

Indiana Grantmakers Alliance fall conference on “Fearless Philanthropy”

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Transcribed from extemporaneous remarks

I didn't watch the Country Music Awards last night, but I love country music. It started to lose me when Hank Williams Jr. cleaned up his act, but it's still my favorite genre. So Taylor Swift... Now, it's easy to be fearless when you are 19 years old, but since everybody here looks to be in their twenties and thirties, it becomes a little more difficult, right? Just wait until you are 40.

I love the theme you chose for this day, this meeting. It's not only alliterative, it's absolutely timely and it's upbeat. You know, they say the Lord loves a cheerful giver. Well, it's hard to be cheerful if you are cowering in fear. I am impressed about what that label alone says about the Alliance, which I have admired for a long time, and about how you are approaching these difficult times.

I come first of all out of gratitude. I am enormously grateful, as a former grant-seeker, for the work you do and the diligence that you put into it. I have never met anybody in the grant-giving world who wasn't very, very careful, and reflective, and responsible about the way they approached their duties.

I am grateful as your public employee for the ways in which private action in our state, as much as any I know, finds a way to come to the aid of those who need it and to fill in the gaps of those things that either can't or shouldn't be done by the coercive, collective action of government, and to sustain it in downturns like this. I am just grateful as a citizen, and days like this remind me how grateful I am, to be a citizen of a state and a nation with a tradition of philanthropy. I want to finish on that, because I suppose it is obvious to a degree in this room, but if we ever start to take grant-making for granted, we are taking huge risks and we are ignoring a proud part of our history and culture.

They say that expert advice is a comfort even when it is wrong, and I know that you all are getting a lot of expert advice. Well, I don't have any for you today, but I have been reading some lately, things about your walk in life and the work you do tend to catch my eye, and I have seen several articles recently. Everyone has their own take: “You should give a higher percentage in times like this, you should give more to operating, more multi-year grants.” I don't know, this is for you to decide. There are probably no two answers alike, you all represent different organizations with different missions, different instructions from whatever great person or entity gave birth to your funds, and so please be true to those and to your own special way of helping.

I certainly want to affirm and applaud the mission that I read for this alliance, in particular its emphasis on the word effective. “Effective grant making during times of scarcity.” You're in such a funny and unique business. One way or another, you may not pay taxes, but I see you as businesses. You are in the business of doing important work.

Your business is harder in certain ways. People may think it's not, people may think it is easy, the money is sort of right there. No it's not, because you do not have the discipline of the marketplace for one thing. If you screw up you don't go out of business. You are in such a uniquely challenged position right now, the businesses I visit with everyday, the for-profit businesses, in a recession their resources drop but so does the demand for their product or services. In your case the resources may have dropped but the demand exploded. So you are sort of under a double challenge right now and I for one notice it, recognize it and appreciate the way I know you are dealing with it.

I look through your agenda and you talk about all the right subjects. I am very interested, maybe I could get a little debrief later on where you came out and what you thought. I think there is some good news out there and many of you are contributing to it. I saw obesity on the list and it is a huge problem, so to speak. [Laughter] I am here to tell you we are gaining ground on this. There's objective evidence that we are falling down the list. We are as high, I think, in one study as third, fourth, or fifth. We are dropping down the list of the most overweight states. Now, it is not, unfortunately, because we got a lot slimmer. We have sort of flattened out while other states have gotten fatter and passed us up. That's a start. [Laughter]

One of the joys of this job is to travel around the state. You won't meet too many people who are in motion more than I and who have been more places than I get to go. There isn't a day on the road when at least one person doesn't come up and tell me their success story. Occasionally it has been our efforts, but very often it has been some of yours or some grantee who is trying to help people concentrate on wellness and preventive health by doing at least some of those simple straightforward things that a Hoosier can do, for instance to moderate their weight. You are having an effect. Unfortunately, there are many areas where it is harder to find proper evidence.

Public education is one. We pour incredible amounts of money there, public and private, and we are still not moving that needle. So we need to be ever more selective and ever more demanding in an affectionate way to see real results. Results, by the way, *are* possible. It is so unfair to pick out any, but there is one I am very, very close to and can testify to encourage you a little bit: the Boys and Girls Clubs of this state. We have been funding a program that is called the Power Hour, and they've embarrassed me here and called it Mitch's Kids. They are seeing unbelievable improvement in reading and math scores with as few as 30 after-hour tutoring sessions with either staff, or most often, volunteers. We test them before and we test them after.

Don't let anybody tell you that the achievement gap cannot be meaningfully dented because almost all the kids in that program are on free and reduced lunch and a high percentage are minorities. But for every such example, there are far too many with the best of intentions and no real results over time, which consume all kinds of time, energy, and money that could have gone elsewhere. If your emphasis here, especially in a moment like this, is to be very, very rigorous about performance, it is so timely and so necessary.

When sitting around last night and this morning thinking about this meeting, and I don't want to go too cosmic on you here, but I hope it is on your mind as it is mine that there are even larger issues that confront us in this area. You know, philanthropy itself, at least on the scale which we practice it, is so distinctly American. You all know this—you are experts. There are not alliances

like this in very many countries in the world. If there are, it's nothing like the breadth, the depth, and the amounts of money, and the giving spirit that makes it possible.

It is so essential, I think, that the whole ethos of philanthropy, the whole tradition, be vigorously supported. I see it under pressure now from things that—apart from the temporary economic downturn—are sometimes explicit, but sometimes below the surface. There is a big argument going on in this country right now: “Is America really different?” Or, as they say, “Are we exceptional?” A lot of people don't think so, and I don't think too many of our young people are taught this in their schools as probably all of us were.

There are certain folks in our country who I believe don't want us to be exceptional and don't think it's a good thing for the world if we are, or if we think we are. Not every country is exceptional. It's an honest debate and we may at some stage no longer be able to tell ourselves or anyone else that America is unique, stands for something unique, lives up to standards that are unique or offers a better model of freedom, government by the consent of the governed, all those things. But, in philanthropy, we clearly are unique. This is simply, this is empirically, true.

There is no tradition of philanthropy, for instance, in Europe. I think a lot of people in our society today seem to prefer a more European model of life: a lot bigger government, a lot less reward or appreciation for high achievement in business. More enforced parity of who gets ahead, who doesn't, this sort of thing. Again—an honest debate. But it is a simple matter of objective fact that in the countries that operate that way, most people don't give away any money at all.

Of course it is natural, if the government is taxing away a much higher percentage of your income, well it's like: “I gave at the office.” Most of those countries don't even think to give a tax advantage to people who give away money freely. This could be tragic in so many ways, I believe, if we follow this rule. So the whole idea of philanthropy, I believe, needs to be affirmed strongly at this point in time.

When is Thanksgiving—two weeks? Our family, to my great distress, is growing up. Cheri and I, ten years ago, created a fund of a certain percentage of everything that was ours, called it the Daniels' Family Thanksgiving Fund, and on Thanksgiving Day, we have a “grant meeting.” Our girls—this started when they were kids and in their teens—are given an allotment of x-thousand dollars and they are told they have to bring a series of grant proposals and we would all listen to them, and the committee would vote. I don't remember anybody's proposals being turned down. Your boards are probably a little tougher than ours. [Laughter] The idea was to make sure they understood, first of all, the blessings that have come to us and the responsibilities of those, but also to think about and be able to make a case for what you might do—of all the choices that are out there—to give back.

This, I think, comes naturally, and has always come naturally. Alexis de Tocqueville found it a long time ago wandering around the American frontier. Voluntary associations—he was amazed, he just hadn't seen these things, even then, in Europe. People were coming together and giving money and those who had succeeded were giving money. It was astonishing then, and it's even rarer today.

So I think that in addition to other challenges we're facing right now, temporarily, and I fully believe this economy will be back at some point, there are an awful lot of people running around telling you what you have to do or how you have to do it, who to give your money to, and all this. You're all too polite. My attitude towards them is: "None of your damn business." [Laughter and applause] You don't want to say it, so let some of us rowdies say it for you. Beyond that, we will need to navigate not only through this economic downturn, but through an attempt, I believe, to usurp a lot of the space that has always been proudly served by private sector philanthropy.

It was suggested I might talk a little about the so-called stimulus program that Congress passed. I thought that was a worthy thing to do, to try and jolt the economy. I thought they could have done it in better ways, but I didn't fault for a minute the idea of Congress trying to do something. But let's just be clear about what they did, even the parts of it that I think were well chosen and worked well. This is borrowed money, our nation does not have it, we didn't even tax it away from people in this case because all the money we taxed is already spoken for. This money was borrowed from the Chinese and people like that. And the people who are "giving it away" are not going to be responsible for paying back the borrowed money. That's going to fall to our children and our grandchildren.

So, without quarreling for a moment with the idea of trying to do something to get the economy going again, this is not a replacement. This cannot be a permanent replacement of the work that you do. If it is, we made a big mistake in my opinion. If the federal government is going to grow permanently from its historic level, which has always bumped up to about 20% of our nation's wherewithal, our GDP, and suddenly has leaped to 25%, if it stays there, it's going to drain first of all, resources that could otherwise come through private philanthropy. That is just arithmetic.

What troubles me more is that we will drain some of the spirit which has always been so prevalent in this country. The spirit of responsibility to do more than just pay your taxes, to go find a way to create foundations, to give to charity, whatever it is, to celebrate and to accept the responsibility that comes with the blessings of freedom. I hope that you will be "fearless" in a variety of ways in this next year, or two, or three. Facing the challenges of a recession, perhaps shrunken endowments, whatever you may be dealing with, with some confidence and some courage—that's such a great feat for most people. But I hope that in your spare time you will also be fearless about advocating for the whole idea of private philanthropy and the need to protect it against interference and dictation from somewhere else, and the need to protect it against the growth of government-state collective action that will finally crowd it out, as it has, to the extent it ever existed, in other countries of this earth.

We do have an exceptional and unique tradition in this country, and no state I know has a stronger one than ours—I am looking at it. I hope fervently that you will be fearless in defending it, and that future governors will be able to come to this meeting and see not only all of you, but many, many more imitators who will follow.