

# Meaningful Philanthropy in the 21st Century

## **The Role of Self**

Executive Summary  
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Institute for Sustainable  
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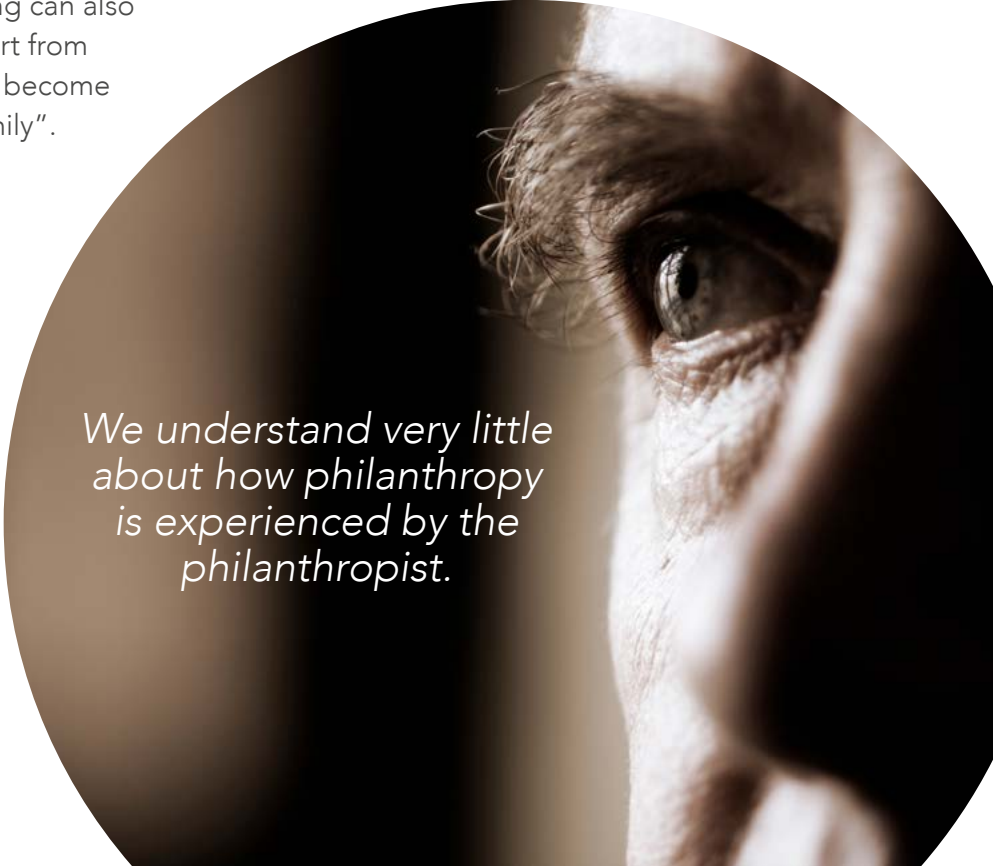
# Introduction

*The success of a philanthropist is almost always defined by meeting goals that are meaningful for the communities.*


In our research, the success of a philanthropist is never defined by how much money or even the percentage of their wealth that they give. It is almost always defined by meeting goals that are meaningful for the communities they care about. In this report, we focus on meaning and the challenges that high-net-worth individuals (w) and ultra-high-net-worth individuals (UHNWIs) must overcome to create meaningful philanthropy. It is the first time that psychological theories of meaning, and meaningfulness have been applied to the philanthropic context.

Much of the extant research has explored giving on the part of these groups through the lens of the impact that their philanthropy can create for the focal communities, but we find this approach to be overly simplistic. Although the creation of community impact can be one source of meaning, it is only one possible source of meaning. Meaning can also be created as people receive support from the communities they care about or become part of them and their sense of “family”.

Presently, we understand very little about the derivation of meaning from philanthropy, what people consider meaningful, and how we can best harness meaning for the giver and the receiver. That is why this research adopts a different perspective and focuses on how philanthropy is experienced by the philanthropist, what philanthropy means to these individuals, and how psychological resources can be built to sustain it. As we demonstrate in our full report, how philanthropy is experienced and the psychological benefits that may accrue as a consequence, is remarkably under-researched.



*We understand very little about how philanthropy is experienced by the philanthropist.*



*In this report, we seek to reduce this imbalance and focus on the experience of philanthropy.*

*We examine the 'self' behind the gift.*

## Study Aims

In this report, we seek to reduce this imbalance and focus on the experience of philanthropy. In addition, instead of focusing on what motives there may be for giving, we focus on identity and examine the 'self' behind the gift. Equally, rather than focus on what psychological processes lead to giving, we focus on the psychological challenges and opportunities posed by engaging in meaningful philanthropy, as well as how giving can be experienced in the most meaningful and sustainable ways.



We conducted  
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# Study Methodology

To address these issues, we conducted a series of 48 semi-structured interviews with a mix of high-net-worth philanthropists and ultra-high-net-worth philanthropists. All our interviewees had greater than \$1 million in liquid assets. More than half of our participants had higher than \$20 million in such assets. Our sample was **64% male** and **36% female**. A variety of ages, ethnicities and geographies were represented.

Most of our interviewees had engaged in substantive philanthropic activities, along with entrepreneurial activities. They have founded their own for-purpose organisations, non-profit organisations, and personal or individual foundations, as well as donating funds to established non-profits. They are all highly experienced entrepreneurs and philanthropists.

We adopted a grounded theory approach to our data collection and analysis procedures. Our interviews were each around one hour in duration. All were recorded, transcribed and subject to analysis using a “decoding the discipline” approach. Throughout the process, extant research was also woven into our analysis and, where relevant, treated as an additional informant.



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# Study Findings

## Ownership

A key concept that quickly emerged as important was the degree to which people experienced psychological ownership over a set of philanthropic activities. In reflecting on that ownership, we found that our interviewees drew a distinction between domain and process

By **domain**, they referred to the domain in which they chose to practice their philanthropy. For example, they may be committed to reducing the suffering of farm animals, helping orphans who suffer from extreme poverty, or creating the appropriate infrastructure to support local entrepreneurs.

By **process**, they typically referred to the method they used to engage in generating outcomes for a given domain. Thus, one could have an interest in reducing death from heart disease, but there are a multiplicity of processes that one might seek to establish, influence or shape in order to have that impact. Often, our interviewees felt that their process was innovative or distinctive, and seeing it implemented could therefore be deeply meaningful for them.

Some interviewees had a stronger sense of ownership over domains, while others had such over process. What was shared among them, however, was the sense that there is a type of philanthropy that they can call *theirs* and that they can declare **psychological ownership** over.

*Our interviewees could experience a level of moral conviction in their selection of different philanthropic options.*

*Whenever they can act in ways that are aligned with their imperatives and moral conviction, they experience a higher sense of meaningfulness.*

We also found that our interviewees could experience a level of **moral conviction** in their selection of different philanthropic options. This is an important observation because moral conviction shapes what an individual regards as right or wrong, and these attitudes are comparatively immune to external influences. It is also important to recognise moral conviction because whether what they do is a reflection of what they believe to be right does seem to shape how much meaning and meaningfulness people can experience. Most often, what people consider to be their life imperatives, i.e., their essential selves, have inherent moral values, and whenever they can act in ways that are aligned with their imperatives and moral conviction, they experience a higher sense of meaningfulness.

*Psychological ownership and moral conviction are important because they can create two major blocks in the fight against the ego.*

The concepts of ownership and moral conviction can also help explain why it can be difficult for philanthropists to adjust course when their aims seem to be at odds with those of the focal community. Indeed, a fight with their own egos is by far the most mentioned challenge that people had to overcome. It can be difficult for entrepreneurs who have been successful in business by leading to then cede control of their entity or project to a community. Their sense of self was created through the process of 'owning their vision, creating buy-in, serving their focal community and driving success'. Any surface-level effort to convince them to give up control has little chance of success because it fundamentally goes against who they are.

Here, psychological ownership and moral conviction are important because they can create two major blocks in the fight against the ego. When people experience a strong sense of ownership over their chosen domains/processes or a strong sense that what they are doing is right, modifying their choices or the content of what they choose can feel like a battle against the ego.

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with the community precisely  
because of who they are.*

Unfortunately, not taking these things personally cannot be the prescription in this case, because unless philanthropists do, the things that need to be done cannot be done. As many of our interviewees shared, they can only do what they do with the community precisely because of who they are. Thus, it is important that their choices are personally important in that they can use of their energy to tackle their focal problems.

We identified the most common solution that people used to relinquish control. They cede a part of their identity to the community for a purpose that is important for both. As identity is then diffused, they are better able to listen to voices from different parts of who they now are. Changes suggested by these voices of the self are not perceived as condescension and can provide additional sources of meaning that the philanthropist may not have previously considered.

We would also note that many of our interviewees articulated an identity that was curious and problem-solving in nature. Well-being can be experienced because of having the right impact, rather than simply the achievement of impact *per se*. It is important to note that this curiosity and problem-solving can be manifest both externally and internally. Curiosity about oneself and the evolving discovery of who one truly is can also be helpful in managing ego because involvement in philanthropy can shape that self once the process of ceding has begun.

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## Identity

At the core of our study is the notion of who people are when they engage in philanthropy, i.e., the identities that they articulate. The broad categories of how people define themselves, e.g., personal, relational or moral, do not seem to differentiate how and how much meaning/meaningfulness can be experienced. What provides such differentiation is the substance of how they define their personal, relational and moral identities. When these identities are defined and experienced in the following ways, they deliver a greater sense of meaning and meaningfulness:


**Authenticity:** Authenticity is experienced when personal, moral and relational identities are defined and enacted in alignment with the core of who philanthropists believe themselves to be. For the part of the essence that they are familiar with already, this alignment is experienced as a sense of congruence between who they believe themselves to be and how they act. Being true to one's authentic self can be an immensely powerful component of meaningfulness.

**Transcendence:** Individual identities can transcend themselves by becoming part of a greater collective identity, such as a community they wish to service. In our study, we cite examples in which, in order to work on behalf of a focal community, it was first necessary to become a part of that community and live that community's dreams and aspirations as one's own. This new collective identity and the insights it delivers about oneself could provide a rich source of meaning.

**Self-efficacy:** When our philanthropists ceded who they were to the focal communities, they were conscious that they could only cede part of who they were, not the totality of who they were. We found that establishing proper boundaries between themselves and 'others' was important if they were to achieve a sense of self-efficacy. Many of our interviewees found setting the boundaries between themselves, their family/ friends and the community they care about to be the most difficult. Such choices are hard because of how much people invest themselves into these greater collectives. When resources are limited, they have to be clear about what they can do and what may have to be left to others.

*Establishing proper boundaries between themselves and 'others' was important if they were to achieve a sense of self-efficacy.*

**Self-worth:** Self-worth is different from self-efficacy. People experience a sense of self-efficacy by receiving positive feedback based on what they do effectively. By contrast, people experience a sense of self-worth by believing that the essence of who they are is worthy. A 'nature person', for example, can believe that being a nature person is a worthy aspect of herself, whether she can do anything to protect nature or not. However, to experience self-efficacy, she must be capable of generating a measurable impact. Self-worth is an important concept because it allowed our philanthropists to experience 1) a heightened sense of belonging with others who share the identity of worth, 2) a higher degree of agency to stand up for what they believe to be right and 3) a decreased need to control a given situation.



*People experience a sense of self-worth by believing that the essence of who they are is worthy.*

**Belonging:** Individuals can experience a genuine sense of belonging to the people they connect with. This sense of belonging can lead to a heightened sense of meaningfulness when it reinforces individuals' sense of being a member of a valued group. One of our interviewees articulated this as a transition from being perceived by the community as an 'outsider' to being perceived and treated as 'family'. He experienced this more intimate sense of belonging as deeply meaningful.

**Coherence:** Coherence describes a feeling that everything makes sense in people's lives and, notably, makes sense in the context of their relationships with others. In the field of philanthropy, this is about identifying the optimal collective good that one can create with one's limited resources. Many of our interviewees reported receiving many more requests for assistance than they could ever personally fulfil. Thus, they had to focus on what they could do to make a difference and eschew other philanthropic opportunities. Coherence evolves when their sense of self is aligned with the self that the community needs them to be. It also evolves when what they can do aligns with what communities most need them to be doing. When all is part of a coherent philanthropic narrative, a new source of meaning can be created, and a heightened sense of meaningfulness can emerge.



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## The Role of the Unknown

The most unexpected finding from the entire research process was the role of the unknown in people's reflections. Not only does the unknown not prevent people from carrying out their entrepreneurial and philanthropic activities, it can become the very fuel that drives them forward. Simply stated, they can seek out philanthropy as a vehicle for discovering more about who they are. The nature of the unknown and how it contributes to meaningfulness can be summarised as follows:

- Interviewees accepted that there is and will always be a level of unknown in their understanding of their social environment, themselves and their essential selves.
- The unknown does not stop them from experiencing who they are, acting on this knowledge or continuing to learn more about what is unknown. Some of our interviewees explicitly integrate what is unknown into who they are in their essence so that everything they then do will be afforded a degree of freedom to accommodate that unknown.
- What people do not know about the meaning or the meaningfulness of their entrepreneurship or philanthropy does not reduce the meaning and meaningfulness of what they do know. Meaning and meaningfulness can both morph and deepen, even when people are unaware of the processes taking place. Philanthropists can recognise when new meaning arises, but not knowing how they might get there again does not reduce the meaningfulness experienced in the here and now.
- Unknowns can also occur with respect to the impact one's initiatives might have on a focal community. Unknowns associated with what will happen when one fails in one's actions intended to help others may provoke anxiety and stress. This stress may be reduced if people believe that a greater power will take care of things or that their trying itself has inherent meaning. Stress can also be reduced if people develop a rule for managing their philanthropy that holds that they will not let factors outside of their control bother them. In some situations, this type of unknown can become a powerful new source for the discovery of meaning and meaningfulness.

## Supporting New Philanthropists

Our research has suggested numerous ways in which a greater understanding of the self can be helpful in supporting philanthropists on their personal journeys. We offer the following observations:

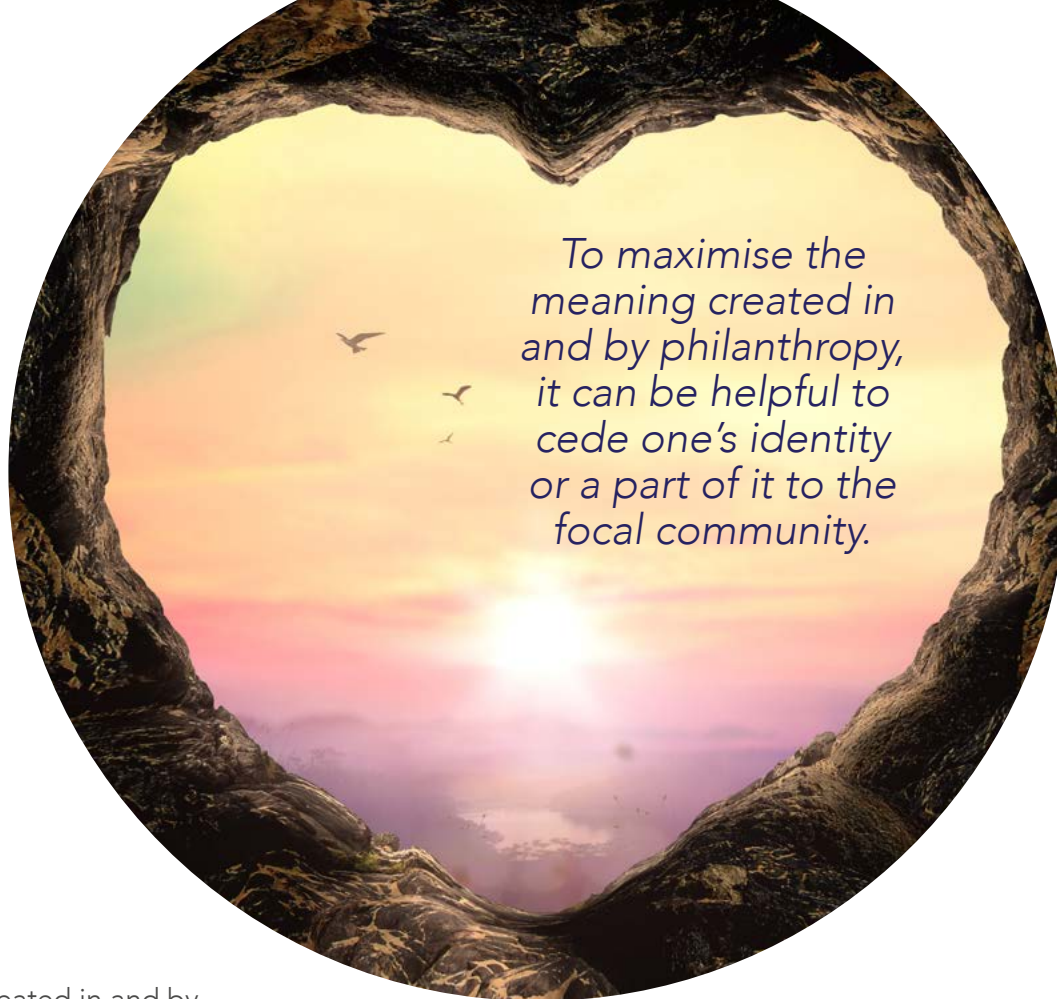
**1.** It can be helpful to understand that there will always be unknowns in a typical philanthropic journey and, thus, reflect on one's relationship with these unknowns. To what extent will they be tolerated, and how? Will that be the same relationship that one has experienced with the unknown in other contexts, and what might the implications of any similarities and differences be?

**2.** Reflection is also warranted regarding the fit between philanthropic options, both domains and processes, and what philanthropists know or suspect may be true of their fundamental selves. Philanthropy will be more sustainable when it can be an articulation of that true sense of self and offer substantively more meaning and meaningfulness for both the donor and the focal community. This latter point is important because all our interviewees came to recognise the importance of listening to community voices and having the humility to recognise that the community members were best placed to know what they needed and found meaningful

**3.** In connection to (2) above, we would encourage those new to philanthropy to be open to acting in different ways to those originally envisaged. Doing so can be critical to building trust, and as has been highlighted in many of our cases, for success to be experienced to the fullest, that success must be shared. The community must jointly own the agenda, and as we have seen, it may be necessary to fulfil additional needs that a community deems priorities.

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*To maximise the meaning created in and by philanthropy, it can be helpful to cede one's identity or a part of it to the focal community.*

**4.** To maximise the meaning created in and by philanthropy, it can be helpful to cede one's identity or a part of it to the focal community. None of our interviews saw this as a loss or in any way draining. Equally, none of them said this was painless or easy. Despite the difficulties, all had experienced a deep sense of meaning and well-being from the ceding.

**5.** Those new to philanthropy should also recognise that philanthropy can provide a rich source of meaning and meaningfulness for a life. It can thus be helpful to reflect on how the meaning and meaningfulness might best be experienced and periodically iterate because, as we have seen, what delivers meaning and what makes meaning meaningful can change.

**6.** In connection to (5) above, because philanthropy can be such an integral part of who we are and contribute to our true self-discovery journeys, what can be meaningful during one life-stage of a person's life may not be the same as in another. Learning how that change is experienced can potentially highlight additional opportunities to engage in more and more meaningful philanthropy.

*One of the key takeaways from this report is just how much 'self' is at the root of philanthropy.*

*It is the presence of self in a psychological sense, not its absence, that shapes meaning and encourages philanthropy.*

## The Role of Self

For us, one of the key takeaways from this report is just how much 'self' is at the root of philanthropy. While twentieth-century notions of altruism versus self-interest have pervaded much of the current debate about the role of philanthropists in society, our research indicates that this is too shallow a perspective. It is the presence of self in a psychological sense, not its absence, that shapes meaning and encourages philanthropy.

Philanthropy has been frequently criticised for imposing solutions on, particularly developing, communities and giving primacy to the needs

of donors. We share these concerns and offer additional evidence for why this kind of approach is misguided. However, rather than focusing entirely on communities and diverting attention from donor needs, our research suggests that it may be more fruitful to develop a concomitant focus on donors and understanding who the person behind the giving is. What matters is not whether it is the community's needs or the donors' needs that are served by philanthropy. Rather, what matters is how serving the community's needs can become an integral part of who donors are. Exploring how that integration occurs can make philanthropy significantly more personally meaningful and, of course, impactful for the focal community.

Our notion of identity ceding is new to the literature and critical to this debate. We have shown that, as donors reflect more and more on the nature of the self and what is meaningful in this regard, they are drawn closer to the communities they care about. At that point, they may experience a willingness to cede part of who they are to that community. As that happens and they experience integration with the community, the dichotomy between donor needs and community needs no longer has meaning. They become one and the same. Thus, in seeking to develop philanthropy that is more aligned with the needs of marginalised communities, it can be helpful to encourage philanthropists to reflect on the nature of their true selves and what may be most meaningful for these selves. Decisions can then be made about what can be ceded to become one with the community.

Here, it is important to note that none of our interviewees framed this process as a loss, i.e., giving something away. They all saw it as opening the door to a richer and deeper sense of meaning. Thus, it will be helpful to encourage philanthropists to iterate throughout the process of meaning exploration that we describe in this text. New sources of meaning they were not anticipating are very likely to emerge.

One of the richest sources of meaning for philanthropists we identified in our research was the deep sense of connection and closeness they developed with communities through their philanthropy. The experience of a shared relational identity, in particular, opens the door to understanding what is meaningful for the focal community, as well as the self. The content and direction of philanthropy can then be guided accordingly. Critically, so too can the nature of the philanthropist's journey of self-discovery and growth. As richer sources of meaning and meaningfulness are experienced, the likelihood that an individual's philanthropy can make a deep and lasting difference in their search for a meaningful life increases. We see this as a scenario in which both the donor and the community can gain substantively.

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