MLD 805 / SOC 152
PHILANTHROPY AND PUBLIC PROBLEM-SOLVING

Spring 2015
Tuesday/Thursday 2:40pm-4:00pm L-140 (Harvard Kennedy School)

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Course Assistants:

Course Objectives and Content

This course is intended for students 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. The class will have up to $100,000 in grant money. The course is designed to help students understand the role of philanthropy in addressing public problems. Students will have the opportunity to work on a problem of their choice, analyze the dimensions and constituents of that problem, leading to choices about organizations to support. In addition to the readings and class discussions, the assignments for the course will involve the analysis and decision-making for the grantmaking.

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

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 allow for site visits and in-depth, hands-on analysis. Students will be in teams, based on preferences for a problem area. 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, youth development, systemic poverty, environment, culture and arts.

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.

Problem Analysis and Grantmaking - Teams

A key element of this course is the teamwork. Public problems, even very local ones, are complex and messy. Teamwork allows students to divide up work as their schedules and interests allow. Students will learn valuable team skills. There is considerable flexibility for students to define the problem, construct their principles, theory of change and criteria for comparing organizations. As indicated above, this course emphasizes problem analysis before engaging with potential grantees, so that students are very informed before beginning to evaluate or compare organizations to fund.

Readings, Web Postings, Assignments

The syllabus provides the entire outline for the class. The timing of certain items and specifics may change during the course. The **HKS Course Website** is the major source of communication for the Course. It is important that you use it to guarantee that you have current and complete information for the classes.
Most cases and readings will be provided on the course Website. If, due to copyright laws, certain materials cannot be distributed in this fashion, we will reserve them at the HKS library. Special annotation will be made on syllabus and/or on course Website.

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

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

Boston NGO Class Site Visits and Brown Bag meetings
As part of this class, students will be required to make 1 of 7 scheduled site visits to local nonprofits:

Compass Working Capital
Family Independence Initiative
Harvard Youth Homeless Shelter
Health Leads
Last Mile Health
Dudley Square Community Development/CONNECT
The Theater Offensive

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. **Note: these are distinct from site visits that teams may arrange during the final stages of their grant deliberations.**

We have scheduled three Brown Bag meetings on 2/13; 3/6; and 4/3 from 12-1 pm (Darman Conference room, CPL, Taubman 1st floor). These meetings are opportunities for informal discussions with Professors Letts and Bildner about issues raised in class, in your field work or questions about philanthropy and the nonprofit sector. They are absolutely optional!
(Brown Bag refers to the container that you might bring your lunch in.)

Determination of Grade

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

- Problem Mapping (due March 2 at 9am), *individual*: 15%
- Preliminary findings (due March 23 by 12 (noon)), *individual*: 15%
- Briefing (April 21 or 23), *team*: 20%
- Briefing response (April 22 and 24), *team*: 5%
- Final Briefing book (due May 5 by 5pm), *team:* 25%
- Class participation, *individual*: 20% (note: attendance is expected at all classes. Missed classes will be factored into participation grade)

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

- Due ***Monday, January 26***: One-page grant essay – email to Professors by noon. See assignment before Class 1
- Due February 9: Short memo on initial decisions about team processes
- Due February 17: Teams turn in a workplan of how they will divide up work to research their problem area

- Due February 23: Each person turns in a bibliography of resources for their problem area
- Due March 2: Teams turn in a progress report on research
- Due April 20 by 12 (noon): Draft Briefing Books

Classes, Assignments and Topics

Ungraded assignment: email to Professors by 12 (noon) Monday January 26: ***You have just unexpectedly inherited $10,000 from a relative you didn't know you had, with the only stipulation that you give it away. Please tell us how you would give this money away (Note: We don't expect you to use any of the material for this class to prepare this. We want you to approach this in any way you would like).***

Class 1: Tuesday, January 27 – 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.
- 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
- Miller, Clara, "The World Has Changed and So Must We"
- Dolan, Matthew, "Revival Bid Pits Detroit vs. Donor," *Wall Street Journal*, July 2, 2011.
- Detroit Case Study
- Gallagher, John; Stryker, Mark; Bomey, Nathan, "Spinning off DIA from city could save both art and Detroit pensions," *Detroit Free Press,* December 5, 2013 http://www.freep.com/article/20131204/BUSINESS06/312040157/Orr-DIA-bankuprtcy-Detroit-Rosen
- Perry, Suzanne, "Detroit Tests What Foundations Can Do to Rescue Troubled Cities", *The Chronicle of Philanthropy,* October 24, 2013
- Perry, Suzanne, "Urban Renewal Leaves Out Some of City's Needy, Say Nonprofit Activists" *The Chronicle of Philanthropy,* October 24, 2013
- Goldstein, Jacob, "The Charity That Just Gives Money To Poor People" NPR program http://www.npr.org/blogs/money/2013/08/23/214210692/the-charity-that-just-gives-money-to-poor-people
- Latest publications (see website) *Finding $816 Million, and Fast, to Save Detroit* http://www.nytimes.com/2014/11/08/us/finding-816-million-and-fast-to-save-detroit.html?smprod=nytcore-ipad&smid=nytcore-ipad-share&_r=0
- Hobbes, Michael, "Stop Trying to Save the World" http://www.newrepublic.com/article/120178/problem-international-development-and-plan-fix-it

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 2: Thursday, January 29 – 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,*
  Chapter 2: The Problem of the Administration of Wealth, pp. 10-17;
  Chapter 3: the Advantages of Poverty, pp. 25-31. **Skim**
- Ott, J. Steven and Dicke, Lisa A., editors*, The Nature of the Nonprofit Sector,*
  Chapter 24: Smith, David Horton, "Doing Good", pp. 291-296.
- Gates, Bill. Commencement Speech, Harvard University, Cambridge, MA, 2007.
- Preston, Caroline, "Steve Jobs Found Much to Dislike about Philanthropy," *The Chronicle of Philanthropy,* The Giveaway, October 28, 2011.
- 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.
- Zunz, Olivier, *Philanthropy in America, A History,* Princeton University Press 2012, Chapter 1: For the Improvement of Mankind, pp. 17-21
- McElwee, Sean, " Bargain for Billionaires: Why Philanthropy is More about P.R. Than Progress", *Salon*, February 10, 2014

Study Questions:

1. You've read Smith, Gates, Carnegie and Job's personal views of philanthropy, how do you square the diversity of opinions?
2. What is your objective and our purpose in this course?
3. What hazards might we encounter?
4. What themes from the reading are consistent with your own motivations for giving in your essay? Which are very different?

Be prepared to submit your top three choices for teams and/or problem area by February 2 at 9am to the course website.

Class 3: Tuesday February 3 -- Focus on the Field Work: Choosing a Problem – How narrow? How broad? How to find information?
Lead Faculty – Bildner

Guests: **Linda Dorcena-Forry**, Massachusetts State Senator, Dorchester; **Steven Poftak**, Executive Director, Rappaport Institute, HKS (bios on website)

Class Objective: Last year students nominated problems to work on from a list that we prepared. This year, we are prepared to organize teams around problems that you select, but we also want to support teams that form that are then searching for a problem. Our guests today will share their insights into problems that may be "ripe" for investigation, perhaps because of city or state priorities, new funding streams, special initiatives, significant trends, etc. Steve will be an important resource for all the teams because of the networks that the Rappaport Institute has developed.

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*, March 2012.
- http://www.bostonarearesearchinitiative.net/

Class 4: Thursday, February 5 – What is the Nonprofit Sector about?

Lead Faculty – Bildner

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

Readings:

- Ott, J. Steven and Dicke, Lisa A., editors, *The Nature of the Nonprofit Sector,* Chapter 30: The Future of the Nonprofit Sector: Its Entwining with Private Enterprise and Government, pp. 348-357. ***Optional background:*** Chapter 9: History and Theories of Nonprofit Organizations, pp. 108-116.
- Boris, Elizabeth T., and Steurle, C. Eugene, editors, *Nonprofits and Government,* Collaboration and Conflict, Washington, DC: Urban Institute Press, 2nd edition, Chapter 1: Complementary, Supplementary, or Adversarial? pp. 37-49.
- Collins, Jim, *Good to Great and the Social Sectors: A Monograph to Accompany Good to Great,* HarperBusiness, October 2001, Issue 4, pp. 17-23
- The Government documents for details on the Mass Social Impact Bonds www.hks-siblab.org
- **Optional background:** Salamon, Lester, editor, The State of Non Profit America, Chapter 1: The Resilient Sector: The State of Nonprofit America, pp. 3-52. **N.B**. **Skim** pp. 3-11 **Read** pp. 12-52
- ***Optional background:*** 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
- Working in Groups, Bok Center.

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?

Ungraded Assignment due February 9 by 5pm to the course website: **Short memo on team process plans, and principles for team deliberations about work and grants.**

Class 5: Tuesday, February 10 — Understanding Public Problems and their Causation

Class Objective: How do non-profit organizations conceptualize the challenges they are organized to address? How should this conceptualization influence the way these organizations structure their services? Market themselves to those who might fund them? Measure their effectiveness?

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

Readings:

- Our Piece of the Pie: From Data to Decision-Making http://www.bridgespan.org/Publications-and-Tools/Performance-Measurement/Our-Piece-of-the-Pie-From-Data-to-Decision-Mak.aspx
- 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.
- Margaret Hargreaves, "Evaluating System Change: A Planning Guide," Mathematica Policy Research, Inc.: Methods Brief, April 2010. http://www.mathematica-mpr.com/publications/PDFs/health/eval_system_change_methodbr.pdf
- Our Piece of the Pie: Making the Biggest Difference in Hartford http://www.bridgespan.org/Publications-and-Tools/Youth-Development/Our-Piece-of-the-Pie-Making-the-Biggest-Differ.aspx

Study Questions:

1. How effective a program do you think Our Piece of the Pie is now? What are the criteria by which you made your decision about its effectiveness? Along what dimensions do you think effectiveness should be measured?
2. What should the relationship be between an organization's theory of change and performance measurement and between performance measurement and program evaluation?
3. What are the challenges to collecting, analyzing and presenting data in ways that inform decisions from the front line to the CEO? To what extent and in what ways does collecting data and analyzing performance enhance and detract from pursuing of a service provider's mission?
4. What are the challenges to changing the culture of an organization to become one more focused on the types of performance measurement Our Piece of the Pie focused on?
5. What does the experience of Our Piece of the Pie suggest for how you might write contracts? What performance measures you might request? What data you might provide and what other supports might be useful?

6. Should contract renewals be based on performance? If so, what measures of performance do you care most about? How might an organization like Our Piece of the Pie "game" your assessment system?

Class 6: Thursday, February 12 – In Class Workshop: Working as a Team; Developing Purpose and Principles

***Ungraded assignment due February 17*: each team is to turn in a draft work plan for the team with individual assignments. Description of the assignment you will find on the course webpage.**

Guest instructor: **Aviva Argote,** (bio on website).

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

Readings:

- 12 Ways to Build and Effective Team http://people.rice.edu/uploadedFiles/People/TEAMS/Twelve%20Ways%20to%20Build%20an%20Effective%20Team.pdf
- Eight Common Problems Teams Encounter http://workplacepsychology.net/2010/12/17/eight-common-problems-teams-encounter/
- Hackman, Richard J., Collaborative Intelligence: Using Teams to Solve Hard Problems. (2011) Chapter 3 "You Can't Make a Team be Great", pp.36-50
- Katzenbach, Jon R. and Smith, Douglas K., The Wisdom of Teams: Creating the High-Performance Organization, pp. xvi-xxxi,

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?

Class 7: Tuesday, February 17 -- Mapping the Nonprofit Ecology and How Funds Ebb and Flow through to the Sector.
Lead Faculty – Letts

Guest: **Jennifer Aronson**, Senior Director, The Boston Foundation (bio on website)

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.

Readings:

- Salamon, Lester, editor, The State of Non Profit America, 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; www.givingcommon.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:
In preparation for class, use the Foundation Center website http://www.foundationcenter.org/ and BARI http://www.bostonarearesearchinitiative.net/ to find information relevant to your problem. Our guests will answer questions that you may have.

<u>**Class 8**: Thursday, February 19 – Funders—Enabling or Disenabling—And Who Made them King? How Funders think and plan</u>
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:

- Flandez, Raymund, "Donors Say They Would Give More if They Saw More Results," *Chronicle of Philanthropy*, June 21, 2012. http://philanthropy.com/article/Many-Donors-Would-Give-More-if/132437/
- Ott, J. Steven and Dicke, Lisa A., editors, *The Nature of the Nonprofit Sector,* Chapter 19: Communities, Networks, and the Future of the Philanthropy, pp. 215-224.
- NYT June 29, 2013, "Two paths for charitable giving: From the head or from the heart" http://www.nytimes.com/2013/06/29/your-money/charitable-giving-from-head-or-heart.html?_r=0

Study Questions:
1. How do donors make decisions?
2. Three is a lot of attention to the accountability nonprofits feel to their donors. How do you think about the accountability of funders to the very populations they want to serve?

Guests: Panel of Boston Funders
Henry McCance (Greylock Partners, Chairman Emeritus)
Carl Ferenbach (High Meadows Foundation, Chairman)
Lynn Black (Chair of the Board, Last Mile Health)
Emily Jones (The Imago Dei Fund)
Bonnie Weiss (Co-founder, Child Relief International)
(Bios to website).

***Ungraded Assignment due February 23 at 9am:* Each person is to turn in an annotated bibliography and other resources found on their problem area. Description of the assignment you will find on the class webpage.**

Class 9: Tuesday, February 24 -- What does the Nonprofit Sector accomplish?
Lead Faculty – Letts

Class Objective: 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*
  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.
  Chapter 6: Balancing the Functions of Nonprofit and Voluntary Action, **Skim** pp.163-181.
- 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
- Porter, Eduardo, "Inequality in America: The Data is sobering", *he New York Times, July 31, 2013 http://www.nytimes.com/2013/07/31/business/economy/in-us-an-inequality-gap-of-sobering-breadth.html*

Study Questions:

1. Given the extremely diverse nature of the nonprofit sector (Smith's 10 impacts), have we relied on it to accomplish too much in the "instrumental" (Frumkin)
2. 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?
3. Does the proliferation of new giving vehicles, exhortations to give more, better help the situation or just reinforce the polyarchy?
4. Do the readings motivate you? How?

Class 10: Thursday, February 26 -- Strategic Philanthropy
Lead Faculty - Bildner

Class Objective: Understand how to think about strategy as an individual giver. **Debrief on how problem research is going.**

Readings:

- Brest, Paul and Harvey, Hal, Money Well Spent: A Strategic Plan for Smart Philanthropy,
  - Chapter 1: The Promise of Strategic Philanthropy, pp. 7-17.
- Frumkin, Peter, Strategic Giving: The Art and Science of Philanthropy,
  - Chapter 4: The Idea of Strategic Giving, pp. 136-145.
- Case: Don Williams' Effort to Empower South Dallas: Helping a Neighborhood Help Itself. KSG cases 1500.0 & 1500.1.
- Case: Dick Rathgeber and the People's Community Clinic: The Question of Commitment.
- KSG cases 1498.0 & 1499.0.
- Sullivan, Paul, "Two Paths for Charitable Giving: From the Head or from the Heart", *NYT*, June 28, 2013

Study Questions:

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

***Graded Assignment due on March 2 by 9am*: Problem Mapping. Using Foundation Center, Boston Foundation and BARI data bases 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?

***Ungraded Assignment due March 2 at 9am:* Each team will turn in a report of progress: experts consulted, how work has been divided up, common issues encountered, key questions.**

Class 11 : Tuesday, March 3 – 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:

- 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.
- Salamon, Lester, editor, The State of Non Profit America,
  Chapter 17: Diaz, William, "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,*
  Chapter 26: Smith, et al, "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.
- Sullivan, Paul, "Wealth Matter: Philanthropists Weigh the Returns of Doing Good," *New York Times*, September 28, 2012. http://nyti.ms/VUo2JF
- Goleman, Daniel, "Rich People Just Care Less", *The New York Times,* October 5, 2013 http://opinionator.blogs.nytimes.com/2013/10/05/rich-people-just-care-less/
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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? 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. 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?
4. What does good giving mean to you?

Class 12: Thursday, March 5 – Theories of Change

Lead Faculty – Letts

Class Objective: Understanding a basic framework for determining theories of change underpinning nonprofit and philanthropic work. **Discussion of how to develop a theory of change for your team or giving objectives.**

Readings:

- Frumkin, Peter, Strategic Giving: The Art and Science of Philanthropy, Chapter 6: Logic Model: Theories of Change, Leverage, and Scale, pp. 174-216.
- Cases: *Women in Philanthropy.* HKS cases 1565.0 ; 1566.0 ; 1568.0 & 1567.0
- **Reference** W.K. Kellogg Foundation, *Logic Model Development Guid*

Study Questions:

1. Do any of these cases illustrate Frumkin's theories of change, leverage and scale? How?
2. What are the theories of change at work? How effective do their strategies look given their theories of change? Does one seem more or less effective or possible than the other?

3. 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?
4. How do these theories, and their origins, affect your thinking about how to think about your own theory of change?

Class 13: Tuesday, March 10 -- Team Planning

Reading:

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

Study Question:

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 12-- Leveraging Impact, the Role of Nonprofits and Advocacy
Guest Faculty – Matt Wilson

Class Objective: 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:

- Moving a Public Policy Agenda: The Strategic Philanthropy of Conservative Foundations, *National Committee for Responsible Philanthropy*, July 1997, pp. 5-6; 37-47.
- 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.
- Case: Evolution of The Gill Foundation. KSG case 1717.0.
- Examine the website for the Gill Foundation www.Gillfoundation.org closely.

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?

***Graded Assignment*: On March 23 by 12 (noon). Preliminary findings on the state of the problem, theories of change, map of organizations, nature of interventions, assessment of strengths and weaknesses and an initial list of potential organizations that might be funded. 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.**

SPRING BREAK

Class 15: Tuesday, March 24 -- 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, "Virtuous Capital: What Foundations Can Learn from Venture Capitalists," *Harvard Business Review*, March 1997 (HBS case 97207).
- Brest, Paul and Harvey, Hal, *Money Well Spent: A Strategic Plan for Smart Philanthropy,* Chapter 12: Providing Goods and Services, pp. 185-201.

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:
Sherry Riva (Compass Working Capital)
Rebecca Onie/Sarah Di Troia (Health Leads)
Jesus Gerena (Family Independence Initiative)
Sam Greenberg & Sarah Rosenkrantz (Harvard Youth Homeless Shelter)
Rajesh Panjabi (Last Mile Health)
Marissa Guananja – (Dudley Square Community Development/CONNECT)
Abe Rybeck (The Theater Offensive)
(bios on Website)

Teams should begin to identify nonprofits that they might fund.

Class 16: Thursday, March 26 -- Evaluating Organizational Strength and Sustainability and Understanding Drivers of Non Profit Capacity
Lead Faculty – Letts

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?
Team time to work on criteria to compare nonprofits.

Readings:

- Effective Capacity Building in Nonprofit Organizations, Venture Philanthropy Partners 2001. **N.B.** **<u>Read</u>** pp. 33-67, 84-113. *http://www.vppartners.org/sites/default/files/reports/full_rpt.pdf*
- Ott, J. Steven and Dicke, Lisa A., editors, *The Nature of the Nonprofit Sector,* Chapter 18: Organizational Social Capital and Nonprofits, pp. 203-213.
- Salamon, Lester, editor, The State of Non Profit America, Chapter 15: Accountability and Public Trust, pp. 471-492.
- Letts, Christine W., Ryan, William, Grossman, Allen, *High Performance Nonprofit Organizations, Managing Upstream for Great Impact,* John Wiley & Sons, 1st edition, 1998, Introduction, pp. 1-11; Chapter 1: Organizational Performance: The Hidden Engine of Social Impact, pp.15-28.

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.

<u>**Class 17**: Tuesday, March 31 – How do you approach nonprofits? How do you structure a grant? What do you really need to know and what happens after you make the grant?</u>
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**. **<u>Read</u>** pp. 5-11, **<u>Reference</u>** 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,* 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**. **<u>Read</u>** pp.1-25, ***<u>skim</u>*** pp. 26-44.

- Ditkoff, Susan Wolf; Fincke, Anna; Tuck, Alan, **Tiger Foundation,** Profile in Engaged Philanthropy, March 2007

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 –**Ed Cain** (Hilton), **Stephanie Dodson** (DRK), **Benjy Kennedy** (Program Officer, Community Development, Kresge Foundation), **Geeta Pradhan** (Associate Vice President, The Boston Foundation). (Bios on website)

Class 18: Thursday, April 2 -- 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:

- Brest, Paul and Harvey, Hal, *Money Well Spent: A Strategic Plan for Smart Philanthropy,* Chapter 10: Impact on Steroids: Measuring the Social Return on Your Philanthropic Investment, pp. 149—165.
- Advancing Evaluation Practices in Philanthropy*, Sponsored Supplement to Stanford Social Innovation Review*, Summer 2012, Vol.10, Number 3, pp. 2-23. http://www.aspeninstitute.org/sites/default/files/content/docs/pubs/PSI-SSIR-Advancing-Eval-Practices-Philanthropy.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?

Class 19: Tuesday, April 7 -- Philanthropic Leadership and Team time
Lead Faculty – Bildner

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

Readings:

- 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)
- 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

Study Questions:

1. What is the model of good philanthropy have you developed?
2. How have you own criteria for a good grant changed since the beginning of the course?

Class 20: Thursday, April 9 **-** Team Time: Teams should be narrowing lists of potential grantees, contacting nonprofits, arranging meetings and site visits to finalists.

***Team Assignment**: Draft briefing books due April 20 by 12 (noon) to the course website. Note: the draft briefing book will not be graded – the final one due on May 6. 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 good briefing books at the time of the presentation.*

Class 21: Tuesday, April 14 – Discussion of site visits, final deliberations, Team time

Class 22: Thursday, April 16 – Discussion of site visits, final deliberations, Team time

Class 23 Tuesday, April 21 – Class Presentations (3 teams)

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
Feedback is due to teams by 5pm, April 22

Additional Presentation time: 5:30 – 6:30 PM (2 teams)

Class 24: Thursday, April 23 – Class Presentations (3 teams)

Readings: Briefing Books
Feedback is due to teams by 5pm, April 24

Additional presentation time: 4:10 – 5:30 PM (3 teams)

Class 25: Tuesday, April 28 – Process Debrief with Donor

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

Notification to Nonprofits

Class 26: Thursday, April 30 – 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, 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.
- 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 Question:

What are your takeaways about philanthropy?