This PDF is a selection from an out-of-print volume from the National Bureau of Economic Research

Volume Title: The Changing Position of Philanthropy in the American Economy

Volume Author/Editor: Frank G. Dickinson

Volume Publisher: NBER

Volume ISBN: 0-87014-209-7

Volume URL: http://www.nber.org/books/dick70-1

Publication Date: 1970

Chapter Title: Basic Concepts

Chapter Author: Frank G. Dickinson

Chapter URL: http://www.nber.org/chapters/c3327

Chapter pages in book: (p. 35 - 38)
1 Basic Concepts

The word philanthropy literally means "love of mankind." Philanthropic acts manifest the generosity of the giver. The literal meaning of the word must not be forgotten at any stage of a study of philanthropy, for our period of time or for any period of time. It does not, however, provide a ready means for circumscribing or limiting the concept itself. All acts that we perform because of love of our fellow man would be indeed difficult to encompass, so the definition should indicate some boundaries which the literal meaning of the word does not provide.

One always hesitates to try to define a concept as one can define a term, but one can describe a concept. In this study what we mean by philanthropy is giving money or its equivalent away to persons and institutions outside the family without a definite or immediate quid pro quo for purposes traditionally considered philanthropic. If one were in an ideal position to measure all payments which might be called philanthropic, he would certainly look for all types of transfer payments, excluding only the transfers between members of the family. The term family, in the sense that it is used currently by the Office of Business Economics and Bureau of the Census, i.e., persons who are living together, would probably seem too narrow in some family situations. But, as will be noted in the discussion of the data, it has not been possible to
include all the amounts that are needed to describe this ideal concept of philanthropy.

This implies that an attempt is being made to measure the generosity of the American people. If the generosity is manifested toward the peoples of other countries, the data are assigned to foreign philanthropy, either private or public. The concept includes all types of transfer payments that meet the standard regardless of their size. If the funds are provided through government, the resulting expenditures are classified as public philanthropy, domestic or foreign. The decision not to restrict the concept to private sources of funds may cause some to find this concept of philanthropy too broad.

The basic emphasis, however, is on the activity itself. If it has been traditionally considered philanthropic and is transferred from a private area to a public area, it is still considered to be a philanthropic expenditure. At the beginning of the period, and before the Social Security Act began to distribute benefits, many types of local, private, secular, and religious provisions were made for the care of the aged. In addition, local and state government funds were used under some circumstances to provide for the care of the indigent aged. Now that so much of this activity has been transferred from the private to the public sphere, this concept implies only the need to distinguish between public domestic philanthropy and private domestic philanthropy. This illustration also indicates some of the flexibility inherent in both the broad design and the broad concept of philanthropy. Again, for those who prefer some other, possibly narrower, definition, the data are arranged in such a way as to facilitate rearrangements and exclusions to fit particular needs.

On the whole, it seems wiser to use a broad definition in order that more pertinent data may be brought within the compass of the study. It is much easier to remove data or classifications from a study than to insert new ones. Although our classifications may not be ideal for everyone, the intention will be to keep them in line with this purpose.

THE PERIOD 1929–59

The availability of data was only one factor in the choice of the period to be covered by this study. The year 1926, for example, would have been a better initial year for the religious aspects of philanthropy be-
cause of the thorough Census of Religious Bodies by the Bureau of the Census in that year.² On the other hand, the comprehensive data for social welfare expenditures, starting about 1935, suggested the choice of 1935 as the first year, but the Great Depression could not be omitted. The periods covered by two earlier National Bureau studies² ended in the 1920's; this fact was a minor consideration.

The basic reason was historical. The present study covers one set of activities in the social history of the American people. In preparing the general plan for the study, the 1920's seemed to loom as the end of a period in the history of philanthropy and the dawn of a new period which may well be called the “social welfare” era.

THE RESEARCH DESIGN

Philanthropy has its international as well as its domestic aspects. And in the support of philanthropic endeavors both public and private funds are intermingled. Therefore, for this study a fourfold division is clearly indicated, which I shall term the quadrants of philanthropy: private philanthropy, domestic and foreign, and public philanthropy, domestic and foreign.³

The reader should keep in mind also that the data will be assigned to each quadrant on the basis of who gives (public or private) and who receives (domestic or foreign), the fundamental relationship inherent in philanthropy itself.

Some of the reasons for this choice of research design will not be apparent until later in the study. Many familiar with the long history of charity, poverty, pauperism, and the various attempts over the centuries to deal with the problem and the related problems within the broader orbit of philanthropy, as well as with the contemporary situation in the late 1920's, might choose a different design. Indeed, it must be stated

emphatically, that this designation of philanthropy is not necessarily the best for any other period. For example, as King noted in his study of philanthropy in New Haven, Connecticut, during the period from 1900 to 1925,\textsuperscript{4} there were no federal government contributions to philanthropy in New Haven as late as 1925. In a more general way, this four-fold treatment of philanthropy might have proven somewhat awkward had the period of study been the first three decades of the twentieth century instead of the second three. Indeed, for an earlier period when there were not so many persons acting as individuals or as private or public officials giving away so much money to so many persons at home and abroad, for so many purposes, the present concept would probably have been too broad.

The most essential fact in choosing a research design for this study was that philanthropy is essentially a dynamic subject because it manifests a contemporary response to a particular set of conditions. It would have been possible, of course, to exclude one or more of the quadrants and, instead, call the expenditure classified therein substitutes for philanthropy, or income transfers, or benefits guaranteed by government. As the data are developed, however, it will probably become abundantly clear that the use of such terms would have narrowly confined the treatment of a dynamic subject in a very dynamic period of social, economic, and political change, thereby blurring historical patterns.

Finally, this study emphasizes the flow of funds, that is, income and outgo. It had been hoped at the beginning to provide the asset and liability items, so that the report would, in a certain sense, become a section of the national wealth and income accounts, but limitations of time and information rendered that impracticable.

\textsuperscript{4} Willford I. King, \textit{Trends in Philanthropy}. 