



Philanthropy and Nonprofit Organizations

LAH 350

Spring 2018

Professor: Pamela Paxton
Class Meetings: Mondays and Wednesdays 9:00-10:30
Classroom: CBA 4.340
Office Hours: Wednesdays 1:00-2:00 or by appointment
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To give away money is an easy matter in any man's power. But to decide to whom to give it, and how large and when, and for what purpose and how, is neither in every man's power nor an easy matter. Hence it is that such excellence is rare, praiseworthy and noble.

--Aristotle, *Ethics*, 360 BC

Course Description:

Charitable giving in the United States topped 370 billion dollars in 2016, and over 70% of those dollars came from individual giving. Is this money well spent? Unfortunately, only some charities are effective. This course will introduce students to nonprofits, philanthropy, and how to give money away. It will cover theories of giving, the nonprofit sector, and criticisms of both. A significant portion of the course will focus on providing students with the tools and skills to evaluate charitable programs for effectiveness using social scientific techniques. We will also address the relationship between philanthropic and state-sponsored programs and discuss issues of social responsibility that arise when billionaires, foundations, and corporate actors engage in philanthropic work.

The experiential learning portion of the class will introduce students first-hand to the dilemmas donors face as they evaluate nonprofits. Based on their own evaluations, students will have the opportunity to distribute significant funds (provided through The Philanthropy Lab and individual donors), to charitable organizations. Students will be placed into groups that will do extensive research on a category of nonprofits, ultimately deciding which charities will receive funds through discussion and debate.

Course Materials:

Peter Singer. 2009. *The Life You Can Save*. New York: Random House. Available at University Co-op.

Other course readings available through Canvas.

Course Requirements and Grading:

Class Participation (10%) As in all college courses, students should come to class having read and thought about the assigned readings. Regular and thoughtful contributions to classroom discussions are essential to the success of the seminar. Also, attendance matters. Make sure you sign in on the attendance sheet every day. Your attendance will be considered in your overall participation grade. Only students who have attended regularly will vote on the final distribution of the funds. Finally, you will also be evaluated on your participation in group work.

Paper 1 (10%) 250 words, one page. Due: first draft on January 26, revision on February 9. Details provided in handout.

Paper 2 (15%) 500 words, two pages. March 23. Details provided in handout.

Paper 3 (20%) 1250 words, five pages. April 20. Details provided in handout.

Oral Presentations (20%) individual and within debates.

Self and group evaluations (5%) 500 words, two pages. Due May 2. Details provided in handout.

Final exam (20%) May 14, 9:00-12:00

Grades will include + and – distinctions.

Your grade will be docked one grade per day late, for any assignment.

Outline of Course:

January 17: Introduction to the course / For Whom Are We Responsible?

Readings:

No readings for today

Optional: Listen to Bill Gates' 2007 Graduation Speech at Harvard

Part 1: http://www.youtube.com/watch?v=AP5VIhbJwFs&feature=mfu_in_order&list=UL

Part 2: http://www.youtube.com/watch?v=X_YQmRD_q9Y&feature=related

Part 3: http://www.youtube.com/watch?v=vwdMXquKTzM&feature=mfu_in_order&list=UL

Part 4: <http://www.youtube.com/watch?v=YzIMxltEAWk&feature=related>

Part 5: <http://www.youtube.com/watch?v=1ZKW5Gs6z7o&feature=related>

January 22: What are the Obligations of Wealth?

Readings:

Peter Singer. 2009. *The Life You Can Save*. New York: Random House. Chapters 1-3 and 10.

Leif Wenar. 2012. "Poverty is No Pond: Challenges for the Affluent." Chapter 6 in *Giving Well: The Ethics of Philanthropy*, edited by Patricia Illingworth, Thomas Pogge, and Leif Wenar.

Optional:

read the text of the giving pledge and current signatories. givingpledge.org

Paul Woodruff. 2013. "Philosophy of Giving: Alternatives to Singer."

January 24: Introduction to the Nonprofit Sector

Readings:

The Philanthropy Lab: 2016-2017 Grant Letter
Letter to Students from the Philanthropy Lab

Groups:

Group assignments and first meeting

January 26: Paper 1 first draft due

January 29: More on the Nonprofit Sector / Giving in the U.S.

Readings:

Rob Reich. 2012. "Toward a Political Theory of Philanthropy." Chapter 9 in *Giving Well: The Ethics of Philanthropy*, edited by Patricia Illingworth, Thomas Pogge, and Leif Wenar.

Ben Gose. 2012. "Wealthiest don't Rate High on Giving Measure." *The Chronicle of Philanthropy*. <http://philanthropy.com/article/America-s-Geographic-Giving/133591/>

Gara Lamarche. 2014. "Is Philanthropy Bad for Democracy?" *The Atlantic*.

January 31: Giving in the U.S. (cont.)

Visiting Speakers: panel of students from prior philanthropy classes

Groups:

Group meeting

February 5: Choosing Where to Donate

Readings:

Charles Bronfman and Jeffrey Solomon. 2010. "The Soul of the New Philanthropist." chapter 5 in *The Art of Giving: Where the Soul Meets a Business Plan*. San Francisco: Jossey-Bass.

Eric Friedman. *Reinventing Philanthropy*. Chapters 1-3, 10.

February 7: Choosing Where to Donate II

Readings:

Craig Dykstra. 2008. "What is a Grant?" in Amy Kass *Giving Well, Doing Good*.

La Piana Consulting. 2010. *Due Diligence Done Well: A Guide for Grantmakers*.

Groups:

Group meeting

February 9: Paper 1 revision due

February 12: No Class Today

February 14: Understanding the IRS Form 990

Readings:

Eric Friedman. *Reinventing Philanthropy*. Chapter 5.

February 19: Understanding the IRS Form 990 II

Readings:

Reich, Rob, Lacey Dorn, and Stefanie Sutton. Anything goes: Approval of nonprofit status by the IRS Stanford, CA: Stanford University Center on Philanthropy and Civil Society, 2009, pp. 1-26. Link: <https://www.openminds.com/wp-content/uploads/indres/101509ssreichnonprofit.pdf>

Watch Dan Pallotta's Ted Talk:

http://www.ted.com/talks/dan_pallotta_the_way_we_think_about_charity_is_dead_wrong.html

February 21: Evaluation, Logic Models, and Social Return on Investment

Readings:

Peter Singer. 2009. *The Life You Can Save*. Chapter 6.

Eric Friedman. *Reinventing Philanthropy*. Chapter 8.

Peter Rossi, Mark Lipsey and Howard Freeman. *Evaluation: A Systematic Approach*. Seventh edition. Pp. 93-96, 146-164

Groups:

Groups narrow to one charity per member

February 26: Guest Speaker: Morton Meyerson

February 28: Evaluation, Logic Models, and Social Return on Investment

Readings:

Michael Weinstein and Ralph Bradburd. *The Robin Hood Rules for Smart Giving*. 2013. New York: Columbia Business School. Chapters 1-2.

Paul Brest and Hal Harvey. 2008. *Money Well Spent: A Strategic Plan for Smart Philanthropy*. New York: Bloomberg Press. Chapters 10.

Alana Conner Snibbe. 2006, Fall. "Drowning in Data" *Stanford Social Innovation Review* 39-45

Alnoor Ebrahim. 2013. "Let's be Realistic About Measuring Impact." *Harvard Business Review*.

March 5: presentations

March 7: groups decide on a single charity

Spring Break

March 19: The Scientific Method and Experimental Design

Readings:

Michael Weinstein and Ralph Bradburd. *The Robin Hood Rules for Smart Giving*. 2013. New York: Columbia Business School. Chapter 4.

Trochim, William M. 2006. The Research Methods Knowledge Base, 2nd Edition. Internet WWW page. Read these pages:

<http://www.socialresearchmethods.net/kb/destypes.php>

<http://www.socialresearchmethods.net/kb/desexper.php>

<http://www.socialresearchmethods.net/kb/expsimp.php>

<http://www.socialresearchmethods.net/kb/expequi.php>

<http://www.socialresearchmethods.net/kb/random.php>

Groups:

Groups plan research

March 21: The Scientific Method and Experimental Design

Readings:

Peter Rossi, Mark Lipsey and Howard Freeman. *Evaluation: A Systematic Approach*. Seventh edition. Chapter 8.

Alnoor Ebrahim. 2014. "What Impact? A Framework for Measuring the Scale and Scope of Social Performance." *California Management Review*

Groups:

Group research

March 26: The Scientific Method and Experimental Design: Exercises

Groups:

Group research

March 28: The Big Picture: Declines in Volunteering and Other Forms of Social Capital

Readings:

Robert Putnam. 2000. *Bowling Alone: The Collapse and Revival of American Community*. New York: Simon and Schuster. chapters 1, 3, 7, and 24

April 2: Volunteering

Readings:

Peter Singer. 2009. *The Life You Can Save*. Chapter 4.

April 4: Giving Goals

Readings:

The Philanthropy Lab: Create a Giving Goal

Groups:

Group research

April 9: New Research on Giving by Individuals and Governments

Readings:

- The Economist. Oct 26th, 2013. "Pennies from Heaven: Giving Money Directly to Poor People Works Surprisingly Well. But It Cannot Deal with the Deeper Causes of Poverty.
- Joseph Hanlon, Armando Barrientos, and David Hulme. 2010. *Just Give Money to Poor: The Development Revolution from the Global South*. Chapter 9.
- Kevin Starr and Laura Hattendorf. 2014. "Give Directly? Not So Fast." *Stanford Social Innovation Review*.
- Michael Walzer. 2011. "On Humanitarianism: Is Helping Others Charity, Duty, or Both?" *Foreign Affairs*. www.foreignaffairs.com/articles/67931/michael-walzer/on-humanitarianism
- Listen to Act one ("Money for Nothing and Your Cows for Free") in This American Life 503: I Was Just Trying to Help, available here:
<https://www.thisamericanlife.org/radio-archives/episode/503/i-was-just-trying-to-help>

April 11: Religion and Giving/Volunteering

Readings:

- Robert Putnam and David Campbell. 2010. *American Grace: How Religion Divides and Unites Us*. New York: Simon and Schuster. Chapter 13.
- Maimonides Eight Degrees of Tzedakah

Groups:

Group research

April 16: Arguments Against Nonprofits

Readings:

- Robert Lupton. 2011. *Toxic Charity: How Churches and Charities Hurt Those they Help, and How to Reverse it*. Chapter 2
- Paul Kivel. "Social Service or Social Change?" chapter 11 in *The Revolution Will Not Be Funded*. Cambridge: South End Press.
- Amsterdam, Daniel. "The shortcomings of billionaire philanthropy." *The Atlantic*. December 5, 2015. <http://www.theatlantic.com/politics/archive/2015/12/the-shortcomings-of-billionaire-philanthropy/418938/>

April 18: Plan Evaluation of Grants

Readings:

Letter to Students from the Philanthropy Lab

April 20: paper 3 due

April 23: Final Presentation and Debates

April 25: voting

April 30: Final Decisions

May 2: Course Wrap-Up

Readings:

Peter Singer. 2009. *The Life You Can Save*. Chapters 5, 9, and 10.

May 14, 9-10:30 Final Exam

May 14, 11:00 Presentation of Checks to Recipients and Celebration

Overview of Process for the Distribution of the Funds

January 17: students fill in choices for groups
•5 groups of ~3 students each

January 24: students receive group assignments and begin discussion of overall goals for giving.

January 31: groups meet for more discussion of overall goals.

- Each student charged with finding three charitable organizations that meet the goals of the group.
- That means ~9 organizations per group.
- Students will need to compile some basic information about their three organizations before the next group meeting.

Early February: groups review their organizations

February 21: group meetings to narrow the organizations to be considered to 1 per member of the group.

- Should be based on criteria established by the group.
- At this point, each group will cut down to considering only 3 organizations.
- Each organization is assigned to one member of the group for further study.

February 26 – March 2: individuals work on paper #2, which is a report on their charity, and prepare a presentation on their charity for the upcoming presentations and debates.

March 5: Each member of each group will present information on their charity. Then groups will debate within themselves on the merits of their individually-assigned charities. The rest of the class will provide input.

- Within your assigned group you will be presenting information, arguing, and attempting to persuade other members of your group as well as the rest of the class.
- The end result is that each group will select down to one charity for further research.
- At this time we will have 12 finalist charities, one per group.

March 7: groups finalize their finalist charity.

March 7 - April 20: Groups organize due diligence research, further data collection, and tasks for group members. Each group will undertake serious study of their selected charity.

- All aspects of the organization – mission, program effectiveness, capacity of management and board to lead the organization, fiscal strength, etc. must be considered.
- Students will evaluate the charities using the tools learned in class
- Students will need to interview a representative from the charity or do a site visit
- Students will check with university lawyers about potential grantees to make sure there are no legal problems
- Each student will use the results of their own research, as well as the group's research, to write paper #3.

April 23: presentations and debates will provide detailed information for each group's top choice. Each member of the group has to play some role. The class will be voting on the amounts of money to give to each of the charities.

- presentations must include:
 - The case for this type of charity
 - Why this organization makes an impact
 - Any specific recommendations you are making on the size of the gift, unrestricted or restricted use, the percentage of the agency's budget the gift would be, possible uses of money (how much they need to make an impact)
- each group will be assigned an opposing group, who will prepare a rebuttal. Groups will have a chance to respond to the rebuttal, as well as to questions from the floor.

April 25: voting.

April 30: final decisions and voting. Final decisions will involve the number of charities to give to and the amount to give to each charity. Only students who have attended regularly will vote on the final distribution of the funds. No more than 3 charities will receive donations.

May 14: checks will be presented to representatives of the selected charities.

Helpful Resources:

The Philanthropy Lab. Website for the Philanthropy Lab project. Includes grants awarded to date and syllabi from the courses at the thirteen participating universities. www.thephilanthropylab.org/

GiveWell. In depth charity research, reviews, and recommendations. www.givewell.org

Good Intentions are Not Enough. Charity research and a nice “smart donor” quiz.
www.givewell.org

Giving What We Can. Charity reviews and recommendations and a giving pledge.
www.givingwhatwecan.org

Guidestar. Basic data about nonprofits, including tax Form 990. www.guidestar.org

Charity Navigator. Charity ratings with emphasis on financial health and accountability/transparency. www.charitynavigator.org

The Chronicle of Philanthropy. National weekly devoted to philanthropy. www.philanthropy.com

Independent Sector. Nonprofit advocacy and policy. www.independentsector.org

Ashoka. Supporting social entrepreneurs. www.ashoka.org

Foundation Center. Maintains a database on grantmakers and grants and does research, education, and training. www.fdncenter.org

Center on Philanthropy at Indiana University. Academic center focused on philanthropy.
www.philanthropy.iupui.edu

The Life You Can Save. Website related to Peter Singer’s book. www.thelifeyoucansave.com

University of Texas Honor Code:

The core values of The University of Texas at Austin are learning, discovery, freedom, leadership, individual opportunity, and responsibility. Each member of the university is expected to uphold these values through integrity, honesty, trust, fairness, and respect toward peers and community.

Each student in this course is expected to abide by the University of Texas Honor Code.

Your work must be your own work. Plagiarism means “to steal and pass off the ideas or words of another as one’s own. To use another’s production without crediting the source” (Merriam-Webster Dictionary 2012). Do not present someone else’s writing or ideas as your own. This includes unacknowledged word-for-word use of someone else’s work, unacknowledged paraphrasing of someone else’s work, and/or unacknowledged use of another person’s ideas. If you use words or ideas from someone else, you must cite your sources. Unclear on what constitutes plagiarism?

Want to know how to avoid it? See

<http://www.lib.utexas.edu/services/instruction/learningmodules/plagiarism/>

Documented Disability Statement:

Any student with a documented disability who requires academic accommodations should contact Services for Students with Disabilities (SSD) at (512) 471-6259 (voice) or 1-866-329-3986 (video)

phone). Faculty are not required to provide accommodations without an official accommodation letter from SSD.

- Please notify me as quickly as possible if the material being presented in class is not accessible (e.g., instructional videos need captioning, course packets are not readable for proper alternative text conversion, etc.).
- Contact Services for Students with Disabilities at 471-6259 (voice) or 1-866-329-3986 (video phone) or reference SSD's website for more disability-related information:
http://www.utexas.edu/diversity/ddce/ssd/for_cstudents.php

This syllabus is subject to change. Changes, if any, will be announced in class. Students will be held responsible for all changes.