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Authors: Paul G. Schervish, Mary A. O'Herlihy, John J. Havens

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Among High-Tech Donors

Paul G. Schervish, Mary A. O'Herlihy, and John J. Havens
Final Report of the 2001 High Tech Donors Study
May 2001

Agent-Animated Wealth and Philanthropy:

The Dynamics of Accumulation and Allocation Among High-Tech Donors

Researched by:

Paul G. Schervish, Mary A. O'Herlihy, and John J. Havens

Social Welfare Research Institute

Boston College

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Introduction

     The *2001 High-Tech Donors Study* was carried out from January through March 2001 by Paul G. Schervish, Mary A. O'Herlihy, and John J. Havens of the Boston College Social Welfare Research Institute. The research was conducted on behalf of the Association of Fundraising Professionals (formerly the National Society of Fund Raising Executives); and was initiated and funded by Dr. Robert B. Pamplin, Jr., President and CEO of the R.B. Pamplin Corporation in Portland, Oregon.

     The leading questions of the research revolved around discerning:

1. the relationship between how high-tech wealth holders accumulate their money in business and how they allocate it to philanthropy;

2. the range of personal, business, and philanthropic issues that surround high-tech wealth and philanthropy;

3. the implications of the findings for understanding and improving the trajectory of the philanthropy carried out by high-tech donors; and

4. the application of what we learn to further our understanding of the emerging problems and prospects of philanthropy in general.

The findings of the study are based on confidential personal interviews with 28 high-tech wealth holders involved in philanthropy, as well as two co-participating spouses, and several well-informed individuals who work with and among high-tech philanthropists. As an interview-based study rather than a field study, the focus of our findings is mostly on how high-tech wealth holders view the meanings and practices of their commercial and philanthropic biographies. The findings are not about the organizational dilemmas and strategies of high-impact philanthropy as it is being conducted in the field. In short, the findings are more about the *subjects* of high-impact philanthropy than about the *objects,* more about the *donors* than about the *recipients.* The underlying assumption of this, and indeed all interview research, is that respondents can knowledgeably report their meanings and motives, and that an attentive listener can gather the pieces of their narratives into a more or less coherent portrait of a broader cultural pattern.

The theme of this report is captured by its title: in both business and philanthropy, high-tech donors are engaged as agent-animated producers. They scrutinize a market of needs and attentively deploy the lever of intellectual capital to address those needs. Contemporary high-tech donors, of course, are not unique in trying to find that product-market niche where demand outstrips supply. Nor are they unique in translating an outcome-focused business orientation into outcome-focused philanthropy. Many of the early twentieth century captains of industry and finance, and many experienced philanthropists, who have derived their wealth from the last half-century of economic growth, were and are engaged in impact-driven business and philanthropy. What *is*

unique is that so many individuals, with so much wealth, at such an early age, with so much intelligence, with so much time, and with so much will are translating their agent-animated, knowledge-based business orientations into agent-animated, knowledge-based philanthropic engagements.

Taken alone, none of the foregoing elements is remarkable, nor is it extraordinary that scattered over the last twenty years are numerous individuals who have combined most, if not all, of those elements. The question for us is that age-old one of whether quantitative change turns out to be qualitative change. Does the existence of so many current and prospective wealth holders with such a daunting capacity portend a sea change in at least some segment of philanthropy? Our guarded answer is, yes. We recognize the negative wealth effect spawned by the current downturn in the economy, especially in regard to high-tech and biotech wealth holders. Nevertheless, there is little prospect that the equity value of those industries, which are just beginning their revolutionary impact, will remain stagnant for any extended period. Thus, if as we expect, the number and prosperity of agent-animated business entrepreneurs continues to increase, we should anticipate a burgeoning of agent-animated philanthropy into the future with all the potential prospects and problems that we discuss below.

The following report reviews some of the recent writings on high-tech philanthropy, presents the principal findings from our current study, and suggests implications for understanding and improving the trajectory of agent-driven high-tech philanthropy, in particular, and of high net-worth philanthropy, in general. All the

respondents were promised complete confidentiality, and so all identifying information has been changed. For instance, a San Francisco software entrepreneur who has endowed a high-tech research center at Stanford University would be described as a Seattle entrepreneur working to improve the speed of internet nodes who has endowed a cancer-research center at the University of Washington.

I. The Research Landscape

We begin by positioning our *2001 High-Tech Donors Study* within various recent studies and reports that discuss the new directions in philanthropy that high-tech wealth-holders and their peers from other industries are pursuing. Our readings and research began by a thorough investigation of six different approaches to the so-called "new philanthropy":

- We reviewed extensively media articles on "venture" or "new" philanthropy in order to discover what was commonly understood by the term, what its characteristics were, how it was popularly regarded, and how it was treated by the media. We concluded by compiling a list of stereotypes to explore in the interviews;

- We examined research from the academe and by the Morino Institute on venture philanthropy and on social entrepreneurship;

- We studied reactions from the nonprofit world to venture philanthropy;

- We examined recent surveys conducted on the "new wealthy" by financial institutions and investment advisors;

- We too wished to place high-tech donors in the context of our own research on wealth holders which spans fifteen years. We reviewed our findings on the charitable motivations and philanthropic strategies among wealth holders, in order to consider whether high-tech philanthropy is as new as has been widely proclaimed;

- And finally, we studied reports on the new economy and on high-tech business to learn about the business experience of our interviewees, discover the kinds of environments they are used to working in, and the approaches and skills which are crucial to their success and which they might be bringing to bear on their philanthropy.

We provide a comprehensive review of these sources here to establish for our readers the context of the research and to provide an introduction to some of its themes. In addition, the bibliography lists other resources which we do not present here, but which may be useful for those readers who wish to learn more.

Media Reports

We began the research with a review of media articles on "venture" and "new" philanthropy. Our own awareness of the theme in popular culture had come most arrestingly from the frequent phone calls we received from journalists asking us to comment on "sudden affluence syndrome," "cyberstinginess," and other purported afflictions of young wealthy, and in particular high-tech wealth holders. From a review of articles in *The Chronicle of Philanthropy*, the *New York Times*, the *Boston Globe*, and other national newspapers; financial publications such as *Fortune, Forbes*, and *Worth*; as well as magazines such as *Wired* and *Fast Company*, which grew up with the high-tech boom, it became clear as one commentator put it, that high-tech wealth holders are "the new celebrities and rock stars" (Prince and Grove 4) and receive the same levels of adulation and attack.

Our review of the various lists available in the public domain showed that over a quarter of the 2000 Forbes 400 have derived their wealth from direct participation in software, technology, communications or internet businesses; and the vast majority of Fortune's 40 Richest Under Forty are high-tech wealth holders. The biographies of the new wealthy replicate the American Dream at its best: hard work, intellectual capital, opportunity and luck combine to allow a person of modest upbringing to change the world and become a household name: only the short time-span is a new element in the narrative. These meteoric, almost magical transformations, combined with the way technology has revolutionized our daily lives every few months, along with national interest in the performance of the NASDAQ, have meant that stories of high-tech money continue to fascinate us—even though, or perhaps especially now, the market has taken a downturn.

The media articles provided a good introduction to the field, but by focusing on a small number of successful high-tech wealth holders, and couching opinions on high-tech philanthropy on the one hand, in the old model of scolding (for lack of generosity) or shaming (by comparison to the past), or on the other hand, in a dichotomy between the old and ineffective philanthropy and new and more effective philanthropy, the media articles in general did little more than satisfy the reader's desire for a look through the keyhole at the world of the high-tech donor.

From, our readings, we assembled a list of the features commonly attributed to venture and new philanthropy, which we hoped to later explore and challenge in the interviews. Among the stereotypes promulgated by the media are:

- that engaged, impact-driven philanthropy is a new phenomenon in history;

- that high-tech donors are highly critical of the nonprofit world, regarding it as inefficient, bureaucratic, old-fashioned, and ineffective;

- that despite knowing little or nothing about the world outside business and their computers, they arrogantly claim to know better than seasoned professionals in the nonprofit world;

- that they are Lone Ranger types, usually preferring to go it alone and set up a new charity, rather than work with an existing one;

- that hands-on involvement is the only way high-tech donors wish to contribute, and they are certainly not interested in simply writing a check;

- that when they do work in groups, they prefer to partner with peers from the high-tech industry in Social Venture Partnerships (SVP);

- that they are "cyberstingy": miserly about charitable contributions despite being obscene wealthy;

- that they want to apply the lessons learned in business to every non-profit, namely, strategic thinking, measurable results, scalability, accountability and sustainability; and

- that they are conservative in their choice of causes, focusing primarily on education and the environment.

Academic Research

We then moved to the seminal articles produced by the academe which have influenced all discussions of venture philanthropy. The first is a 1997 essay in the *Harvard Business Review*, called "Virtuous Capital: What Foundations Can Learn From Venture Capitalists," in which authors Christine Letts, William Ryan, and Allen Grossman conclude that much can be learned by foundations from the world of venture capital about risk, performance measures, financial investment, capacity building and exit strategies that could make their assistance of nonprofits more effective in helping nonprofits realize their goals. While it is not clear that any of the ideas in the article are intended to be novel, Letts et al.'s major accomplishment has been to contribute a common language for the interaction of business and charity. Bringing the metaphor of "venture" to bear on philanthropy has clearly resonated in a very positive way with venture capitalists and high-tech entrepreneurs and executives.

An idea that we often find linked to "venture philanthropy" is that of the "social entrepreneur," which has been explored by J. Gregory Dees at Stanford University's Kauffman Center for Entrepreneurial Leadership. Dees writes:

The idea of 'social entrepreneurship' has struck a responsive chord. It is a phrase well suited to our times. It combines the passion of a social mission with an image of business-like discipline, innovation, and determination, commonly associated with, for instance, the high-tech pioneers of Silicon Valley . . . [but

while] the language of social entrepreneurship may be new, but the phenomenon is not.

Dees' social entrepreneurs are "change agents in the social sector, adapting a mission to create and sustain social value; recognizing and relentlessly pursuing new opportunities; engaging in a process of continuous innovation, adaptation and learning; acting boldly without being limited by resources currently in hand; exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created." The concept of the "social entrepreneur" has gained so much currency, that a number of our participants specifically identified themselves as such.

Research Reports on Venture Philanthropy

Two reports on venture philanthropy (2000, 2001) by the Morino Institute, a nonprofit organization founded by Mario Morino, a former software entrepreneur, have been very much influenced by these ideas, especially by the recommendations of Letts, et al. However, having experienced the media coverage on venture philanthropy as rooted in the "old" versus "new" debate, both reports promote a movement beyond this dichotomy. Rather than criticize the nonprofit sector, the Morino reports are concerned to emphasize the good work being done by nonprofits, and the need not necessarily for new solutions to social problems, but for ways to bring successful strategies to scale: in other words, the need for *assistance* rather than attack of nonprofits.

A strong theme in the reports is the confusion surrounding the term "venture philanthropy," the multiplicity of different approaches which call themselves venture philanthropy, and the fact there can be no hard and fast rules at such an early and experimental stage of development of the concept. A survey in each report of the whole spectrum of organizations defining themselves in whole or part as venture philanthropies shows this huge diversity. In these surveys, the most frequently cited "impediments to success" are the venture philanthropy's own lack of organizational capacity, the difficulty of negotiating a more engaged funding relationship with nonprofits—especially given the lack of precedent, and finally, the fact that with the best of intentions, donors often over-commit themselves and are unable to achieve the level of involvement they have promised and desire.

Even though the Morino reports review and respond to criticism and cite weaknesses of the venture philanthropy approach, as an *insider* view of the field, they are characterized mainly by optimism and the hope that "history critiques this period as dawning years of venture philanthropy, which demonstrated its value and triggered a rethinking of philanthropy in America."

View from the Nonprofit World

At this stage we were aware of the tension between the nonprofit's desire for funding and the discomfort, if not outright hostility, toward the idea of the donor as "venture philanthropist." We reviewed some of the literature by nonprofits commenting on venture philanthropy and found The Grantsmanship Center's Fall 2000 magazine

issue presented the most well rounded and perceptive analysis. Rather than focusing just on the venture philanthropist, author Neil Carlson interviews foundations and nonprofits as well. In general, he raises the problems and prospects, and the dilemmas of care and control associated with venture philanthropy, which are captured in the article's title, "Enlightened Investment, Excessive Intrusion." The most important points in this context are first, that it is very difficult to maintain a balance of power between the needy nonprofit and the engaged donor: nonprofits are not really at liberty to choose their friends, and may be displaced from their mission and pay more attention to the needs and desires of their funders than their clients; second, that venture philanthropy is fundamentally conservative since in applying business concepts to philanthropy, venture philanthropists are strengthening corporate culture; third, that "[d]espite the rhetoric of innovation and change, the investment portfolios of corporate venture philanthropists are hardly innovative;" and finally that venture philanthropy needs to "diversify the ranks."

Another important voice in the debate on the merits of the "new philanthropy," is Bruce Sievers, executive director of the Walter and Elise Haas Fund in San Francisco and author of the article "If Pigs Had Wings: It's sexy to compare grantmaking to venture capitalism. It's also dead wrong," who has the dubious honor of being venture philanthropy's most outspoken and quoted critic. He responds specifically to the three major points raised by Letts, et al. Sievers allows venture philanthropy a role in nonprofit start-ups, but otherwise says the "marketization of society has its limits," especially since there is a "spectrum of ways in which the nonprofit sector contributes to

the material, associative, aesthetic, and moral advancement of society," which cannot easily be measured.

Finally, from the nonprofit world, we studied the Community Foundation of Silicon Valley's 1998 report on giving and volunteering in the region which gave us a further insight into the behaviors and attitudes of high-tech donors, from the point of view of a nonprofit which works very closely with that constituency. The report was conceived as a call to action to Valley residents to increase their giving and volunteering and as a way to come up with strategies to help motivate more giving, given that, as the sub-survey of high-net worth individuals confirmed, 45% of wealthy Silicon Valley residents donate less than $2000 per year and 7% donate nothing. Among the report's conclusions are that Silicon Valley's population is more highly educated, less religious, more involved in work networks and associations, gives more to charity and volunteers an equal amount of time compared to the average American, but donates almost twice as much to education as the US norm. Silicon Valley has a strong "investment culture" and many residents who in and through their high-tech or biotech business have had a huge impact on the world, also believe that a similar impact is possible in society, and would do more giving and volunteering if they had more confidence in nonprofits.

The report characterizes the civic leaders of the Valley that it interviewed as feeling a strong moral and civic duty to build, support and improve community; the belief in having the same transformative power in philanthropy as in business; the ability and willingness to surmount ethnic, class, and organizational boundaries to seek appropriate

solutions to problems; to partner and act in collaboration with others rather than alone; and to be idealists in terms of vision, but realists in terms of actualization.

Ways to increase giving and volunteering according to the report would be to provide donors and prospective donors with more and better information on nonprofit work and on how to get involved; to have experienced donors act as mentors and role models to younger donors; to utilize the work networks and associations; to encourage Silicon Valley residents to think more about supporting the local community; to expand knowledge on ways to give and to implement new models of giving; and to begin to foster a new generation of volunteers and donors by educating children at an early age.

Research from the Financial Sector

In the financial sector, investment institutions and financial advisors have been anxious to define the new market segment constituted by high-tech wealth holders, a role fulfilled in part by Prince and Grove's 2001 *eWealth: Understanding the Internet Millionaire*, and US Trust's 2000 special survey of technology professionals as part of its series on affluent Americans. *eWealth* is based on surveys and selective interviews with 652 eMillionaires (for which participants were compensated), defined as those whose wealth derives from direct participation in an Internet-related business rather than from investment, and with $1 million or more in liquid assets, while US Trust's report is based on 150 20-minute telephone interviews with respondents still working in technology and having over $300,000 in income or $3 million in wealth. Because of the sample size,

both reports proved helpful to us for learning about the specific characteristics of "the new wealthy."

Prince and Grove's major conclusions are that eMillionaires are different, and perceive themselves as being so, from previous generations of wealthy such as post-war small business owners, corporate millionaires who rose through the ranks of an organization but did not create, inherited wealthy, and the traditional professions such as lawyers and doctors. Building on their previous research with high net-worth individuals, Prince and Grove conclude that though eMillionaires can best be segmented by how they derived their wealth (by IPO, trade sale or cash flow), they are primarily "accumulators," who are to varying degrees unusually obsessed with being rich, strongly desire control and independence, are highly competitive, and because their wealth has been amassed so quickly, have feelings of guilt about their fortune, and insecurity about the demands of friends and family. In terms of seeking advice about their money, eMillionaires, because they perceive their situation as somewhat unique, seek advisors with prior experience of other clientele like them. Furthermore, in seeking out new advisors they prefer referrals from peer networks, seminars and conferences, as well as referrals from business associates, and they value a strong personal relationship with advisors. We wondered if these characteristics would apply in our sample, though of course we were focusing more on philanthropy rather than business, and whether eMillionaires use of networks to get advice, might also apply to philanthropy.

SWRI Research on Wealth and Philanthropy

We too wished to place the *2001 High-Tech Donors Study* in the context of our own previous research on high-net-worth individuals and philanthropy, most recently in the *Wealth with Responsibility Study2000* produced with Bankers Trust Private Banking, for which we surveyed over 100 wealth holders worth $5 million or more, and also earlier in the *Study on Wealth and Philanthropy*, an extensive interview project with over 150 millionaires, which we conducted in the late eighties, in order to examine whether these new wealthy were really unprecedented in American history or whether they might have some things in common with other wealth holders, and in particular, whether their hands-on approach to philanthropy was really a new phenomenon.

In our research we have elaborated the unique juncture where general charitable motivations intersect with the motivations that are particular to the distinctive financial capacities and social-psychological dispositions of the wealthy, as well as the motivations and strategies behind giving and volunteering by wealth holders. Central concepts to our research on wealth and philanthropy which we will elaborate on later in the paper are:

- the empowering class trait of the wealthy, which we call *hyperagency*;
- the *spiritual secret of wealth*;
- the *identification* and *association* model of charitable giving ;
- the *inclination* of wealth holders to be *producers* rather than simply *supporters* of philanthropic projects;
- the dilemmas of *care and control*;

- *the discernment model* rather than the *scolding model* as the best way of motivating the charitable inclinations of wealth holders.

Readings on the New Economy

Finally, from our readings on the new economy, we learned about the environment, the keys to success, and the characteristics of the information, knowledge, or new economy as it is variously known. The reports by the Progressive Policy Institute summarize the new economy as characterized by dynamic markets; global competition; firms with a networked rather than hierarchical or bureaucratic organizational structure; a flexible means of production; growth driven by innovation and knowledge rather than labor and capital; a competitive advantage derived from innovation, quality, time-to-market, and cost; where research is highly important; and rather than go it alone, firms typically partner and collaborate with others. The report concludes that:

> The term New Economy refers to a set of qualitative and quantitative changes that, in the last 15 years, have transformed the structure, functioning, and rules of the economy. The New Economy is a knowledge-based economy where the keys to job creation and higher standards of living are innovative ideas and technology embedded in services and manufactured products. It is an economy where risk, uncertainty, and constant change are the rule, rather than the exception.

Edwards' 1999 report to the US Joint Economic Committee attributes the success of high-tech in America to the following factors: decentralized sources of financing for

entrepreneurs; open and competitive markets; the pursuit of diverse and innovative approaches; high levels of entrepreneurship; a virtuous circle of wealth creation where "entrepreneurs recycle their income and expertise in new business start-ups." Edwards presents and analyzes many characteristics of the "new economy." The most relevant for our purposes are the move away from a "managed economy" to an "entrepreneurial economy;" a business culture which tolerates failure and encourages people to start their own businesses; and a diverse and uncertain business environment.

Our major conclusions from our review of the research landscape were:

- that we would need to move beyond interviews with the usual suspects and diversify our sample as much as possible;
- that there was much room to deepen the understanding of "venture philanthropy" and high-tech wealth holders;
- that it would be fruitful to look behind the stereotypes to learn the inner workings of high-tech philanthropy.

II. Research Design, Definitions, Methodology, Sample, and Validity

The purpose of the *2001 High-Tech Donors Study* was to discover and communicate how high-tech wealth holders think about and carry out their philanthropy within the context of the technological and financial revolution of the last decade that has been due, in large part, to the entrepreneurial ventures of these high-tech business owners and executives themselves. As the prosperity and prominence of the high-tech industry grows, it will spawn more wealth holders who will ask themselves and be asked about their charitable proclivities. It is crucial, therefore, to render a reliable picture of the philanthropy carried out by high-tech entrepreneurs and executives so that their activities might be evaluated, improved, broadened, and emulated where appropriate. How trustworthy this picture is depends on whom we studied and how well we went about studying them. In this section we discuss our research design, working definition of the "high-tech wealth holder," the research methodology, the demographic characteristics of our sample, and some reflections on the validity of the findings.

Research Design

To collect the idiosyncratic stories of high-tech wealth holders and their philanthropic involvement, we initially planned a one-hour, confidential telephone interview with a sample of 15 participants. The interview would be loosely structured to focus on issues surrounding the accumulation and meaning of wealth, and philanthropic motivation and behavior.   The interview would be recorded and transcribed for analysis.

Selected demographic, financial (family income and wealth), and philanthropic (family annual contributions and personal time volunteered) information would be obtained through a structured interview schedule to be completed at the end of the main interview. The sample would be developed to yield a diverse group of high tech wealth holders involved in philanthropy. In general this plan was implemented. The major deviations from the plan were that the number of participants was doubled from 15 to 30, the interviews often extended for more than one hour, and several informants who work with and among high-tech philanthropists were interviewed, three of them formally and their interviews transcribed.

Definition of High-Tech Wealth Holder

We defined a high-tech wealth holder as a person who has made or is making the majority of his or her wealth from direct participation as an owner or a top executive with equity holdings in a high-tech business. We defined a *high-tech business* as one that produces hardware or software for computers and communications, or a company, which although not involved in research and development, depends completely upon the application and leveraging of software for its entrepreneurial success.[1]

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[1] Readers will note that we excluded biotech from our definition. One participant did suggest that biotech should be included under the rubric of the high-tech industry, but this issue was moot since we did not interview anyone associated with the biotech industry.

Given our small sample, it did not seem to be necessary or useful to segment our definition of high-tech further, and indeed almost all the respondents who we asked to elaborate their understanding of the term "high-tech" did not focus on product or process. Instead they described the elements of the high-tech business environment, which make it different from older business models:

- the rapidity of change or "the speed at which you move" as one interviewee put it;

- the speed of cycles of learning;

- the need for constant innovation to stay ahead of the market;

- the youth of staff in positions of responsibility;

- the reliance on what Blair and Wallman call "unseen wealth" rather than capital assets for success;

- the rewards of working with "challenging people and hard problems" as one respondent described why despite financial security he is still hooked on work;

- the global and strategic view of business: what one interviewee called the "ability to go back out to 30,000 feet and look at the landscape and try and devise a more strategic view of what we're trying to accomplish" and another "a vision of grandeur."[2]

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[2] Their analysis closely replicates the Progressive Policy Institute's list of the key characteristics of the new and old economies in their 1999 report, *The State of the New Economy Index*, which we cited above.

Sample Criteria

To be included in the sample a person had to be (a) a high-tech wealth holder and (b) active in philanthropy.[3] As to *wealth*, we set no lower limit for inclusion in the study. We did not want to exclude interviews with some respondents who were in the process of starting their business careers as entrepreneurs and executives in start-ups. Interviews with individuals at the dawn of their wealth accumulation would alert us to whether, and in what the ways, philanthropy is on the radar screens of those who envision the bulk of their charitable involvement to be financially and temporally dependent on their business success.

In actuality, of those respondents who completed the supplemental survey,[4] only 6 respondents reported a net worth of $5 million or less (see Table 2). All of the remaining 20 families enjoy a net worth in excess of $5 million.

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[3] We included the two female co-participating spouses in our sample mainly for two reasons. First:, their spouses, high-tech wealth-holders, insisted that their philanthropy was not individual but conducted as a close partnership and as a family enterprise. Second, the co-participating spouses were imbued with the same business and philanthropic logic as their husbands, and participated with their husbands in their venture partner activities.

[4] Of the 28 families (28 high-tech interviewees and 2 co-participating spouses) only two failed to fill complete the supplemental survey.

Contacting Participants

We began the project in the middle of January 2001. Because of the short time frame of the project (a period of 10 weeks from start to finish) we resolved to email and call as many potential participants as possible in as short a time as possible, in order to reach our initial goal of a sample of 15.

We developed a letter of contact from Paul Schervish inviting participation in the *2001 High-Tech Donors Study*, giving information on the researchers, sponsors and funders; explaining the nature of the research; what participation would involve; and why we were requesting their participation in particular (see Appendix A). We constructed the letter as an appeal to the philanthropically inclined to share their experiences so that we might "get to the heart of the 'new philanthropy,' and promote fresh thinking about the activities and ideals of high-tech donors." We also developed a short project description, which expanded a little on the letter (see Appendix B). Both of these documents were sent to potential respondents.

Summary of Sample Development

Our hope to learn as much as possible in a short period led us to interview all of the respondents with whom we could schedule an interview by the end of the second week of March 2001. We conducted 33 formal interviews instead of the 15 we had originally planned to carry out: with 28 high-tech wealth holders and two co-participating spouses (both groups included in the study), and three informants (not included in the study). The study was also informed throughout by informal conversations with contacts

in the high-tech and non-profit worlds. Table 1 indicates the medium of contact and the

number of respondents contacted through that medium.

Table 1: Medium of Contact of Respondents

Medium of Contact	N
Association of Fundraising Professionals	4
Coincidental Contact of Researchers by someone who fit sample criteria	1
Media articles and public lists	9
Special efforts through women's networks	6
Contact with nonprofits and foundations	3
Special contact of those involved in venture philanthropy	2
Branching, (asking participants for further contacts)	8
Total	33

Source: Social Welfare Research Institute, 2001

Details of Sample Development

The Association of Fundraising Professionals initially assembled five names of

potential participants at the start of the study. All five were men, resident on the West

Coast, and had expressed an interest in being interviewed. Of those contacts, four turned

into participants, and one of these in turn suggested to his spouse that she speak to us and since she was fully engaged with her husband in their philanthropy, we interviewed her as co-participating spouse.

By coincidence, a high ranking executive in a high-tech business had read Schervish and Havens' work and contacted Schervish to talk about his retirement from business to make a future career in the nonprofit world. We interviewed him, and when we asked, he gave us two more contacts, both high-tech executives and former colleagues--one woman whom we interviewed, and one man, whom we have contacted, but have not yet interviewed.

Through our review of newspapers and magazines articles on high-tech philanthropy we learned of approximately forty potential respondents who fitted our sampling criteria and had gone on the record previously about their business and philanthropy. We obtained seven interviews with these publicly known high-tech philanthropists.

We obtained two additional interviews from the list of the highest contributing donors to charity in the year 2000, which had just been published in *The Chronicle of Philanthropy*.

As the study progressed we noted that the participants were men predominantly from the West Coast. To diversity our sample by gender we enlisted the aid of the Forum

for Women Entrepreneurs, who posted our request on their list-serv, of the Women in Technology International, who called us with suggestions for potential participants, and of Andrea Kaminski, head of the Women's Philanthropy Institute, who made contacts for us with suitable female respondents. As a final effort, we recontacted the women we had initially emailed and again encouraged them to participate. Through these efforts we obtained interviews with eight female high-tech wealth holders. The other women we interviewed were spouses of two male high-tech wealth holders.

Apart from diversifying our sample by gender, we also took steps to diversify it by geography. Our interviewees were initially concentrated on the West Coast, so we deliberately tried to find participants on the East Coast. By searching the internet for Massachusetts-based technology networks and by contacting a Boston-based nonprofit whose mission is venture philanthropy, we found three more participants. In the end we managed to cover many areas of the US: two respondents were based in Austin, two in Atlanta, four in Massachusetts, two elsewhere on the East Coast, one in the Midwest, one in Canada, and the remainder in California and Washington State.

In a project on high-tech philanthropy it was clear that no study would be complete without interviewing some of the leaders and participants in the field of venture philanthropy. The Morino reports and numerous media articles provided us with potential contacts. We interviewed one venture philanthropist early on and asked him for further contacts--this yielded three interviews. We also spoke to one more leader in venture philanthropy. In all, five of the 28 respondents, and one of the co-participating

spouses was directly associated with one or other formal venture-philanthropy partnership.

In addition to the above efforts, we also emailed and telephoned another seventy to eighty potential participants, who we knew were involved in high-tech but in most cases on whose philanthropic activity we had no information. We obtained only one additional respondent. We obtained eight interviews, however, from our branching method of referral. In the branching method a participating respondent assists in the contact of a subsequent one.

After February 13, 2001 we did not ourselves actively seek out any further contacts, but continued to contact those who were recommended to us after that date. Throughout the study we did not refuse anyone who was kind enough to give us their name as a participant and we followed up all suggested contacts.

Data Collection

Once participants agreed to be interviewed, we scheduled an hour-long telephone call at their convenience. Before the interview we familiarized ourselves with information about the respondent, their business, and their philanthropic interests. Knowledge of this background information helped establish rapport with the respondents and allowed us to use our interview time to ask more focused questions.

At the start of each interview we assured participants of confidentiality, and we encouraged them to avail themselves of the liberty of speaking off the record. Many respondents during and after the interview referred to these assurances as the basis for their frankness.

We followed a loosely structured interview protocol focused the meaning and practice of wealth and philanthropy in the context of the respondent's high-tech background. This open-ended approach provided us with the flexibility to respond to and focus on topics, which were distinctive to each participant, and also allowed the participants to contribute information important to them. We developed and honed the questions as the interviews went forward, and as we gained new insights. We used the interviews with the informants to test various hypotheses we were developing. Within this framework, much of the interview concentrated on the personal and financial biographies of participants, particularly on benchmark moments or turning points, for example the decision to start their own business after having been an employee, the decision to retire from rather than stay involved in business, and the decision to become more involved in philanthropy. We were also concerned to identify the social-psychological frameworks of reference of respondents, such as their perspectives about the importance of family background, of education, religion, spouse and children, business life, role models, or a personal philosophy or world-view.

At the end of each interview we asked a structured series of questions from a supplemental survey focused on demographic and financial characteristics (including

family annual income and family net worth) and philanthropic behavior (including family annual contributions and personal volunteer time) (see Appendix C).

All the interviews were audiotaped and are being transcribed to provide the basis for subsequent analysis. Copies of the tapes and transcripts will be sent to participants, when completed. Data from the supplemental survey was coded and entered into a database for ease of statistical computations and analysis.

Characteristics of the Final Respondents

The sample of respondents consists of 30 persons, 20 males and 10 females in 28 families, both spouses having been interviewed in two families.[5] Of those reporting racial or ethnic affiliation, one respondent was Black, one reported no racial or ethnic affiliation, one reported Jewish, and the remaining 25 were White. The respondents ranged in age from 26 to 57 with an average of 42 years. Most of the participants, 22 persons, were married or living with a partner; four were single; and four were separated or divorced. Most of the 28 families, eighteen families, had one or more children or stepchildren. The participants were well educated with two holding Ph.D.s, eight holding Masters degrees, and eleven holding bachelors degrees, out of the 23 participants reporting their educational attainment.

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[5] Spouse A had a family net worth of $5million to under $10 million, and a year 2000 family income of $500,000 to under $1 million. Spouse B had a family net worth of $1 billion or more, a year 2000 income of $5 million to under $20 million.

The family net worth of the participants at the time of the interview ranged from $1 million to $1.15 billion, with an average of $159 million and a median of $43 million for the 26 families reporting their net worth. Most of this wealth had been earned in the high-tech industry although nineteen percent, on average, was earned from subsequent investments and approximately two percent, on average, was inherited or derived from other sources. The following table gives the distribution of the sample by family net worth.

Table 2: Family Net Worth

Family Net Worth	N
Under $5 million	6
$5 million to under $100 million	9
$100 million to under $500 million	8
$500 million to under $1 billion	1
$1 billion or more	2
Missing	2
Total	28

Source: Social Welfare Research Institute, 2001

The annual family income of the participants for the year 2000 ranged from a loss of $75 million to a positive income of $30.1 million with an average of $4 million and a

median of $750,000 for the 24 families reporting their family income. Most of the 28

high-tech entrepreneurs, fifteen persons, were still working full-time in a high-tech

business; eight participants had retired from the high-tech industry and one was on a

year-long work break, (of these nine, all were working full or part-time in philanthropy);

and the remaining four respondents were semi-retired, still employed part-time and

working in philanthropy. The following table gives the distribution of the sample by

family income.

Table 3: Family Income

Family Income	N
Under $100,000	4
$100,000 to under $500,000	7
$500,000 to under $1 million	3
$1 million to under $5 million	3
$5 million to under $20 million	3
$20,000,000 or more	4
Missing	4
Total	28

Source: Social Welfare Research Institute, 2001

Since participation in philanthropy was a selection criterion for inclusion in the

study, all the participants were involved in philanthropy. Their total family contributions

(exclusive of political contributions) in the year 2000 amounted to $127 million in combined contributions for the twenty-five participants reporting contributions. These contributions ranged from $500 to $65 million per family with an average of $5.1 million and a median of $325,000. The number of gifts per family ranged from one to 200 with most families giving ten or more gifts in the year 2000. The average number of gifts was 44 and the median was eighteen for the 22 families reporting the number of gifts they made during the year. The following table gives the distribution of the sample by the size of total family contributions.

Table 4: Family Contributions

Family Contributions	N
Under $50,000	10
$50,000 to under $100,000	1
$100,000 to under $500,000	2
$500,000 to under $1 million	1
$1 million to under $10 million	7
$10 million or more	4
Missing	3
Total	28

Source: Social Welfare Research Institute, 2001

Nearly all the high-tech wealth holders (25 of the 26 reporting) also volunteered their time to charitable causes in the year 2000. One participant of the 26 reporting had done no volunteering..[6] The combined total number of hours per month for the 26 who reported their specific hours was 1,902 hours per month. The volunteer time ranged from 0 to 258 hours per month per person with an average of 73 and a median of 42 hours per month. The following table gives the distribution of the sample by the number of hours per month that the participant volunteered their time to charitable causes.

Table 5: Participant Volunteer Time (Hours per Month)

Personal Volunteer Time	**N**
10 Hours or Less	4
11 Hours to 20 Hours	6
21 Hours to 40 Hours	3
41 Hours to 100 Hours	6
101 Hours to 200 Hours	4
More than 200 Hours	3
Missing	2
Total	28

Source: Social Welfare Research Institute, 2001

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[6] Here we did not include the volunteer time of the spouses. Spouse A volunteered 150 hours per month.

Reflections on Validity

The methodology of intensive interviews coupled with the study's small sample make it impossible for us to have captured a thorough portrait of the full population of high-tech donors. Nevertheless, the number of interviews is sufficient for us to speak with some assurance about the main lines of agent-animated philanthropy. Although we did not conduct a representative random sample, our branching and direct email methods of enlisting respondents did lead us across many regions of the country, and into the lives of many different individuals. Even though the respondents who agreed to be interviewed are likely to be more philanthropically active, and are not likely to be good informants about those who are not so highly involved, the respondents were diverse enough and spoke consistently enough for us to identify an array of common motifs.

In all interview case studies such as this, the issue of validity is not a statistical, but an intellectual one. The question is not whether the sample represents the full range of variation in targeted population, but whether what we learn is true for the sub-population we actually interview. How far beyond the interview sample we can apply the findings is a second question, one we address in the conclusion when we discuss the implications of the study. As to the intellectual validity of the study, one helpful criterion is that the more researchers hear the same set of dilemmas and strategies from a relatively diverse group of respondents, the greater their assurance that they have discovered some prevalent themes. A second working criterion is that when researchers begin to hear those themes repeated in subsequent interviews, there is good reason to believe that they have captured a good part of the story of a good number of people, and that additional

interviews will yield decreasing amounts of new information. There is clearly much more to learn from additional interviews and it would be foolhardy to draw too tight an analytical net around the meanings and practices of those who pride themselves on their distinctiveness.

So what can we say with confidence? A geographical analogy may help. Given the limits of the sample, we are neither able to discern all the details of a topography nor report what proportion of the inhabitants dwell in each of the land's towns and boroughs. Nevertheless, we are able to map the major contours of the terrain and to talk in some detail about a particular locale or two. We do not know what the full population is doing all the time, but we do know what those we see are doing. There is always a more refined map to draw, but we are confident that the vistas we report here are accurate and are components of the larger panorama.

III. What is Distinctive About High-Tech Philanthropy

The focus of the research is on how high-tech wealth holders carry out their philanthropy, especially how they participate in that highly engaged mode of philanthropy commonly referred to as "new" or "venture" philanthropy. Our findings indicate that neither term is strictly accurate. High-tech philanthropy is not so much new as it is distinctive. As a distinctive form, it is not just venture philanthropy, but managerial and entrepreneurial philanthropy as well.

What Isn't New?

We have already mentioned in the introduction that there is a set of elements surrounding the philanthropy of high-tech donors that properly warrants the appellation "distinctive." However, these elements are not what commentators regularly mention. According to the popular view, new philanthropy entails an explicit effort by donors to apply the lessons learned in business—strategic thinking, focus on measurement, accountability, scalability, investment and return on investment—to ensure that the charities they support are effective in producing outcomes, in documenting those outcomes, and that the nonprofits they support are or become creative risk-takers rather than quasi-bureaucratic protectors of their organizational survival. We agree that the intercessional or effect-oriented temperament high-tech wealth holders bring to all their philanthropic approaches is integral to what high-tech donors look for in a nonprofit or try to advance when contributing to nonprofit organizations. However, it is not historically novel for philanthropists to keep an eye on these objectives, in fact,

throughout the twentieth century, virtually every significant philanthropist or foundation has implicitly or explicitly insisted on these characteristics, as our interviewees themselves were at pains to mention:

> You're a baby boomer like me. We have always thought we were somehow different from any generation that ever lived and we probably aren't. The sixties and stuff like that was a lot of fun but I don't know that we had ideas that were remarkably huge but it was fun to think of ourselves that way. And I think it's okay for these new philanthropists to think of themselves that way—if that makes you feel better about it, that's good. But I still think the emotions and the thoughts are probably not so different from previous generations. I'm not an expert on these old guys like Carnegie and Rockefeller but I know when Carnegie put a big investment in the library system, he probably was thinking it was a good investment.--Co-founder and CEO Software Company

Second, our interviews with 140 wealth holders from 1985-1987 in the *Study on Wealth and Philanthropy* enabled us many years ago to discern an already well entrenched commitment by many philanthropists to the issues of effectiveness, innovation, venture investment, managerial assistance, and entrepreneurship. Furthermore, venture, managerial and engagement philanthropy are not the only strategies through which high-tech donors carry out their philanthropy: we also found ample evidence of them practicing the entire gamut of strategies we found in our previous research, from the *adoption philanthropy* of a software entrepreneur who had "adopted"

his nieces and nephews; to the *consumption philanthropy* of contributions to schools and environmental issues which benefit the donor and their family directly; to the *brokering philanthropy* of high-tech donors who solicit the help of members of their business network for their favorite charity.

Third, high-tech donors seldom limit their philanthropy to causes in which they are personally involved. In fact, we find that impact-oriented donors are perfectly happy to offer financial support to established organizations, which they believe are effective and with whose mission they identify, often without any strings attached. This high-tech software entrepreneur donates substantial funding to his alma mater's capital campaign:

> I believe in Notre Dame as an institution. I believe that the types of people that come out of Notre Dame actually have a good foundation for creating goodness, whether in business or teaching or nursing or medicine or whatever it may be. There are a lot of colleges out there and ND is the one I am committed to because I think there is a ripple effect in what ND does for each individual.--Co-founder, Chairman and CEO Software Company

Without much to-do, they will even make incidental contributions to organizations that do not meet the criteria of effectiveness and engagement.

> I've seen in a case of a technology organization delivering a really fancy website to a relatively small environmental organization, which meant that they needed to

put a lot of their resources into attempting to maintain that website. If they had been using those resources instead to either meet with their clients or their supporters, it probably would have been a better use of their time and money. Now, I'm not against this organization, and I've wanted to support it anyway. Even though I see it sometimes does some bad things, at least people got excited about doing it. And in fact, even though the model is not perfect, I think they kept doing a better and better job. I mean they realized some of these mistakes and they kept doing a better job at it.--Co-founder and CEO Software Company

One participant described this mixing and matching of approaches, of a combination of time, money, and skills as is deemed appropriate to the stage of the participant's business and family life and to the philanthropic opportunity as "putting together the pieces perhaps in a different mix, like a recipe that is in keeping with today's values and today's individuals who are interested in doing the work."--Founding Member Social Venture Partnerships

Finally, other characteristics of high-tech wealth holders that we find in the interviews: hyperagency, the awareness of the dilemmas of care and control, the dialectic of duty and desire, the resistance to the scolding model and the receptivity to the inclination model for motivating charitable giving, the importance of gratitude, of identification and association are, as we will discuss below, also what we have previously found in our research to be characteristic of all wealth holders. Moreover, the myriad motives behind giving and volunteering, each as individual as the participants

themselves, ranging from a desire to give others the same opportunity afforded them, to "touch 10,000 lives," to tithe, to "give back," to share, are true for donors in all wealth and income brackets. So what, if anything, justifies our treatment of high-tech donors as a separate group?

What is Distinctive?

As we have said, all our respondents are involved in a variety of philanthropic approaches, many of which are in fact quite familiar and traditional; their motivations are as various as any; they themselves admit that their "venture philanthropy" approach is not new in history. Still, there *is* something that is distinctive about high-tech philanthropy— perhaps even new, although we do not insist on the latter adjective.

This distinctiveness does not lie merely in the fact that high-tech donors participate in venture philanthropy or in other forms of activist approaches, for example, managerial and entrepreneurial philanthropy. Rather, in order to encapsulate the distinguishing trait of high-tech donors, both in regard to the multiple forms of intercessional philanthropy they carry out, and in regard to the impact-oriented disposition with which they approach all their philanthropy, we employ the term *agent-animated philanthropy*.

Agent-animated high-tech philanthropy is any form of philanthropy in which high-tech donors strive to be productive of outcomes in the same way they have been, or continue to be, formative of outcomes in their business ventures in the knowledge

economy. Agent-animated production and philanthropy is, as a high-tech business must be to succeed, both market-conscious and knowledge-based. It is *market-conscious* because in business and philanthropy high-tech wealth holders recognize the absolute necessity of accurately comprehending the needs presented to them. It is *knowledge-based* because in both spheres they recognize the unconditionality of applying their and others' intellectual capital to meet those needs.

Other skills and approaches specific to the high-tech industry, which we see our high-tech donors bringing to philanthropy, are:

- an insistence on research and "due diligence" for the start of any new venture;

- a strategic thinking approach that combines both a global view and a broad systems approach;

- a strong belief in the centrality to success of teamwork, partnering and collaboration rather than competition;

- an idealistic and optimistic belief in the capacity of the individual to make a difference, especially on an intellectual level, which comes from seeing the revolutionary effect that their problem-solving approach has had in business;

- a fundamental belief in the development and application of human capital as the basis for solving society's problems;

- and a conviction that innovation, constant change, and a reassessment of circumstances are crucial to progress.

While we agree that not all high-tech philanthropy is agent-animated, our interviewees have told us that the most consequential contributions high-tech donors have made or plan to make, are those where they expect to create new directions within existing organizations or to create new venues to tackle needs in a fresh way, and to do so by applying the principles they have adhered to in business, because they think that the application of the skills they have to offer now, is the best way they can be most effective.

Despite the criticisms we heard from nonprofits about the arrogance of high-tech donors in thinking they have the solution to every social problem, our interviewees often told us that they *did* believe in sticking to what they know—for example, how to build a successful business, or seeing business and philanthropy as continuous, or trying as philanthropists to create the same conditions for others that have led to their own success. One example is this retired software entrepreneur, who having learned that there was no equity capital market in Boston's inner city, began a nonprofit venture capital firm to invest in businesses owned by minorities and to plough profits back into the funding the start-ups of more businesses.

When I kind of decided to give back, I wanted to do it very much in the approach I used in the business world, which is, that I was going to stay very focused—I was not going to be part of ten different causes, sit on a bunch of different boards, and write checks to nice organizations. I was going to go in hands-on, obviously use my financial wherewithal, make investments, be there in a mentoring

capacity. And I wanted to do it all in a way that I thought I knew or had learned.-
-Retired Co-Founder Internet Communications Company.

Given that the experience of philanthropy for many high-tech donors is new, applying skills they already have is a way of getting to know needs and how the nonprofit world works, a way of feeling effective while sticking their toe in the water.

The whole landscape of philanthropy is very intimidating. I had given lots of dollars on an *ad hoc* basis to every fireman's spaghetti feed, or national lung campaign, you know, you name it. It didn't feel very structured; it didn't feel like I was maximizing leverage. When Social Venture Partners was explained, first of all it was an organization whose prime focus was getting capital and hands-on intelligent skills by SVP members to whatever the particular target opportunity was. That appealed to me because I knew just from working with a lot of small companies that it was stunning that what I considered very simple, kind of basic first steps, it was stunning to me how much [young entrepreneurs] lacked in terms of basic understanding of how to do some of these very simple things. And I assumed that the same was true in the community service sectors. Very basic things like how to organize a budget or how to elicit, create a plan to elicit support from local organizations.--Founder, Chairman and CEO Software Company

While we do wish to claim some distinctiveness, we must be careful not to erect an insurmountable wall around high-tech philanthropy. Many donors who are not involved in the high-tech industry approach their businesses and philanthropy in relatively the same way as do high-tech donors. And, conversely, there must be high-tech donors here and there who do not approach things in the way we describe. But there is a dominant theme that surfaces from the accounts of every person with whom we spoke: this theme is the effort to shape philanthropy in the way they have learned to shape their high-tech businesses.

This is not because they are arrogant and believe they have a right to push their views on others—although they admit this sometimes occurs.

You know a lot of times people make a lot of money and all of a sudden they think they're geniuses on every topic and I'm not, but what I'm hopefully smart enough to do is to focus on the things that leverage what I *do* know and stay out of the things that I don't know and don't just decide "well, gee I made all this money so now I know all this about everything"—you gotta stay focused on one thing because otherwise you drown in a sea of opportunity, if you will. You have to pick your spot, and hopefully try and make an impact.--Retired Co-Founder Internet Communications Company

Rather, their desire to mould the present and future of philanthropy, is because they have found that in an ever-changing world where insight is the lever of success these are the best ways for them to be effective.

To summarize, if high-tech donors are not historically unique in embracing an impact-oriented disposition or intercessional practice of philanthropy, what is distinctive about them? The answer resides in how they approach their business ventures, how this shapes their thinking about what is necessary for commercial success, and how this fashions their personal identity as confident and effective agents. In other words, the common trait of high-tech donors is not simply a *desire* to be effective in philanthropy, but a common trait of applying what they have learned in business about *how* to be effective. We will concede that this may not be new in the eyes of some; and it may not be universally true for all high-tech donors, but it is the case for those we interviewed.

Finally, what is distinctive for high-tech donors now, may not be so in the future, since just as characteristic is a strong sense of experimentation, of trying to find the right mix of philanthropy, of learning, of risk-taking that may be very much of the moment. In the conclusion we discuss some of the possible futures for high-tech donors.

Market-Conscious, Knowledge-Based Accumulation

In this section we elaborate the distinctive qualities that the respondents attribute to how they conduct their high-tech business activity, in particular their attentiveness to an ever-changing market sovereignty and to the preeminence of human capital over physical capital. Our respondents are self-made, having derived virtually every penny of their wealth from involvement in the new economy as high-tech entrepreneurs or as upper-level executives with substantial equity ownership in a high-tech business. Those who cited investments as a substantial source of their current wealth were quick to add that these investments derived from the income they received when they sold all or part of their high-tech assets and diversified their portfolios. In addition, most of those we interviewed had become very wealthy—at least on paper—at a relatively young age and often in a very short time. Finally, few ever anticipated in college that their major would be a stepping stone to a formidable business career. These features, as well as the intensity and velocity of their business activity, combine to etch into their consciousness the factors that have generated their affluence. Among these factors, the respondents identified three strictures, which must be heeded:

1. to respond to a consumer market in which product demand is for processes rather than for discrete products and which has a pent-up demand for innovative process-based products;

2. to acquire and apply intellectual capital as the most crucial force of production;

3. to constantly monitor and nimbly respond to an ever-renewing business horizon.

Market-Consciousness

Everybody is familiar with walking into a retail establishment in any country of the world. There's a well understood ritual that takes place between you and the merchant. . . In the electronic world that does not exist. Our goal is to put in place that standardized methodology for what we believe is going to be a revolution in how people consume information, and entertainment and education content electronically.-- Founder, Chairman and CEO Software Company

The initial ingredient of a successful business is to identify some need for which the current or anticipated future demand outstrips the supply, and for which people are willing to pay. This, of course, is common knowledge in the business world. But our high-tech respondents emphasized how crucial it is for them to be especially precocious in discerning market demand. This is true for at least two reasons. First, high-tech producers are vigilant about discovering the need not so much for a discrete product as for a multiplex process. In other words, consumers are looking not for a furniture catalogue but for a way to browse catalogues. Internet retail companies are in need not of a cash register, but of an electronic system of processing orders and payments. High-tech creates reusable, multi-function tools that are designed to meet a rationally logical or emotionally appealing chain of needs. As such, for high-tech entrepreneurs, to be

effectively attentive to the market means being especially attentive to sequences or interconnected arrays of needs. The second reason why high-tech entrepreneurs turn out to be particularly sensitive to their market is that they pay heed not just to emerging needs, but also to how creative technology can meet a backlog of needs that it was previously impossible to meet. By researching, inventing, developing, and producing new technologies, the high-tech industry is able to create a stream of new products to meet qualitative and not just quantitative pent-up demands. Taken together these two market conditions teach high-tech donors the necessity and reward for honoring consumer sovereignty.

Intellectual Capital

The high-tech industry is all based upon applying intellectual capital—which is just smart people and methodologies… to create efficiencies for businesses, for people. That is what the telephone is—it is an efficient way to communicate, that is what email is. . . That is what technology is all about. It creates efficiencies and productivity that one person or one mind cannot create on their own.--Co-founder, Chairman and CEO Software Company

The second characteristic of high-tech entrepreneurship is that knowledge is the primary force of production. The most consistent finding of this study is the tribute high-tech donors pay to the strength of ideas and the importance of gathering a team of

workers with exceptional intellectual capacity. In all eras, ideas are an important factor of production, but only in recent decades, and especially for the high-tech industry, have ideas been elevated as the primary factor of production, surpassing plunder, natural resources, physical labor, and physical capital as the dominant source of added value. If the market provides the conditions within which high-tech entrepreneurs must work, intellectual capital provides the means for these entrepreneurs to prosper within those conditions and even expand business and market horizons. If market-consciousness is a discipline imposed on high-tech entrepreneurs, knowledge is the engine of their agency. In the world of high-tech, ideas are the coin of the realm and knowledge the wealth of nations.

Constantly Advancing Business Horizon

> When we move into markets in the business side we do it in ways that are disruptive. Generally when we introduce technology we do it at almost all the functionality that people expect and at ten or five percent of the price that people have historically come to expect.--Co-founder, Chairman and CTO, Components

The third characteristic of high-tech enterprise is the rapidity of change in the markets it faces and the need for constant innovation to respond to those markets as well as to anticipate the near-term and long-term needs of a constantly evolving market. Again, all industries face changing markets, but with the high-tech industry we find a dramatic increase in the velocity of change and a corresponding growth in efforts to

monitor and respond to the dictates of that change. In this dynamic environment, locating what people need now and what they will need in the near future, rather than imposing what they do not need, is the surest path to success.   It is the difference, said several respondents, between marketing and selling, or between good selling and bad selling, as another respondent insisted. Selling is getting people to buy what you need them to buy; marketing, as the term was used by the respondent, is getting yourself to provide what people need to buy, when they need it. The upshot of this for high-tech business owners and equity executives is to push themselves to anticipate and meet the needs of consumers for goods and services rather than push consumers to meet the needs of the business for revenue. Producers not only introduce the world to change; they are introduced to change by the world. Their prosperity depends on how readily and astutely they change themselves and their enterprises.

Market-Conscious, Knowledge-Based Allocation

Corresponding to the foregoing distinctive traits of high-tech business are the distinctive traits that high-tech donors bring to their philanthropy and to their expectations of nonprofits:

1. being explicit about attentiveness to the market;

2. the application of intellectual capital as the key attribute they see necessary to instill into the nonprofit world; and

3. being resolute about growth of scale as the key outcome for the nonprofits
   with which they are involved.

Market Awareness

So if you really look and say "how can you go and address the problems of global

poverty," again, instead of doing it the old-fashioned way like Robin Hood—the

old-fashioned way would be to go and steal from the rich and give it the poor, and

while that's nice for the storybook, in today's world it's not practical—a much

better way is not to give the poor a handout, but to give them a tool so that they

could pull themselves up and do something with their lives. For example, we

have started to work with refugee camps in Africa. Instead of just going over

there and giving them a few dollars here and there so they can buy food, because

that doesn't last very long and they would always be in need of our help. If you

give them access to Internet they can go and ask for help themselves. If you give

them access to Internet for e-commerce, they could sell some of the handcrafts

that they have through Internet channels, because at many refugee camps, people

are not allowed to work in the country they are in. The country they are in feels

threatened by the refugee workforce and wishes to prevent them taking jobs away

from the regular citizens. So they are just waiting for handouts—but that doesn't

help them with their poverty if they are always waiting for someone to come and

feed them. But if they have access for example to the Internet, you can provide

some distance learning for them and teach them how to put their goods on the

website and sell them, you can create a channel for them so they can make money and become independent.--Entrepreneur and Venture Capitalist.

High-tech donors are as market-conscious in philanthropy as they are in business. They are alert to both the needs of nonprofit organizations, but even more so to the needs of the ultimate beneficiaries being served by nonprofits. Moreover, because their development of high-tech products and services necessarily takes place within a broad systems context, they tend to bring a broad systems context to the analysis of the mission of philanthropy. They view the mission of philanthropy as meeting the needs of beneficiaries, but believe that it does not always do a good job of fulfilling that mission. It is not poor intentions or a lack of dedication that evokes their concern; rather that the current practices of philanthropy often do not perform well in discerning the needs of recipients and moreover, tend to allow modest successes to become an obstacle to greater accomplishments. High-tech donors, educated in the school of high-tech business, believe that existing charitable organizations must become more perceptive about the needs of the people they serve. Such needs are for a sequence of processional outcomes within the context of a complex social system rather than for any discrete product. Thus, inner city school children are not just in need of a better education; they need a series of socially interconnected intercessions that will produce a course of changes in their lives.

Not only do high-tech donors have an eye for viewing beneficiaries' needs as causally linked; they also have a particular fix on the interconnected needs of existing charities. In the view of many high-tech donors, established charities and foundations

have become stuck in old perceptions of the needs of their clients or have subtly allowed

pressing organizational needs to hamper their work on behalf of their target population.

This critique, while never presented with severity, was universal among respondents.

When high-tech donors believe there is potential to improve the market consciousness

and the responsiveness of the charities they care about, they offer their time and money to

do so; and when they believe there is a need to start afresh, given the resources of time

and money, they will start new philanthropic ventures. In all cases, they are vigilant

about the threat of goal displacement, that is the substitution of organizational survival

for organizational growth; of bureaucratic imperatives for market imperatives. It is for

this reason that high-tech donors, either alone or through the many venture partner

associations which have sprung up across the nation, work to provide the managerial

expertise and multi-year financial support to unfetter nonprofit organizations from the

constraints that keep them from being more market-conscious and market-responsive

enterprises. With beneficiaries' needs more clearly on the radar screen, intellectually and

organizationally, more will be accomplished.

Human Capital and Human Development

I put on a high-tech conference showcasing these Israeli high-tech companies to

the venture capitalist community here in America. Investment bankers didn't

know anything about Israel and they came away enormously impressed. So that

was all part of a way to raise the visibility and awareness of Israeli high-tech.

And you know, for me it's easy to do a lot of those things because I have the

contacts, so I can put these things together fast. Decades of civil warfare and division can totally destroy your confidence. The biggest thing I went to Israel initially saying was, "You people are outstanding at all these skills. You can compete on a global economy. You should be doing it. You should be coming to America, to Silicon Valley." . . . . I have made no money on this whatsoever. It has not been a business thing. It's just been something…These are good and courageous people trying to stay alive and if I can do something to help them then you know, I was certainly honor-bound to do so. You can contribute money, and sometimes I've done that to help a particular situation, but it's more what they call social capital, using all the contacts that one has to help. And someone like myself who has competed in the global economy could say, "Yes you can do it. You have all these high-tech skills." I could see all of that talent and energy and ability and skills in these software entrepreneurs. For me it was only a matter of time of promoting these people. So giving something back is my way of thinking helping some people to help themselves in ways that are good for them. Create jobs, money, wealth, all that sort of stuff. And you walk away. It's not like you've done them a "favor."   You're just giving them a leg up so that they are capable of doing all these things. And they are and that's why they don't need you anymore eventually.--Former Software Entrepreneur and Venture Capitalist

High-tech donors believe that human capital is the key to human development. To the familiar question about whether money or ideas are more important for improving the human lot, high-tech donors answer that it is ideas. It is not that money is

unimportant; it is that good ideas without much money have an effect and can attract more money. But money spent without the intelligence to make it effective is squandered wealth and, equally important, squandered opportunity. High-tech donors, rightly or wrongly, believe that philanthropy is in many ways as young as their industry. The best ideas are yet to come and any attention devoted to uncovering and applying new thinking is a worthy effort. Creativity and intellectual thirst are in shorter supply than money and, besides, the application of good ideas with a small amount of money will in turn attract more money.

For high-tech donors, it is not just that philanthropists need to become more endowed with insight, but that the very goal of human development is essentially an undertaking which fosters human capital. Not only is human capital seen as the principal tool of philanthropy, it is also its principal output. Thus, it is not startling that knowledge-industry philanthropists focus on education, research, the arts, early child development, teacher training, and for-profit ventures which foster new businesses. The debate over which should have the higher priority—the expansion of capacity or the advancement of economic distribution—is superseded by the focus on the development of human capital. What matters is neither the production of wealth nor its distribution, but the dispersion of the productive capacity of wealth. Since, as we have said, the key factor in the production of high-tech wealth is human capital, the distribution of human capital is therefore the foundation for the wider distribution of wealth. For high-tech donors this is not just a supposition, it is their personal experience.

Despite this dedication to ideas, there is one potential limitation. As successful entrepreneurs, high-tech donors are children of the Enlightenment. They believe that people and organizations are corrigible and that both can be directed to produce more valuable products. Knowledge is the author of production. In the nonprofit world, where the object of production is often change in the way human beings think and act, knowledge is not as determinative; custom, habit, emotion, self-interest, lack of capacity, and simple resistance come into play as well. The human beings whom nonprofits hope to benefit are themselves agents who will not be changed by ideas alone. The same is true for the human beings who work in nonprofits. Much of the periodic misunderstanding between agent-animated donors who are trying to engender philanthropic outcomes, on the one hand, and nonprofit professionals and beneficiaries, on the other, can be traced to an over-appreciation of the compelling authority of knowledge by the former and an under-appreciation by the latter.

The Scale of Philanthropy

[The project we have in refugee camps in one African country, to provide Internet access as a way to relieve poverty] is the microcosm, and if that is successful, then we'll expand it to all refugee camps in Africa and once that's successful, we'll take it to other refugee camps in other parts of the world.--Entrepreneur and Venture Capitalist

What I was very clear to do in putting together the project plans for [his start-up charity] was to create something that clearly had the ability to be more self-sustaining over time by virtue of generating revenue. I also focused on a way to scale what we are doing such that, if this thing is successful, it could ultimately touch the 10,000 lives that we hope to touch. So I think that the concept of scalability, sustainability were very important, as well as measurability for that venture.--Former Software Entrepreneur involved in Charity Start-Up

As with their businesses, high-tech donors consider that growth in scale of an enterprise is the primary indicator of success. Respondents repeatedly state that most established charities simply are not growth-oriented. They point to two reasons for this: first, nonprofits do not have large enough or consistent enough financial support, as a result of which nonprofit professionals simply do not think in terms of expansion. Given their constant concerns about revenue, nonprofit professionals find it an ever-recurring problem just to maintain the scale they have already. Neither of the two factors is cause or effect; they are linked in a circle of recursive influence. This dynamic of maintenance rather than expansion jumps out at high-tech entrepreneurs as an oddity of time and place, rather as if they had been transported to a strange land with different rules and unfamiliar customs. If what a nonprofit is doing is so important, why, ask high-tech donors, should it not strive to expand its impact and become a model for others to emulate? Breaking the nonprofit's self-reinforcing cycle of sparse resources and subdued aspirations, accordingly becomes the natural insertion point for high-tech donors into philanthropy, and they are inclined to see their unique ability as philanthropists to be first,

their managerial expertise and creative intelligence, and second, their financial wherewithal.

For high-tech donors, a more expansive philanthropic enterprise is not an end in itself, but an indicator that a sequence of effects has properly been set in motion. If a market need has been properly identified and attended to, so goes the logic, and the effects documented and publicized, then the philanthropy will attract more support for its mission. But in order for that chain of events to occur, philanthropists and nonprofit professionals must be sufficiently organizationally secure and analytically oriented to consider growth in scale. Thinking and doing what has worked to date is an unnecessary but understandable concession by nonprofits, but high-tech donors view modest achievement as the enemy of the greater good. Constant reassessment is required to improve the effectiveness of a philanthropy that it may better serve its clients. At the same time, documenting and communicating accomplishments will attract funding from other donors and provide a model to be emulated by philanthropists and nonprofits in other locales. When it comes to philanthropy, new entrants to the sector which clone the work of an existing philanthropy are welcomed and encouraged, not spurned.

For high-tech donors, a more successful production of philanthropic outcomes requires the convergence of two enhancements. It requires much more organizational flexibility, analytical suppleness, and entrepreneurial instinct, than previously thought. It also requires the infusion of enough financial capital over a long enough period to allow

nonprofits to develop their organizational capacity and expand their accomplishments. High-tech donors view themselves as able to coach the former and tender the latter.

Gratitude, Identification, and Association

The previous sections review the rationale by which high-tech donors conceive of and carry out their philanthropy. In this section we turn to our findings about the emotional logic that motivates their care—namely gratitude and identification—and to our findings on the network of connections by which high-tech donors come to identify the specific causes they choose to assist. In the next section we will discuss the trait of hyperagency that inclines high-tech wealth holders in general to be producers rather than just supporters of philanthropic outcomes, and furthermore, we will examine the three forms of intercessional philanthropy by which high-tech donors express their hyperagency. Then we will discuss how the foregoing factors prompt high-tech donors to envision an emerging philanthropic vocation in which they plan to devote a greater proportion of their current and forthcoming wealth, intelligence, and time to philanthropic allocation rather than to commercial accumulation.

The Spiritual Secret of Wealth

The spiritual secret of money is how we describe the inner dynamics by which the experience of fortune as partially undeserved or as resulting in large measure from luck, creates within the wealth holder a sensitivity that others live equally under the influence of the hand of fate. It is the impetus of increased financial security to lead wealth

holders, and really all people, to shift their attention from the quantity of their interests, to the quality of their needs. One respondent, explains this transition by an analogy:

> Let's just say that an analogy would be if you're lost in the desert somewhere you're eventually going to be completely focused on finding food and water. Let's say that you find it, this giant cache of food and water that will last you for many, many, many years. Now you will start to turn your attention to whatever is next on your list of things to think about. You might think more or less about your family, or you might think more or less about how to navigate yourself out of this desert that you're in, or whatever it may be. All I'm saying is that at some point you achieved financial freedom say then you can turn your attention to other things. It might be working on your golf game; it might be giving back to the community.--Founder, Chairman and CEO Software Company

A major component of this shift to a deeper horizon of care is the realization by wealth holders that their wealth is not completely due to their own actions. If advantage is not experienced simply as the result of merit, then disadvantage cannot by corollary simply derive from the lack of merit. Throughout the course of the study we repeatedly heard respondents testify that their vast amount of wealth, the speed with which it amassed, their stumbling upon a successful product, and the assistance they received from others to succeed, represent the grace of fortune, not just their own merit. Although they do not express it in the following manner, their accounts are replete with what we have in other writings described as the dialectic of fortune and virtue. They recognize

that in life they have been dealt a valuable hand through parental upbringing, education, assistance from spouses, financial breaks, and the availability of the expertise of others. At the same time, they have no false humility: it has been up to them to exert the proper strength of character and hard work to play that hand successfully. Opportunity is granted, but virtue takes advantage of opportunity. Hence, we find that all high-tech wealth holders are an enigmatic mixture of both humility and gratitude, on the one hand, and self-assurance and pride, on the other. Some tend more toward the former, others toward the latter, but all harbor a mixture in their hearts.

The forces that induce high-tech donors to give money and time to charitable causes are much the same as for other wealth holders. However, the unexpected speed of accumulation and sheer amount of their wealth makes them especially conscious of the spiritual secret of money. Their sensitivity to the needs of others derives from the fact that their own fortune resulted as they often put it, from "being at the right place at the right time." They recognize that their prosperity came upon them because of the unexpected advantages of meeting up with others with product ideas or start-up capital, of being in the high-tech business at a time when it began to flourish, both in its ability to attract capital and to make sales, due to the good fortune of being acquired by or merged with another company through a lucrative agreement, or in many cases, the cashing-in of stock options or the sale of options before the economic downturn beginning March 2000.

The more religiously inclined among the respondents attribute their good fortune to grace or blessing; the more secular speak of luck and good fortune. However, in both instances, there is the life-deepening appreciation that they have received vastly more than their efforts might ordinarily deserve. They call upon the lives of their parents and less fortunate individuals as witnesses to the fact that others have worked just as hard and with no less intelligence and have come away with far less financial security or perhaps none at all.

This realization of the element of providence in their lives leads high-tech wealth holders to understand that if their fortune did not result completely from their effort, then the misfortune of others must not result completely from their lack of effort. If their advantage did not derive solely from virtue, then others' disadvantage did not result from their vice. This, in turn, produces a more or less explicit sense of gratitude. The sentiment of gratitude, of course, mixes at times with a sense of guilt. But guilt is not as positively sustaining as gratitude, and those who admit to guilt also wish to move beyond it. In the light of such gratefulness, high-tech donors talk about "giving back" as their overriding response. Although, this is the phrase they commonly use, it does not do justice to the inner dynamics of gratitude leading to generosity in their lives any more than it does to explaining the impact of thankfulness in the lives of others. "Giving back" is a worthy enough expression, but it is imperative to unpack its inner workings: the experience of receiving a gift precedes and motivates the desire to give a gift to others. As an insightful priest put it many years ago in his Christmas homily, in order for children to grow up as caring adults they do need to learn how to give gifts but, first, to

learn how to receive them. The most generous spirits we spoke to in this research had

learned how to receive their blessings, not with guilt, and not for granted, but with

gratitude. Blessing breeds gratitude and gratitude breeds generosity.

Identification as the Foundation of Care

It doesn't bother me that high-tech people aren't giving away their money

particularly at this point, and that's because usually it requires some kind of life-

changing event before people start giving away money and the most common one

is the recognition of your own mortality and I didn't have that, but I had over fifty

percent of the people in the state in which I live vote that I didn't deserve equal

rights.--Retired Software Entrepreneur

There was time after I had been in Russia a long time, for about a month and a

half. It was my first day back in Seattle; I had flown in that night. Next morning

I was in my car, driving downtown—the first time I had driven in a month and a

half. I'm at an intersection and I notice these kids walking across the intersection

and they look so scared. They were probably fifteen or sixteen. All I noticed was

that they looked so scared and uncomfortable being downtown. Well they were

minority children who were obviously from [names suburb]. They obviously

didn't feel welcomed in the downtown central business district. And then I kind

of kept looking and I realized that they were dressed like gang kids. Well, I think

many of us, I think if I had not been gone for that month and a half, I wouldn't

have noticed that they were scared. I would have only noticed that they were

gang children. And then it made me think, they are gang children because they

are scared. How inappropriate that kids from anywhere in this city don't feel

welcome in another part. Of course some of that negative behavior subscribed to

some of these kids is because they are uncomfortable or because they are mad that

they aren't welcome in a certain part of town. And I subsequently prioritized

areas of the community that I was going to get involved in, trying to be cogniscent

of those take-aways from being in other communities.--Former High-Tech

Executive

Another principal finding about motivation that we discovered in all our previous

research and again in the *2001 High-Tech Donors Study* is that the school of care is

identification and the school of identification is association. The key determinant for

improving the probability that high-tech wealth holders will answer in a positive way the

call to care is the extent to which they experience the fate of others as linked to their own.

We call this explanation of philanthropic care the identification model.

The essence of the identification model of care is the unity of love of neighbor

and love of self. The framework of reference for respondents' social-psychological

dispositions ranges from religious and political aspirations, on the one hand, to guilt and

the desire for control, on the other. But the most formative, durable, and effective

framework of consciousness is captured by the notion of identification. As one donor

explained, identifying with a cause is the major criterion he uses to determine which

organizations receive his major contributions. The key to care and philanthropy, as we have written elsewhere (e.g., Schervish, 1993, Schervish and Havens, 1997a), is not the absence of self, but the presence of self-identification with others. This is what Thomas Aquinas teaches as the convergence of love of neighbor, love of self, and love of God. In its civic expression, it is what Tocqueville meant by "self-interest properly understood." High-tech donors understand this well enough. For they maintain that their assistance of others is actually a form of caring for themselves or of self-interest. In this context it is easier to comprehend why high-tech donors, despite cultural prohibitions to the contrary, so readily speak about their philanthropy as a matter of self-expression and self-interest rather than as altruistic selflessness. Again, it is not the absence of self, but the quality of self that is at stake.

In this way the inspiration for charitable giving and care in general is a function of the social-psychological processes of personal identification. It is for this reason that we consistently find donors contributing the greatest bulk of their charitable dollars to causes from whose services they benefit directly. It is not by coincidence that schools, health issues, arts organizations, and especially churches attract so much giving. For in these situations that donors, because they are also recipients, most identify with the individuals—namely themselves, their families, and people much like them—whose needs are being met by the contributions. Although, describing this form of giving as *consumption philanthropy* may seem to discount its value, our intention is just the opposite. Within the identification model, consumption philanthropy is an honorable prototype of motivation to be emulated rather than a disreputable self-indulgence to be

eschewed. Consumption philanthropy mobilizes charitable giving so formidably because it is here that identification between donor and recipient is strongest. As such the care in the home is the starting point, not the adversary of care in the world. Several high-tech donors are accordingly proud givers to their parents, kin, in-laws, and nieces and nephews, for they understand care as a single fabric that extends outwards from what is close at hand.

Throughout the interviews we found that the causes high-tech donors tend to support are those that recapture the concerns they, their families, and those with whom they have been associated have experienced, often in their childhood. These experiences generate current philanthropic generosity to similar causes. A beneficial elementary school or college education breeds a concern in later life with early childhood education or research at a university. A life-long participation in hiking and mountain climbing generates a special care for preserving the environment. The death of a loved one from cancer leads to establishing an oncology center at a hospital. Being a musician leads to contributions to the arts. Explicitly or just beneath the surface of their narratives is an account about how what affects high-tech donors in their lives, is what they most care about. Consequently, the philanthropy of high-tech donors, who are both aware of and grateful for the role of ideas in their success, and who see intellectual capital as the key to the success of the less advantaged, concentrate their philanthropy on developing the human capital of others.

Because care is the assistance of others in their true needs, and because it is in and around the needs of family and associates, that high-tech donors have learned to care and be cared for, the question for generating further generosity is how to expand those very same sentiments of identification to human beings in wider fields of space and time—how, in short, to extend the sentiments of family-feeling to the realms of fellow-feeling. This is the why respondents so often recount the motives and meanings of their philanthropy in the language of surrogate kinship. Those they seek to help are like them, they say, like their parents, like the people they once knew. Just as gratitude is the path to generosity, identification is the school of care.

Association: The School of Identification

The strategy for Social Venture Partners is not as a generator of funds to distribute, although it does in fact do some of that. The main thing that it does is, because you get some of these people involved in even giving the amount of money that they do, it allows them to make a connection with organizations that need the money. And I don't think that they would be able to cross that gap without it. SVP is significant in the sense that people are trying to decide where to give this money that they have put up, which isn't really that significant. They spend some time and learn something about these organizations. They started out just with children's and education issues but they are expanding now to the arts and also the environment. They generated a tremendous amount of energy from people looking at these things and I think a number of connections have already

been made and I think a lot more will be made.--Software Entrepreneur and Co-

Founder SVP

The disposition of identification does not grow in isolation. The school of

identification is the constellation of communities and organizations in which donors learn

about the needs of those people with whom they come to identify. Among our most

consistent findings from over a decade of research has been that the greatest portion of

giving and volunteering takes place in one's own community and church, and helps

support activities with which the donor is directly associated and/or from which the donor

directly benefits. This means that the basis for higher giving and volunteering is in large

part a function of the mix and intensity of the network of formal and informal

associations both within and beyond one's local community. Over the course of our

research, it has become increasingly clear that differences in levels of giving of time and

money are due to more than differences in income, wealth, religion, gender, and race.

When it comes to philanthropy it is less a matter of financial capital or even moral capital

in the form of some kind of intrinsic faculty of generosity. What matters most is one's

abundance of *associational capital* in the form of social networks, invitation, and

identification.

High-tech donors by age, origins, religious disposition, and business industry

comprise a group with, at least initially, a low level of associational capital. They are

relatively young and so have not accumulated the network of involvements that often

come from living and conducting business affairs in a community. In addition, they are either unmarried, recently married, or have young children. As such, they are not yet incorporated into their community life in the manner that any parent comes to understand as children enter school and participate in music and sports programs. Also, high-tech donors more often than not end up conducting their business operations in a locale in which they did not grow up. Another factor that we have found is that the respondents, with only a few exceptions, were neither religiously involved in a church nor politically involved. They tend to be rather non-ideological, without either the religious or political passions that their parents felt. Finally, their businesses tend not to produce the kinds of goods and services which might enmesh them in their communities: given available talent, most could run their businesses anywhere. While a restaurant, furniture outlet, car dealer, or other business with a retail or long-term historical presence in a community, succeeds by virtue of consumer or business relations within a nexus of daily face-to-face relations with its home community, this is not the case for high-tech firms.

The major associations of high-tech entrepreneurs are with their own employees, other people and firms in the high-tech arena, and their own families and friends. These associations foster an appreciation of knowledge-based needs in education, research, the arts, early child development, teacher training, and parent support. In order to expand their appreciation of the multiplex of needs in their communities, given their rather loose connections to these communities, high-tech entrepreneurs need to be brought into contact with the needs of others locally and elsewhere in order to kindle their feelings of identification and to provide an outlet for their feelings of gratitude. If gratitude and

identification are the teachers of the disposition of care, association is the teacher about what to care about and the urgency with which the care is to be performed. But the lack of what several donors called "connections" is an obstacle to expanded identification. For this reason, many respondents emphasized the importance of their and others' venture-partner activities, giving circles, and even socializing with other donors. They readily understand how their philanthropy is teaching them about the needs of others and about themselves. Philanthropy is pulling them out of themselves and into care, organically and welcomingly.

Donors and informants repeatedly employed the metaphor of education when commenting on their interactions in and around their venture partnership. The purpose of their venture partner organization is, yes, to meet needs and to use their talents to advance the effectiveness of nonprofits, but the more fundamental and longer-term goal is to offer and experience an education that will expand the horizons of otherwise disconnected high-tech millionaires. Forums with other donors, field trips to visit nonprofits and their work sites, and board memberships are classes or courses in philanthropy. High-tech donors are being educated about an array of needs they have never known, felt strongly about, or ever considered it within their purview to affect. For this education, venture partner organizations charge "tuition," as one respondent called it, in the form of the $5000 or $10,000 "fee" which must precede membership of a venture partnership. We do not mean that donors need a moral conversion, but that by learning what is going around them by way of needs and response to needs, they will eventually find a people they can identify with and an outlet for their gratitude.

Ultimately there is nothing mysterious or extraordinary about the centrality of association in determining the amount and kinds of charitable engagements. That giving begins locally is an accurate portrayal of how charitable activity becomes mobilized in and around the formal and informal social relations into which potential donors are incorporated. Such incorporation may be direct, for example, as occurs in and around one's church and university, or one's children's school or sports team. Incorporation may also be more indirect, for instance, when the medical or mental illness suffered by a family member elicits support for medical research to cure that illness. Association is even more indirect, but equally powerful, when the inspiration for contributions of time and money arrives through the media, as often occurs when news of famines and natural disasters attract our care. In this way, association is the school of identification.

Agent-Animated Philanthropy:

Hyperagency and The Varieties of Intercessional Philanthropy

I think for young high-tech entrepreneurs getting involved in a start-up it's the excitement of being able to work in a small, agile, nimble place that can sort of say, hey, let's go do something in kind of a swat team way and go see it done because that had been their professional experience. . . . So these people's professional experiences, hey you get together a group of twenty to forty people, you see some product that needs to be done, you go off and make it, it's on the shelf two years later, you've had this huge impact, and I think that that's, that is the mentality that they bring to philanthropy as well.--Retired Hewlett-Packard executive

I'm a big believer now that your visions and your goals can happen if you actually take time to think about what you want them to be. I'm a big believer in writing them down and they tend to become reality because you start taking the steps to get there.--Retired Co-Founder Internet Communications Company

We now turn to explaining the underlying material and dispositional capacity of effectiveness—what we call *hyperagency*—that undergirds the agent-animated character of high-tech donors, which they garner from their commercial dealings and translate to their philanthropy. After exploring the attribute of hyperagency, we discuss three

intercessional forms of philanthropy by which high-tech donors apply their hyperagency to their philanthropy.

Hyperagency

A consistent finding from more than fifteen years of studying wealth holders has been that that the distinctive class trait of wealth holders is their history-making capacity, what we call their "hyperagency." For sure, not every hyperagent is wealthy. Some financially undistinguished folk make history by virtue of being profound, creative, or spiritual. But in the material realm, every wealth holder is at least potentially a hyperagent.

Hyperagency refers to the enhanced capacity of wealthy individuals to establish or control substantially the conditions under which they and others live. For most individuals, agency is limited to choosing among and acting within the constraints of those situations in which they find themselves. As monarchs of agency, the wealthy can circumscribe such constraints and, for good or for ill, create for themselves a world of their own design. As everyday agents, most of us strive to *find* the best possible place to live or job to hold within a given field of possibilities. As hyperagents, wealth holders— when they choose to do so—can *found* a broad array of the field of possibilities within which they and others will live and work.

The definition of high-tech, in fact of all, wealth holders as hyperagents with personal determination and institutional dominion directly applies to their activity in the realm of philanthropy. When coupled to the dynamics of gratitude, identification and association, world-building does not stop at the doors to their homes or their businesses, but extends to all their involvements including, for those who choose, politics, community, religion, and philanthropy. The wealthy are by dint of personality no more egoistically myopic or socially responsible than anyone else. Great expectations and grand aspirations occupy people across the financial spectrum. What is different for wealth holders is that they can be more legitimately confident about actualizing their expectations and aspirations because they are able to directly effect the fulfillment of their desires.

That high-tech donors are hyperagents in philanthropy does not mean that they always and everywhere conceive of or achieve major innovative interventions. It does mean that they tend to think more about doing so, and partake more in actualizing them. Entrepreneurs are investors who have two characteristics. First, as we already said, they have a creative idea: they discern an area of output for which demand outstrips supply. Second, entrepreneurs are investors who actively affect the rate of return on their investment by directly commanding production. Correspondingly, venture capitalists are investors who bolster the capacity for others to be entrepreneurs. In business, wealth is an output. In philanthropy, wealth is an input. As such, wealth holders are the entrepreneurs and venture capitalists of philanthropic endeavors.

The distinctive class trait of the high-tech donors is their ability to bring into being, not just support, particular charitable projects. Hyperagency in the field of philanthropy assigns financial resources to fashioning major outcomes. When exercising this capacity, high-tech donors are *producers* rather than supporters of philanthropy, underwriters rather than just contributors. Finding neglected social niches where needs are great and resources scarce is precisely the explicit strategy of many respondents whom we interviewed.

This can-do attitude is reflected in many of the interviewee's narratives: one West Coast former HP employee talks about a conservation initiative which had fallen through when he was contacted:

> All these people who had been working on it were so despondent and we said well why don't we just try to go raise this money privately and they said, look, nobody's ever raised thirteen million dollars for private land, for a land conservation effort before and we did it in like three months and it was just very empowering and motivating to see how these people could, you know, basically overnight we could protect such a huge area, protect the lynx population, etc. and it was pretty inspiring.

When prompted he attributes this ease in fundraising to the way new money was acquired:

> There's a couple of different phenomena about the new money. One is it really did come overnight – I'm going to elaborate on that one. It not only came overnight but it clearly did not come through anything other than dumb luck, which makes you a little bit less attached to it and it makes it a little bit easier to part with because not only do you not sort of feel like you got it through your incredible hard effort and sweat or anything like that but the other thing is you also sort of believe that well, if I give some of it away I could just go ahead and give some of it away and get more of it now.

Furthermore, this project has just the kind of measurability and effectiveness that appeals to high-tech givers:

> The other thing is I think that they all come from a business that was this really empowering business where you saw, I could go decide to do something and two years later there will be some product that will be used in every company in the world . . . And it makes people sort of believe that "oh, well I can just go out and do something and then at the end this will essentially be sort of a product." They don't have this feeling of change takes a long time. So when you go to these people and say, "give us your money and at the end of a year or two, you will have personally, along with a hundred other people, help protect these 25,000 acres and the lynx population and you'll have done something, and essentially

there will have been a product that you will have produced," they get that instantly. There wasn't any hesitancy about it – they said "cool, that's what I'll do."

In common parlance we regularly speak of large and small contributors. Distinguishing between producers and supporters of philanthropy is a more functional distinction. Each philanthropic enterprise pursues resources in order to produce outcomes in response to social needs and interests. Most individuals respond to appeals for contributions in a manner similar to the way a consumer responds to the products or services of a business, that is they are consumers or supporters, rather than creators or architects of the enterprise whose goods and services they wish to receive. Only as a group acting formally or informally in concert, can consumers and contributors determine the fate of a charitable endeavor. Because it is the accumulated support of many individuals, rather than of any particular single individual, that determines the existence and direction of a venture, individuals with only modest resources are at most joint or collateral producers.

It is a different story altogether, however, when high-tech donors contribute a sizable enough gift to actually shape the agenda of a charity or nonprofit institution. In this instance, the contributor may be termed a direct producer or architect. Such direct production, of course, cuts two ways, and so it is always important to discern the conditions under which philanthropic hyperagency produces care rather than control, as we will discuss later.

The extreme case of direct production in philanthropy is the personal founding of an original philanthropic organization or project. We heard several instances of how high-tech donors either have or plan to create a private or working foundation. One respondent has begun to work on elevating teachers' salaries by providing the money to do so in one school, in the hope that the positive effect will spillover as pressure on surrounding schools to do likewise. Another respondent explains that his dream sometime in the next five years is to endow a foundation that will supply the funds to raise teachers' salaries in the inner city of his hometown where he attended school in a more advantageous time. Less formally, another high-tech donor produced the philanthropic outcome by financially "adopting" a niece with Downs' syndrome. And still another provides substantial enough gifts to all his and his wife's siblings to provide a level of financial security that will liberate them to make choices in their lives based on a desire for significance rather than on a need for income. Whether formally or informally, at a distance or close to home, it is the possibility and practice of "making a difference" that undergirds the determination and dominion of high-tech philanthropists. Such hyperagency infuses all the philanthropic endeavors of high-tech donors, but it shows up in particular in three forms of what we call intercessional philanthropy.

Varieties of Intercessional Philanthropy

There is certainly a lot of techniques and ways of thinking about problems that I have the benefit of from my background that I have discussed with a number of nonprofit organizations. You'd be surprised at the things and ways of making

decisions, thinking about problems and ways of planning strategy and things that

someone like myself would take for granted. A lot of people in these

organizations have never had to think about things that way. So a little advice or

insight for how the entrepreneurs approach problems actually goes a long way and

helps them quite a bit. I'll give you an example. I am working with a woman

who is starting up a new 501 (c)(3), a new organization. I am making an

exception because I am actually going to join her board and help her bootstrap

that whole thing. A lot of it has to do with how much I think my assistance can be

leveraged. If it's a situation where I can get in there for an hour a week or over

the phone or something like that, have a large impact in helping somebody, it's

attractive to me. It's sort of the work/reward ratio. Also what we've done is set

up a program with her where we are putting up half of her start-up funding as a

matching grant. So that is another example of the entrepreneurial thing. If we

put in as a matching grant, you may be able to use that as leverage when you go to

other organizations and say, look, this Family Foundation is putting in for half, we

need to get the other half and can we count on you. So that's helpful.--Former

software entrepreneur who retired and started his own family foundation

What I felt was my greatest strength is the managerial side. I can manage people,

I understand how people work, I don't try to categorize them all the same and I

understand the differences. Pure entrepreneurs are typically pretty horrible

managers because they want everything to happen in five seconds, they don't

understand why everything can't be done in thirty seconds. Why isn't everybody

as smart, if you will, why doesn't everybody see it like them, and then they just want to put their foot right on the accelerator and go as fast as they can. And I have some of those tendencies, but I have the ability to know that there's a brake as well and I know when to use it.--Former Software Entrepreneur

To me an entrepreneur and a social entrepreneur is someone who looks at something that doesn't exist and says why can't it exist, as opposed to someone who looks at something and says that can't happen. An entrepreneur to me is someone who is willing to create something from nothing, who is willing to go in and get your hands dirty, and make change happen and instigate change, and create new ideas or institutions or organizations, and get a return on that investment of time and energy and effort made. The social return is measured perhaps in community capital or human capital or social capital. It just happens not to be measured in financial capital, but it is still the same entrepreneurial instincts and drive which happens to be focused on the social sector. --Self-described social entrepreneur starting his own charity.

Strictly speaking, "venture capital," the term that spawned the analogous "venture philanthropy," denotes the more or less active dedication of an investor's money and expertise to propel an entrepreneurial activity of someone else. But as the term has come to be associated with philanthropy it refers to a range of approaches that are in fact more widespread and multifaceted than what is strictly parallel to venture capital in the business world. We find that much of what is regularly included within the category of

venture philanthropy is more accurately called managerial philanthropy or entrepreneurial philanthropy. *Managerial* philanthropy is the contribution of organizational expertise without the contribution of financial resources to elevate the effectiveness of a charitable organization. *Entrepreneurial* philanthropy is the joint contribution of both human and financial capital of a wealth holder to inaugurate either a new charitable enterprise or a new component within an existing charity. In our view, *venture* philanthropy is that "middle" form that infuses managerial advice and financial resources into a philanthropic effort, but does not interject the hands-on daily direction that is the hallmark of an entrepreneur.

Our interviews provided numerous instances of each of the three intercessional forms of philanthropy. We limit ourselves to one example of each form. One respondent, whose wealth is tied up in a Silicon Valley Internet start-up, contributes some money but much *managerial* expertise to her alma mater, Stanford University, to help with fundraising and to develop better fundraising methods. A Boston software entrepreneur, who has started his own family foundation, is nonetheless also contributing both money and skills to help others get a charity off the ground, assisting them with goal definition, planning, and advice about how to leverage funding. Finally, one Austin high-tech founder expends the majority of his philanthropic dollars and time overseeing his *entrepreneurial* start-up of a charity dedicated to overcoming the digital divide among urban youth.

In the course of the interviews we discovered so many additional examples of donors pursuing each of these forms that we conclude that carrying out one or more of these intercessional philanthropic strategies is a leading characteristic of high-tech donors. We also conclude that in order to accurately portray what high-tech donors are doing, the conceptual framework for speaking about them needs to be expanded beyond the term "venture philanthropy" so as to highlight the important differences from managerial and entrepreneurial philanthropy. The three approaches are similar in that each entails a practice of organizational leadership and a disposition focused on improving effectiveness. But in order to understand more accurately what high-tech donors are actually doing, and in order to better alert them to the variety of intercessional strategies they may wish to pursue, it is necessary to recognize the differences among managerial, venture, and entrepreneurial philanthropy. Indeed, the future of so-called venture philanthropy or, better of venture philanthropists engaged in various venture partner organizations, is more likely to revolve around entrepreneurial philanthropy to the extent these high-tech donors solidify their wealth, garner more time to pursue their philanthropic purposes, and discover the causes and people on behalf of which they desire to exert their hyperagency.

The Emerging Vocation of Philanthropy

I think we're at the part of the journey now where we build this thing [a new Social Venture Partnership] and there are the ups and downs and the questioning and the wondering, the uncertainty about building it and the rewarding part of it is to face down those fears and those doubts and continue to build—I get a bit of a buzz from that and ten years from now when it's built and it works, that will be the stuff that you look back on and say, remember all those people that said it couldn't be done and here we are today at two hundred partners and benefit for the community. Our SVP is just a baby now and it's just still getting going. It's by no means where Seattle is. We're three years behind those folks and so we're still – it's still a big, big challenge ahead of us whereas they have really gotten the thing mastered there.--High-Tech Entrepreneur

The snapshot of high-tech donors presented in the foregoing sections is not a static picture. There is evidence that much of what we found by way of dedication to philanthropy is in fact just an indication of an emerging fuller commitment. Those who do so can be said to have or to be formulating a philanthropic identity. A philanthropic identity for a wealth holder is the development of a self-conception and a way of life that focus on allocating wealth for the care of others instead of on the accumulation of wealth. We do not find that wealth holders maintain two completely separable identities. Rather they embrace the two emphases side by side and often see them grow simultaneously from the earliest days of accumulation. Still, most wealth holders who are young in

chronological age or in business tend currently to be more infused with a business than a philanthropic world-view. Older high-tech donors who have been active in business and philanthropy for years are already substantially engaged in well-conceived and well-executed philanthropic projects to which they have contributed large sums of their wealth. These donors who have come from an entrepreneurial background have turned the corner on a philanthropic identity. They have either brought their philanthropic activity to the forefront of their self-conception or have made it equal to their business role. For young wealth holders, however, there is still an explicit anticipation of an even greater contribution of time and money in the future. Although many of these younger respondents are already highly dedicated to philanthropy and can be said to have adopted a philanthropic identity, they join their peers who are not yet so philanthropically involved in anticipating that they expand their philanthropic involvement when they have either more financial resources or time to offer. In fact one young respondent has effectively retired from an active business life and is exploring the best way to take up at least a half-time involvement in philanthropy.

There are several factors that respondents cite as limiting a more extensive and intensive involvement at this stage of their commercial careers. Among these factors, they point out, are that they have not yet attained their desired level of business success or wealth, hold much of their wealth in their business assets, and need to devote the bulk of their time and consciousness to their commercial enterprises. Moreover, these respondents state that they are still learning about the world of philanthropy and about their place in it. They are seeking answers to questions about what their priorities might

be, what is currently being done by others and how well, and how much money and time they will to devote now and in the future. They are not anxious about dealing with these questions and do not consider them to be a burden. They already have some provisional answers from what they are already doing by way of philanthropy and from what they already recognize as causes and people they identify with. Moreover, they appreciate the opportunities to learn more about the world of philanthropy from their peers, spouses, and, when so involved, from working in and around a social-venture partnership.

Although growing into a philanthropic identity will occur at various lengths of time in the future, there is no hesitancy on the part of the respondents we interviewed that philanthropy will become an ever more central way of life. They appreciate how much wealth they will control, expect to pass on only a relatively small amount of their wealth, and are actually anticipating the day when they can unleash their energy and financial resources to attend to the commonwealth. It is not a matter of whether they will assume a more comprehensive philanthropic identity, or whether it will be substantial. The question is timing. And even then, some are now extremely involved, financially and programmatically, many are highly dedicated, and all are associated directly with philanthropy amidst their family and business obligations. Philanthropy is a calling they already feel; it is a vocation they desire to follow now and more vibrantly as time goes by.

The Dialectic of Care and Domination in Agent-Animated Philanthropy:

Beneficial or Domineering Intercession

We have identified the leading characteristic of high-tech donors as their being involved in agent-animated wealth and philanthropy. Specifically, we have identified three strategies of philanthropy that these agent-animated donors tend to use, managerial, venture, and entrepreneurial philanthropy. In addition, we have noted that even when simply making contributions to established organizations, agent-animated high-tech donors retain a disposition by which they view themselves as actively appraising the effectiveness of the organizations to which they contribute. Taken together, this disposition and the three approaches to philanthropy that high-tech donors tend to pursue, can be aptly described as an intercessional strategy. Being intercessory is a way of thinking, feeling, and acting that characterizes all the agent-animated donors we studied. We choose the term "intercessional" advisedly. For this approach provides both what is potentially most caring and potentially most domineering about high-tech donors. On the one hand, intercession has a noble political, legal, and religious heritage. It connotes an engagement that does what is actually necessary on behalf of another. On the other hand, intercession connotes an interference or a heavy-handed manipulation that forces outcomes that are more willful than helpful. But both the emancipating and domineering potential of intercessional philanthropy arise from the very same underlying attribute of high-tech donors, namely their hyperagency. Wealth holders, in general, and high-tech donors, in particular, are institutional architects, and, as such, are endowed with the

expectation, confidence, and capacity to be world-builders. The caliber of the

philanthropic worlds they beget depends upon the caliber of their intercessions.

Without abundantly more information and wisdom it is, at best, presumptuous

and, at worst, ethically indefensible for us to declare that any agent-animated donor is

clearly more a servant of care or dominion in how they intercede with their time and

money. And so we refrain from doing so. But it is still necessary and possible to retain a

critical eye because high-tech donors possess such overwhelming capacity to generate

much care and much dominion. Material and psychological hyperagency lead wealth

holders to harbor great expectations about what can be done in the realm of philanthropy

and about their prominence in effecting the outcomes they seek to achieve. In

philanthropy, perhaps even more than in business, their intercessions have the positive

potential to engender effective care and the negative potential for exerting heavy-handed

control. This, of course, is the controversial legacy of agent-animated philanthropy as we

heard from our respondents and read about in the literature.

Being thoroughly aware of the Janus-faced prospects is crucial because the

characteristics that make high-tech donors constructive is simply the obverse of what

make them destructive—the resolute determination and financial wherewithal to carry out

their will. For example, the common element of all three intercessional forms of

philanthropy is that philanthropists gain influence over the organizational resources of a

charitable venture. With managerial philanthropy, such influence is over the

administrative workings and strategies of the organization. With venture philanthropy,

the influence is over how the organization applies its key financial resources to properly select and effectively produce outcomes. With entrepreneurial philanthropy, the influence is over the entire workings of a charitable organization because the donor is both proprietor and chief executive of the charity. With such command over organizational resources, the two trajectories of intercession are ubiquitous.

Intercession as Care

There are several especially propitious opportunities spawned by agent-animated philanthropy. The first is that it is particularly effective in s*purring creative directions*. When philanthropists recommend or insist on organizational formation and reformation, one goal is to improve a charitable mission in an especially creative way. In such cases, where wealth-derived influence is coupled to wisdom the intervention can be especially felicitous for it offers charities both wise organizational suggestions along with a lowered sense of trepidation about making changes. A second positive outcome deriving from intercessional philanthropy occurs when donors offer sensitive criteria for and insightful appraisals about measuring outputs. We have already noted that high-tech donors make much of producing and measuring charitable outputs. But as many respondents appreciate, they need to recognize that long-term investments in human capital cannot be measured with the same quantitative rigor as short-term material benefits. Being sensitive to this distinction, while remaining adamant about the need to formulate and assess performance, is a particularly caring exercise of agent-animated philanthropy.

A third special expression of care associated with agent-animated philanthropy is knowing when *to step aside and turn a venture over to others*. All three forms of intercessional philanthropy require the personal involvement of the wealthy donor. Such engagement, when handled with skill, contributes substantially to producing good results. But it is also the case that a particularly caring aspect of intercessional involvement occurs, as we heard, when donors move on—either when their involvement appears to no longer be effective or when, indeed, it has been effective enough to no longer be needed. For instance, one donor who headed a university board felt it her duty to leave the board when she felt someone else could provide the fresh ideas and energy she no longer felt she was capable of offering. She could have stayed on indefinitely, but she realized that different skills were needed to expand the fundraising efforts she had excelled in starting.

A fourth particularly positive fruit of intercessional philanthropy occurs when the donors and individual beneficiaries *develop a working relationship of mutual respect*. When donors are in direct contact with nonprofit professionals as well as with the individual beneficiaries of a charity, they learn to understand the cultural differences separating the business world from the nonprofit world. They also learn to more effectively phrase their advice and frame their assistance so as to hold true to what they believe needs to change without alienating the professionals or destroying their own enthusiasm.

Intercession as Domination

Just as intercessional philanthropy can have an exceptionally salutary impact, it can set in motion several particularly adverse effects that can be described as meddling in or dominating a charity. One such temptation is for activist philanthropists to insist on *implementing their views despite countervailing opinions by front-line professionals or community activists.* If one pole of inordinate intercession is to push a pet project that a community may neither need nor want, the other is to *sidetrack a worthwhile project.* A third way intercessional philanthropists may cross the line from care to dominion is by *insisting on an accounting scheme too narrow for effectiveness.* Venture philanthropists, especially, are adamant about treating philanthropic funding according to a stakeholder model that stresses the efficient production of outcomes. One pitfall in pursuing this model occurs when donors demand to measure outputs from a program whose outputs are not known for a long period or are by their nature intractable to measurement. Finally, an equally problematic misapplication of an intercessional logic can occur when *charities commence projects merely because they can attract funding* and not because the charity and those it serves would benefit. Now just because donors initiate a project does not mean those projects are inappropriate or unneeded. After all, the strength of intercessional philanthropy derives precisely from the ability of funders to advance a philanthropic enterprise. But when philanthropic intercession generates not what is needed to be done but on what a funder needs to do, a special opportunity for care becomes a detrimental instance of carelessness.

Note that the issue of care and dominion never turns merely on the notion of "welcome" as opposed to "unwelcome" intercession. Certainly, it is important to heed what administrators or beneficiaries regard as desirable or undesirable about the engagement of influential donors. And failing to consider the views of beneficiaries is one sure sign of hubris. But what administrators, professionals, or beneficiaries of a charity think (no more than what donors think) is never the primary norm for determining care and control. Rather, the criterion is how effective a donor's activities are for producing desirable outcomes—as long as we comprehensively define such outcomes to include not just productive efficiency but also repercussions for organizational ethics, participation, and the quality of goods and services. In a word, the operation of for-profit logic in the nonprofit world can cut two ways. It can advance a more responsible and effective commitment to accomplishing important goals—even over the objections of administrators and beneficiaries. At the same time, it can misdirect important resources away from meeting people's true needs and toward a heavy handed application of business standards that undercut the benevolent purposes of a nonprofit enterprise. In intercessional philanthropy where donors are so consequentially involved, it is crucial that these donors be particularly solicitous about distinguishing between what donors want to do and what needs to be done.

Conclusion:
The Material and Spiritual Horizons of Philanthropy

> When the accumulation of wealth is no longer of high social importance, there will be great changes in the code of morals. We shall be able to rid ourselves of many of the pseudo-moral principles . . . by which we have exalted some of the most distasteful human qualities into the position of the highest virtues. [This new material wherewithal will confront each person] with his real and permanent problem—how to use his freedom from pressing economic cares, how to occupy the leisure which science and compound interest will have won for him to live wisely and agreeably and well.
> --John Maynard Keynes (1933/1927, 365-369)

Recent history suggests that Keynes' forecast is coming to pass. The vast wealth created by the new economy over the last fifteen years, and particularly by high-tech, has created a generation of individuals who are confronting the "real and permanent problem" of how to live wisely and purposefully with their new-found wealth and at a younger age than ever before. How well they ultimately fulfill this promise is of interest and consequence to all, including fundraisers, nonprofits, and especially the beneficiaries, whose improved fate is the most important fruit of the largesse of these high-tech donors.

We took up this research study with the goal of discovering how high-tech wealth holders are involving themselves in philanthropy, the motivations animating their giving, and the strategies they employ to carry out their philanthropic purposes. Our review of the existing writings on so-called "new" and on "venture philanthropy" confirmed that the activities of high-tech wealth holders and donors has gripped the nation's imagination, that there is great hope among these donors to effect greater and more thorough-going

social change than has heretofore occurred, and that there are a great many stereotypes in circulation, many of which through repetition are rapidly becoming conventional wisdom. It was our hope that in-depth conversations with high-tech wealth holders would reveal the issues surrounding their philanthropy in a more accurate way than had been done to date. In our extended confidential interviews with them and with several informants, we explored the problems and prospects, duties and desires of high-tech donors. Our goal was to provide nonprofits, fundraisers, and the general public with a more accurate portrait of this generation of philanthropists, and to facilitate self-reflection by high-tech donors as they discern how to come to terms with the "spiritual secret of money," by which we mean the natural tendency of financial fortune, first, to create material freedom and choice, and second, to instill care by generating gratitude, and identification with the fortune of others.

Most discussions of high-tech philanthropy have taken one of two approaches. First, they have emphasized a new desire by high-tech donors to transform the charitable institutions and codas of the past, through their adherence to a philanthropic application of the principles of venture capitalism: either by the imposition of the business tenets governing the New Economy, or by the identifying previously neglected opportunities to reshape the philanthropic landscape. The second theme of the popular view of high-tech wealth holders is to scold and shame them both for their inability to deal intelligently with their sudden wealth and for their lack of generosity or "cyberstinginess." Our leading question was whether the first motif was sufficiently nuanced, and whether the second was merely stereotypical.

The high-tech philanthropists that we interviewed form a distinctive demographic group as our sample shows, even though it may not necessarily be representative of the entire population of high-tech donors:

- As a group they are self-made, usually from modest means;

- They are well-educated and have leveraged their education and intellect to achieve great success;

- Their wealth has come rapidly, and has taken some getting used to;

- They have a very equal partnership with their spouse, working as a team in philanthropy and in rearing their children with specific concern about the special opportunities and pitfalls of wealth;

- Several were highly engaged with political parties and causes, but only half had donated to political causes, most said they were generally non-political, did not believe that they could effect change through a political donation, and became involved in social and political issues only to the extent that such involvement was directly related to their specific interest in conservation, education or gay rights;

- They are not religiously oriented. Among the 26 high-tech respondents who completed the supplemental survey, only two reported being regular church-goers, twelve reported no religious affiliation, one was in search of a church having been brought up with no religious affiliation, and the remainder stated they were spiritually inclined but do not regularly go to church;

- And finally, the majority have young families—the average age of the oldest child was ten-and-a-half and the median was 7.

Thus, for most of them, their social-psychological frame of reference to date has been bounded by work, their relationship with their spouse, their education, and their upbringing.

Apart from these particular characteristics, we found that high-tech donors were very similar to the wealth holders we had interviewed in our previous research. As we have discussed above, high-tech wealth holders *too* are hyperagents, able to create rather than conform to the institutional world within which they live and work; they too feel a mixture of guilt and gratitude about their good fortune; are motivated in their philanthropy by identification and led to identification by association; are faced with learning the spiritual secret of money; and challenged to be vigilant about their special capacity for both care and dominion.

Also not novel among high-tech donors, but common to many wealthy philanthropists, currently and in the past, is the application of business principles to philanthropy. Although the language in which they characterize their philanthropy is somewhat distinctive, the fact that they often pursue intercessional philanthropy is not unique. We have documented venture philanthropy as early as 1986 as a long-standing approach of many philanthropists, including inheritors of old money and entrepreneurs from the old economy. Moreover, venture philanthropy is not the only or necessarily primary intercessional strategy; managerial and entrepreneurial philanthropy as in fact equally, if not more prominent. Furthermore, we found that these strategies are not the only ones high-tech donors employ, but the predominant ones of a whole range of

strategies, from simply writing a check to the United Way, to adopting relatives, to brokering donations, to contributing to the organizations whose services they and their families use, such as religious congregations, schools, and museums.

Despite these continuities with other contemporary wealth holders and philanthropists from the past, there are several distinctive traits of high-tech philanthropy today. Their business experience is different from those of small business owners, the professionals, the inherited wealthy, and the shrewd investor. Their formative experiences in the New Economy coupled to their generally young age and velocity of assent to wealth mark them and their philanthropy with a particular set of concerns, attitudes, hopes and snares.

We found that as a group, they are explicitly and consistently *agent-animated* philanthropists. That is, they tend to expect and encourage nonprofits to pursue, as a path to achieve their service goals, the business goals of efficiency, strategic thinking, innovation, risk-taking, good management, accountability, measurable goals, and growth in scale. They have confidence in being able to seek out, attack and alleviate social and organizational problems. They are universally imbued with an optimistic, energetic, and problem-solving mentality. They generally believe that education and development of human capital provide the best solutions to society's problems. Of course their self-assurance, can-do attitude, and relative inexperience can be perceived as arrogant and presumptuous. However, we found only very occasional evidence of such conceit.   With only two exceptions, the respondents were patient and forthcoming in their interviews,

and overwhelmingly concerned to educate themselves about the needs they might address, and how best to work with others to meet those needs. In tone and practice they were certainly determined, but also experimental in the sense of being seriously concerned about finding the most helpful way to apply their business skills which seemed for the moment to be their best contribution; to consciously figure out and construct a philanthropic identity; to come to terms with affluence, and with the balance of family, business and philanthropy; and to seek out opportunities for self-reflection, association, and identification in order to be most effective in their philanthropy. Never before, we conclude, have so many wealth holders, with such an entrepreneurial experience, at such a young age, with such great wealth, and with so much future time, and in so many arenas been this consciously intercessional, and purposefully self-reflective about their philanthropy. Still, none of this means that they will necessarily be of great service with their philanthropy, because the very same hyperagency that offers a great potential for creating substantial benefit also has the potential for heavy-handed intrusion. The two-edged sword of being intercessional can result, as we said, in both a formidable contribution of care as well as an overbearing assertion of domination.

What do our findings mean for the future of philanthropy in the US? If the freedom of choice and personal capacity that wealth holders currently enjoy is refined in the furnace of personal discernment and reflection, they are more likely to develop a caring philanthropic identity, to make wise decisions about allocating their wealth, and to experience the reinforcing satisfactions that accompany generous charitable giving and volunteering. With such forces in play, high-tech donors will become even more

inclined, rather than simply pushed or coaxed toward increasing the quantity and quality of their philanthropy.

We have written elsewhere that a supply-side approach to charitable giving, whereby the potential of wealth holders to give can be tapped by "drawing on the inclinations of donors to care about the issues and people with whom they identify and to desire to effect change in the world around them . . . [by approaching] donors as knowledgeable decision makers who are to be tutored through a process of personal discernment rather than instructed how much to give and to whom," is the most effective way to evoke charitable behavior (Schervish and Havens, "New Physics of Philanthropy," 2001). Our interviews with high-tech philanthropists have reinforced our belief that donors are more inclined to donate their time and money when they reach that time in their business life when the urgency of causes with which they identify joins or even surpasses their sense of urgency about accumulation. The scolding or cajoling model, which tries to elicit giving by "twisting my arm," as one donor put it, tries to force expanded philanthropic involvement by invoking the prevalent and seemingly appropriate rebuke that "you are not giving enough, to the right causes, at the right time, in the right ways." This approach is often successful in eliciting grudging donations, even substantial ones at times. But it does not produce the kind of meaning and significance that creates an internalized philanthropic vocation, from which donors will come to freely and more magnanimously pursue the causes they feel deeply about. The supply-side approach does not ignore the demand of needs or focus solely on the donor. Rather it tries to bring both together in a relationship that works inductively with the

dynamics of liberty and inspiration, rather than with deductively with the dynamics of compulsion and imposed duty. In contrast to the scolding model, the inclination model asks, "What would you like to do with your wealth? That meets the needs of others? That under your tutelage can do it better than commerce or government? And that expresses your gratitude and identification with others in their need?" In fact, it asks the very same questions that our interviewees have told us they pose or grapple with on a daily basis.

The picture we provide here of high-tech philanthropy is of course a mere snapshot in a fast-moving, expanding, and changing landscape. Many of our interviewees are at the very beginning of their family lives, and their careers, and their philanthropic identity is newborn. The balance they are trying to achieve between family, business, and philanthropy will certainly change over the next forty to fifty years as circumstances change and their experience of philanthropy, both positive and negative, grows. For now, most of those with whom we spoke are not even certain how their fortunes will fare in the years to come. But if the fortunes of high-tech wealth holders do flourish, and given the fact that philanthropy is already well within their purview, there is a high probability that high-tech donors will continue to amplify their philanthropic vocation. Later in their lives, they will think more about their wealth in the light of death and the desire to leave a legacy—topics about which at least half of the respondents have so far thought little.

Wealth and hyperagency are not new in history, nor is agent-animated philanthropy. But what is new is that from the beginning of accumulation, wealth holders are thinking about how to be wise and generous about the allocation of their wealth. It is not just so much a question of what is new about high-tech philanthropy as it is a question about its future. High-tech philanthropists have picked up themes from the past, combined them with what is distinctively contemporary about their businesses and themselves, and as they advance as students of care, they are poised to be among the next generation of teachers.

Appendix A: Letter of Invitation

Per Email:

January 25, 2001

Social Welfare Research Institute
Boston College

Dear ----------------:

I am Paul Schervish, Director of the Boston College Social Welfare Research Institute. I would like to invite you to be interviewed for the innovative and timely study "The Philanthropic Strategies of High-Tech Donors/2001."

This study is being conducted by me and my colleagues, John Havens and Mary O'Herlihy, at the Boston College Social Welfare Research Institute (SWRI). It is sponsored by the Association of Fundraising Professionals (AFP), and funded by Dr. Robert B. Pamplin, Jr., President and CEO of the R. B. Pamplin Corporation.

The focus of the interviews will be the current attitudes and practices of high-tech donors in the area of philanthropy. It is clear that many high-tech executives pursue strategies of philanthropy that are different from traditional models. The study will look at how high-tech donors like you view charitable giving, in order to discover the reasons why you give, and what attracts you to a particular organization, model or idea.

Why are we asking you to participate? The objective of the study is to hear the unfiltered voice of high-tech donors in order to get to the heart of the "new philanthropy" and promote fresh thinking about the activities and ideals of high-tech donors.

The study will consist of 15-20 interviews with high-tech entrepreneurs and philanthropists. These hour-long interviews will be conducted on the telephone by a member of our staff. The interview can be scheduled at any time of your convenience, including outside of regular business hours or in more than one session if your schedule demands.

From the outset, I want to assure you of complete confidentiality. Neither your responses nor the fact of your participation in the study will ever be used for any marketing or fundraising purposes. Your name will not be made known to anyone outside of our research team. All identifying information in the interview will be changed according to

a code book so as to retain the meanings but shield you from being known. We plan to report all findings and quotes using pseudonyms.

We have been asked to have a preliminary report prepared for the Association of Fundraising Professionals' 2001 International Conference on Fundraising in San Diego in mid-March, therefore we need to complete as many interviews as possible by the beginning of February.

I have attached some additional information about the study, the researchers and the sponsors.

If you have any further questions about the study please feel free to email me directly at schervis@bc.edu or to call the Project Director, Mary O'Herlihy at 617-552-1580.

We would greatly appreciate your taking the time to be interviewed. Your involvement will make this an important and revealing study on a socially and culturally significant topic.

I look forward to speaking with you.

Sincerely,

Paul G. Schervish, Ph.D.
Professor of Sociology
Director, Social Welfare Research Institute
Professor, Department of Sociology
Boston College
Chestnut Hill, MA 02467
(617) 552-4070
Fax (617) 552-3903
web site: http://www.bc.edu/swri

Appendix B: Project Description

The Project

Given the revolutions that have recently taken place in the economy and, as a result of actions by high-tech donors like you, in how we think about philanthropy, the *2001 High-Tech Donors Study* seeks to document the problems and prospects of venture philanthropy and other forms of entrepreneurial philanthropy. The goal is to obtain a reliable picture of the meaning and practice of the "new philanthropy," so that it may be replicated where appropriate and improved where necessary.

The Importance of Your Involvement

We ask for an hour-long telephone interview with you to talk about your business and philanthropy, and what you envision for the future. This is the most direct way we know to learn and communicate reliable knowledge about the philanthropic strategies carried out by high-tech donors. It is only with your help that we will be able to:

- depict for your peers a portrait of how you and your fellow respondents think about the world of wealth and philanthropy;
- acquaint non-profit organizations and community foundations, with the diversity of thinking by high-tech donors so that these charities may work more productively with you and your colleagues;
- offer the general public accurate information that will counter misleading myths and encourage fresh thinking about the activities and attitudes of high-tech donors.

The Researchers

The Social Welfare Research Institute (SWRI) http://www.bc.edu/swri is a multidisciplinary research center at Boston College specializing in the study of wealth, philanthropy, spirituality, and other aspects of cultural life in an age of affluence. Founded in 1970, SWRI is a recognized authority on the relation between economic wherewithal and philanthropy, the motivations for charitable involvement, and the underlying meaning and practice of care.

Among the many studies conducted by the Social Welfare Research Institute on the relationship between wealth and philanthropy are:

- The groundbreaking *Study on Wealth and Philanthropy*, an examination of the strategies of living and giving among 130 millionaires;
- The *Boston Area Diary Study,* during which 44 respondents were interviewed once a week by telephone for a year about their patterns of giving and receiving of financial and in-kind assistance, volunteer time, and emotional support.
- With Bankers Trust Private Banking, *The Survey on Wealth with Responsibility/2000*, a study of 112 wealth holders with net worth in excess of $5 million regarding their charitable giving and volunteering, attitudes about social issues, socially responsible investing, trust and estate planning, and the transfer of values to heirs.
- *Millionaires and the Millennium: New Estimates of the Forthcoming Wealth Transfer and the Prospects for a Golden Age of Philanthropy*, a 1999 report, which estimates the wealth transfer over the next half-century to be between $41 trillion and $136 trillion.

The Social Welfare Research Institute has received generous support from the T. B. Murphy Foundation Charitable Trust, the Indiana University Center on Philanthropy, the W. K. Kellogg Foundation, and the Lilly Endowment, Inc.

The SWRI researchers are Paul G. Schervish, Director and Professor of Sociology (schervis@bc.edu); John J. Havens, Associate Director and Senior Research Associate; and Mary O'Herlihy, Project Director and Director of Publications. http://www.bc.edu/bc_org/avp/gsas/swri/staffprofiles.html

The Sponsors

The Association of Fundraising Professionals (AFP) http://www.afpnet.org represents nearly 25,000 members in 157 chapters throughout the United States, Canada, and Mexico, working to advance philanthropy through advocacy, research, education, and certification programs. The Association fosters development and growth of fundraising professionals and promotes high ethical standards in the fundraising profession. AFP was formerly the National Society of Fund Raising Executives (NSFRE).

Dr. Robert B. Pamplin, Jr. http://www.pamplin.org is an "old economy" businessman, author, minister and philanthropist who

has written thirteen books and earned eight degrees - more than any living American. As president and CEO of the R.B. Pamplin Corporation, an $800 million company, Dr. Pamplin oversees donation of ten percent of pre-tax profits-between $6 and 10 million-each year to hundreds of organizations. He has helped raise more than half a billion dollars for charities, groups and universities across the country. His philosophy of caring and his commitment to philanthropy have earned Dr. Pamplin the Association of Fundraising Professionals 2000 Outstanding Philanthropist Award.

Though Dr. Pamplin made his fortune funding "old economy" businesses such as manufacturing and farming, he recognizes the need to involve new economy investors in successful philanthropy and is very interested in encouraging high-tech executives to become involved in the philanthropic process.

Appendix C: Supplemental Survey

The Philanthropic Strategies of High-Tech Donors/2001 Study
Supplemental Survey

This survey contains some additional questions about your philanthropy, net worth and personal background. We are asking you this information, not to identify you personally, but to help us understand whether there are patterns among individuals who share similar socio-economic characteristics.

We wish to emphasize that your answers to all questions will be kept completely confidential. Neither your name nor any information that could be used to identify you personally will be present on the interview form. Only a code number will identify each interview form. We recognize that much of this material is sensitive and give you absolute assurance that none of this information will be divulged to anyone outside of our research staff.

We would like to take this opportunity to thank you again for your cooperation and gracious participation in this study.

TO RESPOND TO THIS SURVEY:

1. You may print this form out and fax it back to us at 617-552-3903

2. Email it back to Mary O'Herlihy oherlihm@bc.edu

3. Or mail it to: Mary O'Herlihy

Social Welfare Research Institute,

Boston College

McGuinn Hall 515

140 Commonwealth Avenue

Chestnut Hill, MA 02467

SECTION 1: CONTRIBUTIONS AND VOLUNTEER TIME

We would like to ask you some additional questions about your philanthropic gifts in the year 2000.

1. In the year 2000, what was **THE TOTAL AMOUNT** you and your immediate family (yourself, your spouse/partner, and dependent children) gave in cash, appreciated assets, goods, property, etc. to individuals, charities, foundations, nonprofit organizations, or religious groups?

2. In the year 2000, what was **THE TOTAL AMOUNT** you and your immediate family (yourself, your spouse/partner and dependent children) contributed in cash, appreciated assets, goods, property, etc. to political parties, candidates or causes?

3. In the year 2000, did you make any disbursements from a **PRIVATE FOUNDATION, COMMUNITY FOUNDATION, OR GIFT FUND?**

4. HOW MANY GIFTS did you and your immediate family (yourself, your spouse/partner, and dependent children) make last year (2000)?

5. Including the gifts you already told us about in the interview, what were **THE THREE OR FOUR MAJOR GIFTS** you and your immediate family (yourself, your spouse/partner, and dependent children) made last year (2000)?

A.

RECIPIENT:

AMOUNT:

PURPOSE OF GIFT:

B.

RECIPIENT:

AMOUNT:

PURPOSE OF GIFT:

C.

RECIPIENT:

AMOUNT:

PURPOSE OF GIFT:

D.

RECIPIENT:

AMOUNT:

PURPOSE OF GIFT:

6. In the year 2000, what was **THE TOTAL AMOUNT OF TIME** that you personally volunteered **FORMALLY OR INFORMALLY** to help persons in need or charitable organizations, including religious organizations such as church, temple or mosque. Please include your work as a board member or trustee of such organizations.

Please give your **BEST ESTIMATE IN THE FORM MOST CONVENIENT TO YOU.**

HOURS PER WEEK _____

HOURS PER MONTH_____

HOURS PER YEAR_____

SECTION 2: NET WORTH AND INCOME

7. WHAT is the **CURRENT NET WORTH** of you and your immediate family (i.e. yourself, your spouse/partner and dependent children)? **Please INDICATE A FIGURE** or mark the appropriate response.

CURRENT NET WORTH, BEST ESTIMATE:
$_____

OR MARK CATEGORY:
$1million or less
$1 million to less than $5 million
$5 million to less than $10 million
$10 million to less than $20 million
$20 million to less than $50 million
$50 million to less than $100 million
$100 million or more

8. WHAT is the best estimate of **YOUR YEAR 2000 ANNUAL INCOME** from all sources (cash flow) of you and your immediate family (i.e. yourself, your spouse/partner and dependent children) Please **INDICATE A FIGURE** or mark appropriate response.

YEAR 2000 ANNUAL INCOME BEST ESTIMATE:
$_____

OR MARK CATEGORY:
$100,000 or less
$100,000 - less than $250,000
$250,000-less than $500,000
$500,000-less than $1 million
$1 million-less than $5 million
$5 million -less than $10 million
$10 million-less than $25 million
$25 million or more

9. A family's wealth grows from a number of sources. Please allocate your own and your dependents' wealth into four parts:

The percentage that comes from **INHERITANCE OR GIFTS;** _____%

The portion that has been gained though **PROFESSIONAL EFFORTS**;___%

The portion generated by **INVESTMENTS** of those of you who are alive today;____ %

The portion that comes from **ANY OTHER SOURCE** (please specify); ____%

10. At the end of your life what do you expect **YOUR TOTAL HOUSEHOLD WEALTH** will be?

Please give your **BEST ESTIMATE:** $_____

11. How do you **EXPECT YOUR FINANCIAL LEGACY TO BE DISTRIBUTED** (after both you and your spouse/partner have died)?

Please indicate the **PERCENTAGES OF YOUR WEALTH** you expect will go to:

Children ____%
Other Heirs ____%
Taxes ____%
Charity (including religious causes) ____%

12. Now, how would you **LIKE YOUR FINANCIAL LEGACY TO BE DISTRIBUTED** (after you and your spouse/partner have died)?

Please indicate the **PERCENTAGES OF YOUR WEALTH** you expect will go to:

Children ____%
Other Heirs ____%
Taxes ____%
Charity (including religious causes) ____%

SECTION 3: PERSONAL BACKGROUND

13. What was your **FATHER'S PRINCIPAL OCCUPATION** when you were growing up?

14. What was your **MOTHER'S PRINCIPAL OCCUPATION** when you were growing up?

15. What was the **HIGHEST LEVEL OF EDUCATION** that your **PARENTS** received?
Please choose from the list below.

Ph.D, MD, LLB, DDS
Masters
BA/BS (4 year college)
Some college (1-3 years)
High school graduate
Some high school
8th grade or less

MOTHER:_____
FATHER:_____

16. What was the **HIGHEST LEVEL OF EDUCATION OF YOU OR YOUR SPOUSE/PARTNER** received? Please choose from the list below.

Ph.D, MD, LLB, DDS
Masters
BA/BS (4 year college)
Some college (1-3 years)
High school graduate
Some high school
8th grade or less

YOU:_____
YOUR SPOUSE/PARTNER:_____

17. Where did you grow up?

City: _____

State: _____

18. What was your **RELIGIOUS UPBRINGING**?
Please mark the appropriate response.

Catholic
Jewish
Protestant (please specify denomination)
Muslim
Other (please specify)
None

19. What is your **CURRENT RELIGIOUS AFFILIATION?**
Please mark the appropriate response.

Same as above
Catholic
Jewish
Protestant (please specify denomination)
Muslim
Other (please specify)
None

20. With what **ETHNIC GROUP,** if any, do you identify?

21. What is your **CURRENT MARITAL STATUS**? Please mark appropriate
response.

Single/ never married
Married
Single, living as a couple
Divorced/ separated
Widowed

22. How many **CHILDREN, INCLUDING STEPCHILDREN** do you have?

23. What are their **AGES**?

24. How many of these are **CURRENTLY DEPENDENT CHILDREN**?

25. What are their **AGES**?

26. What is **YOUR AGE**?

27. What is your **SPOUSE'S/PARTNER'S AGE**?

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Profiles of Authors

Paul G. Schervish

Paul G. Schervish is Professor of Sociology and Director of the Social Welfare Research Institute (SWRI) at Boston College. Schervish was appointed a Fulbright Scholar in Applied Philanthropy for the 2000-2001 academic year at University College Cork, Ireland. During the 1999-2000 academic year he was Distinguished Visiting Professor at the Indiana University Center on Philanthropy.

Schervish received a bachelor's degree in literature from the University of Detroit, a Masters in sociology from Northwestern University, a Masters of Divinity Degree from the Jesuit School of Theology at Berkeley, and a Ph.D. in Sociology from the University of Wisconsin, Madison.

Schervish has directed the *Study on Wealth and Philanthropy*, an examination of the strategies of living and giving among 130 millionaires, and the study, *The Contradictions of Christmas: Troubles and Traditions in Culture, Home, and Heart*." Along with John J. Havens, Associate Director and Senior Research Associate of SWRI, he is currently directing "Dilemmas and Decisions Surrounding the Accumulation and Distribution of Financial Resources" funded by the T. B. Murphy Foundation Charitable Trust, and "The Emerging Material and Spiritual Determinants of Charitable Giving by Wealth Holders," sponsored by the Lilly Endowment, Inc. Schervish and Havens, in

conjunction with Bankers Trust Private Banking, completed the final report of *the Study on Wealth with Responsibility/2000*, a study of 112 wealth holders with net worth in excess of $5 million regarding their charitable giving and volunteering, attitudes about social issues, socially responsible investing, trust and estate planning, and the transfer of values to heirs. Havens and Schervish also released the report, *Millionaires and the Millennium: New Estimates of the Forthcoming Wealth Transfer and the Prospects for a Golden Age of Philanthropy*, which estimates the wealth transfer over the next half century to be between $41 trillion and $136 trillion

Schervish has published in the areas of philanthropy, the sociology of money, the sociology of wealth, labor markets, unemployment, biographical narrative, and sociology of religion. He is completing work on *The Modern Medici: Strategies of Philanthropy among the Wealthy* (Jossey-Bass). Schervish is the editor of and contributor to *Wealth in Western Thought: The Case for and against Riches* (Praeger, 1994). He is principal editor of *Care and Community in Modern Soci*ety (Jossey-Bass, 1995) and the principal author of *Taking Giving Seriously* (Indiana University Center on Philanthropy, 1993) and of *Gospels of Wealth: How the Rich Portray their Lives* (Praeger, 1994). Schervish also serves regularly as a speaker and consultant on how to surface and analyze the moral biographies of wealth holders, on the motivations for charitable giving, on the demographic patterns of wealth and charitable giving, and on the spirituality of financial life.

Mary A. O'Herlihy, Project Director

Mary O'Herlihy is Director of Publications and Research Associate at the Social Welfare Research Institute. She has collaborated with Schervish and Havens on research on wealth, philanthropy and spirituality for over two years and has been editor of all of institute's publications since January 1998. O'Herlihy is co-author with Schervish and Havens of "Charitable Giving: How Much, By Whom, To What, and Why," a chapter to be published in the forthcoming CASE *Handbook on the Nonprofit Sector*. She is also working on the design and development of a new website for SWRI, which is expected to launch in May 2001.

A native of Cork, Ireland, O'Herlihy graduated from University College Cork in 1994 with a bachelor's degree in English and German, and in 1996 with a Masters in English. She came to Boston College as a recipient of the Fr. Martin Harney Graduate Fellowship and in addition to her role at SWRI is a Ph.D. candidate in English, working on Romantic poetry.

John J. Havens

John Havens is a Senior Research Associate and Associate Director of the Social Welfare Research Institute at Boston College. He received his training in mathematics, economics, and physics at Yale University and his graduate training in economics at the Massachusetts Institute of Technology.

He began his research career as an engineer and mathematician at the Metals Research Laboratories of Olin Matheison Corporation in 1957. Subsequently he conducted research in social psychology at the Laboratory of Psychosocial Studies at Boston College; in urban transportation for the Transportation Research Board of the National Academy of Sciences; in applied policy and data analysis for the American Institute for Research in Cambridge; and for the past 17 years in economic, public policy, and philanthropy analysis for the Social Welfare Research Institute at Boston College.

At the Social Welfare Research Institute, Mr. Havens directed the construction and application of the Multi-Regional Policy Impact Simulation (MRPIS) model, a large-scale but very detailed computer model of the national economy, which was used to estimate the economic impacts in a wide range of public policies, including federal tax proposals, federal budgetary analyses, health care proposals, and peace dividend alternatives. He also directed a variety of economic impact analyses including the past three studies of the economic impact of the independent colleges and universities of Massachusetts on the state's economy.

From September 1992 to the present, Mr. Havens has participated in the study of

philanthropy. Along with the projects conducted with Schervish and O'Herlihy described

above, which explore the associations among philanthropy, income, and wealth; the

organizational and moral determinants of giving and volunteering; and the implications

for fundraising and philanthropy, Havens directed the Boston Area Diary Study (BADS)

from 1995-1997. This was a two-year diary study that gathered and analyzed information

on giving, volunteering, and caring behavior for 44 participants in the Boston

metropolitan area in weekly telephone interviews. He is also working on an expanded

and refined estimation of wealth transfer over the next half-century which will be

available later this year.