and government as a special case of each. We need to counter this view. Philanthropy is certainly like business and government in some important ways. All three need mission and shared values. Each sector involves social organization, each sector needs resources both human and material, and each sector reflects a range of past experience. But the three concepts and sectors are also different in some important ways. Each has its own mission and distinctive values, and the rules constraining organization and resources are somewhat different for each.

In an effort to sharpen the differences among the sectors, it is useful to think of an essential, defining term or idea for each, the idea without which the sector collapses. Here is our attempt to capture the essence of the sectors in this way: *Government*, the first sector, is essentially about *power*. *Business*, the second sector, is essentially about *wealth*. *Philanthropy*, the third sector, is essentially about *morality*.⁴⁵ Taking this effort one step further,

Table 2.1. Defining Features of the

Sector	Means
Government	Public Action
Business	Private Action
Philanthropy	Private Action

Table 2.1 tries to illustrate these similarities and differences among the ends.

Politics is defined by power. Power, distinctive is the legitimately defined the state as the use of physical force.⁴⁶ This power and accountability; we require to govern us, to coerce us. This state or personal power. The actors (in many senses of the word) of this power is to achieve the government, defined in this way, and by the government's power to attempt to dock all workers' money for a new building, then government agency decided to power to create the resources it needs for business, for that matter) are just not the same sort of legitimate means of action.

Business and the private economy to acquire, use, and dispose of wealth conducted by private actors seeking more of wealth in the marketplace, even by people who have an annual financial report. This wealth through profit is what the sector looks at wealth, however, we also know that is unequal; it accumulates in a capitalist system is remarkably efficient sometimes even at creating assembly lines like Henry Ford, J. Paul Getty

Table 2.1. Defining Features of the Three Sectors of Society

<i>Sector</i>	<i>Means</i>	<i>Ends</i>	<i>Defining Idea</i>
Government	Public Actors	Public Good	Power
Business	Private Actors	Private Good	Wealth
Philanthropy	Private Actors	Public Good	Morality

table 2.1 tries to illustrate these distinctive ideas as well as some other similarities and differences among the sectors in terms of their means and their ends.

Politics is defined by power, and what makes the first sector, government, distinctive is the legitimate power to use coercion. Max Weber famously defined the state as the entity with a monopoly on the legitimate use of physical force.⁴⁶ This power comes with considerable responsibility and accountability; we require a lot from those to whom we give the power to govern us, to coerce us. This power is eminently public power, not private or personal power. The means for exercising this power are "public" actors (in many senses of the word). And the ostensible purpose of the use of this power is to achieve the public good. The difference between government, defined in this way, and philanthropy is most clearly brought out by the government's power to levee taxes. If a nonprofit soup kitchen were to attempt to dock all workers' wages in their community in order to raise money for a new building, they would get in a lot of trouble. But if a government agency decided to provide food for the hungry, it could tax citizens to create the resources it needed. This does not mean philanthropy (or business, for that matter) never involves power plays or coercion. It is just not the same sort of legitimate power that makes government a distinctive means of action.

Business and the private economic marketplace is defined by the right to acquire, use, and dispose of property or wealth. Action in business is conducted by private actors seeking private goods. The most familiar measure of wealth in the marketplace is profit, often spoken of as the "bottom line," even by people who have never learned to read a balance sheet or an annual financial report. This well-known bottom line of creating wealth through profit is what the second sector is ultimately focused on. When we look at wealth, however, we always encounter reminders of how its distribution is unequal; it accumulates in some places and not in others. The capitalist system is remarkably efficient and effective at creating wealth and sometimes even at creating astonishingly large individual fortunes for people like Henry Ford, J. Paul Getty, and Bill Gates. However, capitalism

These definitions and distinctions of the three sectors are intended to be suggestive rather than neatly and clearly descriptive. John Simon of Yale Law School, one of the first scholars to pay serious scholarly attention to philanthropy, called this attention to the differences among these three sectors "border patrol." In philanthropy as in immigration, of course, it makes a difference which side you're on. The boundaries among the three sectors, as we construct them socially and conceptually, are what sociologist Eviatar Zerubavel calls "fuzzy" boundaries in social life.⁴⁷ They are permeable, seem unclear to many, and are constantly shifting, but they are necessary for making sense of the world.

We should note that, despite their distinctiveness, there are many similarities between sectors. Philanthropy is like business in being about private actors acting voluntarily but also because both sectors encourage and thrive on entrepreneurial activity and self-motivated innovation. Philanthropy is like government in being about action to achieve the public good, as well as to provide "public goods" in the economist's sense—goods that everyone has equal access to regardless of how they're paid for. Like business, the third sector offers individual choice; we can "buy" the charity of our choice. Unlike business, there is no market test. A nonprofit can lose money indefinitely. Unlike government, the third sector doesn't have to win majority approval. In fact, these last two points provide the inspiration for a common criticism of the philanthropic sector, that there is no objective basis—like profits or votes—to determine "success" or to use it as a way to hold people accountable.

We should also remember that the three sectors continually interact, cooperate, and even compete. This makes defining philanthropy even trickier. Government relies on philanthropic and business "partners" to provide services. In fact, this government funding is a primary source of income for the philanthropic sector. Nonprofit organizations are seen as good allies for government and business because, on average, nonprofits offer credibility and efficiency; they are close to the people, and they are committed to their mission. Government also funds philanthropic organizations through such things as grants for the arts or for scientific research. In the other direction, business and philanthropy often seek to influence public policy, to change the way government limits or encourages social as well as political and economic action. And we know that philanthropy is also a familiar activity of for-profit business corporations. ExxonMobil Corporation may not be on the list of charitable institutions, but its charitable contributions are tax deductible, including those made to the tax-exempt philanthropic unit known as the ExxonMobil Foundation. The term

corporate philanthropy itself suggests the permeability of the sector boundaries. The sectors also compete. Nonprofits “sell” services—e.g., Catholic hospitals provide fee-for-service care to people who can pay rather than just serving the indigent, and we have seen that fees are the largest source of revenue for nonprofits. Some nonprofits sell their goods and services in the same markets where businesses and governments are selling.

Many observers believe the boundaries among the sectors are blurring now more than ever, with government “devolving” more and more activities to nonprofits and nonprofits commercializing more and more in an effort to maintain sustainable funding. And we certainly live in a time of often bewildering sectoral confusion. All we have to do is look at hospitals to see how difficult it can be to distinguish what is government, what is for-profit, and what is nonprofit. All of this should prevent us from drawing the boundaries too starkly, but it should not keep us from thinking about what makes philanthropy distinctive.

In conclusion, it is important to remind ourselves of some general qualifications for the three-sector model we have just given:

1. Philanthropic organizations often include ties to government or business.
2. Philanthropic practice often resembles actions usually associated with governments or markets.
3. Government and the market have philanthropic interests.
4. In a three-sector society, philanthropy is complicit with government and the market in shaping the society as a whole.

tion for the public good? These are questions we should not avoid just to retain our neat and tidy definition.

Voluntary

Technically, by our definition, for an action to be philanthropic it must be voluntary, by which we mean it must be relatively free and uncoerced behavior.⁴⁸ Philanthropic action is neither mandated by law nor done in response to threats or other forms of compulsion. People join philanthropic organizations voluntarily and can leave them when they choose. However, the meaning of philanthropic action as “voluntary” in a pure sense can sometimes seem an unreasonable and unnecessary ideal feature of our definition.

The understanding of voluntary here can perhaps best be illustrated by the difference between a gift of money and a tax. One chooses to make a gift; one has no such choice about paying taxes. The failure to meet formal obligations like paying taxes often carries painful consequences. There is an “or else” quality about this sort of formal obligatory action that does not hold for voluntary action.

But this does not mean there is no sense of obligation at all in philanthropic, voluntary action. Voluntary actions can sometimes be viewed as morally obligatory. In many religious traditions, for example, giving to the poor is not considered a voluntary choice but a canonically prescribed duty of all believers. This might be seen as a relatively benign form of coercion that is integral to philanthropy. We know, for instance, that people who go to religious services give more than those who don't. But still, as a form of coercion, it appears to make philanthropy less of a “free choice.” However, moral obligations—despite occasional feelings to the contrary—are often perceived to be less binding, or at least less enforceable, than formal obligations like the legal and contractual obligations of law and business. People who feel they “have to do something” to help the victims of war, famine, or natural disasters won't be punished if they don't do something. Even when philanthropic action is done out of a strong, even seemingly inescapable feeling of obligation, we consider this voluntary insofar as we still have to choose, in most cases, to fulfill this felt obligation to do good. There is usually only shame to pay if we don't.

Inevitably there will be other external influences motivating or perhaps obligating philanthropic behavior as well. As described earlier, research finds that commonly cited “reasons for giving” include being involved with the group you donate to, perhaps as a volunteer, and simply being asked to

give, which is often the number one reason given. Social pressure and peer pressure to give can become coercive at times. For instance, a familiar complaint against workplace giving has long been that contributions are sometimes the result of something very much like intimidation. Kenneth Boulding wrote of the distinction between gifts and tributes, the latter being something that looks like a gift but is really a required payment to a tyrant or a pirate or the like. He discussed these ideas in a little book originally entitled *The Economy of Love and Fear*, which reminds us that we can turn over money out of fear of what will happen if we don't as well as out of loving concern for someone else's well-being.⁴⁹

Another way in which we might identify the voluntary nature of philanthropy is to say that it is giving without expectation of a tangible return. Generally speaking, "voluntary service" means a gift of time and work without financial or other material compensation. Similarly, giving money (or other valuables "in kind") philanthropically is supposed to be a "one-way transfer of exchangeables," as Boulding puts it. There may be a "return" given back to the philanthropist, but it should be of a different sort than the exchangeable (in a market sense) that they gave; it should be, say, a word of thanks or perhaps access to a special viewing of an art exhibit (a ticket that can't be sold).

In general, the idea of voluntary action contains both a strength because of its appeal to our autonomy and a weakness because of our unreliability. The notion of voluntary is both promise and threat: I am free to act, but to act I must decide. To a free person, a voluntary action is almost always preferable to an obligatory one. If the voluntary quality of philanthropy is lost or seriously compromised, something important is lost—our individual freedom and the degree of our control over it. And in day-to-day life, the same forces that impinge on our freedom in other aspects of our lives appear in philanthropy as well, forces such as the pull of life's other activities ("I can't volunteer right now with all I've got going on at work") or a lack of resources ("I just don't have the money to give to every cause I want to support").

In the end, we are certainly on thin ice when we include "voluntary" so prominently in our definition, but we find the distinction of voluntary actions from obligatory taxes or exchanges of tangibles to be important, especially when highlighting the moral dimension of voluntary actions. But we should still be cognizant of important questions like "Where do we draw the line between coercion and legitimate forms of encouragement?" And we should think carefully about cases that blur the lines of what is voluntary. For example, traditionally we have qualified the definition of "vol-

unteers" to include people who receive some basic, subsistence level from the state as in the case of the etc. But some people object to service. The same sorts of questions about "community service" quotas that require for graduation. Is such really philanthropic? Is it worth mandating them into a lifetime of volunteerism?

These are tough issues. But if actions can be defined as relatively uncompensated. And felt obligation as motivation to act, so long as they lead into the decision to be philanthropic.

Action

Philanthropic action takes many things we do spontaneously, as a rule. It can include actions as familiar as carrying packages—common to philanthropy—or as rare as pulling off the actions we want to talk about.

Whether spontaneous or organized, immediate suffering of others—God as the most fundamental philanthropic actions fall under the definition of well, from writing a check to support your friends for donations to the board you serve. Philanthropic action. Individual acts of giving. Philanthropy. Organized actions.

Philanthropic action is also advocacy, although there are many. While service is considered the primary has grown increasingly popular. Rather than individuals or communities, advocacy neighborhood, the general public

unteers" to include people who dedicate their lives to service but who receive some basic, subsistence level of support—from a religious institution, from the state as in the case of the Peace Corps, VISTA, or AmericaCorps, etc. But some people object to these volunteers being paid at all for their service. The same sorts of questions have been raised about "mandatory community service" quotas that some high schools and colleges now require for graduation. Is such required service still voluntary service? Is it philanthropic? Is it worth mandating volunteerism of the young if it leads them into a lifetime of volunteering that is not so coerced?

These are tough issues. But for the most part, voluntary philanthropic actions can be defined as relatively free, uncoerced actions that are uncompensated. And felt obligations or external influences can be part of the motivation to act, so long as they have been reflected upon and integrated into the decision to be philanthropic. This seems to fit with our shared expectations.

Action

Philanthropic action takes many forms. In theory, such action can include things we do spontaneously, as a matter of course, or even without thinking. It can include actions as familiar as holding the door open for a stranger carrying packages—common courtesy or informal kindness is a form of philanthropy—or as rare as pulling a stranger from a flooded river. But most of the actions we want to talk about are more organized and formalized.

Whether spontaneous or organized, acts of mercy to alleviate the immediate suffering of others—Good Samaritan sort of acts—are often seen as the most fundamental philanthropic acts. But many other sorts of actions fall under the definition of voluntary action for the public good as well, from writing a check to support the local Girl Scout troop to hitting up your friends for donations to the Planned Parenthood chapter on whose board you serve. Philanthropic action includes both individual and organized action. Individual acts of giving or service bring personal meaning to philanthropy. Organized actions bring meaningful social outcomes and stability.

Philanthropic action is also traditionally divided up into either *service* or *advocacy*, although there are many other types of actions besides these. While service is considered the classic type of philanthropic action, advocacy has grown increasingly prominent in the past few decades and also has a long history.⁵⁰ Rather than directly improving the conditions of individuals or communities, advocacy involves efforts to influence others (the neighborhood, the general public, the government) to take action to im-

prove conditions—specifically, to take the action you argue should be taken. One of the best known and most respected leaders of American philanthropy, Brian O'Connell, has argued that advocacy is actually philanthropy's most important function.⁵¹ It is the preferred path of many, on both sides of the political aisle, who want to see significant social change. This form of action, while sometimes engaged in by individuals, is usually done through voluntary associations in order to exert a greater impact. In fact, advocacy often involves representing and promoting the interests of an organized constituency. Advocacy also shows how philanthropy is about ideas as well as practical action in the traditional sense. Promoting ideas is, at times, a form of philanthropic action.

Philanthropic actors are constantly innovating and creating new forms of action—this is part of what we called philanthropy's "vanguard role"—as well as adapting and expanding on traditional or received forms. Social movements are particularly fertile grounds for the invention of new forms of collective action, new means of forcing the social changes they define as for the public good. Take the strategy of nonviolent civil disobedience, for example. This technique of action was pioneered by Gandhi and his followers. Civil rights leaders in the United States then adapted and advanced the technique, borrowing also from Christian teachings on nonviolence and America's own history of civil disobedience by people like Henry David Thoreau. They then passed the technique on to a generation of new activists via formalized trainings that taught them, for example, how to stifle their violent impulses even when there was a crowd dumping food on them at a lunch counter. And now this classic form of philanthropic action is being employed in novel ways by movement activists protesting everything from abortion clinics to World Trade Organization meetings.⁵² Modern movement groups are also using technology such as cell-phone text messaging to devise new forms of action, such as the "flash mob." More generally, technological advances from the self-adhesive mailing label to the Internet have changed the way philanthropic groups ask for and spend charitable donations. Again, philanthropic action takes many forms, and technology usually adds to the list.

For the Public Good

Voluntary giving, service, and association—those are proposed as the elements of voluntary action. But voluntary action to what end? We say that the goal of philanthropic organizations is the public good. But what do we mean?

The use of the term *public good* absolute good of some kind and public good, in this view, is debated while it may not be universal an issue we should strive to achieve good. This understanding of the the common criticisms of philanthropy. This can be a criticism to know what the true public good is. The movement, for instance, high culture, known to the educated, be shared with those who were not. rise out of their difficult circumstances. new as demeaning and paternalistic. concern with helping the disadvantaged. underlying concern, that it is not good. less hunger and despair. Does it do good?

The absolutist view of the public good is and exclusive of "self-interest" to what Rousseau meant by the public good. only to what was good for everyone. were aggregation or summation of the "will of all."⁵³ But in public life, action, it is not always so easy to separate self-interest and who or what is the public good. consider the most powerful "association previously known as the public good and now officially just called the public good. funding for gerontological research. fortunately benefits its members. it does not also serve some public good. benefit nearly all of us, because we all "die" at some point. Yet AARP is the policy goals it pursues are not the public good. How do we make a public good?

In the famous tenth essay, Rousseau defines a "faction" as "a number of men united by some common impulse of interest."

The use of the term *public good* implies, for most people, that there is an absolute good of some kind and that we know for certain what it is. The public good, in this view, is determined by purely objective standards, and while it may not be universal in a pure sense, in any given case or on any issue we should strive to achieve the single "correct" vision of the public good. This understanding of the public good can lead to problems. One of the common criticisms of philanthropic actors is that they are condescending. This can be a criticism, in a sense, of their insistence that they know what the true public good is. Some of those involved in the settlement house movement, for instance, assumed there was such a thing as high culture, known to the educated and privileged, that could and should be shared with those who were "uncultured" as the best way to help them rise out of their difficult circumstances. Modern social workers reject this view as demeaning and paternalistic, despite sharing the underlying concern with helping the disadvantaged. But let's say we all still agree with this underlying concern, that it is good for there to be less poverty and squalor, less hunger and despair. Does this mean there is such a thing as the public good?

The absolutist view of the public good sees it as (by definition) opposed to and exclusive of "self-interest" or "special interests." This harkens back to what Rousseau meant by the "general will," which he saw as applying *only* to what was good for everyone as a unified collectivity and *not* to the mere aggregation or summation of individual wills, which he called the "will of all."⁵³ But in public life and in the world of voluntary philanthropic action, it is not always so easy to distinguish who or what is pursuing a special interest and who or what is pursuing the public good. Take what some consider the most powerful "interest group" in America, the nonprofit association previously known as the American Association of Retired Persons and now officially just called AARP. When AARP advocates for greater funding for gerontological research, it is seeking a goal that disproportionately benefits its members, yes, but few could argue that such research does not also serve some public good. At the very least, such research will benefit nearly all of us, because nearly all of us will become "senior citizens" at some point. Yet AARP is routinely called a "special interest," and the policy goals it pursues are denounced as self-serving rather than for the public good. How do we make sense of this?

In the famous tenth essay of the *Federalist Papers*, James Madison defines a "faction" as "a number of citizens . . . who are united and actuated by some common impulse of passion, or of interest, adverse to the rights

of other citizens, or to the permanent and aggregate interests of the community."⁵⁴ The first part of this fits our description of "voluntary associations" very well, but the second part would suggest that factions are voluntary associations working *against* the public good. However, as Martin Marty points out, Madison neglected to consider that some factions—Marty's example is civil rights groups—are *both* collections of people who share a particular passion or interest *and* groups that work for things like peace and justice and "the logic of rights and freedom for the good of the whole."⁵⁵

Economists offer another way of thinking about the public good by giving a formal definition of "public goods" that focuses on the technical qualities of those goods. Public goods are goods that are "indivisible" or "non-rivalrous"—meaning one person's use does not diminish another's—and "nonexcludable"—meaning anyone can benefit from the good regardless of whether or not they helped provide it. Certainly these sorts of goods are the sorts that philanthropy provides, as does government. Some public goods, such as public radio, are jointly provided by philanthropy and government, while other public goods, such as national defense, can only properly be provided by government. This is the basis for the main explanation offered by economists for the existence of this otherwise odd phenomenon of voluntary action for public good—rather than only for private good, which makes more sense in a world populated by *homo economicus*. Put simply, economists explain that voluntary action for the public good exists because, for various and complicated reasons, the market and government fail to provide the optimum amount of certain public goods.⁵⁶

Economists also use this standardized view of public goods to posit what they consider an inherent problem facing a society that must produce adequate public goods. Why would anyone help produce public goods if they could still benefit from the goods whether they helped produce them or not, when they could just get a "free ride." How can you raise money for a community park when the families in the neighborhood will be able to use the park even if they don't contribute to your campaign? Mancur Olson offered a famous summary of this "free rider problem" and argued that the way to overcome it was to offer "selective incentives" to people so they would contribute toward public good provision—like offering glossy magazines or tote bags to entice people to donate to public radio.⁵⁷ For economists, the offering of selective incentives can explain the observed fact that, yes, people do indeed consistently give for the public good.

In our view, while tote bags or other incentives surely explain why some people engage in voluntary action for the public good, there is another ex-

planation that should not be lost: the public good itself to those who give voluntarily to belong with the mission of the group. A view of philanthropic action for the public good that takes this view of the public good that "goods" will better encompass the public good.

We find it most useful to think of the public good as a contested and debated ideal. It is an ideal about as well as pursuing a standard to be achieved. Philanthropy is a vision of the public good. It is not advocating, or providing something for the public good.

This public good mission is more disputed than we would like, and the universal good for a universal other, even "self-interested" and to feel good about yourself, to get a tax break. And actions that do not lead to good outcomes are not innocuous (despite the image of putting money in a Salvation Army box, sometimes criticized as either such an inefficient way that it is a longer-term "public bad.") But seen by the actor as for the public interest involved.⁵⁹

This point of view is why we see philanthropy under our definition as partly motivated by "enlightened self-interest" the corporation seeks to maintain its future workers. While some philanthropy is either hypocritical or focuses not on whether it is deceptive but on whether it is somehow virtuous, even if this education may be another way, acting for the public good.⁶¹

planation that should not be discounted, one that relies on the appeal of the public good itself to those who choose not to free ride. Perhaps those people give voluntarily to help provide public goods because they agree with the mission of the group. This again highlights the moral dimension of philanthropic action for the public good. Further, we think a more general view of the public good that goes beyond the mere technical qualities of "goods" will better encompass the diversity of the field.

We find it most useful to think of the public good as a constantly contested and debated ideal. It is an aspiration worth discussing and arguing about as well as pursuing through action, but not a preexisting and fixed standard to be achieved. Philanthropic action is action seeking someone's vision of the public good. It is voluntary action with the purpose of doing, advocating, or providing something that is seen by the actor as somehow for the public good.

This public good mission might be more implicit than explicit, more disputed than we would like, or more limited in scope than some ideal of the universal good for a universal public. It will often be mixed in with other, even "self-interested" intentions for beneficent action like the desire to feel good about yourself, to make a name for yourself in the community, or to get a tax break. And action designed to achieve the public good might not lead to good outcomes in all cases. Even the widely praised and relatively innocuous (despite the insistence of the bell ringers) voluntary action of putting money in a Salvation Army container around holiday time is sometimes criticized as either not serving the public good or doing so in such an inefficient way that, if everyone did things this way, could lead to longer-term "public bad."⁵⁸ But the key measure is whether the action is seen by the actor as for the public good, even if there is also some self-interest involved.⁵⁹

This point of view is why we can include corporate philanthropy as philanthropy under our definition even if we accept that corporate giving is partly motivated by "enlightened self-interest"—that is, through giving, the corporation seeks to maintain a good image in the community or to educate future workers. While some critics claim outright that corporate philanthropy is either hypocritical or deliberately deceptive or both, our approach focuses not on whether it is really motivated only by self-interest or whether it is deceptive but on how the business doing the giving considers the giving to somehow serve a beneficial public purpose such as education, even if this education might also serve the corporation's interests.⁶⁰ Put another way, acting for the public good is not the same as acting altruistically.⁶¹

The most important point, however, is that it is through philanthropy that people affirm what they believe is in the public good and what they think contributes to it. This means, more dramatically, that the meaning of the public good in any society is determined partly, even primarily, through philanthropy. It is perhaps too convenient as a turn of phrase, but we say *philanthropy makes the public good*.

Craig Calhoun offers a nice way of thinking about the public good as constructed in this way. He argues that the public good is not something that is to be “found” but something that is “forged” in the course of the public sphere debate among active and vocal groups: “The public good is not objectively or externally ascertainable. It is a social and cultural project of the public sphere. . . . It is created in and through the public process; it does not exist in advance of it.”⁶² This perpetual contestation and debate is an essential part of public life, even though we act very often as if the contest were over and the meaning of the public good were fixed. But remember, the participants in this public conversation about the public good are often voluntary philanthropic organizations advocating for their vision of the public good and working on projects inspired by their visions.⁶³ Clearly, then, the advocacy role of philanthropy described earlier is a means of deliberating about the public good, but in a sense the service role is part of the deliberation as well. For instance, when a nonprofit drug counseling center helps someone with their addiction, they are affirming several ideas about what is in the public good: the view that suffering should be relieved, that the community problems caused by drugs should be reduced, and perhaps even that treatment or “harm reduction” is a better solution to the drug problem than prohibition or incarceration.

This last example reminds us that, even though we see the public good as something constantly being constructed, and even though there are many views of the public good—such as the preference for drug treatment—that are *not* shared by all or even by most of us, there remain a great many visions of what is for the public good that *most* of us can agree on. Those visions are often the core missions of philanthropic action. We can return to the summary of the two core objectives of philanthropy that we introduced at the beginning of this chapter: to relieve suffering and to improve the quality of life. While different philanthropists might define these objectives in different ways, it is hard to dispute that they are public good objectives in general. They are certainly “public” in that they extend beyond family and friends and encompass persons for whom the philanthropist is not formally or immediately responsible. They encompass the

community at large. They are
 to do good for those public.
 Surely we can agree that
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community at large; they encompass strangers. And they involve the desire to do good for those public "others."

Surely we can agree that philanthropic action seeking to relieve suffering or to improve the quality of life is for the public good and worthy of praise. Philanthropy is more praiseworthy than many of the other things we spend our money and time on. In the rough hierarchy of virtuous behavior, philanthropy ranks well up on the list, at least alongside patriotism and devotion to family and an honest day's work. It is because philanthropy is so praiseworthy that spending time here exploring the definition and meaning of philanthropy has been worth our effort.