

Viewpoint

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The Case Against Self-Serving Philanthropy*

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Psychoanalysts know that you can tell a lot about what's on people's minds by paying attention to their language. This may be as true of societies as it is of individuals. In the Sixties, when we were preoccupied with political change, we talked about "the Just Society". In the Seventies, when our concern was social change, we talked about "women's lib" and "gay rights". In the Eighties—probably as a result of the recession that launched the decade—we are obsessed with economics, and one of the most common phrases in our everyday conversation is "the bottom line".

This growing interest in monetary matters occurs at a time when philanthropy is declining. The Canadian Centre for Philanthropy has documented and publicized our parsimony. It reports that per capita contributions to charity throughout North America are less than half of what they were 20 years ago yet, on average, Americans are twice as generous as Canadians. And, while charitable contributions in Canada do increase with income, low wage earners contribute a higher percentage of their total incomes than do those in higher brackets. What makes this all the more distressing is that the need for charitable dollars is greater than ever. The problems that beset the western economies have created new demands for social welfare services at the same time that they have diminished government's ability to pay for them. In 1985 there were more than 55,000 federally registered charities in Canada, about half of them churches, a 3.8 per cent increase annually over the preceding 10 years.

But more troubling, I think, because it poses a greater threat to our philanthropic tradition, is the application of bottom-line thinking to philanthropy itself. There are those today who argue that a corporation

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should derive some tangible benefit, in terms either of public relations or sales, from its philanthropic activities. And there are those who argue that how you raise philanthropic dollars, be it lotteries or rock concerts, is less important than how many philanthropic dollars you raise.

The trouble with these arguments is that they undermine the very notion of philanthropy, which the dictionary defines as “practical benevolence toward mankind”. Is it philanthropy if my company makes contributions to charity only when they improve its public image or increase its sales? Is it philanthropy if I make a contribution to charity only when I get something—an admission to a concert or a chance to win a new car—in return? The end may be the same, to be sure, but something important gets lost along the way.

The idea of philanthropy evolves from the idea of community—of social interdependence. It recognizes that I am, in some degree, responsible for the people who live around me, as they are, in some degree, responsible for me. It acknowledges that none of us is entirely self-made, that some of us are given more in terms of natural gifts and resources than others, and that from those to whom much is given, much is also expected.

The trouble with “bottom-line” philanthropy is that in providing an alternative to real philanthropy it weakens our sense of community. Those of us who can afford it should give to others, not to get something in return, but because we have an obligation. Having already benefited from the nourishment and opportunity a society like ours can provide, we have a debt to repay. Philanthropy is one way of doing it.

This is as true, in my view, of corporations as it is of individuals. The fate of a corporation is as dependent as yours or mine on the welfare of the community in which it exists. It thus has the same obligation you and I have to contribute what it can afford to the community’s support. Paying taxes no more discharges this obligation for a corporation than it does for you and me.

How philanthropic are the country’s businesses? Allan Taylor, chairman of the Royal Bank of Canada, gave a speech on the subject last March: “Canadian companies,” he said, “give less as a percentage of pre-tax earnings today than they did 20 years ago. Most of the donations come from large companies. But even there, fully half give nothing. Sector by sector, these are the facts for companies with over \$25 million in assets: in manufacturing, 23 per cent give nothing; in construction, 26 per cent give nothing; in retail, 29 per cent give nothing; in agriculture, forestry and fishing, 40 per cent give nothing; in transportation, communication and other utilities, 41 per cent give nothing; in mining, 56 per cent give

nothing; in services, 66 per cent give nothing; and in financial services, a whopping 74 per cent give nothing. In fact, the entire load of corporate donations in Canada is carried by 10 per cent of all our companies. Ninety per cent of all Canadian companies give nothing”.

Noting that in the current year nearly 900 Canadian charitable organizations would ask for \$50,000 or more from private sources, Taylor issued this call to arms: “Giving to good causes”, he said, “doesn’t make us good guys. It simply means we’re doing what we should be doing. Our primary responsibility, as corporations, is to the people without whom we could not exist—our customers, our shareholders and our employees. But they are not our only responsibilities. I believe that a requirement of all truly responsible corporate citizens is that they donate to the societies in which they live—whether in cash, goods and services, volunteer time, or all three.”

Taylor referred to volunteerism, correctly, as an important component of philanthropy. But here, too, “bottom-line” thinking is out of place. One hears talk these days about the expectations of volunteers, as if we had an obligation to ensure that they get something in return for their donations of time, talent and energy. There are, to be sure, volunteers who give so much that they deserve our recognition and acclaim. But they would be the first to agree with me that the desire for such dividends should not motivate volunteers—that their real reward is contributing to the public good.

Not only the donors but also the charities are affected by the “what’s in it for me?” atmosphere. I do not condemn out of hand all those charitable organizations that accept money generated through sponsorships or otherwise originating in public relations rather than philanthropic funds. The trend to motivate “donors” by these rewards is not easy to resist nor should it be resisted in every case.

Is it, however, totally visionary to hope that charities will hold to higher ground than the for-profit sector?

In the end, the problem with “bottom-line” philanthropy is that it invites acceptance of anything that works. If United Way rock concerts are all right, why not United Way Happy Hours? If Ronald McDonald House is all right, why not McDonald Tobacco House? Once you’ve taken the position that the end justifies the means, where do you draw the line?

I might note a practical effect of self-serving fund raising to add to the question of principle. Such activities make more difficult the task of charities that do not, or cannot, offer tangible rewards to their benefactors.

Smaller groups or those supporting less popular causes must compete, not just in social worth, but in economic return, a league in which they cannot hope to win. Practical distortions like these affect, in turn, the moral or social balance of our community.

To the extent that we devote our time and energy to bread and circuses—or should I say hamburgers and rock concerts—we ignore the real job: convincing people that they have an obligation to help their less fortunate neighbours.

Some people seem to have lost faith in the “hook” of moral obligation—whether or not you like to call it guilt—to attract funds. I have not. This is the very nature of philanthropy and must remain so. If philanthropic giving has declined since the Sixties, it has done so because we have failed to make our case. It’s as good a case as it ever was, but in a world in which the proliferation of media has made communication, ironically, more difficult, we haven’t found effective ways to get our message across.

And we never will if we allow ourselves to be seduced by the notion that buying is the same as giving.