

a snapshot

WHAT'S NEXT for PHILANTHROPY

ACTING BIGGER AND ADAPTING BETTER IN A NETWORKED WORLD



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For the full suite of materials (the complete report, an executive summary, and an innovation toolkit) visit monitorinstitute.com/whatsnext or contact whatsnext@monitor.com

Philanthropy today takes place in a context that is radically different from the environment in which many of its current practices and behaviors were developed.

An intimidating range of forces—globalization, shifting sectoral roles, economic crisis, and ubiquitous connective technologies, to name just a few—are changing both what philanthropy is called upon to do and how donors and foundations will accomplish their work in the future.

Yet many of philanthropy's core practices and principles remain essentially unchanged from the way they were done a hundred years ago, when Andrew Carnegie and John D. Rockefeller first created the foundation form. The world around philanthropy is changing much, much faster than philanthropy itself.

This is not to say that philanthropy hasn't responded to the shifting landscape. To the contrary. As the relevance and role of philanthropy has become a more urgent question over the past decade, newer actors and older

institutions alike have been striving to be more strategic, efficient, and effective in a variety of ways. But it is clear that the last decade's changes will not be sufficient.

The new context requires that funders adjust to the ways in which their actions are connected to others' actions, in a dynamic interplay with external events, in order to have a greater impact, faster.

Where the cutting edge of philanthropic innovation over the last decade was mostly about improving organizational effectiveness, efficiency, and responsiveness, we believe that the next practices of the coming 10 years will have to build on those efforts to include an additional focus on coordination and adaptation. The most innovative funders in the future will do more than operate as effective, independent institutions. They will act BIGGER and adapt BETTER:



NEXT PRACTICES FOR PHILANTHROPY'S NEXT DECADE

Simply tweaking the status quo is not likely to be enough for philanthropic and civic leaders looking to cultivate change more effectively in a world that sorely needs it. Tomorrow's most successful funders will do more than just adopt today's best practices. They will have to pioneer "next practices"—new ways of working that fit the emerging landscape of public problem solving:

ACTING BIGGER

1 UNDERSTAND THE CONTEXT

Strong peripheral vision—seeing and developing a shared understanding of the system in which they operate—will be critical to helping funders build and coordinate resources to address large, complex problems.

RE-AMP, a collaborative of Midwestern foundations and nonprofits, developed a shared understanding of the levers for achieving clean energy in the Midwest by mapping the system of relevant forces and players, helping to align the vision and coordinate the efforts of many independent stakeholders.

2 PICK THE RIGHT TOOL(S) FOR THE JOB

Funders have a wide range of assets—money, knowledge, networks, expertise, and influence—that can be applied deliberately to create social change.

THE VERMONT COMMUNITY FOUNDATION is ensuring that its investment strategies complement its programmatic goals by offering donors the option to invest money in local socially-responsible businesses, using its investment managers to vote by proxy, and co-filing activist shareholder resolutions.

3 ALIGN INDEPENDENT ACTION

Philanthropies are developing new models for working together that allow for both coordination and independence. Funders don't necessarily need to make decisions together, but they do need their efforts to add up.

THE CLIMATEWORKS FOUNDATION has helped more than 10 funders and scores of other actors work in concert as part of a \$1 billion coordinated global campaign to fight climate change by addressing global energy efficiency standards, forest conservation and agriculture, and low-carbon energy supply.

4 ACTIVATE NETWORKS

Advances in network theory and practice now allow funders to be more deliberate about supporting connectivity, coordinating networks, and thinking about how the collective impact of all of their efforts can produce change far beyond the success of any single grant, grantee, or donor.

THE BARR FOUNDATION is building a stronger network of afterschool service providers for Boston youth by supporting "network weavers" who facilitate relationship building, knowledge sharing, and collaboration among service providers and community leaders.

5 LEVERAGE OTHERS' RESOURCES

Funders can use their independent resources as levers to catalyze much larger streams of funding and activity from other sources by stimulating markets, influencing public opinion and policy, and activating new players and assets.

THE CLINTON HEALTH ACCESS INITIATIVE is working to aggregate demand, improve efficiencies, and reduce volatility in the market for AIDS drugs in an effort to provide medicine affordably in Africa and the Caribbean.

ADAPTING BETTER

6 KNOW WHAT WORKS (AND WHAT DOESN'T)

Effective funders will develop systems to learn from their successes, and their failures, in ways that can help everyone—funders and grantees alike—develop the judgment to guide and improve efforts in the future.

THE WALLACE FOUNDATION is systematically testing and evaluating innovative educational and cultural programs around the United States, methodically sharing the results to broadly spread knowledge about effective approaches—with more than 200,000 report downloads a year.

7 KEEP PACE WITH CHANGE

As the speed of change accelerates around us, funders will need to build feedback loops that help them change and shift behavior based on dynamic realities and lessons learned in real time.

THE ROCKEFELLER FOUNDATION has replaced its long-standing, fixed "programs" with a set of interconnected, time-limited "initiatives" that aim to allow the Foundation to quickly respond to unanticipated opportunities, to shift tactics when necessary, and to regularly recalibrate its approach to fit external needs.

8 OPEN UP TO NEW INPUTS

New tools and approaches now allow funders to solicit points of view from diverse cultures and perspectives, to access new and wildcard ideas, and to get buy-in and engagement from stakeholders.

THE CENTER FOR EFFECTIVE PHILANTHROPY'S YOUTHTRUTH initiative is measuring the success of school reform by soliciting feedback directly from high school students about the quality of their experience, providing valuable input to foundation and district leadership from voices that would normally not be heard.

9 SHARE BY DEFAULT

In a more crowded playing field, there is tremendous value in reflecting on your work and conveying your lessons to others. It makes sense to start from a place of sharing everything and then make a few exceptions, rather than a place of sharing little where transparency is the exception.

ASHOKA'S CHANGEMAKERS competition "open sources" proposals by placing them on a public messageboard, allowing the community of participants to not only choose their favorites but also to strengthen all of the contestants' ideas and build awareness of them in the field.

10 TAKE SMART RISKS

The most effective funders will recognize when innovation is necessary, and will be willing to make high-risk, high-reward bets that have the potential to create transformative change.

THE HEINZ ENDOWMENTS, the Grable Foundation, and the Pittsburgh Foundation took the risk of abruptly and publicly cutting funding to the city's failing school district in order to spark the public engagement necessary for reform.

