



## The International Center for Non-Profit Law

***JUST MONEY: A Critique of Contemporary American Philanthropy.***  
**Edited by H. Peter Karoff.**  
**TPI Editions. 247 pp. \$35 (hardcover), \$20 (paper).**  
**Reviewed by Michael Bisesi\***

"Philanthropy," according to Oscar Wilde, "is the refuge of rich people who wish to annoy their fellow creatures." And "annoy" us they have, to the tune of over \$26 billion in 2003, in ways that both comfort the afflicted and afflict the comfortable. A quick look at the 40 affinity groups of grantmakers sponsored by the Council on Foundations (<http://www.cof.org/>) reveals the depth and breadth of American philanthropy. Over 44,000 foundations have programmatic and policy interests in immigrants and refugees, persons with disabilities, arts and culture, the environment, civic participation, international human rights, health, education, children, youth, and families, among many others.

Needless to say, the allocation of such large sums of private (and tax-privileged) dollars for public purposes has invited extensive examination over the years, ranging from intermittent Congressional investigations to the biweekly scrutiny of *The Chronicle of Philanthropy*. The latest assessment has now arrived in the form of *Just Money: A Critique of Contemporary American Philanthropy*. This book of essays was assembled by H. Peter Karoff, the founder and chairman of The Philanthropic Initiative (<http://www.tpi.org/>) and a senior fellow at the Tufts University College of Citizenship and Public Service.

The themes of the book cover a broad and ambitious array of subject matter, including philanthropy as an art form, philanthropy as leverage, the necessity of accountability and transparency in governance, and the limits of applying the business model to philanthropic organizations. Karoff recruited a roster of iconic figures in the field to serve as authors. They also, he observes, "share one common characteristic--a recent transition from running a philanthropic organization to other professional pursuits." He hoped to get free-wheeling and wide-ranging essays from newly unbound philanthropic leaders, and he was quite successful.

Karoff sets the tone with an introductory note and a lead essay. While praising the work of American grantmakers and highlighting such trends as the nationwide expansion of community foundations, he also criticizes organized philanthropy for its mix of "arrogance and insecurity."

Each of the essayists follows Karoff's lead and presents, as the State Department might say, a "full and frank discussion" of the key issues. Peter Goldmark, formerly of the Rockefeller Foundation, describes philanthropy as an "erratic pioneer" because of its simultaneous efforts to conserve and to change society. Anna Faith Jones, formerly of the Boston Foundation, argues that communities can best determine their own needs, assets, and future direction; her record of holding community hearings reinforces that perspective. Dennis Collins, formerly of the James Irvine Foundation, contends that philanthropy, like teaching, is an art, and he roundly disparages those who would supplant this art with what he terms "pseudo-science" in order to provide "proof" of effectiveness.

Focus, or the lack thereof, is the theme of several essays. Scott McVay, formerly of the Geraldine R. Dodge Foundation, wonders how philanthropy can really make a difference, given the scope and scale of social issues. He argues for a shift in emphasis from charity to strategic philanthropy by using the “convening power of foundations” and by becoming a “niche player in an under-addressed arena.” The corporate foundation writers further clarify this notion of strategic philanthropy. Michele Courton Brown, formerly of BankBoston, illustrates how a company links its business strengths with community needs and portrays corporate philanthropy as a model for “social risk takers.” David Ford, formerly of Lucent Technologies Foundation, admits that “leading the philanthropy program of a corporation is an odd job,” but belies this observation with his “Ruminations upon Ruminations” essay, particularly his discussion on collaboration.

The future of philanthropy preoccupies all of these writers, and several submit pointed commentary. Joel Fleishman, formerly of Atlantic Philanthropies, writes about “Stewardship, Hubris, and Foundation Governance.” He is particularly concerned about the “danger of making grants only to projects that lend themselves to easily measurable outcomes.” Fleishman is also frustrated by the lack of accountability and by the opaqueness of foundation decision making, particularly because “foundations are the holders of America’s primary pool of social venture capital.”

Bruce Sievers, formerly of the Walter and Elise Haas Fund, reinforces these concerns in his discussion of “Philanthropy’s Blindspots.” In his view, the real issue should be “attention to the broader purposes and assumptions that underlie the entire nonprofit enterprise,” and he implores philanthropists to “approach our work more as students and champions of the human condition than as cost accountants or social engineers.” He ends his paper by proposing five “diffuse, value-laden, and change-resistant” issues for philanthropic attention: mass media, the political process, civil society, contemporary ethical challenges, and intercultural understanding.

The two concluding essays convey several perspectives and insights. Steven Schroeder, formerly of the Robert Wood Johnson Foundation, summarizes lessons learned--ranging from “Mission Matters” to “Pursue Accountability”--and lists a series of regrets, including “the difficulty of making progress on racial issues” and “the lack of vigorous advocacy groups on behalf of the prevention of substance abuse.” Philanthropy’s boundary-spanning potential is highlighted in the final essay. Adele Simmons, formerly of the John D. and Catherine T. MacArthur Foundation, acknowledges how “bringing private resources to bear on global problems adds some complexities,” but she urges philanthropists to consider the worldwide benefits of enhancing civil society, forging international coalitions, and facilitating international agreements, among other recommendations.

Karoff expects *Just Money* to be the first in a “series of publications that will add value and substance to our collective understanding of the ways that philanthropy can uniquely and most effectively address the critical issues and needs of our society.” If that is indeed the publisher’s intent, here are some questions not addressed in *Just Money* that might be answered in future volumes.

*Where are the philanthropists?* This book is a collection of essays by professional staff. We need to hear from those who actually marshal the resources that launch and sustain organized philanthropy.

*Where are the small and medium-sized grantmakers?* The bulk of American foundations are small, but readers of *Just Money* learn more about large charitable organizations. Most philanthropic dollars are dispensed by large foundations, and Karoff

maintains that these essays can be useful to anyone. Still, the art and leverage displayed by smaller grantmakers should not go unexamined.

*How does philanthropic giving fit into the larger nonprofit revenue picture?*

Remembering that the \$26 billion represents just under 11% of the over \$240 billion in private gifts (according to *Giving USA 2003*, <http://www.aafrc.org/>), a volume that assesses these expenditures in relation to fee-for-service, government grants and contracts, and social enterprises would provide a truly valuable service.

*Finally, should foundations last forever?* Writing an article entitled "Perpetuity: the Real Issue in Payout Debate," in the January 27, 2000, issue of *The Chronicle of Philanthropy*, Mark Kramer contends that the "hidden question" in the dispute over how much foundations should spend in grants is really about whether foundations "should be allowed to last forever." Kramer, managing partner of the Center for Effective Philanthropy (<http://www.effectivephilanthropy.com/>), notes that foundations "are insulated from performance pressures." Assuming "they invest and spend conservatively, foundations will almost always survive in perpetuity--whether their grants are effective or not." Considering the \$435 billion tied up in foundation assets (according to the Foundation Center's *Foundation Yearbook 2004*), a vigorous point/counterpoint volume of essays on the social costs and benefits of perpetuity would probably be a big seller.

While waiting for possible forthcoming volumes, readers who add *Just Money* to their professional libraries will be pleased to have a thoughtful collection of essays for future reference.

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