Empowerment and beneficience: Strategies of living and giving among the wealthy

Authors: Paul G. Schervish, Andrew Herman

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BOSTON COLLEGE
CENTER ON WEALTH AND PHILANTHROPY

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Paul G. Schervish and Andrew Herman
Final Report of the Study on
Wealth and Philanthropy
Presentation of findings from the Study on
Wealth and Philanthropy submitted to the T.B
Murphy Foundation Charitable Trust
July 1988

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INTRODUCTION

In the oft-quoted exchange between F. Scott Fitzgerald and Ernest Hemingway, Fitzgerald insisted that "The rich are different from you and me." To this Hemingway replied, "Yes, they have more money." Hemingway is certainly correct that having "more money," lots of it, is the *sine qua non* of being wealthy. In its stark simplicity, Hemingway's response highlights the profound truth that in fact the wealthy are very much like the rest of us, even in regard to money. The wealthy are no more enviable or pitiable, no more happy or troubled than anyone else. Nevertheless, Fitzgerald's fascination with the *differences* of wealth and the wealthy suggests a view more conducive to opening up rather than closing off questions about the distinctive significance of money in the lives of the wealthy and about how the wealthy work their way through the world.

Too often, fascination with the lives of the wealthy is satisfied by sensational accounts of either the crimes or cruises of millionaires. We are invited to share vicariously in the pleasures of their houses, vacations, automobiles, yachts, businesses, philanthropies, loves, parties, and other public manifestations of their wealth and power. Robin Leach's "Life Styles of the Rich and Famous" is but one expression of America's attraction to the royal luster bestowed by wealth. Another is the insatiable market for biographies of wealthy individuals and sagas of wealthy families. We also have witnessed the emergence of glossy magazines enshrining the lives and clothes of the wealthy such as *Millionaire, Inc., Money,* and *Entrepreneur.*

For our part, we concur with Fitzgerald's disposition that the distinguishing characteristics of wealth warrant a closer look, but one from the inside rather than from the outside and one that also takes account of Hemingway's sober retort. In regard to money, the wealthy are different in quite specific ways that we will describe. But we recognize that these differences must be uncovered by a careful scrutiny of the dialectical process by which wealth constructs the lives of the wealthy and the wealthy construct the world around them. It is not the trappings that concern us but the distinctive characteristics that differentiate the wealthy from the rest of us in the way they build the world and construct their identities. Our position is that, yes, the wealthy are different, but they are different from the non-wealthy in more fundamental ways than have previously been understood. They are also different from each other in more profound ways than captured by the simple division of the wealthy into the inherited and the self-made.

In the following report we present the major findings from the Study on Wealth and Philanthropy funded by the T. B. Murphy Foundation Charitable Trust. This research was carried out from January 1985 to May 1988 at the Social Welfare Research Institute at Boston College.

In the course of the research we substantially developed our understanding of both of the original terms of the study, "wealth" and "philanthropy." Our findings revealed many insights about the social significance of these realities and about their relation to each other. We discovered that wealth has mainly to do with empowerment--spatial, temporal, psychological, and spiritual--and is best understood within the broader framework of what we call the sociology of money. Philanthropy, it turns out, is not some isolated duty or avocation of the wealthy but an integral part of the way they establish a worldly presence or *principality* and become constituted as subjects with an empowered *individuality*. Philanthropy is not as fruitfully studied from the vantage point of motivations as from the perspective of a range of coherent strategies simultaneously producing social outcomes and shaping personal identity.

RESEARCH BACKGROUND

The leading question of the research was whether financially secure individuals demonstrate a tendency to confront and respond positively to values and desires revolving around the use of time and money for philanthropic purposes. We realized from the outset that we could not properly answer this question without a representative random sample of respondents from all income levels and--even if such a sample could be obtained--that we could hardly expect to find a simple positive correlation between wealth and social virtue. In place of such a narrow focus on philanthropy, we turned our attention to the broader issues surrounding the meaning and practice of money among the wealthy.

As the research got underway, the general leading question became formulated in a series of specific research concerns surrounding the effect of financial security on shaping the values and activity of wealthy individuals. Primary among these were the efforts to explore the effect of earning or inheriting substantial wealth on the personal financial decision making and social involvement of wealthy individuals; to investigate the extent to which wealthy individuals contribute financial resources or time to achieve non-economic or philanthropic goals; to describe the social concerns and personal motivations informing such commitments; and to discern the broader context of social and personal empowerment resulting from holding extensive wealth.

During the past two decades research on philanthropy has expanded dramatically in response to the increasing recognition of the crucial role played by individuals and non-governmental agencies in defining and accomplishing the public agenda. But with the exception of journalistic accounts and a few path-breaking research studies (e.g., McCarthy, 1982; Odendahl, 1987), the philanthropic initiatives and economic decision making of the wealthy in our society have remained unexamined and hence open to stereotypical interpretations from all sides.

The current research responded to this deficiency not just by providing a descriptive summary of the philanthropic practices of the wealthy but by deriving an understanding of the broader social setting within which philanthropy among the wealthy is situated. This setting includes those realms of meaning and practice that we analyze under the rubrics of the sociology of money, a general theory of the empowerment of wealth, and the definition of philanthropy as the social relation of production that is mobilized by the direct expressions of needs.

Although non-wealthy individuals as a group contribute a greater absolute amount of time and money for charitable purposes, the more substantial per-capita commitment of the wealthy deserves special analysis for a number of reasons. First, the larger more concentrated contributions of the wealthy are often instrumental in establishing or ensuring the continued viability of the philanthropic goals to which the non-wealthy contribute time and money. Second, the contribution of larger gifts often entails a more explicit evaluation of social needs as well as a critical examination of the relative ability of government and the market to meet these needs. Third, contributors of larger gifts, more often than givers of smaller gifts, participate in formal and informal networks of fellow givers who share social purposes and who as a group attempt to encourage others to contribute to these goals. Finally, contributors of larger gifts tend to more actively set, rather than simply respond to, local and national priorities.

Although much of our research focused on the relation between wealth as a financial resource and philanthropy as purposive social action, our objective was also to place this relation in the context of what it means to be a wealthy individual in American capitalism. Thus, in addition to wanting to examine the structure and meaning of philanthropic practices among the wealthy, we also sought to explore the orientations and actions of the wealthy in regard to the production of wealth, the social-psychological construction of individual identity, class consciousness, political-economic ideology, religious or spiritual concerns, and worldly empowerment.

PRESENTATION OF THE REPORT

The body of the report is divided into three parts. Part I is composed of two chapters, the first of which details the research design and analytical procedures we utilized in gaining access to the wealthy for interviews and in generating our findings. This discussion is especially important in view of the recognized difficulty in conducting research on the wealthy. As we point out, our respondents were surprisingly willing to be interviewed and were exceptionally forthcoming in their detailed responses to the full range of our questions. Equally important is our development of methods for analyzing extensive biographical material by which we translated findings from individual stories into broader generalizations.

Chapter 2 summarizes the major theoretical and conceptual findings we derived from our analysis of the interviews about how to make sense of the world of wealth. We locate the study of wealth and philanthropy within the general framework of the sociology of money in order to emphasize the central role of money in the processes of socialization and social construction. We summarize our understanding of the biographies of the wealthy as dramatic narratives embodying the interplay of fortune and virtue in the building of their social world or *principality*, and their personal identities or *individuality.* We go on to identify the distinctive capacities for freedom and empowerment by which the wealthy construct their identities and shape the world around them. Finally, we review our conclusions about the nature of philanthropy as a social relation of production responding to the direct expression of needs. We stress that philanthropy by the wealthy is best understood as a set of distinguishable strategies or logics of social action by which they build their individuality and principality.

In Part II of the report we explore how the wealthy engage in self-construction and world-building. In Chapter 3 we elaborate the conceptual framework by which we make sense of the dynamic relations among money as an objective resource, the self understandings of the wealthy, and how the wealthy mobilize money to extend themselves into the world. We discuss this dynamic in terms of the objective workings of money, the different positions of alignment from which the wealthy relate to money, the process of liminality through which they transform current or construct new positions of alignment, and the tie or bond that links them to their money even when their relation to it is problematic or difficult.

In the remaining chapters of Part II we apply this conceptual framework to the experiences of identity formation and world-building specific to three distinct groups of wealthy individuals. Chapter 4 focuses upon what we call the "liminal inherited," inheritors for whom the fortune of wealth is a burden because it imposes an unwanted and undesirable mode of being and acting as individuals in the world. We discuss the various dimensions of their liminal struggle to construct a new relation to their money that is satisfying and empowering.

Chapter 5 presents our analysis of the inherited wealthy who experience little or no liminality. We find that these individuals pass through an elaborate and sophisticated process of socialized alignment to the knowledge and practices of wealth. This enables them to move easily into positions of social construction where their wealth can be used for the enhancement of individuality and principality.

In Chapter 6 we turn our attention to those who produced their fortune rather than inherited it. In looking at what we call the "entrepreneurial process" of business construction and moral self development, we again find the dynamics of liminality and alignment. We elaborate the rules of entrepreneurship that we call the "productive secrets" of money, setting out the phases through which our respondents move from being subject to the requirements of accumulation and management to subjecting the fruits of their business success to their self-determined purposes.

In Part III we present our findings on the general nature of philanthropy and on the practice of philanthropy by the wealthy. Chapter 7 revolves around our understanding of philanthropy as a production process. We define philanthropy as a social relation matching private resources to unfulfilled needs, stressing the unique character of the signals that communicate those needs. We then account for the empowered position that the wealthy occupy in the social relations of philanthropy. We explain how this empowerment results from their ability to be producers rather than simply supporters of philanthropic outcomes. Finally, we indicate the value of distinguishing types of philanthropic practices as distinct strategies or logics of social action and delineate the elements of such logics.

Chapter 8 summarizes our major findings on philanthropy by detailing sixteen distinct logics by which the wealthy engage in philanthropy. Treating various philanthropic approaches as distinct, internally coherent logics provides a way to distinguish among the various philanthropic activities of the wealthy in a more telling manner than assessing types of motivation or degrees of altruism.

In the Conclusion we return to the leading question of the study regarding the relation between the quantity of wealth and the quality of wants, between money and spiritual development. We discuss the contribution of the sociology of money for understanding the spirituality of money under three rubrics: the exercise of virtue by the wealthy in the realm of money; the moral drama surrounding the personal trans-formations induced by having to deal with wealth; and the potential for and practice of the spiritual secret.

Our major conclusion is that there is no evidence to support the proposition that the empowerment of wealth necessarily translates into more religious or humanistic forms of consciousness and care. However, we have elaborated an understanding of the meaning and practice of money among the wealthy that identifies how a life of wealth touches upon a spiritual life. Even though we cannot definitively answer the question about the relation of financial security to personal development, we believe we have learned to ask the question in the right way. Money may not be the basis for spirituality, but the sociology of money, as we discuss it here, is the basis for understanding the spirituality of money.

At various places throughout the report we make reference to the experiences and words of particular respondents. In order to protect the confidentiality promised to the respondents all such names given to individual respondents are fictitious.

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McCarthy, Kathleen D. 1983. *Noblesse Oblige: Charity and Cultural Philanthropy in Chicago, 1849-1929*. Chicago: University of Chicago Press.

PART I

Studying and Thinking about the World of Wealth

CHAPTER 1

ENTERING AND ANALYZING THE WORLD OF WEALTH: METHODS OF SAMPLING, INTERVIEWING, AND ANALYSIS

SAMPLING DESIGN AND GAINING ACCESS

Sampling Procedures

The findings of this study were derived from in-depth interviews conducted with 130 wealthy individuals in eleven metropolitan areas across the United States, including Boston, New York, Washington, Chicago, Detroit, St. Louis, Miami, Seattle, San Francisco, and Los Angeles. The category of "wealthy" was defined to include individuals with a net worth of at least $1 million or whose gross annual income exceeded $100,000. Ten of our respondents failed to meet either formal criterion of wealth but remain integral to the analysis because they constitute a group of what we call "incipient wealthy." Nine are young adult children of wealthy parents or grandparents who are in line to receive trust funds or inheritances. The remaining individual is an entrepreneur whose business ventures are on the verge of producing substantial equity or income.

Given our novel research question and, hence, the exploratory nature of our investigation, we chose from the beginning a flexible sampling design. In this approach, we began interviewing wherever we could obtain access. On the basis of information garnered from these interviews, as well as from other research, we gradually determined the types of wealthy individuals we would attempt to reach as the interviewing progressed. As a result, we worked to construct a sample that would enable us to discern a wide range of variation in source of wealth, stage in life and business development, occupation or profession, geographical location, religion, gender, race, political orientation, and philanthropic framework.

In addition to issues revolving around the relation between our research purposes and sampling, we also needed to deal with the perennial problem of gaining access to the wealthy. This is especially crucial for interviews such as ours that probe deeply into the private aspects of their biographies. Drawing on the commonsense notion that access to members of elite groups and networks requires winning the support and trust of people within such networks, we developed a strategy relying largely on various lines of referrals to obtain interviews.

First, we selected a small number of individuals who were prominent in philanthropy, education, politics, and business to serve on our Advisory Board. In addition to providing us with perspectives that were often quite useful in sharpening our objectives and procedures, some members of the Board or their assistants provided us with a short list of wealthy individuals who were important in different regional philanthropic, business, or civic affairs networks. Either by personally contacting potential respondents or by giving us a personal letter of introduction, the Advisory Board provided us with access to many of our earliest respondents. The sponsoring foundation also assisted similarly by providing introductions for interviews. In the course of our contact with these initial respondents we requested introductions to other wealthy individuals in these respondents' networks of business or philanthropy who might be willing to participate in the study. It was principally in this manner that we generated our sample by what is commonly known as the "snowball" method of sampling but is more accurately described as a "branching" method.

In order to minimize problems of bias inherent in referral or branching methods of sampling, we carefully monitored the sample as it developed, attempting to ensure that we were reaching a satisfactory level of representativeness in regard to the following characteristics: source of wealth (earned or inherited); level of assets and income; extent of family prominence; level of charitable giving; gender; race; age; political and religious orientations; stage in business development, family life, or inheritance; regional location. As the research progressed we made additional efforts to gain access to particular categories of respondents we had either so far neglected or had not yet realized were relevant to the study. In particular, we recognized early on that we would have to make a special effort to obtain interviews with sports figures, media celebrities, blacks, and women entrepreneurs.

In the end we were pleased that our sample included members of well-known families and a substantial number from among the families and individuals publicized in the *Forbes* 400. But more important for a study that tries to provide more insight into the world of the wealthy than the vicarious spectacle of "Life Styles of the Rich and Famous," and even the iconography of free enterprise heroes found in *Fortune*, *Forbes*, or *Money* magazines, was that we reached a broad range of the more anonymous wealth holders who comprise the vast majority of millionaires. Our interviews with wealthy individuals whose work and lifestyle are less publicly known provided us with a more representative understanding of the moral and social terrain of wealth.

Composition of the Sample

Table 1 details the composition of our sample on the basis of source of wealth, level of assets and income, magnitude of charitable contributions, political and religious orientation, gender, age and regional location. The data for this table comes from a supplementary questionnaire that each respondent was asked to fill out at the conclusion of each interview as well as from information culled from the interviews themselves. Although our sample is not representative of the wealthy population as a whole, we did manage to interview respondents who are quite diverse in terms of economic status and philanthropic activity as well as in their range of political and religious orientations.

Fifty-one percent of the sample are entrepreneurs or professionals who had earned their wealth, while 49% are individuals who inherited the bulk, if not all, of their assets. This distribution puts us in a good position to compare and contrast the effect of achieving--as opposed to receiving--financial security upon the consciousness and behavior of the wealthy.

In terms of the magnitude of wealth, most of our respondents are clearly within the upper echelons of wealth holders in the United States. According to a recent study on the distribution of wealth published by the Joint Economic Committee of the U.S. Congress, the top 1% of wealth holders was constituted in 1983 by households which possessed at least $1.4 million in assets. The top one-half of this one percent of households owned at least $2.7 million in assets. In terms of the composition of our sample, 37% of the respondents whose level of assets we know have a net worth of $1 million-$5 million, while a further 47% have assets over $5 million. For those who are unambiguously within the top one-half of 1%, 19% list their net worth as being between $5 million and $10 million and 28% have a net worth of over $10 million. At the lower end of our sample 15% possess a net worth of less than $1 million. Thus, our sample encompasses individuals who occupy a wide range of positions in terms of financial security and wealth.

Reliable statistics on the giving patterns of the wealthy are hard to come by and thus it is difficult for us to accurately compare the generosity of our respondents to that of the wealthy population as a whole. We suspect, however, that many of our respondents tend to be more generous than many individuals who occupy similar economic positions in terms of assets and income. Given that most of our sample were contacted through referrals within particular philanthropic networks, it is probably biased in favor of the philanthropically inclined. But this fact also enhanced our ability to explore the philanthropic practices of those among the wealthy who are most committed to and influential within such undertakings.

Evidence of the relative generosity of our sample is provided by the fact that, for the respondents who told us the level of their charitable contributions, 58% gave at least $50,000 during the previous year, 41% gave at least $100,000, 13% gave at least $500,000, and 5% gave over $1 million. In light of recently published figures on the proportion of income given by the wealthy to charity, it is clear that as a group our respondents are well above the median.

Our sample was also widely distributed among a number of other demographic and social characteristics. Sixty-six percent of our sample are men and 34% are women. The sample also exhibits a comprehensive, if somewhat skewed, distribution of political ideology and identification. If we divide up the political spectrum into the general categories of left, right, and center, 43% of those whose political identification was specified or discernible from the interviews are on the left, 40% are in the center, and 17% are on the right. For the respondents who indicated their religious affiliations or preference, 18% are Catholic, 24% are of mainline Protestant denominations, 27% are Jewish, 5% are of Fundamentalist denominations, 4% listed some other religious affiliation, and 21% said that they had no religious preference at all.

Finally, the fairly wide age distribution of our respondents enabled us to explore the effects of age and position in the life cycles of family and work on how our respondents handled their wealth. Twenty percent are between 30 and 39 years of age, 21% between 40 and 49, 31% between 50 and 59, and 18% between 60 and 69.

TABLE 1
COMPOSITION OF INTERVIEW SAMPLE

TOTAL RESPONDENTS

Professional Respondents

Female	4
Male	3
Total	**7**

Wealthy Individuals

Female	44
Male	86
Total	**130**

WEALTHY INDIVIDUALS

Source of Wealth

Inherited	**60**
Self-Made	
Professional/Executive	14
Entrepreneur	49
Total	**63**
From spouse	
Inherited	4
Self-Made	3
Total	**7**
Total	**130**

Net Worth
(1985 or 1986)

$250,000 or less	4
$250,000--$499,999	5
$500,000--$999,999	9
$1,000,000--$4,999,999	44
$5,000,000--$9,999,999	22
$10,000,000--$19,999,999	8
$20,000,000--$29,999,999	6
$30,000,000--$39,999,999	5
Over $10,000,000 (but upper limit unknown)	15
Unknown or Refused	12
Total	**130**

Annual Family Income
(1985 or 1986)

$50,000 or less	5
$50,000--$74,999	6
$75,000--$99,999	8
$100,000--$199,999	9
$200,000--$299,999	20
$300,000--$399,999	15
$400,000--$499,999	15
over $500,000	40
Unknown/Refused	12
Total	**130**

Total Worth of Contributions
(1985 or 1986)

$0-$4999	7
$5000-$9999	10
$10,000-$19,999	7
$20,000-$29,999	5
$30,000-$39,999	11
$40,000-$49,999	8
$50,000-$99,999	16
$100,000-$199,999	22
$200,000-$299,999	7
$300,000-$399,999	5
$400,000-$499,999	3
$500,000-$999,999	9
Over $1,000,000	6
Unknown or Refused	14
Total	**130**

Age

20-29	5
30-39	26
40-49	27
50-59	39
60-69	24
70-79	6
80-89	3
Total	**130**

Political Orientation

Left Progressive	26
Liberal	28
Moderate Democrat	24
Moderate Independent	9
Moderate Republican	16
Conservative	18
New Right	2
Unknown or Refused	7
Total	**130**

Religious Orientation

Catholic	22
Mainline Protestant	29
Fundamentalist Protestant	6
Jewish	33
Other	5
None	26
Unknown or Refused	9
Total	**130**

Regional Location

Northeast	
Boston	21
New York	13
Washington, D.C.	3
Total	**37**
Midwest	
Detroit	24
Chicago	12
St. Louis	8
Total	**44**
South	
Florida	9
Texas	1
Total	**10**
West	
Los Angeles area	14
San Francisco area	15
Total	**29**
Northwest	
Seattle	10
Total	**10**
Total	**130**

Respondent Accessibility and Cooperation

As we developed the interview protocol we wondered whether the participants would be willing to answer direct and specific questions about their net worth, income, and charitable contributions. One of the strict rules regarding wealth with which we had to contend was a taboo concerning public discussion of one's money. For many of the wealthy, particularly those who have inherited, talking about money even to friends and family is considered to be something akin to what one respondent described as "speaking publicly about rape and death." Given that the wealthy are often reluctant to discuss their money with people they know, we had doubts as to whether they would be willing to respond to the inquisitive probing of strangers. Moreover, our interview agenda was an ambitious one and we were extremely concerned about how much time the participants would be willing to give to us. We estimated that, at most, people would be willing to devote no more than an hour to the interview.

Much to our surprise and benefit, we found that nearly all of the respondents turned out to be very open and forthcoming. They were quite willing to disclose the financial information we desired and generally offered more detailed and elaborate answers to our questions than we anticipated, often extending the interview to almost two hours. Moreover, they tended to be disarmingly honest in recounting to us intimate details of their family and personal lives. Far from being reticent or begrudging participants, our respondents found the interview to be a positive and enjoyable experience. We presume this was the basis for many of the respondents' being willing to help us make contacts with further respondents, often at their own initiative. In fact, we found that the respondents valued the interview experience to such an extent that we could have had an almost infinite trail of referrals had we so desired.

Our judgment is that this ability to elicit such a high level of cooperation had to do with a mixture of factors. One was the recognized importance of the topic under investigation. Most of our respondents were extremely interested in the research topic and viewed their participation in the study as a way of indirectly contributing to knowledge about the practice of philanthropy and the meaning of money in the lives of the wealthy. But perhaps the most important source of cooperation was the simple therapeutic value of being closely questioned and listened to by someone who was sincerely and unjudgmentally interested in what was being said.

In retrospect, we do not want to minimize the quite substantial barriers to access both in terms of obtaining interviews and eliciting responsiveness. Nevertheless, once endowed with the appropriate credentials and contacts, obtaining interviews with the general population of the wealthy appears to require no more of an effort than obtaining interviews with other segments of society. This is not to deny that obtaining access to the most prominent and insulated echelons of the wealthy, such as chief executives of major corporations, media celebrities, and sports figures will remain a formidable and sometimes discouraging task for social scientists. Rather, it is to point out that first-person investigation into the social world of the relatively large population of the wealthy outside these upper echelons is not as problematic as is generally assumed.

MAKING TALK AND MAKING SENSE: INTERVIEWING, CODING, AND ANALYSIS

Given the nature of our research objectives, our initial research logic was primarily inductive in nature, involving a constant interplay between what the people interviewed said to us, what questions we asked them, and how we understood the stories they told. At the same time, the relatively large number of interviews enabled us to test whether theories and hypotheses formulated as a result of earlier interviews held up in subsequent interviews.

This strategy enabled us more effectively to combine a description of the world as experienced by the wealthy with a theoretical understanding generated from our critical analysis of this experienced world. By continually engaging in a self-critical interrogation of our interview protocol, coding constructs, and analytical categories, we were able to capture the richness and complexity of the narratives we heard yet at the same time abstract from them to construct a broad conceptual and theoretical understanding of the dynamics of wealth and philanthropy.

The Interview Protocol

In accord with our exploratory research purpose, we revised our interview protocol several times over the course of our data collection. These revisions were based on feedback from the interview process itself as well as from our ongoing analysis of the transcripts. Each time the interview protocol was revised, the questions and probes became more effective in obtaining responses concerning the issues we were trying to explore. Further, the revision process opened a space for feedback from the respondents themselves. This led to the development of lines of questioning attending to important dimensions of wealth and philanthropy that we had not yet recognized.

The final version of the protocol emerged from this revision process with an array of questions focused on six basic lines of inquiry:

(1) **Biographical Background.** This line of inquiry attempted to obtain more than simply a personal and professional resume. Rather it sought to elicit a spiritual biography or narrative concerning positive and negative transformations having to do with our respondents' family background, schooling, origin of wealth, business and professional life, and financial goals.

(2) **The Meaning of Financial Security and Wealth.** In this section we were primarily concerned with the subjective meaning of wealth and financial security. In the first version of the protocol we asked about what money can or cannot do for a person's life and the reasons why someone would continue to accumulate wealth even after achieving financial security. By the final version we also asked the respondents to define what it means to be both wealthy and financially secure and to indicate whether they would include themselves in either category. We also inquired about their perspectives on how they planned to

dispose of their wealth, the effect of wealth upon their children and family life in general, and feelings of guilt or regret about being wealthy or how they obtained their wealth.

(3) **Money Management and Resource Allocation.** This section was formulated in order to gain an understanding of both current and past patterns of resource allocation. We asked whether respondents had an explicit budget or set of categories for the allocation of their resources, and about the influences which shaped such frameworks. We also asked about how they learned to manage their money, how their allocative framework had evolved over time, and what changes they envisioned in it in the near future. Finally we inquired about the experiences and perceptions of our respondents surrounding the taboo of discussing wealth and money both publicly and within their families.

(4) **Patterns and Frameworks of Philanthropy.** This was the most extensive and elaborate section of the protocol, covering four aspects of philanthropy and giving behavior. First, we inquired about the character of the respondents' gifts, focusing on the overall patterns of giving. Our probes were designed to get an overall sense of the range of their philanthropic concerns, the form and magnitude of their gifts, their rationale for giving to particular groups, the criteria they employ for deciding whether or not to give, the degree of control they exercise over their gifts, and how all these dimensions of giving had changed over time. We also explored their individual identity as philanthropists in terms of which gifts are most meaningful to them as well as how they perceive their giving to be unique or distinctive. The second aspect of giving concerned what we called the "personal world of giving." Here we asked about the biographical influences on our respondents' giving, how they learn and teach others about giving, the philanthropic networks in which they are involved, and the social pressures that affect their giving. The third aspect dealt with our respondents' ideological and political frameworks of giving. We inquired whether individuals have a particular social agenda they want to achieve with their gifts as well as their perceptions of the social importance of philanthropy. The fourth part of this section focused on unconventional philanthropic activities, such as socially responsible investments and humanistic business practices, that are not conventionally considered to be examples of philanthropy but are, nonetheless, generated out of the same kinds of concerns that inform the philanthropy of others.

(5) **Perceptions of Wealth and Class.** There were two principal lines of inquiry in this section. The first concerned the extent to which wealth conferred a sense of social obligation to contribute resources to community and social service organizations. The second focused on perceptions of whether social classes exist, the differences among classes including their relative social power and influence, and the degree of conflict between them.

(6) **Market and State.** In the final segment of the interview we explored two dimensions of our respondents' political-economic ideology. The first set of questions asked about the advantages and disadvantages of free-market capitalism for meeting social needs and the relationship between wealth and poverty. The second set of questions probed for their values concerning the appropriate roles of government and the private sector in meeting

social needs and directing the economy, their perceptions about which interest groups exert the most influence on government policy, and what major changes they would like to see made in American society.

Coding Procedures

As the protocol progressively reached the point where refinement was no longer necessary, the focus of our research efforts shifted from enhancing the quality of the interviews to making sense of the interviews through the development of coding strategies. Since we built our analytical understanding of the interviews upon the coding categories and concepts we developed, this phase of the research was critically important in the generation of our findings.

Early on in the process of developing our codes, we decided upon a two-track coding strategy involving what we termed a "descriptive" coding scheme and a "thematic" coding scheme. Like the development of the interview protocol, the generation of the coding categories was an iterative process, involving different versions of the coding schemes.

Descriptive Coding. One coding scheme was called "descriptive" because it categorized various topics discussed in the interview with a minimum of interpretation. The purpose of the descriptive coding scheme was simply to serve as a guide to the interview, telling us what kind of information it contained and where it could be located. For each section of the protocol there was a corresponding set of codes designed to summarize the information generated by a particular series of questions and probes.

Thematic Coding. The development of the thematic coding scheme was perhaps the most important step in the analytic process. Over the course of closely reading the interview transcripts, we developed a limited number of core thematic categories. These categories became progressively more sophisticated as we derived specific sub-categories or codes that more precisely delineated the underlying dimensions that constituted each category. In generating these core categories and codes, we built a perceptual prism of second order conceptual constructs--the first order being the raw data from the interviews themselves--through which we transformed the individual interviews into analytic narratives. As such, the thematic coding scheme itself constitutes one of the major findings of the study. It embodies the basic conceptual and theoretical framework shaping our analytical understanding of the interplay of money, identity, and empowerment. As the process of interpreting the interviews evolved, the core categories and their specific thematic codes coalesced into a set of more encompassing interpretive themes or leitmotifs. For us, each theme marks out and comprises a chapter in the stories of the individuals we interviewed. These themes are elaborated in various sections throughout the report but most fully in Chapters 2, 3, and 7. Once elaborated and generalized, these themes came to compose the chapters of our *own narrative of interpretation*, that is, our story of their stories.

Analysis of the Narratives

Our efforts to transform the interviews into analytic narratives, and then to transform these narratives into a broader series of findings, constituted the last major phase of the analysis. The procedures used in this phase of the analysis proved fruitful in producing what eventually came to constitute the major conclusions concerning the personal and worldly empowerment of wealth, the place of philanthropy within a general theory of the meaning and practice of money, and the range of frameworks organizing philanthropic practice.

The first step was translating each interview into an interpretive narrative or thematic profile. This was accomplished through a number of procedures. Each interview was assigned to a member of the research staff who would then assume primary responsibility for producing its thematic interpretation. After coding the interview according to the latest thematic coding scheme available, all the members of the core research staff would read it and meet to interpret it thematically. During these analysis sessions, the staff would review the interview with the purpose of designating its major themes, generating new thematic categories, and specifying how this interview related to others that we had previously analyzed. On the basis of the conceptual and interpretive understandings produced by these collective readings, the individual responsible for a particular transcript would summarize the interview in an analytic memo or thematic statement.

Through these procedures each biographical account became translated into an interpretive narrative organized as a detailed social-psychological profile. It is worth emphasizing that these psycho-social portraits were not simply descriptive summaries of the interviews but thematic interpretations of them. These thematic statements did contain a summary description of the "facts" about our respondents, including their demographic characteristics, level of net worth and income, magnitude of giving, a brief resume of their personal and professional activities, and so on. However, such description was not their primary purpose. More importantly, in each profile we sought to translate the biographical story as told in the words of each respondent into a thematic narrative of the individual's empowerment in relation to money, self, and world. In addition, each profile analyzed in detail the respondent's philanthropic practices, not as isolated events, but as part of the larger thematic drama of the meaning and practice of money. Finally, each statement contained a list of key quotes that could be used in later writing to illuminate particular points and to enrich the presentation of the findings. In the process of writing these thematic statements we developed further thematic insights that we included in the coding scheme and incorporated into subsequent profiles.

A second and concurrent step in producing the major conclusions of the study was to organize the patterns found in these individual interviews into a broader set of generalizations about how the wealthy deal with their money, construct their identities, and shape the world around them. For instance, we were able to demarcate a limited number of dramatic patterns by which the wealthy wend their way through the benefits and obstacles of life, and to designate a variety of frameworks by which they carry out the public practice of philanthropy.

Overall, we elaborated an extensive array of insights all revolving around the distinctive way in which the wealthy act as individuals in the world. We have grouped this array of insights into six core themes that mark out the central findings of our research: the location of wealth and philanthropy within the sociology of money; the life of wealth as a drama of fortune and virtue by which the wealthy become aligned to their money; the relation of wealth to freedom and empowerment; the special hyperagency that accrues to the wealthy in building their individuality and principality; philanthropy as a range of coherent strategies for matching private resources to unfulfilled social needs; and the moral life of wealth as a practice of the spirituality of money.

CHAPTER 2

MAKING SENSE OF THE WORLD OF WEALTH: OVERVIEW OF THE THEORETICAL FINDINGS

INTRODUCTION

In this chapter of the report we review the major theoretical findings that emerged from our study. What we present here is a set of core themes and their associated concepts through which we make sense of and explain the experience of the wealthy. First, we set out the broad theoretical framework in which our analysis of wealth and philanthropy is grounded. We term this framework the *sociology of money*. The sociology of money focuses our attention upon the central role of money in the dual processes of socialization and social construction in which the wealthy are engaged in their daily life. Second, we draw on the framework of the sociology of money to interpret the biographies of the wealthy as the unfolding of dramatic narratives which are structured around what we call the *dialectic of fortune and virtue*. It is through this dynamic interplay of fortune and virtue that the wealthy engage in a process of identity formation, or *liminality*, whereby they learn to move from being disposed over by their wealth to disposing over it. Third, we elaborate our understanding of the distinctiveness of the wealthy as social actors in terms of the specific forms of *freedom* and *empowerment* that can be potentially derived from the possession of wealth. Fourth, we specify how this freedom and empowerment of wealth becomes embodied in the social capacity to create rather than simply work within the institutionally given world. This capacity, which we term *hyperagency*, provides the basis for the construction of their personal and worldly self-expressions in the form of *individuality* and *principality*. Finally, we set out our understanding of philanthropy as an integral expression of this individuality and principality. We define philanthropy as a *social relation of production* matching resources of givers to the needs of recipients. We distinguish philanthropy from commercial and political relations and elaborate a set of specific organized strategies or *logics* by which the wealthy carry out their giving.

WEALTH AND PHILANTHROPY IN THE SOCIOLOGY OF MONEY

The broadest generalization derived from our research is that both of the original terms of the study, wealth and philanthropy, are best understood within a common framework of the sociology of money. By the sociology of money we mean the study of the processes of socialization and social construction in regard to money. As objects of study in the sociology of money, wealth and philanthropy must first be located within the larger understanding of how money in general, and wealth in particular, is a resource of social life that is both constraining and enabling. The major implication of this perspective is to understand that a life of wealth revolves around a dual process of socialization and social construction, or what we also refer to as the dialectic of alignment--first, of oneself to the rules of money and, second, of money to one's will.

On the one hand, money provides a set of rules that must be learned and absorbed for it to be mobilized as a means of self-expression and power. The wealthy become aligned to what we call the objective rules of money or the way money works in the world. Through such alignment our respondents obtain their earliest identity as wealthy persons, an identity that provides the initial understandings and expectations about themselves and money. On the other hand, this alignment to the rules of money imbues the individual with both the conscious desire and the objective means to mobilize wealth as an efficacious resource to shape the world and morally reconstitute their identities. What our respondents narrate as accounts of how they came into their money and what they do with it, we view as socialization to the rules and meanings of wealth. What they recount as their efforts to apply their wealth to an array of business, philanthropic, and leisure involvements, we view as the social construction of those personal and public domains of power we have come to designate as individuality and principality.

BIOGRAPHIES OF THE WEALTHY AS DRAMATIC NARRATIVE

Our reading of the biographical accounts reported by our respondents led us to specify the general interplay of socialization and social construction in three ways: as a dialectic of fortune and virtue; as a progression through liminality; and as a dramatic nomos.

Dialectic of Fortune and Virtue

In recounting their biographies our respondents continually emphasize what efforts they made to utilize the advantages and overcome the obstacles they faced at various points in their lives. We interpret this common phenomenon as representing an underlying dialectic of fortune and virtue by which the wealthy move from being disposed over or socialized by the world to disposing over or socially constructing it. By means of disciplined effort and strength of character--what we call *virtue*--our respondents repeatedly attempt to transform the circumstances with which they are faced--what we call *fortune*--into something better or more satisfying. This establishes a new fortune that in turn requires the attention of virtue.

Liminality

Our second observation is that many of our respondents describe relatively extensive transition periods during which they underwent often profound transformations of identity and social position. Drawing on anthropological and literary studies, we refer to such phases as periods of *liminality* in order to emphasize the root meaning of the term denoting the boundaries between and passage through different stages of being and acting, as in purgation and initiation rites. In such liminal periods the exercise of virtue becomes especially crucial for confronting and transforming those aspects of fortune that impose an identity and a set of practices that no longer reflect how respondents view themselves or the world. By focusing on these periods of liminality, we highlight the intricate process of change by which our respondents move from one stage of their relation to money to the next. For instance, it is by undergoing a liminal experience that successful entrepreneurs search for other avenues of self-expression outside of their business life, or disenchanted inheritors explore vocations separate from the traditional expectations and responsibilities of their family.

The Nomos

Our third point is that for each individual both the dialectic of fortune and virtue and the transitional periods of liminality are set within a broader dramatic pattern of life we call the *nomos*. The term *nomos*, taken from the Greek meaning law or ordering principle, denotes a dramatic progression through identifiable phases of self-development. We designate a specific nomos pattern or coherent set of nomos patterns for every respondent as a way of characterizing the particular language, tone, and imagery by which they recount their experience with the dialectic of fortune and virtue.

There are many specific nomoetic or dramatic patterns. But each reflects a basic tripartite movement from an initial condition through a phase of transformation (liminality), to a new plateau of identity that constitutes the starting point of the next phase of self-development where the dialectic of fortune and virtue gets worked out anew. The most fundamental and encompassing formulation of the tripartite movement is at the *archetypal* level in terms of the ontological progression of life-death-rebirth. Although some biographies can in fact be adequately captured by this characterization, we generally found it possible to further specify the nomos at what we call the *mythic* and *figurative* levels, with the latter constituting particular variations within the former. The four mythic patterns bridging the archetypal and figurative levels are *gnosis* (coming to insight), *purgation* (obtaining reconciliation), *healing* (restoring health), and *initiation* (becoming incorporated).

For example, where an individual biography is couched in terms of an iterative quest for understanding or insight we designate it as an instance of the mythic pattern of gnosis. This gnosis pattern often becomes specified at the figurative level as "the Odyssey." This occurs where the dominant theme in a narrative is one of a continual testing and trial that generates an upward spiral of wisdom and inspiration. By designating the nomos pattern for each individual, we are able to interpret their biographies not as a series of discrete events but as integrated and thematically coherent totalities. In this way we are able to locate the personal histories of our respondents within an analytical framework that goes well beyond how our respondents would spontaneously characterize themselves but remains congruent with the rich imagery and meanings they attribute to their lives.

WEALTH, FREEDOM, AND EMPOWERMENT

Freedom

The essential distinctiveness of the wealthy is constituted by the empowerment they derive from wealth as a material resource. Simply possessing wealth is a resource of empowerment because it confers a two-fold set of freedoms. First, the possession of wealth provides a *freedom from necessity,* from having to produce the conditions of material existence on a daily basis through waged or salaried labor. Second, having fulfilled their material needs, the wealthy obtain the widest *freedom to choose* among alternative realms of involvement, to exercise their talents, to pursue their desires, and, most importantly, to learn how to become efficacious in the world.

Our respondents use the word "freedom" to summarize the fundamental empowering capacities of wealth. However, the actual practice of this freedom reveals three intersecting, but distinguishable forms of empowerment: temporal, spatial, and psychological.

Temporal Empowerment

Temporal empowerment refers to the capacity of the wealthy to overcome the usual constraints of time. Through the empowerment of their wealth they are able to reconstitute the consequences of the past, extend their interests and priorities into the future even beyond their mortality, and to free themselves from the inexorable march of time in the present.

In regard to the **past**, the wealthy do not have to remain passive receivers of what has been bequeathed to them by fortune. The empowerment of wealth enables them to accentuate those aspects of their personal and social past that they deem beneficial and to deflect or redeem those aspects of their biography that are experienced as the burdens or impositions of fortune. For instance, numerous inheritors strive diligently to recast the meaning of their family's wealth by mobilizing their money to engage in what they consider to be more socially responsible investment portfolios, career paths, and philanthropic strategies than their forebears.

As with the past, the wealthy are able to bring the **future** under the control of the present. The empowerment of money enables the wealthy not simply to await the future but to initiate or activate it by intervening in the present to shape the contours of future action. By founding family businesses, endowing foundations, and establishing a structure of trust funds, the wealthy create an enduring agenda that others must operate within or challenge.

It is in the **present**, of course, that the wealthy redeem the past and initiate the future. But also crucial in regard to temporal empowerment in the present is the simple ability to substitute money for that scarce commodity of time by hiring others to perform tasks that the non-wealthy must perform for themselves or cannot perform at all. For instance, the wealthy hire accountants, housekeepers, and secretaries; avoid having to shop around for clothing, cars, and vacation packages; and otherwise enjoy the ability to spend time on the things they want to do rather than on what they have to do.

Spatial Empowerment

Spatial empowerment, the geographical counterpart to temporal empowerment, refers to how the wealthy extend themselves territorially into the world and create a social space over which they exercise control. We find that the spatial empowerment of the wealthy becomes materially embodied in the areas of individual sovereignty, self-expression, and control. Described in this way, the spatial domain of empowerment is much like a castle in that it simultaneously provides a sanctuary of independence, a citadel of command, and an artifactual *re*-presentation of self. Each of these areas is potentially expansive in that it can be organized to encompass an ever-widening portion of the social terrain.

The first and most localized presence of spatial empowerment is the individual as a **physical being**. We refer to this aspect of spatial empowerment as autonomous sovereignty to denote the dual ability to physically move about as one wishes in the world while, at the same time, insulating oneself from the movements or intrusions of others. On the one hand, the wealthy can carefully insulate themselves in sanctuaries of independence that shield them from the unwanted intrusions or demands of others. The wealthy can build a physical and, thus, social barrier around themselves through such accoutrements as limousines with heavily tinted glass, exclusive residences with security guards, and aides-de-camp to screen funding requests and appointments. On the other hand, autonomous sovereignty entails the ability to move freely through the physical world and, therefore, through the social world in pursuit of sites of self-expression and control. This means not just that the wealthy are able to travel widely or avoid the travels of others, but also that they can gain social access even to those people and activities that are themselves spatially protected. The wealthy travel to the schools and vacation spots of their choice; they move freely in and out of business, political, and philanthropic involvements; and they gain personal access to government officials, celebrities and other luminaries.

The second spatial presence of empowerment is through the construction and extension of a **base of command**. A base of command is the array of positions and organizations through which an individual exercises effective control over the way other people act and think. Such power is rooted not just in the legally supported property rights associated with the ownership of businesses, financial investments, and real estate, or with the holding of executive positions, board memberships, and public offices. It derives equally from the non-legally binding exercise of authority whereby individuals exert influence by deciding to fund or not to fund certain causes, candidates, or endeavors.

The wealthy in particular enjoy the ability to establish such bases of command in many areas of life and over a wide territory. As family heads, investors, business owners, philanthropists, political contributors, and board members, they possess the organizational and economic resources for mobilizing and imperatively coordinating the time, skills, and consciousness of others. In this way, spatial empowerment can be understood as a series of material "outposts" of the wealthy, reflections and bearers of their will that have an effective influence even in their physical absence.

The final spatial presence of empowerment is the variety of **artifactual re-presentations** that physically embody and express the personality of the wealthy individual. Whether in the form of an art collection, a home, a business operation, a real estate empire, or a personal foundation, such artifactual re-presentations are not simply lifeless physical objects but active expressions of those values and aspirations the wealthy wish to project. If the notion of base of command emphasizes the organizational capacities of the wealthy to enact their interests, the complementary notion of artifactual re-presentation emphasizes the expressive capacities of the wealthy to make their interests, values, aspirations--indeed their very selves--present in the form of specific organizations and social activities.

Such physical constructs are empowering for the wealthy because through them they can literally re-present or visibly interject their tastes, interests, and priorities over a wider realm than what is covered by their immediate personal presence. For example, we found the most explicit expression of artifactual re-presentation occurs among individuals who bestow their family names on their businesses, estates, or charitable gifts. Similarly, many extend their spatial empowerment by self-promotion through advertising and press releases. As common as these expressions are, however, the usual artifactual re-presentation of the wealthy is through the way they lend their "character" or imprint their "personality" on both the general directions and everyday workings of their companies, estate planning, consumption patterns, and philanthropy. For instance, the couple who were most concerned about publicly concealing their family background, possession of wealth, control over a personal foundation, and extensive philanthropic giving, were also among the respondents who were most intent upon ensuring that the activities they engaged in--including living in a modest home--closely mirrored their stringent personal values.

Psychological Empowerment

Whereas temporal and spatial empowerment are the capacities whereby the wealthy extend and imprint a self upon the world, psychological empowerment refers to their corresponding capacity of consciousness to perceive themselves as efficacious. Psychologically empowered individuals command a particularly self-assured understanding of the relation of self to world captured by such divergent phrases as "being in, but not of the world," "religious indifference," and "deferred gratification." Psychological empowerment is the distinctive self-reflective attitude deriving in large part from the ability to insulate oneself from the mundane. It is the capacity to put aside immediately pressing attachments impinging upon one's consciousness from outside and attend instead to accomplishing one's self-determined ends. As such, psychological empowerment, in contrast to temporal and spatial empowerment, is less exclusively the preserve of the wealthy, and can be seen as characterizing the personal disposition of all people with confident egos. As we will see, psychological empowerment is the fundamental ingredient for building that domain of self we call an individuality.

In our research we discovered two distinct--even contrary--stages of psychological empowerment. The first, and usually earlier, phase centers around the development and elaboration of an egoistic worldview wherein the wealthy are at the coordinating and controlling center of their social involvements. At this stage, psychological empowerment is the combination of knowing their interests and sensing that they are both entitled to pursue them and capable of achieving them. Such psychological empowerment is apparent in the determined vision of many entrepreneurs who confidently discount the element of risk in their transition from the safe harbor of salaried employment to the uncharted waters of independent and self-directed enterprise. This same effective egoism leads many inheritors to unselfconsciously claim positions of authority and stewardship in progressive community foundations or in more conventional cultural institutions. For inheritors and entrepreneurs alike, then, psychological empowerment invariably gets set in motion as the "great expectation" that one may forthrightly pursue private interests as a public contribution.

If the first phase of psychological empowerment revolves around feeling entitled and efficacious in regard to one's interests, the second phase revolves around the self-reflective attention to the quality and source of those interests. At this second level psychological empowerment becomes characterized by a set of orientations related to what psychologists call self-actualization and what spiritual traditions refer to as holiness or wisdom. In this phase, psychological empowerment becomes the capacity of the wealthy to turn their attention inward in an effort to evaluate the spiritual or moral quality of their interests and propose to themselves a less self-centered set of priorities. Those who do so, we describe as having learned the *spiritual secret* of money. The scope of their self-interest gets increasingly broadened or deepened to include a greater diversity of people and needs. If the first phase of psychological empowerment entails the transformation of private interest into public contribution, the second phase entails the transformation of public need into personal concern.

For some of our respondents, these two phases of psychological empowerment turn out to be sequential. This is most clearly exemplified by respondents who recount a radical conversion from trying to accumulate or consume as much material wealth as possible to trying to spend more time with their families or become more involved in religious or philanthropic endeavors. However, we learned that the distinction between the two phases of psychological empowerment cannot be reduced to a distinction between economic enterprise and philanthropy. Indeed, one of our major findings is that philanthropy may reflect the first level of psychological empowerment just as business activity may reflect the second. In fact, many of our respondents bring this second level of psychological empowerment to bear equally on their economic and philanthropic activities so as to eliminate the separation between them as two distinct moral fields of practice. For instance, one high-tech entrepreneur recounts that his business aspirations became mobilized only after he came to recognize that business success furnished the basis for his social contribution. The most effective way to improve the lives of the needy, he reasoned, was to go into a lucrative business that would provide funds for philanthropic endeavors and offer the opportunity to institute participatory and humanistic worker-management relations.

This refusal to make a moral distinction between accumulation of wealth and its redistribution in philanthropy is at the essence of psychological empowerment and proves to be a major element in what we term the spirituality of money. Thus, it is not a question of the type of action but of the dispositions that couch that action, namely how thoroughly or closely one's efficacy becomes motivated by an empathetic bond to or care for others.

HYPERAGENCY, INDIVIDUALITY, AND PRINCIPALITY

Hyperagency

In broadest terms the empowerment of the wealthy can be described as the capacity to exercise what we call *hyperagency*. This is the ability to exercise effective control over the conditions and circumstances of life rather than merely living within them. Hyperagency, in contrast to agency, means that the wealthy are able to construct a world that suits their interests rather than finding the most suitable place for themselves in a world constructed by others. If agency means socially constructing the best possible path within the institutionally given constraints imposed by socialization, hyperagency means being able to socially construct a self and a world that transcends the established institutional limits and, in fact, creates such limits for others.

It must be emphasized that hyperagency is not an automatic outcome of possessing wealth. Before the power of wealth can be exercised it must be learned. For some, such as women of inherited wealth who have been excluded from the knowledge of business and investment, or entrepreneurs who have not yet discerned the possibilities and responsibilities of wealth beyond their businesses, this learning comes through an often demanding process of self-discovery. This we have already identified as the dynamics of liminality and the necessary practice of virtue.

Individuality

The exercise of hyperagency constructs the interrelated domains of self and world that we refer to respectively as *individuality* and *principality.* Individuality is the embodiment of hyperagency in the sphere of self and identity, while principality is the embodiment of hyperagency in the sphere of the world.

If for most people, identity results more from an accommodation of self to the world, for the wealthy identity results more from the ability to accommodate the world to self. Individuality, then, is the distinctive psychological attribute of a person's identity characterized both by a sense of entitlement to shape the world in accord with one's desires and by the confident drive to do so. In this sense, individuality is not something people possess by simply being individuals, but rather by their being *empowered* individuals. Individuality is the effect of a conscious and successful effort to enhance one's worldly presence as an individuated agent, to forge a tight link between what one wants to be and what one is capable of becoming.

In many instances, individuality derives from an explicit project of self-construction directed at building a centered, fulfilled, and assured persona. Psychological counseling, religious practices, and various types of other group involvements provide the insight, inspiration, and support to develop a strong--though not necessarily an enlightened--personality. But even when the self is not turned into an explicit psychological project, the wealthy are never content for long with passively coping with or surviving in the world.

Whether inherited or earned, the wealthy are rarely satisfied with being disposed over by the socializing constraints of institutions in general and of the rules of money in particular. Almost to a person, our respondents articulate a long-standing yearning or moral vocation to dispose over money so that it serves, rather than dictates, their interests and desires in the realms of business, family, consumption, and philanthropy. For instance, the inherited who at first experience the imposition of the rules of money as creating an alien identity nevertheless retain an underlying sense of self-regard or individuality that propels them to create an identity suited to their desires and a world suited to this identity. Among the entrepreneurs we find the fullest manifestation of individuality in the self-assurance derived from business success. But even before such success occurs, we can document what we call an incipient individuality in search of a principality. Often from childhood a demanding prefigurative individuality harbors the self-aspirations for control and autonomy that inspire the crucial transition from employee to self-employed, and set in motion the mutual economic and self-development of entrepreneurship. In both cases, the essence of individuality is that enhanced sense of self or strength of character that Machiavelli called *virtu.* As such, individuality is both source and outcome of that distinctive embodiment of worldly power available to the wealthy in the form of principality.

Principality

If individuality revolves around the issues of self-construction, principality concerns the practices of the wealthy directed toward world-building. As such, principality is the embodiment of hyperagency in the sphere of the world. We define principality as the sum total of social activities, organizations, and property through which individuals extend their empowerment in time and space. In this sense all people have a modest principality just as they have at least a modest individuality. One obvious difference between the wealthy and others is the extensive size and duration of the principalities of the wealthy and their ability to enlarge their realm of command by winning control over various government, economic, and cultural institutions. What we find to be most distinctive about the wealthy, however, is the extent to which they create or reconstitute a realm of command in order to express their individuality rather than simply being satisfied with inserting themselves into pre-established domains of power.

Our research demonstrates that principality is not just a domain of self-directed practice or a realm of control over others, but a public presence of individuality. Our most important findings in this regard concern not the existence or even expanse of worldly power among the wealthy. Rather, they concern the prominence of principality wherein the wealthy consistently and purposefully construct an exterior world of their own design. In constructing the principality, the wealthy outwardly project their individuality, thereby molding the world according to their interests and values. Principalities become materialized in the form of organizations such as a business or foundation; in the form of personal property such as clothing, automobiles, yachts, and homes; as what we term "outposts" in organizations controlled by others such as board memberships, named hospital wings, and university chairs; and as voluntary leadership in public affairs such as community fund raising, social planning, and cultural development.

But no matter what the form, each involvement in its own way contributes to the construction by each wealthy individual of an efficacious public presence extending the boundaries of personal empowerment through space and time. For example, entrepreneurs initially incarnate their aspirations and ideas for empowerment in the form of a business. As this enterprise succeeds, the territory, scope, and durability of their principality expands. They open new facilities, expand markets, venture into new product areas, diversify investments, plan for their retirement, and establish vehicles for passing on their money. The world-constructing potential of wealth emerges as well in the entrepreneurs' personal lives--as indeed, it does for the inherited. The wealthy increase the comfort, size, and geographical dispersion of their home. They travel more broadly. And they otherwise accrue material possessions such as clothing, jewelry, art, boats, and automobiles that publicly extend the range of their self-expression. The wealthy expand the boundaries of their principality even further as they establish outposts or satellites of their individuality by dedicating their time and money to support cultural institutions, sponsor medical research, contribute to political candidates, and revitalize their cities.

PHILANTHROPY AS A PRACTICE OF MONEY AMONG THE WEALTHY

Just as wealth and the empowerment of wealth is located within the framework of the sociology of money, so too is philanthropy, the second major term of the study. Our research has enabled us to formulate a general understanding of philanthropy among the wealthy as a further expression of their empowered capacity for world-building and self-construction. We have developed a definition of philanthropy as a social relation of production, identified the distinctive role of the wealthy in creating these relations of production, and specified a set of strategies or logics by which the wealthy express their empowerment in philanthropy.

When analyzed within the framework of the sociology of money, philanthropy represents a specific instance of the dual processes of socialization and social construction. Philanthropy, like any institutionalized site of social action, is ordered by a specific set of social rules to which individuals must align themselves in order to participate. In a free enterprise economy, these rules of philanthropy are situated within the broader institutional framework of the privatized accumulation of wealth. As a private sector activity, philanthropy is premised upon the ability of individuals and corporations to accumulate excess resources and upon the persistence of identifiable social needs that are not met by government or commerce.

Defining the Distinctive Attribute of Philanthropy

Within this setting, we conceive of philanthropy as a particular kind of interactive production process or social relation by which a supply of private resources is matched to a demand of unfulfilled needs and interests. This understanding of philanthropy as a social relation of production enables us to locate the defining characteristic of philanthropy in the *type of social signals* it responds to rather than in some formal institutional characteristic such as tax status as a non-profit organization.

The voluntary giving of money and time is an activity that occurs in all sectors of society--non-profit, for-profit, government, family, and neighborhood. A coherent sociological understanding of philanthropy thus requires a way to differentiate philanthropic relations, not by their institutional setting, but by the kind of market signals that mobilize and direct the production of social outcomes.

If political activity is mobilized by the medium of votes or political capital, and commercial activity by dollars or economic capital, philanthropic activity is mobilized by interests or cultural capital. In commercial relations, needs elicit a response largely to the extent they become expressed in dollars, that is, translated into what economists call "effective demand." Similarly in political relations, needs elicit a response largely to the extent they can become expressed as campaign contributions or as votes--what in fact is another form of effective demand. What makes commercial and political demand "effective" in eliciting a response is that this demand is presented through a medium upon which suppliers depend for their continued existence and which they thus cannot ignore in the long run.

In philanthropic relations the medium for communicating needs is neither votes nor dollars but words and images. Philanthropy thus recognizes or responds to what we call "affective" rather than "effective" demand. In philanthropy demand is made efficacious by inviting the producer to attend primarily to the needs expressed rather than to the medium by which they are expressed.

A major implication for the understanding of philanthropy as a social relation flows from these considerations. Political and commercial production processes retain a semblance of consumer sovereignty--that is, they tend to be demand-led, or at least generally responsive to people's needs because of the countervailing power embedded in the ability to buy other products or vote for other candidates. In contrast, philanthropic relations tend to be supply-led, with little or no ability by the recipients to "insure" or "discipline" the responsiveness of donors. This is because the producers of philanthropy are not threatened by the withdrawal of the medium for expressing a need. Appeals in the form of words and images offer no immediate extrinsic value to potential philanthropists and can in fact be ignored or disregarded.

Philanthropic Practice Among the Wealthy

Defining philanthropy as a production process not only helps us to locate the distinctive attribute of philanthropy. It also enables us to differentiate between individuals on the basis of their power to create rather than simply support the production of particular outcomes. Again, we return to the importance of the empowerment of wealth for social construction. The hyperagency of the wealthy, by which they create their organizational world in general, gets played out just as forcefully in the realm of philanthropy. Philanthropy, especially for the wealthy, is not primarily a matter of economic redistribution. It is pre-eminently a *productive* rather than a *distributive* enterprise whereby the wealthy mobilize their resources to shape and produce philanthropic outcomes that are suited to their desires.

The distinctive contribution of wealth to the philanthropic production process is that wealth affords individuals the means to move from simply being *supporters* to being creators or *producers* of philanthropic outcomes. Most contributors respond to appeals to support pre-established needs and goals. Their individual dedication of time or funds cannot alone determine the existence or purpose of a philanthropy even when such support proves necessary for its survival. In contrast to those who contribute major gifts or establish philanthropies themselves, these givers of smaller contributions must be regarded as supporters or indirect producers exercising, at best, what might be called "supporter sovereignty." A philanthropic effort will become threatened by such supporter sovereignty only if it dramatically fails to frame its appeal to the broader constituency on which it has become dependent.

In contrast, contributors may be considered to be direct producers rather than supporters when they command sizable enough resources to actually create or sustain the very organizational life of a philanthropy. The most pronounced instance of direct production occurs when an individual single-handedly establishes a philanthropic effort such as a private foundation, but occurs as well when an individual contributes enough resources to establish a specific philanthropic outcome such as a clinic, endowed chair, or hospital wing. Individuals of lesser means become direct producers of philanthropic outcomes only in quite limited ways, such as "adopting" needy individuals or family members, except where they are able to enlist others to join in a concerted effort.

A major finding of our research is that even through individual efforts of social construction, the wealthy actually produce rather than simply run or influence the organizational world of philanthropic production. The substantially larger per-capita contributions of the wealthy, when purposefully leveraged toward accomplishing certain goals, can often single-handedly and directly spur the production of desired ends by, in effect, creating the organizational means needed to produce them. In sharp contrast to simply "matching" their concerns to pre-existing efforts, modifying existing institutions, or compromising with others over desired goals, philanthropy for the wealthy can be a way to further enrich their individuality and principality.

Variety of Philanthropic Logics Among the Wealthy

In most studies on philanthropy among the wealthy, much attention is devoted to uncovering the personal motivations that undergird giving behavior. Such research is of questionable insight and utility for a number of reasons, the most important of which is the fact that there is a more fruitful way to handle such aspects of subjective consciousness concerning philanthropy.

One obvious problem with such motivational research is that the findings are not particularly illuminating unless derived from a representative random sample. Without such a research design the most that one can report is the rather uninstructive conclusion that the wealthy exhibit a wide range of motivations. Nothing can be said about the relative prominence of certain motivations among the general population of wealthy and whether the same motives enjoy prominence among the non-wealthy. Even if it were possible to survey a representative random sample, such motivational research remains fundamentally flawed due to the inability of researchers to more than nominally differentiate "motives" from other aspects of subjective orientation such as goals, attitudes, interests, and values.

The most telling reason for moving beyond this misplaced focus on motivations, however, derives from our empirical finding that motivations at most constitute only part of a broader framework of meaning that is dynamic and practical. This is because modes of consciousness are totalities that are affinitively linked to particular modes of social practice through which individuals express and achieve their goals, interests, and desires.

Given these conceptual and methodological problems with motivational research, our approach to philanthropy is not only to consider motivations as part of a larger framework of subjective consciousness but to treat modes of consciousness and modes of behavior as a totality. From our perspective, philanthropy is a form of purposive social action in which an individual's mode of consciousness and mode of practice are linked together in a coherently ordered strategy or *logic*. We use the term *logic of philanthropy* to emphasize that each strategy is an internally coherent approach to philanthropy rather than merely a series of discrete and disconnected activities. Each logic of philanthropy is a specific unity of meanings and practices, an ordered approach to thinking about and carrying out philanthropy. In the course of our research we located sixteen well-demarcated philanthropic logics among the wealthy. There is neither a logic unique to each individual nor one single logic with only accidental differences among individuals.

As a social logic, each mode of philanthropy varies according to:

- whether an individual participates in the production of outcomes as a **producer or a supporter**;
- the **strategic consciousness** constituting one's understanding of the way the world works, the way it ought to be, and the way to transform it;
- the **complex teleology** composed of the array of intended outcomes for the philanthropist, the cause supported, and society in general; and
- the **strategic practice** that sets in motion a causal trajectory to execute the strategic consciousness and achieve the intended goal.

It turns out that most of our respondents engage in a number of logics even though it is usually the case that one particular logic tends to dominate an individual's approach to philanthropy. Still, one major expression of empowerment is the ability of the wealthy to take up whatever strategy they like or find necessary at any particular time and to frame an overall practice of philanthropy by pursuing a complement of strategies that they deem most appealing. It is not just that our respondents can choose to do something about a wide range of interests. They can choose to do so through a wide array of approaches. Once again, philanthropy, like all other practices among the wealthy, is a terrain of individuality and principality.

In Chapter 8 we elaborate the unique characteristics of each logic. We specify how the various philanthropic logics differ from one another in regard to each of the four dimensions we have already described, namely as an arrangement of producer and supporter positions, a view of the way things work, a plan of action, and a set of goals to be achieved. However, there is usually one particularly important aspect of each logic that distinguishes it from the others. For instance, in the **entrepreneurial** logic, philanthropists become directly involved as producers of philanthropic outcomes by initiating projects or organizations whose goal is to apply innovative solutions to existing problems or by defining new areas of concern. At the other extreme of the producer-supporter distinction is what we call **contributory** philanthropy. In this logic philanthropists serve as disengaged supporters of a cause, limiting involvement to financial support of an organization's existing directions.

Two other logics that provide an evocative contrast are what we call productive and consumption philanthropy. In both cases the distinction between philanthropy and other spheres of economic life is virtually eliminated. In **productive** philanthropy there is an identification between a person's business and philanthropic activities. Producing high quality products, providing employment opportunities, or offering special employee benefits and working conditions are viewed as being intrinsically philanthropic. In **consumption** philanthropy it is the distinction between donor and recipient that becomes obscured. Here the philanthropist contributes time or money in order to produce or support a particular philanthropic outcome that they themselves will directly consume and enjoy, such as the schools and churches they attend and the cultural institutions they patronize.

Two strategies that are particularly prevalent among the inherited are noblesse oblige and therapeutic philanthropy. The **noblesse oblige** logic is characterized by the strategic consciousness about the different categories of money and one's responsibility in relation to each of these categories. Money is conceived as divided into three categories, each of which requires attention: the principal that must remain intact, interest on the principal that can be used for consumption, and interest on the principal that can be used for philanthropy. In this logic, philanthropic responsibility derives directly from the very possession of an inheritance but, for the same reason, tends to remain a circumscribed focus of activity and attention because of the relative priority accorded to the other two categories of money. In the **therapeutic** logic the inherited move beyond fulfilling the more limited responsibilities of the noblesse oblige logic by using philanthropy to reduce the privileged status accorded them by their inheritance. This approach is therapeutic because the inherited, in joining together to fund projects, also meet among themselves in workshops and retreats to resolve their dilemmas of personal empowerment. At the same time, they seek to extend this empowerment to the less privileged by tending to fund grass-roots organizations and by making decisions through democratic and participatory structures that include the recipients.

PART II

Formation of the Wealthy and Wealth Formation

CHAPTER 3

MONEY, SELF-CONSTRUCTION, AND WORLD-BUILDING: AN OVERVIEW

INTRODUCTION

In the following chapters of the report we present our findings on the distinctive processes of identity formation and world-building engaged in by both inheritors and entrepreneurs as they move from being receivers or producers of their wealth to active users of it. In this chapter we set out the general conceptual framework we have developed for understanding these processes.

Our research reveals that many wealthy individuals pass through quite distinguishable phases of what we term *liminality*. Drawing on a substantial body of anthropological and literary work on myth and ritual, we define liminality as that period of transition from an original to a reconstituted worldly identity. It is the period during which the inherited or earned wealthy distance themselves from the given identity and associated practices derived from expectations and meanings they have not explicitly chosen. Among the inherited, liminality is the often uncomfortable period of rejecting old ways of dealing with their money and searching for new ways. Among the earned, liminality often arises in conjunction with the transition from working for others to establishing their own business. Such periods of liminality are followed by the personal incorporation of a new, more self-confident, and more self-directed identity according to which the wealthy stake out their own personally appropriated way of being and acting in the world.

We have also found that this process of deconstruction and reconstruction of identity is pursued for a variety of reasons and tends to affect different groups of wealthy in different ways. Still, it is possible to discern a quite specific series of stages in the transition from a received to a chosen identity. In all this we recognize that this process of identity formation is a universal human pattern, not just something restricted to the wealthy. Nevertheless, our concern remains to chart the distinctive characteristics of liminality among the wealthy for whom the sheer fact of inheriting or earning wealth serves to define and intensify this process. Unlike those of lesser means, the wealthy, even while undergoing the pains of liminality, possess both a heightened expectation that they should be able to attain a personally satisfying place in the world as well as the empowerment to do so.

Another important finding of our research in regard to the identity-formation process is the consistent fact that the wealthy do not separate themselves from their money even as they separate themselves from earlier identities associated with their money. The transition through liminality invariably results in a new conception of individuality that turns out to be more a revaluation than an abandonment of the place of money in their lives.

Why is wealth not given up in the passage through liminality? This continued relation to money is due to a number of very specific aspects of what we call the *alignment to the objective rules of* *money*. It is also due to the pronounced individuality with which the wealthy begin and carry out their search for a more appropriate self-definition. In a word, there exists a tie or *bond* linking wealthy individuals to their money. The inherited may temporarily move away from close association with the roles and expectations of wealth during the liminal period, just as the earned often move away from their identity as business people in order to broaden their social commitments and self-understandings. However, the wealthy invariably end up formulating a new identity in terms of their wealth as opposed to separate from it.

First, despite their rejection of what they see as the negative aspects of money, they nevertheless tend to rely at least in part on their wealth for support during their liminal explorations. Second, it often happens that during periods of liminality the wealthy relate to their families, businesses, and trusts in a sufficiently active or different manner so as to obtain a new appreciation for how wealth can be used in a personally fulfilling way. Third, and most importantly, the wealthy remain tied to their wealth as they emerge from liminality because their new identity, no less than their original given identity, requires the empowerment of money for its attainment. The fundamental reason for separating from their identities given by inheritance or business, namely their demand for a highly compatible fit between their desires and their place in the world, is an expectation derived from the individuality bestowed by their wealth in the first place. Unless the search for such a compatible fit is abandoned, the fullest possible realization of the new identity requires the continued alignment to wealth.

The major personal lesson of wealth, even when the wealthy are subject to living out self-definitions imposed by their inheritance, business, or profession, is that the world can and should be shaped to their selves. Once learned, this lesson is never forgotten. It serves both to inspire the quest through liminality and, in the end, to keep the wealthy linked to their money. The viability of their hard-won post-liminal individuality and potential hyperagency depends precisely upon mobilizing the resources of their wealth in the service of their new-found selves.

These dynamics of identity formation and world-building are elaborated in the following three chapters of the report within the context of a broader conceptual framework of the sociology of money. In explaining this framework we begin with a discussion of the *objective rules of money*, indicating how wealth serves as a fluid resource that must be embodied in personal and organizational practices for it to become efficacious. We then describe two dimensions that are common to all the wealthy in their efficacious embodiment of money. The first is how wealth provides a resource to construct out of the liminal process an augmented sense of self-empowerment or *individuality.* The second concerns the application of this empowered individuality to the tasks of creating a *principality.* Finally, we define the meaning of *alignment* to wealth, *liminality*, and the tie or *bond* to money that are prominent features of the formation of individuality and principality.

THE OBJECTIVE RULES OF MONEY

Understanding the relationship between money and the wealthy individual only begins with the commonsense knowledge that people are wealthy because they have money, lots of it. Unfortunately, the "it" of money remains a mysterious black box as far as comprehending the distinctive character of the wealthy, both as a class and as individuals. Since money is most assuredly at the core of this distinctiveness, we must must break open the black box of wealth in order to grasp the array of constraining and enabling effects that it produces in the lives of the wealthy.

Most commonly, money is understood as existing apart from individual agents and their actions as an objective entity. For instance, conventional theories of money talk about it as a unit of measure, a repository of congealed value, or a medium of economic exchange. But the belief voiced by many of our respondents is that money has little meaning apart from its mobilization as a *resource* to achieve a variety of valued ends, whether specified by need or desire. Money is not just congealed value, it is congealed self-actualization. As one individual told us:

> What good is money? It is only a piece of paper, it's legal tender, but it doesn't do any good until it's spent. Whether it's spent for a car or a dress or education, a home or a boat, or something like hospitalization or research, money only has value when it's working.

Money never sleeps. If it is to be a personally meaningful and socially efficacious resource it power must be harnessed. Moreover, as this individual intimates, money has no essence, no natural form of being in the world. Money is fluid, malleable, and chameleonic since it can be materialized in the form of business equity, real estate, cash, stocks, or bonds, and can be utilized in the practices of consumption, investment, saving, or philanthropy. If money is malleable, someone must do the molding. People must set money in motion, decide what form it will take, and determine the ends to which it will be applied. This emphasizes the voluntaristic side of the money-agent relationship as money is only socially effective when individuals exert intention and will upon it. What is distinctive about the wealthy is that they enjoy an enhanced capacity to exercise such intentionality. They, more than any other group in society, are able to act for reasons rather than react to causes, to fulfill desire rather than respond to need.

At the same time, it is important to understand that money also molds the actions of the wealthy as well as facilitates them. Money, like all aspects of the social order, has a dual character in that it is both enabling and constraining. Whereas, as we discuss below, the possession of wealth provides the material conditions for the wealthy to act as hyperagents, the wealthy must also at least tacitly learn to reckon with the demands, expectations, and requirements imposed by their wealth.

INDIVIDUALITY, PRINCIPALITY, FREEDOM, AND EMPOWERMENT

Wealthy individuals enjoy a special degree of empowerment. The wealthy are able to develop a self in the form of *individuality.* They imprint this self materially in different spheres of social practice, thereby also creating for themselves a realm of power which we call their *principality.* This ability of the wealthy simultaneously to construct a mutually compatible self and world is indicative of what we call *hyperagency* or the capacity to exercise effective control over the conditions and circumstances under which they will engage in social action. In this sense, the wealthy are not merely subject to an institutional realm, they are able to create that realm along with the specific positions from which they engage the world. The qualification on all this, of course, is that just as wealth provides the capacity to overcome the normal constraints limiting the fit between self and world, there is no escaping the set of subtle and not-so-subtle constraints dictated by the simple possession of wealth.

Be that as it may, the possession of wealth is far more empowering than constraining for the very reason that it confers a two-fold set of freedoms. First, the possession of wealth provides a *freedom from necessity*, from having to produce the conditions of one's material existence on a daily basis through waged or salaried labor. Having fulfilled their material needs, the wealthy are *free to choose* among alternative practices and arenas, to exercise their talents, to pursue their desires, and to learn how to efficaciously exert their presence in the world.

On the basis of such freedoms the wealthy become empowered in three ways: temporally, spatially, and psychologically. *Temporal* empowerment refers to the capacity of the wealthy to overcome the usual constraints of time. Through the empowerment of their wealth they are able to reconstitute the past, extend their priorities into the future, and free themselves from the constraints of time in the present. *Spatial* empowerment refers to how the wealthy extend themselves geographically into the world and create a terrain over which they exercise control. We find that the spatial empowerment of the wealthy is embodied in the areas of individual sovereignty, self-expression, and control over others. Whereas temporal and psychological empowerment are the worldly capacities of wealth *psychological* empowerment refers to the capacity of consciousness to view oneself as efficacious. Psychological empowerment is the distinctive self-attribute deriving in large part from the ability of the wealthy to insulate themselves temporally and spatially from the mundane. It is the capacity to deflect the demands of the everyday and concentrate on achieving what they have decided to do.

Even though wealth may be translated into individuality and principality through these types of empowerment, this process is never automatic. Before the power of wealth can be exercised, it must be learned and understood. And even then, if wealth is to be personally liberating and expressive and not just socially empowering, the wealthy individual must move from being disposed over by money to disposing over it. The determination to make this transition from the constraining to the liberating aspects of wealth is the driving force that initiates their entrance into the identity-formation process.

ALIGNMENT, LIMINALITY, AND THE BOND

The process by which the wealthy learn and incorporate the cognitive dispositions that are associated with the way money works in the world and that are required to mobilize money as an efficacious resource, we call *alignment* to the objective rules of money. This alignment to money endures even through periods of intense personal searching and even when the wealthy take up profoundly new self-conceptions and activities. The specific phase of this process associated with the separation from an existing self-definition and the struggle to search out a new one, we term the period of *liminality*. The resilient strings that keep the wealthy attached to their money, we call the *bond*. Despite the intensity of the identity-formation process through which the wealthy move in an effort to wrest control of their money rather than be controlled by it, they remain materially and psychologically tied to the empowering capacities of their wealth throughout this process.

We use the term *alignment* because of its relational and positional connotations that accurately capture the notion of the close fit between wealthy individuals and their money. Alignment to money refers to the connection between an individual and the opportunities and constraints of money.

A familiar quest among the wealthy is to move from an imposed to a self-constructed position of alignment in relation to their money. *Imposed* alignment occurs when the opportunities and constraints of money prescribe an unsatisfactory identity and set of practices for the wealthy individual. In contrast, *self-constructed* alignment occurs when wealthy individuals have successfully transformed wealth into a productive part of their identity and are able to mobilize effectively their money in the service of their wills and desires. When operating from a self-constructed position in relation to money, the wealthy conform their money to themselves rather than conforming themselves to their money.

In making the transition from an imposed to a self-constructed connection to their money, the wealthy must learn about the various forms of money and the various realms in which they can utilize their money, and then obtain a strategic understanding of how to utilize such knowledge in the construction of individuality and principality.

Whereas alignment refers to the starting or end points in the identity-formation process, *liminality* refers to the period of transition between such points. Liminality is the period of learning what is required to move from imposed to self-constructed alignment with all its consequences for self and others. We found that all wealthy individuals go through at least some modest period of liminality in order to achieve a better fit between themselves and their money. But, as we demonstrate, among those for whom the initial alignment to money is most rigidly imposed, defined, or partial, the period of liminality is more complex, troublesome, and extended than it is for others.

Regardless of how much they desire to find different ways of understanding and using their wealth, our respondents always remain positioned in relation to their wealth and its attendant opportunities and constraints. Even among those with an imposed alignment, at the minimum, the very fact of owning wealth provides the freedom to learn and explore new ways to live with and use their money.

There always remains a minimal level of conformity to the rules of money if it is to be used to one's benefit. The array of forces tying the wealthy individual to these aspects of money is termed the *bond*. The brute reality is that the only way to break the leash, to completely escape from the constraints of wealth, may be to consume it all or divest oneself of it completely. The constraining power of the bond should not be underestimated, for we have yet to come across any individuals who have completely abandoned the benefit of wealth and empowerment, no matter how dissatisfied they may be with existing models of alignment and mobilization. Indeed, those who are most sincerely devoted to the alternative uses of wealth, remain among those most consciously attuned to what money can and cannot do. The road to individuality and principality may be a very difficult one, but its call is almost always irresistible. Why the benefits of wealth appear problematic for some and not for others and why money is rarely abandoned are two issues addressed by our findings in the following three chapters.

CHAPTER 4

WHEN A BLESSING BECOMES A CURSE: INHERITED WEALTH AND THE PROBLEMATIC FORMATION OF INDIVIDUALITY AND PRINCIPALITY

The Burden of Fortune

The word fortune is rooted in the Roman name for the goddess of chance, Fortuna. As such, fortune can refer to that which befalls someone. Further, such fortune may be good or ill, having positive or negative consequences for the individual on whom it falls. Fortune can also refer to a possession which causes someone to be fortunate. One of the principal ways through which fortune is materialized in a possession is through wealth and the terms "wealth" and "fortune" tend to be synonymous in popular discourse. In the popular imagination wealth as fortune is viewed as an unambiguous good, a cornucopia of positive benefits and possibilities. What is often unknown are the negative consequences of wealth as fortune that may make its possessor *un*fortunate.

The blessing of wealth, or the good fortune that it bestows upon its possessor in terms of the potential for freedom and empowerment, can become a burdensome curse when the price of conforming to its demands and requirements is too high. Wealth is experienced as a burden when it leads inheritors to devalue their self-worth, when it operates as a source of guilt, when it stigmatizes individuals as being different from the rest of the social world, and when it sets them up as targets for others' jealousy, envy, hatred, and financial dunning.

Strange as it may seem that wealth should inflict such damage upon those who are deemed fortunate, the experience of wealth as a burden is one of the major revelations of our research. Although not all of the inheritors in our sample have contended or still contend with an alien identity imposed upon them by the fate of their inheritance, it is by no means an uncommon experience. Through a protracted period of liminality, many inherited wealthy struggle with the problems that their inheritance presents to them in terms of self-esteem, identity, guilt, and social expectations. In this period of liminality, individuals move from a position of separation and alienation where they suffer under the burdens of fortune, to a self-constructed position of reconciliation and reunion where they enjoy the power and potential of their wealth. In other words, there is a developmental pattern of moving from *having-to* deal with their wealth to *wanting-to* use it productively, to, finally, *liking-to* or finding pleasure in the creative control over their wealth.

The Four Phases of Liminality

In this chapter we review the "shadow-side" of the identity-formation process as it is experienced by the inherited wealthy by setting out the four phases of liminality through which the inherited pass as they assume a self-constructed position of alignment in regard to their wealth. A reading of the narrative of the inherited wealthy in our sample who articulate problems in positively aligning themselves with their wealth reveals a composite picture of the burdened experience of fortune. The movement away from the burdens of fortune to their opportunities takes the inherited through four distinct phases of liminality. Each phase is characterized by major shifts in their understanding of the meaning of wealth in their lives, in their array of social positions, and in their desire and ability to mobilize wealth as a resource for the construction of individuality and principality.

It is important to offer three qualifications to our analysis of this experience. First, not every individual passes through all the phases described below. Some individuals enter into the liminal process at different points than others. Second, there are some inheritors who have not been able to emerge from the period of liminality with a self-constructed position of alignment. Third, some people experience several periods of liminality, reconstructing different aspects of their relation to their wealth at different points in their lives.

PHASE ONE: THE SECRECY AND INNOCENCE OF WEALTH

For many of the liminal inherited in our sample, their problems in coming to a self-constructed position of alignment to their wealth are rooted in an *enforced* ignorance about their money. This secrecy regarding the nature and uses of wealth is generally manifested in two ways. In the first case, people are innocent and ignorant of the existence of their wealth itself until they actually inherit it. In the second case, the secrecy of wealth is not about its existence but about its effective potential. Here the mystery involves a selective and occlusive knowledge of wealth that restricts what they know about the possibilities for mobilizing money.

Wealth as a Secret

It is sometimes the case that individuals do not know that wealth exists in their family or that they are destined to be inheritors. Such individuals do not perceive themselves to be "wealthy" or part of the upper class when they are growing up. The beliefs and practices of their family in terms of lifestyle and work all fit comfortably into a seemingly middle class framework as there is little evidence of the existence of wealth in their family's everyday life. Wealth is not talked about; it is not used in a visible way; and in some cases it is explicitly denied or disguised. As one woman now in the middle of the liminal transition describes her upbringing:

> In Dad's family, the money issue was never talked about, it was totally denied by my grandmother in that they lived off my grandfather's salary as a professor. . . . And so there was no inkling about money, my siblings and I knew nothing about it. . . . My dad, like my grandmother, is totally into denying ownership of the bank or the inheritance. . . The other thing is that we were never taught anything about money. Even if my father was a banker we were never given an allowance and it's like, if you wanted something bad enough and harped at Dad long enough you might get it. So there was no reward

> system nor was it flagrantly flung about. . . . For the most part, they just ignored the money. The whole thing was put aside.

Silence and Exclusion

Innocence of wealth need not be the result of denial, disguise, or disuse. It is not unusual for our respondents to grow up in a family environment that is quite clearly wealthy and upper class and to participate in and enjoy a range of practices that mark them as being wealthy (e.g., attending private schools, having servants, etc.), but still remain uninitiated into particular ways of mobilizing wealth as a productive resource. Rather than a denial or disguise of wealth, there is a selective silence about its source, volume, uses, and workings. Although certain inheritors are selected and initiated into the objective rules of money by their family, and as adults assume prime responsibility for stewardship of the family wealth (see the following chapter), others surprisingly remain uninitiated into the secret of money and are ill-prepared for dealing with their inheritances.

This experience of being excluded from the rites and knowledge of initiation into productive wealth is primarily but not exclusively characteristic of women. The mode of being in the world that has been traditionally offered to inherited women is defined by expectations that tightly circumscribe their arena of strategic practice. The traditional responsibilities of these women have focused on the social and cultural maintenance of the upper class through their management of the household, organization of social rituals of initiation and communication such as debuts, and provision of volunteer labor in philanthropy. Clearly, such responsibilities require a certain alignment with wealth. But the point here is that for these women and a number of inherited men alignment is a limited and imposed one, consisting of a position that focuses on the distribution and consumption of wealth rather than its production.

Whether through secrecy about its existence or its effective potential, being unprepared and underprepared for dealing with wealth eventuates in an experience of a life of wealth as imposed and unsatisfactory. Imbued with a strong individuality--the one thing that wealth most invariably provides in abundance--our respondents take up the quest for a practice of money more suited to their desires and interests. The first step along this path is the struggle to detach themselves from the narrow knowledge and practice into which they were socialized and to discover new positions and understandings for mobilizing wealth.

PHASE TWO: AWARENESS OF THE DILEMMA OF ALIGNMENT

The Shock of Inheritance

Inheritors who experience the phase of innocence and secrecy are impelled towards a liminal struggle with their money by the sheer fact that they have so little knowledge of the myriad consequences that being wealthy will have on their lives, or of how to engage the money so that they can control those consequences. Many people remain virtually in the dark about the monetary value or financial responsibility of their wealth until the day they are to come into their inheritance. More than once, individuals have told us the story of being packed off on their eighteenth or twenty-first birthday to a trust officer at a bank where they were exposed to the extent of their ambiguous "fortune." This rapid shift from innocence to awareness was for many an extremely disorienting and even frightening experience. The description offered by one woman of what she called the "substantial shock" of learning about her wealth is illustrative of the major dilemma that inheritance of wealth can bring. She told us:

> All of a sudden this money is dumped in my lap and everybody goes away and says 'good luck.' I was scared to death. . . . I didn't know what to do with it. So it was foreign in that regard and I mostly viewed it as something bad. It wasn't a resource that I could do something positive with. It was a resource that represented all these emotional issues about being different in the family and not knowing what to do and not knowing where to go for help and, you know, being scared about that. It wasn't, "oh gee this is a great. I'm going to go out and do all this stuff and have a great time." It was a burden.

The downside of fortune as a burden is clearly evident in this statement. If the past of wealth is viewed as unsatisfactory, the future of wealth is viewed as an alien presence that demands a way of thinking and being that challenges almost all aspects of life.

The Recognition of Imposed Alignment

This sort of forced leap from innocence to awareness is not the only factor that can cause inheritors to enter into a period of liminality. In fact, most of the liminal inherited in our sample were not kept innocent of their wealth. Their liminal struggle was not premised upon an innocence of wealth but upon an awareness of wealth that was not accompanied by knowing or seeing a position or path where they could comfortably and effectively align themselves to the power and potential of their wealth. These people already know what people who are pushed into a sudden awareness of wealth come to fear. This is the knowledge that money can dominate and animate them; that it can subject them to an order of relationships and practices that will produce them as people different from what they want to be.

Either the fear of not knowing any way to align themselves to wealth or the disconcerting knowledge that the positions of alignment that they know about are not compatible with their beliefs and desires place many inheritors in a serious dilemma. On the one hand, they are not happy to sacrifice themselves to the demands of being wealthy. Yet, on the other, they are not willing to commit the sacrifice that would rid them of this problem, namely, the divestment of their wealth. This dilemma impels them towards an unstable position in regard to their wealth: they attempt to separate themselves from its unfortunate entanglements while at the same time remaining psychologically unable to sever connections with it.

PHASE THREE: THE TENSION BETWEEN SEPARATION AND BOND

This phase of separation is based on the rejection by inheritors of imposed positions of alignment. The specific reasons for rejecting existing models of being wealthy are, of course, complex and varied. But despite the diversity of individual experiences, all are in some way related to the ways in which wealth constitutes a person's identity. First, inheritors who pass through this phase of liminality articulate a powerful sense of being "invaded," so to speak, by their wealth and existing positions of alignment. Second, many inheritors experience a high level of guilt regarding their fortune--a guilt that inhibits them from both learning about and using their wealth. Third, simply being identified as wealthy has a number of stigmatizing effects on the public and private lives of inheritors.

The Invasion of Imposed Alignment

The experience of wealth as an alien identity is most starkly undergone by the young inheritors who have had no previous knowledge of or competence in the workings of wealth. We find, however, that the same profound alienation occurs among many inheritors after an extended experience of being wealthy. At particular points in their lives, they shed the identity and practices into which they have been socialized. For these respondents, the seeds of dissatisfaction are often sown fairly early in their biographies as they observe the negative effects that a secluded and privileged world of wealth had on themselves or on others around them.

One woman, who grew up in one of the wealthiest families in the country, spoke of a personal "moral structure" which caused her to disapprove of the way wealth molded people in her family and led her to have "a real dislike of money from very, very early." This "dislike of money" came from a variety of exposures: seeing her grandfather "use money to buy affection--as a substitute for affection"; witnessing her mother's absolute dependence upon money to shield her from having to confront adult decisions in the outside world; and observing the parasitism of people working for her step-father whose loyalty was not to him, but to the privileges that his money could shed on them. All in all, her exposure to a this way of being wealthy in the world was such that she sadly recounts that

> In my experience I never saw money bring happiness in my family. It never has. . . . This fed my whole sense that there was no moral there. . . I didn't get a sense that, you know, when you meet somebody and you feel that they enjoy life, that there's a spark to life. There was none of that with my mother and stepfather. They were bogged down in their own emotional misery. . . . And the money helped them dig their emotional pitfalls. It didn't help them at all.

Such early rejection of the identity proffered by wealth is often dependent upon an exposure to a difference that illuminates this identity in a negative light. In this person's case, the unhappy and "unreal" world of wealth was measured against the experience of her natural father who resisted the temptation of wealth. By her own reckoning, her father was "more real," more "three-dimensional," because he had an active engagement with the world of work, politics, and leisure that was unmediated by or independent of money. Her father, having refused to take any wealth out of his failed marriage to her mother, provided a model of self-reliance and autonomy that stood in stark contrast to the undisciplined "addiction" to wealth displayed by her mother and step-father.

For many others the entrance into liminality does not begin until much later in life. This is particularly true of an older generation of inherited wealthy women who did fulfill the traditional roles expected of them, but at some point began to feel the strain of conforming to the dictates of wealth and class. The experience of one women who grew up in a prominent west coast family is exemplary. For much of her life, her alignment to wealth consisted of fulfilling the responsibilities of wife, mother, and charitable volunteer. She tells how she was excluded from the knowledge and practice of accumulating and producing wealth and was schooled only in the ways that money could be mobilized for household and philanthropy. There was an awareness of not being in control, of being dominated by the wealth so that it became impossible to separate who she was as an individual from the identity imposed by her money. She describes the atrophied individuality that results from such imposed alignment.

> I know what I did was good work. It's a good record, highly respected, but I know, too, it was something I had to do and should do. . . . I had to be a volunteer. I had to give away money. I should do all these things. So they were never done with my own free will. I was just being good little Sarah. . . . I wanted to be known for me and not for my money. So I tried to step away from the way monied people or my family act and look and do, and tried to be different from that. I tried to really see money as an albatross and sort of duck the responsibility I had or the opportunity I had. . . [O]nce I felt good about myself then I could feel good about what I have. . . . I could do what I wanted with it in the ways I wanted because of my philosophy and priorities.

As this woman clearly indicates, fulfilling the expectations attached to the traditional position of upper class women did not enable her to use her wealth to express a self-chosen identity. Consequently, like many middle-aged and older women of inherited wealth in our sample, she felt the need to separate herself from the alignment imposed upon her and, to some extent, from wealth itself. Moreover, her statement is enlightening not only because it evokes the need for separation before realignment can take place. It also underscores that the bad fortune associated with wealth is an "albatross," a burden which weighs one down. In addition to imposing an alien identity and way of life, this burden can also be materialized as guilt and as social stigma.

The Inhibitions of Guilt

Guilt is one of the key forces that fractures the identity and self-esteem of many inherited wealthy. The often debilitating degree of guilt that is felt and expressed by many inheritors is rooted in the fact that they did not earn the freedom and power of wealth through their own creativity or effort. Fortune is a burden since it came without virtue. It is even more onerous when it appears to forever eliminate even the possibility of virtue. No matter what they accomplish, many inherited can never be sure to what extent their achievements result from their personal skills and talents rather than what was given to them. Consequently, many of the inherited wealthy we interviewed resent the wealth that was given to them and envy those who have earned it themselves. The way in which many inherited wealthy individuals measure themselves against those who have earned their wealth, to the detriment of their own identity and self-esteem, is neatly expressed by one man who told us the following:

> I envy them [those who earned their wealth] the apparent lack of guilt or conflict. . . . I'm thinking of a close friend of mine who's a lawyer but really he's a real estate investor. Makes deals, puts together deals. And he is from a very modest background and I would feel that his net worth equals or exceeds mine. . . . He made all of his own money and, you know, I didn't make a goddamn cent of mine. . . . It's put me through a lot of agony. For a long, long, long time it made me--it gave me--low self-esteem. Who am I to deserve all this fortune?. . . . The worst thing it did was to make me have less self-respect than I ought to have.

This guilt over fortune, or what another respondent terms "existential guilt," is often exacerbated by a conflict between progressive or radical political and social beliefs and the power and privilege of wealth. In addition to existential guilt, many young inheritors also experience what this respondent calls "structural guilt." Structural guilt derives from the actual privileged position of the wealthy in the class structure rather than from a perception of the inadequacy of their virtue in light of their great fortune. It is premised upon a zero-sum conception of the origin and distribution of wealth. First, the inherited who are plagued by structural guilt believe that their wealth was accumulated largely through the exploitation of others. Second, the inherited view themselves as being complicit in a system where, as another individual summed it up, "them that has, gets." The fact that they possess wealth which gives them freedom and power means that others in society are denied the same freedom and power. This double-edged nature of structural guilt is described forcefully by the same respondent who coined the term:

> I was disturbed, you know, by the way my money was earned on the backs of people who have been oppressed. . . . I think that at some level this taints me. I am now one of the oppressors, one of the exploiters. Even though I've accepted that, there's something that remains painful because I think that the objective truth is that our society is structured in a way that in order for me to have the privileges that I have, other people are systematically eliminated from having the necessities of life. . . . And that's constantly painful. And the negative thing is that I think that you lie to yourself to not know that is true.

In addition to having a negative impact on the liminal inheritors' sense of identity and self-esteem, such guilt can also be "paralyzing," as one respondent put it, for someone trying to use wealth. When inheritors do not feel entitled to their wealth, either because they lack virtue or because their wealth was accumulated through the exploitation of others, they find it extremely difficult to mobilize their wealth as a resource. First, the use of their wealth for personal consumption becomes a problem because it is thought to be an undeserved privilege. Second, the use of their wealth for further accumulation becomes a problem because that feeds the system of economic exploitation and reproduces the structure of economic inequality. Third, the use of their wealth for philanthropic purposes becomes a problem since that simply makes the needy dependent upon them in a new way. Moreover, all these activities place the liminal inherited in a position where they are marked by others as being wealthy--a stigmatizing situation that can be as debilitating as guilt itself.

The Social Stigma of Wealth

One of the hallmarks of the liminal experience for inheritors is a great fear of being unable to discern and project an individuality that has an essential integrity apart from their money. Owning wealth marks them out as different and often exerts a profound impact upon their personal and social relationships. According to many in our sample, their wealth stereotypes them in the popular imagination as being powerful, selfish, exploitative, extravagant, and sheltered; as people who have no understanding of the problems of the non-wealthy. Further, they project that to be publicly known as a wealthy person sometimes produces greed and envy in their non-wealthy friends and associates who stigmatize them as "cash cows" to be milked for loans, gifts, and contributions. These stigmatizing effects of wealth are dramatically described by one man who speaks for a number of our respondents.

> I shared the experience of a number of inherited people. I had a chauffeur to drive us to school and I would insist that he drop us several blocks from school. . . . I like to say that. . .being different in money is no different than having a clubfoot or green hair, except that that difference [having money] makes people envious or resent you. . . . I felt once that everybody that looked at me secretly had a dollar sign in their eyes.

Time and again, many inherited wealthy individuals speak of this very deep-rooted fear about why people relate to them. They are not sure if their work or philanthropy is valued because of their skills and knowledge or because of what they can contribute financially. They are often uncertain as to whether people are friends with them because of their character or because they can be turned to for financial assistance. Romantic relations are thrown into doubt for the same reason. The wealthy person can never be sure of what ways money operates as a nexus of social life. This uncertainty gives rise to what more than one respondent calls the "paranoia" of wealth:

> The thing about money is that you have natural enemies. . . . You've got to realize that money is something that people kill for, it's why revolutions take place, it's all sorts of negatives. And so when you are sitting on a bundle, there's almost a natural paranoia that builds up.

To a greater or lesser extent, the paranoia of wealth is felt by all who possess it. But for the inherited who refuse the dominant ways of being wealthy in the world, this problem is particularly acute. The stigmatization of wealth makes them targets for being hit on in various ways while at the same time marking them out as "different," thus depriving them of natural acceptance into a community of non-wealthy peers. Despite the fact that they have rejected the way of being in the world offered to them by their class background, they are still *of* that world, and it is therefore difficult for them to be *in* the world of the non-wealthy without suffering the consequences of guilt and stigma.

Three options for resolving this dilemma are available to the liminal inherited. First, they can separate themselves from active participation in their wealth but without ridding themselves of it. Second, they can divest themselves of their wealth, thereby permanently removing the source of the problem. The first two approaches resolve the dilemma by abandoning active engagement with wealth and thus take place within the third phase of liminality. The third approach, however, occurs only if the inherited move to the fourth phase of liminality where they resolve the dilemma by engaging in a process of learning how to construct for themselves a new position of alignment to their wealth.

Disentanglement Through Separation

Imposed positions of alignment and identity, guilt, and the stigma of wealth encourage many inheritors to somehow separate themselves from their wealth in order to, as one person put it, "disentangle myself from the money and the effects of this money." There are two basic strategies of such disentanglement--neither of which moves the inherited much beyond an imposed position of alignment. The first is to disguise or deny the fact that they are wealthy. The second, which should not be confused with divestment, involves the practical disengagement from money in everyday life.

The disguise or denial of wealth. For those who are disturbed by the stigmatizing effects of wealth, there is an effort to deny or to disguise their status as a wealthy person and to disassociate the private holding of wealth from their public identity both in work and in their personal life. In order to avoid the "general unpleasantness," as one respondent deftly summed up the travails of being identified as a wealthy person, individuals will often eschew letting their friends or colleagues know that they possess wealth. Having a public identity as a wealthy person, said one inheritor,

> sets you apart from people and that's what I'm trying to avoid. That's why I don't like people knowing my name and I never tell people who my family is. . . it is a nightmare. The whole image thing makes it very important *not* to be a rich person, because money is a private thing. It's like your sexuality or something and it's obnoxious for somebody to go around advertising what they have or for people to ask about it.

But for the wealthy to successfully disguise their wealth, it is generally not enough to be silent about it. The cloaking of wealth must move beyond interpersonal relations to strategic practices regarding money in the everyday. Many inheritors make a conscious effort to seal off the negative effects of wealth by having as little to do with it as is practically possible.

Temporary disengagement from the use of wealth. The disengagement from wealth in terms of everyday strategic practice takes a variety of forms. One common practice is to disguise one's wealth by, so to speak, going among the people. This practice entails a social distancing from the traditional world of wealth by limiting, if not severing, association with other wealthy people and by working, living, and associating with people in other social classes. In a sense, those who pursue this strategy become *declasse*. For most of the liminal inherited, this strategy meant taking up occupations and lifestyles characteristic of the upper middle class.

Often accompanying such separation from overt associations in the world of wealth is a decision to separate from other cognitive engagements and practical involvements with wealth. In order to avoid identification as a wealthy person, the liminal inherited often will not use their wealth for consumption to avoid making their lifestyles noticeably different from their non-wealthy peers'. Indeed, the mobilization of wealth for personal consumption often constitutes the greatest struggle of the liminal period. In some cases, it may be years after a person has constructed a comfortable place of alignment with their wealth in other arenas that they are finally able to spend money for their own pleasure.

Although consumption is probably the most obvious arena of disengagement from wealth, it is by no means the only or most important one. Another hallmark of the phase of separation is also a distancing from the management of wealth. Most wealthy people rely on professional assistance for managing their wealth but still actively monitor the status of their investments. In contrast, many liminal inheritors exhibit a remarkable degree of purposive inattentiveness to wealth management. As one man described his distanced relation to his money:

> I've always tried to keep my money in the background, not let it be too important to me. I don't want to think about it too much. . . . And I've remained ignorant [about the money] because I don't want to get involved. The last thing I want to do is look at the business section of the paper. I throw it out the first thing I do, and then I go to the sports page, because if I start knowing more about money I'll start worrying about it and then it will start becoming too important to me and threaten my peace of mind.

For this man as well as many other inheritors, disengagement from strategic and tactical decisions about their money is an effective way of insuring that their identity and everyday life is not contaminated by the objective rules of money. Further, for those who experience structural guilt about being wealthy, disengagement from the active management of their wealth enables them to feel less complicit in a system of exploitation even though they may still reap some of the benefits of wealth in terms of financial support.

Disengagement from the use of wealth often encompasses philanthropy as well as consumption and accumulation. Even for those who have a desire and ability to mobilize their wealth philanthropically, there is still the fear discussed above of the ramifications of a public identity as a wealthy donor. Not only are the negative connotations of wealth projected onto their identity by others, but they also become targets for continuous appeals and solicitations. The simplest way to avoid these pitfalls is to assume anonymity in philanthropy. But sometimes the measures of separation taken by individuals go beyond anonymity to relinquishing control even over how their money is used philanthropically. The desire to separate and insulate themselves from the strains and demands of philanthropy is well expressed by one individual who said:

> I kind of made a decision last year and made a pledge to myself to stop giving money directly myself. It was too much of a distraction. I needed to develop my identity outside of it. From now on, if you want money, go ask my money. My money is over there. It's got a different address than me. I'm here. That's my money. Go talk to it. I have it in foundations where other people make the decisions.

Sources of the Enduring Bond of Wealth

Almost all of the liminal inherited engage in strategies of separation in order to avoid conforming themselves to their wealth. Yet none of those in our sample irrevocably severed a connection to wealth by completely divesting it. Given the great amount of inner turmoil, pain, and confusion experienced by many of the inherited wealthy, it is curious that more of them do not try to rid themselves of this source of their problems. For some, the reason is that they legally are unable to do so; for others it's that they're afraid to do so; but for most it simply turns out not to be necessary in the long run.

The structuring of family wealth. One reason why many in the throes of liminality do not simply give up their money is the way it has been legally structured by their benefactors. The generational reproduction of wealth in the long term requires that certain safeguards against the squandering of wealth be built into the inheritance. Often inheritors only acquire control over their inheritance gradually as it is dispensed to them at specific intervals over a period of time. In other cases, inheritors first gain access only to the interest from their inheritance but are not allowed to touch the principal. Even when they are able to "break the trust" and gain control over the principal, there are strong pressures from both family and financial advisors not to consume or completely give it away. An individual, who hails from one of the bluest of the eastern blue-blood families, conveys the constraining power of the expectations attached to familial money.

> This is my perception of what my parents think but it doesn't have to be a problem, you know. You don't run out and buy a Rolls Royce the day you inherit. You don't run your Master Card bill up to $25,000. I guess they thought it was pretty simple. . . . I have an uncle, [a trustee], Uncle Don, who I have alternately lived in fear and terror of because I always feel guilty about asking him for money. . . . And I guess the reason I feel guilty is because here I am sort of, you know, whittling away at all this money that was left to me by people hundreds of years ago and I don't think that they would be terribly happy with the way I am spending it. I think that they would just sort of like to see it multiply. . . the money seems designed to somehow perpetuate itself and not to become my sort of ticket for easy living for the rest of my life. I don't think that's what it was meant for or why they left it. . . . [I]t's an opportunity for me and the family to get ahead and I can't waste it. . . . [T]his gives me the sense that it really isn't my money. It's the family's.

The Constraining Power of Fear. Although the structure of and familial expectations attached to an inheritance play an important part in maintaining the link between liminal inheritors and their wealth, *fear* is often a much more compelling factor in preventing them from giving up their wealth. The fear of not knowing what to do with their wealth as well as the fear that it may overwhelm their identity are, as we have seen, powerful forces inducing individuals to separate themselves from their wealth. However, the countervailing fear of not knowing what they would do *without* it is just as powerful in keeping them linked to their wealth, however tenuous that connection may have become.

For those who grew explicitly aware of their wealth, there are often strong doubts about whether they could make their own way in the world financially without their inheritance. This fear, of course, assumes greater significance to the extent it is related to the existential guilt over the question of one's own virtue. As one troubled young man reflected:

> There is a paradigm here. The money is somehow evil. Or if not evil, in some way venomous. There's something poisonous about it. It's radioactive; it's high energy. And it's slowly killing me. . . . But I can't give it up. . . I can't generate it. You see what comes with inheritance is the sense that you're a little incompetent. Because there's all this crap that comes from having money that isn't yours.

This interaction between self-doubt and guilt can be doubly paralyzing for many. Not only does the use of their wealth for personal support feed the guilt, but also the fear about making it on their own prevents them from giving it up.

Wealth as opportunity and responsibility. Although the interactive effect between guilt and self-doubt can be paralyzing for some, it can also motivate liminal inheritors to construct new positions of alignment. One of the reasons why people do not give up their wealth is that, despite all the negative aspects of wealth as a burden discussed above, they can also learn to see wealth's positive aspects as a source of freedom, empowerment, opportunity, and responsibility. The material freedoms of wealth grant these individuals the financial wherewithal to undertake the journey of liminality and to separate themselves from many of the conforming pressures of wealth while they search for ways of constructing a new position of alignment. Without the basic physical and psychological security provided by their wealth, they would be unable to engage in many of the activities that provide the learning experiences that are teaching them how to make money work for them. Whether it is opening a small business, engaging in progressive philanthropy, going to school, or simply taking a sabbatical from the world of wealth, such options would not be open to liminal inheritors if they needed to work to support themselves materially.

Further, the opportunity of wealth is not simply an opportunity for personal exploration. It is also an opportunity to fulfill certain responsibilities attached to wealth and to cast off some of the burdens of wealth that first propelled them away from their wealth. They come to hear a certain call to duty, a vocation to use the freedom of wealth to "make a difference" in the world, to contribute to the betterment of society in a way that most people have neither the time nor the money to do. One woman who underwent an especially traumatic liminal transition explained how the recognition of this responsibility set in motion her move from an imposed to a self-constructed position of alignment:

> I've only learned in the last ten years how to be giving of my money. . . . And I'm learning to have an entirely different relationship to my money. So many people think of money as love. I think of money as a tool that can be used in any way. It can be used for harm or good or whatever. . . . So I feel a responsibility to shepherd it. . . to be a steward of it all. I cannot just give it all away or have it frittered or put into things that are not helping humanity. That's a responsibility and I don't want to miss something important that I can contribute to that can make a difference.

Thus, the recognition of a new-found responsibility and opportunity of money presages a new alignment to wealth for liminal inheritors. Even though this recognition marks the end of their phase of separation, it is only the beginning of their learning how to positively engage their wealth.

PHASE FOUR: VIRTUE, EXPURGATION, AND LEGITIMATION

For most of the liminal inherited, their efforts at separation proved to be an unsatisfactory way of dealing with their wealth because, as they discovered, such a tack prohibited them from using it positively to make a difference for themselves and others. Those who remain caught in the web of denial, guilt, and separation never come to that comfortable position in relation to their money wherein they pass from *having-to* conform to wealth, through *wanting-to* do something positive with it, to actually *liking-to* deal with it. The only way out of liminality is to shed the immobilizing guilt and the negative stigma of wealth and to take up new ways of living and acting with it. Both of these steps require efficacious action which enables the wealthy to demonstrate to themselves a life of *virtue* apart from their fortune.

The Demonstration of Virtue

Work as a Means of Legitimation. As we noted above, one of the mechanisms of separation for the liminal inherited is to move into a position of salaried professional or managerial employment. Such work often reflectis a desire to find an arena where they can prove their self-worth on the basis of their skills, talents, and knowledge that have little or nothing to do with being wealthy. Repeatedly, we were told how they came to invest great energy, time and emotional effort into their virtuous quest for self-worth and moral legitimacy.

The importance of work in legitimating the possession of wealth is exemplified by one west coast inheritor who experienced all the previous phases of liminality in almost a typical fashion. Born into a traditional elite family, she was raised to fulfill the limited roles expected of women of her class while being denied knowledge of the nature and extent of her inheritance. After undergoing the shock of inheritance, she became "quite determined that the wealth would not play a significant role in my life." As part of a strategy of denial and separation, she first went to graduate school in preparation for an academic career and then, when that was no longer appealing, she became a professional progressive social activist. But given the highly charged political content of that line of work, even the small extent to which her identity as a wealthy person became known was enough to produce some "unpleasant" experiences. Consequently, she left the world of social activism, went back to school for a joint J.D./M.B.A and entered the field of corporate law.

At first glance, her shift from radical activism to corporate law might seem to conflict strongly with her progressive political beliefs (which she still holds). Yet deeper inspection reveals that her choice of a career in corporate law was in fact her way of resolving the powerful contradiction between herself and her money. Regardless of how compelling her political beliefs were, the burdens of wealth rendered her constitutionally unable to pursue them. She could not be truly effective politically *with*, as opposed to *apart* from her money until she found a way to legitimate her possession of privilege. As she told us, her shift in career was not something that was financially necessary but was something she "wanted to do" in order to prove her virtue by demonstrating her capacity to be self-supporting. The experience was liberating as it "resolved forever some self-doubt I had that I was a worthwhile person. . . [making it possible for me to] be more assertive about using my skills and money in other areas."

Philanthropy as a source of legitimation. There are other avenues to self-legitimation than exercising the virtues needed to become a successful professional. For many of our respondents the demonstration of virtue occurs primarily in the arena of philanthropy. Here the demonstration of virtue entails less of a separation between daily activity and wealth than a virtuous use of that wealth. This is exemplified in the life of an inheritor who extricated herself from liminality by starting a personal foundation.

Like the attorney we just described, this woman experienced all the trauma, guilt, and confusion that form the burden of wealth. Having grown up in an upper-middle-class family, she was totally unprepared for managing her inheritance when it came to her. Typically, in the early stages of her adulthood she denied, disguised, and ignored her wealth. But through a gradual process of learning and maturation, she came to mobilize her wealth philanthropically. At first, while working as a professional political activist, she began donating money to different groups anonymously. But this proved unsatisfactory because there was not enough of *her* vision, thought, and character in the giving. She describes her gradual transition from distanced involvement to active engagement as the blossoming of subjectivity and agency:

> I told this person that I had this money and that I had been giving to some projects and organizations and that I wanted to do more. But I didn't know how to do it because I didn't know how to evaluate the projects and maintain my anonymity and all that stuff. So we worked out a relationship where she would work part-time for me as an anonymous donor. . . . She evaluated the projects I had been giving to, and looked for new ones. And we went through the long process of talking to other funders and it eventually evolved into this wonderful thing [her foundation] which everybody treats as an institution. . . . I was very anxious about it in the beginning and sort of gradually worked my way through it; took little tiny steps and became more public and present in the operations of the fund. . . and finally, my ego couldn't stand it any longer and I finally went public as a donor.

This funder purged herself of guilt and conflict by gradually coming out not only as a philanthropist, but as an innovative and entrepreneurial philanthropist. Tired of simply "being the one who writes the checks," she established and now manages an organization reflective of her own beliefs and desires and which in fact addresses a feminist political agenda in a unique and innovative way. Her successes in the realm of philanthropy established the grounds for the integration of wealth into her identity. Once her confidence in her abilities was established, she was first able to "go public" as a donor, and then, as we learned, to venture into other arenas of the mobilization of wealth as an entrepreneur and investor.

By demonstrating their virtue, skills, and integrity the liminal inherited expunge the guilt and stigma associated with their fortune. By reaching this point, they are able to relate to their money effectively whether in consumption, accumulation, or philanthropy. The position they now occupy is no longer a site of fear or uncertainty, but a site of pleasure: the pleasure of power and efficacy that is experienced as the money is conformed to their desires and used to shape their principalities. They are now in a position of enjoying or *liking-to* deal with wealth as they mobilize it as a resource in order to create a world of their own design.

CHAPTER 5

FROM THE HEAD OF ZEUS: NON-LIMINAL IDENTITY FORMATION AMONG THE INHERITED

INTRODUCTION

In the previous chapter of the report we analyzed the liminal experience of many inheritors in terms of a problematic alignment to their wealth. In this chapter we would like to consider another process of identity formation aside from that entailed in the crisis of liminality. The individuals involved in this process are also inheritors. Their experience of wealth, however, is markedly different from the inheritors discussed in the previous chapter. Rather than experiencing the burdens of fortune as manifested in the liminal troubles of silence, denial, guilt, stigma, and separation, these people are more akin to the goddess Athena. Athena emerged from the head of Zeus as a whole and fully formed subject, ready to dispose over her domain. Similarly, the experience of the individuals discussed in this chapter indicates a pattern of rapid and early formation of empowered individuality that enables them to dispose over their wealth at a relatively early stage in their lives.

The primary difference between the liminal and non-liminal experiences of inherited wealth is that the latter is premised upon a relatively unproblematic process of alignment. But it is not simply that the non-liminal inherited come to knowledge about the objective rules of money in a different way than those who are liminal. It is also that the alignment process is associated with a different set of class beliefs and practices that enable them to deal rather unproblematically with the issues of fortune, virtue, guilt, and the legitimation of wealth.

In our examination of the non-liminal experience of inherited wealth we will proceed in two steps. First, we will focus upon the particular dynamics of socialization and alignment that enable these individuals to assume non-alienated positions in regard to their wealth early in their lives. Second, we will explore how their distinctive way of dealing with the issues surrounding fortune, virtue, and guilt enables non-liminal inheritors to perceive themselves as legitimate and worthy possessors of wealth.

SOCIALIZATION INTO A CAREER OF INHERITED WEALTH

Whether they are initiated implicitly or explicitly into a process of alignment, the inherited wealthy are faced with a finite array of ways to use their wealth and of being wealthy. In most general terms, this alignment to money by the wealthy occurs in two realms of socialization: the first having to do with the productive use of money, the second with consumption. In order to avoid the crisis of liminality, inheritors must be provided with an opportunity to learn and engage in the strategic practices of wealth in the realm of production and not just in the realm of consumption. The pains of silence and secrecy about money, especially in its productive uses, are all but absent from the experience of the non-liminal inherited. Their experience is not primarily one of exclusion or occlusion, but one relatively rich in exposure to the productive rules of money and the powers and pleasures derived from alignment to wealth. As a rule, then, they do not undergo the tensions associated with the liminal separation from and reincorporation into the opportunities and responsibilities of wealth.

In a sense the non-liminal inheritors are doubly gifted. They are blessed by their family background not only with the material gift of wealth but also with being taught to employ it for and by themselves in a wide range of practices. Family relations are organized so that these individuals grow up with an understanding of the productive mobilization of wealth as a *vocation* and as a *career*.

The respondents discussed in this chapter share similar experiences in being encouraged, if not expected, to avail themselves of the power and privilege of wealth by being given a multitude of opportunities and resources to do so. Nevertheless, the socialization into the meaning and practice of wealth formative of a non-liminal identity does not always take place with the same emphases. For some, learning about the objective rules of money is latent, implicitly learned from being placed in strategic positions of using wealth and being wealthy. For others, the emphasis of socialization is on a pedagogy of wealth where they are explicitly taught at an early age about the general meaning of wealth and their duties toward it. It is important to underscore the word *emphasis* here, as we wish to accentuate distinct aspects of a common process of alignment and self-construction. These two experiential approaches to alignment are not mutually exclusive. Both forms of alignment entail strategic knowledge and strategic practice. However, the two modes of alignment tend to produce types of individuality and principality that are qualitatively nuanced in different ways. Those who are socialized into alignment by being placed in specific traditional positions of power and responsibility in regard to wealth tend to reproduce the conventional boundaries and practices of the moneyed elite. Those who are explicitly exposed to a general pedagogy of wealth tend to be much more versatile and innovative in the ways they engage the world through their wealth.

The Path of Positionally-Learned Socialization

When we asked the patriarch of a prominent west coast family how he learned about wealth and its uses, he replied simply that "I think just from watching the atmosphere, the environment in which I was brought up." The very simplicity and understatement with which this respondent and others describe their alignment highlights the lack of drama, crisis, and upheaval that marks the non-liminal experience of inherited wealth. Further, alignment appears to be a product of a seemingly osmotic or "built-in" process of learning and socialization. Not only are such individuals surrounded by wealth, but they are surrounded by wealth *in the process of being used as a resource*, as a means to extend their family's values and desires into the community around them. The orientation toward an active use of wealth, whether it be for philanthropy, investment, or consumption, resides in their consciousness as a "natural fact," a common-sense assumption that is rarely questioned or reflected upon.

But of course, there is more to the process of alignment than simply observation and environment, even for those who do not articulate having undergone an explicit training. Knowledge gained from observation must be affirmed or contradicted in practice and, furthermore, there must be opportunities for engaging in such practices.

Consequently, we see many inheritors being formed as wealthy individuals through a particular type of identity-formation process where the emphasis is on what social psychologists call *anticipatory socialization*. This means that they are first placed in subsidiary or peripheral roles of strategic practice in regard to wealth where they come to learn the knowledge and dispositions that later are transposable to central roles of strategic practice. An important finding of our research in regard to this process of anticipatory socialization is that there are distinct gender differences in the organization and content of the alignment process. That is, particularly among older inheritors, women and men tend to be initiated into positions within different realms of power and responsibility.

Women and positional alignment in philanthropy. It is quite common for women of inherited wealth, particularly those of an older generation, to engage from an early age in volunteer charitable activity. While, of course, they enter into philanthropy as supporters, there is always the expectation that they will assume certain types of leadership positions as adults and are therefore inculcated from their youth with the knowledge and values that will enable them to do so.

A typical example of this form of socialization and alignment is provided by a woman who grew up in an elite family in a large midwestern metropolis. Her family foundation, established by her grandfather in the 1920s, was one of the first in the country to fund community and other social change organizations and whose stated purpose was to "do away with the need for charity." The notions of stewardship and the social obligation of the wealthy to "spread wealth around the city" were very much a part of her everyday experience. Issues of philanthropy were standard dinner table discussion and all members of the family, including the women, were actively engaged in the workings of the family foundation. Both her mother and grandmother were on the board of the foundation, and from the time she was eight she accompanied them on their philanthropic rounds. Her early years spent sitting in on foundation board meetings and accompanying her mother and grandmother as they brought sandwiches to a settlement house during the Depression, previewed or anticipated her present status as the philanthropic matriarch of the family. She was never explicitly told that she should do philanthropy: it was simply expected. As she told us, the full-time devotion of the women in her family to philanthropy was so much "just part of the fabric of our lives that it never occurred to me to ask why." Given this background, not only was it natural that she be involved in philanthropy but that it become her *career* as well.

As we will discuss, a key difference between the non-liminal experiences of such women and those of men of inherited wealth is that for women the career of wealth is much more narrowly circumscribed. The pattern of positionally-taught alignment and empowerment learned by most non-liminal women with inheritances occurs almost exclusively in the realm of philanthropy. As the woman we quoted in the previous paragraph says at one point, "I'm not interested in finance at all." By this she is referring to how her positionally-learned alignment to wealth has excluded her from the productive uses of money in business and investment. Active engagement in these realms of the constructive potential of money is not integral to her individuality or principality, and her upbringing never led her to expect that it would be. It was implicitly understood that her role was to be that of the socially responsible and active steward in philanthropy.

Little princes into big: the expanded positional-learning of young men. For non-liminal men of inherited wealth, the scope of positionally-learned alignment shaping their careers of wealth tends to be much more expansive than it is for women, always traversing the realms of business and investment and not just philanthropy and consumption. Like their female counterparts, their biographical narratives are often framed in terms of a progressive emergence of individuality and principality according to positions and roles first determined by their family. However, for male inheritors, the career of wealth is expansive and inclusive in that it involves learning a fuller range of occupations and social statuses. Men are taught a broader vocation of being wealthy and are trained to fulfill a wider range of responsibilities and expectations associated with their wealth. From an early age, such men are groomed to assume positions of leadership within their family businesses and to carry out their social obligations of stewardship in their communities.

The process by which these male inheritors are socialized into a career of wealth can be divided into three distinct yet overlapping phases of socialization or what the sociologist, Goran Therborn, calls *subject-qualification*. By this term he emphasizes that social incorporation is not just a process that imposes or obtains conformity, but one that entails an internal transformation or "qualification" of the subjective self-understandings of individuals.

Primary subject-qualification: the responsibility of beneficence. In the first phase, which extends from later childhood to early adulthood, the individual is expected to participate in practices that inculcate the attitudes of *noblesse oblige* and the virtues of stewardship, familial obligation, and community leadership. Invariably, such practices are centered in the realm of philanthropy and extra-curricular volunteer service. Here, the men are quite like the women we just described in that they are expected to demonstrate their capacity to fulfill the responsibility of fortune and privilege. From the vantage point of their current positions of power and influence, their early experiences in practicing stewardship, as one individual says, may seem "foolish." Nevertheless, such early moral training proves to be critically important in their formation as wealthy individuals. Sometimes it is being a crew member on a schooner carrying supplies to an isolated mission. At other times it is serving as school class president, responsibly taking the savings of fellow grade-schoolers to the bank every week, or helping grandparents manage the annual penny drive for the Community Chest. Whatever the particulars, as the same respondent insists, such experiences always serve to instill a sense of "confidence [and] . . . responsibility" for the well-being of the wider community.

Secondary subject-qualification: moving into responsibility. In the second phase of positional socialization, which spans from early adulthood to middle age, the non-liminal males move into positions of leadership and responsibility focused on the maintenance and expansion of the family principality. Whereas in the previous phase they were socialized into beliefs and practices which qualify them in an anticipatory way for being wealthy individuals, in this phase they actually become qualified for specific and enduring positions of responsibility and power in both philanthropy and business. Such positions are already established and have been occupied by males members of preceding generations of the family. The task now is to bring the current generation of men aboard.

In order to come aboard, these men typically enter into one of two kinds of apprenticeship which qualify them for the assumption of power. In the first case they are apprenticed directly to the family members whom they have been selected to replace in the family business. The climb to the summit in this case is quite easy since they do not have to rise up through a managerial hierarchy. Alternatively, they may be placed in a hierarchical career track within the family firm where they will be exposed to a wide range of managerial responsibilities and authority that progressively widen in scope as they proceed up the hierarchy. A somewhat typical case of this type of apprenticeship is described by one respondent whose family founded one of the largest retail chains in the country:

> I started as a stock man in 1920 in one of the stores. . . . All the men start that way ["men" meaning those destined for managerial positions]. And then they become foreman of different departments and then assistant manager and then manager and then transferred to different stores. The sequence for me was about three years. I opened my first store as a manager in 1923 and I managed that for about a year. And went into the office to learn different phases of the business there. I was in the secretary's office for a little while and in the president's office as an assistant in each case, learning what I could there. And then I became a director of the company which I was for quite a number of years.

What occurs in the realm of business occurs also in the realm of philanthropy. As one individual, who went through apprenticeships in both realms, told us, "I've had two growth businesses in a sense, one of them charitable and one of them our own company." In the case of philanthropy, the young men are apprenticed by being brought into intimate involvement with the family's philanthropic interests at an ownership or managerial level concurrently with their business apprenticeship. Generally, they work as a "right-hand man" for a male member of the preceding generation in administering the philanthropic endeavors which are part of the family's community domain. Through this apprenticeship, the men are instilled with a strong sense of responsibility for carrying on and furthering the family tradition of stewardship which is, as we will see, central to the virtuous legitimation of inherited wealth.

Expanding the family principality. In the third and final phase of this alignment process the men move beyond assuming positions, for which they have been qualified, to making their own contributions over and above what had been bequeathed to them. Their transformation of the family principality into their own personal domain occurs again in both business and philanthropy. This extension of the principality is viewed as the key imperative of their adult lives. The subject-qualification that prepares them to take over responsibility for the family principality also inculcates a desire to extend that principality in a creative way. As one family patriarch told us:

> I'm more excited about doing something different, you know, and once something is established letting somebody else do it. . . . Now even though I've carried on the family foundation and the United Way [that his father helped initiate], . . . I get more excited about [a country retreat for poor children] or [a world's fair] because it's new and different. Not only is it doing a good job but it's also establishing something for other people to copy. . . . When I drive around and look at the things I've done I feel good about it.

Thus we can see that when socialization into a life of wealth is accomplished *only* through bringing inherited women and men into the traditional positions held by previous generations, the women are offered a much more circumscribed destiny. For women to become members of the next generation means, at least in the public sphere, to recapitulate their mother's limited roles in philanthropy. In contrast, for the men, it means to learn about and carry out roles not just in philanthropy but in the world of business and investment. The rather unproblematic entrance into these roles does not mean that these women and men cease viewing the world as an arena for embodying their own personal interests. To move so easily and cleanly from being a descendent to an ancestor does not mean these inherited will exercise a less forceful individuality or construct a less expansive principality than the inherited who learn the meanings of wealth independent of pre-established positions. It is just that their non-alienated positionally-taught entrance into a life of wealth tends to result in a more conventional and traditional replication of family roles.

The Pedagogy of Money and the Production of an Independent Career of Wealth

We will now consider a somewhat different non-liminal career or vocation of wealth than the one just analyzed. In this second model socialization is not a process of qualifying or aligning the inherited to a specific set of pre-established roles and practices immediately tied to the reproduction of the family principality. Rather, the process of subject-qualification is focused on an explicit pedagogy about the objective rules of money that allows inheritors to establish independent careers of wealth apart from the family principality.

The explicit pedagogy of money. The establishment of an independent career of wealth is based on the conscious attempt by the parents to teach their children very purposefully about wealth and its uses at an early age. One of the crucial causes of liminality for many inherited, the secrecy and silence surrounding money, is explicitly avoided. Wealth is not presented as something mysterious but as a resource that can and should be used as an extension of the inheritor's own individuality. One respondent describes the "extraordinarily enlightened" attitude of his family towards money as being in sharp contrast to that of other wealthy families: "It's an attitude that says, 'Hey, at least a certain amount of this money is to be used . . . to enhance your life, buy a business, do philanthropy, or something. This money will not float up there forever as some untouchable thing that hangs in a cloud over your head."

The experience of one particular respondent demonstrates how this pedagogy of money operates to produce an independent career of wealth. In many ways her upbringing resembled the "poor-little-rich-girl" imagery that exists in the popular mind. Her parents, by her own definition, were "jet setters," constantly on the move between the six homes they owned here and abroad. In addition, her parents' habit of conspicuous consumption "seemed wasteful to me, it was not enriching. It seemed like they were running from something, being led by their money." In Chapter 4 we pointed out how such an environment often makes it hard for the wealthy to come to terms with their identity. Yet this woman avoided the pitfalls of liminality because her parents for some reason also imparted a sophisticated knowledge of money as a tool or resource for self-development and world-building. As she recounts,

> there was a very conscious effort on my family's part to have me understand the value of money and its importance, and that there were lots of different things that you could do with it. . . . [F]rom the first moment I was given a quarter, it was given with the serious intention that there are lots of choices for how you can spend this quarter.

This woman's initiation into the world of wealth and its uses began at the tender age of thirteen when she was introduced to her trust officer and told that she would have to deal with him in *every* financial decision she would make until she was twenty-one. She had to develop a monthly budget that would detail her different expenditures and account for every expenditure with receipts at the end of the month. When she needed more money than her allowance, she had to borrow it from her trust and pay it back with interest! As a result of this and other similar lessons, her knowledge of how to handle and mobilize wealth for self-determined ends was quite sophisticated by the time she gained control of her trust. Rather than inhibiting her, this enabled her to regard herself as enormously empowered in relation to money. Moreover, this process gave her the confidence and capacity to carve out a career of using wealth different from the ways her parents used it.

Her chosen vocation is directly rooted in what she learned from such an early and positive alignment to wealth. Just as she was brought up to appreciate that money was no mystery, she was also made aware of the great extent to which many inherited wealthy, particularly women, are "damaged in a certain way" by their imposed and selective alignment to wealth. Consequently, she made it her "mission" to demystify money for women, to show them how to control and use it for their own purposes. She set up a foundation that is designed, among other things, to empower women in relation to their money by providing them with alternative models of alignment. As she says, "I love having money, it's a different world. But you don't have to do it the way that Dallas or Dynasty does it."

THE LEGITIMATION OF INHERITED WEALTH: VOCATION, VIRTUE, AND STEWARDSHIP

If inheritors are unable to view themselves as legitimate possessors of wealth and its power, alignment with money and its utilization as an efficacious resource is very difficult. The social-psychological and practical consequences of such a lack of legitimacy have been detailed in our discussion of the liminal inherited in terms of guilt, denial, separation, and problems in identity formation. For the non-liminal inherited who have managed to avoid these problems, we find a sophisticated ideological framework that enables them to legitimate their possession and utilization of wealth. Living within such a framework is the necessary condition for the productive mobilization of wealth.

In order to highlight just what makes these two groups of inherited wealthy so different from one another, we will explore two distinct yet related elements of the social consciousness and self-understandings of the non-liminal inherited that enable them to perceive themselves as legitimate possessors of wealth. First, we will look at how their career of wealth provides an experiential basis of virtue and responsibility that neutralizes the potentially debilitating internalization of guilt. Second, we will examine the overarching *ideology of stewardship* within which they resolve such problems of guilt and receive a call to virtue that justifies their power and privilege.

Vocation, Virtue, and the Neutralization of Guilt

Guilt and inheritance. In the chapter on the liminal inherited we distinguished two forms of guilt associated with inheritance. The first was *existential*, or a guilt informed by doubts about their virtue or about their deserving wealth. For many inheritors, there are grave doubts as to their self-worth and their capacity to accumulate such a fortune on their own. The second form of guilt was *structural*, or guilt regarding the privilege of wealth in a class system of exploitation and inequality.

For most of these non-liminal, both types of guilt are neutralized by a unique perspective on the dialectic of fortune and virtue. The first principle of this perspective is to accept the fate of being *born* fortunate without self-recrimination. They do not blame themselves for the fact that, as one respondent put it, "the little eggs that turned out to be me turned out to be in the right place at the right time."

The second element of this perspective concerns their refusal to take responsibility for *how* their fortune was accumulated. The sins of the parents, so to speak, are not visited upon the children. As one woman told us, "I don't need to feel guilty about what I inherited. It was really the other person's. That's how they chose to invest it and it was for me to do with it what I could." Thus, in terms of personal responsibility, the past is dead.

Although the non-liminal inherited deny responsibility for the past, they harbor a keen sense of responsibility for the present and future disposition of their wealth. Thus, a third element of their perspective on fortune is that the arbiter of their moral character and virtue is *how* wealth is utilized as a resource, not its mere possession. Reflecting upon her immunity to the paralyzing effects of guilt felt by many of her friends, one woman commented that "I don't see any point in feeling guilty. I just feel--as I say--very, very fortunate and feel that I should do everything that I can to ameliorate or change the conditions of others."

What is emphasized in this sentiment, which is common among the non-liminal inherited, is a strong belief in the positive and enabling qualities of wealth. To not avail themselves of the empowering qualities of wealth would be a waste of opportunities and resources, what one respondent said would be "a sin" far greater than being fortunate itself. Moreover, it is not just the active use of wealth but its dedication to the benefit of others that mitigates the guilt. There is the articulation of a moral imperative, not only to actively use the wealth in the service of individuality and principality, but also to use it in the service of others.

Virtue and the vocation of wealth. Guilt is neutralized not only when it is perceived to be useless or paralyzing. It is also assuaged when the non-liminal inherited perceive themselves to be virtuous in the face of fortune. Unlike for many among the liminal inherited and most entrepreneurs, virtue is not displayed by overcoming the obstacles of fortune. Rather what grants them the opportunity and the impetus to be virtuous is the way they live out their lives under a friendly fortune.

We argue that it is the alignment to wealth not just as a career but as a vocation that provides a way to be virtuous. There are two principal dynamics of the vocation of wealth that enable inheritors to assume this mantle of virtue. For those who are positionally aligned to family wealth, they come to demonstrate virtue through fulfilling the expectations attached to those positions. For those who are more generally aligned to wealth, as well as for the positionally aligned, the ideology of stewardship provides a powerful perceptual framework for understanding the private holding and public use of money as the exercise of virtue.

For those who pass through a sharply defined regime of subject-qualification by learning specific paths of empowerment, the manner in which a career of wealth provides both a practice and an ideology of virtue is fairly straightforward. Their career is one of the reproduction and expansion of the family principality in the realms of business, investment, philanthropy, and consumption. Such a well-defined career provides them with roles and positions that have very explicit duties and expectations attached to them. Such individuals walk into a series of public and private roles prepared for them. And to the extent that the responsibilities of these roles and positions are successfully carried out at each step along the way, the inherited become perceived by others and themselves as virtuous.

In particular, the process of secondary subject-qualification that prepares some inherited, especially the men, for passage into positions of power and leadership offers them a sense of virtuous upward mobility and construction of principality even though they were destined for such positions. By fulfilling the tasks required by such positions of responsibility, they are given the opportunity to practice and subsequently emphasize their virtuousness. This often affects their own thinking to such an extent that they seem to forget the fact that their career was engendered by fortune in the first place. For instance, one respondent repeatedly underscores his own virtue in "working up" from the proverbial stock room to become vice-chairman of the bank his family had controlled for generations and of which his father was president. Despite the clear advantages of his family's prestige, power, and wealth, he quite sincerely insists that he is a man who has spent his life "earning an honest living." His response to a question about guilt abundantly demonstrates, in spite of its brevity, how a career of wealth becomes a vocation of virtue: "I've been what I've been able to make."

Ideology of Stewardship: Class and the Legitimation of Wealth

The ideology of stewardship is rooted in the perception of a strong ethical imperative of obligation and responsibility in regard to the productive uses of wealth. Whether this ideology arises out of a specific positional socialization or from a general alignment to wealth, the mobilization of wealth in the construction of individuality and principality is consciously legitimated by a normative conception of an identity and practice of money.

The ideology of stewardship is one the most significant forces that shapes the consciousness of the inherited wealthy. Even if they experience a significant period of liminality, the hailing beacon of stewardship is a potent means of smoothing the path to alignment. It does so by giving inheritors a perceptual framework that renders inoperative both existential and structural guilt and simultaneously proffers a positive identity of wealth.

The way in which the ideology of stewardship constitutes the legitimating consciousness of the inherited is a common theme in the interviews. Stewardship, according to one respondent, "is a conviction that if one does well in the world and has more than one can possibly need, one ought to share it and try to influence some of the surroundings and places to which one is loyal or for which one is responsible for the good." Or as another inheritor told us:

> I was very much raised with the notion that I was very fortunate and it was my responsibility to take my good fortune and make that progress in the classic sense of doing things which one is "called upon to do." . . . It's the classic charitable posture right out of Dickens of the haves acting on behalf of the have-nots. . . . It's a notion that if you have wealth it behooves you, it's your responsibility to do for others, looking out for others, looking out in general for the society.

Despite different emphases, each of these quotes demonstrates the way in which the ideology of stewardship calls out to or hails the inherited in order to make them legitimate possessors of wealth. The basic appeal first involves the wealthy as recognizing themselves as being "fortunate," as having "more than one can possibly need." In recognizing this obvious description of themselves they then become consciously positioned in relation to a social world of others largely constituted by those who are less fortunate. Embedded in this hailing or call to such positioning is a dual and potentially conflictual identity: that of being a citizen and that of being a member of an elite class. The ability to resolve this dual-identity through the cognitive map of stewardship is at the heart of what sustains the non-liminal inherited.

As one respondent put it, being a wealthy individual requires that one must be a "first rate citizen." To be such citizens of the first rank means that the wealthy contribute to the well-being of the wider community of citizens. By devoting a significant portion of their time and money to the betterment of the community to which they are "loyal" and "responsible," the non-liminal inherited demonstrate a superior virtue to the rest of the citizenry, wealthy and otherwise. Using their fortune for the social good provides an effective way of neutralizing existential guilt. By answering the call to be responsible citizens, individuals evince the virtue of other-directness. The worthiness of self is affirmed by a concern for others who are less willing or able to enhance their own well-being and that of the community as a whole.

At the same time, stewards are not merely hailed as citizens but as children of fortune, as wealthy citizens. As citizens, they share with everyone else a responsibility to the community. But as wealthy citizens, as members of the privileged class, inheritors recognize an obligation to contribute more than the mass of other citizens. In point of fact, answering the call of stewardship becomes the moral criterion by which they often come to judge each other. Thus, part and parcel of the symbolic world created by the ideology of stewardship is not only a distinction between those who are fortunate and those who are not, but also between those who are responsibly fortunate and those who are not. This obligation for the wealthy to don the mantle of stewardship is repeatedly underscored by most of our respondents. They offer up a very severe critique of their fellow class members who seem to be solely devoted to the accumulation of wealth or, even worse, its consumption. The wealthy, insists one especially active in community philanthropy, "should be utilizing their talents for their fellow man [*sic*] rather than running around on their yachts and so on."

The structural guilt of privilege is negated not only by a norm and practice of sharing the surplus that one possesses but of making such a practice of social service a vocation in its own right. In this way, the upper class is not a class whose privilege is based upon the exploitation of the lower classes, but a class whose privilege is beneficently used to proprietarily "look" after the interests of the community. The wealthy are not simply individuated as citizens but are also hailed as representatives of a particular class who have an obligation to give of themselves "for the good." Thus, the ideology of stewardship provides a normative framework of legitimating not only the wealthy person as an individual but the wealthy as a class, of overcoming not only existential but structural guilt. In answering the call of stewardship the wealthy are able to demonstrate their virtue as individuals as well as the virtue of their privileged class as responsible and enlightened.

CHAPTER 6

ENTERPRISE AND EXISTENCE: THE ENTREPRENEURIAL PROCESS OF WORLD-BUILDING AND SELF-CONSTRUCTION

INTRODUCTION

In this chapter we analyze the process of entrepreneurial world-building and the personal or moral self-construction connected to this process. We base this analysis on the findings generated from intensive interviews with the 49 entrepreneurs in our sample of 130 wealthy individuals.

In the first section of this chapter, we set out the two fundamental economic rules governing every successful practice of entrepreneurship. Although formulated by investment theory in more abstract terms, we conceive of these two complementary rules as the major components of what we call the *productive secret of money* to emphasize how individual entrepreneurs only gradually come to recognize and align themselves to them as the necessary conditions for entrepreneurial accomplishment. The first is the need to locate a specific market imbalance where demand outstrips supply. The second is the cognitive recognition and treatment of this imbalance as an investment opportunity of a specific type--one in which the human capital of the investor affects the return on investment.

In the second section, we discuss how the various entrepreneurs in our study actually understand and position themselves in regard to these two central rules. The alignment to money is more than entering into the practice of entrepreneurship. It is more accurately described as a dramatic process of the exercise of virtue by which the entrepreneur moves through successive stages of building a worldly principality and constructing an empowered individuality. We discerned four phases of this dual process. The four phases center around how entrepreneurs learn and execute four secrets of money: (1) the *productive secrets* of entrepreneurial world-building just defined; (2) the *strategic secrets* of successful business operation; (3) the *financial secrets* of parlaying business success into financial security and wealth; and (4) the *spiritual secrets* of moral self-construction through which entrepreneurs increasingly take up more fundamental values of self-fulfillment and the quality of social life.

THE PRODUCTIVE SECRET: ALIGNMENT TO THE RULES OF ENTREPRENEURSHIP

Newsweek's cover story on Donald Trump (September 28, 1987) recounts how Trump unabashedly promotes himself, his buildings, his businesses, his civic accomplishments, and even his ideas. He lives extravagantly and glamorously--a quintessential example of principality and individuality.

His Atlantic City casino complex is called Trump's Castle. His wife *Newsweek* dubs the Queen of the Castle. Only a few of our respondents rival Trump's brashness and none his empire; but many do share what *Newsweek* calls Trump's "intuitive knack" for making money in the marketplace. As with Trump, background and personal traits help explain why one individual rather than another is successful and why some become celebrated tycoons. Still, the question remains, what are the rules of the marketplace that must be honored, albeit intuitively, by every successful entrepreneur, including Donald Trump?

Most commonly people conceive of the entrepreneurial process of wealth formation as the series of steps whereby an individual successfully establishes a business concern. However, our research reveals that the social meaning of entrepreneurship derives from an analysis that is simultaneously much less and much more personal than the one allowed by this rudimentary view. The impersonal side is the necessary submission of the entrepreneur to the objectively given rules of entrepreneurship. The neglected personal side is the correspondence between building a business and constructing a self, the unfolding of successive phases of worldly empowerment and self-understanding. In this section we set out those objective rules that both constrain and impel the entrepreneurial novice. When followed, these rules give rise to the rich personal drama of principality and individuality that comprises the topic of the second section of the chapter.

Structured Field of Possibilities: Having-to as the Basis for Wanting-to

Just as the inherited wealthy learn to carry out the specific rules surrounding the allocation of money into categories of investment, consumption, and philanthropy, the entrepreneur must come into alignment with the specific set of socially given rules surrounding the way money is invested in a business to earn profits. We refer to these general rules of money that couch each dramatic story of wealth acquisition and identity formation as a *structured field of possibilities*. This term emphasizes that these rules comprise the objective conditions within which successful entrepreneurial activity must take place. We also refer to these rules as the *productive secret of money* in order to stress that entrepreneurs must uncover and embrace these rules at the level both of cognitive insight and emotional realization. The economic and personal empowerment of a Donald Trump to do *what one likes to do* begins with the dutiful willingness to do *what one has to do*. Investment theory suggests two such general rules of the workings of money that comprise the conditions under which entrepreneurs must proceed. The first concerns recognizing a market opportunity that offers the potential for profitability. The second concerns mobilizing or positioning oneself in order to directly affect one's return on investment.

The Rule of Market Imbalance: "From Such Ideas Fortunes Are Fashioned"

The first rule of money that prospective entrepreneurs must obey is that successful generation of above-average rates of return depends on their locating an objective imbalance of supply and demand in a particular product market. "We tried, in each case, to solve problems that needed solving," says Seth

Arvin, explaining how his chemical company grew from a basement enterprise to a multimillion dollar public corporation. Discipline, hard work, risk, and some more or less stringent control over other people's work may well become crucial at some point for abundantly harvesting the fruits of entrepreneurship in the form of wealth. But none of these factors, argues Brendan Dwyer, who has known success and failure, is as important as locating a market vacuum or unfilled need. It is a matter of grasping the *idea*--discovering where "there is a need and the supply is zero." "It is from such ideas," he concludes, "that fortunes are fashioned." "There was a void," for a certain type of speciality insurance, he explains, and when "we exposed the market place to that idea . . . the market place responded and we had a lot of business."

Sometimes the idea is encountered through happenstance or suggested by someone else. But it is not just an idea that gets recognized; it is the idea-as-*opportunity.* For instance, commenting about his decision to begin his food distribution company, Dwyer remarks,"This was not my idea, but I recognized it." Such ability to discern opportunities in good ideas requires a certain enterprising sensitivity that many entrepreneurs proudly extoll as one of their distinctive personal attributes. Says Jacques Katkov, founder of a series of successful ventures, "I felt I could see more clearly than others the frontiers of technology and that was clearly the best opportunity. That's how successful companies were built in a short time out of nothing."

The existence of the rule of market imbalance need not be recognized explicitly to be effective. What, in fact, depends upon an accurate and timely alignment to structural conditions can come to be viewed by the entrepreneur only as a matter of personal volition. As Russell Spencer, a successful and articulate real estate investor insists, the greatest deterrent to success is falling into the trap of emphasizing "the down-side mentality as opposed to an up-side opportunity. If you've got any degree of chutzpah or capacity or capability, you can't say you can't lose. But [since] the possibility of winning--if you're good--is so much higher than losing, you ought to take the chance." If fortunes in fact require compliance with the rules of money, the best first step would be to heed the theoretical advice of the food distributor who counsels the search for a market void rather than the inspirational homily of this real estate developer who exhorts the conquest of fear.

Although compliance to the rule of market imbalance is required, the rule itself is quite robust in that it leaves room for performance errors. Once an entrepreneur locates a true gap between supply and demand, actual business practices need not be perfect. Reports Dwyer, "Execution affects the degrees of success or failure. Less than perfect execution will not prevent an otherwise good idea from becoming successful, and perfect execution of a bad idea will not make it work."

The Rule of Affecting the Rate of Return: "Above Average Returns Without Above Average Risks"

In addition to identifying a specific product market where demand exceeds supply, the entrepreneur must uncover and honor a second objective rule of money. This second rule of money distinguishes the entrepreneur from other types of investors such as venture capitalists, futures traders, or long-term bond investors. In investment theory, the concept of expected value or *probable* return on an investment summarizes the outcome of the complex relationship between the amount, duration, level of risk, and rate of return of an investment. Generally speaking, higher expected rates of return are associated with higher risk. The distinctive aspect of entrepreneurship, says Dwyer, is that "above average returns without above average risks can best be obtained by adding your own intellectual capital to your money in such a way that the total return will be greater than the sum of the returns on each." The unique characteristic of entrepreneurship as an investment strategy is its ability to offer--indeed, require--the active engagement of the investor in producing the return on investment. From the beginning, entrepreneurs must position themselves so as to efficaciously shape the world to their interests.

Capitalism, says the historian Fernand Braudel, is "constantly watching developments in order to intervene in certain preferred areas." Entrepreneurial investment engages the investor as an active participant in locating preferred interventions and in affecting the rate of return of such investments. It is not surprising, then, that entrepreneurs so committed to actively managing their incipient investments should point to specific practices or breaks as the key to their success, rather than to their adherence to these two abstractly formulated rules of money.

The first rule about locating a market imbalance is often formulated "as being in the right place at the right time" or as having received a lucky break or fortuitous lead. The second rule of efficacious creation of one's own rate of return tends to be enunciated as various particular "keys to success." For instance, many of our respondents attribute their prosperity to hard work, product design, quality control, proper treatment of customers and employees, and other business practices by which they define their distinctive contribution. Although clearly aligning themselves to the basic social rules of entrepreneurship, most respondents attribute their success to a rich diversity of strategic practices rather than primarily to their adherence to the two productive secrets within which their inspirations, hunches, commitments, and sacrifices are played out. They do this, however, not because they are confused or unreflective, but because they are practitioners rather than theoreticians. We now turn to their accounts of founding and running their businesses in order to uncover those neglected personal or moral processes having to do with the unfolding of fortune and virtue in the lives of entrepreneurs and their construction of individuality and principality.

BUILDING A PRINCIPALITY AND CONSTRUCTING A SELF: FOUR PHASES OF BUSINESS AND MORAL DEVELOPMENT

The entrepreneurial process of self-construction and world-building parallels the identify-formation process by which the inherited pass through a period of hardship on the way toward alignment with money and eventually toward the alignment of money to their selves. The entrepreneurial process takes place, like the inheritor process, always within the larger framework of an individual's life history and often entails one or more liminal periods of undergoing growth, tension, hard times, questioning, or separation. But just as the inherited process is characterized by the use of virtue to gain ascendancy over the fortunes of wealth, the entrepreneurial process is characterized by the application of virtue to derive fortunes of wealth.

The process of entrepreneurial ascent revolves around a dual and usually sequenced set of stages by which the entrepreneur practices the *productive*, *strategic*, *financial*, and *spiritual* secrets of money. We use the term "secret of money" instead of the objective rules of money when speaking of the concrete practices and attitudes that our respondents themselves identify as the keys to their business, financial, and personal success.

Phase 1: Great Expectations

The first stage of the entrepreneurial journey revolves around the development of the aspiration for financial success. It generally extends from the period of youth through the acquisition of a first job. It is largely a period of internalizing the desire for financial independence and coming to recognize that working for someone else as an employee is the major impediment to fulfilling that desire. Later phases of the entrepreneurial process find the entrepreneur applying insight to action. But most important in the first phase is gathering insight: an education from insecurity, contact with the entrepreneurial spirit, and a prefigurative vision of themselves as entrepreneurs. Taken together, the "early years" represent the initial inculcation of *virtue* and the first efforts to overcome the hand dealt by *fortune*. The neophyte begins the long process of alignment to the rules of making it in the world of money. This means internalizing a drive for success, the habit of hard work, the confidence to take risks, and an orientation of delayed gratification so crucial for developing the investment mentality of entrepreneurship. But it is not all learning; we often find, too, some incipient entrepreneurial practice.

Images of humble beginnings. Some of our younger entrepreneurs have enjoyed affluent backgrounds or, like Donald Trump, have inherited a smaller business that they parlay into larger enterprises. But the entrepreneurial biography generally begins with an account of humble beginnings if not actual poverty. Even when there is some evidence of a secure and even affluent financial background, the respondents emphasize how, as Jesuit Daniel Lord entitles his autobiography, their "manner is ordinary." Allison Arbour, who runs a major midwestern advertising firm, says that her father's position as director of purchasing for a small manufacturing company only made her family "middle class . . . if we were that far up the ladder. We always had food, clothing, and all the good things, and we never missed anything. . . . but we weren't wealthy people in any sense of the word."

If those of modest financial background stress their relatively humble beginnings, those who actually endured poverty in their youth highlight it even more emphatically. It turns out that especially for a number of our respondents born before the end of World War II, the Horatio Alger saga of rags to riches remains a surprisingly consistent mode of self-depiction. Such respondents speak of financial hardship in their childhood homes; a first-hand knowledge of the perils of financial insecurity suffered by family and friends; and the experience of seeing a family business go under or a parent--usually their father--lose a job. Such hardship passages are introduced by our respondents not just to fill in the early years of their biographies but as a way to emphasize their active virtue in overcoming obstacles on the road to where they are today. Stephen Wright voices this contrast between origins and destiny:

> As a kid I knew we were quite poor. [There were] things I couldn't do, things I couldn't have. We always had a clean house and all that and enough food to eat. But I knew we couldn't have a bicycle, couldn't have a quarter allowance, couldn't have this, couldn't have that. But as an adult, as a working adult, I never had a sense of want or I've never had a sense of financial insecurity, where my next meal was going to come from and where I would sleep.

A saga of parental inadequacy and family mobility in search of better opportunities precipitated the inspired drive for economic achievement and material display of Roger Ulam currently riding the crest of a billion-dollar business. "I was pretty poor to start with. We lived with my dad who was a truck driver when he was healthy. He had tuberculosis. He died when he was 29 and I was 4 and going on 5." With a mother unable to support the family, he spent the next thirteen years shuttling between boarding schools and relatives.

The mobilizing sting of poverty or financial insecurity can derive as well from early working life rather than childhood, emphasizes William Erwin, a medical supply wholesaler from New England. He grew up in a "comfortable" lifestyle, but is "still carrying psychological scars from having been poor" in his early work life:

> Well, I think with each passing year they [the scars] are healing now. But I expect to carry them to my grave. This is from my early manhood. I was a father, parent in the family, having a child every year for seven years. It was just one of those things. Kind of being locked into a financial situation that was very mediocre at best and having increased demands without having increased compensation. We were always on kind of a roller-coaster. It always seemed as if the good months only followed the bad and the bad followed good.

Much attention has been devoted to how the notion of the "deserving poor" gets created and imputed to groups as part of a complex process of political legitimation. We can now see how our respondents generate the legitimating notion of "deserving rich" at the outset of their accounts and then weave this theme throughout their narratives. Indeed, the story of financial achievement begins for most of our respondents with various vignettes of misfortune or, at best, with recollections about the even-handedness of fortune. They are not particularly privileged or spoiled in their youths. In order to tell of their interventions to better their lot--what they tend to be most proud of in life--they must also recount how they did not like or want every hand that was dealt by life. To satisfactorily explain their achievement, our respondents construct a narrative that emphasizes the workings of virtue in their lives. By devoting narrative time and space to recounting the challenges and hardships of fortune, they open a narrative (and thus a social) time and space for recounting their responses of virtue.

Frontier virtues. Our respondents, living under the cultural umbrella of Calvinism and the Enlightenment, adhere to a belief in the relatively unlimited potency of *character* for shaping fortune. The early years arm our respondents with the capacity to combat the vagaries of fortune. They teach the efficacious practice of virtue, what Thomas Aquinas calls the habit of doing good, or what one respondent defines negatively as "developing the habits of doing the things that non-successful people aren't doing."

Our respondents emphasize how they have inculcated frontier virtues such as hard work, investment, simplicity of lifestyle, thrift, care for others, and delayed gratification. Lamenting that his own kids are "never going to know the atmosphere of Smalltown U.S.A.," Russell Spencer extols his own "disciplined upbringing" that included the family injunction that "you've got to go to college," the childhood restrictions against going out on school nights and staying out late, and the expectation that he would work every summer doing "penny-ante jobs like mowing lawns and taking care of tennis courts."

Such virtues, Spencer and others repeatedly insist, are learned not in schools or even churches but through the example of family members and from the lessons of worldly exposure. Spencer readily admits he never did well "grade-wise" but was, in his words, a "big-man-on-campus type." He was class president in 8th grade, class president in senior year of high school, "played sports, and was in all the clubs and all that." Again in college, he "struggled grade-wise" but then "things worked out," not academically but in worldly terms of "making good money" by holding down four campus jobs.

If school learning is discounted, the morality plays of adolescence are extolled as major formative experiences. Spencer always remembered his father's gentle but firm admonition to him at age ten that "people don't like to be called Polacks, Dagos, Wops, or Niggers or anything like that." "Smalltown U.S.A. is interesting," he adds, in how it shapes your values because "you know the bank president and you know the milk man by first name. And the cop knows you and he knows your dad. And there's a sense of 'you'd better not screw up' because it's going to get back to him pretty quickly."

Strength of character. Underlying the array of *specific* virtues constituting the moral character of the entrepreneur is something even more crucial for energetically molding fortune in order to establish a business of one's own. This is the appropriation of the "active" virtue of continuous self-improvement through disciplined training, what Machiavelli calls the conquest of fortune by *virtu* or embodied power. To build a business becomes not just a way to earn a living or become financially secure, but a daily moral test. For Roger Ulam, the disciplined development of a disciplined self began, appropriately enough, during his stint in the Marine Corps where, as he puts it, "I saved most of the money I made. . . . I didn't go out on liberty and raise hell like the other guys did as much. . . . I spent a lot of time in the library reading and studying, trying to plan my life. . . . I came up with my five priorities which are spiritual, social, mental, physical, and financial--in that order."

Such self-generation of virtuous character is boldly exemplified by the rigorous process of what Dale Jayson calls "self-actualization." More dramatically enunciated than the stories of most of our entrepreneurs, Jayson's narrative captures especially well the development of self as an active repository of efficacious power. Disillusioned that white team members were getting played ahead of him in high school, Jayson learned from his father, "Son, you got to be twice as good or maybe three times." This lesson proffered by "a guy with no formal education" showed him "where the boundary is" between success and failure and firmly embedded "the philosophy that whatever it takes, you do it." "Strive for perfection," says Jayson. "The closer you come to being perfect, the more secure you are. Your very best is not good enough." "The only limiting two words in my vocabulary," teaches Jayson, "are 'if' and

'I wish.' Most people who use those words are losers. . . . 'If I would have done this, I wish I would have done that.'"

The prefiguration. Our interviews do not provide the kind of information that would enable us to identify the exact determinants of an entrepreneurial career. We do find, however, that one frequent element of an entrepreneur's background is some kind of direct encounter with the workings of entrepreneurship, often in childhood through the activity of a family member but sometimes through their own youthful entrepreneurial initiatives. These business efforts of grandparents, parents, or other relatives, we must emphasize, did not involve our respondents long enough to establish them as entrepreneurs nor did they prove successful enough to provide an inheritance. But they seem to make our respondents more relaxed with stepping out on their own. As William Erwin intimates, "My dad was a commissioned salesman selling paper products--a very, very avid reader--and helped me with having kind of an entrepreneurial spirit." As a youth Stephen Wright witnessed his father move in and out of a couple of businesses but Wright really cut his teeth by working for his uncle who looked upon him "as the son he didn't have." Roger Ulam, who grew up without such familial role models, secretly adopted McDonald's founder, Ray Kroc, as a surrogate mentor.

Even when not so explicitly recognized by our respondents as a formative experience, such models helped implant the fundamental insight about the dialectic of socialization and social construction that is crucial for all creative enterprise, namely that agents need not humbly find a place in the world but can willfully found the world itself. Perhaps most everyone has childhood aspirations for success and it is just that the successful better remember them or are more emboldened to voice them. Still, part of that personal side of self-formation that accompanies entrepreneurship is the creation of a strong individuality defined by our respondents as the anticipation that they can mold the world to their interests. This is the great expectation--not some naive hope for some unknown beneficiary to provide an inheritance--but the purposeful self-directed quest to form a principality commensurate to their expanded individuality.

Such a demanding sense of self derives not only from contact with enterprising parents or surrogate mentors. It arises as well from internalizing the entrepreneurial path, often at an early age. The call comes as a prophetic vocation requiring a conversion or *metonoia*, a decision to turn around one's destiny. A remarkably consistent finding is that virtually every one of our entrepreneurs report, without our prompting, some youthful great expectation to become successful in their own business. "When I left Cincinnati I wanted to be a great football player, and I wanted to be a millionaire," says Raymond Wendt, putting it as directly as possible. Such *prospects*, as Dickens would term it, for financial principality become focused at this early stage in a prefigurative entrepreneurial identity often accompanied by an experiment of incipient entrepreneurship.

Our respondents consistently recall a youthful projection of themselves into a financially secure future, "to sightsee it out," as Dale Jayson phrases it. They envision themselves as successful entrepreneurs or professionals, establish this as their life's goal, and set out to attain their dream. "I was a teenage tycoon in my head," proclaims Roger Ulam who engaged in numerous money-making schemes going back to high school. Electronics entrepreneur Katkov says "As early as my junior year in college I had the vague but distinct idea that some day I would like to start a company." And Eva

Radkey testifies to the abiding power of the vision by citing how an earlier dream to produce a specialty pastry became actualized only as she floundered for purpose amidst a devastating mid-life crisis.

If Radkey received the vocation as a liberating opportunity, William Erwin did so with more sobriety. Like Rudolf Otto's notion of the sacred as *fascinans* and *tremendum*--both inviting and awesome--the early vision is not just liberating but binding. Like a moth drawn to the flame, William Erwin just couldn't resist the call to entrepreneurship: "It wasn't so much that I had to do it; but something inside of me wouldn't let me not do it."

In addition to visionary prefigurations, many prospective entrepreneurs actually undertake small-scale entrepreneurial experiments that both express and solidify their emerging self-understanding as individuals in charge of creating their fate. Roger Ulam, it turns out, was not just a dreamer. Even as a teenager, he reports, "I found myself being very entrepreneurial. I had a lot of different things going, from raising rabbits to growing vegetables and selling them door to door. And when it snowed I'd grab a shovel and broom and knock on doors. I'd go fishing and catch and clean the fish and take them door to door."

"I remember in high school saying that I . . . wanted to be a millionaire before the time I was 30," says Walt Adams. And, indeed, he "came out very much on the run," learning and applying the strategic capitalist insight about how to transform mere consumption items into productive, profit-generating capital:

> Even as a high school student I always felt that . . . as long as I had money that I could do what I wanted to do and socially I'd be more acceptable. . . . I remember I'd bought a car and then would charge the kids for rides in it. And I paid for the car and I paid for a lot of other things that way. And that really was, I guess, my first lesson in entrepreneurial pursuits.

Reflecting Dale Jayson's injunction that virtue is doing what the non-successful don't do, Adams stresses he did not exploit his friends. He simply viewed the world in a more enterprising way. His friends "didn't mind," he insists, "They didn't know about profit margins or about what this had cost me to do it."

Phase 2: Breaking Away:
The Limits of Working for Others

None of the transitions between phases can be cleanly demarcated. The life histories of the entrepreneurs flow more evenly than we can chart them. This is especially true in regard to the second phase in which the prospective entrepreneur makes the transition from employee to self-employed. Not only does the second phase itself vary in intensity and duration. Various sub-stages comprising the second stage are in fact omitted for some of our respondents.

The primary determinant for the truncation of the second phase has to do with the nature of the phase as a period of liminality. In this phase the dissatisfied employee undergoes the tension, uncertainty, and self-testing associated with the exercise of virtue. Such virtue is required to train would-be entrepreneurs in the skills and discipline needed to risk striking out on their own and to knowledgeably scan the terrain of market opportunities for a lucrative opening.

One of the major differences among entrepreneurs, then, is just how prominently a testing period of liminality figures in their business biography. That is, how challenging are those initial roadblocks they must skirt on the road to success? The greater the impediments to be overcome in accumulating either human or financial capital, the more we hear a story of liminality and virtue, and the more the early stages of Phase 2 are emphasized. The more our respondents enjoy the benefits of assistance and leads, the more they experience a relatively smooth non-liminal transition, the more they recount a story of fortune and breaks surrounding the last stage of Phase 2.

If Malvoleo's pronouncement that "some are born great, some achieve greatness, and some have greatness thrust upon them" broadly characterizes the paths to fortune, respectively, of the inherited, the entrepreneur, and, perhaps, the lottery winner, it also serves to distinguish the different paths to entrepreneurial greatness. As we will describe, those for whom the ascent requires disciplined struggle speak in the more emotive imagery of pursuing an odyssey, scoring in a game, and engaging in a war of maneuver. Those for whom the rise to fortune is more gradual and less strewn with obstacles employ metaphors of construction, career, harvest, stewardship, and shepherding.

Liminality: "without a life-preserver in the shape of a salary." Armed with the push of childhood economic insecurity, the pull of their prefigurative expectation, and the virtue of discipline and training, our respondents enter the world of business with an individuality in search of a principality. It turns out that this search amounts to substantially more than job-hunting or determining an appropriate career. It is no exaggeration to say that the search becomes a moral quest eventuating in a virtual redefinition, not just of themselves as creative economic actors, but of their whole perception of the productive capacity of money. A fundamental first step in this self-evolution is the transition from the relatively secure status as an employee within an enterprise of someone else's making to the more precarious status as an entrepreneur within an enterprise of their own making. "The businessman pure and simple," commends Andrew Carnegie, "plunges into and tosses upon the waves of human affairs without a life-preserver in the shape of a salary; he risks all."

Some respondents make their initial foray into "the waves of human affairs" directly as entrepreneurs, often in some family business, but most follow the more common path of trying to fulfill their aspirations first by taking jobs that draw on their training and interests. With only a few exceptions, our respondents received college degrees and many pursued graduate work. They obtain favorable employment placements with potential for long-term careers and financial advancement.

Despite such favorable prospects, our respondents invariably come to question whether alignment to the rules of money that govern them as employees can fulfill their heightened expectations for financial security or personal independence. The extended period of liminality, during which the economic consciousness and practice of the future entrepreneur become aligned to the objective rules of money, begins with the dual process of disaffection from their current conditions of employment and attraction to the alternatives of "buying one's own time," as William Erwin puts it.

This and other such responses indicate that there is something more going on in the transition from employee to entrepreneur than dissatisfaction with a particular job--although that is often given as a precipitating reason. The fact is that these incipient entrepreneurs simply *outgrow* what even the best employment position has to offer. For instance, Russell Spencer says, "I got out of college and I ended up in the bank which to me then sounded very appealing. It had a nice white-collar ring to it. And I don't think I really understood that there was no money in it."

Many other respondents also begin their disaffiliation by focusing on the monetary considerations. They complain that being employed too stringently limits the upper boundary of income and wealth to which they can aspire. But other aspects of self-employment become cherished. "By and large," explains William Erwin, "there were certain benefits that legitimately accrue to an owner that are not available to someone whose income is totally [derived from] working for someone else. . . . [such as] car expenses and things of that nature, a modest amount of entertainment, vacations." But these are "nothing of a grand nature," he continues, in comparison to the fact that "your time was your own; you were building something."

For the emerging entrepreneur, then, growing dissatisfaction with an employment position becomes translated not into moving to another job but into moving outside of the employment relationship altogether. The key to the transition from employee to entrepreneur, then, is not any specific job dissatisfaction but the stark recognition that their expectations for financial security, autonomy, and personal happiness cannot be met when their time is sold to someone else rather than bought by themselves. Harboring great expectations certainly makes our prospective entrepreneurs less content with any employment constraints; but it is their already strongly developed individuality that enables them to consider that working for others in any capacity is the problem to conquer. The liminal transition from employee to entrepreneur is thus a new way of acting--but even more fundamentally a new way of thinking, a new self-understanding.

Liminality: the search to quell the "restless hope." Those who must take leave of their status as an employee as well as those who move directly into entrepreneurship must enter an interlude of virtuous search for the appropriate entree into entrepreneurship. This search becomes a vocational quest, especially for the neophytes who must track down a first exposure to entrepreneurship in contrast to those who need only select among the opportunities already within their purview. This quest for knowledge follows the gnosis pattern of biography: a relentless search for an answer or insight. Prospective entrepreneurs struggle for cognitive insight into how best to position themselves to fulfill their aspirations, to quell what Matthew Josephson, the renowned chronicler of the Robber Barons, calls their "restless hope." After terminating a successful but ultimately unsatisfying tour of duty as a "peddler" in his uncle's business, Stephen Wright recounts how he began "striving, thinking" to "figure out what I really want to do with myself." The "drummer keeps beating 'financial independence, financial independence.'"

Liminality: the world turned upside down. The search to fulfill the drive for individual autonomy eventuates in learning the *productive secrets* surrounding a specific market segment. This insight is the objective cornerstone of the entire entrepreneurial enterprise, the condition of possibility of all subsequent success. The two objective rules of entrepreneurial success and how our respondents formulate them have already been reviewed in the first section of this chapter. There we learned that alignment to the objective workings of money requires from the entrepreneur at least an intuitive grasp of the rules of supply and demand, the location of a market niche where demand outstrips supply, and the necessity of committing their own efforts and skills in order to obtain that high level of return on investment that distinguishes entrepreneurship from other forms of investment.

Still, the discovery of a more fundamental aspect of the productive secret is cognitively prior even to the determination of a market niche. This entails learning to view the world in a peculiarly distinctive way. Before learning a business, the entrepreneur learns a philosophy. "A quality of iron enters the soul," says Josephson, the future entrepreneur "acquires a philosophy suited to opportunities."

What then is that mobilizing vision, that "quality of iron" that steadies nerves in the face of risk? We find that it has something to do with the fact that the entrepreneur no longer conceives of phenomena primarily as means for fulfilling needs or as objects to enjoy but as opportunities for profit. "It takes a certain kind of desire," explains Stephen Wright. "There are people who will look at land and say there's a wonderful place to grow roses or to have cattle roam, but [the real entrepreneur] will only look at it as though it were dollar bills: 'land I should have bought, land worth this but it could be worth that.'" In Marxist terms, this is the shift from perceiving goods and services as use values to perceiving them as exchange values, that is as commodities valued for their market capacity rather than for what they can actually be used for. They are produced and sold not according to the logic of fulfilling individual or social needs but according to the logic of expanded accumulation. Interestingly, this parallels the cognitive transformation that we identified as the key to the movement from employee to entrepreneur: the insight that labor receives a more lucrative return on investment when one is buying one's own time and the time of others rather than selling time to an employer.

Because learning to approach the world for its exchange rather than for its use value is cognitively prior to locating a specific imbalance of supply and demand, it can be rightly called the productive secret of the productive secret. It is the learning of a new truth, the attainment of maturity by the capitalist mind. It is the inner voice, says Stephen Wright, associated with "the way I've been trained and my mind works" that says "'if you do it this way you'll make money."

The break. Entrepreneurial success is never recounted merely as the triumph of character over circumstance--not even by the respondents who endure the greatest rigors of liminality in search of an entrepreneurial identity or in an effort to get their businesses off the ground. In virtually every instance, the retrospective accounts cite--and usually emphasize--the benefit of a break at the onset of an entrepreneurial career or at some crucial turning point.

Fortune is viewed as most generous by those who have had opportunities "thrust upon" them even though they have neither weaved nor toiled to make them. In the extreme instance, fortune bestows not just the specific opportunity for a profitable enterprise but an introduction to the notion and identity of entrepreneurship itself. Relatives, friends, or individuals encountered by chance, provide a relatively smooth transition from a general aspiration for economic independence to a concrete apprenticeship in the business world. They offer unsolicited partnerships, investment opportunities, ownership positions in small or fledgling businesses, or just plain good advice. One respondent stumbled upon his prospects when in the early 1950s as a fledgling furniture manufacturer he felicitously heeded the advice of a chance acquaintance whom he met on the road. This stranger suggested that he get back in his car and visit the founder of a chain of highway establishments known as "motels." It turned out to be the beginning of a long friendship. A deal was struck that day to provide specialty furniture for every motel to be opened in that chain.

Despite the prominence of such good fortune, success is never achieved without activating virtue to milk those unearned opportunities wrought by fortune. Virtue gets played out only within the world allotted by positive fortune in the form of opportunities and negative fortune in the form of constraints. Thus it is the way fortune interacts with virtue and not just the presence of fortune that shapes the entrance of our respondents into their business lives.

Phase 3: Making It and Making a Self

Having come to align themselves to the rules of entrepreneurship, the increasingly empowered individuals now begin to align entrepreneurship to themselves. As they "make it" financially, the peculiar empowerment of the wealthy begins to take hold. Instead of the ways of the world being re-presented in the life of entrepreneurs, the will of the entrepreneurs becomes re-presented in the specific institutional shape of their businesses and in the distinctive personal shape of their biographies. As they come to "make it," we find that entrepreneurs are making their selves and making the world in their image. Such ability to manufacture the environment for oneself and others is the divine power of creation--a capacity so broadly and purposefully exercised from here on out so as to warrant for our respondents the designation of "demigod," and their domain that of "principality."

Strategic secrets: learning the ropes. Once at the helm of an enterprise, the individual is no longer just a worker or investor but what Carnegie terms a "merchant" or "maker." But being a maker means more than "to make some something tangible and sell it," as Carnegie defines it. It means also to make one's environment as well as to fashion oneself into an empowered being. As we said, the most fundamental requirement for such world-building and self-construction is to become aligned to the objective rules of market success. Entrepreneurs must locate and work to their advantage some imbalance between supply and demand. Within this requirement, however, "making it" becomes a highly personalized endeavor.

With remarkable consistency, our respondents proudly recount the *strategic secrets* of their success. These are the set of specific investment, labor, production, and marketing strategies derived from their budding individuality and to which they attribute their success. Our respondents withhold no secrets about their formula for their success and are ready--even anxious--to recount the trade secrets of their entrepreneurial and managerial achievement.

What eventually becomes a defining characteristic of the wealthy--control over their destiny--begins as a series of strategic lessons to be learned about how to conduct a business and comport themselves so as to retain a competitive edge and, just as important, to feel proud of their accomplishments. "I believe in 'Thank you,' 'May I help you?' says Ralph Pellegrino, the owner of a retail chain who gets involved in every detail of the business. "The thing I enjoy most is being on the floor with the customers. . . . I'll go up and put my arms around them, and I do love people. I just enjoy being on the floor. I could pick up a thousand things that were wrong, the feel you have, mostly because it's customer-oriented like that."

In addition to being customer-oriented, the strategic secrets of success that we hear about include treating employees with respect, providing good working conditions and benefits, producing a high quality product, working hard, and, as David Stephanov counsels, simply being tougher than anyone else. "There's four ways to get wealth," he suggests, "You inherit it, you work for it, you borrow it, or you steal it." He assures us, however, that the only way he got wealth "was to work for it."

Although Allison Arbour later "did some time"--as her father put it--at a major university and staggered through years of night school, this prominent entrepreneur who became the first woman president of her city's major business organization simply "walked out of college," never to earn a degree. More instructive by far was what she learned from being defrauded by two early partners, from having "to hustle big" under the pressure of commission work, from diving right into new projects, and from working alongside the "old war horses" in her industry. Although, like every other successful entrepreneur, she heeded the two objective productive secrets of business activity, in her consciousness the key has always been her readiness "to get my hands dirty," and to say "let me try that":

> I didn't even care if I got paid when I first started [working with] . . . a couple of guys who were doing [in radio] what I was doing in the newspaper business. . . . Once I figured out how they did it, I really didn't want to do it any more. Because I just, was sort of, I was constantly thirsty for knowledge of the communication field. As you can see, I really was constantly sticking my hand in. But, like Mother touching people with charity, I had to touch people in the business. I had to get my hands dirty, I guess, to understand it. Maybe, if I had enough educational background to comprehend things, I wouldn't have had to work so hard to learn. But everything I learned, I learned by doing.

The payoff: business success and the financial secret of money. Learning and applying the productive and strategic secrets of money eventuate in business success for our respondents. We find, however, that business success does not automatically translate into financial security, much less into personal fulfillment. Successful entrepreneurs, of course, are not exactly "sheep without a shepherd." Our respondents are accomplished in building and running their enterprises. We have seen that examining the rich variety of strategic secrets tells us more about the personal experience and moral drama of entering into entrepreneurship than only looking at how entrepreneurs align themselves to the technical rules of the two productive secrets. Similarly, we have more to say about the outcome of the entrepreneurial process than merely that money was made.

As we have stressed throughout, establishing a financial principality coincides with crafting an individuality. Just as entrepreneurs pursue their expectations by materializing their individuality in the form of a business, the wealth earned by that business feeds their individuality. By learning how to translate business success into malleable liquid assets and then applying those resources to the fulfillment of their interests, they uncover the *financial secret* of money. In addition to learning how to invest money to build a principality and individuality in the world of production, they learn how to build a principality and individuality in the realm of consumption.

Respondents who have learned the financial secret of money recognize that the source of their empowerment in areas other than business results from understanding how and when to disinvest both time and money from their businesses in order to foster other goals. They reveal at least an implicit knowledge of the financial secret of money in their accounts of how they translated business success into an even bigger financial success. They talk about "knowing when to get out by selling the firm," "going public, " and "liquidating" all or part of their business assets. What made them successful was learning the productive secret of money. What had made them consciously empowered as "wealthy" or "financially secure" in a broader sphere of life was learning the financial secret of money. Just as money could be put into a business, it could also be taken out to serve other desires and interests. Learning that they are in fact wealthy, that indeed they have *disposable* income, is an important prerequisite for the wealthy moving from being disposed over by their money to disposing over it.

Only as his business got "going nicely," and he de-emphasized his insatiable drive to save and invest, recalls Stephen Wright, did the drum beat of "financial independence" become "quieted down." He returned to his musical interests and spent time doing things with his family:

> My life was broadening a bit more. I had been a working fool up to that time, worked very, very hard always; worked Saturdays every week of my life. I never knew what it was like not to work Saturdays and in the early days it used to be a half a day on Sunday. . . . Then a couple of dramatic changes started taking place.

First, he realized that his business had been a success, that he had become an accomplished practitioner capable of maintaining his success. And, second, he recognized that he could consider himself wealthy if only he could regard his invested assets as capable of being made liquid. For entrepreneurs to change, broaden, or otherwise transform money congealed or locked in a business into an active force in the service of fulfilling interests to consume money--and not just produce it--requires a new conception of themselves and of their money.

Phase 4: Renewed Quest for Principality and Individuality:
The Kalpataru Tree and the Spiritual Secret of Money

Thus far we have argued that "making it" must be understood broadly to include how entrepreneurs make the world and their selves along with making and consuming profits. As such, the story of entrepreneurship continues both in time and scope well beyond the secure establishment of a business. Entrepreneurship is the formation of a self as well as the formation of a business. The first three phases of entrepreneurship set in motion the intermeshed development of individuality and principality surrounding business success and personal financial security. The fourth phase entails the evolution of principality and individuality beyond business into a broader terrain of interests and accomplishments. Coming to locate these non-material interests and applying the personal and financial resources to accomplish them is to learn the *spiritual secret* of money.

Up to this point, the dialectic of having-to and wanting-to revolved around being disposed over by the rules of money and disposing over the construction of a business according to personally charted strategic decisions. In this phase the empowered entrepreneurs take up the quest to discover and carry out a deeper set of interests. This, we shall find, does not mean they abandon their business and investment strategies altogether; only that the purposes to which they apply their empowered individuality become broadened into a principality based on a fuller range of religious, humanistic, political, or social goals. As in all previous stages, this transition entails a new learning about the nature of money and about the purpose of life. In this regard we should note, however, that although for most of our respondents the fourth stage temporally follows the third phase, this need not be the case. Many entrepreneurs uncover the spiritual secret of money early on even as they build and consume their fortunes by learning the productive and financial secrets of money.

The Kalpataru tree. Houston Smith, a well-known philosopher of religion, summarizes the Hindu spirituality of riches in the story of the Kalpataru Tree. This is the wishing tree that freely gratifies any expressed desire. In contrast to proscriptive Western morality, the only dictum issued by the sign on the tree is "You can have what you want." There is no attendant assumption that the value of what is wished for necessarily improves over time or follows some innate hierarchy. It is simply that one's interests will be fulfilled. The only implied warning is that expressed in the proverb, "Beware of what you want. You may get it." Whether such a moral economy would produce virtue or hedonism is not something we can answer--largely because the intent of the aphorism on the sign is not to emphasize the quantity of having but the quality of wanting.

There is no evidence that even the most successful entrepreneurs can have everything they want. We do find, however, that the quality of wanting does change in the wake of entrepreneurial achievement and that the wealthy are positioned better than anyone else to go after what they want. Two dynamics converge in the lives of those for whom enterprise has brought financial security and personal confidence. The first is that entrepreneurial success does in fact induce new and different wants. The second is the incontrovertible fact that more than any other members of society, those empowered by wealth can have what they want. All wealthy entrepreneurs revaluate their own wants while many come to discern and identify with the wants of a broader segment of society. But in any case, they mobilize resources to fulfill their wishes. They invariably become Kalpataru trees for themselves, and sometimes for others as well.

Renewed liminality. The encounter with the Kalpataru tree entails a renewed liminality. The entrepreneur takes up a quest to locate new wants in an effort to chart a post-prosperity personal and social agenda. For Stephen Wright, coming to realize that his business had gotten to the point where it could offer him financial security "was a cruncher." "It was like a seizure. . . . I could do anything I wanted to do. But I didn't know what the hell to do. So the first thing I did was I hired myself a psychoanalyst." Apparently this helped because "Susan and the kids, we took off for a nine-week trip to Europe in 1965. That was my acknowledgement to the world that I had made it."

But in addition to making this acknowledgement to the world, Wright passed through a renewed period of liminality or transition of identity. As if standing before the Kalpataru tree Wright was no longer in search of empowerment or capacity but in search of direction. "I had arrived at what the goal was, which was financial independence":

> My problem was that I had made it in a sense, I had separated myself from my main business activity. . . . So I had to find something to do. And what you end up doing, I think, what I discovered is you go to those things that truly interested you, have been an interest of yours in your life.

The spiritual secret of money. At the core of every entrepreneurial path to principality and individuality is learning and executing the productive, strategic, and financial secrets of money. This enables entrepreneurs to translate desires for business success and material consumption into their accomplishment.

But it happens that many entrepreneurs also learn and apply the *spiritual secret* of money. The spiritual secret of money is the deeper hidden ability of money to liberate entrepreneurs from the demands of the productive workings of money. In the entrepreneurial process, our respondents first become subject to the objective rules of money. But once wealth is achieved, it is possible to reverse the causal relation of subject and object such that the wealthy can come to rule money and business. Rather than "being consumed" by money, these entrepreneurs consume money in accord with their personal interests and desires.

It is not everyone who learns or seeks to learn the spiritual secret of money. Those who do move from being disposed over by the rules and meanings of money to disposing over them move from *having to* do certain things to reach financial security to *wanting to* transform that financial security into the service of their personal interests, including self-development and philanthropy. In a word, the building of a principality of business is the prerequisite for the later development of a fuller moral individuality.

There is no automatic or inexorable positive relation between wealth and spiritual existence. Wealthy entrepreneurs neither ask nor answer the question of deeper spiritual existence more frequently or better than anyone else. What is true, however, is that the path to a spirituality of money for the wealthy passes by the Kalpataru tree. We conclude that among entrepreneurs the fullest spiritual development or individuality takes place as they become secure in their achievement, transform their interests into deeper wants, and begin to devote themselves to humanistic or religious goals.

PART III

Social Relations of Philanthropy

CHAPTER 7

ELEMENTS OF A THEORY OF PHILANTHROPY

INTRODUCTION

In this and the subsequent chapter we turn to a discussion of our general theory of philanthropy and present our findings on the strategies or logics of philanthropic practice among the wealthy. In this chapter we explain the general meaning of social structure, and delineate three specific elements of the social structure of philanthropy, including the nature of a *logic* of philanthropic practice. In Chapter 8 we draw on these theoretical considerations to present our findings on the sixteen logics or concrete expressions of the intersection of philanthropic structure and agency.

By logics of philanthropy we mean the various ways wealthy individuals insert themselves into the world through their philanthropic efforts. As we will demonstrate, each of these logics is a distinct combination of strategic meanings and practices for ordering philanthropic involvements in time and space. Each logic of philanthropic agency represents the point at which the biography of an individual agent intersects with the history of society in the form of structural constraints and opportunities. By reference to these underlying dynamics of philanthropy and agency it thus becomes possible to move beyond an anecdotal reporting of our findings.

THE SOCIAL STRUCTURE OF PHILANTHROPY

The Meaning of Social Structure

A social structure is the compilation of interrelated social positions, cultural meanings, and behavioral conditions which, according to sociologist Anthony Giddens, serve as both the “medium and outcome” of individual or group practices. As such, a social structure is both “constraining and enabling.” It is a field or terrain that provides both limits and barriers to action as well as resources and opportunities for changing the structure itself. It produces rules for social action, which in turn become the objects of production.

In this view, a logic of philanthropy is not simply the more or less well-motivated voluntary giving activity of individuals, foundations, or corporations, as we emphasized in Chapter 2. Rather, it is a particular instance of the intersection of moral agency and political economy. It is a patterned array of “constraining and enabling” positions located within the broader organizational framework of a society’s leading cultural, economic, and political institutions. The particular array of positions that require our attention is determined by the workings of philanthropy as a production process within this broader setting.

Philanthropy as a Production Process

Within this perspective of a social structure of philanthropy, we conceive philanthropic activity as a particular kind of interactive *production process* or *social relation* by which a supply of private resources is matched to a demand of unfulfilled interests and needs. We understand philanthropy as a quite specific process of accumulation and distribution of resources to achieve personal or institutional needs and interests. We insist on identifying the dual process of accumulation and distribution because the private concentration of resources is an essential precondition for their philanthropic application. There is an intrinsic connection between the ability to mobilize resources and the ability to disburse them.

Although not directed toward the accumulation of financial profits, philanthropy as a production process does strive to maximize the accomplishment of specific goals by the application of accumulated resources. As such, philanthropic activity takes on the organizational form of something akin to an enterprise in a market economy. The form of such an "enterprise," however, is not limited to being like a giant corporation. It is just as likely to be like a small business. In fact, philanthropy recapitulates the entire spectrum of organizational forms present in the market economy from self-employment and sole proprietor-ships to large scale corporations as in the case of the major foundations.

This understanding of philanthropy as a social relation of production enables us to locate its defining characteristic in the *type of social signals* it responds to rather than in some formal institutional characteristic such as tax status as a non-profit organization. In commercial relations, needs elicit response largely to the extent that they become expressed in dollars, that is, translated into what economists call "effective demand." Similarly, in political relations, needs elicit a response largely to the extent they become expressed as campaign contributions or votes—what in fact is another form of effective demand. What makes commercial and political demand "effective" in eliciting a response is that this demand is presented through a medium upon which suppliers depend for their continued existence and, thus, cannot be ignored by them in the long run.

In philanthropic relations the medium for communicating needs is neither votes nor dollars, but words and images. Philanthropy thus recognizes or responds to what we call *affective* rather than effective demand. In philanthropy, demand is made efficacious by inviting the producer to attend primarily to the needs expressed, rather than to the medium through which they are expressed.

Supporter and Producer of Philanthropy

To examine the structural aspects of individual philanthropy requires that we first locate the set of positions or seats that establish the parameters within which individuals carry out their philanthropic activity. We focus on two such positions directly related to the structural setting of philanthropy as a production process. These positions are those of being either a *supporter* or *producer* and concern whether an individual exerts an indirect or direct role in determining the existence and purpose of a philanthropic organization.

The distinctive contribution of wealth to the philanthropic process is that wealth provides individuals with the means to move from being simply supporters to being creators or producers of philanthropic outcomes. Most contributors respond to appeals to support already established philanthropic goals and priorities. Their individual dedication of time or funds cannot alone determine the existence or purpose of a philanthropy even when such support is necessary for its continued operation. In contrast to those who contribute major gifts or establish philanthropies themselves, the givers of smaller contributions must be regarded as supporters or *indirect* producers exercising, at most, what might be called "supporter sovereignty." A philanthropic effort will become threatened by the exercise of such supporter sovereignty only when it fails to adequately frame its appeal to the broader constituency on which it has become dependent.

In contrast, contributors are considered *direct* producers rather than supporters when they command resources sizable enough to actually create or sustain the very organizational life of a philanthropy. The most pronounced instance of direct production occurs when an individual single-handedly establishes a philanthropic effort such as a foundation, but occurs as well when an individual contributes enough resources to produce a specific philanthropic outcome such as a clinic, endowed chair, or a hospital wing. Individuals of lesser means become direct producers of philanthropic outcomes only in quite limited ways--such as "adopting" needy individuals or family members--except where they are able to enlist others in a concerted effort.

A major finding of our research is that even as individuals, the wealthy actually produce rather than simply run or influence the organizational world of philanthropic production. The substantially larger per-capita contributions of the wealthy when purposively leveraged toward accomplishing certain goals are able to single-handedly and directly spur the production of desired ends by, in effect, creating the organizational means needed to achieve them. In sharp contrast to simply finding a way to match a personal interest with pre-existing efforts, philanthropy for the wealthy often becomes a way of directly advancing a personal agenda for shaping society.

Philanthropy as a Social Logic

We conceptualize modes of philanthropy as *logics* in order to emphasize that each type of philanthropic activity is an articulated unity of meaning and practice that makes sense of and orders the world. The notion of social logic, in contrast to the notions of modes or types, denotes the presence of an ordering principle over time and space. As such, we define a social logic as the set of strategic meanings and strategic practices according to which an agent organizes a series of discrete events into an ordered trajectory in order to accomplish a goal. In the course of our research we located sixteen such logics ordering the philanthropy of our respondents. Each logic of philanthropy constitutes the manner in which wealthy individuals construct a course of action in relation to where they have been and where they wish to go. Each is a distinct way the wealthy conceive of and use their money for public purposes.

The Elements of Social Logic

A social logic is constructed by a mode of participation, a view of the way things work, a plan of action, and a goal to be achieved. In more formal terms, these four elements of a social logic are (1) position to involvement; (2) strategic consciousness; (3) strategic practice; and (4) desired goal or teleological focus of attention.

Position of Involvement. As previously discussed in Chapter 2, each logic involves philanthropists in the capacity of either producers or supporters. Each of these positions is the locus from which philanthropists receive and carry out the strategic consciousness, strategic practice, and goals of a particular logic of philanthropy.

Strategic consciousness. As we have stated, a social logic provides an ordering principle or trajectory for social action. As such, a social logic is not only a behavioral prescription but a cognitive map, a personally appropriated set of meanings or cultural understandings of the world. Each social logic offers a strategic consciousness or way of understanding how the elements of the world are interconnected and how they are played out in a causal sequence. The cognitive map of the strategic meaning of each logic is never static in orientation. It is dynamic in the sense that it sets out a trajectory of causal linkages explaining how outcomes come to pass and what specific social forces are most crucial for setting in motion the chain of events that make the world the way it is and change it. It explains the way the world works, the way it ought to be, and the way to transform it. Therefore, strategic consciousness is simultaneously existential, normative, and utopian.

In the case of philanthropy, each logic's strategic meaning comprises the beliefs about the social needs that require attention, the way to address these problems by the application of voluntary contributions of time and money, a personal role in attending to these problems, and the pattern of social causation that makes philanthropic involvement efficacious.

Strategic practice. A social logic is not just a way of thinking, it is a way of acting and actually carrying out the strategic meaning on behalf of a goal. Every social logic entails a set of specific practices that are called for by the strategic meaning and the particular purpose to be accomplished. The character of a strategic practice in a logic of philanthropy is not determined by the kinds of activities carried out in the relation to philanthropy by the givers themselves, the kinds of related philanthropic practices set in motion for others, and the specific organizational forms and involvements that are made part of philanthropic production process.

Teleology. The fourth element of social logic is the teleological focus of attention, or what is to be accomplished. The teleology of a social logic is the complex array of outcomes focused on by the strategic meaning and accomplished by the strategic practice. The teleological focus cannot be reduced to some single purpose, motive, or end. It entails not only what one wants to do, but how one does it, and how one is shaped by or involved in doing so. Each philanthropic logic, depending on its specific teleological focus of attention, directs the philanthropist to address one interconnected configuration of ends rather than another. The teleological focus of a logic cannot be reduced to considerations about how much to give or where to give it. Rather, it is constituted by a complex array of ends having to do with the connection between what happens to the philanthropist, other individuals, and the cause of being supported.

CHAPTER 8

VARIETIES OF PHILANTHROPIC LOGICS AMONG THE WEALTHY

INTRODUCTION

Our empirical findings indicate that philanthropy among the wealthy is constituted by sixteen well-demarcated and internally coherent social logics. There is neither a logic unique to each individual nor a single logic with only accidental differences among individuals. We must note that for many individuals their philanthropic practice is multidimensional, often involving more than one logic of philanthropy. Nevertheless, it is most often the case that one particular logic tends to be the predominant mode of philanthropic practice for a respondent.

MANAGERIAL PHILANTHROPY

The essence of the managerial logic of philanthropy is a strategic consciousness and teleology that places preeminent value on enhancing the rationality and efficiency of a particular philanthropic production process. The philanthropist's position of involvement is as a producer, involving a strategic practice oriented around rationally managing the mobilization of a philanthropic organization's assets in order to produce an outcome in the most effective way possible. Accordingly, the teleological focus of attention is not the product itself, but the *process* by which it is produced. Although it is possible to make contributions of money in order to aid in rationalization, managerial philanthropists predominantly contribute their skills as managers in or managerial consultants to the organization. As one manager defines his role, "I like to think that I bring a certain degree of common sense to these deliberations."

The strategic practice of managerial philanthropy recapitulates the standards and criteria for running an efficient business enterprise in the realm of philanthropy. Indeed, the vast majority of individuals in our sample, whom we have identified as having a managerial logic, are also entrepreneurs, executives, or managers in the business sector.

A prime example of the managerial logic of philanthropy is one individual who is a top corporate executive for one of the largest corporations in the world. Because he is mainly involved in what he calls corporate "missionary work"--what we describe below as productive philanthropy--he sees the necessity of organizing philanthropic endeavors as if they were a "business proposition." The particular organizations with which he is involved range from summer camps for underprivileged youths to Third World housing projects. Nevertheless, in each of these activities, he endeavors to give people who wish to do good for others the opportunity to be effective by giving them effective organization. As he says, "you have to spot and select the people that . . . want to do something for other people. They are usually pretty ineffective in what they are supposed to be doing but they can be damned effective if you channel them right, if you make them do what they are supposed to do." The key to such "channeling" is "competent organization," which the managerialist strives to contribute.

ENTREPRENEURIAL PHILANTHROPY

Just as the catalytic and innovative influence of entrepreneurship has become increasingly important in business practice, so too has an entrepreneurial logic in philanthropic practice. The strategic consciousness associated with the entrepreneurial logic is akin to the strategic consciousness that characterizes the business entrepreneur.

Although many of the respondents in our sample who evince the logic of entrepreneurial philanthropy are indeed entrepreneurs or business people by occupation, it is not necessary to be a business entrepreneur to be a philanthropic entrepreneur. What *is* necessary is a framework of strategic meaning that emphasizes creativity and innovation in the way a philanthropy is organized or in the way it approaches a problem. The strategic consciousness of innovation and creativity central to this logic is captured by one respondent who observed that "private philanthropy is the perfect example of competition. You could take imaginative, innovative plans to the government and wait years to see them tried out. So I see that private philanthropy has somewhat the same role that the innovative, high-technology venture-capital sector has in the economy." Thus, the teleology of entrepreneurial philanthropy is not simply to further the pursuit of established philanthropic goals and priorities, but to establish new ones as well.

The strategic practice of the entrepreneurial logic involves an active, hands-on engagement of the individual as a producer in the philanthropic production process. Although the extent to which an individual is committed on a daily basis to a particular project varies, the entrepreneurial philanthropist will always exercise effective control at least over the major purposes to which the productive assets of the organization are being dedicated.

Entrepreneurial philanthropists tend to enter into small-scale projects, not simply to ensure effective control or engagement. They do so as well in order to make their contributions all the more effective, since it is in small organizations with relatively narrow goals that individual contributions can be so leveraged as to make the greatest impact. "So much about philanthropy," remarks the entrepreneurial founder of one such organization, "is having to accept that you're a very small fish in a very large ocean and that you can do very little. But if you work with people creatively and you work to empower each other there is a return on that which is much greater than any financial exchange." Bureaucracy, overhead, and fund raising costs are kept to a minimum to ensure the most efficient translation of human and monetary capital into practical result.

INVESTMENT PHILANTHROPY

At the core of the investment logic's strategic consciousness is the belief that philanthropy is not the *giving* of time and money but its *investment*. The investment philanthropist fills producer positions by scanning the philanthropic terrain in search of possible sites for the investment of their human and monetary capital in "partnership" with the recipient organization. As one respondent insists, philanthropy is a business-like venture and should be run as a business-like venture:

> I have always used the term "venture capital" with grantees. I do not use the word "give." I believe it is a pejorative put-down term and I hate it. And wherever I go, I try to convince people that they too should not use that word. They should speak in terms of a "joint venture" with the grantee in order to cause something to take place. They are partners. They are risk takers together in a joint, hopefully positive, undertaking whatever it is, whether it's a liberal cause or a conservative one. . . . As far as I'm concerned [philanthropy is] a constructive business-like undertaking. We do not have to deal with profit but we do have to deal with positive cash flow. . . . We do try and invest our money in organizations that are going to have a positive bottom line at the end of the fiscal year. And we are going to hold them accountable for their performance. And we are trying to accomplish some kind of measurable goal together.

Although the strategic consciousness of investment philanthropy emphasizes criteria of organizational efficiency and fiscal responsibility, its strategic practice is not intended merely to impose a business model of production and accounting upon the non-profit sector. Rather, it is also intended to reflect and encourage a different set of relations between philanthropist and recipient. As the same individual we quoted above said, "we try to do [philanthropy] in such a way that de-emphasizes the source of the money and de-emphasizes the difference in the financial relationship between the partners."

There are three aspects of the strategic practice of investment philanthropy that attempt to meet this goal. First, the practice of a philanthropic joint venture involves the pooling of resources of several different donors. This requires that specific individuals be willing to give up a certain degree of control over how their money is going to be used. Second, the investment of resources in any particular undertaking is done with the intention of *enabling* the grantee to pursue certain goals which are already part of its agenda, rather than arbitrarily specifying what the recipient will do with the funds by imposing a foreign agenda. Finally, the practice of the investment logic entails what one respondent calls the transformation of the donor from a "contributor" to a "stakeholder." This means that grantees are responsible for actively involving donors in the operation of the organization and for encouraging donors to invest their time, energy, and intellect as well as their money in the endeavor. In these ways a dynamic process of reciprocal "gifting" between donor and donee is established, thus making any philanthropic endeavor a more viable and sustainable enterprise.

Investment philanthropists tend to exhibit a critical stance towards the way most philanthropy is organized and conducted. They seek to encourage and support innovative transformations especially in regard to applying a business and investment logic to the conduct of philanthropy.

PRODUCTIVE PHILANTHROPY

The strategic meaning of the productive logic defines business endeavors as being philanthropic. In the productive logic of philanthropy, business and philanthropic activity intersect to the point where they are conceived as being one and the same. As a result, holding a producer position in business by definition entails holding a producer position in philanthropy. There are three different ways in which our respondents conceive of their businesses as being philanthropic in their own right.

In the first type of productive philanthropy, business **qua** business is broadly considered to be a philanthropic activity because of its central role in a capitalist society in providing opportunity and material well-being for citizens. One entrepreneur argued that his business, and any other business for that matter, was philanthropic because it was providing jobs and income for a number of people, fulfilling a demand for specific goods in the marketplace, and enhancing the quality of social life in general. As he told us,

> I think you do a hell of a lot of charity when you create a good business enterprise. That's the best damn charity you can do for anybody. Let them earn for themselves, and treat them right. Let them be a part of what you are doing. Teach them that they can make money instead of being dependent.

The second way business activity becomes presented as productive philanthropy has to do with the character of a firm's goods and services. One respondent claimed that the business for which he is a high-ranking executive is philanthropic because its product, religious books and literature, is spiritually and socially uplifting. He rejects the

> bifurcation that says [conventional philanthropic activity] is a ministry and this [the firm itself] isn't. Now it wouldn't be as easy for me to work myself as hard as I do for Exxon as it is for [my company], because in my company there is an exciting overlap of some of the missions of our company with my overall mission for my life in the world, and that, no doubt, is what makes this work appealing.

A third approach to productive philanthropy highlights the strategic conduct of the firm towards its employees. According to the owner, there is something unique about the social relations within the firm that render it philanthropic. From the perspective of one high-tech entrepreneur, his company is a form of productive philanthropy because it is a "people-oriented company." The firm's work environment is shaped so as to "influence my people's lives in a positive manner, both individually and collectively." The firm's assets are mobilized in such a way as to maximize employment security, facilitate employee participation in decision-making, and enhance worker loyalty and commitment through profit-sharing.

It may be argued that our attempt to delineate such a "productive" or business-located approach to philanthropy is a mistaken and misguided enterprise since it blurs the widely accepted institutional and sectoral distinctions between commerce as a for-profit activity of accumulation and philanthropy as a non-profit activity of re-distribution. In response to such an objection we reiterate our point that what is distinctive about philanthropy is not its institutional or sectoral location, but its supply-led relations of production and the types of normative signals to which it attends and by which it is governed. From this perspective, the logic of productive philanthropy is no less "philanthropic," and perhaps even more so, than the more commonly accepted philanthropy of the consumption logic where giving is directly self-oriented due to the fact that donors are the consumers of the benefits produced by their gifts.

CONSUMPTION PHILANTHROPY

The logic of consumption philanthropy is characterized by a framework of strategic meaning that emphasizes the utility of a particular philanthropic product or outcome for the individual contributors themselves. The positional involvement as well as the strategic practice of the consumption logic are predominantly oriented around the production of a philanthropic good or service that the givers or their families have already used or will consume either in the present or at some point in the future. In general, consumption philanthropy involves contributions of time and money to existing organizations and institutions. The position held by consumption philanthropists can either be as supporters or producers. They become producers to the degree that they make sizable enough contributions to affect the viability of the organization or become actively involved in the management or administration of the organization to which they contribute.

This logic is exemplified by the respondent who gives to and patronizes the museum housing artifacts he owns, the music-patron who gives only to organizations whose concerts he can attend, or the frequently cited practice of giving to one's church, synagogue, or schools. These examples also point to the fact that cultural, educational, and religious institutions are the principal philanthropic beneficiaries of consumption philanthropy.

A telling example of the consumption logic is provided by a midwestern woman who contributes substantial amounts of money and time to the private grammar school that she attended and in which her daughters are currently enrolled. We have found that a primary mode of consumption philanthropy is precisely this practice of the inherited wealthy to contribute to their old private schools in the unspoken expectation that these schools will accept and properly educate subsequent generations of family members. It is clear from her description of the school and its philosophy that she is not simply supporting a worthy institution but *purchasing* a valuable commodity for herself and her daughters:

> I will sell Pine Wood's role to anyone who will listen. . . . I think it's the best girl's school in the entire area. I was happy with my own education there and I'm happy with the education that my own girls have received. I think Pine Wood tries very hard to develop the total mental capacity of the young woman rather than act as a finishing

> school. I felt that I could finish my girls myself but the school is there to educate them. And it's a very mind-expanding education so that the students are almost all prepared to go to very fine colleges.

In terms of philanthropy and charitable giving as a whole, consumption philanthropy is by no means limited to the inherited wealthy. In fact, when one considers that most charitable giving is to religious institutions that produce goods and services that the donors directly consume, it is not unreasonable to claim that the consumption logic is probably the most pervasive and dominant logic of philanthropy in the population as a whole.

DERIVATIVE PHILANTHROPY

The teleological focus of derivative philanthropy treats philanthropic involvement, not as a value in itself, but as a means of fulfilling the responsibilities toward philanthropy that accrue to individuals by virtue of their membership in a particular community or corporation. The strategic practice and consciousness of derivative philanthropy emerge largely from an imperative residing *outside* of philanthropy rather than from an obligation rooted in the desire to produce particular philanthropic outcomes. We have seen this logic manifested in three ways.

In the first instance the impetus for philanthropic involvement comes either from heeding a firm-wide ideology of community responsibility or from following the more-or-less explicit requirements set down by a firm as the basis for promotion. In most cases both pressures are present. As one member of a prominent accounting firm stated, not only does his firm set aside about five percent of its earnings for philanthropy, but each partner is also expected to be involved in some leadership role in the philanthropic community:

> We really believe as a business philosophy that we have an obligation to give back to the community. . . . [W]e also believe that if the partners and some of the others here do it . . . it's tremendous for their personal development . . . [and] states something about us in the community that's good for our business. . . . I think what it states too . . . is that [our firm] and its partners are people who are anxious to be involved and if they are involved, they will make a difference.

A second example of the derivative logic of philanthropy is found among what is probably a dying breed of women of inherited wealth whose adult vocation is volunteer work in traditional areas of philanthropy (e.g., social services, cultural and artistic institutions, and so forth). Work in the business world was a route implicitly or explicitly denied to them. Instead they were expected by virtue of being women of their class to make a career out of charitable duties--so much so that the work of philanthropy often becomes a primary source of self-identity, efficacy, and empowerment in their lives. Such derivative involvement often leads to much resentment, prodding one woman to comment on the volunteer career she and many of her "sisters" were forced to choose: "I couldn't have an executive job in the late 1940s. We had the ability and the drive, so where were we to go? We began doing organization work because there we were the executives." Despite this woman's experience as a philanthropic executive, it is in the daily practice of this kind of derivational philanthropy that the traditional sexual division of labor in philanthropic organizations is most evident. Although women may occupy a variety of positions within charitable organizations, they remain largely excluded from the ownership or managerial positions where they could exercise effective control over the overall mobilization of assets and the purposes to which they are applied. As one respondent critically put it, she and her friends were forced to form a "network of good little Indians" who recruit other volunteers, organize fund raisers, and plan events for purposes decided by the "real" board, as opposed to the "women's board."

A third arena in which the derivative logic is played out encompasses that of public figures, such as entertainers, athletes, business celebrities, or politicians. Such individuals are often placed in a position that makes philanthropy mandatory. For example, simply being a public figure is the source of philanthropic community involvement for many athletes. As one such athlete told us, his philanthropic activity is rooted in the belief that

> I sincerely think that I owe more than just the average person, that I have to keep my nose cleaner. . . . because kids watch you play and dream that maybe one day they will be in the major leagues. And if you can set an example for those kids, that's something positive you can give back for having the talent that the Lord gave you.

NOBLESSE OBLIGE PHILANTHROPY

The term noblesse oblige often refers to the attitude of dutiful responsibility held by the wealthy in their charity toward the less fortunate. However, as a social logic noblesse oblige philanthropy is not a configuration of attitudes about the relation of rich and poor, but a strategic understanding of money as a resource reconstituting the family lineage from generation to generation.

Because of its focus on the interrelation between family and money, the noblesse oblige logic is found primarily among the inherited wealthy. Money, according to numerous inherited respondents, is a trust in a deep social sense as well as a legal sense. From childhood, many inherited learn that the money passed on to them has a three-fold character. One part, "the interest," can accrue to their parents and later to them as an allowance for living at the family standard. The second and more fundamental part, the "capital" or "principal," is an inviolable keepsake that creates the family over generations and thus is just about as sacred. The third part is either a foundation or "charitable funds" derived from interest and growth in the principal. In either case, the important point is that the amount for charity tends to be a carefully limited or formally demarcated sum specifically devoted to philanthropy. Indeed, the sum may be considered residual in that the primary purpose of the money is the extension of the family over time. One respondent spoke directly to this point when she told us that

> I feel I will inherit a great deal of money and I plan to set aside a good portion of it [for charity], particularly since my children are going to be taken care of [by existing trusts].

> My immediate concern in the next ten to fifteen years would be to first make sure my grandchildren have [company] stock, or if the company's been sold, capital put aside to assure that they will be safe. . . . Then I will address what I want to give of my fortune to charity and who's gonna run it, and how you do it. . . . That'll be another project. I'll get involved in that. I like projects.

But if the specific sum is residual, engaging in philanthropy is not. Here we part company with those who use the concept of noblesse oblige in its more derogatory connotation. As we have just seen, along with learning the meaning of money as a family trust, the inherited understand their money as an unearned fortune of birth, and therefore a responsibility or social trust as well. The strategic meaning that shapes their philanthropy, then, is that their responsibility to assist the needy and to support civic works is an extension of their guardianship of money in the family. It is not the absolute amount of time or money devoted to philanthropy that characterizes their consciousness but their somewhat contingent and limited commitment, as one respondent demonstrates:

> I don't feel at this point that I have a right to give away what capital and income I now have to outside charities because, if I were to die, my family would need that money to live on. . . . I would not want to have given mine away prematurely and then have them have nothing.

Although not all inherited family members subscribe to the logic of noblesse oblige, those who do tend to make regular contributions to certain favorite charities do so as part of a sense of community citizenship. They circumscribe philanthropy within the broader requirements of preserving family wealth and carrying out the duties of family citizenship. This results in the tendency to regard the causes themselves in non-ideological ways and to limit their involvement to discreet fund raising or board membership.

EXCHANGE PHILANTHROPY

The logic of exchange philanthropy pertains more to the relationship between philanthropists than to the relationship between philanthropists and recipients. The essence of the exchange logic is rather nicely summarized by one respondent who said, "It's simply a game of you rub my back and I'll rub yours." The strategic practice of this logic basically involves a fairly cohesive network of philanthropists and donors in a particular region or community who are frequently called upon to contribute to each others' causes or organizations. These networks are sustained and reproduced by a continual process of a reciprocal exchange of donations. In any given exchange, one group of people who occupy producer positions (primarily as managers and fund raisers) in a particular philanthropy will call upon a similarly placed group of people in other philanthropies. Those who are called upon to contribute time or money accede to the request not primarily because of any affective involvement or identification with the recipient organization. Instead they are induced to give because they expect that those who ask them for contributions will, in turn, become fair game for their own fund raising efforts. As one woman baldly sets forth the logic of exchange philanthropy,

> Yes, there is a network of people who draw on you. In other words you look down the list [of a fund raising event] and see who is on the [fund raising] committee. And you say, "Uh-oh, he's on the committee. I better do something. He did something for me last time."
> . . . I do it because there are a number of people on the committee [and] every time I ask them for something they come through. It doesn't matter what it is.

Thus, exchange philanthropy is an accounting game of accumulating credits and debits between philanthropists. As our respondents testify, it is not the most exciting, creative, or rewarding aspect of their philanthropy. Despite the sometimes harsh criticism of exchange philanthropy voiced by those engaged in it, their continued participation in it reveals how central it is to the maintenance of philanthropic networks and the success of their fund raising efforts.

BROKERING PHILANTHROPY

The brokering logic is one of the more pervasive logics found among individuals in our sample and is also central to the sustenance of most philanthropic undertakings. As its name implies, brokering philanthropy centers around efforts to engage both the time and money of other potential contributors. In this sense, brokering philanthropists are selling the opportunity to invest one's resources and self in a particular organization.

The respondents who engage in this logic tend to occupy producer positions in a particular organization, primarily as fund raisers. The strategic practice of brokering takes place within an elite network of producers and sustainers in a philanthropic community. Their strategic consciousness is characterized by a high level of commitment to the organizations in which they are involved, often to the point of endeavoring to further their causes with a missionary-like zeal. This strong identification with the goals of certain organizations leads them to mobilize other wealthy individuals, not only to contribute to these organizations but to be involved in them as well. Thus, the teleology of the brokering philanthropist ideally envisions the mobilization of individuals who potentially will be producers as well as supporters.

The complex teleology of the brokering logic combines two important goals of the philanthropist. First, the manifest goal of brokering is to mobilize the interest and consciousness of peers so that they will become givers. Second, it is through the process of mobilizing others to support their chosen cause that brokering philanthropists demonstrate and affirm their own devotion to a philanthropic cause. Even though brokering philanthropists themselves usually donate significant amounts of money to the organizations for which they broker, it is their mobilization of other donors that most powerfully engages and fulfills their sense of mission. As one individual told us, "I felt that if it was important enough for me to give that kind of money, then it was important enough for me to talk to other people about it and mobilize them too."

The dominant goal of brokering philanthropy is not so much to directly meet social needs as to maintain the organization's ability to do so. Thus, a further goal of brokering philanthropists is to create other brokers who will be committed to the cause over a long period of time. Not surprisingly, being so actively involved in and devoted to the financial well-being and viability of a particular philanthropic organization often results in recruitment to the upper echelon of that organization's managers and directors.

CATALYTIC PHILANTHROPY

The logic of catalytic philanthropy revolves around efforts to mobilize the affective engagement of third parties on behalf of a cause rather than simply around obtaining contributions of time or money to achieve specific organizational or social tasks. There are three dimensions to this mobilization.

First, the teleological focus of mobilization is not just other wealthy philanthropists but a broader popular base as well. In the respect that catalytic philanthropy also strives to elicit the active participation of others, it is similar to brokering philanthropy. The two forms differ, however, in that brokering philanthropy engages in the *horizontal* mobilization of other wealthy individuals whereas catalytic philanthropy adds the *vertical* mobilization of the non-wealthy.

Second, the strategic consciousness ordering catalytic philanthropy dictates that this vertical mobilization be characterized by a certain affective or ideological quality. Here philanthropists seek to rally the participation of others by communicating to them the same special urgency or enthusiasm that provides their own inspiration. In this view, philanthropy is a political or ethical vocation aimed at eliciting an equally ethical engagement of a broad constituency.

Third, the strategic practice of catalytic philanthropy revolves around mobilizing this constituency in the form of a social movement. For instance, one respondent pursues the goal of forestalling military intervention in Central America, not by seeking direct access to foreign policy decision makers, but by mobilizing a broad constituency who will then pressure the targeted officials through public opinion, voting, and other forms of political expression.

Because catalytic philanthropists are personally engaged in making direct appeals to a large audience, the most important asset available to them is directly related to their public status. Catalytic philanthropists, to be effective, must hold a position of notoriety not primarily within a family, corporation, or a philanthropic organization, but in the public sphere. Because of their capacity to command and mobilize attention, we find that catalytic philanthropy is practiced largely by public celebrities including entertainment stars, sports figures, and various other media luminaries. The role and responsibility of public figures in providing a focal point for efforts at social mobilization is expressed incisively by a well-known actor who devotes to favored causes a considerable amount of his social capital as a public figure :

> My opinions, which are no better or no worse than anyone else's, and certainly perhaps no better informed, will get heard and provoke or provide controversy. Though it's incumbent upon me to educate myself to the best of my ability, to speak knowledgeably on whatever I wish to speak out on, I know that it will get attention and be heard, as opposed to a bunch of people--the vast majority--who won't. . . . That's why people seek us out. When the athlete, the politician, the performer, are identified with a cause, people will come to it. People will come to it. People will listen.

CONTRIBUTORY PHILANTHROPY

The contributory logic, like the consumption logic, is one of the few approaches to philanthropy that is probably as pervasive among the non-wealthy as it is among the wealthy. The strategic practice and consciousness of this logic are characterized not by the philanthropist's emotional distance from the recipient cause or organization but by a general lack of direct personal involvement in them. Although contributors display or express varying degrees of affinity to the purposes and goals of the recipient organization, they show no desire to directly involve themselves with it as anything more than financial supporters. Thus, in contributory philanthropy there is little or no personal involvement either in the production process or with the beneficiaries of a philanthropic enterprise.

The impetus for engaging in contributory philanthropy can range from a vague sense of obligation or responsibility to a stronger identification and empathy with the cause being supported. The former orientation is exemplified by one respondent who places his contributory efforts in the "nuisance area" of his philanthropy. He remarks that such nuisance contributions are rooted in "a reflex action with no thought whatsoever. . . . I do it because it's just an obligation, like a utility bill you have to pay." The latter orientation is exemplified by one individual who contributes significantly to various Jesuit institutions simply because, as he said, "I've always loved the Jesuits, so I give to either the Society of Jesus or its different branches." Thus, although the position assumed is always that of a distanced supporter, the affinitive ties to beneficiaries may be quite strong.

In some cases, the contributory logic is consciously pursued by the wealthy as a means of shielding themselves from the pressure of direct solicitation or to hide their identity as being wealthy. Thus, trusts and foundations may serve to insulate the donor from direct and active engagement by operating as intermediaries, "funnelling funds" to donees. Conversely, however, when linked with the value of privacy, the contributory strategy may help the donor feel more comfortable in giving. For instance, one married couple contributes anonymously because they "enjoy thoroughly being able to see things happen that we are responsible for and close to without anybody knowing it. That is the greatest pleasure, to do something and see people enjoy it without the embarrassment or the dissatisfaction that would come from having them grateful to you."

ADOPTION PHILANTHROPY

The dominant characteristic of this logic is a direct and unmediated relation between philanthropists and the individual or collective beneficiaries of their assistance. Although many logics are structured around a strong affective orientation of the philanthropist towards a particular organization, cause, or issue, adoptive philanthropy is unique in the immediacy of the link between donor and recipient.

The strategic consciousness of the adoption logic focuses on the specific needs of concrete individuals rather than large-scale or abstract causes. What characterizes the strategic consciousness of an adoptive philanthropist is a sensitivity to the needs and problems of specific people for whom they have personal concern. In this sense, it is possible to understand adoptive philanthropy as a *philanthropy of the ordinary* aimed at making a discernible contribution to solving problems precisely as they occur in the everyday lives of individuals. The strategic concern with the mundane, everyday reality of those in need is articulated quite nicely by one woman:

> I can't enjoy myself unless other people are enjoying themselves and can meet their car payments and so on . . . I have a peculiar compulsion to be my brother's keeper in a very small sphere. All I can do is be as nice as I can within my own small sphere of influence.

Adoptive philanthropists look to "make a difference" in people's lives, but do not wish to do so through the mediation of organizations that may separate them from those they wish to help. They want to directly address needs and problems as experienced and defined by the recipients. The pleasures of adoptive philanthropy come, according to our respondents, not from devoting themselves to a grand cause or worthwhile institution, but from being efficacious in altering a small but important aspect of a beneficiary's life. To wit, explains one such giver, "I prefer small, personal, individualized gifts that really do something directive: like somebody who needs a computer."

Like all ideal adoptive relations, adoption in philanthropy is guided by a desire to provide an environment of sustenance, enablement, and often guidance. As one person told us, the philanthropist endeavors to give "human beings the opportunity to be human." The logic of adoptive philanthropy is informed by a desire to *enable* recipients to enhance their individuality on their own terms rather than to change their lives by imposing a regime of reformation. The theme of nurturing is something that occurs repeatedly in the discourse of adoptive philanthropists. It gets formulated in words similar to those voiced by one west coast respondent who believes that philanthropy

> works toward loving somebody in a way which respects your individuality, [and] my individuality. And it's that kind of subtle growth that I think I'm making; and nurturing is very much a part of what I have to do. Well, I know I love to do that. I love to make gardens grow, flowers grow. . . . Creating a spot of land that is very peaceful for me I think may be peaceful for other people. And if that can nurture their talents or nurture their soul or whatever, that's what I'm trying to achieve.

Representative examples of adoptive philanthropy practiced by various respondents include buying Stradivarius violins and loaning them to promising young musicians; financing professional tennis lessons for and personally counseling a talented young athlete from a poor neighborhood who otherwise would not be able to pursue the sport as a possible career; establishing a rural retreat for women writers; and sponsoring a class of poor urban school children by providing them with educational counseling throughout high school, paying for their college education, and giving them access to cultural activities outside that of their neighborhood. In all of these cases the philanthropist not only gives money but is personally present and responsive to the recipients on a regular basis. We find that the practice of adoptive philanthropy often exhibits a level of personal involvement by the philanthropist with the individual recipients that exceeds that shown by any other logic.

PROGRAMMATIC PHILANTHROPY

The programmatic logic of giving involves a conscious effort on the part of the individual to choose and unite a number of philanthropic activities in order to achieve a coherent program of philanthropic outcomes. In programmatic philanthropy, the desire to formulate and achieve a unified philanthropic practice is made explicit. The key element of this particular logic is the strategic consciousness that explicitly links a diverse set of practices in the service of a common purpose.

Such common purposes or strategic goals are generally broad in scope. They may be phrased primarily in social or political terms as indicated by one respondent's overarching goal "to instill dignity and leadership in disadvantaged populations." Programmatic goals may also be spiritual or religious in nature, as was the case with one man who viewed his philanthropic mission as an effort to fulfill "a responsibility to share the Gospel of Christ with those I come in contact with." We have also seen programs of community development, cultural uplift, urban renewal, and racial and sexual equality. No matter how generally phrased, the composite teleology in each instance is invested with an emotional, ideological, or moral saliency and serves as the focal point and organizing principle of specific philanthropic activities.

Since programmatic philanthropists are simultaneously involved in a number of different philanthropic activities, the form of their contributions, the positions that they occupy, and the types of concerns they address will all vary. In relation to some activities they may only be a supporter and contribute money, while in relation to others they may occupy producer positions and contribute their skills, status, and time as well as money. Such is the case for a prominent member of the corporate elite in a west coast city, who expressed his programmatic goal as being the overall enhancement of the quality of life in his community. His programmatic concerns led him to become one of his city's chief initiators and architects of its recent cultural renaissance. His efforts to construct a museum of modern art, to attract new businesses and employment, to expand the tourist industry, and to support local welfare efforts were all consciously directed toward the accomplishment of his overarching concern to revitalize his city.

We find that this logic of philanthropy is characterized not only by its teleological coherence but also by the systematic unity imposed by the philanthropist onto a wide, even disparate, range of specific philanthropic practices. Another respondent, whose program is centered on the religious conversion of individuals, told us that he participates "almost a hundred percent" with "organizations whose single purpose is to ultimately share the Gospel of Jesus Christ." Although he is dogmatic about his programmatic goal, he is ecumenical about what activities can advance it. Refusing to discriminate among a wide range of strategies and organizations that work to spread the Gospel, he says that even though different organizations all preach the Word "in different ways, I don't have a problem with that."

This is also demonstrated by another programmatic philanthropist whose explicit social agenda is oriented toward exposing and counteracting the links between private wealth and governmental policy formation. As he put it, he is "maniacal about money and politics." This person has made a full-time philanthropic career out of strategically pursuing his program through an array of philanthropic practices, including establishing and running a public interest organization, creating a fund for investigative journalism, making executive decisions in his family's foundation, and personally supporting his own research and writing.

THERAPEUTIC PHILANTHROPY

In the therapeutic logic, the self-development and empowerment of the wealthy become an explicit part of their philanthropic efforts to empower others. They construct an organizational structure to link philanthropic efforts on behalf of others to personal efforts on behalf of themselves.

This logic is often practiced in conjunction with the missionary logic. It is almost exclusively found among a younger generation of inherited wealthy who are actively engaged in progressive politics and alternative "social change" philanthropies. Many such wealthy individuals have often had a difficult time with the dissonance produced by the conflict between their egalitarian politics and their privileged position in the class structure. As a broad strategy to resolve the contradictions between their social values and their possession of wealth, therapeutic philanthropy entails a three-dimensional teleology of empowerment and self-development.

The first dimension involves the practice of directly funding organizations and activities that are committed to fostering progressive, if not radical, social change. Almost all of the wealthy who engage in therapeutic philanthropy articulate a keen sense that their privilege and power has been historically built upon the subordination and deprivation of others. Consequently, the goal of funding social change efforts is to empower subordinate groups in society by providing them with material resources that have been institutionally denied to them. One woman who is heavily involved in therapeutic philanthropy explicitly ties the origins of her philanthropic practice to her rejection of exploitative class relations:

> For me, the impetus to give comes from the ownership structure, which I think is where a lot of the wealth comes from. And so I have a feeling that it should be used for other

> purposes. Because I don't think it is basically just--to have earned it out of ownership rather than out of our own labor, my own labor, or my family's labor.

By using their wealth to transform the social structure of privilege and empower those on whose backs their wealth was made, therapeutic philanthropists begin to assuage some of the guilt and stress associated with being wealthy in the first place.

The second dimension involves an explicit strategic practice of collective therapy. An integral part of producing social empowerment for others is the production of resources of empowerment for themselves. They establish support groups, retreats, and the like that directly address the problematic issues of self-esteem, identity, and psychological dissonance that afflict many of the inherited wealthy. The philanthropic organization itself is made to provide a "nurturing" atmosphere within which they can develop an empowered relation to their wealth in the company of peers. One philanthropist from Seattle spoke quite specifically about the personal benefits of her participation in such organizationally-based therapy:

> Here was a whole new dimension of acknowledging we had money and talking about it in terms of relationships, how it makes one feel about oneself, its impact on children. . . . It was an education. You know the thing about being a member [of such a philanthropic organization] is that you have left that barrier, that taboo on talking about money. You are ready to deal with the money head-on. You are making a statement by being there.

The third and final dimension of the strategic practice of therapeutic philanthropy involves the role of the wealthy in the philanthropic production process itself. Therapeutic philanthropists are sensitive to the power dynamics of the social relations of philanthropy, both among donors and between donors and recipients. In response, they democratically structure the organizations built around the principles of therapeutic philanthropy. Donors occupy positions as collective and cooperative producers with equal power rather than as individual proprietors whose degree of influence is based on the magnitude of their contributions. In addition, there is also an attempt to extend the democratic and egalitarian impulse to include the recipients themselves in decision making. Once again, this produces therapeutic benefit for the philanthropists because it grants them one more avenue for resolving the tension between their politics and their privilege.

MEMORIAL PHILANTHROPY

The memorial logic of philanthropy is characterized by a teleology that combines a concern to address social needs with a desire not simply to be recognized for such efforts but to be *remembered* for them over time. This, of course, requires a strategic consciousness of how to transform material objects into enduring representations that memorialize the work and concerns of the philanthropist.

The strategic practice of the memorial logic revolves around the construction of material outposts that tangibly represent philanthropic contributions and initiatives. This practice of outposting involves contributing to and attaching one's name to building projects, endowed chairs at universities, special art collections, foundations, and so forth. By being inscribed with a name of a person designated by their contributors, such artifacts enhance the status of these named persons in the present and extend their presence into the future.

Whether the memorial philanthropist is a supporter or a producer depends quite straightforwardly on the relative size of the gift and, hence, of the memorial. Philanthropists can errect outposts, for example, in their roles as direct producers as did the respondent who founded an institute for social justice in memory of a religious leader he admired and whose work he wished to perpetuate. Or they can establish outposts in a purely supportive or contributory fashion via "plaqueing," whereby they donate money as sustainers with the more modest result of getting their name placed on an office door or added to a list of contributors in a hospital corridor.

In addition to the teleology of remembrance that is central to the memorial logic, such artifacts are often intended as guideposts for future generations of a wealthy family. For example, while admitting a certain degree of ego satisfaction in seeing the family name adorning various philanthropic outposts, one respondent emphasized that such memorials are

> very meaningful to children coming along in the family. They see that their family is a responsible one, especially in the institutions where it had people and involvement, and that's part of the teaching process. . . . They see it as a visible example, it's under their nose, they can't help it. And they have to live up to something when they see that.

Thus, material embodiments of the practice of memorial philanthropy are often crucial in reproducing the social obligation of the wealthy to be philanthropically involved in the community, an obligation that is passed down from one generation to the next as an intrinsic part of their inheritance.

MISSIONARY PHILANTHROPY

The missionary logic of philanthropy is constructed around a teleology that joins efforts to politically or morally educate people with the aspiration for radical social change. As the name implies, subscribers to this logic are committed to an array of philanthropic practices designed to produce fundamental social change through the advocacy of certain beliefs deemed to possess a transformational power. A verbal strategic practice of proactive or remedial pedagogy, carried out either by philanthropists themselves or by those they support, is always part of this logic. We have found this logic operative in two very different groups in our sample: progressive individuals in the network of alternative philanthropy whose goal is the transformation of political-economic relations and conservative individuals whose goal is the religious and moral transformation of society.

The most important element in the strategic consciousness of the first group of missionary philanthropists is the belief that the acquisition of knowledge is the first step towards effecting structural social change. Ignorance, referred to by one respondent as "the greatest opponent" to social change, is nevertheless seen as a "a curable disease" that can be overcome by a change in consciousness. These transformational philanthropists express an overarching confidence in the potential of people to consciously and reflexively be transformed by knowledge and, on the basis of that knowledge, to transform current social arrangements into ones that are more just, egalitarian, and democratic.

The main practices flowing from such a strategic consciousness are efforts to empower the less advantaged by verbally disclosing formerly hidden truths as a way to inspire new behaviors. False consciousness, they believe, must be overcome on a broad scale so as to enable the disempowered to become active and influential in the determination of social policy. One actor says that he draws on his celebrity status in producing a radio program that broadly disseminates alternative perspectives on public issues in order to "counteract the ability of the media to ignore a particular problem." Others enjoying less popular exposure express the same aim to reveal and educate about what either the press, the government, or a portion of the governing elite would rather keep secret.

The second group of missionary philanthropists focuses on the religious and moral conversion of individuals as a way to transform society. This approach is taken by several conservative Catholics and evangelical Christians in our sample. Their strategic consciousness is that positive social change is "theologically brought about, " as one respondent put it, by imbuing individuals with a knowledge of the Bible. Here the verbal practice characteristic of missionary philanthropy in general is phrased as preaching the Word. Philanthropy is geared to moral education, and moral education is geared to converting the individual to a life in Christ. This is clearly so for one evangelical respondent who advocates the ultimate necessity of addressing spiritual rather than material needs:

> There's no use going to a guy starving to death and saying, "what you need is a personal relationship with Jesus Christ." . . . First you got to feed them, you got to love them, you got to care for them. But somewhere down the road there has got to be the ultimate goal of trying to get his heart changed through the spirit of God.

As this quote suggests, religiously-guided transformational philanthropists tend to be micro-oriented, not with respect to their vision of reform, which may indeed be global, but with respect to how such reform will come about. This second group of missionary philanthropists arrive at social change only through the path of personal conversion. They do not share the comprehensive structural analysis of the source of social problems that their counterparts on the left often possess. Only "if you could change the hearts" of people, counsels one respondent, "will we ever create a new social order. . . . It's not going to happen at all unless the hearts of men turn to God. And therein lies the basis of how people ought to live and operate one with the other."

The missionary task is to communicate the message or *word* of God and to call people to align themselves to this message. Just as personal salvation is rooted in individual conversion to God, social transformation is based upon saved individuals heeding Biblical imperatives. Social transformation, insists the same respondent, is "based upon the Scripture, the New Testament":

after a person gets properly related to God, why then there's a list of things that God asks for people to do. He wants them to worship Him. He wants them to trust Him, to obey Him, to treat their neighbor the way they'd like to be treated. You just ask yourself, "Does my character and conduct coincide with the Scripture?" Now if you get into one specific area, you can talk about abortion. [He simulates a conversation.]

"Oh no, that's not right."

"Why, who said?"

"God said."

"How about cheating and lying or pre-marital sex?"

"No, that's not right."

"Who said?"

"God said."

CONCLUSION

THE SOCIOLOGY AND SPIRITUALITY OF MONEY

FROM THE SOCIOLOGY OF MONEY TO THE SPIRITUALITY OF MONEY

We now return to the leading question of the research and discuss the implications of our findings for understanding the relationship between wealth and moral development. Our major conclusion is that financial security alone does not lead the wealthy to ask deeper questions about the meaning of life or about their responsibilities toward the lives of others. But, just as importantly, neither does it automatically preclude or hinder the wealthy from asking such questions or from selflessly acting on behalf of others. Even though we cannot provide more of an answer to the leading question than this, we have asked and addressed the question in a way that unearths some new directions of thought.

To understand the highly charged and highly significant issues around wealth and moral development, we situated our findings within the more general research question of the relationship between the sociology of money and the spirituality of money. The sociology of money examines the unfolding dialectic between having-to and wanting-to or, put more abstractly, between socialization and social construction in regard to money. Similarly, the spirituality of money concerns how individuals think about and use their money in regard to their own interests and others' needs. From the vantage point of the sociology and spirituality of money, then, we find that the wealthy are different from the rest of us but not in ways that can be understood by either adulating or attacking them.

In the following pages, we review from the point of view of the sociology of money a numbert of findings that bear on our respondents' moral practice of money and that move the discussion beyond adulation or attack. As we have demonstrated, the process of world-building is also a process of moral self-construction. This does not mean that the wealthy are more ethically or religiously moral than other people. The terms morality of money, spirituality of money, and moral self-construction are used non-evaluatively to call attention to the normative dimensions of consciousness, meaning, and identity formation always associated with attaining and activating wealth.

We have identified two levels of psychological empowerment or the spirituality of money in regard to the wealthy. The first is the mode of consciousness and moral identity in which the wealthy understand themselves as both entitled and able to pursue their interests. In moving to the second level of psychological empowerment, the wealthy actively attend to the quality of their interests, developing a mode of consciousness and moral identity embodying what we have called the transformation of public need into personal concern.

We find that the material empowerment of wealth does not necessarily lead to that second level of psychological empowerment in which bonds to other people and their needs become paramount. But even when it doesn't, issues of the morality or spirituality of money remain alive. Understanding the empowerment of wealth through the sociology of money remains key to understanding the differences between the two levels of the spirituality of money and the effect of wealth on the transition between them.

In the course of our analysis we developed a novel theoretical and conceptual framework for talking about how the unfolding of a life of wealth is simultaneously the unfolding of a moral self and of a worldly domain. Each biography is conceived as a dramatic narrative embodying three fundamental social processes within which other important aspects of our respondents' life histories take place and obtain meaning. The first concerns how our respondents work out their moral identity. As wealthy individuals they engage in an ever-recurring dialectic of fortune and virtue by which they seek to apply a disciplined character to enhancing or changing what was dealt them by fate. The second concerns how this dialectical progression unfolds in identifiable stages of development, what we call a nomos or a patterned procession characterized by various themes such as initiation, learning, forgiveness, and healing. The third process concerns the potential movement of the wealthy to the second level of psychological empowerment and what this implies for the practice of philanthropy.

THE EXERCISE OF VIRTUE AND THE MORALITY OF MONEY

Having-to and Wanting-to

Throughout the report, we have cited specific findings concerning how the interplay between fortune and virtue varies for different groups of wealthy individuals who have successfully built a business or have successfully wended their way toward a self-directed and purposeful disposition of their inheritance. In the broadest terms, the biographies of both the earned and the inherited wealthy can be viewed as personal or spiritual careers by which they advance from what the Jesuit theologian, Karl Rahner, calls a life of "having-to" to one of "wanting-to." If the Enlightenment and Calvinism combine to embed in all Westerners the aspiration, indeed the expectation, to move from being subjected to life's limits to becoming a subject capable of overcoming those limits, it is the wealthy who are most capable of doing so, at least in the material realm.

In the course of their encounter with money, the wealthy graduate from being disposed over to disposing over the rules and regulations of institutional life--what Anthony Giddens summarizes by the term social structure. In the interplay of what we call the dialectic of socialization and social construction, the wealthy are masters of social construction. This applies, we find, not just to gaining control over the external world but over their money and their selves.

In regard to the world, the wealthy individuals are in some respects quite like all people. They work out a place in the world by living out the dialectic of fortune and virtue. Many strive with disciplined effort and some with enduring suffering to transform what was given by fortune into something more productive, more satisfying, or more rewarding. In other respects, as we have seen, the wealthy are quite different. Empowered by their wealth, they retain the potential not only for establishing their place within the world but for transforming the institutional or structural shape of the world itself. Each carves out a more or less elaborate, but always quite individualized, domain of influence that we term a principality. The wealthy construct businesses, establish foundations, initiate social and political campaigns, adopt inner-city classes, build hospital wings, endow university professorships, and--more in the same vein than may first be apparent--have their clothes tailor-made and their homes distinctively designed.

In regard to money, however, the wealthy become more distinctive yet. Here, they move from being under the influence of the demands of making and using money to taking charge of it; from conforming to its workings to conforming it to their wills; from being consumed by it--as one respondent put it--to consuming it in accord with their interests and desires. Entrepreneurs recount being consumed by the insecurity of not having money, and later by their efforts to make money in their businesses. Many inherited report being consumed by the weight of obligation, privilege, or burden of money associated with their legacy. Rather than abandon either the quest for money or the search for its meaning, both groups eventually bend money to their wills, subordinating its lure and its power to what they want to do with their lives in the realm of consumption, family, philanthropy, further investment, or self-development.

Not surprisingly, then, the third realm of control over fortune found among the wealthy is the development of an independent and confident moral self. This moral self or individuality is both source and outcome of worldly and monetary control and represents a major theme of our results. The path of getting and dealing with money is a moral quest that entails not just the transformation of objective materiality but of identity as well. Our respondents, of course, are at different stages of moral self-development in relation to their wealth and, besides, we find no unitary trajectory toward religious or humanistic selflessness that accompanies the acquisition of wealth. However, we hear in each narrative one or another version of how current success is not just a matter of the quantity of their money but of the quality of their selves. Whether in quiet tones of sincere humility or apologetic tones of defensive legitimation, each recounts a story of moral triumph in which the wiles and blessings of fortune are confronted and transformed by some positive quality of character. In this regard every transcript is at least in some small way a contemporary Poor Richard's Almanac.

The Dialectic of Fortune and Virtue

Disposed over by fortune. The personalized story of entering into a life of money begins for most of our respondents with vignettes of misfortune or, at best, with recollections about the even-handedness of fortune. The inherited deny feeling particularly privileged or spoiled in their youth and often recall scenes of childhood embarrassment or rebellion in regard to their wealth. On the one hand, some of the inherited lament the over-imposition of the rules and responsibilities of money. Especially among men, the inheritance of money coincides with the inheritance of family expectations, financial responsibilities, professional directions, business obligations, and various psychological burdens of money associated with feelings of guilt, privilege, and the need to prove that they can be successful in the world in their own right. On the other hand, others among the wealthy suffer, ironically enough, from the under-imposition of other aspects of the laws and duties of money. Especially among inherited women, there is a tendency to be quite under-prepared to enter the productive world of money despite a rigorous and even stringent personal incorporation into the familial duties and social responsibilities of wealth. If inherited men lament being thrust into adulthood at too young an age and with too little room for personal life, inherited women lament being imprisoned too long in an adolescence with too little knowledge and skill about how to deal with money in a financially productive and personally efficacious manner.

Entrepreneurs and professionals even more consistently recount family hardships or modest beginnings. They invariably highlight their struggles and achievements to overcome poverty or to establish themselves on their own. To legitimate their acquisition of wealth and to emotionally justify being comfortable with their current status, the earned recount how they did not like or want every hand that was dealt by life and how their rise to wealth was, at the same time, the creation of themselves as moral individuals.

At the same time as the earned and inherited wealthy evoke various obstacles of fortune and their virtuous responses, they also recount their responses of virtue when fortune is an ally bestowing blessings rather than an adversary. In these instances, the obligation of virtue is to recognize gratefully the gift of good fortune, to avoid squandering opportunities, and to advance the productive use of money as a social investment over the temptations of materialism or self-aggrandizement.

In a word, both the inherited and the earned construct a narrative around the conquest of constraints by the application of virtue. By devoting narrative time to recounting the challenges and hardships of fortune under which they first labored, they open a narrative and thus a social and moral space for recounting their responses of virtue.

Virtue as the habit of doing good. According to most accounts by our respondents, they are taught the capacity to combat or exploit the vagaries of fortune. Parents, mentors, and the experience of life itself teach the efficacious practice of virtue, what Thomas Aquinas defines as the habit of doing good or, again, what one respondent defined negatively as "the habits of doing the things that non-successful people aren't doing." Whether fortune offered rags or riches, obstacles or opportunities, the wealthy invariably frame their lives in terms of what they contributed to make more of life than what was given.

Each biography remains, of course, unique in its own right. But one common thread woven through the fabric of each narrative is a retrospective account of the construction of a moral personality--a self responsibly shaping the world rather than simply being shaped by it. It requires a quite definite kind of character, confidence, and moral rectitude to hold oneself, and not fortune, accountable for one's place in the world. We find, however, that even the wealthy who start out blaming their stars, invariably come to chorus Cassius's dutiful assertion that any fault for being an underling "lies not in our stars but in our selves."

We wish to stress that such application of virtue to shape fortune occurs not just intermittently in a series of isolated events or at discrete moments like a thermostat regulating the temperature of a room. Nor is virtue simply a specific attribute to be brought forth like the appropriate chisel from the tool box. Underlying the array of specific virtues constituting the moral character of the entrepreneur and the inheritor alike is something even more crucial for molding fortune to themselves rather than being molded by it. This is the appropriation of the general "active" virtue of continuous self-improvement through disciplined training. Fundamentally, this virtue is the disposition that induces them to approach the world not with reluctant acceptance but, as a children of the Enlightenment, with aggressive assertion.

As in the emergence of what the historian Gordon Rattray Taylor calls the "Puritan personality," the key is not the accumulation of specific traits but of character in general. This is what Machiavelli calls virtu. This is not just one more specific virtue as we have used the term thus far, but that special strength of character or embodied moral power that enables one to recast what is given by fortune. In the terminology of the sociology of money, virtu is the self-determined power of agency to transform structure. To build a business becomes not just a way to earn a living or become financially secure but a daily moral test. To receive an inheritance is not simply to passively recapitulate the involvements and dispositions of parents but to actively and creatively find a way to mesh personal desires with broader family and social obligations.

BIOGRAPHY AS MORAL DRAMA

The dialectic of fortune and virtue is played out within a second, broader social process wherein the lives of the wealthy unfold as moral drama. Obtaining and handling wealth is inextricably linked to obtaining and handling a self. Thus, it is not just isolated events or discrete topics that constitute our object or unit of analysis. By regarding the individual stories of our respondents as unfolding texts, we have been able to demarcate a number of specific dramatic patterns of life by which the wealthy wend their way through obtaining and disposing of wealth, establishing a world in accord with their wills, and developing a moral self or individuality. Each biographical account is embedded in an underlying morality play or dramatic narrative within which the daily dialectic of virtue and fortune gets worked out.

The Nomos

In recounting their biographies, our respondents invariably highlight the turning points or benchmarks that separate one stage of their lives from the next. Although the wealthy punctuate their stories with various degrees of verbal intensity, each is truly a dramatic re-presentation in the literary sense of a structurally integrated story that unfolds over time in a series of acts or chapters. We refer to each of these unfolding biographies as a nomos, a Greek word literally meaning "law" and used, for instance, by the sociologist Peter Berger, to denote the institutionally and normatively ordered social world within which a particular group of people live. For us, however, the term also takes on meaning at the social-psychological level. In addition to denoting the world of culture and practice within which one lives, the notion of nomos also refers to the ordered matrix of one's life story--the personally appropriated patterns of culture and practice that order or structure the particular way that one moves through life. As such, each life follows a nomos, an ordered dramatic progression through identifiable phases of self-development.

Our research revealed a number of specific nomoi or patterned dramatic life progressions such as the Odyssey, the harvest, the awakening, the saga of rags to riches, the journey, the game, and so forth. Each of these nomoi are distinguished not to substitute allegory for analysis but because each such distinctive discourse reveals the complex meanings our respondents attribute to their personal histories. While incorporating such imagery into our analysis, we locate it within a conceptual framework that goes well beyond how our respondents would spontaneously characterize themselves but is, nevertheless, quite congruent with it. Drawing on insights from anthropology and literary criticism, we note how each nomos entails a tripartite movement from an initial condition through a phase of transformation or liminality to a new plateau of identity that constitutes the starting point for the next round of self-development.

Liminality and Self-Transformation

Again, the passage of the respondent through the world in space and time is simultaneously a personal passage of self-development. With only a few exceptions, the inherited and the self-made repeatedly pass through such dramatic progressions. In doing so they are often forced to linger at the phase of liminality where they undergo sometimes extended or intense periods of tension, uncertainty, and self-testing as they move from one phase of dealing with their money to another. As we have seen, many prospective entrepreneurs undergo at least one period of transformation during which they develop and exercise the discipline and strength of character needed to strike out on their own. Many inherited also move through similar liminal transitions. During such periods they separate themselves from the practice and expectations of wealth imposed by their backgrounds and seek out more personally enriching self-understandings as part and parcel of their search for different uses of their money.

While all our respondents work out their lives within one or another tripartite dramatic pattern, they vary considerably in the degree of dramatic intensity and the type of narrative imagery with which they recount their life histories. In biographies where the road to success is less strewn with obstacles, we hear a modulated and sometimes undramatic account of a gradual, evolutionary ascent. Here the opposition between fortune and virtue is less pronounced. The imagery of construction, career, and harvest dominate accounts of both the disposition of inheritances and the building of businesses. As always, we are made to witness the exercise of virtue. But it is virtue in service of fortune, not in opposition to it. It is the virtue of consistency, humility, and attentiveness rather than that of bravery, courage, strength, and cunning. Fortune is gratefully acknowledged and virtue humbly recognized. In this discursively subdued model, fortune creates the opportunity for virtue; breaks create the context for efficacious personal effort. Despite childhood hardships, a disadvantaged youth, or later business obstacles, the world given by fortune is accepted as a friendly ally rather than a harsh foe. For these wealthy--entrepreneurs and inherited alike--virtue is perceived as playing out the opportunities of fortune rather than overcoming its constraints.

In other biographies the path from being controlled by to controlling wealth requires staving off enemies, reversing setbacks, conquering opponents, taking risks, and beating the odds. Here we hear dramatic narratives couched in the imagery of war, sports, odyssey, sex, and labor. The language of virtue dominates these narratives--not to the exclusion of fortune, only to the exclusion of a tame fortune. In fact, those who endure a more treacherous psychological journey to material wealth always remember to honor the workings of fortune.

Fortune is Janus-faced, first appearing as a captor to be eluded and then as a guide to be befriended. Positive fortune in the form of breaks, leads, and unsolicited assistance arises only as virtue overcomes the obstacles and impediments comprising the shadow-side of fortune. "Diligence," counsels Poor Richard, "is the mother of good luck, and God gives all things to industry." Although related in some distant way to the notion of "making one's own breaks," it is more accurate to say that disciplined effort transforms obstacles into opportunities. Fortune is first a nemesis, requiring the prospective entrepreneur or discontented inheritor to cultivate and execute such active virtues as cunning, bravery, courage, and fortitude. Virtue's first task, then, is to extricate these neophytes from the netherworld of imposed conditions. Once in tow or tamed, fortune can then come to serve as an ally calling forth the gentler virtues already described.

Regardless of whether the wealthy describe their alignment to the workings of money as an unfolding career or a tumultuous storm, we find a consistent emphasis on the cultivation and application of that fundamental attribute of moral character we have identified as *virtu*. To work out a life of wealth is to work out a moral identity.

WEALTH AND SPIRITUALITY

Wealth: Moral Impediment or Blessing?

From the inception of the study we have wrestled with the question of the relationship between material wealth and spiritual life. Put succinctly, the question is whether the wealthy are more or less likely to pursue a self-serving path. The Hebrew and Christian scriptures as well as various traditions of social criticism, such as Marxism and numerous strands of moral socialism, all declare the dangers or moral impediments of wealth. At the same time they affirm the special availability of salvation or historical mission open to those who are poor in goods or humble in spirit. This model implies an inverse relation between level of material wealth and level of spiritual life. Perhaps this is captured best by the Biblical aphorism likening the possibility of the rich entering heaven to that of a camel passing through the "eye of a needle," that is, through the small pedestrian gate of a walled city.

In contrast, certain Biblical and philosophical arguments can be made on behalf of an opposite, positive relation between worldly wealth and spiritual depth. A different line of argument is used to explain this positive relation as it applies to those at either end of the spectrum of wealth. The explanation concerning the poor maintains that attention to deeper dimensions of life requires at least a modicum of material well being. With equal concern for the welfare of the poor and without completely denying the spiritual potential of the poor, this position emphasizes that spiritual growth depends upon the ability to elevate consciousness beyond concern with mere survival. At the other end of the spectrum, the wealthy are deemed either more open to spiritual growth because they are free to attend to the deeper realities of life or, as some Reformation theology implies, are already saved. In Calvinist theology the wealthy are known as saved because their industry has borne fruit. In the Puritan tradition, the emphasis shifts away from wealth as an indicator of salvation towards an awareness of how the materially well-off carry out their stewardship.

Even though our respondents articulated versions of each of these models, we find no basis for endorsing or accepting any of them. We remain skeptical whether any such linear model could ever capture what is going on in the complex interplay between wealth and spirituality. On the contrary, our analysis of the distinctive spatial, temporal, and psychological empowerment derived from material riches suggests the need for a more nuanced understanding. Looking for a unilinear model, we claim, is simply the wrong way to frame the issue in the first place. The empowerment of wealth does not unequivocally sway the wealthy either toward or away from spiritual exploration, either toward or away from efforts to transform their interests into deeper wants.

We argue that the appropriate way to frame the issue of wealth and the spirituality of money is to draw upon the sociology of money to construct a dialectical model of the relationship between wealth and spirituality to supplant the simplistic linear models. The spirituality of money differs for people in different economic roles and conditions because the meaning and practice of money also differs for them. The dilemmas, contradictions, challenges, and opportunities confronting the wealthy in the accumulation and disposition of money often differ dramatically from those facing people at other levels of financial security.

The Spiritual Secret of Money

All successful entrepreneurs and most of the inherited uncover and apply the productive, strategic, and financial secrets of money in the course of their daily dealings with money. Less universally deciphered, not surprisingly, is the spiritual secret of money--that paradoxical capacity of money to liberate as well as to enslave. This often neglected capacity of money to provide an opportunity for service is directly related to the second level of psychological empowerment that we have described as the will to establish an empathetic bond with or care for others.

The ability of the wealthy to exercise hyperagency in building a worldly domain of principality and an inner domain of individuality eventuates for all our respondents in what we have called the encounter with the Kalpataru or wishing tree. At least in the material realm, the wealthy, far more than any others, can heed the inscription on the Kalpataru tree that promises "you can have what you want." The question is the quality of those wants. Although we have no way of knowing how many of the wealthy self-critically attend to the quality of their wants, our findings persuade us that financial security bestows on all wealthy the opportunity to do so. Not least among the reasons why the wealthy come to harbor "great expectations" about what they should or would like to do on behalf of others is the fact that they can actually accomplish much of what they envision as their vocation.

The spiritual secret of wealth, then, is that the wealthy can have what they want not only in the material realm but in the spiritual realm as well--provided they choose appropriate wants. Like wealth itself, we have learned from our investigation, the spiritual secret of money is both constraining and empowering, both socializing and enabling. The empowerment of wealth that grants individuals the capacity to pursue their interests guarantees nothing about the quality of those interests or about the degree of selflessness with which they are pursued. The meaning and practice of economic morality differs for the wealthy not because the wealthy are inherently more or less spiritual or can learn the spiritual secret of money better than others. Rather, it is because hyperagency and other resources and responsibilities of empowerment associated with the possession of wealth open a broader panorama of potential empathetic involvement than would otherwise be the case.

The Practice of Philanthropy as a Spiritual Exercise

In addition to our findings in regard to the nature of philanthropy as a relation of production, we also designated sixteen distinctive strategies or logics of philanthropy, each of which represents a coherent array of means, practices, and goals. Up to this point, however, we have not analyzed the implications of our discussions on economic morality, the spirituality of money, and psychological or spiritual empowerment for the actual practice of philanthropy. We do so now by addressing two issues. The first is the relationship of psychological empowerment to the definition of philanthropy as a social relation. The second concerns the relationship between the various logics of philanthropy and the moral imperatives derived from our considerations on psychological empowerment.

Philanthropy and spiritual consciousness. Defining philanthropy as a social relation of production matching a supply of goods and services to the needs of recipients raises questions about the quality of the relationship between donors and recipients. In distinguishing philanthropy from commercial and political processes, we emphasized that the one thing that makes philanthropy "voluntary" is, ironically, the lack of countervailing power between donors and recipients. Unlike commercial and political relations that are demand-led and retain a substantial degree of consumer or voter sovereignty, philanthropy is basically supply-led with clients or recipients generally armed only with the power of moral suasion. This is especially crucial given the fact that in philanthropy needs and desires get expressed in words and suffering that can usually be ignored by the donor without material peril. In business and politics wants get voiced in money and votes. In these latter instances, is it clear not only that these activities are social relations, but also that the very survival of commercial and political enterprises depends on heeding and ultimately responding to the needs of others.

More than any other group, the wealthy are capable of getting what they want. If there is a shadow-side to the empowerment of wealth in the practice of philanthropy it is the ability of the wealthy--should they so choose--to ignore or disregard philanthropy altogether or to participate in it with little or no systematic regard for learning and responding to the needs of the recipients. For some of our respondents philanthropy proves to be pretty much just another terrain of principality and individuality. To the extent, however, that the wealthy move from simply pursuing and fulfilling their interests at the first level of psychological empowerment to personally identifying with the needs of others at the second level of psychological empowerment, their potential for engaging in responsive philanthropy and for making philanthropy a morally balanced relationship increases dramatically.

There is a telling convergence between the nature of philanthropy at its best and the second level of psychological or spiritual empowerment of money. Given the fact that philanthropy is supply-led and depends on personal expressions of need rather than dollars or votes to motivate its action, much of the moral and practical quality of philanthropy depends upon the quality of the attentiveness of philanthropists. The essence of spiritual empowerment, as we said, is not just to heed "what interests me" or what "I like"--to quote two phrases that our respondents often used as rationales for their philanthropic choices--but what others need. It is not just what is important to someone, but what is of import for others.

Logics of philanthropy and their ethical priority. Given these considerations, what can we say about whether any ethical priority may be accorded certain logics of philanthropy? One of the major axes along which the various logics may be differentiated is the way each one deals with the relational issues we just described. As we have said, the distinction between egoistic and spiritual psychological empowerment cannot be reduced to a distinction between economic enterprise and philanthropy. For instance, in the productive logic where entrepreneurs consider running a successful business to be a philanthropic contribution, there is often much attention devoted to consciously assessing and addressing a fuller complement of customer and employee needs than would be the case in most businesses.

Without going into an exhaustive examination of each logic of philanthropy, it is possible to indicate the extent to which various strategies reflect or embody the ethical imperatives resulting from the fact that philanthropy is supply-led and relational. Interestingly, the strategy in which the needs of recipients are signaled most clearly and compellingly is the consumption logic, simply because here the donors and recipients are the same people. A more telling example of a logic associated with close personal links between donor and recipient is the adoptive strategy, as the name implies.

Yet, neither physical proximity nor personal contact between donor and recipient is necessary for a logic to be placed among those that entail careful attention to the needs of recipients. The affective engagement present in the missionary and catalytic logics testifies to this fact. But the logic that is most elaborately dedicated to insuring the introduction and protection of recipient needs is therapeutic philanthropy. Here the donors' own experience of feeling their needs denied or left unattended influences the way they constitute the procedures and by-laws of their philanthropic organizations. By constituting boards composed of non-donors and representatives of recipient groups, therapeutic philanthropists limit and sometimes even eliminate completely their decision-making power, thereby organizationally insuring the efficacious communication of needs. We also find that both investment and entrepreneurial philanthropists tend to focus carefully on discerning underlying needs as an outgrowth of their dedication to finding creative approaches to issues already being addressed and to unearthing new problems that need attention.

Not all forms of philanthropic logic, however, value or allow for such immediate attention to the communication of needs required to redress the lack of countervailing power between donors and recipients. For instance, exchange, derivative, and noblesse oblige philanthropy all tend to de-emphasize such communication efforts. In large part each of these strategies gain much of their impetus, not from the pull of attraction to certain causes or people, but from the push of responsibility derived from social obligation. The managerial logic, with its immediate attention devoted to rationalizing the workings of a philanthropic organization, also remains somewhat disengaged from the needs of people served by the organization.

Ultimately, our strictures about attending to the needs of recipients relate as much to individual philanthropists as to particular logics. Our main purpose is not necessarily to establish an ethical hierarchy among the different logics, although doing so may help alert donors to the range of variation in regard to this crucial aspect of philanthropy. More importantly, we wish to show that attention to recipients and their needs can occur within a variety of logics and that placing such a concern at the center of an ethics of philanthropy need not eliminate the rich array of approaches open to the wealthy for philanthropic involvement. In fact, we find that those who demonstrate a concern for relational issues in their practice of one philanthropic logic tend to do so in their practice of other logics as well.

In the end, at least one crucial moral challenge to the materially empowered results from holding to a relational definition of philanthropy. Philanthropy is in fact the point of intersection between the weakly enforced moral claims of those most strongly in need and the strongly protected domains of those most capable of responding to such claims. Philanthropy as a spiritual exercise requires not simply giving money but creating and preserving philanthropy as a more reciprocal social relation, one in which attention to the needs of recipients and, indeed, to the recipients themselves, becomes morally enforced from within the givers themselves. Consequently, the ethical practice of philanthropy depends in large part upon the moral consciousness of individual philanthropists and the quality of their bonds with recipients. The future prospects of philanthropy thus have much to do with revitalizing the ancient virtue of charity as opposed to the modern practice of charity.