

The Center on Philanthropy & Public Policy



Philanthropic Leadership: Exploring Opportunities in Uncertain Times

A Tenth Anniversary Forum Summary

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Foreword

As The Center on Philanthropy and Public Policy marked its first decade, philanthropic decision makers, national thought leaders, and researchers came together on January 27 and 28, 2010 to consider opportunities for philanthropic leadership in these challenging times. During the past ten years, new philanthropic institutions have been created, new models for giving have been invented, and new strategies for greater leverage and impact have been designed. While the economic crisis in the last couple of years has led to talk of a new normal and giving has decreased – at least in the short term – there is little doubt that philanthropy is still being transformed. Indeed, it is during these extraordinary times that exploring possibilities for creating meaningful change is so critical.

The gathering was an exciting opportunity to assess how far philanthropy has advanced since the Center's inaugural forum on “new” philanthropy, where it is today and, even more importantly, where it is heading. The group explored in-depth the changing landscape along with strategies for strengthening philanthropy and the nonprofit sector. The sessions focused on how philanthropy contributes to public problem solving; how to support and advance the field; and how to create a new generation of philanthropists. This essay reflects the conversations from the forum highlighting key themes, ideas, and issues that we hope will spark further reflection and research.

We would like to thank all of those that participated in the forum and made it such a success. In particular, we would like to thank our board members who served on the planning committee: Cathy Hession, Jeff Hoffman, Antonio Manning, and Wendy Wachtell. We would like to thank Hilary Harmssen, Michael Moody, and Marcia Sharp who were instrumental in helping to frame the tracks and provide reflections from the day that shape this essay. All of this would not have been possible without the support and encouragement of the forum sponsors and the Center's Philanthropic Partners.



James M. Ferris

Director, The Center on Philanthropy and Public Policy



Philanthropic Leadership: Exploring Opportunities in Uncertain Times

Ten years ago at the Center's inaugural forum, we addressed the question: what is "new" about new philanthropy? The timing could not have been better, coming after a decade of unprecedented growth and change in philanthropy. At that time, philanthropy was occurring at a greater scale and pace, becoming more complex and global, and growing increasingly pluralistic and individualistic. These trends were being driven by the introduction of new players who came to philanthropy with their own approaches and strategies as well as the emergence of new institutions. But even then, the discussion of new and old was inadequate to understand the phenomenon that was unfolding:

*"While the notion of a transition from an older, more traditional, set of philanthropic attitudes and practices to a dynamic "new" philanthropy is provocative, the observable changes appear to be more evolutionary than revolutionary. As always, the common denominator accounting for these seemingly divergent behaviors is that, whatever its form and however idiosyncratic, charitable giving is motivated by the passion of individual donors to make a difference in the arenas that have meaning for them."*¹

While the growth trajectory has slowed since then and at times even dipped, philanthropy continues to evolve. New players continue to enter the field, new philanthropic institutions continue to emerge, new models of giving continue to be invented, and new strategies for greater leverage and impact continue to be developed.

Yet, the recent reversal of fortunes has decreased giving, at least in the short term, and the economic crisis has led to talk of a "reset."² The impact of this turbulence has been amplified all the more as it follows two decades of significant growth. Despite this new uncertainty, there has been much progress in recent years in advancing the field that creates new possibilities such as the increasing recognition of volunteerism and service as part of the nonprofit equation; an openness on the part of government and philanthropy to work together to spark, scale, and

diffuse innovation; and a greater appreciation of the funding dynamic between foundations and nonprofits and its unintended consequences. We consider each in turn.

Volunteerism and service has received increasing attention. Volunteerism has long been part of the essence of the nonprofit sector. But, until recently, its role has often been seen as peripheral. It is no longer seen as only giving meaning to those that participate; it is now viewed as having the capacity to make a difference in solving problems and cultivating the next generation of civic leaders. Indeed, it has been coupled with social innovation in a new White House Office, and it has been stimulated with the passage of the Edward M. Kennedy Serve America Act. These two recent events spotlighting volunteerism and civic participation recognize a growing trend that has been accelerated by younger generations. This new potential for volunteerism creates an opportunity for those nonprofits that can capitalize on these new resources and ensure that service is a meaningful experience for the individual. This can be a catalytic force as these new generations are more civically and philanthropically engaged throughout their lifetimes.

Government and philanthropy are demonstrating a new openness to partner in seeking solutions to critical public problems. These partnerships have gone beyond isolated cases, and have become institutionalized at state and local levels in recent

¹ The Center on Philanthropy and Public Policy. *What is 'New' About New Philanthropy?*, USC, 2000.

² Private giving decreased for the past two years. Prior to this dip, there is only one other recorded decline – 1987 – in private giving since it has been tracked beginning in 1956. See: Giving USA, 2010.

years with offices of strategic partnerships. This movement has now reached the national level with the creation of the White House Office of Social Innovation and Civic Participation under the Obama administration. These formal structures provide the impetus for closer working relations that create the civic infrastructure for collaborative efforts that go beyond the simple idea of government taking the innovations of the nonprofit sector to scale through funding to more varied responses to a wide array of community needs.

There is a particular focus at the federal level to spark innovation throughout the various agencies and to lift up successes that can be scaled up and diffused across

Our role is to make government a more dynamic player – to seek out creative results-oriented organizations, programs, ideas and then catalyze them.”

SONAL SHAH

*White House Office of Social Innovation
and Civic Participation*

states and communities with the Social Innovation Fund. To make the most of this opportunity, it is important to recognize the unique strengths of the two sectors and not to blur the responsibilities of the two sectors. Philanthropy and nonprofits should be active partners with government where it makes sense, but they should not relinquish their independence nor jeopardize their ability to press for government accountability.

Economic turmoil creates a climate that fosters a more candid conversation about how philanthropy and nonprofits can operate more effectively and efficiently. The effectiveness of nonprofits and the importance of capacity building has been an important focus for the last decade and a half. Yet, nonprofit organizations still seem to be “hardwired” to focus on programs often at the expense of organizational infrastructure. Foundations and donors who resist paying for administrative costs only reinforce this inclination. As foundations begin to think about their effectiveness, there is a heightened awareness of the integral link between foundation and nonprofit effectiveness and the need to think beyond any one organization to the efficiency of

the sector as a whole. This might entail the need for collaboration among nonprofits, or even mergers. This is not easy to do when nonprofits have learned that successful fundraising is based on the ability to differentiate yourself and to underscore your

“So why not support collaboration so that people can move to a whole different level of interacting where they understand how they really are part of a social ecosystem and that they are not separate, isolated entities moving and spinning in spaces that don’t work.”

DIANA AVIV

Independent Sector

uniqueness rather than your commonalities. This also might entail funders working together to achieve scale as well as to help foster the development of a “nonprofit marketplace” that connects donors of all types with nonprofits.

These three possibilities – volunteerism and service, partnerships between philanthropy and government, and more effective relationships between philanthropy and nonprofits – for advancing philanthropy, even in this period of economic angst and uncertainty, underscore the opportunities for continuing the momentum of the last two decades.

There is no doubt that the field will continue to evolve, but the question is at what pace. In an effort to overcome the paralysis that can set in if we wait for things to return to normal, we consider recent developments and future possibilities with a hope

“There is a role for the sector in providing the leadership to reinfuse a sense of hope that results can be achieved and problems are capable of being solved.”

BOB ROSS

The California Endowment

of accelerating change in philanthropy in terms of solving public problems, advancing the field and its practice, and engaging and empowering new generations of philanthropists.

Solving Public Problems

In the last decade, there have been new developments in how philanthropy might expand its contributions to public problem solving. Many of them go beyond simply making grants to marshalling ideas and networks for public problem solving. Among the varied approaches, the forum highlighted efforts to forge new modes of partnership with government, to stimulate social entrepreneurs, and to build more efficient capital markets for social purposes by better connecting donors to nonprofits. Each presents an expanded range of opportunities for greater philanthropic impact.

Philanthropic–Government Partnerships

The fortunes of philanthropy and government have been inextricably intertwined throughout the American experience. In recent decades, there has been much focus on how philanthropy can engage public policy to create change within the limits of federal law.³ The posture of philanthropy has been to be an active force for change, along with other interests, from outside of government. While some foundations continue to pursue this course, a new model has emerged in the last decade of a more active partnership between philanthropy and government. This partnership is increasingly being institutionalized with dedicated staff and organizational structures at the state and local levels. Several examples at the state and local levels include: Michigan in 2003, Denver in 2004, the City of Los Angeles in 2009, and at the national level the White House Office of Social Innovation and Civic Participation under the Obama administration.

But why these partnerships? And, why now? Government and philanthropy should have and often do have a common interest in solving public problems. But often they have different priorities, different expectations, and different institutional imperatives which make partnerships difficult to build and sustain. Yet, as philanthropy strives to

“It’s not simply about resources. It’s about putting that money in at the right time to the right people who can make an impact.”

MICHAEL ROQUE

Denver Office of Strategic Partnerships

leverage its limited dollars and governments at all levels realize that even with their vast resources they often do not have the flexibility to focus on ideas and research and development, there has been an intensifying interest on the part of both sectors to forge working relationships that are collaborative rather than merely transactional.

For partnerships to work, especially across the sectors, there is a need to understand each other, appreciate the differences, and build trust. Recent experience has underscored the need for philanthropy to understand how government works. Likewise, government needs to understand how philanthropy operates. But beyond knowing how each other works, it is important that there is an appreciation for the differences whether it be the urgency of the election cycle or the deliberate pace of foundations. The trust that is necessary to bridge these differences

“We talk a lot about our grantmaking. We talk a lot about data. But we don’t talk a lot about relationships.”

DANIEL ZINGALE

The California Endowment

and enables collaboration for public problem solving comes from relationships. They are at the heart of partnerships across the sectors. This is not easy since there is a need to build relationships that will last over time, not merely relationships between those who are in office or at the foundation today.

³ See: James M. Ferris, editor, *Foundations and Public Policy: Leveraging Dollars, Knowledge and Networks for Greater Impact*, The Foundation Center, New York, 2009.

Interestingly, what it takes to build these partnerships with government – a tolerance for risk of failure, a willingness to be scrutinized and criticized, and patience – are the same attributes that have been noted as pivotal for philanthropic efforts at public policy engagement. It is difficult when one cannot control the outcome or is reluctant to take on contestable issues. Only when the potential gains are apparent will both sides entertain working together. The change in fiscal fortunes – both of philanthropy and government – as well as the impetus of entrepreneurial leaders in both sectors has created an openness to explore this possibility.

Social Entrepreneurship

History is replete with examples of individuals that have fostered innovations with profound impacts on society, yet social entrepreneurship as a phenomena to be studied and practiced has only emerged in the last ten years. This has been driven by several forces: individuals that have accrued their wealth as entrepreneurs seeking to translate those principles into their philanthropic work; younger generations who are searching for opportunities to integrate their social concerns with their aspirations for successful business careers; and a growing dissatisfaction with the inability of government – and in some instances the nonprofit sector – to effectively address public problems.

The challenge of social entrepreneurship is the ability to translate innovative ideas into solutions that have a transformative impact. Those ideas come from individuals that are passionate, creative, and are

“I think scale is essential to this crosswalk between social entrepreneurs and broad systems change. But so is sustainability...that they have authentic business models that can be sustained over time.”

TED MITCHELL
NewSchools Venture Fund

willing to take risks. Yet, they also need to have the requisite skills and financial resources so their ideas can be put into practice. This process can take place in any sector, but it is more likely to be initiated in

start-up organizations. While nonprofits have been looked to for those innovations in the social sphere, the emerging field of social entrepreneurship has underscored the possibilities of business as a starting point. Regardless of where the idea originates, the ability to have a transformative impact – not to just do something better but to actually change a system – requires scalability and sustainability.

As scalability and sustainability are pursued, sectors are often transcended. For example, it is not unusual to look to government to take innovative programs to scale. This makes sense for solutions to issues that the government is already involved in such as education. On the other hand, there are areas of innovation where government does not need to be part of the success of an entrepreneurial effort such as microfinance and some of the Internet marketplaces such as VolunteerMatch, which creates a marketplace

“There is interest in finding other ways of addressing social problems that take advantage of ingenuity and spirit, and keep government out of it.”

PAUL BLOOM
Duke University

for volunteers. Government does have considerable financial resources and a dissemination system that might be an attractive option, but there are ways to achieve scale through alliance and networks among smaller organizations that are geographically distributed.

The ultimate success of social entrepreneurship is not tied to any one sector. The current experiment with the Social Innovation Fund underscores this point. It is premised on the notion that innovations have been occurring in communities, with support from business, philanthropy and local governments. The underlying strategy of the Fund is to select innovative solutions with proven results so as to encourage their diffusion with a mix of resources across communities, with the ultimate goal of not just getting bigger but of transforming systems.

Nonprofit Marketplace

While ideas are important, ultimately the ability of the sector to play an important role in problem solving will be contingent on linking the resources of donors to the organizations that actually address critical problems. In earlier generations, the United Way was a powerful mechanism for mediating between the generosity of donors and community needs. However, a distinguishing feature of today's donors is the growing inclination to make their own decisions about where their philanthropy goes rather than delegate the decision to others.

Traditionally, donors have funded the nonprofits they know, or that are known by those in their networks. However, as donors act in a more intentional manner, seeking out nonprofits that will further their philanthropic aspirations, they benefit from knowledge about a wider set of nonprofits. This knowledge is not only about what nonprofits exist, but also how they perform. At the same time, nonprofits are in search of the capital to develop their organizations and programs. This provides them an incentive to develop useful information that will attract those donors that have an interest in their mission.

New institutions are emerging, facilitated by the Internet, which represent a “new” nonprofit marketplace that can link donors with nonprofits.⁴ Sometimes the internet sites simply provide information, such as Guidestar, which provides

information and actually enable transactions between individual donors and nonprofits such as Network for Good or The Philanthropy Catalogue for DC.

As these ventures develop, there are some important lessons and challenges that have emerged. First, while there is a growing trend for donors to want to make their own choices, they do not necessarily want to spend a great deal of time or money to gather the information and shop among the full range of choices. Some do, but others tend to rely on more traditional sources of information such as personal relationships and networks. Building the market infrastructure is just the first step in creating a more efficient marketplace. Second, nonprofits need to understand how to market themselves so that donors better understand what they do and the results that they achieve when they are placed side-by-side with other nonprofits. This goes beyond simply providing what nonprofits think donors want and actually developing a way of explaining their work and outcomes. Third, the existence of multiple informational websites creates fragmentation and confusion. For example, donors have a variety of sites to learn about and choose between, which limits the ability to accelerate to a larger scale and achieve economies. How this marketplace evolves will ultimately determine its efficiency.

“The Internet is moving from a pull model – everyone come to my website – to a push model, where organizations push the information they have to where people are already operating.”

JACOB HAROLD
Hewlett Foundation

financial and other information on nonprofits; FasterCures, which provides information on research groups tackling specific diseases; and VolunteerMatch, which provides information on volunteer opportunities at nonprofits for those seeking placements. Others go beyond simple

⁴ See: Maisie O’Flanagan, Jacob Harold, Paul Brest *The Nonprofit Marketplace: Bridging the Information Gap in Philanthropy*, The William and Flora Hewlett Foundation, 2009.

Building the Field of Philanthropy

With the growth in philanthropy, there have been rising expectations about philanthropy. Donors are increasingly looking to maximize the impact of their giving, public officials – at least some – have begun to question the wisdom of the tax preferences that the sector enjoys, and the public has become more familiar with the sector – though not necessarily more knowledgeable about it – as it has become an everyday topic in the media. Consequently, there has been an effort to build the knowledge base of philanthropy and improve practices to do philanthropy well in addition to building a better understanding and appreciation of philanthropy among public officials and the public.

Effective Philanthropy

A corollary to the conversation about philanthropy being impactful is the quest within the field for effective philanthropy – how best can philanthropy achieve its goals. This is particularly the case among foundations and their partners as they strive to develop an understanding of how best to do their work. This is reflected in the focus on theories of change and metrics in recent years. At the same time, there is a growing frustration in some quarters that fixation on these frameworks and methods leads to a lack of nuance, creativity, and flexibility. Nevertheless, we seem to be moving towards a more fundamental understanding that at the core of the effective philanthropy is not the logic model or the best metric, but good governance and good strategy that leads to a clear articulation and understanding of philanthropic intent. As a consequence, there is a greater appreciation that effectiveness will play out differently for the varied philanthropic actors – individuals, giving circles, small family foundations, and large staffed foundations – to reflect their aspirations and resources.

A strong and engaged foundation board is essential to ensuring the ability and discipline to forge and sustain the link between mission and strategy. This is as important for foundations as it is for their nonprofit partners. Foundations cannot achieve impact alone;

their ability to achieve impact is dependent on the effectiveness of their grantees. Not only must their goals be aligned, but each must also have a board that stays focused on their mission, goals, and strategies as well as a willingness to monitor and measure their progress. Just as importantly, they must be willing to learn from the process – they must be willing to use the information they gather to make changes when necessary. This suggests foundations need to pick effective and capable nonprofit partners, since the issue of philanthropic effectiveness cannot be discussed in isolation from nonprofit effectiveness. It is critical that foundations and nonprofits talk to each other and map jointly what they expect to do and accomplish. “What we intend to do” is ultimately a question of “what we intend to do together.”

The fact is that we know much more now than we did ten years ago. The intricacies of theories of change and metric dashboards are well understood, but that is not sufficient. The foundation, in particular its board, needs to be willing to understand and accept its role

“Foundations know what they need to do to be more effective. Too often, they just don’t do it. The discipline to be effective... where does it come from?”

FRANCIE OSTROWER
University of Texas

in leading the foundation to be effective, and be willing to learn in the process, and make the needed change in course. With a relative lack of external forces to drive philanthropic choices, the board (or donor) is the only impetus for a more effective philanthropy.

The Knowledge and Practice of Philanthropy

There has been a considerable amount of intellectual energy to advance the field through research and practice, including but not limited to effective philanthropy, as philanthropy has grown and the capacity to gather, process, and structure data has increased. Much of this field-building work has been done over the last fifteen to twenty years outside of foundations themselves by consulting organizations – some rooted in business practice such as Bridgespan and McKinsey, and others created to respond to philanthropy, such as Foundation Strategy Group, Blueprint R & D, and the Center for Effective Philanthropy – as well as research centers such as the USC Center on Philanthropy and Public Policy and the Urban Institute's Center on Nonprofits and Philanthropy.

The work of these groups and others is being shared through reports on the Internet and articles in periodicals such as the *Harvard Business Review*, *Stanford Social Innovation Review*, and *Nonprofit Quarterly*. In addition, the growing professionalism in the field, particularly among the larger staffed foundations, has spawned handbooks and guides about practices in the field, best illustrated by the work of GrantCraft. But there is also an interest in moving from simply broadcasting what foundations are doing and learning to sharing directly among peers in the field. This is reflected in the growing forums for sparking conversations with colleagues at professional meetings, webinars, and other networks. This knowledge exchange is initiated by those working in foundations, not necessarily the foundations themselves.

Aside from the knowledge being created by these organizations and being translated to the field in varied ways, there is also an increasing accessibility to data on foundations. As technology advances, the time is not far off when we will know more about the grantmaking of a larger number of foundations. This information will be available not only to those inside foundations, but also to those outside as a result of electronic filing and platforms such as Guidestar. Moreover, new data mapping techniques will make it possible to manipulate this data and overlay it with other information such as socio-economic and demographic data that will be able to address a larger set of questions. The upside of all this is a much greater ability to show what foundations are actually

doing, and where they are and are not doing it. At the same time, this information will not be the exclusive domain of foundations.

As much information and knowledge about the field becomes available there are challenges to building the field. First and foremost is the issue of what the field of philanthropy is, and what it encompasses. Philanthropy is diverse. The knowledge that has been generated to date deals with particular segments of the field. In fact, a relatively small number of larger staffed foundations are the focus of much of the work. But most foundations are relatively small and much of the growth in philanthropy today occurs outside of the foundation structure, such as donor advised funds, giving circles, and grantmaking public charities.

“When we see our field, you can come to one of two conclusions. Great, we have a field. Or, if it is a field, it is more like an archipelago.”

BRAD SMITH
The Foundation Center

The ability to link knowledge across the range of foundations and the entire spectrum of philanthropy is particularly challenging. Foundations prize their independence as well as their distinctiveness, giving the field its richness. With this pluralism comes a resistance to adopting standard names, terms, and definitions. For example, a recent inquiry found eighty-one different terms to describe and report on general operating support in the Foundation Center database. Without a common language and agreed upon definitions, it is difficult to develop a shared understanding, to build the field, and to discern its patterns.

Public Understanding and Support for Philanthropy

While there has been much progress in building knowledge and practice within philanthropy, there is also a need to create a deeper understanding of philanthropy among public officials and the public to buttress support for it. Despite the increasing frequency of philanthropy in public discourse and sector-related efforts to improve the public's understanding of philanthropy, there is relatively little evidence that much has been achieved. For example, a recent survey by the Philanthropy Awareness Initiative found that only 11 percent of engaged community leaders – those who run or sit on boards of community serving organizations – could cite a case of a foundation that has made a difference on an issue they care about.⁵ Policymakers are not

“You’ve got increasing legislative and media scrutiny. You have continued low awareness and understanding of the work that foundations do. And when those two things meet, it can create a perfect political storm for the field. Scrutiny in and of itself isn’t the problem. It’s uninformed scrutiny.”

MARK SEDWAY

The Philanthropy Awareness Initiative

much better informed. In the recent debate in California around AB624, many legislators revealed a poor understanding about the work of foundations beyond simply making grants. Thus, it should not be surprising that the sector's tax exemption is increasingly viewed by some policymakers as a drain on the federal budget.

Although foundation leaders are having many of the same conversations today that they were having ten years ago about the need to operate more transparently, tell their stories better, engage public officials, stakeholders and ambassadors more effectively, and galvanize the infrastructure organizations to help in this effort, there are a

number of emerging ideas that could make a difference. They include a focus on narrowing the target audience to civic leaders and actors, not the general public or merely public officials; taking advantage of recent research into what these

“In order to fulfill its public trust, philanthropy needs to make sure it is seen as relevant.”

CAROL LARSON

The David and Lucile Packard Foundation

influential policy and community leaders know and don't know; and determining what kinds of information is likely to persuade this audience. But far more important will be efforts by foundation leaders to make it a priority to go outside the foundation to build and sustain one-on-one relationships with key stakeholders. Foundations need to “show up” in voice and action where they have an interest and experience on issues that matter to the public. For many foundation executives and board chairs, this requires a substantial culture change.

⁵ Philanthropy Awareness Initiative, “High Expectations, High Opportunity,” 2009.

Engaging and Empowering Donors

Dramatic changes are continuing to transform philanthropy. As the Center's inaugural conference noted ten years ago, there are donors new to philanthropy bringing with them new perspectives, strategies and approaches that are influencing the entire field. Moreover, there are new models, institutions and technologies that are shaping today's landscape and creating opportunities for educating today's donors as well as engaging new generations of philanthropists.

Today's Donors and Their Giving

The issue of new and old is not defined by the demographics of the donor so much as how the donors do their giving and their expectations about it. The new donor is a better educated, informed, inquisitive, demanding donor. Whether the donor is someone new to giving, or an "old" donor giving in a new way, they expect to be more engaged in their giving, to have the opportunity to learn through their giving, and to

"The idea of legacy is more defined today by impact rather than, as in the past, perpetuity."

JOHN KOBARA
California Community Foundation

give in a way that is expressly connected with their passions. Reinforcing the larger trends, the new donor wants to be strategic so as to achieve measurable impact. They are more conscious and reflective about their giving and they are increasingly seeking help to realize a greater impact.

The increasing range of philanthropic vehicles is also part of the changing world within which today's donors operate: giving circles, venture philanthropy, identity-based funds, donor-advised funds, web-based giving portals, and the emerging hybrid models that blur traditional sector lines such as social enterprises, L3Cs, and socially-responsible investing. These models, on the whole, emphasize strategic and collaborative decision-making, a focus on achieving

results regardless of sector, and increasing donor engagement.

The "new donor" has an affinity for many of these new models, and their use provides insights into what they are seeking. Many donors are actually employing multiple vehicles, often a blend of the traditional and the newer ones, simultaneously. And many of the newer models have a particular appeal to donors of younger generations. This is especially true for giving

"With social media, people can act as 'free agents' outside of normal institutions to create their own forms of action, and gather resources from their own networks."

ALLISON FINE
Demos

through the various forms of "social media." This has the potential to fundamentally alter the giving equation from giving to organizations to giving to causes, and in so doing, empowering donors.

In general, there is much agreement that new donors, new models of giving, and new technologies are changing the philanthropic landscape. However, there is less of a consensus about the rate of change and the particular contours of it. Nevertheless, there are opportunities to help shape the future through donor education and engaging younger generations by meeting them where they are.

Donor Engagement and Education

Donors are increasingly looking for ways to be engaged, as evident by the myriad of new ways in which donors are choosing to do their giving such as through giving circles, hands-on philanthropy, and social networking vehicles. These forms of engaged giving provide an array of opportunities to educate donors. This is particularly important to those who are new to philanthropy. But as we have learned, doing philanthropy well is an on-going education process.

There are a number of emerging practices for donor education that are particularly effective. One is hands-on philanthropy where the donor becomes intimately familiar with the nonprofit. As donors have direct contact with the nonprofit, they learn about the impact of their giving on the nonprofit – how it operates and what it is able to achieve. This can be especially meaningful to donors when they are able to

“There’s a tremendous growth right now in peer models of learning. And I think for a lot of people that is a wonderful way to engage and learn from people they know and trust.”

ELLEN REMMER
The Philanthropic Initiative

connect the dots beyond the nonprofit to the impact felt by the ultimate beneficiary. Another important form of donor education is the peer learning that has been seen taking place in arenas such as women’s giving circles or Social Venture Partners. Peer learning is effective because it works with donors in a way that is comfortable for them – it simply meets donors where they are, both physically and mentally, and facilitates donor coaching and mentoring.

Donors are also looking for ways to engage and educate their families and children. For example, some family foundations encourage the younger generation to “adopt” specific recipient institutions, become active and informed about those institutions, and then report back on their learning experiences. And this is not limited to young adults. Some foundations engage family members as young as seven years old in following through with a complete giving task. These methods of engaging the younger

“The young people come to our family foundation meetings with a lot of pretty sophisticated opinions and ideas.”

LISA PARKER
Lawrence Welk Foundation

generations lead them to become more interested and better donors in the future. As donors, young or old, understand how their giving can dovetail with their interests and passions, they will become more involved. And as they move beyond just writing checks, their philanthropy is more likely to grow.

But there is still much to be done in donor education. Despite the field becoming crowded, it is still undeveloped. There is still no agreement on what donors should know. The field would benefit from more careful study of questions such as what different types of donors want or need to be effective; where potentially engaged donors fall through the gaps in the donor education system; and what innovations in experiential donor education can be replicated or scaled up. Aside from those challenges, the emerging wisdom about how best to educate donors is not shared effectively within the field. The dominant mindset of donor advisers – mostly financial and wealth management advisers who could potentially be effective on the front-lines of working to engage new donors in productive ways – is still to think of giving primarily in terms of taxes. These advisers do not provide the information that donors need to make meaningful giving decisions that fit their interests, and do not facilitate the experiential donor learning opportunities that today’s donors are seeking. There is also a need to develop approaches that can speed the learning curve and move beyond the high-touch, donor- to- donor process so as to be responsive to the rising expectations of the growing numbers of donors.

Reaching the Networked Generations

The younger generations – both Gen X and the Millennials – are highly engaged, more so than earlier generations, along a number of dimensions. These generations represent an intriguing opportunity to expand philanthropy for today and the future. They are much more civically engaged. They are volunteering at much higher rates. They are more politically engaged. These experiences provide skills and connections that are often precursors to giving. But these generations are also coming of age in a networked world. They are constantly engaged with the new social media. So one of the challenges will be to understand how to meet them where they are, just as we have learned from efforts to engage older generations of donors.

These networked generations engage with the nonprofit world differently than any generation before them. They are not loyal to institutions, but to causes. They are a remarkably passionate and idealistic generation. However, they are not focused on nonprofit organizations and the work they do, they are talking about the causes. They care about homelessness; they don't care about a particular homeless shelter or food bank. And they are likely to move from campaign to campaign, rather than stay connected with a particular nonprofit organization.

Philanthropy and nonprofits have an opportunity to engage these generations. But, they must meet them where they are – online – and how they relate to causes. Think of how this generation responded

The traditional fundraising model of nonprofits that focuses on building large donor bases and donor loyalty will need to give way to one which engages these new generations based on a campaign or a cause. Nonprofits will have to become very facile and very agile at building relationships with young people, leaving the doors open and letting them come and go because that's what they are going to do. In addition, they will need to understand how to connect their on-line engagement to off-line engagement. They will need support to climb the ladder of engagement, from listing a cause on their Facebook page to arranging an in-person fundraising event. And once young people are engaged, their social network ties become a key asset to any organization or cause.

“If we are seriously interested in better engaging young people and sustaining their engagement, we need to also worry about delivering on our promises to them, and showing results that they care about.”

ROBERT HOLLISTER
Tufts University

in such large numbers to the Haiti plight after the earthquake by texting their contributions. But nonprofits will have to adapt to capitalize on this new source of giving and volunteering. Nonprofits will have to adopt more of the features that characterized social media networks – flat, open, transparent, and fluid.

Challenges for Philanthropic Leadership

Despite the recent economic downturn, there are a range of opportunities that exist today for advancing philanthropy. We cannot look at what we have lost. Rather, we must start with where we are now and move forward with new possibilities, new ways of thinking, and new ways of working. We have highlighted a few of the ones that are the most promising. They build on the progress made in the development of the field in recent years; capitalize on the possibilities created by new policies and the current political environment; and take advantage of the new frontiers that technology has opened. Yet, throughout the conversations, there were some overarching challenges that need to be addressed in order to accelerate advances in philanthropy.

Philanthropy has the luxury of being buffered from many of the dynamics that shape markets and government. Moreover, there is the possible tendency to wait out the current economic predicament for a return to normal. But there is little doubt that philanthropy will continue to change. Will the changes take their own course, occur at their own pace, and play out in the right places? Or, will

“It is easier to predict changes in the world, than how philanthropy will participate in those changes.”

SEAN STANNARD-STOCKTON
Tactical Philanthropy

philanthropic leadership provide the catalyst to spark advances that will transform it? There is an important opening for philanthropic leadership to work to overcome the forces of inertia and to help to shape its future course. Future prospects for philanthropy will be brighter if there is a commitment to research and development; a concerted effort to link the varied segments of the philanthropic enterprise; and a willingness to work beyond the boundaries of philanthropy to solve critical problems.

There is an opportunity to invest in building the knowledge base of philanthropy and its translation to practice. Although there is a growing amount

of data and information about philanthropy, as evidenced by a growing number of reports and studies, it is unclear whether this activity is creating usable knowledge. There is a need to learn in a cumulative way about what works and what doesn't in philanthropy, and not to confuse data and information with knowledge and wisdom.

There is an opportunity to increase the impact of philanthropy by linking all of its elements. The power of philanthropy will be greater if we expand our focus beyond the large foundations and the mega-donors. Philanthropy is a varied and diverse field. In a highly concentrated field, the few, big players dominate the landscape. However, the power of the philanthropic sector comes from its pluralism and its numbers. Building bridges for sharing, learning, and collaborating across the “archipelago” of philanthropy – the donors and institutions of different size, structure, and approach that are working across different fields and locales will have to make philanthropy more than merely the sum of its giving.

There is an opportunity for philanthropy to accomplish more if it is able to build stronger connections and deeper relationships beyond the nonprofit sector with business, government, and the public. The more that the sector understands the opportunities that exist for partnership, the more that

“Philanthropy will succeed at finding solutions to the big, urgent and pervasive problems only if and to the extent, it becomes more sector agnostic.”

RALPH SMITH
The Annie E. Casey Foundation

it will be able to achieve. In addition, this will help others to move from indifference, or even skepticism, to a better understanding about philanthropy and the nonprofit sector.

As these challenges are overcome, not only will philanthropy be strengthened, it will be transformed so as to have a greater impact on the problems, communities, and people that are its concern.

Philanthropic Leadership: Exploring Opportunities in Uncertain Times

A Tenth Anniversary Forum

Program

January 27, 2010 • Opening Plenary and Reception, Galen Center

4:30 – 5:00 **Welcome and Introduction:**

Jack H. Knott, C. Erwin and Ione L. Piper Dean, School of Policy, Planning, and Development, University of Southern California

James M. Ferris, Director, The Center on Philanthropy and Public Policy, USC School of Policy, Planning, and Development

5:00 – 7:00 **Keynote Remarks and Plenary Panel**

Keynote: **Sonal Shah**, Director, White House Office of Social Innovation and Civic Participation

Plenary Panel: Philanthropic Leadership: What are the Emerging Opportunities in these Challenging Times?

Moderator: **Robert K. Ross**, President and CEO, The California Endowment

Panelists: **Fred Ali**, President and CEO, Weingart Foundation

Diana Aviv, President and CEO, Independent Sector

Karen Baker, Secretary of Service and Volunteering, State of California

Kerry Herlihy Sullivan, President, Bank of America Charitable Foundation

Sonal Shah, Director, White House Office of Social Innovation and Civic Participation

7:00 – 8:00 **Reception**

January 28, 2010 • Davidson Conference Center

8:15 – 9:30 **Where Is Philanthropy Heading? Where Should It Be? What Should We Be Doing?**

Moderator: **James Canales**, President and CEO, The James Irvine Foundation

Panelists: **Stacy Palmer**, Editor, Chronicle of Philanthropy

William A. Schambra, Director, Hudson Institute's Bradley Center for Philanthropy and Civic Renewal

Ralph Smith, Executive Vice President, The Annie E. Casey Foundation

Sean Stannard-Stockton, CEO, Tactical Philanthropy Advisors

I. Philanthropy and Public Problem Solving

9:45 – 11:00 **Foundation – Government Relationships**

How can foundations influence public policy, work to build more effective governing institutions, and forge partnerships with the public sector to get things done?

Moderator: **James M. Ferris**, Director, The Center on Philanthropy and Public Policy, USC School of Policy, Planning, and Development

Panelists: **Karen Aldridge-Eason**, Foundation Liaison, Michigan's Office of the Foundation Liaison
Geraldine P. Mannion, Program Director, Democracy and Special Opportunities Fund, Carnegie Corporation of New York
Mike Roque, Director, Denver Office of Strategic Partnerships
Daniel Zingale, Senior Vice President, Policy and Public Affairs, The California Endowment

11:15 – 12:30 **Social Entrepreneurship and Public Problem Solving**

How can innovation and entrepreneurship be utilized to achieve scale and sustainability to tackle pressing public problems?

Moderator: **Jack H. Knott**, C. Erwin and Ione L. Piper Dean, School of Policy, Planning, and Development, University of Southern California

Panelists: **Paul N. Bloom**, Faculty Director, Center for the Advancement of Social Entrepreneurship, The Fuqua School of Business, Duke University
Daniel Crisafulli, Director of Investments and Partnerships, Skoll Foundation
Eli Kennedy, Director, The Eli and Edythe Broad Foundation
Ted Mitchell, President and CEO, NewSchools Venture Fund

12:45 – 1:45 **Lunch**

2:00 – 3:15 **Building the Nonprofit Marketplace**

What are the emerging mechanisms to help link donors with nonprofits for a more effective nonprofit marketplace?

Moderator: **Trent Stamp**, Executive Director, The Eisner Foundation

Panelists: **Greg Baldwin**, President, VolunteerMatch
Jacob Harold, Program Officer, Philanthropy, William and Flora Hewlett Foundation
Melissa Stevens, Director of Special Projects, FasterCures
Bill Strathmann, CEO, Network for Good

II. Strengthening Philanthropy and the Nonprofit Sector

9:45 – 11:00 **Increasing Effectiveness in Foundations and their Partners**

What are the keys to increasing the effectiveness of foundations and strengthening the organizational capacity of their nonprofit partners?

Moderator: **Marcia Sharp**, Principal, Millennium Communications Group, Inc.

Panelists: **Linda C. Crompton**, President and CEO, BoardSource

Francie Ostrower, Professor, Lyndon B. Johnson School of Public Affairs, University of Texas at Austin;
Senior Fellow, RGK Center for Philanthropy and Community Service

Robert G. Ottenhoff, President and Chief Executive Officer, GuideStar

Christy Pichel, President, Stuart Foundation

11:15 – 12:30 **Building Public Awareness and Support for Philanthropy**

How can philanthropy improve how the public and policymakers see the sector and help to shape public policies to strengthen the sector?

Moderator: **Eugene Wilson**, Senior Vice President (Retired), Ewing Marion Kauffman Foundation

Panelists: **Carol S. Larson**, President and CEO, The David and Lucile Packard Foundation

Adam Meyerson, President, The Philanthropy Roundtable

Mark Sedway, Project Director, Philanthropy Awareness Initiative

12:45 – 1:45 **Lunch**

2:00 – 3:15 **Advancing the Field of Philanthropy**

What can philanthropy do to advance the field through research and practice?

Moderator: **James M. Ferris**, Director, The Center on Philanthropy and Public Policy,
USC School of Policy, Planning, and Development

Panelists: **Jan Jaffe**, Project Leader, GrantCraft

Henry A. J. Ramos, Director/Lead Consultant, Diversity in Philanthropy Project

Bradford K. Smith, President, The Foundation Center

Nan Stone, Partner, The Bridgespan Group

III. Creating a New Generation of Donors

9:45 – 11:00 **Engaging New Donors**

How does one best engage and facilitate donors throughout their journey in philanthropy?

Moderator: **Michael Moody**, President, Moody Philanthropic Consulting, LLC

Panelists: **Max Factor III**, Trustee, Max Factor Family Foundation
Douglas K. Freeman, Chairman, First Foundation Advisors
Ellen Remmer, President and CEO, The Philanthropic Initiative

11:15 – 12:30 **New Models for Giving**

What are emerging new models for giving that empower a new generation of donors?

Moderator: **John E. Kobara**, Executive Vice President & Chief Operating Officer, California Community Foundation

Panelists: **Judy Belk**, Senior Vice President, Rockefeller Philanthropy Advisors
Angela Eikenberry, Assistant Professor, School of Public Administration, University of Nebraska at Omaha
Lisa Parker, President, Lawrence Welk Family Foundation

12:45 – 1:45 **Lunch**

2:00 – 3:15 **Youth Engagement, the New Media and Social Change**

How is the new media encouraging youth to become involved and work for social change?

Moderator: **Jeff Hoffman**, Vice President, Worldwide Outreach, The Walt Disney Company

Panelists: **Allison H. Fine**, Senior Fellow, Democracy Team, Demos
Robert Grimm Jr., Director, Office of Research and Policy Development, Corporation for National and Community Service
Robert Hollister, Dean, Jonathan M. Tisch College of Citizenship and Public Service, Tufts University

3:15 – 4:00 **Closing Reception**

A Decade of Accomplishments: 2000–2010

The Center has achieved many successes since its founding in 2000 and has laid the foundation for an even more prosperous and robust future.

First-rate advisory board. A group of extraordinary leaders from philanthropy and the community have made a significant commitment to the Center as expressed by their intellectual contributions, their strategic advice, and their financial investments.

Groundbreaking research and analysis. The Center has undertaken ten independently funded research projects documenting the changing nature of philanthropy, examining strategies for leveraging philanthropic resources, and exploring issues in philanthropic leadership and accountability. These projects, together with funds from the California Community Foundation Research Fund, have generated numerous publications including ten research reports and 33 research papers and have helped Faculty Fellows publish over 40 papers in academic journals and books.

Premier convener. The Center assembles gatherings of leaders from philanthropy and the nonprofit sector, government, and business to discuss pressing issues affecting philanthropy and its role in public problem solving. The Center has engaged key decision makers, thought leaders and researchers in four national forums and numerous roundtables and seminars. Through its Distinguished Speakers Series, the Center has hosted nationally recognized philanthropists, foundation executives, and policy makers to address critical issues in philanthropy and the community, most recently Teresa Heinz, Judith Rodin, Bill Gates, Sr., Joel Fleishman, Eli Broad, Carl Schramm, and Henry Cisneros. The Center also

regularly convenes the senior executives of some of the largest foundations in the Los Angeles region to discuss key issues confronting their organizations, the field, and the local community.

Intellectual leader. The Center plays a leadership role through its participation in national research organizations focused on philanthropy and the nonprofit sector such as the Nonprofit Academic Centers Council and the Association for Research on Nonprofits and Voluntary Action, the involvement of Faculty Fellows in national and international conferences and the editorial boards of leading journals, and as a widely recognized source and expert for the media. In 2009, *The Nonprofit Quarterly* highlighted the Center as one of five academic research centers that contributes to the philanthropic and nonprofit infrastructure through its research and education activities.

Enriched educational programs. The Center contributes to the rich and vibrant education programs for those who aspire to leadership roles in philanthropy and nonprofit organizations in SPPD's MPA and MPP programs, including a top seven national ranking among nonprofit management programs by *U.S. News and World Report*. In addition, SPPD has recently begun to offer a university-wide graduate certificate in Nonprofit Management and Policy, and has developed a very popular undergraduate minor in Nonprofits, Philanthropy, and Volunteerism. The Center provides a unique set of opportunities for these students beyond the classroom through its programs and research projects.

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