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Philanthropy?

*By Michael Joyce and
Heather Richardson*



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Michael Joyce: I would like to examine the question of whether or not there is a distinctive, conservative philanthropy. I suggest there are real and substantive differences in the perspectives of those engaged in organized philanthropy in the United States today. The differences in outlook, the different ways of conceiving man's nature and the world, lead not only to different conclusions about the philanthropic enterprise in general, but to quite differentiated, even conflicting conclusions across the wide range of major issues of interest, not only to agents of philanthropy, but to society generally. This is because the social problems that consume the interest of grant-makers are, at bottom, political; they arise from differences in opinion and interest. The social problems are rarely pure and simple problems amenable to easy solutions; rather, they tend to be enduring human difficulties to be reckoned with, reformed, tolerated according to the opinions and interests of the grant-makers themselves.

It is in this understanding of problems and programs that differences in political outlook manifest themselves in philanthropy, as well as in most other human endeavors. These differences are rooted in postulates about human nature and social causation, so that disagreements about the proper role of philanthropy arise much in the same way as do political conflicts more generally. In an incisive analysis of the ideological origins of political struggles entitled *A Conflict of Visions*, Thomas Sowell has written, "Different ways of conceiving man in the world lead not merely to different conclusions, but to sharply divergent, often diametrically opposed conclusions on issues ranging from justice to war. There are not merely differences of visions, but conflicts of visions." He has defined these competing visions as: 1) the constrained vision, and 2) the unconstrained vision.

Those familiar with Thomas Sowell's work will immediately recognize in what I am about to say my indebtedness to his thought. The great issues of our day which interest those engaged in philanthropy—war, poverty, education, crime, for example—are viewed very differently by those with liberal and conservative habits of mind. In the view of the liberal foundations, the challenges and opportunities for philanthropy are presented in the form of social problems, problems which, according to this view, are not necessarily inherent in the human condition. This is the reason that most liberals see social problems as manifestly requiring explanation, direct intervention, and finally solution. But if the limitations of human nature are central to the persistence of social problems, then what requires explanation are the ways that social disorders have been avoided or minimized. This is why liberals seek to discover and explain the social causes of war, poverty, crime, and so forth, while conservatives look to the special causes of peace, wealth, or the conditions of law-abiding society.

In the liberal view, there are no obvious intractable reasons for the recurrence of social problems, and, therefore, no particular reason why they cannot be solved with sufficient moral commitment and knowledge. But in the conservative view, projects or programs designed to restrain or alleviate inherent social disorders have real costs, often expressed as unhappy consequences of the very pro-

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grams; so that in the conservative view the best that one can realistically hope for is what Sowell calls a prudent tradeoff.

Views of Human Nature. These different conceptions rest ultimately on assessments of the nature of man, not simply as he is seen to behave at some moment in time, but also as regards his natural potential and limitations. A liberal who understands human nature as having potential far beyond what man's history up to now has demonstrated takes a position quite different from a conservative, who sees human beings as limited creatures with selfish impulses that require institutions of restraint, which themselves are always less than perfect. In the conservative conception, social processes are described not so much in terms of intentions, but in terms of the systemic factors necessary to achieve limited goals—property rights, the price system, and judicial restraint, for example.

Liberal philanthropy looks directly to desired results. Conservative philanthropy operates in terms of processes, intended to produce desired results—not directly and not without unintended side effects and anticipated social costs.

Central to the outlook of the liberal philanthropist is the belief that unenlightened or immoral choices explain the presence of social problems, and that wiser or more moral and compassionate social policies are therefore the solution. By contrast, the conservatives understand serious social problems as rooted in the imperfect choices confronting humans with limited natures and insufficient knowledge. As Sowell puts it, for amelioration of these evils and the promotion of progress, they rely on the systemic characteristics of certain social processes, such as moral traditions, the marketplace, the family. They conceive of these processes as evolved rather than designed, and rely on these general patterns of social interaction, rather than on specific policy designed to direct or produce particular results for particular individuals or groups.

The liberal view of philanthropy favors the creation of more equalized economic and social conditions in the society generally, even if the means chosen involve great inequality in the processes employed to produce that outcome. Consider the debate over judicial activism. According to liberal understanding, learned and compassionate jurists should strive to shape the best outcomes in particular issues that come within their jurisdiction. In the conservative view, the inherent limitations of the individual judges provide that each jurist's best contribution to the civil order is to adhere to the sworn duty of his institutional role as custodian of the constitutional content, and let established, systemic processes in the duly elected legislatures determine the law.

Obligation to Duty. Just as the liberal viewpoint encourages judicial activism by judges, it advocates social responsibility for businessmen, that they should conduct their enterprises with the intention of producing specific benefits to society—in hiring practices, investment policy, and in the form and content of their corporate philanthropy. What is morally central in the conservative outlook is the obligation to fulfill one's duty in one's role in life. There, within the sphere of his own competence, the individual can make the greatest contribution to the common good by serving systemic processes, which determine outcomes. This is an entirely different conception of obligation from that of the liberal, where one's obligation is direct—direct beneficence to mankind.

But from the conservative viewpoint, the individual exercising decision-making power lacks the confidence continually to make ad hoc determinations of what specifically is good for mankind, however compassionate or morally motivated one may be. According to the conservative view, the businessman's obligation is primarily to the stockholders who have entrusted their investments to him, not in the pursuit, however sincere, of the public good through certain charitable works. In a like manner, the judge's obligation is faithfully to carry out the law he was sworn to uphold, not compassionately to change that law in order to produce better results as he sees them. The conserva-

tive does not believe that the law will be improved by the judge's fresh insights being substituted for the systemically evolved legal precedence.

Tom Sowell, in *A Conflict of Visions*, discusses the engineering analogy as an element of what he calls the unconstrained vision and what I am referring to on this occasion as the liberal viewpoint. In my opinion, the engineering analogy has great import in any discussion about organized philanthropy, for it is the favored method of what has been indisputably the dominant tradition among the major foundations in the liberal tradition.

As Sowell puts it, in the engineering analogy one can begin with society's needs, because it is possible to have "an objective analysis of what is really desirable." The public interest can be specified, and therefore pursued rationally.

It is then a question of assembling the relevant facts and articulating them, a full presentation of the items we can choose among to determine how to achieve the resulting goals. Social issues thus reduce to a matter of technical coordination by experts, unlike the systemic vision, in which there are inherent conflicts because of the multiplicities of conflicting values in the populace at large. The conservative is convinced that the engineering analogy is flawed because no single philanthropist or foundation can master the complexities inherent in social transactions, so that systemic institutions—market economies, social and constitutional traditions and the like—are relied upon instead.

The liberal, observing people living below some economic level defined as poverty, favors programs to subsidize such persons in some way to produce directly a higher standard of living for them. But the conservative concentrates on the process incentives created by such programs and their consequences, both for the intended beneficiary and for the society as a whole.

I think the topic of citizenship and civic society illustrates very well the profound differences between the conservative and the liberal conceptions. Through our vast, complex web of civil institutions we grow and develop into complete human beings, learning to suppress our often chaotic and disruptive impulses, to express our connectedness and mutual obligation to each other, to reach beyond ourselves, so to speak, to higher aspirations, reflecting nobler impulses. Those institutions sustain us, but we, in turn, must sustain them, for without unremitting, steadfast citizen involvement, they are doomed to wither and die.

That America was blessed with a robust, vigorous, civil society was once understood to be vital to its success. Tocqueville's *Democracy In America* is, of course, the classic expression of wonder and admiration at the incredible energy generated by the vast array of civic institutions spread across the face of our young nation. Everywhere he looked in America he noted our citizens had formed associations, committees, and clubs to tackle one or another of the problems facing them in this undeveloped wilderness. Through such citizenly activity, Tocqueville believed Americans expressed and sustained their civil freedom, accomplished an enormous range of tasks and most important, developed fully as rooted, connected human beings.

Dominant Elites. Conservative admiration for the liberty-sustaining, life-affirming energy of civil society is, of course, by no means shared by the intellectual and cultural elites that dominate foundations today. Instead of citizenship as vigorous, multi-faceted participation in civil society, we are urged to constrict our view of citizenship to the lonely, sporadic act of the isolated voter. To explain how this came about would require a lengthy discourse on the modern project, that great philosophical enterprise launched by Machiavelli, Hobbes, and Locke, and carried on in various decadent and corrupt forms today. I spare you that discourse at this time.

Suffice it to say that what to conservatives appears as a vast, pluralistic up-welling of groups expressing boundless civic energy appears to our liberal elites to be a wasteful, chaotic, misguided jumble of amateurish groups meddling unwelcome in social policy. What to conservatives appear as

vigorous, coherent, value-affirming civic associations, appear to our elites as oppressive, stultifying, retrograde, rights-violating social tyrannies. To such elites, the virtue of the limited citizen-as-voter notion is clear; it quietly and neatly lifts the public business, so to speak, out of the messy world of active citizens and civic institutions, shifting it instead into the neat, rational, smoothly humming world of centralized, professionalized bureaucracies, wherein the elites themselves prevail.

In these remarks I have simply tried to show that there are substantive differences between liberal and conservative views in organized philanthropy. I have not attempted to explain how these viewpoints have come to be dominant in this or that particular foundation; nor have I discussed the fairly common circumstance where within the same foundation trustees tend toward a conservative world view, while staff people favor a liberal philanthropy.

Heather Richardson: The topic today is: “What is Conservative Philanthropy?” I shall present my remarks in three sections. The first, which Mike in large part has addressed, defines the term “conservative.” The second examines approaches to philanthropy. And the third looks at the structural problems inherent in foundations as they currently exist.

The word “conservative” has been defined by the media and by the public at large as meaning either the status quo, and a retention of that irrespective of its problems, or some sort of return to the 1950s and the nostalgic vision of a perfect, white America. I would argue that we need to either redefine the word or come up with a new one, because that is not at all what conservatism is about. As Mike has so eloquently put it, conservatism is a philosophy derived from its core belief about the nature of man. Liberals believe that man is good, and that ills must therefore come from external forces; conservatives believe that man is flawed, possessing the capacity for both good and evil, so that in addition to external forces we must concern ourselves with the consequences of individual character and behavior.

Following quite logically from those alternate constructs of the nature of man are some extreme contrasts in beliefs: emphasizing, for example, groups over individuals, rights over responsibilities, entitlement (read: dependency) versus empowerment, welfare bureaucrats over strong families and communities, government solutions instead of subsidiarity, quotas as opposed to merit, multiculturalism and cultural relativism in contrast with transcendent ideas and ideals, and most important in some sense to the way foundations operate (and liberals generally operate as opposed to conservatives), good intentions as sufficient and defining criteria, rather than concerning oneself with the consequences of actions. In these polarities you see what has been the operating principle of the Left: if you believe in fact that man is inherently good, then, as David Horowitz has eloquently explained, all you need to do to change society is to have sufficient will. Moreover, you do not need to look at anything beyond that—just add more determination if it isn’t working yet. Good intentions are sufficient.

Positive Vision. Thus, one of the key battlefronts going forward is for us to force an examination of consequences; you can already see some of this happening. Where we lose is when some conservatives talk about returning to the “good old days.” We must always remember that the reason things changed is because someone was ill-served by the status quo, and that much of what we suffer from are the excesses and byproducts of policies which were formed with the best of intentions, based on some half-right idea. We must have a vision, and that vision needs to be positive and forward-looking.

The second point I wished to discuss was: how do we approach philanthropy effectively? There are several underlying principles which should guide conservative philanthropy. First, of course, is understanding your philosophical base. However innocuous a given project seems, addressing it

through the lens of, for example, the role of the individual versus the role of government, will have a profound effect on how you shape your grants and how you spend your giving dollars.

Second, as I said before, conservatives need to espouse a forward vision and articulate what they are for, not just what they are against. This is useful in both defining and defending the policies they are pursuing, as well as in looking for new ideas which help advance that agenda. In fact, as Newt Gingrich has argued, we must think through systematically where, ideally, we would like to be twenty years from now, and what we'd like society to look like, and then think backwards from that to the steps necessary to achieve those goals. It is central to this endeavor to understand the process of the progress of ideas—what books must be written, what studies and empirical data would be constructive, what networks and coalitions must be formed, and then the process of implementation itself. Because, frankly, foundations have been very neglectful about the implementation of ideas. And if we don't implement them, I do not see what the point was in the first place.

Leveraging Ideas. Tactically, something we need to focus on more is effectiveness, or what I call leveraging ideas. This becomes even more critical as our limited resources become increasingly stretched. Let me give you some examples of leverage: if you have a book written, then insist the book be marketed effectively; if you support a magazine, you want to enable the magazine to increase its circulation; if you are working on a venture that is a local project somewhere on a specific issue, try to make it a replicable pilot project; if you are supporting an organization which relies on its membership to have impact, then help it bolster its membership, since those numbers are often ultimately what matter. All these ideas are important because they increase the impact of what already exists, and hopefully, as well, make it more self-sustaining.

I do not know if Willa Johnson is here, but I believe Capital Research Center's numbers show that roughly 75 percent of foundations with an ideological bent qualify as center to left, while 25 percent count as center to right. This means that conservative philanthropists must allocate their resources as wisely and effectively as possible, and should furthermore look for ways to make the entities they are supporting as self-financing as possible, both through their own activities and in finding alternate sources of funding.

Finally, though, one must ask: why are foundations so left-wing? (Particularly when most of them were founded by arch-capitalists.) What is the structural problem which produces this eventuality? I am not a legal scholar, but armed with that caveat, let me tell you how foundations, which actually are a modern phenomenon, came into being.

Chesterton said, "Tradition is the democracy of the dead." One of our greatest forms of democracy is common law, and common law always argued that you should not have any contract enforceable in perpetuity, save with very rare exceptions—such as charters for hospitals and municipalities. Charitable organizations were not an exception; they were all pretty much a form of charitable trust, which means they had limited lives. (Generally, I gather, it was "lives in being plus 21 years," which means the charitable trust would exist for the duration of the life of the last person, out of a given class of people, who was alive at the time of the donor's death, plus 21 years beyond that.) Beyond that point the assets had to be paid out, dissolved, or go on to something else. In 1913 the Rockefellers tried to get a national charter from Congress which would create a foundation in perpetuity. Congress at that point seems to have been a little wiser than it is now and understood the purposes of common law, and why this was not a good idea. It turned the Rockefellers down. The Rockefellers, however, went and bought the New York State Legislature, got their charter, and thus foundations were born.

What are foundations? Pardon the analogy, but all too frequently foundations bring to mind nothing so much as the pod people in *Invasion of the Body Snatchers*. These are pod people. Think about it: They look like the original donor and they sound like they are supposed to have similar purposes

to the original donor. But they are radically different from the persons you knew, and the ideas they espoused. Worst of all, they just keep on going—nothing can stop them. They exist in perpetuity, and with very rare instances have no real accountability. Incorporation documents are written with the best of intentions, but there are myriad ways of interpreting how best to implement and direct different program areas. As you get away from people who knew the donor and shared his views and intentions, the programs begin to drift. This is then compounded by what I think of as the “third generation problem.” These heirs hardly knew the founder, are spending money they did not earn and do not appreciate, generally are long on guilt and short on depth, often want accolades without the trouble, and almost always rely increasingly on professional staffs. The staffs themselves are under great pressure to conform with their peer community (it helps get the next non-profit job), and so whatever is politically correct at the moment tends to be the direction in which foundation staffs go. As so many examples illustrate, donor intent is ignored in exchange for the accolades of the staffs’, and heirs’, immediate constituencies.

We consequently have increasingly large amounts of untaxed dollars that do not recirculate into the system as they ultimately used to, and what does get out goes for purposes the founder would consider anathema. I would suggest several responses to this. First, if you know anyone who is thinking of setting up a foundation, suggest that they first craft a very specific mandate, that they then attach the entity to people whose political and philosophical judgement they admire, and that they form not a perpetual foundation, but an entity with a limited life. Never establish a foundation. However wonderful you and your ideas may be, however clever the people you know, they will all eventually die, and this behemoth will continue; it will be captured, and there is a 99 percent probability that it will eventually wind up doing things that will make you spin in your grave.

The next proposal to address this structural deformity is to create a concerted effort to get Congress to repeal this misguided law creating foundations, while perhaps encouraging the creation of limited-life charitable trusts. Existing foundations, once they were 99 years old, could be subject to a radically increased payout requirement, causing them to pay down their capital and get it to eventually recirculate in our economy. Foundations, in the best common law tradition, should have limited lives, to better adhere to the intentions of their founders. Congress may barely recognize the philosophical and practical arguments, but they will surely be inspired at the sight of all those untaxed dollars.

Much like vouchers or term limits, we need to think about changing the structural incentives for certain behaviors. Foundations have become the perpetual life support of the ever-multiplying pod people. There’s only one way to stop them: unaccountable institutions, like Congress, need limited terms.

