Philanthropy is on the rise, at least according to fundraising professionals. Since the mid-1990s, the charitable fundraising industry, through its professional organizations in Canada and the United States, has been forecasting a substantial increase in planned gifts, most notably charitable bequests. As the most affluent generation of seniors in North American history passes on its wealth, say fundraisers, charities will be among the major beneficiaries. So significant will be the intergenerational wealth transfer, they claim, the charitable dividend it generates will inaugurate a “new golden age of philanthropy.”

In this article, I am concerned with the wider legacies of the “new philanthropy,” and specifically with how policies and practices of philanthropy are reconfiguring relationships of wealth, the state, and citizenship. Investigating recent discourse surrounding planned giving, in particular, serves to illustrate the ways in which philanthropy is consolidating and advancing neoliberal hegemony. Planned giving is the fastest growing field of charitable fundraising. The term emerged in the mid-1980s and denotes a convergence of financial planning and fundraising expertise. Specialists work closely with donors of sizable gifts to design strategies for meeting donors’ personal, financial, tax reduction, and philanthropic objectives.

Accounts of the ascendancy of neoliberalism as a political philosophy tend to foreground the rise of conservative-led governments of Thatcher, Reagan, and Mulroney in the 1980s. State-centric stories emphasize how these governments, embracing the nineteenth century liberal creed of the individual as sovereign property owner, market actor, and rights holder,
sought to transnationalize and extend this philosophy to corporate business entities. Case studies of neoliberalization, however, suggest that change has tended to be elite-led and incremental. Evidence of business activism, in particular, suggests that neoliberalism may be conceived as “a political and cultural accomplishment: a hegemonic project.” Without exaggerating the coherence, intentionality, or inevitability of this project, such studies demonstrate how multifaceted have been the policies and pathways through which neoliberalism has achieved dominance — including the growth and unfettering of commodity and financial markets, the privatization of services, the reduction of the protective and supportive functions of the welfare state, the expansion of coercive functions (that safeguard corporate business interests) and, importantly, the reshaping of normative aspects of citizenship. Only recently have scholars begun to show how philanthropy, too, is being incorporated into the neoliberal project.

My starting point is to query the periodic pronouncements of philanthropic institutes that we can expect to see an upsurge in planned giving. Four explanations typically accompany such claims: first, that the aggregate wealth of the current generation of seniors is larger than ever; second, that donors are becoming more generous and public minded; third, that professional fundraising is intensifying; and finally, that governments are offering more tax incentives on donations. My goal in examining these claims is not to dispel them completely, but to recast the entire forecast. I aim to show how the very conditions for philanthropy, and discourses about them, simultaneously confirm and validate the process of neoliberalization within the charitable sector. I will argue further that the “new philanthropy” advances neoliberalization in three main ways: by legitimizing social inequality, by facilitating welfare state restructuring (specifically the contracting of social services to charitable agencies), and by promoting a narrow ideal of citizenship as practised through private charity.

My sources include interviews with estate lawyers and various print and internet publications, including some that emanate from the United States. While my analysis centres on the Canadian context, the US sources are important because the Canadian and US fundraising industries, their respective professional associations, and their research centres are networked and

**Talk of Legacies** The reputed affluence of the generation that came of age just after World War II is at the centre of attention of specialists in financial, estate, and gift planning, who often speculate on where all this personal wealth will go. The planner’s typical older client belongs to a generation that experienced three decades of relative economic stability, growth in real incomes and real estate, and stock market booms. Having been schooled in frugality in the Depression and war years, and having benefitted from public redistribution efforts of the postwar welfare state, these seniors’ high savings rate has resulted in substantial wealth accumulation for some.\(^8\) Their baby boom children, more recently dubbed the “inheritance generation” or “the inheritors,” are now entering retirement and updating their own wills.\(^9\) They are expected to receive most of their parents’ assets, and planners emphasize that just how they and their parents disburse this wealth could have a significant impact on successive generations.\(^10\)

Measures of the magnitude of inherited wealth in the national economy over a given period, traditionally, have been the focus of scholars concerned with the social distribution of wealth, who look to such data to reveal the degree to which wealth inequality is due to inheritance. The first researchers to link the wealth transfer to charitable revenues were Paul G. Schervish and John J. Havens of the Boston College Center on Wealth and Philanthropy. Their microsimulation model of the value of final estates of Americans with no surviving spouse predicts that $41 trillion in assets will be disbursed over a 55-year period from 1998 through 2052, a projection based on two percent growth per annum in the US economy.\(^11\) Following this report, corresponding estimates soon emerged for Canada. According to one, $4 trillion will be disbursed over 55 years between 1995 and 2050.\(^12\) A more recent projection has Canada’s 9.9 million baby boomers inheriting $5.5 billion over 10 years.\(^13\) The impetus for these forecasts is not to discover the mechanisms of social stratification, but to postulate that the inheritance boom will be a bonanza for charities.
These estimates concerning inheritance tend to be speculative or weakly documented. Even in the United States, where more survey and official data sources are available to researchers, Paul Menchik and Nancy Jianakoplos’s review of inheritance literature finds that “data providing direct measures of the amount of wealth inherited...[in] any one year for the whole economy are rare and subject to both conceptual and measurement problems.”\textsuperscript{14} The corollary, that more wealth will be donated to charities, is also difficult to verify. Since 1995, the Canada Revenue Agency (CRA) has registered moderate increases in personal charitable giving, as indicated by the amount of donations to registered charities that Canadians claim on their tax returns for the purpose of receiving a tax credit.\textsuperscript{15} Because the CRA does not differentiate between bequests and all charitable gifts, this official data, although relatively reliable, cannot confirm that bequests are having the predicted effects on charitable revenues. Again, however, I am less interested in examining the veracity of these reports than in showing how the factors they cite — the demographics of wealth, generosity of donors, fundraising campaigns, and new tax incentives — link to larger patterns of political, cultural, and economic neoliberalization. What is at stake in these changes is not the amount of revenue that charities may receive, but the kind of class society and public culture that future generations may inherit.

**Larger Gifts from Wealthier Givers** The first argument for how the intergenerational wealth transfer will enrich the charitable sector is based on the aging of an affluent generation, as I have explained. It is well known that for the population as a whole, the rate and magnitude of charitable bequests is low compared with bequests to heirs.\textsuperscript{16} According to the National Survey of Giving, Volunteering and Philanthropy (NSGVP) in 2000, only four percent of Canadians have designated a gift to a charitable organization in a will.\textsuperscript{17} Evidence of actual wills indicates that the rate of bequests to organizations has remained consistent over the past two centuries.\textsuperscript{18}

Given the historically low rates and levels of bequests in the general population, the claim that charitable revenues will increase depends mostly on the relationship of giving to wealth. The largest estates tend to have the largest charitable components, both proportionately and absolutely.
Therefore, increased wealth-holding at the top will elevate the amount charities receive overall. For the sake of illustration, let us take Schervish and Havens’s estimate that, of the forecasted $41 trillion intergenerational transfer in the United States, $6 trillion (15 percent) will be allocated to charity. The largest proportion of this $6 trillion will come from the wealthiest estates. Baseline data for this forecast shows that in 1995 estates worth over $2 million accounted for only three percent of estates but 75 percent of all charitable bequests that year. In terms of the proportions of estates given to charity, for estates valued at $20 million or more, an average of 33 percent was donated. For estates worth $1 million to $4.9 million, donations dropped to eight percent, while estates worth less than $1 million gave approximately four percent. For estates worth less than $1 million, 90 percent of the estate went to heirs. These ratios of giving to wealth indicate that increased prosperity of the very wealthiest of benefactors, a feature of the neoliberal economy, is the more significant predictor of a charitable windfall than is the increased affluence of the average to moderately wealthy estate.

Although comparable data on the size of Canadian estates and the proportion of these estates that are charitable bequests is not available, the Canadian estate lawyers practising in the premier firms whom I interviewed confirm that they are witnessing dramatic change in the magnitude of wealth of their most affluent clients, whose estates they describe as “staggering,” “vast,” and “monumental.” Their impressions are supported by the data on the increased concentration of assets among households in the highest wealth percentile. If we are to see absolute increases in charitable donations, they would come about less as a result of the changing age distribution of wealth than as the result of the growing concentration of wealth. Hence, predictions of increased philanthropy are, at once, signals of increased wealth inequality.

**Swelling Generosity?** Associated with the optimism surrounding planned giving is a second common claim: that a broad-based culture of philanthropy characterized by personal generosity is taking hold. According to the Canadian Centre for Philanthropy (now Imagine Canada), only seven
percent of Canadians who have drawn up a current will have included a charitable bequest, but up to 47 percent say they would have included a bequest in their will had they been asked.24 In the United States, Schervish and Havens argue that a new level of beneficence is already apparent in the growth in the size of bequests as a proportion of estates.25 They see such shifts in the allocation of inheritance away from heirs and towards philanthropy, especially by the super-wealthy, as evidence of a “growing public culture and personal spirituality of care.”26

On this question of increased generosity, the Canadian estate lawyers with whom I spoke tend to be skeptical. In their experience, frugality increases with age and with widowhood, even though there may be a sizable nest egg. In the words of one estate planner (L2):

As people age, their perception of wealth changes, and so we have many people, who I would consider to be extremely well off and comfortable, and they consider themselves to be, if not in poverty, then at risk, and so they won't give.

If generosity is taken to mean the size of gifts as a proportion of income, the lawyers interviewed for this study see no clear relationship of generosity to wealth and no evidence of increased generosity in the form of a “personal spirituality of care.” The proclivity to give, in their experience, cuts across all social classes, and is shaped more by individuals’ experiences in their families of origin than by wealth.27 Moreover, some anticipate that the baby boom generation, who now stand to inherit, will be less generous than their parents, concerned as they are with their own retirement needs, the security of their pensions and investments, the cost of health care, and the need to assist their children in acquiring expensive credentials.28 When counterbalanced by ungenerous, individualized responses to welfare state restructuring such as these, the idea that a culture of generosity is gaining hold, even among the elite, looks like so much industry hype.

**Professional Fundraising** Hyped-up fundraising, however, is the third factor that some say points to future growth of charitable giving. The intensification and professionalization of fundraising is evident in the emergence,
growth, and consolidation of organizations to raise the status of the work, to set codes of ethics and standards for accreditation, and to lobby, research, publish, and network on behalf of fundraisers for the charitable sector.\footnote{growth} It is also evident in the increased hiring of fundraisers by charitable sector organizations. A survey of nearly 1,400 Canadian fundraisers found that many of the organizations they work for, especially in the social services field, have recently begun to have designated fundraisers on staff. The survey also found that 29 percent of respondents were new to the profession, with less than five years’ experience. Large organizations (especially universities and colleges) are hiring larger numbers of fundraisers, and smaller organizations are adopting new fundraising strategies.\footnote{hiring}

Planned giving as a fundraising specialization gained ground in Canada with the 1994 publication of a major resource book called \textit{Planned Giving for Canadians}, now in its second edition, and with the founding in 1996 of the Canadian Association of Gift Planners.\footnote{Planned Giving} Gift planners aim to increase the proportion of charitable revenues comprised by deferred gifts in a will, as well as life insurance, charitable remainder trusts, charitable gift annuities, in kind donations, and preauthorized cash donations.\footnote{deferred gifts} They conduct both broad-based campaigns (such as “Leave a Legacy Month”) and strategic solicitation. For instance, personal visits and social events (such as legacy teas) are used to cultivate high-end prospects. Strategies like named endowments, memorials, and schemes to publicly classify donors by amount also work with affluent prospects by maximizing social comparison and competition.

Marketing to estate lawyers is another indirect way for planned-giving fundraisers to reach prospective donors, as lawyers assist clients in making decisions about bequests. One lawyer (L5) said of his experience with charity fundraisers:

\begin{quote}
Those people are very much doing their job in making lawyers and others become more aware of the importance of charitable giving…. [Interviewer: How do they do that?] Just by being in your face and the whole scene, golf tournaments, lunch, cocktail parties…. It’s a very delicate thing. We’re very busy, we don’t need people pushing their product at us, and yet if the good ones will get their message across without being too aggressive, you know, it’s a soft sell, that kind of thing. So they’re very much out in the community.
\end{quote}
Lawyers describe large charities’ fundraising strategies as “extremely sophisticated” (L2), “so much more scientific,” (L7) and “a lot more sophisticated than they used to be” (L6).

The increased savvy of fundraisers may well solicit more giving. From the perspective of many charitable organizations, however, the fundraising phenomenon — and the associated insecurity of funding, competition over charity dollars, and the redirection of resources towards garnering donations — has not arisen because of the sudden availability of a new pool of wealth. The intensified fundraising is driven by the neoliberalization of the social services sector — the chronic government underfunding of large institutions such as hospitals and universities, and the contracting of services to smaller agencies with insufficient funding to meet core needs.

**Tax Incentives for Donations and Bequests** The fourth reason fundraisers give for why we can expect to see increased planned giving is that tax incentives on donations have been expanding. Of all the reasons for projecting a charitable boom, this is the most compelling. As measured by the NSGVP, however, for most people tax incentives are relatively unimportant to the decision to donate. According to the NSGVP in 2000, 13 percent of Canadians who donate to charity in vivos (while living) indicate that claiming a tax credit is “one” of their motives (among the six reasons listed in the survey). The number for whom the tax credit is a factor in the decision to donate rises to only 16 percent for donors in households with net incomes of more than $100,000. Even for the highest quartile of givers, whose donations accounted for 82 percent of all charitable gifts in 2000, only 18 percent say that the tax credit is one reason for their gifts. Nevertheless, there is reason to believe that the NSGVP understates the impact of tax incentives, especially for planned gifts and especially among the wealthy.

Although most people do not leave any amount to charity in their will, most estate lawyers interviewed were emphatic that, for those who leave moderate and large amounts, the tax advantages are significant. For instance, one lawyer said “I know that surveys say that tax is the last thing clients consider, but I would say it ‘is’ a factor” (L8). Another explained, “The government encourages [charitable bequests] by giving a major tax break,
and the incentives do work with wealthy people” (L5). For their part, estate lawyers typically interpret their professional duty of care in terms of maximizing the “tax efficiency” of individual clients’ estate plans.35 Hence, they take more time with wealthy clients explaining the “substantial tax breaks that can be had with charitable giving” (L6). A lawyer in a high-end firm remarked “Ninety percent of estate planning is tax avoidance” (L4). Another stated that the goal of reducing taxes paid out of the estate is his best explanation for the predicted higher levels of philanthropy: “Whether we start to see an increase in charitable giving, I suspect, if we see it, it will be driven primarily by taxation and not by beneficence” (L2).

The responsiveness of donors to changes in tax law in recent years supports these observations. Before outlining the changes with respect to charitable donations and bequests, I will describe briefly how the Income Tax Act applies to final estates. In 1971, estate taxes in Canada were eliminated when the capital gains tax came into effect. In the year of death, taxes are assessed as follows: the trustee of an estate files a terminal income tax return on behalf of the decedent. Any capital assets passing into the estate, such as securities portfolios and vacation properties, are deemed to have been sold at market value. In the terminal return, just like the regular tax return, 50 percent of the capital gain must be reported as income. Income tax also applies on the full amount of any retirement savings plans and retirement income funds that pass into the estate, unless these are transferred to a surviving spouse. Bequests to registered charities are treated like in vivos charitable donations — they qualify for the federal income tax credit of 15.25 percent on the first $200 donated and 29 percent on donated amounts over $200. Because donations also serve to reduce provincial tax, in effect, depending on the type of gift, donors in the highest tax brackets receive back in tax credits 46 to 60 percent of the value of their donations.36

Since the mid-1990s, tax rules have been changing to facilitate and encourage philanthropy in three ways: by increasing the ceiling on donations that qualify for the tax credit, widening the types of donations for which donors can claim the tax credit, and gradually eliminating capital gains tax on donations of capital assets. First, ceilings: prior to 1995, the ceiling on claims for charitable donations was 20 percent of net income. In 1996, that
ceiling was raised to 50 percent and raised again to 75 percent in 1997. Unclaimed donations can be carried forward for up to five years. More recently, the ceiling on donations claimed in the final return was lifted entirely. When donations exceed net income in the terminal return, the trustee may apply for a refund on the decedent’s previous year’s tax return. The removal of a ceiling on creditable giving provides an incentive for large gifts that can reduce income tax to zero for up to the last two income tax returns.

In 1997, at the height of the dot-com boom, another change in the Income Tax Act opened the way for new forms of tax-creditable charitable donations. It allowed all donors (either in vivos or by bequest) to claim tax credits for the market value of publicly traded securities and mutual funds, and ecologically sensitive land donated to public charities (but not private foundations). This change was preceded in 1995 and followed in 2000 by reductions in the rate of capital gains that must be included as taxable income when capital assets are donated. In the years 2000 to 2005, donations of capital assets were taxed at 25 percent of their growth in value, which was half of the regular rate at which capital gains must be included as taxable income. Even at the 25 percent inclusion rate, the tax credit received for capital asset donations, in most cases, was well in excess of the capital gains tax payable. Even so, in the 2006 federal budget, the Conservative government eliminated all capital gains tax on donations to registered charities. Then, in 2007, this elimination of the capital gains tax was further extended to donations to private foundations as well.

Contrary to the survey finding that the tax credit is a minor consideration in most people’s decision to donate, there is evidence that these changes to the Income Tax Act provide effective incentives for the very wealthy. For example, according to David Duff, in the decade prior to 1995 the average value of donations for which Canadians claimed charitable credits was relatively constant. In the 1996 taxation year, following the first raising of the ceiling on donations, the average donation jumped by 11.5 percent, while the share of charitable tax credits claimed by the highest income groups increased significantly. I will return shortly to a discussion of the social policy implications of tax breaks beyond incentivizing large donations and bequests.
In sum, following up on the speculation by philanthropic institutes that we will see an upsurge in giving has shown that the predictions mark changes in the very conditions for philanthropy. The increased affluence of a segment of seniors, the intensification of marketing by charities, and increased tax incentives for charitable donations must be contextualized as features of a wider process of neoliberal restructuring of state-society relations that implicate the charitable sector, broadly, and the fundraising industry, in particular. Neoliberalization is marked also by the reorganization and renaming of philanthropy research and advocacy agencies in the United States and Canada. The Social Welfare Research Institute, where Schervish and Havens developed their forecast, became the Center on Wealth and Philanthropy in 2004. Its mission now renounces progressive taxation in favour of voluntaristic giving that ennobles the giver: “In an environment of liberty, giving that is extracted will be resisted; giving that is invited as a way for donors to identify with the fate of others will be honored.”

In 2005, the merger of the Canadian Centre for Philanthropy with the Coalition of National Voluntary Organizations also prompted a name change and a restatement of mission. As Imagine Canada, the agency facilitates partnerships of large charities with corporations and governments, and lobbies governments for regulations that are more facilitative of fundraising, including tax incentives for charitable donations. Forecasts from such organizations are silent concerning the connections between increased philanthropy and class disparities, welfare state restructuring, and neoliberal norms of citizenship, to which I now turn.

**Entrepreneurial Philanthropy** The shift towards planned giving in fundraising, in preference to mass mailing and telephone solicitation, means that charities are searching for “angels” to support their work, while commentary on the “new philanthropy” suggests that the angels are seeking to augment more than their halos. A diary study of Boston-area multimillionaires by Schervish and Havens, for example, explores wealthy donors’ experience of their own hyperagency, which is the authors’ term for donors’ desire to be “as entrepreneurially productive in the realm of philanthropy as they have been in the realm of commerce.” This hyperagency is expressed
in trends towards more direct involvement of donors with beneficiary organizations, increased restrictions on the use of large gifts, and heightened demand for recognition of donations. As one lawyer (L2) in a downtown Toronto practice noted:

We’re increasingly seeing that the making of large donations — especially to hospital foundations — is more and more of a business, where people are actually negotiating, sometimes in excruciating detail, the nature and level of recognition that they’ll receive in return for their gift.

Entrepreneurial donors are seeking out their own charitable niches and ways to maximize their personal satisfaction in their gifts, such as through involvement in decisionmaking for the causes they benefit. A senior Canadian fundraiser is cited as saying:

Philanthropy has become donor rather than cause centred. Altruism has become self-interested, and we now have the donor-consumer…What will move donors is their wants, not our needs.

Donor-centred giving is sometimes lauded as a healthy form of civic engagement, but the “private visions of the public good” that are reflected in philanthropic choices have always tended to be visions particular to the donors’ social class. Wealthy donors typically support universities, hospitals, and cultural and arts organizations, especially the most prestigious of these, whereas lower income donors are most likely to give to places of worship, and religious and social welfare organizations. Moreover, because donors tend to support local charities, larger institutions in centres of prosperity will always have an advantage in attracting the largest donations.

Such critiques of philanthropy are not new, particularly the observation that the wealthy use philanthropy as a source of personal gratification, as a means to elevate their personal stature, and to further their interests as a class. Nor should it be necessary to point out that philanthropy is not redistributive and that it legitimates dynastic wealth-holding and disparities in wealth. What does seem to be shifting is the level of publicity for mega-gifts, the commercial ethos of giving, and the extent of control that donors
are exercising over their gifts, all of which indicate enhanced capacity of the super-wealthy overtly to exercise and foster class privilege.

Philanthropy as Public Policy  Predictions of the growth of philanthropy provide a rationale for both public sector downsizing and also, paradoxically, for greater government linkages to the charitable sector. Contrary to the common characterization of voluntary associations and charities as comprising a semi-autonomous third sector, the Canadian state has always been in symbiotic relationship with what Mariana Valverde calls the “non-governmental social service sector,” or “philanthropic social services.” As Paula Maurutto points out, in the case of Ontario, governments have funded and regulated charities and relied on them to share responsibility for social welfare since at least the 1830s. She documents the “substantial government involvement” that historically has underpinned any expansion of the charitable sector. This involvement has been stepped up recently: first, in the closer regulatory relationship with the charitable sector; second, in the policy of effectively allowing donors to reallocate tax revenues to charities through the tax credit; and third, in the extensive contracting out of social services to charities. I will discuss each of these changes in turn.

Increased government interest in charitable sector growth is evident, first, in efforts towards more facilitative federal regulation. Regulation pertains to areas such as official definitions of charities and foundations, registration processes and appeals, rules on how charities must disburse their tax-receipted gifts, tax rules for donations, and restrictions on advocacy by charitable organizations. In June 2000, the federal government tried to streamline the regulatory relationship through the Voluntary Sector Initiative (VSI). Budgeted at $94.6 million over five years, the VSI established a formal dialogue between senior representatives of national voluntary and charitable sector organizations and eight federal ministers, as well as senior bureaucrats from over 15 departments and agencies of government. A tangible outcome of the process was the introduction of two documents that set down codes of good practice on policy dialogue and funding. Kathy Brock argues that the VSI represents incremental change in an established pattern of embeddedness rather than a discernibly new direction in the relationship of
government with its charitable sector “partners.” Nevertheless, this deepening of embeddedness is significant because it allows for a specific pattern of state restructuring captured in Jennifer Wolch’s concept of the “shadow state,” to which I will return shortly.

A second means through which the state promotes philanthropy is by changing tax policy to incentivize donations, as I have described. Official rationales for the elimination of capital gains tax on donations of securities and ecologically sensitive land tend to focus on how much this measure will cost in terms of foregone tax revenue, and how that cost is justified by increased donations. This narrow framing of discussion in terms of costs and revenues assumes that governments and registered charities serve the public purpose in roughly equivalent ways. It overlooks that this tax credit effectively represents a reallocation of tax dollars towards purposes that are undemocratically designated by affluent individuals. Neil Brooks explains how the tax credit functions as a mechanism of reallocation:

The charitable tax credit is a system of indirect government matching grants, in which the government writes its cheque to the taxpayer who donates to a charity. Taxpayers who donate, for example, $1,000 to a charity are able to claim a tax credit of about $500 when they file their tax return. Thus, in giving $1,000 to a charity, taxpayers give in effect $500 of their own money and act as a self-designated agent of the government in giving $500 of its money too. That is to say, a taxpayer’s cheque to a charity represents two separate contributions: about one-half from the donor and the rest from the government’s matching contribution.

The 2006 elimination of capital gains tax changes this ratio of indirect government grants. It means that for the wealthiest donors up to 60 percent of the value of a donation effectively represents a reallocation of public funds towards the donor’s designated cause.

The third area in which the relationship of government to the charitable sector is intensifying is through contractual funding. Quantifying government financial involvement, as David Sharpe does in his profile of the charitable sector, puts the “culture of philanthropy” debate in a larger perspective, as it reveals the minimal role of private donations relative to government funding for the sector as a whole. Registered charitable organizations
(excluding public and private foundations, places of worship, teaching institutions, and hospitals) receive almost 50 percent of their revenues from government sources, mainly at the provincial level. Receipted donations from individuals account for only eight percent of total charitable sector revenues, of which bequests would form a small fraction. If private donor funding of the charitable sector is so meagre relative to contractual funding by governments, why then is a projected rise in bequests and other forms of donations purported to be so significant?

A prevalent rationale for the promotion of philanthropy is that government downsizing in the area of social services requires that charities expand to meet more of the needs of communities and their most vulnerable members. However, it would be a simplification to say that the charitable sector is stepping into the breach to provide services that previously have been offered by the state. More accurately, the charitable sector is undergoing statization. Charitable organizations that depend on grants have come to resemble what Jennifer Wolch calls a shadow state: “a para-state apparatus…administered outside of traditional democratic politics and charged with major collective service responsibilities previously shouldered by the public sector, yet remaining within the purview of state control.” It follows that official support of philanthropy is not merely about government cost-savings, but about fostering asymmetrical state-charitable sector interdependence.

Feminist research on public sector cuts has further debunked the cost-saving rationale for contracting out services by showing that the costs and burden of care are merely downloaded, not avoided altogether. For example, jobs in the charitable sector, 70 percent of which are held by women, are poorly compensated compared with the public sector jobs they replace. These workers and the households they support bear the costs of the restructuring. Significantly, delivering social services through the shadow state allows governments to download responsibility for, as well as the costs of, these services. As services are provided through mechanisms external to government, governments become accountable only for regulatory efficiency and for the efficacy of the funding relationship. Para-state agencies become primarily accountable to funders rather than to recipients. People who
erstwhile received bureaucratized services as an entitlement of citizenship are cast as needy clients of “caring” agencies that may impose arbitrary, personalized, or moralized expectations of what it means to receive “help.”

**Philanthropy as Citizenship** The mediation of state-citizen relations by philanthropic social services transforms citizens from equal rights-bearers to members of two categories: the less privileged clients or consumers of services, and more privileged donors or volunteers. Although a person may inhabit both categories, neoliberal discourse exalts a mode of citizenship defined by personal acts of generosity. This opposition between the individual giving and receiving of charity works to obviate more collectivist orientations to civic virtue. The normative value of paying taxes, social movement activism, artistic and cultural creation, and the everyday work of caring for people within households and neighbourhoods diminishes in comparison to donating and fundraising. The neoliberal caring citizen is one who, emulating the wealthy, gives time or money to help the less fortunate.

Over-valorization of philanthropy is furthered by the celebrity stature accorded to those who make extremely large donations. In response, the financial services industry has propagated new technologies for donating that enable people of moderate means to mimic the wealthy. For example, TD Waterhouse has introduced Private Giving Foundations, a US model that allows individuals and families to participate in a foundation “without the need for millions of dollars in assets, or legal expenses, oversight responsibilities and annual regulatory filing obligations.” A minimum donation of $10,000 in cash or securities is required for an endowment fund. Donors can choose a name for their fund and advise the foundation on where to allocate the earnings. They can support their chosen charity in perpetuity, or allow control of the fund to pass to their children.

The constriction of the ideal of civic engagement into philanthropic giving and its generalization across social classes is captured in the concluding statement of a White Paper presented to the Annual Conference of the Canadian Association of Gift Planners: “Society needs philanthropists more than ever — people who lead and inspire with their vision and generosity. We all have the potential to be philanthropists.” Of course, in a neolib-
eral economy we cannot all be philanthropists, but we all can desire to position ourselves on the privileged side of the donor/recipient divide. In this desire, other more inclusive and politicized conceptions of citizenship can be forgotten.

**Conclusion: Neoliberal Legacies** With each new announcement of how the tax credit for charitable donations is to be augmented, more projections are made about future growth in charitable giving. Regardless of whether these expectations are realized, the social legacies of changes within the field of philanthropy far surpass the financial legacies being left by donors. In characterizing these legacies as neoliberal, I am building on the work of those, such as Lisa Duggan, who understand neoliberalism as a hegemonic project that has been advanced over several decades by pro-business activists seeking higher rates of corporate profit and a diminished welfare role of the state. More than a political philosophy or set of policies, neoliberalism, for Duggan, is “a wide-ranging political and cultural project [which entails] the reconstruction of the everyday life of capitalism, in ways supportive of upward redistribution of a range of resources, and tolerant of widening inequalities of many kinds.”

The more coercive, globalizing, and overtly imperialist aspects of the neoliberal project tend to receive more analysis than do seemingly benign, if not virtuous, practices of philanthropy. To be sure, the association of neoliberalism and philanthropy is not self-evident, particularly as neoliberal thought extols the marketization of everything, whereas philanthropy is commonly thought of as distinct from business. So, my work in this article has been to highlight ways in which relations among the charitable fundraising industry, donors, charities, and the state are aligned with neoliberalism — for example, in making philanthropy increasingly an arena for entrepreneurialism. I have shown how the historically arms-length relationship between charities and funders is becoming more personal and more closely modelled on business principles. I have examined, too, how the “new philanthropy” is facilitating dismantling of the welfare state. Philanthropic social services are not less expensive when all costs are accounted, but they are less democratically accountable than state services, and they produce a
stratifying division between givers and receivers. Finally, as universality is eroded and elites are ennobled, a disempowering and depoliticizing ideal of citizenship takes effect, one that sees giving and volunteering automatically as the normal and best way to make the world a better place.

The changes I have described are self-reinforcing. To begin with, the state, in increasing tax incentives on donations, subsidizes the burgeoning industry of financial planners and charitable fundraisers, whose incomes from fees or commissions represent a portion of the taxes they have saved their individual clients (or donors). For their part, gift planners and other fundraisers, determined to make their work donor-centred, assist the elite to memorialize themselves, raise their stature, or assert their influence within social service and cultural institutions. Charities play their part, too, in lauding generosity but never recognizing that taxpayers finance half, or more, of each large donation through the tax credit.

Analytically, then, the “new philanthropy” fits well within a theory of neoliberalism as a political and cultural project. The pitfall in thinking about the changes in philanthropy in these terms, however, is to make neoliberalism appear as monolithic, even inexorable. To avert this error, the next task would be to identify oppositional, radical, or subversive counter projects to the “new philanthropy.” Ongoing support for progressive taxation as an ethical expression of generosity and public-mindedness would be one example. Another would be work to reverse the recent tax reforms that benefit the very wealthy. Yet another would be efforts to keep responsibility for public services within the public sector. Any recognition and celebration of the ordinary and extraordinary contributions to the public good of workers, caregivers, community organizers, and activists would be part of a counterphilanthropy, as would strategies to de glamorize grand gestures of the super-wealthy. Perhaps the most challenging counterproject would be to conceive of a socially just philanthropy. To the degree that social justice movements and organizations require material backing and support, organizers need tools to work through the inevitable tensions and contradictions when seeking and receiving the help of their more privileged benefactors.
Notes

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2. The catchphrase “new golden age” is vague allusion, but some historians of previous “golden ages” have shown how philanthropic largesse functioned to consolidate the class hegemony of the industrial barons, as their money served to give credentials and employ their sons in elite professions while giving their daughters exclusive venues for carrying out high-minded projects for shaping good citizens. See Peter Dobkin Hall and George E. Marcus, “Why Should Men Leave Great Fortunes to their Children? Class, Dynasty and Inheritance in America,” in Alicia H. Munnell and Annika Sunden, (eds.), Death and Dollars: The Role of Gifts and Bequests in America (Washington, DC: Brookings Institution Press, 2003).


7. Nine estate lawyers, including five who specialize in planning and four specialists in litigation, were interviewed about changes in patterns of charitable giving or disputes involving charities that they have seen over the duration of their practice. Four of the nine practice in downtown Toronto in four of the premier firms in estate law. Three of these direct a large group practice in their respective firms. One is in independent practice serving middle-class clients in Toronto. The other four practice in established firms in three other southern Ontario cities. Of the six men and three women, all but one has been specialized in estates for 10 years or more. These interviewees are referred to as L1 through L9 in the text.


11. Havens and Schervish, Millionaires and the Millennium.


13. The decade to which this forecast applies was not specified. Paul Dalby, “Will the ‘Me Generation’ Become Generous Givers? Many will be Inheriting Part of about $550 Billion; Charities Hope People will Plan their Donations,” The Toronto Star (8 May 2003), p. K04.
14. Paul L. Menchik and Nancy A. Jianakoplos, “Economics of Inheritance,” in Miller and McNamee, (eds.), *Inheritance and Wealth in America*. Havens and Schervish’s estimate has received the following critiques: The projected economic growth in their simulation neglects market downturns and economic recessions; their baseline of personal wealth in 1998 was established at a time when stocks and bonds were unusually high; current family wealth cannot predict the value of the final estate because families tend to spend down their assets after retirement; increased longevity will further reduce assets; and much income is now annuitized, so it is unavailable to be transferred. Havens and Schervish reply that their model is cautious and that $41 trillion is the lowest projection of three reasonable scenarios that they model. They also point out that they have taken into account the different patterns of spending and accumulation of the wealthy and super wealthy compared to the majority of families. See Havens and Schervish, “Why the $41 Trillion Wealth Transfer Estimate is Still Valid.”


19. They predict that the major portion of the intergenerational transfer will be allocated to heirs ($24.6 trillion), and about half of this will go to heirs of the wealthiest seven percent of estates. The rest will go to estate taxes and estate settlement expenses.


24. Dalby, “Will the ‘Me Generation’ Become Generous Givers?”

25. They base this conclusion in part on the findings of “Giving USA,” which reported that aggregate charitable bequests grew by 168 percent from 1980 to 2000. Schervish and Havens, “Gifts and Bequests,” p. 139.


27. These lawyers’ observations are confirmed by a trend study of generosity over a 30-year period. The National Survey on Household Expenditure shows that among households that donate, those in the lowest income quintile tend to give as much or more in charitable contributions and gifts to individuals as a percentage of disposable income than do households in the top income quintile. Paul Reed, “Generosity: 30 Years of Giving,” in *Canadian Social Trends* (Ottawa: Statistics Canada, 2001).


29. The foremost Canadian organizations include: Imagine Canada (est. 2005 from the alliance of the Canadian Centre for Philanthropy (est. 1981) and the Coalition of Voluntary Organizations (est. 1974)); the Canadian Association of Gift Planners (est. 1996); and the
Association of Fundraising Professionals — Canada (international organization, est. 1960 in NY).


34. For example, the survey found that only 36 percent of spontaneous donors intend to claim the tax credit, compared to 64 percent of donors who plan in advance the amount of their gift. *Ibid*.


37. Both the Liberal and Conservative parties campaigned on the promise to squash the capital gains tax on charitable gifts. The policy emerged as a recommendation of the Senate Committee on Banking Trade and Commerce in 2005 after lobbying by Imagine Canada and the Canadian Association of Gift Planners.


41. Schervish and Havens, “Gifts and Bequests,” p. 149.


47. Miller and McNamee, “The Inheritance of Wealth in America.”


51. Standing Senate Committee on Banking, Trade and Commerce, “News Release: Eliminate Capital Gains Tax on Donations to Registered Charities of Listed Securities and

52. Brooks, “The Tax Credit for Charitable Contributions.”


54. The remaining revenues come from several other sources, such as unreceipted donations (four percent), fees (six percent), gifts in kind (two percent), donations from other charities (four percent) and investment income (four percent). Receipted donations from corporations provide only one percent of revenues for nonfoundation charities. David Sharpe, “The Canadian Charitable Sector: An Overview,” in Phillips, Chapman, and Stevens, (eds.), Between State and Market.


58. Brenda Cossman and Judy Fudge, (eds.), Privatization, Law, and the Challenge to Feminism (Toronto: University of Toronto Press, 2002).

59. The job of fundraiser is quite representative of the charitable sector as a whole in terms of its distribution by gender and sector. Most fundraisers (60 percent) are employed in small organizations of fewer than 25 employees, which tend to be in the arts, culture, and humanities, or social services subsectors. In these jobs with smaller charities, extrinsic factors associated with job satisfaction (e.g., pay, workload, stress, opportunity for career advancement) are the least favourable. For fundraisers at all levels of the profession, survey scores on satisfaction with Work-Life balance are lower (at 59 percent) than for comparable employment categories (at 71 percent) and for the labour force as a whole (75 percent). McMullen, “A Portrait of Canadian Fundraising Professionals.”


61. King, Pink Ribbons, Inc.

