



# **The Givers: Wealth, Power, and Philanthropy in a New Gilded Age**

*David Callahan*

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**The Givers: Wealth, Power, and Philanthropy in a New Gilded Age** David Callahan

**An inside look at the secretive world of elite philanthropists--and how they're quietly wielding ever more power to shape American life in ways both good and bad.**

While media attention focuses on famous philanthropists such as Bill Gates and Charles Koch, thousands of donors are at work below the radar promoting a wide range of causes. David Callahan charts the rise of these new power players and the ways they are converting the fortunes of a second Gilded Age into influence. He shows how this elite works behind the scenes on education, the environment, science, LGBT rights, and many other issues--with deep impact on government policy. Above all, he shows that the influence of the Givers is only just beginning, as new waves of billionaires like Mark Zuckerberg turn to philanthropy. Based on extensive research and interviews with countless donors and policy experts, this is not a brief for or against the Givers, but a fascinating investigation of a power shift in American society that has implications for us all.

## The Givers: Wealth, Power, and Philanthropy in a New Gilded Age Details

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**David Callahan**

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# From Reader Review The Givers: Wealth, Power, and Philanthropy in a New Gilded Age for online ebook

Ilib4kids says

361.740973 CAL  
eAduio

Bookshelf pick.

Good with philanthropy and philanthropic freedom:

1. New philanthropists could finance bold experiments and take risks. invest directly, show the way forward. Then government could scale them up.
2. anonymity of philanthropy could forward bold culture change, such as LGBT movement, but also could lead to promote hate ideas.

Trouble with philanthropy:

1. Tax-exempt donation (or Tax break).

No tax, No money lead to decline of government role on promoting public welfare, (drain the public resource, like Pell Grant for low-income students for high education,) further cut government budget, reduce high tax for wealthy people by conservative Republic policy, money shortage of government make wealthy donor take step into policy of public life.

so our society is egalitarianism, democracy ???? or plutocracy ?????

2. lax payout requirement for different kind of donation

Foundation has limited payout, donor-advised funds no could make those untaxed money sit there forever without giving back to society. (This is rubbery of public service money.)

nonprofit sector account for 5% GNP, 10% percent of the private-sector employment.

2. Transparent issue: LLC like Chan Zuckerberg Initiative, or Emerson Collective, are not subject to the same disclosure as nonprofits and Foundation.

3. philanthropic freedom vs. civic equality.

---Too many charitable dollars go to elite institution, too few go for fighting poverty. So this tax deductible money fulfill the role as wealth redistribution to create equal society?

---Donation to universities, most free spirit domain, often come with string-attach, usually need to advance donor person's political view, e.g Conservative free-market, small government ideas.

My thought: Will the winner take all? As media reported in 2011, the top wealthiest 1% possess 40% of the nation's wealth, the bottom 80% own 7%, the gap between wealth and poor will continue grow in the future. How they make fortune without exploiting people and environment? It is irony that they give back to people who they exploit, such as Wall street wealth philanthropists, Oil tycoons . Don't get me wrong to think all these people are bad, actually much of them are do-gooders, they want give back to society wealth they make, and do not think all good deeds they have done are totally selfishness. It is evil and immoral more about society less about people. It is sure warning sign of severely dysfunction society, leading to disruption, corruption, even worse social upheaval. It's time for us to exam our economical model, etc, think how to achieve relatively equal society.

As our society heads towards information age, I believe it should rely on crowd source approach to solve most complex social problem, with crowd source with everybody contribute and everybody benefit, this society model will reduce the huge waste of free free market competition, and this model ask for basic welfare for all even without any job. More toward socialism with high tax, more equal, not capitalism with low tax, winner take all. But for this kind of society really work, it need high educated citizen, and higher education should be free, accessible to everyone.

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my notes about parties, idealism:

Liberal, Libertarian, Democrat, Republican, left wing, right wing, conservative, liberal (confuse me a lot)

Liberal, Liberalism vs. Libertarian, Libertarianism, ???????

Democrat / Liberal Liberalism/left-wing/ progressive: often called as Party of poor, support of social welfare, advocate of strong federal government, more regulation, strict gun control. In favor of gay marriage, LGBT, strict gun control, increased access to abortion, more open border, and government programs such as universal health plan. Socialism, more equal society.

Republican/ Right-wing/ Conservative/ Libertarian (Libertarianism): Party of wealth, strong advocate of free market, low tax on rich people, cut for social benefit for poor, small government, less regulation, loose gun control, anti-abortion, anti-LGBT, capitalism, strong military forces oversea. Recently years huge cuts on tax and budget lead by conservative Republic cause dramatic decrease public money funding in science, education, social welfare, etc.

Libertarian (Libertarianism ): not categorized as liberal in the modern political sphere, because of free market policies and disdain for certain social program, often insist they are real liberals, defenders of founders of liberalism such as John Locke and John Stuart Mill. Libertarian is considered as conservative. They believe Market fundamentalism (also known as free market fundamentalism) is a term applied to a strong belief in the ability of unregulated laissez-faire or free market policies to solve most economic and social problems.

GOP: Grand Old Party, The elephant - symbol of the Republican Party since 1874

Libertarian ????, actually it is right wing, usually associated with Republic. liberal: ??, it is left wing, usually associated with Democrat.

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Main causes of donation:

Health, education, arts. Recently years with huge money withdraw by government, those wealth donors enter politics, influence every life of ordinary people.

the type of giver philanthropists

1. Tech philanthropists, first wave in 1990s, second wave in 2010s. Tech donors are more giving away money as life time, more view philanthropy is society's risk capital. More favor equal society, socialist, liberal, LGBT. right. I think it is match with core of teach, information, knowledge wants free. more like associate with Democrat, party of poor.
2. Wall street wealth philanthropists, highly moral contradiction, since they earn money by exploiting poor, such as, 2008 house crash. Bases on their heavy capital background, Conservative, favor free market, less regulation, anti-socialist, libertarian, more favor hierarchy society. ??. more like associate with Republic, party of rich.
3. Old economy, "dirty" business like oil refining, petrochemical production, such as Koch Brother

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Type of Think Tank: powered by donors' money

Right wing: low tax on rich people, cut social program for poor, small government, usually associated with Republic, like Ronald Reagan

---Heritage Foundation

---Cato Institute (Libertarian strong advocate of free market)

---AEI (American Enterprise Institute)

--- Contract with America by Republican National Committee ( originated at The Heritage Foundation, a conservative think tank)

--- Fox News (right wing media)

Moving a Public Policy Agenda: The Strategic Philanthropy of Conservative Foundations  
by Sally Covington

Left wing: liberal

---CAP: Center for American Progress

---DA: Democratic Alliance

Totally New one

-- Economic Innovation Group, launch by Sean Parker, Ron Conway

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Chan Zuckerberg Initiative LLC (limited liability corporation). LLC allow them to avoid tax, as well as oversight, dubbed as "no-charity charity". Unlike traditional foundations need to disclose their activities.

p15 progressive fear Koch Brothers or Conservatives fear George Soros (writes a lot of books, Open Society Foundations OSF )

p28 Overall level of charity giving in United States is around 2% GDP, remaining for decade.

Chapter 4 Super-citizen

**Who is making public choices over public life, how actually benefits from those choice?**

Bad example 1: Bloomberg push city council to revise the city's term limits law, allow him to run for a third term as mayor by giving away money to non profit to lobby for the change policy.

Bad example 2: Barry Diller's plan building a new park dubbed as "Diller Island" draw \$40 million public funds in wealthiest areas although it already exists Hudson River Park and High line park, despite hundreds poor old public parks.

No matter how those givers champion, there is a bias that wealthy favor policy or people similar to themselves.

chap 6 Leverage Points ( Politics in education: my interests)

Summary: Leverage field philanthropy: legislation, litigation

California Teachers Association: practice granting teachers tenure after 2 years; last in, first out policy (in case lay off teachers), make firing bad teachers very hard, and can't keep good teachers if they are new comers.

Vergara vs. California

Friedrichs vs. California Teachers Association

Brown vs Board of Education (based on Swedish social scientist in 1944 *An American Dilemma* by Gunnar Myrdal, negative effects of segregation)

\$600 billion enrolling 50 million students, 13,000 public school districts.

New type of fund management: donor-advised funds

---DonorTrust: an intermediary group that channels conservative giving in ways that leave no fingerprints, advocate of limiting voting right, restrict abortion, discriminate against LGBT group. Liberty through limited government, responsibility, and free enterprise. Also deny of climate change, even \$18 millions to Clarion (a leading purveyor of Islamophobia )

---Tides Foundation: progressive causes.

Women are more like building power in collective way, "power with", while men are in terms of domination, "power over"

National Science Foundation: NSF (created in 1950 ) and National Endowment for the Arts: NEA (created in 1965).

The charitable income tax deduction was created in 1917. Estate tax established in 1916, supported by Andrew Carnegie, now Warren Buffet (Estate tax is a key bulwark against American aristocracy and entrench dynastic power, but philanthropy ensure lasting clout for their heirs )

tax cuts and also Budget Control Acts by conservative policy leading by Cato (call for total elimination of government science funding -- my words: are they mad???) and Heritage lead to cuts to NSF and NIH so devastating. It is the same billionaires who support tax cut, also same donors to art and research. ---my words: I think these billionaires think they can do better job to improve society than big, clumsy government.

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vocabulary:

501 (c) (3): tax-exempt donation, promotion for social welfare, aka charitable tax deduction.

501 (c) (4): not tax-deductible donation, for lobbying and political expenditure.

activist philanthropists: right wing: Richard Scaife, left wing: George Soros, seek policy change.

access capitalism: has means to access resource, it is unfair capitalism.

Amicus briefs: are legal documents filed in appellate court cases by non-litigants with a strong interest in the subject matter. The briefs advise the court of relevant, additional information or arguments that the court might wish to consider

An angel investor (also known as a business angel, informal investor, angel funder, private investor, or seed investor) is an affluent individual who provides capital for a business start-up, usually in exchange for convertible debt or ownership equity.

A venture capitalist is an investor who either provides capital to startup ventures or supports small companies that wish to expand but do not have access to equities markets.

An activist investor is an individual or group that purchases large numbers of a public company's shares and/or tries to obtain seats on the company's board with the goal of effecting a major change in the company.

beltway: a highway encircling an urban area; Washington, DC, especially as representing the perceived insularity of the US government.

eminent domain: ??????????, ?????????? in the U.S., the government's right to take private property for

public use, for example to build a railroad, and its responsibility to pay for the property.

hard-charging: very aggressive, determined, or ambitious.

The Giving Pledge: is a commitment by the world's wealthiest individuals and families to dedicate the majority of their wealth to giving back.

jingoism: ?????????a strong belief that your own country is best, especially when this is expressed in support of war with another country.

Statistician n. "statistician"; ??(??)??;

centrists n. (????)???[??]??; ???;

outfits: (??)?? an organization, especially a small business

Sun Belt: region comprising 15 southern states in the United States and extending

Rust belt

Bible belt

frost belt

snow belt

Skid Row is an area of downtown Los Angeles. As of the 2000 census, the population of the district was 17,740. Declined as urbanization, gentrification in recently years by building art museum.

tax hike: taxes are increased. Synonyms: tax boost, tax-increase.

pyramid scheme vs. Ponzi schemes: are different. both are financial fraud.

heads I win, tails you lose meaning: said about a situation in which you will win whatever happens.

Affluence and Influence: Economic Inequality and Political Power in America by Martin Gilens

Why the Wealthy Give: The Culture of Elite Philanthropy by Martin Gilens

Winner-Take-All Politics: How Washington Made the Rich Richer--and Turned Its Back on the Middle Class by Jacob S. Hacker

The Life You Can Save: Acting Now to End World Poverty by Peter Singer (effective altruism, GiveWell | Charity Reviews and Research (one program GiveDirectly: just give money directly, -- my words: I like this idea too)

The Logic of Collective Action: Public Goods and the Theory of Groups by Mancur Olson (1965, classic book)

Women and Philanthropy by Sondra Shaw-Hardy

The Price of Admission: How America's Ruling Class Buys Its Way into Elite Colleges -- and Who Gets Left Outside the Gates by Daniel Golden

Unmaking the Public University: The Forty-Year Assault on the Middle Class by Christopher Newfield

University, Inc: The Corporate Corruption of Higher Education

Born on Third Base: A One Percenter Makes the Case for Tackling Inequality, Bringing Wealth Home, and Committing to the Common Good by Chuck Collins

The Cheating Culture: Why More Americans Are Doing Wrong to Get Ahead by David Callahan (sound interesting to me)

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## **Alan Mills says**

Fascinating look at the landscape of philanthropy, and how the new generation of ultra wealthy people are changing the way people give (and get) money.

The amounts are staggering. Soros pledged to give away his entire fortune of several billion dollars in his lifetime. He transferred most of his wealth to the Open Society Foundation, but then within a decade had tripled the share he kept for himself (and the amount in the foundation), and then multiplied it again. He is making money faster than he can give it away...and has abandoned the idea of disposing of it all before he dies.

Bloomberg has so much money that if he gave away his fortune at the same rate as the Rockefeller Foundation (one of the largest of the old time foundations) makes grants, it would take him 300 YEARS to give it all away...assuming counterfactually that he never earns another dime.

On the other side, some not-for-profit institutions are raising money at a pace which I literally cannot grasp. Most groups would consider a gift of a million dollars a huge donation. At Harvard, they raise three times that EVERY SINGLE DAY.

This vast wealth has also changed the way money is being given away. Historically, most foundations have given grants to hundreds of organizations each year, each of which is doing good work. Many of the new philanthropists made their money by making huge bets on a single company or idea, and won that bet. They are giving their money away in the same way--targeting a few institutions for gifts big enough to allow them to entirely change the scale they are working on, in the hope that their increased impact will be transformative (curing cancer, ending world hunger, etc.).

The strength of Callahan's book is that it delves into these newly wealthy philanthropists, and examines their motives and world views in depth. He describes scores of foundations (both liberal and conservative), and gets into the weeds on how they decide who to give money to. This is also its weakness, as the details can bog down the reader. I found myself skimming some of the chapters, as I really didn't care about many of the foundations he examined.

Callahan also weaves throughout the book a larger question: what does this focus on specific policy outcomes mean for democracy? While everyone welcomes their money, the result is inevitably that the ultra-rich also magnify their influence on government policies. And as Callahan notes, the ultra-rich really are different than most people. They fundamentally believe that the system "works"--after all, it worked quite well for them. Would we, as a society, be better off with a much more progressive tax system, so that the trillions of dollars now in the hands of private philanthropy are instead under the control of elected officials which are, at least in theory, accountable to the public?

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## **Rachel Hutchisson says**

Fascinating book about elite philanthropists, how they made their money, how they invest it...and where philanthropy is headed.



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## **B says**

A thorough but at times repetitious look at the state of philanthropy in our country. I was surprised at the huge amounts and the variety of donations, but I never thought of the downside: that a small part of our population is stepping in to fill areas where the government used to play a hand such as education, medical research, etc. but are doing so selectively and as such making decisions which affect all Americans. For instance, hospitals on the upper East end of New York City are heavily endowed from the wealthy people living there but hospitals in the poorer sections of town are struggling. Our taxes used to help equalize our society but with all the tax cuts starting with Reagan, the funding is gone and hospitals, universities, research agencies, etc. all have to turn to wealthy benefactors and their stipulations.

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## **Sterling Hardaway says**

A must read for anyone interested in philanthropy and social impact.

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## **Jonathan says**

The vast inequality in the US that has characterized the past several decades has often inspired the moniker of a "New Gilded Age." The wealthiest Americans--whether coming from Wall Street, Silicon Valley, old money, or elsewhere--have inconceivably large sums of money. And, as the saying goes, money is power.

David Callahan analyzes this relationship between money and power in the world of philanthropy. Philanthropy is often treated as an unadulterated good, but, as Callahan explains, large-scale philanthropy sits uneasily with democratic principles. The wealthy are able to exert significant influence on politics and society, domestically and globally, without transparency, accountability, or democratic process. The intentions may be good (they aren't always--and I'd add that Callahan sees good intentions a bit more frequently than he should), but unchecked power toward any end is problematic because of the lack of corrective capability. [Not to mention that foundations offer a great way of shielding wealth from taxes and making it last through many generations, thus securing a family's continued power.]

I found Callahan's analysis of the contrasting philanthropic philosophies across different sectors to be quite interesting, and he offers a number of cogent examples across issue areas (from charter schools to foreign policy) to back up his main arguments.

One of the many astute points raised by Callahan is that although wealthy philanthropists may defend their political activities (often lacking in transparency) by noting that they are just helping to create a debate, not determining policy in some undemocratic way, the question is why *\*they\** should be the ones who get to set the terms of the debate, rather than letting that rise organically upward.

The policy solutions Callahan offers at the very end are mostly good, but I think he should have emphasized more that the best way to curb the ability of the rich to exert their power over politics and society is to curb the amount of money they have. Vast economic inequality will always reproduce itself in the political and civic spheres.

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## **Susan says**

This book is much too long. The author has a tendency to ramble. Unfortunately, this means some useful points are going to be missed. I couldn't read it all -- life is way too short. For those of you in a similar boat, here are a few key takeaways:

1. Philanthropy needs to be more transparent. We should be able to know (easily) who is funding what.
2. Too much policy guidance is masquerading as philanthropy. We should be able to know the agendas behind nonprofits.
3. Philanthropy needs better oversight. Government needs more funding to accomplish this.
4. We should pay more taxes to accomplish all of the above, as well as many of the things philanthropy is currently doing.
5. We need more people to vote. And more people to be involved in government.

I'm not inclined to be anywhere near as trusting in government as Callahan seems to be--he seems to think if we just gave the government more money, they'd suddenly become more effective. And if we somehow got everyone to vote--regardless of their knowledge of the issues--things would be great. He wants more involvement, but gives no realistic way to make this happen.

But I do share his distrust of many large amorphous think tanks and funders.

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## **Lyndsay says**

Long winded but comprehensive.

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## **Mal Warwick says**

Few Americans appreciate the extraordinary scope and depth of philanthropy in our country. In 2015, the most recent year for which reliable estimates are available, Americans contributed a total of \$373 billion to what is loosely called "charity." That amounts to 2% of the nation's GDP of just under \$18 trillion that year—a proportion that has remained steady for at least seven decades.

Where does all the money come from?

Although most people imagine that the lion's share of this money comes from charitable foundations and corporations, the reality is different. Combined, institutional sources accounted for just 21%. Living individual donors kicked in 71%, or nearly \$265 billion. 90% of US households contribute on an annual basis; their total contributions average about \$1,500 per household. In other words, the six, seven, and eight-figure gifts that are associated with philanthropy in the popular imagination represent only a fraction of the country's total giving. That slice of the charitable pie is the subject of David Callahan's heavily researched new book, *The Givers: Wealth, Power, and Philanthropy in a New Gilded Age*. Callahan goes out of his way to note that contributions by mega-donors "constitute less than a quarter of all annual charitable giving."

Who are the mega-donors?

Callahan's focus is a tiny fraction of 1% of the American population, mostly the increasing number of philanthropists among the nation's more than 500 billionaires. His thesis is straightforward: "we face a future in which private donors—who are accountable to no one—may often wield more influence than elected public officials, who (in theory, at least, anyway) are accountable to all of us. This power shift is one of the biggest stories of our time." However, Callahan's study deals only with living individual major donors and, in some cases, the foundations they've established as vehicles for their giving. By "major donors," he refers principally to gifts of eight or nine figures (tens or hundreds of millions of dollars). Callahan perceives a big risk in that the power that accrues to these mega-donors "will further push ordinary Americans to the margins of civic life in an unequal era when so many people already feel shoved aside by elites and the wealthy." Pointing to the tens of trillions of dollars that will change hands from Baby Boomers to their descendants in the coming years, Callahan writes, "For all the philanthropy we've seen in recent years, it's nothing compared to what lies ahead."

Many of the men and women Callahan profiles in detail have earned their money in either high-tech or finance. These fields account for most of the new wave of philanthropists that has emerged in the last two decades. And there is no reason to believe that either Silicon Valley or Wall Street will suddenly stop producing prodigious wealth in the years ahead.

The mega-donors profiled by Callahan lack diversity to a surprising degree. Not only are they "almost entirely white," a disproportionate number of the givers are Jewish, practically no Latino names appeared, and I didn't encounter a single Chinese or Indian name in the book.

Are mega-donors all "conservative?"

The author cites a few statistics about economic inequality in passing, but *The Givers* is no left-wing screed against what Theodore Roosevelt termed "malefactors of great wealth." Callahan's treatment of the billionaires and multimillionaires whose giving he cites in his book is even-handed. Though I'm sure critics on the Right will object to his thesis, they will discover it's difficult to find fault with his many detailed descriptions of the mega-donors and their philanthropic practices. He is careful to balance every account of attempts by Right-Wing donors such as the Koch Brothers to sway public policy or change the terms of debate with similar efforts by George Soros and other liberals. However, what Callahan makes clear is that libertarians and so-called conservatives have lavished far more money, and far more effectively, on their pet causes and institutions than have those who oppose them on the Left—and they've been doing it for many decades longer. It also becomes clear in *The Givers* that not all mega-donors can be pigeonholed as either liberal or conservative—in fact, a great many of them straddle the ideological divide, to judge from the pattern of their giving.

Will mega-donors run out of money?

Callahan makes abundantly clear what any large donor would be likely to say: it's difficult to give away large sums of money. "Take Bill Gates and Warren Buffett," he notes. Despite the billions of dollars both men have funneled into philanthropic projects, "both have gotten much richer over the past decade. Buffett added \$25 billion to his fortune between 2005 and 2015. Gates added even more, pushing his net worth to nearly \$80 billion. [It's closer to \$90 billion now.] And these fortunes may rise even further" as their shares in Microsoft and Berkshire-Hathaway continue to rise in value and their other investments yield additional returns. Gates and Buffett are by no means alone: "Larry Ellison added \$40 billion to his wealth between 2005 and 2015, Jeff Bezos added \$42 billion," and so forth. In fact, nearly every one of the billionaires Callahan profiles in *The Givers* has grown richer even while giving away staggering sums of money.

Bill and Melinda Gates have stipulated that their foundation is to give away all its assets in the 20 years following their deaths. But how could anyone possibly distribute with any pretense of judiciousness in just 20 years the estimated minimum of \$150 billion the Gates Foundation will then be worth? (That figure includes the Foundation's \$39 billion, Gates' \$87 billion, and the \$30 billion pledged by Warren Buffett.) Ask anyone who works in the field of philanthropy: it is not reasonable to expect that any foundation staff, no matter how gifted and efficient, could give away that much money in so short a time. The Foundation now grants just \$4 billion annually. Perhaps they'll decide to buy a small country or two.

Is philanthropy good for America?

Callahan emphasizes the efforts by many ultra-wealthy donors to influence public policy directly through political contributions and to sway public opinion through lavish support of think tanks such as the Heritage Foundation, the Cato Institute, and the American Enterprise Institute on the Right and the Center for American Progress and the Center on Budget and Policy Priorities on the Left. Both George Soros and the Koch Brothers are well known to be among these donors, but there are dozens of others who contribute enormous sums in similar ways, some of them well known, others who fly under the radar. Although Callahan scrupulously notes the efforts on both sides of the political divide, he writes that "there's no denying that wealthy donors are far more likely to align themselves with think tanks that side with corporations and Wall Street in policy fights." The difference in impact is clear: Heritage, Cato, and AEI dwarf nearly all their liberal counterparts, and they've been in business decades longer than the leading progressive think tank, the Center for American Progress, which was established only in 2003.

Many of the donors profiled in *The Givers* have concentrated their contributions in specific areas. In education, many millions of dollars have gone to support charter schools—and the Bill and Melinda Gates Foundation is credited with the adoption of the Common Core, almost single-handedly. In health care, progressive donors played a large role in bringing about the Affordable Care Act (Obamacare), while their counterparts on the Right are bankrolling the effort to repeal it. Callahan cites numerous examples of donors whose intervention into the realm of public policy has been decisive. And other donors have imposed their views on the curriculum at colleges and universities to which they've given large gifts.

Is all this good? Callahan wonders whether it is (as do I). While it's difficult to dispute that there is value in philanthropic contributions to the public welfare, "philanthropy now acts as a driver of the growing divide in America in who gets heard in the public square—along with who sets the agenda—both nationally and locally. Giving by the wealthy is amplifying their voice at the expense of ordinary citizens, complementing other tools of upper-class dominance."

What is to be done?

In an Epilogue, Callahan offers several recommendations to fix the flaws in America's philanthropic environment:

"Given the politicization of nonprofits over the past half century, it's time to rethink which groups really should qualify for tax-exempt status." Callahan opts for drawing a sharper distinction between tax-exempt 501(c)(3) and non-tax-exempt 501(c)(4) nonprofits, which would obviously entail reclassifying some that are now exempt from taxes into the latter category. Perhaps those that meddle in politics should be paying taxes. "Private foundations already pay a 2 percent federal excise tax on their annual investment income that generates more than \$500 million a year in revenue. The tax is supposed to cover the costs of IRS oversight of charities," but it's been spent elsewhere since the 1990s. The money should be rededicated to serve the purpose it was intended to serve.

Callahan also advocates the establishment of “a new U.S. federal office of charitable affairs” which he foresees as a vehicle “to analyze the benefits of charitable giving as well as the sector’s performance.” (Fat chance with a Republican Congress, no?)

“There is a strong case that foundation boards should, as a norm, include outsiders—as opposed to just being composed of family members or other insiders.” To that I say, Amen.

Callahan observes, as others have been noting since the 1970s, that “[t]oo many charitable dollars go to elite institutions that mainly cater to the affluent; too few go to alleviating poverty or fighting injustice,” all of which is indisputably true. But Callahan doesn’t see any easy way to remedy this situation.

In the final analysis, Callahan sees the lack of government resources as a major source of the danger posed by the continuing growth in the influence of the ultra-wealthy through philanthropy. Donors are supplanting government. “One path forward,” he writes, “is reducing tax breaks for mortgages, health insurance, and retirement savings that mainly benefit the affluent.” In the current political environment, this one is just about as likely to be implemented as that new office of charitable affairs.

David Callahan has performed a valuable service by spotlighting the often-hidden role of a small number of extremely wealthy individuals who are using philanthropy to gain more and more say over the destiny of American society.

About the author

David Callahan founded and edits the online magazine Inside Philanthropy in 2013. He had previously co-founded the liberal New York think tank, Demos. The Givers is his ninth book.

Facebook

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## Joe says

I think that Callahan did a decent job describing how the very rich approach philanthropy. However, there were a couple of items that knocked this book down to two stars for me.

One, Callahan spends a lot of time describing "philanthropy" being used for lobbying and policy change. While I appreciate that this money is going to non-profits, and everyone has a right to support whatever cause they want, this is not true philanthropy. True philanthropy is giving to a charity to support their mission - not a "non-profit" that has been created to push your political agenda.

Second, Callahan misses another benefit that "philanthropists" are asking for more and more: intellectual property. I work for an organization that turned down a donation from one of the people mentioned in this book. Why? This person was donating 2% of the funds for a project and asking for 50% of the IP.

Two things here. One, this is hardly philanthropy, this is a business deal. Worse, it is a business deal disguised as philanthropy. Let's pull the cover off of this new trend: very smart businesspeople making "donations" that will earn them more money.

Two, these philanthropists are trying to get off cheap. Maybe they think that a charity will be happy to sign away millions of potential dollars later for a lot less now. There are charities out there that will prioritize a dollar now versus ten dollars later. But many non-profits are businesses - libraries, hospitals, schools, etc. They are more sophisticated than that and can see a bad deal for what it is - a bad deal. Again, this is not philanthropy. It will also makes me question whether those pledging to give

away all of their money are really trying to do so when they're using their philanthropic dollars to make more money.

I think Callahan wrote an okay book. It's basically a love letter to liberal philanthropists (and takes a somewhat harder stance to those on the right). But he misses a couple of important points. Not all philanthropists are in it for the giving. Some of them are in it as a new way to make money.

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### **Kusaimamekirai says**

In a world where government spending on education, basic services, and our cities is shrinking, the vacuum is being filled by a small number of the super wealthy and their philanthropy. But as Callahan asks, who are these people, why are they giving, and what do they want in return?

This book exhaustively explores the first question. It is filled with short 2-3 page biographies of wealthy people on the right and left who donate large sums of money to causes they believe in. What the reader doesn't get is a sustained look into the effects on this giving beyond a brief, sometimes its good sometimes its bad. Even more lacking is the author's research into what motivates this giving. He often fawns over donors generosity and claims that they have the best of intentions. But how do we know beyond the donor saying that they do and the author assuring us that it's true?

Ironically, the author advocates for the government to be more stringent about what effect this giving is having on communities and yet he fails to really delve too far into it himself.

With unprecedented sums of money being dumped into charter schools, think tanks, and climate denial a serious study of this phenomenon is necessary. This book scratches the surface, but ultimately comes up short and leaves the reader wanting so much more.

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### **Laurel says**

Albeit a bit repetitive, this book gives an eye-opening account of the ways that modern philanthropists are changing the social and political landscape of America. Callahan's research reveals that while many uber-wealthy donors are enthusiastic about giving their money to causes they care about, such donations (and the nature that they are tax-deductible) deplete the coffers of the U.S. Treasury and ultimately enable the rich to become even richer. Perhaps even worse, they often give these billionaires a significantly louder voice than average Americans when it comes to policy issues, via their donations to causes related to education, healthcare, or super PACs. These donors are often (though not always) out of step with how the majority of Americans feel about these issues.

Callahan repeats again and again that although donors have a diversity of political and social views, their economic status and philanthropic ambitions give them incomparable power regarding issues that affect all of us--often more power than even our elected leaders, at a time when government funds are becoming slimmer and slimmer.

The book felt overwhelming and depressing, until Callahan offered some solutions that could help curb our drive towards plutocracy. One was requiring more transparency from foundations, who are currently not required to disclose their donations, making it impossible for the rest of us to know who or what they benefit, unless they choose to disclose. Another that I found most compelling is "limiting politicized philanthropy". Currently, donations to think-tanks that often have political leanings are viewed the same by the U.S. tax code as donations to anti-poverty organizations or food banks. Callahan argues that this should not be the

case since the two donations are, in fact, not of the same category. He explains that tax payers should not be footing the bill for someone else's donation to a political outfit with whom they may or may not see eye-to-eye. I think this makes complete sense, and I agree.

This book was eye-opening and a bit scary. As a public school teacher, I've certainly been a supplicant of philanthropists for basic materials and technology for my classroom. This book re-surfaced my anger about what public schools are lacking not only in spite of the existence of the mega-rich (no matter how philanthropic they may be) but actually because of them. Public education receives fewer and fewer government dollars due in part to the large tax breaks that the ultra-wealthy are getting.

I want to hope that the future of philanthropy, in the words of David Callahan, "doesn't trump this nation's more important invention: democracy", though the current political direction doesn't give us much reason to do so.

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### **Phyllis Chang says**

As a new immigrant built roots in the Silicon Valley, this book offered some very fascinating insights of how some of the elite Americans (old money and new money) make their marks in the American social and economical landscape. I read through the whole book in 3 hours sittings in the famed Labyrinth Bookstore on the Nassau Street of Princeton downtown. I never finished a book in such a speed so you can tell how much I have immersed myself into many of the hard to know cases collected in this book. Thank you Dr. Callahan.

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### **Robert S says**

*The Givers* is a comprehensive look at the rise of the modern philanthropist and the impact its having on our society.

Callahan has some really excellent (as well as terrifying) examples in this book about what can be done by some individuals in this country with the equivalent of what is sofa change for them.

Callahan also takes the time to examine some of the more positive giving done in recent years (an understandable tack) but I feel that ultimately undercuts one of the major basic points made by this book.

The uber wealthy in this country feel the economical system they participate in is not rigged in their favor (something discussed here) and the loss of tax monies into their coffers is starving governments from a municipal level to the federal government (something touched upon).

Instead of people being able to participate in the process (a real fear Callahan mentions several times), instead the allocation of funds is put into the hands of a very select few.

A dangerous notion to anyone whose views don't reflect theirs.

If you're interested in the topic, this book is worth skimming for the examples provided alone.

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## Mary Anne says

The book flap says it best: “An inside look at the hidden world of elite philanthropists – and how they’re quietly wielding ever more power to shape American life in ways both good and bad.

The book cover has an appropriate illustration: A private jet doing a flyover, leaving a trail of money for those below.

This book does an excellent job of pointing out that even though many of the wealthiest people have signed the Giving Pledge (Google it), and pledge to give away most of their wealth while they are still alive, that is proving so very hard to do. The principal may be making more from the investments than the billionaires can give away!

While reading this, my reaction went from fascination to nausea several times. When we think of charitable giving, we generally think of 501c3 charities. That is the IRS classification for most of the charities we know. But there are also 501c4 organizations, such as policy advocacy organizations and think tanks. And guess what? Giving money to either is tax deductible. Some of these entities are flat out political. If I give money to a political candidate, the donation is not tax deductible. But if I give money to the organization that say, funded the writing of Clinton Cash, a book slamming the Clinton Foundation, that donation is tax deductible. And there are such organizations for every imaginable political point of view, including extremist ones.

The National Football League is a nonprofit.

From the book, I learned that Michael Bloomberg has made it one of his environmental priorities to make sure that coal-fired plants are closed. But just this week the U.S. Energy Secretary Rick Perry was visiting a coal-fired plant in WV and promised to bring back this kind of plant.

Here’s an idea of the kind of money some of the super-wealthy have. Both J. Paul Getty and Howard Hughes died in 1976, and both left legacies that are massive and dazzling, i.e. The Getty Center and Howard Hughes Medical Institute. From p. 237: “When J. Paul Getty died forty years ago, he was among the very richest people in America, with a net worth of \$2 billion, the equivalent of \$8 billion in 2016. Hughes had a similar net worth. Both men drew enormous attention for fortunes whose size seemed to defy comprehension. Very few other Americans of their time were nearly as rich. (When the Forbes 400 list debuted in 1982, it had just thirteen billionaires on it.) Yet today, neither Getty nor Hughes would rank among the wealthiest hundred Americans.”

The author really knows his stuff. He is the founder and editor of Inside Philanthropy. He does make a recommendation for change, but in my opinion, there is little motivation to make the changes in today’s environment.

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