

# Imagining a Just Transition for Non-Profit Finance

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**JUSTICE FUNDERS**

Powering Philanthropic Transformation

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Diagnosing “the problem:”

**When you think about the ways your work (in finance) and your organization are impacted by institutional philanthropy, what comes to mind?**



*“Whether, when, to whom, and how much people give is a product of the laws that govern the creation of nonprofit organizations, charitable trusts, private and community foundations, and so on, and spell out the rules under which these may operate....”*

-Robert Reich, *Just Giving: Why Philanthropy is Failing Democracy and How It Can Do Better*

1913

Income tax  
status estab  
beginning of  
industrial co

1913

## Income taxes & tax exempt status established: The beginning of the non-profit industrial complex

The Revenue Act of 1913 established an income tax on the highest incomes. At the same time, institutions "organized and operated exclusively for religious, charitable, scientific or educational purposes" were exempted from paying federal income tax.

### INTENT

Federal income tax was established to compensate for the reduction in tariff dues, which was also a part of the Revenue Act. Charitable organizations were defined as those whose net income does not benefit "any private stockholder or individual."

### JUSTICE FUNDER ANALYSIS

Public charities and independent foundations had been in existence for decades, and operated for the public good. This Act formally started the era in which tax policy regulated philanthropic activities and incentivized charitable giving. These laws created a distinct non-profit sector defined by their legal status. This was the beginning of the non-profit industrial complex, in which the government has the ability to monitor and control social movements, and a reliance on state/foundation/corporate funding has derailed the course of social movements. Non-profits can only be as radical as their donors, and must often shape their activities to align with donor interests.

Intro

1900

1910

1920

1930

1940

1950

1960

1970

1980

1990

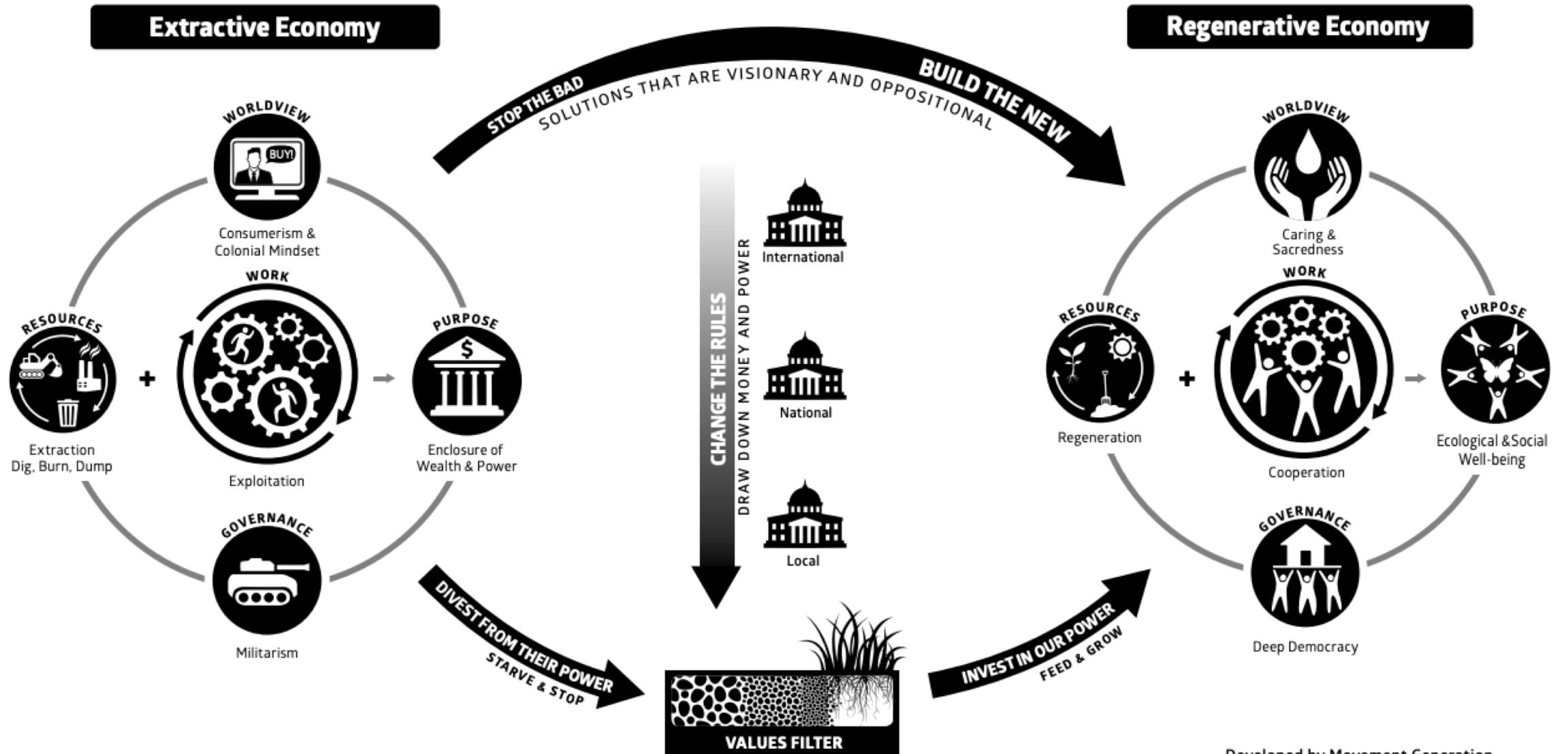
2000

2010

2020



# A STRATEGY FRAMEWORK FOR JUST TRANSITION



- A JUST TRANSITION MUST:**
- Shift economic control to communities
  - Democratize wealth and the workplace
  - Advance ecological restoration
  - Drive racial justice and social equity
  - Relocalize most production and consumption
  - Retain and restore cultures and traditions

Developed by Movement Generation  
with **OUR POWER CAMPAIGN**  
COMMUNITIES UNITED FOR A JUST TRANSITION

# Guiding Values & Principles



# A Just Transition . . .

- **Moves us toward Buen Vivir**
  - *Buen Vivir means that we can live well without living better at the expense of others. The rights of peoples, communities and nature must supercede the rights of the individual.*
- **Upholds Self-Determination & Builds Deep Democracy**
  - *All peoples have the right to participate in decisions that impact their lives. This requires democratic governance in our communities, including our workplaces. Communities must have the power to shape their economies, as producers, as consumers and in our relationships with each other.*
- **Equitably redistributes resources and power**
  - *We must work to build new systems that are good for all people, and not just a few. Just Transition must actively work against and transform current and historic social inequities. Just Transition fights to reclaim capital and resources for the regeneration of geographies and sectors of the economy where these inequities are most pervasive.*
- **Builds what we need now!**
  - *We must build the world we need now. This may begin at a local small scale and must expand to begin to displace extractive practices. We must build and flex the muscles needed to meet our communities' needs.*



*“All of us who have been forced to the margins are the very ones who harbor the best solutions for healing, progress and peace, by virtue of our outsider perspectives and resilience. When we reclaim our share of resources, when we recover our places at the table and the drawing board, we can design our healing. We can create new ways of seeking and granting access to money. We can return balance to the world by moving money to where the hurt is worse.”*

-Edgar Villanueva, Can Money Be Medicine?

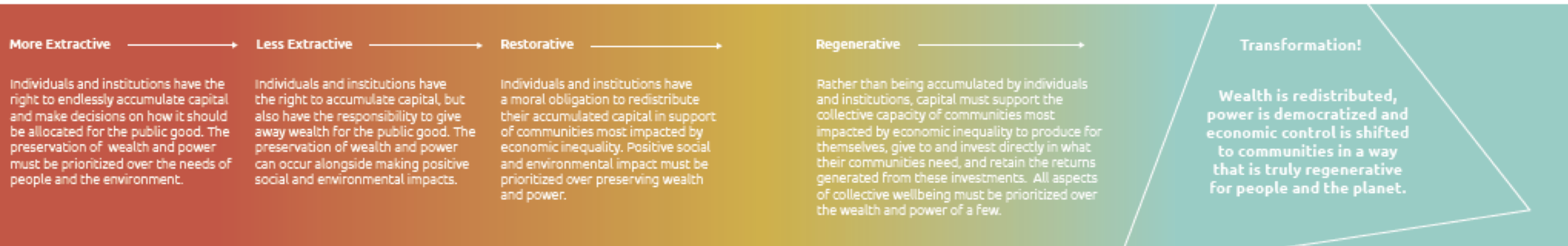
# **From Extraction Towards Regeneration**



# Re-imagining the Way Forward

## TRANSFORMING OUR INDIVIDUAL & INSTITUTIONAL WORLDVIEW

### UNDERLYING ASSUMPTIONS ON THE ROLE OF CAPITAL



### Questions to move you along the spectrum towards the vision:

*What is our vision for the world? What is our philanthropy's role in manifesting this vision?*

*How might we challenge our current assumptions on the role of capital (grants and investments) and wealth in advancing collective well-being?*

*What are our assumptions on perpetuity and risk? How do we challenge these assumptions given what the current political, economic, and climate conditions ask of us in this moment?*



# Re-imagining the Way Forward

## Leadership:



With your non-dominant writing hand, in cursive, please write:

**We must build the muscle for regeneration**







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