Phil Harvey has never forgotten the woman in a ragged sari who ran up to him when he was a young CARE staff member in India in the 1960s. She knelt at his feet as he helped deliver powdered milk and cornmeal to a Punjab village devastated by a flood.

Such transactions between wealthy Westerners and aid recipients have always seemed embarrassingly one-sided to him. How, he asks, can charity truly be benevolent if it makes one human being feel compelled to prostrate herself before another?

"The idea just makes my blood boil," says Mr. Harvey, 76, who helped create three nonprofits and also Adam & Eve, an adult-toy and erotica retailer whose profits finance his charities. "I think a great deal of charity in the United States today tends to follow those lines of gratitude. A great deal of giving tends to be about what makes the giver feel good and not what is actually helping the beneficiary. I think it’s wrong, perhaps even to the point of being immoral."

It is also, to his mind, simply inefficient. And inefficiency is a problem he sees permeating the nonprofit world, even something as simple as getting charities to send donors like him a simple, prompt thank-you note for gifts.

His impatience with inefficiency — and his deeply held libertarian principles — laid the foundation for a four-decade, trailblazing career in social entrepreneurship. Ideals alone won’t change the world, he cautions.

"When you set out to help other people, you have to be very, very thoughtful about it," he says. "You cannot do what feels good. You have to think it through."

Social-Marketing Strategy

Mr. Harvey’s first two charities were focused on improving the lives of people like the woman in Punjab but doing so in an efficient and dignity-preserving way.

In his early 30s, he co-founded and led Population Services International, the global health and family-planning philanthropy that today boasts an annual budget of $500 million. Two decades later, he launched and led a second charity — DKT International, a $160 million nonprofit that distributes birth control in 22 countries.

The groups have received a total of $50 million of their founder’s money over the years but have also won support from major grant makers like the Bill & Melinda Gates and the William and Flora Hewlett foundations.

The two charities bypassed traditional reliance on doctors for birth-control distribution and instead pioneered social marketing for birth control. The approach had repercussions in India, where it helped to shift the country away from misusing a contraceptive called Dettol.

Phil Harvey’s next move: a push to protect American civil liberties.

PHIL HARVEY IS FED UP

The sex-toy retailer and ‘father of family planning’ long ago lost patience with charity inefficiency. But he’s set a good example in the three charities he’s founded.

By ERIC FRAZIER

PHIL HARVEY has never forgotten the woman in a ragged sari who ran up to him when he was a young CARE staff member in India in the 1960s. She knelt at his feet as he helped deliver powdered milk and cornmeal to a Punjab village devastated by a flood.

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**PHIL HARVEY’S ADVICE TO DONORS**

**DON’T SEEK OR EXPECT GRATITUDE FROM INDIVIDUALS WHO BENEFIT.**
Unequal relationships between a donor and a person who received help are bad for both parties.

**THINK ABOUT A GIFT’S IMPACT.**
Will your efforts actually help solve a systemic social problem or just “help out” temporarily?

**ASK INVESTMENT-TYPE QUESTIONS.**
Does the charity deliver measurable results at a reasonable cost? Are the costs comparable to those of other nonprofits?

**MAKE GIFTS WITH YOUR HEAD, NOT HEART.**
Your emotional life should be focused on people you know.

**ACKNOWLEDGE GIFTS PROMPTLY.**
Within two weeks, a donor who writes a check should get a letter of thanks, citing the amount and the date the gift was received.

**DON’T FORGET SNAIL MAIL.**
Especially for contributions over $500, send both an online acknowledgment and a letter. For substantial gifts, donors appreciate a phone call.

**SHARE FINANCIAL DATA.**
Post the charity’s most recent Form 990 on the website. Though much data about nonprofits’ finances is available elsewhere online, a charity that displays that information itself conveys confidence and transparency.

**TELL DONORS WHO’S IN CHARGE.**
List the names of the group’s key leaders, along with board members’ professional affiliations, on the charity’s website. “And please don’t make these things hard to find,” says Mr. Harvey. “I’ve often been told ‘It’s there’ when I suggest that something is missing. It may be there, but buried beneath two or three clicks. Make it easy.”

**SEND DONORS ANNUAL REPORTS.**
Include a financial summary along with board members’ and key officials’ names and professional affiliations as well as the group’s mission, recent accomplishments, and photos. Don’t focus just on activities but also on their impact.

**Streamlined Solutions**
Mr. Harvey financed his charities with tens of millions in profits from his other brainchild: Adam & Eve, a $100 million-a-year empire whose battles against censorship in the 1970s and ’80s sparked precedent-setting court rulings affirming the First Amendment rights of pornography merchants and prosecutorial reforms that shielded such businesses from anti-obscenity crackdowns.

Those battles inform his latest project. He stepped down last year as CEO of DKT International, and is now building the DKT Liberty Project, a civil-liberties advocacy group.

Those who know him best say his efficiency-expert approach to philanthropy springs from his singular ability to quiet his mind, isolate a problem, and emerge with the most streamlined solution.

A.C. Bushnell, a friend and colleague since the 1970s — and now the Liberty Project’s program director — describes it this way: You call him up seeking his input on some decision that must be made in a program. Your question is greeted not with an answer but with silence. Perhaps a full minute passes. Then what seems like two.

Mr. Harvey’s associates and friends have learned to wait it out. Because he’s thinking. Hard. When the answer comes, it’s a fully formed directive, or he’ll say: “I need to ponder this further.”

“If you talk to him, he doesn’t wander. He’s not chatty,” Mr. Bushnell says. “He’s really focused on doing things. And he winds up being extremely efficient and remarkably able to get more things done than the average person.”

**An Epiphany in India**
Mr. Harvey takes a quiet pride in his role as a sort of Robin Hood of the population-control movement, taking profits from pleasure-loving Americans and giving poverty-curbing contraceptives to the developing world.

“I feel very good about the contribution Adam & Eve has made toward making sex good and fun in the United States,” he says. “Sex should be treated as something that’s healthy and good and not as something that’s dirty and shameful.”

With his tweed jackets and reading glasses, he seems more college professor than porn magnate. He and his wife, Harriet Lesser, have been married 24 years and live in the Washington suburbs. He commutes listening to NPR and C-Span.

“Lots of people consider him sort of the father of family planning,” says Mr. Bushnell. But he’s kept his profile low: “There’s never going to be the Phil Harvey Building.”

The charity founder’s focus on birth control sprang from his early work with CARE, feeding Indian schoolchildren. He’d landed there after limping out of Harvard University on the “five-year plan,” with dreams of seeing the world. He

Continued on Page 36
Mr. Harvey is a man of few adjectives, but they all seem upbeat and appropriately forward-looking. It made him consider his own drive to craft and implement solutions. But he demurs: “Bad for my mental health.” Instead, he’s shifted his focus to the United States. To him, his work developing the DKT Libery Project is bringing him back to the libertarian roots he put down as a young activist. He believes that “the way to get out of poverty and other woes is to let people do business.” “It’s just like Adam & Eve. When there are rules, there are libertarian rules.” The Liberty Project wants to promote that kind of thinking in the United States. Mr. Harvey feels much of the modern welfare state, the war on drugs, and his 2001 book “Fatu魏 in Indonesia and “Josh” in Pakistan. Claims baring the products might be bought by orphaned or even evil militaries, as in the Philippines, where DKT has joint forces with the army to get condoms to soldiers. The program in each nation operates independently, with the country director given latitude to make adjustments based on local needs and customs. Like a travel agent, the group arranges the products’ cost to keep them affordable. The charity discovered that charging a small fee makes it more likely that the products will be valued and used. The social good is achieved without anyone feeling beholden or humiliased.

Generating Sustainable Revenue

For the efficiency-focused Mr. Harvey, a major source of pride has always been from his charities’ ability to generate their own revenue. As much as 40 percent of DKT’s more than $150 million in annual program expenses, for instance, is covered by revenue rather than donations.

“That creates an organization that has a very different dynamic and a different culture than a typical nonprofit,” he says. “You can turn down deals that don’t fit. You can afford to keep your focus where you want it.”

DKT International is so decentralized that its Washington headquarters employs just six staff members. Mr. Harvey, chuckling, says that he structured the organization that way as “a function of laziness.” “I completely agreed.”

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Mr. Boyd, now director of New Approach PAC, is looking to use court cases forward-looking. It made him consider his own drive to craft and implement solutions.)

CULTURAL SENSITIVITY

DKT International, a charity the philanthropist Phil Harvey founded, sells contracep-...