

Philanthrocapitalism

The movement in the nonprofit world to make charities more like businesses. In this situation, benefactors become consumers of social investment, according to the **Bard Observer**. These "consumers" thus demand a return on their investments in the social sector.

There are pros and cons when thinking about Philanthrocapitalism. Some aspects of philanthropy are very much like capitalism. Donors now expect to be able to measure impact, and some problems can be solved by today's economics. Microfinance is a good example of philanthrocapitalism, and some would argue that charter schools are also a good example.

Capitalism, however, does not address civil rights or other advocacy causes. Business thinking also does not apply to all aspects of charity, and maybe it only applies to a few aspects of philanthropy.

There is great debate on the merits of philanthrocapitalism.

Category: Definitions