

Taking on Philanthropy's Toughest Critiques with Beth Breeze

Beth Breeze: [00:00:02] It's terrible if we turned the word love of humankind, which is all that philanthropist means, into something so problematic when on an absolutely daily basis people are using philanthropy just to help each other out in some of their darkest moments.

Grace: [00:00:17] Welcome to Giving Done Right a show with everything you need to know to make an impact with your charitable giving. I'm Grace Nicolette.

Phil: [00:00:23] And I'm Phil Buchanan. Today, our guest is Professor Beth Breeze, director and co-founder of the Center for Philanthropy and professor of Philanthropic Studies at the University of Kent in the UK. I've been wanting to have Beth on for a long time. She began her career as a fundraiser for a youth homelessness charity. Spent a decade working in a variety of fundraising, research and charity management roles. She's written a number of books that have won various awards. Not going to mention them all, but one book we're going to spend some time talking about that I highly recommend that she wrote came out in 2021. It's called *In Defence of Philanthropy*. Welcome, Beth. So glad you're here.

Beth Breeze: [00:01:11] Thanks for having me.

Grace: [00:01:13] Beth, we wanted to have you on the show because you've been a force countering what really has been a backlash in recent years against the idea of philanthropy. Can you tell us what were you seeing and hearing that made you feel the need to write a book called *In Defence of Philanthropy*?

Beth Breeze: [00:01:29] Yes, it does seem like a rather odd title, doesn't it? And a few people have asked the question, does philanthropy need defending? But I definitely felt it did after many years of sitting in particular, academic halls, because that was the world I was working in then and politely clapping while somebody stood in front of us and told us all of the problems that philanthropists were bringing to the world and how their money was problematic, their giving was problematic, their relationships were problematic. And we all clapped politely, and then me and my sort of colleagues would head back to the bar and would say, well I didn't agree with any of that, did you? And nobody else who'd been clapping politely agreed either. That struck me as really odd that we were all sort of giving space for people to set out these views. But we all felt the general gist was in the abstract, you can make these arguments, but those of us who've actually worked in the philanthropy sector or who interview philanthropists or have any day to day interactions or relationships with donors and with the nonprofit sector knew that that abstract description just didn't match the reality. So it was that gap between the theory and the reality that I wanted to bridge in this book.

Grace: [00:02:32] In the book you discuss there are three primary critiques of philanthropy. The first you call the academic critique. Then there's the insider critique and then a populist critique. Can you walk us through each of them briefly? And what do you think they get wrong?

Beth Breeze: [00:02:47] Sure. I mean, it took me a while to reach those three types. I'm quite a fan of typologies. I think it's quite a useful way of ordering the world. And I think when I started the book, I just felt it was this big wall of noise of just people who didn't like philanthropy, who saw all the problems and none of the positives, because I don't deny

there are some problems, just to be clear. But, you know, there's always tradeoffs. You know, there's always upsides and downsides of anything. And so it really was a large part of the work was doing the research, looking at the history of philanthropy, the present practice of philanthropy and all the different critiques we're saying, to create these three clusters. And there's some overlaps between them. So, yeah, as you say, the first of them is the academic critique and the name is fairly self-explanatory. It's what's contained in those books, in those talks I was attending when people were very cleverly setting out all the issues and problems and it would be all analysis and no solutions. You know, if you looked from a distance that is what's going on. And the focus there was very much on how philanthropy is done. Whereas the other two critiques look more at the what and the why, and I'll get to those in a second, but the how would be very much about sort of the endowed foundation, the sense that people should not be able to put a big chunk of money away forever and then the donor dies. And still what they wanted to do all that time ago gets to determine action today. So the core critique is that it's undemocratic, which it is. You can't argue with that. You know that they don't have voters. There's an undue influence, undue amount of power. And what often happens in these critiques, they start with a kernel of truth. You know, if you have money, you have power. You know, if you get to decide yourself what you do, it's undemocratic. And then very quickly, they jump to the far extreme and say all philanthropy is power, philanthropy is undermining democracy. And there's this slippage which happens where you can sort of start off agreeing and before you know it, it's gone to this great extreme. So, yeah, so the academic critique is very much focused around the democratic mandate, the influence and the power. The insider critique is, as the name suggests, comes often from people who work within the sector. So they might be, you know, working foundations, they might be working charities. They might even be, you know, people who study or, you know, any other kind of role commentating within philanthropy. And they tend to be focused on the what. So it's very much about the distribution of philanthropic expenditure. Now, this argument is as old as the hills. Everyone always thinks they know better how to spend charity money than someone else. But it sort of dignifies that argument of, you know, my ideas are better than yours. When I wrote the book, the kind of the dominant voice in that field was what it's called the effective altruism movement. So people use incredibly metric kind of mathematical calculation to say \$10 will do more good here than there. And they'd sort of show you this big equation and show you why you should support A and not B. Now, I've never met a donor who doesn't want their money to be spent as well as it counts. So they're pushing an open door in that sense. And of course, people want their money to be spent well. But I think it goes against human nature and how donors work to say, you see how, you know, your loved one died of breast cancer. Actually, you can get 0.9 more of a QALY, which is a quality adjusted life here, if you support prostate cancer rather than breast cancer research. I don't know any donor who's going to be persuaded by that argument because they're doing it because they want to honor their loved one who had the other illness. And same if you've, you know, visited a particular country or had a particular experience or you love trombones more than you love harps, you know, you're not going to suddenly change your money because somebody's done some calculation. So the insider critique is very much that what and telling you where your money should go. And in extremis, again, you know, as I say, fairly plausible arguments begin with spend your money. Well, you get to the point in extremis where people say if you fund building a, say, a new wing of a museum for 2 million, you are responsible for the deaths of the people you could have saved if you spend that 2 million on malaria nets. And that's, again, what I mean about the slippage from. Fair point to. Whoa, hold on. You know, I could have spent 2 million on a yacht or a party or something else. How come? How have I killed the people? So that's the insider critique. And then the populist critique is really that sense of how philanthropy is talked about in the general media, especially social media, by stand up comedians on telly and

films. Just it's popular portrayal. And like all forms of populism, it offers incredibly simple explanations for really complex phenomena. So they're quite focused on the why. So instead of why, which in all the research shows, is very complicated, you know, it's your personal life history, it's your connections, what have you that's in there. Why: dodging tax, why: ego. Why, you know, showing off. So very, very simple and negative explanations for why people do it. And again, you know, of course, some people like their name on a building. There's a bit of ego in that, again, kernel of plausibility to the extreme where the king of populism would be Anand Giridharadas in his book *Winners Take All*. The subtitle of that book is *The Elite Charade of Philanthropy*. And he calls philanthropy "fake change". There's a big difference between saying, you know, some people want their name on a building or quite like to get a gong in in the UK, you might get a knighthood or something to saying actually is all pretense, is all sham, is all scammers. You're not meaning to do any good. You're simply trying to benefit yourself. So those are the three critiques. Other people might have more. This is just "a" defense of philanthropy that hopefully it's useful to have those three set out.

Phil: [00:08:04] I think it's so useful. I found myself, as you know, Beth, because I think we sort of found each other during this period of time so frustrated in the sort of 2018, 2019 moment by the generalizations, these critiques that sort of lacked specificity, cast everybody sort of painted everybody with the same brush. And then also the hypocrisy of it all that, you know, you have to talk about the academic critique. You know, folks who are occupying endowed chairs at fancy universities supported by philanthropy in a big way, and that's somehow fine, but not other forms. And it just felt so simplistic and reductionist and also worrisome because in the U.S., we've seen this downward trend in terms of just rates of participation, of giving. And the latest data just came out and it's continuing. You know, two thirds of households giving 20 years ago dropped under 50%. And now I just saw the latest data. It's down to like 46%. So this matters how we think about this stuff. And then it matters in the context of democracy. And so this sort of simplistic notion that philanthropy is anti-democratic when we know that the first move of many authoritarians or wannabe authoritarians is try to shut down the NGOs or the nonprofits because they have an independent voice. And I think you do such a great job in the book of just discussing this. And you say rather than seeing philanthropy as a threat to democracy, it makes more sense to view philanthropy and democracy as mutually, as sometimes fractiously, interdependent, and to understand both as dynamic, contextual and in need of ongoing improvement from external pressures. So can you talk a little bit about the role of nonprofit supported by philanthropy in the context of a healthy democracy?

Beth Breeze: [00:10:03] Sure thanks for that, because sometimes what you hear, what's read, I found awfully long winded that I think I can say it more, more briefly that and this isn't my phrase, this is from the Nathan Report in the UK, which is that philanthropy and the nonprofit sector are the nursery school of Democracy its where we learn how to get along with our fellow citizens. You know, if you're a member of the local bridge club or brass band or whatever it might be, a local community hall and you have a committee and you have a budget and you have a secretary and you organize meetings and you don't all agree about what you should do as a club, but you have to come to decisions. That's what they mean about, you know, you're learning how to interact and make collective decisions and decide what the greater good is, even if it's not exactly what you individually would choose to do. So I absolutely see civil society in general, which is nearly always funded in some way by private donations, is where we learn how to get along with other people. It's where we meet and interact with our neighbors. And so many times we live quite individualistic lives in our own home, in our own yard or our own kind of private bubble. But when we get out there and join a club or a society, even it's a leisure club rather than

something maybe a bit more worthy, like laying out lunches for the local community. Whatever the work we're doing together, we are learning how to interact and work together collectively. So I absolutely see all of this as being the building bricks of a strong democracy. Also, democracies have to have contestation. They need different ideas. They need debate. These people don't just turn up in political role and suddenly have all their ideas ready. They interact constantly with nonprofits for new ideas on how to tackle issues, or what are the new issues that come open. There's plenty of examples of politicians saying this was brought to my attention by this nonprofit body and they demonstrated how it could be resolved in this way, and then it becomes part of government. And I think a lot of times people don't realize those interactions. They see the state and philanthropy as sort of binary in opposition to each other rather than actually many times complementary. Sometimes they're challenging and you know, people are disagreeing, but quite often they're complementary or they're coexisting. So it's much more complicated than people realize. And I think the critics of philanthropy often obscure that complexity for the sake of making their arguments, when they know fine well, to go back to your first example of academic critiques, they know fine well that they benefit from fund because they're holding that chair. That's endowed by a foundation. I mean, the effective altruism movement began at Princeton because Peter Singer had the Castle Lectures, which were the Castle family funded these endowed lectures, and that's where he had the space and the time to think through those ideas, which ultimately said never fund anything like the Castle Lectures, only fund, you know... So it's extraordinary, really. And there's loads of examples like that. And it's, you know, we can all be, have moral views on what everyone else should do and forget that actually we are part of this. We're all members of society. We're all benefiting from philanthropy on a daily basis. And we do well to remember that when we're making these arguments.

Grace: [00:12:59] I'm wondering, you know, for those who are sort of relatively new to your work, and you mentioned there is sort of a nugget of truth in some of the critics, right? Like Anand Giridharadas, Rob Reich from Stanford, whom you've deftly debated. I highly recommend that debate, actually. I'm wondering how do you reckon with the fact that perhaps there are donors though, where the wealth was ill gotten or they are really trying to cover up for their misdeeds? I know that so much of our conversation on this show often is that we can chew gum and walk at the same time, right? Like two things can be true at the same time, that certainly there are people like that and we should not throw the baby out with the bathwater. How do you recommend that donors reckon with the really negative aspects that the critics do bring up?

Beth Breeze: [00:13:49] So a great question. I mean, *A Defence Of Philanthropy* is not a defense of all philanthropy and all philanthropists, it's a defense of the institutions and the practice of philanthropy. And actually, my inspiration came from a book by Bernard Crick, who's a Scottish academic who wrote a book called *In Defence of Politics*. And his argument was, this is how we resolve debates, this is how we run the country. This is how we make decisions. It doesn't mean every single policy decision is a good one, doesn't mean that we like every politician by any means, but we don't have a better way of running things than politics. So we have to defend the structures and the practice of politics. I was only trying to make a similar argument to that, that philanthropy as a part of society is essential, is life saving, is enhancing, but it can also get things wrong. Of course it can. Now, anything done by humans is fallible because humans are fallible. So it's not a case of saying absolutely everything is fine and perfect and let's just carry on as we were. We do nobody any favors by saying that. But what we can't do is pick the most egregious outlying example and say, "and therefore, all philanthropies like that." I would say pretty much every time I've presented this argument through a room, I can almost have a little

stopwatch going for how long will it take before somebody mentions the name Sackler, you know, and then they think they've won the argument. Beth, what about the Sacklers? And then they get a big round of applause in the room and I say, yeah, what about? And then you name one terrible politician or you name one, you know, murderous policeman or you name one, you know, very problematic from any profession and say that doesn't mean the whole profession is problematic. So I think it's so important to acknowledge that outliers happen good and bad, but that we don't base any of our decisions on that. We look at overall. And this is why I think we have to talk about trade offs and upsides and downsides, and I would rather live in a world with philanthropy, the one without philanthropy. I'd also rather live in a world in which everybody involved in philanthropy is trying to improve it, identify the problems and work on them. But in the meantime, people need to be fed. People need vaccines. People need help in any number of ways. And we can't just wait until the world is perfect before we help other people.

Grace: [00:15:49] I find that very compelling. And this is also just such an interesting time in history, right? We just had the U.S. election. I would say that Vice President elect J.D. Vance has made a number of sweeping statements about what he hopes to do against civil society, perhaps even seizing the assets of specific foundations. And then you also have billionaires who are now actively involved in making decisions in our government. They're not elected. And I guess I suppose one adjacent conversation to this is even just the role of folks like, like an Elon Musk or those like I think we can often say, you know, is it a policy failure or is there something wrong that there are these folks who can exert this kind of power? What would you say to that? I mean, it seems like it's all well and good if they use the funds in positive ways. I don't think Elon Musk does very much philanthropy, to be clear. But, you know, there are many people like him who are exerting outsized power, whether they're doing philanthropy or not. What would you say to that?

Beth Breeze: [00:16:53] Yeah. And I think where, you know, where you left that whether they're doing philanthropy or not is the key point. They're not getting these roles because of their philanthropy. They get these roles because of other parts of their lives. And I think there's something really odd about the way we zone in on the philanthropy and say, and therefore, philanthropy is a problem. So, a good example would be the space tourism that a lot of philanthropists do, and then that people will say, alright but these philanthropists, all they want to do is, you know, waste money, you know, with these rockets. And I say well no that's something separate they're doing. And why are we mixing the two up? They might also fund certain politicians. They might, you know, be involved in all kinds of things. They might have private lives that you or I, you know, wouldn't particularly be keen on. Why is everything seen through the lens of their philanthropy? So if they're doing good over there with their philanthropy, but they're problematic in another field. Let's talk about the field that they're problematic in. Rather than say, ah ha because you're a philanthropist, therefore everything is... that it's a bit like, you know, I mean I'm so we'll make some donations. But I wouldn't say that everything I do therefore makes me a donor. The donor who wrote the book, the donor who teaches the students, the donor who took a dog for a walk. You know, it's a really odd thing to do to sort of focus on this more than anything else. So that would be my worry that this would become a debate about Elon Musk, the philanthropist in power, which just really would be a gross distortion of who he is, as far as I understand you know, his life and role.

Phil: [00:18:09] And there's this unfortunate sort of conflation of frustration with tax policy and a critique of philanthropy. And we see many living, breathing examples of billionaires who are significant philanthropists, who also believe that they should be taxed higher and believe that, for example, in terms of the U.S. tax code, that every citizen should have a

tax incentive to give, not just those who are itemizing, and then add to the confusion and frustration that I feel about this conversation and the critiques, is how much we focus on the donors, but not the recipients. I mean, so we have this ecosystem of organizations in every community, often small, often working with the most marginalized among us, not always, but often. And those are the organizations that are on the receiving end of gifts from everyday donors and sometimes from really wealthy donors. And that sector, that incredibly diverse array of organizations that put mission first, that don't have to worry about delivering profits to investors or worry about the next election, but can actually worry about the mission, the work. And some of them have competing objectives with each other. That's such an important part of our society and I feel like we're not talking about those organizations. But to the extent that donors pull back, to the extent that we decide not to have incentives for charitable giving, but to keep our incentives for you to buy a second house and get a mortgage deduction or whatever, like this doesn't make sense. We should be celebrating this array of organizations and the people who support them. And I said this to Anand when I met with him, I said this to Rob when I debated him, though not nearly as well as you did. Your books barely talk about the recipients. Like philanthropy, is about supporting organizations. So I wonder how you see that, Beth, and whether you share that frustration. I think you do.

Beth Breeze: [00:20:23] I do. I do. Absolutely. I agree with everything you've just said. And one thing that can be quite useful for those who like to dabble in a bit of philosophy and those who are familiar with John Rawls work, who talks about the idea of we should make decisions about how things should be run behind a veil of ignorance where we don't know what our own personal position is. So I don't know if I'm rich or poor. I don't know if I'm living in the UK or in the Congo. I don't know whether I'm a man or a woman. I don't know if I'm healthy or unhealthy. What decisions would I then make? And I think the point about people who criticize philanthropy, they often don't feel that they are... I mean, actually, we all receive from philanthropy, we're all beneficiaries, but in terms of direct benefit, they are not themselves homeless, lacking health care, needing vaccines for their kids, hungry. They can make these pronouncements, which frankly is often quite grandstanding because if they are not themselves trying to bring down the capitalist structures which they're railing against, then what do they...you know, where does their argument end? So we should bring it down insofar as the philanthropists have wealth at the end of it. But they themselves, you know, don't feel the need to live by that or to show any kind of personal commitment to changing the structure of society which they claim to be against. So absolutely, I think that we need to think through how would we feel if we didn't know what position we're in. I think also the point about the tax breaks is a great chance for me to say something about the American dominance of these arguments. You know, only 4% of the world's population lives in the USA, but 99% of the discussion around philanthropy and nonprofits comes from the USA. The way you organize your society and your politics and everything else is not the way that everyone else does. Some things might be similar, but... So, for example, in the UK, everybody who pays tax can claim tax relief on every single donation they make. If I give £1, I can claim back the £0.20. If I'm a 20% tax payer, there's no such thing as itemized as there's no such thing as only certain people getting it. So you could just make that change, and it's not a natural phenomenon though only the itemizers have it. Similarly with how your health care is organized. It doesn't need to be the case that getting good health care is reliant on private donors. That's how it is in the US. Obviously we have a National Health service. So, so often people are talking about philanthropic failure when actually they're talking about government failure, failure to have the right tax breaks, failure to provide decent health and education for all. So I would really encourage Americans to think, is this actually philanthropy failing here or is actually philanthropy trying to plug a gap? That's actually a

government failure. But I also really liked your point about the other tax incentives. And I, this is one of the points I struggle to get across, but I'm grateful for any help in getting across. Yes, there are tax breaks for giving and yes, they're undemocratic because the gifts you give are not undemocratic, but they're outsized influence for the bigger gifts. But equally, somebody who puts, saves a really massive pension pot is getting way more tax break than somebody who's saving a much smaller pension pot all or not at all, somebody who's, I mean, these are things you get tax rates for in the UK, I don't know exactly how it works in the US. If you do solar panels, if you send your child to nursery, if you do all kinds of things that the government wants to nudge you to do, you'll get tax breaks for them. There's about a thousand different tax breaks in the UK and only one of those thousand is a charity tax break and it accounts for half a percent of the value of all the things that government will let you off paying tax for. But the only thing anyone writes books about is the undemocratic nature of charity tax breaks which are trying to help other people. All these other tax breaks, you're helping yourself. So that's why I think we have to say what's really going on here? Why are the critics really narrowing in on philanthropy? Why does other people's generosity offend them or worry them so much? And that's the question that I enjoy asking the critics. What actually is it about the person who's using their money to try and help others that bothers you more than the person who buys a private jet or throws big parties? Why is that the direction?

Phil: [00:24:06] Beth, do you have an armchair psychologist perspective on the answer to that question?

Beth Breeze: [00:24:10] There is some really interesting social psychology research about what we call do-gooder derogation, which is basically, it's a preemptive attack. So I get in there quick and say, you're a bad person or you're only doing it for yourself or you're fooling us, because the alternative is, my goodness, you're doing something good and I should be doing that. And that's going to make me feel bad about myself. So it's much better to say, oh no, no, you're, you're in the wrong. So that's one line of argument. What do you think of that?

Phil: [00:24:37] Yeah, I think that. And then you mentioned grandstanding. I think billionaires are an easy target, right? And you can get a lot of attention for a sweeping critique. So I think there's a sort of careerism part of this as well. It's a simple argument that resonates, you know, the populist argument may be and in particular.

Beth Breeze: [00:24:56] Well, what's brilliant is that people accused philanthropists of virtue signaling, when of course, the ultimate virtue signaling is to call out somebody else's virtue signaling, and we all end up in a big spiral. You know, you only put your name on that building to virtue signal. But look how clever I am for pointing out. They're both virtue signaling by somebody's definition.

Phil: [00:25:17] Stick with us. We'll be right back.

[BREAK]

Grace: [00:25:30] Oftentimes the messiness of civil society and like what people choose to give to you can be deeply uncomfortable for folks. So, like the fact that, you know, there are people who give to causes that I may not agree with or I think are not the best use of money, but that is sort of a feature and not a bug of democracy I think can be really disturbing. Like I recall, we had a relatively famous local academic come speak to our staff

about tax policy and why, instead of philanthropy, people should be taxed more heavily, which I personally do not disagree with you know.

Phil: [00:26:08] The instead of part is what you disagree with, right?

Grace: [00:26:11] Right, the instead of it's like, the government should be doing everything. And I think that as someone who used to live in China, where the government literally does everything and there isn't a civil society, I think that we have to be really careful what are we asking for here, right? Like the fact that people are giving to Let's Knit Sweaters For Dogs. As a nonprofit, you can feel really angry about that, that that's not normal, you know, money well spent or something. But the fact that it exists is actually still quite important. And so that can be really hard, I think, for some folks to reckon with.

Beth Breeze: [00:26:43] Yeah. And of course these things change over time. So the boundary between state action and private action changes. I mean, for centuries it was only private action that was providing, you know, schools and education and hospitals for the vast majority of the population. Of course, there's always that tiny elite who could afford it. And then over time, we collectively decided, actually, everyone should get an education. School is going to become part of the state. And it's a more recent phenomenon that's from government if you look in the you know, if you take a long view. And the same with, you know, other things will change. Often things begin in philanthropy. I think the answer to a lot of these criticisms is to think of the time scale. You know, if something needs doing now, people are suffering now, or if things could just be better now and somebody is willing to do it without waiting to get elected, without waiting for that to be a profit model. They can just make that happen. It doesn't mean they want to do it forever. In fact, most philanthropists, their kind of holy grail is that they demonstrate this thing can be done and it gets taken over, usually by government, sometimes by business. So if we look at some of the key things in life, bridges, roads and so on were all built by philanthropists until it became clear that didn't make sense. And things keep changing all the time. Water, you know, you'd have charitably funded water pumps in the middle of the road and then they became government provided. And now actually they have been privatized and the market provided. So it's really porous the lines between what's provided. But I think the argument that, you know, if only we were taxed more, there'd be no need for philanthropy doesn't really hold because there's some things that governments can't do, some things that they won't do and actually some things that they shouldn't do. So, you know, challenging government, they can't challenge themselves. So you do need that outside body. The other categories and that would be things, you know, animals, who would you know, some people are passionate about preserving hedgehogs or parrots or something. You know, I don't think your average voter would say, I want my money to be spent on some of those, you know, more kind of idiosyncratic things. There's also some really personal things. If I've been through a bereavement or some crisis and I phoned a helpline, I'd rather it was picked up by somebody in a nonprofit role who was there because perhaps they have personal experience of it or they've got a particular passion. I don't want a civil servant picking up the line when I call because I'm feeling suicidal. So that's one that, there are some things better provided by the voluntary sector, by people who share a compassion and an experience. So philanthropy is not the same as a state. They're not substitutes. Often they, there's as I say a blurred line between them, but they do hold distinct and equally unique and important roles in our society.

Phil: [00:29:08] It's funny that you mention this, and this may be an overshare, but I was just thinking about this exact issue because I was remembering. I was remembering the first few days after our older daughter was born and my wife was having difficulty

breastfeeding her and she was very hungry and it was very stressful. And we phoned in the middle of the night a nonprofit. And you better believe we didn't want to be phoning the government or a for profit business. This was a nonprofit staffed by a volunteer who talked us through to a place where she was successfully breastfeeding her newborn baby. And I am telling the short version of that story because the stress and tears of anxiety of the fact that we could not successfully feed this baby, this is a small example of the kind of thing that happens every day, right? That we turn to organizations that we can trust in moments of need. We reached out to that organization one time. Then I think we made a few donations in the years that followed, and we let that slide and we should probably pick that up. But that's what we get through philanthropy. We get a network of organizations that are there when we need them, even if we never imagined that we would.

Beth Breeze: [00:30:21] Thank you so much, Phil, for sharing that, because I think what we forget as well is that philanthropy is a fundamentally emotional business. So much philanthropy comes from a place of difficult times. Comes from grief, comes from sadness and people's desire to help each other and to share the burden. It's not always about solving things. I think of charities which again are reliant on private donors that maybe grant last wishes to people, to terminally ill kids, or even to older people who just want to, for what, look at one last sunset or go see, you know, one beautiful work of art in a museum one last time. And there are charities that will fund that and help get you there so you have a good death and nice memories for the whole family. Now, the insider critique's never going to approve of that because it's not saving any lives. The academic critique will say, well, how can that person get taken to an art gallery and not that old person? Well, it's better than nobody going. But that these are, you know, really, as I say, very emotional examples. I mean, another one I use and it's a group of women in the UK who discovered that when babies were stillborn, there was no clothing for them to be buried in. So they basically organized a sort of a nonprofit whereby people could donate their wedding dresses because there's something about that really luxurious material, and they'd make these tiny little gowns out of these wedding dresses, and then they would donate them to the hospitals where a baby was, so they could be used. Now every level of that is just, you know, drenched in sadness and grief. But actually, another woman has reached out and shared her wedding dress, and someone else who turned it into a gown so that your baby can be loved and cared for. And I love that circle of support and solidarity. And to me, that's what the nonprofit sector is about. You know, there's a very, very tiny percentage, which is about dabbling in policy and trying to, you know, make, you know, things happen. And that's where I think a lot of the debate and critique happen. So much of it is it just about being decent people and reaching out to each other and trying to help each other. I worry so much that turning the word philanthropy and philanthropist into a dirty word, a term of abuse. I interview people and I say, I don't want to be a philanthropist, I'm not one of them. I don't want to, you know, be seen like that. You know, a tax dodger. It's terrible if we turned the word love of humankind, which is all that philanthropist means into something so problematic when on a daily basis people are using philanthropy just to help each other out in some of their darkest moments.

Grace: [00:32:38] Beth, I'm wondering, do you have a favorite philanthropist, perhaps someone who isn't a household name? Could you share a little bit about who has surprised you in your research?

Beth Breeze: [00:32:49] Sure. So when the Sackler name comes up, I always think, well, if you can use just one name to bring down the reputation of philanthropy, I think I could just offer you one name to back. So the name I often use is Anita Roddick. And I don't know if that means much to a US audience, but Anita Roddick was the founder of The

Body Shop, which was an ethically sourced beauty products, which still is on our high streets. But it was quite a trailblazer in the 1980s. So every element, every ingredient in these products is ethically sourced. The supply chains were not exploitative. There would be no testing on animals, you know, all of those things. You are buying products you could really feel good about and feel sure that you hadn't caused any harm. And it was very popular and it made a lot of money. And Anita Roddick sadly died a bit younger. But Gordon Roddick was around for a lot longer. And they set up the Roddick Foundation and pretty much all of the money from that business went into the Roddick Foundation, which then did all kinds of good in environmental and other causes. So when I say to people, okay, what about the way that that money was made was in any way harmful society? Because some people say all wealth, all wealth is on the backs of exploitation. And I say, well, you know, ethically sourced peppermint foot balm. Show me, show me the problem in that. But you could equally say, look at somebody who's made their money through sports, whether they're a basketball player or tennis player or you know most, you know, there are many, many foundations set up by sportspeople. Pop stars, film stars, where's the exploitation in people who have made the money in the creative industries? Oprah Winfrey, you know, novelists, you know, we can't just zone in on people who made the money in 17th century Britain and, you know, in ways that we'd all agree now are abhorrent and say that's what philanthropy is, when in fact, people have made the money in so many different ways, they might have won the lottery. You know, you don't suddenly become a bad person today if yesterday you hadn't bought your lottery ticket. Today you got 20 billion, you make a donation, ah, now you're problematic. You weren't problematic yesterday. So these are the kind of things I'm trying to untangle and just have us think a little bit more deeply about what it is really we're worried about when we worry about philanthropy.

Grace: [00:34:52] I'm wondering because some of our listeners may serve on boards of nonprofits or have led nonprofits or are leading them now. How do you advise nonprofit leaders if they wrestle with the provenance of some of the funding that the nonprofit may be receiving? Most of the time it's not an issue with most nonprofits' donors. But then once in a while there's that donor where you're like, oh I know where that money is from. It's against my values. How would you advise them?

Beth Breeze: [00:35:21] So the law in Britain would be that the trustees get to decide, so the CEO or the fundraiser should be able to bring that question. And I think so often it's on the shoulders of the fundraiser to make a call. And that's not fair because these are really difficult, ethical, knotty problems. So the ultimate owners and directors of any nonprofit would be the volunteer trustee board. They should have policies. And if something comes up that doesn't really fit any of the policies, they need to make a call. And they also need to understand there's no hard and fast calls. You know, some people can say that money came from terrible sources, but it's been made. We can put it to good work. And actually, the closer the link between the bad way the money was made and the good way it's used, the better they might argue. So let's say, for example, a family made its money from tobacco. So that would probably involve it depending on how old the family money was. It might involve slavery in previous centuries, and it certainly involved causing immense harms to people's health in terms of smoking in recent decades. So some people could argue that money should absolutely go to, say, lung cancer charities because that's the harm you've caused. And a similar argument says some of the Sackler money should go to facilities working with addicts in different ways because then there's a link between it. Other people would say, no, that's exacerbating the problem. If you're getting some sort of credit for helping the very problem that you cause. There's no right or wrong answer to that. Each nonprofit has to make its own decision. We're going to help clean and redeem

this money or we're not going to touch it. But it does need to be thought through properly. We can't just leave it to the fundraiser to make that call. And we need to all understand that these are very you know, these are, there's a lot of gray areas here. The fact is, though, the money exists and there are pots of money sitting around when the Sacklers haven't distributed any money in the UK for some time now and the money hasn't gone away, it's there. I would have some sympathy with some nonprofit who says as it exists, we could do some good with this, but I would also understand people saying we're not touching it. That's the job of the nonprofit trustee, is to work out the right answer for their particular organization.

Phil: [00:37:19] Just as we talked earlier about this sort of unfortunate conflation of concerns about tax policy with concerns about philanthropy, when, in fact, there are two separate things, right? Similarly, with respect to regulation of business, I highly recommend the book *Empire of Pain* if folks haven't read it, which chronicles the Sackler family and how they made their fortune and this is a failure of government regulation at multiple levels at various points in time. And the fact is that the Sacklers did use their philanthropy to try to launder their reputation. And I think it's actually possible to argue that that effort finally brought the public spotlight on their unethical business practices in a way that, you know, the government in the US in particular, had failed to deal with the regulatory issues. So just separating out these issues is just, I think, so important. And I have some sympathy for the argument that once the money is made, and particularly if it is now philanthropically in the hands of decent people. I've read stories about a widow of an ad executive who made his money in tobacco ads, turns around after her husband is gone and becomes a really great philanthropist supporting public health. And so the origins of the money at a certain point become irrelevant once it's there.

Beth Breeze: [00:38:52] I was going to say, I don't know if you were thinking of Mrs Russell Sage, but that's certainly the argument there, that she did everything her husband disliked and she now funds all the things that she believes are right. Or even Ford. They say that the original Ford would not be happy with what the Ford Foundation is doing now. So things can change over time. Sorry, Phil I didn't mean to interrupt you but I was going to jump in and say that you talked about the failure of government regulation, and I think I would definitely add a qualifier to that, the failure of American government regulation because we don't have an opioid epidemic in the UK. We don't have an opioid epidemic in the UK or in Europe because we never allowed pharmaceuticals to advertise directed patients. We don't have that relationship with your medical practitioner where you can go and say, Hey, I saw an advert on television last night and I want you to give me this drug. In the UK in the National Health Service, the doctor gets to decide which drug is given. And I've got friends who are doctors, and I said, How come we don't have an opioid epidemic? Why did this not happen? They said, because we knew the downsides of OxyContin. We were going to prescribe it and we didn't have to. We get to decide. So it was a failure of American regulation. And yet again, the reputation of philanthropy is harmed in the UK because of the Sackler example. And that's not fair.

Phil: [00:39:59] One of the things that really struck me when I was working on the book that I wrote in 2018, 2019 was related to the sort of under the radar, you've never heard of these nonprofits and you've never heard of the people who support them kind of stories. And I remember being so struck by just how inspiring it is to spend time in local community rooted organizations, sometimes volunteers and donors coming in. And the relationships that can form between those who are benefiting in a neighborhood from the services and the donors and volunteers who are there. All of these quiet examples that people don't somehow lift up or celebrate. And one of the things that I loved about your book is that it is

just chock full of examples of good things that have happened. Good deeds have been done. And I wonder if you could just share a couple of your favorite stories, because the research that you did, I think was so comprehensive and I can't recommend the book highly enough in terms of just inspiring people about what good can happen.

Beth Breeze: [00:41:12] Thank you so much. And your book inspired me, Phil. So thank you.

Phil: [00:41:14] Well, you don't have to say that.

Beth Breeze: [00:41:15] It definitely goes both ways. No, it's definitely true, and I appreciate that. Yeah, I mean, I think especially when you're trying to respond to the power argument, because, of course, there are examples of philanthropists using their resources to make things happen. But there are also so many more examples of just really normal, everyday, non glamorous things that the philanthropists fund. So one of my favorite examples, the Garfield Weston Foundation, that's the Canadian Garfield Weston who made his, was from Toronto but made his money in the U.K. And they fund just really kind of basic community infrastructure up and down the country. So pretty much every village hall, every Scout hut, church halls have had some money. And it tends to be for things like to make our Scout hut wheelchair accessible so that the kid in the community who is in a wheelchair, can join the scout group. That's often funded by a Weston grant. They also fund things like putting a nicer bathroom into a homeless hostel. And when I asked the director of the Weston Foundation about that, she said, well, you know, in all of our houses we spend a lot of money on the bathroom because you use it a lot. It's nice to have a really nice bathroom. Why shouldn't a homeless facility also have a really nice bathroom? And that is just miles away from this kind of cliched stereotype of the philanthropists throwing their money around, trying to get a policy change, somebody actually putting in nice toilets or a ramp into a facility so that the most vulnerable and the weakest and the least powerful in society can participate and can have some dignity. This is what makes me sad today that I had to write the book because that's normal. And you know this film because this is a world you've written about as well. That's what the typical, the typical charity is doing that kind of work. It's running scout groups. It's running village halls. It's just making good stuff happen. It's local community and also a lie to this his argument is that a lot of the money is not coming from those big donors. The massive collective small donations comes in and way outspends so, and the Gates Foundation has given away now just over about 50 billion of the Gates couple, obviously, they have the Buffett money and others in there, too. Within the UK, the National Lottery, which is a fundraising gambling thing, just passed the 50 billion mark last week, actually. And of course, the figure struck me because I thought, gosh, the whole population collectively has given away the same amount of money through this one mechanism. Of course, there's many other donations they make, both through buying lottery tickets in about the same time period because the lottery started in 1994, and that's roughly when the Gates money got going. So, you know, it's not the case that these people have unique, overwhelming power. Any charity wants big donors. So I'm not saying that they're not important. Of course, anybody wants the Mackenzie Scott donation, a Gates donation, but they also need to rely on the collective smaller gifts from ordinary people and together all of us rich and poor fund the nonprofit sector, which makes all of our societies better. And again, it's just way more complex than the critics would have us believe.

Grace: [00:44:03] Beth, I love your perspectives and you have had such a range of experiences, a really interesting career path because you worked as a fundraiser and then

you decided to study philanthropy. Could you tell us a little bit more about what has motivated you to be active in this particular work?

Beth Breeze: [00:44:20] Sure, thank you. Well, it even goes back a bit further than that because I was a beneficiary of philanthropy. And I would argue all of us have been in different ways if we live in a community that's had any sort of regeneration or environmental improvements or, you know, we've had vaccines or any kind of medical healthcare that's had any private donations I mean diabetes, cochlear implants, TB, you know, there's no end to polio. You know, these have all benefited from philanthropic donations over the years. But specifically, I had a few scholarships to go to amazing schools, and I got some 30 of my university abroad at the University of Pennsylvania that was funded by American philanthropists.

Grace: [00:44:56] Oh, I'm a Penn grad.

Beth Breeze: [00:44:58] Ah, the Saint Andrew's Society of Philadelphia paid for me to spend a year there. And then half of my masters was paid for by Marks & Spencer, the high street shop. So I've benefited because either individuals or companies or groups, I mean, Saint Andrew's Society is essentially a giving circle. I've benefited from all those private donations. And then I've worked in charities where we were absolutely reliant on donations. So it just seemed obvious to me that on the whole, not that everything was good, but on the whole, this is doing more good than harm. So then to have people saying it does more harm than good. The academic in me says, show me the evidence then, you know, this is just rhetoric. Show me the evidence because I can point to the evidence of all the good that's done. And the harm that you can point to is either historical, you know, centuries ago, people behaved badly. Well, yes. Or it's an outlier or it's hypothetical. Wouldn't it be awful if a donor gave this money and then demanded this happen? But these are, as I say, historical hypothetical. Whereas the reality day in, day out, is that lives are being saved and enhanced by private donations. So really, all of that experience came together. And now most of my students, I work at the University of Kent and I teach on my masters degree, and all my students work in the philanthropy sector mostly, but not all in fundraising roles. So their daily life is all about trying to work in partnership with people who've got resources and can bring them to bear charity. And again, just their lived reality is not of these awful sort of monstrous people throwing their weight around. It's people who say, I get this, I'm also in a wheelchair. I also love classical music. I also love animals. You know, I also come from that community. How can I help? That's what's, you know, the sort of very autobiographical element of philanthropy or gratitude. You know, I'm so grateful that I had these opportunities in my life, I'd like to give those, I'd like to pass on to other people. And I just find that most of the critics have no recognition of any of those more positive motivations, whether it's sympathy, compassion, gratitude, grief we talked about earlier. I mean, I can't resist one of my other examples in the book, which is at Stanford University, where many of these critics are based, including Rob Reich, was founded because Leland and Jane Stanford only had one son, Leland Junior, who died at the age of 15. So what were they going to do with their money? They founded a university in his name so that all the children of California could have the education that their son no longer could have. So these critics are based in an institution which was founded from grief, and yet they don't seem to be aware of that as a motivation. They only see all the negative drivers of philanthropy. So I think, taking an historical perspective and just asking some questions about why does our charity exist, where does the money come from? Can help to soften some of the concerns that people might have about how philanthropy works.

Phil: [00:47:48] Beth, as we close out, I wonder if you could offer words of wisdom for somebody who says, okay, I'm with you. I don't buy the critiques. I want to be a committed, generous and effective philanthropist. Do you have some words of wisdom, pitfalls to avoid or insights to keep in mind as people embark on that work?

Beth Breeze: [00:48:12] Sure, well, I think one of the main things is to find other people who share that outlook, because I do think in general, if you're, and I have lovely letters I receive from people and emails from people saying I wanted to set up a foundation, or I'm about to. And none of my family understand it. My friends don't understand it. They think, you know, why would you do that, given what we, how philanthropy is viewed. So you've got to find some fellow travelers. You've got to find some people. And ideally people may be a bit a few steps ahead of you who can talk you through the, you know, the pitfalls and how to, you know, get your learning up to speed more quickly. So I think it's absolutely important to find a community of fellow donors to offer that mutual support. You might have very different interests. You know, they might be funding the arts. You might be funding welfare. It really doesn't matter. What you have in common is more important than what divides you. What you have in common is that you've decided that some of your private wealth is not going to stay in your bank account, is not going to just cushion the next generation, is not going to be spent on, you know, unnecessary consumables. It's going to be spent trying to do some good in the world. And I was going to say, trying to do some good in the world is quite important because you won't always succeed. There will be failure, there will be problems, there'll be learning steps. And that's when you really need the support because nothing goes right all the time. But you learn from those failures or even from an outright failure. Didn't do as much good as you hoped for. Okay, how could we have done it differently? How could we have had a better relationship with our grantees? How could we have made that money available in a way that could have been put to work better? So I think, most donors I know are absolutely on a learning journey, but also you can find people who can support you in that, you know, it's not the case that people just sit there throwing money out and just demanding things be done. I think most donors give a lot of their time, a lot of their effort, a lot of their thought. They want to learn, they want to do well with it. And it's just about finding that community of fellow donors so you can support each other.

Grace: [00:50:00] Beth, thank you so much for joining us today.

Phil: [00:50:02] Thank you, Beth. This was great. Really enjoyed it.

Beth Breeze: [00:50:04] Thank you for having me.

Phil: There are so many resources about effective giving on The Center for Effective Philanthropy's website, cep.org, as well as givingdoneright.org, where you'll find all of our episodes and show notes.

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