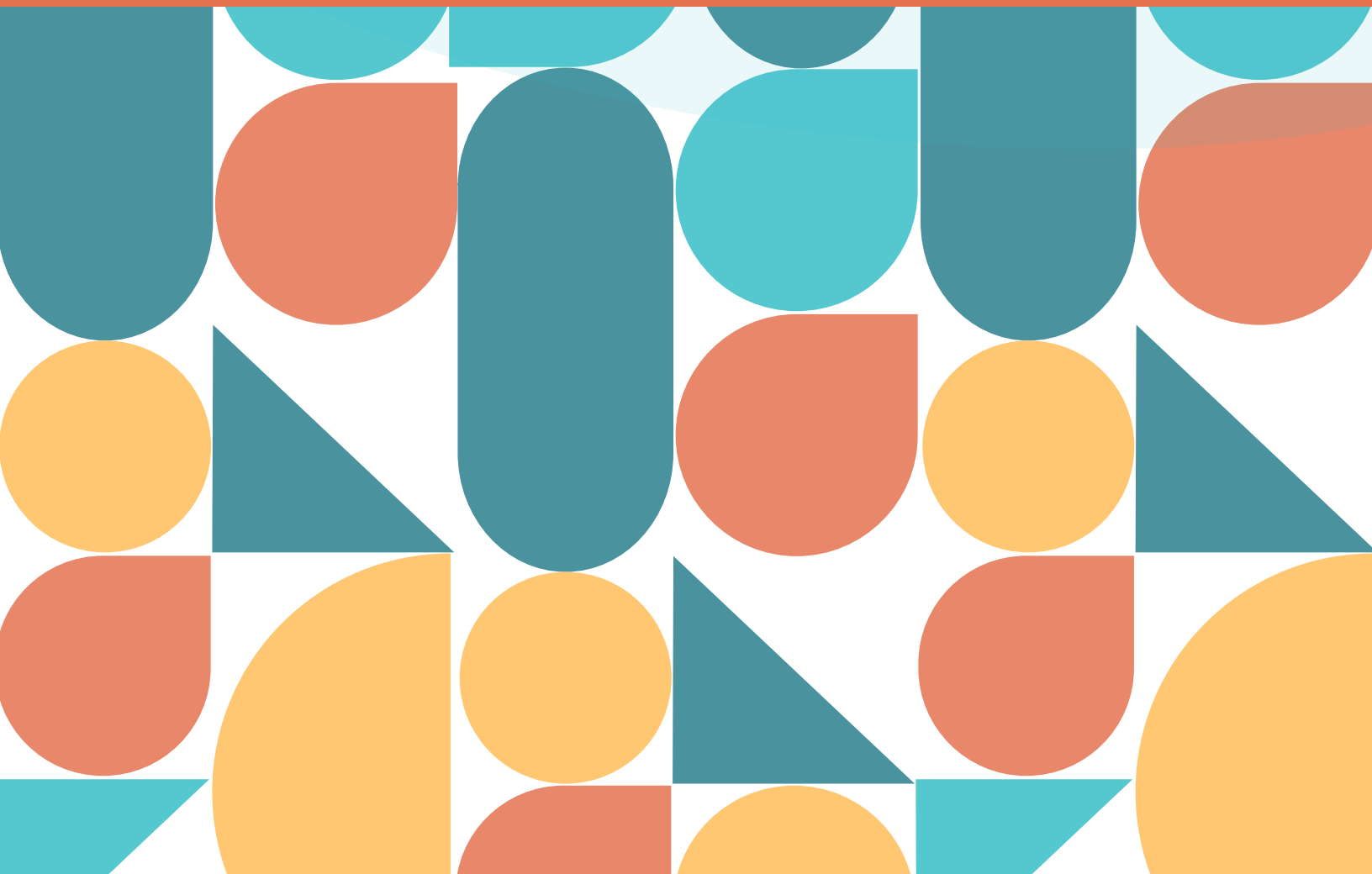


A GUIDE FOR LEARNING & REFLECTION

The History of Philanthropic Wealth in Maine **Executive Summary**



Executive Summary

Philanthropic giving in Maine has resulted in significant achievements. However, the wealth that makes it possible often originated from harmful historical events and practices such as land dispossession, enslavement, and environmental degradation. In recent years, many in philanthropy are joining a growing movement to uncover the truth about the origins of philanthropic wealth, change the inequitable practices that continue to exclude and exploit, and take steps towards repair.

This project aimed to explore the history of wealth in Maine and ways in which today's funders can implement restorative and transformative funding practices to promote equity and address historic harms. Project staff conducted secondary research and completed interviews with historians and philanthropists in Maine. This report summarizes the findings from this research and offers tools for reflection and resources for deeper learning. We hope that it calls you in to learn, reflect, and act.

Read the full report at placemattersmaine.org/research.

KEY HISTORICAL EVENTS TIED TO WEALTH IN MAINE

- ▶ While the land that is now known as Maine was inhabited by the Wabanaki people for thousands of years, the arrival of European settlers in the early 1600's began a significant shift towards the concept of private property ownership and a period of violent forced removal of the Indigenous populations from the land.¹ Many early settlers in what would become the State of Maine, were granted land as a reward for their participation in violence against Indigenous people throughout the region.² Land ownership during this time formed the foundation of what would become generational wealth, and would continue to shape who holds land, power, and wealth in the state to this day.³
- ▶ Land ownership in Maine is also tied closely to the forest products industry. Today, many of Maine's wealthiest families and largest private landowners have connections to the timber industry.⁴ Early logging in Maine expanded fast as the lumber was used to build ships for the English navy. The industry reaching its peak in the early 1800's with Bangor serving as the logging center of the world.⁵ Not only did this booming industry result in vast pollution of our waterways, and devastation of our forests, but the timber was also used to build ships which have been connected to the global slave trade.^{6,7}
- ▶ After the boom of the lumber industry, Maine companies turned to pulp and paper mills with the very first paper mill built on the Presumpscot River in Westbrook in 1734.⁸ While these mills were a vital economic boon for Maine, many were built on important Wabanaki planting and fishing areas. The dams that accompanied the mills prevented the migration of fish, further devastating the livelihoods of the Indigenous people, and forever altering the natural environment. The impacts of the paper industry in Maine were also devastating to the local economies when the paper mills began to close as the industry declined.⁹ Additionally, the impact of pollution of the rivers continues to this day as health hazards such as PFA contaminated water has been tied to the paper industry statewide.¹⁰
- ▶ In addition to paper, much of Maine's early wealth can be tied to mills and factories which processed and finished products that often originated from enslaved labor in the South and the Caribbean, such as cotton and sugar.¹¹ Saco and Lewiston housed some of the largest cotton textile mills in the nation resulting in fast economic growth and wealth, but that growth came as a result of exploitation and violence.¹²

WHY DOES THIS MATTER TODAY?

- ▶ These historical exploitations of land, labor, and the environment resulted in vast amounts of wealth accumulation, and systemic barriers put in place by those in power that have continued to exploit and concentrate wealth and power in the hands of a few.¹³ These inequities are seen in the racial disparities among rates of land and home ownership, income inequalities, rates of poverty, and social determinants of health.¹⁴
- ▶ The philanthropic model that exists in the U.S. today was built on this history of wealth accumulation and unchecked capitalism which resulted in mechanisms and structures that allow wealthy individuals to continue to hold onto their wealth, invest and earn more, and avoid paying taxes. Tax laws, investment structures, funding practices, and programs serve to continue exploitation and allow for more wealth accumulation in the name of charitable giving and legacy.¹⁵
- ▶ Many of today's wealthiest families and foundations have accumulated their wealth over many generations, tracing back to these exploitive historical events and industries.¹⁶ There is a growing number of philanthropists, and many of the interview participants in this study, who are questioning the morality of their inherited wealth and looking to change the mindsets and practices that are common among their social circles.¹⁷ Most notably, many question traditional investment practices and are beginning to implement mission-aligned strategies.

WHAT CAN WE DO DIFFERENTLY?

- ▶ Shifting a structure as large as the system of philanthropy in the U.S. takes time and may not happen in our lifetimes. However, like most systems change, it can start locally with just a few who hold wealth and power taking steps to seek the truth, shift practices, and begin to repair past harms. This report invites readers to start with reflecting on history and being transparent about the origins of wealth. Taking accountability is a key step in healing.¹⁸
- ▶ There are many frameworks and models for moving forward towards a healing, community centered approach to philanthropy. Some of these include employing more relational, trust-based approaches, like that of **trust-based philanthropy**.¹⁹ Other key frameworks include **collective impact models**,²⁰ which involve multi-organizational collaborations working towards common goals, and **participatory decision-making** where those most directly impacted are given power in the grant-making process.²¹ Further, many philanthropic organizations are moving towards **reparative philanthropy** models which aim to build authentic, reciprocal relationships and work towards healing and restoring power imbalances.²² This approach includes giving that supports larger restorative **land back**²³ or **reparations**²⁴ movements.
- ▶ Moving beyond a restorative approach, there are some who are transforming the concept of philanthropy and leading the change in their approach and legacy. This includes moving away from the traditional endowment investment strategy of only giving away 5% of one's portfolio annually, the federal minimum requirement for private foundations which allows them to continue to use the other 95% to invest and build more wealth.²⁵ Similarly, trends in **sunsetting foundations** and spending down one's wealth are growing.²⁶ Another model for transforming the power of one's wealth is through **mission-aligned investments**, which includes divesting from global stock markets that are contradicting the mission of the organization, and instead employing strategies that consider the social impact of the entire investment portfolio.²⁷



Who is This For?

This document has been designed to offer a space for learning, reflection, and growth for people who work in philanthropy. This may include leaders and board members of foundations, people who manage donor advised funds, or private donors. This guide may also be useful for anyone who holds wealth and power in Maine who seeks to understand more about the history of wealth and find ways to use their power for social change. While we recognize that there are many different scales of wealth and roles among philanthropists, we hope that people with a variety of roles or giving at any scale may benefit from reading and using this guide and resources. Additionally, any individual, regardless of their relationship to philanthropy, who is interested in learning more about the history of Maine as it relates to historical practices and economic events that caused harm may find this report useful.

We acknowledge that many of the historical events and practices, and resulting traumas, are already known and felt in the everyday lives of Black, Indigenous, and People of Color. We also acknowledge that the ramifications of wealth inequity and the history that paved the way for it in Maine impacts many communities throughout the state and may be part of the lived experiences of individuals engaging with this report.

In response to the way that race, wealth, and power have played out in the U.S. and led us to where we are today, we designed this report to prompt reflection for a primary audience of white people of European descent, who live in the U.S. and/or have historical roots here. However, the report is an invitation for all to reflect on their own family history and lived experience, and we invite all readers to explore this guide and use it to possibly learn more about the histories of your community, your family, and yourself.



Check out the full report at
placemattersmaine.org/research

CIRCLE OF REFLECTION

Understanding the history of wealth requires moving intentionally. Before we can take meaningful action, we must ground in context, personal connection, systems, and emotions. Often, we realize that as we go deeper into issues, we find there is more to learn. Throughout this report we offer space for reflection and further resources for diving deeper in the content. As you read through some the sections in this report, we offer these core questions for you to use to guide your progression, reflect, and revisit. In addition, if you wish to go deeper, there are additional reflection resources and questions at the end of this document.

KNOW THE CONTEXT

What do you know about the Indigenous peoples and histories of the places where you live, work, or hold wealth?

EXAMINE YOUR STORIES

What stories about land, property, labor, or wealth have been passed down in your family or institution, and how might those stories look different from excluded perspectives?

UNDERSTAND THE SYSTEMS

In what ways might colonialism, enslavement, or extractive industries have shaped your wealth, investments, or philanthropic resources today?

WORK THROUGH YOUR EMOTIONS

What feelings come up when you connect your wealth story to this broader history, and how might those feelings guide your giving rather than silence it?

MOVE TOWARD ACTION

How can your philanthropy support efforts to restore land, redistribute power and wealth to Indigenous, Black, People of Color, and other historically excluded communities, and shift systems that perpetuate inequities and harm?

Endnotes

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