

Introduction to the Series

PRACTICE MATTERS

The Improving Philanthropy Project

Ten Provocative Papers and Discussion Guides

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Practice Matters: The Improving Philanthropy Project

About the Series

- Focused on ten foundation practices.
- Fills a gap in the field, examining cross-cutting grantmaking approaches used by practitioners.
- Written by experts and experienced practitioners.
- Translates research into practical approaches for everyday work.
- Provides a comparative and critical field-wide perspective.
- Funded and guided by a number of major foundations across the country.

At its best, American philanthropy has achieved extraordinary results. Throughout a brief history, foundations in the United States have helped to create the American library system, contribute substantially to African universities, institute the 911 emergency response system, and eradicate river blindness from much of the world. How do foundations contribute in this way to significant social change? And why does it not happen more often?

Why some foundations are able to contribute to such major innovation, while many others fall short of the mark, has less to do with the amount of resources at their disposal than how those resources are deployed. The myth about grantmaking is that important social change is only possible through large foundations and big money, yet mid-size and smaller foundations also can make a significant impact. Modest investments can yield substantial change when they are targeted to the critical levers that can realign institutions and behavior. In one recent example, an astute program officer intent on re-imagining care of the dying leveraged a small grant into setting new standards on this issue for physicians throughout the country.

While foundation staff often bring a high degree of specialized knowledge from their substantive fields, this is typically not enough to become an effective grantmaker in the multi-layered, multi-sector world in which many foundations strive to make a difference. Besides their specialized topical knowledge, what distinguishes effective foundation staff is how they are able to structure programs, leverage resources, and make quick and well-targeted decisions. The best can identify the core dynamics and production process of social change within their fields and pinpoint investments that will trigger substantial responses by institutions and systems operating at significant scale.

All of which is to say: practice matters.

That is the key premise behind the project, which examines ten core foundation practices. The reality is that, as a field, we need to understand good philanthropic practice much better than we now do. The challenge for most foundations, and for the field of philanthropy at large, is to build the knowledge needed to conceptualize, develop, manage, and assess good grant programs. Many foundations pride themselves on being cutting-

edge institutions, yet there is little systematic analysis of what constitutes good basic grantmaking practice.

Practice Matters: The Improving Philanthropy Project aims to fill this gap. Foundations tend to know and learn from their own practices, though not much else beyond. It is as if practitioners order from a menu with only one kind of meal. Instead, they need a full selection of choices, culled from the best cross-cutting practices in the field. What does good philanthropy look like? What constitutes good practice? What types of knowledge would sustain excellence? Never codified and hardly ever formally taught, the tools of the trade need to be better understood. Simply put, most of philanthropy is not as effective as it could be. Practitioners need ways to get better at the fundamentals of their craft.

The Project

To explore and ultimately improve key cross-cutting practices in the work of foundations, *Practice Matters: The Improving Philanthropy Project* has commissioned and overseen the development of a series of titles by experienced practitioners in the field. The series starts from the belief that there is a strong philanthropic craft that can be identified, taught and improved. The papers are targeted to foundations that are pursuing large-scale social change, foundations that aspire to move in this direction, as well as to individuals who work in more traditional philanthropies but, by dint of their passion, will and skills, go beyond their institution's mission to seek significant social impact. Examples of such impact include saving the environment, producing leaders for this century, reforming the American health care system, creating new forms of community, inculcating social justice, producing an equitable distribution of food for the hungry nations of the world, and eradicating devastating diseases.

What basic practices can enable foundations to achieve such grand aspirations? *Practice Matters: The Improving Philanthropy Project* papers examine ten: using intermediaries; sponsoring policy commissions; effecting community change; attracting and managing talent; creativity in grantmaking; using ideas in building a field; building organizational capacity; communications for social good; foundation partnerships; and evaluation. Each paper describes current practice in a particular area of philanthropic work and provides advice for more effective grantmaking. Written by respected and experienced practitioners or observers of philanthropy, most of the papers are based on original applied research, and all offer suggestions to help foundation leaders and staff assess their own practices and practice options. While a number of the papers are informed by theory, examples drawn from real foundations and real foundation choices and situations appear throughout the series.

Those foundations, organizations with strong institutional histories, have toiled in the field of social change for decades and learned collectively, if informally, from those explorations. *Practice Matters: The Improving*

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- The Robert Wood Johnson Foundation
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Titles in the Series

- Toward More Effective Use of Intermediaries
- Acts of Commission: Lessons from an Informal Study
- Toward Greater Effectiveness in Community Change: Challenges and Responses for Philanthropy
- Foundation Strategies for Attracting and Managing Talent
- Experienced Grantmakers at Work: When Creativity Comes Into Play
- Ideas in Philanthropic Field Building: Where They Come from and How They Are Translated into Actions
- The Capacity Building Challenge: A Research Perspective A Funder's Response
- Communications for Social Good
- Philanthropies Working Together: Myths and Realities
- Rethinking Foundation Evaluation from the Inside Out

Philanthropy Project analyzes and documents how they actually do the work and identifies the strategies they have used to achieve impact. Seen collectively, the work of these foundations has formed an emerging field of endeavor in philanthropy that has many of the hallmarks of a profession. Underlying all the papers is a set of key propositions: effective philanthropic work is similar from one organization to the next, it can be learned and taught, there are more and less effective ways of doing the work, and there is an emerging collective identity and collective knowledge about the work. By shining a light on this knowledge, the project seeks to help accelerate the professionalization of the grantmaking discipline itself.

Practice Matters: The Improving Philanthropy Project began with a scan of knowledge needs in foundations. The answer came back loud and clear: few resources exist for learning about fundamental philanthropic practices. Foundations might be investing more in program evaluations and research, but these studies typically do not cover cross-cutting interventions. Foundation executives and practitioners acknowledged how bad they are at learning from each other or the past. They recognized the need for more cross-foundation studies of effective practices. Even more so, they pushed for such studies to be translated into accessible training materials for staff.

The time is ripe for the project because foundations have an intense interest in finding ways to increase their efficiency and effectiveness. Foundation staff form close networks and invest time in meeting their peers. The strength of some affinity groups, such as Grantmakers in Health or Grantmakers for Effective Organizations, and regional grantmaker associations are evidence that this is a field where networks matter and serve as an important device for knowledge exchange. The project is designed to generate knowledge that will inform these evolving conversations about the practice and future of philanthropy.

The Papers

Practice Matters: The Improving Philanthropy Project represents a collective knowledge-building effort involving more than 150 current and former grantmakers, foundation leaders, observers, scholars, and other experts. The collection is intended to alert newcomers to the intricacies of philanthropy and to sharpen the practices of experienced grantmakers and grantmaking institutions.

The topics for the series emerged through an extended process of interviewing leaders and experienced program developers in philanthropy. The issues chosen are those that foundation staff involved in targeted social change consider and use regularly in their work. Some of the papers address “tools”—that is, specific instruments of the change process, such as intermediary organizations and policy commissions. Others discuss ways of working more broadly, such as building the capacity of nonprofit

organizations or acting to build communities across America. Together, this collection of papers, although far from exhaustive, addresses tactics and strategies that are staples of current foundation practice.

Intermediaries

Peter Szanton's paper addresses the use of intermediary organizations, a tactic increasingly seen in philanthropy as offering a quick way to solve problems. As described by Szanton in *Toward More Effective Use of Intermediaries*, these organizations, which stand between foundations and their grantees and serve a variety of functions, can add expertise and capacity to foundation staffs and lighten the burdens of judgment if they are used as re-granting organizations. But often there are unanticipated costs when inexperienced foundations engage intermediary organizations. This paper is a particularly valuable addition to knowledge about philanthropic practice because the author clearly identifies the trade-offs involved. For example, complicated issues of trust may develop between intermediary organizations that are engaged by foundations to provide technical assistance to grantees and the grantees themselves, who naturally worry about revealing their organizational weaknesses.

Policy Commissions

Policy commissions offer a tactic to transform issues of foundation interest into public causes and propel them toward policy solutions. In *Acts of Commission*, Janice Nittoli suggests that successful foundation-sponsored policy commissions need a clear charge; a balanced group of members led by a strong chair; a tight structure, including direction by a single senior foundation staff person; a continuous stream of relevant and useful data and research; a limited number of actionable recommendations; and a media strategy and consistent media presence. These requisites for success are costly in terms of foundation staff time, leadership attention over several years, and financial resources for data collection, research support, and communications. The author provides threshold questions that foundations should address before sponsoring policy commissions.

Community Change

A paper by Prudence Brown, Robert Chaskin, Ralph Hamilton, and Harold Richman reviews how foundations think about community change, do the work of community change, and learn from this work. These authors offer a model on foundation work on community change that moves from mission to strategy to tactics to feedback on outcomes to implementation lessons—a model that suggests the grounding needed for philanthropic tactics generally. *Toward Greater Effectiveness in Community Change: Challenges and Responses for Philanthropy* calls for more precision, more realism, and more candor in the internal and external discussions about foundations' participation in community change initiatives. It also calls for a broad effort in philanthropy to apply in practice

what is a growing set of lessons about what works and what does not work. Finally, the authors take an initial step to codify those lessons.

Attracting and Managing Talent

Nadya Shmavonian describes how foundations attract and manage the program professionals who devise and implement social change tactics and strategies and how human resources practice in foundations faces major challenges and contradictions. For example, program professionals are expected to provide vision, substantive knowledge of the fields of interest, access to nonprofit networks, and interpersonal and administrative skills to translate foundation missions into programs that make the intended difference. But these qualities are not always found in the same individual and may, in fact, represent inherent tensions within typical expectations of foundation program staff. In *Foundation Strategies for Attracting and Managing Talent*, Shmavonian proposes that foundations' expectations of staff—and thus their human resources practices—are characterized by a fundamental dynamic tension between the skills needed for direct action and those needed for facilitation. The author offers a rare description of the real work of foundation program officers, along with suggestions about what foundations can do structurally to make that work successful.

Creativity in Grantmaking

Ruth Brousseau looks at excellence in grantmaking from another perspective in *Experienced Grantmakers at Work: When Creativity Comes into Play*. Drawing primarily from the reflections of ten award-winning foundation staff, Brousseau proposes that good practice is both analytic and mission-driven. Common among creative grantmakers, she observes, are a number of characteristics: a motivating belief; cognitive skills that enable them to frame problems in new ways and apply learning from other contexts; interpersonal competence that enables them to negotiate the power inequities in the grantmaker-grantee relationship; an ability to cross boundaries and “mix worlds;” and a “sense of journey,” meaning, in part, that they are “in it for the long run” and they are able to reflect on their experience. Brousseau identifies institutional issues that constrain and those that promote creativity in grantmaking, outlining the long-standing debates within the field about whether grantmaking should be considered and treated as a profession and whether creativity is a welcome attribute of grantmakers.

Building a Field

Many philanthropists talk about their ambitions to contribute to change in a “field.” The paper by Larry Hirschhorn and Thomas Gilmore, titled *Ideas in Philanthropic Field Building: Where They Come from and How They Are Translated into Actions*, offers an unusual set of concepts about how grantmakers can contribute to their fields by identifying intellectual

currents and innovative practices, and framing and marketing issues. This paper speaks particularly to the methods that foundations can adopt to help ensure that program staff are on top of their fields and to think about how current ideas can become program initiatives. The authors suggest methods that enable philanthropists to think about a portfolio of grants as an investment strategy to affect a field's development or evolution.

Building Organizational Capacity

Building the capacity of nonprofit organizations is a growing interest of foundations—and one of the key reasons that foundations engage intermediary organizations and outside consultants—yet relatively little is known about the effectiveness of these efforts. The first step in gauging effectiveness is to understand what is actually being done. Paul Light and Elizabeth Hubbard report that between 1994 and 2000, foundation investments for “management development” of nonprofits and technical assistance to these grantees increased from 2.1 to 2.8 percent of all foundation giving and from \$132 million to \$422 million in foundation investments. In their paper, *The Capacity-Building Challenge: A Research Perspective*, these authors bring together new survey data on grant programs for capacity-building with existing data on nonprofit management to sketch an emerging strategy. While providing a look at what eight key foundations are doing in capacity-building grantmaking, they recommend further analysis of foundation-supported capacity building programs to understand what is being supported. They also recommend measuring the outcomes of capacity-building efforts—a task they recognize as challenging, but which they frame in a useful way for those funders who would take up the challenge.

Barbara Kibbe offers *A Funder's Response* to the capacity-building challenge, bringing the perspective of a funder with direct experience working with grantees to build their capacity. Echoing the Light/Hubbard call for measurement and knowledge building, she notes that “those who believe deeply in the benefits of capacity-building work are being asked to prove it” and, further, “every funder of capacity building, from the modest to the gargantuan, can (and should) contribute in a meaningful way to building urgently needed knowledge” in this area. She describes the foundation-funded capacity-building endeavor as a proliferating experiment ripe for reflection. She calls for a more systematic approach to enable learning about what works and when and presents a four-step process to serve this purpose.

Communications for Social Good

How can foundations take better advantage of their communications resources to support their social policy goals? Susan Nall Bales and Franklin D. Gilliam, Jr. examine foundations' use of communications in *Communications for Social Good* and suggest that foundations are often missing important opportunities to leverage their social change goals through

work with communications media, strategies, and techniques to shape opinion. These authors build on recent social science research emphasizing that real social change involves changing the way people think about social problems and solutions. They review the main schools of thought and practice in the communications field and use foundation examples to build their discussion of applying ideas and practices to magnify the results of philanthropic investments.

Foundation Partnerships

In *Philanthropies Working Together: Myths and Realities*, Robert Hughes takes up the question of foundation “individualism.” Support for cooperation—or at least coordination—is the prevailing rhetoric of the field. The reality is that foundations are extraordinarily independent institutions and that cooperation and coordination are unusual and difficult. Hughes examines the differences between the rhetoric and the real incentives and benefits of different types of philanthropic work in concert, and suggests when it pays off for most foundations and when it does not.

Evaluation

The use of evaluation in philanthropy is considered by Patricia Patrizi in *Rethinking Foundation Evaluation from the Inside Out*. Patrizi finds that when evaluation is primarily employed to hold grantees and program officers accountable for their performance and their decisions, the organizational tensions surrounding the evaluation function are significant and often counterproductive. There are difficulties in integrating the evaluation function in foundations and in using evaluation-based knowledge—difficulties that are not readily resolved structurally. In other words, different ways of positioning the evaluation function within foundation organizations do not seem to lessen the tensions or improve the contribution that evaluation is seen to offer. Patrizi suggests that the “rethinking” needs to focus on the purpose of evaluation in philanthropy. She argues that foundations should look outside themselves to the fields of endeavor they support for the primary benefits and benchmarks of evaluation.

Series Development and Contributors

While practices, tactics, and strategic thinking are the focus of the papers in this collection, the underlying themes are reflection and learning—how people in philanthropy get better at what they are attempting to do and how the field as a whole improves. Documenting practice, codifying it, analyzing it, and turning it into lessons constitute an initial step toward improvement, but the authors of the papers in this collection offer something more—a collective vision of excellence. With this body of work, philanthropy can more readily be seen as a profession in which grantmakers and foundation leaders learn from the experiences of those

who preceded them and those who are working in other organizations. This is what the originators of *Practice Matters: The Improving Philanthropy Project* had in mind: Instead of every foundation and every grantmaker having to reinvent effective practice, could we not begin to build the craft through discussion, documentation, dissemination, and reflection?

The first step in discussion involved panels of peer reviewers who came together to critique early drafts of each paper. These review panel meetings became seminars on each topic at hand, and they demonstrated that learning communities could evolve as people had the opportunity to work with the material and with each other. The project experience with the panels reinforced the idea that there was a collective wisdom in the minds of foundation staff. The discussion guides that accompany each paper in the series are an attempt to help replicate this review panel/seminar experience for others who might be working with the material. These discussion guides are intended to help readers think through the issues raised in the papers and determine how they might be applied in the everyday practice of philanthropy. The goal is to bring the papers to life so that the innovative strategies recommended by the authors become part of the philanthropic craft.

Practice Matters: The Improving Philanthropy Project is truly a collective effort, made possible through the generous involvement of dozens of organizations and individuals. We are deeply grateful to the five foundations that supported the project: The Robert Wood Johnson, James L. and John S. Knight, David and Lucile Packard, and Ewing Marion Kauffman Foundations and the California Endowment. We are indebted to Laura Leviton, who, as a relatively new program officer at the Robert Wood Johnson Foundation (RWJF), took the brave step of becoming the first to recommend support of this effort when there were no equivalent attempts to organize information broadly throughout foundations. Bob Hughes, also at RWJF, has given his intellectual support, time, commitment, and unwavering backing, especially at the most critical times. Jim Knickman from RWJF was a constructive skeptic, who ultimately made the product better. Thanks are also due to Frank Karel, formerly at RWJF, for doing what he does best, communicating ideas to others, and for his instrumental help in our receiving support from other foundations.

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