

Dan pallotta: the way we think about charity is dead wrong

Sociology



**ASSIGN
BUSTER**

Dan Pallotta: The Way We Think about Charity is Dead Wrong due:

Introduction Dan Pallotta talks about social innovation and social entrepreneurship. The real social innovation he talks about involves charity. According to the talk, one's desire to change the universe can be undermined by deeds of charity and the non-profit sector. Pallotta says that a lot of people claim that businesses will lift up the developing economy, and social enterprises will take care of the rest. He strongly believes that although businesses will move the great enormous human race forward, they always leave behind that ten percent or more; that is the most disadvantaged. He continues to say that social business needs a market, and there are issues that one just cannot develop the kind of money measure that one needs for the market. Pallotta then continues to discuss on the development of the mentally disabled. He says what these people need and want is laughter, compassion and love, bringing out the aspect of the nonprofit sector.

Question 1

Five main points that Pallotta identifies about the non-profit world include:

1. Compensation

Pallotta states the more value one produces, the more income they can amass, but people do not like non-profit sectors to use the money to produce more social services. This is evident when he uttered, " We have a visceral reaction to the idea that anyone would make a lot of money helping other people" (3: 17).

2. Advertising and marketing

Pallotta points out that full-time profit sectors spend money on advertising,

however, most citizens are not pleased when they realize the money they donated is used on advertising charity work (5: 42).

3. Taking risks on new revenue ideas.

Non-profit sectors fear if they fail, their reputation will be spoiled. This is evident from what Pallotta says " Non-profit sectors are reluctant to attempt any brave and huge scale fund raising because of fear." (7: 54).

4. Time.

Pallotta explains that one cannot pay profit in the non-profit sector. This is evident from his words " The non-profit sector stars for growth, risk and idea capital" (8: 44).

5. Profits to attract risk capital.

Pallotta points out that one cannot make profit in a non-profit sector.

Therefore, the profit sector has a lock on the capital markets while the non-profit sector stars in for growth, risks and capital (9: 02).

Question 2

The non-profit sector has an extreme disadvantage compared to the for-profit sector. This is evident from the main points that Pallotta accentuates about the non-profit world that one cannot use money to take the mentioned risks to persuade their clients, as compared to the for-profit sector which can take the mentioned risks to persuade their clients. Moreover, the non-profit sectors cannot have a stock market as compared to the for-profit sector. Therefore, the non-profit sector remains to be extremely disadvantaged compared to the for-profit sector at all levels (10: 39).

Question 3

I think the non-profit sectors are rewarded for the little they spend, and not

for what is done. I learned this from the talk, which revealed that approximately 45000 profits were made by the for-profit sector between the years 1970 and 2009. This reveals that the accounted profits accumulated by the for-profit sector were higher than the ones of the non-profit sector. This comparison brings about the realization that social problems are massive, and the non-profit sector will not be able to generate income.

Question 4

My idea on how we can change the perception and culture of non-profits is by the way we think. As Pallotta said we should stop thinking of the question, " what percent of my donation goes to the cause versus the overhead" (17: 34). This will make us think that the overhead is a negative, of which it is not. Non-profit organizations need the overhead in order to grow, therefore, forcing them to go without the overhead. I agree with Pallotta that the citizens of the United States should stop bringing up the questions about the overhead, rather, the scale of their vision. The populace ought to be liberal, and they should ask of what non-profit organizations need to do make their visions come true. Then, this would be a genuine social modernization, where the changes would be noted (18: 03).

Reference

TED. (2013, March 11). Dan Pallotta: The way we think about charity is dead wrong. YouTube.

Retrieved from http://www.youtube.com/watch?v=bfAzi6D5FpM&list=PLmloeW3aKWYcg6_L