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January 1986

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With the exception of journalistic accounts and a few path-breaking studies (e.g. The Foundation Formation, Growth, and Termination Study at Yale University), research on philanthropy has generally neglected the distinctive philanthropic initiatives and economic decision making of the wealthy. The major obstacle to such research, of course, revolves around the problems of access. Even research specifically designed to study the relation of income and philanthropy has been forced to settle on a relatively low definition of the the "upper-income" category in order to insure an adequate sample size. As a result, findings described as portraying the philanthropic practices of upper-income individuals in fact tell us little about the wealthiest 1% of the income distribution. Left unanswered are a range of important questions concerning those characteristics that distinguish the wealthy (especially from the affluent) in the realms of money and philanthropy.

Besides the accelerating growth in the number of wealthy individuals (U.S. News and World Report, 1986), the effort to answer such questions gains theoretical and practical import for a number of reasons. First, even though non-wealthy individuals as a group contribute a greater absolute amount of time and money for charitable purposes, the substantially larger and more concentrated per-capita commitments of the wealthy are often instrumental in either initiating or ensuring the viability of the philanthropic efforts to which the non-wealthy contribute time and money. Second, the contribution of larger gifts often involves a response to unmet social needs through efforts unhindered by the mediating institutions of the market and the state, and as

such, embodies an implicit critical evaluation of the role of the market or state in addressing such need relative to the abilities of private philanthropy. Third, contributors of larger gifts, more often than givers of smaller gifts, participate in formal and informal networks of givers who share social purposes and who as a group attempt to encourage others to contribute to these goals. Finally, contributors of larger gifts tend to both influence and determine the nature and direction of their beneficiaries more than other givers; on the micro-level, they often play a greater role in shaping or influencing the priorities, activities and character of the organizations and efforts to which they give time or money; on the macro-level, wealthy philanthropists tend to more actively set rather than simply respond to local and national priorities (Ostrander, n.d.; Useem, 1984).

In an effort to investigate these and other aspects of the practices and orientations of the wealthy in regard to money and its public uses, the T.B. Murphy Foundation Charitable Trust has funded the Study on Wealth and Philanthropy. This two-year study, conducted by the Social Welfare Research Institute at Boston College, specifically investigates:

- the consequences of changes in financial status for the evolution of one's goals and purposes;
- the meaning of money as a means to achieve non-economic personal and social goals;
- the distinctive effect of personal financial security on the extent and type of philanthropic involvement;
- the motivations and purposes of giving;
- the leadership role of the wealthy in setting social priorities; and
- the community of givers with which individual donors identify and associate.

The research entails both intensive interviews and a national survey. At the present we have completed over half of our anticipated 125 interviews with a selected sample of wealthy individuals and with a number of experts on current philanthropic trends. In addition, we have prepared a set of survey questions on subjective orientations and financial practices which have been attached to the 1986 Survey of Consumer Finances currently being administered by the University of Michigan's Survey Research Institute to a national random sample of 4200 individuals as well as to a special national random sample of 400 high-income individuals (over $200,000 gross annual income). Taken together, these two methodologies will provide an indepth understanding of the public use of money by the wealthy as well as a substantial amount of detailed comparative information on the social status, ideological beliefs, and philanthropic practices of the population as a whole.

In the space of this report it would be impossible to comment even briefly on the full range of topics and themes that have surfaced thus far in the course of our research. Our purpose in the following pages, therefore, will be limited to outlining a theoretical framework for the study of wealth and philanthropy, discussing in turn the various elements comprising (1) a general theory of philanthropy; (2) a theory of wealth and philanthropy; and (3) a conceptual framework for analyzing the philanthropic consciousness and practices of the wealthy.

Theoretical Considerations

The fundamental characteristic of theory as distinguished from description is the effort to document not just the existence of concomitant variation but to explain the social logic or causal relationship underlying this systematic pattern of variation between independent and dependent variables. Given this basic requisite, theoretical work should strive to encompass various levels of abstraction, to incorporate structural conditions, and to explain the historical variation in the relationship between variables.

In regard to our current considerations, this requires, first, that a theory of wealth and philanthropy be embedded at a higher level of abstraction in a general theory of philanthropy. That is, a theory of philanthropy should endeavor to explain simultaneously the giving by both the wealthy and the non-wealthy, the giving of time and money, and the giving by individuals and corporations. Such a proscription, however, should be taken as an ideal; not as a dogmatic litmus test. The point is that the total theoretical context of giving should be kept in mind when developing theoretical perspectives about any particular aspect.

A second requisite of theory is that it should address structural issues. This means that theories of philanthropy should incorporate an understanding of the structural or institutional environment that simultaneously induces certain beliefs and practices and constrains others. As such, the social environment *limits* (see Wright, 1978) the range of options for individual variation within certain boundaries set by the fundamental political, economic, and cultural relations shaping society's core activities (as articulated in the economy and the state). In the area of philanthropy, as we shall argue, this means that much is to be learned from examining whether and in what ways patterns of

non-legislated contributions of money and time grow out of and buttress the weaknesses and strengths of society's core institutions. For example, in the social and economic environment of the capitalist market system, it is important to note the extent to which philanthropy becomes articulated with entrepreneurial activity, either by mirroring such activity in form or content, or in addressing some of its deficiencies (Young, 1980).

A final characteristic of a comprehensive theory is that it be historical. This means that the object of study is not only those patterns of variation which exist within the structural requirements and constraints of a society at a particular point in time but also how these variations and structural limits themselves vary over time (Dickinson, 1970; McCarthy,1982).

Although little more will be said directly about these three crucial aspects of theory in the subsequent sections, our formulation of the theoretical framework of the relation of wealth and philanthropy explicitly takes them into account.

A General Theory of Philanthropy

In an industrialized free enterprise economy, the predominant mechanism for carrying out the social exchange of time and money is through the labor market. In the labor market individuals offer labor time in exchange for a contracted amount of earnings. These earnings, in turn, are exchanged for goods and services through product-market transactions with firms in the business sector. It is of course a matter of intense controversy whether either of these transactions occur in an environment of relatively equal bargaining power and full information as assumed by the proponents of the market system. Nevertheless, it has long been recognized that for certain groups of individuals and social institutions (such as libraries, hospitals, cultural organizations, etc.) socially necessary or desirable outcomes have not been provided by the untrammeled workings of the market economy. Although we make no effort here to trace the history of governmental and private initiatives to define and respond to the social needs left unfulfilled by the market, it is clear that such responses have grown substantially to where they now perform a major role in complementing or in some cases even replacing the market as the means to fulfill social needs (Douglas, 1981).

In theoretical terms, exchanges in the labor market are intended to elicit both a sufficient level of work and to provide a sufficient level of income for individuals to meet their household needs for material, political, cultural, and spiritual goods by allocating their income in accord with their preferences. When either the amount of income is insufficient or the expressed preferences are not socially constructive, government or private efforts have intervened most often by utilizing measures which redistribute resources. Consequently the amounts and priorities of such intervention become objects of struggle and debate themselves.

The point is that certain crucial social conditions must exist for government and private efforts to emerge as dominant forces in shaping society. The first is the accumulation or concentration of resources which can then be distributed. The government accumulates its resources and makes its distributions within the familiar system of legislatively mandated taxes and transfers. The private sector does so through "extra-legal" or "extra-governmental" mechanisms inextricably connected to the structural conditions of the free enterprise economy. The second is the inability of certain individuals to translate their preferences or needs into an effective mechanism for fulfilling them. At one extreme, are those individuals who are unable to make this translation because of a lack of income. Structural contradictions in the capitalist economy (Castells, 1980) persistently produce a simultaneous tendency toward the under-provision for needs among a significant proportion of the population and toward the creation of an objective interest in maintaining this disparity among a smaller segment of the population. From these considerations we can derive the central characteristics of a general theory of philanthropy.

In reference to the foregoing, we define philanthropy as the voluntary or non-legislatively mandated accumulation and distribution of resources to meet unfulfilled needs and interests. In the context of the current free-enterprise political economy of the U.S., this definition implies the following:

(1) that the institutional framework provides the means for the private accumulation and concentration of redundant resources;

(2) that variation in this accumulation and concentration of resources is directly connected to an individual's or organization's structural position within the market economy; those owning or controlling the wealth generating agencies have a greater ability to accumulate redundant resources than those who are employed, who in turn, have a greater ability to accumulate such resources than those outside the paid economy.

(3) that unmet social needs must exist; explanations for the existence of such unmet needs range from lack of creative insight on behalf of individuals or government, to insufficient work effort, to subordination in the labor market.

(4) that incidence and degree of severity in unmet social need is inversely related to the relative position in the realm of accumulation of those individuals expressing a need for them.

(5) that preferences for reproducing or transforming the contradictory social order must be actively mobilized; the political-economy is neither automatically self-regulating nor inevitably evolutionary; and

(6) that variation in efforts to effectively assert personal preferences for social outcomes is directly related to an individual's ability to mobilize personal or organizational resources.

This structural context of philanthropy, one in which there exists a tendency toward the simultaneous and causally interconnected production of the need for philanthropy and the means for carrying it out, suggests, finally, a theoretical basis for demarcating variation in the goals and types of philanthropy. Philanthropy can be differentiated, therefore, not just on the basis of the kind of vehicle it employs, the actors involved, or the specific arena in which it operates. More importantly, it can be distinguished on the basis of whether it is directed toward transforming (from either the left of the right) or reproducing the institutional framework that provides the basis for its existence in the first place. That is, philanthropy must be examined in relation to how it grows out of, and in turn acts upon, what Gordon, Edwards, and Reich (1982) call "the social structure of accumulation": the specific political-economic environment composed of all the the social practices and meanings, that affect the "possibilities for capital accumulation" (22), and determine the viability of a particular era of capitalist production.

Wealth and Philanthropy

The general theory of philanthropy just outlined serves as the basis for specifying how the particularly distinctive attributes of wealth shape both the philanthropic practices of the wealthy in particular and the nature of philanthropy in general. The most obvious starting point is to note that the mere existence of abundant resources induces a wealthy person to think more systematically about the disposition of them, if not for reasons of efficiency or ideology, at least for reasons of rational tax practices. Our research tells us much about this as well as about the fact that some among the wealthy expend as much time "working" at disposing of their resources philanthropically as at earning them through their businesses and investments.

But the most important theoretical point to be made about the distinctive contribution of wealth to an understanding of philanthropy is that wealth affords individuals the means for moving from being simply consumers of the social agenda to being producers of it (Mavity and Ylvister, 1977). In our earlier discussion, we noted that philanthropy can be understood as a way of redistributing resources to individuals and organizations to enable them to obtain or provide for expressed needs. In economic terms, philanthropy helps translate those needs and preferences into effective demand by providing the means by which individuals or organizations can engage in concerted efforts to achieve their goals. Looked at in another way, the small per-capita contributions of money by middle and lower income groups for religious, political, or social purposes, may be conceived of as consumption activities. They are, in this sense, consumer responses to pre-established needs and goals. Their conformity is in part structurally pressured because they require a convergence of interest and effort by numerous individuals in order to spur the accomplishment of a goal such as the support of a neighborhood church.

The philanthropic contributions of money and time by the wealthy may often operate alongside the contributions of the non-wealthy in exactly this way. We must add, however, that this response represents only one polar position along a continuum of philanthropic activity by wealthy people of increasing degrees of responsiveness, influence, control and innovation. At the other end of this continuum is a more significant pattern, one which actively shapes rather than responds. We find that the substantially larger per-capita contributions of the wealthy when purposefully leveraged toward accomplishing certain goals are able to more individually and directly spur the production of desired ends by in effect creating the means (i.e. structures and institutions) needed to produce them. This exists in sharp contrast to simply "matching" one's interests and concerns with pre-existing efforts, modifying existing structures, or compromising with others over desired goals.

In a manner akin to the entrepreneurial act of starting a business, the philanthropic efforts of the wealthy are able to "produce" social movements, political candidates, grass roots organizations, low-income housing, hospital wings, science reporting on public radio, libraries, research projects, religious doctrine, and the easing of hunger. This does not mean that wealthy philanthropists single-mindedly pursue a crudely self-interested public agenda or single-handedly accomplish it--our research indicates that only a few do either. But the fact remains that the most telling characteristic of philanthropy when conjoined to wealth is its potential to actively create the public agenda by directly producing the institutions capable of achieving that public agenda. Because of this, it is necessary to amend the more conventional elitist and class theories that explain the influence of the wealthy on society as derived from the wealthy holding positions of power or influencing others who do (Domhoff, 1970; Useem, 1984). Through concerted philanthropic efforts, the

wealthy, for good or for ill, for progressive or conservative ends, actually produce (rather than simply run or influence) the organizational world at the cutting edge of society.

Conceptualizing the Individual Production of Philanthropy

In order to properly locate the individual diversity in philanthropic behavior within its historical and structural context, it is necessary to conceptually delineate the significant variables that combine to produce the philanthropic endeavors of the wealthy. Our analysis rests on the belief that differences in individual philanthropy are produced by the cluster of historically specific cultural, economic, and social structural factors which circumscribe the position of wealthy individuals in the world. Factors such as one's position in the life-cycle, class position, ideological or religious beliefs and institutional roles all serve to frame an individual's philanthropic practice. However, all such factors do not have the same causal status in the formation of philanthropic orientations and action. Accordingly, the analysis of our data is guided by a conceptualization which distinguishes between various factors according to their hypothesized causal status.

Using the theoretical and cultural analysis of Giddens (1985) and Bourdieu (1984), we have divided the factors that constitute individual philanthropy into three conceptual categories: _structure, habitus, and practice_. As used here, _structure_ represents the "material conditions of existence", the "objectivated" aspects of social identity and existence. It consists of the _a priori_ conditions which define the boundaries of both habitus and practice. Structure therefore includes such variables as: class location, level of education, degree of wealth, life experience (personal, career, age), and the demographic variables of gender, religion, regional location and ethnicity.

Habitus consists of attitudes and orientations, and reflects the realm of intervening variables. It is the dimension of social life which resides within the perceptual framework of the actors themselves, represented by flexible yet structurally preconditioned dispositions manifest at both a conscious and unconscious level. Thus we examine respondent perceptions of money, wealth, and class-generalized belief (political, religious and personal/moral), as well as perceptions and beliefs about practice itself--in this case, about philanthropy.

Finally, practice reflects structure and habitus as they become operationalized into behavioral outcomes, with the specific focus here on philanthropic behavior. We therefore examine the basic characteristics of gift-giving (size, amount, natures of gift and recipient), as well as the models used, and the patterned social contexts in which giving occurs. This conceptualization allows us to isolate the discrete factors which serve to constitute different modes and types of individual philanthropy and, in so doing, enables us to achieve a systematic understanding of philanthropy as a distinctive social practice and not just a matter of descriptive differences between individuals.

The theoretical perspective outlined in the foregoing sections remains tentative and will be revised in the light of our further research. But even as it stands, it serves to locate philanthropy within the larger sweep of political-economic theory as structurally conditioned by the contradictions in the free-enterprise economy and articulated to the social structure of accumulation characterizing each historical period. Within this framework, a theory of wealth and philanthropy, emphasizes the distinctive potential of the wealthy to create rather than simply support an organizational structure for accomplishing their social agenda. In moving from theory to empirical analysis,

however, it is also necessary to delineate a conceptual framework that emerges organically from the theory and serves to identify the central variables. Based on the specific theory of wealth and philanthropy enunciated above, the major categories for analysis we have derived direct our attention to the intricate interplay between structure, culture, and practice.

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U.S. News and World Report. January 13, 1976.

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