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The *Imperfect* Gift

Wealthy donors give hundreds of millions of dollars a year to the environmental movement. Too bad it's not being put to the best use. By Liz Galst

"Shouldn't you be on the beach somewhere?" I ask retired hedge-fund manager Robert Wilson.

It's a balmy summer afternoon, not terribly hot, but not cool either. And given that Wilson's worth upwards of half a billion dollars (that's right, half a *billion*), and could be almost anywhere in the world right now, sticky, overbaked Manhattan seems, well, an odd choice.

But then, "This is my beachfront property," says the lanky, bespectacled 80-year-old, dressed in white slacks and a black polo shirt. With gentlemanly flourish, he opens the French doors to his terrace. The views of Central Park below are spectacular: the vast expanse of green, the rowboats on the lake, the luxury homes of the Gold Coast far across the way.

Yes, Wilson is worth a lot of money. A *lot* of money. And since, at this stage in his life, he's only too aware that he can't take it with him—and that he has no children to leave it to—he's decided to give it away. To environmental groups in particular, luckily for everyone on Earth.

In the last few years, Wilson has offered environmental challenge grants—donations dependent upon recipient organizations raising matching funds—that will total $300 million. The money is to be doled out to three separate organizations: The Nature Conservancy, which purchases and safeguards environmentally sensitive land in the U.S. and abroad; the Wildlife Conservation Society, which works in more than 60 countries to protect endangered species and habitats; and the Environmental Defense Fund, the most market-oriented of the nation's large environmental advocacy groups.

Like major funders everywhere, Wilson has given to groups whose philosophy he embraces and whose track record and way of doing business he endorses. As it happens, Wilson is a libertarian, "somebody who believes in sodomy and the free market," he says, with an impish sparkle in his eye. Which is why, at least in relation to the free-market aspect of his philosophy, he chose Environmental Defense over, say, the more litigious, federally focused Natural Resources Defense Council or the grassroots-powered Sierra Club. "What distinguishes Environmental Defense from all the other environmental groups," Wilson notes, "is they are really interested in trying to use the free price system. Most environmental groups are left-wing." A definite turnoff for this former stock trader.

Wilson's generous donations makes him one of the largest environmental donors in the U.S. in recent years—right at the top with Intel's Gordon Moore and the late William Hewlett, cofounder of Hewlett-Packard. Like Wilson, they have given out their money through foundations and charitable trusts. (The other major players in environmental philanthropy are freestanding foundations, groups such as the Ford Foundation, the Pew Charitable Trusts, and the New York Community Trust, which are now largely independent of the families and groups that first set them up.)

According to experts, environmental giving tops out at about two billion dollars a year. And though that may sound like a lot of money,

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it's essentially chump change compared to the billions of dollars the so-called "polluter-industrial complex" offers up in political contributions, lobbying efforts, pro-industry think-tank donations, and advertising that challenges the scientific validity of an entire host of environmental problems, from global warming to solid waste.

Still, $2 billion is not nothing. Using Wilson's challenge grant, Environmental Defense has brought in more than $60 million in new money, most of it from other major donors. "The Wilson challenge has advanced our mission in many areas," says Carol Kinzler, a senior development officer. "It's launched our oceans program and seeded partnerships with some of America's leading corporations to address global warming." That's the problem that Wilson and environmentalists everywhere agree is far and away the greatest challenge of our time. Wilson's money has helped Environmental Defense in the worthy endeavor of pioneering, with Federal Express, a hybrid delivery truck that reduces greenhouse gas emissions by one-third. Now others, including Frito-Lay and the U.S. Post Office, are testing the technology too.

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Without major funders like Wilson, U.S. environmentalism would be significantly poorer—20 to 40 percent poorer, actually. But because major funders give out such a large percentage of environmental groups' budgets, they play a special, leading role—they steer American environmentalism.

But steer it in what direction? That's perhaps the most important and relevant question.The nation and the world are in far worse environmental shape now than we were at the time of the first Earth Day, back in 1970; the devastating threat of global warming looms ever nearer. Critics believe that many major funders have done a disservice to the movement, and by extension, the world as a whole, by giving inefficiently, with too many stipulations attached, in a way that hamstrings the political effectiveness of the environmental movement.

Moreover, many of these same critics charge that much environmental giving is quite simply going to the wrong places. Rather than building and strengthening the grassroots of the movement—the activist core needed to create change—too much money goes into the politically safe strategy of land conservation. "In the face of global climate change," says Robert J. Brulle, an associate professor of sociology and environmental science at Drexel University, "groups like The Nature Conservancy can purchase all the land they want. That's not going to do the trick."

Given our planet's precarious state, maybe it's time for major funders to rethink the uses and direction of environmental gift-giving.

A QUICK LOOK at where environmental funders are putting their money reveals one staggering fact. Almost half—half!—of all eco dollars in the U.S. go directly to one organization: The Nature Conservancy.

Established more than 50 years ago with the express purpose of "saving the last great places on earth," The Nature Conservancy (TNC) reported almost $950 million in revenue in 2005. In fact, TNC is so richly funded that the watchdog group Charity Navigator ranks them as number 25 on the list of largest-grossing nonprofits in the U.S., just behind 14 major universities and such other tax-exempt biggies as the American Red Cross and the American Cancer Society.

Of TNC's revenue, at least 35 percent comes from foundations and corporate partners, including General Motors, Shell Oil, and Tom's of Maine, the toothpaste people. A sizable part of the remaining 65 percent likely comes from other big donors—ones who don't give through foundations, but simply write large, tax-exempt checks. (In TNC's record-keeping, major donor giving isn't separated from the smaller gifts.)

And, indeed, there's something intuitively appealing about the work of TNC and other land conservancies. If an area is threatened, why not purchase and save it? The problem with this approach, says Brulle, is, quite simply, that it won't save the earth. Land conservation doesn't change the system that threatens environmentally sensitive areas in the first place. "Nothing about land conservation in any way rocks the boat," he says.

TNC, of course, disputes this criticism. "Some academics could legitimately make the argument that preservation is not all that important, what you need to work on is sustainability," says M. Sanjayan, the organization's lead scientist. "But like most dichotomies, this one is false." He points out that once TNC purchases land, the group's reforestation efforts have broader social and ecological benefits. For example, one of the group's projects in China provides fuel-efficient stoves to rural villagers. "That improves air quality. It reduces deforestation. Sustainability is embedded in the work we do," Sanjayan says.

Nobody disputes that such efforts are worthy. Deforestation accounts for approximately 20 percent of the world's annual greenhouse gas emissions, after all. But U.S.-based conservancies hardly make a dent in that total. Their methods are simply inadequate ways to address the task at hand, which should be, quite frankly, stopping global warming where it starts: right here in the belly of the beast, in the carbon capital of the world, the United States of America.

Whither the rest of the cash, the half of all environmental giving that doesn't go directly to The Nature Conservancy? According to a study of environmental advocacy and philanthropy by Brulle and his collaborator, Ohio State University's sociology chair, J. Craig Jenkins, a significant majority of the remaining environmental funding finds its way into the ledgers of what the pair calls "reform" environmental groups—large organizations staffed by scientists and lawyers, economists and policy analysts—such as the Natural Resources Defense Council (NRDC) and Environmental Defense whose members are, by and large,

contributors rather than active volunteers. Reform environmentalism receives about 30 percent of the foundation total. (Environmental Defense and NRDC are the two largest of these; each operates on a budget of around $60 million to $70 million a year.)

How effective a use this is of money is open for debate. (More on that discussion later.) Regardless, the consensus in the environmental world, and among academics who study it, is that the way foundations give the money hamstrings the movement through micromanagement. Rather than giving grants that allow groups to use funding as they see fit, most environmental grants are focused on specific projects and tasks, be they scientific studies, marketing campaigns, or educational publications. Because funding is often so tightly earmarked, a group that might want to ramp up its work in response to an unanticipated crisis—like, say, Hurricane Katrina or an Alaskan oil spill—often can't. "When Katrina hits, and you have to take nine months to get a grant, you miss the news cycle," says political consultant Michael Shellenberger, coauthor of the widely circulated manifesto "The Death of Environmentalism."

Indeed, "the vast majority of funds come with so many strings attached that foundations are really placing severe restrictions on organizations," explains Daniel Faber, an associate professor of sociology at Northeastern University who studies foundation giving. Moreover, "foundations—traditional, large, liberal foundations—aren't willing to fund base-building and organization work," says Maryll Kleibrink, development director of the Center for Health, Environment and Justice, which aids local communities in fighting polution and toxic waste. Organizing efforts are key to building pro-environmental sentiment and grassroots action. But in this age of so-called "entrepreneurial philanthropy," foundations expect quantifiable returns on their philanthropic "investments." "Foundations are looking for outcomes that they can measure in one year," says Kleibrink. "But with organizing, it's really hard to measure. It's long-term work."

Further complicating matters is that a number of environmental funders lay out tasks and projects they personally want performed and find organizations to accomplish them. (Wilson, by the way, isn't that type of donor. Instead, he relies on Environmental Defense President Fred Krupp to recommend funding priorities.) Critics charge that this creates redundancy and allows funders, rather than environmental groups, to decide the movement's priorities. The most extreme version of this comes from the Pew Charitable Foundations, which established its own offshoot organization in the '90s to address the issue of old-growth forests, and, more recently, its own climate-change center. Even at the local level, where the financial stakes are considerably lower, funders often formulate their own agendas, and environmental groups often scurry to make it happen, whether or not they believe this is the best use of their money or their time. "There's always a temptation to chase money, simply because it's money," says Peter Massey, director of grant funding at the L.A.-based TreePeople, an urban forestry and environmental education group. Massey recalls a foundation that offered TreePeople a grant in the mid five-figure range, provided TreePeople reorganized the way it worked with several classes full of schoolchildren. "We said, 'We'll try to do that,'" Massey remembers. "A lot of extra time was devoted. But it wasn't necessarily the best way to work with the schools."

Is there a better approach?

If environmental funders want their dollars to work smarter, Faber says, they should look at the incredible success that a coterie of conservative foundations have had in remaking American political culture in the last 30 years. These foundations—Olin, Scaife, Coors, and Heritage—have underwritten the development of a tightly networked infrastructure of think tanks, policy institutes, attack groups, spin doctors, and front organizations that have beat the drum of antienvironmental political conservatism, making it the potent political force that it is today.

Working in concert, Faber says, these foundations have offered unrestricted, long-term, general support to strategically targeted organizations. "If you look at the way they give those grants," Faber continues, "it's designed to maximize the autonomy and flexibility of the recipient organizations, so they can be most effective. However an organization thinks is the best way to spend that money, they're free to spend it in that manner." If a conservative group receiving general support thinks it can do best by ramping up its Internet presence, its funding allows for that. Double the size of the communications staff so their cause gets more media attention? It's allowed. Compile a database of sympathetic radio hosts? Go for it.

Says Faber, "the result of what the Right has achieved over the last 20 years has shown that method is very, very effective."

THE OLD DICTUM may declare that money changes everything, but when it comes to environmental philanthropy it seems the opposite is more often the case. "The big foundations don't support radical views," observes Christopher Bosso, author of *Environment, Inc.: From Grassroots to Beltway.* After all, he explains, many major funders, especially those with family foundations like Bob Wilson or Gordon Moore, made a lot of money in the marketplace. "They're not antiestablishment. They're not anticapitalist. They want to make the system work." As a result, Bosso says, "activists to the extreme left of the environmental community critique

Who Gets How Much?

The annual revenue of some of the biggest—and smallest—environmental groups (all figures are fiscal year 2005 unless otherwise noted):

The Nature Conservancy	$950 million
Sierra Club	$85 million
Environmental Defense Fund	$69 million
Natural Resources Defense Council	$61 million
Greenpeace	$8 million
TreePeople*	$5 million
Rainforest Action Network	$3 million
Center for Health, Environment and Justice	$2 million

*fiscal year 2004

TreePeople, a small urban forestry group, fosters environmental education by working with schoolchildren (above); using a grant from multimillionaire Robert Wilson, Environmental Defense helped bring hybrid delivery trucks to FedEx's fleet (right); The Nature Conservancy protects threatened land, like this wildlife habitat in Tanzania (below).

these big foundations for essentially driving what they see as a middle-class, middle-of-the-road agenda. And the answer is, of course they are. That's their orientation."

So can groups underwritten by a lot of foundation and major donor money ever make much progress on the environment's behalf? Some critics say no. Relying on the economic elite has never been the way to create the kind of mass social movement the world needs right now. "Major donors in particular don't feel so comfortable with protest or with trying to mobilize the grassroots," says University of Miami political scientist George Gonzalez, author of *The Politics of Air Pollution.* "They're rich and they often feel comfortable in the social system as it is." (Bosso believes this incongruence between the goals of major funders and the needs of the environment may be the cause of much foundation micromanagement.)

And it's true that activist groups aren't getting a lot of attention from foundations. Take the example of the San Francisco–based Rainforest Action Network (RAN), which focuses not just on saving the rainforest but on changing the ecologically damaging aspects of the American marketplace. RAN is best known for two things: its success in getting concessions from corporate giants like Home Depot and Citigroup; and for its flashy, nonviolent approach to environmental direct action. When Citigroup financed palm oil plantations that would destroy an endangered orangutan habitat in Indonesia, RAN demonstrated outside the Citigroup headquarters by wearing orangutan suits and hanging a 50-foot anti-Citigroup banner on the building across the street. They aired a TV commercial that featured a group of celebrities cutting up their Citibank credit cards. Not long

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Photographs courtesy Karen Broderick/TreePeople (top); Environmental Defense (middle); Emily Whitted/TNC (bottom)

thereafter, Citigroup negotiated a sustainability policy with RAN that has since become a model in the financial sector, inspiring even farther-reaching guidelines from financial powerhouses like Goldman Sachs and JP Morgan Chase.

Yet, RAN operates on an annual budget of just over three million dollars. "Some of our campaigns are a little more edgy than some foundations would be able to support," notes development director Branden Barber. Were significantly more money to pour into the organization's coffers, he believes, "we could really kick butt. It would give us a whole new range of opportunity in making a difference in the marketplace." That money, however, doesn't seem to be forthcoming. And when you think about it, it's not exactly surprising that there's a shortage of billionaires lining up to fund plans to undermine corporate interests.

Maybe it's not where the money comes from, but where it goes that's the problem. Drexel's Brulle believes that regardless of the source of their wealth, environmental funders desperately need to reorder their giving priorities. First and foremost, land conservation should not be the preeminent concern. "The task of changing from a society that's not ecologically sustainable to one that is, is an immense task. But buying and preserving more land, especially in the face of global climate change, isn't a strategy that's even remotely going to get you there," he says.

What will work? What should be funded? That's the question currently up for debate. Almost everyone *Plenty* contacted, activists and academics alike, stressed the importance of building a broad constituency based on existing and new social networks like those that have powered the most successful political movements of our time, from the Civil Rights Movement, which drew much of its strength from African American churches, to the Religious Right, which has also been fueled by churches, most of them white evangelical. "The social science on this says that you have to tap into existing networks, like friendship networks or congregational networks," Brulle explains. "This strengthens social organization."

Funders can help facilitate this by giving, for example, to religious-based environmental groups, which, according to Brulle and Jenkins, currently receives only 0.6 percent of all the environmental foundation money they've tracked. And the truth is, to some extent, working directly with big business can be really effective in some cases. If, with Wilson's help, FedEx can cut its delivery fleet's greenhouse gas emissions by a third, more power to 'em.

Whether reform environmentalism should remain a a major focus is currently up for debate. Critics such as Brulle and Shellenberger charge that the large, federally focused groups like the NRDC haven't been able to accomplish much since the Republicans took over Congress in the mid-'90s, and therefore aren't particularly effective uses of foundation cash. Others disagree. "Would the environment be better if the mainstream environmental groups didn't exist? I don't think so," argues Robert Duffy, Colorado State University political scientist and author of *The Green Agenda in American Politics.* Working on legislation and policy, using the court system, and supplying experts to counter those offered up by industry might not be glamorous, Duffy notes. "But until we have a different political system, that's how the game is played."

There are plenty of other ways to strengthen environmentalism's political muscle and broaden its base while working within the current system, Duffy says. He highlights important recent electoral victories spearheaded by the League of Conservation Voters (LCV) and the Sierra Club and powered by coalitions of environmentalists, labor unions, minorities, and women's groups. "LCV and the Sierra Club could do much more election work if they had more money," says Duffy. Increased funding of the environmental justice movement, which addresses the disproportionate effects of pollution, toxins, and other environmental threats on the poor, could also be a key strategy in strengthening the environmental movement. It would allow environmentalists to reach communities that often feel neglected and alienated from the green movement.

Importantly, there's some indication that big environmental funders are starting to move in the right direction. In recent years, the Ford Foundation, one of the nation's largest environmental givers, has introduced an environmental justice portfolio. Grants have gone to projects like the Deep South Center for Environmental Justice, an activist group in New Orleans, Montana-based Native Action, a Native American grassroots organization, and Oakland, California's Urban Habitat, which focuses on the impact of global warming on low-income people and and on environmental health. The Rockefeller Brothers Fund, another of the nation's top-tier environmental funders, has also started to address climate change by working with what they call "new voices." Among them are Twenty Five by Twenty Five, a group of farmers interested in hosting alternative energy sources such as wind turbines on their land; and the Campus Climate Challenge, a network of college students who want to reduce their schools' global-warming footprints.

Still, more funding for these groups is desperately needed. The Campus Climate Challenge, for instance, which now has chapters on more than 300 college campuses, would love to expand its work to every high school and college campus in North America. "We're training the environmental leaders of the future," campaign director Jessy Tolkan observes. But to make a great impact, CCC needs to increase its staff from the current total of four. Says Tolkan, "We have one digital organizer for a campaign that's happening in every state across the country and in many places in Canada."

Back on his terrace, Robert Wilson worries that the time available to address global warming is rapidly running out. "We have to do everything we can," he says, tilting his chin downward and folding his long hands pensively across his lap.

We have to do everything we can. That goes for every one of us, from $25 donors to regular old billionaires. Building the movement's base and political power, empowering organizations to do what they do best—these are the things that may well stabilize the climate—and with it, all life on Earth.

That's a big task. But environmentalism is a big movement. Perhaps, when put to the right uses, money really can change everything. ■