

Philanthropy: Its Many Faces of Power

Plenary Session • AFP Mid-America Conference • Kansas City • May 2004

Introduction

We all think of philanthropy as a positive action, a contribution to society, voluntary action for the common good.

But what do we think when we consider power? Both positive and negative / good and bad. And when we link philanthropy and power, there are both good and bad faces that we see.

Today I would like to share with you some thoughts about 4 faces (or aspects) of power that I see in philanthropy. And indeed these are both good and bad aspects.

Specifically:

1. The first face of power: The fund development program as a positive change agent.
2. The second face of power: Institutional arrogance – a negative!
3. The third face of power: Politics in philanthropy
4. The fourth face of power: Philanthropy as a democratizing act

The first face of power: The fund development program as a change agent

The fund development program has enormous power because organizations and their leaders want charitable gifts and effective fund development operations can make money happen.

If the fund development program understands the nature of this power, then the program can successfully act as a change agent within the organization.

Unfortunately, too many organizations and their fundraisers forget that effective fund development does not rely solely on good fundraising techniques.

Actually, fund development is about everything else in your organization first. Fund development relies upon an effective organization and that includes such elements as:

- Is your organization sufficiently relevant to the community? (Achieved through a good strategic planning process)
- Does your organization effectively foster relationships? (good constituency development)
- Is your board effective? (Not wealthy power brokers but an effective board – these are not synonymous!)
- And much more

These are all **organizational development issues** – and these areas have to work well in order for fund development to work well and produce money. The fundraiser and chief executive officer must be able to address these organizational development issues or fund development won't work.

In fact, I think that more than 75% of “fundraising problems” are not fundraising problems at all. They are organizational development problems. And far too many fundraisers cannot address organizational development problems because these fundraisers are merely fundraising technicians, albeit good ones.

To take advantage of the fund development program as a change agent, philanthropic professionals – fundraisers and chief executives – must be great organizational development specialists. Only then can these leaders strengthen the organization and thus enhance fund development effectiveness.

The best fund development programs recognize the importance of organizational development and use this expertise to examine the strengths and weaknesses of the entire organization – in order to promote critical change.

Organizational leaders should use the fund development operation and the desire for charitable gifts – to strengthen the overall organization.

Unfortunately, there are far too few organizational development specialists working as fundraisers. And the fundraising profession itself and our professional associations focus too much on fundraising techniques rather than organizational development issues.

What is an organizational development specialist? A change agent serving the entire organization and looking beyond the immediate need for money.

Great development officers are both organizational development specialists and fundraising technicians. And great CEOs are definitely OD specialists. So hire accordingly!

What do **organizational development specialists** need to know?

- Systems thinking and learning organization theory to make sure that every area of operation positively affects fund development.
- Group dynamics and behavior, and group process
- Asking the right questions and questioning assumptions – yours and others
- Participatory decision-making at all levels within the organization
- Governance theory and practice
- And more.

The second face of power: Institutional arrogance.

This is not an attractive face. Indeed, this is negative!

Nonprofits and their staff were probably always a bit arrogant – perhaps played out as self-righteous. But this self-righteousness seems more prevalent now – and looks suspiciously like arrogance.

Maybe it's this arrogance that has caused some of the problems like the controversy in gifts for the victims of 9/11. “We nonprofits always do good. Why are you questioning us?”

What is of greatest concern is that surveys show that the credibility of and respect for nonprofits in the U.S. is at an all-time low.

I see this arrogance displayed in a variety of ways. For example:

- **Entitlement:** The attitude that philanthropic organizations do good work and hence deserve gifts. I read this in fundraising letters and newsletters and I hear this from staff and volunteers alike.
- **Universalizing one's own passion:** And expecting that others will respond once they have been sufficiently educated.
 - Forgetting that it's not what you're selling but what I'm buying that counts.
 - It's about my interests and aspirations and motivations as a donor or prospect.
 - So your job is to find the mutually beneficial exchange by focusing on what I'm interested in.
 - And stop the arrogance presumption that you can "educate me" to "get it!"
- **Trespassing on personal and professional relationships** rather than finding those who care. More arrogance.

And all of this arrogance is particularly harmful to your volunteers who are put in the position of fundraising with this arrogant approach.

The third face of power: Politics in philanthropy

To me this is the hidden face of power in philanthropy. I think politics are alive and well in philanthropy – and often justified by the second face of power, institutional arrogance. We need money because we do good and politics makes the world go round so we use them too.

My experience is that we seem to accept these politics as the status quo – and even reinforce them – either intentionally or because we haven't identified them and haven't explored an alternative.

What exactly is power?

The dictionary says: possession of control, authority, jurisdiction or influence. These are not particularly positive words.

The most common exercise of power are all based on privilege – the privilege of money, race / ethnicity, gender, and sexual orientation. And the intersection of these privileges increases – or decreases – the power of privilege.

Consider the individuals and corporations (either for-profit or nonprofit) that we typically identify as the most powerful. Consider the nature of their power.

Consider the corrupting influence of power: "One uses power by grasping it lightly. To grasp with too much force is to be taken over by power, thus becoming its victim." (*Dune: House Harkonnen*)

Let's examine privilege as the driving nature of power:

First, consider me: I have inherent power because I'm white, well educated, and affluent although not wealthy, and heterosexual. I am disadvantaged because I am a woman. These are all documented privileges of the powerful in the U.S.

How many of you have seen *Angels in America* – either on stage or on HBO? Roy Cohn, at one time one of the most powerful men in America, says he does not have AIDS because homosexuals have AIDS and homosexuals have no power – and he Roy Cohn has power. (Cohn died of AIDS in 1986.)

Just take a look at the civil rights of people of color in this country. More people of color are in jail and are poor. There are fewer people of color heading up Fortune 500 companies and major foundations and and and...

Take a look at women. Women are almost as disadvantaged as people of color in this country. Remember the Roy Cohn quote from *Angels in America*, do you know what boys say when asked, “what it means to be a man?” 13 items including “power,” “strong,” and “don’t be a girl.” Some boys indicated that they would kill themselves if they were a girl. Talk about the perception of power and privilege in the U.S.

Let’s think about the history of philanthropy.

The US did not invent philanthropy – although we certainly organized it more than any other society through our associations as described by Alexis de Tocqueville in the 19th century – and then in organizing fundraising itself.

But beware of U.S. centric arrogance – one of the faces of power. Every culture since the beginning of time has had ways that people helped others. This is not a U.S. invention.

I began what I consider my professional career in 1975, working in a nonprofit organization. I was 27 years old and I worked for an arts group. I immediately became a donor and embraced philanthropy and the nonprofit sector.

I’m almost 56 years old now. My own philanthropic journey has included the exploration of progressive philanthropy and social justice.

But this was a personal journey – never anything explored in my continuing education as a fundraising professional. Nothing I read in mainstream philanthropic publications.

Think about the philanthropic profession.

Why is there such a focus on traditional philanthropy and so little inclusion of information about progressive philanthropy and social justice? I think this focus is a result of the politics of power and privilege, and the power of the status quo.

I look at all my learnings in this profession about influential board members and fundraising volunteers and major donors. And these learnings typically focus on definitions related to privilege, which results in power.

I hear fundraising colleagues – on staff and consultants – talking about:

- Getting people of influence on the board to help get big gifts and special favors.
- Keeping board members who do nothing but give big gifts – which is not an acceptable definition of being a good board member.
- Designing campaigns based on affluence and influence.
- Making sure that some of the kids admitted to the school are from socially powerful families because social capital is so important.
- Retaining executive committees without examining the inherent power dynamics.
- Recognizing donors by gift amount, which is about privilege.

This is all about privilege.

In the US, philanthropy has been dominated by the European *noblesse oblige* attitude. When you accumulate lots of dollars, you’re obligated to help those “les fortunate”. That’s charity.

And it seems to me that there's certain arrogance in this approach. It's as if my money or status gives the donor special power and makes the donor worthier than those who need help. And soon it's the donors and other experts deciding how to use the money for the disadvantaged rather than including the disadvantaged in defining their own solutions.

Take a look around.

There is a growing disparity between the haves and have nots – all over the world and certainly here in the U.S., the first home of lots of associations and organized fundraising to support philanthropy.

Haves and have nots are all about the power of privilege and the destruction of social justice and affirmation of social injustice.

Research shows that more than 90% of philanthropic gifts go to what may be called traditional philanthropy – described as “responding to, treating and managing the consequences of life in a society with a capital-based economy.”

Traditional philanthropy takes care of the environment and education and the arts and healthcare. Traditional philanthropy also takes care of traditional charities, e.g., feeding the hungry and clothing the poor and educating the low income. This is wonderful.

But so many of these charitable acts could also be called the Band-Aid approach. We feed the hungry instead of changing the inequities that produce hunger.

Have you noticed that the less social justice we have, the more we need philanthropy? How ironic. We need more philanthropy because we refuse to deal with social injustice.

We apparently prefer Band-Aids to systemic change because systemic change could hurt those of us who are privileged. We promote good quality of life – but not for everyone – rather than using the power of philanthropy to make social change and assure social justice.

Did you know that there is enormous funding of conservative ideology and politics given by conservative foundations to nonprofit organizations and think tanks? Did you know that there is not comparable giving for progressive ideology and politics? Conservative ideology and politics do not promote social justice. Is this not an imbalance in philanthropy that is based on the power of privilege and politics?

These days I think more and more about philanthropy and the face of politics and privilege.

The fourth face of power: Philanthropy as a democratizing act

I believe that philanthropy in the U.S. is not democratic. I believe that we have designed philanthropy as an act of traditional power and privilege.

I see this in two specific ways:

In general, we focus on affluence in fund development and philanthropy. And affluence often is seen at the intersection of gender, race and sexual orientation.

Most gifts are given to traditional philanthropy to fund things like the arts and education and healthcare and the environment and helping those in need.

And the gifts given to helping those in need do not typically address systemic change but rather are rescuing babies from the river rather than going to the head of the river to figure out who is throwing the babies into the river and stop them. Why do we prefer rescuing rather than systemic change? Because those who are privileged – often our own donors – too often prefer the status quo rather than systemic change.

Of course it is wonderful to have charity and traditional philanthropy. We all want clean air and arts organizations and we want to feed and clothe the poor. All this is good.

But traditional philanthropy does not need to be the dominant face of power in philanthropy. We should all be aware of both traditional and progressive philanthropy. Both aspects should be presented in books and discussed regularly.

And for me, there is something bigger – more important than simply acknowledging progressive philanthropy:

I want philanthropy to be democratic. I want philanthropy to be a strategy to democratize our communities, our organizations, and our world.

I want the first face of power in philanthropy to be that of democracy – and shared power.

What would happen if the face of philanthropy were democratic? What would happen if we defined power as democratic?

What would happen if more philanthropic dollars went to social change, to create social justice?

Progressive or social change philanthropy is defined as: Analyzing and responding to causes more than effect. Going to the head of the river instead of rescuing the babies.

Progressive or social change philanthropy gives money to right the imbalances of an unjust society or an unequal distribution of resources.

Progressive or social change philanthropy challenges the assumptions that economic and social inequities are somehow unavoidable as the price of progress or prosperity.

Yes progressive / social change / social justice philanthropy would shake up the status quo – and that might be uncomfortable for many of us who are privileged. But that is what social justice is all about.

Democratizing philanthropy would empower those who don't have as much privilege – or any privilege according to traditional definitions.

And remember those who are less affluent give a higher % of their income than do the more affluent. Keep in mind that those who are “under-privileged” actually should have a say in how to change their lives and how to use your charitable gifts.

I believe that philanthropy can, should and must amplify the voices that are traditionally ignored.

I demand that progressive philanthropy help balance the imbalance of conservative philanthropy, which reinforces such huge social injustice in the U.S.

So now I ask you – just as I ask myself every day:

1. What are you observing about the politics of power in philanthropy?
2. Do you and your colleagues (your professional colleagues inside and outside your organization, your own board members) talk about the politics of power and the many faces of power in philanthropy?
3. Are you adequately informed about and educated in social change / progressive philanthropy?

4. When is the power of money negative or positive?
5. Are charity and traditional philanthropy enough?
6. Why is social change / progressive philanthropy the poor and often forgotten stepchild in our communities and in our nation?
7. Why are the many faces of philanthropic power NOT addressed in our continuing education, talked about among all professionals, documented in our publications?

And finally, I ask you: Do you want philanthropy to be democratic? Do you want philanthropy to be a strategy for democratizing the face of power?

Are those of us who work and volunteer in the philanthropic sector committed to using philanthropy to help create equity?

Do we have the “desperate and lonely courage required to challenge the accepted wisdom upon which social peace of mind rests.” (*Dune: House Harkonnen*)

In conclusion, let me use the words of others:

”Creating social change is exciting. It’s proof that we are alive and thinking. What could be better than to work for a future where fairness is the bottom line?” (Alfre Woodard in the Preface to *Robin Hood Was Right*)

“Injustice anywhere is a threat to justice everywhere. We are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one of us directly, affects all indirectly.... Philanthropy is commendable, but it must not cause the philanthropist to overlook the circumstances of economic injustice that makes philanthropy necessary.” (Dr. Martin Luther King, Jr., *Robin Hood Was Right*)

Let’s say it was 24 hours before you were born, and a genie appeared and said: “What I’m going to do is let you set the rules of the society into which you will be born. You can set the economic rules and the social rules, and whatever rules you set will apply during your lifetime and your children’s lifetimes and even the lifetimes of your grandchildren.”

And you’ll say, “Well, that’s nice. I get to define what kind of world I want to live in. But what’s the catch?”

And the genie says, “Here’s the catch. You don’t know if you’re going to be born poor or rich, of color or white, female or male, infirm or able-bodied, homosexual or heterosexual, retarded or intelligent.”

Now what rules do you want to make?

[From John Rawls, *A Theory of Justice*, 1971. As told by Warren Buffet and re-told by Joyaux]