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Let Them Eat Pie: Philanthropy à la Mode

Holding hands, we held our breath as the elevator climbed inside an atrium. We assumed poses of purposeful professionalism as the elevator opened onto an expanse of seamlessly symmetrical wood-grain. Along the corridor, desks flanked every door, and behind each one was a smiling well-groomed young woman. As we passed, one of these gatekeepers pressed a spot on the wall and a wide file-drawer emerged like a giant tongue to accept a morsel of paper, then retracted, leaving no trace.

For just an instant I hesitated at the door to Mr. Major National Foundation's office, thinking of Hansel and Gretel at the witch's house, wondering if I'd be swallowed up. Had I known more about such things, I should have wondered instead how long it would take to spit me out. Inside, we found both Mr. MNF and the vice president above him, Mr. Big. Both looked nervous. Neither seemed remotely tipsy, but every time they exhaled, the rich aroma of recently consumed alcohol filled the air. We smiled. We shook hands.

"So," said Mr. MNF, grinning like a crocodile, "this organization's just the two of you, hmmm?"

The meeting went downhill from there, in a Kafkaesque tumble for which our previous cordial correspondence had left us entirely unprepared. We considered it a triumph of self-restraint that we managed to complete the return elevator ride without bursting into sobs: our tears flowed on the walk to the subway.

A week later, back home in California, our friend who'd put us in touch with Mr. MNF called with some enlightening information. "Your appointment was right after lunch, right?" Right. "Well, Mr. Big was keeping an eye on Mr. MNF. You see, he'd taken MNF to lunch, bought him a couple of martinis, and fired him on the spot. He couldn't tell you, so he had to make out he was rejecting your project on the merits. Bad timing."

As social policy, the charitable tax exemption embodies a dual acknowledgement. On one side of the equation, it recognizes that many things need doing — social goods of various kinds, feeding the hungry, sheltering the homeless, preserving the past, planning for the future — which cannot, even in the most robust Opportunity Society, turn a buck. To make it easier for private citizens to carry out these worthy enterprises, the government allows them to form organizations that earn money and collect contributions without paying taxes.

On the other side of the equation is the recognition that some individuals and businesses accumulate wealth while others do not, so that these same social goods will be unevenly distributed unless the wealthy share their bounty with the less fortunate. To encourage charity, the government allows individuals to forgo paying taxes on money they contribute to tax-exempt

organizations. And it allows individuals and businesses to set up their own tax-exempt corporations expressly to receive and disburse gifts and grants: these are foundations.

In the late 1970s — when my husband and I fulfilled Mr. MNF's post-prandial need for an object over which he could exercise the dominance to which he had just been subjected — the top personal income tax bracket was around 70 percent, so the tax exemption released considerable economic power. The wealthy could choose to keep their dollars and, clever accountants notwithstanding, pay out 70 cents to the government and spend the remaining 30 cents as they wished. Or they could set up foundations and invest close to 100 percent of each dollar in organizations and activities that advanced their social aims and added luster to their reputations.

With the top tax bracket now around half its pre-Reagan level, much of the economic incentive has been lost. But the invitation to make social policy embodied in the tax exemption is still a powerful lure, as are the wishes to associate oneself with the virtue of generosity and immortalize one's family name.

In some countries, this problem of redistributing wealth is resolved by taxing private incomes and allowing the government to spend the resulting revenues to address the deficiencies of the marketplace. American distaste for this practice is often justified on the grounds of supporting a countervailing force to government, to prevent a big-brother state from cornering the market, so to speak, in experimental theater or adult education or hot lunches for seniors.

In principle, this has a certain ring to it. Few of us would willingly leave cultural development or community service or even after-school sports completely in the hands of the modern centralized state. But in practice, this is a distinction with very little difference: oppositional elements whose aims are so antithetical to the government's values that public subsidy is impossible receive a minuscule fraction of the not-for-profit sector's resources. Most private philanthropies, rather than balancing the excesses or omissions of public subvention, use their resources to pursue much the same ends as the public sector, by much the same means. Most foundation money goes to such endeavors as hospitals, medical research, animal protection, and education, which also get support from the public sector. Indeed, in some categories of philanthropy, public dollars are required to follow private proclivities: the National Endowment for the Arts, for example, grants almost all its organizational support to groups that can command a large match in private dollars.

About five years ago, I made a vow. While I hung like a side of beef from the sticky railing of a Lexington Avenue subway, I promised myself that I would never again appear at a foundation in the role of supplicant: I might attend a meeting, give a talk, even write a report or offer advice. But I would never again submit to another encounter like the one from which I had just emerged.

Foundations are all about framing and spin. The small, progressive ones construct their headquarters to resemble the offices of their grantees: political posters, slightly threadbare furnishings, boxes of herbal tea just waiting to drown themselves in boiling water for the good of the visitor. Don't hate us, these offices plead, we're just like you, only a little richer. But the office

I visited that morning made a different statement. It housed one of the biggest and best-endowed of the old-line-Establishment liberal foundations. Acres of glass afforded a view of Manhattan that reduced everything to the scale of an ant farm. The lush carpeting seemed to suck at one's shoes like quicksand. The vast, gleaming conference table was as free of blemish as a field of fresh snow. Delighted to see you, the decor asserted, you are so lucky to be here.

My husband and I were there at the behest of an experienced foundation-watcher who felt that Major National Foundations might at last be ready to risk investing in our projects, despite our dicey cultural politics. In the dozen years since our encounter with Mr. MNF, we had given foundations a wide berth, supporting ourselves through a consulting business. We operated out of our former garage, renting our hearts and minds to organizations preoccupied with the problems of surviving a hostile political and economic environment. We worked hard, kept our fees low, and considered ourselves lucky that people paid us to think — and help them think — about questions we found absolutely riveting anyway.

But our consulting work, no matter how engrossing and worthwhile, was what musicians refer to as a "day job": something you do to support your real interest and obsession. Ours was cultural policies and politics. We wrote essays. We gave talks and taught classes. But the limit to what we could accomplish in our off-hours was soon reached. We had finally decided to make a grant proposal for a project that could pass along some of what we and our colleagues had learned. Our proposed training and think-tank project for cultural organizers included meetings, dialogues, and publications. We hoped underwriting would be available to enable hard-pressed activists to partake of the usual pursuits available to people whose professions bring them enough surplus cash to finance the costs of self-examination and self-improvement: academics, doctors, architects, foundation executives.

Our meeting was with two program officers, perfectly nice, well-meaning individuals who could be faulted only for allowing silver to blur their vision. This was their first question: "Why should we support two white intellectuals to do this when the people who are actually working at the grassroots need funding?" I can't remember the last question.

Had we been in a movie, we might have straightened our spines and asked "Do you know who you're talking to?" Clearly, they evidently knew nothing of our work in the field — of the many times those grassroots organizations spent hard-won funds to hire us — because that work hadn't been supported by their foundation's grants; and in their world, only their grants confer legitimacy. They knew they hadn't funded us before. It wasn't important to know much else.

In the Jewish tradition, the sage Maimonides described eight levels of charity. The lowest is to give coldly and reluctantly. This practice almost always binds the recipient to the giver with public supplication and obsequious gratitude, so that while seeming to help, charity perversely reinforces the perception of helplessness — the weakness of the beneficiary, the potency of the donor. In contrast, the highest form of charity is to prevent poverty. At its best, such charitable action is anonymous, given for its own sake and with an open hand, without the odious fear of being cheated which obsesses the Haves in our own society.

Following Maimonides' criteria, almost all organized philanthropy ought to be consigned to a new nadir, a charitable sub-basement, because its essential character impels participants toward ethical transgression and emotional self-harm.

The culture of the foundation world is a culture of lies. Prospective grantees are expected to make extravagant claims for their projects: a program of lunchtime classes accompanied by meals and child care is devised for single mothers. The proposal claims that in a few months of Mondays the project will not only teach participants all the "survival skills" they need, but also demonstrate a measurable decline in substance abuse, a rise in employment and income, and a corresponding decline in public assistance. To write candidly that the project will be fun and interesting for women who otherwise have little time for themselves, or that it is hoped that one or two of the participants will seize the opportunity to better her lot, is to guarantee the proposal's failure.

Controversial projects are expected to tone down their messages. Since projects are expected to break new ground, it is understood that if old wine is being served up, it must first be decanted into new rhetorical bottles. The economy of lies is an inflationary one, requiring successively larger claims just to match the competition. In Philanthropyland as in the Red Queen's Kingdom, "It takes all the running you can do, to keep in the same place."

I have read hundreds of grant proposals: not a single one has been entirely fulfilled. Lies are the grant-seeker's ante; they guarantee that odds will favor the house. If a foundation wants to reject a project, an applicant organization can simply be called on its lies; if the aim is to make a grant, the lies can remain unquestioned. *Pace* Ross Perot, it's that simple.

Around the polished-wood conference table, power relations are seldom acknowledged, although they determine everything. Program officers may ask any question, no matter how rude, and supplicants are expected to answer with a smile, no matter how mortified or insulted they feel. While Maimonides' lowest form of charity demands fawning appreciation from recipients, the culture of the foundation world requires this as a precondition for consideration. The exemplary grant-seeker displays fulsome gratitude even for a rejection, banking credit for future applications.

On the subway after my farewell appearance as a grant applicant, I realized I was unwilling to withstand the further violation of my essential nature involved in enacting philanthropic rituals of submission. Another way to say this might be to admit that the chip on my shoulder, having remained firmly in place for the previous forty-four years, would finally prevent my getting through the door to the alms-house.

I realize that it is considered in poor taste to bring up the subject of class in America, but I must. I'm a first-generation American, and my heritage is solidly working class. My father was a housepainter. My mother worked in a doctor's office when she and retired at eighty. I am proud of having made my way in the world without the advantage of money or social status, but it was not a matter of choice. We would have liked to have money, but then we also would have liked to be able to fly. I lapped up a certain mistrust of the upper classes along with my milk and

pabulum, and having been sensitized to the class structure, I found ample corroboration of its corrosive power in daily life.

As a child, I displayed artistic talent, so I was able as a young person to enter the mobile, shape-shifting social class known as "the art world." Within it, I was an activist against the war, against the draft, for social justice.

In the early '70s, I helped to organize artists protesting the self-regarding cultural displays being readied for the Bicentennial of the American Revolution. One of our targets was San Francisco's Fine Arts Museums, then slated to receive a huge American art collection (which meant, as we never tired of saying, a collection of paintings by white men that purported to represent "American art"). It incensed us that these publicly owned museums were governed by a group of Trustees whose interests and backgrounds, as Dorothy Parker might have put it, ran the gamut from A to B. We extended our protest to a call for institution-wide reform, beginning with more diverse trustees of various colors, genders, and backgrounds, people whose tax payments actually supported the museums.

In the midst of this campaign, one of the chief curators approached me, saying that the Trustees were wary of adding just any outsider to their number, but they would be comfortable with someone like myself. Hadn't I gone to one of the Seven Sisters? (I did not attend college.) Would I consider accepting a seat? (I would not.)

That was when I learned that elites believe intelligence and fluency are class attributes, incorporating an internalized allegiance to class interests. When that allegiance is secure, a certain latitude is allowed for criticism. By tacitly agreeing not to upset the cart, one is permitted to take a bite of the apple of rebellion. Those not born into the elite gain entry to its philanthropic culture by demonstrating that they are capable of operating by its precepts, the rules of the ruling class.

It is hard to grasp the true character of the philanthropic culture, because individuals experience it primarily in interpersonal terms. Most people who have contact with the philanthropic world know decent, conscientious individuals who occupy positions of importance, who were attracted to foundation jobs because they seemed to offer chances to put their ideals into practice. By the time such people fit comfortably into the philanthropic culture, they have long since lost the ability to detect the line between healthy compromise and brown-nosing. Thus they manage, without abandoning their personal decency and idealism, to do the bidding of a class whose only qualification for shaping social policy is an accident of birth or an ability to stockpile cash.

Foundation operatives must settle for serving as surrogate rich: they are easily lulled into imagining that the pockets into which their hands reach are their own. Skillful grants-getters tell them what they want to hear. The most flattering thing to say to a program officer is "I wouldn't lie to you. You're different from the other foundation people. Why, I think of you as one of us."

A program officer is seldom confronted or contradicted, but always handled, coaxed, and wooed. This leads to excessive confidence in one's judgment, and from there it is just a skip and a jump to terminal arrogance. Since foundations are now inundated with proposals from worthy organizations struggling to survive the dismantling of the public sector, their chief

mission must be rejecting the vast majority. Looking down on the universe of potential grantees with Olympian detachment, in the philanthropic equivalent of natural selection, foundations must invent rationales to explain this huge tide of rejections. So they promulgate policies that supposedly lead to a rational selection of the fittest: only organizations that can earn a certain percentage of their incomes are eligible; only organizations that have existed for a certain length of time; and so on.

In the end, the philanthropic culture has power to corrupt both its operators and its supplicants. The danger for foundation officers is that they will come to believe their own propaganda. The entire system is based on "knowing one's place." But knowing your place means one thing when that place is on top, looking down, and quite another when it is on the bottom, trying to move on up.

A couple of years ago, I was invited to a roundtable discussion at yet another Major National Foundation. Almost all the participants were recipients of the foundation's largesse. We were asked to review the results of a planning process from which, after many such meetings, there had emerged a pastiche of abstraction and postulation that would somehow become the guidelines for a brave new program.

The meeting was chaired by Ms. Big, the division head responsible for scholarly and cultural giving, who delivered her instant response to each speaker before acknowledging the next. I was reminded of the judges at an athletic competition, raising their signs. During lunch I sat next to a program officer who asked how I thought the meeting was going. In reply, I inquired whether they'd ever considered having a disinterested party chair these sessions. "Why?" she wondered.

"Well," I said, "you aren't getting the free and open dialogue the invitation said you wanted. Most of these people get money from Ms. Big, or hope to, and she lets everyone know exactly what she wants to hear."

The program officer put down her fork and faced me, looking amazed. "Do you really think people are tailoring their remarks to her?"

That is what I mean by believing your own propaganda.

The philanthropic culture is rapidly worsening. The polarization of income encouraged by Reagan-Bush-Clinton-era social policies has increased class disparities. According to a recent *New Yorker* article by John Cassidy, the real income of the median wage-earner in this country has dropped by just under 5 percent since 1979, while the real income of the richest five percent rose by 29 percent, and of the richest one percent by 78 percent. According to Edward N. Wolff, an economist at New York University, in the 1920s, wealth (not just income) in the United States was the most equally distributed on any nation's, but today our country is the most unequal in the industrialized world. Forty-two percent of wealth belongs to 1 percent of the population. Sixty percent of growth in wealth between 1983 and 89 period went to 1 percent of the population.

In the '60s and '70s, when income and wealth distribution were flatter and many foresaw the possibility of a near-universal middle class, a stream of fresh air blew through the hermetic culture of philanthropy. Interest-groups of prospective beneficiaries made demands. Women and people of color were consequently asked to join foundation boards and staffs. The appearance (if not the actuality) of fairness emerged as a consideration, particularly at the more liberal foundations, which crafted rules, policies and procedures that purported to subject applicants to uniform standards of review.

Most of this reform was nothing but window dressing: Asian or Latino program officers can uphold the standards of the class that employs them just as effectively as Europeans — often more effectively, because it is hard for a disgruntled applicant to deploy charges of racism or elitism against a person of color. But even window dressing has its uses. When private funders went public with claims of fairness or equity, it was sometimes possible to embarrass them into making good on their boasts.

All that is over now. In the current political zeitgeist, worldly wealth is taken as evidence of spiritual attainment. We are bombarded with calls to end handouts and return our country to the Edenic state of our hardy forbears.irate citizens write to Dear Abby, appalled at witnessing the purchase of birthday-cake with food stamps. Like paupers in Puritan times, contemporary Have-nots are arrayed in the shame of their failure to achieve wealth, and deserve punishment.

Not long ago, the Republican Congress took steps to weaken nonprofit organizations, described as the organizational equivalent of "welfare queens," gorging at the public trough while daring to nibble the hand that feeds. Legislation proposed that not-for-profit organizations receiving federal funds be prohibited from engaging in advocacy, even on their own money and time. In other words, the price of public subvention should include surrendering free speech. This logic does not extend, however, to the businesses receiving government funds through contracts. The Right doesn't question of the entitlement of the military-industrial complex to absorb tax funds far in excess of grants to nonprofits while maintaining massive lobbying operations to ensure that the river of government gold never ceases to flow.

Excepting the hard-Right philanthropies which support The Republican Way, most of the decent and conscientious (and liberal) people who operate the philanthropic sector are as appalled by the new social Darwinism as are their grantees. But that doesn't change the fact that the culture of philanthropy has shifted along with the culture of politics, and the result is that foundations don't have to pretend to be fair, reasonable, and participatory any more. They baked the pie, and if you want a piece, you had better ask very, very nicely.

There is an aphorism beloved of those who oppose government "handouts": give a man a fish and he eats for a day; give him a fishing pole, and he eats every day. The philanthropic pie is richly glazed with such glossy rhetoric of "empowerment," but beneath the pastry lurks a nasty surprise.

Obviously, constituted authority and accumulated wealth fear the empowerment of those beneath them. If this were not so, they would eagerly support the initiatives that give ordinary

people some control over their destinies: unions; decent, secure shelter and employment; safe food, air, and water; affordable healthcare; publicly funded elections. Even extending the franchise is feared by Republicans, who oppose weekend voting or other innovations that promise to increase electoral participation by working people.

Fishing poles come in many forms. To be viable, any field needs infrastructure, including the means to enter into civic and national policy dialogue. Social institutions are shaped by those with the resources and foresight to get involved early. For example, American television is so dismal because freespending commercial interests entirely dominated its early days. A public interest was asserted much later, leaving room only for the highly imperfect Public Broadcasting System, and now that, too, may be on the way out.

In this country, competition to influence new social forms is fueled by money and markets. People in the nonprofit sector may have the clearest sense of commonwealth, the most visionary ideas of possibility, the soundest memory of historical lessons to bring to such a debate. But without resources to compete with commercial interests, they have little chance to make an impact.

What happened in television is now happening in the burgeoning telecommunications field. A year or so ago, an organization we know applied to a Major National Foundation for support to enter this arena with a public-interest project. The foundation's response was that so many applications for such projects had been submitted that instead of funding any of them, a study would be commissioned. By the time the study is complete and guidelines are in place, commercial interests will have cornered enough ways to exploit the new media for economic gain that they will be able to dominate their future development. As with television, the public interest will emerge in the interstices of the market, few and far between.

David Callahan recently wrote about this problem in *The Nation*, contrasting liberal foundations' anorexic response to policy-related projects with the Right's unabashed largesse in pursuing its policy agenda. He noted that "the left is handicapped in the war of ideas because its policy intellectuals do not have generous patrons." Think tanks and other policy projects articulating democratic public interests are fishing-pole factories, but foundations would rather dole out fish.

Deep, structural analyses of social problems tend to raise embarrassing questions about the right of those on top to construct social policies that enable them to remain there. To many foundation operatives I've met, the thought of marginal and impertinent not-for-profit types carrying on dialogue and come up with ideas to counter the Right's dominance is akin to buying birthday cake with food stamps.

The problems of the philanthropic culture demand attention as the dismantling of the public sector continues to elevate private philanthropies to unprecedented prominence. Deference to their studies and pronouncements increases; more organizations look to them for support; and budget-cutting politicians claim daily that private charity can do everything they are denying government the means to do. But beyond accounting to the IRS for their expenditures, private philanthropies are subject to few of the demands for public accountability, participation, or fairness that arise every time a tax dollar is spent.

The solution is not obvious. In principle, I think it is better for the public sector to tax wealth and distribute social goods by democratic means. Illiteracy, infant mortality, declining wages, and homelessness are some of the intrinsically public problems which must be addressed through the public sector. But I would rather place my bet on a snowball's survival in Hell than on the current prospects for revitalizing our public sector.

There are many ways for foundations to voluntarily surrender some of the power that blights the self-serving practice of charity. They can delegate power to autonomous decision-making groups. A lottery system could choose between qualified grantees, dispensing with the whole costly enterprise of justifying essentially arbitrary decisions. The foundations could shift their emphasis from enacting rituals of dominance to preventing poverty, as Maimonides counselled.

But few of those on top are apt to step down willingly; the solution needs to be structural and systemic. No matter how you look at it, getting rich people to pay their fair share of taxes must be a cornerstone of any approach to reforming the philanthropic system. Must we wait for them to volunteer?