

## SALIENT FACTS

# The New Givers

Bill Gates's \$1 billion donation is a hint — a big hint — of how new money is remaking philanthropy.

## HOW MUCH IS BEING GIVEN AWAY?

Americans are donating more to charity than ever — \$175 billion in 1998 alone. Much of that comes from low- and medium-income families, but this year, high-tech millionaires — previously criticized for not contributing enough — have made a number of high-profile donations. Observers say that by steering clear of the biggest, most august charities, these entrepreneurs — most notably Bill Gates, whose billion-dollar education grant will largely go to community-based scholarship funds — will change the way Americans think about charity.

## HOW DOES NEW CHARITY DIFFER?

"In the 1960's, most philanthropy was demonstration-oriented, with the assumption that the government would eventually take over the problem," says Jacqueline Novogratz, a manager at the Rockefeller Foundation. Today, she says, "it's much more risk-taking and outcome-oriented." Fueled by high-tech profits and directed by an army of newly minted M.B.A.'s, the new philanthropy uses Silicon Valley's methods of making money for the counterintuitive task of giving it away. This so-called venture philanthropy focuses on "start-

up" charities where a quick infusion of funds can have a big impact. And it focuses on results. According to Marianne Briscoe, a California consultant to nonprofits: "The feeling used to be, you've got to get their hearts. But the venture philanthropists want to see the numbers."

## HOW IS IT BEING ORGANIZED?

New philanthropic structures have arisen to accommodate these new ideas. The Women's Technology Cluster, for example, is a business incubator group that provides start-up capital to female-owned businesses that commit to donating a portion of their profits. Donors are also sharing their expertise through donor networks and funders' collaboratives like the Threshold Foundation, the Funding Exchange and the Jewish Funders Network. Meanwhile, to help those who aren't schooled in the new thinking, Harvard's Hauser Center for Nonprofit Organizations is giving a three-day workshop for wealthy individuals, and the Rockefeller Foundation offers a four-week course in "strategic giving." (It costs \$10,000, plus a commitment to donate \$10,000 more during the course.)

## IS EVERYBODY ON BOARD?

Not exactly. For one thing, it's difficult to calculate the return on bettering the world. "If you are able to take a homeless person off the street," says Claude Rosenberg, a philanthropist, "how do you quantify that in dollar terms?" And Mark Kramer, a venture capitalist, recently wrote an influential attack on venture philanthropy in *The Chronicle of Philanthropy*. "Of all the fields to emulate," he wrote, "trying to fit the iron fist of venture capital into the velvet glove of philanthropy is the most dangerous metaphor of all."

## WHERE DOES IT ALL END?

Well, some of the new philanthropy still goes to pet causes. David Duffield, a cofounder of Peoplesoft, spent \$200 million to establish a foundation in the name of Maddie, his beloved miniature schnauzer. Paul Allen (a Microsoft cofounder) and Gordon Moore (an Intel cofounder) have given millions to the SETI (Search for Extraterrestrial Intelligence) Institute. And in September, the Volunteer Exchange of Santa Clara County — which matches Silicon Valley volunteers to needy organizations — held a mock I.P.O. But they raised a disappointing \$70,000, almost none of it from individual investors. —John Cook

## THE ETHICIST BY RANDY COHEN

# A Line to Cross



*After eight weeks on strike after most of my union colleagues returned to work under threat of being replaced, I, too, crossed my own union's picket line. I'm struggling with my actions. I was required to join the union (it was a closed shop). I came to view the leadership as incompetent and plain wrong. When I tried to do I was hooted down. In the meantime, I was in real danger of losing a job I held dear. The moral position seemed to be to stick to the union; but is it not moral to do for oneself when one disagrees with one's representatives?* —R

A well-run union is a democratic union, one that gives its members a chance to be heard, to dissent and to vote on policy, particularly on something as serious as a strike. Sticking with the union then is a matter not only of abstract morality but also of self-interest.

And while, as you say, one must sometimes dissent from a democratic decision, you may do so only as a matter of high principle, not simply because you find yourself on the losing side of a vote. Nor can crossing your picket line be justified because your union is a closed shop —

so is America; so is any nation. And so, as you reap the benefits of past or present collective effort, you do not cavalierly ignore the decisions of representative government, even when its leadership, as you say, imperfections. When most of a union's members returned to work, however, the strike failed, and you do not have a chance to end it. That didn't have such an opportunity made circumstances more painful. As an individual becomes less and less democratic, the

*Do you have ethical queries that you need answered? Write them to [ethicist@nytimes.com](mailto:ethicist@nytimes.com) or *The Ethicist*, *The New York Times Magazine*, 229 West 43d Street, New York, N.Y. 10018.*

