

TRENDS  
CHANGE AGENTS

# *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, tabloid-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 research into clean, renewable energy sources that do not contribute to global warming. But even Bing's largesse, which amplified a spirited "Yes on 87" campaign, could not out-

scream the oil industry and its friends, which spent about \$90 million to beat back the measure and convinced nearly 55 percent of voters to say "no thanks." Whatever your opinion of Bing's donation—noble or foolhardy, or both—it marked an escalation in the role private donors are playing in the battle against the very public climate crisis.

Growing concern over global warming is transforming the realm of environmental giving, and hinting at how the larger world of social-focused spending might change in the coming years. The problem is so vast, so unprecedented, so laden with both threats and opportunities that it is giving rise to a whole new form of giving, period—namely, for-profit philanthropies, which are aimed at making change effective, and also profitable.

The threat of climate change is spurring much of this innovation, but ultimately, the larger philanthropic and social-change sectors will be affected by a blurring of lines between charitable giving and corporate profit-making. Says Paul Schervish, director of the Center on Wealth and Philanthropy at Boston College,

**"Contribute urgently and in a way that is unprecedented, because those are the characteristics of the threat."**

—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 \$260 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 Tides Center, which is more than halfway toward its goal of enlisting a million Americans in a push for solutions



Billy Parish, 26, heads up Campus Climate Challenge, which aims to organize students across the United States to push for clean-energy policies to fight global warming. The nonprofit has garnered nationwide attention by galvanizing student activists at 500 colleges and universities.

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, entrepreneur and head of the Virgin Group empire, pledged \$3 billion to clean-energy technologies at the 2006 Clinton Global Initiative conference. But though the funding is intended to fight climate change, it's no charitable contribution—rather, it's an investment in Branson's new Virgin Fuels company, which aims to develop and spread ethanol technologies.

And Branson isn't the only one. Intel cofounder Gordon Moore—who's donated hundreds of millions to Conservation International and other green groups through his foundation—recently established a \$6.5 million solar-energy research shop at Caltech.



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.

Vinod Khosla, a cofounder of Sun Microsystems and 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.

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

PHOTOGRAPH: ERIC HYLDEN

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 more 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 getting this, from Wall Street to Main Street,” he says. Gore’s movie, Hurricane Katrina, the fact that 2006 was the hottest year ever in the United States—these are all waking people up to the reality of global warming. “It’s a steady accumulation,” says K.C. Golden, policy director of Pacific Northwest-focused nonprofit Climate Solutions. “Reality has a way of asserting itself until we get the point.”



Hollywood producer Laurie David, who produced the alternative hit movie, *An Inconvenient Truth*, and whose activism has helped to make global warming a hot issue.

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 Parish, has garnered nationwide attention by galvanizing student activists at some 500

colleges and universities to push for clean energy 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.

PHOTOGRAPH: MISHA ERWITT/THE NEW YORK TIMES

## This isn’t your father’s philanthropy.

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 \$10,000,” says 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 intransigence 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 squadrons of technocrats, bureaucrats, and lobbyists, deployed by

large, lavishly funded advocacy groups. Each has its single-issue scorecard, 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 infuse 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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## Fresh Air

Here are some innovative environmental nonprofits and how they are forging new solutions to problems associated with climate change:

NONPROFIT	PROBLEM	SOLUTION	IMPACT
<b>CAMPUS CLIMATE CHALLENGE</b>	Students are not organized to promote change.	College and high school students are encouraged to organize; MTV-funded contests give cash rewards for best local clean energy projects.	Mobilizes and connects student groups on more than 500 college campuses—and growing.
<b>CLEAN AIR-COOL PLANET</b>	The federal government and big companies aren’t taking enough action against global warming.	Spurs action regionally by organizing Northeast businesses, universities, and communities to reduce their emissions.	Helps to push forward the construction of new wind and solar facilities in the Northeast, working with more than 150 universities on their carbon “footprints” and converting truckers to lower-carbon, bio-diesel fuels.
<b>CLIMATE SOLUTIONS</b>	Many people are unaware of steps that can be taken now to avert a climate crisis.	Shows the promise of clean energy as a way to address global warming and to build a strong, resilient, future-focused economy in the Pacific Northwest.	Brings together disparate groups—from farmers and technology researchers to energy entrepreneurs—to accelerate development and use of biofuels, biomass energy, wind power, and other renewables.

PHOTOGRAPH: CAMERA PRESS/DEIRDRE O’CALLAGHAN



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.