

WEALTH, CULTURE AND POWER

PHILANTHROPIC PRACTICES AMONG FRENCH AND AMERICAN ELITES

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Abstract

The following dissertation addresses the role of philanthropy for French and American elites. Since Tocqueville (1986 [1835]), the vitality of the nonprofit sector in America has fascinated a broad range of scholars. This sector is now accountable for billions of dollars of spending annually in the United States, thus playing a pivotal role in shaping entire sectors of the American economy and society. Private forms of generosity ended up playing a major role in the context of growing social inequalities and in the aftermath of State disengagement (Martel, 2006). France, by contrast, which has always been characterized by fewer forms of private donation and State intervention, has experienced a dramatic change in the past ten years with the growing development of philanthropy. Numerous economic studies have put great emphasis on tax shelters and tax exemptions in order to understand why individuals give such large amounts of money to a broad range of social causes (Schuster, 1985). But few studies of them are concerned with the prominent role played by philanthropy as it creates and reinforces the identity of elites. My thesis aims to show and explain that philanthropic practices are a crucial component of elite status in France and in the United States, thus consisting of an original form of cultural capital (Bourdieu, 1979). I believe this approach can provide a more relevant framework for the diversity, the increase and the selectivity of philanthropic practices in both countries. Equally pertinent for the purpose of this research is the sociological focus on the significance of philanthropy as a way to view the social change experienced by elites during the past two decades.

1 / Understanding elite philanthropy: A sociological framework

a. Philanthropy as a defining element of elite identity

The economic interpretation, which sees elite generosity arising either from a mere fiscal windfall or from the desire to curb poverty, is unable to explain the motivations of philanthropists. The main goal of my research is to show that philanthropy holds a pivotal and rising role in the culture of elites. Although elites represent a small minority amongst philanthropists (50% and 20%, respectively, of American and French households are involved in philanthropic practices¹), their contributions make up the great majority of money donated annually. In America, 98% of the elites give every year.² This striking figure illustrates the status of an elite cultural norm (Abélès, 2002). It is common practice in the United States to name university buildings, museums and hospitals after their donors, while France seems to have started to follow this path only recently. I believe that elite donations to philanthropic foundations have become an efficient way for French and American elites to convert wealth into culture and foster a shared identity.

In order to understand how this conversion works, I will focus my analysis on philanthropic foundations.³ There are several other ways to get involved in philanthropy (direct donations, volunteer work, contributing to NGOs), but I believe that these foundations hold interesting characteristics that illuminate the link between philanthropy and elite status. The philanthropic foundations I would like to study are highly selective. The way in which these foundations are organized sets the stage for a study of elite culture and identity. Other more direct forms of philanthropy do not entail as much engagement. These foundations allow wealthy donors to become acquainted with other elite donors of similar social and economic background. In essence, foundation philanthropy becomes a networking opportunity for the elite. When prominent donors become members of the board of directors — the highest and most coveted positions inside the organization — the cultivation of social capital is even greater. It means these donors are given the opportunity to participate in the decision-making process and to have a say in shaping spending decisions. Although the number of such foundations is dramatically different in France and in

¹ Figures from two surveys: “Giving and Volunteering in the United States”, 2001, and La “Générosité des Français”, 2006.

² Elite is defined as any household that earns more than \$200,000 annually or whose assets exceed \$1,000,000.

³ These organizations fall into the American nonprofit sector classification (the famous 501c3 section) and are tagged as associations in France.

the United States,⁴ I believe that these organizations share important features and play a comparable role in the creation and the reinforcement of elite identity in both countries.

b. Philanthropic engagements and cultural capital

One of the reasons why philanthropy is so valuable and appealing for the elite is that it allows them to use organizations as a platform to accumulate cultural capital and gain recognition for their interests at a broader societal level. According to Pierre Bourdieu, cultural competence and aesthetic disposition are the two most effective forms of assets that give the upper-middle classes an opportunity to accumulate cultural capital (Bourdieu, 1979). Despite the groundbreaking influence of the conclusions of Bourdieu's *La distinction* in cultural sociology and the analysis of social stratification, especially among American scholars (Sallas and Zavisca, 2007), Bourdieu's theory of cultural capital has increasingly faced criticism (Lamont, 1992; DiMaggio, 1987; Coulangeon, 2004). The majority of critics insisted on the fact that his concept was developed for a particular context — namely France during the 1960s — and has therefore lost some of its relevance for current French society and is even more problematic for a comparative approach. Philanthropy is, I believe, a relevant topic which may contribute to update Bourdieu's work on cultural capital. I will highlight four major hypotheses in order to illustrate the crucial role of philanthropy in a contemporary theory of cultural capital. While cultural competence and aesthetic disposition are arduously acquired through schooling and upbringing, philanthropic practices are achievable as soon as an individual has accumulated sufficient wealth. There is no need to go through a complex and uncertain socialization process to become a philanthropist.⁵ That may explain the appeal of philanthropy among elites, or at least among individuals who have experienced upward social mobility (a). The appeal of philanthropy for the elite comes in conjunction with the development of financial capitalism and the birth of new occupations that do not rely on the same kind of assets older capitalist occupations did (Baltzell, 1991). (b) Furthermore, the progressive dissolution of the boundary between highbrow versus lowbrow culture (Warde, Martens and Olsen, 1999) has weakened the effectiveness of cultural competence and aesthetic disposition as forms of cultural capital for the elite (c). Finally, financial generosity to well-known and highly respected foundations allows members of the elite to “store” cultural capital efficiently. The storage issue, although often evoked by Bourdieu as a key mechanism in the effectiveness of social distinction, has never been given detailed attention (Savage, 1992).

I believe my set of hypotheses will demonstrate the effectiveness of philanthropic engagement as a form of cultural and social capital. In the case of elite philanthropy I want to make clear that generosity, financial donations and spending do not contradict a logic of accumulation. On the contrary, through philanthropy, French and American elites are embarked on accumulation by other symbolic and cultural means that play a prominent role in defining elite culture and identity.

2 / Giving and accumulating: The power of elites from philanthropic practices

a. The social position of elite shapes philanthropic and priorities

The previous two paragraphs were intended to demonstrate that elite philanthropic practices in France and in the United States could be understood with the help of a *general sociological framework* that emphasizes a common set of motivations and symbolic retributions. My preliminary investigations, however, show a *great variation of forms of philanthropic engagements* among elite individuals when taking into account the various sociodemographic characteristics of those individuals and the various causes to which their donations are directed.⁶ Thus, the wealthier the donors the more involved they are in causes related to education and culture to the detriment of causes linked with poverty and primary needs. In addition, humanitarian causes are more likely to be praised by individuals whose occupation is related to an international cause. Surveys also show that

⁴ In France there are no more than 1,500 organizations with 10 billion Euros or more while in the United States there are more than 12,000 foundations with more than 300 billion dollars.

⁵ Figures show that the number of extremely wealthy individuals has exploded since the 1980's. When focusing on incomes, individuals in the United States who belong to the first centile have seen their income increase more than 500 times than the national average for the past twenty years (Landais, 2006). In France, the situation remained stable during the same period (Piketty, 2001). When focusing on assets, inequalities have dramatically increased in both countries (Chauvel, 2001)

⁶ First processing of the American survey “Giving and Volunteering in the United States,” 2001.

priorities not only diverge among elites but also between French and American elites, thus displaying geographic patterns of giving.⁷ Another pivotal aspect of my thesis is underscoring the selectivity of elite philanthropy engagements that may be prioritized according to individuals various interests in philanthropy. I believe those interests and priorities are shaped by the social position and the type of assets on which elite individuals in France and in the United States rely. I further argue that the set of data I will be processing (the last paragraph of this paper is devoted to a detailed presentation of data and methodology) will enable me to detect an isomorphism between sociodemographic characteristics of elite individuals⁸ and the fields of destination of their philanthropic engagements. Contrary to the idea of a disinterested philanthropy claimed by most of philanthropists (Abélès, 2002) I posit a relation between the diverse assets and social positions of elite individuals and the priorities and interests they advocate through philanthropic practices. Here, the Franco-American comparison helps to shed light not only on the differences among types of elites but also on the differences in the “cultural repertoires” (Lamont and Thévenot, 2000) of French and American elites.

b. Symbolic boundaries and the power of elite philanthropic practices

If the amount and the destination of donations from elite individuals prove to be influenced by their individuals’ social position and assets, we should not be surprised to observe the foundations activities shaped — at least partly — by the social composition of their board of directors. Donors rarely contribute to causes that challenge their own set of interests and beliefs.⁹ Since the landmark work of Marcel Mauss (2007 [1925]), we know that giving means receiving and, above all, getting back. In order to back up this hypothesis, I plan to investigate the social standards and internal politics within the management of philanthropic foundations in order to assess the influence of their boards of directors. I want to rely on the concept of symbolic boundaries (Lamont, 1992) in order to understand the process through which certain causes are deemed legitimate and valuable while others remain unexplored or ignored.

In my work I thus wish to underline the social consequences of the growing elite philanthropic practices in France and in the United States. My work must be set back in the broader contentious about the opportunity in France and in the United States to give high income households tax breaks in order to develop private funding and specifically philanthropy. In France, the Aillagon bill on patronage and foundation passed in 2003 was a big step in this direction. A very important question should be asked: where is all this money going? In the United States, foundations account for billions of dollars of discretionary spending annually. My aim is to provide a better understanding of the set of priorities and interests that shape philanthropic spending processes. This issue, I believe, deserves to be addressed since elites who already hold dominant positions in the field of finance, politics, industry, and media may find new forms of social power in philanthropy. Indeed, ultimately I posit that elites exert, through philanthropy, a great influence in the shaping and defining of a broad range of social issues.¹⁰ I believe this approach to be original and relevant since elite sociology has until recently been a blind spot (Savage, 2008). Not only are philanthropy practices a key component of elite identity and culture but they can also be understood as set of power practices that shape and build society in accordance with elites’ interest and priorities.

3 / Methodology and data

a. The significance of a Franco-American comparison

A comparative approach to philanthropic practices has a great potential for original conclusions as there has yet to be to any related work in sociology. I have tried to demonstrate above why and when such a comparative

⁷ French elites are more involved in philanthropy towards social and poverty causes while American elites highly stressed the art and culture sector. These figures echo to the presence of a Ministry of Culture in France and to the scope of social inequalities in the United States. Only 10% of the donations in the United States and 30% in France were destined to poverty and the destitute.

⁸ Here are the characteristics I will take into account: occupation, age, religious affiliation, gender, ethnic background, religiosity, education attainment, income, wealth, generation, and the position in the life cycle

⁹ That is what Fischer calls “sophisticated conservatism” (1980).

¹⁰ This influence is conveyed through financing of R&D or pilot programs which may then inspire the State/ Federal Government or through lobbying.

approach could improve the value of my research. I have tried to present philanthropic practices as the result of a complex balance between state intervention in the economy, the nature of the tax system — and notably a high income tax regime —, and above all, the cultural identity of elites in France and in the United States. The Franco-American comparison is meant to provide sociological answers to a few controversies. First, I have shown that philanthropic practices can be understood by using a general sociological framework that emphasizes a common set of beliefs and motivations among elites. I believe that philanthropy can give birth to an effective form of cultural capital both in France and in the United States. This idea recalls some of the conclusions made by sociologists who posited the inconsistency of the Bourdieusian forms of cultural capital with the American social stratification model and American history (Erickson; 1996; Peterson; 1997). Second, the comparative approach is the only way to understand social phenomena such as the different regime of tolerance of social inequalities (Chauvel; 2006). The study of the cultural repertoires (Lamont and Thévenot; 2000) and of the diverse set of priorities and interests that French and American elites display in their philanthropic practices may give a better understanding of why American society seems to be more willing to tolerate inequalities while the French would be less likely to accept them. Finally, this comparison approach finds relevance in the relative availability of data in my field of interest. I propose to conclude this paper by presenting the data I will be using for my thesis.

b. Collecting and processing data

I intend to collect and process data in order to find answers to my earlier questions and hypotheses. This step accounts for a large part of my ability to complete my objectives successfully.

•First, I will start with secondary data analysis of existing French and American surveys.¹¹ These surveys are public and have been designed to capture the long term evolutions of generosity trends in several sectors. The International Classification of Nonprofit Organizations (ICNPO) will provide great help in completing this comparative study. However, since I aim to focus my analysis on elites, those surveys built upon representative samples will not be helpful in capturing the set of priorities and interests of the elites, since a very small minority of philanthropists makes the great majority of donations and often run the recipient foundations. Other tools must be used in order to solve this tension between the singularity and the overall that usually characterize sociological investigation of elites (Savage, 2008).

•In order to provide a fine-grain sociological investigation of elites, I intend to perform a Multiple Correspondence Analysis (MCA) on a set of data I am currently collecting. I have already explained my interest in linking the sociodemographic characteristics of donors with the location of their philanthropic engagements. This method, which belongs to the school of Geometric Data Analysis has recently been given prominent attention in Anglo-Saxon sociology (Savage; Leroux; Rouanet and Warde; 2008; Anheier; Herhards and Romo; 1995)¹² and has proved to be quite a useful and unique tool in order to build the social field of elite philanthropic practices in France and in the United States. Data collecting is organized in two stages. First I will select some of the largest philanthropic foundations which account for the majority of spending each year in France and in United States. Those rankings are public.¹³ Interestingly, thirty of the largest foundations in France and in the United States are accountable for 90% and 20% respectively of philanthropic sector financial assets. Second, I plan to obtain access to the list of donors from these foundations. Again, those lists are usually made public by foundations. This will provide a way to identify these individuals. In an earlier work an American PhD candidate was able to gain access to 75% of the lists of donors she sought in New York City (Ostrower, 1995). Hence, I

¹¹ The major American survey is titled “Giving and Volunteering in the United States” (1988–2007). The data from this survey up to 2001 is available on the website cpana.org. The subsequent years have been conducted by the Center of Philanthropy Panel Study as a module of the Panel Study Income Dynamics at the University of Michigan. In France the Survey “La Générosité des Français” has been conducted since 1995 by the Centre d’étude et de recherche sur la philanthropie and the Association Recherches et Solidarités. I should state here that other surveys are available in the United States: “The Study of High-Net Worth Philanthropy / Portraits of Donors” was conducted by the University of Indiana; “Six City Trusteeship Project” (1931/1961/1991) conducted by the Lilly Endowment which makes it possible to track the evolution of the members of the largest foundations’ boards of directors.

¹² I do not detail here the statistical and mathematical mechanisms on which the methodology is based.

¹³ They are found on the Fondation de France website in France and on the Foundation Center website in the United States. These two organizations have valuable statistics on French and American philanthropy.

believe this task is possible. Then I wish to select those donors who were accountable for the largest donations¹⁴ and those who are members of the boards of directors. The sociodemographic characteristics of these donors can be compiled directly from the lists of donors which usually display that information. I also plan to rely on official material such as the Who's Who, the Social register, the Forbes 400 list and other such publications on affluent and wealthy individuals in France and in the United States. Finally, I wish to collect information about the sector of activity and the various actions philanthropic foundations are currently running. That information is also usually displayed since it gives foundations public visibility. Thus, it will be made possible to hold together, in one file, information about the most prominent philanthropists involved in the most affluent foundations in France and in the United States. I then will be able to perform an MCA on the compiled file and probe the tensions, power struggles, balance and imbalance of the field of American and French elites' philanthropic practices. This methodology is consistent with my earlier questions and hypotheses.

•Finally, in order to provide answers to the above-mentioned questions about the internal functioning of philanthropic foundations, I have to conduct interviews and ethnographic observations. This qualitative material is crucial to surveying how the elites' set of interests and priorities can actually shape the actions of foundations. For this I have at my disposal a file containing a large amount of information and contacts from members of the Lions Clubs International, the world's largest charitable foundation. The Lions Club was originally founded in Chicago, where it still has its head office, which partly explains my interest in Northwestern University. An investigation of the internal functioning of this foundation will enable me to confirm, or disprove, the conclusions based on my statistical analysis. Interviews with a selection of foundation members and ethnographic observations is, I believe, an effective way to transform my hypothesis and strengthen to the future conclusions of my work.

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¹⁴ I have not yet decided on a threshold level. Including the donors who have contributed to at least 50% of the annual amount of charity giving will be necessary to characterize the main contributors.