

CHAPTER 1

What Would Happen if Everyone Stopped Giving?

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Kelley woke up soaked. Nine months pregnant, her water broke at dawn. In seconds, her husband gathers their stuff, and they rush out the door. They arrive at the hospital to receive the shock of their lives. The doors are locked. A sign reads: “Closed until further notice.”

Across town, Cameron goes to his mailbox excited to receive grant approval to study the effects of dwindling coral reefs. Three years into his Ph.D. program, Cameron has poured his heart into composing a research grant submission to net \$5 million. He even put off proposing to his girlfriend so he can relocate to Australia to work on reversing the reefs’ rapid decay. To Cameron’s dismay, he receives a rejection letter from his university informing him all future research is being halted.

At a nearby zoo, Maria sheds tears, but not for the job she just lost. She cries because she knows what will happen when her employer closes. Once a sanctuary for endangered species, the zoo will have to sell its animals to the highest bidder.

At this same moment, lifelong curator Pierre slumps deeper into his swivel chair. Watching footage from CCTV cameras all over the building, he sees priceless works of art carted off for auction. In weeks, Impressionist works, some hundreds of years old, will be bought by private collectors. He sighs, recalling a line from the Indiana Jones movies, “It belongs in a museum!”

Down the street, a sad pastor tells a family of three they can no longer receive food from his pantry. Two little kids and their mom relied on this benevolence ever since she lost her job last year. No more. The program is ending. So is the church that funded its operations.

This is just the beginning. Before long the following examples describe what can happen:

- Clinics stop providing free health care screenings.
- Starved of funding, theaters, operas, and symphonies cease performing.
- Homeless shelters shutter, leaving the displaced to fend for themselves.
- Welfare services terminate, exposing at-risk children to abuse.
- Scientific exploration grinds to a halt at observatories and labs.

Imagine you woke up one day to a world in which all generosity ended. The described outcomes are but a small sampling of what you could expect, and not so far-fetched. Generosity in America is on a disastrous trajectory. The year 2019 represented the lowest giving level since Giving USA (GUSA) began compiling national philanthropic statistics 40 years ago. According to a report by the Indiana University Lilly Family School of Philanthropy, in 2000 an estimated 66% (one-third) of Americans gave to charity. By 2014 this figure had decreased to 55%, and in 2016 it had fallen to just 53%. The past three years were even worse. At present, less than half (49.6%) of Americans give to charities. The nation is becoming less giving every year, and it doesn't take a degree in mathematics to see where this trend is going or economic proficiency to project the negative consequences.

Unfortunately, the public doesn't hear the Generosity Crisis message enough. If at all. Instead, people are led to believe their contributions are inconsequential and that charity, and the services provided through generosity, will continue as they always have. Nothing could be further from the truth. "This belief of not having enough to give to make a difference is similar to the argument some people make when it comes to voting," explains Sarah Ford, marketing director at America's Charities. "But try telling a senator who wins by 18 votes that your vote doesn't matter and I promise they'll give you an earful." Without charitable gifts, so many societal mainstays and benefits we take for granted will vanish. Let's review examples by category.

HOSPITALS

GUSA reports the health industry received charitable donations of \$42.12 billion in 2020. This figure is essential to the functioning of hospitals throughout the nation, from caring for the sick, providing ancillary services to support families through their treatments, to research and development for novel care practices and cures. As an association that surveys the health care landscape, Incredible Health documents as of September 21, 2021, "the two main types of hospitals in the United States are nonprofit and for-profit hospitals. According to the American Hospital Association, 76% of community hospitals are nonprofit."

This means should philanthropy cease, Kelley's nightmare scenario is not at all unrealistic. Thousands of local nonprofit hospitals would close, forcing patients into government-run or for-profit medical centers with all the high costs and lack of options you might expect. Many health care jobs would also vanish overnight, along with critical research and development. With fewer

hospitals and health care professionals, vast lines to access care would resemble those of third-world countries.

COLLEGES AND UNIVERSITIES

Higher education received \$71.34 billion in donations in 2020, again according to GUSA. There is little debate that tuition costs are astronomical, having risen at five times the inflation rate for the past 50 years, according to the College Board. We can scarcely imagine what would happen if alumni and other stakeholders stopped giving. To illustrate the problem, consider 2019's undergraduate tuition cost \$55,046 at University of Notre Dame, coauthor Nathan's alma mater. After grants, scholarships, and other subsidies, much of which is funded through charitable gifts to the university, this figure drops to a more manageable \$30,536.

Also, it should be noted, colleges offer financial lifeblood to their communities. Take South Bend, the city surrounding Notre Dame. According to citytowninfo.com, "South Bend's diversified economy primarily consists of education, wholesale and retail trade, healthcare, and government. Notre Dame University is the city's largest employer and has a significant impact on the local economy. The university also adds to the economy by partnering with local companies for research and development projects."

If colleges at large lost their donations, most students could no longer afford to earn degrees. Likewise, the businesses and people who depend on the commerce, not to mention research and medical resources contingent on their existence, would suffer. Academic projects, such as studying diminishing coral reefs pursued by the Camerons of the world, would never get off the ground.

COVID-19 gave us a taste of such a disaster when so many students found themselves unable to continue their studies. As Jessica Dickler reported for CNBC in June 2020, “With millions of Americans now out of work, one expense is suddenly out of reach for many: higher education. More than half, or 56%, of college students say they can no longer afford their tuition tab, according to a survey by OneClass, which polled more than 10,000 current freshmen, sophomores and juniors from 200-plus colleges and universities across the country.”

Zoos

GUSA reported that individuals gave \$16.14 billion to environmental and animal causes in 2020. Some people hold a limited view of zoos as places to stare at lions and tigers and maybe pet a chinchilla. But these facilities do much to protect and sustain nature, especially endangered species. As Amber Wyard explains for lemurconservationnetwork.org, “Although recreation is still an important focus for zoos, they now place a lot of value on education, research, and conservation.”

To this point and according to Association of Zoos & Aquariums, more than 230 top zoos and aquariums “provide safe habitats, medical care, and a nurturing environment for their animals.” Using the funds they receive from donations, they breed and save animals, including gorillas in Rwanda, lemurs in Madagascar, and vultures in Southern Tanzania.

If people stop believing in the virtues of giving and halt their philanthropic monies, these conservation efforts would cease, curtailing progress made in the last 100 years; it’s also likely many animals would end up in private hands. We can expect less accountability should this occur, leading to dramatic

increases in animal trafficking as depicted in the disturbing 2020 documentary *Tiger King*.

MUSEUMS

According to Sotheby's Institute of Art, three categories of revenue support nonprofit museums:

- Charitable contributions
- Program services, such as ticket admissions
- Earned income, typically via merchandising

Of the three sources, the first category provides the lion's share of funding, accounting "for over half of a museums' revenue at an industry standard of around 60%." Should philanthropy end, it would decimate museums' fundraising model. After all, GUSA reported the arts, culture, and humanities organizations received \$19.47 billion in donations in 2020.

Loss of museums would devastate not just creatives but also society. In a 2015 interview with *Alliance Magazine*, Sir Nicholas Serota, director of the UK's Tate Modern, reflected on how philanthropy enables the arts, specifically the world's most popular museum of modern and contemporary art. "None of Tate's expansion or the growth in audiences from 1.75 million to 7.75 million over 20 years would have been possible without a partnership between secure public funding. . . . One of our first significant donations for Tate Modern came from a man not noted for his enthusiasm for modern art. He was motivated to give because he recognized the need for London to have a museum of international contemporary art and he knew that cultural investment in a relatively poor part of London could transform the area economically and socially."

Lacking such generosity, we could expect to see chains on doors and vacant museums as their business model collapsed. Like the zoo debacle, art pieces, both modern and antiquated, would be auctioned to bidders. No longer could the public enjoy their cultural birthright. In this scenario, even the *Mona Lisa* would depart the Louvre, undoubtedly snatched up by a rich collector.

British journalist A. A. Gill helps to explain what we stand to lose: “If the world were to end tomorrow and we could choose to save only one thing as the explanation and memorial to who we were, then we couldn’t do better than the Natural History Museum, although it wouldn’t contain a single human. The systematic Linnaean order, the vast inquisitiveness and range of collated knowledge and beauty would tell all that is the best of us.”

HUMAN SERVICES

Our scenario depicting the closure of shelters is not fantastical. GUSA reports the broad category of human services received \$65.14 billion in donations in 2020. According to Feeding America, food insecurity in America is a pervasive issue, with 38 million adults and 12 million children undernourished, not knowing where they will get their next meal. Meanwhile, homelessness continues unabated. As of 2022, estimates from two key sources of data—the US Department of Housing and Urban Development Point-in-Time Count and the National Center for Education Statistics Count of Students—puts the number of people lacking permanent housing between 600,000 and 1.5 million, of which 33% are families with children.

In 2019, the Council of Economic Advisers sought to explain the crisis in a paper titled *The State of Homelessness in America*. “Approximately 65 percent are found in homeless shelters, and the

other 35 percent—just under 200,000—are found unsheltered on our streets (in places not intended for human habitation, such as sidewalks, parks, cars, or abandoned buildings).”

A 1:1 relationship exists between the level at which people give and the homelessness crisis at large. Sadly, we’ve grown accustomed to seeing long lines to shelters and foodbanks. Although government funding plays a role in addressing this challenge, it cannot fix the crisis on its own. Human service issues, such as food insecurity and homelessness, can only be solved via public-private partnerships, underpinned by the generosity of individuals who believe in supporting their fellow brothers and sisters.

Zeroing in on one organization, The National Association of Free & Charitable Clinics, we gain a deeper sense of the assistance it provides, especially for those requiring medical care. Self-described as “the only nonprofit 501(c)(3) organization whose mission is solely focused on the issues and needs of the medically underserved throughout the United States,” it serves the poor, especially those in need of health services, via a robust network of 1,400 free and charitable clinics and pharmacies.

In 2020 the NAFC received \$286 million in donated medications and supplies. Without critical monies and product donations, we could expect the closure of many free clinics supporting underserved populations by offering free or reduced cost services:

- Diabetes programs
- Dental cleanings
- Eye exams and glasses
- Cancer screenings
- Mental health and psychiatric services

By no means is this list exhaustive. If we consider only the health challenges we have encountered over the years, not to mention our friends and family members, we can appreciate the issues facing vulnerable individuals who experience higher rates of serious health conditions. Also, loss of shelters and medical facilities will unduly affect children, especially those lacking stability and/or a guardian. This problem compounds for nonlegal citizens, poised to bear the brunt of the pain should these facilities and amenities vanish from lack of funding.

PERFORMING ARTS

This sector depends on generosity from patrons and the public. Just as museums remind us of our history through appreciating paintings and exhibits, the performing arts connect us to our higher selves by entertaining and inspiring. Or as Investing in Communities (IIC) puts it so eloquently, “Arts and culture charities is a broad term for organizations that exist to promote and develop artistic expression. They preserve our cultural heritage through media including exhibitions and performances. . . . Arts and culture charities encourage education and appreciation of numerous artistic disciplines including painting, sculpture, writing, photography, puppetry, film, theater, opera, dance, and music. By supporting one of these organizations, you are showing your support for the creative expression of human experience.”

As IIC makes clear, a fulfilling life encompasses more than just keeping a roof over one’s head. By stanching the blood of the performing arts, we cut ourselves off from what it means to be human, losing out on a full spectrum of artistic expression so vital to the experience of being. We take these things for granted at present. As a civilized nation we expect they will always be there for us, but they could slip away if we are not careful.

TECHNOLOGY

The COVID-19 pandemic revealed in technicolor horror the vulnerability of our global community. Within weeks, a deadly virus spread from one nation to engulf the world. Yet, this outbreak differed from past scourges. People could turn to key medical innovations. Some, such as vaccines and treatments, emerged in record time to counter the disease's effects and keep us connected. A variety of teleconferencing solutions, for instance, acted as a godsend, especially for businesses and schools, enabling their functioning, albeit in a remote capacity. "The nonprofit world was profoundly changed by COVID—but there was a silver lining," says Maria Clark, executive vice president of partnerships at GoodUnited, a longtime nonprofit leader personally affected by the pandemic. She said the following in a 2021 article for Unite.AI: "Innovation became a necessity, not a luxury, which stimulated the adoption of new strategies and partnerships in order to continue fueling the important work nonprofits are expected to deliver."

Those affected by the Black Death or bubonic plague couldn't expect such reprieve. But innovation costs money. It requires benefactors who believe in science. In their review of Evan S. Michelson's 2020 book, *Philanthropy and the Future of Science and Technology for Issues in Science and Technology*, columnists Adam Millsap and Neil Chilson trumpet this cause. Specifically, they connect the dots between charitable giving and recent technological feats. "In the book's most compelling section, Michelson discusses the evolution of foundation giving over the 20th century. . . . For example, The Rockefeller Foundation funded research in cellular and molecular biology with the purpose of eliminating disease, and indeed that work helped to eradicate hookworm and yellow fever. Michelson makes a very brief mention of The Rockefeller Foundation's support for the agricultural Green Revolution, which dramatically increased the

world's food supply and arguably preserved and advanced democracy during the Cold War.”

Now, what might happen should this investment in our future vanish? We could expect any of the following:

- Significant increases in the digital divide
- Less funding for disease and wellness research
- Severe limitations on climate change initiatives
- Diminution of advancements in AI and computer applications
- Decrease in space exploration
- Curtailed WIFI, laptops, and phone distribution to the needy

As this list shows, daily life relies on philanthropy. Much of what we have come to expect and enjoy comes from the kindness of others. Faith-based organizations especially rely on donations, topping GUSA's list of contributions at \$131 billion for 2020. Without such generosity, not only would churches close, the broad swath of ancillary benefits those churches provide would disappear, including social services such as food pantries.

So far, we have discussed various categories as potential victims of a giving chopping block. Yet even this depressing portrait doesn't go far enough. Another emergent problem looms. As the ongoing supply chain crisis reveals, we live in an integrated global economy. Events no longer happen in isolation; rather, they have far-reaching, *systemic* impacts.

A good example of such economic dependence can be found in Ningbo. When China locked down this industrial port in

January 2022 for a COVID-19 outbreak, it didn't just affect the local economy. As the third largest global container port, the closure ramifications were felt as far away as the US, affecting consumer delivery times and incomes of truck drivers. Revealingly, an entire ecosystem of businesses, nonprofits, and individuals interact with what we may call the Generosity Economy.

Here are some critical statistics as of 2021:

- More than 10 million nonprofits and nongovernmental organizations exist worldwide (NPAction.org).
- Roughly 1.8 million 501(c)(3) organizations are based in the US, including 501(c)(3) public charities, private foundations, and a variety of membership and professional organizations (Nonprofit Trends and Impact, 2021).
- Nonprofits account for 5% to 10% of the national economy and 10% of American employment (*Stanford Social Innovation Review*).
- The US nonprofit sector employs nearly 12 million people, making it the third largest employment industry, behind retail and manufacturing (Johns Hopkins University Center for Civil Society Studies).

To illustrate but a fraction of the labyrinthine workings of so many interrelated stakeholders and how they might be affected by the crisis, consider one more stat from IBISWorld. “New York (1,523 businesses), California (1,186 businesses) and Texas (769 businesses) are the States with the most number of Community Housing & Homeless Shelters businesses in the US.”

Now, what might happen should so many businesses fold due to a philanthropy cessation? It would not only devastate those who own and/or work at these companies but also would

harm their families and the people who depend on them (not to mention the individuals who benefit from their charitable works). But the problem wouldn't stop there. Because we now live and work in an integrated global economy, deleterious effects would spread. If just one of the 769 businesses in Texas supplying shelters went under, it could wreak havoc with vendors. This could mean cancelled contracts for a host of tangential services, from building to transportation to food supply.

In short, negative ripple effects from annual decreases in US generosity have created this systemic Generosity Crisis. Left unchecked, it will touch *all* our lives, no matter where we exist in the ecosystem.

THE TRUTH ABOUT PHILANTHROPY

Countering a crisis of such intricate and profound proportions requires us to consider the issue with fresh eyes. We began our discussion by depicting how everyday people might be affected should generosity cease. Although dramatic, it's a very possible scenario should giving levels continue falling at their current trajectory. In the chapters to come we will explore the reasons people are giving less and how to counter this challenge. For now, making real, sustainable change requires greater awareness. After all, how can we ever hope to combat decreased giving without knowing the underlying problems?

The truth is, we cannot. Worse than ignorance, misconceptions plague this subject, obscuring perceptions. To turn things around we must disabuse people of many limiting beliefs. We must shatter five damaging, wrongheaded myths once and for all.

Myth 1: Philanthropy Is a Recent Phenomenon

The average misinformed person may believe philanthropy began with the era of giving from billionaires such as Bill Gates, Warren Buffet, and Oprah Winfrey, all members of the so-called Good Club. This is false. The origins of giving predate Jesus. Aristotle, the Greek philosopher, wrote about this subject in *Nicomachean Ethics*: “To give away money is an easy matter and in any man’s power. But to decide to whom to give it, and how large, and when, and for what purpose and how, is neither in every man’s power nor an easy matter.” Essentially, he was demonstrating the point that although the concept of giving away money appears easy at face value, the *act* of generosity is highly nuanced with several barriers that may easily dissuade someone with good intentions from following through with giving.

“Most people who spend too much, as it is said, both take what is not right and are cheap because of that. They become greedy because they want to spend but cannot do this easily because their funds quickly escape them. They are therefore compelled to procure from elsewhere. In addition, because they don’t think at all about nobility of action, they take from everywhere. They desire to give, and it makes no difference how or where to them. For this reason, their giving is not liberal because the gifts are not noble or given for nobility’s sake, nor in the way that is correct. Sometimes they make those rich who ought to be poor and they will give nothing to those humble in character, but they provide much to their flatterers and those who please them.”

Skipping ahead at warp speed, let’s acknowledge noteworthy highlights on the generosity timeline to show US philanthropy is anything but new.

- 1636:** Harvard College (originally named The New College) begins in the Massachusetts Bay Colony after John Harvard, a minister, bequeaths his library and half his estate to the university on death. Successive private schools of the religious variety will follow, including Yale and Princeton.
- 1700s:** Informed by decades of civic involvement, Benjamin Franklin creates America's first subscription library in 1731 as well as a volunteer fire organization, a fire insurance association, and the Philadelphia Academy in 1751, which later becomes the University of Pennsylvania.
- 1860s:** To raise funds and supplies for the Union's efforts to win the Civil War, northern women organize fundraising events. Much of their efforts go toward the U.S. Sanitary Commission. Women, such as Dorothea Dix and Clara Barton, volunteer by nursing sick and wounded soldiers in local hospitals and even on battlefields.
- 1881:** Founded by the same Barton, the Red Cross launches as a volunteer organization, conducting some of the first domestic and overseas disaster relief efforts, even aiding the US military during the Spanish-American War.
- 1910:** Steel industrialist Andrew Carnegie donates \$10 million to fund the Carnegie Endowment for International Peace. Carnegie writes a charter outlining what his group shall do after ending armed conflict. "When the establishment of universal peace is attained, the donor provides that the revenue shall be devoted to the banishment of the next most degrading evil or evils, the suppression of which would most advance the progress, elevation, and happiness of man."

Unfortunately for Carnegie and the planet, World War I started four years later. Still, as these examples attest, philanthropy has been alive and well in the US for almost 400 years.

Myth 2: Philanthropy Mostly Comes from Rich White Men

Speaking of the Gates, Buffets, and Carnegies, a common belief persists that only this subgroup gives. Though it's true that the likes of the Rockefellers have donated vast fortunes in service of humanity, they are not alone. If it wasn't for MacKenzie Scott donating more than \$12 billion since 2019, average giving as a function of our GDP would not have stayed at approximately 2%—where it's hovered for the past four decades. (This statistic is according to a May 26, 2022, article in *USA Today*.)

Scott is not the only female making waves in generosity. She is joined by others such as Laura Arnold. In the 2010s, the billionaire dedicated her life to fulltime philanthropy, signing The Giving Pledge and creating a private foundation focusing on education, health, tax policy, and criminal justice. “The Giving Pledge is a commitment by billionaires to voluntarily give most of their wealth to charitable causes either during their lifetimes or in their wills as bequests to be made after death,” according to Hans Peter Schmitz writing for *The Conversation* in May 2022. In 2018, she took on the parole system with Jay-Z and Meek Mill by joining the REFORM Alliance board. Similarly, onetime reporter for *The Wall Street Journal* Cari Tuna cofounded Good Ventures with husband Dustin Moskowitz to oversee Open Philanthropy, a research and grantmaking foundation. And Priscilla Chan cofounded the Chan Zuckerberg Initiative to aid with grants and investments in science, education, social justice, and immigration.

Moreover, young people are getting into the action. Despite being hit with double financial whammies in the form of 2008's Great Recession and the 2020 pandemic, millennials give and in

large numbers. “Nearly 3 out of 4 millennials (defined here as those ages 25 to 34) have sent some kind of financial aid to family or friends or donated to a nonprofit since the COVID-19 pandemic began, according to payment app Zelle’s September (2020) Consumer Payment Behaviors report,” writes Megan Leonhardt for CNBC. Even more astonishing? “That’s the highest rate among any of the generations polled,” according to the article.

So much for the young generation being unphilanthropic.

Myth 3: People Think Giving Is All About Money

“Charity” tends to conjure up associations of dollars and cents. Yes, monetary contributions play a huge role in generosity, but not the only one. More ways of giving abound. Tammy Day of the Civic Nebraska Writers Group tackled this subject in a piece on encouraging generosity in her state. “Communities can unleash their Nebraska generosity by redefining philanthropy as giving your time, talent, and treasure. This definition speaks to philanthropy’s potential to shape communities’ futures. It encompasses all parts of giving, includes all people in the process, and makes it an accessible part of civic life. Giving your time, talent, and treasure opens the door to giving and service, and invites everyone to come on in.”

Day’s distinction is essential for distinguishing between transactional (often characterized by one-off acts of kindness) and relational giving. Although both help, the latter can be seen as a long-term investment in a person, group, or community. For instance, rather than sending a check, a person might donate their time developing a bond with the recipient(s), producing lasting effects.

The list of ways to non-monetarily give are endless. Here are a few:

Volunteering

- **Habitat for Humanity:** Help build homes for those in need
- **Greenpeace:** Help protect our oceans and end the climate crisis
- **The CARE Project:** Help children and adults with hearing challenges

Tutoring/Mentoring

- **Youth Mentor:** Help at-risk youth out of the crime cycle in LA
- **Reading Partners:** Help students to read at grade level by fourth grade
- **Boys & Girls Club:** Help a young person with school, art, or sports

Product Donation

Eschewing money donations to aid others, organizations often donate items to assist the needy and disadvantaged. Examples include these:

- **Pharmaceutical companies:** Donating medication and medical supplies to support vulnerable populations
- **Restaurants:** Donating food to shelters and pantries
- **Optometrist groups:** Donating eyewear to the poor
- **Libraries:** Donating books to those lacking reading materials

Myth 4: Nonprofits Are Inefficient and Ineffective

In 2018, Felix Salmon wrote an article for *Slate* about “galanomics,” a series examining the multibillionaire nonprofit sector.

The mother of all galas took place on Monday: the annual Met Gala, which benefits The Metropolitan Museum of Art. Your own local gala will probably take place in a ballroom or some similarly grand space and will feature an abundance of circular tables for 10. You’ll eat the kind of nondescript food designed to be served to hundreds of people simultaneously (hence the sobriquet “rubber chicken dinner”), sip cheap wine, and be subject to a cavalcade of speeches. The charity’s executive director will talk, and so will the master of ceremonies (probably someone from television), as will a handful of honorees, employees, and other stakeholders. The reward for all this listening is . . . to watch the *de rigueur* slickly produced video. (If you’re lucky, and you’re very rich, and you’re at an extremely high-end gala, you might be treated to a three-song set performed by Elton John or Jon Bon Jovi.)

The upshot of all this pomp and circumstance? A veritable windfall for the so-called gala economy, including caterers, event space holders, and society reporters. What about the charities themselves? Not so much. As Salmon relates, “I once saw a tiny nonprofit spend months organizing a blowout gala dinner, an endeavor which effectively became the full-time job of the entire staff. After all the costs were tallied from what seemed to be an extremely successful event, the gala ended up losing money for the organization.”

This experience is not an isolated occurrence. In recent years, many have soured on nonprofits as wasteful and nonproductive. A fancy gala with attendees in their pearls and tuxes may be the most noxious example of conspicuous consumption masquerading as integrity, but it's no outlier. The public has come to distrust nonprofits and their activities due to the perception they're time wasters at best—and disingenuous money grabs at worst.

There are many causes for this viewpoint. For one, reports such as the 2022 Edelman Trust Barometer show that for the second straight year, nonprofits are perceived as less trustworthy than corporations. This is an unprecedented development; we will explore the reasons why it exists and persists in later chapters.

Ratings agencies also contribute to the problem. Charity Navigator and charity watchdogs are *supposed* to rate efficiency and effectiveness. Instead, to provide perceived value to their constituents, they engender cynicism. Rather than consider the actual progress groups are making, they tend to rate each nonprofit agency uniformly—even when they do quite different things. Worse, ever since *overhead* became a buzzword signaling malfeasance, nonprofits have struggled to not be labeled as wasteful, often to their detriment. Example: Many nonprofits fear investing in innovation to keep operating costs down.

But as Elijah Goldberg reported for *The Chronicle of Philanthropy* in August 2021, “Most nonprofits are highly effective. Check the data.”

Goldberg points to examples of successes that go unreported. After all, with approximately 1.8 million nonprofit

organizations in the US, the sector is filled with many mission-driven organizations that deliver goods and services with efficiency unparalleled in government and private sector companies.

Consider The Farmlink Project. Committed to solving “the problems of hunger and food waste,” it was launched by a passionate group of college students in April 2020. Eager to do something to combat food inequality, it has rescued 75 million pounds of surplus food and delivered 62.5 million meals to those in need as of this writing. (More on this group in later chapters.) Likewise, international Charity: Water uses 100% of donations it acquires to provide water in developing nations. Since its founding in 2006, the group has given 15.4 million people around the world access to clean water by funding nearly 111,000 projects in 29 countries.

Myth 5: Philanthropy Is Broken

Let’s be honest. People don’t get into nonprofit work because they have tepid feelings about fixing things. No, the folks who choose to be involved are diehard enthusiasts hellbent on righting wrongs, improving the human condition, and making our world a better place to live for future generations. They tackle the most formidable challenges of our times.

Here is but a small sampling:

- Eradicating poverty
- Curing cancer
- Solving climate change
- Ending hunger

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- Stopping human and animal trafficking
 - Providing housing
 - Improving literacy rates

Achieving success in any one of these causes is no walk in the park.

None of these problems are easy to solve. If they were, someone or some group would have done so by now. Instead, they are daunting challenges requiring Herculean efforts, complex organizational structures, buy-in from disparate decision-makers, supreme patience, and, of course, indefatigable grit.

The fact that mind-boggling problems still exist in the 21st century shouldn't be an indictment of nonprofits, their mission, their people, or their works. Most, if not all, societal issues pertinent to nonprofits can't easily be solved. Unfortunately, many well-meaning individuals and organizations have been unfairly criticized, even vilified by the public. Many factors account for this misperception, including scandals, reports of inefficiencies, and trust-eroding betrayals that unfairly malign organizations, if not the whole industry.

The truth is, we mustn't throw out the baby with the bathwater. Deficiencies and problems exist in the nonprofit realm. But they're also evident in the corporate sector. Generosity *does* work. And those committed to a better planet and a better way of life provide us so much in ways that often go unnoticed. We have the lives we do because of those who give—and those who enable such beneficence through their steadfast efforts. But if we are not vigilant, the many benefits we consider so essential to our lives will go away. In a similar fashion to how former Vice President Al

Gore's book (and later documentary) *An Inconvenient Truth* awakened the public to climate change in 2006—a crisis once below most people's radar—it's our hope that the book you're reading opens your eyes to the dangers of disappearing philanthropy. Before it's too late.

Now that we understand our crisis better, let's learn *why* it's happening.