

In an age of populism and government failure, elite “policy plutocrats” are playing an increasing role in remaking society.

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*The populist wave that has swept the west – as evidenced by the Trump and Brexit votes – has contributed to a crisis of governance in which voters no longer trust governments and elected officials. While many blame the rise of populism on elites, **Kristin A. Goss** writes that “policy plutocrats” may be able to do good where governments have failed. These mega-donors, she argues, now face the question of how best to move into the policy sphere in a way that reinforces their legitimacy and helps those left behind by the modern economy.*



Americans feel [estranged and ideologically polarized](#), unable to address public problems or even to agree on [what constitutes a public problem in the first place](#). These forces of disunity, afflicting elected officials and everyday voters alike, have created a political crisis that has become a crisis of governance.

Enter America’s billionaire philanthropists.

Advantaged by [decades of favorable tax policy](#), and enjoying the fruits of the new global economy, these individuals have more wealth than they can leave to their children or spend on themselves. So in increasing numbers, [they are pledging to put their vast wealth toward improving society](#) – often by influencing the design, advocacy, implementation, and reform of public policy.

But here’s the catch: America’s wealthiest do-gooders are trying to do good at the very time when elites and their approaches – data-driven, top-down, expert-informed – face deep questions of legitimacy. The “populist” election of 2016 represented just the latest wave in an anti-elite tsunami.

If elites are the problem, could they be the solution? With popularly elected governments seemingly hamstrung, and people deeply divided, this may well be the question of our time.

Philanthropy, generally understood as [private action for the public good](#), is central to America’s system of identifying and addressing problems. [The nonprofit sector is made up of nearly 1.6 million organizations, employs about 10 percent of the labor force, and constitutes 5.4 percent of gross domestic product.](#) Philanthropic foundations – corporate, community, and independent – [number nearly 87,000, distribute \\$60 billion per year in grants, and control \\$865 billion in assets.](#) Joining these established institutions are highly engaged donors, including relatively young ones, who are [pledging to give away](#) their billions before they die.

America’s mega-donors, [who by my count number nearly 200](#), control an estimated \$1.1 trillion in assets – roughly one third of the US government’s annual outlays. Within this group of mega-donors, [my research suggests](#) that about half have demonstrated serious policy interests: public education, gun regulation, climate change, government deficits, to name a few. They include Microsoft tycoons Bill and Melinda Gates, media mogul and former New York Mayor Michael Bloomberg, and Facebook founder Mark Zuckerberg.



These “policy plutocrats” form a subset of what [Matthew Bishop and Michael Green](#) termed “philanthrocapitalists”: highly engaged donors who deploy business models and metrics to devise, test, implement, and evaluate new methods of delivering public value. Other factors amplify these donors’ philanthropic clout, including the moral authority that comes from creating wealth, money to spend on political campaigns, and networks of fellow donors who legitimize new approaches.

In an era of partisan gridlock, these entrepreneurial philanthropists promise efficient action. When trust in government is at historic lows, these donors promise problem-solving pathways that run through the widely respected civil society and social enterprise sectors. What’s more, many donors are focusing on neglected policy domains, including those where supporters have difficulty mobilizing for change and those where government officials face political or fiscal constraints.

This all sounds good. But there is a catch: [Most of these donors’ giving is socially liberal, but fiscally conservative](#) – precisely the opposite of the reactionary populism that propelled Donald Trump to the White House and poorly aligned with the lefty populism that fueled Sen. Bernie Sanders’ unexpected success in the Democratic primaries. Policy plutocrats, who inhabit the prosperous, polyglot cities along the coasts, are not necessarily in touch – socioeconomically or geographically – with those Americans whom the modern economy has left behind.

Even before the election exposed populist rage, wealthy donors’ moves into the policy sphere, particularly in public school reform and gun regulation, had provoked a backlash centered on questions of democratic accountability. Critics were asking why unrepresentative individuals should be allowed to foist their reform notions on society without having to go through standard [processes of public consultation and democratic deliberation](#). What is more, critics were arguing that wealthy individuals [do not necessarily understand, much less represent](#), the interests of those affected by philanthropic work. When such work fails, [no obvious mechanism holds these philanthropists to account](#). These critiques share an assumption: There are few checks, procedural or substantive, on donors’ power.

Is this assumption true? To be sure, the constitutional guarantees of free speech, together with a cultural deference to private initiative, offer philanthropists great freedom to engage in social reform initiatives. And privacy laws, [coupled with new giving vehicles](#), provide donors space to do their work beyond public scrutiny. Officials of cash-strapped government agencies who grapple daily with failing systems and unmet demands [may offer little resistance](#) to wealthy philanthropists with big ideas and bigger bank accounts.

But checks on unfettered power may be stronger than critics acknowledge. Donor-led school reform efforts in Washington, DC, [helped cost the mayor his job](#), a cautionary reminder that policy plutocrats may need to work within the political constraints of their electorally accountable partners. Perhaps more significant, however, is the political zeitgeist, which increasingly casts doubt on elite approaches to mass problems. Populist narratives pit the “forgotten” American against [putatively arrogant experts](#), creating political barriers to consensual policymaking in fields such as trade policy, climate change, gun violence prevention, and healthcare delivery. [While anti-elitism has been a perennial strain](#) in American political culture, it has emerged as a critical fault line – perhaps *the* critical fault line – in today’s party politics.

As elite experts with ambitious agendas, policy plutocrats have become key characters in the populist narrative of villains and victims – at once admired and resented. They may work through civil society, but their work is, unavoidably, political. This situation raises existential questions for donors with grand policy ambitions: How can they shore up their legitimacy? Are there institutional processes and protocols that donors might put in place to increase the alignment of their beliefs and interests with the beliefs and interests of people affected by philanthropic endeavors? Might donors think beyond issue politics to focus instead on the health of inclusive democracy itself?

*This article is based on the paper, ‘[Policy Plutocrats: How America’s Wealthy Seek to Influence Governance](#)’, in *PS: Political Science & Politics*.*

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