

What's Scary for the Nonprofit Sector at Halloween 2023?

10.31.23 | Linda J. Rosenthal, JD



What were the fears of philanthropy thought leaders as the ghosts and goblins swirled about a year ago? We offered a peek in [More About Scary, But Urgent, Choices for Philanthropy](#) (October 31, 2022).

The “more” acknowledged an earlier post titled [Philanthropy Thought Leaders: “Seven Scary Things](#) (July 12, 2022) that “would have been more appropriate on Halloween, but the topic was too important to delay.” The July 12th entry discussed an insightful article by Philip Rojc, a senior editor at [Inside Philanthropy: Seven Things That Scare Us About the Future of Philanthropy](#) (June 9, 2022).

Mr. Rojc wrote: “We’re at a crossroads; ... Society’s challenges are deep and urgent. There are existential choices: not way off in the future but right now....[I]t’s pretty safe to say we’re living in ‘an era of [intense philanthropic churn](#).’”

Could (and would) we – as a significant sector of society – thoughtfully wade through the chaos and confusion of a post-pandemic world? Would we make the right or wrong choices?

The July 12th (2022) Post

“For a long time,” wrote Philip Rojc in [Seven Things That Scare Us About the Future of Philanthropy](#) (June 9, 2022), “foundation-led grantmaking has been the way that philanthropy has shaped ‘how the nation’s organizations address the issues of the day.’ But that traditional paradigm is too ‘passive and benign’ to capture ‘... the [true influence of the mega-funders](#)’ of today.”

After all, mused Mr. Rojc: “We’re in a ‘New Gilded Age’ that is likely to be ‘... just as formative for ... charitable giving as the last.’”

So the challenges for the nonprofit sector were – in the summer of 2022 (and perhaps still are in the autumn of 2023) – not the mundane hassles of everyday life in a nonprofit organization. Instead, they mirror the big troubling issues of our era, the megatrends. In the nonprofit context, this means the “brave new world of billionaire disruptors, bulging donor-advised funds, politicized funding, and forceful structural critiques.”

So Philip Rojc’s “non-exhaustive list” of “seven scary possible futures for philanthropy” were:

- Billionaires doing too much
- Billionaires doing too little
- Billionaires doing too little
- Black box (secrecy; lack of transparency)
- Rampant politicization
- Talk instead of action
- Reforms beaten back

The October 31st (2022) Post

By Halloween, there had already been “several additional seven-item lists to ponder” about what the future of philanthropy might look like in the United States.

Another Rojc Article

Philip Rojc had, himself, penned an additional article: *Seven Problems That Have Defied Philanthropy* (August 23, 2022), *insidephilanthropy.com*. His premise: “Despite the best of intentions and huge amounts of money, time, and expertise, philanthropy doesn’t have a particularly successful track record with certain intractable problems.” His new list of intractable problems:

- Opioid epidemic
- Obesity
- K-12 education
- Housing and homelessness
- Gun violence
- Nuclear weapons and arms control
- Racial inequality – education and residential stratification

Is philanthropy “dropping the ball” on some of the biggest challenges of American society today? Or are these problems not reasonably solvable?

Phil Buchanan Article

Next up for discussion of scary challenges for philanthropy in America: an important article by Phil Buchanan, president and CEO of the Center for Effective Philanthropy (CEP).

In *Big Changes and 7 Big Questions for Big Philanthropy* (October 18, 2022), Mr. Buchanan observed: “It’s remarkable to reflect on how much has changed since 2019, when big philanthropy was wrapped up in self-critique prompted by a range of high-profile critics.”

Nevertheless, early in the pandemic crisis, big philanthropy stepped up quickly and generously. Certainly, the rapid spread of COVID-19 was enough of an upheaval to jolt the major funders into dramatic action, making long-overdue changes in their policies and procedures in order to funnel money where it was most needed. But on top of the COVID-19 catastrophe, America's long-ignored racial-inequality and injustice problems bubbled to the surface. At last, they became too obvious to ignore, prompting additional spurts of interest and money.

So far, so good. But Mr. Buchanan wondered if the admirable funding changes would stay in place even after the pandemic subsided. So he made his own seven-point list of "worries about philanthropy's future; namely:

- Will the grant-practices reforms stay in place or be withdrawn?
- Do the racial-equity advances survive or be pushed back by "an orchestrated backlash" or by complacency?
- Does philanthropy at last step up on climate change?
- Can philanthropy successfully balance the need to counter polarization with the need to call out extremism?
- How can philanthropy best act to protect our democracy?
- Are we headed into a recession?
- Will household rates of giving to nonprofits continue to taper off? How will that affect perceptions of legitimacy of the nonprofit sector and philanthropy — and will that translate to legislative changes?

More Concerns and Worries

Our post from last Halloween then shifted away from this or that list of seven items. In the late summer and early fall of 2022, important voices provided thoughts and observations about more scary matters too important to ignore.

Among these articles were many about the dangers of concentrations of wealth and power. See, for example: [*The shift from charity to philanthropy*](#) (August 13, 2022) Felix Salmon, *axios.com*; [*Gilded Giving 2022: How Wealth Inequality Distorts Philanthropy and Democracy*](#) (July 2022) Chuck Collins & Helen Flannery, *ips.dc.org*; and [*Understanding Power And Philanthropy—It's Complicated*](#) (August 4, 2022) Dr. Charles Owubah, Forbes Nonprofit Council, *Forbes*.

There was also excellent commentary on transparency and trust issues, including: [*Leaders Must Confront Declining Trust in the Nonprofit World — Before It's Too Late*](#) (August 2, 2022) Greg Berman, *philanthropy.com*; and [*If Foundations Want to Encourage Transparency, They Should Look in the Mirror*](#) (September 28, 2022), Clara Miller, *philanthropy.com*.

In addition, there were many new posts on politicization and dark money. See, for instance: [*Reforming §501\(c\)\(4\) organizations*](#) (September 26, 2022), Craig Kennedy, *philanthropydaily.com*; and [*Dark Money Groups Operate With Impunity While The Government Does Nothing*](#) (May 6, 2022) Roger Wieand, *campaignlegal.org*.

Conclusion

“We’re at a crossroads,” facing immediate challenges. Since “change is not only desirable, but inevitable, making the right choices about which changes we pursue and which changes we fight’ will be critical.”

That’s how we concluded *last* Halloween’s post.

This year, we wonder: How have these fears and forebodings from a year ago held up? Did we worry too much or too little? Have we made any headway? Are some items worse than before?

The advice tonight is the same as in 2022: In the next few days, gobble up the leftover Halloween candy but perhaps also “chew on some of these important but not necessarily easy-to-swallow commentaries.”

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