

Charity for Profit

By Mark Dowie

When Colorado billionaire Philip F. Anschutz bought into the Los Angeles Kings hockey franchise, his co-owner Edward P. Roski toured him around Los Angeles to meet some of the people he would have to please in the months and years ahead. Between handshakes, Roski advised his new partner where best to direct his charity. "Ed has done a very good job of directing us toward the right activities and causes," exulted the Kings president, Tim Leiweke, after the tour.

How nice for the chosen charities, whichever they turn out to be, to have the 18th-richest man in America pointed in their direction. All nonprofits should have such luck. But the inference in Leiweke's remark is not all charitable. There is more at stake here than the endowments of the city's great universities, the status of its museums or the infrastructure of its private hospitals. The Kings need a decent place to play hockey. The Great Western Forum, way out in Inglewood, is considered a dump. A shiny new arena is needed, and it has to be downtown. It's a familiar challenge to sports franchises faced with frustrated fans, land scarcity and ambivalent politicians.

What Roski and Anschutz both know about contemporary America, and more particularly about Los Angeles, is that charity can generate power--perhaps better known in their circle as "juice"--without which a sports franchise, like any big-city enterprise, finds itself fighting against ungreased machinery.

In fact, few things lubricate power faster in some cities than strategic philanthropy. And nothing opens doors wider or faster in Los Angeles than seven-figure checks made out to the right museums, theaters, hospitals and universities. The trick--and it can be costly--is to know exactly where to put money to make the right people happy. There are consultants who charge big fees to counsel erstwhile philanthropists. Anschutz got it free.

Without direct access to their conversation, it's hard to know exactly what Roski advised. But it probably went something like this: "To impress folks in Pasadena and Hancock Park, you'll need to write a big check to the L.A. County Museum, the USC Business School or the Music Center. For a nod from the Westside, fund the Museum of Contemporary Art or UCLA Medical Center. To win over Gordon Davidson's crowd, make a matching grant to the Ahmanson or Taper. Almost any of the above, along with a donation to

— Page 1 of 4 —

Copyright © 1997, Los Angeles Times. This article may not be reprinted, reproduced, or retransmitted in whole or in part without the express written consent of the author.

Reprinted here by permission given to The Grantsmanship Center.
<http://www.tgci.com> (800) 421-9512 [Join Our Mailing List](#)

Disney Hall, will be noticed by Mayor Richard Riordan and his close friend, Eli Broad. Key players. If we need the County Supervisors, you may have to throw a few bucks at a county hospital. They're concerned about health care. But I doubt that will be necessary.

"You should be aware that the Disney donation will aggravate Michael Eisner, who's at war right now with Roy Disney and refusing to put any of his new foundation's money into the project. But, hey, you're bound to offend someone on one side of town by a contribution made on the other. That's life on the food chain in this city, where few good deeds go unpunished. Oh--one last piece of advice before the next meeting: Forget all those right-wing, homophobic organizations in Colorado. This is a liberal town."

Such is the conventional wisdom of power philanthropy in the Los Angeles basin, to which Roski might have added: Don't be modest. "Anonymous" impresses no one. Narcissism is de rigueur. In fact, it's essential. You can't compete with Ronald N. Tutor or Rupert Murdoch without writing larger and louder checks. And if you sin along the way, you can buy redemption, as Michael Milken demonstrates almost daily.

This is very different from advice Anschutz might receive in mature cities like Boston or New York, where philanthropy is more closely linked to social status than business expediency, and thus less likely to be viewed as an economic weapon. New York's Mayor Rudolph W. Giuliani will be far less impressed with a grant to Columbia University than with the number of labor leaders on your Rolodex, or the campaign contributions of your business partner. Donald Trump, who has had his way with Manhattan for most of his working life, has barely given a dime to charity, in or out of the city.

This is not to suggest that money can't buy juice in New York, Boston or any other city. It's just less likely to be philanthropic money, which might gain you a listing in the Social Register, but probably not a downtown site for your arena. The number of jobs you're creating, union jobs, is more likely to impress Giuliani than a receipt from the local museum.

What seems part of philanthropy in every city, and every era for that matter, is the narcissism thing. Try to find five private foundations in America (there are 43,000) that aren't named after their benefactor. And where do you suppose all those surnames come from on the dormitories, chapels and field houses of your favorite universities--the architects? How often are large grants made to a museum or hospital without a brass plaque appearing on

some wall with the donor's name deeply inscribed? Grants have been withdrawn, in fact, because inscriptions weren't deep enough.

We honor our benefactors, as we should. They have built much of our civilization. But, for some reason, we seem to prefer high-profile narcissists and, at some level, suspect the motives of, even distrust, the anonymous donor. When a modest business leader, Charles F. Feeney, was recently uncovered as channeling hundreds of millions through offshore banks into U.S. charities, he was outed like some kind of crackpot. Why give all that money away without any credit, asked suspicious pundits? What are his motives? How could his business have prospered so without recognition of his charity?

It's impossible to quantify the linkage between philanthropy and business, in Los Angeles or any other city, but what seems clear is that they feed off each other in ways generally good for business, and a lot better for some charities than others. Always favored, of course, are the arts, now deeply enmeshed in the urban-renewal schemes of many cities.

Chambers of commerce in at least a dozen major U.S. cities have discovered that the arts, if displayed in safe and splendid surroundings, can be a magnet for tourism, thereby a stimulating force of downtown revival. Thus, "funding the arts" takes on new meaning for philanthropists, not only corporate patrons and parvenus seeking redemption, but also local foundations whose trustees regard their opera or symphony not only as civic enterprise, but also as market commodities.

There is nothing new about strategic philanthropy or charity networking. It has been integral to urban power-grubbing for centuries. The artistic amusements of the elite have long been its favored beneficiaries. The Medicis discovered they could expand their political influence throughout Tuscany and make it last for centuries by patronizing the arts in Florence. This idea was equally powerful 400 years later, when my father knew he could bolster Carling's, his then-small brewery in Cleveland, by helping George Szell build the best symphony orchestra in America. And Los Angeles' Dorothy Buffum Chandler profoundly understood the inextricable link between personal fortune and civic participation and built up her city, as well as her family's name, through philanthropy.

But as power philanthropy grows and pays off in new ways for its donors, we stand to lose the benefits of more traditional grantmaking. If the incentives that drive Anschutz to donate money in Los Angeles displace the motives

—— Page 3 of 4 ——

Copyright © 1997, Los Angeles Times. This article may not be reprinted, reproduced, or retransmitted in whole or in part without the express written consent of the author.

Reprinted here by permission given to The Grantsmanship Center.
<http://www.tgci.com> (800) 421-9512 [Join Our Mailing List](#)

that drove Andrew Carnegie to create a nationwide public-library system, or the imagination that prompted John D. Rockefeller Sr. to eliminate hookworm in the rural South, or the utter perversity of Margaret Olivia Sage, who named her foundation after her parsimonious husband, Russell, and put the money to work on projects he would have despised, we will have lost something special and indigenously American about our philanthropy. Their motives were often no purer than Anschutz's, but strategic contributions to elite cultural institutions are unlikely to enhance literacy or ameliorate poverty.

As charity becomes a factor in downtown renewal and big-ticket philanthropy emerges as a competitive parlor game of the celebrity rich, we must accept the possibility that compassion may not be the prime motivating force behind beneficent generosity. But after lamenting the quid-pro-quo of big-city fundraising, perhaps we should be thankful that the charitable contribution is still regarded as necessary and valued in the social structure.

However, business-charity networking will surely remain troublesome to those who believe that true philanthropy, which literally means "love of humanity," supports handicapped access, environmental activism and storefront neighborhood services for the poor and disenfranchised, along with great operas, shining hilltop museums and liver-transplant units.