

Philanthropy Experts Debate Nature of Foundation Assets

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Philanthropy experts are debating the nature of charitable dollars - are they public or private funds?

The discussion is not new, but has become more important lately as it is key to the question of how the government should regulate foundations and whether it should force them to give more to the poor and other disadvantaged populations.

The Philanthropy Roundtable, a Washington association of grant makers, released this month a new report that attacks the idea that philanthropy is public money because donors receive a tax deduction and grant makers are tax-exempt.

... The National Committee for Responsive Philanthropy, a foundation watchdog in Washington, disagrees.

"The authors asked the wrong questions and their conclusions miss the mark," Aaron Dorfman, executive director of the committee, writes on the group's Web site.

Mr. Dorfman says that taxpayers should have a partial say in how foundation assets are spent. And instead of discussing the public or private nature of philanthropy, he says that the authors should look at more important questions. For example, "Is the status quo in philanthropy good enough? Is the current regulatory framework, combined with current practices, producing the results we as a society expect from our philanthropic institutions?"

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