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THE CULTURAL HORIZONS OF CHARITABLE GIVING IN AN AGE OF AFFLUENCE:

THE LEADING QUESTIONS OF THE 21ST CENTURY

BY PAUL G. SCHERVISH*

Overview

In this essay, I set out a new approach to philanthropic decision-making that will have the potential to shape the cultural horizon of wealth and philanthropy to the same extent that the forthcoming wealth transfer is shaping the material horizon.

My thesis is that a new understanding is needed about how:

- (1) the dramatic growth in material choice has spawned new cultural and moral challenges;
- (2) philanthropy will become increasingly prominent as a voluntary path of financial morality and personal fulfillment; and
- (3) the elaboration and implementation of a discernment methodology of conscientious philanthropic decision-making will make charitable giving a formative attribute of personal identity and cultural life in the emerging age of affluence.

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BOSTON COLLEGE CENTER ON WEALTH AND PHILANTHROPY

About The Center

The Center on Wealth and Philanthropy (CWP) is a multidisciplinary research center specializing in the study of spirituality, wealth, philanthropy, and other aspects of cultural life in an age of affluence. Founded in 1970, CWP is a recognized authority on the relation between economic wherewithal and philanthropy, the motivations for charitable involvement, and the underlying meaning and practice of care.

Research Support

Over the past twenty years CWP has received generous support from the T.B. Murphy Foundation Charitable Trust, which funded CWP's groundbreaking Study on Wealth and Philanthropy; from the Indiana University Center on Philanthropy, the W. K. Kellogg Foundation, the Lilly Endowment, Inc., and the Boston Foundation.

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Material Context

Several identifiable forces affecting wealth holders are changing the meaning and practice of wealth and philanthropy. Over the past eighteen years my colleagues and I at the Boston College Social Welfare Research Institute (SWRI) have gained recognition as leaders in identifying, studying, and analyzing these new forces. In particular, our ground-breaking analysis of the forthcoming \$41 trillion transfer—and its validity despite the economic downturn—has changed the way fundraisers, charities, and financial professionals now perceive, articulate, and implement their endeavors. We estimate that an unprecedented \$45 to \$150 trillion in wealth transfer is in the offing over the next five decades, that this will produce at least \$21 trillion to \$55 trillion of charitable giving, and that between 52% and 65% of this amount will be contributed by households with \$1 million or more in net worth.

As bountiful as the foregoing projections are, they are based conservatively on current dispositions toward philanthropy. They do not take into account the potential that, given certain cultural and personal conditions, wealth holders—indeed, the population at large—will become more charitably inclined as time goes on. Charitable giving, while spurred by increased material wherewithal, is advanced even further by deepened spiritual wherewithal.

Cultural Context

The distinctive trait of wealth holders in all eras is that they enjoy the fullest range of choice in determining and fulfilling who they want to become and what they want to do for themselves, their families, and the world around them. Today, increasing numbers of individuals are approaching, achieving, or even exceeding their financial goals with respect to the provision for their material needs, and doing so at younger and younger ages. A level of affluence that heretofore was the province of a scattering of rulers, generals, merchants, and industrialists has come to characterize whole cultures. For the first time in history, the question of how to align broad material capacity of choice with spiritual capacity of character has been placed before so many of a nation's people. For me, the compelling new questions of the twenty-first century for an increasing

segment of our nation's and the world's population are How will individuals fashion their own, their family's, and their society's voluntary financial morality in an age of affluence? How will the vast growth in the quantity of choice be translated into a deeper development in the quality of choice?

The Cultural Horizon of Charitable Giving

In view of the foregoing, I suggest that a spiritually-attuned, biographically-based process of decision making, which I call *discernment*, helps individuals to conscientiously allocate financial resources to charity, in other words, to carry out *discerned philanthropy*. The implementation of such a donor-oriented methodology of financial planning and fundraising will create a more respectful and engaging path toward charitable decision making and financial morality in general.

Our two decades of research on philanthropy have led my colleagues and me to conclude that when carried out conscientiously, charitable giving and the decision-making process guiding philanthropy are formative biographical practices. A biographical practice is the activity that is carried out implicitly or explicitly in view of one's ultimate goal of life. This goal can be described as happiness (Aristotle); or as the realization of social-psychological effectiveness and significance (Maslow); or the unity of love of God, love of neighbor, and love of self (Aquinas). Discernment is the process of decision making in the light of such an ultimate purpose, as Ignatius Loyola discusses in his *Spiritual Exercises*. Discernment, derived from Latin, "to sift apart," is a process of gaining clarity, insight, perception, or sagacity by means of self-reflection in an atmosphere of liberty and inspiration. As applied to philanthropy, discernment clarifies one's charitable capacity, one's charitable aspirations and how capacity and purpose best come together in a specific charitable endeavor.

Specific tasks that are needed to advance the cultural horizon of charitable giving include continued research on wealth transfer and financial capacity; exploring how philanthropy expresses and shapes people's spiritual biography and cultural venue; development of a discernment method of decision making as the cornerstone for elevating the effectiveness and

significance of individual philanthropy; and dissemination and implementation of these new paradigms for donors, fundraisers, and financial advisers.

Several positive implications will ensue. Donors will be more financially and emotionally engaged in philanthropy as they participate in creating a new moral citizenship of care—the array of privileges and responsibilities that result from a voluntary allocation of resources to meet the true needs of others. Fundraisers and

financial planners will be called upon to contribute to the forthcoming moral citizenship by working with donors and clients through a more respectful and engaging process that draws out rather than ignores the dynamics of discernment. Most importantly, exploring the cultural horizon of charitable giving will offer insights and lead to practices that will help foster new directions in the United States and internationally for personal philanthropic decisions and public culture in the forthcoming age of affluence.