

# PHILANTHROPY AND HUMANITY

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I would propose for our discussion two myths—one that we have and should do without, the other we have lost and should now revive. Needless to say, these are two different kinds of “myths.”

The first is a “myth” defined in this assignment as a “widely-held but false notion that inhibits our imagination and pursuit of new forms of personal and social well-being.” I would propose for this the false myth that the term “nonprofit” is synonymous with, or bears any significant relation to, philanthropy.

The second is a “myth” in the dictionary sense: “a traditional story, esp. one concerning the early history of a ... natural or social phenomenon....” I would propose for this the Classical Greek myth of Prometheus, as first told in *Prometheus Bound*, long attributed to Aeschylus, in which (line 11) the word and concept *philanthropos* (“philanthropic”) was apparently coined. As the archetype of authentic philanthropy down through the ages, this myth is well qualified to inspire and nourish our current and future “imagination and pursuit of new forms of personal and social well-being.” In its context, the absurdity of “nonprofit” as describing philanthropy is fully illuminated.

## ***I. The Bad Myth, to be Extirpated***

Eradicating the first myth will take extensive, though not very exhausting, work. We shall not have to dig deeply, because its roots are shallow—it was coined only recently, in the late 20th century. Nonetheless, as with many invasive-exotic (let’s face it) weeds, it has spread extremely quickly and will therefore be hard to extirpate completely. Used precisely, as its originator the IRS does, it refers to corporations that do not make taxable profits. What the IRS does is tax, and what it taxes are profits; in ordinary English, by “nonprofit” [“501(c)”] the IRS means for itself “does not matter.” To the wider world, “nonprofit” means only “tax-exempt”: institutions including such things as almost all clubs, including yacht and country clubs; trade associations, which exist to benefit their members; cemeteries, which have a “nonprofit” designation all

their own; alumnae associations; special-interest lobbyists; and many others, none of which are ordinarily considered, or are in practice, philanthropic.

We needn't detain ourselves with the many fallacies and disadvantages in conflating "nonprofit" and philanthropy—several of us have already published on this subject, showing in detail how and why it is ridiculous. But we haven't succeeded in getting rid of it because you can't fight something with nothing. Our time is better spent constructively—considering alternatives, and how we might collaborate to replace it, and then proceeding from here to accomplish that. This would be a truly "philanthropic" project on our part—a "private initiative for public good, focusing on quality of life." It would also be timely, because computerization and the Internet now enable us to move beyond crude IRS data and terminology, and to develop for the first time an empirically accurate and far more useful knowledge and understanding of philanthropy as it actually exists, is institutionalized, and practiced.

The only way I know to clear away the underbrush in the IRS data thicket is simply to look at the evidence, the data itself—to go down the Master List of such institutions one-by-one, sorting philanthropy from the rest, and using search engines to identify those whose names are opaque (charities will soon learn to name themselves clearly, for online donor-friendliness). The *Catalogue for Philanthropy* has done this for Massachusetts, and we plan to do it for all other states as well over the next two years. I know of no equivalent effort elsewhere, certainly not on this scale. We brought to this task, from our previous decade of experience promoting philanthropy to donors, two necessary tools.

The first tool is a systematic *taxonomy* of philanthropic fields. There are innumerable *lists* of philanthropic fields, but we know of no other systematic, comprehensive, taxonomy—the so-called "National Taxonomy of Exempt (note the negative) Entities," which originated with the IRS and which everyone uses, is technically not a taxonomy at all, because its fields bear no logical relations to each other. The *Catalogue's* taxonomy is based on three fundamental and closely supplementary fields: **Nature**—charities dealing with our natural environment; **Culture**—charities addressing what humans make and think; and **People**—charities serving people. These categories, being ontologically fundamental, are extremely stable (ultimately deriving from Classical Greek philosophy: *Physica*, *Meta-Physica*, *Ethica*) which is a prerequisite for rigorous scholarship, and for latitudinal and longitudinal data analysis. These three categories cover all charities, and are amenable to logically connected divisions and subdivisions—

“Culture,” for example, is divisible into Education and Arts; Education is divisible into Formal and Informal, Arts into Material and Performing; and so on. We have developed our taxonomy collaboratively since 1997 with charities, donors, and fundraisers; as more and more charities were included in successive *Catalogues*, it was logically elaborated into about 200 distinct taxa or fields, subfields, etc. A senior research officer at a leading philanthropic data firm wrote to me, “Taxonomy is HARD!” And so it is, which is one reason (but only one) why it was not done before this. We do not claim that ours is perfect, or complete, or impossible to improve upon—in fact we welcome suggestions—and we are well aware that even the oldest taxonomies in science, while fundamentally stable, are still works in progress today.

The second tool we developed is an institutional *typology* appropriate to practical philanthropy. All charities are of at least four types, defined by their development trajectories and modes of operation: (a) those of **internal** interest, serving and being supported by their members—clubs, essentially; (b) those of **local** interest to a particular geographic area, serving only that locale, and being supported by its inhabitants; (c) charities of **general** interest, addressing broad public issues and fundraising from the general public—these are what most people think of as “philanthropy”; and (d) **mega-charities** (the relatively small number that have very large budgets and substantial endowments, who combine all three previous types and then have issues of their own owing to their extraordinary size. Harvard, to take an extreme example, is of *internal* interest to its students, alumni, faculty, administrative staff, and certain wannabees; it is of *local* interest to its municipalities, Cambridge and Allston; it is of *general* interest, not so much as Harvard itself, but for the many programs and projects within it that are of general philanthropic interest; and finally there are certain issues that accrue only to institutions with immense endowments. This typology is useful for analytical and strategic purposes, and for central institutions such as community foundations, to develop complementary strategies and programs for the local and general types.

With this typology and taxonomy we have deconstructed the IRS 990 data and organized its philanthropic subset—i.e., “private initiatives for public good, focusing on quality of life, and significantly dependent on private grants and donations.” What emerges is a new, empirically-based, portrait and dataset of “philanthropy.” To present this publicly for further refinement by the charities themselves, and to make it useful for everyone, we shall be launching online in late fall 2010, a systematic, comprehensive, analytical, *Massachusetts Philanthropic*

*Directory (MPD)*. The *MPD* will be the prototype for a complete nationwide set of state-based *Directories* to all charities of general philanthropic interest. For the first time, entire philanthropic communities, together constituting the nation's philanthropic community of charities, will be fully easily, and systematically, visible, accessible, analyzable, and even manageable, as a discrete, comprehensive, and coherent, whole.

What is the relation of this philanthropic subset to “nonprofits?” Quantitatively, it is only a small fraction of the whole—we believe less than one-sixth. This has enormous ramifications for practical philanthropy. The much smaller number, divided and subdivided into over 200 fields and many geographic regions, makes the world of philanthropy significantly more compassable, comprehensible and manageable—one can get one's heads and arms around the whole and its parts. Fields of philanthropy, and philanthropy itself—not just individual charities—will be illuminated as subjects of inquiry, discussion, analysis, investment and strategic development.

Philanthropy is on the verge of becoming systematic. Partly because the philanthropic universe is now seen to be much smaller, and partly because it is coherently and clearly organized in donor-friendly terms, it opens up a new paradigm for relations with its various interested constituencies: donors, grant makers, philanthropic advisors, executive directors and other strategists, journalists, scholars, students, etc.

Needless to say, with the relevant evidence now readily available, using (or confusing) the terms “nonprofit” and “philanthropy” interchangeably will be blessedly *passé*.

That leaves, however, the matter of settling on better terminology, for which the English language is more than adequate. The biggest need is for an affirmative rhetoric. We could always refer to individual organizations as “philanthropies.” Another term that technically refers to all philanthropic institutions is “charities,” because in law and the tax code they are all “charitable corporations”—i.e., tax-exempt, and to whom contributions are tax-deductible—including both public charities and private foundations. Other terms that have been proposed are: “public benefit organizations” (PBOs), “benefactors,” “beneficial corporations,” etc. The philanthropic cohort (whether a “sector” or not is debatable) has been called the “benefit sector,” or in slang the “benefactory.” These linguistic issues will sort themselves out, once we decide to excise the egregious, negative, and mythical term, “nonprofit.”

## II. *The Good Myth, to be Revived*

Whereas the bad myth about philanthropy needs uprooting, the good myth needs transplanting—out of the shade of the overgrown IRS and into the full sunlight of civil activities and liberal education. Philanthropy’s roots are in the well-known myth of Prometheus, as formulated probably by Aeschylus, the first great dramatist of ancient Greece, in his *Prometheus Bound* (ca. 460 BCE). Prometheus’s name meant “foresight” (a necessary attribute of benefactors), and he was a Titan who created mankind out of clay. His creatures, however, were at first primitive and not inspiring—they had no knowledge, nor skills of any kind, and consequently lived in caves, in darkness, in constant fear for their lives. Zeus, the tyrannical king of the gods, resented Prometheus’s enterprise and decided to destroy them. But Prometheus, out of his “*philanthropos tropos*”—his “humanity-loving character” [lines 11, 28]—gave to his creatures two gifts (lines 250-258): fire, symbolizing all knowledge, arts, sciences, technology and practical skills—everything that makes possible and constitutes civilization; and “blind (i.e. unknowing) hope,” or optimism. These two gifts went together, as a mutually-reinforcing pair; with “fire”, optimism is justified, and optimism motivates using “fire” to improve the human condition.

The word as originally coined could not possibly have referred to loving all humans as individuals, because Prometheus’s *philanthropos tropos* preceded the existence of individuality. At that mythical point in time the creatures that would become humans were living like animals, without any individuating knowledge or skills. Rather, it was their distinctively human potential that Prometheus “loved”—what those cave-dwellers and their posterity could make of themselves with fire and optimism. The whole point was that Prometheus’s “philanthropy”—his “love of what it is to be human”—completed their full creation as humans. “Humanity” or humane-ness was a value-laden term; “loving humanity” meant caring about, seeking, and nourishing, human potential, or “what it is to be human.” Prometheus’s philanthropic gifts were not just “good” for the beneficiaries, but empowering—increasing their competencies and improving their prospects as human beings. “All the arts that mortals have come from Prometheus” (line 506). This explains why both Greek words *philanthropia* and *paedeia* (meaning “education” or “culture”) were later translated into Latin as simply, *humanitas*.

These Classical understandings of the concept of philanthropy form the authentic tradition that is one of the most profoundly influential ideas in the history

of Western thought. After creating the Classical tradition of liberal education, it hibernated in forgotten manuscripts in medieval monastic libraries, and was recovered with the rest of Classical civilization during the Renaissance. Pico della Mirandola retold the myth in his famous “Oration on the Dignity of Man,” asserting that it is this capacity to improve our own condition that distinguishes humans from all other animals. The word entered the English language with Sir Francis Bacon’s essay *On Goodness* (1608) in which he defined “goodness” as “the affecting of the weale of men, what the Grecians call *philanthropia*.” Henry Cockeram, in his first English dictionary (1623) did a Ciceronian U-turn, making “philanthropie” a synonym of “humanitie.” English colonists brought the idea to America, as in Cotton Mather’s best-selling book *Bonifacius, or An Essay Upon Doing Good* (1710), which influenced both Benjamin Franklin and Paul Revere. When the American Revolution connected the practice of “voluntary associations” with the concept of philanthropy developed by the Scottish Enlightenment, it explicitly informed the birth of our nation. Alexander Hamilton launched the Founders’ argument for the ratification of our Constitution by noting, in his opening paragraph of the *Federalist Papers* that the American people’s creation of their own free and democratic government “adds the inducements of philanthropy to those of patriotism.” Thus the United States of America was created as a gift to mankind, squarely in the Promethean tradition. I submit that this classical view of philanthropy is therefore very well qualified to inspire our “imagination and pursuit of new forms of personal and social well-being.”