

**Testimony of Sean Parnell
Vice President of Public Policy, The Philanthropy Roundtable
regarding LD 1423
to the Judiciary Committee of the Maine Legislature
April 17, 2019**

Thank you for allowing me to testify regarding LD 1423. I represent The Philanthropy Roundtable, America’s leading network of charitable donors working to foster excellence in philanthropy and protect philanthropic freedom. Our more than 600 members include individual philanthropists, family foundations, and community foundations located in Maine and around the country.

LD 1423 is deeply troubling to members of the philanthropic community. It would completely eradicate a key pillar of philanthropic giving, the right of charitable donors to keep their giving private if they wish.

Anonymous giving to charity has important religious, cultural, and practical roots that are not just deeply embedded in America’s philanthropic community, but that extend back at least two millennia. Nearly two thousand years ago the Roman senator and philosopher Seneca the Younger wrote in his treatise on gifts and favors “How sweet, how precious is a gift, when he who gives does not permit himself to be thanked,”¹ and “...[A]ll writers on ethical philosophy tell us that some benefits ought to be given in secret...”²

Similarly, the book of Matthew in the Bible quotes Jesus telling his followers to “Take heed that you do not do your charitable deeds before men.”³

Other faith traditions strongly encourage anonymous giving as well. Many Jewish philanthropists follow the teachings of the 12th-Century rabbi and scholar Maimonides, who wrote that the second

¹ Lucius Annaeus Seneca (translation by Aubrey Stewart), *De Beneficiis* (On Benefits), p. 33, publisher unknown, circa 1900.

² *Ibid*, p. 34

³ Gospel of Matthew 6:1, New King James Version of the Holy Bible

and third highest forms of giving (of eight categories) required the donor to give anonymously,⁴ and both Islam⁵ and Hinduism⁶ also favor anonymous charitable giving.

Many philanthropists prefer to give anonymously in order to avoid being inundated with unwanted solicitations, such as George Eastman, founder of Eastman-Kodak. After being revealed in 1920 as the source of an earlier \$10 million anonymous gift to MIT, *The New York Times* noted that Eastman “had abundant occasion to regret that his identity is no longer a secret... he has become quite aware of the perils beset the paths of those pursued by the advocates of endless ‘worthy causes.’”⁷

Others prefer that attention be focused on the good work done by the charities they support rather than themselves, such as the late pop singer George Michael. His generous support for causes including aid to cancer patients and helping abused children was kept anonymous in large part for this reason.⁸ Some philanthropists simply prefer to avoid the public spotlight out of a sense of modesty.

Another reason donors to charitable organizations sometimes prefer anonymity is because they are concerned that their giving to controversial causes might trigger retaliation.

It was because of this concern that in 1958 the U.S. Supreme Court ruled that the State of Alabama could not force the NAACP to reveal its members and donors because doing so would infringe on core First Amendment rights by exposing them to “economic reprisal, loss of employment, threat of physical coercion, and other manifestations of public hostility...”⁹

Maine’s citizens and residents are no stranger to anonymous charitable giving. For example, earlier this year the University of Maine at Farmington announced an anonymous donation of \$3.25 million.¹⁰ In 2017 an anonymous donor left a gold coin worth about \$1,260 in a Salvation Army collection kettle in Lewiston.¹¹ Currently, the Sons and Daughters of The Colony of New Sweden Maine is raising funds for repairs to its school museum with an anonymous supporter generously

⁴ “Maimonides Eight Levels of Charity: Mishneh Torah, Laws of Charity, 10:7–14” available at Chabad.org, http://www.chabad.org/library/article_cdo/aid/45907/jewish/Eight-Levels-of-Charity.htm

⁵ “Giving Charity in Secret & Publicly” available at Zakat Foundation of America, <http://www.zakat.org/blog/giving-charity-in-secret-publicly/>

⁶ Michael Barnett, Janice Gross Stein; *Sacred Aid: Faith & Humanitarianism*, Oxford University Press, 2012, p. 144

⁷ William Cheney; “Philanthropy Under a Bushel: George Eastman, Kodak Manufacturer and Music Lover, Long Kept Big Gifts Secret” *New York Times*, March 21, 1920

⁸ Keely Lockhard, “George Michael's incredible acts of kindness revealed following his untimely death,” *The Telegraph*, December 26, 2016

⁹ *NAACP v. Alabama*, 357 U.S. 462 (1958), majority opinion of Justice John Harlan

¹⁰ “Maine university gets anonymous gift of more than \$3M,” Associated Press, January 25, 2019.

¹¹ “‘Christopher Kringle’ gives the gift of gold to Salvation Army,” *Lewiston Sun-Journal*, December 22, 2017.

matching up to \$7,500 in donations.¹² Two of the three donations made through that GoFundMe campaign are anonymous as well.

Most if not all charitable organizations in Maine also pledge to honor donor anonymity. For example, Maine Audubon's web site allows donors to select an option that reads "I would like this gift to remain anonymous."¹³ The Ronald McDonald House Charities of Maine has identical language on its site.¹⁴ And the Maine Community Foundation's page on donor privacy states that it "takes donor confidentiality very seriously" and does not "share donor names or contact information externally without your permission." It also notes that "For any grant recommendation from a donor-advised fund, you can decide whether or not to be anonymous to the grantee organization."¹⁵

LD 1423 would ignore all of this and force charitable organizations to reveal their donors to the public. The loss of privacy for charitable givers would be tremendous, and many who prefer to remain out of the public eye for a variety of reasons would simply stop giving, limiting the important work that Maine's charities do.

Perhaps most troubling, this bill would seriously infringe on religious liberty by forcing faith-based charities to disclose their donors. It would also, as others testifying will explain in greater detail, be highly susceptible to legal challenge and would likely be struck down by the U.S. Supreme Court, and given that sometimes charities do not even know the names of some of their donors it would be impossible to enforce.

I urge you to avoid doing anything that would damage the common and deeply ingrained charitable practice, both in Maine and throughout the country, of allowing philanthropists to keep their giving private if they so choose. I am happy to respond to any questions you may have.

¹² "School Museum foundation & wood repair, painting," GoFundMe site, available at: https://www.gofundme.com/5h65u4-a-cause-i-care-about-needs-help?utm_source=facebook&utm_medium=social&utm_campaign=fb_dn_cpghtopstickysmall_r&fbclid=IwAR1w-lr6wrRAZ23x9FmBtNRsmyUIOOIXI91K5CwzWOLjnie8Dorv2HQM1aA

¹³ Available at: <https://www.maineaudubon.org/support/give/>

¹⁴ <https://rmhcmaine.org/donate/>

¹⁵ Available at: <https://www.maineecf.org/support-start-a-fund/three-ways-to-give/create-a-fund/donor-privacy-policy/>