

# THE CONVERSATION

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Bill Gates. EPA/KAMIL ZIHNIOLU

## Coronavirus has sparked an unprecedented level of philanthropy

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Coronavirus took most of us – governments, businesses and individuals – by surprise. Feelings of anxiety and fear have spread across parliaments, board rooms and our homes. But many philanthropists, seasoned and novice, have taken important action to help.

By early March, it was reported that philanthropic giving to combat the coronavirus has reached unprecedented levels, already topping US\$1 billion (£816 million) across the world. This is a huge amount compared to the sums donated in response to other catastrophes, including Ebola (US\$362 million) and Hurricane Harvey (US\$341 million). But then the scale of this crisis is so much larger than anything else we have seen before.

A large amount of the most generous private donating is done by wealthy enterprising families in a type of philanthropy known as “family giving”. This kind of giving can be extraordinarily effective in the context of a disaster relief, partly because family businesses are often better able than other types of companies to quickly gather owners, board members and executives to respond to a disaster. They also tend to have a more informal decision-making process which can allow a flexible and agile response.

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Indeed, the fact that most governments are shifting into “crisis mode” is in part because it grants them the right to take decisions more effectively, with processes similar to those of an owner-led family firm. And many of these families are actively supporting their communities as coronavirus continues to spread.

## Family funds

In Italy, for example, the Agnelli family, an Italian business dynasty mainly associated with the car industry, made a €10 million (£8.8 million) donation to the Italian Civil Protection Department and to local agencies that provide health care and social assistance in the region of Piedmont.



Swift response. Shutterstock/Lightspring

The family has also used its companies to become directly involved in purchasing medical equipment, distributing food and medicine, and supporting distance teaching schemes in schools.

In France, the family-owned luxury goods group LVMH (owner of brands including Christian Dior, Givenchy, and Bulgari) has converted three cosmetics factories for the large-scale production of hand sanitiser, which it will distribute to French hospitals. The group has also promised to provide around 40 million surgical masks for medical staff.

Elsewhere, Swiss family-run health care giant Roche was among the first to help develop a new test for coronavirus which it hopes will dramatically increase capacity to detect the virus.

Well known wealthy individuals have also decided to act. A group of Italian billionaires) including Giorgio Armani, Remo Ruffini and Silvio Berlusconi have pledged to donate more than US\$45 million to fight coronavirus in their country.

In the world of sport, basketball players like Zion Williamson and Blake Griffin were among those who promised to cover salaries for employees who lost their income after play was suspended. Other athletes from the sports world are also supporting a coronavirus fundraiser.

Among the super wealthy, Bill Gates, who previously warned of the disastrous effects of viruses, has committed around US\$100 million to help combat coronavirus around the world.

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And China's richest man, Jack Ma has given 100m yuan (£11.5 million) through his foundation to help fund vaccine development. He is also reported to be planning to ship 500,000 testing kits and 1 million masks to the US.

Large amounts of private wealth will be required to tackle the long-term consequences of coronavirus. Beyond the medical crisis, there will be a range of serious issues that arise, including food insecurity, the loss of jobs, and various challenges related to education and mental health.

It's also worth bearing in mind that philanthropic plans don't always go to plan – done incorrectly, they can lead to backlash and unintended negative consequences, such as when promises to fund repairs for Notre Dame Cathedral in Paris led to widespread criticism and questions over privilege and power.

Yet philanthropists – particularly enterprising families – will play an increasingly important role in facing these issues thanks to their ability to provide spontaneous support. Looking ahead, they will need to prepare flexible and sustainable funding models that will help build resilience for future catastrophes. Fortunately, many large scale donors don't wait to be asked for help.

As our research shows, philanthropists and their families often want to help quickly, and find innovative and effective ways to provide for immediate and long term needs. And at a time of rising nationalistic attitudes, they show that we need to grow closer, not further apart. To embrace the real meaning of the word philanthropy – “a love of humanity.”