

Elite, Philanthropy and Development

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SUMMARY

Elite philanthropy is a relevant research topic as it explores nuances of an under studied field. This research will start reviewing Brazilian and U.S. literature on the topic, aiming at framing its profile. The study will be narrowed to the context of elite philanthropy in Brazil based on the interviews. This dissertation will aim to identify issues regarding the engagement of high net worth individuals in Brazilian philanthropy. The outcome of this research is that major donors have a significant potential to contribute more effectively to the philanthropic sector in general. Nonprofits could benefit from a more constructive relationship with major funders, which would positively impact a wide range of elements surrounding philanthropy.

PREFACE

The objective of this research is to explore elite philanthropy in Brazil. The wealthy are an influential group in this context and play a significant role in it. To explore the trends and implications of the current scenario, I investigate quantitative and qualitative data about Brazil and the United States of America. The U.S. was chosen as a base of comparison for this study because it is the most mature philanthropy in the world. In addition, I conduct interviews with Brazilians philanthropic players from different backgrounds in the sector.

I take this opportunity to express my profound gratitude for my supervisor, Mr. Mick Moore. Without his valuable remarks, support and patience, the process of this research would have not been constructive – or completed.

I dedicate all the effort put in this paper to my loving family and friends (present and future), for keeping me going in this planet of constant challenges. It is for them I live.

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INTRODUCTION

Elite philanthropy is a growing trend around the world. Firstly, the wealth and population of high net worth individuals (HNWI) is growing globally. In 2017, their combined wealth broke the record of US\$ 70 trillion (Capgemini, 2018). Secondly, the number of HNWI grew by 11.2 per cent. Thirdly, the level of giving of the wealthiest HNWI is also growing. The Major Giving Index reached its peak in 2015, with estimates of 18,500 ultra HNWI donating at least US\$ 1 million to philanthropy. Finally, heirs to these fortune could worth an extra US\$ 3,9 trillion in the next ten years (Wealthy-X, 2016). Therefore, the current scenario is favourable to the prosperity of elite philanthropy.

Nevertheless, elite philanthropy often faces controversy for the paradoxical nature of it. Whilst the wealthy are expected to be generous, they are criticized when they are not. Brenmer describes the reality of the scrutiny wealthy philanthropists face, suggesting that “when they make benefactions, we question their motives, deplore the methods by which they obtained their abundance, and wonder whether their gifts will not do more harm than good” (1988, p. 2). Indeed, it is a phenomenon which puts elements such as wealth, power, influence, and money in a context of social change. As a result, it might occasionally be surrounded by conflicting interests.

In this sense, this paper focuses on the role of the wealthy in the Brazilian philanthropic sector. To develop the discussion, I will first define the relevant concepts and describe the methodology used to reach the objectives of this research. In Chapter One, I will analyse data on Brazil and the United States of America to give an overview of the philanthropic sector in both countries. Initial evidence is presented concerning historical shifts, patterns of giving and profile of the philanthropic players in each country. Chapter Two explores the outcomes and findings of interviews conducted on the issues surrounding elite philanthropy in Brazil. Themes include the influence of the wealthy in the management of nonprofits, the values they bring to philanthropy and the potential roles they could play in the sector. Chapter Three explores the main lessons learned from the analysis on each country and the interviews. The Conclusion

reviews the implications presented previously and gives recommendations on elite philanthropy in Brazil.

1. Motives for research

Elite philanthropy is a relevant research topic as it explores nuances of an under studied field. Most of the literature available is about traditional philanthropic countries such as the USA, scarcely about developing countries. Therefore, the literature available on Brazil does not represent a solid analysis on the wealthy or the dimension of their giving. Likewise, there is a gap in the study of the various ways in which elites can connect to causes and influence their path. Thus, to understand elite philanthropy means to acknowledge their importance as a relevant player in this context and it contributes to the relevant study of philanthropy in general.

2. Concepts

To understand philanthropy and the nuances of the role of the wealthy, this chapter will conceptualise the relevant terms used in this research: philanthropy, high net worth individuals, elite philanthropy, major donors, nonprofits and professionals.

2.1. Philanthropy

The concept of philanthropy is defined in the dictionary as the “goodwill to fellow members of the human race; especially the active effort to promote human welfare” (Miriam Webster, 2018). In this sense, I will use philanthropy as a broad phenomenon of private giving for public purposes, regardless of being concentrated on the poor or not (Ostrower, 1995, p. 4). It considers charity a part of it. For this paper, I will refer to philanthropic sector as players and institutions related to philanthropic activities.

2.2. Wealthy

This paper focuses on the specific group of high net worth individuals (HNWI). The criterion is the net worth of at least US\$ 1 million dollars (Capgemini, 2018, p.3). I will repeatedly use elite and wealthy as synonyms, or the acronym HNWI. The concept of elite philanthropy will be a combination of the concepts of elite and philanthropy, i.e. philanthropic activities carried out by a wealthy individual. In this matter, wealthy individuals who engage in philanthropy by giving and/or volunteering will be called major donors (Schervish, 1999, p. 59-60). For the purpose of this paper I refer only to individual donors, excluding corporations.

2.3. Non-profits

For the purpose of this paper, I will refer to not for profit organisations as simply nonprofits. I will narrow down to the organisations that receive money from major donors (Powell *et al.*, 2006, p. 3). It includes civil society organizations, foundations, associations, philanthropic organizations, and non-governmental organizations. I will deliberately exclude nonprofits which offer services only to members. This study will not make any distinction in terms of area of activity. In addition, I will refer to professionals as all individuals working in those nonprofits.

3. Methodology

This research uses mainly qualitative data to address elite philanthropy in Brazil. Secondary data is used in the form of academic sources to map the situation of philanthropy and define the main discussions around the topic in the U.S. and in Brazil. I also use literature to expand on the concepts explained above. In addition, I engage in the collection of primary data in the form of interviews with seventeen Brazilians somehow connected to philanthropy. The use of quantitative data will refer to statistics on giving both in Brazil and the U.S and the results of the interviews (Creswell and Clark, p. 5, 2007).

The interviews were conducted during the summer of 2018. The first sample of interviewees was a personal selection of the author, based on previous personal and

professional contacts. This selection was based on a set of three categories of interviewees: major donors, professionals and consultants specialised in the social sector. The second sample was formed by contacts given by the first sample of interviewees, and included professionals from entities which represent the philanthropic sector. In total, there were seven major donors, four consultants, four professionals from non-governmental organisations, and two professionals from entities. The author preferred to use various types of respondents, instead of narrowing to philanthropists, to test the accuracy of positions among social sector players.

A list of broad questions was asked in order to gather as much information as possible on elite philanthropy in Brazil. Initially, I did not have significant hypothesis on the topic, so I was seeking to understand the sector and raise interesting issues. Hence, it took me a lot of adapting to the outcome of interviews throughout the process. I often had to add questions during the interviews. The following set of questions was asked to all interviewees, with minor adjustments considering their category:

- a) How do you see the latest changes in Brazilian philanthropy?
- b) Is there a context where major donors could be more relevant in this scenario?
- c) What do major donors expect from their donations?
- d) How do you see the spread of philanthropic values among the wealthy?
- e) Will/should the social sector always depend on major donors?
- f) What is the relationship between philanthropy and social change?
- g) What kind of changes do you think philanthropy could make?
- h) Why do you think philanthropy faces criticism?

In addition, the list included extra questions to major donors regarding their giving habits. Those questions were: (i) how did you take the decision to give?; and (b) did you have any expectations or requirements? As those questions encompass personal aspects of the act of giving, it was more demanding than interviews with professionals. The challenge was to give the impression that it was a friendly conversation, without losing the purpose of the interview (Berry, 2002, p. 679).

It is important to note that the first question regarding the changes in the Brazilian philanthropy was intentionally general. Initially, it was thought as a way to create a more informal atmosphere to avoid any potential tension. In practice, in most cases the first question served as an open door for interviewees to shape the focus of the interview on their topic of interest or expertise. Therefore, in many occasions interviewees answered numerous questions on the list spontaneously, before being asked.

3.1. Challenges

Firstly, the timing of interviews was a drawback. They happened during the Brazilian winter, when normally the wealthy take long vacations to the U.S. or Europe. Also, the study was undertaken during World Cup season. In Brazil, it is a very important event and companies and nonprofits normally give part of the day off when Brazil played. With less working hours, professionals had a tight schedule. Therefore, it was more difficult to find suitable dates and most interviews had to be postponed to late July and August.

Secondly, my expectation was to reach more wealthy interviewees through my first sample. Unfortunately, that was not the case. The majority of people were willing to put me in contact with potential interviewees from nonprofits and entities, not major donors. Indeed, it is difficult even for nonprofits to reach the wealthy and they might want to protect that relationship.

Thirdly, the majority of the sample is based in Sao Paulo. This could generate a bias towards what philanthropy looks like in Sao Paulo, instead of the country in general. However, the majority of interviewees works outside Sao Paulo as well and could give useful impressions on other regions.

Then, I was often not able to ask all questions to all interviewees. Answers were generally long – up to ten minutes. Also, some interviewees presented dimensions of philanthropy which were not in the questionnaire. As a result, in some situations I had

less or no time to approach certain questions. Consequently, having patterns of answers from a group of interviewees does not necessarily mean that the other respondents disagree with it. They might not have had the chance to express their opinion. To a certain extent, it might negatively affect the findings and interpretations of it.

Finally, on numerous occasions the same interviewee gave different positions on the same subject. In these situations, I did not count those answers when establishing patterns because of the biases it could bring to the findings. This is another reason why I will not be able to answer all the questions that I proposed myself initially. Another reason is that questions were very broad to capture an overview of the issues in Brazil, which means I cannot cover all of them in depth.

CHAPTER ONE: THE PHILANTHROPIC SECTOR

The rationale of this chapter is to demonstrate the complexities that surround philanthropy and the wealthy both in Brazil and in the U.S. From historical shifts, to the influence of individuals and the interaction between players, all somehow shaped their current features. However, the diversity that defines philanthropy could be challenging the progress and prosperity of the field in both countries. In this sense, it is relevant to raise the characteristics that define philanthropy and its relations to the wealthy, and the latest discussions to further use as a base for the interview analysis. It is important to note that data about philanthropy in Brazil is not as extensive as in the U.S., especially about elite philanthropy. Therefore, it might have posed challenges to gathering information.

1. The Brazilian philanthropic sector

The emergence of the philanthropic sector in Brazil merges with the history of the country. Since the beginning of the colonisation period in 1500, the Catholic Church played a major role in government activities. The crown was its patron and used parish-based initiatives to establish a welfare system. With the independence in 1822, the Catholic Church started to lose influence. Then, political and professional interest groups and membership organisations started to be founded. However, with rather authoritarian governments in the twentieth century, the Catholic Church regained its space. Alliances were made as a tool to control the population. At this time, tax exemptions and funds were given to the Church, but not to the majority of civil society organisations (Landim, 1993, p. 2-3; and Anheier, 2014, p. 48).

The military coup in 1964 started a big shift in the philanthropic sector. Initially supporting the regime, the Catholic Church started to show support for social movements and propagate human and civil rights ideas. Their influence was more important because its infrastructure did not suffer the oppression other nonprofits did. During this period, political leaders, social movements and grassroots organisations emerged from Christian-based communities (Landim, p. 4-7).

After the end of the military regime in 1985, the size of the Brazilian philanthropic sector grew in size and range of activities. Most of them focus on different forms of public participation and engage with the state in promoting public deliberation on policy, not just implementation. Church-related organisations still exist but not with the same influence. Therefore, the Brazilian philanthropic sector is a result of all forces that contributed to its formation, being religious, social, or political. Traditional nonprofits coexist with contemporary ones, and politicised themed organizations are prominent (Anheier, 2014, 49-50).

These major advancements towards a democratic system helped Brazilian philanthropy to grow. The number of nonprofits in Brazil jumped from 76.000 in 1978 to 820.000 in 2017 (Lopez, 2018, p. 29). The massive majority of them are secular organisations, followed by 12 per cent of religious ones and 2 per cent of foundations. They raised R\$ 13.7 billion in 2015, or 0.21 per cent of the GDP (I.D.I.S. *et al.*, 2015, p. 10). Although in a slight rising trend, Brazil occupied the 75th position in the CAF World Giving Index (C.A.F., 2017a, p. 33). The most popular cause is health, followed by children and fighting hunger – 40, 36, and 29 per cent respectively (I.D.I.S. *et al.*, 2015, p. 29). However, Brazilians tend to give to those causes through religious organisations, amounting to half people who donate. It is interesting to note a feature of Brazilian philanthropy which indicates the stage of institutionalisation of giving. In 2016, giving cash directly was the most common way of making donations. It means that more than a third of donors still have direct contact with the nonprofits they give to.

Nevertheless, numbers show the challenge of professionalising Brazilian philanthropy. In 2015, 83 per cent of nonprofits in general did not have any employees. As a result, the philanthropic sector is predominantly comprised by micro-organisations. In contrast, the philanthropic sector employed 3 million people in 2015, representing 3 per cent of the working population and 9 per cent of workers from private institutions (Lopez, 2018, p.23). Therefore, these two pieces of evidence combined imply that there is a concentration of professionals in an exceptionally low percentage of nonprofits in Brazil.

When philanthropy is narrowed to the elite in Brazil, it shows a significant potential. In 2017, Brazil was ranked 18th in the ranking of the largest HNWI population in the world (Capgemini, 2018, 11). Also, it is the 8th country in the world with more billionaires, six positions below the U.S (Forbes, 2018). That means Brazil has more than 171.500 millionaires and 43 billionaires. In fact, one Brazilian billionaire committed to the Giving Pledge, and will donate more than half of his fortune. Therefore, elite philanthropy could become a more considerable growing trend among the wealthy in Brazil.

2. The U.S. philanthropic sector

2.1. Historical Context

The historical context of elite philanthropy emergence in the U.S. is essential to understand its modern features. In the colonial and postcolonial period, philanthropy was ingrained in religious initiatives. One-to-one gifts were the most common form of giving and public services that are now considered public, such as schools, hospitals and orphanages, were offered by religious institutions (Andrews, 1973, p. 90). Therefore, the face of philanthropy was more of an informal charitable activity.

In the second half of the nineteenth century, U.S. philanthropy underwent a paradigm shift. With the influence of large industrialists like Andrew Carnegie and John D. Rockefeller, the concept of *scientific philanthropy* spread across the country (Frumkin, 2006, p.8). For them, philanthropy was different from charity. Initially, their idea was to focus on diagnosing and addressing the root causes of poverty instead of covering basic needs (Carnegie, 1889; Rockefeller, 1908). In this sense, it was imperative to remove the obstacles that prevented the poor to help themselves to improve. However, these ideals influenced more than just philanthropic activities focused on the poor.

In addition, Carnegie and Rockefeller brought business management principles to the social sector. Both valued efficiency in resource management in their own affairs.

Hence, they advocated for the minimisation of waste and the adoption of best practices in social investment as well. In this sense, they prioritised major donations to strategic causes and institutions, believing in a greater impact of targeted philanthropy. This was an important direction of philanthropic activity in the U.S., which pioneered the idea of strategic giving.

Both philanthropists also stressed the ethical responsibility of the wealthy in social change. In *Gospel of Wealth*, Carnegie called on the rich to set the example of a modest lifestyle and preached the destination of wealth surplus to the public well-being while in life (1889). *The difficult art of giving* appealed to the rich to invest their effort, time and money in effective social change initiatives (Rockefeller, 1908).

Under similar ideals is the *Giving Pledge*, an initiative created by Bill Gates and Warren Buffet in 2010. It invites billionaires around the world to commit to donating more than half of their fortunes to social causes. Currently, more than 180 billionaires have signed letters pledging to donate their fortunes during their lifetime or in their will. However, through his foundation, Gates preaches a new profile of philanthropy. The idea is to create a network of nonprofits and establish partnerships. It is a 21st century strategy of intervention where nonprofits are stimulated to structure themselves. The ultimate goal is to reach scale (Gross, 2006).

Another paradigm shift occurred with the emergence of tax privileges for philanthropic activities in the U.S. The Revenue Act from 1884 guaranteed exemption of income taxes of nonprofits. The exemption was then officialised in 1913 with the enactment of the federal income tax. Four years later, individuals and corporate donors were allowed to deduct donations in their income tax (Simon et al., 2006, p. 271). Later, the 1954 Internal Revenue Code created a unique section dedicated to classifying various types of tax exemptions and regulating the activity of different kinds of nonprofits (Hall, 2006, p. 53). Nowadays, donations can be deducted from 30 to 50 per cent of the adjusted gross income. Hence, U.S. donors had a significant stimulus to engage in philanthropy, which also influenced the shape of philanthropy nowadays.

2.2. U.S. philanthropy is the largest in the world

As a result of such advancements, the U.S. is the largest philanthropy in the world in absolute and proportional numbers. The trend can be demonstrated by the amount of giving in the country. In 2017, it amounted to the record of US\$ 410 billion, which corresponds to 2.1 per cent of its GDP (Giving USA Foundation, 2018). From that amount, 70 per cent corresponds to individual giving. In 2016, it represented 1.44 per cent of the U.S. GDP (CAF, 2016b, p. 7). Of that amount, respondents claimed they donated the most to religious organisations – 29 per cent (CAF, 2017c, p. 5-7).

Nevertheless, the U.S. loses the first position when giving is considered in a broader sense. The CAF 2016 Giving Index ranks the U.S. the second country in the world in terms of its giving behaviour (CAF, 2016a, p. 10-11). The survey considers three actions: helping a stranger, donating money and volunteering. On average, 61 per cent of U.S. citizens made an effort to contribute to society in 2015. It is interesting to note that in 2016, prior to the election of President Donald Trump, the U.S. slipped down three positions in the Giving Index, affected by an overall drop of 5 percentage points considering levels of donation and volunteering (CAF, 2017, p. 10). Also, donations remained in a stable percentage of the GDP since the 70' (Charity Navigator, 2018). Therefore, although U.S. gives a large amount of money to philanthropy, the incidence of it among citizens is not as high as expected – and can suffer the influence of political outcomes as any other country.

In addition, trends on giving among the wealthy differ considerably from the general public. *The 2016 U.S. Trust Study of High Net Worth Philanthropy* shows that 91 per cent of this group's households gave to social causes in 2015 (U.S. Trust *et al.*, 2016, p. 12). This represents that 50 per cent more wealthy households donate more. However, the incidence of giving among major donors is facing a decreasing trend for much longer than the general public. In 2007, 98 per cent of high net worth households reported giving to nonprofits. This represents a drop in 7 percentage points. Also, wealthy households reported to have donated more to secular than to religious

initiatives – 88 per cent and forty nine per cent respectively. This behaviour is opposite to the general public, as demonstrated above (C.A.F., 2017c, p. 5-7).

In this matter, the discussion about the average share of giving considering different income bands has been under dispute among scholars. On the one hand, studies suggest that the general public give higher percentages of their income than wealthy donors. James III, Schervish and Havens argue that there is a U-curve relation between income and giving levels (James *et al.*, 2017; Schervish *at al.*, 1995a, 1995b, 1998). That means that lower and higher income bands are likely to give more, while middle income groups tend to give lower amounts. In this sense, while households with an income of less than US\$ 10.000 give 3.27 per cent of their income, households earning more than US\$ 150.000 or more donate 1.25 per cent of their income. That would imply that the poorest give more in proportional, not absolute terms.

On the other hand, other evidence suggests that the wealthiest families in the U.S. contribute more in proportion of their income (Havens *et al.*, 2006, p. 546; Auten *at al.*, 2002; Schervish and Szántó, 2006, p. 37; Anheier, 2014, p. 232). Those researchers found that there is a J-curve relation between income and giving. It means that there is a minor drop in donations among groups with slightly higher income, and a later increase in giving as the income rises. Therefore, the relationship between income and share of donations reaches its peak among the wealthiest. Also, the wealthy not only give in proportional terms, but in absolute as well. Studies imply that the top 5 per cent of HNWI make half of all donations in the country (Anheier, 2014, p. 232). It is interesting to see some of the scholars, who previously defended a U-shape relation between income and giving, revisiting their position and more recently sustaining a J-shape.

The size of U.S. philanthropy is not the only reason why it is seen as a benchmark. The level of institutionalization of giving is also discussed around the world. In 2016, 45 per cent of U.S. citizens gave money to nonprofits in contrast to donations to church or religious organisations, or directly to people in need. Also, the most popular way of giving is through credit or debit card, followed by cheques. Donating cash directly is

only the fifth way of giving (CAF USA, 2017). It is interesting to raise the possibility that donations to family members tend not to constitute giving in people's perception, so it might not be included in these statistics.

Noticeably, these pieces of evidence do not imply that one-to-one gifts or religious organisations are not a significant part of U.S. philanthropy. Indeed, U.S. citizens donate more to secular organisations, instead of religious ones. However, when asked about the cause they give to, not the kind of institution, 37 per cent claim they donated to religious organisations (C.A.F., 2017c, p. 5-7); which makes it the most popular cause to donate to in the U.S. Even so, the U.S. still presents relevant institutional features in modern philanthropy.

In fact, it is possible to assert that the U.S. philanthropy is the most advanced in the world. It proves to have the elements that make it a mature sector. Some of those include a substantial body of law, a considerable level of discussion among the general public and the sector itself, the body of literature on the topic, the amount of institutions dedicated to the study and measurement of philanthropy, its size, and the level of professionalization of staff of nonprofits. The features combined shaped the development of philanthropy and defines its current contour.

2.3. Current challenges on effectiveness and legitimacy

Nevertheless, U.S. philanthropy is not immune to facing challenges. Salamon raises effectiveness and legitimacy issues to defend the existence of a crisis in the third sector in the country (2001, p. 24-5). Firstly, he points out that nonprofits were unable or unwilling to demonstrate both the social impact they promote and the value of it. As a consequence, it led to a serious challenge on accountability to the general public. Secondly, he questions the capacity of the third sector in being propellants of social change and questions its *raison d'être*. Therefore, the confidence of the general public on the philanthropic sector got undermined.

In this respect, Salamon and Wolch present two opposite solutions. On the one hand, Salamon presents a strategy to renew the philanthropic sector in a move to centralise it (1999). The resolution relies on four measures: better monitoring, more creative resourcing alternatives, more citizen participation and raising awareness through education. On the other hand, Wolch challenges the suggestion regarding centralisation arguing that the sector could benefit from a more humane and comprehensive social contract in a decentralised philanthropy (1999).

In this scenario, the actions of the elite could play a major role in the pathway of the philanthropic sector in the U.S. Schervish considers the wealthy *hyperagents*, which means that they have more power to shape society's institutional framework - not only their own (2005, p. 60). Therefore, the wealthy could become more aware and understand the reality faced by the beneficiaries of philanthropic activities. This way, in a decentralised sector as suggested by Wolch, the elite would participate more in social change and be more responsive to those people's needs (1999, p. 33).

In this sense, the space philanthropy offers to elites goes far beyond donations. High net worth philanthropists contribute particularly to the way nonprofits function, for their best or for their worst. Therefore, bringing philanthropy and the wealthy together demonstrates the challenges in understanding the reach of the act of giving and its influence in the broader field of philanthropy in the U.S. Frumkin suggests that:

“Without validating and taking seriously the donor side to philanthropy, the field runs the very real risk of failing to provide a viable long-term explanation for philanthropy's continued growth and its ability to carry out any of its other more public purposes.”
(2006, p. 19)

2.4. Public perception of elite philanthropy

One of the main critical aspects of elite philanthropy is the way the general public perceives it. Although philanthropic values are generally socially accepted, practiced and expected, the actions of the wealthy are often scrutinised. As stated before,

philanthropy can bring a sort of power to the wealthy that average citizens do not benefit from (Schervish, 2005, p. 60). And since it is delicate to bring wealth and power together, elite philanthropy attracts certain suspicion in the U.S.

Elite philanthropy could be perceived as a non-democratic instrument of social control. Non-democratic because power derives purely from wealth and it allows HNWI to intervene in public interest. It would be socially controlling because giving would be directed by the values and visions of the wealthy, risking the perpetuation of class distinction. As a result, philanthropy could be used to avoid revolt by the beneficiaries who should be enjoying a true structural change (Frumkin, 2006, p. 13-14).

In that sense, the biggest target of criticisms is philanthropic foundations. Indeed, behind the major foundations in the U.S., there is a wealthy philanthropist such as Carnegie and Rockefeller. In 2017, foundations answered for 16 per cent of all giving in the U.S. (Giving U.S.A, 2018). Thus, they symbolise most of the resentment of elite philanthropy critics. As a matter of fact, U.S. foundations suffered an eight year government scrutiny in the 60', which resulted in the Tax Reform Act on 1969. It regulated private foundations, setting financial and political limitations of action.

Indeed, foundations can be paradoxical in its core purpose, mission and operation. Fleishman raises major contradictions, leading to questions about the position of foundations in social change (2007, p. xiv). First, foundations have the power to interfere in the nonprofits they give to, by imposing their own agendas. Second, the information about the activities of foundations can easily remain inaccessible to the general public. Third, because foundations can often neglect impact measurement, they can remain ignorant about the true needs of their own beneficiaries. On top of that, the wealthy can enjoy power over foundations due to a selfless donation of money gained by selfish interests. These are possibilities raised extensively in the literature on foundations, and are relevant elements that influence accountability issues (Whitacker, 1974; Cuninggim, 1972; Frumkin, 2006).

Those criticisms show the complexities and disputes which surround philanthropy in general. Indeed, foundations are a niche of elite philanthropy which epitomises all the emblematic characteristics of the philanthropic sector in general. Those are the use of private money for public purposes; the fact that it puts together values and needs of different social groups; that has in its core mission the promotion of social change; that carves for innovative ways to solve old problems; that enjoys a level of freedom that other players in social change do not have (Frumkin, 2006, p. 11-22). Therefore, the same features that put the philanthropic sector in a privileged position to take action and give space the wealthy to act are the ones that could lead it to failure.

CHAPTER TWO: SUMMARY OF THE RESULTS OF INTERVIEWS

This chapter is divided into five sections, according to the main issues of elite philanthropy raised by interviewees. These sections are major donors and the management of nonprofits, philanthropic values, the role of major donors in philanthropy, comparisons with the U.S. and visions for the future. The subsections are comprised by the statements that summarise the main point raised by respondents. Later, I briefly express my position on the topic of the subsection. My final interpretations of the interviews will be done in the next chapter.

1. Major donors and the management of nonprofits

Management values are a priority in the running of nonprofits. All interviewees raised the importance of running organisations according to certain guidelines. Some of the values that were raised by interviewees are governance and transparency, the importance of structure to ensure the legitimacy of the non-profit they give to, and a healthy relationship between nonprofits and their stakeholders.

1.1. Major donors demand control over the allocation of their gift

Major donors tend to demand control over the destination of their gifts. It is important to point out that they do not want to control nonprofits, they want to control what nonprofits do with the resources they donate. Eleven interviewees pointed out that major donors value knowing where their money was placed and having an assessment of its impact. A major donor considered that donation "is investment. I want to know the impact of my investment. It is either giving me a financial or a social return". I do not find this piece of evidence surprising, considering that people want institutions to be as effective as they can, and will try to use all available mechanisms to do so.

- **Private values influence philanthropy**

Overall, the influence of private values in the management of philanthropic organisations was considered a positive feature. Eleven respondents of all categories agree that major donors who have succeeded in the private sector can contribute to best practices within nonprofits. However, four interviewees argue that private values are effective only to certain extent, considering the particularities of the philanthropic sector. First, they considered it dangerous to mix private and non-profit management, when each one has particular characteristics which need to be considered. One major donor indicated that "private management is not necessarily public management. One is vertical, the other is by consensus. Different things are at stake". Second, they refuted the idea that the private sector is the one who understands management and carries good practices, whilst nonprofits understand only about social themes, and are disorganized and have poor governance. I believe these replies are rather ambiguous because, at the same time that interviewees criticised the management of nonprofits, they refute the image people have that nonprofits are generally badly managed.

- **The demands of major donor are excessive**

Major donors demand excessive control of nonprofits' results. A third of the interviewees questioned the tension generated by major donors who require extreme high levels of impact evaluation and financial records, when they are not willing to invest in staff training – they prefer to finance core activities or projects. I found it rather interesting that even major donors involved in their family's nonprofits see this as a problem. It might be that the conflict relies on major donors who are not in direct contact with the routine of the nonprofits they give to.

In addition, major donors do not give nonprofits margin to errors. It means that there is no flexibility in the use of resources, and nonprofit shave no space to try new things – and either innovating or failing. Six interviewees considered that tolerance to errors is not widespread among major donors, who often seek business-like efficiency in allocating resources. One consultant argues that "philanthropy is not business. It is not

obligatory that the resource has to bring a return (...). Philanthropists need to consider the margins for error that an institution needs to have so it can make mistakes”.

A few possible consequences of this attitude were raised by a minority of interviewees. One is that nonprofits could deviate from their mission by having to invest more time and resources in making evaluations. Another one is that nonprofits could lose the space to be dynamic and adaptable, which is what makes the philanthropic sector distinctive. One interviewee suggests that the demands may change in a matter of months and nonprofits need to have the opportunity to adapt. If not, they could stray from its mission.

I believe it is rather contrasting that interviewees generally approve the influence of private values in nonprofits, whilst criticising the excessive control of results by major donors. I believe it shows the need for a balanced demand of financial and impact evaluation reports.

- **Major donors prefer to invest in projects instead of nonprofits**

Nowadays, major donors tend to invest in specific projects rather than nonprofits. This is an interesting variable mentioned by a quarter of interviewees. One major donor confirmed that philanthropists often try to fundraise with their peers for specific projects. However, when investments remain limited to projects, there is no strategic investment in nonprofits. Three respondents claim that these nonprofits cannot generate flexible investment for organisational growth. Therefore, they are condemned to have no real impact on social development. One interviewee asserts that nonprofits “very seldom have the flexibility to invest in the organisation. Major donors want gifts to go directly to the beneficiary, but they forget that there is an apparatus that makes the money go to the beneficiary”.

I believe the neglect of the investment on nonprofits, allied with evidence of the excessive control of finances by major donors and their intolerance to error, shows the paradox of major donors in bringing private values to nonprofits. I do not understand

why the wealthy would overlook the importance of investment in the operations of nonprofits, such as staff and infrastructure.

1.1. Philanthropy needs more professionalization

The level of professionalization and structuring of nonprofits in Brazil is still low. Twelve interviewees acknowledged that major advancements are needed, despite a degree of evolution in this regard. Issues include fundraising and governance of nonprofits. Interestingly, none of these respondents are major donors or member of nonprofits that implement services. All of them work in entities or consultancies. Therefore, I believe this is more of an outside view of the extent to which nonprofits and donors see themselves in professional terms.

In fact, professionals and major donors criticised each other's amateurish features. Four professionals criticized donors who spread a large amount of money around various small gifts. The respondents argue that it does not make a real difference for nonprofits and it does not generate genuine impact, if compared to a large donation to one non-profit. In turn, three major donors evoked the image of old retired female volunteers managing nonprofits to define outdated and unprofessional approaches.

This piece of evidence shows an interesting contrast between the positions of major donors and professionals. Although they agreed that Brazilian philanthropy needs to continue this process of professionalization, these two categories of respondents predominantly disapprove of each other. Nevertheless, I would not say views on each other are that divisive in reality when, in many other situations during interviews, both major donors and professionals criticised their peers, not just each other.

- **Fundraising strategies are weak**

Brazil needs to engage in more professional fundraising strategies. Methods to fundraise from major donors are still amateur. Three interviewees argue that this is a pressing issue in the philanthropic sector, and it regards both major donors and

nonprofits. One consultant identified that nonprofits do not engage in researching the background of major donors. On the other hand, major donors are criticised for fundraising among their friends. As a result, fundraising turns into a lobby activity where the one with more contacts can raise more money and define the nonprofits that will survive or not. Therefore, such approach to fundraising does not stimulate the emergence of more professional fundraising teams. I do not entirely believe that professionals and nonprofits are that amateur. Although I understand the frustrations of respondents on the state of the fundraising sector in Brazil and that there is a long way to go, I believe it is rather pessimistic to imply that it is this unprofessional.

In addition, donors need to consider the action of giving in a more professional way. It means making an effort to understand the needs of the nonprofits and avoid giving to specific purposes. A major donor, a member of a family foundation, stated that "people want to allocate the money where they choose (...). I refuse it because I know what is best for my institution, what needs to be done". Interestingly, this statement came only from people who are somehow linked to the routine of nonprofits. No major donor who does not work in nonprofits mentioned this issue, even when I invited them to do so. Although this was brought up by a minority of interviewees, it does not surprise me. Giving is an act of rather personal motives, so it would be expected that some donors prefer to see a more tangible result of their gifts – instead of rent or staff salaries.

- **Nonprofits have to be independent from major donors**

Nonprofits do not want to depend on major donors and major donors do not want nonprofits to depend on them. A third of the interviewees argued that both players prefer a variety of resources. Even interviewees of funding nonprofits said they make their funding plans considering that nonprofits should not depend on them after a while. The other interviewees did not mention the issue. On the one hand, major donors do not want to think that, once they committed, they are obliged to donate forever. On the other hand, the long-term independence of major donors is good for the autonomy of nonprofits. The only opposite view comes from a major donor, who

argues that “major donors like to be sponsors. Whoever complains does not know how to work with major donors; they can serve as catalysts for other major donors”. There is a very interesting contrast here. All categories of respondents agree that all players appreciate the independence of nonprofits, with the exception of one major donor. This is the same major donor who said major donors normally engage in fundraising with their peers – contrarily to critics. In my opinion, it might be that philanthropy is more of a form of social interaction among the wealthy, where it is important to have close and long lasting ties with a non-profit to tell their peers; or a more certain means of control. In any case, I would not be able to find this out through these interviews.

- **Major donors and nonprofits need to communicate more effectively**

Players in the philanthropic sector need to develop mutual understanding. It is of extreme relevance for the effectiveness of philanthropy in Brazil to build a constructive interaction between major donors and nonprofits. Six interviewees argue that it is important to foster dialogue, listening to each other's demands and building up social change together. A major donor criticized large funding nonprofits for being disconnected from the reality faced by grassroots organisations and not understanding the real demands of the community. In addition, an interviewee who works in one non-profit organisation recognizes that nonprofits need to have a more technical and deep analysis of the demands of the communities where they work. I find it an extremely interesting piece of evidence. Although all categories of interviewees criticised each other, they also would like to have more constructive dialogue among themselves.

2. Philanthropic values

2.1. Family and religion influence giving

Personal motives for giving are as diverse as any human activity. Thirteen respondents recognized that the reasons for giving are diverse and it relates to personal characteristics of each donor. Some of the reasons they listed include tragedy in the

family, peer pressure, sense of return to society, attempts to compensate the negative impact of wealth, altruism, generosity, lifestyle, and tax planning. Some of these motivations were raised more than others.

First, the influence of philanthropic values transmitted by parents was raised by seven interviewees. They indicate that this feature is present in their own motivations either to work in the philanthropic sector or to donate. Four major donors find it difficult for the wealthy to give when they are not brought up under philanthropic principles within the family. One major donor pointed out that “it is hard to find people who want to give part of their inheritance, instead of going to the family (...). This has become commonplace only for people who have made their own fortune”.

Second, religion was mentioned by nine respondents. Both donors and professionals see the influence of religion on the notion of community. Five major donors mentioned religion as a strong reason that motivates them and/or other wealthy donors to give. At the same time, respondents indicated the Catholic cultural heritage in Brazil as a barrier to engaging in philanthropy. Three interviewees presented the negative Catholic vision of wealth, poverty and social class as an obstacle, as opposed to Protestantism, which does not have a sinful view on wealth.

It is interesting to note that the Jewish culture of donation was mentioned by four interviewees. One professional differentiated clearly separated giving habits of Brazilian Jews and non-Jews. Interestingly, a major donor who is not a Jew mentioned the Jewish concept of *tsedakah* as a reason to donate. He/she identified with the idea of justice translated by this principle and brought to his/her philanthropic actions.

These evidences do not surprise me. People are a result of the environment they were raised into, and it unquestionably shapes their behaviour. Therefore, if philanthropic values are present or absent in one’s family or religion principles, it is likely that it will influence one’s behaviour in giving.

- **Philanthropists also have egos**

Selfishness is among the characteristics that influences philanthropy directly. The ego of the wealthy may be the reason both for giving and for not giving. For seven interviewees, selfishness can lead major donors to open a foundation or institution of their own, so they could see their name on it, to show off to their peers, or improve their own surroundings. However, two major donors highlighted the power to turn selfishness into a positive social outcome. In this sense, six interviewees identified the desire of major donors to leave a legacy. One major donor stated that “major donors are people who have already met all their financial necessities and recognition, and need something else to feel complete. They will seek this accomplishment by building a legacy in a certain area. So at the end of the day, it is a bit selfish indeed”. Although motives are a fascinating side of philanthropy, there is no way I could find out through these interviews specifically about the extent of the power of the desire to leave a legacy and how it impacts giving. Also, it is important to clarify that the act of giving money to others to feel good was ladled by the interviewees themselves. They named it an act of *egoísmo* in Portuguese, which is literally translated into ‘selfishness’ English.

2.2. The need to talk about social responsibility and citizenship

The notion of social responsibility and citizenship in Brazil needs to be properly addressed. This is discussion that has not been generally promoted in the country. Nine interviewees mentioned the need to foster the discussion among the wealthy, and the importance of it to philanthropy in Brazil. A major donor argues that “whoever can do more, has more responsibility”. These respondents argue that a notion of community would the wealthy to engage in philanthropy. As a result, six respondents stated that there is no culture of giving in Brazil, especially among the wealthy. It was agreed among those interviewees that this is an issue to be addressed in Brazil. I was surprised to hear major donors criticising their own peers for not having more conscience towards the responsibility that wealth brings.

2.3. Brazil is an unequal country

Social inequality is an issue directly related to elite philanthropy in Brazil. Eight respondents see an impact of inequality both in mission of the philanthropic sector and in the role of major donors. It is interesting to note that three of them are major donors who would like to see their peers awaken to this issue and foster a country with equal opportunities. A major donor compared the privileges his children have to question: "Would you say they have the same life? They do not. Should we leave (the poor) managing by themselves? They will not be able to. We have to help".

Interestingly, two major donors criticized their peers, pointing out that wealthy Brazilians live in isolation within their own reality. They argue that their peers do not leave their comfort zone to see different realities of the country. One of them pointed out that "there is a social isolation of Brazilian elite. We have a heterogeneous social majority, with a homogeneous minority. The minority of the wealthy is very homogeneous". In this way, there is a social bubble that prevents them from seeing the country's social contrasts. In my viewpoint, although social segregation is not exclusive to Brazil or the wealthy, it is interesting to see members of the elite scrutinising their own way of living.

I was extremely surprised to see major donors mentioning issues of social responsibility, citizenship and inequality. This is a particularly delicate topic to approach in Brazil, especially among the wealthy. Even so, it was raised spontaneously by all categories of respondents.

2.4. There are regional differences across Brazil

Brazilian philanthropy poses key regional differences in the philanthropic sector. The clearest division was made between the South and Southeast and the Northeast. Three interviewees mentioned the difficulty of addressing the topic of philanthropy in the Northeast. The issues include the lack of philanthropic values, professional qualification and structure. A major donor complained that the vast majority of

resources do not reach the Northeast; they remain in the South and Southeast. Another major donor says that São Paulo is more isolated from poverty, while in Rio de Janeiro people "are more open. As the beaches and the *favelas* are close to the exclusive neighbourhoods, they are closer to poverty. They understand what you say". One consultant claims that in the South, there is a more Germanic culture, a greater notion of community. As a result, the wealthy perceive negatively their peers who do not give. This piece of evidence does not surprise me, considering Brazil is a huge and diverse country, with great socioeconomic differences, and it was exposed to the influence of different cultures in different regions.

3. The role of major donors in philanthropy

Major donors could play a greater role in Brazilian philanthropy. All interviewees agree that the wealthy have more potential in contributing to the advancements of the philanthropic sector, including: (a) serving as an example for the general public and for other wealthy potential donors; (b) serving as levers / facilitators of social development; and (c) serving as a source of new ideas. The prominent role of major donors, mentioned by five interviewees, is to encourage other wealthy people to engage in philanthropy to increase its relevance. One major donor pointed out that, to foster elite philanthropy, "we have to start a process among the wealthy, to call our peers, to campaign for it, and make room for the country's GDP to speak". These are the answers I received when I asked about the role of major donors in philanthropy, but I find them rather ambiguous. On the one hand, major donors are criticised for their performance, such as excessive management control and intolerance to errors, and their potential negative impact on activity of nonprofits. On the other hand, respondents still want to see more of the wealthy engaged in philanthropy, not only giving. I believe this contrast shows an existing conflict of interests between major donors and nonprofits, which need to be addressed in a constructive way.

3.2. The wealthy can offer much more than just money

The role of major donors goes far beyond the money they can give to nonprofits. I found it an especially interesting piece of evidence that was made implicit in the discourse of all interviewees, and brought directly by a minority of them. Respondents recognized that, behind the fortune of the wealthy, there is a person with particular qualities related to their professional experience, background, and abilities. A major donor points out: "The wealthy have three assets. Their money, their intelligence, and their articulation (...). They are experts in solving social problems if they want to."

3.3. The rise of foundation philanthropy

Foundation philanthropy is a growing part of philanthropy in Brazil. Ten interviewees mentioned at least one aspect regarding the engagement of the wealthy in their own foundations and institutes. Six of them recognized a movement among Brazilian wealthy families. Four of them criticized this movement, with arguments that include: (a) the large number of nonprofits in Brazil at the moment – it would be preferable to strengthen the existing ones; (b) several members of the same wealthy family having their own foundation – they questioned the real social impact of spreading resources; (c) major donors do not need to open their own institute or foundation to have control over resources – they could build a constructive relationship with the existing ones; (d) foundation philanthropy serves to employ heirs of the elite.

A positive point brought by two major donors is that, when a wealthy family decides to engage in philanthropy and open their institute or foundation, this investment is strategic. That is, these families seek to be advised by specialists in the field in topics such as the choice of the theme and structural management of nonprofits. In this way, these interviewees recognize a genuine desire of foundation philanthropists to create a true social impact within what they propose to act on.

However fascinating the contrasts of foundation philanthropy are, I would not be able to explore them in depth in this research. It is an extensive part of philanthropy, which

includes the unique world of foundations. For the purpose of this study, it is important to emphasize the trend noted by all categories of respondents.

4. Comparisons with the U.S.

The profile of philanthropy in the U.S. is a benchmark among Brazilian players. Fourteen interviewees made comparisons to demonstrate how problematic Brazilian philanthropy is. Issues such as resource allocation, donor profile, culture and approach, legal framework and professionalization of the sector were raised. With few exceptions, comparisons have pointed to the U.S. as the ideal of philanthropy and to where Brazil should look. The most frequent aspect of U.S. philanthropy relates to its size. Four interviewees argue that wealthy Brazilians do not have the substance in terms of fortune that the U.S. has. A major donor pointed out that the size of Brazilian philanthropy is smaller "in absolute and proportional numbers. Absolute because we have a smaller financial capacity compared to a mature economy such as the American one, and also proportional because the uptake of the desire to create a legacy in Brazil is much lower". I do not find surprising to hear comparisons with the U.S. Latin American countries generally idolise its realisations and often forget about its negative aspects.

In fact, respondents repeatedly mentioned the Portuguese word *incipiente*. It literally translates into 'incipient' in English, which relates to the initial stage of elite philanthropy in Brazil. Nine interviewees acknowledged that there is still space for the Brazilian philanthropy to grow in size and significance, and that it is still far from fulfilling its potential. I believe this piece of evidence, allied with the evidence on the lack of giving culture among the wealthy in Brazil, implies that all categories of interviewees believe in the potential of elite philanthropy in the country.

4.1. Tax laws regarding philanthropy are an issue in Brazil

Brazilian philanthropy could benefit from a better legal tax platform. This is a special aspect regarding the advancements of the philanthropic sector, as it does not depend

solely on donors and nonprofits. It depends on the improvement of a set of laws on the matter. Nine respondents mentioned tax issues as an obstacle of philanthropy. The U.S. was cited repeatedly as an example in this matter. Topics ranged from tax incentives, tax on wealth, bureaucracy, and tax benefits as a motive to give. I believe this is one of the aspects that affect negatively the culture of donation in Brazil.

5. Visions for the future

Philanthropy in Brazil needs a strategic vision of the future. Seven interviewees defined it as a very small movement, but it is considered crucial to its success. Interestingly, four of these interviewees are major donors, two come from representative entities of the sector and one is a consultant. They argue that it is necessary to have a comprehensive vision of philanthropy, encompassing all its players. For them, it is necessary to connect nonprofits, donors, professionals and beneficiaries, with active listening of each other's needs, potentials and qualities.

In addition, the need for a vision of the future should also touch upon organisational strategy. Three interviewees suggest that organisations need to think about their long-term programme approach, reviewing their place and performance as an institution in the coming decades. In that sense, two respondents mentioned that organisations need to consider the Sustainable Development Goals to assess whether the nonprofits' activities and impacts are consistent. It is interesting to note that all interviewees consider it as a responsibility of all players involved in philanthropy. One interviewee affirms: "Nowadays, it is about knowing who has a structured view of where nonprofits want to go with what they are proposing to do. If major donors cannot reflect on the impact their gifts will make to reach a certain objective, and if that is not aligned with the SDGs, or at least reaches a pertinent range of existing social problems, it is irrelevant".

The replies I received about the future of elite philanthropy in Brazil are rather ambiguous. The majority of respondents are optimistic about the potential the country

can fulfil in the future. However, a minority of interviewees from different categories said the opposite. They demonstrated a frustration and a concern about what has been done lately and suggested that, if postures do not change, it may pose a threat to the future of elite philanthropy. It is difficult to say why I got such diversity of very strong positions. However, it is interesting to note that the consensus among them is a call for more self-awareness of all players involved in philanthropy and also those who do not but should.

CHAPTER THREE: ANALYSIS AND DISCUSSION

This section will focus on four of the most significant findings on the state of elite philanthropy in Brazil. Then, instead of doing a systematic comparison between Brazil and the U.S., I will question the pertinence of some comparisons. To this end, I will confront discussions from the philanthropic scenario in the U.S. with the findings on elite philanthropy in Brazil. There are four main points which were learned from the interviews.

1. Major donors need to balance management demands from nonprofits

Management values are pertinent to nonprofits when applied in consonance with the particularities of the philanthropic sector. Such private values can certainly contribute to the effectiveness of the philanthropic sector in general. Flexible investments to fund professional staff, fundraising campaigns, and infrastructure are some of them. However, the interviews indicate otherwise. By being strict in the control of resources, intolerant to risks and failure, and investing in projects instead of nonprofits, Brazilian major donors are sending mixed messages about the actual management values they are expecting nonprofits to follow. Consequently, major donors could risk killing innovation and preventing nonprofits from growing (Pallota, 2009, p. xiii).

2. Philanthropic players need to build a more constructive relationship

Therefore, there is a pressing need for a better mutual understanding between major donors and nonprofits. This is an opportunity for a shift on the way both players see the social sector in general and their own role in it. They have to understand each one's needs and demands to have a more constructive relationship. By doing so, major donors and nonprofits would be more comprehensive about the limits each one is willing or able to go to reach a mutual objective. As a result, the philanthropic sector could benefit from a more open and innovative environment where its players are more aware and accountable to each other (Frumkin, 2006, 75).

3. The engagement of major donors in foundation philanthropy needs to be discussed

The growing presence of the wealthy in foundation philanthropy is controversial. At the same time that major donors could be altruistically engaging in philanthropy through their own foundations and institutes, they could also be simply seeking control over how they use their gifts. Motivations are diverse, and a study to explore this trend is fundamental to understand the role of wealthy families in this niche. In any case, it is important for Brazil to consider the legitimacy and accountability challenges the U.S. faced in the past regarding foundations and work to avoid facing the same fate. In this sense, I see the increasing opening of family foundations with caution, envisioning possible similar crisis those institutions might face in Brazil.

4. The importance of U.S. challenges to Brazilian elite philanthropy

In this sense, it is important for Brazil to recognise the challenges the U.S. continues facing in the development of its philanthropic sector. If not, there is a risk in romanticising the U.S. when the path of philanthropy in Brazil holds substantial differences. Issues such as the long fight for a democratic regime, a long-lasting influence of the Catholic Church, the modest culture of giving, dated laws on philanthropy, a general negative vision on wealth, and inequality, are some of the aspects that make U.S. and Brazil so different. As a result, the issues that the philanthropic sector aims to work with are different in political, cultural and socioeconomic terms. The danger here is to take U.S. philanthropy as a model to be applied in Brazil. Indeed, it is important to learn from the mistakes and achievements of other countries, but also to consider the unique features of the philanthropic sector in Brazil.

Considering that, it is important to make remarks on some features of U.S elite philanthropy. One example is the strategy behind the *Giving Pledge*. Billionaires are summoned by their own peers to become major philanthropists, which makes it easier for the wealthy to discuss the topic if compared to someone from the general public. I

believe a similar approach could be systematically fostered in Brazil to improve the culture of giving among millionaires and billionaires. In addition, Brazil could use the example of the U.S. and regulate giving in the country. A unified legal provision on exemptions on both the giver and recipient of the donations is needed. Nevertheless, it is important to adapt the shape of the law from the U.S. to the legal system in Brazil and consider the legal responsibilities of states.

CONCLUSION

The particular features major donors bring to philanthropy shape their relationship with multiple players in the sector. This paper demonstrates that their role in philanthropy is not only about their gifts, but also about their personal and professional values. In this sense, it is imperative of philanthropy to consider major donors as part of its functions and make an effort to build mutual understanding. That way, the entire sector can benefit from a healthy and constructive interaction. Similarly, the need for understanding is also applicable to major donors who engage in foundation philanthropy. This is a Brazilian initial trend which deserves attention regarding its positive and negative impacts. Finally, Brazil could benefit from a more impartial analysis on U.S. philanthropy in order to understand how its achievements would or would not work in its particular scenario. Hence, Brazil requires more local systematic study on elite philanthropy in order to develop.

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