



MAY 2016 UPDATE

## The Center Hosts National Leaders for Forum on Philanthropy and Government

Solving critical public issues requires risk-taking, a willingness to challenge conventional wisdom — and, increasingly, a new level of collaboration across sectors. To take stock of philanthropy’s growing engagement in public policy work, examine what is driving cross sector partnerships, and reflect on what success looks like in this new arena, The Center convened a national leadership forum on Philanthropy and Government: Public Problem Solving at the Intersection.



Held February 11–12 at the LA Hotel Downtown, the gathering attracted over 230 attendees and built upon The Center’s longstanding examination of philanthropic strategies and their nexus with other sectors to solve public problems. The first day of the forum focused on approaches to policy issues where government and philanthropy meet: the role foundations have played in the implementation of the Affordable Care Act, how local governments and foundations are working together on charter school reform, the catalytic role some foundations are playing to build places and cities, and how philanthropy is supporting work to integrate immigrants into their communities.

The importance of risk-taking was a key theme in the opening plenary session featuring leaders of major foundations that have recently placed big bets on some audacious ideas. Bob Ross, President and CEO of The California Endowment, explained the significant deliberation at the foundation around their \$350 million investment to support implementation of the Affordable Care Act, and the risks and rewards of that approach. Acknowledging a different type of strategy altogether, Larry Kramer, President of The William and Flora Hewlett Foundation, discussed the foundation’s focus on addressing intractability and dysfunction in the federal government through The Madison Initiative. Using Detroit as an example of how philanthropy has stepped in to help revive a city after economic decline, Rip Rapson, President and CEO of The Kresge Foundation, discussed the need for bold action by philanthropy and others sectors to take on community challenges.

Monica Lozano, chair of U.S. Hispanic Media and of the Aspen Institute Latinos and Society Program, delivered the keynote address at the forum, focusing her remarks on strategic leadership and foundation governance. Lozano emphasized how leaders find opportunities to create impact through cross-sector partnerships. “No one entity has the capacity to move the dial alone; we need philanthropy, government, and the private sector to all come together collaboratively to seek solutions,” she said.

The second day of the forum addressed what philanthropy needs to do build its capacity. Topics included sessions on strategic communications, impact investing, building movements and government-philanthropic partnerships. Center Director Jim Ferris moderated the closing plenary panel that addressed the question: what does philanthropy need to do differently? Carol Larson, President and CEO of the Packard Foundation, underscored the importance as well as the challenge of creating and maintaining effective partnerships, drawing on The Packard Foundation’s experiences and its focused efforts to bring different funders together. Christopher Oechsli, President and CEO of The Atlantic Philanthropies, shared his experiences presiding over the largest limited life foundation to intentionally shut its door. Dalila Wilson-Scott, formerly of JPMorgan & Chase Co., urged attendees not to leave corporations and banks out of philanthropy-government conversations on creating impact, pointing out that businesses can provide data, people, networks and reach, that are different from other sectors. Hilary Pennington, Vice President of Education, Creativity, and Free Expression at Ford Foundation, spoke about the need to change people’s conceptions about government and to co-create solutions with other partners from the beginning, whether that’s government, other foundations, or corporations.

The forum was sponsored by JP Morgan Chase & Co. Wells Fargo, and others. More information about the forum, including photos, videos and the program, can be found on our [website](#).

## **Drawing on Detroit Forum Applies Lessons from City’s Resurgence to the Future of Other American Cities**

Cities in crisis are crucibles for bold leadership. Such was the premise that led to a yearlong inquiry undertaken by The USC Center on Philanthropy and Public Policy (The Center) in partnership with The Kresge Foundation. The project began with an in-depth examination of the unprecedented cross-sector collaboration that led to Detroit’s revitalization and the lessons it might hold for driving next-generation urban policy and practice throughout the U.S. The effort quickly expanded to a national dialogue fueled by a series of roundtable discussions and the three-day leadership forum – Drawing on Detroit: Bold Leadership and the Future of American Cities.



Held May 4-6 in Los Angeles, the Drawing on Detroit forum attracted more than 175 thought leaders, including delegations from 16 cities across the country. The gathering explored insights that emerged from earlier roundtable discussions in New York and Washington, D.C.

The opening panel on the catalytic role philanthropy can play on urban revitalization was moderated by Fred Ali, chair of The Center's Board of Advisors and Weingart Foundation president and CEO. The notion of community and how it is defined must underpin any discussion of how to transform cities in decline, said Heinz Endowments President Grant Oliphant. "Community is really the core crisis of our time," he said. Elaborating on the theme of community, Kathy Merchant, former president and CEO of The Greater Cincinnati Foundation, noted that evidence of Detroit's decline was evident well before the bankruptcy and that Detroit, unfortunately, is not unique in this regard. She emphasized the importance of building relationships within and between sectors early on so that potential crises can be averted entirely or managed more quickly. Fred Blackwell, CEO of the San Francisco Foundation, and a former city leader reminded attendees how difficult it is to authentically engage in conversations about strategies for revitalization without dealing with race. "The issue of race is not one we have dealt with effectively or comfortably in philanthropy or in local government."

That concern emerged again in the first days keynote conversation between Rip Rapson, The Kresge Foundation's CEO and President and Kevyn Orr, a partner with law firm Jones Day and the former emergency manager for Detroit. In addition to sharing illustrative details of how Detroit emerged from bankruptcy to resurgence, Orr emphasized how certain policies related to housing and the transfer of wealth were designed to ensure that African-Americans could not participate in the process. "Some of the economic decay and income inequality was by design, and it expressed itself very clearly in some places like Detroit," he said.

Day two of the forum examined the enabling conditions that are necessary to stabilize cities, building economic momentum in turnaround cities and how new models of cross-sector leadership can help to transform cities. In the closing plenary, moderator and Urban Institute President Sarah Wartell elicited insights on the future of bold urban leadership from former New Orleans mayor and current National Urban League President Marc Morial; former Houston mayor and current Harvard Kennedy School of Government Resident Fellow Annise Parker; Rock Ventures President and CEO Matt Cullen; and University of Chicago Vice President for Civic Engagement Derek Douglas. Together, they pondered the innovative thoughts and actions that will be needed to achieve continued progress for communities in the years to come.

Douglas talked about how Detroit has not only served as an example but as an inspiration for federal reform that led to such endeavors as Strong Cities, Strong Communities. "It enabled the federal government and those of us in the White House who wanted to work on cities to build an initiative that reached many more cities," said Douglas, who previously served on the White House Domestic Policy Council as special assistant to President Obama.

"There's not a major American city that doesn't have some significant challenges," Parker noted. Success in addressing them depends on "the individual dynamics of that particular crisis [and] the individual dynamics of the personalities involved." Crises can also bring certain advantages in

solving them, she added. “A crisis allows you to step out of your normal patterns. It focuses your attention and allows you to think in new ways.”

Following the Forum, a series of city to city exchanges were facilitated to help identify cities with shared interests for cross city learning around particular ideas and strategies for urban revitalization. Videos and other information about the forum and the inquiry will be available on The Center’s [website](#).

## **Peter Scher and Corporate Social Responsibility in a New Era of Partnerships**

As part of its Conversations on Philanthropy series, The Center hosted Peter Scher — chairman of the Washington, D.C., region and head of Corporate Responsibility for JPMorgan Chase & Co. — on January 27 to discuss how corporations are leveraging their assets to achieve measurable societal benefits in cities around the world. This was the highest attended Conversation ever, with nearly 100 leaders convening from philanthropy, business and nonprofits.



Noting his preference for the term “corporate responsibility,” Scher explained JPMorgan Chase’s perspective on public-private partnerships. The company’s philanthropic focus “is fundamental to our interests because the issues we’re trying to address — particularly in economic growth, around the skills gap, and around small-business creation — are fundamental for the markets in which we operate,” he said.

Discussing JPMorgan Chase’s Global Cities Initiative — an effort led by Scher that was launched in collaboration with the Brookings Institution in February 2012 — he emphasized that cities are where the biggest challenges live and where they can best be solved, whether the issues are economic development, infrastructure, housing, or blight. To achieve greater impact, the company focuses on the economic challenges of the communities in which it operates by augmenting its financial resources with effective use of its data, sector knowledge, employee expertise, and other unique attributes to create meaningful change.

In cities like Detroit, corporations, foundations, local community development organizations, and financial institutions — along with a newly elected Democratic mayor and Republican governor — have agreed to work together to address a variety of crises. Scher emphasized the need to bring leaders from across the different sectors to the table to work on solving problems together. Such partnerships are essential to decisions by JPMorgan to invest in a region. For a full summary and highlight video, please visit our [website](#).

## Other News

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### Discussing the Potential for a New Golden Age of Philanthropy with the American Bar Association

The Center's Director spoke at the American Bar Association's Tax Exempt Organization Committee luncheon as part of the ABA's mid-year conference about the future of philanthropy. The presentation on January 29, 2016 at the JW Marriott Los Angeles at LA LIVE examined the question whether we are currently in a new golden age of philanthropy, reporting on larger trends on giving and the current direction of philanthropy, as well as what philanthropy can do to make this a new golden age: harness the power of networks, engage across sectors and boundaries, and go "all in" with philanthropic resources far beyond dollars. The essay can be found on the Center's [website](#).



### Roundtable on Public Private Partnerships at FDA/NIH

Jim Ferris participated in a roundtable discussion on the power of public-private partnerships to advance medical innovation. The meeting, held in Kansas City on March 10-11, was organized by the Center for Practical Bioethics and Duke Institute for Science and Society. The focus of conversation was to review current approaches for public-private collaborations in federal agencies such as the Food and Drug Administration and the National Institute of Health as well as to identify the barriers and opportunities to make partnerships more effective. The roundtable concluded with discussion of a proposal for forming an office of strategic partnership in the FDA/NIH. The Center was asked to participate following its long-standing work around cross-sectoral partnerships, most recently our report, [Catalyzing Collaboration: The Developing Infrastructure for Federal Public Private Partnerships](#).



### Center Fellow Research and Seminar Series

Center Fellow and Assistant Professor at USC Sol Price School of Public Policy, Nicolas Duquette is undertaking research with The Center to better understand charitable giving in Los Angeles by examining the finances of the area's nonprofits. By linking form 990 data to IRS giving data at the zip code level, the research reveals that household giving has not recovered to its pre-recession level, with the growth rate of donation revenues for LA's nonprofits much slower than its pre-recession pace. Despite these challenges, Los Angeles compares well to other major US cities in both the share of income given and in the size and diversification of its nonprofit sector.



Duquette presented preliminary results of his paper, “The Urban Geography of Giving in Los Angeles,” during a center organized research seminar, which provides a venue for faculty, doctoral students, and scholars from other leading universities to discuss research findings on philanthropy, nonprofits, and social innovation.

Other seminars offered this spring included: “Pay It Forward? Law and the Problem of Restricted-Spending Philanthropy” with Brian Galle, Professor of Law at Georgetown University, which The Center co-hosted with the USC Price Bedrosian Center; “Scaffolding: A Process of Transforming Patterns of Inequality in Rural Communities,” with Johanna Mair, Professor of Organization, Management and Leadership at Hertie School of Governance, and Academic Editor, *Stanford Social Innovation Review*; “Giving in the Context of One’s Neighbors – The Role of Community Composition & Income Inequality,” with A. Abigail Payne, Professor, Department of Economics at McMaster University; and “Finding Excuses to Decline the Ask,” with Christine L. Exley, Assistant Professor of Business Administration at Harvard University. A list of the additional research seminars is available on our [website](#).

### **Esparza Promoted to Associate Professor**

The Center congratulates Center Fellow Nicole Esparza, who has been promoted to the rank of Associate Professor of Public Policy with tenure. In May, Dean Jack Knott announced that the President of the University, acted on the recommendation of the University Committee on Appointments, Promotions, and Tenure for her appointment. Esparza is also the Director of Graduate Programs in Nonprofit Leadership and Management (MNLN) at the USC Sol Price School of Public Policy. She teaches courses on public policy and management and program evaluation. Esparza’s research focuses on organizational networks and social networks, with specific policy area in housing and homelessness.



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