

Philanthropy: *Imagination, Innovation, and Impact*

2013 Leadership Forum Summary

The Center on Philanthropy & Public Policy



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Foreword

Since its inception in 2000, the Center on Philanthropy and Public Policy has organized convenings like the Forum, bringing together leading voices in philanthropy to discuss ideas, test assumptions and provoke conversations about how philanthropy can make the greatest impact on enduring public problems. This fifth Forum was not only a chance to discuss trends, challenges and opportunities, but also to share experiences and to learn from and inspire each other. By bringing together leaders with varied perspectives and roles in the fields of philanthropy, nonprofits, business and government, we hope to effect meaningful change by enabling connections and identifying pathways that advance the most promising solutions to community problems.

The opening plenary with Tom Steyer and Kat Taylor presented a powerful framework for understanding the philanthropic arc from imagination to innovation to impact as they act on their Giving Pledge. The breakfast plenary with board trustees of leading regional, national and international foundations walked us through some of the key challenges their foundations face in board governance to achieve their missions with greater impact. And, the luncheon plenary punctuated the Forum with some of our most creative and effective local leaders imagining the potential impact of philanthropy here in southern California.

These themes were examined in greater depth in the more intimate breakout sessions. The “imagination” sessions explored how the creativity and passion of donors increases the potential of philanthropy, how philanthropic values can be shared and shaped across generations as well as the powerful role women play in philanthropic decision-making. The panels on “innovation” featured some new approaches to philanthropy that hold promise for making change — from impact investing to collaboration and networks to social media and games for social change. And, the breakouts on “impact” highlighted the range of strategies and practices for making a bigger difference — from developing the capacity of organizations and their leaders, to evaluating and learning from both successes and mistakes, to what it takes to scale impact.

At this critical moment, our collective ability to achieve broad and lasting impact is more essential than ever before. Our hope is that the conversations that we had at the Forum and that are summarized here will help to further spur the imagination, innovation and impact of each of us and make our philanthropy better.



James M. Ferris
Director, The Center on Philanthropy and Public Policy

The Arc of Philanthropy

Philanthropy can reach its potential when it blends the imagination and passion of donors with a willingness to take risks in pursuit of innovations and strategies that can achieve greater impact. This personifies the philanthropy of Tom Steyer and Kat Taylor. They have dedicated themselves to working on issues that they are passionate about, both individually and as a couple. They have committed their wealth as well as their time and ingenuity to address climate change, promote sustainable agriculture, foster community banking, and improve the future of children.

As with many new donors, they were not steeped in philanthropy at young ages. But as they began to give back, they chose to take a more proactive approach to their philanthropy. Guided by their passion for “good food, good energy and good money,” they decided that if they were going to invest heavily in these areas they would be intimately involved in them. Whether it’s Next Generation, One PacificCoast Bank and Foundation, TomKat Ranch Education Foundation, or Common Sense Media, the couple has become the chief architects of their philanthropic efforts. They have taken time to learn and become knowledgeable about the issues that they care about, surrounding themselves with experts and thought leaders in those fields and choosing vehicles to match their aspirations.

“I want to have dirt under our fingernails... and to have impact in the real world. To me, that’s the payoff. That is the thing that makes me feel like we’re accomplishing something.”

TOM STEYER
FOUNDER, FARRALLON CAPITAL
MANAGEMENT, L.L.C.

Tom and Kat have signed the Giving Pledge, committing to dedicate at least half of their wealth to philanthropy. While they had always intended to give away a majority of their wealth, they see signing the pledge, in 2010, as a statement that those with wealth are not only out for themselves. Moreover, they see it as a way to encourage others to join the movement to build the field of philanthropy. In the process, they had conversations with each of their children to discuss their intent to commit to the Giving Pledge. They discovered that their children were anxious to chart their own philanthropic journeys and were grateful their parents did not expect them to carry on their parents’ philanthropic legacy.

Reflecting on their arc in philanthropy, Tom and Kat emphasized five principles that have guided them. The first is passion. Simply put: “If you don’t have a passion for it, don’t waste your time on it, because I don’t think you’ll be really effective.” The second is strong leadership. Leadership at all levels of the organization is important to successful change efforts. It comes in a variety of forms — at times from unlikely places — and it

influences everything you are trying to accomplish from making informed strategic decisions to energizing staff to building resilient organizations. The third is involvement. Involvement leads to more informed decision-making that has a greater impact than simply writing checks. The fourth is measurement. It is critical to be honest about what you as a philanthropist are doing, how you are doing it, what difference you are making, and how you might do it better. And the fifth is flexibility and adjustment. Effective philanthropists need to be able to adapt to the constantly evolving challenges before them.

These lessons were amplified as Tom and Kat discussed in greater detail specific efforts and the spectrum of approaches they have pursued along with Tom's brother Jim Steyer, who founded and leads Common Sense Media, and Matt James who heads Next Generation.

Kat has spearheaded a new model of community banking through One PacificCoast Bank, offering banking and financial services to underserved, low-income communities and sustainable businesses that spur job creation. Unlike other banks, the profits from the bank are held by the One PacificCoast Foundation, a public charity. The Foundation then reinvests its proceeds back into the community with a focus on increasing financial literacy, stimulating community development, and encouraging affordable housing. The bank has also created a number of financial products designed to disrupt predatory lending practices. Kat thinks of it as 'bang for the buck': "Our bank

makes loans in low-income communities to provide for more affordable housing, creating civic spaces, and spurring small business growth."

Another philanthropic interest of Tom and Kat is the work of Jim Steyer and Common Sense Media which seeks to ensure that parents have trustworthy information about media and technology to help them choose what their children consume. Based on Jim's past experience with other children's advocacy groups where there was a struggle to develop a constituency, Common Sense Media has developed a platform that shares information and, in the process, creates a constituency for the well-being of children and families. Subsequently, with the encouragement of the Omidyar Network, Common Sense media has developed an earned income stream by selling some content to media giants such as Comcast, Time Warner Cable, and DIRECT TV, now accounting for over half of its revenues. As a consequence, Common Sense Media is able to pursue advocacy by leveraging markets to ensure sustainability.

A more recent outgrowth of Tom and Kat's philanthropic interests and efforts is the founding of Next Generation, directed by Matt James. This venture enables the couple to work to impact two issues they also care deeply about: climate change and the future of children. It leverages non-partisan research and policy development to identify strategies that advance policy solutions to these critical problems. In the case of climate change, they are using these strategies to encour-

age the deployment of clean, advanced energy technologies. In the case of children, they are working to create a level playing field from which today's kids can build a brighter future through their "Too Small to Fail" campaign. A key component of Next Generation's work is strategic communications tied to generating public support for policy change. Matt James noted that "communications is a way to leverage your philanthropic dollars much further

than just doing traditional grantmaking." The lessons from the philanthropy of Tom Steyer and Kat Taylor from these various cases are instructive. It is important not to get lost in endlessly studying problems that require urgent solutions, but rather to act. In acting, it is important to follow your interests, articulate a vision and goals, surround yourself with the strong leaders and informed experts, and learn from your mistakes.

Imagination

The Power of Women in Philanthropy

For philanthropy to be effective, as we learn from the philanthropic journey of Tom Steyer and Kat Taylor, it must be driven by passion. This is evident as women have become more actively involved in giving. While women have long been engaged in philanthropy, the rise in the wealth that they have created and control has placed a new focus on the power of women in shaping philanthropy.

While there is recognition that passion drives all philanthropy, there is a sense that the interests of women are often impacted by their gender, though not exclusively. It is clear that as the influence of women has grown in philanthropy, there has been an increased focus on funding for issues related to women and girls. This focus has been driven by an understanding that many of the issues that women and their families care about are directly linked to the welfare of women and girls — education, poverty, health and the environment. As a consequence of these intersections, the giving of women often manifests in funding for women and girls.

In addition, there are some attributes that exemplify women's philanthropy. There is a sense that women are more actively engaged in their philanthropic efforts. Michelle Ozumba, President of the Women's Funding Network, notes that women live "very integrated lives" — and care deeply about being engaged with their giving, including developing relationships with the issue or organization that they support. Also, women are thoughtful and collaborative in their philanthropic

pursuits and are patient to ensure that they can achieve impact.

As the role of women in philanthropy has grown, new organizations and movements have formed that are catalyzing and harnessing the power of women in philanthropy. Two notable efforts are Women Moving Millions and the Women's Funding Network. Both seek to engage and empower women and leverage their financial and human capital to benefit a variety of causes about which women care deeply.

Women Moving Millions was launched in 2007 to demonstrate that women can give boldly even during a time of fiscal uncertainty. It has attracted over 180 high net worth women donors who have pledged \$260 million since its inception to organizations and initiatives that advance issues related to women and girls around the world. But women don't have to give a million dollars to be empowered donors. There are a wide array and variety of organizations that have been established to support philanthropy for women and girls. Many of these groups are part of the Women's Funding

Network, which is one of the largest collaborative philanthropic networks supporting women's philanthropy. It is comprised of more than 160 organizations that fund women's causes across the globe and includes women's foundations, private foundations and women's funds within community foundations.

Both groups provide opportunities for women to learn and teach each other about how they can make a difference, empowering women and encouraging their philanthropic efforts. The growing engagement of women in such philanthropic movements signals a growing recognition that embracing one's own philanthropic choices can be a powerful statement to others. Women are being more open and direct about their philanthropy – not for public acclaim – but to influence the change that they seek.

“Women respond to what we’re passionate about, what concerns us and where we want to see change. If it’s within our time, we’re generous givers. If it’s within our churches, we’re generous givers. It’s a part of our cultural makeup. We have moved with this boldness and passion to place ourselves right there in the global arena, beyond where we’re commonly associated or tend to limit ourselves.”

GAEL SYLVIA
FOUNDER, SYLVIA GLOBAL MEDIA
AND MEMBER, WOMEN MOVING MILLIONS

As women increasingly control more of the world's wealth, they will become an even greater influence in shaping philanthropy. It will be felt in the in policies, programs, and issues that matter to them as well as in how philanthropy is done.

Transmitting Philanthropic Values across the Generations

As more individuals become involved in philanthropy, there is an important opportunity to impact its future by transmitting philanthropic values to new generations. We have seen that values are the spark that enables donors — whether part of the Giving Pledge, Women Moving Millions or simply participating in a giving circle — to imagine what philanthropy can do.

Families that are engaged in philanthropy are uniquely positioned to transmit values that can encourage and shape the philanthropy of younger generations. While there are some families that have built a strong philanthropic legacy across generations, there is an increasing realization that building a shared vision of a family's philanthropy is important work. This is

particularly true as more donors wish to involve their families in their philanthropy. It requires that families actively work at it by articulating a philanthropic vision and talking about their philanthropy.

There is an art to transmitting values within a family and at the same time enabling the younger members to explore and iden-

tify their own passions. As a starting point, there is a need to be able to talk about the family's history and traditions and how those have shaped the family's philanthropy. But it is also important to recognize that different generations approach wealth and philanthropy in their own ways based on their history and experiences, and to welcome the fresh perspectives of younger generations. As a consequence there is a benefit to giving each family member opportunities to be personally involved — not only in giving money, but time and talent as well.

While families with strong philanthropic traditions can nurture younger donors, it is important that younger generations have the opportunity to establish their own philanthropic identity. Families can help by giving them the space to do so. Many younger donors find that meeting, networking and giving with their peers is invaluable. They are able to explore, discuss and learn without being judged. There are a number of venues that facilitate such peer-exchange, including Resource Generation and the One Percent Foundation. They learn that anyone can give — even

“It’s one thing to transmit values through a family, but it’s also important to figure out one’s philanthropic identity with a peer group.”

— LANA VOLFTSUN
EXECUTIVE DIRECTOR,
ONE PERCENT FOUNDATION

those with modest means have time and talent to give. They also can discover the issues and causes that matter to them, and understand the hallmarks of effective organizations that can make a difference. The process is greatly facilitated by the younger generation's ease with technology and social media, which creates access to information, resources, and networks in ways not previously possible.

The transmission of philanthropic values to new generations will not only strengthen families and their philanthropy, but it will expand philanthropy and its impact in the future. However, there is little doubt that how younger generations will engage with philanthropy will be different than those that came before them.

Innovation

Collaboration and Networks

There are very few issues that philanthropy addresses that are solvable by lone actors. We must collaborate in order to achieve the desired change. Networks can be instrumental in facilitating collaboration. They are unique touch points to engage communities, start conversations, align resources, and develop innovative ideas to a wide range of problems. By understanding and then activating an ever expanding array of networks, philanthropy can better deploy philanthropic dollars, knowledge and other resources to address public problems.

There is no perfect network; networks take many forms. Some are self-organizing and some are more formalized and structured. Some link organizations, some individuals, and some communities. Regardless, one of their principal strengths is that they are not caught up in hierarchy. This enables them to adapt to changes in the environment, break down silos, and pull ideas in from the margins. At the same time, they need to have a level of intentionality so that, however disparate the players in the network might be, they are working toward a common goal. They need to be designed and structured to reflect their purpose and function, and they need to be nurtured and supported to realize their promise.

Understanding the nature of networks including how they work and how they can be leveraged is important as foundations consider their approach. Gathering information on existing networks, determining how best to support a networked approach, and fostering and nurturing collaborations that lead to greater impact take time. Phi-

lanthropists have to be patient in allowing networks to take shape and support a continuous cycle of planning, action and reflection.

The free-flowing nature of networks can create tensions for foundations who hope to harness their power to create social change. Top-down management and administration of grants through typical processes is often at odds with how networks operate. Philanthropy must support networks without being disruptive or breaking the formal and informal rules that networks rely on

“A funder’s job is not the same as it used to be. It’s a different skill set than doing your desktop due diligence and reading proposals. You’ve got to go to community meetings, testify at commission meetings and talk to stakeholders in engaging ways that we never have before.”

— GWEN WALDEN
MANAGING DIRECTOR,
ARABELLA ADVISORS

for governance. Foundations can support networks by: helping to facilitate network gatherings and goal-setting processes; funding technological and other improvements to develop and expand networks; training staff in strategies to build networks for collaborative problem-solving; and providing targeted support for key components necessary for a functioning network. At the same time, they have to recognize when a network effort is not working and

make a determination as to whether it is worth their continued investment.

Harnessing the power of networks is an innovative strategy for achieving collaboration for greater impact. As more networks are catalyzed and supported by philanthropy to advance collaboration, aided by the connections that technology makes possible, what is working and what is not working will come into clearer focus.

Impact Investing

There is an increasing recognition that achieving financial returns and social impact need not be distinct pursuits. Impact investing challenges the traditional model of philanthropy — making money and then giving it away — by seeking new approaches and models that achieve financial and social returns simultaneously.

The Omidyar Network, one of the pioneers of impact investing, invests in for-profit and nonprofit organizations that generate a social good, while having a clear expectation of a financial return. Such investments are predominately early stage equity investments in a variety of products and services where traditional capital may not be available or might be seen as too risky. At the same time, they also make traditional grants to influence the regulatory policies in the industries in which they are investing so as to increase the chances for success. This vertical integration approach has been used to support efforts from financial inclusion and access in emerging markets to ensuring that medical professionals have training to utilize the latest technologies.

The Nonprofit Finance Fund (NFF), as a financial intermediary to provide capital to

“The whole essence of impact investing is to be able to take risks where the markets will not in order to catalyze positive development on behalf of underserved populations.”

— **PAULA GOLDMAN**
THE Omidyar Network

nonprofits, obtains loans from banks that a nonprofit itself would not receive on its own. Frequently, those loans are provided to nonprofits that have the capacity to generate earned income and pay back the loans at market rates. However, since too few nonprofits are in strong enough financial position to qualify for such loans, NFF has more recently turned toward a broader approach of “complete” or “stacked” capital. In this regard, they organize and align a wide range of financial instruments from

grant money to subordinated debts to loan guarantees to commercial capital for the nonprofit. NFF then provides technical assistance and training to help ensure that the nonprofit has the requisite skills to manage and administer the project efficiently.

More recently, the social impact bond has attracted much attention and a number of experiments are underway. The core principle is that a successful social enterprise focused on early intervention and prevention is able to achieve cost savings that can be monetized. Investors, including philanthropy, take on the financial risk of scaling up the effective program and government pays back the investors if the program succeeds. The social impact bond is conducive for a set

of problems where we have the solution but do not have the resources to scale. For example, the Nurse Family Partnership, which has been shown to be very impactful and cost effective in improving the health outcomes of children, is available to only 5% of those eligible because there is not enough capital for greater penetration. With social impact bonds, capital markets can be tapped allowing for greater access to the proven intervention.

Philanthropy will continue to play an important role in impact investing. It can provide the seed capital for the more risky early investments, it can advocate for policy and regulatory changes to create a more flexible and dynamic environment, and it can continue to build the field of impact investing.

Social Media and Games for Social Change

Social media and games for social change are emerging as new tools to share knowledge, create bigger and stronger social networks, and build and activate movements. Their ability to engage individuals, organizations and communities provides philanthropy with new avenues to address public problems.

Propelled by increasingly popular and pervasive social networking platforms and mobile technology, users of social media can now create, share, and exchange information and content instantaneously. People can connect side-to-side, not up and down; not from a media company out to people, but from people producing and sharing media and stories. In so doing, social media is connecting people, places and ideas together that often transcend boundaries. The information and ideas

generated through social media can be easily spread through networks and reinforced by peers, thus increasing the likelihood that it will be remembered, understood and acted upon in meaningful ways.

Games are a form of structured play. They attract and engage users by making activities fun and challenging. Games for good are those that are intentionally focused on creating social change. They allow players to learn, feel or act in some way as a result

of their play that leads to social benefit. Like social media, games are first-hand, active endeavors. They often evoke or reveal traits like curiosity, determination, cooperation, and collective intelligence and provide a flexibility to explore failure. As a consequence, individuals will be able to better understand cause and effect and, hence, change their behavior.

Foundations that are willing to consider the use of these innovations in their work should understand that in order to unlock the potential of social media and games for social change, they will have to give up control, embrace messiness, and tolerate uncertainty. This is particularly the case with games since the most effective ones tend not to involve “right” and “wrong” answers. In addition, foundations should not try and solve every problem with games and social media. Rather, they should think through what these new tools might allow them to achieve which they otherwise could not, and then experiment with them to gain a better appreciation for what they make possible.

Games are a media that push us in a way that others don't. Most of the good games are ones where actually there isn't a right answer. There are consequences on both sides. And, that concept is particularly important as we think about their application to social issues.”

— **BENJAMIN STOKES**
USC ANNENBERG INNOVATION LAB AND
CO-FOUNDER, GAMES FOR CHANGE

Although philanthropy is in an early period of experimentation with the use of social media and games for social change, there is much promise that they can be leveraged to produce results that would be difficult to achieve otherwise. They allow for a two-way conversation that builds trust. The more individuals share and trust one another the more they enable connections and catalyze change. The effect on the field is likely to grow as a deeper understanding of what they make possible develops with more experience.

Impact

Board Leadership

One of the enduring challenges of philanthropy is achieving the greatest impact. The foundation's search for excellence, buffered from the forces of markets and politics, starts with its board. Trustees are in the unique position to create the expectations and the framework for foundations to successfully realize their missions.

Boards are instrumental in charting the effectiveness of foundations. Successful boards require a diversity of talents and perspectives, an openness to vigorous and candid debate, and a willingness to assess the foundation's performance against its goals. The board must be part of the foundation's learning. The board should take its time to understand the facts, talk to stakeholders, understand what other foundations are doing, and gauge the foundations. When necessary, the board should shift the foundation's direction, but deliberately.

There is perhaps no more critical responsibility of the board in charting the foundation's direction than when there is a transition in executive leadership. Such transitions provide a natural and unique opportunity to consider the work of the

foundation — its agenda, strategies, and performance — and what kind of leader is most appropriate for advancing the foundation's mission. The board is able to consider the requisite skills for carrying out the vision as well as the fit with the organizational culture. It is also imperative that the board be able to work in partnership with the executive and that they can establish a trusting relationship so that they can speak open and candidly about the CEO's and the foundation's performance.

As institutions whose primary source of revenue is typically an endowment, foundations are less susceptible to market pressures and therefore are in a strong position to take risks and to experiment in ways that other institutions cannot. There are a number of commonly accepted principles that guide the risks that foundations can tolerate in its investment decisions. Yet when one considers risk in the context of programs and use of reputation, there aren't the same well-articulated protocols. It is natural there will be failures if a foundation is trying new approaches. It is important for the board to give the foundation executive and staff permission to fail to some degree, so long as they learn from things that do not work out.

“Board members need to understand the needs of the populations the foundation is serving... Bringing that perspective to the table helps you to make much better decisions.”

— **MONICA LOZANO**
CEO OF IMPREMEDIA AND A TRUSTEE OF
ROCKEFELLER AND WEINGART FOUNDATIONS

Boards create the expectations for excellence and, in concert with the CEO, help to generate the roadmap for greater impact for foundations. They lead by keeping their ears to the ground, being responsive and adaptable, and open to learning from diverse sources and differing opinions. In the

process, there are a range of strategies and practices that the foundations can consider in order to make a bigger difference, including strengthening the leadership of nonprofits, stressing the importance of evaluation for learning, and identifying pathways for scaling impact.

Strengthening Nonprofits and Their Leadership

Leadership is increasingly seen as an essential ingredient in building nonprofits to achieve greater impact. Its importance is underscored by the current economic conditions that have placed significant strains on the sector and have pressured leaders to do more with less to ensure sustainability. But what all does strengthening the leadership of nonprofit organizations encompass?

Although leadership at the board and senior management levels are important, there are substantial benefits from more comprehensive strategies that identify, cultivate and develop leaders throughout the organization. Capacity building and leadership development efforts are also more successful if they are continuous and embedded within the organizational culture. One-off leadership development trainings to build organizational capacity that are driven by funders typically don't yield the results anticipated. The more intentional

these efforts are, and the more they are rooted in the needs, challenges and interests of the nonprofits, the better chance that they will be effective. As a result, capacity building support should be developed working backwards from what the grantee needs to accomplish its goals.

Such an approach presents multiple challenges to foundations in how they work to build stronger nonprofits. The more encompassing view of nonprofit leadership makes it more difficult to isolate cause and effect. Without evidence, the argument for supporting leadership development and capacity building — including what kind — is hard to make. Philanthropy must also be realistic about the results they can expect from their support of leadership development. So often when foundations support leadership development programs, they fail to take into account what other organizational factors are affecting that leader's ability to be a good leader and take

"It's important that you feel comfortable taking some risk in your funding portfolio. Not every grant is going to be perfect or turn out the way that you hoped it would, but that's okay if you can learn from it."

— **IRENE HIRANO INOUE**
PRESIDENT, U.S.—JAPAN COUNCIL AND TRUSTEE
OF FORD AND KRESGE FOUNDATIONS

the organization to the next level. For example, sending an executive director to a leadership development program will not ensure an organization's success if they have less than 30 days of operating capital on hand. As a consequence, it is important for philanthropy to develop strong and trusting relationships with grantees to create an atmosphere in which nonprofits feel comfortable sharing information about what would be most beneficial for them.

Nonprofit grantees also face challenges in strengthening their own leadership capacity. The field is moving from a singular focus on organizational management towards one that emphasizes organizational impact. Nonprofit leaders are now expected to pursue opportunities that create a greater impact. To do so, leaders also need to have the capacity to take effective programs to scale. This places a greater premium for leaders to be adaptable and flexible as well as to be able to work internally and externally with a broad range of actors across the nonprofit, business, and government sectors. Funders can encourage this

“It is not about plucking out one individual and giving them an opportunity for personal growth or for self-actualization or even for skill training. You have to think about all the people inside an organization who need to be involved in the leadership of the organization and work with them collectively.”

— KATHLEEN ENRIGHT
PRESIDENT AND CEO, GRANTMAKERS FOR
EFFECTIVE ORGANIZATIONS

new kind of leadership by supporting pipelines that help to identify and cultivate tomorrow's leaders, especially those that are adept at leading in a networked world.

Building stronger nonprofits that can deliver impact requires that the leadership of the organization, not just the board or the executive, is strengthened. Funders and nonprofits should continue to share ideas about effective approaches and new models for leadership development that will enable nonprofits to be more effective and impactful.

Evaluating and Learning for Greater Impact

There has been a renewed focus by philanthropy, as well as government, in recent years to insist upon evidenced-based policies. Funding decisions for a wide range of social policies and programs have too often been made on theories without adequate evidence of what is likely to be achieved. Foundations have discovered that evaluation can be used to better understand and assess the connections between activities, outputs, and impact; to inform decisions at the programmatic and organizational levels; and to track performance and progress towards goals.

Still, the growing emphasis on evaluation is often too simplistic. Evidence that meets

the usual standards that the scientific community would desire is not always easy to

“We have to make sure that the work we promote is informed by evidence while at the same time striving for greater impact and being more inclusive about what we consider credible evidence.”

— LISBETH SCHORR
SENIOR FELLOW, CENTER FOR THE STUDY
OF SOCIAL POLICY

obtain given the complexity of human behavior, the multiplicity of factors often at play, and the time it takes for change to occur. In many cases the data needed to test a theory of change is not available, making evaluation difficult. Standardizing social programs or changing them for the sake of fidelity to research design may also limit their impact and curtail important opportunities to learn, adapt and improve.

There are a number of implications for how philanthropy should do evaluations that inform its work. First, the intention of the evaluation should be purposeful. Funders must ask themselves what is the objective of the evaluation or research and why are the results important. To this end, funders should consider whether it is to inform its own grantmaking strategy, the performance of a grantee, or to learn about the broader field. Second, funders should determine what method and data will be most useful and practical to achieve their evaluation goals. Funders should draw on and integrate evidence that comes from multiple methods of evaluation and not limit themselves to quasi-experimental research designs. And, third, the potential benefits of the evaluation should outweigh

the expected costs. Funders should determine what the costs of the evaluation are — both time and money — and the value of the work in informing choices, for both funders and grantees. The process of learning and improvement are as much a contribution to the bottom line as anything else.

Beyond the significant challenge of designing and conducting the evaluations, the sector also must think about how it collects data and disseminates knowledge more broadly. There is as much a challenge to the management and mobilization of knowledge at the macro (sector) level as there is to the gathering and interpreting data at the micro (organizational) level. To this end, philanthropy and nonprofits need to share research findings, including making them understandable to others, so that information can be aggregated in ways that makes it possible to discern meaningful patterns.

“Good data doesn’t necessarily lead to good decisions.”

— MAYUR PATEL
VICE PRESIDENT OF STRATEGY AND ASSESSMENT,
KNIGHT FOUNDATION

There is growing recognition of the promise and limitations of using evaluation and learning for impact. Knowing what works and why it works is important if philanthropy is going to make the impact it desires. More can and should be done to develop a knowledge base for foundation decision-making and for the field that will lead to more effective action.

Scaling and Diffusion for Impact

Scaling has traditionally been preoccupied with how to grow organizations with the assumption that larger organizations are able to make a bigger difference. More recently, the idea of scaling has broadened from growing organizations to growing impact — the amplification and spreading of efforts to reach more people so as to achieve more meaningful and positive changes than would have been otherwise possible.

Scaling organizations is not easy. Most nonprofits start small and there are relatively few that grow big. Such growth requires different skills than the delivery of services and there are not a lot of financial resources for the development of that capacity. Moreover, capital markets to finance the expansion of organizations with proven results are not well developed. Capital is not easy to aggregate and the ability to demonstrate impact across the breadth of nonprofit activity is difficult for a number of reasons including demands for data collection and analysis.

There is recognition that scaling can also be achieved by replication and diffusion. While philanthropy has long thought of the federal government as the ultimate source of scaling through large public programs, recent initiatives at the federal level such as the Social Innovation Fund, the Office of International and Philanthropic Innovation in the Department of Housing and Urban Development (HUD), and the Promise Neighborhood program at the Department of Education serve to lift up what is working at the community level and spread those ideas and models across states and communities. Critical to these efforts are developing “prizes” that sharpen incentives for demonstrating results with the intent

“Scaling what works is grounded in a very fundamental and intuitive belief that resources should go to interventions that have actually demonstrated the ability to reliably improve people’s lives.”

— **PAUL CARTTAR**
PARTNER, BRIDGESPAN GROUP AND FORMER
DIRECTOR OF THE SOCIAL INNOVATION FUND

to develop models that can be diffused to other communities, and inspire funders — public and private — to move resources to proven programs and policies.

In addition, there are also opportunities to develop networks and partnerships to help catalyze and scale new models for solutions with the potential to achieve deeper and broader impact. For example, the Roberts Enterprise Development Fund (REDF), with support from funders, is connecting social enterprises and cultivating a learning community in which they share what they find is working and what is not.

With these multiple pathways to scaling impact, there is a need for philanthropy and its partners to choose what, where and how they want to make a greater difference and to identify the various leverage points. At the same time, it is also im-

portant that funders be clear about what they want to accomplish, what role they are willing to play, and how they will use the results. And they need to have “nerve” because scaling impact is a risky proposition. Philanthropy must try things that they haven’t tried before, in collective ways, and be willing to fail, learn from their mistakes, and then continue on.

As the idea of scaling has broadened from growing organizations to growing impact, there is a broader array of strategies that funders — of different sizes and from different sectors — can pursue to make a bigger difference, especially if they can work collectively.

Inspirations and Challenges

Four dynamic community leaders reflected on the proceedings to conclude the forum. They offered inspiration based on their own experiences about what philanthropy makes possible and they offered challenges for philanthropy to do even more in the future.

Kafi Blumenfeld, President of the Liberty Hill Foundation, underscored the promise of community-centered philanthropy. She recalled an experience just a few miles from campus when she was much younger. She camped out in a family's backyard gathering data on toxic dust that was coming from a neighboring diesel truck stop. Her research for an advocacy group led to changing truck practices that resulted in cleaner air in the community. While an important victory for the organization, she suspects that few of the residents in the area were aware of the work being done. Through this episode and her subsequent work at Liberty Hill, she has come to appreciate the even greater impact that could be achieved if the residents understood the power of their voices. She only can imagine what would be possible if individual and communities could be seen as active investors in the change they seek.

Sammy Hoi, President of the Otis College of Art and Design, emphasized the importance of creative convergence. He noted the powerful forces that are altering the context in which we live and the inadequacy of singular, linear solutions to address wicked problems. Creative minds and design thinking that embrace multiple and compassionate perspectives, critical and innovative thinking, and risk taking and collaboration can contribute

to the needed solutions. He offered a number of examples such as the Mobile Mural Project and Pacific Standard Time where the power of putting creative energies to work at problem solving have led to better community outcomes. He believes that philanthropy is uniquely positioned to bring together and mobilize multiple sectors for more holistic approaches to community solutions. And, if philanthropy doesn't lead the effort, who can and who will?

Lisa Stevens, President-West Coast Region of Wells Fargo, discussed the value of providing opportunities for individuals to learn about giving. She recounted how one Christmas her and her husband decided that rather than have the family give and receive gifts that they would adopt a family and give them gifts. Her children gradually embraced it. Then, Lisa received a gift of a trip to Disneyland and excitedly let the kids know. They came back and suggested that they should give it to their adopted family. She shared a similar story of the power of the Wells Fargo team's experiences with giving and volunteering and the energy created for making a difference by helping others and the courage to make the community a better place.

Ken Brecher, President of Library Foundation of Los Angeles, offered not one,

but three stories from which he gleaned lessons that he believes can only magnify the power of philanthropy. First, feed and then rely on your own intuition. So often, those making grants do what other do rather than chart their own course. Second, listen to others and learn from your everyday experiences — especially from those individuals and situations when you least expect to be taught something important. And third, listen to those who you are trying to help; they know what they need.

As the librarian does, simply ask: How may I help you?

There is little doubt that philanthropy will only be successful if it is driven by values, passion, and imagination; a focus on strategies to achieve impact; and a willingness to push the frontiers of philanthropy with innovations. But as these leaders note, it is equally important to ensure that the individuals and communities that philanthropy serves are not forgotten. After all, that is the heart of philanthropy.

Plenary Sessions

January 24, 2013

3:00 p.m. — 4:30 p.m. *Welcome and Introduction*

Jack Knott, Dean, Sol Price School of Public Policy,
University of Southern California

Fred Ali, President and CEO, Weingart Foundation

Opening Plenary

Philanthropic Imagination: From Giving Pledge to Philanthropic Strategy

Moderator: **Wendy Wachtell**, President, Joseph Drown Foundation

Panelists: **Tom Steyer**, Founder, Farallon Capital Management, L.L.C.

Kat Taylor, Chief Executive Officer & Co-Chair of the Board of
Directors, One PacificCoast Bank and Foundation

January 25, 2013

8:00 a.m. — 9:15 a.m. *Breakfast Plenary*

Leadership Opportunities and Challenges for Philanthropy: Perspectives from the Board Room

Moderator: **James M. Ferris**, Director, The Center on Philanthropy
and Public Policy, University of Southern California

Panelists: **Robert E. Denham**, Partner, Munger, Tolles, & Olson

Irene Hirano Inouye, President, U.S.-Japan Council and Chair,
Board of Trustees, Ford Foundation

Monica Lozano, CEO, ImpreMedia

Kerry Sullivan, President, Bank of America Charitable Foundation

12:30 p.m. — 1:30 p.m. *Closing Plenary*

Imagining the Power of Philanthropy: What It Makes Possible Here in Southern California

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

Panelists: **Ken Brecher**, President, Library Foundation of Los Angeles

Kafi Blumenfield, President and CEO, Liberty Hill Foundation

Samuel Hoi, President, Otis College of Art and Design

Lisa Stevens, President-West Coast Region, Wells Fargo

Philanthropic Imagination

The passion and values that spark philanthropy and its possibilities

SPONSORED BY THE GOLDMAN SACHS PHILANTHROPY FUND

January 24, 2013

4:45 p.m. — 6:00 p.m.

Investing for Impact: Four Cases from the Philanthropy of Tom Steyer and Kat Taylor

Moderator: **Geoffrey Cowan**, President, Annenberg Retreat at Sunnylands and USC Annenberg Family Chair in Communication Leadership

Panelists: **Matt James**, President and CEO, The Center for the Next Generation

Jim Steyer, CEO and Founder, Common Sense Media

Tom Steyer, Founder, Farallon Capital Management, L.L.C.

Kat Taylor, Chief Executive Officer & Co-Chair of the Board of Directors, OneCalifornia Bank and Foundation

January 25, 2013

9:30 a.m. — 10:45 a.m.

The Power of Women in Philanthropy

Moderator: **Judy Belk**, Senior Vice President, Rockefeller Philanthropy Advisors

Panelists: **Michele Ozumba**, President & Chief Executive Officer, Women's Funding Network

Gael Sylvia, Founder, Sylvia Global Media

Erin Hogan, Vice President, Philanthropy Centre, JPMorgan Chase & Co

11:00 a.m. — 12:15 p.m.

Transmitting Philanthropic Values Across The Generations

Moderator: **Lisa Fredricks Parker**, President and Executive Director, Lawrence Welk Family Foundation

Panelists: **Emily Davis**, President, EDA Consulting LLC

Katherine Lorenz, President, Cynthia and George Mitchell Foundation

Susan Price, Consultant, National Center for Family Philanthropy

Lana Volftsun, Executive Director, One Percent Foundation

Philanthropic Innovation

New approaches to expanding the difference that philanthropy can make

SPONSORED BY WELLS FARGO

January 24, 2013

4:45 p.m. — 6:00 p.m.

Collaboration and Networks

Moderator: **Nicole Esparza**, Assistant Professor, USC Sol Price School of Public Policy

Panelists: **June Holley**, Founder, Network Weaver
Gwen Walden, Managing Director, Arabella Advisors
Patricia Bowie, Consultant,
Magnolia Place Community Initiative

January 25, 2013

9:30 a.m. — 10:45 a.m.

Impact Investing

Moderator: **Raphael Bostic**, Professor and Bedrosian Chair in Governance and the Public Enterprise, USC Sol Price School of Public Policy

Panelists: **Jessica LaBarbera**, Director, Strategic Innovation, Nonprofit Finance Fund
Steve Goldberg, Independent Social Investment Advisor, Caffeinated Capital, LLC
Paula Goldman, Director, Omidyar Network

11:00 a.m. — 12:15 p.m.

Social Media and Games for Social Change

Moderator: **Lucy Bernholz**, Visiting Scholar, Center on Philanthropy and Civil Society, Stanford University

Panelists: **Allison Fine**, Senior Fellow, Democracy Team, Dēmos
Mayur Patel, Vice President, Strategy and Assessment, Knight Foundation
Constance Steinkuehler, Associate Professor, Wisconsin Institute for Discovery and Co-Director, Games+Learning+Society Center, University of Wisconsin-Madison
Benjamin Stokes, Researcher, USC Annenberg Innovation Lab

Philanthropic Impact

Strategies and practices that create greater impact

SPONSORED BY THE PIMCO FOUNDATION

January 24, 2013

4:45 p.m. — 6:00 p.m.

Strengthening Nonprofits and their Leadership

Moderator: **Kathleen Enright**, President and CEO, Grantmakers for Effective Organizations

Panelists: **Heather McLeod Grant**, Principal, McLeod-Grant Advisors
Rick Moyers, Vice President for Programs and Communications, Eugene and Agnes E. Meyer Foundation
Linda Wood, Senior Director, Leadership & Grantmaking, Evelyn and Walter Haas, Jr. Fund

January 25, 2013

9:30 a.m. — 10:45 a.m.

Evaluating and Learning for Greater Impact

Moderator: **Jane Wales**, Vice President, Philanthropy and Society, Aspen Institute

Panelists: **Gabriela Fitz**, Director of Knowledge Management Initiatives, Foundation Center
Mayur Patel, Vice President, Strategy and Assessment, Knight Foundation
Lisbeth Schorr, Senior Fellow, Center for the Study of Social Policy

11:00 a.m. — 12:15 p.m.

Diffusion and Scaling to Achieve Greater Impact

Moderator: **Edward Skloot**, Director, Center for Strategic Philanthropy and Civil Society, Duke University

Panelists: **Ana Marie Argilagos**, Deputy Assistant Secretary, International & Philanthropic Innovation, U.S. Department of Housing and Urban Development
J. Gregory Dees, Professor and Founding Faculty Director, Center for the Advancement of Social Entrepreneurship, The Fuqua School of Business, Duke University
Paul Carttar, Former Director, Social Innovation Fund
Carla Javits, President, The Roberts Enterprise Development Fund (REDF)

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