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Charity and the Free Market

By Jordan Cash

Thanksgiving is a time to be thankful, but it also encourages many to help those in need in our communities. Yet, in addition to the giving of our time, talent, and possessions to aid those in need, we as a people must not forget that the free market enables charitable giving.

Our free market gives anyone who is entrepreneurially minded the opportunity to prosper, and it fosters enough prosperity that many people can live comfortably while still being able to be philanthropic and give to charitable endeavors. It is the essence of the American Dream: work hard and give back to the community.

Andrew Carnegie was able to go from a poor Scottish immigrant to become a legendary steel tycoon of the late 19th and early 20th centuries, and who went on to found hundreds of public libraries, colleges, nonprofits, and schools because he believed in giving back to his community.[\[1\]](#) Similarly, several Nebraska philanthropists have signed "The Giving Pledge," which encourages those who are able to give to charitable causes.[\[2\]](#) The Giving Pledge is only possible because these individuals were able to be entrepreneurial in the free market and now have the ability to give back.

The high level of prosperity attained by many in the United States allows America to be one of, if not the, most generous nation in the history of the world. In 2006, Americans gave a nearly \$300 billion to charitable causes.[\[3\]](#) Americans also give more per capita as a percentage of gross domestic product than any other nation.[\[4\]](#) Nebraska is particularly notable for its generosity; in 2011, the Chronicle of Philanthropy noted that the charitable Omaha Community Foundation had grown 177.9 percent between 2007 and 2009;[\[5\]](#) and around eighty percent of rural Nebraska give to charitable causes every year, over half give at least \$500 a year, and thirteen percent give at least \$2,500.[\[6\]](#)

Charities thrive where there is prosperity. Allowing individuals to keep more of the money they earn encourages them to make moral choices of helping their fellow man. Free markets create free people, and free people look after one another.

[1] Carnegie Corporation of New York, "Our Founder." Accessed November 17, 2011: <http://carnegie.org/about-us/foundation-history/about-andrew-carnegie/>.

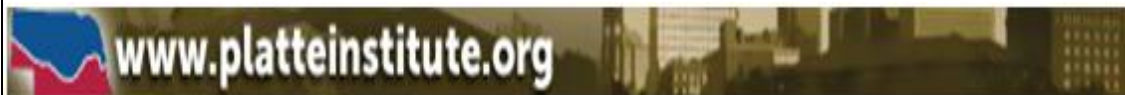
[2] Bradley Blackburn, "The Giving Pledge: Billionaires Promise to Donate at Least Half Their Fortunes to Charity," August 4, 2010. Accessed November 17, 2011: <http://abcnews.go.com/WN/bill-gates-warren-buffett-organize-billionaire-giving-pledge/story?id=11325984>; The Giving Pledge, list of signatories. The two most notable Nebraskans who have signed the pledge are Warren Buffet and Walter Schott, Jr. Ted Turner, another signatory, also owns a substantial amount of land in Nebraska. Accessed November 21, 2011: <http://givingpledge.org/#enter>.

[3] Associated Press, "Americans give record \$295B to charity," in *USA Today*, June 25, 2007. Accessed November 17, 2011: http://www.usatoday.com/news/nation/2007-06-25-charitable_N.htm.

[4] Elisabeth Eaves, "Who Gives the Most?" December 26, 2008. Accessed November 17, 2011: http://www.forbes.com/2008/12/24/america-philanthropy-income-oped-cx_ee_1226eaves.html.

[5] Kali Baker, "Omaha at the top of the list for giving the most during the recession," October 20, 2011. Omaha Community Foundation. Accessed November 17, 2011: <http://omahafoundation.org/2011/10/giving-during-the-recession/>.

[6] John C. Allen, Rebecca J. Voqt, and Sam Cordes, "Charitable Contributions in Rural Nebraska: A Culture of Giving," in Center for Applied Rural Innovation, October 2001. Accessed November 17, 2011: <http://digitalcommons.unl.edu/caripubs/33/>.



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