

More Thoughts from Philanthropy Thinkers

07.23.19 | Linda J. Rosenthal, JD



In June, we posted [Philanthropy Thought Leaders: Hot Topics](#) to highlight just a few examples of the useful and provocative commentary popping up regularly from expert observers and leaders of our sector.

Continuing on this month – and it may turn into a regular series – we present introductory tidbits and links to a few more worthwhile articles with a “philosophical ‘big-ideas’ tone.”

- ***Native Wisdom: A Review of Edgar Villanueva’s Decolonizing Wealth*** (June 20, 2019)
Michael Seltzer, Distinguished Lecturer at Marxe School of Public and International Affairs, Baruch College, CCNY, and Board Chair, Gbowee Peace Foundation Africa-USA

One of the recent books having a significant impact in the philanthropy community is [Decolonizing Wealth](#) by Edgar Villanueva, an internationally recognized expert on social-justice philanthropy. He has long consulted with nonprofits around the world about “advancing racial equity inside of their institutions and through their investment strategies.” He is currently Vice President of Programs and Advocacy at the [Schott Foundation for Public Education](#).

A prominent blurb on the [website](#) for this bestseller aptly summarizes Mr. Villanueva’s viewpoint: “We have to be honest about the sources of wealth and how wealth was accumulated in this country—a great part of it was on the backs of people of color, and now those communities are benefiting from just a very small percentage of dollars....” The end of this quote is his call to action: “Once you know, how can you not be equitable about how you’re distributing the money?”

Certain criticism of [Decolonizing Wealth](#) focuses on challenges to one extent or another of Villanueva’s underlying premise about the sources and distribution of wealth. Michael Seltzer, though, is a fan. He notes that Villanueva is an admirer of Frantz Fanon, author of *The Wretched of the Earth* (1961), who describes the “necessary conditions for the overthrow of colonialism”; that is, a “whole social structure being changed from the bottom up.”

Mr. Seltzer describes *Decolonizing Wealth* as “... perhaps the **most refreshing and insightful** of the recent spate of books on foundations” because of Villanueva’s “... spotlight on how colonialism has been perpetuated and the importance of eliminating its persistence in today’s wealth and philanthropic circles in particular.” He also lauds the author’s “eye-opening prescription of how foundations can dismantle the power divide that has historically separated funders from those nonprofit organizations that seek their support.”

Villanueva “differentiates himself from many of philanthropy’s contemporary critics” by “focusing our attention specifically on the grantor decision-making process.” Villanueva’s current work at the **Schott Foundation for Public Education** involves overseeing grant investments in the U.S. for education justice campaigns; he also has the insight of being a member of the Lumbee tribe, “the very first people on the North American continent to experience directly the arrival and invasion of Europeans.”

An important aspect of *Decolonizing Wealth* is that in conjunction with Edgar Villanueva’s “calls for foundations to give up or share control in decision-making with the people most affected...,” he highlights certain foundations that have taken “modest” steps in that direction, discussing, among others, San Diego’s Jacobs Family Foundation and Philadelphia’s Bread and Roses Community Fund, formerly known as The People’s Fund.

- ***Choking charities: the latest ‘woke’ assault*** (June 7, 2019) James Piereson, senior fellow at the Manhattan Institute, and Naomi Schaeffer Riley, resident fellow at the American Enterprise Institute.

Mr. Piereson and Ms. Riley, it’s fair to say, observe the issues of the day facing philanthropy from a decidedly different perspective and ideology than Edgar Villanueva or his reviewer, Michael Seltzer.

They discuss what they believe is a misguided and flawed public debate about so-called “tainted money”; that is, when – or if ever – a nonprofit institution should refuse it from uber-wealthy donors or return contributions already made. Referring to certain of the “latest ‘woke’ assaults” making headlines recently, they point to decisions by the Metropolitan Museum of Art, the Tate Modern, the American Museum of Natural History, and the Guggenheim to reject (or return) money from Sackler family members who have been tied in one way or another to Purdue Pharma, of opioid crisis notoriety.

Another example Mr. Piereson and Ms. Riley include in the “‘woke’ assaults” category are is the clamor for the Whitney Museum of American Art to eject one of its vice chairmen who is CEO of a company “which activists claim has been used against migrants at the border.” Similarly, they point to controversy about “...the Koch family” which “has been the subject of such protests for years because, the activists claim, their businesses contribute to greenhouse-gas emissions and global warming.”

The authors take issue with the premise underlying this current debate over “tainted” donations partly because, they write: “Making money in a way that ‘imposed harm on other people’ is a subjective and broad category.” More particularly, they argue, “such a mix of benefits and losses often comes with the accumulation of wealth. Many products that have created personal or family fortunes have brought great benefits to society along with some collateral damage.”

They also discuss a current idea proposed by certain commentators including Robert Reich, Stanford professor and author of *Just Giving: Why Philanthropy Is Failing Democracy and How It Can Do Better*. He argues that “nonprofits can be complicit in reputation-laundering of their donors. If the donor made money in a way that was illegal, or imposed harm on other people, philanthropic use of the money does not balance the ledger.”

The authors’ response: “Donors don’t donate to charities to cleanse their reputations This is a crude fairy tale.” The uber-rich are like everyone else: they “give their money away primarily to help others or contribute to some public good.” They disagree with “the critics’ view” that “business and wealth are inherently bad and charities exist to balance the moral scales. In fact, our great charitable institutions are creatures of the business system and the wealth it generates and continues to create.”

Charity leaders, Mr. Piereson and Ms. Riley assert, “should generally reject activists’ calls to ban specific donors on debatably moral grounds” because they will end up “soon banning everyone,” and lose their own jobs as well as depriving the nation “without financial support” for our “most cherished institutions.”

Conclusion

We’ve covered these issues and the debate over “tainted money” in many earlier posts over the years. This topic shows no signs of disappearing any time soon.