

The War on Philanthropy

Private giving achieves what government can't—which is why authoritarians hate it.

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Jan. 8, 2020 7:05 pm ET

This piece originally ran in the *Wall Street Journal*, [access the online article here](#).

America has just completed a banner year for private giving. The 10 largest donations in 2019 amounted to \$6.2 billion, up 8% from 2018. These went to a wide array of causes, and came from men and women of the right (Jim Walton, Karen Huntsman) and the left (George Soros, Eric Schmidt). When the total of all U.S. philanthropy becomes available this summer, it will show that Americans voluntarily gave away around \$430 billion in 2019.

Private giving builds institutions of civil society that provide valuable services, alleviating many pressing public problems. The New York Public Library has operated as a charity since its founding 125 years ago, and Central Park is run by a donor-funded conservancy that rescued it from decay in 1980. Quietly effective philanthropies get little visibility, though, and scant credit from journalists, academics and politicians.

Instead, progressive editorialists and political candidates openly call for deep cuts in the charitable deduction, an end to tax protections for churches and other charities, the taxing down of personal fortunes, and new regimes in which government becomes the sole ministrant of societal needs. Givers like the Kochs and Waltons are treated as punching bags for ideological reasons, but even liberals such as Bill Gates, Eli Broad and Robert Smith are pilloried for practicing philanthropy.

Mr. Gates is called everything from a rank amateur to a manipulating megalomaniac for making massive donations to public health, education and other causes. The Broad Museum in Los Angeles has been picketed and its patron savaged for his gifts

to charter schools. Paying off \$34 million of loans for Morehouse College students earned Mr. Smith opprobrium for having made money in private equity.

“A gift like [Mr. Smith’s] can make people believe that billionaires are taking care of our problems, and distract us from the ways in which others in finance are working to cause problems,” writes Anand Giridharadas in “Winners Take All,” this year’s trendiest critique of philanthropy. One of a half-dozen books now out with a similar tone, it was lavishly praised by the Washington Post, [New York Times](#) and NPR for arguing that charitable giving is an “elite charade” that does more harm than good, a way of disguising merciless taking by appearing to give back, a tool of injustice in a rigged system, a means of suppressing dissent.

Today’s critics of private giving are most misleading in their suggestion that it is primarily a game played by “the billionaire boys’ club.” That’s not even close to accurate. The lion’s share of America’s vast philanthropy comes from ordinary citizens, 100 million of whom make charitable gifts annually, with the average household donating around \$3,000. In addition, 77 million citizens volunteer time and labor. This broad generosity powers some 1.5 million independent nonprofits across the country, operating in every imaginable part of the economy, pursuing a panoply of approaches to national improvement.

Rather than being an instrument of plutocracy, America’s highly decentralized philanthropy is one of its most pluralistic and democratic elements. Philanthropy disperses authority, gives individuals direct opportunities to change their communities, and lets nonmainstream alternatives have their day in the sun.

Charitable problem-solving also has many practical advantages. What works to alleviate homelessness or loneliness in old age may be different in Nebraska than in New York. With government programs it is almost impossible, even illegal, to pursue different strategies in different places. In philanthropy that’s easy—local variegation is one of the field’s inherent strengths. Studies show that philanthropic efforts are more effective than government in the amount of social repair accomplished per dollar.

One reason many progressives are so hostile to private giving is that government and charity are often competitors. They function in many of the same areas and sometimes attack the same problems, albeit in different ways. Critics of philanthropy argue that it is disruptive, even illegitimate, for civil-society groups to compete with the state. Public-employee unions, agency officials and activists for big government scream when social authority and resources migrate from state bureaus and into independent organizations like charter schools, churches, medical charities and trainers of the poor.

Authoritarians have always hated independent civil society. Russian, Iranian and Chinese dictators clamped down on charities in recent years because they want the state to be the only forum for human influence. “Everything within the state, nothing outside the state, nothing against the state” was Mussolini’s encapsulation. For people with a controlling impulse, private wielders of resources represent alternative sources of ideas and social legitimacy that must be suppressed in favor of unitary government prescriptions.

Even democratically elected leaders are often jealous of civil society and blind to its productivity. Vice President Joe Biden said a few years ago that “every single great idea that has marked the 21st century, the 20th century, and the 19th century has required government vision and government incentive.” The late Sen. Ted Kennedy once said that “the ballot box is the place where all change begins in America.”

Actually, government and ballot boxes had surprisingly little to do with many climactic shifts in American history. From the rise of universal schooling to the revulsion against slavery, from the creation of great universities to the national mastery of rocketry and space flight, private donors paved the way for many breakthroughs. Charitable action has been one of the country’s most valuable sources of ingenuity and social progress. In fields from brain research to immunotherapy, from family revival to improving teacher quality, philanthropists continue to lead.

If we view social refinement as solely the work of government, we will eventually despair because the political process so often disappoints. When we recognize the contributions of community institutions, self-help groups, faith activity, local norms, neighborhood networks and grass-roots collaborations, our prospects appear much brighter.

In America, independent problem-solvers pounce on many issues before they even rise to national notice. Privately funded civil society attends to a vast range of problems and threats. This is a distinguishing strength of the U.S. It will be a tragedy if Americans allow our rich tradition of voluntary action to be smothered.

Mr. Zinsmeister is author of the Almanac of American Philanthropy and editor in chief of Philanthropy magazine, from whose Winter 2020 issue this article is adapted.