
8 Donor and governmental perceptions of philanthropy

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Philanthropy is, and always has been, supply led rather than demand driven: the freedom to distribute as much as one wants, to whom one chooses, is what distinguishes giving from paying tax. Yet the depiction of philanthropy in governmental documents often underestimates its subjectivity and complexity. Take, for example, this statement from the Giving White Paper:

We believe that everyone can make a difference. So we want to empower and encourage more people to get involved, support each other and create the change they want to see. (HM Government, 2011: 8)

Such a statement raises many questions: Who wants to make a difference, and to what? Who wants to get involved, and in what? Which people are interested in supporting which other types of people? Do all donors want to create change, or are some indifferent to change, or indeed seeking to resist change?

This article draws attention to the differing perceptions of philanthropy held by donors and by policymakers, and suggests that those promoting philanthropy from within government are failing to take full account of the philanthropists' perspective. It notes the central role that donors' tastes, enthusiasms and opinions play in giving decisions, and argues that both advocates and opponents lack precision in their conceptualization of philanthropy. Findings from research into donors' accounts of the purpose of their philanthropic acts are presented and discussed as an alternative approach to understanding the enterprise of philanthropy and its potential contribution to the Big Society. Donors have no privileged claim to know 'the

truth' about the meaning and purpose of philanthropy, but an exploration of their intimate engagement in, and commitment to, philanthropy can provide deeper insights into the likely outcomes of policies aimed at a generalized expansion of philanthropy.

Perspectives on philanthropy

Philanthropy as a concept attracts praise and criticism but rarely indifference. Media coverage of the wider charitable sector continues to be characterized by a 'combination of indulgence and neglect' (Deacon, 1999: 59), but the press treatment of charitable donors often strikes a more negative tone, especially with reference to richer givers. This is partly because media focus is concentrated on wealth and celebrity at the expense of substantive discussions of philanthropic activity, and partly because of the confused characterization of philanthropy, which is simultaneously viewed as an expectation and eccentricity of the rich, from which donors can gain both authority and contempt (Breeze, 2010a). These incoherent and contradictory representations reflect public ambivalence about philanthropists, and result in the complex and confusing character of philanthropy in contemporary UK society.

In contrast, within current political and policymaking circles, philanthropy is viewed as an uncomplicated and unproblematic 'good thing' that warrants encouragement through legislation, exhortation and celebration. From the coalition's founding document (Cabinet Office, 2010) to the Giving Green and White Papers (HM Government, 2010 and 2011) to the steady stream of papers, speeches and comments emanating from departments including the Department for Culture, Media and Sport, the Department for Communities and Local Government and the Department for International Development, there has been a constant refrain that 'giving is good'¹ and a consistent assumption that stimulating all types of giving by any sort of donor will inevitably lead to stronger communities and a 'bigger' (and implicitly 'better') society. Yet Pharoah (2011: 66) notes, 'while there are clear expectations that giving and philanthropy will play a role in Big Society, there has been little "fleshing out" of what this might mean in material terms'.

¹ For example, 'We believe that giving is good. It offers benefits for everyone.' (Cabinet Office, 2011: 8).

The donors' perspective

In order to 'flesh out' what donors mean by their giving and philanthropic activities, and in particular to elicit their views on the extent to which donations are considered a way of meeting needs, tackling inequalities and strengthening society, interviews were conducted with 60 committed donors, recruited with the assistance of CAF (Charities Aid Foundation). Interviewees reiterated the widespread view that charities' prime purpose is to help the needy (see, for example Fenton *et al*, 1993; Hilton and McKay, 2011: 20). As Reich (2006: 27) states:

The quintessentially philanthropic act – and the virtue in the philanthropic act – is generally thought to consist in providing for the poor or disadvantaged or attacking the root causes of poverty or disadvantage.

However, our research finds that individual decisions to support particular causes and charitable organizations are driven more by donors' personal taste and preferences than by their assessment of the needs of potential beneficiaries or wider society. For example, one donor described appropriate charitable beneficiaries as 'people who are hard up in this country and people who are hard up abroad', before explaining that he supports railway restoration projects:

I feel it's worth keeping them going as sort of something this country has been able to do in the past and is still quite good at doing now . . . I did put a rather large sum into helping to buy and restore an old Victorian steam engine . . . I hope maybe when it gets going I might be allowed to stand on the footplate and blow the whistle! [*laughs*]

This 'hobbyist' approach recurred frequently in interviews. Another interviewee said:

I donate to the RSPB [Royal Society for the Protection of Birds] because bird-watching is one of my great obsessions. It's my, kind of, my treat to myself if you like.

Leisure interests that involve preserving our heritage and protecting the environment have a clear public benefit, but interviewees were disarmingly honest that personal taste is a key consideration in making giving decisions, above and beyond any objective consideration of the needs of beneficiaries or the impact on society. These more arbitrary and personal factors that lie behind the allocation of philanthropic resources are encapsulated in this comment:

I would support deserving dogs but I wouldn't support cats [*laughs*]
because I just happen not to like cats. It's as silly and as simple as that.

Philanthropy and the Big Society

As voluntary contributions amount to around £11 billion a year (CAF/NCVO, 2011) and constitute essential funding for an enormous range of important activity across the country, there is clearly nothing 'silly' or 'simple' about the net result of giving decisions. But, as has been argued in the US context, the entirely voluntary and supply-driven nature of philanthropy means that:

Charitable donations find their way to grantees through a haphazard combination of luck, charisma and razzmatazz that is poorly suited to the importance of their work. (Goldberg, 2009: 29)

The cumulative philanthropic impact is a result of millions of micro-decisions with variable (or, indeed, no) relation to macro-level pronouncements about 'mak[ing] our communities stronger' (HM Government, 2011: 4) or creating a Big Society in which people 'come together, solve the problems they face and build the Britain they want' (Cabinet Office, 2010).

Philanthropy by the many and the monied

The notion that all giving is aimed at creating equal social value sits alongside the long-standing rhetoric that all givers are of equal importance, as manifested in talk of the 'democracy of giving' (Home Office, 2005), which sought to stimulate giving by the many, as well as by the monied. However, most policy initiatives have been – and continue to be – targeted at the wealthiest members of society who have the greatest capacity to make large donations. For example, recent tax incentives have been targeted at the small slice of the population eligible to pay inheritance tax² and the even smaller sliver of the population with the capacity to donate 'pre-eminent works of art to the nation'.³ In addition to the targeting of certain types of donors, other recent proposals have been targeted at particular types of cause, such as the £55 million matched funding to help arts and heritage organizations build endowments, which are likely to result in disproportionate benefit to richer donors, who already favour these causes more frequently than the general public (Breeze, 2010b; Pharoah, 2011: 73).

² Inheritance tax is paid only by those whose estate is valued in excess of £325,000 in the 2011–12 tax year.

³ See, for example, information on HM Treasury website: www.hm-treasury.gov.uk/consult_gifts_art.htm

Philanthropists and the Big Society

Other research involving interviews with donors making gifts worth £1 million or more finds a similar absence of connection between larger philanthropic acts and governmental encouragement that 'giving' is intrinsically good, and finds no basis for the assumption that private giving inevitably interacts harmoniously with governmental priorities (Breeze, 2009, 2010b, 2011). For example, a donor involved in distributing his family's inherited fortune, describes his philanthropy as a reaction to the political sphere:

My interest in, and passion for, the work of our [family] foundation does not stem so much from a desire to 'do good' but from the anger that I feel at the lack of leadership and action amongst our policy makers tackling these issues, and from a deep-seated wish to help bring about change in the right direction. (Breeze, 2009: 16)

Some donors do seek to 'nudge' government into providing greater support for certain spending areas, but many interviewees of all wealth levels were found to be keen that their donations should not become a substitute for public spending. This is especially relevant in the areas of welfare, which is widely viewed as the primary responsibility of government rather than private donors (Taylor-Gooby, 1993: 11). Concerns about 'additionality' are clearly expressed in this quote from a major donor holding entrepreneurial wealth:

There was a time when I pulled right back from giving . . . when a lot of government money flooded into the type of organizations that I'd been supporting and I worried that it didn't matter whether or not I gave, because it would get funded anyway. (Breeze, 2009: 17)

Donors making more modest contributions are also keen to ensure that their donations enhance, rather than replace, other sources of funding. For example, one interviewee from the study conducted with CAF stated, 'I hate to think that we're doing things that the government ought to do'. However, despite widespread aversion to 'crowding out' public spending, donors' taste for supporting a cause can override such calculations, as one donor explained: 'With things like the British Library, I mean they're quite well funded but it's just something I believe in'.

The finding that donors are motivated by personal tastes, and by the desire to create change above and beyond what would have been, or should have been, funded by other sources, has implications for the role that philanthropy might play in funding the Big Society, particularly in a period of

public spending cuts. The expectation that philanthropy will rise up to 'plug the gaps' needs revising in the light of findings that donors across the wealth spectrum have different – and arguably higher – expectations for their charitable contributions than 'gap plugging'.

Conclusion

Policymaking around philanthropy and the Big Society appears to be based on a particular interpretation of philanthropy as an uncomplicated and inherently positive act that is necessarily concerned with building stronger communities and a 'Big Society'. Donors, meanwhile, view philanthropy as a subjective and intensely personal practice that creates varying quantities of public benefit alongside private benefits. These competing conceptions of philanthropy are an example of what the philosopher Alfred North Whitehead (1997) identified as a 'fallacy of misplaced concreteness' – also known as the 'reification fallacy', in which abstract concepts are mistakenly viewed as a concrete reality. Politicians and policymakers may hope or believe that philanthropy is a singular and positive concept that can unproblematically serve the Big Society agenda, but in reality philanthropy is complex, subjective and multifaceted. Its qualities are abstract, not concrete, and it cannot easily be hitched to any particular political programme. Clearly, those whose beliefs cast philanthropy and philanthropists in a purely negative light commit a similar fallacy, which is equally removed from the donors' perspective. Policymakers, practitioners and media commentators would all benefit from understanding the more equivocal outlook of givers, who resist the notion of giving as a substitute for public spending and who acknowledge the vagaries involved in making philanthropic choices, which are the result of the dominant influence of personal taste and preferences as a driver of giving decisions.