

IN ALL FAIRNESS

Freedom of Philanthropy?

According to a study by *The Chronicle of Philanthropy*, charitable foundations' assets declined an average of 28% in 2008. The nonprofit organizations they fund are struggling to survive. Given these dire circumstances, shouldn't we be empowering citizens to create new charities and helping philanthropists give more? Instead, some ideologues think now is the ideal time to impose additional government regulations and even quotas, on the philanthropic community.

Last year in California, community activists hatched a social engineering scheme to divert charitable money to preferred organizations and causes.

Bullying donors

Sponsors of this proposed reform asserted that private foundations poorly serve specific minorities and should be "encouraged" to better target their money. The proponents said they merely wanted to gather information on whether foundations, their grantmaking, and the recipients of their donations are sufficiently "diverse." Ironically, these activists did not want to know *all* the ethnicities of the boards and staffs of the foundations and their grantees; they cared only about seven. The last census reported 126 different racial and ethnic groups exist in the U.S. The framework to permit shakedowns of philanthropy almost became California law, but was withdrawn when some foundations pledged \$30 million for diversity causes. Similar campaigns are now underway in other states, including Texas, Florida, and Pennsylvania.

A broad spectrum of respected foundations and charities, many of which already grant and devote millions to serving the disadvantaged, see this for what it is — just the beginning of a larger effort where a chosen few can dictate how millions are donated. When "diversity" information was demanded of the Heinz Endowment, they refused and noted that, "Reducing an important issue, and a complex one, to a single data point is shallow methodology."

Charities and current beneficiaries should be insulted by the notion that only certain programs and funds specifically targeted at an allegedly underserved part of society are in the public's interest. As an official for the United Way said, "We try to help society at large, not just poor people — for example by the cutting school dropout rate in half." In fact, a study by The Philanthropic Collaborative reveals that the \$43 billion foundations distributed in 2007 generated identifiable social and economic benefits of \$368 billion.

The greatness of American philanthropy lies in the inherent diversity of thousands of worthy charities, including environmental organizations, hospitals, medical research centers, libraries, churches, colleges, senior citizen centers, and museums.

Donor intent is a fundamental freedom that protects our right to choose. Americans are profoundly generous, but they don't like to be told what to do. Whatever your philosophical beliefs may be, one thing is certain: if charitable giving becomes a philanthropy-by-the-numbers game and ceases to be completely voluntary, everyone, especially those in the most need, will lose out.



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