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So Much More Than Money: How Pursuit of Happiness and Blessings of Liberty Enable and Connect Entrepreneurship and Philanthropy

John E. Tyler III[1]
Ewing Marion Kauffman Foundation, USA

Abstract. The article contends that entrepreneurship and philanthropy have much more in common than money. Entrepreneurship and certain approaches to philanthropy share perspectives on opportunity recognition and risk taking. More importantly, however, America's entrepreneurial and philanthropic experiences are both made possible by and exemplars or demonstrations of core principles of "pursuit of happiness" and "blessings of liberty" from America's Declaration of Independence and Constitution. The article also explores how considering charitable assets as "public money" is inconsistent with those principles and undermines both entrepreneurship and philanthropy, not just the latter. The author contends that, by adhering to and advancing these core American principles, we can expand on centuries-old traditions of hard work, innovation, and creativity that have contributed so greatly to economic growth, individual opportunity, quality of life, and human welfare.

Keywords: entrepreneur, entrepreneurship, philanthropy, "public money", "private foundations", charity, charitable, "blessings of liberty", "pursuit of happiness".

1. Introduction

America has an extraordinary history of entrepreneurial achievement. It is a story of remarkable innovations in products, services and even entire industries that have stimulated economic growth while simultaneously advancing human welfare and providing more specific opportunities for individual fulfillment. Unprecedented private wealth has been realized as a result. That wealth has given

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rise to a distinctive philanthropy and the irrevocable dedication of hundreds of billions of dollars of private resources to the broader interests of society and its charitable purposes.

Thus, entrepreneur and philanthropist often are connected. Frequently, the connection is sequential in that money is earned earlier in life and dedicated to charitable purposes later. Other times, the earning and dedicating happen at the same time, sometimes even as part of the same ventures.

None of this happens in a vacuum. There is an overarching context of principles and policies that favor both entrepreneurship and philanthropy. Some apply uniquely to each role (*e.g.*, regulation of securities that most directly affect the entrepreneur). Others such as tax policy have shaped both roles. Some are new, like the emerging hybrid business structures in which both distributable profits and public good are permitted as matters of concurrent fiduciary duty. Others are grand pronouncements that are centuries old, such as those in America's Declaration of Independence and Constitution.

Not all are in writing nor are they unique to entrepreneurship or philanthropy, but they combine to support a culture of freedom in which entrepreneurs and philanthropists thrive. Among these are the spirit of self-reliance and responsibility for one's future, awareness of interconnectedness and degrees of interdependence, and respect for a distinctively private realm that freely chooses to engage with and provide benefits to the public and broader society.

Part 2 of this article clarifies what "entrepreneur" means for this article. Part 2 then describes different approaches to philanthropy and identifies those most relevant for this discussion. Part 3 explores certain characteristics that entrepreneur and philanthropist share – opportunity recognition, risk taking, and deploying various resources toward a goal. The overlap increases as entrepreneur becomes entrepreneur-philanthropist and devotes both money and effort to achieving charitable outcomes.

Part 4 explores how the Declaration of Independence's unalienable right to "pursuit of happiness" and the Constitution's avowed purpose of securing the "blessings of liberty" connects entrepreneurship and philanthropy. Thus, part 4 demonstrates that these core aspects of America's DNA have fostered and protected both entrepreneurship and philanthropy while at the same time the entrepreneur, philanthropist and entrepreneur-philanthropist have exemplified and even fulfilled those principles in action.

Part 5 moves from principle to policy by analyzing efforts to use policy to label and treat philanthropic assets as "public money" contrary to the principles discussed in Part 4. One basis for those efforts appeals to tax policy characterizes charitable exemptions and deductions as government "subsidy" that entitles government to control the assets. A second rationale equates philanthropy's obligation to serve "public purposes" with government responsibility for which control is appropriate. These positions conflate government and philanthropy, eliminate respect for private decision-making and accountability, and are not reconcilable with core American principles discussed in Part 4. These positions also threaten entrepreneurship, and business more broadly, because there is no principled defense against those same positions and their results migrating to business.

2. Understanding "Entrepreneur" and "Philanthropist"

The words "entrepreneur" and "philanthropist" have a variety of confusing definitions and applications. Potential for confusion is exacerbated when the terms are linked in ways that this article does.

"Entrepreneur" can broadly mean anyone who recognizes an opportunity others have overlooked and marshals resources to pursue that opportunity in the face of its risks (Kourilsky, 1995). In this context, it does not matter whether the opportunity relates to social goods, public benefit, individual economic gain, or some combination. The term can less broadly mean anyone who starts a business whose purposes are gaining and distributing profits with or without regard to growth potential. More narrowly are those who started or grew a business that generated wealth for themselves and others. Although this definition diminishes the relevance of risk, potential for failure, and the benefits of luck, the definition's presumptive prosperity best links to opportunities for philanthropy.

"Philanthropist" also has multiple definitions and connotations. In its broadest sense, the term literally means "love of humanity" or "one who loves humanity" (McCully, 2008, 1-3). This definition's use of "love" incorporates yet another sweeping, complex term that is too broad for our purposes. A narrower definition of "philanthropist" encompasses people who donate their resources in a way that presumably helps society even though they lack explicit intent to accomplish specific charitable purposes. Real estate and insurance magnate John D. MacArthur famously declared that he made the money and his foundation's board would have to figure out what to do with it (MacArthur Foundation, 2014). Among motives for this "divestiture" approach could be tax savings or directing funds away from government. Regardless, both divestiture and tax avoidance philanthropy benefit society, but neither is "philanthropy" for our purposes.

A more common and more relevant approach for our purposes involves a series of intentional decisions to dedicate resources to charitable purposes: whether to contribute, how much to give, whether to give once or over time, when to give, which purposes to support, and which organizations to select. One of many potent examples of this "donative" approach is Osceola McCarty's 1995 decision to donate her $150,000 lifesavings as a laundress to fund scholarships at the University of Southern Mississippi (Grimm, 2002, 205; Zinmeister, 2013a, 29).

One subset of "donative" philanthropy might be someone who as an entrepreneur generated wealth and then became a philanthropist. In many cases, they invented or advanced innovations. In all instances, they aggregated resources – financial and otherwise – beyond their personal and family needs. As a philanthropist, they might pursue more specific charitable purposes with their money. Not that a person must have been an entrepreneur to be specific in practicing philanthropy, but entrepreneurs seem to approach philanthropy differently from others (Renz, Taylor and Strom (eds.), 2014).

Entrepreneur-philanthropists like Steve Case, Bill Gates, Ewing Kauffman, Michael Milken, and Pierre Omidyar seem to engage in yet a different approach that strategically uses a spectrum of innovative forms for deploying their resources – financial, talent, ingenuity, and otherwise. They often seek to change public policy and social conditions. Their philanthropy is more active, intentional, purposeful, strategic and outcome-oriented, and is less divestiture, tax avoidance, or donative philanthropy.

Many if not all entrepreneur-philanthropists also practice(d) donative philanthropy either as a precursor or complement to strategic efforts. Both types of philanthropy have much in common, including contributing to society, expressing American values and principles, and intersecting with policy. Although different by degree, both approaches practice private engagement in the public sphere – a hallmark of civic engagement critical for preserving a democratic republic and to its flourishing.

Philanthropy of all types benefits from and is made possible because of society's principled respect for private property, self-determination, and autonomous decision-making that allow the entrepreneur to accumulate resources in the first place. Those values are derived in part from a formally recognized unalienable right to pursue happiness and security in "blessings of liberty." Both principles protect the acquisition of wealth and a right to determine its disposition, including private decisions to support a charitable subset of public purposes. Many times, those decisions also are facilitated by First Amendment protections for freedoms of religion, speech, assembly and petition.

Philanthropic giving is as much an expression of the First Amendment as it is protected by it. Similarly, while these principles operate to enable philanthropy, in return philanthropy is a reflection and exemplar of pursuit of happiness, blessings of liberty, and respect for private property, self-determination, and autonomous decision-making.

There are consequences for policy that neglects these principles and their dual character as enabling and being exemplified by philanthropy. Among them could be reduced charitable giving and fewer resources dedicated to problems outside the purview of government or business, less innovation, less economic opportunity for individuals and society, and more people ill-prepared to identify or pursue opportunities that do arise.

3. Entrepreneur and Philanthropist: Same Skill-Sets Applied Differently

Entrepreneurs are somewhat famous for recognizing opportunities, taking risks, and targeting financial and human resources toward those ends. American principles in practice have recognized rights and organized society in ways that permit and even promote these characteristics, which have resulted in new companies, new jobs, broader prosperity, improved quality of life, and advances in human welfare.

Entrepreneurs turned philanthropists similarly recognize opportunities, take risks and expend capital to benefit society and solve or at least mitigate effects of various problems. Their efforts likewise have resulted in new companies, new jobs, improved quality of life, and advances in human welfare. In some instances, these efforts have even generated new wealth as innovations conceived in philanthropy reach maturity in the marketplace. Entrepreneurs turned philanthropists in particular do not abandon their skill-sets but instead change the focus of opportunities pursued and maybe even why they are pursuing them.

3.1. Recognizing Opportunities

Entrepreneurs are lauded for recognizing opportunities for new products, services, or ways of using or delivering a product or service. They invent new ways of doing things, as Steve Jobs and Apple did with the computer interface and how we access music. They anticipate market demand as Carnegie did with steel. They even create new marketplaces as Pierre Omidyar and Jeff Skoll did with ebay. Entrepreneurs in philanthropy likewise identify and pursue opportunities that result in innovations that benefit society.

They might start a university as Dominos Pizza founder Tom Monaghan is doing with Ave Marie University or Leland Stanford did more than a century earlier. They might revitalize an existing institution as Mary Elizabeth Garrett did for Johns Hopkins University. They advance thinking and policy as Robert Brookings and John Olin did in founding "think tanks" that research, understand, and advance the effects of various policies or possibilities on society. They fund research that contributes to new industries as the Guggenheims did for aviation and others have done for microbiology and nanotechnology. They support research that helps prevent, treat, and cure disease and health conditions. They might replicate and scale kindness of others who influenced them as Carnegie, inspired by the mentor who made books available to him and others in their youth, did by enhancing the availability of public libraries for all (Acs, 2013; Grimm, 2002; Zinmeister, 2013a)).

Entrepreneur-philanthropists connect things in new ways; some are grand while others are mundane but meaningful. Ewing Kauffman linked entrepreneurship with education, economic advancement for individual and society, and defeating racism and discrimination. Although not the first entrepreneur to turn to philanthropy, he was the first to identify opportunities for philanthropy to actively and directly engage entrepreneurship towards those noble ends. (Morgan, 1995, 335, 354-58) Among the mundane but profoundly influential is how the Dorr Foundation demonstrated that painted lines along the outer edge of roadways save lives (Gaudiani, 2010, 138).

They create innovative structures from which to pursue their charitable objectives as Pierre and Pam Omidyar, Michael and Lori Milken, and Dustin Moskovitz and Cari Tuna have done in combining private foundations, public charities, and non-exempt investment funds under one philanthropic strategy tent. They even made philanthropy an essential part of their business venture such as Sergey Brin and Larry Page did in formalizing Google.org within Google, Inc. or as Paul Newman did with Newman's Own.

Whether in business or philanthropy, those possibilities and opportunities are available in part because of the freedoms and respect for property, rule of law, self-determination, and distinctive sector roles that exist in the United States. Also contributing have been principles, policies, and practices that encourage and value a relative ease with which a person can pursue ideas and attract others to them, often with a willingness to share risks of loss and failure.

3.2. Risk Taking and Resources

Risk taking is frequently and rightly associated with entrepreneurship. Certainly money is put at risk – their own and others'. They also risk time, energy, expertise and reputation – their own and others'. There also are other opportunities that might have been pursued but for the decision to dedicate money, time, etc. to the chosen venture.

Of course, risk connects to reward, as the quality, quantity and likelihood of reward help determine if an activity is worth pursuing. Frequently, the reward sought by the entrepreneur and what motivates taking risks is a combination of financial return, self-fulfillment, affecting society as people use their product, service, or app, and building a company that provides jobs and serves as a community asset.

Often, taking risks does not produce the intended results or any positive result other than invaluable lessons learned from experience. But many times, taking risks has generated prosperity, livelihoods, skills, dignity, efficiency, wealth, better standards of living, and improved health, welfare and environment – sometimes in the intended ways but in other ways too. Regardless, taking risks invariably affects individuals and families, but the impact can extend more broadly to community, nation and internationally.

The United States rightly supports and encourages such risk taking and its possibilities as a reflection of its centuries old culture of self-reliance, self-determination, innovation, aspiration, and inter-connectedness. Reflections of that culture are seen in tax policy that allows deductions and provides credits for various activities, a Constitution that respects tangible and intangible property, laws and processes for enforcing contracts, bankruptcy protection that keeps failure from being a barrier to future efforts and their benefits, and limitations on exclusivity of rights under patent and copyright that balance exploitation with innovation. Thus, entrepreneurship has flourished, and a culture has evolved in which market economy and social contracts can reinforce each other.

This is often the risk-taking context that successful entrepreneurs bring to their philanthropy. Though the nature of risk is not very different, the outcomes and likelihood of being realized are materially different, which partially distinguishes philanthropy from government and business. Methods, priorities, and risk tolerances may differ, but both entrepreneur and philanthropist (donative and entrepreneur-philanthropist) are motivated to contribute to and improve society, benefit the public, and advance human welfare.

Like the entrepreneur, the philanthropist puts time, energy and expertise at risk in identifying and pursuing desired outcome(s). Because their family name is often connected to their activities – the Moskovitz/Tuna Good Ventures enterprise being an exception – and because they may be known for business success, they also risk reputation. Finally, they put money at risk, their own and others who join their efforts.

Unlike the entrepreneur who expects to get his money back with a financial return, the philanthropist expects none back, nor do they expect a financial return to them. Instead, the reward or return sought is in terms of outcomes for the benefit of society.

Injecting others' money into the respective ventures elevates legal and fiduciary risks and responsibilities. For the entrepreneur, others' money generally obligates them to target risk-taking toward financial returns. Except in unusual circumstances, the entrepreneur may not subjugate others' money to conceptions of social good, public benefit and advancing human welfare. The philanthropist, however, can leverage others' money for charitable purposes and may even have fiduciary responsibilities to do so.

Opportunity costs are another risk that affects both entrepreneur and philanthropist. Philanthropists must choose among charitable missions, strategies, tactics, allocating resources, evaluation criteria and tools, and more. In other words, how will the philanthropist use their resources – financial and human? After all, money and time are no more renewable in philanthropy than in business. Decisions must be made, often from among equally desirable and worthy causes and recipients. Those decisions affect the philanthropist, the recipient, and those not selected. Like the entrepreneur's decisions, the philanthropist's choices affect end users, society, the public, living standards, life choices, opportunities, and even human welfare.

Public policy recognizes the presence of these risks. It also generally respects the relevance and value of private assessments of those risks and private decision-making about whether and how to pursue or mitigate them. America's principles and policies – whether for entrepreneur, philanthropist, or both – often are opportunistic in permitting individual expressions, pursuits, and consequences. They sometimes are restrictive in leveling playing fields and promoting fairness for those who would take advantage of opportunities they identify. They establish boundaries for deterring undue government intervention or obstruction. They execute on a three-sector system of how business, government, and philanthropy complement each other, perform functions that the others cannot or should not, and even keep the others in check.

These principles and policies intersect with entrepreneurship and philanthropy in numerous unpredictable ways. There are times when changes intended to affect only one will also affect the other unintentionally. Understanding linkages among entrepreneur, philanthropist, and core American principles can give rise to policies that encourage entrepreneurs and philanthropists to recognize opportunities and take responsible risks that allow individuals, communities, and societies to flourish.

4. Two Essentially American Principles That Link Entrepreneur and Philanthropist

America began as an extraordinary entrepreneurial experiment, at least to the extent that "entrepreneurial" can describe organized society. Those who organized, led and fought in the Revolution rebelled against a particular way of governing society. They demanded something better, and they risked everything to pursue it: their lives, fortunes, and sacred honor. There was no pre-ordained, presumptively favorable outcome. As events unfolded, many found that they not only had pledged and risked everything, but they lost it. Very few, if any, were unscathed.

British defeat afforded the Founders a chance to design and implement a civil society and government that would further the self-evident truths that they embraced and to institute a new government on the principles that they believed "most likely to affect their Safety & Happiness."

Their first attempt – the Articles of Confederation – failed in part because it did not sufficiently foster and actually inhibited economic self-determination and commercial growth (Kurland and Lerner, 1987, 147, 184, 186-187; Wills, 2001, 273; The Federalist, No. 2, 11-13 in Wooton, 203). While theoretically attractive, the Articles in practice made contracting unpredictable, debt repayment unreliable, and monetary policy diffused and confused, among other problems. For entirely different reasons than those that motivated the Declaration and

Revolution, but for reasons consistent with the principles then proclaimed, the American people instituted a new government in 1789.

The second attempt was the Constitution that still governs and belongs as much to today's citizens as to the Founders. While longevity suggests success, the Constitution's nature and operational principles suppose a journey rather than a destination or single, assessable result. The Constitution addressed many of the problems of the Articles: contracts became more reliable, creditors received better protection, and monetary policy became unified as did treatment of patents and copyrights, defense, and certain other responsibilities of government. All occurred in the principled context decreed in the Declaration and the Constitution's Preamble.

That principled context has served and continues to serve many purposes. Three of which have been the evolution of the entrepreneur, the maturation of the philanthropist, and the interconnectedness of each.

4.1. Entrepreneurship, Philanthropy, and the "Pursuit of Happiness"

One essential element of the American experience was stated in the Declaration's introductory section in which the Founding Fathers boldly asserted:

> We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with unalienable Rights, that among these are Life, Liberty, & the Pursuit of Happiness: – That to secure these Rights, Governments are instituted among Men, deriving their just Powers from the Consent of the governed; that whenever any Form of Government becomes destructive of these Ends, it is the Right of the People to alter or abolish it, & to institute new Government, laying its Foundation on such Principles, & organizing its Powers in such Form, as to them shall seem most likely to effect their Safety & Happiness.

"Happiness" was important enough to appear twice: once as part of the litany of "unalienable rights" and again as an objective for government as instituted and organized by the "People."

Prioritizing the "pursuit of happiness" as a fundamental right was not unique among the nation's founding documents. The Virginia Declaration of Rights in 1776 recognized similarly, which its subsequent 1786 bill of rights reiterated (Ely, 2008a, 697). The bill of rights and preamble to the 1780 Massachusetts constitution and early constitutions of Pennsylvania, Vermont, Maryland, North Carolina and South Carolina and New Hampshire all explicitly protected this right (Ely, 2008a, 697-98; Ely, 2008b, 3; Rahe, 2005, 3). Again when ratifying the Constitution, Virginia specifically listed natural rights of persons and reiterated "'pursuing and obtaining happiness and safety'" among them (St. George Tucker, 1999 [1803], 112).

The notion of happiness at the time was not some abstract concept. It directly connected to the economy and individual welfare. Pelatiah Webster, a leading thinker of the era, captured the connection in the first of his several *Essays on Free Trade*: "'Freedom of trade, or unrestrained liberty of the subject to hold or dispose of his property as he pleases, is absolutely necessary to the prosperity of every community and to the happiness of all individuals who compose it'" (Grampp, 1965, 130, citation omitted).

Thus and as part of America's genetic disposition, "happiness" – or more particularly stated "the pursuit of happiness" – is a fundamental principle against which policy and activities should be consistently evaluated, including as they relate to entrepreneurship and philanthropy.

Entrepreneurial and philanthropic experiences in America derive in part from opportunities made available because the "pursuit of happiness" and its progeny allow them to take root and thrive. In addition, both exemplify the fulfillment and distinctive realization of happiness pursued. Finally for our purposes, entrepreneurship and philanthropy are complementary points along the continuum of happiness pursued whether by or for the individual or society.

4.1.1. "Pursuit of Happiness" and Entrepreneurship

The Declaration's "pursuit of happiness" operates on entrepreneurship on at least four levels. At its most basic, that "happiness" ensures security in material possessions and property currently held. Thus, along with life and liberty, the enumerated "unalienable rights" recognize limits on government's ability to take property from a person along with a corresponding duty to prevent others from taking that property. Such a conception is consistent with British enshrinement of a class structure that inhibited class mobility. But the Declaration's conceptions go at least three steps deeper. These additional levels are part of what makes the Declaration's proclamation both a threshold and a barometer.

In addition to securing property already held, by declaring "pursuit of happiness" – not "happiness" itself – as one of three unalienable rights, the Declaration secures a right to acquire additional property and vests in that property the same protections from and by government. This phrasing and principles that underlie it give legitimacy to ambition to "acquire property as fast as [one] can" and reap rewards from individual and collective pursuits (Lincoln, 1992 [1860], 144).

Thus the Declaration enshrines opportunity to move from one socio-economic class into another (Gaudiani, 2003, 6, 135), which Abraham Lincoln characterized as:

> allow[ing] the humblest man an equal chance to get rich with everybody else. When one starts poor, as most do in the race of life, free society is such that he

> knows he can better his condition; he knows that there is no fixed condition of labor, for his whole life. (Lincoln, 1992 [1860], 144).

A Lincoln historian summarized his philosophy as “the right to rise” (Von Drehle, 2012). Such mobility is part of what distinguished American conceptions of property from those of Great Britain. It also motivated entrepreneurial activity and inspired the “American dream” and its realizations.

The third property-related aspect of the Declaration’s phrasing, after possessing and acquiring it, is the owner’s right to dispose of property according to her or his preferences. For entrepreneurship, that can mean accepting risk of loss, whether through one’s own efforts or by investing in another’s and regardless of whether the choice is wise or wasteful. That risk is part of what makes downward mobility the corollary to the right to rise.

Finally and perhaps most importantly, “pursuit of happiness” transcends material possessions and real property both for the individual and society. “Happiness,” both now and at the time of the founding, also encompasses personal fulfillment, knowledge, industry and progress (Pollack, 2001, 773-774). As such, “pursuit of happiness” encompasses an unalienable right to opportunity to acquire knowledge, develop talent, explore potential, innovate, create, and otherwise progress as one may elect and accept consequences (McDowell, 2010, 318). Thomas Jefferson saw how the “opportunity to pursue [one’s] own happiness” could “unleash new opportunities for self-development” (Yarbrough, 1989, 73). Therefore, in making those choices and exerting the requisite effort, we can progress personally, pursue happiness, and connect to Lincoln’s “right to rise.” However, “happiness” is not restricted to self.

George Washington in his first annual address connected individual knowledge with public happiness: “There is nothing which can better deserve your patronage, than the promotion of science and literature. Knowledge is, in every country, the surest basis of public happiness” (Washington, 1997 [1790], 750). Intellectual property statutes in Massachusetts, New Hampshire and Rhode Island from the 1780s similarly linked knowledge with “advancing human happiness” and their mutual dependence on discrete efforts of individual people pursuing “various arts and sciences” (Pollack, 2001, 784-784; Walterscheid, 1994, 22). Jefferson also joined personal progress, happiness, and benefit to society when he wrote in 1780: “’No other sure foundation can be devised for the preservation of freedom and happiness’” than “’the diffusion of knowledge among the people’” (Meacham, 2012, 469).

James Madison posited an even more expansive conception of “pursuit of happiness.” He suggested that some in society even have an affirmative responsibility to act towards those ends. He was referring to the “class of literati” – those who had financial security and the luxury of time and resources to contemplate the public good – as having a duty to be “’cultivators of the human mind – manufacturers of useful knowledge – the agents of the commerce of ideas and the teachers of the arts of life and the means of happiness'" (Kramer, 2006, 730-731, citation omitted).

Thus, "pursuit of happiness" encompasses and transcends both material and real property and the individual who exists in, benefits from, and contributes to community, society and nation (Gaudiani, 2003, 142-143; Siegan, 2006, 62 (citing Hume)). It also brings responsibilities, boundaries, and presumptive limits, including on infringing the rights of others or sacrificing the public good in one's pursuit of happiness (Gaudiani, 2003, 155; Urofsky and Finkelman, 2002, 48).

Among such pursuits for the entrepreneur can be starting and growing businesses, hiring people, and facilitating opportunities to develop talent, explore potential, progress in knowledge, and pursue happiness. At a minimum, their efforts can influence economic growth and prosperity, and they can further society's knowledge and progress in using that knowledge to advance human welfare and create new opportunities. In these ways, the individual's pursuit of happiness can advance society and influence happiness of community, society and nation.

Of course, no one is guaranteed equal happiness or even happiness itself (Rahe, 2005, 6). Not everyone is equal in talent, potential, or interest. Nor are everyone's opportunities for or types of happiness the same (Lincoln, 1992a [1857], 398; Madison, 1999 [1787], 161; Pocock, 2003, 68; Rahe, 2005, 7; St. George Tucker, 1999 [1803], 163 (citing Montesquieu)). However, all are blessed with talent, potential, and interests that they have obligations to develop and use (Pocock, 2003, 373). As part of recognizing that "pursuit of happiness" exists as an unalienable right, America provides the stability of a free society for entrepreneurs and others to mobilize knowledge and opportunities for the talents, potential, and interests of all citizens (Gaudiani, 2003, 31; Pocock, 2003, 94).

Rather than something to overcome, diverse talent, potential, and interests should be embraced as a genesis for new opportunities to create or advance products, services, processes, or approaches. When one's right and opportunity combine with others doing the same, whether collaboratively or in competition, the result can be entrepreneurial endeavors and corresponding contributions to self and society, including happiness pursued and even freedom preserved! Doing so also protects against what Madison feared when perceptions are that everyone is alike: "the individual might lose all sense of his own significance" (Pocock, 2003, 538, citation omitted). Tocqueville similarly worried: "once men were or were held that they ought to be all alike, his only means of self-discovery lay in conforming to everybody else's notions of what he ought to be and was" thereby creating a "despotism of opinion" (Pocock, 2003, 538).

Although not guaranteeing happiness or equal distribution of talent or possessions and despite failures in execution, the Declaration pronounces a conviction that all are created equal in having been endowed with certain unalienable rights from which we extrapolate equal entitlement to impartial applications of the rule of law, objective treatment by government, and an environment in which to cultivate talents, potential, and interests and to pursue progress (Gaudiani, 2003, 109; Pocock, 2003, 469). Sadly, even that equality is limited by realities of human frailty. Society and human welfare have suffered and continue to suffer because we do not permit the full complement of diverse talents and interests to better explore potential, recognize new opportunities, and pursue happiness for self and society. Rectifying those deficiencies in and shortcomings of human nature is one role for philanthropy, both donative and as practiced by the entrepreneur-philanthropist.

4.1.2. "Pursuit of Happiness" and Philanthropy

Like the relationship between pursuing happiness and entrepreneurship, the link with philanthropy also considers interests of material and real property, intangible factors, and an interconnectedness of self and others/society.

Philanthropy in its most basic financial sense occurs when a person irrevocably dedicates property to charitable purposes. Such a dedication is one way of disposing of property and exercising one of the almost immutable triune characteristics of property in a free society: security in holding, acquiring, and disposing of it. In other words, American government and society more broadly do not and cannot mandate how a person disposes of property – at least not without due process of law and just compensation. Although power to tax can force a person to relinquish property to government, governments in the United States cannot force person A to give property to person B. Government can and does provide incentives – like exemptions, deductions, and credits – to encourage certain dispositions, including toward philanthropy, but the actual decision to dispose of property and its execution remain personal.

A critical non-property, intangible component to philanthropy and individual happiness is the extent to which making decisions for the explicit benefit of others and society more broadly engages experiences of earthly happiness as Aristotle and many others over the millennia have expressed it (Aristotle, 2004; Gaudiani, 2003, 143). In the 1600s, an English philosopher wrote that promoting the wellbeing of fellow humans is essential to understanding "pursuit of happiness" (Cumberland, 2005 [1727], 523-525). Scottish Enlightenment philosopher and influencer of the Founding Fathers, Adam Ferguson, wrote about happiness being derived from three experiences: (1) devotion to the "good of mankind," (2) doing kindness for others as bestowing happiness on the actor rather than on the beneficiary of the action, and (3) ensuring that others can experience the happiness of giving to others and being devoted to the good of mankind (Ferguson, 1996 [1767], 56). Enlightenment leader John Hutcheson believed similarly: "'The surest way to promote . . . private happiness [is] to do publicly useful actions. . . The general happiness is the supreme end of all political union.'" (Gaudiani, 2003, 143). In his treatise on the Declaration, Garry Wills characterized Jefferson's immortal phrasing as constituting both the basic drive of the individual and "the only means given for transcending the self" (Wills, 2002, 247).

More closely associating happiness and philanthropy, Madam C.J. Walker, a renowned African-American entrepreneur and philanthropist from the late 19th and early 20th century, disclaimed an objective for her life as "simply to make money for myself or to spend it on myself." Instead, what made her happy was using part of her wealth "in trying to help others" (Grimm, 2002, 330). Booker T. Washington pronounced a similar conclusion: "'those who are happiest are those who do the most for others'" (Grimm, 2002, 333). Entrepreneur, sportsman, and philanthropist Ewing Kauffman wished that he had begun his earnest philanthropic efforts sooner because of how much joy he found in giving to and for others (Morgan, 1995, 319). Oilman and philanthropist Jim Calaway recently declared: "Making a lot of money and spending it on yourself is not a lot of fun. . . . What is a lot of fun is to live modestly so that you can give to the common good. That's where happiness really lies." (Zinmeister, 2013b).

In addition to personal happiness and fulfillment, an other-centric orientation toward happiness as practiced through philanthropy can provide opportunities for people to develop talents and advance potential. Done well, they then contribute to their own progress and efforts to pursue happiness, which further benefits society and contributes to a virtuous circle (in all senses of "virtue"). (Gaudiani, 2003, 188; Pocock, 2003, 94)

That sequence can emerge from traditional philanthropy, whether divestiture, tax avoidance, or donative and whether serving basic needs or contributing to educational, arts, and cultural institutions that advance knowledge and progress. The effect can be particularly profound for the entrepreneur-philanthropist whose philanthropic pursuit of happiness occurs both in giving money and focusing energy on understanding problems, identifying and testing solutions, and using them to advance society and human welfare.

More than just opportunity to give, Madison believed that material success brought with it a responsibility to give to the society that helped make such success possible. Going further, he advocated that democratic republics substantively depend on their contributions to the education, edification, and enlightenment of "public sentiment sufficient for demands of self-government" (Kramer, 2006, 731).

Philanthropy contributes to happiness in a democratic republic in another critical way. One danger to self-government is obscene wealth tightly concentrated over generations when there is widespread generational poverty combined with loss of hope in the "right to rise" and prospects for socio-economic mobility (Brooks, 2008, 140-41; Gaudiani, 2003, 153). Philanthropy helps address this threat in at least two ways (Acs, 2013, 10-11, 151-152, 185).

First, concentrations of wealth in such circumstances can lead to broadly held perceptions that prosperity is available only by means that are arbitrary or based on who one knows instead of merit and fair opportunity. Those perceptions can undermine belief in prospects for rising oneself or one's children and can breed mistrust in legal, political, economic, social, and other systems that contribute to actual or perceived disparity. That mistrust can foster unhappiness for self, others and society and thus threaten the democratic republic (Brooks, 2008, 137-138). Philanthropy helps address this threat by supporting opportunities for people to rise, preparing people for those opportunities, and contributing to other advances in human welfare (Acs, 2003, 10).

Another problem with combining obscene wealth, generational poverty, and lost hope is the ancient tendency of luxury to corrupt citizenry by undermining the values, mental and physical toughness, manners, and practices of virtue that are essential for a democratic republic to survive and defend itself (Pocock, 2003, 430, 493; Yarbrough, 1989, 75). People from Machiavelli to Jefferson worried that "corruption, vice and luxury" over time result in "decline of public liberty, the termination of social happiness and the final subjugation of our country" (Wortman, 1796, 30).

Philanthropy helps address this threat by physically and legally separating donated assets from donors and their family and prohibiting their use for personal consumption and comfort. Thus philanthropy contributes to the disaggregation of wealth and the dilution of social, economic, and political power that often accompanies wealth (Acs, 2013, 11, 185-186). Compare the wealth and power of the current generations of the Rockefeller, Guggenheim and Kennedy families with the wealth and power wielded by their founding patriarchs John D., Meyer, and Joseph P., respectively.

Additionally, by requiring that assets be used for charitable purposes as the donor may specify, philanthropic assets benefit society directly. Even more, such donations both dilute concentrated wealth and mandate an other-centric perspective that advances civic virtue and opportunities for others to pursue happiness. Philanthropy accomplishes these purposes without denigrating the donor's "pursuit of happiness" and while respecting the "blessings of liberty" that helped make the pursuit possible and successful.

4.2. Entrepreneurship, Philanthropy, and the "Blessings of Liberty"

In order to organize a government based on principles pronounced in the Declaration and to rectify the failed effort of the Articles, the Founders drafted and the American people instituted a Constitution for purposes proclaimed in its Preamble:

> We the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare and secure the blessings of liberty to ourselves and

> our posterity, do ordain and establish this Constitution for the United States of America.

The Preamble thus declares the purposes of the federal government, (Sandefur, 2012, 323; Webster, 2003 [1787], 127), its principal ends (Brutus, 2003 [1788], 88), and its boundaries (Sandefur, 2012, 322-323).

Like the Declaration, the Preamble uses distinctive and slightly deceptive phrasing. The Declaration enshrines a right to pursue happiness, that is a right to journey towards an end rather than a right to the end itself. The Preamble envisions security for the "blessings of liberty," which protects that which liberty makes possible rather than the liberty that the Declaration identifies as an unalienable right. Also, the objective contemplates posterity, which requires consideration beyond present circumstances and of some level of "other" in the form of future generations.

For the entrepreneur, "blessings of liberty" might mean security for contexts in which they operate. Among these are rule of law to provide stability and predictability of circumstance, enforcement, and protection for the fruits of their efforts. Freedom to develop talent, interests, and relationships that allow chances to experiment, innovate, and recognize and pursue opportunities. Respect for self-determination and the ability to choose which risks to take or avoid and to what degree with the resources (financial and otherwise) available to them (Siegan, 2006, 109). Thus, "our Constitution dedicated to secure the blessings of liberty should accord preference to the rights of the risk taker" (Siegan, 2006, 120). There is no promise of actual wealth or prosperity, but there should be security for having hope and confidence in its potential for individuals, communities, and society.

For the entrepreneur turned philanthropist, "blessings of liberty" might refer to the right and ability to choose whether and how to dispose of the wealth and resources made possible by the "blessings of liberty" in the first place. Because those blessings contributed to their material success, they might even internalize a sense of responsibility to fund efforts to preserve and propagate those same blessings or at least the liberty that underlies it. Among the noblest ways to fulfill that responsibility might be providing money for programs to "inform [the people's] discretion," as the safest "depository of the ultimate powers of the society" (Kramer, 2004, 108 (quoting Madison)). They might also direct their assets and that sense of responsibility to help prepare people or society to exploit their opportunities and potential, including prevailing over that which inhibits or prevents their efforts.

For the entrepreneur-philanthropist, the "blessings of liberty" can have additional meaning. Their internalized sense of responsibility may extend to applying their freedom, talents, interests, and relationships – in addition to their money – to experimenting, innovating, and recognizing and pursuing opportunities with an emphasis on social or charitable change, possibilities and rewards rather than financial rewards.

There are less grandiose, more practical approaches to "blessings of liberty" in which focus is on tangible, quantifiable "blessings." That is, money or possessions as the ends of liberty's blessings. One aspect of those approaches is a tendency to seek their distribution according to quantifiable notions of equality (Rakove, 1996, 314; Siegan, 1989, 102). Unlike rule of law, opportunity, talent and other previously discussed "blessings," money and possessions can be counted, divided, and redistributed. The former, however, lack mathematical precision for being divided or redistributed.

Such a quantitative approach is fraught with problems. At a basic level, a variety of challenging (at best) decisions must be made, and they must be made in ways that are and are perceived to be consistent with applicable principles and authority at the risk of undermining those same principles and authority. Among the decisions are: who should receive the redistributed "blessings"? Should they be those most in need? Is "need" defined as meeting a relative quality of life or for those at the bottom of Maslow's hierarchy unable to procure basic food, clothing and shelter? Or is the lack of food, clothing and shelter enough without regard to ability to procure it? Or maybe recipient status should be based on rewarding voters for their support for given candidates?

Decisions also must be made about how much each person should receive. Should distributions be equal? Should there be enough for people either to meet basic needs or arrive at a pre-determined relative standard of living? Should shares be determined less from the perspective of recipients than from the portion of "blessings" taken away from others so no one is "too rich," however that gets defined?

Even who gets to decide must be decided. Is it government? If so, at which level: federal, state, or local? And which branch: legislative, executive, or judicial?

Inherent in treating "blessings" as quantifiable, redistributable ends is the unavoidable problem that doing so involves taking money or possessions away from some person or group. That taking directly contradicts the security that "pursuit of happiness" promises for tangible property already acquired, especially if taken without due process and just compensation. Insecure property also alienates the right to pursue happiness by denying the right to dispose of one's own property. Lack of security in one's property undermines confidence in economic, political and social systems. Diminished confidence weakens the very hope that contributes to ambition being constructive and creative for the individual, society and human welfare.

Treating financial riches and material possessions as the ends of "blessings of liberty" also endangers philanthropy and the charitable sector in at least two more ways. First, fewer decisions about civil society will be made in the private sector. Second, taking care of society and others will be seen less as the responsibility of all (including especially the wealthy) and more that of government.

Choices must be made about whether policies secure or weaken "blessings of liberty." One option is for policy makers and the public to whom they are accountable to ignore this concept altogether either as an objective for government or a fundamental purpose of American society. However, the concept's prominence and explicitness in the Constitution and culture, the destructive effect that ignoring it will have on all aspects of society, and the inability to reconcile such an approach with other core American principles make this option untenable.

A quantitative, redistributive approach is similarly problematic and likely to have extensive consequences – some tangible, others not; some immediate, others longer term; some harmful, others that might alleviate difficulties. The potential impact is far-reaching and should be thoughtfully and thoroughly understood at the risk of short-term comfort for some while contributing to long-term harm for many, including some who benefited from initial short-term comfort.

A third option, the qualitative approach, is least likely to interfere with people's right and ability to possess, acquire, or dispose of money and property. It should facilitate potential for more people and is more consistent with other principles on which the United States was founded and has thrived. For the qualitative approach to work, however, the policies derived from it must not permit success only for a few. Policies must allow the many to pursue and realize prospects for economic mobility and hope for the future. Mobility matters both in theory and in practice. Additionally, the approach must reflect a sense of responsibility beyond oneself to others and the broader society, which has been part of the American experience at least since colonial times.

Choices made about the policies implemented to secure the "blessings of liberty" can help ensure that entrepreneurship and philanthropy continue and even thrive. Arguably, various elected officials at all levels of government have such an obligation pursuant to their oath to support the Constitution. Those decisions can instill confidence, grow hope, and nurture productive ambition consistent with American principles and advancing individual, social and human welfare.

5. Tax Policy and Promoting Public Benefit: Are Assets "Public Money"?

The quantitative approach to "blessings of liberty" presumptively conceives of all private assets, not just those of philanthropy, as "public money" Beyond a mere label, the conception seeks to treat the assets as "public." The result is expansive government or public control of property, organization, governance, management, and decision-making.

Policy based on the "public money" approach vests in the public, some appointed subset of it, or government officials the right and ability to decide how to dispose of an individual's assets, including those of an entrepreneur. Such an approach is inconsistent with the unalienable right to pursue happiness and its protections for the entrepreneur's right and ability to dispose of property as he or she decides. It also would violate the Fifth and Fourteenth Amendments and interfere with the First. Direct government redistribution of an entrepreneur's assets is (or should be) inconceivable in the United States.

Property dedicated to philanthropy does not seem to as consistently benefit from the same presumptions as an entrepreneur's private resources. There seems to be a strong recurring impulse to more freely label philanthropic assets as "public money." The problem is not necessarily with the label itself but is with efforts to act on the label through policy and otherwise. Yet, it is the same underlying right and ability to dispose of one's property that is at stake for the private philanthropic entity. The donor's disposition rights and abilities are also jeopardized. After all, the donor chose to donate the assets to the philanthropic entity for designated charitable purposes. Treating philanthropic assets as "public money" deprives the donor of disposition rights no less than if the assets were taken from the donor directly rather than from the entity to whom the donor chose to contribute.

Relying on philanthropic assets being "public money," some have sought to apply sunshine laws, open meetings, and open records laws to forcibly publicize private conversations, decisions, and information. Others have imposed generalized limits on compensation or sought to apply state standards and levels. Some have sought to impose ratios to mandate giving certain amounts to the charitable causes, purposes or types of organizations that they or certain public officials might prefer to the exclusion of other causes and regardless of donor intent. There also have been efforts to establish quotas regarding decision makers' race, gender or other characteristics. (Brody and Tyler, 2012; Tyler, 2013)

Treating philanthropic assets as "public money" also could change the nature of philanthropy's relationships to government and business. Currently, philanthropy has freedom to pursue initiatives that government cannot and business should not pursue. It can be contrarian vis a vis government or business and help counter the effects of these sectors, including by virtue of its direct and indirect support for exercising rights of free speech, assembly, religion and petition. Philanthropy can more patiently deploy resources toward longer-term potential outcomes than is permitted by constant, regular attention to getting votes or investor returns. As a result, philanthropy is remarkably diverse and pluralistic in its purposes and methods.

If philanthropic assets are "public money," philanthropy's character will tend toward being safer, less ambitious, more homogenized, shorter-term, and indistinguishable from other spoils of the political process. There will be less incentive or ability for the entrepreneur turned philanthropist to donate or for the entrepreneur-philanthropist to engage. There will be temptations toward, if not actual, pandering to perceived popular opinion, thus sacrificing philanthropy's quintessential ability to support ideas and initiatives that may not be well known or even well received, such as it did for the civil rights movement when doing so was unpopular and even dangerous. Consider also early AIDS treatments and prevention efforts and even seatbelts and drunk driving, all of which were contrarian when undertaken. Also sacrificed might be philanthropy's independent judgment that protects it from supporting "generally accepted" efforts that hurt society, like the eugenics movement (Schambra, 2012).

If that is the desired outcome, proponents should overtly and transparently embrace the goal and its consequences. Likewise, opponents should be vigilant about even well intentioned policies that may have destructive and far-reaching consequences that accompany private assets being "public money," whether intended or not.

The two most common justifications for treating philanthropic assets as "public money" are tax treatment and the public purposes such property is to serve. However, neither reason actually supports the result, and one can argue that both go too far given America's principled protections of private property and respect for individual effort as expressed through the "pursuit of happiness," "blessings of liberty," First Amendment, and otherwise.

5.1. Tax-Favored Treatment as a "Subsidy"

The first argument posits that favorable tax treatment from exemptions and deductibility diverts funds from the public treasury. That diversion denies government the ability to spend the money and, the argument continues, therefore subsidizes charitable activity with "public money." The argument concludes by aggregating diversion, denial and subsidy into the ability of governmental or the public to control the property, its management, and disposition.

Specific to philanthropy, the subsidy argument misstates and misunderstands charitable tax exemptions and deductions in at least four ways. Because the arguments fail, the outcomes that rely on them also must fail.

First, the subsidy argument unilaterally alters the compact by which organizations agree to operate and donors agree to give. That compact generally is premised on commitments (a) that assets will be used for charitable purposes, (b) not to allow impermissible private benefit, (c) to accept limits on lobbying and restrictions on political activity, and (d) to permit public inspection of certain documents. Nothing in that compact compromises private decision-making or authorizes government or the public to determine strategies, select tactics, allocate resources, engage personnel, assess effectiveness, or otherwise operate specific enterprises. (Brody and Tyler, 2010, 600-604; Brody and Tyler, 2012, 55-61)

Second, the subsidy argument over-emphasizes effect and ignores cause. If they are a subsidy, then charitable exemptions and deductions are just like other funds from the public treasury for which government controls decisions. Government decides what to do with money in the treasury, which is "public money." The argument concludes that, because funds otherwise exempt and deductible would have been in the treasury but for government's decision to afford tax favored treatment, the money also must be "public" and subject to government control. The fact that actual causation of revenues and donations is not a universal matter of government decision-making seems irrelevant.

To the contrary, cause in the charitable realm is primarily from decisions made by private people and enterprises: to create entities and operate them consistent with the tax compact; to contribute to them in the first place; to select recipient(s); to target uses for donated funds; and to decide the amount or value given and how and when to give it. Tax policy might have influenced the context for such decisions, but government cannot generally be said to have made the decisions or caused them to be made.

In the case of government contracting and grant making, government does affirmatively decide which organizations receive money, in what amounts, for what purposes, and on what schedule. In these circumstances, government controls the assets and their disposition and has a definite stewardship responsibility regarding the underlying funds. But once tendered to private enterprises, the money is no longer "public."

Instead of recognizing the modified character of the money, the subsidy argument works backwards to retain the public character of the money along with the ability or even responsibility for government to control it The argument does not stop there but extends the public character to money that never was in the treasury! Causation should not be so cavalierly disregarded, as the U.S. Supreme Court has cautioned in *Arizona v. Winn* and *Walz v. Tax Commission* (Brennan concurring).

There also are critical timing differences that should prevent treating philanthropic assets as "public money." Government control of a real subsidy exists <u>before</u> and <u>when</u> decisions are made and the assets disbursed, which makes sense given government's stewardship duties. Under the subsidy theory, however, there is and can be no government control of philanthropic assets until after the donor decides to donate, the donor disburses the assets, and the charitable entity accepts them. There is and can be no corresponding government stewardship responsibility to justify treating these assets as "public money." Retroactively negating the causal decisions is illogical and dangerous.

Third, the inconsistency of the subsidy position undermines its validity. Businesses and individuals take a variety of tax deductions and credits. The effects on the public treasury are the same as charitable exemptions and deductions – money government does not get to spend. Causes are the same – a series of private decisions. Government's role is the same – influence but not control. Timing is also the same relative to real subsidies. Yet, business and individual assets are not thereby deemed "public money" subject to government or public control. Why then should tax policy support labeling and treating philanthropic assets as "public money"?

If subsidy theory can transform private philanthropic assets into "public money," then the same positions should produce the same results for other private assets. Instead, the same principles and practices that protect other taxpayers from an over-extended subsidy argument also protect philanthropic enterprises and their assets. If they don't, then all other private assets beware.

Finally, the subsidy argument is based on an almost unchallenged presumption that charitable contributions are diverted by the grace of government and that, but for that grace, taxes should be paid on amounts so contributed. This presumption disregards the tax basis and civil society roles of those contributions.

Tax policy routinely imposes taxes on savings and consumption. Charitable contributions are neither but instead are dedicated to serving the public's charitable purposes and therefore should not be taxed (Andrews, 1972; Reid, 2013a, 26). To permit verification by government and protect against abuse, there are limits, such as no deductions for amounts given directly to individuals or organizations (other than churches) that the IRS has not recognized even if they otherwise meet applicable standards for charitable contributions.

Alex Reid has pointed out that the charitable, philanthropic sectors exemplify a right to self-governance in which the American people are sovereign, not the government (Reid, 2013a; Reid, 2013b). As such: "Charitable contributions must be protected from taxation . . . because government intrusion in this sector would dangerously entangle the state with the exercise of individual freedom" including of speech, association, religion and to petition government (Reid, 2013b, 50). Taxing charitable organizations and contributions then is taxing civic engagement – an arguably undemocratic act when the power to tax can have demonstrably draconian consequences. Of no less concern should be the ability of government to control the enterprises that are integral to civic engagement.

5.2. Philanthropic Property Serves Public Purposes and Benefits Society

Another basis asserted for governmental or public control over philanthropy's so-called "public money" is that its activities and purposes are "affected with the public interest" and must benefit society broadly. The argument presumes no role for private control, decision-making or initiative of anything that affects the public. The argument subjects all such decisions to government control and initiative.

This approach has at least two problems. First, a "public purposes" approach equates philanthropy with government and disregards their distinctive roles and purposes. Government, not philanthropy, is distinctively charged with responsibility for pursuing, protecting and providing for various public purposes, among which are infrastructure for safety, education, transportation, rule of law, and general welfare. American political and public governance systems are set up and operate in furtherance of these purposes. There can be overlap in that some philanthropic entities serve purposes that government might also fulfill, or for which it might even have primary responsibility. Those similarities, however, are not enough to ignore the substantial differences.

Many churches and religious organizations are charitable, but they do not and cannot serve government's purposes nor can government serve theirs. Unlike government, philanthropy does not and should not have powers to tax, prosecute, incarcerate, impose their will on the broader public by legislation, or dictate the involuntary behavior of others through regulation. Unlike government, philanthropic entities do not have sovereign immunity, and they are not constitutionally barred from accepting or excluding members or limiting services based on speech or religious beliefs.

Moreover, philanthropy facilitates and is integral to private, civic engagement and is one way that the American people keep a check on their government, including by limiting its extension and interference with private action and incentives to act. Policies that unite philanthropy and government unravel that distinctive role.

A second problem is that, if government and the public must control institutions that affect the public interest, then they also must control the commercial sector – not merely regulate it but control it in the same ways that are proposed for controlling philanthropy. After all, business provides public benefits and furthers social good. It provides jobs, pays wages that create consumers and donors, delivers services, produces and provides products, improves standards of living, advances human welfare, and pays taxes. It delivers health care, education, and theatre and other cultural services. All of these benefit society, are good for the public, and in many instances are intentional in affecting the public interest. (Tyler, 2013, 48-51, 59-61)

Yet, rather than suggest that government should control, dictate, or manage these efforts, U.S. policy generally embraces their incentives, systems and results. In so doing, it enables private opportunity recognition and risk taking to contribute to individual and societal progress.

This does not mean that there is not or should not be regulation or government influence. Obviously there is and should be, to degrees. Sometimes, however, that regulation is used to justify expanding regulation and control of philanthropy without regard to the fact that regulation of business is not uniform. For example, regulation of publicly traded companies is very different from that of privately held enterprises. There is tighter regulation and oversight of the former whose broad effects on society can be much more significant. There is less regulation of privately held enterprises. (Tyler, 2013, 49-51).

Philanthropic enterprises are more like the latter in how they function and their impact on society. Even so, government does not control publicly traded or privately held businesses in the ways that have been suggested for philanthropy. Failure to consider that distinction evidences problems either with irreconcilable inconsistency or with possibilities for extending consequences beyond philanthropy and into the business sector. Neither outcome is consistent with principles of "pursuit of happiness" or security for the "blessings of liberty."

6. Conclusion

When entrepreneurship and philanthropy are discussed together, it is often because the entrepreneur's business success generated the money that could be given away through philanthropy. However, America has a centuries old legacy of entrepreneurs whose philanthropy involved more than just giving away money. They were thoughtful and strategic in wanting to improve society and the communities and lives within it, and they used both entrepreneurship and philanthropy to do so.

More recent connections have been drawn to successful entrepreneurs who have applied or are applying their opportunity recognition and risk taking skills to philanthropic pursuits. Increasingly, they even are engaging in both entrepreneurial and philanthropic pursuits simultaneously.

Even these substantive links only scratch the surface. Both roles share how the foundational American principles of "pursuit of happiness" and the "blessings of liberty" are applied. Entrepreneurship and philanthropy both benefit from how those principles protect holding, acquiring, and disposing of property. Perhaps more importantly, entrepreneurship and philanthropy also help to ensure that those principles are more than mere theory or aspiration as they demonstrate and exemplify the principles in practice.

Both entrepreneur and philanthropist pursue the multiple levels of happiness for themselves, others, and society. While developing their own talents and potential, they contribute to opportunities for others and society to find fulfillment – an essential aspect of "happiness" – and to develop the responsibility that should accompany the "blessings of liberty." Such pursuits arguably are important concomitants of the advancement of human welfare and general standards of living.

Entrepreneurship and philanthropy have so much more in common than merely money. The capacity to flourish to full potential can only be enhanced by supportive, fertile environments and uncompromisingly principled contexts.

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