



ACR Response to WSJ Article “What’s Wrong with Charitable Giving- And How to Fix It”

December 1, 2009

According to a recently published article “What's Wrong with Charitable Giving-And How to Fix It,” (Philanthropy - Wall Street Journal, November 9), Pablo Eisenberg claims that “[m]uch of current philanthropic giving, by foundations and individuals, neither meets the needs of our charitable organizations nor addresses some of our most urgent public needs.” This blanket statement is not only incorrect, but it also undermines and diminishes the dedicated, altruistic work of charitable organizations (which continues in the face of this challenging economy), as well as the generosity of the millions of Americans who give to charity every day.

Mr. Eisenberg cites nine ways of enhancing philanthropy. Yet, in several of these recommendations, the author overlooks the bevy of good works occurring in the community despite the recent economic downturn. In fact, even though foundations' assets are down roughly 20 to 40 percent, a recently released survey conducted by SunTrust Bank shows that 75 percent of foundations have not altered their giving.

Perhaps most misleading is the charge by Mr. Eisenberg that “not more than 3 to 5 percent” of foundations' resources go to serve the “truly needy.” This estimation is both grossly inaccurate and misrepresents the true picture of charitable giving in America. The Foundation Center projects that as much as 39 percent of foundation resources go to needy individuals. And, in fact, according to a recent study released by The Philanthropic Collaborative and Dr. Phillip Swagel (“Broad Benefits: Health-Related Giving by Private and Community Foundations,”) as much as 68 percent of health-related grant dollars benefit communities of color, the economically disadvantaged, and traditionally underserved groups.

Moreover, if we are to take the author's suggestion, the “truly needy” organizations would include advocacy organizations dedicated to advancing a specific political cause. To us, foundations and charities of all shapes and sizes should exist to carry out the missions as defined in their incorporating documents - whether that be feeding the hungry, teaching children to read and write or to advance cancer research - not just the narrow field of organizations defined by Mr. Eisenberg as “truly needy.”

In contrast to the author, we believe that the invaluable contributions of the charitable sector cannot be understated as Americans contributed over \$308 billion in 2008. These funds are not only being used effectively, but they are being used for noble purposes. The real challenge is ensuring that our nation's nonprofits receive the resources and charitable contributions that they need to fulfill their missions in the face of a struggling economy.

Sincerely,

Abell-Hanger Foundation (Midland, TX)
Alliance for Charitable Reform (Washington, DC)
Association of Art Museum Directors (New York, NY)

Association of Gospel Rescue Missions (Colorado Springs, CO)
Elizabeth A. Brinn Foundation (Brookfield, WI)
The GFC Foundation (Orem, UT)
Gordon A. Cain Foundation (Houston, TX)
Colcom Foundation (Pittsburgh, PA)
Daniels Fund (Denver, CO)
Dodge Jones Foundation (Abilene, TX)
Thomas B. Fordham Foundation (Washington, DC)
Foundation of International Freedom (Houston, TX)
Foundations for the Carolinas (Charlotte, NC)
F.M. Kirby Foundation (Morristown, NJ)
Laurel Foundation (Pittsburgh, PA)
Nickerson Family Foundation (Big Horn, WY)
Lovett and Ruth Peters Foundation (Cincinnati, OH)
Schooler Family Foundation (Boulder, CO)
Triad Foundation (Ithaca, NY)
Peter G. and Elizabeth Torosian Foundation (Kansas City, MO)