

# Program Brief

## **NEW TRENDS OF PHILANTHROPY - Development of the Nonprofit Sector and Charitable Giving in the U.S.**

A talk by  
**Michael O'Neill**  
Professor of Nonprofit Management  
University of San Francisco

Vienna  
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In cooperation with Fundraising Verband Austria

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## **Michael O’Neill**

Prof. Michael O’Neill is Professor of Nonprofit Management at the College of Professional Studies at the University of San Francisco. He is the founder and former director of the Institute for Nonprofit Organization Management at the University of San Francisco. He was president of the Association for Research on Nonprofit Organizations and Voluntary Action (ARNOVA) and has served on the editorial boards of Nonprofit Management and Leadership and Harvard Educational Review. He is the author or co-author of several books on the nonprofit sector. Prof. O’Neill holds a doctorate in Education from Harvard University.

## AMERICA.GOV ITEMS

(published by the Bureau of International Information Programs/U.S. Department of State)

### **Private Sector Drives Growth in U.S. Assistance to Poor Nations. Private giving with government aid boosts U.S. ranking in annual report**

By Michael Gelb

May 14, 2008

...Thanks to expanding private sector efforts, aid from Americans to developing nations rose nearly 6 percent during 2006, despite a decline in the amount of official assistance from U.S. government agencies, according to a report by the Hudson Institute's Center for Global Prosperity.

All told, U.S. public and private sources, including immigrants to the United States sending money back home, provided \$130 billion to developing nations -- or more than six times the total support from the next largest donor nation.

Private philanthropy and remittances by immigrants totaled \$106 billion, up from \$95 billion the year before and more than four times the level of official U.S. government aid in 2006, according to the Index of Global Philanthropy. Private charities, foundations, corporations, religious organizations and universities provided roughly \$35 billion in support to developing nations in 2006, compared to just less than \$34 billion in 2005. Immigrants sent a record total of nearly \$72 billion back to families or projects in their home countries. A year earlier, immigrants sent \$62 billion home...

**FULL TEXT:** <http://www.america.gov/st/foraid-english/2008/May/20080513182046berhellek0.9759333.html>

### **Charitable Donations by Americans Reach Record High. Individual giving accounts for 83 percent of \$295 billion total in 2006**

By Jeffrey Thomas

March 24, 2008

...Americans increased their charitable donations significantly in 2006 to more than \$295 billion -- a record, according to a study released June 25 by the Giving USA Foundation, which reports on charitable contributions.

The overwhelming majority of this money was donated by individuals, not corporations or foundations, according to the chairman of Giving USA, Richard Jolly. Donations from individuals, including bequests, accounted for 83.3 percent of total giving last year, or \$245.8 billion, he told *USINFO*.

"The total amount of money that was given to nonprofit institutions is remarkable," Jolly said. "What we see is when people feel engaged, when they feel a need is legitimate, when they are asked to support it, they do."

Americans have a long tradition of charitable giving and volunteerism -- the donation of time and labor on behalf of a cause. When disasters happen or a social need arises, government clearly has a responsibility, Jolly said. "But it's also obvious Americans believe they, too, can make a difference, and they reflect that in terms of giving away a lot of money..."

**FULL TEXT:** <http://www.america.gov/st/washfile-english/2007/June/200706261522251CJsamohT0.8012354.html>

## REPORTS

### **Charities and Charitable Giving: Proposals for Reform**

By Jane G. Gravelle, Congressional Research Service/Library of Congress, April 5, 2005

This congressional testimony discusses proposals for reform of charities and charitable giving. It focuses on two types of entities that allow individuals to deduct contributions without the gift actually going to charity: donor advised funds and supporting organizations.

### **Corporate Philanthropy: The Age of Integration**

The Center on Philanthropy at Indiana University, May 2007

Many researchers have summarized changes in corporate philanthropy during the past decade. The Center on Philanthropy interviewed key corporate giving program staff at 10 leading donor companies in the United States in fall 2006, asking questions focused on how these companies are currently conducting their philanthropic programs and what the program managers thought might be emerging as potential trends. Among the interviewed companies, in the areas where the firm has selected a particular philanthropic goal, they are seeking to engage nonprofits as partners, not mere recipients. The nonprofit brings expertise, opportunities, and ideas as its part of the partnership. These companies are also extending philanthropic decision-making fairly deep and wide in their organizations, trying to engage staff at nearly all levels in some aspect of the company's philanthropic initiatives. They want their nonprofit partners to help in that effort to engage more employees. These firms also want measurements of the impact of their giving, yet some are still struggling with how to implement metrics that work for the nonprofit and for the corporate goals.

**FULL TEXT:** <http://www.philanthropy.iupui.edu/Research/Corporate%20giving-Target%20project%20July%202007.pdf>

### **Entrepreneurial Philanthropy in the Developing World: A New Face for America, a Challenge to Foreign Aid**

By Mauro De Lorenzo and Apoorva Shah

Development Policy Outlook, American Enterprise Institute, December 12, 2007.

Philanthropy is usually considered a form of humanitarianism not a driver of economic growth. This paper examines the “entrepreneurial philanthropists” who provide credit and business education to small-scale entrepreneurs, mentor and finance small- and medium-sized enterprises (SMEs), offer advice to governments to improve competitiveness, and devise ways to get a “return on investment” in philanthropic projects.

**FULL TEXT:** [http://www.aei.org/publications/pubID.27220/pub\\_detail.asp](http://www.aei.org/publications/pubID.27220/pub_detail.asp)

### **The Index of Global Philanthropy 2008**

Hudson Institute

The Index of Global Philanthropy is the sole comprehensive guide to global philanthropy and remittances abroad. The Index documents contributions in 2006 (latest available data) from foundations, corporations, charities, universities and colleges, religious congregations, and individuals to the developing world. Private philanthropy, investment and remittances continue to grow, accounting for over 75% of donor countries entire economic engagement with developing countries. Government aid, at less than 25%, is a minority shareholder in the growth and development of poor countries. In the U.S. alone, private philanthropy and remittances are four and one-half times its official aid abroad.

**FULL TEXT:** <https://www.hudson.org/files/documents/2008%20Index%20-%20Low%20Res.pdf>

## **The Intergenerational Transmission of Generosity**

By Wilhelm, Mark, Eleanor Brown, Patrick Rooney and Richard Steinberg

February 2008 working paper (forthcoming in the Journal of Public Economics)

Using the Center on Philanthropy Panel Study and data from two generations of the same families, we find that religious giving of parents is strongly correlated with the religious giving of their adult children. The correlation is as strong as the association of the income and wealth of parents and their adult children. The correlation for secular giving is smaller than for religious giving. It is about the same level of correlation that is found among parents and their adult children for consumption expenditures generally, things such as the amount spent weekly on groceries or dining out.

**FULL TEXT:**

[http://www.philanthropy.iupui.edu/Research/WorkingPapers/wilhelm%20brown%20rooney%20steinberg%2002-08%20transmission\\_of\\_generosity.pdf](http://www.philanthropy.iupui.edu/Research/WorkingPapers/wilhelm%20brown%20rooney%20steinberg%2002-08%20transmission_of_generosity.pdf)

## **Rural Philanthropy: Building Dialogue from Within**

Revised Edition

By Rachael Swierzewski

National Committee for Responsive Philanthropy, August 2007

Current grantmaking behavior and trends are skewed heavily toward support for urban-based or urban-focused programs. In *Rural Philanthropy: Building Dialogue from Within*, NCRP explores both real and perceived barriers between rural nonprofits and foundations in urban areas, as well as strategies for overcoming those obstacles. Grantmakers' perceptions of rural life, geographical isolation and capacity-building needs greatly reduce rural nonprofits' ability to secure funding. They also measure impact in ways that favor high-density urban areas while rural nonprofits operate without the benefit of a strong local nonprofit infrastructure. NCRP identified flexible, multi-year general operating support as one of the primary strategies to build the capacity and resilience of rural nonprofits. It also examined the role of intermediaries, collaboratives, local endowment-building, and other strategies in strengthening rural philanthropy.

**FULL TEXT:** [http://www.ncrp.org/downloads/PDF/NCRP2007-Rural\\_Philanthropy\\_REVISEDEDITION\\_FINAL-Lowres.pdf](http://www.ncrp.org/downloads/PDF/NCRP2007-Rural_Philanthropy_REVISEDEDITION_FINAL-Lowres.pdf)

## **Tax Incentives for Charity: An Overview of Legislative Proposals**

By Jane G. Gravelle, Congressional Research Service/Library of Congress, September 13, 2007

This report discusses the development of proposals for tax incentives for charity embodied in H.R. 7 and S. 476 in the 108th Congress and S. 6 in the 109th; the revisions in the Pension Protection Act (P.L. 109-280), and prospects for future legislation. Proposed changes initially included charitable deductions for non-itemizers, rollovers of IRAs into charitable uses, a reduction in the excise tax on private foundation income, an increase in the deductions cap for corporate contributions, and several narrower provisions relating to business contributions of property and charitable remainder trusts. P.L. 109-280 included some of these changes, along with some revenue offsets.

## **ARTICLES**

(for full text please contact the American Reference Center at: [arc@usembassy.at](mailto:arc@usembassy.at))

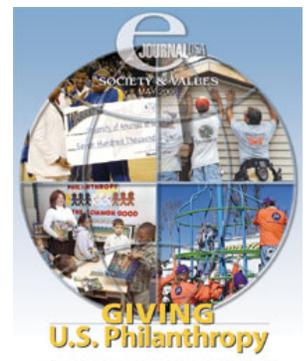
## **GIVING - U.S. PHILANTHROPY**

May 2007

(Bureau of International Information Programs/U.S. Department of State)

This journal highlights several forms of giving and the activities of a wide variety of philanthropic organizations, some under the patronage of the rich and famous, others created and operated by ordinary people. It also contains valuable resources for those who want to learn about nonprofit management, grant writing, and other topics related to modern philanthropy.

<http://usinfo.state.gov/journals/itsv/0506/ijse/ijse0506.htm>



- **Lifting Someone Else: Government Encouragement of Volunteer Efforts**

By Michael Jay Friedman

Government programs encourage volunteer efforts.

<http://usinfo.state.gov/journals/itsv/0506/ijse/friedman.htm>

- **Foundations: Architects of Social Change**

By Steve Gunderson, President and CEO, Council on Foundations

This article discusses the historical and cultural origins of philanthropy and the role played by foundations today.

<http://usinfo.state.gov/journals/itsv/0506/ijse/gunderson.htm>

- **New Jersey's Nonprofit Sector: An Economic Force**

Center for Non-Profit Corporations

This report explains the many sectors served by nonprofits and their economic impact in New Jersey.

<http://usinfo.state.gov/journals/itsv/0506/ijse/newjersey.htm>

- **Approaches to Giving**

By Robin L. Yeager

Americans give as individuals, in groups, and through corporations and foundations.

<http://usinfo.state.gov/journals/itsv/0506/ijse/giving.htm>

- **A Closer Look**

This sampling of specific organizations through which Americans contribute to a variety of charitable causes provides more detailed information about the workings of U.S. philanthropy.

<http://usinfo.state.gov/journals/itsv/0506/ijse/causes.htm>

- **It Doesn't Just Happen: Guidelines, Supports, and the Profession of Nonprofit Management**

This article provides an explanation of the services of some key organizations that support nonprofits and gives information about their Web sites.

<http://usinfo.state.gov/journals/itsv/0506/ijse/philanthropy.htm>

- **Bibliography**

<http://usinfo.state.gov/journals/itsv/0506/ijse/bib.htm>

- **Internet Resources**

<http://usinfo.state.gov/journals/itsv/0506/ijse/sites.htm>



Library of Congress



Barn Raising by Ann Mount.  
(Illustration Courtesy the artist and Bentley Publishing Group.)

## Private Philanthropy's Global Reach

By Jane Lampman, *Christian Science Monitor*, May 12, 2008

Global philanthropy sports a multitude of faces. Bill Gates stands out, of course. But there's also the college student clicking a small online donation, the church contributing to microloans in Africa, and the Italian soccer team bringing "the beautiful game" and educational programs to kids living in the rubble of war. The changing nature of private giving and its emergence as a worldwide phenomenon are spotlighted in a report to be released Monday by the Hudson Institute - The Index of Global

Philanthropy 2008. The Index is the only comprehensive source on the scope and magnitude of private giving to the developing world.

### **Bottom-Line Philanthropy**

By Stephen J. Dubner and Steven D. Levitt, *New York Times Magazine*, March 9, 2008

Dubner and Levitt credit Brian Mullaney of Smile Train, a charity that trained surgeons to perform surgery to children with cleft deformities, and Rafe Furst for his unique plan to incentivize both donors and researchers who could achieve a "cure" for cancer. These are two people who run charities like a business. Furst's greatest insight may be the recognition that, for many people, the act of altruism is not as pure as it might seem. In this case, whatever pain a donor may feel from giving is countered by the pleasure of also getting back.

### **Self-Made Philanthropists**

By Joe Nocera, *New York Times Magazine*, March 9, 2008

Nocera tackles the emergence of the new wave of philanthropists that are being referred to as "philanthrocapitalists"--wealthy entrepreneurs who are applying to philanthropy the same principles that made them successful businesspeople. He cites the philanthropists-couple Marion and Herb Sandler who finance \$30 million in three years for ProPublica, a non-profit organization on investigative journalism.

### **Melinda Gates Goes Public**

By Patricia Sellers, *Fortune*, January 21, 2008

In this interview, Melinda Gates, wife of Microsoft Corp. founder Bill Gates, talks about her husband, working in partnership with Warren Buffett, and her role in the Bill and Melinda Gates Foundation, and its new approach to philanthropy. In 2005, the foundation increased its giving for global health, including more than \$436 million in grants through its Grand Challenges in Global Health, a public-private partnership to develop health technology for the developing world that is easy to transport and use, and effective. The Gates Foundation has adopted a practical, get-it-done approach; where government-based one-size-fits-all efforts fail, the foundation instead assembles the right partners and the specific expertise required to solve a given problem.

### **Beyond Philanthropy**

By Bill Gates, *Americas Quarterly*, Winter 2008

To address these issues, Microsoft is partnering with governments and development organizations to provide teachers and education policymakers with the tools they need to spark a broad, fundamental transformation in education. Another way to strengthen underserved communities is through skills training and technology access.

### **This is not Charity**

By Jonathan Rauch, *Atlantic Monthly*, October 2007

The article discusses the philanthropic endeavors of the Clinton Foundation, established by former U.S. President Bill Clinton. The Foundation applies businesslike methods in developing scalable and self-sustaining solutions to imposing social problems such as an HIV initiative works to provide affordable AIDS drugs by consolidating demand among poorer nations." This article shows how Bill Clinton, Ira Magaziner, and a team of management consultants are creating new markets by trying to re-invent philanthropy in order to "save the world. Jonathan Rauch is an Atlantic correspondent and a guest scholar the Brookings Institution.

## **Corporate Social Responsibility. Is Good Citizenship Good for the Bottom Line?**

*CQ Researcher*, August 3, 2007

Corporations across the country are embracing efforts to improve society. Unlike traditional efforts by businesses to appear socially responsible, the current movement emphasizes profit and long-term company success along with good works. Firms such as Whole Foods and Nike strive to make good citizenship a recognized part of their brand. General Electric, Coca-Cola and other more traditional corporations also support corporate social responsibility (CSR), motivated by advocacy group pressures, threatened government regulations and demands from employees, customers and investors. Some conservatives oppose CSR activities, arguing a company's only legitimate purpose is to enhance shareholder value. Some critics from the left label CSR a public relations ploy and say the government should expand corporations' legal responsibility to employees, the public and the environment.

## **Philanthropy in America. Are Americans Generous Givers?**

*CQ Researcher*, December 8, 2006

Billionaire investor Warren Buffett has a message for wealthy Americans: Give away your money. Last June Buffett announced he was donating 85 percent of his \$44 billion fortune, most of it earmarked for a charitable foundation established by Microsoft co-founder Bill Gates and his wife, Melinda. Although Americans donated more than \$7 billion for hurricane, tsunami and earthquake relief in 2005, the super-rich, in general, have not stepped up their donations to match the economy's growth. Some in the philanthropy community argue, in fact, that Americans' self-image as uniquely generous is overblown. Meanwhile, the foundations that are a mainstay of U.S. philanthropy need more public oversight, critics say. And some scholars question whether charitable organizations are funding medical and other services that the government should provide.

## **SELECTED ORGANIZATIONS**

- **America's Charities**

<http://www.charities.org>

Works to meet community needs through member charity services impacting health, human service, education, human and civil rights, and the environment. A 20-year tradition of giving and caring.

- **American Institute of Philanthropy**

<http://www.charitywatch.org>

Acts as a charity watchdog and information service. Works to provide donors with ratings, advice, and other information on the financial and managerial practices of charities. Goals are to research and evaluate the efficiency, accountability, and governance of non-profit organizations; to educate the public on the importance of wise giving; to inform the public of wasteful or unethical practices and give recognition to highly effective and ethical charities; to advise members, and conduct investigations and evaluations of non-profits; to develop an interactive computer network providing charity information and to expand and redefine the organization's programs periodically to keep the contributor informed.

- **Andrew W. Mellon Foundation**

<http://www.mellon.org>

Provides aid and support to religious, charitable, scientific, literary, and educational purposes to further the well-being of mankind.

- **Association of Fundraising Professionals**

<http://www.afpnet.org>

Fundraising executives who work for non-profit and philanthropic organizations. Purposes are: to foster the development and growth of professional fundraising executives committed to the philanthropic process; to establish professional ethical standards and to require its members to adhere to those standards; to provide

guidance and assistance to philanthropic institutions and agencies with fundraising programs; to offer continuing professional education and career enhancement services for philanthropic fundraising professionals.

- **The Center on Philanthropy at Indiana University**

<http://www.philanthropy.iupui.edu/>

The Center on Philanthropy at Indiana University is a leading academic center dedicated to increasing the understanding of philanthropy and improving its practice through research, teaching, public service and public affairs. Founded in 1987, the Center is a part of the Indiana University School of Liberal Arts at Indiana University-Purdue University Indianapolis. The Center was founded as the result of the convergence of two ideas. First, some people recognized the need to professionalize fundraising and to create a permanent, university-based home for The Fund Raising School. Others were interested in building knowledge about the philanthropy field through an inter-disciplinary approach grounded in the liberal arts. These ideas, and the goal of bringing scholars and practitioners together to learn from each other, are the founding principles that remain the bedrock of our mission.

- **Council on Foundations**

<http://www.cof.org>

Community, private, operating, and corporate grant making foundations; corporations with philanthropic programs. Provides consultative and other services to its membership. Sponsors meetings to enable grantmakers, trustees, officers, and executives to keep abreast of current trends in the field of philanthropy and to share experience in the administration of philanthropic funds.

- **GivingUSA Foundation**

<http://www.givingusa.org>

Advancing the research, education and public understanding of philanthropy is the mission of the Giving USA Foundation, founded in 1985 by the Giving Institute: Leading Consultants to Non-Profits (formerly American Association of Fundraising Counsel). Headquartered in Glenview, Ill., the Foundation publishes data and trends about charitable giving through its seminal publication, Giving USA, and quarterly newsletters on topics related to philanthropy. Prior to the formation of the Foundation, Giving USA was published directly through the auspices of the AAFRC.

- **Giving Institute: Leading Consultants to Nonprofits**

<http://www.givingforum.org/>

The Forum of the Regional Associations of Grantmakers is "a national network of local leaders and organizations across the United States that support effective charitable giving" on the city, state, and multi-state levels. Features of the site include the Regional Association Locator and the Giving Circle Knowledge Center.

- **Grantmakers in the Arts**

<http://www.giarts.org>

Increases the presence of arts philanthropy within the broader foundation and policy making communities. Promotes more meaningful support of arts and culture. Supports individual arts grantmakers in increasing their effectiveness and their capacity to meet their objectives. Strengthens the field of private sector arts grantmaking by improving communication, information exchange and peer learning within the field.

- **Hudson Institute Center for Global Prosperity**

<http://gpr.hudson.org/>

Using conferences, discussions, publications, and media appearances, the center provides a platform to create awareness "about the central role of the private sector, both for-profit and not-for-profit, in the creation of economic growth and prosperity." The center's core product is the new annual Index of Global Philanthropy, which details the sources and extent of U.S. private international giving.

- **Independent Sector**

<http://www.independentsector.org>

Represents charities and foundations. Organizes corporate giving programs committed to advancement of the common good in America and around the world. Leads, strengthens, and mobilizes charitable community.

- **National Center for Charitable Statistics**  
<http://nccsdataweb.urban.org/FAQ/index.php?category=31>  
 Serves as a data repository for IRS FORM 990 information and statistics on non-profits.
- **National Committee for Responsive Philanthropy (NCRP)**  
<http://www.ncrp.org/>  
 NCRP works to encourage the philanthropic community to address the unmet needs of disadvantaged and disenfranchised communities and populations by providing research, technical assistance, advocacy, and publications.
- **Pew Charitable Trusts**  
<http://www.pewtrusts.org>  
 Strives to support non-profit activities in the areas of culture, education, the environment, health and human services, public policy, and religion.
- **Philanthropy Roundtable**  
<http://www.philanthropyroundtable.org/>  
 This national association was founded on the belief that "voluntary private action offers the best means of addressing many of society's needs, and that a vibrant private sector is critical to generating the wealth that makes philanthropy possible." In addition to publishing highlights from its journal, *Philanthropy*, the Web site has links to the roundtable's publications, conferences, and meetings.
- **Volunteers of America**  
<http://www.voa.org/>  
 Serving abused and neglected children, homeless people, the elderly, youth at risk, and others, the Volunteers of America is "a national, nonprofit, spiritually-based organization providing local human service programs and the opportunity for individual and community involvement." The Web site has a directory of community-based offices; links to *Spirit Magazine* and *The Gazette*; advocacy information, with a weekly public policy update; and extensive program information.
- **Women and Philanthropy**  
<http://www.womenphil.org>  
 Represents staff and trustees of grant-making organizations. Seeks to increase the amount of money for programs on behalf of women and girls and to enhance the status of women as decision-makers within private philanthropy. Builds regional networks of women and men in philanthropy; conducts research on grant-making patterns in the funding of programs; disseminates information to promote thoughtful decision-making with regard to the funding of programs that meet the needs of women.

## USEFUL LINKS

- **The Chronicle of Philanthropy: The Newspaper of the Nonprofit World**  
<http://philanthropy.com/>
- **Philanthropy by State**  
<http://www.cof.org/Learn/content.cfm?ItemNumber=10547&navItemNumber=10556>
- **An Abbreviated History of the Philanthropic Tradition in the United States**  
<http://www.cof.org/Learn/content.cfm?ItemNumber=730>

Please visit the homepage of the U.S. Embassy Vienna, Austria at: <http://www.usembassy.at>



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