

**Spring 2014**

**NPLD797/URBS 404**

**PHILANTHROPY AND THE CITY:  
CHARITABLE GIVING AND ITS ROLE  
IN URBAN COMMUNITIES**

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“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

“What is the use of living, if it be not to strive for noble causes and to make this muddled world a better place for those who will live in it after we are gone?”

- Winston Churchill, 1908

“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

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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 functions 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 alleviating poverty 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.

What sustains the nonprofit sector is revenue from government, business, and private individuals. For close to a century, federal, state and local governments have paid nonprofits to deliver services and programs of all kinds. Philanthropic support from corporations, foundations and private citizens has provided nonprofits with funds to nurture social, cultural and environmental innovations. The testing of new ideas -- entrepreneurial ideas -- that can positively change the way human beings are treated or help neighborhoods become transformed are fueled by philanthropy.

According to Giving USA, \$316 billion was given to charities in 2012 (and approximately \$500 million was given to Greater Philadelphia-based nonprofits). And while it may appear to be easy to give money away, it is, as Aristotle pointed out some 2300 years ago, not an easy matter, and ever more challenging today. The reasons for this are complex. Some are contextual: the nonprofit sector has dramatically changed since the recession of 2008. Some are analytical: Will poverty be alleviated through access to capital, education, health, or responsive government? Some are issue-based: How one supports K-12 education reform efforts is surely very different than how one supports the arts or environmental groups. And some of the reasons are very much determined by the ability (or lack thereof) of the nonprofit itself to deliver outputs, outcomes and/or impact -- however those elements are to be defined by the nonprofit itself let alone other stakeholders.

This class explores philanthropy 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. And thanks to a generous gift from The Once Upon A Time Foundation, we are also fortunate that you will have the real challenge of making decisions about where \$50,000 in grant money will be allocated to nonprofits in the community. The opportunity to provide grants in this manner is, indeed, unique. This class at Penn is only

one of a handful in the United States that will be provided resources of this kind so that the students can participate in philanthropy that is “real time/real life.”

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 nonprofit managers, philanthropists, 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 three 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-course Assignments:**
  - **Context Paper (due February 27)** In the first six sessions we explored various challenges and opportunities facing the country’s third sector and philanthropy’s role in either ameliorating the challenges, or leveraging the opportunities. As you think about these challenges and opportunities, and

reflect on discussion from class, do you think donors are investing wisely? Are they getting a “return”? Are they generating impact? Pick a challenge OR an opportunity and provide analysis on whether you observe philanthropic investment having a positive or negative influence. It is expected for you to refer to readings (at least three) that have been assigned and to use them in your papers.

- **Philanthropic Framework (due March 20)** See below.

**III. Final project (due April 17 and 30)** Students in the class will be broken up into five teams. Each team will be tasked with establishing a private foundation. Each team will be allocated \$10,000 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. This Philanthropic Framework will be due on March 20 and each group will have to present their framework to the rest of the class for feedback.

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, April 17, each team will make a presentation on their foundation and what grants they have made and why. Each team will be allotted 30 minutes in which to make their presentation and defend their grants. Each team will provide to the instructors a copy of their presentation 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 collaboration and esprit de corps will be essential.

Content of the papers and presentations 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>40%</b>
<b>Philanthropic Framework</b>	<b>20%</b>
<b>Context Paper</b>	<b>20%</b>
<b>Class attendance and participation</b>	<b>20%</b>

## **COURSE READINGS**

We have selected eight 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

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

Frumkin, Strategic Giving: The Art and Science of Philanthropy

Godeke with Bauer, Philanthropy's New Passing Gear: Mission-Related Investing

Hunter, Working Hard and Working Well

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

Zunz, Philanthropy in America

The books are available at the Pcnn Book Center, 130 South 34<sup>th</sup> Street (at Sansom Street). Hunter's "Working Hard and Working Well" and Marino's "Leap of Reason" can be downloaded for free at [www.leapofreason.org](http://www.leapofreason.org). Godeke/Bauer monograph can be downloaded for free at [www.rockpa.org](http://www.rockpa.org).

Various readings and handouts will be made 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.

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## SYLLABUS

### SECTION ONE: CONTEXT IS EVERYTHING

#### January 16 – Week One

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

#### January 23 – Week Two

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

- An abridged history of philanthropy and the nonprofit sector
- Edelman, “Poverty in America: Why Can’t We End It?”
- Fleischman, Chapter 2
- Gravelle and Sherlock, “2009 Congressional Research Service Report for Congress: An Overview of the Nonprofit and Charitable Sector”
- National Council of Nonprofits, “2014 Nonprofit Trends to Watch”
- Sievers, “Tale of Three Cities”
- Singer, “Good Charity, Bad Charity”
- Sorkin, “The Mystery of Job’s Public Giving”
- Download: Chicago, “Dialogue – Parts I and II”; Amos Lee, “Listen”

#### January 30 – Week Three

##### **Topic: Overview on Nonprofits and Nonprofit Management**

- Collins, Good to Great and the Social Sector
- Morino, Leap of Reason (Introduction, Pages 1-74, 95-98, 105-110)
- Morino, “Relentless”
- Crutchfield and McLeod, Forces for Good, Pages 1-81 and Chapter 9
- HBS Case Study: Historical Society of Pennsylvania
- Download: Fitz and the Tantrums, “Dear Mr. President”; Harold Melvin and the Bluenotes, “Wake Up Everybody”; and Jefferson Airplane, “Volunteers.”

## SECTION TWO: GIVING IT AWAY

### February 6 – Week Four

#### Topic: Philanthropy 301 – Part I

- Carnegie, “The Gospel of Wealth”
- Fleischman, Pages 1-71
- Soros, “My Philanthropy”
- Specter, “What Money Can Buy”
- Zunz, Philanthropy in America, Chapter 1
- CBS Case Study: De LaSalle Academy

### February 13 – Week Five

#### Topic: Philanthropy 301 – Part II

#### Guest Speaker: Nadya Shmavonian, Trustee, The Lenfest Foundation and Consultant to Private Foundations

- Bernholz, “Philanthropy and the Social Economy: Blueprint 2014”
- Fleischman, Chapters 5-8
- Reich, “What are Foundations For?”
- Stid, Powell, and Ditkoff, “Philanthropy in the New Age of Government Austerity”
- Zunz, Philanthropy in America, Chapter 4
- GSB Stanford Case Study: Skoll Foundation
- Select Topic Areas and Teams

### February 20 – Week Six

#### Topic: Foundation Workshop I

#### Guest Speaker: Nikka Landau, former student

- Develop a Mission Statement and Giving Guidelines
- How to Develop Proposals and Conduct Site Visits
- Develop Schedule to Accomplish Work
- Review websites of William Penn Foundation, The Philadelphia Foundation, The Lenfest Foundation and The Fels Fund
- Team Time for discussion of above topics

**February 27 – Week Seven (FIRST PAPER DUE)**

**Topic: Strategic Philanthropy**

**Guest Speaker: Peter Frumkin, Professor of Public Policy, School of Social Policy and Practice**

- Fleishman, Chapters 10, 11, and 12
- Frumkin, Strategic Giving: The Art and Science of Philanthropy
- Porter and Kramer, “Philanthropy’s New Agenda: *Creating Value*”

**March 6 – Week Eight**

**Topic: Impact Investing**

- Godeke with Bauer, Philanthropy’s New Passing Gear: Mission-Related Investing, Pages 8-17, 17-26, 52-69, Appendices 3 and 4
- Miller, “The World Has Changed and So Must We: Heron’s Strategy for Capital Deployment”
- Post and Wilson, “Too Good to Fail: The Collapse of ShoreBank”
- [www.socialfinanceus.org](http://www.socialfinanceus.org), “What is a Social Impact Bond?”

**March 13 – NO CLASS (Spring Break)**

**March 20 – Week Nine (Philanthropic Framework Due)**

- Team presentations

**SECTION THREE – CURRENT REALITIES (VIA TWO REAL LIFE CASE STUDIES)**

**March 27 – Week Ten**

**Topic: Case Study #1 – Conservation and Sustainability**

**Class Location:       The Philadelphia Zoo  
                              Fairmount Park  
                              West Philadelphia**

**Guest Speaker: Vik Dewan, President and CEO**

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

**April 3 – Week Eleven (SECOND PAPER DUE)**

**Topic: Case Study # 2 – Education**

**Class Location: KIPP Philadelphia  
5900 Baltimore Ave  
West Philadelphia**

**Guest Speaker: Marc Mannella, CEO and Founder**

- Readings to be distributed
- [www.kippphiladelphia.org](http://www.kippphiladelphia.org)

**April 10 -- Week Twelve**

**Foundation Workshop II**

- Review Proposals and Notes from Site Visits
- Develop System of Voting and Selecting Grantees
- Outline 4/17 Presentation and Final Write-ups
- Assign Work to Team Members
- Download: Sam Cooke, “A Change is Gonna Come”; Gil Scott-Heron, “The Revolution Will Not Be Televised”; and Marvin Gaye, “Inner City Blues (Make Me Want to Holler)”

**April 17 – Week Thirteen – Final Class**

- Team Presentations
- Final Thoughts and Closing Comments

**April 30 -- 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 \$700 million and provides 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 CNBC, NPR and PBS. Doug co-authored, with Steven Godeke, *Philanthropy's New Passing Gear: Mission Related Investing, A Policy and Implementation Guide for Foundation Trustees*. Doug is a past chair of Philanthropy New York and current chair of its Public Policy Committee and also 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 of Michigan State University. He also has a M.S. from Penn and a M.J. from Temple University.

**Greg H. Goldman** joined The Philadelphia Zoo in 2011 and is Vice President of Development and is a member of the Zoo's 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.

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