

Ethical and Effective Philanthropy for Sustainable Development

SUSTAIN 222 / POLI SCI 236 / POLI SCI 236S / ETHICSOC 232T

Spring 2023

Mondays 1:30-4:20 | Econ 140 | 4-5 units

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Course Description and Objectives:

This course will provide an in-depth understanding of the nonprofit and philanthropic sector, including its historical development, normative and structural elements, and modern role as a driver of social change, with a focus on sustainable development. By the end of the course, students will have knowledge of the history and structure of philanthropy and the nonprofit sector, the tradition of competing value commitments in civil society, and key issues in the current nonprofit and philanthropic sector. Concurrently, students will apply this knowledge to a practical exercise in philanthropic grantmaking. Readings for this class will span across political philosophy, civil society studies, public policy, and philanthropic strategy.

In the applied component of the course students will participate in a team-based project to select a nonprofit organization to receive a class donation of roughly \$50,000. This activity will support learning to think ethically and strategically about promoting sustainable development. For example, should we prioritize developing clean energy technology, changing climate policies, advocating for environmental education and justice, or reducing immediate harm to human health? These are the difficult choices facing philanthropists, whose global giving to sustainable development now exceeds \$110 billion per year. Students will develop tools for ethically and practically evaluating philanthropic activities, develop a proposal for why an organization should

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receive the donation, and work as a class to collectively evaluate the proposals and select a recipient for the grant. The process will be informed by course readings and lectures on topics such as motivations for giving, outcomes-based philanthropy, and trust-based giving. We will also reflect on the appropriate role for private philanthropy and nonprofits versus business and government in solving social problems.

Reading Assignments:

Most of the assigned readings in this class can be publicly accessed online. Any other required texts will be made available on Canvas, or through the Stanford bookstore or library. Additionally, we will assign several chapters from the following electronic resource, which is the closest thing to a “textbook” we will use in this class:

Stanford PACS, “Guide to Effective Philanthropy”:

<https://pacscenter.stanford.edu/research/effective-philanthropy-learning-initiative/donor-guide/>

Course Format, Requirements and Assignments

The course will feature a mixed lecture and applied seminar/lab format.

Class & lab participation [35% of grade]

Participation in this course includes a range of modes, from contributing intelligently to class discussions to taking initiative in and contributing equitably to the work of the grantmaking teams. Active participation in the lab is required on a weekly basis, during which students will develop priorities for grantmaking, reflect on criteria for strategic selection of organizations, keep the TAs fully informed of their actions, and, at the end of the quarter, award the grant to the chosen nonprofit organization through a deliberative process. There will be four graded deliverables (ranging in weight from 5% to 10%), that each team will be expected to turn in throughout the quarter, including the final pitch.

Written assignments [65% of grade]

Each student is expected to complete three papers for this course, as follows: two 3-4 page short essays, and a final paper of 10-13 pages. For all papers you must cite material appearing in quotations and ideas that are not your own to their original source in a recognizable citation format. The two short papers will be your chance to engage more deeply with parts of the course that are of most interest to you. You are expected to engage in analysis or critique of two or more class readings in a way that goes beyond summary or opinion. You may draw on outside materials to support your core argument or analysis. The short essays should be

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well-organized, with a clear central point followed by supporting discussion and evidence. Some of the discussion questions listed at the start of each week could be examples of topics to consider.

The final paper is a reflective essay that applies your thinking about themes in the class to your rationale in funding your selected nonprofit organization. Although you will work as a team to come to a decision about one organization to put forward to the class, your final paper should be written up independently to share your unique analysis of the group grantmaking in light of the course readings and outside material you wish to draw on.

The breakdown of points for the individual assignments are allocated as follows, assignments are due by 11:59pm the day of their due date via Canvas (except for the guest speaker request, which should be emailed directly to Paul Brest):

Assignment	Due Date	Percent
Lab: Team giving vision & long list of orgs with rationale (team)	Fri, April 21	5%
Guest speaker request to send theory of change (see Week 5 for details)	Sun, Apr 30	n/a
Lecture: Short paper 1 (independent)	Mon, May 1	15%
Lab: Criteria Matrix & Theory of Change for shortlisted orgs (team)	Fri, May 5	5%
Lecture Short paper 2 (independent)	Mon, May 22	15%
Lab: Due Dilligence report(s) (team)	Fri, May 26	5%
<i>*WIM ONLY: Final paper draft (independent)</i>	<i>Mon, May 29</i>	<i>10% (for WIM only)</i>
Lecture: Final paper (independent)	Mon, June 5	35% (25% for WIM only)
Lab: Preparation and presentation of final proposal (team)	Mon, June 5	10%

** The class may be used to fulfill the Writing in the Major (WIM) requirement. Those wishing to fulfill the WIM requirement should enroll in PoliSci 236S. For those choosing the WIM requirement, the first draft of the final paper will be due on May 29 and in final form on June 5. For all others, the final paper will be due on June 5.*

A Note about Class and Lab Preparation

In exploring the role of philanthropy and nonprofits in sustainable development, the goal of the class is to facilitate your learning using the historical, conceptual, and strategic tools we shall discuss in class. Successful growth will require dialogue and discussion. In order to be prepared

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for discussion, it is essential that you come to each class session (1) having read the materials assigned and (2) having reflected on your reaction or analysis of the main points in the readings.

Critique is important, but we can be certain that every view will face some problems. What we are trying to explore is whether we can understand multiple views on issues of consequence. We are not aiming to demonstrate debater's skills, convince each other of a certain stance, or reach consensus. You will individually tackle the challenging task of figuring out what you think and strengths/weaknesses of your view, after understanding the range of theoretical options and competing arguments.

Late assignments

Will lose one letter grade per day (e.g. an "A" to an "A-" for submitting Short paper I at 12:01am on May 2 rather than 11:59pm on May 1).

Attendance policy

In person attendance is expected, class sessions will not be offered in hybrid format. If you are sick, please stay home, rest, and recover. If you need to miss more than one session, a doctor's note is required; two or more absences without a medical letter will affect your participation grade. If you miss a session due to illness or other unexpected circumstances, you are expected to complete class readings, find out what other material was covered, coordinate with your team to contribute to lab work, and turn in assignments on time.

Students with documented disabilities

Students who may need an academic accommodation must initiate the request with the Student Disability Resource Center (SDRC) located within the Office of Accessible Education (OAE). SDRC staff will evaluate the request with required documentation, recommend reasonable accommodations, and prepare an *Accommodation Letter* for faculty dated in the current quarter in which the request is being made. Students should contact the SDRC as soon as possible since timely notice is needed to coordinate accommodations.

The Honor Code

Stanford has an Honor Code, which can be easily reviewed online at the following link: <http://www.stanford.edu/dept/vpsa/judicialaffairs/guiding/honorcode.htm>. Violating the Honor Code is a serious offense, even when the violation is unintentional. You are responsible for

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understanding the University rules regarding academic integrity; you should familiarize yourself with the code if you have not already done so. In brief, conduct prohibited by the Honor Code includes all forms of academic dishonesty, such as copying from another student's work, unpermitted collaboration and representing as one's own work the work of another.

Note: For this course, ChatGPT or other generative AI tools should be considered analogous to secondary sources like academic or magazine articles. If you draw on these sources for inspiration or additional background in your papers, be sure to cite appropriately and use quotation marks if you are using direct quotations. Our explorations indicate mixed reliability and sophistication to prompts asking about this specialized field, so it is recommended that you also verify the accuracy of any results with trusted sources such as peer-reviewed academic articles or books.

Course Schedule

Week 1: April 3

Introduction to the Nonprofit and Philanthropic Sector

What is the nonprofit and philanthropic sector? What are your initial instincts about giving to particular causes or organizations? What would you do with \$10? \$1 million?

Readings:

- Woody Powell. (2020). [“What is the Nonprofit Sector”](#), in W. Powell & P. Bromley (eds), *The Nonprofit Sector, A Research Handbook* (3rd ed.)
- Peter Singer. (2011). [“What Should a Billionaire Give? And What Should You?”](#), in T. Pogge et al. (eds), *Giving Well: The Ethics of Philanthropy*.
- Darren Walker. [“Op-Ed: Why Giving Back Isn’t Enough.”](#) *New York Times* (Dec 17, 2015)

Lab: Introduction to the donor letter, expectations, and the grantmaking roadmap. Please bookmark <https://thephilanthropylab.org/> for easy reference; we will refer back to this website throughout the course.

Week 2: April 10

Rationales for the Nonprofit and Philanthropic Sector

Why does the nonprofit sector exist? Should it exist in its current form?

Readings:

- Steve Ott (ed). (2022). *The Nature of the Nonprofit Sector* (pp 190-198). Overviews of “Government Failure Theory” and “Contract Failure Theory” by D. Young, plus introduction to critique, “And Lettuce is Nonanimal” by R. Lohmann.
- Rob Reich. (2011). [“Toward a Political Theory of Philanthropy”](#), in T. Pogge et al. (eds), *Giving Well: The Ethics of Philanthropy*.
- Michael Waltzer (1974). “Socialism and the Gift Relationship.” *Dissent*
- Danielle Ofri. [“Why are Nonprofit Hospitals So Highly Profitable?”](#), *The New York Times* (Feb 20, 2020).

Lab Reading:

- Stanford PACS, Ch. 5, “Understanding Problems, Their Causes, and Approaches to Solutions,” *Guide to Effective Philanthropy*.

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Lab: Assemble teams and discuss teamwork logistics. Reflect on different problem understandings and approaches to sustainable development. We will hear from a Haas Center representative about the principles of ethical and effective public service.

Week 3: April 17

Who gives what, and why?

In what ways have you given time, money, or other support to causes? What motivated you? What does the literature say about who gives what, and why? How much giving is related to sustainable development?

- Pamela Paxton. (2020). “What Influences Charitable Giving?”, in W. Powell & P. Bromley (eds), *The Nonprofit Sector, A Research Handbook (3rd ed.)*
- Nina Eliasoph. (2020). “What do Volunteers Do,” in W. Powell & P. Bromley (eds), *The Nonprofit Sector, A Research Handbook (3rd ed.)*
- Will Kymlicka. (2001). “Altruism in Philosophical and Ethical Traditions: Two Views,” in J. Philips et al. (eds), *Between State and Market*.
- Dale Herzog. [“Ever sent clothing or toys in response to a disaster? Here's what probably happened to it”](#), *TED-Ed Blog (Sep 5, 2019)*.

Optional Recent Stats on Giving:

- Mark Rovner. (2015). [“Diversity in Giving: The Changing Landscape of American Philanthropy”](#)
- Dorcetta Taylor & Molly Blondell. (2023). [Examining Disparities in Environmental Grantmaking: Where the Money Goes](#). *Yale School of Environment*.

Lab Reading:

- Stanford PACS, Ch. 7 “Finding Effective Organizations,” *Guide to Effective Philanthropy*.

Lab: Teams generate preliminary lists of organizations. Reflect on pros/cons of the search process. Who is excluded, and why? Are there ways of mitigating bias? We will also hear from the students who took last year’s course about representing the course at the annual Philanthropy Lab leadership summit.

*****Due April 21: Team giving vision & long list of orgs with rationale*****

Week 4: April 24

Varieties of Philanthropy: Venture, Strategic, Participatory, and Justice-Oriented

What are the strengths and weaknesses of different approaches to philanthropy? How do/don’t they co-exist in practice?

Readings:

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- Christine Letts, William Ryan & Allen Grossman (1997). [“Virtuous Capital: What Foundations Can Learn from Venture Capitalists”](#) *Harvard Business Review* (March-April 1997).
- Bruce Sievers. (1997). “If Pigs Had Wings: The Appeals and Limits of Venture Philanthropy,” *Foundation News & Commentary*.
- Edgar Villanueva. (2021). “Introduction: What if Money Could Heal Us?”, in *Decolonizing Wealth: Indigenous Wisdom to Heal Divides and Restore Balance*.
- Two 20-minute podcasts from *Stanford Social Innovation Review (SSIR)*:
 - Maria De La Cruz, Irene Wong, Mary Jovanovich & Michael Vos. [“Participatory Grantmaking: A Shared Approach to Effective Change”](#) *SSIR* (June 22, 2022)
 - Philip Li, Nadia Roumani, Julia Reed & Michael Voss. [“Trust Based Philanthropy and Strategic Giving.”](#) *SSIR* (June 15, 2021)

Lab Readings:

- Bridgespan Group, “How to Research a Nonprofit: A Light-Touch Approach.”

Lab: Teams discuss what they are learning about the organizations on their preliminary list—what makes them consider and reconsider regarding certain organizations. Determine which philanthropic approach your team would like to prioritize from the varieties introduced today. What is your team’s giving vision—that is, what do you want to achieve through your giving, and why is that important?

Current Event Update: [The Goldman Environmental Prize](#) is awarded in San Francisco today, it is of interest for our course to see the way they categorize different categories of environmental nonprofits.

Week 5: May 1

Theorizing Change for Philanthropic Decision-Making

What is a theory of change? How might we apply this framework in the context of philanthropic decision-making?

Guest Speaker: Paul Brest, Former President of the Hewlett Foundation and Former Dean of Stanford Law School, Principal Investigator of the Effective Philanthropy Lab in Stanford’s Center on Philanthropy and Civil Society (PACS)

Readings:

- Paul Brest. [“The Power of Theories of Change”](#). *Stanford Social Innovation Review* (Spring 2010)

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- Paul Brest. [“Developing an Outcomes Framework for the Stanford Doerr School of Sustainability”](#), *Stanford Law School Publications* (June 2022)
- Stage 2 (“Build a Theory of Change”) section in this [online module](#).

Special Preparation for this Session: The [online module](#) above provides three examples of theories of change: (1) feeding people with fish (in Sarah Soule's video), (2) reducing infant diarrhea, and (3) reducing type-2 diabetes (in Jordan's video). Go through the entire section of the module. Then decide on an ultimate outcome that you would like to achieve and draft a theory of change to achieve it using a form like the charts shown to reduce infant diarrhea. Email your theory of change in Word or PDF format to pbrest@stanford.edu the day before the class, and be prepared to present it to the class.

Lab: *Each team should start narrowing down their list of organizations using salient criteria. Can you see an explicit or implicit theory of change for each organization, and how does that inform your team’s criteria for selection? Start researching which of the selected organizations has indicators of effectiveness and how that might affect your selection process.*

*****Short Paper #1 due today*****

*****Due May 5: Criteria Matrix & Theory of Change for shortlisted orgs*****

Week 6: May 8

Philanthropy and Politics

How do foundations shape politics? What are arguments for and against philanthropic involvement in public policy and the provision of public goods?

Readings:

- Michael Barker. (2010). [“Foundations and the Environmental Movement”](#), *Counterpunch* (Sep. 13, 2010).
- Matthew Bishop (2013). “Philanthrocapitalism: Solving public problems through private means.” *Social Research: An International Quarterly*, 80(2), 473-490.
- Sarah Reckhow & Jeffrey Snyder. (2014). “The expanding role of philanthropy in education politics.” *Educational Researcher*, 43(4), 186-195.

Lab Reading:

- Stanford PACS, Ch. 8, “Due Diligence: Vetting and Evaluating Organizations,” *Guide to Effective Philanthropy*.

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Lab: Conduct (virtual) site visits and narrow down to 1-2 finalist organizations within each team. conducting due diligence from a distance. Address the potential for participant observation or informal outreach to representatives from the finalist organizations.

Week 7, May 15

Contemporary Trends: Generational Shifts and Diversifying Philanthropy

How has philanthropy changed over time? What voices have traditionally been privileged in the sector, and who has been left out?

Readings:

- Anna Pikovsky Auerbach, "[Fostering a Culture of Diverse Philanthropy](#)", *Stanford Social Innovation Review* (Dec 31, 2014)
- Brandon Boesch. (2018), "[Integrity, Identity, and Choosing a Charity.](#)" in P. Woodruff (ed.), *The Ethics of Giving: Philosophers' Perspectives on Philanthropy* (149-177).
- Conversations on Generational Shifts and Diversifying Philanthropy:
 - Elise Hu, "[How Millennials are Reshaping Charity and Online Giving](#)", *NPR* (Oct 13, 2014).
 - Justin Wheeler, "[How Millennials Are Changing Philanthropy](#)", *Forbes* (Aug 15, 2018).
 - Maggie Galehouse, "[The Philanthropy Bug Bites Millennials](#)", *Chron* (March 24, 2015).
 - Iro Konstantinou and Kate Jones (2022). "[Investigating Gen Z attitudes to charitable giving and donation behaviour: Social media, peers and authenticity.](#)" *Journal of Philanthropy and Marketing*, 27(3).

Lab: Continue due diligence and learn what other teams are doing. Each team to report out their progress to date, and ask/receive feedback from the rest of the class and instructors.

Week 8: May 22

Philanthropy and the Future

Looking ahead, what challenges do you foresee for the field of philanthropy?

Readings:

- Benjamin Soskis, "[The Importance of Criticizing Philanthropy](#)", *The Atlantic* (May 12, 2014).
- Tylor John and William MacAskill. (2021). "[Longtermist institutional reform.](#)" in N. Cargill & T. John (eds), *The Long View: Essays on Policy, Future and the Long-Term Future*.

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- Leaphart, Keith. 2022. [“Four Ways the Future of Philanthropy will be Different”](#)

Useful resources to skim in preparing your pitch:

- Bright Ewuru. [“The power of storytelling in grantmaking.”](#) *Good Grants* (Sep. 14, 2022).
- Paul VanDeCarr. (2013). [“Storytelling & Social Change: A Strategy Guide for Grantmakers.”](#)
- Matt Abrahams. [“Tips and Techniques for More Confident and Compelling Presentations.”](#) *Stanford Graduate School of Business* (Mar. 2, 2015).

Lab: *Begin preparation of team pitches in support of the finalist organizations. Do you have enough information about your selected organization to be able to make a balanced and compelling pitch on their behalf?*

*****Short Paper #2 due today****

*****Due May 26: Due Dilligence report(s)*****

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Week 9: May 29

NO CLASS – Memorial Day

Lab (remote): *Continue meeting in your team to work on the final pitch for next week. Instructors will be available by email for any last-minute questions or concerns that may arise at this stage.*

*****WIM Long Paper draft today*****

Week 10: June 5

Pitch Day & Closing Remarks

Each team will have 10-15 minutes to make their pitch, and we will deliberate and decide collectively on which organization should receive the grant on behalf of our entire class.

*****Final long papers (ALL) due today*****

*****Presentation of proposed grantee*****

Final Celebration: June 12

We will reconvene one last time (during the time slot normally allocated for final exams) for a celebratory one-hour session to present the class grant to the chosen organization and learn more about their work. If you have family or friends in town for graduation or the end of the year, they are welcome to attend!