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Gilded Giving 2018: Top-Heavy Philanthropy and Its Risks to the Independent Sector

Institute for Policy Studies

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The **Institute for Policy Studies** (www.IPS-dc.org) is a multi-issue research center that has been conducting path-breaking research on inequality for more than 20 years.

The **IPS Program on Inequality and the Common Good** was founded in 2006 to draw attention to the growing dangers of concentrated wealth and power, and to advocate policies and practices to reverse extreme inequalities in income, wealth, and opportunity. The program has investigated the intersection of inequality and philanthropy in the reports *Gilded Giving: Top Heavy Philanthropy in an Age of Extreme Inequality* (November 2016) and *Warehousing Wealth: Donor Advised Funds Sequestering Billions in the Face of Growing Inequality* (July 2018).

The **Inequality.org** website (<http://inequality.org/>) provides an online portal into all things related to the income and wealth gaps that so divide us, in the United States and throughout the world. **Subscribe to our weekly newsletter at [Inequality.org](http://inequality.org) or follow us on Twitter and Facebook: @inequalityorg**

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Report Summary

What are the risks to the autonomy of the independent nonprofit sector—not to mention our democracy—when a growing amount of philanthropic power is held in fewer hands?

When we published our first edition of *Gilded Giving* in 2016, charitable revenue in the United States was already growing at a remarkable pace. As of 2018, total U.S. giving has been on a strong upward trajectory for nine years, ever since the economy emerged from the 2007-2009 recession. At the time, we raised concerns that these unprecedented levels of giving masked a troubling trend: that charity was becoming increasingly undemocratic, with organizations relying more and more on larger donations from smaller numbers of wealthy donors while receiving shrinking amounts of revenue from donors at lower- and middle-income levels.

Charity has, if anything, become even more top-heavy in the two years since our original report. The trend has been starkly driven home by the increasing influence of a tiny group of mega-philanthropists, many of whom made their fortunes in the technology sector, who have been setting up funds worth hundreds of millions or even billions of dollars, dedicated to the causes that matter most to them.

As we reported in 2016, growing inequity in charitable giving continues to hold risks not only for nonprofits themselves, but also for the nation. This is truer now than ever, as ever-greater proportions of charitable dollars technically qualifying as tax-deductible donations are diverted into wealth-warehousing vehicles such as private foundations and donor-advised funds, and away from direct nonprofits serving immediate needs.

This updated edition of *Gilded Giving* focuses on the impact of increasing financial inequality on the philanthropic sector, highlights trends that have either arisen or increased in intensity since the initial publication of our report, puts forward several possible implications of these changes, and suggests some solutions.

Key Findings

- **Charitable contributions from donors at the top of the income and wealth ladder have increased significantly over the past decade.** In the early 2000s, households earning \$200,000 or more made up only 30 percent of all charitable deductions. But by 2017, this group accounted for 52 percent. And the percent of charitable deductions from households making over one million dollars grew from 12 percent in 1995 to 30 percent in 2015.
- **There has been a marked increase in mega-gifting.** In 2012, the threshold for mega-gifts was \$50 million or more; gifts of that size amounted to \$1.2 billion and accounted for just one-half of one percent of all individual giving in the United States that year. In 2017, just five years later, the threshold for mega-gifts jumped to \$300 million or more; gifts of that size totaled \$4.1 billion and accounted for about one and a half percent of all individual giving that year.
- **In the past two decades, the number of households that give to charity has declined significantly.** From 2000 to 2014, the proportion of households giving to charity dropped from 66 percent to 55 percent.
- **The number of donors giving at typical donation levels has been steadily declining.** Low-dollar and mid-level donors have declined by about two percent each year for more than fifteen years. These donors traditionally have made up the vast majority of donor files and solicitation lists for most national nonprofits since their inception.
- **The number and size of private grant-making foundations and donor-advised funds have shown dramatic growth.** The funds held in private foundations grew 62 percent between 2005 and 2015; the number of private foundations chartered in the United States grew 21 percent over that same period.
- **Donor-Advised Funds (DAFs) are on the rise.** Donations to donor-advised funds increased from just under \$14 billion in 2012 to \$23 billion in 2016—growth of 66 percent over five years. DAFs, a giving vehicle used primarily by the wealthy, are currently the largest and fastest-growing recipients of charitable giving in the United States.

Implications

Our charitable sector is currently experiencing a transition from broad-based support across a wide range of donors to top-heavy philanthropy increasingly dominated by a small number of very wealthy individuals and foundations. This has significant implications for the practice of fundraising, the role of the independent nonprofit sector, and the health of our larger democratic civil society.

- Risks to charitable independent sector organizations include increased volatility and unpredictability in funding, making it more difficult to budget and forecast income into the future; an increased need to shift toward major donor cultivation; and an increased bias toward funding heavily major-donor-directed boutique organizations and projects. The increasing power of a small number of donors also greatly increases the potential for mission distortion.
- Risks to the public include an increasingly unaccountable and undemocratic philanthropic sector; the rise of tax avoidance philanthropy; the warehousing of wealth in the face of urgent needs; self-dealing philanthropy; and the increasing use of philanthropy as an extension of power and privilege protection.

Recommendations

This report calls for an urgent reform of the philanthropic sector to encourage broader giving, protect the health of the independent sector, discourage the warehousing of wealth in private foundations and donor-advised funds, and increase accountability to protect the public interest and the integrity of our tax system.

Changes in the rules governing philanthropy should include:

- Increasing the minimum annual distribution payout for foundations.
- Excluding foundation overhead from the payout percentage.
- Linking the excise tax on foundations to payout distribution amounts.
- Reforming the rules governing donor-advised funds to require distribution of DAF donations within three years.
- Banning gifts from private foundations to DAFs and vice-versa.
- Setting a lifetime cap on tax-deductible charitable giving.
- Establishing a universal charitable deduction to encourage giving by low and middle-income givers.

To fully address the risks of top-heavy philanthropy, however, policymakers will need to not only reform the rules of charitable giving, but also establish policies to reduce, over time, concentrations of wealth and power in our society at large. This would include restoring steeply progressive income and wealth taxation, and closing loopholes.

Introduction

Charitable giving in the United States has surged in recent decades. Natural disasters such as hurricanes and earthquakes have certainly been responsible for a portion of this growth, at least for international relief organizations. And some of the nation's more activist organizations experienced particularly strong growth at the end of 2016 and throughout 2017 following the election of Donald Trump as president. But with the exception of two downturns—one after the bursting of the dot-com bubble in the early 2000s, and one during the recession of 2007-2009—donations to the nonprofit sector have been growing at a historically strong pace for the past twenty years.¹

Philanthropy is an expression of our collective generosity and human solidarity. The charitable independent nonprofits we support as a nation are both the lifeblood of a vibrant civil society and laboratories for experimentation into ways to solve our most pressing problems. Increased philanthropic giving should be, then, something to be celebrated.

In the first edition of *Gilded Giving* in 2016, however, we first raised concerns that this overall growth in charitable dollars masks a troubling trend: charities are increasingly relying on larger and larger donations from smaller numbers of high-income, high-wealth donors, while receiving shrinking amounts of revenue from the vast population of lower-dollar and mid-level donors. In addition, ever-greater proportions of the dollars that technically qualify as charitable contributions are being diverted into wealth-warehousing vehicles such as private foundations and donor-advised funds, rather than going to active nonprofits serving immediate needs.

Since 2016, mega-philanthropists, particularly businesspeople from the technology sector, have accelerated these trends with impressive splashes in the charitable world. In the past two years, industry magnates such as Bill Gates, Jeff Bezos, Mark

Zuckerberg, and Michael Dell have made astronomical contributions to foundations and funds worth hundreds of millions of dollars, targeted at causes of interest to them. The increasing influence of this tiny group of donors has raised questions not only about the effectiveness of this type of extreme top-heavy giving, but also the effect it may have on our society.

For over a decade, the Program on Inequality and the Common Good, based at the Institute for Policy Studies, has examined the impact of income and wealth inequality on civic life, opportunity, social mobility, democracy, and other aspects of U.S. society. As inequalities of income, wealth, and opportunity grow in the United States, the independent nonprofit sector is being called on to address and ameliorate the damage and trauma that result. But, at the same time, the management and effectiveness of the charitable sector are deeply affected by these trends themselves. While we celebrate the generous impulse behind so much of the philanthropic activity in the United States, we also recognize that growing inequity in charitable giving may hold potential peril not only for the independent nonprofit sector, but for the nation.

Our original edition of *Gilded Giving* focused on the impact of intensifying economic inequality on the philanthropic sector. This updated edition highlights charitable giving trends that have either arisen or accelerated since the initial publication of our report. We also put forward several possible implications of these changes and suggest some solutions.

The Shift to Top-Heavy Giving

This past June, the Giving USA Foundation published *Giving USA 2018: The Annual Report on Philanthropy for the Year 2017*, the industry gold-standard report on charitable giving in the United States. According to the report, national charitable donations surged in 2017, as they have every year since the end of the 2007-2009 recession. The total amount given to charity in 2017 was an estimated \$410 billion, up 5.2 percent from 2016 and crossing over the \$400 billion mark for the first time in history.²

There are indications in the data, however, that this growth in donations is primarily due to an increasing reliance on larger donations from smaller numbers of high-income, high-wealth donors—and that, at the same time, charities are receiving steadily

shrinking amounts of revenue from donors at lower- and middle-income levels. This shift from broad-based public support to narrowly focused giving by a wealthy few is a trend that reflects the escalating wealth and income inequality in our society.

Over the last three decades, private wealth in the United States has become concentrated in fewer and fewer hands. Most of the gains in assets and income have flowed disproportionately to the top 0.1 percent of households in the United States. This top one-tenth of one percent—an estimated 115,000 households with net worth that starts at \$20 million—now own more than 20 percent of all U.S. household wealth, up from 7 percent in the 1970s. This elite subgroup owns as much wealth as the bottom 90 percent of Americans combined.³

In total, the members of the Forbes 400—the richest 400 Americans—own \$2.89 trillion dollars. This is more than the combined wealth of the bottom 64 percent of the United States, and is greater than the GDP of Britain, the 5th-largest economy in the world. And just 45 individuals own half of this wealth.⁴

As income and wealth in the United States have become increasingly concentrated, so, too, has philanthropic giving. As we will explore in this report, this is evidenced not only by a steady decline in smaller-dollar donors and a parallel steady rise in giving by donors at higher dollar levels, but also by an explosion of mega-donations, particularly to private foundations and donor-advised funds.

Bottom-Light Small Donations

The percentage of households in the United States that give to charity has declined significantly over the past ten years.

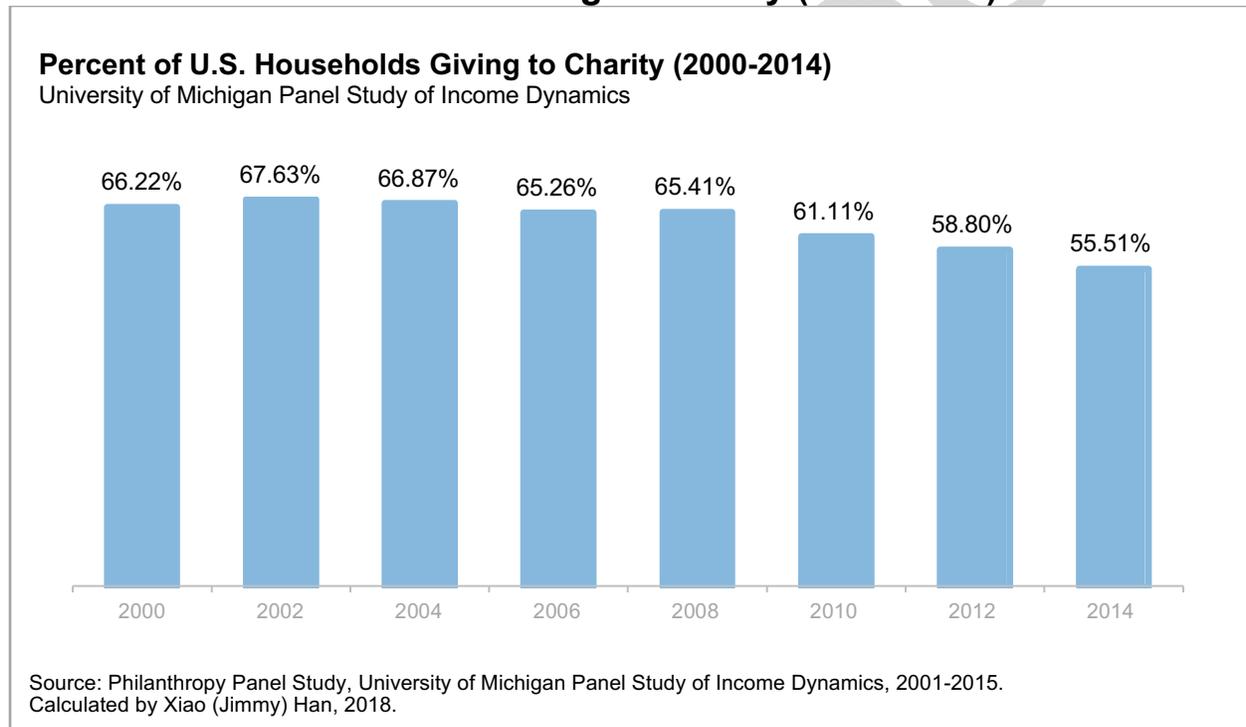
Since we published the first edition of *Gilded Giving* in 2016, there is even more evidence from additional sources of a slow but steady decline in the participation of low-dollar and mid-level donors in nonprofit giving—a likely indication of growing economic insecurity among the wide pool of donors at the lower end of the giving scale.

In 2017, the *Chronicle of Philanthropy* reported that the percentage of U.S. households giving to charity had been declining in recent years. For their analysis, the *Chronicle* examined households with annual incomes of \$50,000 or more who itemized charitable deductions. They found that 30 to 31 percent of these households had been giving to charity from 2000 to 2006, but that dropped to 24 percent in 2015. As the *Chronicle* said, “this trend is significant, as it suggests a narrowing of support in America for

philanthropy. Whether running capital campaigns, annual-giving drives, or direct-marketing efforts, nonprofits are relying on fewer, more affluent supporters.”⁵

And in 2018, Patrick Rooney, a professor of Economics and Philanthropic Studies at Indiana University, wrote in the *Nonprofit Quarterly* about steadily increasing inequality in giving in the United States. Rooney highlighted data from the Philanthropy Panel Study, a segment of the University of Michigan’s Panel Study of Income Dynamics, which showed that the number of households that give to charity has been steadily decreasing over the past fourteen years. In 2000, more than 66 percent of U.S. households gave to charity; in 2014, the most recent year for which there is data, that had dropped to 55 percent.⁶

Percent of US Households Giving to Charity (2000-2014)



As Rooney points out, this means that charitable giving has been on the decline for the typical U.S. households for more than a past decade. And, since total U.S. charitable giving has been *increasing* over the same period, he draws the logical conclusion: overall growth in charitable giving is being driven entirely by major donors at the upper end of the income spectrum.

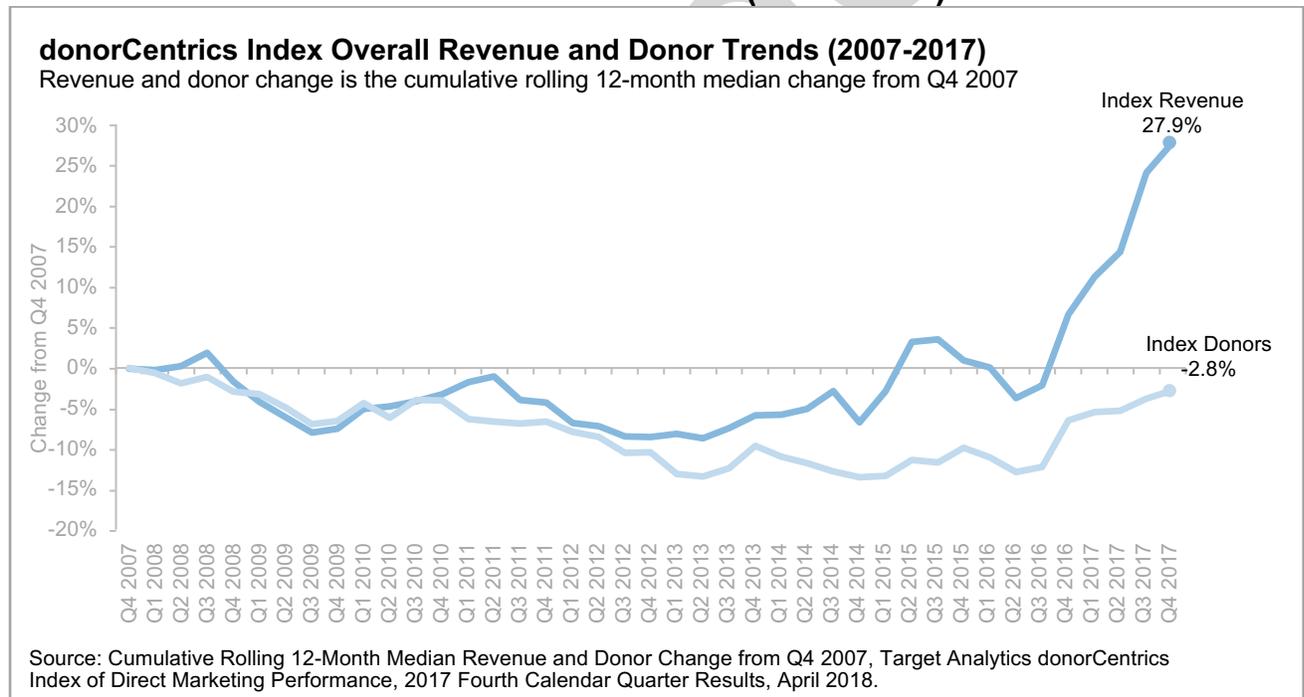
“There is one inevitable conclusion from these trends,” says Rooney; “if total household giving is growing but the share of donor households is declining, and the typical (median) amounts donated per donor household are declining (all after adjusting for

inflation), then gifts at the higher end (minimally greater than the median) are driving the increases in total household giving.”⁷

Charitable contributions from low-dollar and mid-level donors have been declining steadily for more than a decade.

The donorCentrics Index of Direct Marketing Fundraising, a quarterly index produced by Target Analytics, reports on giving trends for small and mid-range donors giving gifts of less than \$10,000 in response to direct marketing appeals. These are the people who have traditionally made up the vast majority of donor files for most national nonprofits since their inception. According to Target Analytics’ report for the full year of 2017, which included data from 68 national-scale nonprofits with large direct-response fundraising programs, the number of donors to these organizations has generally been in decline for most of the past fifteen years.

Cumulative Revenue and Donor Declines (2007-2017)



In fact, there were year-over-year increases in low-dollar and mid-level donor populations in just two of the sixteen years since the index was created in 2001. One was 2005, a year which included unusually large disaster-related fundraising following an Indian Ocean tsunami in January and Hurricane Katrina in the U.S. Gulf Coast in the fall. The other was 2017, following the election of Donald Trump as president, when about 15 percent of the organizations in the index experienced surges in giving that

were likely related to concerns about the new administration (the so-called “Trump bump”). 2005 and 2017 were anomalous years for specific reasons, and the boosts seen in both are both likely to prove temporary.⁸

Target Analytics evaluated the cumulative effect of the ups and downs of direct marketing donor behavior over the long term, using a rolling twelve-month analysis to control for seasonal differences. They found that, even including the tsunami/hurricane and “Trump-bump” years, the index’s donors still declined a median 2.8 percent over the most recent ten years from 2007 to 2017. This was an effective decline of -0.3 percent annually.⁹

And if we look back two years, before the atypical growth sparked by Donald Trump’s presidency, donor declines are stark. Over the ten years from 2005 to 2015, donors in Target’s index had declined by a median 25.1 percent, an effective decline of -2.8 percent annually.¹⁰

Organizations participating in the index have not lost revenue at nearly the same rate as they have lost donors, primarily because they have been able to get more and more revenue per person out of the donors that remain. However, as Target Analytics reported in 2016, “this relative revenue stability may be masking the significance of the underlying trend: nonprofits are receiving roughly the same amount of money from fewer and fewer donors each year. This is a strategy that may allow organizations to meet their revenue goals in the short term, but may not be sustainable over the long term.”¹¹

In addition, according to Target Analytics, the organizations that experienced the post-election surge in 2017 were almost all in the environmental and advocacy sectors—organizations that were particular targets of, and that deliberately fundraised in response to, actions of the executive branch.¹² If these sectors are experiencing huge surges in giving, and yet donors as a whole are still down, it means that the majority of index organizations in other sectors are declining at even steeper rates.

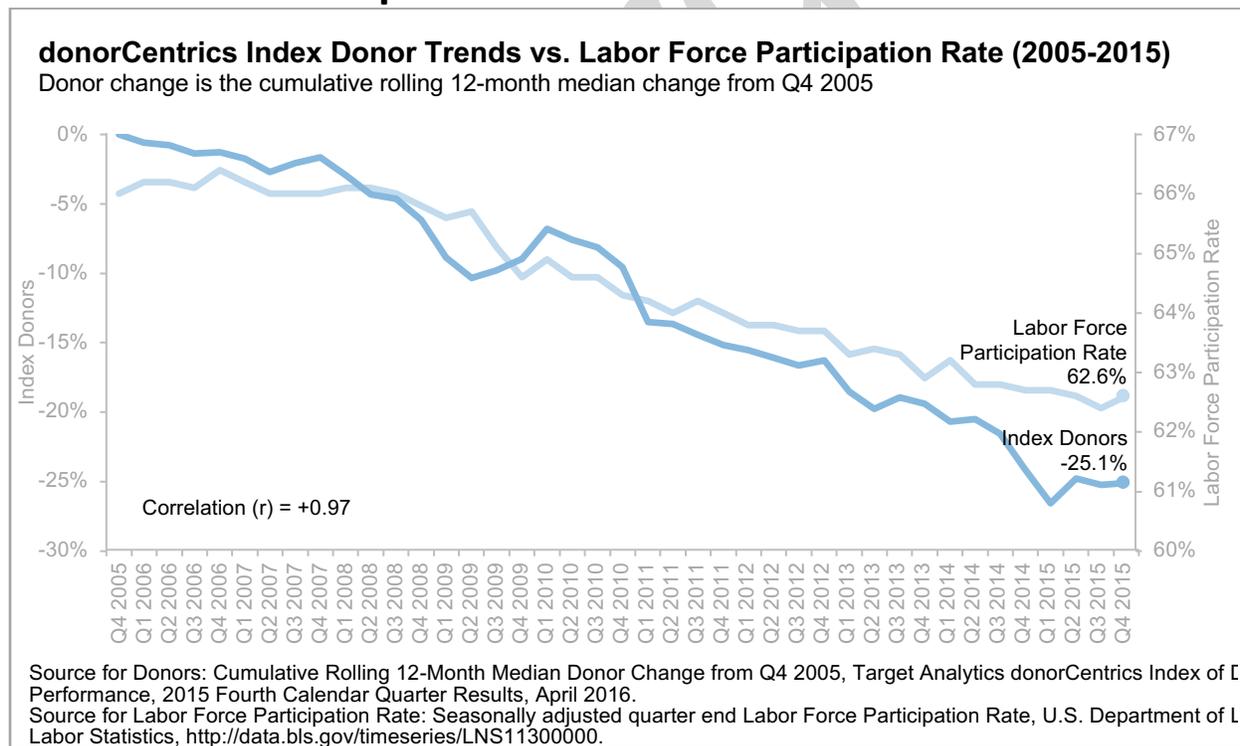
The rate of decline in the number of low-dollar donors has an extremely strong correlation with indicators of economic inequality and insecurity in the United States.

The donor declines that Target Analytics is seeing in their index could, of course, have non-economic contributing factors, including changing sizes of different donor age cohorts, generational differences in giving culture, and deliberate shifts in organizational strategy to cultivate higher-dollar donors.

The intensity and regularity of the donor declines, however, makes it doubtful that population change, cultural differences, or organizational strategy alone are enough to explain the decline of donor populations over the past 15 years.

In fact, in contrast to these relatively unquantifiable demographic and strategic factors, Target Analytics did find a strong correlation between index donor declines and declines in employment. In 2015, when Target Analytics plotted their donor trends against the U.S. labor force participation rate, they found that the two matched very closely, with a +0.97 degree of correlation. This is a strong indication that the decline in low-dollar donors is closely related to at least one economic factor. As Target Analytics concluded, “While we do not have enough data to say that this is causative, these trends make intuitive sense; when people are not employed, they are likely to have less disposable income, and will not be as disposed to give to charity.”¹³

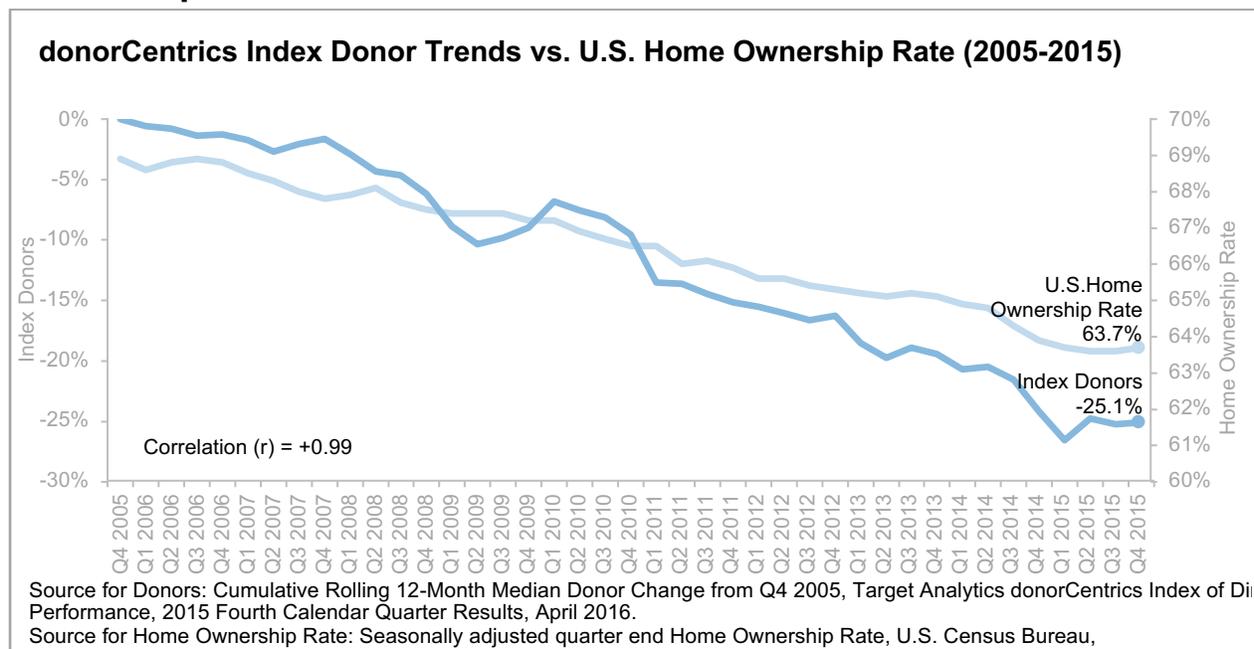
Cumulative Donor Declines from Target Index Plotted Against Labor Force Participation Rate



In our own analysis for the first edition of Gilded Giving in 2016, we found that Target Analytics’ donor declines also correspond extremely closely to other indicators of economic security — such as rate of home ownership, which had a close-to-perfect +0.99 degree of correlation from 2005 to 2015. This is further evidence that current economic

conditions are undermining lower and middle-income donors' sense of financial security—and thereby their capacity and willingness to donate to charity.

Cumulative Donor Declines from Target Index Plotted Against Home Ownership Rate



Charitable contributions from donors at the top of the income and wealth ladder have increased significantly over the past decade.

Although giving at upper income levels is relatively volatile, there is growing evidence from multiple sources that the proportion of giving coming from higher-income donors is growing.

In 2017, for example, the *Chronicle of Philanthropy* reported that “nonprofit groups have become more dependent on the wealthy generally. Donations from households earning \$200,000 or more now total 52 percent of all itemized contributions. In the early 2000s, that number was consistently in the 30s.”¹⁴

And the share of total U.S. charitable gifts that are given by households at the very top of the income scale is increasing at even faster rates. In a 2018 column for the *Nonprofit Quarterly*, Patrick Rooney used data from the Internal Revenue Service to show that the percentage of itemized contributions claimed by households with incomes over one million dollars had increased from 11.8 percent to 29.8 percent over the twenty years from 1995 to 2015. This means that the top one percent of income earners in the U.S. had

grown from less than one-eighth to almost one-third of all charitable deductions in just twenty years.

Rooney's logical conclusion is that if households at the upper end of the income scale are rapidly accounting for greater proportions of total U.S. charitable giving, it means that households at the lower end of the scale are rapidly accounting for less.¹⁵

The number and size of private grant-making foundations and donor-advised funds have shown dramatic growth.

Since we last wrote about increasing foundation giving in our 2016 report, wealthy philanthropists have continued to create foundations and donor-advised funds at a rapid pace, and to give increasingly large donations to them.

According to the Foundation Center, the number of private foundations chartered in the United States grew from 71,097 in 2005 to 86,203 in 2015—an increase of 21 percent over ten years. The amount of assets held in those private foundations increased 62 percent over that same period.¹⁶

And, according to the Giving Institute's *Giving USA 2018* report, the greatest one-year increase in philanthropic giving to any single charitable sector in 2017 was to foundations (which, in their analysis, includes donor-advised funds). Foundations experienced a 15.1 percent increase in contributions from 2016 to 2017; the sectors with the next-greatest annual increases in contributions were arts & culture, with an 8.7 percent increase in 2017, and public-society benefit, with a 7.8 percent increase in 2017.¹⁷

Donor-advised funds, or DAFs, which require somewhat less of a financial investment to establish than private foundations, have seen particularly meteoric growth in the past several years, and are currently the fastest-growing recipients of charitable giving in the United States. The National Philanthropic Trust reported recently that donations to DAFs increased from just under \$14 billion in 2012 to \$23 billion in 2016—growth of 66 percent over five years.¹⁸

This growth has been so extreme that in 2016, for the first time ever, a DAF—the Fidelity Charitable Gift Fund—became the greatest single recipient of charitable giving in the U.S., edging the United Way out of the top spot. And by 2017, six of the top ten recipients of charitable giving were DAFs.¹⁹ For more information on DAFs, please our report, *Warehousing Wealth: Donor Advised Funds Sequestering Billions in the Face of Growing Inequality* (July 2018).

Charitable giving by donors who itemize charitable donations continues to grow at rates significantly higher than giving by those who do not itemize.

For at least the past five years, giving by households that itemize charitable giving deductions on their tax returns has been growing at much higher rates than giving by households that do not itemize. In 2017, for example, according to the Giving USA Foundation, giving by itemizing households grew by 5.6 percent from 2016 to 2017, while giving by non-itemizing households grew by just 3.3 percent.²⁰

As we reported in our first edition of *Gilded Giving*, donors in higher tax brackets are more likely to itemize charitable deductions on their tax returns, because they stand to benefit more from those deductions. And it stands to reason that high-income and high-net-worth individuals would tend to increase their giving to charity as their assets increase in value—particularly when tax policy makes it fiscally prudent for them to do so. Research by the Giving Institute has found that the deductibility of charitable gifts is one of the greatest driving factors in the amount given to charity each year.²¹

The Rise of Mega-Giving

As income inequality increases in the United States, those at lower income levels are losing ground while those at higher income levels are gaining steadily—and those at the very top of the income scale are gaining enormously.

Charitable giving has mirrored these larger economic trends. Giving is now on a steady decline for those in lower income levels; steadily increasing for those in higher income brackets; and increasing by leaps and bounds for the tiny group of donors at the very pinnacle of the income and wealth ladder. In the past ten years in particular, charities—particularly universities and private foundations—have seen a significant increase in donations of enormous size.

Revenue from gifts of one million dollars or more is growing rapidly.

Total revenue from individual charitable donations of \$1 million or more has increased significantly in recent years. According to the *Coutts Million Dollar Donor 2016 Report*, over the five years from 2011 to 2015 (the most recent data available), the number of publicly announced gifts of \$1 million or more increased by only about 1 percent, from 1,797 to 1,823. But the *value* of those gifts increased by a great deal more—up 15 percent from \$16.77 billion to \$19.30 billion over the same five years.²²

On the surface, the growth in revenue from million-dollar-plus gifts would appear to mean that each million-plus donor is giving more with each of their gifts. But, in fact, the typical gift size for gifts of a million or more has stayed essentially constant for several years. According to Coutts, the median gift size of gifts over one million dollars was \$2.3 million in 2011, and held steady at a similar \$2.5 million in all four years from 2012 to 2015. This means that much of the total revenue increase from 2011 to 2015 comes from a very small number of extremely large mega-donations at the very top of the scale.²³

Extremely large mega-gifts now make up a significant portion of individual giving.

In their *Giving USA* publications, the Giving Institute defines a mega-gift as “a gift large enough to affect the rounded change in total giving by at least one tenth of one percentage point from one year to the next in Giving USA’s estimates.”²⁴

In 2012, the Giving Institute’s threshold for mega-gifts was \$50 million; they estimated that gifts of that size amounted to \$1.2 billion and accounted for just one-half of one percent of all individual giving in the United States.²⁵ By 2017, the threshold for mega-gifts had jumped to \$300 million; *Giving USA 2018* included a “conservative estimate” of \$4.1 billion in mega-gifts from individuals in 2017, which accounted for about one and a half percent of all individual giving that year.²⁶

Regardless of the threshold, mega-sized gifts have become more and more frequent in recent years. These gifts garner a great deal of media attention when they are bestowed on one or another lucky nonprofit—or, as is increasingly the case, they are stashed in private foundations and donor-advised funds. In February 2018, the *Chronicle of Philanthropy* published its annual list of the fifty “most generous” philanthropists in the United States. While the \$14.7 billion donated by this group in total is impressive, it is worth noting that, according to the *Chronicle*, “nearly two-thirds of Philanthropy 50 contributions went to foundations and donor-advised funds.”²⁷

This means that although these mega-donors received tax deductions commensurate with the amounts of their donations, the overwhelming majority of the money they donated may not actually get into the hands of active public charities for years—or ever, potentially, at least in the case of DAFs.

Private foundations and donor-advised funds are increasing in popularity among wealthy donors in large part because of the tax and wealth-preservation benefits that they offer. Although they fulfill the letter of the law when it comes to charitable donations, they can nevertheless serve as potential warehouses for revenue, proving

advantageous to the financial advisers who manage the funds and the boards who determine their distributions, but not necessarily moving money in a timely way to public charities.

Because of the immensity of the gifts and the small number of donors involved, mega-gift giving is highly variable and can fluctuate a great deal from year to year. But, in general, mega-gifts are now making an increasing impact on the charitable world, to the point where the *Nonprofit Quarterly* felt it had to report that we are now in an age of “philanthropic plutocracy.”²⁸ And a few individual gifts given in the past two years have blown all previous concepts of mega-giving out of the water.

- In 2017, Bill and Melinda Gates topped the list of mega-givers with a \$4.8 billion gift to the Gates foundation. Mark Zuckerberg and Priscilla Chan came in second, with a \$1.8 billion gift to their own Chan Zuckerberg Foundation, and a gift of \$162 million to the Silicon Valley Community Foundation (a donor-advised fund). Not to be entirely outdone, Michael and Susan Dell gave a \$1 billion gift that same year, to their Michael & Susan Dell Foundation.²⁹
- 2017 also saw several other enormous gifts that in any other year would have received much more press, including a \$500 million gift from Florence Irving to the Herbert and Florence Irving Medical Center at Columbia University, and a \$250 million gift from Roy and Diana Vagelos to the Columbia University College of Physicians and Surgeons.³⁰
- 2018 has not been closed out yet, but it has already seen such enormous grants as a \$160 million gift from Edward Bass to the Yale Peabody Museum of Natural History, a \$120 million gift from Philip Anschutz’s private foundation to the University of Colorado’s Anschutz Medical Campus, and a \$100 million gift from T. Denny Sanford to the Sanford Education Center at National University.³¹
- And in September 2018, Jeff Bezos, the CEO of Amazon, announced that he would be contributing over two billion dollars in the form of two charitable funds set up to combat homelessness and improve preschool education.³²

Undoubtedly, giving from the wealthiest in our society comes from a genuine wish on their part to do good. And when these gifts are actually directed towards public charities, they certainly make a great deal of difference for the specific organization or sector that the money is targeted to. But, as we will discuss later in this report, an increased reliance on the whims of a tiny number of donors—or just one donor—is very risky for the charities involved.

There are also concerns that although the amounts given by philanthropically-minded billionaires can indeed be enormous, they are a disingenuous drop in the bucket compared to the billions those industry magnates have made exploiting the very people their charity is theoretically designed to help. And that tech billionaires, in particular, approach philanthropy using the business principles that made them their fortunes—but that business principles may not be what the causes they support really need.

Author Anand Giridharadas' recent book, *Winners Take All*, has been making waves throughout the elite philanthropist community for bringing up these very issues. He highlights, for example, the members of the Sackler family, who routinely make the list of the top philanthropists in the United States for giving millions to causes such as the arts and higher education—but who made many of those millions on the backs of addicts, through willfully deceptive sales of OxyContin by their family company, Purdue Pharma.³³

In his review of Giridharadas' book in the *New York Times*, Joseph Stiglitz writes, "Like the dieter who would rather do anything to lose weight than actually eat less, this business elite would save the world through social impact investing, entrepreneurship, sustainable capitalism, philanthro-capitalism, artificial intelligence, market-driven solutions. They would fund a million of these buzzwordy programs rather than fundamentally question the rules of the game—or even alter their own behavior to reduce the harm of the existing distorted, inefficient and unfair rules. Doing the right thing—and moving away from their win-win mentality—would involve real sacrifice; instead, it's easier to focus on their pet projects and initiatives. As Giridharadas puts it, people wanted to do 'virtuous side projects instead of doing their day jobs more honorably.'"³⁴

Risks of Top-Heavy Philanthropy

Top-heavy philanthropy carries potentially significant negative implications for the practice of fundraising, the role of the independent nonprofit sector, and the health of our larger civil society at large.

Risks for Fundraising and the Independent Sector

The risks for the philanthropic sector itself include hazards such as the distortion of organizational missions; a more volatile and unpredictable revenue stream; a bias

toward organizations better structured to absorb the greater gifts from the wealthy; and a shift in funding from general operating support to restricted project support.

Mission distortion. A small number of major donors gaining greater sway over an organization could create pressure to shift missions and programming towards the interests of those donors. It is easy to imagine nonprofits tweaking or adjusting the work they do, either consciously or unconsciously, to meet the wishes of a very large benefactor to secure essential funding.

Increased volatility and unpredictability. Increased reliance on very large gifts from smaller numbers of donors may lead organizations to experience widely fluctuating revenue streams from year to year. A major donor may give an atypically large gift in one year—for example, to contribute to a capital campaign, to set up an endowment fund, or to release appreciated windfall stock—and then not make a similar-sized gift for years to come. Instead of “walking on many legs,” with diverse support from small donors, major donors, foundations, corporate donations, and program revenue, organizations will be dependent on a smaller and potentially more volatile number of wealthy donors and family foundations.

Increased shift toward major donor cultivation. A generation ago, the rule among fundraisers was that 80 percent of an organization’s donations came from 20 percent of its donors. That meant it was still important to put resources into cultivating the 80 percent of non-major donors. But what are the implications of a system where 98 percent of an organization’s donations come from 2 percent of its donors? Target Analytics has reported anecdotally that many of its national nonprofit clients are actively shifting away from large-scale direct-response fundraising and toward more targeted solicitation of mid-level and high-dollar donors.³⁵

In part, this is due to consultant encouragement of organizations to look up the giving ladder, since that is where organizations usually can get more bang for their solicitation buck; but it also may be because donors at the lower end of the scale are not as responsive as they once were. And, as this happens, nonprofits may also find that they are in increasing competition with peer organizations for donations from a relatively finite pool of potential major donors.

Increased bias toward larger or heavily major-donor-directed boutique organizations. Top-heavy philanthropy favors bigger charities that already have sophisticated major donor programs, the capacity to manage gifts of enormous size, as well as the infrastructure to accommodate gifts of appreciated stock and high-value noncash assets. This may put smaller, more independent, and potentially more innovative and mobile

organizations at a revenue disadvantage. And there is already evidence that large nonprofits are seeing disproportionately larger increases in revenue than smaller ones.³⁶

Reduced foundation payout. U.S. law mandates that foundations distribute a minimum of five percent of their assets on an annual basis. According to research by the Foundation Center, larger foundations tend to pay out significantly less each year—much closer to the five percent minimum—than do smaller foundations. As more mega-donations go disproportionately into large foundations, rather than into small foundations or to traditional nonprofits, the relative payout going directly to charities is likely to shrink.³⁷

Donor-advised funds (DAFs) do not have a payout requirement at all, and their distribution percentages are no more impressive. A study by Paul Arnsberger, a statistician at the Internal Revenue Service, found that the median payout rate of donor-advised funds for tax year 2012 was just 7.2 percent, smaller than that of mid-range foundations. In addition, he found that “nearly 22 percent of the sponsoring organizations reported no grants made from their DAF accounts.” In other words, their payout was zero.³⁸

Shift from general support to project support. Large foundations are more likely than small foundations to give to specific purposes than for general operating support. So as donations shift increasingly toward larger foundations, and as foundations themselves grow larger, donations are likely to shift more towards the support of specific restricted projects, as opposed to general operating support.

According to Foundation Source, in 2014, more than two-thirds of the grants made by private foundations with assets greater than \$10 million went towards special-purpose grants (\$66.3 million) and only one-third went towards general operations (\$28.7 million). In contrast, private foundations with assets less than \$1 million gave almost half of their grant dollars to support general operations.³⁹

And evidence indicates that this discrepancy is increasing. According to the same Foundation Source analysis, foundation support for general purposes—funds that are used to sustain a nonprofit’s day-to-day operations—declined between 2013 and 2014, from 42 percent to 37 percent. Foundation support for specifically designated purposes increased from 58 percent to 63 percent in the same period.⁴⁰

It can certainly be strategically important for organizations to solicit funds for restricted projects, such as in a capital campaign. And organizations also need to be responsive to donors to ensure that their donations are used efficiently. But in an era of increasingly

major-donor-directed philanthropy, it is also important to prevent so much revenue being tied up for restricted purposes that the rest of the organization is starved of needed funds.

Risks to Democracy & Civil Society

Perhaps the greatest risks of a top-heavy philanthropic sector are those for our civil society: that charity will cease to be used a vehicle to benefit society as a whole, and will be used instead as a means to protect and preserve individual private wealth and power. This includes an increasingly unaccountable and undemocratic philanthropic sector; the rise of tax avoidance philanthropy; the warehousing of wealth in the face of urgent needs; self-dealing philanthropy; and the increasing use of philanthropy as an extension of private power and privilege protection.

These risks likely apply to a relatively small segment of givers, and do not reflect the motivations of most mega-donors and foundations. However, when abused, philanthropy can become a tool for the self-interested defense of private privilege—and can be used to exacerbate poverty and inequality rather than alleviating it. Such abuses are only likely to grow in an increasingly unequal philanthropic environment.

An increasingly unaccountable and undemocratic philanthropic sector. We discussed in the previous section how an over-reliance on a small group of very wealthy donors or foundations for funding could, consciously or not, shift an organization's focus away from its original mission. On a large scale, it could do the same for the nonprofit sector as a whole, shifting charitable work away from popular priorities and toward a more elite agenda.

Eileen Heisman, the CEO of the National Philanthropic Trust, spoke about this issue in an interview with the *New York Times*. "This isn't the government collecting taxes and deciding which social problems it wants to solve through a democratic process," she said. "This is a small group of people, who have made way more money than they need, deciding what issues they care about."⁴¹ Misused, top-heavy philanthropy has the potential to divert charitable attention from work that provides the greatest benefit to society as a whole—the legal rationale for which charitable deductions were established in the first place.

This is particularly concerning at a time when our social safety net is being gradually dismantled, and charities are already struggling to provide services that would in the past have been provided by governmental agencies. Steve Dubb, writing in the

Nonprofit Quarterly, says that this could “undermine our democratic processes by shifting decision-making from the public to an elite-driven private realm. Our public process, flawed though it may be, allows for the resolution of different points of view and interests; with private philanthropy, a single person’s voice is amplified by ungodly amounts of money, a phenomenon that NPQ has described before as philanthropic plutocracy.”⁴²

Most activities in the philanthropic and independent sector follow strong ethical guidelines. But as philanthropy grows more top-heavy, the lack of oversight and accountability in this area may contribute to distortions of philanthropic intent on a national scale.

Increasing shifts toward tax-avoidance philanthropy. While the increased giving to private foundations in recent years can be seen as an outpouring of generosity, it can also be seen, at least in part, as a protection of wealth through strategic tax-avoidance measures. Over the last two decades, wealthy donors have been steadily expanding their use of many kinds of tax-avoidance vehicles, such as offshore shell companies in tax havens and trusts.

Strategic tax-deductible giving is also increasingly appearing in the form of donations of appreciated high-value non-financial property primarily available to the wealthy, such as real estate and artwork. This not only removes a sizeable liability from a donor’s tax burden, but gives them a deduction for it as well. And this can be an area of concern, since such appreciated property may have a significantly inflated value, allowing donors to claim a large deduction for something that may have cost them much less, or for which the actual sale value may have been much lower.⁴³

Warehousing of wealth in the face of urgent needs. When tax avoidance is a significant driver of philanthropic giving, the urgency of moving funds directly to active charities on the ground becomes a secondary consideration. By giving to private foundations, donors receive immediate tax deductions for the full amount of their donations, but the recipients are not required to distribute any more than five percent of the principal each year to destination organizations. Large portions of the five percent minimum payout at foundations also can be eaten up by management costs, legal fees, and other foundation overhead expenses, reducing the overall payout and potential impact still further. And with donations to donor-advised funds, there is no deadline at all for donating those assets to public charity once they have been given to the fund.

The result is that this charitable revenue can be warehoused, sitting for years or decades after a charitable deduction has been taken, before any significant payout is made to

public nonprofits. CharityWatch has estimated that the growth of donor-advised funds has so far delayed an estimated \$15 billion in donations to public charities.⁴⁴

Self-dealing within foundations. While most foundations adhere to voluntary governance guidelines and are prudent stewards of resources, there are unfortunate abuses of the philanthropic system.

The trustees of private foundations are legally able to use foundation principal and income to reimburse themselves, family members, and other associates for their work managing the foundation's assets and distributions. And these overhead expenses are counted towards the five percent of the principal amount that foundations are required to pay out each year to charitable causes.

In these ways, private foundations can be used as strategic vehicles for the defense of wealth. They allow wealthy families to receive both tax advantages and a form of income from their donations while still retaining a significant amount of control over, and benefit from, donated assets—and while spending only a small portion of them on direct donations to public charities. A lack of accountability in the philanthropic sector over activities like these allows for both greater abuses of the charitable entities themselves and the use of their funds for tax avoidance.

Philanthropy as an extension of power and privilege protection. In a troubling number of cases, private foundations and high-profile charitable gifts have become tools for the defense of personal power and privilege. Through strategic use of charitable giving, wealthy families of all political persuasions have been able to deploy private assets to advance a narrow set of interests under the guise of philanthropy. For example:

- **Legacy admissions.** Donors can use large donations to universities to secure legacy admissions for their relatives. Daniel Golden, a *Wall Street Journal* reporter and author of *The Price of Admission: How America's Ruling Class Buys Its Way into Elite Colleges—and Who Gets Left Outside the Gates*, chronicles the “wealth effect” on college admissions and how charitable donations open doors for affluent family members to gain admission.⁴⁵
- **Increasingly unequal public school districts.** Foundations in affluent public school districts allow parents to make tax deductible contributions to support their children's schools, compounding inequalities between school districts.⁴⁶

- **Promoting personal policy agendas.** Wealthy donors can fund nonprofit think tanks that themselves further a wealth-protection agenda in the political arena. As journalist Jane Mayer has documented in her book, *Dark Money: The Hidden History of the Billionaires Behind the Rise of the Radical Right*, a segment of multi-millionaire donors has “weaponized philanthropy” to advance a narrow self-interested public policy agenda.⁴⁷

Recommendations

Nonprofits can take some steps, detailed below, to protect themselves from the increasing influence of large-scale mega-donations.

Congress has not substantively updated the rules governing philanthropy since the Tax Reform Act of 1969. The impact of growing inequality has transformed the charitable sector in the past half century, and the rules governing the sector need to catch up. Specific reforms in philanthropic governance should be aimed at discouraging the warehousing of wealth, increasing transparency and accountability, and providing incentives for contributions that directly further the public good. And we need a clear articulation of who has control over how philanthropic funds are managed and used: private donors or public charities.

Philanthropy is shaped by public rules and, through tax deductions for charitable gifts, effectively subsidized by taxpayers. According to U.S. Treasury estimates, the charitable deduction will cost the U.S. government \$750 billion in lost revenue over the next ten years. And any annual expenditure of \$75 billion—which is about three times more than the entire combined federal budget for the Environmental Protection Agency; Head Start; and the Women, Infant, and Child nutrition program—should expect to have greater transparency and oversight to ensure the public interest is being upheld.⁴⁸

It is important to note, however, that while these internal changes may help charities to reduce the risks of volatility and mission distortion, they are not a substitute for national policy reform. The transition to top-heavy philanthropy is a reflection of larger economic changes and, as such, cannot be addressed entirely within the nonprofit sector or by changes in philanthropic governance. And philanthropic giving can never be a complete substitute for adequate taxation and public investment at the local, state and federal level. Over the last three decades, government policies and practices have enhanced asset expansion and worsened wage stagnation for the bottom 80 percent of the population—which has had a significant impact on giving by small donors.

To fully address the risks of top-heavy philanthropy, policymakers will need to not only reform the rules of charitable giving, but also establish policies to reduce, over time, concentrations of wealth and power in our society at large. From a charitable giving perspective, the goal of these public policy changes should be to broaden wealth ownership and opportunity, provide incentives for broad-based charitable giving, maintain the level of public investment that charitable giving cannot (nor should not) replace, and increase the capacity of every person to contribute to charity.

With all of this in mind, we offer recommendations for changes in internal practices for charity self-protection; for reforms in nonprofit governance; and for reforms in national public policy.

Changes in Internal Practices for Charities

Don't abandon small donor acquisition and retention programs. It may seem like a good idea in the short term to save money by cutting out new donor acquisition programs and scaling back on low-dollar and mid-level donor retention, but these are strategies with long-term negative consequences. Cutting these efforts will result in significantly less revenue over the long run from many low-dollar but very loyal donors who give consistently year after year. Allowing donor counts to decrease will put fundraising at risk of increased volatility and unpredictability. And it will, in later years, result in smaller pools from which to cultivate major and planned giving donors. Lead by example: being more democratic in your fundraising program by continuing to invest in lower-dollar donor populations will not only make programs more resilient over the long term, but may also encourage others to do the same.

Set up systems to manage large, episodic windfall gifts. With prudent investment and increased staff expertise, the benefits of mega-gifts can be spread over several leaner years; they also may be used to endow the organization, to reduce risk in the future.

Educate the board and other stakeholders about the organization's core mission. Emphasize the importance of adhering to programmatic activities that further the organization's mission, along with ensuring governance and fundraising practices that further it as well. Educate the board and your major donors about the dangers of being sidetracked by pet projects.

Give courageous direction to your major donors. Decline gifts that would inappropriately shift the organization's work—or propose creative alternate uses for those gifts that better fit the purpose of the organization.

Changes in Incentives for Individual Giving

Expand incentives for broader giving and nonitemizers. Several current policy proposals are aimed at providing incentives for low and middle-income people to give more, including replacing the current deduction with a nonrefundable tax credit available to all taxpayers who make charitable contributions.⁴⁹ Many of these would go a long way towards blunting the negative effects of top-heavy philanthropy.

In December 2017, Patrick Rooney of the Lilly Family School of Philanthropy wrote an article estimating the future effects of the tax bill that had just been signed into law. He wrote that the bill would result in taxpayers giving \$21 billion less to charity per year, primarily due to increases in the standard deduction. But if Congress were to extend the standard charitable deduction to all taxpayers, that alone would increase charitable giving by almost 4.3% nationwide among non-itemizers—almost completely making up for the negative effects of the changes to the standard deduction.⁵⁰

Capping the annual charitable deduction. Under our current system, donors in top tax brackets are able to deduct a higher percentage of their donation than donors in lower tax brackets. This means that we subsidize the charitable choices of wealthy people at higher levels than the charitable choices of low and middle-income people. One proposal to reduce this inequity would be to cap the charitable deduction at a lower percentage than the top tax rate. In President Obama's 2016 budget proposal, the administration suggested a 28 percent cap, which would only impact donors with incomes over \$250,000. This was vigorously opposed by the Council on Foundations, but others in the independent sector suggested that the impact would be negligible.⁵¹

Consider a \$1 billion lifetime cap on charitable tax deductions. The changes to the tax system that we suggest later in this section may provide additional incentives for the creation of foundations and charitable entities as a way to reduce or avoid tax obligations. It is therefore important that we begin a national discussion as to whether we should institute a lifetime cap on the amount of wealth that can be given to charity without being subject to any taxation. Without such a policy, the wealthy are increasingly likely to try to take increasing advantage of the charitable sector as part of their tax avoidance strategies.

Reforms in Foundation Governance

Increase the minimum annual distribution payout percentage for foundations. Foundation assets have grown substantially over the last 30 years, paralleling the expansion of wealth at the top of the income ladder. Foundations have resisted policy

proposals aimed at raising the minimum payout rate, saying that this would lead to an erosion of capital and the ability of foundations to exist in perpetuity. But studies have shown that foundation assets would not decline even with a payout of 7 percent or 8 percent per year.⁵²

Grant foundations and donor-advised funds charters with limited lifespans. As Pablo Eisenberg observed, “there is nothing sacred about perpetuity.” There is a strong argument that foundations, charitable trusts, and donor-advised funds should not live forever, and that the charters for these entities should be changed to require a spend-down within a designated period. Donor-advised funds, for example, could require distribution within three years, while foundation charters could require complete payout in 20 years. Requiring a payout in a specific time frame would put enormous sums of foundation assets to work solving problems in the immediate term, rather than encouraging them to exist only for long-term self-preservation.

Reform rules governing donor-advised funds. Donor-advised funds (DAFs) create a unique set of risks all their own (see our July 2018 report, *Warehousing Wealth*). In addition to a requirement for a timely distribution of funds, we recommend barring private foundations from giving to DAFs, and vice-versa. We also advocate increased scrutiny over donations of non-cash appreciated assets to prevent abuse of the charitable deduction.

Link the excise tax on foundations to payout distribution. In a *New York Times* piece, Boston College Law School Professor Ray Madoff wrote, “The 5 percent rule was enacted to provide a floor for charitable giving, but most private foundations use it as a ceiling as well.”⁵³ To avoid penalties, foundations only need to meet the five percent annual payout requirement and to pay a standard two percent federal excise tax on any income their investments earn in a given year. We propose restructuring the excise tax to encourage larger annual disbursements as follows: increasing it to three percent for foundations that pay out below six percent in grants in a given year; keeping it at two percent for foundations that pay out six to eight percent; and lowering it to one percent for those that pay out more than eight percent.

Exclude foundation overhead from the payout percentage. Any spending on foundation overhead expenses should not be counted towards the foundation payout minimum. This would reduce the incentive for lavish internal spending on salaries, accommodations, and other administrative costs.⁵⁴

Eliminate compensation for foundation board members and trustees. There is no research indicating that public performance of foundations improves with paid trustees.

As Amy Markham and Susan Wolf Ditkoff observed, in fact, “compensation turns board members into ‘insiders,’ a status that weakens their ability to act on behalf of the public and, when necessary, to dissent.”⁵⁵ Charities can always hire outside experts to advise them, but hired experts should not be able to vote on organizational matters.

Require independent boards. If a charity is truly a public interest organization, it should not have a board composed entirely of family members and paid staff. Many states currently require 51 percent of corporate board members to be independent;⁵⁶ this rule should be extended to nonprofits as well. And for organizations who have been the beneficiaries of the largesse of mega-donors, it would be important to ensure that their boards include the voices of volunteers and others who cannot give at such high levels.

Changes in National Public Policy

Restore steeply progressive income tax rates. In 1954, under President Dwight Eisenhower, the top tax rate paid by the wealthiest taxpayers was over 91 percent. Since 1960, Congress has steadily chipped away at the top tax rate for the highest income earners. By 2013, the top tax rate on the wealthiest group of taxpayers—those with annual incomes averaging more than \$250,000—was down to 39.6 percent, less than half of its 1954 level. And the amount those taxpayers *actually* paid, their effective tax rate, was just 23 percent. Remarkably, the wealthiest 0.01 percent of earners at the very tippy-top had an effective tax rate of just 17.6 percent, in large part because of aggressive use of shelters and other tax-avoidance vehicles. Restoring the progressivity of the federal income tax would greatly reduce income inequality, and thereby philanthropic inequality as well.⁵⁷

Tax wage and capital income at similar rates. Over the last two decades, lawmakers have passed policies steeply reducing taxes on wealth, such as the capital gains tax, but have left payroll taxes comparatively untouched. This has resulted in an enormous tax savings for the wealthy, who reap the lion’s share of capital gains, while forcing governments to cut services disproportionately needed by lower and middle-income taxpayers. Bringing taxes on capital and wealth back to levels equal to taxes on earnings would not only reduce societal inequality, but also provide much needed revenue.

Reinstate robust estate and inheritance taxation. An estimated \$24 billion a year is given in charitable bequests, thanks, in large part, to the estate and gift tax. Most studies, according to the Congressional Budget Office, have found that the estate tax not only increases charitable bequests but also increases charitable donations over a lifetime.⁵⁸ As part of the 2017 tax bill, wealth exempted by the estate tax was

significantly increased to individuals with over \$11 million and couples with over \$22 million. Over the last decade, the federal estate tax has been weakened through the increased use of loopholes, such as the Grantor Retained Annuity Trust (GRAT). As a result, more wealth is passing to family members and less to charitable entities. Closing these loopholes and instituting a graduated rate structure would generate additional revenue and reduce the distorting impact of concentrated wealth. Reform proposals such as the Sensible Estate Tax Act and the Responsible Estate Tax Act would generate between \$161 billion and \$200 billion in estimated additional revenue over the next ten years.⁵⁹

Reinstitute estate taxes at the state level. In 2001, Congress phased out the linkage between state and federal estate taxes, leading to the expiration of estate taxes in 30 states. Eighteen states and the District of Columbia proactively retained their estate taxes, however, preserving an enormous source of revenue for public programs. In the state of Washington, for example, estate tax revenue capitalizes the Education Legacy Trust Fund that funds K–12 and higher education in the state. If the states currently without estate taxes reinstated them, they could combined generate \$3 billion to \$6 billion a year that could be invested in expanded opportunities for all residents.⁶⁰

Implement a net worth tax on fortunes. Lawmakers should explore the creation of an annual net worth tax on wealth over \$20 million, or a similarly high threshold, at a low rate of one percent to two percent. Annual net worth taxes have existed in other OECD countries and are part of a constellation of policies that reduce concentrated wealth and generate revenue for opportunity investments.

Conclusion

Growing inequities in income, wealth, and opportunity pose considerable perils to our economy, democracy, and civic life. They are also disrupting the philanthropic sector, corrupting our existing systems of charitable rules, policies, and practices.

As wealth becomes concentrated in fewer hands, dynastically wealthy families will gain increasingly massive and unaccountable philanthropic power. They will stockpile even more billions into private foundations and donor-advised funds, and bestow news-worthy mega-donations to a few fortunate organizations. There will be an increase in the use of LLCs for formerly charitable purposes, and a further blurring of the lines between unfettered, no-strings-attached giving, and donor control over organizational missions.

And, as this happens, broad-based charitable giving from low- and middle-income households will steadily continue to shrink.

These trends are alarming for the health of a republic that aspires to widely-held prosperity and opportunity. Although it is beyond the scope of this report, we believe the long-term trajectory of these trends will result in a shift from adequate taxation of high income and wealth to the expansion of mega-philanthropy as a method to protect private assets and interests. Government budget cuts and austerity measures will grow along with multibillion-dollar foundations. The warehousing of private fortunes will threaten equality of opportunity and basic standards of environmental protection, human dignity, and human rights.

Without intervention, we will drift further toward an oligarchy of wealth and power, with charitable entities becoming an extension of this power. We have an opportunity now to address the more negative aspects of top-heavy philanthropy while rewarding the natural positive impulse of individuals and families to share the wealth.

Embargoed

End Notes

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