MLD 807M
PHILANTHROPY AND SOCIAL INNOVATION

Spring-2 2017
Tuesday/Thursday 8:45-10:00 L-230

Syllabus as of March 20, 2017

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Course Objectives and Content

> "To give away money is an easy matter and in any man's power. But to decide to whom to give it, and how large, and when, and for what purpose and how, is neither in every man's power nor an easy matter."
> - Aristotle, Nicomachaen Ethics, 360 BCE

The goal of this course is to help students understand the role of philanthropy and associated social innovation in addressing public problems. The course will provide grounding in the history, conceptual frameworks and current research regarding effective philanthropy. Students will also be challenged to think about philanthropy within the context of leading social change, and the challenging organizational dynamics associated with social innovation in general.

The course will examine not only individual, but also institutional philanthropy and the role of philanthropy in the nonprofit and governmental sectors. A particular focus will be on the rise of strategic philanthropy whereby individuals and institutions target their giving—in the form of funds, in-kind donations, or individuals' time —to reflect their broader interests and/or competencies. Also considered will be topics such as the role and structure of foundations, measurement and evaluation processes and establishing non-profit partnerships. The course will include a number of exercises for students to gain practical experience in designing and executing a philanthropic program.

Students will have a unique experiential opportunity associated with this course. The Once Upon a Time foundation and an anonymous donor has provided grant money that the students will be able to give to nonprofits. The class will have up to $55,000 in grant money. The course is designed to help students understand the role of philanthropy in addressing public problems in innovative ways. Students will have the opportunity to work on a problem of their choice, analyze the dimensions and constituents of that problem, leading to choices about organizations to support. In addition to the readings and class discussions, the assignments for the course will involve the analysis and decision-making for the grantmaking.

Students will be in teams, based on preferences for a problem area. Some examples include: racial, gender sexual orientation discrimination, child welfare, homelessness, addiction services, social justice, community development, immigrant services, girls empowerment, black boys and men, after school programs, access to healthcare, childcare, education reform, youth development, systemic poverty, environment, culture and arts.

Readings, Web Postings, Assignments
The syllabus provides the entire outline for the class. The timing of certain items and specifics may change during the course. The **HKS Course Website** is the major source of communication for the Course. It is important that you use it to guarantee that you have current and complete information for the classes.

Most cases and readings will be provided on the course Website. If, due to copyright laws, certain materials cannot be distributed in this fashion, we will reserve them at the HKS library. Special annotation will be made on syllabus and/or on course Website.

There will be short graded and ungraded interim assignments for individuals early and team assignments as you begin to finalize your analysis and recommendations. Each assignment is explained in the syllabus. We want to aid the teams in planning and execution. Our aim is that each short assignment is the individual input for the group work. The assignment, to be prepared independently, would be handed in to us and the other team members at the same time. The team would then proceed to use the input for their deliberations and work.

Final Assignment: Briefing Book -- The final assignment will be a summary of the analysis and recommendations for grants. The form of this will be a briefing book and presentation to the class. The Briefing Book Guide and examples of briefing book can be found on class website.

Assignments and Determination of Grade
The final grade for the class will be calculated as follows:

- One-page grant essay – (due by noon March 20 – see Class 1 assignment:) *individual*: ungraded
- Problem Mapping (due April 3), *individual*: 15%
- Briefing (draft due April 21), *team*: 20%
- Briefing response (April 26), *team*: 5%
- Final Briefing book (due May 4 by 5pm), *team:* 25%
- Updated one-page grant essay, including personal giving goal (April 26), *individual*: 15%
- Class participation, individual: 25% Part of the class will be taught by the case study method and so much of the action takes place during class discussion. It is expected that all participants should show up prepared to discuss the assigned case and associated readings for each and every class. In addition, we will be having guest speakers some classes, and it is important that all students prepare well for these guests and be ready to ask them questions. Faculty and the course assistant will record participation in each class and in each class. Students will receive either a 0 (absent); 1 (attending class but not contributing); 2 (contribution to class discussion); 3 (significant contribution to class discussion. **Grading class participation we take *both* quantity and quality into account.** Examples of high-quality comments follow:
    - Offering analytic insights (e.g., instead of simply reporting case facts, explain

what you think is happening or what the case protagonist should do and *why*)
- Relating experiences in class exercises and the analysis of written cases to more broadly generalizable concepts in the readings
- Helping class participants recognize the generalizable ideas and dynamics in the exercises and case materials through other "real-world" examples (e.g., sharing personal experiences, making connections to current events or other cases)
- Drawing conceptual connections across class sessions
- Relating class discussion to material covered in other core courses

Finally, high quality contributions are *always respectful* of other class participants. This includes being cognizant of the amount of airtime one is taking as well as the potential to offend other class members. We do <u>not</u> expect you always to agree. *Students are encouraged to challenge one another's thinking* and to debate conflicting perspectives.

March 21: Philanthropy's Great Potential, Voices from the Past and Present and Forming Your Own Framework for Giving

Ungraded assignment: **email to instructor by 12 (noon) March 20**: You have just unexpectedly inherited $10,000 from a relative you didn't know you had, with the only stipulation that you give it away. Please tell me how you would give this money away (Note: I don't expect you to use any of the material for this class to prepare this. I want you to approach this in any way you would like).

Class Objective: An overview of what philanthropy has done/can do on a global and local level and introduction to the contextual challenges in philanthropic problem solving. Understanding the concept of "giving" and its related "moral hazards" and how individuals interpret/design their own application of philanthropy.

Readings:

- Carnegie, Andrew, Gospel of Wealth and Other Timely Essays, Chapter 2: The Problem of the Administration of Wealth (SKIM pp. 10-17; Chapter 3: the Advantages of Poverty, pp. 25-31).
- Gates, Bill. Commencement Speech, Harvard University, Cambridge, MA, 2007. http://www.networkworld.com/article/2291053/software/microsoft-s-bill-gates--harvard-commencement-speech-transcript.html
- Andrew Ross Sorkin. August 29, 2011. The Mystery of Steve Jobs's Public Giving. The New York Times: dealbook.nytimes.com/2011/08/29/the-mysteryof-steve-jobss-public-giving/
- Kathleen Chaykowski "Chan Zuckerberg Initiative Promises To Spend $3 Billion To Research And Cure All Diseases" Forbes: http://www.forbes.com/sites/kathleenchaykowski/2016/09/21/chan-zuckerberg-initiative-invests-3-billion-to-cure-disease/#7f6ca6a8706
- Lieber, Ron," Your Money: As the Year Draws to a Close, deciding How to Slice Your Charitable Pie", The New York Times, December 7, 2012. http://nyti.ms/VoxfaL
- Alessandra Stanley. October 31, 2015. Silicon Valley's New Philanthropy. The New York Times. http://www.nytimes.com/2015/11/01/opinion/siliconvalleysnew-philanthropy.html?_r=0

Study Questions:

1. What is the rationale for giving to society? How do personal philosophies intersect with ideas about improving society? What are your initial instincts about giving to a particular cause or organization?
2. You've read Gates, Carnegie and Job's personal views of philanthropy, how do you square the diversity of opinions? As you think about your own "lifetime practice" of philanthropy, can you imagine it is really a practice or just episodic intervention?
3. What is philanthropy, and why engage in such practices – charity, duty, justice?

March 23: Understanding Public Problems and Developing (Innovative) Solutions

Class objective: How do you investigate/understand a public problem: What is the nature of the problem (demographics, severity, etc.)? What are the existing policies that drive interventions? Who are the actors? What are they doing? How do you sort symptoms from causation as you develop a theory of intervention?

Assignment: Submit your teams and/or your list of three problem area you would like to study to the course website by March 24 at 9am

Readings:

- Brest, Paul and Harvey, Hal, Money Well Spent: A Strategic Plan for Smart Philanthropy, Chapter 3: Analyzing Problems and Developing Solutions, pp. 37-57.
- Bardach, Eugene, "A Practical Guide for Policy Analysis: The Eightfold Path to More Effective Problem Solving", The Eightfold Path: Step One: Define the Problem" pp. 1-10
- Eckhart-Queenan and Matt Forti, "Measurement as Learning: What Nonprofit CEOs, Board Members and Philanthropists Need to Know to Keep Improving," The Bridgespan Group, January 2011. http://www.bridgespan.org/measurement-as-learning.aspx

Study Questions:

1. How are you defining the "problem" you are addressing for this class? What are alternative definitions of the problem? For example, who benefits from the current situation? Who would "lose" if the problem were solved? How do people on different ends of the political spectrum or in different social groups (young vs. old, immigrant vs. native born, etc.) define the problem?
2. If you were to "solve" this "problem," what would the world "look like"? How would you get from here to there? As you imagine this path, does your understanding of the nature of the problem change?
3. From the Eckhart-Queenan and Forti reading how did Goldman Sachs frame the problem they were addressing? How did that influence their program and measurement?

March 28: What Does the Nonprofit Sector Accomplish?

Class objectives: Conventional wisdom holds that the nonprofit sector does good, helps people less fortunate. The readings complicate that view a lot. The sector is not about one thing, or one set of ideas or values. We will sort out these views and try to understand the implications for philanthropy.

Readings:

- Ott, J. Steven and Dicke, Lisa A., editors, The Nature of the Nonprofit Sector,
- Chapter 16: To Empower People: The Role of Mediating Structures in Public Policy, pp. 187-196; Chapter 7: The Impact of the Voluntary Sector on Society, pp. 71-79; Chapter 3: The Idea of a Nonprofit and Voluntary Sector, pp.17-28. N.B. Skim pp.17-24, Read pp.25-28.
- Frumkin, Peter, On Being Nonprofit: A Conceptual and Policy Primer, Cambridge: Harvard University Press, September 6, 2005, Chapter 6: Balancing the Functions of Nonprofit and Voluntary Action, Skim pp.163-181.
- Sullivan, Paul, "Wealth Matter: Philanthropists Weigh the Returns of Doing Good," New York Times, September 28, 2012. http://nyti.ms/VUo2JF

Study Questions:

1. Berger and Neuhaus make a case for the roles of the neighborhood, family and church as well as voluntary organizations as important mediating structures. As voluntary organizations have become much more important and dominate some funding landscapes, what is the role for the other three? Have we left them in the dust?
2. Which of Smith's impacts do you find most compelling?
3. Why do you think giving by individuals has remained basically flat in real dollars for the last 10 years?
4. Does the proliferation of new giving vehicles, exhortations to give more, better help the situation or just reinforce the polyarchy?
5. Do the readings motivate you?

March 30: Nonprofits and Policy and Advocacy

Class Objectives: Nonprofits can play a critical role in policy-making through advocacy, proof of concept or catalyzing attention to a specific problem. How do the best nonprofits exercise this role, what are the differences in advocacy organizations and the use of alternative funds and how should you consider these organizations in your philanthropic decisions?

Readings:

- Brest, Paul and Harvey, Hal, Money Well Spent: A Strategic Plan for Smart Philanthropy, Chapter 13: Influencing Individuals, Policy Makers, and Businesses, pp. 205-225.
- Zunz, Olivier, Philanthropy in America, A History, Chapter 3: The Regulatory Compromise, pp.76-103. (This is a very interesting history of the evolution of the separation of politics and philanthropy. Support for birth control and eugenics was at the center of this), Chapter 8: In Search of a Nonprofit Sector, pp. 232-263. **(SKIM: Background only)**

Case Study:

- Evolution of The Gill Foundation. KSG case 1717.0. **Also examine the Gill Foundation's current website.**

Study Questions:

1. Philanthropy has been involved with influencing public policy since it started. Are the advocacy methods of philanthropy better than contributing to political campaigns? Why? What does each accomplish?
2. Many philanthropists and foundations rely on education rather than advocacy to persuade. Is this enough?
3. How do Frumkin's theories of change, leverage and scale relate to the Gill Foundations work? From the case study, what are Gill's theories of change and were their implementations consistent with their theory? From examining their website, what is their current theory of change? Sketch a rough logic model for the Gill Foundation at the time of the case study and today.
4. What kind of advocacy is being done in your problem area? Does this give you insight about your grants?

April 4: Theories of Change

Class objective: Developing a basic framework for determining theories of change underpinning philanthropic and associated non-profit work. What is it that you hope to accomplish with this gift? What problems are you addressing? How will this gift help remedy the problem you identified in your mission statement? What are key assumptions that underlie your theory of change?

Graded Assignment due on April 3 by 5 pm: Problem Mapping. Using Foundation Center, Boston Foundation, BARI databases and other resources, each individual will answer a series of questions related to their problem:
- How is the problem stated or treated?
- Who is being served? What is the demographic composition of the people being served?
- How many, where are the target clients?
- What are the historic funds flow into and out of the specific problem/sector chosen?

Readings:

- Frumkin, Peter, *Strategic Giving: The Art and Science of Philanthropy,* Chapter 6: Logic Model: Theories of Change, Leverage, and Scale, pp. 174-216.
- Paul Brest and Hal Harvey. 2008. Choices in Philanthropic Goals, Strategies, and Styles (Chapter 2), Solving Problems through Program Strategies (Chapter 4). Money well spent: A strategic plan for smart philanthropy. New York: Bloomberg Press, pp. 21-70.

Case studies:

- Women in Philanthropy: Madam C.J. Walker
- Women in Philanthropy: Abby Aldrich Rockefeller
- Women in Philanthropy: Elisabeth “Betty” Bottomless Noyce
- Women in Philanthropy: Mrs. Russell Sage (Margaret Olivia Slocum)

Study Questions:

1. How do these theories affect your thinking about how to make a grant to a nonprofit?
2. Compare and contrast the implicit logic models and theories of change of the four philanthropists you read about

April 6: Funders—Enabling or Disenabling—And Who Made them King? How Funders Think and Plan

Class Objective: Understanding the inherent influence of funders on the NGO's they support—is it benign or deliberate, nurturing or controlling and how do you separate the two. What protects the mission of an NGO when it needs funds to execute its mission? Who are funders accountable to—the nonprofit beneficiaries?

Readings:

- Flandez, Raymund, "Donors Say They Would Give More if They Saw More Results," Chronicle of Philanthropy, June 21, 2012. http://philanthropy.com/article/Many-Donors-Would-Give-More-if/132437/
- Ott, J. Steven and Dicke, Lisa A., editors, The Nature of the Nonprofit Sector, Chapter 19: Communities, Networks, and the Future of the Philanthropy, pp. 215-224.
- Russ Juskalian. February 9, 2014. Was Carnegie Right About Philanthropy? The New Yorker, http://www.newyorker.com/business/currency/was-carnegieright-about-philanthropy, pp. 1-5
- Peter Buffett, New York Times, July 26, 2013 The Charitable-Industrial Complex,"

Case Study:

- Dick Rathgeber and the People's Community Clinic: The Question of Commitment. 1499.0.

Study Questions:

- Should a nonprofit ever decline a gift? Many nonprofit leaders develop close ties with their principal funders—when does this become problematic? And how do you think about the accountability of funders to the very populations they want to serve?
- Do donors have a responsibility to give in certain ways?
- What do you think of Rathgeber's philanthropic strategy? How does he compare to Carnegie and others we studied at the beginning of the course?

April 11: Evaluating Organizational Strength and Sustainability and Understanding Drivers of Non Profit Capacity

Class Objective: How can prospective funders determine the strength of a nonprofit organization and it's near and long term capacity to execute its mission. What are the leading indicators that funders should consider and is it science or art?

Readings:

- Effective Capacity Building in Nonprofit Organizations, Venture Philanthropy Partners 2001. N.B. Read pp. 33-67, 84-113. http://www.vppartners.org/sites/default/files/reports/full_rpt.pdf
- Ott,J.Steven and Dicke,Lisa A.,editors,The Nature of the Nonprofit Sector Chapter 18: Organizational Social Capital and Nonprofits, pp. 203-213.
- Salamon,Lester,editor,TheStateofNonProfitAmerica,PDF Chapter 15: Accountability and Public Trust, pp. 471-492.

Study Questions:

- How much difference does organizational effectiveness and efficiency make to our grantmaking in this course?
- How will you determine the strength of potential grantees within the constraints you have?
- Work with your team on guidelines/criteria that you will be able to use with the information that you have available.

April 13: Strategic Philanthropy

Class Objective: Understand how to think about strategy as an individual giver.

Readings:

- Brest, Paul and Harvey, Hal, *Money Well Spent: A Strategic Plan for Smart Philanthropy,* Chapter 1: The Promise of Strategic Philanthropy, pp. 7-17.
- Frumkin, Peter, *Strategic Giving: The Art and Science of Philanthropy,* Chapter 4: The Idea of Strategic Giving, pp. 136-145.

Case Study:

- The Hestia Fund. KSG case 1691.0

Study Questions:

- How well does the Hestia Fund fit Frumkin and Brest's description of strategic philanthropy?
- How does your work on your projects correspond to Frumkin's 5 questions (p. 137)

April 18: The Great Debate Around the Role and Use of Intermediaries:

Class Objective: There are few "lightning rods" in the philanthropic sector likely to engage more controversy—both good and bad—than the role of intermediaries in executing the philanthropic intent of funders. From the role of community foundations, United Way, Catholic Charities; Combined Jewish Philanthropies and others; to newer models like Robin Hood, Acumen Fund, New Profit and Boston Rising—the controversy continues. What are the inherent trade offs, costs, and lessons learned or lost to funders when they use intermediaries? And what is the categories/spectrum of intermediation in the sector? Are they vital experts on the ground or consumers of precious capital that would otherwise go directly to NGO's or both?

Readings:

- Salamon, Lester, editor, The State of Non Profit America, Chapter 11: Foundations and Corporate Philanthropy, pp. 363-368; 373-
- What are Foundations For?" Rob Reich, Boston Review, v. 38 no. 2, March/April 2013
- Fleishman, Joel, The Foundation: A Great American Secret, How Private Wealth is Changing the World, Introduction to Paperback Edition. N.B. Read pp.1-25, skim pp. 31-44.

Study Questions:

1. The landscape is replete with intermediaries reliant on third party funding to do their work. What advantages and disadvantages does this intermediation model bring? Would funders be better served if their program officers were "hands-on" with their grantees?
2. Choose one of the Foundations profiled in pp. 41-42 in Fleishman and in addition to reading that profile, look to the organizations websites to understand their logic model, theory of change and leadership.
3. How does this discussion impact your team's thinking on your intended funding?

April 20: Can Impact be Measured and Should We Really Care About it: Program Evidence and Evaluation

Class Objective: Noise around measuring impact has nearly reached a crescendo of late—but can impact really be measured? And if so, how? As Brest says, sure, you can measure the success of a de-worming project in Africa, but creating system changes—political or otherwise--maybe harder to measure in the near term. As you consider your team's philanthropic strategy what are your team's expectations on measuring impact or do you care? How to assess potential effectiveness and relative effect of programs

Readings:

- Paul Brest and Hal Harvey. 2008. Assessing Progress and Evaluating Impact. Money well spent: A strategic plan for smart philanthropy. New York: Bloomberg Press, pp. 135-148
- Brest, Paul and Harvey, Hal, *Money Well Spent: A Strategic Plan for Smart Philanthropy,* Chapter 10: Impact on Steroids: Measuring the Social Return on Your Philanthropic Investment, pp. 149—165.
- Advancing Evaluation Practices in Philanthropy*, Sponsored Supplement to Stanford Social Innovation Review*, Summer 2012, Vol.10, Number 3, pp. 2-23. http://www.aspeninstitute.org/sites/default/files/content/docs/pubs/PSI-SSIR-Advancing-Eval-Practices-Philanthropy.

Case Study:

- MEASURED APPROACH: TEGV ASSESSES ITS PERFORMANCE & IMPACT ON EDUCATIONAL ENRICHMENT PROGRAMS. HKS 2028.0

Study Questions:

1. What are the pros and cons of the different measurement and evaluation approaches summarized in the Summer 2012 SSIR reading?
2. You all have a particular giving situation, but one that is not unnatural in philanthropy. How will you think about the impact of your grant? Given your constraints, does this affect the kind of organization, the size of grant or the type of grant?
3. If you had no constraints, how would you think about impact in your giving?

April 25: Class Presentations

Class objective: During the presentations, one team will be presenting and one other team will be assigned to provide critical feedback. This is intended to provide another opportunity for students to think critically about a problem and response that they did not study during the semester. The team will receive a grade for their questions and feedback in class, and then for a written memo to the presenting team the following day. The memo can be in bullet points – content matters more than form. Each team will get a chance to "pitch" and "catch."

Feedback is due to teams by 5pm, April 26

One page grant essay (individual) 5pm, April 26. - what did you learn?

Reading:

- Briefing Books

April 27: Lessons Learned and Next Steps

Class Objective: What worked well? What did not? What are the implications for the grants? Follow up?

Readings:

- Zunz, Olivier, Philanthropy in America, A History, Conclusion, pp. 294-299.
- Brest, Paul and Harvey, Hal, Money Well Spent: A Strategic Plan for Smart Philanthropy, Chapter 9: Assessing Progress and Evaluating Impact, pp. 141-145.

Study Question:

- What are your takeaways about philanthropy?