

# Non-Profit Higher Education

Dr. Philip Heckman

**T**HERE was a time when all charity and philanthropy had a very direct cost/benefit—calculated by the Islamic religious faith—Zakat (2 and one-half per cent of wealth) and the benefits and rewards that await all for a devout and prayerful life.

Today, at least in my part of the world, the United States, there are many other incentives and the recipients are not only the less fortunate, but the donors themselves.

I can not directly give charity to myself and call it charity, but if I do more than feed the poor, through massive gifts, so arrange society so there are no poor, I indirectly improve the life of everyone, including myself.

I will attempt a few building blocks, each one placed, logically on top of the earlier one. None of this is new.

1. Like every other nation and society in the world, Bangladesh wants a better future for its people.

2. This nation does not have some of the physical gifts that made other nations healthy; mineral wealth, oil, inexpensive power, natural amenities to share. We now realize that the greatest capital here is people-human capital.

3. We know that the people, when properly educated and nurtured, can properly as equals with anyone in the world. In other words, the problems that besiege Bangladesh are not physical or intellectual defects.

4. Therefore, if many do not realize their potential, it is a societal defect.

5. There are many answers to societal defects. Two that receive no argument are education and employment.

6. These two correctives are sequential. Good employment is based on education.

7. Higher education is labour-intensive and expensive. Quality mass produced university education has never been marketable at a cost the consumer can pay.

8. Education of its people has been a duty of the state.

9. Bangladesh is faced with tremendous demand and limited supply. They serve 10% of the need.

10. In 1992 Parliament passed a Bill encouraging private universities to form and assist in the education of some of the remainder.

11. In the same year the Government discouraged the success of the Bill they just passed, eliminating tax deductions and incentives for gifts. Remember, no one yet, in any society has created a university education that the consumer can afford. All are subsidized by governments or donors.

12. So the actions of 1992 said:

(a) Establish Independent Univer-

sities

(b) The Government is not a financial partner.

(c) The students and guardians can't cover costs.

(d) Remove incentives for other donors.

Normally a series of contrary actions like that would quench the spirit and no societal gains would occur. These are often the outcomes of central overplanning. However, 16 private universities have been approved, others are awaiting approval and two that I know in Dhaka now have a history of successful service. Their success is based on the vision and generosity of men and women who understand the 12 steps I've listed.

The next months and year are critical. Either these founding pioneers will become exhausted in their attempts to solve the dilemma of millions of young people and these noble experiments will fail, or they will settle for less than the best, or, Parliament will be led to realize how it offered with one hand and took away with the other and reinstate tax exemptions and incentives for charitable deductions. We will then enjoy the support, not of a few hundred fore-fathers of a new way, but of thousands and thousands of men and women who will see gifts to private universities as an investment and a government who will appreciate the financial partners it has needed.

A few words about charity as a part of our life and faith. My wife and I pay tithe, our Christian equivalent of Zakat. But I will admit to you that we cheat a little on two fronts, (a) we usually give 10% after taxes, one tenth of our take home pay and (b) as a lifetime staff member of charitable non-profit organizations in America, I usually give generously to the one that employs me.

In My 72 years, I've never worked for profit making enterprises, therefore have no profit, but fifty years of salaried service has made us comfortable, able to give quarter of our life this year to IUB in Bangladesh, able to speak to you about giving money away.

I spent an hour or so making a tally of what my 50 years produced for somebody, if not for me. I can, if necessary, identify about \$100 million now dedicated to public and human causes, education, health, human services, the arts, not one penny of it suffering the leakage of going to the government and may be coming back to the people. It's been a good life, if not one to make me wealthy. Only a few dollars of that \$100 million came from my own pocket, because that pocket never had much, I've been generous in my lifetime

with other people's money.

Americans, when they became Americans, were not, inherently, generous and giving people. When the first settlers, arrived in the 17th century, the indigenous people, mistakenly called Indians, were the generous ones. They shared food and goods with these new arrivals. The settlers returned the favour by taking their land, driving them away and killing them. The first settlers were Christian Calvinists, hard working with not tolerance for charity and less for the poor. They despised poverty and idleness. There is no evidence of benevolent societies, charities, or planned philanthropy for the first hundred years of their presence.

When the Americans did begin to feel responsible for the less fortunate, urged by the sermons of Christian ministers and the wisdom of Benjamin Franklin, they moved in a particularly American direction. They moved from charity, the relief of the afflicted, to a concept of philanthropy, improving conditions for all, in other words, they didn't give food to the poor, they concentrated on eliminating what made them poor. They opened society and minimized the benefits of birth and station, they began universities funded without government funds, they created the premier hospital system in the world, etc., etc.

Within another century the nation created the fabulously wealthy that became recognized as the "robber barons" of industry, those few who delivered our steel, our banks, our oil, our railroads and finally our autos, whose names became the standards of world affluence and influence: Carnegie, Rockefeller, Ford.

Their names are alive in the world today, not only as labels on products and surely not as selfish collectors of the world's goods. The assets and gifts of the Ford Foundation, the Rockefeller Foundation, the Carnegie Corporation, the Mott Foundation, the Kellogg Foundation, 100 more I can name, all stem from American families that lived like princes but gave it away before they died.

Andrew Carnegie put it briefly. He said, "it is a sin for a man to die rich." There have been moments in our national history when Americans doubted Carnegie, and were willing to risk the sin of dying rich. I was a child during our greatest Depression when work and survival were, for many Americans, as distant as they are today for some Bengalis. Today, however, a great majority of Americans agree with Carnegie to a certain degree. As a nation we don't

agree on much, valuing our differences and debating every proposition. But we do seem to agree on one large subject. It comes from our frontier heritage; we distrust our government and try to reduce their national portfolio.

We trust people more than governments, small human establishments rather than the large, and the near rather than the far. We politely rotate our leaders every few years. We resent Washington to a certain extent and we would rather give one dollar to a non-profit organization that serves our people than send the dollar to Washington and get half a dollar back.

This distrust of government is felt by the people who, in their turn, become the government, so there has been on conflict of interest. Take, for instance, education. There are no national universities. Each state operates and finances universities to educate their people and use tax money from their citizens. We recognize that every student is subsidized to some extent. So, as the general American distrust of government and wish to do it better emerged, the nation saw a flourishing of non-profit non-government universities, many of which have become the benchmark of the species; Harvard, Stanford, Columbia, etc.

The nation came to realize the value of non-profit non-government energy to meet national needs, that it was, always, more efficient, more experimental, more committed and eventually more productive. The nation also came to realize that the system needed money, money that the government couldn't or didn't want to pay. They had to attract not only Carnegie, Ford, and Rockefeller, but the millions of citizens ready to move from charity, helping the poor, to philanthropy, improving the world for all of us.

The government played its part by offering graduated tax deductions for all who make such gifts. After 72 years of operation, the income tax and the charitable deductions are both the same age as I am, but in much better shape. After 72 years, it is not only suspected but proven by every fiscal analyst, that the nation enjoys benefits the government never could have delivered, benefits that produce a national improvement in the human condition over a hundred-fold. That is to say, for every taka that Parliament doesn't get in taxes by offering incentives, the non-profit services deliver 100 taka of benefits.

(To be Continued)