

Giving Done Right, Season 6, Episode 3 - Who Should Control The Money? With Glen Galaich and Jamie Allison

Glen Galaich: Here is what the community is saying it needs. Are we balancing that effectively? Or are we balancing it based on what we need more than what the community needs?

Phil Buchanan: Welcome to Giving Done Right. I'm Phil Buchanan.

Elisha Smith Arrillaga: And I'm Elisha Smith Arrillaga.

Phil Buchanan: Elisha, I'm so glad to have you as co-host for this episode. You've been a guest, but never co-host before.

Elisha Smith Arrillaga: I'm super excited to be here. Thanks for having me.

Phil Buchanan: Great to have you. And, um, I think we've talked about this a little bit, Elisha, but if there's, like, a big tension that I see often in the practice of philanthropy, it's about control. What should donors seek to decide, and what should they let others decide? Or what should be decided collaboratively or iteratively? So this tension is visible, like, everywhere: the choice of goals, the selection of strategy, the context of the relationship between funders and nonprofits, and even it rears its head when it comes to assessment, like who defines what success looks like and what the right metrics are.

Elisha Smith Arrillaga: Yes. So I see these dynamics and tensions all the time in my role leading research on philanthropic practice at CEP. And we have the perfect people today to discuss this with. Glen Galaich has written a book arguing that donors' instinct to control their giving rather than de-centering themselves in favor of community needs, limits and derails social change. Glen's book is called *Control: Why Big Giving Falls Short*. He's the CEO of the Stupski Foundation, and it is spending itself out of existence by 2029. Glen is also co-host of a podcast called Break Fake Rules. Jamie Allison is Glen's frequent co-host on that podcast. She is the executive director of the Walter & Elise Haas Fund, and she's someone who's been a friend to me and to CEP over many years. Jamie began her philanthropic career as a program officer at the S.H. Cowell Foundation. Fun fact: CEP profiled Jamie for a report we did almost a decade ago as an exemplary program officer based on the results of an analysis of data from our grantee perception report.

Phil Buchanan: Welcome to the show, Jamie and Glen.

Jamie Allison: Hi. Thanks for having me.

Glen Galaich: Thank you. Normally we're co-hosting, as you said, and I'm really honored to have the world know Jamie as my co-host on VFR. I mean, that... Jamie, you've been demoted. I think people should know that.

Phil Buchanan: We got a lot of podcast co-hosts on one podcast. It's gonna be like a battle for facilitative control.

Jamie Allison: I know I've come with a lot of questions, so I am not really sure how to engage in this.

Elisha Smith Arrillaga: Well, Glen, let's start with you and the argument you make in your book *Control*. Your book has generated a lot of discussion. It's sort of a tell-all about your journey and that of the donor you worked closely with, Joyce Stupski, from one philanthropic model to another. What's your central argument?

Glen Galaich: You already gave it to everybody, so thank you. Which is really kind of interrogating the idea of a couple things for me that came up, which were just, number one, we have a lot of charitable assets piling up in hedge fund and private equity accounts to the tune of, like, \$2 trillion now. And I became very concerned about that and just wanted to kind of interrogate why that continues to happen. In a world where there's so much need, why is the money not moving? And so you've already answered the question in your beautiful opening. One thing I, you know, left out of the book and now talk about a lot is that really to me, at the heart of the book is a question about what is public stewardship. Because if these dollars were not evaded from the Treasury Department, they would be in our tax base where they would be represented, to the degree we have representation in Washington, by the American people. So instead, we've diverted them through tax law into these side accounts called foundations, and they are now under the control of a very small population that is not very accountable. And we, in giving them the benefit of a tax break, have said, "You have an obligation to serve the public with these dollars." So my question really from the start is what is public stewardship and how do people do that most effectively? And Phil, in your beautiful setup, you probed a whole bunch of questions there. Who, who gets to decide? And if the decision-making is leading to things like an overwhelming amount of our charitable dollars going into hedge funds and private equity every year versus going out to the public. So just to finish on that point, every year, \$100 billion of the \$1.7 trillion will go to the public. The rest will go to private equity, public equity, hedge funds, and a little splash to impact investing. So why is that happening and why is that what's best for the American people with the charitable assets we have? And that's really where I came to *Control*.

Phil Buchanan: I want to push back a little bit on the notion that because there is a tax incentive, right? Like there are all kinds of incentives in the tax code to try to encourage people to do A or B or C. That doesn't necessarily mean that it is the public's money, does it? Any more than the fact that I get a deduction for the mortgage interest on my house because the government's trying to create an incentive for homeownership means that the public owns part of my house.

Glen Galaich: No, and you're right. It's not literally public money. I look at it as... That's a great one and I get that often on mortgage versus foundation exemption. I think about what is the intention of the American public in setting these things up, right? So the American public is trying to encourage homeownership, like you said, and I doubt any American would say, "Well, now that you have your home, we'll be coming by every week to use it." I'm not suggesting that. But in this case, we're saying, well, here's what we've learned: Based on just the way our tax laws are set up and based on the flow of capital every year, we know that wealthy people are very reluctant to give away their money, and the only way it seems we can get them to do that is to offer them a tax incentive. So we offer them that tax incentive, and I think we have an expectation that they would use it for charitable purpose. Now, I'm not saying they have to. The laws do not say they have to. And the overwhelming amount of that money is not being used for charity. It's being used for investment purposes. So obviously, it's not against the law or anything like that, but it's...I think there's an expectation. Again, you know, I guess I'd say, Phil, it's more of a values argument, really just probing what does it mean to be a public steward of these assets? That's it. Otherwise, put the money back in the central treasury and we'll take it from there.

Phil Buchanan: Yeah. Jamie, what's your take? You run a foundation, the Walter & Elise Haas Fund, and I think you also have thought about this issue of control in your role there. How do you respond to Glen's argument?

Jamie Allison: I think this is a question about a foundation's or an individual donor's philosophy of philanthropy, and at the fund, we've started conversations about the purpose of the endowment. And, you know, we use the Center for Effective Philanthropy's; you had a recent article rethinking the spend down debate, mission first, timeline second. We use that piece as a starting place, as a useful frame for the conversation, emphasizing that the core question for the board isn't simply whether the fund should exist in perpetuity or spend down, but rather what the fund seeks to accomplish over a timeframe. And so, you know, at this point, we've chosen to hold prudence and purpose together. We care about the future, and we also believe an endowment should give the capacity to lean in when the present demands it. And so everyone in this conversation knows that over the last two years, the fund's board has decided to increase payout in order to do its part to respond to this moment, recognizing that a rainy day fund isn't very useful if you refuse to acknowledge that

it's raining. At the same time, I'm really less interested in whether a foundation is perpetual or spend-down than rather is the spending reflective of the urgency of its purpose. And, you know, I think a long time horizon has real value, but it's not an excuse for insufficient action in the present. Perpetuity is a means, it's not a mission.

Phil Buchanan: I guess my question is how to help people think about this issue, right? I mean, it's interesting, I hear you in two somewhat different places, Glen and, and Jamie, which is good 'cause it's fun to have some debate. And Elisha, I'm curious also what your perspective is. I think that we probably all agree that if you are longtime horizon, you know, then you have an opportunity, and I think this is sort of what you're saying, Jamie, to be countercyclical. You can step up in part because of your longtime horizon. And you know, I love funders that spend out. Like, I love it when we get gifts from folks like Mackenzie Scott, who are just giving it all away. But I also appreciate the long relationships with funders that have been around. And so I think it's just a challenging thing to think about this, and I wonder whether there is no right answer. It depends on your goals, your approach, your values. And I think the other thing I would say, kind of in defense of perpetuity, and I'm curious, what others would say, is there is something about the institution that's been around for a long time that offers a certain power and platform that you wouldn't otherwise have.

So, when I think about some of the leaders I really admire for the way that they've stepped up and stepped out since civil society came under renewed threat or new level of threat post January 2025, it's regional players like Angelique Power at Skillman Foundation, which was established in 1960. If she wasn't connected to that institution, she wouldn't have the same platform. Or national players like Rich Besser at RWJF [Robert Wood Johnson Foundation], which was established initially in 1936 and then renamed and then got a lot larger in 1972. And that reputational sort of capital, whether regionally at Skillman or nationally at RWJF, then allows that institution to play a different role than it would otherwise. So I guess I'm kinda curious, Glen, how you think about that. Like, if everybody spent themselves out, we wouldn't have those folks to play that role in that way. Does that make any sense?

Glen Galaich: It makes a lot of sense. I think that's, you know, the argument for institutionalization of these donations, which is what they all were originally, just a donation to something that was created, named after the donor, and then family put themselves on the board. So I hear you, and there is a huge romanticism out there about longevity and perpetuity and legacy and all of that having to do with this money. At the end of the day, Phil, let me ask you this, and I won't take it personally with your answer. Would it have been better if Joyce and Larry Stupski back in 1998 made a two hundred and fifty million dollar grant to CEP or started the Stupski Foundation, in your opinion?

Phil Buchanan: Better for who?

Glen Galaich: The world

Phil Buchanan: Would it have been better for the world if they gave the \$200 million to CEP?

Glen Galaich: Right. And turned you into a powerhouse philanthropic institution?

Phil Buchanan: Better for the world that they established a foundation.

Glen Galaich: Okay.

Phil Buchanan: I believe.

Glen Galaich: Okay.

Phil Buchanan: Is that not the answer you expected?

Glen Galaich: No, that, I figured you might say that. I think it would have been better to make you a powerhouse organization, frankly. Because what happened instead was that they invested the money, they put a bunch of it into private equity, hedge funds, and otherwise, which I don't think we talk about enough what that's doing. Take a look at a book like *Plunder* for example, which is all about the private equity world. Look at what private equity is doing to our country. Even Trump is saying we need to put controls on private equity when it comes to housing. Well, guess where foundations are highly invested? They're invested in private equity and housing, real estate, that's unhousing people, it's destroying companies. We have more invested in that so that we can live longer to solve the problems that stuff is creating. To me, it's just very irrational. So over the time, yes, Stupski generated... When we are said and done, we will probably have spent out about a billion dollars from the time they founded the foundation. But at the same time, we are also invested in stuff that I think over time has done far more damage, because we're trying to compound interest for the purpose of giving small chunks away until Joyce changed it in 2014 and we went to spend-down. What would have happened if you had received a \$250 million grant at CEP, and we just think of the compounded impact of your organization over that same period of time? Where would we be in philanthropy? Where would... Your book, which is one of the most fundamental books in our sector as far as I see it, that would've been broadcast to millions and millions of people around the globe and change philanthropy forever. I'm just saying these are the types of things that you get from full compounded impact as opposed to putting so much interest into compounded interest, and the harm and benefit we get is just the question mark for me. And unfortunately, it's a counterfactual. We can't go back in time and see. I just challenge the model in that way. I don't think when we talk about

giving at that 5% minimum, we talk enough about the harm and other aspects that are just out of the conversation

Elisha Smith Arrillaga: Well, Jamie, what do you think about all of this? I mean, how have you thought about it at Haas? How do you balance... And I know you talked a little bit before, like some of the conversations that you've had with the board. But, you know, this piece we were just talking about in terms of, you know, you make investments, there's compounded interest on those investments. Those investments may be for things that don't align with the values that you have. How are you weighing these things at the foundation and thinking about them?

Jamie Allison: Yeah, I think Glen is right that we don't spend enough time talking about the other 95 percent. Another thing that we're just starting to do at the Walter & Elise Haas Fund is that we're on a research campaign to know what we own so that we can be more thoughtful about where the fund's endowment is invested. We've not completed that work, so I don't have anything to report on that yet. I do just wanna say that I do get a little squirmy when we get into conversations that sound like either/or around spend-out versus long horizon or perpetuity. You know, I'd like to just say for the record that I actually served on boards of two spend-out foundations, and I happen to lead a foundation that, at least at this time, the board wants this foundation to exist in perpetuity. For me, another thing that's important is that we just don't accept perpetuity as a default and that we're actively having conversations, again, about purpose and what it is we want the foundation to achieve and why, and what our philosophy about philanthropy is. I feel like there's room for lots of different kinds of foundations to exist. I don't know that in any other sector we would say, "Oh, there should only be one kind of organization that does this kind of work." We would never say there should only be one kind of doctor in practice. We get second opinions. We go to alternative medicine specialists. And so I think that there's some health in our sector in having different kinds of philanthropic institutions that are doing their work in different ways. It creates opportunities for us to learn. And for those of us who expect to be around for the long term, it gives us an opportunity for us to learn and grow and evolve, which is something that's happening at the Walter & Elise Haas Fund. You know, the Walter & Elise Haas Fund was established in 1952, and I feel it's a great privilege to be part of the foundation story at this point because we are learning and growing and changing and evolving a lot, and we wouldn't have had that opportunity if we didn't exist.

Phil Buchanan: Yeah, I mean, and what I hear is a lot of, like, provocation to stop and think, "What are we trying to do?"

Jamie Allison: That's right.

Phil Buchanan: And given what we're trying to do, how should we approach it? And also, what are the things that we might be doing, to your point Glen, via our investments, thinking that, "Oh, that's just the... You know, we don't think about that." You're encouraging folks, think about that part. And I guess I would love to stick with you, Jamie, and ask here, how did you approach getting the folks on your board, the folks on your staff, to shift away from some default practices toward new practices? Because, like, one of the things you talked about at our conference in 2023 was, and it was in the context of Elisha was presenting research on MacKenzie Scott's giving, and you were discussing your example of moving from default grants that were maybe fifty grand or whatever. I'm sure I'm getting the specifics wrong, but toward large, multi-year, unrestricted support. And somewhere in there, there was some kind of shift, I think, in kinda like your sense of where the expertise lay to get things done. You know, maybe it's not all within the foundation walls. That's a lot of change management that you did to get from one default way of practicing philanthropy to another. How did you do that? Like in Glen's case, he was working with a single individual. In your case, you're working with a board; descendants of the original donor. How did you approach that from a change management point of view?

Jamie Allison: You know, we stopped asking only about strategy. We stopped asking only about, like, what should we fund, and started asking, what kind of funder do we want to be? Who do we have to be? How do we have to behave if we want our nonprofit partners to win; to win for their missions? And so that made us think about our role. And when we started to ask the question, what would it look like if we were funding our nonprofit partners to win, and we put all of our practices through that lens, it turns out, ohh, we were doing a lot of things that don't say we want you to win. And so when I arrived at the fund eight years ago, and we took a look at 20 years of the previous grant-making, our average grant size, you know, never reached fifty thousand dollars. It hovered somewhere between thirty-five and forty-seven thousand dollars. And so if you start to ask yourself, like, oh, when you make a thirty thousand dollar grant, are you saying to your grantee partner, like, "I want you to win"? Maybe not. And when you're making a lot of annual project support grants, are we saying, "We're invested in you, and we're investing in you in a way that we want you to win"? Maybe not. I'm not saying there's not a role for small project support grants. We sometimes still make those. But that's no longer our default. And so we had to change how we engaged with a board. And I think a mistake that staff can make at times is coming up with a really good idea, making it perfect, putting a big red bow on it, and then presenting it to trustees. And then trustees say no because they feel frustrated that they got this package, and they're not sure what the origin of this beautiful package was. And then we exacerbate this myth that, you know, staff is creative and progressive and doing the Lord's work, and that boards create barriers, and are curmudgeons and conservative and don't want change but what's really happening is that the two are now on a shared learning journey. And so what we've tried to do, and I think have gotten really good at, at the

fund is creating a shared learning journey. So my job wasn't to convince trustees that I had the right answers. It was to create the conditions for us to reach better answers together. And so that's what we've been doing, and that's what we continue to do.

Elisha Smith Arrillaga: And I love that you use this language about “learning journey,” and especially as a researcher, of course, that's exciting to me. Given a lot of the data that we've been gathering at the Center for Effective Philanthropy, where we've been surveying and interviewing nonprofits and foundations, you know, and asking them about how the current context, especially since January 2025, has shifted for nonprofits. We see that, you know, the majority of nonprofits have had an increase in demand for their services, but they also report finding it more difficult to be able to find foundation funding. And so I would just love to hear from both of you, Glen and Jamie, what this context means for perpetuity or not. And then also, I love that both of you talked a lot about values and values being central in making decisions about how we spend and when we spend and the urgency with which we spend. So I would just love to hear both of your thoughts on just, like, the current state of the sector, the foundation response, and, from where you sit, how we should be thinking about this balance between perpetuity or not, given the moment we're in.

Jamie Allison: I'm just gonna make a plug for CEP's research work and the work that you lead, Elisha. It's been really important to me and important to the evolution at the fund and our own learning journey. We use CEP resources a lot. I mentioned, you know, a blog earlier. We pay a lot of attention to your annual *State of Nonprofits* report, and we were really impressed with the work that you did last year, like quick turnaround of results that you were able to share with the philanthropic community and how nonprofits were faring in the current sociopolitical context, which has been threatening and devastating on so many levels. And the things that you share in those reports, Elisha, hold true for our grantees. So we do annual learning conversations with all of our grantees, um, where we have in-depth conversation about how the organization is faring. We're talking about their goals related to their grants, but we're also talking about just the overall health of the organization. And we're hearing those same things from our grantees, that this has been a very difficult fundraising environment from philanthropy. And then for those who receive any government support, particularly from the federal government, that, you know, many of those grants have been rescinded, they haven't been renewed, and they've been harder to qualify for. So we're certainly seeing that. And it's interesting to me, like I have to say I feel some tension because in the the philanthropic community that I spend the most time in, includes foundations that have increased payout, that want to do their part to be responsive to this moment, that are resisting compliance before it's necessary, and then in a lot of ways are agitating and actively creating the counter-narratives and the support that's needed in the community to combat the challenges that we face right now. And at the same time, I also believe that it's true

what nonprofits are experiencing, but I have to say I'm experiencing some tension there.

Phil Buchanan: Hmm.

Glen Galaich: Hmm. You know, um, you used a phrase either/or earlier, and I do try to resist that framing on spend out versus perpetuity. The value of most importance to me and to the Stupski Foundation has always been are we being responsive, responsive, responsive? Community need is speaking. Are you being responsive to that need? And especially given the work you all did; your first report that came out. Community need, very high. Foundation response, very low. To me, that says everything. The sector has not responded to the needs of the community, in which case something else is afoot, and that is a concern with our private stewardship over our public stewardship. We are prioritizing something privately that we're being responsive to. And I think the sector, for good reason, in the first quarter of 2025, was scared to death about what could happen. We were all in side rooms and back rooms talking about getting our accounts frozen or being, you know, arrested because climate change work was... they were gonna pass some kind of executive order saying that it was terrorism. We went into a very, very protective, what I would call private, period where we just really wanted to lock down and protect ourselves. Then the "Big Beautiful Bill" came out, and, we went into a deeper form of protection because we were worried about a tax issue within the "Big Beautiful Bill." And I felt like it just kind of established a culture within our sector around protection and defense, and we became less responsive to what the rest of the nonprofit sector, the service and advocacy organizations, were needing and feeling. And I think we're still there. At Stupski, I didn't make this decision, but we have a very active program team. You know, as a spend-out, we know what we have left from here to the end. And so when the crisis really kicked into gear, my team said, "We're gonna move 70% of everything we've got left." Now, we were supposed to end our active grant-making around 2029. We're probably gonna end active grant-making now by the end of 2027, and that's because we moved 70% of our available grant-making assets last year. Now, that's a very high number. I recognize that. But there are a number of other foundations that found a way to do more significantly, but not a lot from what I can tell. I mean, not everybody has to put up a big blog post every time they make a big grant. I get that. What we know and what we've seen is just the level of responsiveness has not been there. It was the same with COVID in the early days. A lot of foundations got very worried about their endowments, and so they locked down. We just are not set up, in my opinion, for crisis, and I hope we can learn to be more responsive to what communities need in the midst of crisis. And it doesn't mean you have to spend-down. I'm not saying that. I think there are lots of different ways to look at it. Here's the question, I know you wanna focus on practice, and I wanna just come back to something that's a big practice point for us at Stupski, and I don't know how this resonates with others. But in terms of reflection, and it's

something that really drives us, we talk about it all the time. When we are reflecting upon how we are showing up and how we are responding, the driving question is: Is it more important for us to have these assets than the frontline organizations working on the ground? Now, there's an argument to be made for that; for the foundation to hold assets. I'm not saying there's, here's where I'm gonna break out of either/or: There's a gray area based on what you wanna do out there in response to what frontline organizations need. I just would ask, in process of reflection, all the time, I think every board meeting should begin with, "Okay, we are holding this much in assets right now. Here's what the community is saying it needs. Are we balancing that effectively, or are we balancing it based on what we need more than what the community needs?" And if you're leaning more towards what you need, that to me is the definition or the example of private stewardship. And if you're leaning more toward what the community needs, then you're leaning more towards public stewardship. And I would argue that we move as far over to public stewardship as we can. So in that broader question you're asking, Elisha, about how do we all show up, I think private stewardship ruled the day over the last year and a half.

Elisha Smith Arrillaga: It's a great point, Glen, and I love the distinction, too, that you're making between private stewardship and public stewardship. Because one of the things I think, too, that is really interesting in the data we have is that when we did some of the... We did interviews also along with the survey data, when we asked nonprofits, "Why is it more difficult for you to get funding from foundations?" They described all these kinds of ways in which, and we see it also in the quantitative data from funders, like more than 80% of foundations said they had more requests for funding than they've had in the past. And we know some of that's because, and what we heard in the interviews are things like, there are folks from academic institutions who weren't seeking funding from foundations before, but now they're going to funders. So basically, we have this situation where maybe there were six people or organizations sitting at a table and having a piece of pie, and now there are 12 organizations coming to get that same pie. And what we're seeing, to your point, is foundations and other organizations having to make this decision between, well, how are we gonna steward our funds in response to this number of requests that we're now receiving? And I would agree with you that we're seeing more of a default to: Well, we can't respond to this many requests, so maybe what we'll do is kinda stay the course of what we're doing, even though there may be a larger call to access the funds that we have given the state of things right now. So I think you're naming something that's really important and that we're seeing reflected in both some of the quantitative and qualitative data from our research, too.

Phil Buchanan: Yeah, and I would just say, like, this sort of philanthropy can't fill the gaps mantra can sometimes become, I think I'm just agreeing with Elisha, an excuse to do nothing.

Stick around. We'll be right back after the break.

BREAK

Phil Buchanan: I wanna say a couple things here 'cause I hear Jamie and Glen giving different assessments of the foundation response, and that's super interesting to me. And first of all, I think I would give foundations higher marks in the pandemic response than you did, Glen, in the sense that, like, it may have taken a little while, but by the time we surveyed foundations in the fall of 2020, the majority had stepped up spending levels, and that was in a context of federal funding coming into nonprofits. Same time last year, we surveyed foundations, it was, like, a third who'd stepped up spending levels at the same time that federal funds are being extracted from nonprofits. So greater crisis for the sector in 2025, 2026 than 2020, less of a foundation response in my view. And then if we get away from the spending issue, it seems to me, and this goes to the point that I agree with that you made, Glen, about the sort of self-protection. It seems to me that one thing a big endowment should give you is more of a risk appetite because you know what, you can pay the lawyers, right? And so I have been personally surprised by the degree of cautiousness of, not all funders, some have been bold, and I've been super impressed. But I could tell you of, I'm not gonna name them, but funders that have shut down climate programs, that have shut down racial equity programs, individual donors who said they cared about X, Y, Z, they're not doing it anymore. Maybe I'm naive, but I've just been really, really surprised. And I do not think that the fear was rational. I understand where it came from, but it's similar to the corporations that dismantle DEI programs, and, you know, then we see, I read about a research project that came out that showed that corporations that stuck with DEI actually prospered, right? So there's this question of what level should the spending be, but there's also a question of, if you're a perpetual institution, doesn't that give you the ability with an endowment to stand up and take some risks that if you're a frontline nonprofit, you're taking risks all the time, but you don't have that bank account to fall back on, you know, when you get sued or when somebody comes after you. So we can talk about spending all day long. It's really important, but there is also the power of an institution to step up, to fight back, to speak out. That, to me, is actually one of the rationales for perpetual foundations, and I think some have really utilized that strength and asset and some not so much.

Glen Galaich: I agree with you. I think foundations went from one place to another in a very positive way. They initially came out very cautious about speaking, and now you see everybody's speaking now. They're all speaking out. That's great. But Phil, where I'll just kinda push a little bit on you is, in my opinion, foundations, there's only

one thing, and that's spending. That's all we are. We move money. That's our job. It's the job of every other organization that takes that money and moves to be the advocates, to be the powerhouses, to be the institutions that are driving social change, in my opinion. And I know that's very controversial to say, but that's how I feel. So if you're not doing your main job at full power, what are you doing? So here's a couple things that come up for me. I agree with you on the endowment. We have foundations that, you know, very famous ones that are \$17 billion, \$12 billion, \$11 billion, \$9 billion. In a moment where we are all agreeing... not we are all, 65 to 70% of Americans are starting to agree that this autocracy thing is real, it's happening. So the outcome of a whole bunch of big, long speeches and big writing from big foundations saying, "We've gotta step up for democracy." When you are one of those foundations, I don't run one of that size, so I don't know what the background is, I don't know what the noise is and how boards feel on those big dogs. But what I will say is, if you've got \$13 billion, I'm thinking you're just as cool if you're 12 billion. That's my view. Like your 13 to 12 is not a huge drop. You're still gonna get to be on this great podcast. You're probably gonna get invited to talk on plenaries. Like, you're still gonna be cool. What would happen to the world if you took that one billion delta and put it into two of the most powerful democracy organizations this year? What would happen to the trajectory of democracy in America? What if Democracy Forward were a \$1 billion organization overnight? What would happen to the course of autocracy? It's there that I just feel like we aren't leaning into the potential of what we can do. To your point about risk, what's the risk of that move?

The risk is we're now 12, we're no longer 13. The payoff is we could potentially change the course of democracy in our country. That's what I think about, and I just don't think in this time foundations have stepped up to that. We can't fill every gap. That's absolutely true. But one thing we can do is make sure that organizations we have done billions of hours of due diligence on, that we have met with hundreds of times, when they're saying, "We're struggling," why don't we fill their coffers at least instead of filling ours? The private foundation sector last year, in case you missed this, grew by \$150 billion last year. I find that embarrassing. I do. In a time like this, I'm like, "How can you possibly live with yourself, people?" That that money should be in the sector. Doesn't need to be in our bank accounts.

Jamie Allison: I wanna get in here for a minute, 'cause here's the thing, I agree with Glen, and I agree with you, too, Phil, and I also just wanna take us back to remembering some things. Like Phil, you just asked me a question about how I was able to work with my board to essentially change a lot of how the Walter & Elise Haas Fund operates, and those things take time. And here's the thing, I know that foundations often talk about risk as if the safest thing to do is nothing, and yes, inaction carries risk too, but also changing one's mindset, preparing to be on the forefront of a fight also takes some time. And I'm not trying to be an apologist for inaction, and I'm not trying to be an apologist for being a Scrooge McDuck and sitting

on a pile of gold coins and, you know, and not putting that money to public benefit. I'm not trying to be an apologist for any of those things. But the fact of the matter is, and why I think CEP's work is so powerful, and also why I think your point of view and your book, Glen, is so important to the field is 'cause we need the folks who are going to push us to more action and different actions, but it takes time for us to get there. And I think it's fair to say that for some foundations, I can only speak for one foundation, that in this period, which we all like to refer to as "unprecedented," and in some ways perhaps yes, in other ways maybe no, but this is the first time since I've worked in philanthropy that we've been under any real or perceived existential threat. And so that some people would respond to that by saying like, "Oh, I have to put my gas mask on and I have to figure out what these threats really mean for this institution and what it means for the people who work here and the people who serve on this board," that's a reasonable thing to do. Again, I'm not apologizing for complete inaction, but I am saying that if you've worked in a sector where generally speaking, you've been celebrated, and generally speaking you've been seen as the good guys, and suddenly you're in a position where there's rhetoric and a narrative that says you're the bad guys, like you're gonna be stunned for a minute, like you're gonna be a deer in headlights for a moment, and I feel like that's reasonable. I feel like that's a reasonable response to the onslaught of threats, real and perceived, that we've been facing. Never in my career have I had to create a risk register, you know, until now. You know, never, never in my career did I have to think about what would happen if someone on my team got arrested at a site visit where someone was supporting our immigrant community. I've never had to think about those things before, but I do now. Never in my career have I received hate mail, but I do now. It took a minute for me to acclimatize.

Phil Buchanan: I appreciate that pushback. And, you know, maybe it's less about looking back and more about looking forward 'cause here we are now.

And so I guess I'm curious, being mindful of the fact that we're in this crisis, like it's not ending tomorrow. I think about the nonprofits that are, you mentioned immigrant communities, serving immigrant communities. Some of your grantees, I know Jamie, who like you think about the staff at those organizations, the levels of burnout that Elisha and her team have documented in our research, the life and death work that they're actually doing, right? It makes a huge difference. And I think about the way in which all of the conversation about philanthropy, the critiques of philanthropy, I think sometimes risk losing sight of the fact that it's about supporting nonprofits. Nonprofits that are doing things that government or business, you know, can't or won't. And Jamie, you had a beautiful essay that we'll put in the show notes where you talked about the role of these organizations. You said, "Long before government programs existed at their current scale, Americans, particularly those pushed to the margins, organized libraries, schools, congregations, neighborhood associations, and mutual aid.

They volunteered, raised money, addressed local problems, and invested in causes larger than themselves. They understood that strong communities do not happen by accident. They are built." And I love that reminder of like, what is this work all about? It's about that. As we wrap up here, what's one piece of advice looking forward, not back, that you would give to a donor or a funder based on all your experience to keep in mind as they think about trying to make sure that this country lives up to what we wish it could be.

Jamie Allison: You know, I think I end that essay saying something about the importance of thinking about what kind of ancestors we wanna be. When, in the future, when folks look back at us now, like what do we want people to say about us? So I would encourage everyone to think about that, and I would encourage foundation leaders and individual donors to consistently ask themselves about what's required if you really want the folks that you just support, if you really want them to win. And so just really think about, like, what am I trying to accomplish? Who knows more about accomplishing that than I do? Believe those people. And then what can I do to help them succeed? What can I do to help them win?

Glen Galaich: Pay attention to the everyday donor. I think those are the ones. Six hundred billion dollars will go out this year in philanthropy, and we use this word philanthropy. I think we overuse it to refer to the foundation sector. The foundation sector is a minor percentage of philanthropy. It's only 100 billion annually, of the outlay, 400 billion or more is coming from individuals. They're not gonna hold their money in perpetuity. They're gonna spend out as much as they have available to them that day. They're probably gonna sacrifice a heck of a lot more financially than the very wealthy do annually for the causes they care about. They're also doing all the things you just described, Jamie, in your article. They're volunteering. They're coming together. They're organizing all of that, and they're moving in the moment, giving as much as they possibly can for their community. Foundations I would encourage to take a look at that and ask those same things. Are you moving in the same way as an everyday donor? Who, by the way, is probably not gonna get a tax benefit from their gift. In fact, they won't even need to be incentivized to give with tax benefit, but the wealthy will. So, I look at that a lot. I think if, if I have another book in me, and that is very, very questionable ... that would be the book. If it hasn't already been written. I feel like I came across one a while back called, you know, Give Like the Everyday Donor or something like that. But that to me is very much worth studying because it's the majority of our giving. Granted, half of it will go to religious institutions, but you know, that has its benefit for people. That to me is... there's a lot there to take in, and I would hope foundations as part of philanthropy would pay closer attention to that work.

Phil Buchanan: Elisha, what about you?

Elisha Smith Arrillaga: You know, I was reflecting on this 'cause I had a conversation this morning where someone was asking me, they looked at our data and they say, "You know, your data says that nonprofits are being inundated with requests for their services. A lot of them are having to make choices about whether to close or merge." They said, "Well, do you think these are things that we could just, you know, we could just fix in a year or so?" And my response to them was, "I think we really need to start thinking about what future together do we wanna envision and what does that look like?" Because I think about, for instance, organizations like Ruby's Pantry in the Midwest, that for over 30 years have provided food to those who needed it across the Midwest. That organization is one of many that has shut down this year or last year because of the cuts that have happened at the federal level. That doesn't mean that the people that were being fed there no longer need to eat. So what is our solution for the future, right? What does it look like, and how is philanthropy working with communities to find out what those issues are, and then how we're designing things in this moment moving forward that meet it, and that we're funding them to actually be able to meet the needs that exist. And so I think really thinking about what we wanna design to, to build for the future, that really takes into account a lot of what we've lost.

Phil Buchanan: I wanna thank you, Elisha, for joining me for this episode, and Jamie and Glen for spending your time with us. And, and I do think maybe as we end here, Glen's point about what some of the big dogs might learn from everyday folks about generosity is really powerful. I did a really fun interview with Jeff Atwood and Betsy Burton, who are maybe not household names, but incredible donors who decided to pledge to give away half their wealth, not in their lifetime, but over five years. And they're way ahead of schedule. And most of what they're doing is direct giving to people in rural communities in three states. The individuals who received, a really remarkable statistic was that the individuals who were on the receiving end of those gifts turned around and gave to others in their networks at really, really high rates, higher rates than we see of the wealthiest folks giving, right? So that generosity is in us, and we can tap into it and maybe be inspired by those who have the least, who nonetheless feel compelled to give to others who they know are also struggling. So thank you, Jamie. Thank you, Glen. Thank you, Elisha. Really appreciate it.

Jamie Allison: Thank you.

Glen Galaich: Thank you. It's a good time.

Elisha Smith Arrillaga: Thank you.

Phil Buchanan: There are a ton of 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. You can also send us a note at gdrpodcast@cep.org.

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