

Philanthropy and tax avoidance: too close for comfort

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[Alliance magazine](#), which is dedicated to the subject of high end philanthropy, sent me an email yesterday that promoted an article with the following teaser:

The Financial Times noted in 2012 that 'in less than a decade, philanthropy offices have become an integral part of the world's largest private banks and wealth management providers'. Among those cited by the article were Barclays Wealth, Kleinwort Benson, Standard Chartered and JP Morgan Private Banks. Many others, national and international, could be added to the list.

Why do banks offer advice on philanthropy?

I really don't think that is hard to answer. It's because philanthropy and tax avoidance go hand in hand.

It's not as if the magazine does not know it. In the same email another teaser for an article confronting philanthropy's image problem says:

Jenny Hodgson, executive director of Global Fund for Community Foundations, examines why the word philanthropy 'inspires such contradictory reactions and emotions'.

She writes, 'On the one hand, there is philanthropy as a positive force. On the other, philanthropy is seen as part of the problem: the product of systemic failures of current political and economic structures, which have resulted in large concentrations of wealth in the hands of an elite and unaccountable minority.'

And that's a process of tax avoidance, and a tax system that quite absurdly encourages this particular form of accumulation of private wealth, has helped create. Let's not pretend otherwise.

And, yes I have been funded by foundations. But not privately controlled ones.