

Why Philanthropy Needs a New Story

The story of philanthropy is not static; it evolves with every new challenge faced. Recently, the calls for reform have been loud and clear – to unlock the billions locked up in endowments, remove “direction and control,” and shift to more reciprocal relationships.

For many, the word “philanthropist” conjures up old-timey images of the golden-hearted titan of industry or the giant in the community. Western culture is stamped with large gestures of private generosity in pursuit of the public good, immortalized on buildings and in statues. The star of this story is benevolent, selfless even, a hero.

But this is simply not true. It is a tall tale that does more harm than good, and it is in need of a major rewrite.

Earlier this year, Toronto Foundation hosted a dialogue between Senator Ratna Omidvar and Community Foundations of Canada CEO Andrew Chunilall on the state of philanthropy. It was one of a series of events that have popped up in a short period of time that challenge conventional norms of philanthropy. At this gathering and others, the calls for reform were loud and clear, and we welcome them.

In Canada today, there is more than \$116 billion locked up in the endowments of private and public foundations. This means that wealthy individuals and families receive significant personal tax benefits for negligible community return. The private markets gain as these dollars are typically

invested in traditional financial vehicles. But the charitable value that ensues will take decades to be realized.

Endowments are the sacred cow of philanthropy. For years no one could touch them. In fact, even raising the question was considered impolite. Why is this when community benefit is what philanthropy is supposed to be about?

During the virtual conversation, Yonis Hassan, co-founder and CEO of the Justice Fund, nailed it when, through the online chat, he referred to endowments as “citadels of perpetuity.” The military reference is apt, as entrenchment is real and unyielding when it comes to the deep roots of institutional philanthropy. Emerging leaders like Hassan are helping to break down these walls by asking questions that had previously been off-limits.

The legal construct of “direction and control” also came up in the conversation. It ensures that a small group of insiders decides what’s worthy of charitable donations and what isn’t. The very definition of charity is being challenged, and it’s high time. The last time it was considered was more than a century ago.

At the core of this story is a paradox. As endowments grow, so does inequality. The gap between the wealthiest in our society and the poorest is also on an upward trajectory – two co-existing realities that cannot be ignored.

To be clear, we are not casting the philanthropist in the role of villain.



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Canada is blessed with a growing community of givers who are rebalancing the relationship between personal interest and collective impact. They're doing it in creative ways by shifting the power dynamic between giver and recipient so that community can decide its own future rather than relying on the false altruism of others. And they're reshaping the levers of capitalism by measuring return on investment more expansively to include social and environmental benefit as well as financial. We need more of this. A lot more.

At another recent gathering, the inaugural Black Leadership in Social Impact Summit, philanthropy was once again in the firing line. Liban Abokor, executive director of Youth LEAPS and founding member of the working group for the Foundation for Black Communities, told the crowd that he “despises” the word “philanthropy.”

“Names matter,” Abokor said. He talked about the need for a shift from (benevolent) giver and (lesser-than) receiver to a new reciprocal relationship. “I have never given or donated. I have returned ... so what I've taken from the pot, I've simply returned, for others to benefit as well.”

This idea of reciprocity is not new. It is core to Indigenous worldviews, where we see the roots of philanthropy if we care to look. Canada played host to The Philanthropy Workshop in March, the first time our country has

welcomed this global network of givers. On the stage was another refreshing and powerful voice in philanthropy: Kris Archie, CEO of The Circle on Philanthropy and Aboriginal Peoples in Canada (The Circle), had the audience spellbound. A natural-born storyteller, Archie is driving the decolonization of philanthropy through her clarity of vision and gift for public speaking. At the heart of this work is the deep understanding that everything is rela-

tional, that people and planet are symbiotic. Archie posed a fundamental question for philanthropy: “How do we support and fund living systems and people who are connected to place? That will transform the world.”

We are grateful that the story of philanthropy is not static; it is evolving and improving with every new challenge. With leaders like Hassan, Abokor, and Archie holding the pen and the microphone, we can't wait for

the next chapter.

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