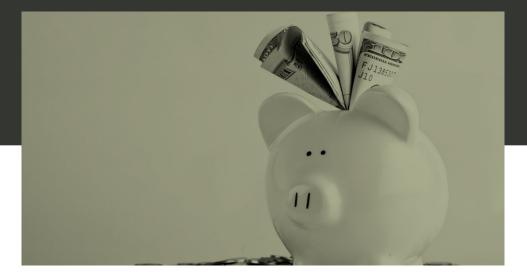
F P L G FOR PURPOSE LAW GROUP

NONPROFITS: FUNDRAISING & DEVELOPMENT

Thanks for Your Generosity, But ... (Part 1)

06.18.19 | Linda J. Rosenthal, JE



"Everything for Notre Dame, nothing for Les Misérables"- protest sign

The visual and emotional horror of watching The Cathedral of Notre Dame engulfed in flames on April 15, 2019, grabbed the attention of the world that day and for some time afterward. Media here and abroad stopped in their tracks, providing massive coverage led by the top news anchors.

The result was an immediate outpouring of philanthropic generosity; "in just two days over \$1 billion had been raised for the Cathedral's eventual rebuilding, much of it coming from mega-donors." "The <u>outpouring of generosity</u> was primed" when four French, ultra-rich donors made gifts totaling more than \$400 million.

Was the Generosity Warranted?

But "... just as quickly, others spoke up <u>to question</u> whether rebuilding an edifice, even one so prominent, was more important than meeting the needs of homeless, sick, or hungry people." A <u>contrast was made, too</u>, with the international aid appeal that went out in the wake of Cyclone Ida ravaging Mozambique earlier in April. There was a staggering \$773 million in direct economic losses alone. The U.N.'s initial fundraising appeal was for \$282 million; by April 20, 2019, just \$74 million had been raised, an "...outpouring of support [that] has only nipped at the short-term needs."

Responding to these arguments, others asserted that the criticism of the generosity toward Notre Dame was unwarranted. For instance, in <u>The false choice between helping Notre Dame and helping</u> <u>poor people</u> (April 20, 2019), the purposes of charitable giving are considered: "What should we make of the competing priorities? As potential donors, how do we assess where our money would be best allocated? And should we be criticizing other people when they donate to causes, we think are less important?" There need not be a conflict between "rational and emotional motivations" for

charitable giving; "both have their time and place" and "the wise donor recognizes which motivation is stimulating their giving and is comfortable with that direction."

Martin Levine, writing for The Nonprofit Quarterly in *Notre Dame, Mozambique, and the Purpose of Giving* (April 23, 2019), poses another query: "...is rational philanthropy better than giving motivated by emotion?" He points out that, for some time, there have been "efforts to establish metrics that can determine the highest and best uses of giving, often described as effective altruism." If that perspective is applied, donors would "consider the importance of the problems ... and the impact their gifts will have." He suggests that the rational answer would be to give aid to Mozambique or to any number of other causes before "rebuilding a church, even one with Notre Dame's prominence."

But Mr. Levine also points to ideas raised by NPQ Editor-in-Chief, Ruth McCambridge, in <u>Changes in</u> <u>Giving Patterns: Understanding the Dialectics</u> (October 30, 2017), where she writes that "giving is as much a 'form of personal expression as anything we choose to do with our spare treasure and time'" and that, even with great metrics available, it isn't necessarily "possible or preferable to transform giving into a purely rational process."

In <u>Notre-Dame Donation Backlash Raises Debate: What's Worthy of Philanthropy?</u> (April 26, 2019), Paul Sullivan writing for the New York Times takes another worthwhile in-depth look at the debate raised by the overwhelming and immediate generosity of donors to the Notre Dame fire, including the fact that the fundraising largesse came, to a large degree, from a few ultra-rich benefactors. "Some criticism," he writes, "was aimed at donors for not paying their fair share in taxes and thus depriving the French government of the revenue to repair Notre-Dame itself. Others denounced the reputational boost bestowed on philanthropists at a time of national tragedy. And some attacked the premise of giving so much to a damaged cathedral when that money could better benefit social service organizations that could provide food, shelter or a better education to needy citizens."

The Generosity Debate Continues

A few days later, Mr. Levine posted a follow-up article in The Nonprofit Quarterly: <u>Philanthropic</u> <u>Defenders Weigh In on the Notre Dame Debate</u> (April 30, 2019). He has continued "raising additional important questions about the nature of modern philanthropy and its responsibility to the public interest."

Indeed, it has – fueled as well by stories like <u>Notre Dame may have too much money after</u> <u>billionaires and others rushed to pledge</u> (April 25, 2019) by Paul Noack writing for The Washington Post. The subtitle of the article says it all: "France ponders how to rebuild Notre Dame after donations pour in." It is a case of too much money coming in so quickly that it will overshoot the actual costs of rebuilding Notre Dame, according to French economists.

[Update and irony alert: As of mid-June, the big donors have not yet turned over the huge amounts pledged; they are reportedly <u>waiting to see</u> plans and contracts for the rebuilding. Small French and American donors are the source of funds to pay Cathedral employees and meet other budget needs since the fire.]

Conclusion



Similar concerns have raised a renewed debate on this point just a few weeks later after billionaire Robert Smith announced on May 20, 2019, at the Morehouse College commencement that he would pay off the entire student-loan debt of all graduating seniors. Tomorrow's post will explore that generous gift and the debate it has sparked.

- Linda J. Rosenthal, J.D., FPLG Information & Research Director