

**Fall 2011**

**URBS 404**

**THE THIRD SECTOR AND THE CITY:**

**PHILANTHROPY AND NONPROFITS AND THEIR ROLE**

**IN URBAN COMMUNITIES**

**Instructors:** Douglas Bauer, Executive Director, The Clark, Scriven and Fernleigh Foundations

Greg Goldman, Vice President of Development, The Philadelphia Zoo

**E-mail:** [dbauer@clarkest.com](mailto:dbauer@clarkest.com) and [Goldman.greg@phillyzoo.org](mailto:Goldman.greg@phillyzoo.org)

**Phone:** Doug: 212.977.6900, ext 222 Greg: 215.243.5673

**Office Hours:** by appointment

**Location:** 410 McNeil

**Time:** Thursdays, 5:30 – 8:15 p.m.

“To give away money is an easy matter 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. Hence, it is that such excellence is rare, praiseworthy and noble.”

- Aristotle, 384-322 BC

“I hear that in New York  
A man stands on the corner of Broadway and 26<sup>th</sup> Street  
Every evening during the winter months  
And procures for the homeless who gather there  
By entreating passersby a place for the night.

The world is not thereby made different  
Relations between human beings are not improved  
The age of exploitation is not thereby shortened  
But a few men have a place for the night  
The wind is kept away from them one night long

The snow destined for them falls in the street

Don't put the book down yet, you who are reading it, man!

A few people have a place for the night  
The wind is kept away from one night long  
The snow destined for them falls in the street  
But the world is not thereby made different  
Relations between human beings are not thereby improved

The age of exploitation is not thereby shortened.”

- Bertolt Brecht, “Places for the Night”, 1931

“Living just enough for the city...”

- Stevie Wonder, 1973

“Will our economic success make us more generous or more self-absorbed? More idealistic about the aspirations of the founding fathers and the work of our forefathers in making American life what we so comfortably inherit? Or will the diminished need to struggle as hard as other generations lessen our imagination about how to address the needs of others and fix what is still broken in our society? Either society is possible. One will build our society; the other will erode and slowly degenerate it over the first few decades of the twenty-first century.”

- Claire Gaudiani, 2003

\* \* \*

There are many forces that keep cities vibrant and livable. There are many forces that are clearly visible and acknowledged – government and commerce – for the good that they provide. But there are other forces that are not so readily acknowledged, and yet, play a key role in ensuring that a city not only works but is a strong community of civility, health, education, and culture.

It is the combination of nonprofits and philanthropic funds that fuels this latter work. In Philadelphia, nonprofits and philanthropy have had a long history of activity and action. Currently, there are 7,000 nonprofits in Greater Philadelphia (and over 1,500,000 in the U.S.) and over \$6 billion of endowed funds dedicated to philanthropic endeavors. Indeed, the largest employer in the City of Philadelphia is a nonprofit. Answer: The University of Pennsylvania.

Much is expected of this so-called third sector. Not only to provide shelter for the night for the homeless that Brecht describes, but also to tackle more complex issues such as minimizing the state of many poor people in urban communities today. Fair or unfair, nonprofits and philanthropy are being asked to try and fill the growing chasm between the haves and have-nots. In addition, the third sector is called on to tackle issues that

government cannot address or is not willing to address, thanks to a maddening collision of current and prevailing political attitudes. This is quite a challenge. Some say it impossible; the challenge is far too steep. Others argue that this country's nonprofits are dynamic and resilient and can indeed meet the challenge – by being deeply connected to the communities they serve and being nimble enough to provide the services that are truly needed.

Some key questions for the class to consider:

- Is the third sector a viable answer – a panacea – to many of the problems that hinder urban communities?
- What would true public-private-nonprofit partnerships that can provide various services to the less fortunate look like?
- What tools, tactics, strategies are needed to ensure that the third sector can continue in its endeavors?
- Is there enough philanthropy to go around? Where is it going? Why is it going there? What is the proper process to make sound decisions about where dollars are being provided?

This class explores this energetic sector and its impact on urban communities. While much can be learned and gained from reading and reviewing various books, articles, and websites, the instructors strongly believe in bringing the class into the community and see various projects but also to meet and engage with the leaders behind these efforts. We hope (and plan) that the class is a bridge between theory and practice. Both inform each other. We are deeply fortunate that Philadelphia provides such a full array of organizations and programs that are committed to tackling and solving issues and problems that confront us as a community. We are also fortunate that you will have the real challenge of making decisions about where \$100,000 in grant money will be allocated in the community.

The instructors hope that by the end of the class and the semester, students will know what it means when Stevie Wonder aurally describes “living just enough for the city.” And that there is a confederation of people, groups and organizations that are doing the best they can to ensure that, and perhaps, just a little bit more.

## **COURSE FORMAT**

This will be an active two-and-a-half hour class. The instructors have knowledge and experience to impart, but very much see themselves as facilitators. We will keep lecturing to a minimum. In the course of the semester, we will read various books, articles, and documents and **discuss** them. Be ready to do so. You will meet leaders from the nonprofit and philanthropic community. Be ready to **engage** them. In the course of the semester, you will visit projects or programs in Philadelphia. Be ready to **observe**.

Again, we really want to use the class experience as a bridge between theory and practice. The readings we discuss in class and the speakers we invite into the class complement each other. We will spend time in each session exploring the readings and interacting with the speakers.

This course is not for the student who wants to receive information and then simply present it back in the form of papers. We are looking for students who want to engage with the material and the people in this vibrant sector. Class participation is vital and will count toward your overall grade (see next section). Get to know your classmates as the journey in this work is better understood and enjoyed by shared experience.

## COURSE REQUIREMENTS

There are three major components for this course.

- I. **Class participation.** Class attendance and preparation are critical. All of us bring different perceptions and ideas to this dialogue about cities and how they function. Prepare for each class by reviewing the readings, and be ready to provide an open and comfortable atmosphere in which to share comments and participate.
- II. **Mid-term papers.** Two papers of a maximum of seven pages each will be required. Each paper will apply themes, ideas, constructs, etc found in urban communities, nonprofits and philanthropy.
  - **First paper (due October 20)** In the first six sessions we explored various challenges and opportunities facing the country's third sector. As you think about these challenges and opportunities, and reflect on discussion from class, what do you think are the most critical items? Why? Pick one challenge and one opportunity and provide analysis on why you see them as a major dynamic that will have a positive or negative influence on nonprofits and philanthropy in the U.S. It is expected for you to refer to readings (at least three) that have been assigned and to use them in your papers.
  - **Second paper (due November 17)** Based on the second section of the class, and in particular the case studies with The Barnes Foundation/The Philadelphia Museum of Art, KIPP and Nueva Esperanza, develop a proposal that you think would secure the active support of a specific foundation or corporate giving program in Greater Philadelphia for one of these three organizations. What kind of support are you asking for? Why? Is it a key program strategy? Is it advocacy of some kind? Is it a plea for general operating support? Why is your case compelling? How can (or will) this grant money leverage other support? How will success be measured? Are real needs being met? How can you demonstrate this? How are you sure that it specifically meets the guidelines of that particular funding organization? To

assist you in developing the proposal, use the Common Grant Application Form of Delaware Valley Grantmakers, which you can download from [www.dvg.org](http://www.dvg.org).

**III. Final project (due December 21)** Students in the class will be broken up into four teams. Each team will be tasked with establishing a private foundation. Each team will be provided \$25,000 to give in the form of grants to nonprofits based in the City of Philadelphia. Each team will have to develop a vision, mission and a set of grantmaking guidelines that will, in turn, help to focus the team on what issues and nonprofits they intend to support and why. The second step of the project will be to identify a group of nonprofits to support. Each nonprofit you intend to support must be reviewed by the team or a team member. All aspects of the nonprofit – mission, program effectiveness, capacity of management and board to lead the organization, and fiscal strength – must be considered before providing a grant. At the final class of the semester, December 8, each team will make a presentation on their foundation and what grants they have made and why. Each team will be allotted 20 minutes in which to make their presentation and defend their grants. Each team will provide to the instructors a paper in the form of the memo (15 pages maximum) describing their foundation and its work as well as write-ups of the grant recommendations. The grade on the final project will be based on the content of the memo AND the strength of the presentation. Each team member will receive the same grade so teamwork will be essential.

Along with the content of the papers, the papers will be graded for clarity and sharpness of the ideas articulated. If you have some doubt about your ability to express your ideas appropriately, please see the instructors. We will make sure you are connected with a Penn writing fellow. We would also suggest reading two fine books on writing. Both are classics and indispensable when it comes to mastering the written word. They are Elements of Style by E.B. White and On Writing Well by William Zissner.

**Your final grade will be calculated as follows:**

<b>Final project:</b>	<b>1/3</b>
<b>Two mid-term papers</b>	<b>1/3</b>
<b>Class attendance and participation</b>	<b>1/3</b>

### **COURSE READINGS**

We have selected six texts (all in paperback) for the course and they are as follows:

Collins, Good to Great and the Social Sector

Crutchfield and McLeod, Forces for Good

Drucker, Managing the Nonprofit Organization

Fleischman, The Foundation: A Great American Secret and How Private Wealth is Changing the World

Marino, Leap of Reason: Managing to Outcomes in an Era of Scarcity

Vonnegut, God Bless You, Mr. Rosewater

The books are available at the Penn Book Center, 130 South 34<sup>th</sup> Street (at Sansom Street). Marino's "Leap of Reason" can be downloaded for free at [www.leapofreason.org](http://www.leapofreason.org).

We have decided to forgo the bulkpack as it unnecessarily expensive. Instead the instructors will hand out various readings/handouts at class for the next class and/or will be available via Blackboard. The additional readings are essential to comprehending the content of the class.

Finally, we urge you to stay on top of current events by reading the Philadelphia Inquirer or the New York Times. There will be topical events that will contribute to the richness of class discussions. We will use them and expect you to be aware of them.

Fall 2011 – URBS 404

## SYLLABUS

### SECTION ONE – AN EXPLORATION OF THE THIRD SECTOR

#### September 8 – Week One

- Introductions and what you bring to the class
- Course Overview
- What you hope to get out of the class
- Foundation exercise

#### September 15 – Week Two

##### Topic: Overview on the Third Sector

- Fleischman, Chapter 2
- NCNA Statistics
- Sievers, “Tale of Three Cities”
- Singer, “What Should a Billionaire Give – and What Should You?”
- Sorkin, “The Mystery of Job’s Public Giving”
- Download: Chicago, “Dialogue – Parts I and II”; Amos Lee, “Listen”

#### September 22 – Week Three

##### Topic: Nonprofits and Nonprofit Management -- Part I

- Collins, Good to Great and the Social Sector
- Drucker, Managing The Nonprofit Organization
- Download: Jefferson Airplane, “Volunteers”

#### September 29 – Week Four

##### Topic: Nonprofits and Nonprofit Management -- Part II

- Morino, Leap of Reason
- Crutchfield and McLeod, Forces for Good, Pages 1-81 and Chapter 9
- HBS Case Study: Historical Society of Pennsylvania
- Download: Harold Melvin and the Bluenotes, “Wake Up Everybody”; Fitz and the Tantrums, “Dear Mr. President”

## **October 6 – Week Five**

### **Topic: Philanthropy and Grantmaking – Part I**

- Carnegie, “The Gospel of Wealth”
- Fleischman, Pages 1-71

## **October 13 – Week Six**

### **Topic: Philanthropy and Grantmaking 101 – Part II**

- Fleischman, Chapters 5-8
- Specter, “What Money Can Buy”
- Vonnegut, God Bless You Mr. Rosewater
- GSB Stanford Case Study: Skoll Foundation

## **October 20 – Week Seven (FIRST PAPER DUE)**

### **Topic: Business and its Role in the Community and the World**

- Doane, “The Myth of CSR”
- Hoyt, “Case Study: Corporate Philanthropy at Cisco”
- Nocera, “Diamonds Are Forever in Botswana”
- Porter/Kramer, “The Competitive Advantage of Corporate Philanthropy”
- Prosser/Roose, “A Philanthropic Recession”
- Download: Midnight Oil, “Blue Sky Mine”

## **SECTION TWO – CURRENT REALITIES**

## **October 27 – Week Eight**

### **Topic: Case Study #1 -- Arts and Culture/The Barnes Foundation and The Philadelphia Museum of Art**

#### **Individual Field Trip: Philadelphia Museum of Art (PMA)**

- Documentary Film: “The Art of the Steal”
- [www.philamuseum.org](http://www.philamuseum.org)

- [www.barnesfoundation.org](http://www.barnesfoundation.org)

### **November 3 – Week Nine**

**Topic: Case Study # 2 – K-12 Education/KIPP Academy**

**Class Location: KIPP Academy  
2709 North Broad Street (@ Lehigh)  
North Philadelphia**

**Guest Speakers: Marc Manella, CEO and Shawna Wells, Senior  
Director of Development**

- Readings to be distributed
- [www.kippphiladelphia.org](http://www.kippphiladelphia.org)
- Download: Bob Dylan, “These Times Are A Changing” and “Masters of War”

### **November 10 – Week Ten**

**Topic: Case Study #3 -- Human Services/Nueva Esperanza**

**Class Location: Nueva Esperanza  
4261 North 5<sup>th</sup> Street  
North Philadelphia**

**Guest Speaker: Rev. Danny Cortes, Executive Vice President**

- Readings TBD
- [www.esperanza.us](http://www.esperanza.us)
- Download: Gil Scott-Heron, “The Revolution Will Not Be Televised”; Marvin Gaye, “Inner City Blues (Make Me Want to Holler)”

### **November 17 – Week Eleven (SECOND PAPER DUE)**

**Topic: Strategic Philanthropy and Mission-Related Investing**

**Guest Speaker: Nadya Shmavonian, President, Public/Private Ventures**

- Fleishman, Chapters 10, 11, and 12
- Godeke with Bauer, [Philanthropy’s New Passing Gear: Mission-Related Investing, A Policy and Implementation Guide for Foundation Trustees](#)

- Porter and Kramer, “Philanthropy’s New Agenda: *Creating Value*”
- Post and Wilson, “Too Good to Fail: The Collapse of ShoreBank”

**November 24 – NO CLASS -- THANKSGIVING**

### **SECTION THREE -- THE FUTURE OF THE THIRD SECTOR**

**December 1 -- Week Thirteen**

#### **Making the Third Sector Work and Organized Philanthropy’s Role**

- Willgerodt, “Faith, Hope and Social Change: One Year After Katrina and Rita”
- Download: Sam Cooke, “A Change is Gonna Come”

**December 8 – Week Fourteen – Final Class**

- Team Presentations
- Final Thoughts and Closing Comments

**December 21 -- FINAL PROJECT MEMO DUE!**

#### **About the Instructors:**

**Doug Bauer** is Executive Director of The Clark Foundation. The Foundation focuses on helping individuals out of poverty and then leading independent and productive lives, and supports nonprofits and programs in New York City and Cooperstown, NY. Doug manages not only the Clark Foundation but is also executive director of the Scriven and Fernleigh Foundations. Together, the three foundations have assets over \$600 million and invests over \$30 million in grants, scholarships and programs annually. Prior to Clark, Doug was a Senior Vice President with Rockefeller Philanthropy Advisors (RPA) from 2002 to 2009 and led the organization’s Strategic Initiatives Team. Prior to joining RPA, he was a Vice President at Goldman Sachs and President of the Goldman Sachs Philanthropy Fund, the firm’s charitable gift fund. From 1997 to 2000, Doug was Director of Community Partnership at SmithKline Beecham (now GlaxoSmithKline) and Executive Director of the SmithKline Beecham Foundation, where he focused on community-based health care around the world. From 1992 to 1996, Doug was a Program Officer for Culture at the Pew Charitable Trusts. And from 1988 to 1992, he managed the Scott Paper Company Foundation.

Doug's opinions and ideas on philanthropy have been featured in the *Associated Press*, *The Chronicle of Philanthropy*, *Contribute*, the *Financial Times*, the *Los Angeles Times*, *The New York Post*, *Stanford Social Innovation Review*, *The Wall Street Journal* and on NPR and CNBC. Doug co-authored, with Steven Godeke, *Philanthropy's New Passing Gear: Mission Related Investing, A Policy and Implementation Guide for Foundation Trustees*. Doug chairs Philanthropy New York and serves on boards or committees for Children's Health Fund, Confluence Philanthropy and the Melalucca Foundation. He is also an adjunct faculty member at the Columbia Business School.

Doug is a graduate from Michigan State University. He also holds a M.S. from Penn and a M.J. from Temple University.

**Greg H. Goldman** has just joined The Philadelphia Zoo and is Vice President of Development and will be a member of the senior management team. America's oldest zoological park, The Philadelphia Zoo is also acknowledged as one of the world's best. Prior to joining the Zoo, Greg was Executive Director of the Delaware Valley Regional Economic Development Fund. From 2008-2010, He was CEO of The Digital Impact Group (formerly known as Wireless Philadelphia), a City-wide initiative focused on Digital Inclusion -- a major effort designed to extend Internet access and quality Internet content to low income families and small businesses across Philadelphia. Other executive positions include Vice President of Korman Communities, a Philadelphia-based residential real estate company and Executive Director of MANNA, a local organization that delivers nourishment to people living with HIV/AIDS. During his six-year tenure, the organization's service capacity and budget more than doubled, and its reach extended to include all 11 counties of the tri-state region.

From 1992 to 1998, Greg was the Senior Program Officer at The Philadelphia Foundation, where he directed financial resources to dozens of community based organizations throughout the City and region. He directed the \$1.5 million Summer Career Exploration Program, coordinated the selection process for the Williams Award for Organizational Excellence, and served as the Chair of the Skills Building Working Group of Delaware Valley Grantmakers.

Goldman also served as Program Officer at the Field Foundation of Illinois, and as a consultant to several philanthropic organizations in Chicago, including the Lawyers Trust Fund of Illinois, the Illinois Facilities Fund, and the corporate giving program of Marshall Field's, Chicago's leading retailer. He was chair of the Poverty Task Force of the Donor's Forum of Chicago.

A Phi Beta Kappa graduate of Northwestern University, Greg holds a Master's Degree in public policy from the University of Chicago. He is also the recipient of the prestigious Eisenhower Fellowship, an international professional development program for emerging community leaders.

