

## Arthur C. Frantzreb Lecture: Knowledge for Tomorrow's Philanthropy

Wendy Spencer, CEO, Corporation for National and Community Service

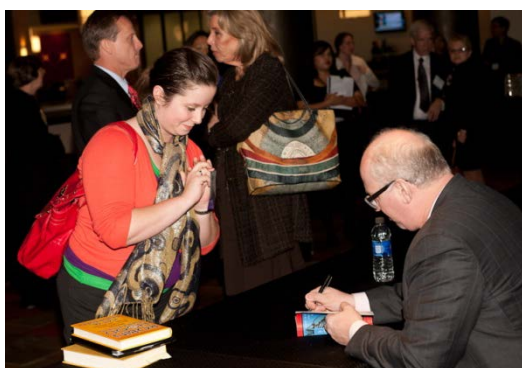


Spencer's keynote address emphasized key themes of the symposium, including how philanthropy can play a role in solving important issues in communities around the U.S. Service is a mission-driven human capital solution to socioeconomic needs during difficult fiscal times. Research links strong civic engagement with strong employment at local and state levels. Volunteer management exponentially expands available workers and service audience. It attracts skills-based volunteer support and engaging youth, creating tomorrow's philanthropists. Spencer emphasized that investing in proven programs will encourage continued federal funding.

Spencer shared some of CNCS's flexible, innovative, and cost-effective programs.

- *Social Innovation Fund* (SIF) provides matching funding to grant makers who look for promising nonprofits in communities throughout the country. Those nonprofits then match the funds and expand their programs to reach more people in need. In about two years, SIF-funded programs have served 134,000 individuals.
- *FEMA Corps*, a partnership between CNCS and FEMA, is an AmeriCorps program stemming from the 2011 Joplin, MO tornado. When fully operational, FEMA Corps members would save FEMA \$50 million a year. CNCS has already formed further partnerships with USDA, National Guard Bureau, and Department of Education.

**Luncheon Address:** *Matthew Bishop, US Business Editor and New York Bureau Chief of the Economist; co-author of Philanthrocapitalism*



Bishop introduced the concept of philanthrocapitalism and challenged practitioners to develop steps toward its full implementation. A 2001 Bill Gates interview convinced Bishop that "catalytic" giving is "the way to solve major world problems." His 2006 "The Business of Giving" article revealed "the emerging structure of philanthropists as investors, social entrepreneurs...increasing focus on impact." This blurring of the philanthropic and capitalist sectors produces philanthrocapitalism, imbuing capitalism with "a sense of mission" and teaching nonprofits to operate "on a large scale" with "impact." Whether stemming from America's billionaires or the world's billions, philanthrocapitalism draws strength from multi-sector, institutional partnerships engaging mass movements. Bishop's address included some suggestions. To facilitate cooperation, practitioners should share data. Bishop reveals that while

the industry agrees about measurement goals, practitioners dedicate “very little real money...to develop” impact investing. Yet several models of cross-sector participation and investment already exist. Social impact bonds allow the private sector to scale up public programs. Corporations may create “shared value” for their shareholders as well as the community, through nonprofit and government partnerships.

**Breakout Session 1: *Exploring Tomorrow’s Donors: Evolution, Transformation, or the New Normal?***

The first panel presentation examined shifting dynamics that will shape philanthropy in the future—those of family, community, and entrepreneurial giving.

***Mark Ottoni-Wilhelm, Ph.D.*** (Professor of Economics and Philanthropic Studies, IUPUI)



Using five waves of COPPS data, Dr. Ottoni-Wilhelm presented generational dynamics of giving, yearly dynamics of families giving to charity, and parent-child charitable modeling behavior. He found “weak evidence” of decreased secular giving but “certain” evidence of a decline in giving to religious congregations. He suggested that only “a core percentage of families are committed givers,” with a larger percentage giving occasionally. He also found that the probability of that child giving increases 13 percent if parents discuss giving with him.

***Alandra Washington, Ph.D.*** (Deputy Director, W.K. Kellogg Foundation)

Dr. Washington discussed findings from Kellogg Foundation’s recent study, “Cultures of Giving.” This report recorded charitable behavior in communities of color. Researchers found that women’s funds held the largest number of funds per community and the largest percentage of endowed funds. The Native American community featured the largest dollar amount of grants, while Latino funds held the largest grants budget. African-American and women’s funds were the oldest, while the Asian-American community held the fastest growing funds.

***Allison Schnable*** (Ph.D. candidate in the Sociology Department at Princeton University)

Schnable illustrated how many “startup DIY” aid organizations exist worldwide and how they started. While nonprofit numbers increased in 1990, Schnable notes “a big jump starting in 2006.” Controlled “at least in part by Americans,” these organizations usually operate in Latin America, Asia, or Africa. Areas are home to these nonprofits if they have higher education, more racial diversity, more immigrants, Rotary Clubs, and religious organizations. Founders are usually religious missionaries, independent volunteers, trained experts, or immigrants. Either a personal connection or a sense of impact motivates donors.

***Kevin Shaw*** (Board Member, Social Venture Partners International)

Shaw spoke of his experience with Social Venture Partners (SVP), which pools human capital to expand nonprofit programs. Through SVP, Shaw worked with the Near West Theatre, which uses drama to improve Cleveland's at-risk teens' life skills. Shaw presents conclusions from his story: 1) Both the business and nonprofit worlds inspire associates toward a vision of the future; 2) Giving personal skills and time to worthy causes encourages fuller involvement; and 3) Venture philanthropy creates a deeper partnership between the donor and the nonprofit.



### **Breakout Session 2: *Growing Philanthropy in the Global Community***

In the words of panel moderator Dr. Barbara Ibrahim, founding director of John D. Gerhart Center for Philanthropy and Civic Engagement at American University in Cairo, “the focus will not be on the Bill Gates and the billionaires and the business tycoons, but about citizens taking charge, taking back their countries and communities, seeing what they can do by pooling resources and time.”

#### ***Carol Adelman, Ph.D. (Director, Center for Global Prosperity, Hudson Institute)***

Dr. Adelman explained how open-market growth, socioeconomic transitions, private philanthropy, remittances and local charities, and expanded knowledge and demand through technology are shaping the developing world. While government funds outweighed other sources 20 or 30 years ago, private capital like remittances now dominates financial flows to developing countries. The Internet and cell phone allows money to travel internationally faster at lower transaction costs.

#### ***Jacqueline Butcher, Ph.D. (Director, Centro de Investigación y Estudios sobre Sociedad Civil, A.C. [CIESC])***

In spite of a lack of organizational membership in Mexico, Dr. Butcher posits that volunteer numbers have increased. The Church serves as the most common hub of volunteer activity, while about a third of Mexicans volunteer alone. Dr. Butcher urged for more Mexican government funding to complete additional surveys and research.

#### ***Rene Bekkers, Ph.D. (Director of Research, Center for Philanthropic Studies at VU University Amsterdam, the Netherlands)***

Dr. Bekkers provided an overview of Dutch giving to international and development giving. According to his research, Dutch “total giving to international causes almost doubled between 1997 and 2009.” But, household giving to international causes has declined in the past years. The tsunami's spike in “development giving” also raised questions in the Netherlands about the use

and effectiveness of these funds. While Dr. Bekkers revealed a positive correlation between charitable confidence and giving, the percentage of those with a lot of confidence is declining.

**Giuliana Gemelli, Ph.D.** (*Professor of History and History of Philanthropy, University of Bologna*)

Dr. Gemelli suggests that charitable behavior is shifting “from vertical philanthropy to horizontal philanthropy,” reflecting African charitable practices. She pointed to the practice of *arambe*, which collects money from the community to solve community problems. Her closing call to action was more research into the non-Western historical roots of philanthropy.

**Kendra Davenport** (*Chief Development and Communications Officer, Africare*)

Davenport explained that corporate social responsibility is key to expansion into developing African markets. Companies that want to invest in Africa’s natural resources see nonprofit organizations as “the bridge between their investment and the communities on the grounds.” Her work with Africare has shown that, by partnering with other NGOs, nonprofits’ work will be more attractive to foundation, corporate, and individual support.

**Travis Carley** (*Corporate Vice President, CCS*)

Carley presented CCS case studies of Lions Club International and Kiwanis International, indicative of trends in global philanthropy: non-US giving represented substantial contributions to these funds. “International causes” affect individuals across borders, while international fundraising raises funds for “multinational organizations” addressing a single cause.

### **Breakout Session 3: *The Impact of Technology on Donors, Fundraising, and the Field***

This third panel discussion explored the role of technology in personal engagement with charity, fundraising results, and long-term funding outcomes.

**Robert Ottenhoff** (*President and Chief Executive Officer, GuideStar*)

Ottenhoff’s presentation linked the public’s appetite for data to their willingness to personally connect with their charitable behavior. Demand for transparency and accountability publicizes more information, which individuals now demand to make informed decisions. GuideStar has found that donors, foundations, and advisors all want data on financials, effectiveness, legitimacy, cause, and basic organization information. As donors engage personally in philanthropy, “they see themselves as investors.”

**Chuck Longfield** (*Chief Scientist, Blackbaud*)

Longfield’s research reveals a decline from 2001 to 2010 in both new donor acquisition and first-year donor retention. However, for advocacy organizations—“new



donor acquisition decreased almost 10 percent in 2001-2007, but increased 14.4 percent in 2007-2010.” To build charitable gain, Longfield recommends that fundraisers emphasize “donor retention over acquisition”: prioritizing stewardship; focusing on bottom-line fundraising results, not the effort it took to achieve it; and “identifying and investing in your most passionate supporters.”

***Katya Andresen*** (*Chief Strategy Officer, Network for Good*)

Andresen presented a series of technological shifts informing fundraising. Individuals now believe social media messages from peers, not marketers. Technology allows donors to easily “like” a Facebook page or donate one cent to a cause. These messages, actions, and messengers all flow through smart phones. Nonprofits must adjust their donation pages and information to appear easily on these devices. Andersen also points to the wealth of new information on the psychology of philanthropy, allowing nonprofits to apply scientific data to “the giving experience.”

***Steven Lawrence*** (*Director of Research, Foundation Center*)

Lawrence spoke about encouraging foundations to share data online, which might lead to improved practices as an industry. Groups like Glasspockets.org encourage foundations to regularly disclose internal practices and external distribution of funds by geography and grant area. Foundations may “identify funding gaps and opportunities,” whether through grant mapping or revealing other “substantial investors” that fund certain project areas. Lawrence explains that while foundations often use electronic reporting to monitor their own grant system, that information often “disappears” into their own systems. Yet limitations of time and resources prevent more foundations from participating in such measures. Lawrence recommends highlighting technology’s benefit clearly for foundations, emphasizing that it cannot be “an extra step” in grant-making operations.

