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Philanthropy an American tradition

Baby boomers expected to add to U.S. generosity

Far from being incidental or peripheral to our national life, philanthropy can be viewed as a defining characteristic of what it means to participate in the civic life of the United States. Today, 89 percent of American households make charitable contributions, a far greater percentage of the population than in any other country in the world.

We give to support religious and educational institutions, human services and a host of other causes. Many give to supplement or complement the roles and activities of our government. Whether we are contributing to a local arts organization, the United Way or our alma mater, United States residents make giving a priority. When asked why we give, being asked or given an opportunity to donate tops a list that includes compassion, personal belief in a cause and giving back to the community. If we are a nation of givers, we are clearly also a nation of askers.

"Personal generosity for the greater good is a unique American value," argues Claire Gaudiani in her bestselling 2003 book "The Greater Good: How Philanthropy Drives the American Economy and Can Save Capitalism." Gaudiani's observations are nothing new. In his classic 1835 tome, "Democracy in America," Alexis de Tocqueville marveled at Americans' particular inclination to join volunteer associations that provide charitable relief to those in need.

We don't just give money to causes we care about. We volunteer our time and expertise, too. More than 55 percent of Americans volunteer. Even as giving has declined during the recent economic downturn, more of us became engaged in our communities, with the number of volunteers increasing by 2 percent, from 60.8 million in 2007 to 61.8 million in 2008, according to a study cited by USA Today.

The not-for-profit sector now employs 6.9 percent of the U.S. workforce. Not-for-profit production accounts for 2.2 percent of the Gross National Product. In other words, philanthropy - including those who give and those who are employed by not-for-profit organizations - plays a significant and vital role in our economy.

In 1731, Benjamin Franklin helped form the first successful lending library for people of moderate means. Since then, every century has seen an evolution in charitable giving and volunteerism in the United States. During the last 100 years, the non-profit sector has become more effective, often taking the lead in addressing pressing societal problems and providing educational and cultural riches and access.

The number and reach of foundations, private and public, corporate and family, is another unique and rapidly expanding feature of American philanthropy. The first community foundation was established in Cleveland in 1914. Today there are thousands of such foundations. In recent years, enormously wealthy business leaders such as Bill Gates, Warren Buffett and George Soros - the Andrew Carnegies and John Rockefellers of our day - have created mega-foundations, with broad visions for everything from eradicating diseases to fostering free and open societies.

According to the National Philanthropic Trust, donor-advised funds, many of them permanently endowed, are now the fastest growing charitable giving vehicle in the United States. The number of family foundations increased by 60 percent between 2001 and 2007, fueled in large measure by favorable tax incentives. Indeed, the U.S. government has long recognized and encouraged us to give

by offering tax breaks that underscore the value of philanthropy.

The way we give has changed with the times too. These days, people are as likely to press a button on a computer as they are to write a check. A new generation of donors is emphasizing hands-on involvement and entrepreneurial philanthropy, even as the baby boom generation is poised to reshape philanthropy through estate planning. (Between 1998-2052, it is predicted that there will be somewhere between \$6.6 trillion and \$27.4 trillion in bequests made to charitable institutions and organizations.)

"Generosity is not a luxury in this country," concludes Gaudiani. "It is a cultural norm, a defining characteristic of our successful economy, and our reasonably successful society."
