

Earl Raab

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END OF PHILANTHROPY?

Discussions about the proposed federal budget cuts have revealed a disturbing fact, and have raised an intriguing question. The fact: private welfare agencies, including Jewish institutions, have become heavily dependent on government funds. The question: Are we in the twilight of these private agencies?

It was dismaying to hear a United Way official in Washington say that we have passed the "tipping point" -- that is, private philanthropic agencies are now receiving more money from the government than from their private donors. That is said to be true of all institutions: Jewish, Christian and non-sectarian.

The apparent fact that philanthropic agencies are getting more of their funds from the taxpayers than from private givers does not just cover hospitals -- for which that fact has been true for a very long time. We are talking about other services provided by private agencies, such as nutrition, child care, homemaker services, emigre settlement, rehabilitation, recreation for the young and the elderly.

Between 1950 and 1977, government social welfare expenditures jumped from about 23 billion to 362 billion. And that jump was not just a matter of inflation. Adjusting for inflation, government social welfare expenditures went from 380 dollars per American in 1950 to 1646 dollars per American in 1977. In other words, the government social welfare cost -- in *real*, uninflated dollars -- quadrupled in those two decades.

Or, if you want to look at it from another uninflated angle, the share of this country's gross national product which went to social welfare, rose from 9 per cent in 1950 to 20 per cent in 1977. The percentage of the total government outlay for social welfare went from 37 per cent to 60 per cent. This was the period during which America "tipped" to becoming a "welfare state."

During the same period, private philanthropic funds kept pace with inflation, but did not keep pace with government expenditures. In 1960, private philanthropies raised about 4 billion dollars for health, education and welfare. In 1977 they raised about 13 billion dollars for those purposes; although to keep pace with inflation, they would have only had to raise about 9 billion. However, in 1960, the private philanthropies raised about 8 per cent of what the government spent for social welfare; in 1977, they were down to about 4 per cent.

What does all this mean? It means that the total budgets of private philanthropic agencies were booming in this period; but they were booming mainly because of the government funds that were coming their way. There is an immediate hazard to consider. Does increasing government money mean increasing government control? And, in that case, what is the meaning of "private" philanthropy? Government regulations tend to be "homogenizing" in effect, and that is a danger to religious and ethnic institutions which want to maintain their identity. Canadian Jewish agencies have come out on the losing end of such an identity crisis. In America, homogenizing government regulations about who should be served by government-funded agencies have already lapped around the Jewish agencies of this country from time to time, threatening their Jewish identity.

On the other hand, one might take a different view. If certain welfare services have become standard for the American government -- for example, medical support, nutrition and other care for the elderly, child care -- then the philanthropic agencies are doing a service by administering those welfare funds for *their* particular constituencies, with the special orientations and motivations those private agencies can provide. Is that not better than leaving everything in the hands of government bureaucracies? Is that not a way to maintain some pluralism in the face of a welfare state?

Earl Raab
"End of Philanthropy?"
page 3

The debate is joined. The period ahead should be one of agonizing reassessment, not just for the nation, but also for the Jewish welfare institutions.

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