MLD 805 / SOC 152
PHILANTHROPY AND PUBLIC PROBLEM-SOLVING

Spring 2013
Tuesday/Thursday 2:30pm-4:00pm L-130 (Harvard Kennedy School)

Instructors:

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Course Objectives and Content

This course is intended for students of Harvard College and Harvard Kennedy School to explore the role of the nonprofit sector and philanthropy in public problem-solving. The students will have a unique experiential opportunity associated with this course. The Once Upon a Time foundation has provided a gift of grant money that the students will be able to give to nonprofits. Assuming more than 20 students in the course, the foundation will provide $100,000 in grant money. The course is designed to introduce students to philanthropy and public problem solving--preference will be given to students with a demonstrated interest in philanthropy and public problem solving and who are looking to have a deeper understanding of the context in which philanthropy is applied but may have limited prior exposure. In addition to the readings and class discussions, the assignments for the course will involve the analysis and decision-making for the grantmaking.

The course will provide a grounding in the history, theories and roles of the nonprofit sector and philanthropy, including the following topics:

- The history and current dimensions of the nonprofit sector and philanthropy
- The relationship between the nonprofit sector and government
- Strategic philanthropy: alignment of who, what, where, when, why, how
- Organizational assessment; Program evaluation
- Private action for public good – what is impact?

We will use the greater Boston area as the focus for learning about public problem-solving and for the grants. The reason for this is to explicitly ground the grantmaking in the Harvard environment and to limit the universe for analysis for the assignments. The students will be put into teams, and may choose a public problem area from a list developed by the instructors. Examples are: 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, systemic poverty.

Key questions to be addressed within a problem area will be:

- Who is involved in solving this problem? How is it done?
- Where are the strengths and weaknesses? Ideas? Dissemination? Advocacy? Program support and implementation? Sustaining institutions? Going to scale?
- What are the policies and theories that underpin the interventions?
- Are the interventions aligned with the publics served?
- To what extent do institutional arrangements and relationships enhance or detract from solving the problem?

Pedagogy

The classes will be divided into topic discussions and workshop sessions on the problem analysis. We will use book chapters, articles and teaching cases. We will bring in a few speakers with perspectives on the nonprofit sector and philanthropy in Boston. We will also equip students with skills related to team work, researching needs assessments, mapping institutions and philanthropy, social policy.

The Grantmaking

Students will think first about their purpose: what are they going to accomplish in this course? We will develop the relevant facts (one-time gift, team concept), principles, and ethics. We will cover potential conflicts of interest to avoid (sorry Harvard!). We will set aside a portion of the grant money to be decided by the class as a whole based on final analysis and recommendation presentations.

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.

There is a book recommended for purchase: ***The Life You Can Save***, Peter Singer. It is widely available including at The Coop. Certain cases and readings will be provided on the course website. Due to copyright laws, certain materials cannot be distributed in this fashion. Therefore, we have prepared important course packets available at the Kennedy School Course Material Office (CMO) in Belfer G-6 for purchase. A few copies of the packets and the Jim Collins' Monograph **Good to Great and the Social Sectors: Why Business Thinking Is Not The Answer** will be in reserve at the HKS library. The material will be available in three packets. Packet 1 is all materials not available on-line or on the course website for the first two weeks of the class, Packet 2 will contain the required readings for the rest of the course, and Packet 3 will enclose the optional readings.

There will be short graded interim assignments for individuals 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. Examples of briefing books can be found at Briefing Book Guide (on class website).

There are several ungraded assignments to keep us informed of your processes.

Boston NGO Site Visits – As part of this class, students will be required to make 1 of 5 scheduled site visits to local nonprofits (ROCA, Urban Edge, Family Independence Initiative, Dorchester Bay Economic Development Corporation, and Women's Lunch Place). The purpose of these visits is to give students a unique opportunity to ask the leaders of these front line service organizations questions about the challenges and opportunities in running a nonprofit. These "off the record" intimate conversations will provide the class with additional context to understand the unique ecology surrounding the Boston philanthropic sector.

Determination of Grade

The final grade for the class will be calculated as follows:

- Problem Mapping (due March 1), *individual*: 10%
- Progress Report (due March 26), *individual*: 10%
- Strengths, Weaknesses (due April 2), *individual:* 10%
- Briefing (April 18 or 23), *team*: 15%
- Briefing response (April 19 and 24), *team*: 10%
- Final Briefing book (due by 5pm Friday May 3), *team:* 25%
- Class participation, *individual*: 20%

Classes, Assignments and Topics

Class 1: Tuesday, January 29 – Introduction, Philanthropy's Great Potential, Voices from the Past and Present and Forming Your Own Framework for Giving
Lead Faculty - Letts

Class Objective: An early 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,* **CP1**
  Chapter 2: The Problem of the Administration of Wealth, **Skim** pp. 10-17;
  Chapter 3: the Advantages of Poverty, pp. 25-31.
- Ott, J. Steven and Dicke, Lisa A., editors*, The Nature of the Nonprofit Sector,* **PDF**
  Chapter 24: Doing Good, pp. 291-296.
- Singer, Peter, *The Life You Can Save: How to Do Your Part to End World Poverty,* Chapters 1-5, pp. 1-78. **N.B.** ***There are a lot of pages, but this is a quick read! Do not spend a lot of time on this.***
- Bellafante, Gina, "Big City: Bulk of Charitable Giving Not Earmarked for the Poor," *The New York Times*, September 8, 2012. http://www.nytimes.com/2012/09/09/nyregion/bulk-of-charitable-giving-not-earmarked-for-poor.html?_r=1
- Gates, Bill. Commencement Speech, Harvard University, Cambridge, MA, 2007. http://www.networkworld.com/news/2007/060807-gates-commencement.html
- Preston, Caroline, "Steve Jobs Found Much to Dislike about Philanthropy," *The Chronicle of Philanthropy,* The Giveaway, October 28, 2011. http://philanthropy.com/blogs/the-giveaway/steve-jobs-found-much-to-dislike-about- philanthropy/909
- Pallotta, Dan, "Why Can't We Sell Charity Like We Sell Perfume?" The Wall Street Journal, September 14, 2012. http://online.wsj.com/article/SB10000872396390444017504577647502309260064.html
- 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
- Briefing Book Guide (on course website)

Study Questions:

1. The Once Upon a Time Foundation has given you grant money in order for you to learn about philanthropy, and encourage a lifetime practice. How does this fit with Singer's and Smith's arguments?
2. Singer has a relatively simple message for "givers" compared to Smith. Smith would have you pause and think a lot before taking Singer's advice.
3. 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?
4. What other purpose might this course have? In general? For you?
5. What hazards might we encounter?

Class 2: Thursday, January 31 -- Can Philanthropy Really Solve Anything?
Lead Faculty – Bildner

Class objective: What problems can philanthropy solve and what trade-offs are acceptable. What's most important—triage, stop-gap funding or trying to solve the root cause of a problem? Who is philanthropy accountable to? Whose authority does it operate under? Looking at large scale intervention as an example of how you can apply philanthropic dollars on a local level.

Readings:

- Starr, Kevin, "The Trouble with Impact Investing: P1," *Stanford Social Innovation Review,* January 24, 2012. http://www.ssireview.org/blog/entry/the_trouble_with_impact_investing_part_1
- Zunz, Olivier, *Philanthropy in America, A History,* Princeton University Press 2012, **CP1** Chapter 1: For the Improvement of Mankind, pp. 8-43. **N.B**. **Read** pp. 8-11,17-21,30-40 **Skim** pp. 11-17, 22-30, 40-43
- Brest, Paul and Harvey, Hal, *Money Well Spent: A Strategic Plan for Smart Philanthropy,* Chapter 2: Choices in Philanthropic Goals, Strategies, and Styles, pp. 21-36 **PDF**
- Miller, Clara, "The World Has Changed and So Must We" (on course website)
- Dolan, Matthew, "Revival Bid Pits Detroit vs. Donor," *Wall Street Journal*, July 2, 2011. http://online.wsj.com/article/SB10001424052702304887904576397760319014524.html
- Detroit Case Study (on course website)

Study Questions:

1. Does philanthropy have the right or obligation to save a city? And if it does, is it the right thing to do? Who are the beneficiaries of this intervention—policy makers? citizens? the private sector?
2. Brest talked about big cube/small cube problems—how do you think about Detroit in this context? What are the lessons for Kresge from history?

Class 3: Tuesday, February 5 -- In Class Workshop: Working as a Team; Developing Purpose and Principles

Class objectives: How to work as a team, early team organizing, defining purpose, assigning work, collaborating.

Readings:

- Lovallo, Dan and Sibony, Oliver, "The Case for Behavioral Strategy", *McKinsey Quarterly,* March 2010. **PDF**
- Boston Indicators Project, "City of Ideas; Reinvesting Boston's Innovation Economy," The Boston Foundation, March 14, 2012. http://www.tbf.org/~/media/TBFOrg/Files/Reports/2012indicators.pdf
- **Optional:** Baserman, Max and Moore, Don, "Judgment in Managerial Decision Making", *7th Edition, Wiley & Sons.* **PDF**
- Katzenbach, Jon R. and Smith, Douglas K., *The Wisdom of Teams: Creating the High-Performance Organization,* pp. xvii-xxxi, **PDF**

  Optional: Chapter 3: Team Basics: A Working Definition and Discipline, pp. 43-64 **PDF**

Team Workshop and Facilitation: Aviva Argote, Executive Director, Hauser Center for Nonprofit Organizations (see bio on course website).

What does it mean to work as a team? How do team decisions get made and how do we set our team's organizing principles? What should our tactics and principles for inclusion and related strategies for effective team work be? What makes one team more effective than another?

Ungraded Assignment due Friday, February 8 by 5pm via email: **Short memo on initial team deliberations, team process plans principles for team deliberations about work and grants.**

Class 4: Thursday, February 7 -- What is the Nonprofit Sector about?
Lead Faculty – Bildner

Class objectives: Introduction to the history and theories of the nonprofit sector. Thinking about how nonprofits differ from government and business sector.

Readings:

- Roeger, Katie L., Blackwood, Amy, and Pettijohn, Sarah L., "The Nonprofit Sector in Brief," *Urban Institute,* 2011. http://www.urban.org/UploadedPDF/412434-NonprofitAlmanacBrief2011.pdf
- Ott, J. Steven and Dicke, Lisa A., editors*, The Nature of the Nonprofit Sector,* **PDF**
  Chapter 9: History and Theories of Nonprofit Organizations, **Skim** pp. 108-116;
  Chapter 30: The Future of the Nonprofit Sector: Its Entwining with Private Enterprise and Government, pp. 348-357.
- Collins, Jim, *Good to Great and the Social Sectors: A Monograph to Accompany Good to Great,* HarperBusiness, October 2001, Issue 4, pp. 17-23 (on reserve at the library).
- Salamon, Lester, editor, *The State of Non Profit America,* **PDF**
  Chapter 1: The Resilient Sector: The State of Nonprofit America, pp. 3-52. **N.B**. **Skim** pp. 3-11 **Read** pp. 12-52

Study Questions:

1. What are the characteristics that define the Nonprofit sector and how is it different from the public sector? Aren't they both responsible for the benefit of society? What are the differences in accountability?
2. Collins and Weisbrod lay out views of the differences between the social sector and the private sector—do you agree? And why is there always a drum beat to make non profits more like businesses?

Class 5: Tuesday, February 12 -- What does the Nonprofit Sector accomplish?
Lead Faculty - Letts

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:

- Highlights of Foundation Yearbook, Foundation Center, Foundations Today Series, December 2011.
  http://foundationcenter.org/gainknowledge/research/pdf/fy2011_highlights.pdf
- Ott, J. Steven and Dicke, Lisa A., editors, *The Nature of the Nonprofit Sector,* **PDF**
  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, **PDF**
  Chapter 6: Balancing the Functions of Nonprofit and Voluntary Action, **Skim** pp.163-181.

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? How do Salamon's challenges affect these?
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?

Class 6: Thursday, February 14— Understanding Public Problems and their Causation

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?

Guest faculty: Julie Wilson, Harry Kahn Senior Lecturer in Social Policy, Malcolm Wiener Center for Social Policy, HKS (see bio on course website)

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. **PDF**
- 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 **PDF**
- 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. **Skim**
  http://www.bridgespan.org/measurement-as-learning.aspx
- Vorse Wilka, Jennifer, "Dismantling the Cradle to Prison Pipeline: Analyzing Zero Tolerance School Discipline Policies and Identifying Strategic Opportunities for Intervention," PAE written for Children's Defense Fund, Massachusetts Cradle to Prison Pipeline initiative, pp.1-27. **PDF**

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. How did Jen Vorse Wilka frame the school discipline problem? What evidence supports her framing? How might the "definition" of the school discipline "problem" differ with a different frame? Perhaps one focused on improving school test scores?

***Ungraded Assignment:* Each person is to turn in a bibliography and other resources found on their problem at beginning of class today.**

Class 7: Tuesday, February 19 – What Facts Do You Need to Know: Developing a Research Methodology and Plan. Plus, In Class Workshop: Team planning and working time
Lead Faculty – Bildner

Class Objective: What are the essential components in developing a research methodology and work plan; how do you go from a broad problem to be solved to understanding the specific set of facts needed to develop a response and how do you prioritize the work plan? What is the universe of available research resources in Boston?

Guests: David Luberoff, Senior Project Advisor to the Radcliffe Institute for Advanced Study's Boston Area Research Initiative; Dan O'Brien, *Lecturer on Sociology,* Radcliffe Institute for Advanced Study; Joe Cortright, President, Impressa Economics (see bios on course website)

Readings:

- Internet search on policies/problems/organizations (sites to be supplied)
- The Boston Foundation, "City of Ideas: Reinventing Boston's Innovation Economy," *The Boston Indicators Report*, June 2012. **N.B**. ***Evaluate! Class 3.***
  http://www.tbf.org/uploadedFiles/tbforg/Utility_Navigation/Multimedia_Library/Reports/2012-indicators.pdf

Class 8: Thursday, February 21 -- Mapping the Nonprofit Ecology and How Funds Ebb and Flow through to the Sector.
Lead Faculty – Bildner

Ungraded assignment: by Friday, February 22, 5 pm each team is to turn in a draft work plan for the team with individual assignments.

Class Objective: Capital is the essential life blood of nonprofits—too often, the funds flowing into the sector, ebb and flow as funders and policy makers change priorities. In this class, we examine the unintended consequence of the impact of these changes on the sector and map the nonprofit "ecology" as a way of understanding the long term impact of any philanthropic grant in Boston.

Guest: Dave Clark, Product Manager, Philanthropy In/Sight, The Foundation Center (see bio on course website)

Readings:

- Salamon, Lester, editor, *The State of Non Profit America,* **PDF**

Chapter 12: Individual Giving and Volunteering, pp. 387-416.

- Havens, John J., O'Herlihy, Mary A., and Schervish, Paul G., "Charitable Giving – How Much, By Whom, and How?", *The Nonprofit Sector: A Research Handbook*, Yale Press, 2002**.** http://www.bc.edu/content/dam/files/research_sites/cwp/pdf/Charitable.pdf
- Introduction to www.foundationcenter.org; www.guidestar.org;
- Bornstein, David*, "*For Ambitious Nonprofits, Capital to Grow," *New York Times*, June 27, 2012. http://opinionator.blogs.nytimes.com/2012/06/27/fixes/

Study Question:

1. You've seen the unintended consequences of changing philanthropic priorities on nonprofits. As you think through your team's strategy, how can you protect your own philanthropic intervention from becoming irrelevant or is that a consideration at all?

Class 9: Tuesday, February 26 – Understanding the Impact of Philanthropy and the Nonprofit Sector

Lead Faculty - Letts

Class objective: Following our discussion of the issues of the differing roles of nonprofits and questions about the potential of philanthropy, we will continue discussing examples of different interpretations of intent and impact.

Readings:

- Salamon, Lester, editor, *The State of Non Profit America,* **PDF**
  Chapter 17: For Whom and For What? The Contributions of the Nonprofit Sector, pp. 517-533.
- Ott, J. Steven and Dicke, Lisa A., editors, *The Nature of the Nonprofit Sector,* **PDF**
  Chapter 26: Philanthropy in Communities of Color, pp. 308-316.
- Wooster, Martin Morse, "The Ford Foundation," *The Great Philanthropists and the Problem of "Donor Intent,"* Capital Research Center, 3rd edition, January 2007, **Skim** pp. 26-46. **CP2**
- Sullivan, Paul, "Wealth Matter: Philanthropists Weigh the Returns of Doing Good," *New York Times*, September 28, 2012. http://nyti.ms/VUo2JF

Study Questions:

1. The Smith, et al chapter paints a picture of giving that is personal and closely related to family, community, church. This is not "strategic" per se. Is it good? See how the Ford Foundation has been seen as an example of the distortion of donor intent. Is the creation of institutions for giving and the "strategic" choices made by staffs and boards a distortion of good giving? Do these institutions prevent some of the simple choices that might add up to much according to Singer? On the other hand, the reading indicates that Henry Ford II had disdain for the poor and was not interested in funding organizations he couldn't control. So, does it take institutions to mitigate power that, when wielded, gets us no closer to justice?
2. Diaz argues that philanthropy/nonprofits are not serving those most needy (and who are part of communities of color). So what is the answer?
3. What does good giving mean to you?

***Graded Assignment due on Friday, March 1:* Problem Mapping. Using Foundation Center data base and other resources, each individual will answer a series of questions related to their problem analysis:**
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?

Class 10: Thursday, February 28 -- The historic interdependencies of the "Third Sector" and Government and new initiatives to leverage it.
Lead Faculty - Letts

Class Objective: Understanding the history of government/nonprofit relationship and new public/private/hybrid sector creations such as social enterprises, social impact bonds and the emergence of new three-party initiatives and how they have impacted the Boston nonprofit community. What new conflicts, issues, roles and limitations do these create?

Readings:

- Zunz, Olivier, *Philanthropy in America, A History,*
  Chapter 4: The Private Funding of Affairs of State, pp.104-136. **N.B. Read** pp.104-126, **Skim** 127-136. **CP2**
- Boris, Elizabeth T., and Steurle, C. Eugene, editors, *Nonprofits and Government,* Collaboration and Conflict, Washington, DC: Urban Institute Press, 2nd edition, **PDF**
  Chapter 1: Complementary, Supplementary, or Adversarial? pp. 37-49.
- Ott, J. Steven and Dicke, Lisa A., editors, *The Nature of the Nonprofit Sector,* **PDF**
  Chapter 28: Third Party Government, pp. 336-339;
  Chapter 29: Nonprofit Sector: Increasing Numbers and Key Role in Delivering Federal Services, pp. 340-346.
- Case: *Partners in Child Protection Services: DSS and La Alianza Hispana. KSG cases 1326.0; 1327.0 & 1327.1* **PDF**
- The Community Investment Tax Credit, MACDC. **PDF**
- Some articles about new ideas. (on course website)
- The Government documents for details on the Mass Social Impact Bonds
  www.hks-siblab.org

Study Questions:

1. It is clear that there is no single relationship between nonprofits and government anymore. The readings confirm that government has had shifting relationship with philanthropy and nonprofits, but the latter have always been part of providing public goods. What roles do you think are best – that promise the most potential and avoid harm or hazard for either party?
2. The case illustrates an assortment of problems related to government funding nonprofits to do social services. How are nonprofits to respond to the current funding issues, stay alive, and not get caught compromising their values and ultimately their clients? "Just say no" probably only works for a few large, established organizations…
3. Who's responsible for society's "safety net" and where is the leverage? As your team looks at these new philanthropic initiatives as applied in Boston, do you think its additive to the totality

of resources available to the sector or just another tool that reduces the overall capital available?

Class 11: Tuesday, March 5 -- Strategic Philanthropy
Lead Faculty - Bildner

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. **PDF**
- Frumkin, Peter, *Strategic Giving: The Art and Science of Philanthropy,* **PDF** Chapter 4: The Idea of Strategic Giving, pp. 136-145.
- Case: *Don Williams' Effort to Empower South Dallas: Helping a Neighborhood Help Itself.* KSG cases 1500.0 & 1500.1. **PDF**
- Case*: Dick Rathgeber and the People's Community Clinic: The Question of Commitment.* KSG cases 1498.0 & 1499.0. **PDF**

Study Questions:

1. How well do Williams and Rathgeber fit Frumkin and Brest's description of strategic philanthropy?
2. How do they compare to Carnegie and Rockefeller?

Class 12: Thursday, March 7 – Theories of Change
Lead Faculty – Letts

Class objective: Developing a basic framework for determining theories of change underpinning nonprofit and philanthropic work.

Readings:

- Frumkin, Peter, *Strategic Giving: The Art and Science of Philanthropy,* **PDF** Chapter 6: Logic Model: Theories of Change, Leverage, and Scale, pp. 174-216.
- Case: *Evolution of The Gill Foundation.* KSG case 1717.0. **PDF**
- **Reference** W.K. Kellogg Foundation, *Logic Model Development Guide,* http://www.wkkf.org/knowledge-center/resources/2006/02/WK-Kellogg-Foundation-Logic-Model-Development-Guide.aspx

Study Questions:

1. How do Frumkin's theories of change, leverage and scale relate to Kresge's intervention in Detroit and the Gill Foundations work? What were Kresge's and Gill's theories of change and were their implementations consistent with their theory?
2. How do these theories affect your thinking about how to make a grant to a nonprofit?

Class 13: Tuesday, March 12 -- Team Planning

Graded Assignment**: On Tuesday, March 26, each individual will turn in a progress report, outlining 1) activities (research, interviews, etc.) and 2) preliminary findings on the state of the problem, map of**

organizations, nature of interventions. The team may have divided up the work according to their needs. Each individual should report on their own activities and preliminary findings on their part of the work.

Reading:

- Brest, Paul, *Money Well Spent: A Strategic Plan for Smart Philanthropy,* **PDF**
  Chapter 4: Solving Problems through Program Strategies, pp. 59-69.

Study Question:

1. The Hewlett chapter uses an example to illustrate a program strategy and design. This example will be useful reference in the next few classes, but also illustrates how you might think of the types of potential grants you might make in your problem areas.

Class 14: Thursday, March 14 -- Can Impact be Measured and Should We Really Care About it: Program Evidence and Evaluation
Lead Faculty – Bildner

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:

- Singer, Peter, *The Life You Can Save: How to Do Your Part to End World Poverty,* Chapter 6: How Much Does It Cost to Save a Life, and How Can You Tell Which Charities Do It Best?, pp. 81-104.
- 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. **PDF**
- 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.pdf

Study Questions:

1. 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?
2. If you had no constraints, how would you think about impact in your giving?

SPRING BREAK

Class 15: Tuesday, March 26 -- Philanthropic Leadership
Lead Faculty - Letts

Assignment due in class

Class Objective: Philanthropy is applied through people. What can we learning from influential philanthropists about how leadership leverages dollars? And does entrepreneurship have a place in philanthropy—can philanthropy really embrace risk?

Readings:

- Cases: *Women in Philanthropy.* HKS cases 1565.0 ; 1566.0 ; 1568.0 & 1567.0 **PDF**
- Porter, Michael and Kramer, Mark," Philanthropy's New Agenda: Creating Value" in *Harvard Business Review*; Nov/Dec 99, Vol. 77, Issue 6, p. 121-130 (HBS case 99610) **PDF**
- Collins, Jim, *Good to Great and the Social Sectors: A Monograph to Accompany Good to Great,* Level 5 Leadership – Getting Things Done Within A Diffuse Power Structure, pp. 9-17 (on reserve at HKS library).

Study Questions:

1. How did the philanthropy of Walker, Rockefeller, Sage and Noyce differ from Carnegie and the original Rockefeller? Why is it we always hear about the latter and not the former?
2. How were these women alike in their philanthropy? How different?
3. How do these examples fit the Porter, Kramer definition of "value" and "strategy"? Do you agree with their frameworks?

Class 16: Thursday, March 28 -- The Nonprofit Perspective: Free Money is rarely free.

Lead Faculty - Letts

Class Objective: Running a nonprofit doesn't create any special immunity from the challenges of running any other organization—public or private; but there are differences in that your core customer is often your funder, not your clients. In this class, we look at the inherent challenges in managing this relationship and maintaining independence of mission.

Readings:

- Letts, Christine W., Ryan, William, Grossman, Allen, *High Performance Nonprofit Organizations, Managing Upstream for Great Impact,* John Wiley & Sons, 1st edition, 1998, **PDF**
  Introduction, pp. 1-11;
  Chapter 1: Organizational Performance: The Hidden Engine of Social Impact, pp.15-28.
- Letts, Christine W., Ryan, William, Grossman, Allen, "Virtuous Capital: What Foundations Can Learn from Venture Capitalists," *Harvard Business Review*, March 1997 (HBS case 97207). **PDF**
- Brest, Paul and Harvey, Hal, *Money Well Spent: A Strategic Plan for Smart Philanthropy,* Chapter 12: Providing Goods and Services, pp. 185-201. **PDF**

Study Questions:

1. What should the principles be of nonprofit/funder interaction? Is this wishful thinking?
2. Can practices overcome the hazards? What kind of practices will mitigate the hazards, costs associated with these relationships?
3. The readings mostly advise on how philanthropy might behave. How should nonprofits behave to improve the value exchange?

Guests: Panel of Nonprofit Leaders from site visits: ROCA, Urban Edge, Family Independence Initiative, Dorchester Bay Economic Development Corporation, and Women's Lunch Place (see bios on course website)

Class 17: Tuesday, April 2 -- Evaluating Organizational Strength and Sustainability and Understanding Drivers of Non Profit Capacity
Lead Faculty – Bildner

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,* **PDF**
  Chapter 18: Organizational Social Capital and Nonprofits, pp. 203-213.
- Salamon, Lester, editor, *The State of Non Profit America*, **PDF**
  Chapter 15: Accountability and Public Trust, pp. 471-492.

Study Questions:

1. How much difference does organizational effectiveness and efficiency make to our grantmaking in this course?
2. 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.

Graded Assignment: **Due Tuesday, April 4 in class: Strengths and Weaknesses. Each individual will turn in a paper outlining strengths and weaknesses of current system to tackle problem, and initial options for grants, with rationale. Again, this work should be divided up so that each individual is contributing and writing up a distinct contribution to the team work.**

Class 18: Thursday, April 4 -- Funders—Enabling or Disenabling—And Who Made them King? How Funders think and plan
Lead Faculty – Bildner

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:

- Letts, Christine and Ryan, William, *Influence paper* **PDF**
- 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,* **PDF** Chapter 19: Communities, Networks, and the Future of the Philanthropy, pp. 215-224.

Study Questions:

1. 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?

Guests: Panel of Boston Funders – Barbara Lee (Founder and President, Barbara Lee Family Foundation), Julie Mott Toulmin, (Founder and CEO, Mott Philanthropic), Fredericka Stevenson (the Stevenson Family Charitable Trust), Bobby Sager (Sager Family Traveling Foundation), (see bios on course website).

Class 19: Tuesday, April 9 -- Leveraging Impact, the Role of Nonprofits and Advocacy
Lead Faculty - Letts

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 team's deliberations?

Readings:

- Zunz, Olivier, *Philanthropy in America, A History,*
  Optional: 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**). **CP3**
  Chapter 8: In Search of a Nonprofit Sector, pp. 232-263. **CP2**
- Moving a Public Policy Agenda: The Strategic Philanthropy of Conservative Foundations, *National Committee for Responsible Philanthropy*, July 1997, pp. 5-6; 37-47. **CP2**
- 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. **PDF**

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. Should more of the types of philanthropy illustrated in the readings be encouraged?
4. What kind of advocacy is being done in your problem area?
5. Does this give you insight about your grants?

Class 20: Thursday, April 11 -- The Great Debate Around the Role and Use of Intermediaries: Vital experts on the ground or consumers of precious capital that would otherwise go directly to NGO's or both?
Lead Faculty - Letts

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?

Readings:

- Salamon, Lester, editor, *The State of Non Profit America*, **PDF**
  Chapter 11: Foundations and Corporate Philanthropy, pp. 363-368; 373-382.
- Websites of Acumen Fund http://www.acumenfund.org/ten/
  Boston Rising http://bostonrising.org
  United Way http://www.unitedway.org
  The Boston Foundation http://www.tbf.org
- Case: *The Robin Hood Foundation.* HBS case 9-310-031 **CP2**
- Case: *The Hestia Fund.* KSG case 1691.0 **PDF**

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. How does this discussion impact your team's thinking on your intended funding? Boston intermediaries have been studying the local nonprofits for a long time. Shouldn't they be a good place to put your grants? Why not?

Team Assignment*: Draft briefing books due Monday, April 15 by 5pm via email or hard copy to faculty and other team. Note: the draft briefing book will not be graded – the final one due on May 3 will be. The state of the briefing book at the time of the briefing will be part of the presentation grade. We expect the briefing book to improve after feedback from faculty and the other teams. In most cases, the presentation grade will be affected by either very poor or very draft good briefing books at the time of the presentation.

Class 21: Tuesday, April 16 – Managing the Process—What do you really need to know and what happens after you make the grant?
Lead Faculty – Bildner

Class Objective: Foundations and philanthropists make thousands of grants each year—what internal decision tree to they use to manage this process? How do you have a reliable process and still remain nimble and able to act quickly? And as any grantee will tell you, philanthropy is often notorious for "front-ending" the level of effort on the grantee upfront as a foundation decides whether to make a grant and then effectively abandoning the grantee after the grant is made—does this make sense? What should foundations do and how will your team manage its relationship with its grantee?

Readings:

- The 2012 Bank of America Study of High Net Worth Philanthropy. **N.B**. **Read** pp. 5-11, **Reference** pp. 12-77. http://www.philanthropy.iupui.edu/files/research/2012_bank_of_america_study_of_high_net_worth_philanthropy.pdf
- Ott, J. Steven and Dicke, Lisa A., editors, *The Nature of the Nonprofit Sector,* **PDF** Chapter 27: The World We Must Build, pp. 318-325.
- 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. 26-44. **PDF**

Study Questions:

1. Fleishman covers an initiative that was rebuffed in California that would have required disclosure of the makeup of staff and board of foundations and their grantees. This would seem to be an antidote to the lack of funding of organizations that serve poor people. It was roundly criticized using freedom of speech and pluralism arguments. What do you think?
2. Clotfelter and Ehrlich argue that there is a "new covenant" for the nonprofit sector and philanthropy. Do you think that this should call for more regulation and oversight?

Guests: Foundation Staff panel -- Benjamin Kennedy (Program Officer, Community Development, The Kresge Foundation), Geeta Pradhan (Associate Vice President of Program, The Boston Foundation), (see bios on course website).

Class 22: Thursday, April 18 – Class Presentations

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."

Readings: Briefing books

Class 23: Tuesday, April 23 – Class Presentations

Readings: Briefing Books

Class 24: Thursday, April 25 – Class Deliberation

Guest: Geoffrey Raynor, Once Upon a Time Foundation (see bio on course website)

Class 25: Tuesday, April 30 – Final Decisions
Lead Faculty - Letts

Notification to Nonprofits

Class 26: Thursday, May 2 – Lessons Learned and Next Steps
Lead Faculty – Bildner

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,* **CP2**
  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. **PDF**
- Singer, Peter, *The Life You Can Save: How to Do Your Part to End World Poverty,* Chapter 10: A Realistic Approach, pp. 151-173.

Study Questions:

1. What are your takeaways about philanthropy?

CP1 = Course Packet #1 in the Course Material Office
CP2 = Course Packet #2 in the Course Material Office
CP3 = Optional Readings in the Course Packet #3 in the Course Material Office
PDF = Posted on the Course Web Page