

**FIN 397**  
**INVESTING IN PHILANTHROPY**  
**SPRING 2022**  
**MONDAYS 3:30-6:30 PM**  
**Virtual (for first class on 1/24)**  
**Classroom TBD (all other classes)**

**Updated as of January 16, 2022**

<b>Professors</b>	Matt Stephenson
<b>Offices</b>	Professor Stephenson (BMC 4.35)
<b>Office Hours at RRH</b>	Professor Stephenson: Wednesdays, 9:00-10:00
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<b>Course Web Page</b>	via Canvas
<b>Teaching Assistant:</b>	TBD

“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

“Despite all of the talk of diversity, equity and inclusion, and the headway that has been made at foundations, when you look at who is getting money we still have a major injustice. When you think of the billions of dollars going out every year and the small percentage going to communities of color and leaders of color, it’s actually really unjust. And I think the philanthropic sector should see that as a major failure on our part.”  
– Edgar Villanueva, VP of Programs & Advocacy, Schott Foundation for Public Education and author of “Decolonizing Wealth”

### **Course Description and Objectives**

Philanthropy has transformative potential to impact lives and communities, whether for their betterment or their impairment. In this course, you will gain a deeper understanding for the impact that philanthropy can have as you analyze, explore, discuss and challenge existing frameworks and nonprofit investing models. You will assume various roles – nonprofit leader, board member, funder and beneficiary – to develop a more holistic understanding of the challenges experienced, as well as the skills & competencies required to make an informed funding decision. Your commitment to rigorous research and analysis from a diverse pool of research, as well as active engagement in and out of the classroom will be critical to a successful experience. An orientation towards inquiry and questioning your own assumptions and biases will also be critical to a successful experience – for you and your classmates.

Some central themes to this course include the role of white supremacy in philanthropy, the power dynamics that drive philanthropic decision-making and the shortcomings of existing philanthropic models. In addition, you will have the opportunity to build the capacity to discern quality from polish, impact from fanfare and sustainability from a deep bankroll.

One of the key aspects of this course will be your opportunity to engage in actual philanthropy through granting up to \$50,000 (in total for the class) to nonprofits that you and your classmates evaluate and select. The course revolves around experiential learning. Based on your preferences, you will be assigned

to a team to study the social problems in a given area (e.g., arts, education, environment, health, and human services) and then to evaluate various nonprofit organizations that are addressing those problems. You and your fellow classmates will make the decisions on which nonprofit organizations will receive funding. The objectives of the course are to expose you to the important and evolving field of philanthropy and to prepare you to be an effective and ethical steward of your own and your organization's resources.

We are grateful to Jeff Swope, a McCombs MBA and BBA alumnus, and the Philanthropy Lab for providing the funds that you will give away and that make this course possible.

## **Learning Outcomes**

Graduates of this course will be able to

- Understand the field of philanthropy from the perspectives of various stakeholder groups including funders, board members, nonprofit leaders and their beneficiaries
- Analyze and evaluate nonprofit organizations for philanthropic funding using a variety of frameworks and information
- Identify systemic failures – and articulate sustainable solutions – within the philanthropic and social impact spaces

## **Class Format**

Class sessions will usually consist of: (1) discourse around cases and readings facilitated by the professor; (2) guest speakers from different parts of the philanthropic spectrum who will provide their individual insights; (3) team discussions. It is essential that you come to class *prepared to actively participate* in class discussions of the day's topic. In particular, the readings are critical for your preparation as you will be called upon to participate in the discussion.

Class participation is a significant part of the learning process. Thus, it is highly important that during class you are engaged in the discussion by providing your own thoughts and by listening to and considering the thoughts of your colleagues. Everyone benefits from carefully listening to the diverse ideas and unique perspectives contributed to the discussion. Our further goal is to get you comfortable expressing your ideas and opinions in a group situation. It is something you will be doing throughout your life, both at work and in extracurricular activities such as volunteer work, and it is important for leadership. During the team presentation portion of the course and during the guest speaker visits, it is particularly important to have full class participation. Failure to participate in these parts of the course will result in a significant negative penalty on your class participation grade.

## **Materials**

**Book:** *The Essence of Strategic Giving: A Practical Guide for Donors and Fundraisers* by Peter Frumkin, University of Chicago Press, 2010. The assigned chapters can be read online through the UT library. Alternatively, the book (\$15) can be ordered from the University Co-op and from online sources.

**Readings:** There will be readings for each class session posted on Canvas. These readings are divided into required readings and additional optional readings. The additional readings are provided for those who want to go deeper into a topic. We also recommend that you try to stay current with philanthropic news reported in the media.

## **Course Requirements and Grading**

Your grade in the course will be determined by the following percentages:

	<u>Percent</u>	<u>Due Date</u>
Commentaries, analyses and reflections	20%	Most class sessions
Team presentation on social problems	15%	February 18
Individual evaluation of nonprofit	15%	February 29
Team grant proposal and presentation	25%	April 21
Class participation	25%	Every class session

## **Grading**

### **Commentaries, Analyses and Reflection Write-ups**

There will also be write-ups in which students comment and analyze the readings and course activities that are to be written individually. They should be pertinent to the questions asked and will be graded based on the content. The purpose of these write-ups is for you to analyze and integrate some of the readings or general ideas before the class period in which they are to be discussed. These write-ups must be uploaded to Canvas by 6 pm on the Sunday *prior to the class* in which the topic is to be discussed. *No late write-ups will be accepted.*

### **Team Cause Presentations**

Teams will analyze their cause areas and make a ten-minute presentation (with slides) and be prepared for a brief period of questions from the class. Teams will also provide the class with a bibliography with at least 10 research references so that if class members want to follow up, they may do so.

### **Individual Evaluation of Nonprofits and Team Grant Proposal and Presentation**

The individual evaluations of nonprofits and the team grant proposals will be graded primarily on the basis of their content; however, points will be deducted if the proposals do not exhibit professionalism in the exposition. The proposals will be distributed to the entire class, and there will be a formal presentation during class. The grading of the presentation will be based on the professionalism and content of the presentations. In preparing the team grant proposals, the team should plan to conduct primary research which would usually include in-person or virtual interviews.

### **Class Participation**

Note that since class participation is an important component of the grade, attendance is an important part of the grade. The expectation is that each student will arrive on time, participate in every class discussion, and ***not use electronic devices during class***. The expectation is that students will be present for class and prepared to participate actively in class discussions. ***The participation grade is based on both the quality and the quantity of participation.*** Quality is generally more important than quantity. Among the types of contributions that will be rewarded are contributions that (1) get the discussion off to a productive start, (2) shape the discussion in useful ways, (3) help change the direction when needed, (4) provoke useful debate, and (5) summarize the comments of others in an integrative and concise manner. Good participation demands good listening. Students are expected to respond to and build upon their colleagues' comments and questions.

The class lecture slides are copyrighted and intended only for your personal use. They should not be distributed or posted without one of our specific permission.

## **Course Outline**

**January 24: The Role of Philanthropy in Society**

**January 31: White Supremacy and White Saviorism and their impact on Philanthropic Funding**

**February 7: Nonprofit Program Evaluation; Metrics & Milestones**

**February 14: Nonprofit Management, Governance & Risk Mitigation**

**February 21: Team Presentations on Challenges in Cause Areas**

**February 28: Measurement and Evaluation, Strategies and Outcomes**

**March 7: Revenue Sources & Innovative Models**

**March 14 – 20: Spring Break**

**March 21: Big Philanthropy and Donor-Advised Funds**

**March 28: Corporate Philanthropy**

**April 4: Innovations in Philanthropy**

**April 11: Foundations**

**April 18: Conversation on Philanthropy**

**April 25: Team Presentations of Grant Proposals**

**May 2: Discussion and Decisions**

**May 9 (Tentative): Evaluation Measures for Grant Recipients and Giving Ceremony**

## Appendix

### Course Policies

#### **McCombs Classroom Professionalism Policy**

The highest professional standards are expected of all members of the McCombs community. The collective class reputation and the value of the Texas MBA experience hinges on this.

**You should treat the Texas MBA classroom as you would a corporate boardroom.** Faculty are expected to be professional and prepared to deliver value for each and every class session. Students are expected to be professional in all respects.

The Texas MBA classroom experience is enhanced when:

- **Students arrive on time.** On time arrival ensures that classes are able to start and finish at the scheduled time. On time arrival shows respect for both fellow students and faculty and it enhances learning by reducing avoidable distractions.
- **Students are fully prepared for each class.** Much of the learning in the Texas MBA program takes place during classroom discussions. When students are not prepared, they cannot contribute to the overall learning process. This affects not only the individual, but their peers who count on them, as well.
- **Students respect the views and opinions of their colleagues.** Disagreement and debate are encouraged. Intolerance for the views of others is unacceptable.
- **Students minimize unscheduled personal breaks.** The learning environment improves when disruptions are limited. There will be a break in the class. *Please be particularly respectful and do not plan to leave class during the guest speaker sections of the course.*

#### Academic Integrity

We believe that we should all abide by the University of Texas at Austin McCombs School of Business Honor Pledge: The University of Texas at Austin McCombs School of Business requires each enrolled student to adopt the Honor System. The Honor Pledge best describes the conduct promoted by the Honor System. It is as follows:

"I affirm that I belong to the honorable community of The University of Texas at Austin Graduate School of Business. I will not lie, cheat or steal, nor will I tolerate those who do."

"I pledge my full support to the Honor System. I agree to be bound at all times by the Honor System and understand that any violation may result in my dismissal from the McCombs School of Business."

#### Other Policies and Information

Course communications: The primary means of communication for the course will be through Canvas. New readings or additional information about the class may be added, so please check Canvas often. In addition, please ensure that your email address on Canvas is correct so that you will receive class communications in a timely manner.

#### Students with Disabilities

Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, <http://diversity.utexas.edu/disability/>.

## **Religious Holy Days**

By UT Austin policy, you must notify us of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

## **Title IX Reporting**

Title IX is a federal law that protects against sex and gender-based discrimination, sexual harassment, sexual assault, sexual misconduct, dating/domestic violence, and stalking at federally funded educational institutions. UT Austin is committed to fostering a learning and working environment free from discrimination in all its forms. If you (or someone you know) has experienced or experiences any of these incidents, know that you are not alone. UT Austin has staff members trained to support you in navigating campus life, accessing health and counseling services, providing academic and housing accommodations, helping with legal protective orders, and more.

Please be aware all UT faculty members and certain staff members are “responsible employees,” which means that if you tell your professors or your TA about a situation involving sexual harassment, sexual assault, dating violence, domestic violence, or stalking in writing, discussion, or one-on-one conversations, we must share that information with the Title IX Coordinator. Although we have to make that notification, you will control how your case will be handled, including whether or not you wish to pursue a formal complaint. Our goal is to make sure you are aware of the range of options available to you and have access to the resources you need.

Before talking with us or any faculty or staff member about a Title IX related incident, be sure to ask whether the individual is a responsible employee. If you want to speak with someone for support or remedies without making an official report to the university, email [advocate@Austin.utexas.edu](mailto:advocate@Austin.utexas.edu). For more information about reporting options and resources, visit [titleix.utexas.edu](http://titleix.utexas.edu) or contact the Title IX Office at [titleix@Austin.utexas.edu](mailto:titleix@Austin.utexas.edu).

We—your professors and TA—also take any other kind of discrimination or harassment very seriously, and we urge you to report such misbehavior. Discrimination, harassment, and/or retaliation on the basis of race, color, religion, national origin, sex, pregnancy, age, disability, citizenship, veteran status, genetic information, sexual orientation, gender identity, and gender expression can be reported to the Office for Inclusion and Equity, or tell us, and we will report it.

- **Office for Inclusion and Equity (OIE)**  
The Office for Inclusion and Equity (OIE) investigates and helps to resolve complaints of sexual misconduct and discrimination.
  - [File a report of discrimination via online form](#)
  - [Call to report discrimination 512-471-1849](tel:512-471-1849) or email: [equity@utexas.edu](mailto:equity@utexas.edu)
- **Office for Civil Rights (OCR)**  
The Office for Civil Rights (OCR) in the US Department of Education is responsible for enforcing federal civil rights laws that prohibit discrimination in programs and activities that receive federal financial assistance from the Department of Education, including sex discrimination covered under Title IX. [Call the Office for Civil Rights 214-661-9600](tel:214-661-9600).
- **Equal Opportunity in Employment Commission (EEOC)**  
The Equal Employment Opportunity Commission (EEOC) is responsible for enforcing federal laws that make it illegal to discriminate against a job applicant or employee on the basis of a protected class, including discrimination on the basis of sex. [Call the Equal Opportunity in Employment Commission 800-669-4000](tel:800-669-4000).

## University Health Services

Taking care of your general well being is an important step in being a successful student. If you are sick or if stress, test anxiety, racing thoughts, feeling unmotivated, or anything else is getting in your way, the options listed below are available to you for support. Students are encouraged to take advantage of these resources as needed. Both your professor and TA are willing to talk with you about personal as well as academic issues.

### Mental Health

For **immediate** support:

- Visit/Call the Counseling and Mental Health Center (CMHC): M-F 8 a.m.-5 p.m.  
| SSB, 5<sup>th</sup> floor | [512-471-3515](tel:512-471-3515) | <https://cmhc.utexas.edu/>
- CMHC Crisis Line: 24/7 | [512.471.2255](tel:512.471.2255) | <https://cmhc.utexas.edu/24hourcounseling.html>

**FREE Services** at CMHC:

- Brief assessments and referral services
- Mental health and wellness articles - <https://cmhc.utexas.edu/commonconcerns.html>
- MindBody Lab - <https://cmhc.utexas.edu/mindbodylab.html>
- Classes, workshops, and groups - <https://cmhc.utexas.edu/groups.html>

### Physical Health

Most students know that they can make appointments at University Health Services <https://healthyhorns.utexas.edu/appointments.html>, but many don't know about the 24/7 Nurse Advice Line Nurse Advice (512 475-6877) or the many other resources. Students can search for information and resources by topic using the UHS website <https://healthyhorns.utexas.edu/HT/index.html>.