



The Center on Philanthropy & Public Policy

UNIVERSITY OF SOUTHERN CALIFORNIA

MAY 2014 UPDATE

CONVENINGS

Conversations on Philanthropy

Introduced as a means to bring decision-makers from across philanthropy together – foundation leaders, individual donors, and family foundation trustees – with experts in a field to discuss a specific area of interest, this series bridges fragmentation within the sector while leveraging the power of the sector's pluralism.



Impact Investing:

An Opportunity to Make a Greater Difference

In March 2014, The Center hosted Antony Bugg-Levine, Chief Executive Officer, NonProfit Finance Fund, and Andrea Phillips, Vice President, Urban Investment Group, Goldman Sachs, to discuss *Impact Investing: An Opportunity to Make a Greater Difference*. The two explored what impact investing is, what challenges and new investment opportunities it presents, and what role philanthropy can play in this innovative approach to community problem-solving.

The Conversation looked at a number of impact investments over the past several years, including Goldman Sachs' investment in a Rikers Island recidivism reduction program, to illustrate the variety of factors that preclude and encourage impact investments. Bugg-Levine highlighted the pending generational wealth transfer and the role millennials will play in addressing the ongoing demand for social services that the government cannot meet.



Phillips pointed to the developing range of tools and investment vehicles to explain the significant growth of impact investments observed in recent years. She framed the discussion for private philanthropists and foundations to participate in impact investing, not as a replacement for traditional grantmaking, but as an opportunity to serve as early risk capital. She also added that foundations can consider impact investments as they align their endowment portfolios with their mission and values.

Bugg-Levine recognized the difficulty that putting together impact investments presents and emphasized the need for creativity and determination in funders in order to engage in impact investing. This conversation was made possible by the generous sponsorship of the Goldman Sachs Philanthropy Fund.

Video from this Conversation can be viewed [here](#).



The Solution Revolution

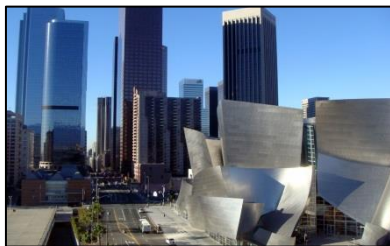
In January 2014, William Eggers, co-author of *The Solution Revolution: How Business, Government, and Social Enterprises Are Teaming Up to Solve Society's Toughest Problems*, visited campus for a special presentation on his book and the role of philanthropy and nonprofits in what he calls 'the solution economy', sharing a number of examples of new ways to solve complex and longstanding social challenges.

Eggers described that the solution economy framework is powered by 6 principles: innovative individuals driven by social or profit motives, which he calls 'wavemakers'; new technologies such as social media and Radio Frequency Identification (RFID) tags that bridge and connect individuals; public value exchanges linking individuals and institutions to collaboratively produce social gain; novel impact currencies that create new markets; scalable business models; and finally, what he calls 'solutions ecosystems'. He described a solution ecosystem that is driven by a shift in government funding around traditional social issues to a model where there is a mutual advantage for funders, investors and organizations to partner and converge around new technologies and innovative approaches for public problem-solving. Eggers challenged all of the attendees to look at themselves as a citizen change maker in the solution revolution.

This event was hosted in partnership with Southern California Grantmakers. Video from the presentation can be viewed [here](#).

RESEARCH

The Center on Philanthropy and Public Policy conducts research and analysis on philanthropy and the nonprofit sector to provide useful and useable knowledge for practitioners in three key areas: *Changing Landscape of Philanthropy*, *Philanthropic Strategies for Public Problem Solving*, and *Philanthropic Leadership and Stewardship*.



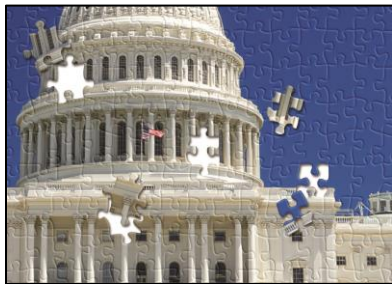
Analysis of Foundation Grantmaking in Los Angeles

Starting in November 2013, The Center on Philanthropy and Public Policy interviewed leaders of 20 of the more prominent foundations in Greater Los Angeles to better understand how they are approaching their work since the Great Recession. [The study](#) explores how grantmaking strategies, patterns, and practices have changed over the last five years and the changes they anticipate in the near term.

Like their counterparts in the region and across the country, the foundations in Greater Los Angeles revealed that they are still recovering from the Great Recession of 2008. Also highlighted, while all of the foundations have changed their grantmaking to varying degrees over the past five years, most of these changes have been modest and temporary. Among the foundations making more fundamental shifts are those focused on health, responding to the opportunities created by the Affordable Care Act, and a handful of foundations that are making more fundamental changes due to leadership or organizational changes. Over the next few years, the results point to a modest increase in the number of foundations that intend to expand the use of initiatives in their grantmaking and a growing number of foundations

interested in avenues for greater impact beyond their grantmaking, such as through partnerships, capacity building or mission investing.

This study complements The Center's [Los Angeles Foundation Grantmaking Infographic](#) and [California Foundation Grantmaking Infographic](#) that were released at the end of 2013 and continues the series of reports that The Center has developed since its inception about philanthropy in the region. This study was funded by the Weingart Foundation.



Public-Private Partnerships

The Center is examining how partnerships with philanthropy and business are catalyzed across the federal government; building on a report The Center released in 2013 entitled, *Philanthropy and Government Working Together: The Role of Offices of Strategic Partnerships in Public Problem Solving* that was presented at the White House in May 2013.

Following this widely-received presentation to an inter-agency federal task force at the White House, a recent issue of *The Foundation Review* highlighted this work on philanthropic – public partnerships with an article entitled “Offices of Strategic Partnerships: Helping Philanthropy and Government Work Better Together”. The feature in *The Foundation Review* included a March 2014 webinar with The Center’s Director, Jim Ferris, and Karen Aldridge-Eason, Director of Michigan’s Office of Foundation Liaison, entitled *Helping Philanthropy and Government Work Better Together*.

In addition to being featured in *The Foundation Review*, the report is spotlighted on the Council on Foundations’, the Council of Michigan Foundations’, FSG’s “Collective Impact” blog’s, and Philanthropy Northwest’s websites as a resource for information on philanthropic-government partnerships.

Today, The Center is working on a new study, based on interviews of senior executives from 21 federal agencies and departments, to draw together insights and lessons about the emerging federal infrastructure for public-private partnerships. From these interviews, The Center is developing a white paper which will be discussed with representatives from both government and philanthropy at a roundtable on June 6th, preceding the Council on Foundations Annual Conference in Washington, D.C. The convening will bring together practitioners to explore these new structures, to encourage the development of partnerships that address critical public problems, and to share lessons for agencies that may be considering how best to engage in this work.



The State of Place-Based Initiatives

The Center is undertaking a year-long inquiry on “The State of Place-Based Initiatives” that seeks to elevate the dialogue beyond best practices to the larger significance and longevity of place-based strategies for the field. This work, guided by a distinguished National Advisory Committee, focuses on five thematic discussions with experts exploring the following questions: 1) What are the goals of such efforts? What are we solving for?; 2) What are the theories and assumptions of place-based initiatives?; 3) What on-the-ground capacity is required to effectively carry out place-based initiatives?; 4) What role do economic and market forces play in place-based initiatives?;

and 5) How have place-based initiatives altered funding behaviors (philanthropy and government)? The first two discussions were held April 23rd and 24th at the Ford Foundation in New York, the third and fourth were held April 30th and May 5th at USC, and the fifth will be held at the USC offices in Washington, D.C. on June 4th.

These discussions will shape a monograph that will be released in the Fall that will synthesize each discussion, along with response essays by participants. In Fall 2014, a national conference at USC will leverage the conversations and monograph to spark a national dialogue on the future of place-based initiatives as a strategy for improving low-income communities and their residents.

RESEARCH SEMINARS

The Center hosts research seminars featuring scholars from across the United States to present their ongoing research to an audience of USC faculty and doctoral students. In addition to being a vehicle to discuss research findings, it is an important venue to stimulate interest in philanthropy and the nonprofit sector within the Price School.



Diversity and Organizational Effectiveness

In March 2014, Brad Fulton, from Duke University presented his research findings to USC faculty on *Bridging and Bonding: Mechanisms Influencing Organizational Effectiveness*. Fulton's research explores diversity's consequence for organizational effectiveness across organizations that are either homogeneously or heterogeneously composed. Previous research typically suggests that these diversity theories are the inverse of each other; however Fulton's research suggests that both can contribute positively to organizational effectiveness. In sharing his research on the composition and interactions of nonprofit boards and their ability to take collective action, Fulton concluded that the most effective community-based organizations are those with boards that are socially diverse and highly interactive.

SECTOR LEADERSHIP



Ferris Appointed to Two National Committees

In February, The Center's Director, Jim Ferris, was invited to serve on Independent Sector's 2014 Programs and Practice Committee. The committee provides strategic direction for the Programs and Practice Department, which focuses on advancing sector leadership, strengthening effectiveness, and supporting greater impact and highest standards of governance and accountability in the nonprofit and philanthropic community.

The committee is chaired by Irene Y. Hirano Inouye, President, U.S.-Japan Council, and Board member of The Center on Philanthropy and Public Policy. The committee provides input on critical trends impacting the sector and advises on which trends will be integral to Independent Sector's work, makes recommendations as to how Independent Sector can anticipate and address trends in its work on leadership and cross-sector issues, as well as contributes to a 2014 strategic planning process.

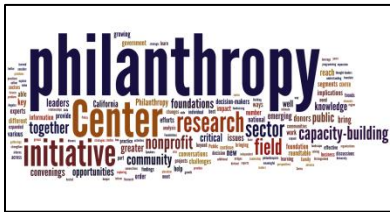


Jim Ferris has also been appointed to the Philanthropy and Partnerships Committee of the National Park System (NPS) Advisory Board. The Committee is charged with advising the NPS on how best to align its partnership and fundraising policies to make the NPS a best-in-class partner and to set a new course and direction for its philanthropic alliances in the 21st century. "Partnerships are increasingly critical to the success of government agencies and nonprofits alike," noted Ferris. "I look forward to helping the National Park Service forge a new path to increase its impact as a result of

philanthropic-private partnerships."

The committee of 14 is comprised of corporate and nonprofit leaders drawn from current NPS partnerships, as well as thought leaders from the corporate sector, universities, museums, foundations, and other subject matter experts. Following a series of briefings by partners and philanthropic subject matter experts, white papers will be produced from which the NPS will update its policy so that it articulates a strategic vision for NPS philanthropy and partnership, allows for new partnering practices that are more entrepreneurial, and engages new audiences and allies system wide as the National Park Service looks towards its centennial in 2016.

NEWS FROM THE CENTER



Fundraising Initiative Goal Reached

The USC Center on Philanthropy and Public Policy's Fundraising Initiative has successfully been completed! The Center has raised \$1,650,000 since launching in Winter 2012 to build capacity to expand research activities, increase the number and variety of convenings, and more widely communicate findings to the philanthropic, public,

and nonprofit leaders who value and apply its lessons.

Several foundations, corporations and individuals supported the Initiative, which has already expanded The Center's ability to be both forward-looking and responsive to emerging issues in philanthropy. Many of the activities detailed in this report are the result of the Initiative, including the launch of the convening series, *Conversations on Philanthropy*, the expansion of research that was presented at the White House on philanthropic-public partnerships, as well as the new study on the state of place-based initiatives.

The Center extends its appreciation to all of the supporters of the Fundraising Initiative:

- Annenberg Foundation*
- Bank of America*
- California Community Foundation*
- Esther and Tom Wachtell*
- Joseph Drown Foundation*
- JPMorgan Chase & Co.*
- The Lawrence Welk Family Foundation*
- Thomas and Dorothy Leavey Foundation*

- Leonetti/O'Connell Family Foundation*
- Ralph M. Parsons Foundation*
- The Ahmanson Foundation*
- The California Endowment*
- The James J. and Sue Femino Foundation*
- Weingart Foundation*
- Wells Fargo*

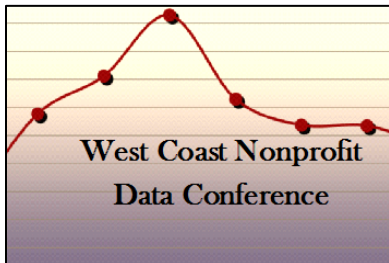
NEWS FROM THE PRICE SCHOOL



Nonprofit Leadership and Management Master's Degree Announced

Starting in Summer 2015, the USC Sol Price School of Public Policy will welcome an inaugural class of students pursuing a Master's in Nonprofit Leadership and Management, a new degree announced this past month. The degree was launched in recognition of the increasing importance of philanthropy and the nonprofit sector in governance and public problem-solving – from service delivery to advocacy and from community building to social change – and was spearheaded by a Nonprofit Taskforce led by James M. Ferris, the Emery Evans Olson Chair in Nonprofit Entrepreneurship and Public Policy and Director of The USC Center on Philanthropy and Policy.

The new degree complements and enriches the Sol Price School of Public Policy's already existing nationally ranked degree programs in Public Policy, Public Administration and Urban Planning and will provide greater depth for students who wish to study the philanthropic and nonprofit sector. Recognizing the unique challenges of leadership in the nonprofit sector – the complexity of multiple funding sources, the unique legal and regulatory environment, and the range of interactions with government and business – this new degree provides students an understanding of the nonprofit sector, and the leadership capacity to navigate the challenges of making a social impact in today's world.



West Coast Nonprofit Data Conference

Hosted by the Sol Price School of Public Policy, the 11th Annual West Coast Nonprofit Data Conference was held in April 2014 at the University of Southern California. This conference is an annual gathering of faculty, graduate students, and scholars who study aspects of the nonprofit sector and provides researchers an opportunity to share and receive constructive feedback on both completed research and works in progress.

"Given the extent that the West Coast's nonprofit sector differs from the Midwest and the East Coast, with vast networks and philanthropic partnerships, this Conference presents an opportunity to reflect on data and methodology issues related to research on the nonprofit sector," noted Nicole Esparza, Ph.D., Fellow, The Center on Philanthropy and Public Policy, and Assistant Professor, Sol Price School of Public Policy, who organized the Conference.

This was the first Conference to explore big data and include research on new ways to analyze data beyond traditional IRS data sets, such as the massive data sets generated by social media. Additionally, the Conference included a panel on philanthropy and grantmaking that touched on different measures of accountability, performance and innovation.

For more information about The Center on Philanthropy and Public Policy, please visit us online at www.usc.edu/philanthropy, call (213) 740-1776 or email cphp@usc.edu.