How Green is Your Cash?

Eco-Philanthropy Gains Currency

BY CHIP GILLER
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With $49.6 million, you could buy a lot of good for the world. You could give new biology textbooks to 700,000 high school students or endow 75 university professorships. If you fret about dependence on foreign oil, you could sneak a Toyota Prius into the garages of more than 2,250 Hummer owners—perhaps into the Hummers themselves.

Replacing eight million conventional light bulbs with compact fluorescents would cut U.S. consumers’ energy bills by $76 million over one year and reduce America’s carbon-dioxide emissions by nine million tons. And these examples do not account for bulk discounts.

Or, if you are Stephen Bing, the taciturn, table-hobbled-battered Hollywood producer, you could bet all $49.6 million on a single California ballot measure. Proposition 87, put before voters in November 2006, would have levied a $4 billion state production tax on oil companies over a decade, with proceeds going toward bulk discounts.

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—James Gustave Speth, dean, Yale School of Forestry and Environmental Studies

“We’re moving toward a more conscientious capitalism. The capitalist paradigm, the commercial paradigm, is becoming partly imbued with the philanthropic ethos.”

According to Giving USA, which parses private giving data each year, green philanthropy increased 16.4 percent in 2005, to $8.86 billion, giving a boost to environmental organizations of all sizes. This category is a single-digit fraction of the $280 billion Americans gave to charitable causes in 2005, but a fraction experiencing a teenage growth spurt, thanks in part to amped-up interest and activism in the climate sphere.

Of course, Stephen Bing’s massive gift—essentially a political contribution—wouldn’t be tallied in such traditional measurements, nor would many of the other largest and most influential investments intended to stave off global warming. This isn’t your father’s philanthropy.

For-Profit Players

Laurie David is one high-profile activist pushing the envelope this way with her green giving, melding old approaches and new. The Hollywood producer and environmental advocate is focused on making global warming a hot issue. A major donor to the New York-based Natural Resources Defense Council, she inaugurated the David Family Environmental Action Center, a wing of NRDC, in January 2004. That spring she raised more than $3 million for the group at a Hollywood gala that brought out her husband, Larry David—the celebrated misanthrope and Seinfeld producer—as well as Tom Hanks and Leonardo DiCaprio, who sits on NRDC’s Board of Trustees with her. She has since launched the Stop Global Warming virtual march, a project of the David center, which is more than halfway toward its goal of enlistig a million Americans in a push for solutions to climate change.

But her most influential activism bypassed traditional green channels and went straight to the big screen. David produced An Inconvenient Truth, the surprise hit documentary featuring former Vice President Al Gore that has done more than any other endeavor to implant climate change in the public consciousness. Proceeds from the film and the book of the same name will become seed money for Gore’s new group, the Alliance for Climate Protection, which aims to continue raising public awareness of the problem and pushing for solutions.

Other climate crusaders are even more thoroughly blurring the line between business and philanthropy. Sir Richard Branson is one of Silicon Valley’s most influential venture capitalists, speaks eloquently about the need for a clean energy revolution and is channeling millions into developing renewable fuels, but purely as business investments, not as charitable gifts. The logic of harnessing markets and technology to address energy-security and climate issues was obvious to him: “I looked, did my research, and found this was brain-dead simple to do,” he told NBC News last year.

Yet of the many tech tycoons channeling wealth into climate and clean-energy causes, Moore is one of the more traditional. Google founders Sergey Brin and Larry Page recently invested about $1 billion in Google.org, a new-fangled “for-profit philanthropy” that will form new companies, invest in cutting-edge technologies, and lobby Congress in an effort to tackle the global challenges of climate change, poverty, and disease. One of their aims is to develop a hyper-efficient hybrid car that can run on electricity, ethanol, and gasoline and get more than 100 miles to the gallon.

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But it’s a new approach and it’s changing the face of philanthropy itself. Says Doug Bauer, senior vice president of Rockefeller Philanthropy Advisers: “New
wealth in the last 10 to 15 years belongs to philanthropists far more interested in the earth. To be sure, these social entrepreneurs have changed the world as we know it through technology, and have gotten rich in the process. Now they want to use their wealth to change the world in new profound ways, harnessing technology and the power of markets to reshape the way we consume energy and treat the environment. “This is new in history,” says Boston College’s Schervish of for-profit philanthropy. “We’re trying to address these problems in a way that is as win-win as possible.”

The fact that global warming has gone mainstream as an issue helps. David Orr, chair of Oberlin College’s environmental studies program, is heartened by the recent surge of interest in addressing climate change. “We’re across that proverbial tipping point, or right at it, when everyone is as interested in the earth.”

Moguls and movie makers devising new forms of philanthropy, though, aren’t the only ones thinking about new ways to tackle climate change, of course. A new generation of hard-charging, on-the-ground activists is making a splash with small nonprofits that are tightly focused on concrete solutions and positive messages, in contrast to big, Beltway-focused green groups that are having a hard time letting go of the Nixon-era, sue-the-bastards mentality.

Clean Air-Cool Planet partners with companies, campuses, communities, and science centers in the Northeast to push for solutions to climate change. Climate Solutions—as its can-do name might suggest—does similar work in the Northwest. Campus Climate Challenge, headed up by the charismatic young activist Billy Paris, has garnered nationwide attention by galvanizing student activists at some 500 colleges and universities to push lawmakers on their campuses. Campus Climate Challenge, which uses the San Francisco-based Earth Island Institute as a fiscal sponsor, is backed mostly by foundation gifts. In that way, it’s typical of relatively new groups, which get most of their early support from foundations and reach out to individual donors only as they mature.

Clean Air-Cool Planet’s income, for example, has increased by 25 percent and 27 percent in the last two years, thanks almost entirely to grants, says executive director Adam Markham. Only about $35,000 of the group’s nearly $1.7 million budget last year came from individual givers. Markham is hoping to build a strong major donor program soon. “It’s competitive, but it’s always been,” he says. “It takes a long time to go to donors and we don’t have a lot of resources to do it.”

When these smaller, feistier groups do reach out to high-tech donors and other results-oriented givers, they argue that a dollar goes further in their hands than at old-school green NGOs. Organizers of local and state-level campaigns, like California’s Prop 87, make similar arguments: quick results (even if there’s no tax deduction). And it doesn’t take a fortune to make a difference via a modest-sized nonprofit or a ballot initiative. “You can do a lot with $30,000,” Bauer.

Nimbleness is a key lesson these young green groups can teach older nonprofit and social-change enterprises. Bigger is not necessarily better. At a time when insur- rigence rules in Washington, it makes perfect sense to think smaller, to focus on the local, state, and regional levels, to sway concerned citizens from all walks of life rather than banging heads against the political establishment in D.C. Al Gore figured this out—that’s why he circumvented traditional activist and political channels by presenting his climate slideshow to small audiences around the world, then to many more audiences through An Inconvenient Truth, and now to still more via the volunteers he’s training to present his slideshow in their own communities.

Anti-Sclerosis
A dynamic has developed wherein progressive causes—which ought to be seen as enhancing the social, moral, and economic health of the country and the world—are relegated to “special interest” status. Each cause has its army of technocrats, bureaucrats, and lobbyists, deployed by large, lavishly funded advocacy groups. Each has its single-issue scoreboard, ranking its political allies. The result is what one commentator has called “checklist liberalism,” a sclerotic movement that—despite the enormous sums of money available to it—has lost its ability to grasp and galvanize the culture.

The new generation of green groups and philanthropists have realized that this or that land trust, this or that piece of legislation, this or that lawsuit means nothing if the tides of culture are shifting in the wrong direction. These greens have gone guerrilla, targeting young entrepreneurs, using fresh, sophisticated communications vehicles, tapping pop culture. They are trying not just to pass a set of laws, but to infuse the culture with green energy, to make sustainability a cultural attractor for the best minds and money of the day. After all, the causes and consequences of global climate change infect virtually every facet of our collective life—the very antithesis of a special interest.

Says James Gustave Speth, dean of the Yale School of Forestry and Environmental Studies, “My principal advice is to contribute urgently and in a way that is unprecedented, because those are the characteristics of the threat!” The green movement is leading progressivism in taking this advice to heart.

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Sir Richard Branson, entrepreneur and chief of the Virgin Group empire, pledged $3 billion last fall to develop clean-energy technologies to both fight climate change and to profit from his new Virgin Fuels company, which will develop and spread ethanol technologies.

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