

ERAS OF RELIGION AND PHILANTHROPY

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First Era – Religious Philanthropy was Predominant in the Nonprofit Sector (17th - Early 19th Century)

Religion has been the backbone of the United States since the country's creation. Not only because of invisible religion (see Invisible Religion for more information), but especially in building the foundation for philanthropy. John Winthrop, a staunch Puritan and one of the founding figures of the Massachusetts Bay Colony, the second major settlement in New England, preached about the necessary influence of religion in the new colonies. Winthrop was an influential figure in government, particularly when supporting religiously motivated legislation. Furthermore, his religiously conservative ideology eventually spread to neighboring towns and colonies (King, 2018). European colonization spread across North America in the 1600s, along with a sense of duty to participate in philanthropy stemming from religious beliefs. Native Americans first exercised philanthropy by providing resources and materials to European settlers to ensure their survival. On the other hand, European settlers wanted to provide indigenous people with “education, religion, and all the institutions of ‘civilization,’” (Shaker & Ho, 2020). Essentially, European settlers planned to spread Christianity and convert indigenous people in North America in hopes to establish what they deemed as civilized society. Despite the aid provided by, and good nature demonstrated by Native Americans, European settlers viewed the conversion of Native Americans to Christianity as religious philanthropy. Throughout the 1700s, philanthropy remained rooted in religion and morality, with the majority of charitable organizations established originating from churches.

The Great Awakening social movement somewhat shifted the motivations behind philanthropy in America. In the early 1700s, the Great Awakening spread throughout New England colonies as a religious revival movement to combat increased interest in science and logic sparked from the Age of Enlightenment. The passion for religion was declining and religion was becoming less personal in the American colonies. In response, Christian leaders traveled throughout the colonies spreading the gospel, preaching about salvation (History Editors, 2018). Despite a growing and renewed interest in religion, the authority of the churches weakened. Church members began practicing philanthropy outside of the church instead of relying on institutionalized philanthropy. This individualized growth, and sense of wanting to serve the community not dictated by the church would proliferate throughout the 19th and 20th centuries, and would be attributed to the beginning of large, systematically organized philanthropy.

Second Era – Religious Philanthropy Began to Phase Out as Secular Institutions Proliferated (Late 19th - 20th Century)

In the late 1800s, social, environmental, and economic effects of the Industrial Revolution were observable and changing perceptions of religion from the Great Awakening were settling. Simultaneously, unprecedented change was unfolding in the philanthropic sector. As religious organizations dominated philanthropy and served the poor primarily for religiously moral reasons in the 1700s and early 1800s, charity reformers warned that the continued generosity would make the poor dependent on charity (Hansen, 2017). After the American and Industrial Revolutions, public attitudes and perceptions of religion and philanthropy began to change. Industrialization, urbanization, large-scale immigration, increased taxes and housing prices, increased poverty rates, and the spread of laissez-faire philosophy exponentially intensified reliance on public assistance. Consequently, as a result of continued poverty despite widespread reliance on charity and public assistance, philanthropy shifted toward science rather than poverty alleviation, which had been inspired by morality and religion. The early and mid 19th century can be distinguished for the significant increase in secular schools, private philanthropies, such as the United States Sanitary Commission (USSC), and scientific philanthropies, such as the Smithsonian and Lowell Institute.

The attention of the philanthropic sector shifted again at the end of the 19th century following the Civil War. During the Civil War many secular and religious philanthropies directed efforts toward providing supplies and resources to soldiers. For example, the USSC was one of the largest organizers of charitable efforts, supporting both sides of the war. After the Civil War, and for the remainder of the 20th century, the number of philanthropies and charitable organizations skyrocketed to unprecedented numbers and across a variety of social sectors such as women's suffrage, black empowerment, and environmentalism. New organizations were created to address these developing social concerns such as the Young Men's and Women's Christian Associations (YMCA and YWCA) and the Salvation Army (King, 2018). The nationwide increase in civic activism, social issues gaining public interest, and later systematic changes to the philanthropic sector left religious institutions questioning their role in this complex and crowded arena.

In the two decades following the Civil War, the United States saw an explosive growth in steel mills, factories, and railroads which promoted job creation and increased wealth. The industrial revolution increased the overall wealth of the United States by allowing those who had capital, specifically in production, to get richer, and other investors to move up in the middle class. Simultaneously, those who were already poor and had no capital, remained poor despite the growing middle class (Bolshin, 2021). Disease and poverty during this time proliferated, and the government could not support all of the aid demands. Aid and assistance to the poor were provided by some of the estimated 4,000 millionaires who believed in using their wealth to support the less fortunate (Shaker & Ho, 2020). These millionaires include Andrew Carnegie and John D. Rockefeller who began some of the largest and most successful philanthropic organizations to date. Carnegie and Rockefeller urged their coequals to manage their wealth during and after their lifetimes by giving back communities through philanthropy. As such,

American philanthropy and professionalism in American philanthropy reached a turning point. Fundraising techniques and fund development careers changed significantly from what had been established from smaller, religious institutions throughout the 18th and early 19th centuries (King, 2018).

Other events like the Great Depression, World Wars I and II, civil rights movements, and the economic recession in the 1970s maintained this evolving philanthropic sector as the need for public assistance and the landscape of philanthropy changed. The number of secular foundations was increasing and receiving more government funds while also professionalizing the sector. Additionally, the federal government, through legislation, began developing a bureaucratic structure in the philanthropic sector by systematically structuring philanthropic activities, taxes, and international affairs (King, 2018). One of the trends that proved to be most difficult for religious philanthropies was the rise of secularization in the mid-20th century. As previously mentioned in Secularization Theory, secularization theory does not necessarily indicate that there was a loss of, or in, faith among Americans. However, there was a separation between established government institutions and religion. Even more, Divisive Religion mentions that the perception of established religion in the United States was beginning to be seen as divisive and a “threat to the American culture status quo” in the mid-20th century (see more: Divisive Religion). As the federal government began to officially separate from religion, the public became more aware of this separation and the decrease of religious authority. Secular institutions were simultaneously increasing and adding new values and methodologies to the operations of the philanthropic sector.

Third Era (Modern Day; Mid-20th Century to Present Day) – Religious Philanthropy is Obscured; Secular Institutions are Rising

The 20th century provided new means for philanthropic organizations, and especially for faith-based organizations (FBOs) to help civil society via the development of social, environmental, and economic issues and the modernization of status quo. Many movements significant to modern day policy and status quo occurred during this time: negative biases towards religion were on the rise among younger generations; the federal government was balancing international affairs such as the Cold War, technological advancements, economic recession, progressive social norms, and growing diversity. Furthermore, philanthropies were coordinating with the federal government and private sector on how to exist and function in civic society without overstepping on the government’s role to provide public services.

In addition to federal government intervention in the philanthropic sector, the rise of secular nonprofit organizations succeeding at operating in a profit-oriented market economy has posed challenges for FBOs hoping to receive government funding. The difficulty that FBOs experienced while attempting to receive government funding can be traced back to *Bradfield v. Roberts* 1899, the Supreme Court case that allowed a federal government grant to help fund the construction of a Catholic hospital (Chaves, 2003). Throughout the 20th century, and

into the present day, debate has intensified surrounding whether faith-based organizations and religious institutions should receive government funding. Supreme Court rulings have specified the language that justifies when FBOs can receive federal funding - when the fund will not be used for specifically religious purposes (Chaves, 2003). Organizations such as the American Civil Liberties Union have worked to gain public support and pressure the federal government to uphold the First Amendment and not provide funds to religiously affiliated organizations. The First Amendment separation of church and state clause, pressure from the public, judicial rulings, and increased competition among the more than 1.5M nonprofit organizations all contribute to the difficulty that FBOs experience when applying for federal funding (National Center for Charitable Statistics, 2020). The Indiana University Center on Philanthropy and School of Public and Environmental Affairs found that secular organizations are more likely to receive government grants and funding than religious congregations or other FBOs (Indiana University, 2006).

Some prominent philanthropic institutions, such as the Salvation Army and the Rockefeller Foundation, established in the 19th and early 20th centuries grew to later become some of the most influential foundations today. Simultaneously, secular organizations were created at an exponential rate. These newer, modern philanthropies dominated and shifted the nonprofit sector. Such organizations include the Bill and Melinda Gates Foundation, the Zuckerberg Initiative, and the Walton Family Foundation (Reich, Codelli & Bernholz, 2016). These are considered contemporary, and are prominent icons of the third era of philanthropy. These secular institutions have extreme influence, less government scrutiny than religiously associated institutions with regards to funding rules, and increased spotlight attention. Additionally, the federal government has turned to these contemporary organizations primarily to support public services using government funding (Reich, Codelli & Bernholz, 2016) (see more: Race-Based Philanthropy and Place-Based Philanthropy).

The main issue that religious institutions face in contemporary philanthropy is funding. Faith-based institutions are more likely to rely on donations while secular institutions are more likely to rely on government funding. Some scholars argue that the reliance on individual donations raises concerns about the long-run viability of faith-based initiatives. Despite the decreasing influence of FBOs in the philanthropic sector, FBOs are extremely vital to America's civil society. Although fewer Americans attend places of worship than in the early 19th century, FBOs continue to receive the largest share of donations than other nonprofit sectors (Jones, 2021). In 2020, FBOs received 28% of all charitable donations in the U.S., followed by 15% for educational nonprofits (Rudolph, 2021).

Moving Forward: Religion & Philanthropies

There is a misconception that religious and secular institutions are pitted against each other in the nonprofit sector. In reality, the two are united under the shared value of civic duty in assisting with unmet needs and demands of the public. This shared duty is important for the future of FBOs to connect with and collaborate with secular institutions over shared values.

Personal biases towards religion, systematic changes to the philanthropic sector, judicial rulings, and religious plurality have all impacted the public's perception of FBOs. A shared values approach entails that organizations, secular and faith-based, inherently have the same underlying values and beliefs that drive their organizations, and dictate the decisions and behaviors of employees and management (Cornell University). Based on the religiosity of an organization, the values shared with a secular organization may vary, making this approach more difficult for some FBOs. Shared values additionally present the identity of an organization and can influence perspectives within the sector, but also among public opinion.

To incorporate shared values, FBOs can make efforts to declare public statements that clearly demonstrate their plans and positions on social, economic, and environmental issues. In doing such, the public, and other philanthropic organizations, can have an open dialogue regarding shared values to help break down barriers that may exist. Clearly conveying plans and intentions, which are sometimes hidden in obscure areas of the organization's website (see Expressions of Faith for more information), will better reveal the intentions of the organization. FBOs websites may also change the about sections or mission statements to include terminology that is digestible to the general public and that clearly reflects the nature of the organizations. Although the research on the impact of shared values on public opinion is limited, utilizing this strategy will create clarity for the public and for secular organizations on the positions of FBOs and overall help the public image of FBOs while benefitting secular-FBO partnerships.

Shared values combined with a collective impact model will allow secular organizations and FBOs to work together to address social problems. Collective impact is based on the idea that social problems are created and continue to exist because of a complex combination of actions by entities from all sectors (Kramer & Pfitzer, 2016). These social problems can then only be resolved through the combined efforts across all sectors. A collective impact approach allows all parties to bring their relevant data, research, and information regarding a problem, then collaborate to approach a solution.

When implementing a collective impact approach, senior leaders from FBOs and secular organizations may meet and present their potential solutions. Additionally, local communities impacted by the problem must be empowered and encouraged to engage in these conversations with senior leaders. Through a shared agenda, each involved organization can engage in reinforcing activities and practices that each organization is specialized in instead of developing new methods and skills. Issues that may prevent organizations from implementing a collective impact approach are investment justifications, lack of open communication, and mistrust of partners. However, through established shared values and a collective impact approach, FBOs can positively impact public opinion and build and strengthen relationships with secular philanthropic organizations to tackle important social issues in society, potentially increasing government funding to FBOs.

FBOs will remain vital institutions in the philanthropic sector, and an essential component of civil society that people across the United States depend on. Not only do FBOs receive

the largest share of individual financial contributions, FBOs also contribute a significant amount of resources to America's social safety net. In 2021, The Bridgespan Group found that FBOs account for 40% of social safety net spending mainly focused on providing food, shelter, and clothing to those in need (Rudolph, 2021). What's more, FBOs offer a space where underrepresented groups can gather over shared interests. Many religious institutions serve as community-level gathering places for Black, Asian, Native American, Latino, and other marginalized communities. These institutions then serve as a direct channel to provide resources to these communities who are historically underserved. Families in low-income and minority populations are more likely to receive aid and assistance through religiously affiliated institutions rather than secular organizations (Pew Research Center, 2009). FBOs assist the most vulnerable populations in the United States and have provided social services for centuries. There is a substantial amount of work done by FBOs that benefit and strengthen America's diverse communities, hence why FBOs and secular institutions, who maintain strong influence in philanthropy, must work together to create long-term solutions to overcome our most vulnerable, and marginalized communities.

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