Callahan’s 'The Givers': Recognizing - and regulating - powerful philanthropy

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The Givers
Money, Power, and Philanthropy in a New Gilded Age

By David Callahan. Alfred A. Knopf.

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Reviewed by
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In 2010, 150 individuals and families joined Bill and Melinda Gates and Warren Buffett and pledged to donate at least half of their wealth to philanthropy. And these folks constitute only a small fraction of the rich people turning to charitable giving in an organized way. According to one study, $27 trillion in the United States will be transferred from estates to charity between 2007
and 2061.

In *The Givers*, David Callahan, founder and editor of the media site Inside Philanthropy, provides a detailed, judicious, and compelling analysis of an important and often ignored phenomenon: the impact of large-scale philanthropy on the United States in the 21st century. For good and ill, he shows, the new donor class is exerting as much or more influence on policy debates, priorities, and outcomes as campaign donors, with whom they often work hand in hand. He concludes with this warning: We are moving toward a less egalitarian, less democratic future in which “private funders, not elected officials and the citizens they answer to, choreograph more of public life.”

Callahan rounds up the usual suspects (Gates, Buffett, Bloomberg, Zuckerberg, Koch, Soros) as well as a host of billionaires who fly beneath the radar. He gives them credit for big ideas, a drive to make a difference, and a determination to dethrone partisan gridlock, outmoded ideas, and entrenched interests, but he also asks tough questions about accountability in philanthropy, which is not subject to checks and balances.

The foundations controlled by Eli Broad, for example, helped elect pro-charter-school members of the Los Angeles board of education - and fund a massive expansion of the city’s charter schools. The Walton Family Foundation has pumped $60 million into KIPP, which runs 125 charter schools, and $100 million to the Charter School Growth Fund. With such forces arrayed against them, defenders of public schools have a hard time getting heard.

Limiting the influence of large-scale giving, Callahan concludes, will not be easy. He makes a provocative and controversial recommendation: that all contributions made to policy and advocacy organizations seeking to influence legislation (or elections) no longer be tax-deductible. This change, he writes, would end the charade that this is "charity" for which taxpayers should foot the bill.
In the end, *The Givers* illuminates the problem: Even those who recognize that powerful institutions in a democracy need vigilant oversight don’t want to mess up what is (mostly) a good thing.

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