VOLUME 2

Reimagined Philanthropy: **Advanced Strategies for a More Just World**

Rockefeller Philanthropy Advisors

Reimagined Philanthropy: **Advanced Strategies for a More Just World**

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FOREWORD

Darren Walker, President, Ford Foundation

John D. Rockefeller Sr., the titan of industry and founder of modern philanthropy, observed after years of scattershot giving that "the best...is constantly in search of finalities—a search for a cause, an attempt to cure evils at their source."

Today, the generosity of Rockefeller, his family, his peers, and their progeny has spawned an industry unto itself, with no shortage of causes and an unending search for cures. Charitable giving has become an expectation for individuals and businesses alike—and countless major institutions, from universities to hospitals and museums, rely on private donors to keep the doors open and to provide what we have come to regard as essential public goods and services. Indeed, the philanthropic sector is more diverse, more robust, more ubiquitous than at any point in its history.

And yet, with increased prominence has come increased scrutiny. Critics decry the immense wealth and power disparities that persist in some parts of modern philanthropy, urging funders to cede both capital and decision-making authority to people and groups most proximate to the problems. They suggest that the sector is implicated in the widening economic inequality of our time.

These critics are right. During the past decade, I have called for a new "gospel of wealth" that recasts Andrew Carnegie's famous treatise with a focus on the root causes of inequality, rather than its symptoms. The COVID-19 pandemic and recent protests for racial justice underscored the urgency of that call—and led the sector to direct new investments toward addressing systemic racism and reimagining distributions of power.

For donors, this new landscape has been both exciting and daunting, with a proliferation of opportunities to give, accompanied by heightened scrutiny and an anxiety about "getting it right."

Through it all, Rockefeller Philanthropy Advisors (RPA) has served as an indispensable partner to the Ford Foundation and countless others across our sector, in both interrogating its namesake's vision and translating his wisdom for the 21st century.

For more than 20 years, RPA has helped connect funders with the communities and issues they care most about, fostering ethical, intentional giving at scale. Drawing on its rich philanthropic legacy, RPA's combination of strategic consulting and on-the-ground support has created a giving infrastructure that now supports over $500 million in grants each year.

At the Ford Foundation, we've been fortunate to witness this work up close. Five years ago, we partnered with RPA and philanthropist Agnes Gund to launch the Art for Justice Fund, a groundbreaking project that supports artists and advocates challenging mass incarceration. Since then, we've funded more than 100 projects, from exhibitions in rural Pennsylvania to mobile refuges for women leaving incarceration in the Bay Area—all enabled by RPA's expert governance support.

But beyond any one initiative, our two organizations share a more fundamental commitment: the determination to root out inequality in order to advance justice. That shared dedication finds expression in RPA's new mission to accelerate philanthropy in pursuit of a just world. As modern philanthropy grapples with rightful and righteous calls to become more equitable, inclusive, and diverse, it is this commitment to pursuing justice which must guide our sector's work.

Put simply, RPA has done—and is doing—the hard and necessary work of helping people give well.

This book brings RPA's unique insights to a broader audience. A collection of both practical advice and compelling reflections on the state of the sector, it provides a framework for donors to refine their giving and maximize their impact. For some, this may mean developing bottom-up strategies that prioritize those with direct experience in the issues at hand. For others, it may require learning how to empower grantees with the autonomy and operational support to deploy funding effectively. These are the lessons we need to accelerate philanthropy toward justice—and a more sustainable, equitable model of giving.

Fifty years ago, Martin Luther King Jr. offered an update to Rockefeller's philosophy of charitable capitalism. "Philanthropy is commendable," he wrote, in a series of sermons reflecting on the state of injustice in America. "But it must not cause the philanthropist to overlook the circumstances of economic injustice which make philanthropy necessary."

That charge is no small task; things worth doing rarely are. But this volume is a valuable guide and a fitting tribute to the important role that we can play as ethical stewards of private capital in service of the public good.

INTRODUCTION

Setting the Scene

In an era marked by unprecedented wealth transfer and shifting societal dynamics, philanthropy is not sitting on the sidelines, but is being called to actively adjust to a new reality. This moment presents challenges and opportunities that should prompt those of us in the philanthropic sector to rethink how we work to fulfill our respective missions.

What has brought us to this moment? First, recent crises—like natural disasters, the COVID-19 pandemic, racial and ethnic injustices, migrant challenges, and the increased recognition of systems-based inequities, among others—have shown the need to be quick and adaptable in our philanthropic responses. Ongoing global events, such as humanitarian crises and climate-related disasters, have continued to prompt philanthropic responses on both local and international levels. Social movements advocating for various causes, including racial justice, gender equality, and climate action, have remained active and continue to shape funding priorities. Moreover, governments worldwide are changing the rules for how philanthropy works, making things like transparency and accountability more important than ever.

The public is also expecting more from the philanthropic sector, raising questions about the ethical implications of private funders shaping public policies. Globally, there's a growing pushback against what's perceived as an inappropriate influence on public policy by private funders. In the United States, concerns persist regarding the dominance of affluent donors in dictating solutions to societal and environmental challenges without involving the affected communities. This translates to a desire from the public for transparency; people want to understand what philanthropies are doing, and why. In the middle of all this, younger people are starting to have a bigger say in where philanthropic money goes. They care more about equity, inclusion, and transparency, as well as changing systems that cause problems. With these and other challenges converging, philanthropic organizations are called to reconsider their mission and core principles, how they approach their work with others, and how they work to fulfill that mission. This analysis may result in an adaptation of strategies and practices ensures continued relevance and effectiveness in a changing world.

This book, a complement to *Reimagining Philanthropy A Roadmap for a More Just World*, will aid philanthropies in that evaluation as they seek to effectively drive change and create a more just and equitable world. It starts with practical guidance on embedding diversity, equity, and inclusion in your philanthropy. A discussion on systems change in philanthropy explores how philanthropic organizations can move beyond addressing symptoms to uprooting the root causes of complex societal issues.

In a world where interconnected problems demand holistic solutions, this analysis seeks to uncover the strategies that enable philanthropy to be a catalyst for systemic transformation. The intricacies of philanthropic frameworks and operating models will be explored through the lens of exploring how organizations can adapt their frameworks to maximize their effectiveness in a rapidly changing world.

With so much work to do that is urgent, the next topic that is covered is strategic time horizons in philanthropy. Effective philanthropy often requires a long-term view, but that doesn't necessarily translate into in-perpetuity funding. This discussion will provide guidance on thoughtful and intentional time-horizon planning to achieve the imperative of lasting change. Next is impact investing, an approach beyond grantmaking to generate both positive societal impact and financial returns, all in alignment with the organization's philanthropic mission. Measuring impact and communication are also delved into as areas of thoughtful consideration for philanthropic funders seeking significant impact.

Reflections for Leaders

As philanthropic leaders embark on this transformative journey of introspection, it will be helpful to consider certain fundamental questions that can help guide their organizations toward maximizing impact in our rapidly changing world. These questions provide a framework for thoughtful reflection as you engage with this book and foster discussion within your organization.

Purpose and Impact

- What is the ultimate purpose and mission of our philanthropic organization?
- How do we currently measure and assess our impact, and are we achieving meaningful outcomes?
- Are our philanthropic efforts aligned with our values and the needs of the communities we serve?
- What steps can we take to enhance our understanding of the long-term impact and sustainability of our initiatives?

Community and Stakeholder Engagement

- Are we engaging effectively with the communities and populations we aim to support?
- How can we ensure that the voices and perspectives of those directly impacted by our work are included in our decision-making processes?
- Are we actively collaborating with other stakeholders, including nonprofits, government entities, and private sector partners, to maximize our collective impact?
- What strategies can we employ to cultivate authentic relationships and build trust with our stakeholders?

Strategy and Approaches

- Are our current strategies and approaches effective in addressing the root causes of social problems?
- How can we leverage a systems approach to identify and tackle the underlying factors that perpetuate social challenges?
- What innovative approaches or models exist that could enhance our philanthropic strategies?
- Are we open to experimenting with new ideas and taking calculated risks to achieve greater impact?

Organizational Culture and Practices

- Does our organizational culture foster a learning mindset, adaptability, and collaboration?
- How can we create an inclusive and diverse environment that values different perspectives?
- How can we transform our funding practices and operating behaviors to disrupt inequities, remove barriers to progress and create more impact?

Taking the time to reflect on these questions as you read the chapters that follow can provide valuable insights and help your organization adapt its practices and strategies to better serve the communities it aims to impact. In the chapters that follow, we explore these pillars more deeply, offering practical guidance to help you and your organization navigate this crucial juncture. Embracing the opportunities for change and growth, you can lead your organization toward greater effectiveness, impact, and a more just and equitable society.

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CHAPTER 1

Embedding DEI Principles in Your Philanthropy

Diversity, equity, and inclusion (DEI) aren't just ideals; they're the bedrock upon which transformative change is constructed. Often positioned with concepts of justice (JEDI) or belonging (DEIB), DEI is one of the fundamental building blocks of philanthropic engagement. However, to the detriment of the goals that philanthropies seek to achieve, there is often a disparity between aspiration and reality.

Recent data reveals that the leadership of philanthropic organizations falls short of mirroring the diverse tapestry of the communities they aim to uplift. In the United States, for example, leaders of color make up only approximately 14% of foundations, according to the latest report from the Council on Foundations. This is important because these figures shape the allocation of resources, the avenues to opportunity, and the impact donors strive to create: service organizations in the U.S. of the type funded by philanthropy that are led by Black and Brown individuals receive a fraction of the funding that majority-led organizations receive.

According to research by Echoing Green and The Bridgespan Group, unrestricted assets of Black-led organizations were 76% smaller than those of White-led organizations of similar size and stage. Perhaps even worse is that those organizations are often excluded from longer-term funding, limiting their ability to develop sustainable solutions that stand the test of time. This disparity reverberates beyond the U.S., and while the identities of the marginalized group may be different in different countries, the result is the same.

This means that leaders of color, or those who are part of marginalized groups, are often stifled in their ability to respond to dynamic challenges. Their capacity to innovate and pivot rapidly, vital for addressing urgent concerns, is hindered. The impact of these constraints ripples through communities, shaping the lives of those we aspire to empower.

Why do these disparities endure? How can we foster an environment that truly champions diversity, equity, and inclusion across cultures? This chapter will help philanthropies address these queries and provide guidance for implementing a DEI lens in a way that weaves it into the fabric of your operations.

The Power of Diversity in Philanthropy

For philanthropic organizations, embracing diversity within both the leadership and staff is not just an ideal; it's a necessity. The infusion of diverse backgrounds, experiences, and perspectives enriches the very essence of an organization, amplifying its capacity to make informed decisions, tackle complex challenges, and envision innovative solutions. Diversity of both leadership and staff play distinct yet crucial roles in philanthropic organizations.

Diverse Board Leadership
A diverse board brings an array of perspectives, expertise, and networks to the decision-making process. It ensures that different voices and viewpoints are represented at the highest level of governance. Diverse boards provide strategic guidance, challenge assumptions, and breathe fresh ideas into the organization's mission, vision, and strategic direction. Moreover, they foster equitable decision-making that considers the diverse needs and interests of the communities the organization serves, enhancing transparency, accountability, and overall credibility.

Diverse Staff Impact
Conversely, diversity across the staff of philanthropic organizations can enhance its overall effectiveness and impact. A diverse staff pool offers a spectrum of perspectives, skills, and experiences that enrich day-to-day operations and program implementation. Diverse staff members contribute unique insights, innovative approaches, and understanding of the communities being served. They establish deeper connections with community members, can help build trust, and ensure that the organization's strategies and initiatives are culturally sensitive and responsive. Moreover, a diverse staff creates an inclusive work environment that fosters creativity and attracts a broader range of talent.

Fostering diversity within philanthropic organizations is a strategic imperative that can supercharge philanthropic organizations, making them more impactful, innovative, and responsive to the complex challenges they seek to address.

Definitions
As part of a recent review of our mission and values, Rockefeller Philanthropy Advisors defined diversity, equity, and inclusion in the context of our internal (how we relate as an organization) and external (how we relate to our clients, partners, and the public) lenses. Given the centrality of these concepts to the work we do, we wanted to ensure a shared framework for understanding, action, and accountability:

Rockefeller Philanthropy Advisors celebrates the uniqueness of our staff, our partners, and the communities we serve. We are committed to inclusion with the goal of cultivating a culture of belonging and acceptance. We strive to embed this value in our philanthropic work to advance a more just, equitable and sustainable world.

Diversity: Embedding representation across a wide range of backgrounds, experiences, and views.

Equity: Demonstrating fair treatment, access, opportunity, and engagement for all.

Inclusion: Cultivating an environment that respects and values all perspectives and taking special care to ensure that persons within historically underrepresented groups are represented.

As an organization dedicated to improving the human condition globally, RPA strives to inform our organizational strategy, culture, and work with these three principles.

Why Philanthropy Isn't More Diverse
Historically, the lack of diversity in philanthropic leadership can be attributed to a complex interplay of factors. Understanding this historical context sheds light on why this disparity has persisted over time. Some of those reasons are noted below.

The Diversity Advantage

Including diverse voices within a philanthropic organization brings numerous benefits:

- **Deeper understanding:** Ensures a more reflective understanding of issues and challenges.
- **Robust decision-making:** Leads to well-rounded decisions by challenging assumptions and identifying blind spots.
- **Innovation:** Fosters creativity and generates fresh ideas for innovative solutions.
- **Expanded reach:** Extends the organization's influence, motivating more engagement in its focus areas.
- **Tailored approaches:** Results in approaches that are better suited to address specific community needs.
- **Strengthened relationships:** Helps build trust and credibility with key stakeholders.

Legacy of Exclusivity
Philanthropy has often been associated with wealthy individuals and families, many of whom historically come from backgrounds of privilege. This exclusivity has limited opportunities for diverse individuals to access leadership roles. Moreover, the historical legacy of social inequality and discrimination has led to limited opportunities for people from marginalized backgrounds, impacting their access to education and career advancement. When leadership lacks diversity, it can create a cycle where potential candidates from underrepresented backgrounds don't see role models who look like them, discouraging their pursuit of leadership roles.

Networks and Institutional Barriers
Leadership roles in philanthropy often require connections and networks, which can be challenging for individuals from marginalized backgrounds to access due to systemic barriers. Even within organizations, existing leadership structures and processes may inadvertently create barriers for diverse candidates to rise through the ranks.

Implicit and Unconscious Bias
Implicit bias, where decisions are influenced by unconscious stereotypes, can lead to the selection of leaders who resemble those already in power. This perpetuates the lack of diversity. Additionally, traditional leadership criteria may not recognize the unique skills and qualities that individuals from diverse backgrounds bring, perpetuating a narrow view of leadership.

Recognizing and addressing these historical and systemic factors is essential for achieving greater diversity in philanthropic leadership. By understanding the underlying causes of this issue, organizations can better guide their efforts to create more equitable and inclusive pathways to leadership roles.

Cultivating Meaningful Diversity in Philanthropic Organizations

As noted above, diversity is a powerful driver of innovation, informed decision-making, and community relevance within philanthropic organizations. Achieving meaningful diversity within philanthropy-related organizations requires deliberate effort, a commitment to change, and a strategic approach. Those approaches can be broken down into two categories: acquiring diverse leaders and other staff; and creating an environment conducive to keeping them.

Diverse Hiring and Leadership

Recruiting and hiring diverse staff, leaders, and board members in philanthropy requires a comprehensive approach that goes beyond good intentions. The approach must counter mental models and status quo approaches, and there several practical tactics that can be helpful:

Make an Intentional Commitment
Begin by making a clear and public commitment to diversity, equity, and inclusion within the organization. This commitment should be embedded in the organization's mission, values, and strategic plans, demonstrating a genuine dedication to fostering a diverse and inclusive environment.

Assess Current Composition and Gaps
Conduct a thorough assessment of the existing board and staff to understand the current composition and identify any gaps in diversity, representation, and inclusion. This assessment helps inform recruitment strategies and highlights areas that require attention and improvement.

Broaden Networks and Outreach
Expand outreach efforts by engaging with community organizations, professional networks, and diversity-focused associations to reach a wider pool of qualified individuals. Actively seek out candidates from underrepresented communities and consider targeted outreach efforts to specific communities or affinity groups. Invest in leadership development programs or internships for individuals from underrepresented communities within your organization to gain experience in philanthropy.

Craft Inclusive Job Descriptions and Qualifications
Reconsider what is truly necessary for roles and reframe criteria that are placeholders for competence (e.g. requirements of having attended a top-tier college, for example). Determine ways to minimize unnecessary barriers to entry and provide opportunities for individuals from diverse backgrounds to apply.

Create Diverse Selection Committees and Interview Panels
Help mitigate unconscious bias by ensuring diverse evaluators. Diverse panels are more likely to consider a broader range of candidates and perspectives, enhancing the likelihood of selecting candidates based on merit rather than unconscious biases. Train interviewers to recognize and mitigate unconscious biases and use inclusive interview practices such as structured interviews with standardized questions.

Ensure Equity in Compensation
Review compensation packages to ensure they are competitive and equitable. Research indicates that

underrepresented candidates may be less likely to apply if they perceive pay disparities.

Community-Connected Hiring

Hiring from within the communities in which you work is another way to bring in diverse leaders. When philanthropic organizations have a workforce that reflects the diversity and experiences of the communities they serve, they are better equipped to understand community needs, build trust, and develop effective strategies. Tactics for achieving this also require focused commitment:

- Collaborate with local community organizations, non-profits, and educational institutions to identify talent from the target communities.
- Include community representatives in hiring panels or establish community advisory boards or councils to provide input on hiring decisions and ensure community voices are heard.
- Ensure hiring teams are culturally competent and understand the unique needs and challenges of the community.
- Offer internship and apprenticeship programs to provide valuable work experience and career pathways for local residents. Ensure appropriate support for those interns that provides guidance but doesn't single them out. This can be a delicate balance.

Hiring from the communities that philanthropic organizations serve not only promotes diversity but also contributes to community empowerment and trust-building. It aligns the organization's mission with its hiring practices, ultimately leading to more effective and culturally competent philanthropic efforts.

Board Members

Many philanthropies—especially those whose leadership is primarily composed of family members—don't have meaningful board diversity. This is a missed opportunity that can be easily rectified by using the approaches noted above. Additionally, there are specific tactics that are particularly helpful for identifying and recruiting board members:

- Explore board matching programs or organizations that specialize in connecting diverse candidates with board opportunities. These programs often have a pool of qualified individuals from underrepresented communities seeking board roles.
- Partner with diversity-focused professional associations and organizations. Many of these groups have networks of potential board members who are passionate about contributing to causes aligned with their backgrounds or interests.
- Encourage your current board members to participate in leadership development programs specifically designed for underrepresented groups. Alternatively, leverage advisory councils composed of diverse individuals who can provide insights, guidance, and recommendations to the board. These programs can help identify and prepare future board leaders from diverse backgrounds.
- Create a nominations committee or process that actively seeks out diverse candidates for board positions. Ensure that diversity is a stated criterion for board member selection.
- Implement term limits and rotation policies to encourage board turnover and the infusion of new, diverse voices. This prevents stagnation and creates opportunities for fresh perspectives.

By proactively implementing these steps, philanthropic organizations can increase the diversity of their boards and benefit from a wider range of perspectives, expertise, and experiences.

Nurturing an Organizational Culture Conducive to Maintaining Diversity

Successful recruitment and integration of diverse colleagues is only the beginning. Philanthropic organizations seeking to increase diversity should evaluate how welcoming they are to all colleagues, and what they are doing to ensure they stay, grow, and are empowered to contribute to the mission.

Cultivate an Inclusive Culture

Start with a commitment from the top. Leaders should genuinely and visibly dedicate themselves to diversity and inclusion. Their actions set the tone for the organization, making it clear that every voice is valued and fostering a sense of belonging. Develop clear diversity and inclusion policies that are seamlessly integrated into daily operations.

Support Professional Growth

Diverse talent needs opportunities to grow. Implement mentorship and sponsorship programs to provide guidance, coaching, and advocacy. These programs help diverse employees navigate their path to leadership roles. Offer leadership development opportunities tailored to the unique needs of underrepresented groups, ensuring there are clear pathways for advancement.

Ensure Fair Compensation and Benefits, Including Emotional Well-being
Equity extends to compensation and benefits. Regularly analyze pay equity to identify and rectify disparities. Review and adapt benefits packages to meet the diverse needs of employees and their families. Recognize that philanthropic work can be emotionally taxing for everyone, but diverse staff may face unique challenges related to their backgrounds. Providing emotional well-being and addressing diversity and inclusion issues in the workplace are crucial for their well-being.

Provide Continuous Training
Offer ongoing diversity and inclusion training for all staff, including leadership. These programs raise awareness of unconscious biases and provide strategies to mitigate them, fostering a more inclusive workplace.

Build a Pipeline
Depending on the size of your organization, develop an internal or external pipeline of diverse leaders by implementing succession planning that identifies diverse talent for future roles. Diversity within the organization's board of directors, reflecting the communities you serve, is an important part of this.

Engage With Employee Resource Groups (ERGs)
If the size of your organization allows, create ERGs that focus on various aspects of diversity (e.g., race, gender). Support and encourage participation in the many outside affinity groups that are active in the philanthropy sector including for example Asian Americans/Pacific Islanders in Philanthropy (APIP), Association of Black Foundation Executives (ABFE), Hispanics in Philanthropy (HIP), Native Americans in Philanthropy, and others including committees or cohorts of other philanthropy serving organizations. These groups provide employees with safe spaces to connect, share experiences, and advocate for change, fostering a sense of community and belonging.

Prioritize Inclusive Decision Making and Encourage Feedback
Regularly seek feedback from employees, particularly those from underrepresented groups. While both diverse and non-diverse staff benefit from inclusive decision-making, diverse staff may place a higher value on seeing representation at leadership levels that reflect their backgrounds. Ensuring diverse representation on boards and in leadership roles is not only a retention strategy but also a diversity and inclusion strategy. Address specific concerns by adapting strategies based on feedback and changing circumstances.

Foster Community Engagement
Diverse staff, especially those from underrepresented communities, bring unique insights and connections to the communities your organization serves. Engaging diverse staff directly with these communities can be a strategic advantage, enhancing trust and understanding.

Implementing these practical strategies can create a workplace where diversity is not just acknowledged, but actively embraced. This commitment strengthens your organization's ability to make a meaningful impact on the communities you serve while retaining and nurturing diverse talent.

Understanding Inequity

At its core, equity in philanthropy acknowledges that not all communities, organizations, or individuals start from the same place. It recognizes that systemic barriers, historical inequities, and social injustices have created disparities in access to resources and opportunities. To truly address these disparities and create a more just and inclusive society, philanthropy must go beyond diversity to also embrace equity as a driving force.

Defining Equity

The word "equity" is so ubiquitous it has almost lost all meaning. It is bandied about sometimes without much understanding or even a clear definition of what it means—and is often confused with equality. While the concept of equality emphasizes uniformity and offering the same resources or opportunities to various groups or individuals, equity acknowledges that individuals or groups may require varying resources or opportunities to reach a shared baseline. In other words, an approach grounded in equity is one that understands that different people and organizations have diverse needs, strengths, and challenges, and therefore require tailored support to thrive.

In the philanthropic context, recognizing and embracing these differences is essential in funding decisions, hiring practices, and the design of philanthropic programs. It ensures that resources are allocated in a manner that addresses systemic disparities and advances social justice, rather than the blanketed approach that so often comes with "equal" opportunity.

By understanding the difference between equity and equality, funders can improve internal practices and culture, as well as make more informed decisions both in terms of resource allocation and how best to support communities and networks.

	Equality	Equity
Definition	Equal treatment and distribution of resources to all individuals or groups, regardless of their unique needs or circumstances	Fair and just distribution of resources, considering the unique needs and circumstances, including historical injustices of individuals or communities
Focus	Uniformity and sameness for all recipients.	Addressing disparities and providing resources and opportunities based on specific needs and current/ historical disadvantages
Goal	Achieving fairness through equal allocation.	Achieving fairness by rectifying historical inequities and leveling the playing field
Resource Allocation	Resources are distributed equally among all recipients, regardless of their situations	Resources are allocated based on the specific needs of recipients taking into account disparities
Approach	"One-size-fits-all" approach, treating everyone the same way	Tailored and targeted approach, addressing the unique circumstances of different groups
Impact	May perpetuate existing disparities, as it does not account for varying needs and barriers.	Addresses and reduces disparities by directing resources where they are most needed.
Examples	• Providing the same grant amount to all grantees. • Equal access to resources for all applicants. • Uniform reporting requirements for all grantees.	• Offering capacity-building support to grassroots organizations in underserved communities. • Funding initiatives that specifically target underserved or historically marginalized groups. • Customizing reporting requirements based on organizational resources.

Systemic Inequity and Its Impact

The disconnect between the ideals of equity and the reality of systemic inequities is at the heart of many societal challenges we face today. While equality suggests treating everyone the same, systemic inequities demonstrate that this approach falls short of achieving true fairness. Systemic inequities are deeply ingrained disparities in opportunities, resources, and outcomes that persist due to longstanding, pervasive societal structures, and practices. These inequities are not isolated incidents, but are woven into the fabric of social, economic, and political systems, perpetuating disadvantage for certain groups while benefiting others. Understanding systemic inequities and their impact on society is crucial for philanthropic organizations aiming to create a more just and inclusive world.

Systemic inequities share several key characteristics. They often have deep historical roots, originating from centuries of discriminatory policies, practices, and attitudes. For example, in post-colonial societies—particularly those whose growth and development was fueled by slavery—racial segregation, discriminatory hiring practices, and unequal access to education have left imprints on today's society. They result in barriers that can be embedded in institutions and systems, and that compound over time. Systemic inequities do not exist in isolation; they are interconnected across various sectors of society. Economic, educational, healthcare, criminal justice, and housing systems, among others, often reinforce each other, deepening those disparities. It is important to note that these disparities are not simply the result of isolated or individual acts of discrimination. Instead, they are deeply rooted in the framework and functioning of social, economic, political, and cultural systems.

Systemic inequities have a significant impact not only on certain groups, but on society overall. For example, they contribute to significant economic disparities, as marginalized groups often have limited access to well-paying jobs, career advancement opportunities, and financial resources. This economic disadvantage can perpetuate poverty and limit access to essential services.

Systemic inequities, often referred to as systemic inequalities or structural inequalities, can be described using various terms depending on the region and context. Some alternative terms used include:

- **Structural inequities:** Emphasizes the deeply rooted, structural nature of disparities in access to resources, opportunities, and outcomes.
- **Systemic discrimination:** Highlights the discriminatory practices and policies embedded within societal systems, leading to unequal treatment and outcomes.
- **Institutional bias:** Focuses on the bias and discrimination present within institutions like government, education, and healthcare, resulting in inequities.
- **Structural oppression:** Conveys the idea that certain groups are systematically oppressed due to societal structures, norms, and power dynamics.
- **Inequality of access:** Captures the unequal access to essential resources and services that certain communities face due to systemic factors.
- **Institutional racism:** In contexts where racial disparities are a significant concern, describes systemic inequities rooted in racial discrimination.
- **Socioeconomic disparities:** Stresses the systemic factors contributing to differences in wealth and income.
- **Structural barriers:** Underscores the obstacles created by systemic factors that hinder the advancement and well-being of marginalized communities.
- **Historical injustices:** In regions with a history of colonization or conflict, describes systemic inequities resulting from past injustices.
- **Systemic marginalization:** Reflects the ongoing marginalization of certain groups within societal systems, limiting their opportunities and access to resources.

The exact term used to describe patterns of systemic disadvantage and inequality depends on the overall context, local history, and nature of the disparities being addressed.

In the context of education, for example, if schools in marginalized communities receive less funding than those in more affluent areas, it creates an inherent disadvantage for students in the former. This lack of resources can lead to lower-quality education and limited opportunities for students to excel academically, which can ultimately limit future opportunities for students from marginalized backgrounds. One example of how this can turn out is increased crime in areas of low-quality education—the often-cited "school to prison pipeline." Even the criminal justice system itself is rife with systemic disparities, from disproportionate impact of laws and policies to biased decision making by actors in the justice system.[1]

Disparities in health outcomes can also be traced in part to systemic issues. Marginalized communities often have reduced access to high quality healthcare based on location, financial resources, and interpersonal aspects, which can lead to higher rates of chronic illnesses, shorter life expectancy, and poorer overall health. Social and political exclusion can result in marginalized groups having limited representation and voice in decision-making processes, exacerbating their disadvantage.

These and other structural inequities are pervasive and have become ingrained in the way society operates. Often invisible to those not directly affected by them, they are embedded in societal norms, policies, and practices, making it challenging for individuals from privileged backgrounds to recognize them. The inequities have a self-perpetuating quality and tend to reinforce themselves. Moreover, rather than being standalone areas, they are interconnected across various aspects of life. For example, educational inequities can lead to employment disparities, which affects health and housing. The result is a stark incongruity in which certain communities have dramatically different access to resources, opportunities, and outcomes.

[1] For a robust analysis of this topic, read Elizabeth Kai Hinton, LeShae Henderson, and Cindy Reed, *An Unjust Burden: The Disparate Treatment of Black Americans in the Criminal Justice System* (Vera Institute of Justice, May 2018), available at https://www.vera.org/publications/for-the-record-unjust-burden.

Confronting the Source of Wealth

Philanthropic organizations may want to confront the sources of their wealth to maintain legitimacy and ensure a genuine commitment to equity. By acknowledging and addressing the origins of their money—particularly when it stems from historical injustices or exploitative practices—organizations can work towards a more equitable distribution of resources and more authentically promote social justice.

- **Self-reflection and education:** How was the wealth accumulated? How is it linked to systemic issues? This can involve asking hard questions about specific family histories, reading books and articles on the sectors where the wealth was accumulated, attending conferences and workshops, and engaging in dialogue with other funders and experts in the field.
- **Transparency and accountability:** Disclosing what you learn about how the wealth was accumulated — and any potential connections to systemic issues — is a crucial step. This can include sharing information about the industries or businesses that generated the wealth, the labor practices and environmental impact of those industries, and any philanthropic or political activities that might be linked to the accumulation of wealth.
- **Shifting investment strategies:** Funders can also consider shifting their investment strategies to align with their values and commitment to social and environmental justice. This might involve divesting from industries that are harmful to communities and the environment, and investing in businesses that prioritize social and environmental responsibility.
- **Supporting systemic change:** Consider funding organizations and initiatives that are working to address the root causes of social and environmental issues. This could mean supporting community-led initiatives that promote equity and justice, and funding research and education that advances understanding of systemic issues.

Philanthropic Practices that Help Drive Equity

Philanthropy has a pivotal role to play in addressing in dismantling the barriers to access and opportunities created by systemic inequities. By recognizing and addressing these deeply rooted disparities, philanthropic organizations have the power to drive positive change. Achieving this necessitates a strategic approach that targets the very structures and systems[2] perpetuating these inequities.

Recognizing the Power Imbalances Inherent to Philanthropy

For philanthropies, recognizing this disconnect is the first step toward dismantling these entrenched disparities.

Coming to terms with the inherent power and privilege within the funding landscape is essential for effective, equitable philanthropy. The power imbalance can take on diverse forms. Philanthropies, as funders, hold decision-making authority over resource allocation and programmatic priorities. This control can result in a power dynamic whereby the voices and perspectives of funded communities and grantees are overshadowed or even disregarded. Additionally, power imbalances can be reinforced through unequal access to information, limited involvement in decision-making processes, and an emphasis on funder-driven agendas rather than community-led initiatives.

These power imbalances can have detrimental effects on the goals philanthropies seek to achieve. When communities and grantees are excluded from decision-making processes, there is a risk of disconnected and ineffective interventions that do not address the actual needs and aspirations of the communities. Disempowerment can lead to disengagement, resentment, and a lack of ownership over programs and initiatives, hindering sustainability and long-term impact. Furthermore, power imbalances perpetuate unequal power dynamics and reinforce systemic inequities, undermining the philanthropic sector's potential to drive social change.

Reducing the Impact of Power Imbalances in Grantmaking

The adverse effects of power imbalances on the grantmaking process have been thoroughly documented, both in this context and elsewhere. Nevertheless, there are actions that can be undertaken depending on the specific challenge. Use the table below as a guide, considering the perspectives of your organization, grantees, and partners.

Category and Challenge	*Ways to Address*
Resource Allocation Philanthropic organizations hold decision-making authority over resource allocation, which can result in power dynamics where the voices and perspectives of grantees and communities are overshadowed. Foundations often dictate how funds are distributed, which programs are prioritized, and which projects receive support.	• Involve grantees and community representatives in resource allocation decisions. • Adopt participatory budgeting processes where grantees have a say in how funds are distributed. • Consider multi-year funding commitments to provide stability and reduce dependence on yearly grant cycles.
Decision-Making Authority Lack of control and autonomy for grant recipients because funders have full decision-making authority (in most cases) over grant selection and approval, and grantees may have limited influence on funding decisions that directly impact their work.	• Establish shared decision-making committees that include representatives from both the philanthropic organization and the grantee community. • Develop decision-making frameworks that prioritize input and perspectives from grantees. • Give grantees more autonomy in programmatic decision-making, including how funds are utilized.
Access to Information Funders may have more access to relevant information than grantees and communities which means that grantees and communities may not be making as informed decisions on program design and implementation.	• Promote transparency by sharing strategies, as well as relevant data, findings, and insights with grantees. • Create knowledge-sharing platforms or networks that facilitate the exchange of information among all stakeholders. • Provide training and capacity-building support to grantees to help them access and use data effectively.
Limited Involvement Grantees and communities don't have a seat that the table when grant proposals are reviewed and strategic decisions are made, translating to a lack of ownership and influence.	• Actively engage grantees in grant proposal review processes, ensuring they have a voice in the selection of projects. • Encourage grantees to participate in strategic planning and goal-setting discussions. • Foster a culture of collaboration by valuing input and contributions from all parties.
Funder-Driven Agendas Often, funders have agendas that they prioritize over community-led initiatives, resulting in approaches that allow for minimum consideration of community priorities and expertise.	• Prioritize community-driven initiatives and incorporate community perspectives into strategic planning. • Invest in community organizing and leadership development to empower local leaders to shape agendas. • Regularly conduct community needs assessments to inform grantmaking priorities, before developing final strategies.

Category and Challenge	*Ways to Address*
Compliance Measures Compliance and reporting requirements can be bespoke, burdensome, and time consuming for grantees; and may not align with the realities of the communities served.	• Streamline reporting requirements and tailor them to the specific needs and capacities of grantees. • Provide resources and training to help grantees meet compliance standards efficiently. • Focus on outcomes and impact rather than rigid compliance with processes.
Grantmaking Criteria Standards set by funders may not reflect nuanced challenges, opportunities, and intersectionality of grantees and communities, resulting in grant proposals that aren't as targeted on the solutions as they could be.	• Develop flexible grantmaking criteria that can be adapted to diverse community needs. • Use participatory approaches to define grantmaking criteria, involving both funders and grantees in the process. • Prioritize grants that directly address the priorities and challenges identified by grantees and communities.
Grantee Feedback Grantees may be hesitant to provide critical feedback or express concerns about foundation practices due to fear that feedback will have a negative impact on receiving future funding.	• Foster open and honest communication channels where grantees feel comfortable expressing concerns and providing feedback. • Create feedback mechanisms, such as surveys or regular meetings, to gauge satisfaction and identify areas for improvement. • Establish ombudsman roles or third-party mediators for conflict resolution.
Knowledge and Expertise Funders sometimes undervalue the knowledge and expertise of grantees and communities leading to top-down decision making that does not account for on-the-ground realities.	• Recognize the expertise and knowledge that grantees and communities possess. • Invest in capacity-building programs that empower grantees to develop their skills and leadership. • Form advisory committees comprising experts from the community to inform decision-making.
Financial Leverage The power dynamics of financing can create dependency dynamics where grantees may feel pressure to conform to funder expectations.	• Provide financial resources in a way that allows grantees to maintain their independence and programmatic vision. • Offer general operating support grants that give grantees flexibility in how they allocate resources. • Encourage grantees to diversify their funding sources to reduce dependency on a single funder.

Recognizing and addressing privilege, power imbalances, and the equity challenges that result is an essential aspect of creating a more just philanthropic sector. The good news is that once there is that recognition, certain practices have proven to be effective at reducing the power imbalance. Funders who take the following actions with intentionality should see growth and some degree of success in this regard:

Acknowledge Institutional Privilege
Start by acknowledging that philanthropic organizations, by virtue of their financial resources and decision-making authority, possess inherent institutional privilege. This privilege comes with unequal power dynamics in relationships with grantees and communities. It's vital to recognize this privilege as a foundation upon which power imbalances that lead to inequity can thrive.

Analyze Decision-Making structures
Examine your organization's decision-making structures critically. Who holds the power to allocate resources, set program priorities, and make key decisions? If decision-making authority is concentrated within a select few, it's a clear indicator of a power imbalance. A more equitable approach involves

diversifying decision-making bodies and ensuring representation from all stakeholders.

Listen to Grantees and Communities
Actively listen to the voices of grantees and the communities you aim to serve. Are their perspectives genuinely considered in the decision-making process, or are they merely recipients of top-down directives? The absence of meaningful engagement and input from these groups can be indicative of power imbalances.

Assess Information Accessibility
Evaluate the accessibility of information within and around your organization. Are grantees and communities provided with the same level of transparency and access to resources as internal stakeholders? Are there open conduits to information? Are you transparent about grant expectations, criteria, and decision-making processes?

Reflect on Your Organization's Culture
Reflect on your organization's culture and values. Do you prioritize diversity, equity, and inclusion as core tenets? Who is in the room when significant, long-term, or far-reaching decisions are made? Do those closest to the communities have voice in those rooms? Do you proactively create space for equitable decision making and strategic planning as a matter of culture?

Trust-Based Philanthropy
An approach that emphasizes building equitable, respectful, and trustful relationships between funders and grantees, trust-based philanthropy recognizes that traditional grantmaking practices often create power imbalances and bureaucratic hurdles that can be detrimental to grantees. As a result, trust-based philanthropy advocates several principles that contribute to a more equitable and efficient system.

General Operating Support
One of trust-based philanthropy's primary tenets is providing unrestricted funding, based on the recognition that grantees are typically better positioned to determine how to allocate resources. Unrestricted funding, alternatively called general operating support, plays a crucial role in promoting equity in philanthropy, giving grantees the flexibility to use resources where they're needed most. Unlike many grants with complex reporting and rules, unrestricted grants usually have minimal reporting requirements. This simplicity saves time, especially for smaller organizations with limited resources, allowing them to focus more on their mission. Unrestricted funding also helps nonprofits become more efficient by allowing them to direct funding toward improving their organizational capacity, such as staff training or updating technology. This kind of support enhances an organization's ability to make a real impact. Moreover, providing unrestricted support signals trust in the grantee's expertise and mission. It fosters a partnership approach where donors and grantees collaborate as equals in achieving shared goals.

Multi-Year Grants
Multi-year grants are a potent tool for advancing equity within philanthropy. Their most profound impact lies in providing stability to grantees, freeing them from the cycle of fundraising. This stability is especially beneficial for marginalized communities and smaller organizations, ensuring they can focus their energy on addressing deeply rooted societal disparities.

Equity thrives when grantees have room to breathe and grow. Multi-year grants reduce the bureaucratic burden of frequent applications and reporting, allowing grantees to direct more resources toward achieving their missions. This, in turn, helps level the playing field by ensuring that limited time and funds are channeled toward tangible community impact.

Additionally, multi-year grants encourage capacity-building, a crucial component of equity-focused work. By investing in the internal strength and capabilities of grantees, these grants help organizations become more effective, adaptable, and resilient. This capacity-building is essential for nonprofits working to dismantle systemic injustices and promote equity in the long term.

Beyond these practical benefits, multi-year grants foster authentic and trusting relationships between funders and grantees. The continuity they provide allows for deeper collaboration, shared learning, and the flexibility to adapt strategies based on community needs. This alignment with local voices and priorities is central to equity-driven philanthropy.

In essence, multi-year grants are an indispensable tool in advancing equity. They bring stability, reduce administrative obstacles, promote capacity-building, and nurture trust and adaptability—elements vital to making lasting strides toward a more equitable society.

Mitigating Resistance to Changing Grant Types and Period/Duration

	Reason for Resistance	*Strategies to Address*
Risk Aversion	Fear that unrestricted funding or longer terms might lead to misuse of funds or lack of accountability.	• Mitigate risk through due diligence and clear guidelines. • Limit percentage of grant portfolio dedicated to new approach to a comfortable level • Start with one trusted grantee as pilot; favor organizations with strong leaders who are expected to stay in place for several years.
Board, Founder, or Charter Expectations	Specifically articulated expectations limit how funds should be used.	• Educate on the benefits of unrestricted funding through case studies, public sessions, and impact stories. • Ensure open dialogue in a safe space for sharing ideas, one on one and in small groups. • Leverage peer networks.
Impact Measurement	Lack of alignment with traditional metrics and timing means it will be more difficult to measure or compare against other programmatic initiatives.	• Co-develop flexible impact assessment tools, including those that emphasize qualitative measures. • Allow narrative reporting to capture holistic impact.
Internal Processes	Organizational processes and systems are built around traditional funding approaches.	• Speak to other funders that incorporated general operating support. • Provide staff training on mechanics and benefits of unrestricted funding, focusing on mission impact. • Develop internal working group with staff from all functions to wholistically review processes and make recommendations for change.
Funder-Grantee Dynamics	Traditional funder-grantee dynamics may prioritize control and authority vs. collaboration, making unrestricted, longer-term funding seem risky.	• Foster more equitable and collaborative relationships with grantees through open communication, active listening, and shared decision-making. • Demonstrate a commitment to shared goals and outcomes. • Start with grantees with whom you already have deep partnership.
Board Resistance	Board members may be risk-averse or have concerns about the effectiveness of unrestricted funding or longer-term awards.	• Educate board members on the benefits of unrestricted funding, emphasizing innovation and impact. • Showcase successful examples of organizations using unrestricted funds effectively. • Consider joining a funder collaborative or community of practice specifically focused on this issue.
Lack of Understanding	Staff and leadership within philanthropic organizations may lack a deep understanding of how to make new approaches work.	• Provide internal training and workshops to ensure staff and leadership understand the principles, benefits, and mechanics of unrestricted funding. • Share success stories and examples from other philanthropies. • Join or start a learning cohort.

Streamlining Reporting and Application Requirements
Streamlined applications and reporting requirements, also part of trust-based philanthropy, also foster equity. Many nonprofit organizations, particularly smaller ones, face significant administrative burdens when navigating complex reporting processes. This burden often diverts valuable time and resources away from their primary mission—serving their communities. By simplifying and making reporting processes more accessible, funders can alleviate these administrative pressures. This seemingly straightforward adjustment can have profound effects. It promotes equity by ensuring that organizations, regardless of their size or administrative capacity, can engage in grant reporting effectively. The focus shifts from burdensome paperwork to meaningful, mission-driven reporting that genuinely reflects a grantee's impact.

But it's not just about reporting; equitable treatment can begin at the grant application stage. A revamped grant application process can democratize access to funding opportunities. By reimagining how grants are sought and awarded, funders can create a more inclusive and accessible application experience. This approach recognizes that traditional grant application requirements can often be daunting, leading to disparities in access. Smaller and less-resourced organizations may be deterred from applying due to the perceived complexity or time commitment. To promote equity, philanthropic organizations can embrace innovative strategies for grant applications that level the playing field. Equitable practices relating to application and reporting processes call for:

- Actively involve grantees in the design of reporting requirements and the application process. Seek their input to ensure that these processes are responsive to their needs. For reporting, ask the grantee what success looks like and what metrics they would want to highlight to show a program's progress.
- Maintain transparent communication with grantees throughout reporting and application phases. Clearly explain the purpose, expectations, and criteria involved.
- Offer flexibility in reporting methods and timelines, as well as in the application process. Recognize that grantees have varying capacities and constraints.
- Consider language and accessibility issues in the format.
- Provide capacity-building support to grantees to help them navigate both reporting and the application process. This support can include training, technical assistance, and peer networks.
- Establish feedback loops with grantees to continuously improve reporting and application processes. Show responsiveness to their suggestions and concerns.

This deliberate effort contributes to creating a more equitable landscape for grantseekers, removing unnecessary obstacles that can disproportionately affect smaller organizations.

Commitment to Relationship
At its core, trust-based philanthropy prioritizes building enduring relationships over transactional grantmaking, fostering a sense of trust, transparency, and mutual learning between funders and grantees. It places a strong emphasis on deep engagement, giving grantees a genuine seat at the decision-making table. Trust-based philanthropy further champions a community-centric approach that underscores the significance of listening to the voices and insights of the communities being served. This aligns with equity principles by ensuring that decisions are firmly rooted in an understanding of local contexts, including the specific needs and dynamics of the communities.

When funders adopt the principles of trust-based philanthropy, they help to create a more collaborative, effective, and equitable philanthropic landscape.

Prioritizing Funding for Underserved Communities
Prioritizing funding for underserved communities is a cornerstone of equitable grantmaking. It reflects a commitment to rectifying historical and systemic injustices that have left these communities at a disadvantage. Equitable grantmaking recognizes that underinvestment and disinvestment have perpetuated disparities in education, healthcare, economic opportunity, and access to resources. By channeling philanthropic resources intentionally into underserved communities, grantmakers acknowledge the urgent need to address these imbalances. This prioritization ensures that resources are directed where they are most needed, allowing communities to tackle the root causes of systemic inequities and drive sustainable change from within. Moreover, it amplifies the voices of those who have historically been marginalized, fostering empowerment and self-determination. Ultimately, prioritizing funding for underserved communities is not just a strategy; it's a moral imperative that aligns philanthropy with the pursuit of a more just and equitable society.

Beyond active and meaningful engagement with communities that are served by the philanthropy, steps toward this could include:

- Conducting an equity assessment to identify gaps and disparities in past funding practices.
- Reevaluating mission and values to explicitly prioritize equity and inclusion.
- Setting clear equity goals as part of strategic plan, with funding criteria that explicitly prioritizes projects and initiatives that benefit underserved communities.
- Developing a funding approach that is more flexible and long term.

Funders that recognize the power imbalance, engage in trust-based practices, and prioritize funding for underserved communities are on their way to developing a powerful arsenal for advancing equity in the sector. These practices align the principles of fairness, inclusivity, and justice with the core mission of philanthropy.

However, achieving equity requires more than just implementing these practices; it necessitates a broader commitment to fostering genuine inclusion.

Authentic Inclusion: Curating a Sense of Belonging

In the context of philanthropy, inclusion refers to the deliberate and meaningful involvement of diverse perspectives, voices, and communities in decision-making processes, program development, resource allocation, and overall philanthropic activities. It goes beyond diversity (the presence of different identities) to ensure that individuals from diverse backgrounds--including those historically marginalized or underrepresented--have an equal opportunity to participate, contribute, and benefit from philanthropic initiatives.

Inclusion entails creating an environment where all stakeholders, including grantees, beneficiaries, staff, board members, and community members, feel valued, respected, and empowered to share their insights, experiences, and ideas. It strives to eliminate barriers, both systemic and cultural, that may hinder the engagement of underrepresented groups in philanthropy.

One goal of inclusion is to ensure a sense of belonging among the grantees, communities, and funders. There is a difference between being allowed and enabled—"included"—and belonging. Belonging is the deeper emotional connection that individuals and communities feel when they perceive themselves as an integral part of a group or organization. It is the result of sustained inclusion efforts that foster trust, respect, and genuine participation.

In order to get to the stage of belonging, you need inclusive practices such as actively seeking out diverse perspectives, meaningfully involving community members in decisions, equitable access to resources and opportunities, and strategies to reduce power imbalances. Inclusive philanthropy aims to ensure that the sector reflects the communities it serves and that philanthropic efforts are genuinely responsive to the needs and aspirations of those communities.

In addition to the approaches noted for embracing diversity and equity, funders that want to foster inclusion should consider the following recommendations.

- Involve grantees and communities early in the process and maintain their involvement throughout.
- Create spaces for continual dialogue to encourage open communication and the sharing of perspectives.
- Ensure transparency in your organization's strategies, goals, and decision-making processes to build trust.
- Act as a resource beyond just providing funding, serving as a conduit to amplify marginalized voices and perspectives.
- Embrace and actively seek diverse voices from marginalized communities to bring fresh perspectives.
- Invest time in building relationships based on trust and mutual respect to foster open communication and collaboration.
- Approach your work with humility and a willingness to learn from others, maintaining an open-minded and curious mindset.
- Actively share information, successes, and challenges with stakeholders. Be open to feedback and view mistakes as opportunities for growth.

Othering & Belonging Institute are the leaders of shaping and promoting this framing/narrative.

Getting Started on Implementing an Internal DEI Approach

If you're in the likely scenario that your organization wasn't formed with an equity lens, you may have to sensitively retrofit your internal structure culture by incorporating an equity lens into all of your structures and behaviors which will be explained in detail in chapter 3. Looking at an organization's Charter, Social Compact, and Operating Model as defined by RPA's Philanthropy Framework, can start the process in a thoughtful way:

Charter
Consider the impact of funder legacy on future processes and work and address the likely dearth of written rules and governance (particularly from the perspective of board diversification), to ensure that these core elements reflect equity in your philanthropy.

Social Compact
Engage in extensive discussion with all levels of staff around questions of internal and external accountability and how that intersects with perceptions and expressions of legitimacy; and build accountability mechanisms and feedback loops with staff, grantees, and partners to truly embed equity.

Operating Model
Concepts of equity and racial justice should permeate every strategy and capability of a funder, including who shapes and implements operational programs to who receives grants, to who is empowered to make decisions and on whose behalf.

This internal view is a crucial first step. By examining their own practices, funders can identify areas where they might unintentionally perpetuate inequities and work to address these issues. For an organization to have a healthy internal DEI culture, there will need to be:

- Leadership commitment. Leaders play a crucial role in setting the tone and direction for DEI efforts and should communicate its importance throughout the organization. This includes integrating DEI goals into the organization's strategic planning, allocating resources for DEI initiatives, and holding themselves and others accountable for progress and outcomes.
- An inclusive organizational culture that fosters a sense of belonging and respect for all individuals within the organization. This can be achieved by promoting open communication, actively listening to diverse perspectives, valuing, and celebrating differences, and providing opportunities for professional development and advancement for all staff members.
- Internal DEI expertise: While external expertise can provide valuable insights and guidance, developing in-house expertise on DEI is equally important. This includes investing in training and capacity-building programs for staff members to develop their understanding of DEI concepts, cultural competency, and skills needed to integrate DEI considerations into their work. Building internal expertise ensures that DEI becomes ingrained in the organization's DNA and can be sustained in the long run.
- Accountability mechanisms. Embedding equity is not a one-time thing. It requires ongoing attention to make changes and implement clear systems to hold all stakeholders accountable for their actions to make sure that equity remains a central focus. This includes regular reporting, reviews, standing agenda items, and evaluations to assess progress and address any shortcomings honestly- which requires having hard, sometimes triggering conversations.
- A process for engaging in critical self-reflection: Organizations should continually reassess their own practices, policies, and culture to identify areas where they can improve equity. This process should involve open discussions and honest feedback from both internal and external stakeholders. This step is potentially the most difficult for organizations to do right. Traditional practices, patterns and behaviors ensure that the inequitable system that houses philanthropy continues to put leaders at the top who are willing to perpetuate it. Leaders need to be able

to hear, absorb and act on the sometimes harsh truths that are brought to light when confronted with their own inequitable practices.

- An appreciation of and process for learning from failures: Philanthropic organizations should be willing to take risks, as this can lead to valuable insights and more effective approaches that others with fewer resources can learn from. Failures are learning opportunities, using them to refine their strategies and better support their grantees and the communities they serve.

In-House vs. External DEI

When working to incorporate equity into a philanthropic organization, leaders face the decision of whether to build in-house DEI expertise, or to seek an external consultant to get them started externally. Both approaches have their advantages and can contribute to the organization's overall equity goals.

Advantages of external DEI expertise

- Fresh perspectives: External experts can provide an objective analysis of the organization's DEI efforts, identifying potential blind spots and offering new insights. They can see and say things that insiders often can't.
- Expert knowledge: External DEI consultants often have a wealth of experience and expertise, enabling them to provide tailored recommendations and best practices to address an organization's unique needs.

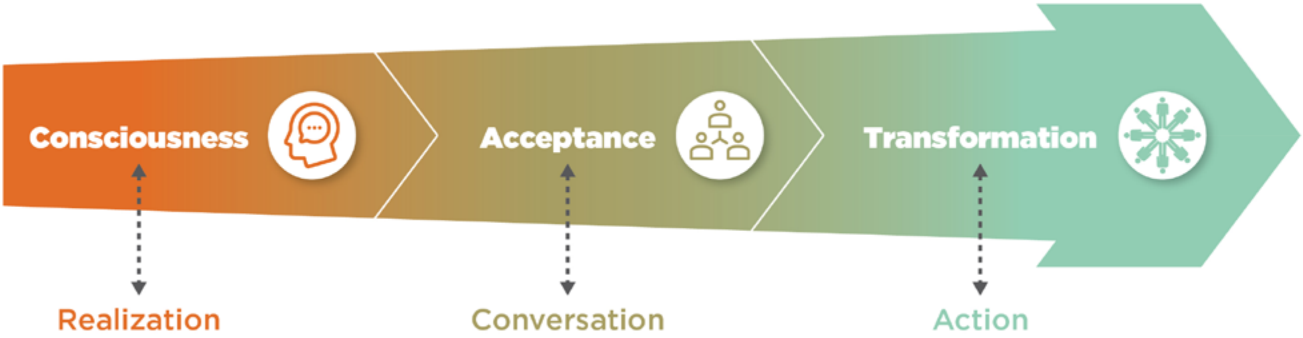
Reasons to keep in-house

- Consultants are beholden to the decision makers in the organization. If leaders haven't done their homework on how to address their own internalized inequitable practices, consultants will directly or indirectly get the message that they can only take the conversation so far.
- DEI strategies can be marginalized by keeping them only in the realm of the consultant. Many organizations have used the excuse of not having enough time to do the work on DEI, because they are doing the work of their organization. If an organization is serious about creating equitable practices, it must commit to the understanding that true DEI work IS the work of the organization and in prioritizing it, the work of the organization shifts around it to take the time necessary to change patterns and behaviors.

Incorporating a DEI lens into your organization's charter, social compact, and operating model is a crucial starting point for fostering a culture of equity within your philanthropic institution. This internal perspective is the foundation upon which genuine progress toward diversity, equity, and inclusion can be built. By actively engaging leadership, cultivating an inclusive culture, developing internal DEI expertise, establishing accountability mechanisms, embracing critical self-reflection, and learning from failures, organizations can embark on a transformative journey that not only benefits their own operations but also has a profound impact on the communities they aim to serve

The DEI Continuum

As philanthropies work to embed DEI into their operations and grantmaking practices, they typically go through phases. The DEI Continuum highlights the stages and steps an organization must take to achieve profound change and foster trust-based grantmaking.



Created by Donita Volkwijn and Kalyah Ford

Stages of the DEI Continuum

1. **Consciousness:** This stage involves raising awareness of DEI issues, focusing on the realization of existing disparities within the organization, its grantmaking practices, and the broader philanthropic sector. For many organizations, this will be a long process that may involve confronting uncomfortable realizations of the organization's contribution to inequitable practices.

2. **Acceptance:** In this stage, organizations engage in conversations about the importance of DEI and begin to accept the need for change. This process involves dialogues between board members, senior leadership, staff, grantees, and the communities served. Creating those spaces of belonging is an arduous but critical step in the process.

3. **Transformation:** As organizations commit to embracing DEI, they start taking action to enact transformative changes in their policies, practices, and culture. This stage involves tangible steps that promote diversity, equity, and inclusion across all levels of the organization.

4. **Profound Change:** By progressing through consciousness, acceptance, and transformation, organizations can achieve profound change, leading to a more inclusive, equitable, and diverse philanthropic landscape.

Conclusion

From recognizing systemic inequities, to understanding the need for diversity; from implementing equitable grantmaking practices to driving inclusion, this chapter has highlighted the fundamental role of DEI in shaping effective philanthropy.

Now, it's time to act. By crafting DEI strategies aligned with their missions, addressing resistance and biases, and nurturing cultures of continuous improvement, philanthropies can be catalysts for transformative change. DEI isn't just a concept; it's a blueprint for creating more equitable and inclusive philanthropic landscapes, ultimately leading to more impactful and meaningful outcomes.

Calls to Action for Philanthropy

To advance equity within the philanthropic sector, we offer the following calls to action for funders:

- **Commit to diverse representation:** Ensure that your foundation's board, staff, and grantees reflect the communities you serve and that they have the support for their voice and ideas to be heard and absorbed. Consider recruitment and retention practices that prioritize diversity, equity, and inclusion. It is crucial that diverse voices are honored and centered, (and paid) not just included. When this happens, foundations are merely inviting people as guests to already existing patterns and behaviors and while the people may change, the patterns and behaviors don't.

- **Address power imbalances:** Engage in critical self-reflection to recognize and address privilege within your foundation. Implement accountability mechanisms to ensure equitable practices and foster a culture of learning from failures.

- **Build equity resources:** Evaluate your foundation's needs and resources to determine whether to develop in-house expertise or seek external DEI consultants. Consider using an inquiry-based model to ask the right questions and guide decision-making processes.

- **Foster trust-based grantmaking:** Invest in internal change to create a more equitable grantmaking process. Prioritize trust and empower grantees by offering multi-year general operating support and streamlining reporting requirements.

- **Expand beyond traditional monetary support:** Leverage non-financial resources such as expertise, connections, and relationships to maximize impact. Consider impact investing and other innovative approaches that align with your foundation's mission.

- **Prioritize new voices and perspectives:** Encourage inclusivity in grantmaking processes and events. Challenge systems of power and privilege and build genuine relationships within the philanthropy ecosystem.

- **Encourage collaboration and responsiveness:** Share knowledge and learnings with other funders and stakeholders. Be open to feedback and responsive to the needs of your grantees and the communities you serve.

- **Establish a clear direction for future conversations on equity:** Continue discussing and exploring equity within your foundation and the broader philanthropy sector. Develop a roadmap for future equity initiatives, conversations, and commitments.

By implementing these recommendations, foundations can actively work towards creating a more equitable and inclusive philanthropic landscape. Together, we can foster a sector that prioritizes diverse perspectives, values genuine partnerships, and drives meaningful, long-lasting change in the communities we serve.

Additional Resources

To further support your foundation's journey towards equity and inclusion, we have compiled a list of resources, tools, and examples that can assist you in understanding and implementing these concepts within your philanthropic practice.

- Trust-Based Philanthropy Project aims to shift power dynamics in philanthropy by promoting trust-based relationships between funders and grantees. Resources include articles, webinars, and toolkits on topics like grantee engagement, multi-year general operating support, and reporting requirements.
- The Philanthropic Initiative for Racial Equity seeks to increase the amount and effectiveness of resources aimed at combating institutional and structural racism in communities through capacity building, education, and convening of grantmakers and grantseekers.
- Funders For Justice is a national network and platform of funders increasing resources to BIPOC grassroots organizations working in racial and gender justice.
- Racial Equity Tools has resources for those working to achieve racial equity. It offers tools, research, tips, curricula, and ideas for people who want to increase their understanding and to help those working for racial justice at every level – in systems, organizations, communities, and the culture at large.
- The D5 Coalition resource library contains a range of tools and articles focused on increasing diversity, equity, and inclusion in philanthropy.
- The Annie E. Casey Foundation offers a Race Equity and Inclusion Action Guide that provides a step-by-step outline for foundations looking to implement equitable practices.
- Philanthropy New York champions effective grantmaking by building a vibrant philanthropic ecosystem that strives to advance meaningful social change.

Case Study: Philanthropy's Role in Creating a Just World

Amid relentless global transformation, philanthropy needs to shift gears. Centering equity and community involvement are no longer options, but critical imperatives. While the road to true progress remains long, more and more organizations are taking meaningful steps towards reimagining the way they operate to create a more just world.

RPA hosted a webinar on Philanthropy's Role in Creating a Just World: Centering People and Communities in Your Giving to spotlight foundations at the forefront of this reimagination. Moderated by Rockefeller Philanthropy Advisors' Melissa Berman, the conversation featured Don Chen of Surdna Foundation, Crystal Hayling of the Libra Foundation, and Angelique Power of the Skillman Foundation. This conversation yielded a wealth of insights, which are underscored here by a few standout themes:

A Reimagined Future Driven by Community Wisdom

Building relationships with communities and understanding their perspectives, rather than imposing solutions from the top down was the throughline that weaved the strategies and approaches raised throughout the conversation together. As Surdna's Don Chen mentioned, this required humility on behalf of foundations and recognizing that communities are the experts on their own experiences and needs. He emphasized that Surdna, "is really taking steps to ensure strategies really reflect the priorities that community leaders, residents, and movement leaders are prioritizing by actually listening."

One example of this can be found in the Skillman Foundation, which focuses on serving youth and names their first value as "following the will of Detroit youth to dream and design new possibilities together." This value is operationalized by including Gen Z representatives on a youth council that makes real decisions related to grantmaking. In fact, Gen Z even has a seat at the table on Skillman's board. Angelique Power said she is, "going to spend the rest of her career moving obstacles out of their way getting capital to them so they can fix the very old problems that we have created and not been able to fix." The Skillman Foundation's dedication to co–creating with Detroit youth exemplifies their commitment to both living out their values and actively ceding power in order to address challenges collaboratively.

Learning is Growing

Learning was another central theme throughout the discussion, encompassing both learning from others by listening and the importance in sharing learnings so others may benefit.

Libra Foundation's Crystal Hayling shared the way philanthropy can learn from the founding principles of the climate justice movement including, "focusing on bottom up organizing, letting people speak for themselves, centering solidarity and mutuality, building relationships amongst ourselves and commit to our own self–transformation." These strategies, which have been successfully employed by the climate and environmental justice movement, include the core pillars of what it means to authentically center communities.

In the same vein, Chen shared how Surdna is engaging in self–transformation by questioning why they do everything they do, including reporting. According to him, Surdna asked itself, "what is the purpose of this type of reporting data collection learning? Should we do it at all?" and used some tools from experts equitable evaluation and trust–based philanthropy to speak with those in the field to figure out what is useful. Ultimately, they decided to contribute to sector–wide efforts by co-designing evaluation efforts with field experts and invest in data analysis. Chen emphasized that, by working with others and also sharing their learnings broadly, this process is, "much more of a true partnership and evaluation" that will benefit the sector overall, instead of data collection for the sake of data collection.

RPA's Melissa Berman also noted the importance of "unlearning". She stated that many people in philanthropy—from program staff to executive leadership—were trained to assume they know everything. That is something philanthropy must unlearn. The panelists pointed out that often the fear of "not knowing" cripples philanthropy; to drive lasting impact, leaders must acknowledge that they do not have all the solutions and partner with communities to share information and grow together.

Shifting Power Dynamics and Building Trust

Perhaps most importantly, philanthropy must examine the power it wields. It is impossible for philanthropy to authentically center communities without considering—and rejecting— longstanding, entrenched, imbalanced power dynamics in philanthropy.

Hayling pointed out that shifting power is not only equitable, but it is also pragmatic. By placing power in the hands of the communities served, grantees will be able to enact solutions that are more likely to succeed. The panelists urged foundations to hire staff that reflect the communities they work in, shifting philanthropy's status quo model of concentrating power with those who already have it.

Additionally, this power shift cannot occur without the trust that must exist between foundations and the communities they serve, as well as within philanthropic institutions themselves. Hayling made the crucial point that "there is no trust–based philanthropy in terms of a foundation working with grantees if you don't have a board that trusts it staff." She went on to describe how the board essentially said, "let us relinquish a lot of the decision–making control to the staff because we've hired a staff that is primarily people of color people with lived experience on these issues, so let's allow them to lead the work that we're doing." Hayling's insight on the significance of trust–based philanthropy within the dynamics of a foundation and its staff is important because it spotlights how ceding power can lead to a better understanding of the issues at hand, which will lead to better solutions.

Overall, there are no shortcuts or quick fixes for philanthropy to achieve real progress in centering people in communities. Power pointedly noted that the Skillman Foundation took a year to solidify their organization's clear definition of racial justice, one of their guiding principles. It took even longer to conduct a racial equity audit to drill down into where "every penny spent has gone for the last three years by race." This work takes longer because the ways these organizations are reimagining their philanthropy aren't band–aids—they're significant strides towards real change. Given that the work is time intense and the need has never been more pressing, the time for philanthropy to broadly adopt the practices raised here is now.

To view a recording of the discussion, click here or the image to the right.

2

CHAPTER 2

Taking a Systems View

Getting Out of Silos and into Systems for Greater Impact

Embarking on a journey of systems change is like discovering the hidden pathways that unlock the potential for profound and lasting impact. Many donors engage with complex, interwoven challenges like poverty, environmental degradation, and social inequities. In these intricate systems, traditional interventions sometimes feel like trying to mend a spider's web with individual threads. Systems change is about recognizing that addressing root causes, transforming underlying structures, and embracing a holistic approach can move beyond symptoms to create meaningful, enduring change in our complex and interconnected world.

What is Systems Change?

As the field of philanthropy has grown in recent years, challenges such as growing inequality, extreme weather events, and divisive politics have made philanthropies reconsider their approaches. One of those changes is an increased interest in systems change, a phrase used to explain an approach that targets the root causes of social issues instead of directly tackling the issue itself. Systems' change aims to alter or shift underlying structures--such as policies, mindsets and power dynamics--that enable the system to function in a particular way.

This holistic approach to addressing complex social, economic, and environmental challenges goes beyond addressing symptoms to focus on systemic issues at their core. By adopting a systems perspective, funders can gain a deeper understanding of the how various factors are intertwined. Can use that understanding to better leverage their resources and influence to achieve more significant, sustainable, and transformational impact.

In a world characterized by increasing complexity and challenges, focusing on systems change encourages a shift from reactive, short-term thinking to proactive, long-term planning that aims to create lasting change. This approach enables foundations to not only identify and address the root causes of problems but to go back downstream and put into effect measures to stop those problems from happening, thus achieving a more significant impact.

> *"There comes a point where we need to stop just pulling people out of the river. We need to go upstream and find out why they're falling in."*
>
> —Desmond Tutu

Why Should Donors and Philanthropies Consider Systems Change Approaches?

Many donors question the need for engaging in systems work. They wonder why they should get involved in what seem like unwieldy, intractable problems. The answer to why donors should prioritize systems change initiatives lies not only in the potential for transformative impact, but also in a fundamental recognition of equity. Philanthropy, as a force for change on a large scale, exists within a system marked by inherent inequities. These disparities in power, access, and resources have enabled the philanthropic sector to emerge and thrive. Thus, as stewards of this privileged position, donors bear a responsibility to address the very inequities that make their philanthropic work possible. Systems change offers a strategic pathway to dismantle the structural barriers and injustices that perpetuate societal imbalances. Further, embracing systems change work is beneficial because it:

- **Addresses root causes and amplifies impact.** Funders can create more meaningful and long-lasting solutions by targeting the underlying causes of complex problems. By addressing the factors contributing to an issue, funders help by going beyond the immediate problems to reduce the likelihood of recurrence of those issues in the future.
- **Creates a ripple effect.** When funders apply a systems lens to their initiatives, they can identify opportunities to create ripple effects across multiple areas. For example, addressing the root causes of poverty can simultaneously improve education, health, and employment outcomes. This interconnected approach can lead to a more extensive and longer lasting changes.
- **Improves organizational engagement.** Adopting a systems change mindset encourages organizations to reassess their capabilities, strengths, resources, and talents. This introspection enables them to understand better where they can add value and contribute most effectively to systemic change. By better aligning their internal resources with their mission, organizations can more effectively drive change.
- **Enhances stakeholder identification and support.** Systems approaches work best with collaboration and the involvement of various stakeholders. By understanding the broader system and its underlying structures, funders identify key partners with whom they can work together to pool knowledge, resources, and influence, ultimately leading to more successful initiatives.
- **Encourages learning and adaptation.** As funders engage in systems change, they become more aware of the complexities and nuances of the issues they address. This awareness promotes a flexible culture of continuous learning and makes room for necessary adaptation, allowing philanthropic organizations to be more agile and responsive to ever-evolving needs and challenges. Embracing a learning mindset helps funders refine strategies and make better-informed decisions, leading to more effective philanthropy.

Select Tools and Methodologies for Driving Systems Change

Based on extensive research and engagement with funders and various projects, RPA has found that in order to create systemic change, funders should deploy more resources toward:

- Creating paradigm shifts at the deepest level to change what we label "mental models" and mindsets (values, attitudes, and beliefs).
- Addressing root causes rather than symptoms by changing the conditions that are holding problems in place.
- Reforming the rules of unfair systems, rather than just helping people adjust to them.
- Supporting structural changes such as public policies, private sector practices, and resource flows.
- Shifting power dynamics through movement-building.
- Funding field-building through networks and community-led institutions.

Funders seeking to engage in systems change philanthropy can effectively use the same tools and techniques that are beneficial for other types of philanthropic initiatives. Additionally, however, there are a few tools and practices that are particularly well suited for systems change initiatives:

Systems Mapping

Systems mapping is a process of visually representing the interconnected elements, actors, and dynamics within a complex social, environmental, or economic system. It can be used by donors and philanthropic organizations to gain a deeper understanding of systems they want to influence.

Systems mapping involves several steps, starting with carefully defining the scope and boundaries of the system under scrutiny by thoroughly gathering data on key elements that make up the system. That data can include stakeholders, policies, institutions, historical context, relationships, and driving forces within the system.

Once the data is gathered, a visual map is created. Flowcharts, diagrams, network maps are some of the common formats. Next is the analysis of interconnections and feedback loops inherent in the system. This analysis aids in understanding how changes in one part of the system can reverberate across other components, revealing potential leverage points for strategic intervention. Pinpointing those areas within the system where interventions can exert the most substantial influence can help drive more informed decisionmaking, partnerships, and strategies.

Importantly, systems mapping typically benefits from active engagement with a diverse set of stakeholders from various sectors, including government entities, civil society organizations, academia, and communities directly affected by the issue. Moreover, it is not a one-off activity but a continuous process. As the system evolves and reacts to interventions, philanthropic organizations revisit and refine their maps to stay attuned to changing dynamics and make necessary adjustments.

The Iceberg Model

The Iceberg Model is a metaphorical representation helpful for understanding the layers of complexity within a system. It draws an analogy between an iceberg floating in the water, where only a small portion is visible above the surface, and a system, where only a portion of its components and dynamics are readily observable. The model is composed of four levels:

- **Surface Events (the surface level, above the waterline):** The visible aspects of a system, such as symptoms, events, and outcomes. These are the issues that are most commonly addressed by traditional interventions.
- **Patterns (just below the waterline):** The trends or recurring behaviors that emerge over time. This level includes the behaviors, decisions, and interactions of actors within the system. These factors may not be immediately apparent but are crucial in understanding why the system functions the way it does.
- **Underlying Structures (below the waterline):** The policies, procedures, norms, and incentives that shape the patterns.
- **Mental models:** The beliefs, assumptions, and values that influence structures and keep them in place.

This model helps funders to explore what's underneath the surface of social problems. By investigating the policies, procedures, and beliefs that shape a system, funders can identify the root causes of a problem and discover potential leverage points for change. Looking even deeper at the underlying structures and mental models can help funders better target their efforts at the level of change needed, which is often the mental models that may not be apparent without this analysis.

Example of the Iceberg Model Applied to the Issue of Poverty in the United States

The Iceberg Model can be a powerful tool for identifying the root causes of systemic issues and developing effective strategies to address them. By examining problems through the lens of the Iceberg Model, funders can uncover the hidden dynamics within systems, enabling them to make more informed decisions and target their efforts more effectively.

Above the Waterline (surface events): At this level are the visible manifestations of poverty, such as homelessness, food insecurity, low-wage jobs, and inadequate access to healthcare.

Just Below the Waterline (patterns and trends): Income inequality, lack of affordable housing, disparities in education, and limited access to quality jobs are patterns and trends that contribute to persistent poverty. These patterns are often interconnected and reinforce one another.

Deep Below the Waterline (influencers of the patterns and trends): Historical injustices, including slavery, segregation, and discriminatory policies; economic policy and structures; wage stagnation; government policies related to social safety nets, education and healthcare all have significant influence on perpetuating poverty in the U.S.

Mental Models: Deep-seated cultural values and beliefs about individualism, self-reliance, and the role of government can shape the patterns and societal narrative about poverty. Similarly, the "American dream" and meritocracy myth reflect prevalent values of individualism, self-determination, and the pursuit of prosperity that are rooted in historical narratives that celebrate the idea of pulling oneself up by one's bootstraps.

This mental model may obscure systemic barriers to success, such as structural racism, income inequality, and disparities in access to education and healthcare. It can also foster the belief that those who remain in poverty are solely responsible for their circumstances, overlooking the impact of external factors.

Collaboration

Most systems are multifaceted and involve engagement with numerous types of actors across various sectors. Collaboration in this context is highly beneficial as it helps untangle and engage with the complexity inherent in these systems. By bringing together diverse stakeholders, including government, nonprofits, communities, and the private sector, collaboration enables a comprehensive approach to engage the web of actors and address the multi-faceted factors within the system. It leverages collective expertise, resources, and perspectives, making it a strategic tool for navigating and driving meaningful change within complex systems. If your philanthropic vision involves truly moving the needle on a big issue, it's worth exploring how to best bring others along with you on the journey through collaboration.

Collaboration can occur among various organizations, whether community-based, private-sector entities, academic institutions, other philanthropic organizations, advocacy groups, or government entities. Partnering with government entities is especially important to help leverage public resources and drive policy change, amplifying charitable efforts. However, such partnerships can be challenging due to bureaucratic hurdles, differing priorities, and complex regulations. Developing mutual understanding, shared goals, and effective communication can help overcome these challenges and foster successful collaboration.[1]

Learning and Measurement

Given the typically long timeframes needed to drive systems change, learning from your experience and creating measurement frameworks can be particularly instructive. Measuring impact is thus an essential aspect of learning in systems change philanthropy. Approaches for implementing the interrelated concepts are noted below.

1. Embrace continuous learning

- *View learning as a strategic imperative.* Begin by acknowledging that learning is not an end but a means to effective systems change. Embrace a growth mindset, recognizing that evolving challenges demand evolving solutions, and view each step as an opportunity for discovery and adaptation.

- *Foster a culture of active inquiry within your organization.* Encourage your team to seek insights, gather diverse perspectives, and engage with stakeholders—particularly those most affected by the systems you aim to change.

- *Establish feedback loops that facilitate ongoing reflection and learning.* Regularly assess the effectiveness of your strategies, making adjustments based on the insights gained. Create spaces for open dialogue and shared learning among grantees and partners.

2. Design holistic measurement frameworks

- *Broaden your measurement horizon.* Effective measurement in systems change goes beyond traditional metrics. Develop comprehensive measurement frameworks that capture both programmatic outcomes and the nuanced shifts within the system.

- *Leverage the power of qualitative data.* Stories, narratives, and qualitative insights can provide a richer understanding of the systemic dynamics at play. Incorporate these elements into your measurement strategies.

- *Recognize that systems change is context-specific.* Tailor your measurement approaches to align with your unique systems goals and the specific dynamics of the system you're addressing.

3. Forge interrelated paths

- Use your learning journey to inform your measurement efforts. Insights gained through active inquiry, stakeholder engagement, and feedback loops should guide the development of measurement indicators and criteria.

- *Use your measurement results as fuel for continuous learning.* Analyze your data to assess progress, identify areas of impact, and pinpoint where systemic shifts are occurring. Use this data-driven understanding to refine your strategies.

- *Allow for an iterative process.* Understand that learning and measuring are not linear but iterative processes. As you gather data and insights, feed them back into your strategies. Adjust, pivot, and adapt based on the evolving landscape of systems change.

Learning and measurement will be most beneficial when grantees, communities benefitting from the intervention, and other partners are fully engaged, involved, and empowered within the systems change initiative. This includes ensuring they are part of the process throughout: from developing measurement criteria, to benefitting from the learnings, and everything in between.

Fostering a Culture of Experimentation and Innovation among Grantees

Systems change requires innovation. Communities that are impacted--and individuals and organizations closest to them--are typically best positioned to drive that innovation. Grantees are often in that category. However, due to power imbalances, capacity to fulfil funder requirements, lack of operational support, and various other reasons, grantees in many cases are not in position to experiment, or indeed to provide certain types of feedback to funders. Funders can play a pivotal role in changing this paradigm, instead fostering a culture of experimentation and innovation by:

- Providing more unrestricted funding, allowing grantees the flexibility to allocate resources according to their specific needs and priorities. This approach reduces the pressure to conform to predefined programs and encourages innovative thinking.

- Actively encouraging calculated risk-taking and experimenting with new approaches. Failure should be seen as an opportunity for learning rather than a setback. This approach creates an environment where innovation can flourish. However, funders should ensure that their organizational risk tolerance allows for this approach.

- Establishing learning communities or networks among grantees. These communities offer a platform for organizations to share experiences, best practices, and lessons learned. It fosters a collaborative learning environment.

- Supporting capacity-building, such as leadership development and organizational strengthening, that enhance grantees' ability to innovate and adapt. These investments enable organizations to better navigate complex challenges.
- Creating space for reflection and adaptation by regularly encouraging grantees to reflect on their strategies and outcomes. This reflection process should lead to adaptations and improvements in their approaches based on evidence and feedback. Long term investments by funders support this type of iterative process of improvement.
- Promoting open communication between funders and grantees that enables candid conversations about successes, challenges, and opportunities. Transparency, a trust-based approach, and active listening by the funder are essential elements of this.
- Supplying technical assistance, expertise, and access to resources beyond financial support. This can help grantees overcome barriers and implement innovative solutions.
- Measuring impact and sharing results. Working with grantees to measure their impact and share both successes and failures with the philanthropic community contributes to collective learning.
- Celebrating innovation and experimentation among grantees through awards, showcases, or public recognition. Positive reinforcement encourages organizations to continue seeking innovative solutions.
- Emphasizing continuous improvement by providing support, encouragement, and structures to empower grantees to seek ways to enhance their programs and strategies.

By adopting these strategies, funders can create an enabling environment where grantees feel empowered to experiment, learn from their experiences, and innovate to address complex social challenges effectively. This culture of learning and experimentation contributes to more impactful and sustainable systems change initiatives.

SCALE for Systems Change

As part of an initiative to encourage funders to place longer-term, adaptive resources to accelerate scalable solutions targeting systemic changes around pressing global issues, RPA researched what funders can do to strengthen and support grantees and investees through a series of global workshops and interviews. The recommendations from that research are summarized by the acronym SCALE:

- **Streamline** grantmaking/investment processes to allow for more unrestricted funding, less time-consuming applications, and longer funding periods.
- **Collaborate** more effectively by sharing knowledge and due diligence with other funders, converging on common application standards, and participating in donor collaboratives.
- **Accelerate** impact through needed nonmonetary support, such as making introductions to other funders, boosting social media attention, and providing technical assistance.
- **Learn** about the key levers for changing systems relevant to a particular problem and then share that knowledge with grantees and investees so that they can strategize more effectively.
- **Empower** grantees by maintaining mutual respect, offering guidance rather than directives, and shifting the power dynamics between the givers and receivers of funds.

Examples of Systems Change Initiatives

Plastic Solutions Fund (PSF)
The Plastic Solutions Fund is a collaborative funding initiative to address the global plastic pollution crisis. PSF uses a systems-based approach to tackle the issue by supporting organizations that work on various aspects of the problem, from reducing plastic production and consumption to waste management and recycling innovations. By focusing on multiple levels of the plastic pollution system and fostering collaboration among stakeholders, the fund amplifies its impact and accelerates the transition to a plastic-free, circular economy.

The Democracy Frontlines Fund (DFF)
The Democracy Frontlines Fund is a collaborative grant-making initiative that supports Black-led organizations working to build a more just, equitable, and democratic society in the United States. DFF employs a systems lens by recognizing the interconnected nature of racial, economic, and social justice issues and supporting organizations that address these systemic challenges. The fund prioritizes flexible, multiyear funding, which allows grantee organizations to adapt and respond to evolving needs and opportunities. By supporting Black-led organizations with a holistic approach to social change, DFF aims to dismantle systemic barriers and advance racial equity and democracy.

Oceans 5
Oceans 5 is an international funders' collaborative dedicated to protecting the world's oceans and the ecosystems they support. By employing a systems-based approach, Oceans 5 targets multiple levels of the marine conservation system, including policy development, enforcement, and community engagement. The collaborative supports projects that address overfishing, marine protected areas, illegal fishing, and other threats to ocean health. Oceans 5 aims to create a global network of healthy, resilient, and well-managed marine ecosystems by fostering cross-sector partnerships, encouraging knowledge-sharing, and supporting innovative solutions.

[2] See *Scaling Solutions toward Shifting Systems*.

Conclusion

Systems change can be a powerful approach for philanthropic organizations to address complex social issues. To effectively engage in systems change, funders must first understand the importance of addressing systemic issues, and then utilize tools and methodologies such as collaboration, learning and measuring, and empowering organizations. Key to effective systems change are deep engagement with impacted communities and an iterative approach. Despite its inherent complexity, systems change offers a pathway for funders to create sustainable and impactful change within their communities and beyond.

Case Study: Plastic Solutions Fund

The Plastic Solutions Fund, an international funder collaborative, works to stem the tide of plastic pollution into the environment. It supports projects to reduce production of single-use plastic and packaging, focusing on key drivers of systems change in the plastic supply chain.

Launched in January 2017, it grew out of funding from the Oak and Marisla Foundations to a core group of NGOs building a shared strategy and collaborating more effectively on the global challenge of plastics. Nicky Davies, who is now the fund's Program Director, worked with over 50 NGOs and funders from around the world to create a global plastic pollution strategy. The funders committed to securing more funds to form a longer-term entity—thus the Plastic Solutions Fund was born.

In a recent blog post, Davies stated, "Climate change is a complex web of crises, compounding and accelerating each other. The most effective solutions will be those that cut across geography, industry, and discipline. Drastically reducing the manufacturing, consumption, and disposal of petrochemicals and plastics must be the first of such goals. We must also ensure that any solutions are equitably-focused, providing relief to communities most harmed by the current state of affairs and the industry's quest for profit. Solidarity between the hyperlocal and the international movements will be critical in forging a path forward that not only heals the planet and its oceans, but our people and communities around the world."

The work aims to shift systems in a variety of ways. The team believes that it needs to support the power of activists, using a multilayered NGO strategy to change (1) the behavior of companies that are major plastics users, (2) how cities deal with waste, and 3) how people interact with plastics. It emphasizes normative shifts, learning from the anti-tobacco movement. Technological transformation will play a big role—businesses must change the way they deliver their products, not just the materials.

The fund now has ten partners and members, and aims to grow further. Partners contribute at least $500,000 per year for at least three years; members can join with a lower contribution. New contributors join with the agreement of the current board. Voting on grants is generally consensus based although differences of opinion are resolved via a majority vote of Partners. Funders gain a range of benefits through membership, and each may have a different reason for being part of this particular funder collaborative.

The collaborative nature of the funders has been crucial. "I don't think fundamentally the money would have flowed without this. Our funders reflect the different layers of interest in the plastics lifecycle. You couldn't address the strategic systems change layers without this," says Davies. The broader pollution field has few entities pursuing a systems change strategy. This design enables even smaller funders to play an effective role in the larger strategy.

Additional Resources

There are many resources available to help with systems change, several of which are from RPA. Below is a list to get started in this area.

Rockefeller Philanthropy Advisors' Shifting Systems Initiative focuses on supporting funders in developing and implementing effective systems change strategies. It offers a range of case studies, an extensive initiative evaluation report, publications, and tools for funders. Reports and publications from the work of this initiative include:

- *Facilitating Equitable Systems Change: A Guide to Help Foundation Board Members and Executive Leadership Lead the Way*
- *Shifting Power to Shift Systems: Insights and Tools for Funders*
- *Seeing, Facilitating, and Assessing Systems Change*
- *Scaling Solutions toward Shifting Systems: Approaches for Impact, Approaches for Learning*
- *Scaling Solutions toward Shifting Systems*
- *Report on the Evaluation of the Shifting Systems Initiative*

Systems Change: A Topic Brief for Donors: A brief overview of systems change for those new to the concept.

Collaborative Giving Guide: A resource for philanthropists interested in collaborative giving. It provides information on forming and managing effective collaborations, case studies, and examples of successful partnerships.

Katherine Milligan, Juanita Zerda & John Kania, *The Relational Work of Systems Change* (Stanford Social Innovation Review, Jan 18, 2023): An article that highlights the need for those engaged in collective impact efforts on systems change to work together in more relational ways.

John Kania, Mark Kramer, Peter Senge, *The Water of Systems Change*, (FSG 2018)

David Peter Stroh, "Systems Thinking for Social Change: A Practical Guide to Solving Complex Problems, Avoiding Unintended Consequences, and Achieving Lasting Results" (Chelsea Green Publishing, 2015, available at booksellers)

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CHAPTER 3

Understanding Your Philanthropy Framework and Operating Archetypes

The Philanthropy Framework and Operating Archetypes were developed by Rockefeller Philanthropy Advisors (RPA) to help philanthropic entities assess the core elements shaping their organizational identity and operating behavior, as well as align their board and staff around core concepts and values. Both tools were developed based on input from dozens of foundations and nonprofit partners worldwide as a result of RPA's multiyear Theory of the Foundation® initiative, which seeks to enhance the capacity of philanthropies to effectively align their resources for the impact they envision.

These frameworks also allow organizations to successfully manage important inflection points, allocate resources for maximum impact, and articulate their current state and future vision. This chapter will briefly overview both of these tools, discuss their relevance to philanthropy's changing landscape, and demonstrate how they can be applied to fulfill philanthropies' missions, optimize operations, and bring about meaningful change.

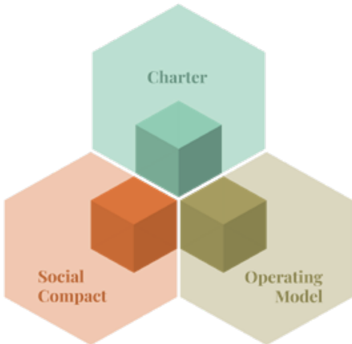
Transformations in the Philanthropy Landscape and the Necessity for New Models

As the world of and around philanthropy changes and funders are confronted not only with escalating challenges across the globe but also with shifting norms and attitudes, as well as debates about power and legitimacy, there is a pressing need for new organizational design and management models. In the context of these changes and challenges, funders continue to ask how to best leverage their resources to fulfill their missions more effectively, to create more meaningful change and greater impact. This moment in time continues to call on funders to review and crystallize not only what they seek to accomplish and the kind of change they want to bring about but also how they engage with talent, grantees, partners, and communities to create that change. The Philanthropy Framework and the Operating Archetypes enable them to do just that.

The Philanthropy Framework and Operating Archetypes

RPA's Philanthropy Framework

Before diving into the Operating Archetypes, it's essential to understand the foundation from which they flow: the Philanthropy Framework. This instrument was developed by RPA to provide emerging and established philanthropic organizations with a structure to align resources for maximum impact. The Framework comprises three main elements: the charter, social compact, and operating model, which define how a philanthropy makes decisions, engages with others in the ecosystem and the broader society, and utilizes its capabilities and resources. In other words, each element shapes a philanthropic organization's identity, purpose, and strategy. Let's break them down.



- **Charter:** A charter defines an organization's scope, form of governance, and decision-making protocols. It establishes the guiding principles that inform the organization's philanthropic efforts and serves as a reference point for trustees, board members, and staff.

- **Social Compact:** The social compact is the implicit or explicit agreement between the organization and society regarding the value the organization aims to create. The compact outlines the expectations and responsibilities of philanthropy in its pursuit of social impact, including the considerations of accountability, legitimacy, and transparency.

- **Operating Model:** The operating model addresses the resources, structures, and systems needed to implement the organization's strategy. It involves the management of financial and nonfinancial resources, as well as the processes and structures necessary to achieve the organization's mission, vision, and goals.

Operating Archetypes

Rockefeller Philanthropy Advisors published Operating Archetypes: Philanthropy's New Analytical Tool for Strategic Clarity as a next-level analytical framework designed to support more thoughtful, effective, equitable philanthropy by helping funders better understand and articulate their distinct position in the philanthropy ecosystem.

Based on extensive, multiyear global research, RPA has distilled eight Operating Archetypes.

Talent Agency

Seeks out, strengthens, and promotes leading individuals. Focused on identifying and supporting exceptional talent to drive change.

- Leading Resources: Talent identification/ spotting, instinct
- Key Capabilities: Nurturing relationships, networking, providing visible platforms or reputation boosts

Think Tank

Applies its in-house expertise and research to develop solutions. Creates and shares knowledge to influence policy, practice, and public opinion.

- Leading Resources: Expertise, research, data, and analysis
- Key Capabilities: Research, analysis, defining problems, developing solutions

Campaign Manager

Pulls together a diverse set of players to implement change. Coordinates and manages coalitions, campaigns, and initiatives to achieve shared goals.

- Leading Resources: Convening power, coalition-building, and management
- Key Capabilities: Visible leadership, advocacy, and communication

Field Builder

Launches or significantly strengthens institutions. Invests in developing organizations, networks, and systems to support a field or sector.

- Leading Resources: Institution- and movement-building, knowledge, capacity development
- Key Capabilities: Vision, relationship-building, sector analysis

Venture Catalyst

Provides early, often unrestricted, funding. Invests in innovative ideas and projects with the potential for transformative impact.

- Leading Resources: Risk capital and flexible early or seed funding
- Key Capabilities: Experimentation, assessment and analysis, investment

Designer

Leverages mainly internal expertise to design programs and approaches. Develops and implements targeted interventions to address specific issues or needs.

- Leading Resources: Expertise, program design and implementation
- Key Capabilities: Influence, knowledge, and implementation

Underwriter

An institutional or private funder who provides "big bet" support. Invests substantial resources in high-potential organizations, initiatives, or movements.

- Leading Resources: Large-scale funding and sustained financial support
- Key Capabilities: Personal conviction, strategic grantmaking, and evaluation

Sower

Provides a large number of grants across a diverse range of individual actors and institutions. Bets on the cumulative effect of this approach to seed wide-ranging change.

- Leading Resources: Reach and networks, flexible and participatory grantmaking
- Key Capabilities: Relationship-building, responsive grantmaking, breadth of vision, identifying potential changemakers

Applying the Philanthropy Framework and Operating Archetypes

The Framework acts as a practical, future-focused analytical framework to empower philanthropists to create a deeper social impact by focusing on organizational legacy, design, role in society, and resource management.

From aligning trustees, boards, and staff around core concepts and values, to assessing ideal philanthropic structures and approaches, to considering how best to deploy resources, the Framework gives philanthropies new tools for analyzing how to make (and periodically review) decisions to evolve with changing times. The Philanthropy Framework serves as a road map for organizations, helping to:

- Assess, validate, or crystallize their identity, structure, and approaches (an organizational "gut check").
- Align trustees, board members, and staff around core concepts and values.
- Manage organizational inflection points, such as shifts in strategy or leadership transitions.
- Allocate financial and nonfinancial resources to maximize impact.
- Realize aspirational goals by helping identify and articulate the current state and future vision of an organization.

A philanthropy's Operating Archetype articulates what it seeks to achieve and how it deploys resources, capacities, and relationships to implement its vision and strategy.

Reviewing or evaluating an Operating Archetype, or considering a strategic pivot to a different model, allows funders to intentionally analyze operational implications, including prioritization of resources and capabilities. This analysis would also include the potential advantages and drawbacks of each model. Some components of this inquiry will be particular to the individual funder. After all, each philanthropy has a unique origin story, values, vision, priorities, internal dynamics, tolerance for risk, and preferred communication style. Nonetheless, Operating Archetypes are based on essential commonalities. Thinking through defining characteristics of the Operating Archetypes will enable funders to amplify strengths, take informed risks, and make more intentional decisions.

Some funders may and do recognize themselves in more than one archetype, especially where different program areas within their philanthropy use different approaches. However, foundations comfortable with a blurred array of archetypes may be limiting their impact, as this complexity can strain staff members, who need to employ disparate skills, activities, and relationships to pull it off. It can also make capturing or assessing impact very difficult.

Measuring and demonstrating impact is central to all archetypes, although its expression may differ. For Campaign Managers and Think Tanks, assessing the impact of initiatives with specific, time-bound, tangible end products, this task may be straightforward. For other archetypes, including Field Builders, Designers, Talent Agencies, and Sowers, experimental funding decisions and "big bets" may create unexpected results that require a different type of goalpost for impact assessment. For archetypes that favor unrestricted funding—such as Venture Catalyst and Sower—assessment models, frameworks, and metrics can be codeveloped with grantees once their work is underway.

By applying these frameworks for reflection and deep introspective analysis, funders will be able to achieve greater effectiveness and become better positioned, in today's era of innovation, reevaluation, and expansion, to manage opportunities and risks and bring about meaningful change.

Conclusion

In this rapidly changing philanthropic landscape, understanding your organization's Philanthropy Framework and Operating Archetypes is essential to maximizing your impact and adapting to new opportunities and challenges. Leveraging the resources and insights provided in this chapter will enable you to assess and effectively align your organization's identity, approaches, and resource allocation with your mission and values.

By holding up this analytical mirror and reflecting on your current organizational structure and its aspirational state, as well as embracing new models and prioritizing equity and inclusion, your organization can effectively navigate inflection points, maximize impact through resource allocation, and articulate a clear vision for the future. This can support you and your organization in achieving your stated goals and driving meaningful change in the communities you serve.

Calls to Action for Philanthropy

- **Reflect on your organization's current Philanthropy Framework and Operating Archetype(s).** Analyze how well your organization is aligned with its core values and goals. Ensure that you have a clear understanding of your charter, social compact, and operating model. Use the archetype analysis as a mirror to get a better view of how you can better fit the role you see yourself playing in philanthropy today, including how you can optimize capabilities and resources.

- **Explore opportunities to improve board and staff alignment.** Foster open and effective communication between trustees, board members, and staff. Provide training, professional development opportunities, and resources to build a shared understanding of your organization's framework and archetypes.

- **Consider conducting an organizational assessment.** Use the Philanthropy Framework and Operating Archetypes to review your organization's structures and approaches. Identify areas where improvements can be made to align with your goals and values.

- **Be open to embracing new models in philanthropy.** Learn from the innovative approaches of others, such as MacKenzie Scott and Dan Jewett, participatory grantmaking, spend-down philanthropy, crypto donors, decentralized autonomous organizations (DAOs), limited liability companies (LLCs), funder collaboratives, and impact investing.

- **Prioritize equity and inclusivity in your work.** Ensure that the voices of those most affected are included in decision-making processes and that your organization is actively advancing equity.

Additional Resources

RPA's Philanthropy Framework and Operating Archetypes offer detailed insights into frameworks and archetypes to better understand and implement organizational assessment and strategic decision-making.

Social Compact in a Changing World report addresses the response of private philanthropy to the rising tide of scrutiny, and outlines strategies foundations have adopted to become more responsive and accountable in fulfilling their respective social compacts.

Funder Self-Assessment Tool for Alignment is an online self-assessment instrument to help philanthropies get a better understanding of how their internal elements and processes align with external impact.

Council on Foundations offers resources, best practices, and tools for effective philanthropy. They provide various publications, webinars, and events to help organizations improve their impact.

Grantmakers for Effective Organizations provides resources and networking opportunities for philanthropic organizations seeking to improve their impact. They offer publications, events, and webinars on various topics related to effective grantmaking.

Case Study: Boticário Group Foundation

Since its founding by Miguel Krigsner, the Chairman of the Board of Directors of Grupo Boticário and Chairman of the Board of Trustees, the Fundação Grupo Boticário (Boticário Group Foundation), has evolved into a leading corporate foundation driven by a mission to promote and enable biodiversity conservation in Brazil. Embodying the Venture Catalyst operating archetype, which seeks to provide early, often unrestricted, funding to organizations or interventions that are new or have little proven track record, Boticário has funded over 1,600 innovative environmental initiatives primarily via grantmaking and other financial instruments. Most recently these have included mentoring and implementing an environmental impact acceleration program to strengthen the business community's impact investing capacity. According to Thiago Piazzetta Valente, a biodiversity economics specialist at Boticário, "We intentionally avoid funding mainstream organizations, opting instead to support and invest in smaller, innovative groups and enterprises with sound scientific ideas related to nature conservation and its socioeconomics benefits."

As a Venture Catalyst, Boticário often relies on an extensive network of external experts from the nonprofit and public sectors to help it assess and formulate needs, goals, and strategies for interventions. Piazzetta Valente stated that the foundation "is unique because its 30-year record and strong relationships have resulted in access to government, NGOs, entrepreneurs, universities, and people from rural communities to distill and implement the best, most interesting and innovative solutions." The foundation's longstanding reputation and a robust ecosystem of collaborators and supporters are thus central to the foundation's networked operating approach.

Although regulations governing foundations in Brazil restrict Boticário to a more centralized operating approach for decisions on funding, the foundation intentionally collaborates, co-creates and incorporates input from partners while developing and implementing initiatives. One such project is the Viva Água Movement, which brings together actors from different sectors to address water safety and climate change adaptation through nature-based solutions in the Miringuava River basin and the Guanabara Bay Hydrographic Region, two major Brazilian metropolitan areas.

Additionally, the foundation relies on external input from community leaders who have lived experience and place-based knowledge to facilitate and accelerate innovative programs in issue areas both within and outside the foundation's expertise. "We are building multi-stakeholder movements with solid and trusted governance for specific territories," says Piazzetta Valente. "We realized early on that to do so effectively and to achieve our mission, we need to connect with broader ecosystems and use our philanthropic resources as flexible, catalytic capital for impact entrepreneurship." This broad, inclusive coalition representing a wide range of sectors, experiences and approaches is integral to Boticário's social compact and identity as a Venture Catalyst. Building trust and legitimacy with external partners, as well as reinforcing its capacity to take risks and fund innovation, is central to how the foundation fulfills its operating archetype.

While Boticário works in a defined thematic area of biodiversity conservation, its operating approach to programming within this sphere is broad and responsive, enabling it to leverage the built-in experimentation and flexibility of the Venture Catalyst operating archetype. For example, the foundation has been working at the intersection of biodiversity conservation and fields of economic development, gastronomy, nutrition, tourism, health, education and more. According to Piazzetta Valente, investing in entrepreneurial ideas related to quality-of-life issues, and finding links between them and biodiversity conservation, has allowed the Boticário to "…not only support unexpected solutions and ideas of promising but little-known enterprises, but also to build a vested community dedicated to the cause."

Closely connected to trust and in line with the Venture Catalyst identity, Boticário leverages transparency and communication as essential components of its social compact and operating behavior to further promote awareness about biodiversity, source new ideas and strengthen trust within target communities. It helps to be crystal clear and demonstrate how biodiversity conservation impacts community members' general well-being. For these reasons, the foundation broadly shares information about its work and learnings on social media, in local news outlets, and through other avenues depending on the initiative, and uses accessible language to do so. Boticário's sterling reputation is partially a result of this longstanding transparency, which enables the foundation to leverage its influence, networks, and relationships as a Venture Catalyst.

Tackling such intersecting systems challenges requires not just a risk-embracing, entrepreneurial and connected approach to funding today, but a long-term strategic outlook to foresee the issues and solutions of tomorrow. As a true Venture Catalyst, Boticário is able to straddle both funding early-stage entrepreneurial projects and providing flexible, longer-term financial support to achieve sustainability of important initiatives and meaningful impact over a longer trajectory. Utilizing the Venture Catalyst operating archetype has allowed the foundation to not only leverage cutting-edge ideas and unexpected intersections between sectors and thematic areas, but also to center its partners and grantees in developing solutions to combat the loss of biodiversity and related negative impact on communities in Brazil.

4

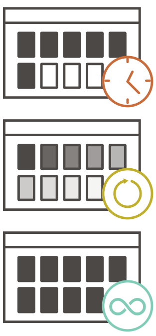
CHAPTER 4

Strategic Time Horizons

Framing and Defining Strategic Time Horizons

A strategic time horizon in philanthropy is, quite simply, the length of time over which a donor or foundation seeks to engage in philanthropic giving. The selected horizon can be in perpetuity—meaning there is no envisioned end date—or it can be time limited, defined by a predetermined end date or a triggering event. Time-limited philanthropy can also be referred to as “limited life,” “spend down,” “spend out,” “time bound,” “giving while living,” or “sunsetting.”

The intended lifespan of a philanthropic organization or program can be expressed as having



- **A predetermined end date:** operations cease at a prespecified time.
- **A conditional end date:** operations cease based on the timing of a trigger event for which the date of occurrence is unknown, such as the death of a founder.
- **A nonspecific end date:** there is an intention to wind down operations eventually, but there is no clear plan for how or when to do so.
- **No end date (in perpetuity):** philanthropic activity continues with no intention to limit its time frame or cease operations.

While some approaches may be more common among categories of funders or certain issue areas, there is no one preferred or superior approach to strategic time horizons. Any time horizon can be effective when implemented as a result of thorough and thoughtful strategic planning.

Why Consider Strategic Time Horizons in Philanthropy, and What Drives Time Horizon Choices

The Importance of Considering Philanthropic Time Horizons

Many donors intentionally focus on their philanthropy's time horizon only after they have been giving for some years. Perhaps they created a private foundation because endowing in perpetuity was not only the norm, but the default way to set things up. Perhaps they are reconsidering their positions after learning about other respected philanthropists such as Chuck Feeney of The Atlantic Philanthropies, and prefer to spend their endowment on the problems of today, rather than "pretend that we can deal with the problems of future generations." Perhaps they are simply undecided. What is certain is that, recently, both new and experienced donors have become far more thoughtful about the time frame of their giving. And for many, setting an end date for philanthropy has become a core consideration and a way of achieving concentrated, outsized impact in the face of today's many urgent and escalating challenges.

Recognizing and determining an organization's strategic time horizons significantly impacts the ability to develop a governance structure, decision-making processes, risk tolerance, organizational culture, allocation of resources, and overall methodology. A well-defined strategic time horizon enables organizations to maintain coherence between their short-term actions and long-term aspirations, and home in on the impact they seek to achieve. Establishing a strategic time horizon necessitates a thorough assessment of the organization's mission, values, and objectives to ensure alignment.

The establishment of a clear, intentional strategic time horizon—whether time limited or in perpetuity—allows philanthropies to adapt and respond more effectively to external changes and challenges. This responsiveness is crucial for achieving and sustaining impact over time, which is particularly important at a time when the general public and frontline communities are looking for effective solutions to pressing issues, not quick Band-Aid fixes.

Factors Influencing Strategic Time Horizon Choice

The strategic time horizon decisions are very much influenced by (and in turn impact) what the organization does, how it gets done, with whom the organization works, and the way the organization's work is sustained. There is no set formula that determines which strategic time horizon to choose, and one model is not inherently better than another. Rather, the appropriate strategic time horizon can be thought of as a deliberate balancing act among considerations relating to

- donor or founder intent, programmatic scope, and desired impact (the what);
- operating model, as well as monitoring and evaluation (the how);
- staffing, partners, grantees, and future generations for family philanthropies (the who); and
- financial resources, knowledge retention, and legacy (the way progress is made and/or sustained).

This publication includes excerpts from Rockefeller Philanthropy Advisors' two-volume donor guide on strategic time horizons in philanthropy and a companion publication, *In Their Own Words: Foundation Stories and Perspectives on Time-Limited Philanthropy*.

It also reflects data from two 2020 RPA-published survey reports, Global Trends and Strategic Time Horizons in Family Philanthropy and Strategic Time Horizons: A Global Snapshot of Foundation Approaches. Together, these publications drew insights from more than 300 respondents across the globe, enabling an in-depth look at the inner workings, trends, practices, and challenges related to strategic time horizon choices. Among other findings, the research showed that strategic time horizon has become an increasingly relevant topic for family and institutional philanthropies since the 1980s.

We hope that both established and emerging funders will find these publications beneficial in their pursuit of thoughtful and effective philanthropy. For more information: https://www.rockpa.org/strategic-time-horizons/

Moreover, considering the following questions may be helpful in determining your time horizon.

- **What are you trying to achieve?** The objectives and desired outcomes of a donor are significant factors in determining its strategic time horizon. Organizations focused on addressing systemic issues or fostering long-term change might benefit from a longer time horizon, while those targeting immediate relief or time-sensitive issues may opt for a shorter time frame.

- **How do you work on achieving your goals?** When contemplating time horizons, philanthropies should interrogate the approaches that help them get closer to achieving the impact they wish to see. For example, some organizations may see themselves as creators of solutions (as opposed to supporting initiatives developed by others in their field), and may gravitate toward an in-perpetuity time horizon that offers a long-term trajectory that makes them less susceptible to changing trends.

- **How do you sustain progress?** For organizations actively engaged in collaborative philanthropic efforts, this assessment must consider how the time horizon decision would impact its partners. Progress will likely also include factors related to knowledge sharing. Organizations with shorter strategic time horizons may face extra urgency in managing and sharing knowledge so that their accumulated lessons do not disappear with the organization itself.

There are a number of additional key factors when it comes to setting the right strategic time horizon for your philanthropy, including the following.

Centering Accountability and Legitimacy

The donor's choice of time horizon plays a critical role in how an organization thinks about and expresses its accountability and legitimacy. A clear strategic time horizon with transparent reasoning communicates the organization's intentions and motivations to grantees, partners, and stakeholders, thereby fostering trust and confidence in the philanthropy's actions. Such transparency can contribute to meaningful dialogue around philanthropy's role in perpetuating or addressing inequalities and societal challenges, as well as promoting a culture of openness and collaboration.

Risk-taking Along Different Timelines

A philanthropy with a longer time horizon may have a greater capacity for taking risks in addressing longer-term or cyclical challenges and investing in potentially transformative solutions. One with a shorter time horizon may prioritize the urgency of today and seek to have a more immediate impact and even tangible results. This distinction influences the organization's strategies and grantmaking, as well as how it evaluates success and failure.

Taking Care of Staff

Setting an endpoint for a staffed organization means setting an expiration date for jobs. To compensate for this lack of longer-term employment, a philanthropy may need to invest in more generous compensation, benefits, and professional development to attract and retain the right talent. For organizations that are within a few years of their end date, another challenge might be the preservation of institutional knowledge as key staff members depart.

Investing in Grantees

The capacity of grantees should also play a role in the decision. Are there trusted entities or individuals that could effectively absorb the additional funding if a time-limited approach were to be adopted? If not, what resources would it take to develop that capacity, and would this be an endeavor the donor is willing to undertake? Organizations that decide to spend down typically end up working more closely with grantees and communities as they near their end date.

Preserving Legacy

Philanthropy is often a deeply personal endeavor, reflecting a commitment not only to bettering the world but also to leaving a lasting footprint. It is no surprise that many high-profile philanthropic organizations carry the names of their founders. For some philanthropists, there can be tension between the desire to maintain a legacy through an in-perpetuity organization or through deploying one's full funding capacity for immediate and outsized impact.

A Strategic Time Horizon Journey: Practical Steps and Phases

Setting and Implementing an In-Perpetuity Strategic Time Horizon

While choosing a time horizon can be difficult, implementing the selected approach can be even more complex. For philanthropic organizations that favor the in-perpetuity model, periodic review and reevaluation of strategic goals and vision, as well as whether this model still provides the best way of effecting desired change, should be a standard practice. Despite the growing popularity of time-limited approaches, many philanthropists continue to intentionally choose in-perpetuity approaches to more effectively deliver on their missions.

In adopting this time horizon, it is vital to periodically revisit the decision in order to ensure that the in-perpetuity approach continues to align with the philanthropy's objectives and needs. Cornerstone components of this regular review of the in-perpetuity time horizon choice should include:

- **Long-term strategic and operational planning.** A multiyear strategy should be in place with set "stop and think" points for reevaluation of progress, typically every five to ten years. This is an opportunity to revisit bylaws, reformulate theories of change, and take stock of progress to date.

- **Endowment management.** If necessary, restructure the endowment to maximize long-term resource availability, including outsourced investment management, aligning investments with mission, or discussion of innovative financial structures.

- **Internal structures, talent, and staffing.** Review the organizational chart, skill sets, and decision-making levels to ensure that the size, talent, expertise, and internal dynamics align fully with long-term vision and approach.

- **Programming.** Prioritize issue areas and developing programs in ways that make sense for an in-perpetuity time frame. Periodically reconsider the theory of change and how to address shifting needs, norms, approaches, and priorities in the chosen field.

- **Partnerships and community-level engagement.** Delivering programs on a large scale often requires building extensive partnerships. For the in-perpetuity operation, does each partner organization or program help optimize collective impact? It is also important to consider ways of effectively incorporating the insights of communities in order to support effective change.

- **Developing internal knowledge.** Implement a system for collecting and sharing lessons learned from the field to build knowledge and improve impact over time.

Implementing a Time-Limited Horizon: a Multistage Roadmap

For philanthropies that have decided on a time-limited model, the process entails a multistage journey, as outlined below. For these philanthropies—whether the exact endpoint is known or not—the key to success is crafting a strategic approach for each life stage. While not all stages will be applicable to the entire spectrum of limited-life philanthropies, depending on the planned life span, they can include the following:

1. Preparation. Formulating an overarching spend-down strategy, plan, and vision when the limited-life model is first selected.

2. Midpoint. Reviewing progress, reassessing plans, and adjusting timelines when approximately halfway through the planned time frame.

3. Imminent spend down. Starting to firm up preparations for winding down approximately five to ten years prior to the closing date.

4. Final call. Implementing the final phase of spend-down plans to ensure continuity and an orderly process, beginning anywhere from two to five years prior to the end date.

5. Post-closing. Taking steps to ensure the preservation of legacy and knowledge, once the operations have closed. These stages are explored in detail below.

1. Preparation

Philanthropic organizations that adopt a time-limited model will have gotten there from one of two paths: they transitioned from an in-perpetuity to a time-limited model, or they were established as a spend-down philanthropy from the outset. Below are some of the steps funders should take in the early stages of implementing a time-limited horizon. (For a more detailed road map, please refer to the checklist graphic in this section.)

- **Review and assess** founding documents to ensure alignment with time-limited approach. Reviewing these documents ensures that the decision to spend down aligns with the organization's founding parameters, including donor intent.
- **Articulate** a strategic vision that includes the reason for the chosen approach.
- **Communicate** the decision internally early and across all levels. For organizations that transition from an in-perpetuity model to one that is time limited, best practices call for full transparency with staff about the future and revised goals of the organization.
- **Communicate the decision externally.** A decision to spend down can have broad implications for the field in which it works, and for the ecosystem of grantees and partners. The organization should be transparent with external stakeholders about its time frame, motivation, and plans.
- **Formulate a monitoring and evaluation framework** to track programmatic goals. A robust monitoring and evaluation framework with key performance indicators can help to provide evidence that the philanthropy is achieving impact as planned under new conditions.

2. Midpoint Phase

The midpoint stage refers to the halfway mark between the beginning and end of the planned spend-down process. Organizations often use this stage to figure out what is working, what is not, and how to adjust their approach in order to reach prespecified spend-down goals within the identified time frame. Key steps include the following:

- **Refer to the existing evaluation and monitoring framework** to track results and determine whether these results are on target with the initial plan.
- **Discuss progress** as a way of providing internal updates on progress made, challenges faced, new opportunities for impact, and any changes to the strategic plan.
- **Decide whether to alter or leave unchanged** the original spend-down timeline. A philanthropy's leadership should build a degree of flexibility into their planning in order to accommodate unforeseen circumstances.
- **Communicate changes** to grantees and partners. It is imperative that funders be transparent with external stakeholders, as decisions or developments directly impact them and the broader field.

3. Imminent Spend-Down Phase

The imminent spend-down phase marks the period in which an organization is nearing the end of its time-limited journey, typically five toten years prior to its planned closure. Philanthropic operations may be ramping up during this phase, and important details can get lost in this fervor. This phase focuses on preparations for winding down and entails several key steps:

- **Center staff in key internal processes.** This can be done by setting up task teams spearheading particular parts of the spend-down process, including staff support, knowledge management, budgeting, and other priorities.

- **Encourage sustainability.** This is essentially the last opportunity to safeguard grantees' sustainability by helping them find other sources of support.
- **Increase focus on systemic impact.** By driving systemic change, such as policy reform, a funder can generate impact that outlives the organization itself.
- **Take risks.** Use the urgency of the spend down as momentum to make high-risk/high-reward decisions and take "big bets" locally, nationally, and/or globally to maximize impact.
- **Engage partners that will continue your work.** The final spend-down stage is a great opportunity to reinforce external relationships to make sure that partners are well equipped for post-exit impact in order to not only sustain but advance the work.

4. Final Call Phase

The final call represents the last stage of a time-limited journey, usually just a few years (two to five) from the end date. In this stage, the focus often turns internal, and five key strands of an organization's legacy and impact need special attention: staff, grantees, partnerships, knowledge, and administration. Key considerations during this phase include:

- **Concentrate on staff needs.** It is critical to provide support for staff transitions to new opportunities through a range of benefits and other professional support, including early pension payouts or sponsoring fellowships with other organizations.
- **Communicate regularly and openly with grantees.** Regular communication with grantees is necessary to update them on the spend-down process, potentially offering resources, connections, and advice to ease their eventual transition.
- **Forge deep partnerships.** A philanthropy going through a spend-down process can amplify its impact and legacy by partnering with organizations that are already working in its focus areas, or that are interested in getting involved in these areas prior to the philanthropy's exit.
- **Create and curate knowledge.** The last several years are often dedicated to curating the organization's spend-down experience, capturing knowledge about the process, and cementing the organization's legacy.
- **Complete the administrative closeout.** While all the substantive work continues, it is crucial to plan for closing out all the administrative details, such as completing final payments, ending leases or contracts, moving out of offices, and archiving key documents.

5. Post-Closing Phase

The last stage of the spend-down process is all about preserving the organization's learnings and legacy to spread knowledge throughout the philanthropic sector and help build the field. As the philanthropy closes its doors, leadership should keep the following priorities in mind:

- **Commit** to preserving knowledge.
- **Plan** to develop a body of work detailing the spend-down process, including the organization's missteps as well as its achievements.
- **Consider** hiring a consultant to collect lessons and write about what occurred throughout the organization's lifespan.
- **Reflect** on ways to help develop a historic legacy footprint, such as archiving the organization's website for five to ten years or chronicling resources on a third-party site.

Summary Checklist for Time-Limited Philanthropies

Preparation

- ☐ Review and assess founding documents to ensure alignment with time-limited approach
- ☐ Articulate a strategic vision that includes the reason for the chosen approach
- ☐ Determine a spend-down trigger (if needed) or ending timeframe
- ☐ Communicate the decision internally across all levels
- ☐ Develop goals within the chosen timeframe
- ☐ Adjust scope as needed
- ☐ Review the existing portfolio of grantees
- ☐ Review long-term budget estimates with particular attention to often overlooked costs
- ☐ Develop strategic and operating plans and roadmaps
- ☐ Think through short- and medium-term staffing needs
- ☐ Create a plan for engaging the board and trustees
- ☐ Formulate a monitoring and evaluation framework to track programmatic goals
- ☐ Communicate the decision externally

Midpoint

- ☐ Refer to the existing evaluation framework
- ☐ Discuss progress
- ☐ Decide whether to extend, contract, or leave unchanged the spend-down timeline
- ☐ Communicate any changes to grantees and partner

Imminent Spend Down

- ☐ Develop task teams
- ☐ Encourage sustainability
- ☐ Increase focus on policy reform
- ☐ Take risks
- ☐ Engage partners that will continue your work

Final Call

- ☐ Concentrate on staff needs
- ☐ Communicate regularly with grantees
- ☐ Forge partnerships
- ☐ Create and curate knowledge
- ☐ Complete the administrative closeout

Post-Closing

- ☐ Commit to preserving knowledge
- ☐ Consider developing a book or article about the spend-down process
- ☐ Consider hiring a consultant to collect lessons
- ☐ Reflect on ways to help maintain legacy

Conclusion

To achieve greater impact, it is vital for foundations to periodically reexamine their philanthropic time horizons and assess related implications for strategic objectives, operating models, and approaches. It is also fundamental for philanthropic organizations to consider their strategic time horizons as they confront pressing issues and adapt to evolving societal norms. The chosen time horizon can serve as a crucial reference point for philanthropic organizations as it helps to develop informed decisions and optimize their operations for maximum impact. After all, effective giving relies not just on how we decide to give, but for how long.

Calls to Action for Philanthropy

Regardless of which time horizon is selected, philanthropies should work to sharpen their strategic lenses and keep in mind the following principles to ensure ongoing alignment between the organization's goals and its time horizon model.

1. **Institute an annual comprehensive planning process** to set priorities, spending timelines, programmatic scope, and required resources.
2. **Reevaluate your selected time horizon regularly** to track progress, make necessary adjustments, and respond to changing opportunities and challenges.
3. **Home in on legacy** to crystallize what the philanthropy wants to leave behind, in order to better guide decision makers as they work to fulfill a founder's vision.
4. **Play well with others**, given that collaboration can be central to lasting impact throughout all phases of a philanthropy's life cycle.
5. **Communicate deeply and authentically with grantees** to engender trust, leverage expertise, and engage in collaborative decision-making. For time-limited organizations or programs, it is vital to be open about anticipated timelines and exit plans.
6. **Provide ongoing deep and broad support to grantees** and pay special attention to unrestricted support or finding other funding sources when your philanthropy is spending down.
7. **Learn, apply, and externalize lessons** from both successes and failures to aid in building a robust body of knowledge for the philanthropic sector.

Additional Resources

To help philanthropic organizations navigate the complexities of strategic time horizons and adopt best practices, we have compiled a list of resources that offer valuable insights, case studies, and practical tools. By consulting these resources, foundations can learn from the experiences of others, make informed decisions about their own strategies, and engage in meaningful conversations with their grantees, partners, and stakeholders.

- Strategic Time Horizons in Philanthropy, Volume I: Key Trends and Considerations details the significance of strategic time horizons to philanthropy and how being intentional about the choice can help further one's mission, vision, and values. The first of a two-volume series, this guide provides an essential framework for how to select a time horizon that aligns with one's vision and goals.
- Strategic Time Horizons in Philanthropy, Volume II: Strategy in Action provides guidance on how to implement a chosen strategic time horizon. In this second of the two-volume series, decision points, triggering events for spend down, timeline changes, and stepping stones for the spend-down process are explored.
- In Their Own Words: Foundation Stories and Perspectives on Time-Limited Philanthropy offers foundation and grantee insights through case studies focused on philanthropic organization approaches to how and why they chose their respective strategic time horizons and the impact of those choices.
- Global Trends and Strategic Time Horizons in Philanthropy 2022, based on a survey of 150 organizations from 30 countries, features a global exploration of various dimensions of strategic time horizons. It includes views not only on reasons for

giving, but on causes, the geographic flow of funding, giving time frames, decision-making, and next-generation involvement.

- Global Trends and Strategic Time Horizons in Family Philanthropy reflects findings from a survey and interviews with over 200 ultra-high net worth families engaged in philanthropy. Topics include how families in the United States, Europe, and Asia involve the next generation in their philanthropy; reasons and vehicles for giving; and how those reasons may be impacted by time horizons.
- Strategic Time Horizons: A Global Snapshot of Foundation Approaches features a global exploration of various dimensions of strategic time horizons. It examines strategies and operations as well as perceived advantages and disadvantages of different philanthropic time frames.

Case Study: MAVA Foundation

Founded in 1994 by Luc Hoffmann, a renowned Swiss businessman and environmentalist, the MAVA Foundation has its roots in its founder's keen interest in waterbirds in the Mediterranean. From there it expanded its focus to work on ecosystems, particularly in freshwater and marine environments in the Mediterranean, West Africa and Switzerland. Later it added in a stream of work looking at the root causes of biodiversity loss with the aim to create an economic system that values people, planet and profit. The foundation was driven by Mr. Hoffmann's mission to protect biodiversity, promote the sustainable use of natural resources, and build resilient societies. Mr. Hoffmann presided the foundation until 2010 until he handed over the reins to his son André Hoffmann.

The founder did not wish to create a permanent institution that his heirs would need to carry on in his image. Thus he planned for the eventual closure long in advance, with a belief that it is important to provide freedom and space for future generations to set their own visions and adapt to changing needs. Although it was known that the foundation would eventually close, foundation leadership began its detailed planning for the closure in 2015.

Since it did not have an endowment, instead relying on corporate dividends for its income stream, MAVA was not technically a spend-down foundation. Its limited-life approach provides an illuminating example for giving vehicles that fall outside of the endowed foundation formula but are looking to leverage the strategic clarity of time-limited philanthropy. With the organization's closure set for June 2023, the foundation understood that significant changes internally and externally would be required, and acted on them intentionally and strategically.

MAVA's Internal Journey: Developing a New Drawing Board

Supporting and Preparing Staff

The MAVA Foundation began its time-limited journey by engaging in rigorous planning to guide the transition. At the same time, it intentionally retained agility and flexibility, understanding that those capabilities would be imperative to the success of the transition. As one of the earliest steps in the process, the foundation's leadership engaged with staff to allay fears and anxieties natural to such decisions, as well as to understand how it can best meet staff needs. It was essential to provide staff with a sense of security and peace of mind. This early and open communication also helped alleviate personal uneasiness related to closing and allowed staff to focus fully on engaging with partners to ensure a smooth closure.

From the beginning, MAVA's leadership believed it was essential to have open and honest conversations about the future, even if it meant confronting uncomfortable truths. It recognized that the transition would be challenging for staff as it impacted people's careers, sense of self and material wellbeing. A plan, including financial payouts, was created for staff years in advance, ensuring that all staff were taken care of and had ample time to find out their next direction. For example, the foundation's CEO, Lynda Mansson, made a commitment to the staff to provide them with a 12 months' notice before their jobs ended. While implementing the transition package required persuasion to get all stakeholders to agree, Mansson's efforts were supported by a longstanding trust-based relationship with board members

Enabling Effective Communications
The MAVA Foundation recognized that consistency of message was essential to managing the time-limited transition effectively. It understood that if staff and stakeholders heard different things, it would create confusion, reinforce anxieties and undermine trust in the organization. To achieve this, the foundation created talking points and key messages for board members and staff to ensure that everyone's public-facing statements were reliable and harmonious. Staff members also participated in role play exercises to ensure that they were comfortable with the key messages and talking points.

Walking the Walk Responsibly and Responsively: Centering Grantees and the Ecosystem

Inclusive, Open Communications with Grantees
MAVA's approach to communications with its grantees was critical to ending its lifespan and achieving its objectives responsibly and equitably. The foundation appreciated the importance of open communications and responsive interventions, and intentionally avoided imposing its priorities on grantees. Instead, it always started with the question "what do you need, and how can we support you?" This approach seeded trust, allowing for open and honest conversations about what the foundation's limited lifespan meant for the field. It was also the top question the foundation posed to its grantees as it announced its new, truncated timeline.

To ensure a lasting impact beyond its lifetime, the MAVA Foundation leaned deeper into its existing strategy of investing in its grantees to build their capacity and sustainability. To achieve this, the foundation continued to provide long-term and flexible funding to organizations, invested in organizational development, and supported fundraising efforts. CEO Lynda Mansson believes this strategy was a resounding success and should be adopted by funders across all strategic time horizons. "I think one of the biggest learnings out of this is investing in capacity and sustainability of your partners pays off. Even if you're not ending, everybody should do it."

Securing Grantees' Longevity
As a well-respected member of the philanthropic community, the foundation was frequently approached to recommend organizations for funder support. It was happy to further leverage such opportunities after its decision to switch to a timelimited lifespan to give grantees a better chance of longevity. By having close relationships and a deep understanding of its grantees, the foundation was well positioned to assess the alignment between these organizations and potential new funders, and make effective, lasting recommendations.

Investing in the Field
Even prior to its decision to become a time-limited foundation, MAVA was known for its generous, long-term funding of difficult-to-fund initiatives. Following the decision, its drive to strengthen the field came into sharper focus. The foundation believed investing in the capacity and sustainability of its partners was core to achieving sustainability in the conservation field. To walk the walk on this commitment, the foundation undertook a key initiative and created an online fundraising course, available for anyone to use on the Acumen Academy platform.

The course, which has been completed by over 13,000 people, provides participants with the skills and knowledge needed to secure funding for conservation initiatives. The course has been particularly valuable for the foundation's partners. By providing its partners with the skills and knowledge needed to secure funding, the foundation has contributed to the sustainability of the conservation field. It has helped to ensure that its partners are able to continue their critical work even after the foundation's funding has ended.

Responsiveness in Unprecedented Times: How COVID-19 Impacted MAVA Foundation's Closure Plans
The COVID-19 pandemic presented significant challenges for the MAVA Foundation and its partners. With field sites shutting down and work becoming impossible, the foundation had to pivot quickly and adjust its plans. The

foundation prioritized staff employment and maintaining flexibility during this time.

To support its partners during this difficult time, the foundation allowed for flexibility in redirecting funds and provided emergency grants to those in need. These emergency grants were distributed quickly to ensure that organizations could continue their critical work. The foundation also had a midterm evaluation at this time, which allowed them to assess the situation and adapt the plan based on what had already been accomplished and what was currently going on.

The foundation had to roll back on some of its ambitions due to the pandemic, but in most cases, it was able to maintain its ambition levels. It rearranged budgets underneath to reach its goals in another way. The foundation had a list of "must wins" into which it put extra investments into to ensure that they happened.

The emergency grants did not erode what was planned under the regular strategy, but additional funds were made available to support the organizations in need. The foundation's quick response and flexibility allowed its partners to continue their work and maintain their impact during a challenging time. The foundation's commitment to its partners and its willingness to adapt its plans to the changing circumstances highlights the importance of collaboration and communication in philanthropy.

Learning on the Job: Curating Insights, Sharing Lessons Learned

Harvesting Knowledge, Preserving its Story

The foundation placed a significant emphasis on harvesting and sharing its learnings with the conservation community, peer funders and the broader philanthropic ecosystem. To that end, MAVA created a legacy website featuring all of its milestones, learnings, publications and historic documents. The website ensures that the foundation's work and learnings are available for today's peer funders looking to learn from its experience, as well as for future generations. In a continued showcase of its commitment to transparency, the foundation put a concentrated effort into preserving and communicating its history, including a publicly available archive of all its documents and internal materials, such as meeting notes and reports. The archive ensures that the foundation's history is not lost and can be used by researchers, scholars and practitioners in the future.

Lessons Learned

In addition to a curated set of historic publications and documents, the foundation believed it is important to share practical lessons learned in the process of successfully closing a well-established philanthropic operation. Through its experiences, MAVA extracted three major lessons which will prove informative to others on a similar journey:

> *Lessons 1: Embracing Contingency Planning*
>
> Mansson noted that contingency planning was critical in ensuring a smooth transition for the MAVA Foundation. The foundation's leaders knew that the transition would be challenging, and that staff might start leaving if the right opportunity came along. Mansson notes that she always told people what kept her up at night: "What am I going to do if people leave too early?" To address this concern, Mansson developed several back-up plans. She identified consultants who knew the foundation well enough to step in if needed and emphasized the importance of putting trust in staff.
>
> The foundation offered staff opportunities to develop new skills and knowledge through training, professional development and new assignments. In exchange for the guarantee of 12 months' notice before the end of employment, all staff were expected to be flexible in their work assignments and to play a hands-on role in some aspect of the closure. By investing in this contingency plan, the foundation was able to ensure a smooth transition when staff started leaving.
>
> *Lesson 2: Less Cliff, More Slope.*
>
> Another important lesson Lynda Mansson carries with her is that if she had to do it again is engaging in incremental, sequential change. In other words, she would "slope it much more." This means acting with a more paced, incremental cadence, and ending one program at a time, rather than abruptly or en masse. Mansson believes this approach would allow for natural attrition in staff, making the transition much more manageable.

Lesson 3: The Critical Role of Robust Administration – a Key Capability

Additionally, the foundation called out the critical role a strong administrative team plays in ensuring a streamlined, successful time horizon transition. This is because of comprehensive changes related to the foundation's operations, including logistical considerations such as closing down office space, forwarding phone numbers, and countless other details. A smooth closure is simply impossible without an efficient administrative capability.

Looking Back Over Its Shoulder

The MAVA Foundation's fresh time-limited journey serves as an estimable reminder that while time horizon change can be difficult, a clear vision, intent and painstaking planning are key components of success. The foundation's decision to transition to a limited-life organization was a bold move that required significant changes in its approach to philanthropy. Its thoughtful, transparent, and human-centered approach means that its work will continue to live on through the organizations it supported and helped grow, the connections it made in the ecosystem, and the lessons learned and shared publicly. By making strong investments in internal staff so they were able to feel supported and work to prioritize the sustainability of its grantees the foundation was able to achieve lasting impact beyond its lifetime.

Each step MAVA Foundation took throughout the process of closing the foundation was rooted in care for its mission, its partners, and the ecosystem. That is part of what made it so successful. Mansson said that she was often told by various stakeholders that grantee partners and internal staff alike, "know the MAVA Foundation is going take good care of them." Her response was this: "I believe we have lived up to that promise."

5

CHAPTER 5

Aligning Toward a Sustainable Future

Harnessing the Power of the SDGs

In 2015, the member states of the United Nations (UN) came together and signed on to a historic agreement called "Transforming Our World: The 2030 Agenda for Sustainable Development," which outlined 17 Sustainable Development Goals (SDGs). The SDGs were created to chart a way toward a just, secure, and sustainable future for people and the planet. This chapter introduces the SDGs and explores why and how philanthropic funders might want to align with them.

What Are SDGs?

As described by the United Nations, the SDGs are a "universal call to action to end poverty, protect the planet, and improve the lives and prospects of everyone, everywhere."[1] Numbering 17 goals, the SDGs span various aspects of social, economic, and environmental sustainability. They can be broadly categorized into five key areas:

[1] The Sustainable Development Goals were born at the United Nations Conference in Rio de Janeiro in 2012. The objective was to produce a set of universal goals that meet the urgent environmental, political, and economic challenges facing our world. Read more about how the goals were created and who was in the room here.

People

With a focus on human well-being, these goals aim to end poverty and hunger, ensure health and dignity, provide quality education, achieve gender equality, and promote social justice.

Planet

Dedicated to protecting the continuity of life on this planet, these goals focus on sustainable management of natural resources, climate change mitigation, and preservation of ecosystems.

Prosperity

Aiming to ensure inclusive and sustainable economic growth, these goals are centered on productive employment, decent work for all, and robust infrastructure development.

Peace

These goals promote peaceful, inclusive societies, providing access to justice for all and building effective, accountable, and inclusive institutions.

Partnership

By advocating for a revitalized global partnership for sustainable development, these goals aim to foster collaboration at all levels.

The SDGs' Role as a Common Framework for Philanthropy

The SDGs are more than just a collection of lofty ideals; they provide a structured framework that systematically addresses social, environmental, and economic challenges. Within this global framework, philanthropists and funders find the means to harmonize their strategies and interventions with internationally recognized targets. By doing so, they can elevate the effectiveness and relevance of their programs and employ universally accepted data collection methods to assess program impact.

The SDGs' ambitious nature challenges funders to transcend short-term thinking, encouraging them to explore enduring solutions that tackle the root causes of problems. This perspective is rooted in a systemic approach that sees social issues as interconnected, acknowledging that progress in one area can influence others. While the 17 SDGs may initially appear as distinct, each addressing a range of issues such as poverty, inequality, education, health, and climate change, they are intricately intertwined, often sharing common origins and consequences. This interdependence underscores the importance of understanding issues on both a global and local scale in our highly interconnected world.

The SDGs serve as a compass for this endeavor. They remind us that global efforts should not overshadow the need for local interventions. Additionally, they shed light on the limitations of linear progress and the potential unintended consequences of our solutions. In light of these considerations, the value of embracing a more complex, systems-oriented approach becomes clearer.

Moreover, the SDGs emphasize that progress towards their attainment benefits everyone, irrespective of location--whether it be at the local, national, or global level. In this sense, the SDGs represent an opportunity to contribute to positive change that reverberates throughout our interconnected world. By understanding, embracing, and aligning with the SDGs, funders can unlock the potential for transformative change within their organization—and maximize their impact on some of the most pressing challenges facing our world.

Advantages to Aligning with the SDGs

Society benefits from all actors—philanthropic, governmental, corporate, and others—aligning with the SDGs. In addition to society benefitting, philanthropic funders may find that this alignment helps them to:

- **Foster collaboration between diverse stakeholders.** The SDGs provide a platform for diverse actors from governments, nonprofits, and the private sector to collaborate and work towards shared objectives, fostering multi-stakeholder partnerships.

- **Promote accountability and transparency.** By creating universal measurement framing, the SDGs encourage organizations to be transparent about their progress, facilitating learning and improvement.

- **Enhance credibility and reputation.** Alignment with the SDGs signals commitment to addressing global challenges, thereby enhancing their credibility and reputation in the eyes of partners, communities benefitted, and the public.

- **Gain better access to resources and expertise.** The global nature of SDGs connects funders to an international network of experts, knowledge sources, and potential partners, thereby broadening their resource base.

- **Amplify funding opportunities.** By helping to identify the areas of greatest need, SDGs have the potential to unlock more government funds because work is in the same "language" and aligned with the same priorities. This can help open additional sources of funding for supported initiatives, organizations and causes.

- **Facilitate impact measurement.** SDGs offer a universally recognized set of targets and indicators that funders can use to track progress and measure the impact of their initiatives.

Myth Busting Around Working on SDGs

As with any global initiative, there are misconceptions surrounding the SDGs that need to be addressed.

Myth 1: The SDGs are only for large organizations.
The SDGs are relevant for organizations of all sizes. Each entity, regardless of its size, can play a crucial role in addressing global challenges and contributing to achieving the SDGs.

Myth 2: The SDGs lack focus.
While they cover many issues, their interconnected nature reflects the complex and interrelated challenges they aim to address.

Myth 3: The SDGs are too ambitious.
While the goals are indeed ambitious, they serve as a call to action. They were created to encourage a collective effort toward realizing a vision of a sustainably working world.

Myth 4: The SDGs distract from an organization's core mission.
Rather than detracting from its mission, aligning with the SDGs can help refine and enhance it, ensuring that the organization's efforts contribute to a more sustainable and equitable world.

Incorporating SDGs into Philanthropic Strategies

Incorporating the SDGs into your philanthropic strategies can be a pivotal step toward driving meaningful and lasting change. Below are steps that can be taken to align your organization's mission with the SDGs can enhance your impact and help you contribute to global sustainability.

1. Ensure an Understanding of the SDGs

Funders interested in aligning with the SDGs should understand the specific issues and areas addressed by each goal, as well as the interlinkages between them. For example, the lack of access to quality education (SDG 4) can perpetuate poverty (SDG 1) and hinder economic growth (SDG 8). Conversely, addressing one issue can have a multiplier effect on others, creating positive ripple effects across multiple goals.

For some organizations, adopting the SDGs requires a shift in organizational culture, necessitating buy-in from all staff members and support from key figures, including management and the board of trustees. Foundations who are serious about aligning their work with the SDGs should be prepared to commit additional resources to this endeavor. Be cognizant that organizational change is a long process, and it may take significant effort to get internal staff and partners on board with this change. It may help to use messaging to connect the SDGs to known and loved initiatives.

2. Map Existing Programs and Initiatives to Relevant SDGs

One of the initial steps in embracing the SDGs is mapping your existing philanthropic programs and initiatives to the relevant SDGs. This process helps you identify potential synergies, overlaps, and gaps in your efforts, streamlining your philanthropic endeavors. Here's how to go about it:

- Assess your current initiatives. Begin by evaluating your organization's existing programs and initiatives. What are the key goals and focus areas of each initiative?

- Evaluate for commonality with SDGs. Examine the SDGs and their associated targets with an eye for finding overlaps with the goals and objectives of your programs. Keep in mind that many initiatives may contribute to multiple SDGs.

- Identify synergies: Look for opportunities where your programs can create synergies by addressing multiple SDGs simultaneously. Recognize that addressing one issue can have a cascading effect on others, contributing to a holistic approach.

- Streamline efforts: Once you've identified the relevant SDGs, consider how to streamline your efforts to maximize their impact. Are there opportunities for collaboration or resource-sharing among your programs or collaborators to better address these goals collectively?

3. Integrate SDGs into Organizational Strategies

To ensure that your philanthropic organization aligns effectively with the SDGs, it's essential to integrate them into your organizational strategies. This step enables you to synchronize your goals and actions with the global agenda for sustainable development, by focusing on the following areas.

- Strategic planning: Incorporate the SDGs into your strategic planning process. Align your organization's long-term goals and objectives with the SDGs that are most relevant to your mission.

- Monitoring and reporting: Embed the SDGs into your monitoring and reporting processes. Develop key performance indicators (KPIs) that reflect your progress toward achieving specific SDG targets. However, it is important to be realistic when starting, so consider keeping it simple at first. One approach is to identify two or three main goals for each grant or program that align with the SDGs, simplifying the process of assessing progress. And be patient: Understand that this adjustment may take time and encourage open communication about any concerns.
- Capacity building: Ensure that your staff members have the necessary knowledge and skills to work effectively with the SDGs. Provide training and resources to support their understanding of how your organization's work contributes to the broader global goals.

4. Engage in and Encourage Cross-Sector Partnerships

Understanding the interconnectivity of the SDGs is crucial for philanthropic organizations aiming to make a meaningful and lasting impact. The SDGs' framework encourages collaboration, knowledge sharing, and joint learning among organizations, promoting synergies that can amplify the impact of their work. By working together and leveraging the strengths of different partners, funders can accelerate progress toward the SDGs and contribute to transformative change. Initial steps are to

- **Identify potential partners.** Explore potential partners from government agencies, nonprofits, private sector companies, academia, and civil society organizations that share a common interest in the SDGs related to your work.
- **Establish common goals.** Clearly define the shared objectives and goals of your partnerships. Ensure that these objectives align with the SDGs and that all partners are committed to contributing to their achievement.
- **Leverage expertise.** Capitalize on the unique expertise and resources that each partner brings to the table. Collaborative efforts should harness the strengths of each stakeholder.
- **Foster communication.** Establish open lines of communication and regular meetings to ensure that all partners are aligned and informed about progress, challenges, and opportunities.

5. Communicate in SDG Terms and Report on SDG-Aligned Efforts

Transparent communication and reporting are vital components of your philanthropic organization's journey toward SDG alignment. Sharing your progress, challenges, and lessons learned not only promotes accountability but also inspires others to join the collective effort. Here are key considerations for effective communication and reporting:

- Publicly communicate your organization's commitment to aligning with the SDGs. This sends a powerful message about your dedication to global change and encourages others to engage.
- Ensure that SDG language becomes a common thread within your organization. It should be integrated into internal communication, enabling all staff members to understand and contribute to your SDG-aligned goals.
- Use SDG language to frame proposals, reports, and other communications. This makes your work more understandable and relatable to a global audience, including potential partners and funders.
- Leverage the universal nature of the SDGs to build global partnerships across sectors and borders. Shared goals can be the foundation for collaboration and collective action.
- Emphasize the interconnected nature of global challenges in your communications. Highlight how addressing one SDG can have ripple effects across multiple goals.

Adopting SDG language is more than just a communication strategy; it's a commitment to a global vision of a sustainable and equitable future. By speaking the language of the SDGs, your words can contribute to further drive your impact.

By incorporating these strategies into your philanthropic organization's approach, you can effectively align your work with the SDGs, maximize your impact, and contribute to a more sustainable and equitable future.

What is the SDG Philanthropy Platform (SDGPP)?

A global and national facilitator supported by WINGS and the United Nations, the SDGPP helps optimize resources and efforts to achieve the SDGs by enabling effective collaboration within the broader ecosystem. This online collaboration platform provides access to information on partner engagement, real-time data, and events and solutions that funders and others support on each SDG.

The SDGPP seeks to unlock philanthropy's potential through multi-stakeholder partnerships including all types of social innovations, financial tools, and stakeholders. The potential is huge, according to the SDGPP, $651 billion in philanthropic giving for the SDGs could be unlocked by 2030. One example of how the SDGPP supports philanthropy is its "collaborative pathways" approach that utilized cooperation between different institutions and sectors within a country to achieve a sustainable impact on one or more SDGs by:

Mapping the SDG Ecosystem to find essential navigation and entry points, and understanding national priorities, policies, stakeholders, processes, and challenges to be tackled.

Reaching out to the broader philanthropy sector to raise awareness of ongoing SDG processes and create multi-stakeholder collaboration.

Facilitating design/system-thinking workshops with broad groups of stakeholders to co-create a shared vision of success, identify accelerators and bottlenecks, analyze dynamics, and agree on joint interventions.

Setting up and running innovation challenges to find small organizations with promising innovative solutions which may be scaled through collaboration with governments and funders.

Documenting and sharing approaches, best practices, challenges, and lessons learned to enhance the capacities of local foundations for greater engagement in the SDG implementation.

Funders can further their understanding of and more deeply engage through collaboration on the SDGs by joining the SDGPP's global network.

Impact Investing in Support of SDG-Aligned Philanthropy

Impact investing is another mechanism for achieving SDGs. It's a way for funders to use their financial resources to drive change, aligning their investments with their mission. By embracing impact investing, philanthropic organizations can actively contribute to the 2030 Agenda for Sustainable Development, ensuring their resources have a broad and lasting impact. Funders can leverage impact investing to:

- **Support SDG-aligned projects.** This approach ensures that investments contribute to achieving the SDGs. Organizations can amplify their positive impact on global challenges by strategically selecting projects that align with one or more of the goals.
- **Drive social and environmental benefits.** Impact investments aim to generate positive, measurable social and environmental impact alongside a financial return. This dual focus enables organizations to make a tangible difference in addressing pressing issues while maintaining financial sustainability.
- **Encourage innovation and collaboration.** Impact investing can foster innovative solutions by supporting social enterprises, startups, and other ventures that work toward the SDGs. It can also facilitate cross-sector partnerships, bringing together different stakeholders to address complex challenges collectively.
- **Influence market behavior and corporate practices.** Funders can encourage adopting ethical practices throughout the market by investing in companies that prioritize sustainability and social responsibility. This can lead to more responsible business models and strategies, ultimately contributing to realizing the SDGs.
- **Diversify philanthropic portfolios.** Incorporating impact investing into a philanthropic strategy allows organizations to diversify their approaches to creating change. By combining traditional grantmaking with impact investments, such as PRIs, funders can leverage various tools to maximize their overall impact on the SDGs.

Overcoming Challenges in SDGs Implementation

While the Sustainable Development Goals provide a comprehensive and ambitious roadmap for addressing global challenges, their implementation is not without obstacles. This section will focus on some common challenges philanthropic organizations face in SDG implementation and explore potential solutions to overcome them.

Challenge:
Limited resources and capacity.
Many organizations, particularly smaller ones, may struggle with limited resources and capacity to address the wide range of SDGs.

Solution:
Funders can consider pooling resources with other organizations, forming partnerships, or focusing on specific goals that align with their mission and expertise.

Challenge:
Insufficient data and monitoring systems.
Effective SDG implementation requires robust data collection, monitoring, and evaluation systems. Organizations may face challenges in establishing these systems due to a lack of expertise or resources.

Solution:
Partnering with external experts, leveraging open-source tools, and investing in capacity-building initiatives can help address these challenges.

Challenge:
Fragmented efforts and lack of coordination.
The broad scope of the SDGs can lead to fragmented efforts and a lack of coordination among various stakeholders.

Solution:
To enhance collaboration and synergies, actively participate in multi-stakeholder networks, share best practices, and engage in joint initiatives.

Challenge:
Challenges in communicating impact and progress.
The impact and progress of SDG-aligned initiatives is crucial information for garnering support and fostering partnerships.

Solution:
Develop compelling narratives, utilizing data visualization tools and leveraging digital platforms for sharing updates and successes.

By addressing these common challenges, philanthropic organizations can enhance their effectiveness in implementing the SDGs and contribute more significantly to local, national, and global efforts in achieving these ambitious goals.

Additional Barriers to Funders Working on the SDGs

Funders may discover other types of resistance on their path to alignment with the SDGs such as:

- Skepticism toward the United Nations and multilateral initiatives.
- The misconception that the SDGs are only relevant for international, not local, work.
- Resistance to government involvement in philanthropic work.
- Reluctance to adopt externally imposed goals.

To shift the narrative to highlight adopting the SDGs and build coalitions between funders and other allies, funders may benefit from emphasizing the expertise behind the SDGs, demonstrating their relevance to local and global efforts, and explaining how a systems-thinking approach can enhance their impact and effectiveness.

Digital and Other Tools for Reporting and Measuring SDGs Impact

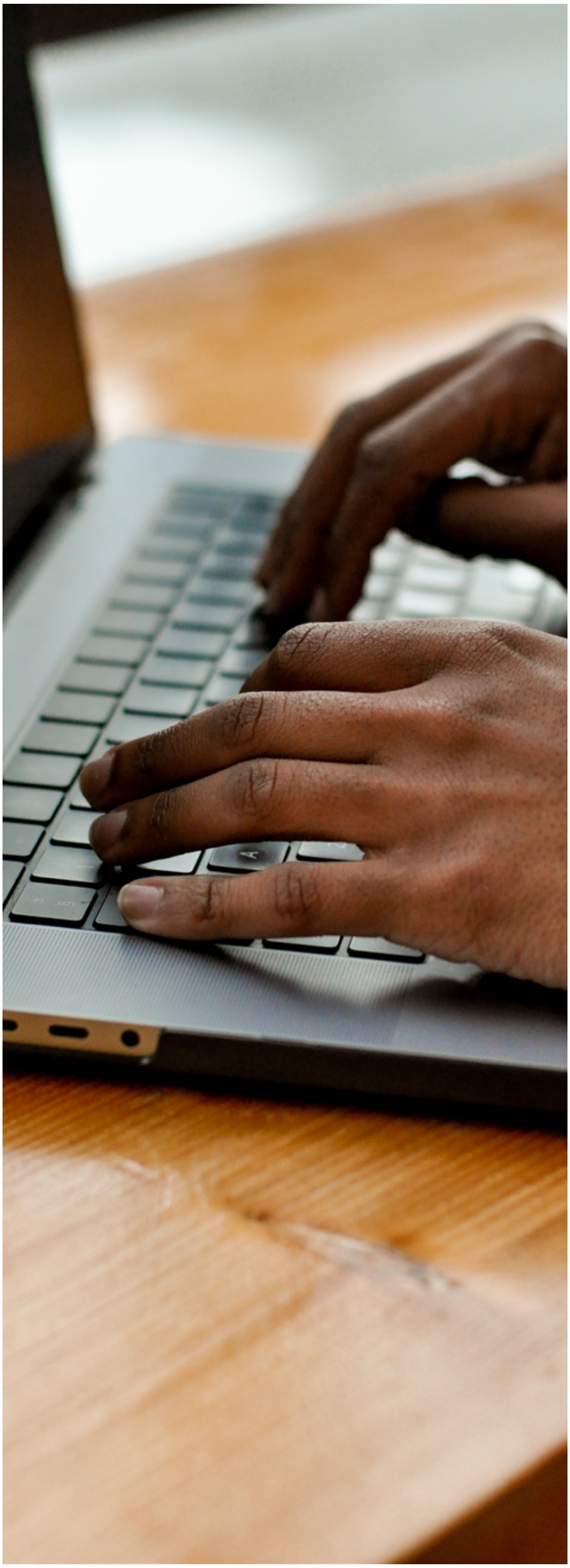
Reporting and measuring progress on SDGs are crucial components of achieving these global goals. This is where philanthropy can make a significant contribution, as SDG reporting and measurement allow funders to:

- **Track progress.** By adhering to SDG reporting standards, funders can systematically track the impact of their efforts.
- **Showcase impact.** SDG-aligned reporting is an effective way to communicate the impact of initiatives to stakeholders.
- **Inform decision-making.** Regular measurement and reporting can help funders identify areas that need attention and inform strategy adjustments.

Digital tools and platforms have revolutionized the way organizations track, report, and measure the impact of their SDG-aligned initiatives. This section deals with the role of technology in facilitating effective SDG reporting and impact measurement, and how it can enhance the efforts of philanthropic organizations toward achieving these global goals.

- **Data collection and analysis.** Advanced data collection and analytics tools enable organizations to gather, store, and analyze vast amounts of information related to their SDG-aligned initiatives. This data-driven approach allows funders to monitor progress, identify trends, and assess the effectiveness of their programs in real time. Moreover, the availability of open-source tools and platforms democratizes access to these resources, making it easier for organizations of all sizes to harness the power of data.
- **Visualization and communication.** Data visualization tools and software allow organizations to present complex data in an accessible and visually appealing manner. By transforming raw data into easily understandable charts, graphs, and maps, these tools help organizations effectively communicate their progress and impact to various stakeholders, including donors, partners, and the general public.
- **Collaboration and knowledge sharing.** Digital platforms, such as online repositories and collaborative workspaces, facilitate knowledge sharing and collaboration among organizations working on similar SDG-aligned initiatives. These platforms enable stakeholders to exchange best practices, lessons learned, and other resources, fostering a collaborative ecosystem that drives collective progress toward the SDGs.

Incorporating technology in SDG reporting and impact measurement is becoming increasingly essential for philanthropic organizations. By leveraging digital tools and platforms, funders can improve their ability to track, analyze, and communicate the progress and impact of their initiatives, ultimately contributing more effectively to the achievement of the SDGs.



Conclusion

This chapter has underscored the pivotal role that the SDGs play in shaping philanthropic efforts, offering a robust and globally recognized framework for addressing the world's most pressing challenges. By aligning with the SDGs, philanthropic organizations can engage in a shared language, leverage global connections, and work within a unified structure and already created taxonomy. This alignment not only increases organizational impact but also contributes to the broader, collective effort to build a sustainable, equitable, and prosperous world by 2030.

Calls to Action for Philanthropy

- **Seriously consider aligning with the SDGs.** Explore the potential benefits of aligning your organization's work with these global goals. Recognize that there is an urgent need.
- **Look for existing synergies with SDGs.** When reviewing your current programs and goals, you could find that your work is already contributing to one or more of the 17 goals laid out by the UN. Use this information to identify areas where you could increase your impact even more.
- **Collaborate with other stakeholders.** With its emphasis on a systems-thinking approach, successfully achieving the SDGs requires collective action. Look for opportunities to partner with other sectors, not only businesses, governments, and civil society, but also communities directly affected.
- **Communicate your commitment.** Make your commitment to the SDGs known, both internally and externally. This can inspire others to join the cause and contribute to the global vision of ensuring a collective—and therefore sustainable—impact.

By understanding and implementing the SDGs, philanthropic organizations can maximize their impact, foster global partnerships, and contribute to a sustainable and equitable world. With only a limited number of years left to achieve these goals, and scientific evidence showing us the tangible issues around environmental concerns, now is the time to seize this opportunity and make a lasting difference.

Additional Resources

Philanthropy and the SDGs: Getting Started and *Philanthropy and the SDGs: Practical Tools For Alignment*, two donor guides created by Rockefeller Philanthropy Advisors.

A Systematic Study of Sustainable Development Goal Interactions: A study that offers a deep dive into the interconnections among the SDGs. Understanding these interactions is crucial for developing comprehensive and effective strategies for SDG implementation. Prajal Pradhan, Luis Costa, Diego Rybski, Wolfgagng Lucht, and Jurgen Kropp, A Systematic Study of Sustainable Development Goal (SDG) Interactions, *Earth's Future, 5* (2017).

Shifting Systems Initiative: This multiyear initiative led by Rockefeller Philanthropy Advisors explores how funders can support systems change, a critical approach for achieving the SDGs.

Duncan Green, *How Change Happens*: This book provides a thorough understanding of the dynamics of change, offering valuable insights for organizations working towards the SDGs.

"Foundations and the SDGs: Gulbenkian Finding the Fit," an article in *Alliance* magazine that illustrates the path one foundation took to SDG alignment.

This article was originally published in Alliance Magazine.

Case Study: Sustainable Development Goals

For many foundations, the Sustainable Development Goals (SDGs) provide a means to direct their efforts according to a larger, internationally recognised development framework, potentially increasing the value of those efforts by dovetailing them with those of others.

Portugal's Calouste Gulbenkian Foundation (CGF) saw in the SDGs an opportunity for the Foundation to be clearer in communicating its intentions and more focused on its mission, while at the same time providing a coherent basis for collaboration with other sectoral and non-sectoral institutions. Internally, too, the SDGs offered an opportunity for cohesion and the strengthening of a sense of common purpose. CGF engaged Rockefeller Philanthropy Advisors (RPA) to help align its work more closely with the SDGs. RPA worked with CGF on a foundation-wide analysis, devising metrics to assess progress and developing implementation and communications tools for both internal and external use.

The means used in the analysis are at least as interesting as the results and might help other organisations navigate similar exercises. Given the complexity of a large foundation with many areas of interest, some of which weren't an obvious fit with the SDGs (for example, the work done on arts and culture), RPA met with each department to understand their priorities and goals and assess current activities and programs. This enabled RPA to help map key programs—including the more difficult-to-align arts and culture initiatives – to specific SDGs.

What came out on top for CGF's work on arts and culture were targets that focused in on education, sustainable cities and communities, enhancing scientific research, and empowering youth. Specifically:

- SDG 4.7 – Education: "By 2030, ensure that all learners acquire the knowledge and skills needed to (…) appreciation of cultural diversity and of culture's contribution to sustainable development")
- SDG 11.4 – Sustainable Cities and Communities: "Strengthen efforts to protect and safeguard the world's cultural and natural heritage".
- SDG 9.5 – Enhance scientific research, (…) encouraging innovation and substantially increasing (…) public and private research and development spending

- and SDG 4.4 – Increase the number of youth and adults who have relevant skills.

So far…
What advice do CGF and RPA have as a result of this process so far? Internally, while the SDGs provide a valuable core around which to rally, the process of identifying common themes, and evaluating and reporting on the extent to which they are being addressed may require a culture shift within an organisation. All staff need to be brought into discussions about this and key figures, from management to board of trustees, need to support it.

Second, staff who are unused to looking at their work through an SDG lens will need time and support to adjust. Listening to their concerns and having templates, for instance, for report writing may help.

Third, this adjustment is likely to require additional resources which foundations should be ready to commit if they are serious about aligning their work with the SDGs.

Finally, CGF and RPA say "keep it simple". Based on the organisation's main purpose, identify two or three main goals of each grant or programme, which will help to identify any fit with the SDGs and to come up with ways to assess progress.

Dissemination of what CGF is learning will have implications for other foundations within and outside Europe, and the Foundation has already begun reporting on SDG alignment in its Annual Report and, since late 2020, has been sharing its results with the European Foundation Centre and the Centro Português de Fundações (Portuguese Foundation Center) as well as with RPA's Theory of the Foundation initiative.

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CHAPTER 6

Wielding Your Endowment for Good

For many years, philanthropy and investing have been considered separate disciplines—one championing social change, the other financial gain. The idea that the two approaches could be integrated within the same transaction—in essence, delivering a financial return while doing good—has generally struck most philanthropists and investors as far-fetched. Not anymore.

Impact investing, which seeks to generate social or environmental benefits while delivering a financial return, is expanding as a promising tool for investors and philanthropists. Some estimates value the impact investing market at nearly $9 trillion in the U.S. alone. As the problems societies face become more entrenched and complex, it's clear that government and philanthropy can't solve them on their own. A look at the amounts of capital involved bears this out: in the U.S., philanthropy amounts to approximately $390 billion annually, government spending is $3.9 trillion, and capital markets (all debt and equity investments) encompass $65 trillion. On a global scale, total investments are estimated at $300 trillion. Thus, a 1% shift in global capital markets toward impact investing—or investments that work toward social good—could cover the estimated $2.5 trillion annual funding gap to achieve the United Nations' Sustainable Development Goals (SDGs). As this example shows, harnessing capital markets can substantially benefit society.

This kind of investment that works toward social good while seeking financial returns can be a valuable tool for philanthropic organizations to unlock additional avenues for sustainable impact. It offers a way to leverage financial resources for social and economic returns by making investments that align with philanthropic goals and intentionally deploying capital in enterprises, funds, or projects that generate positive social or environmental outcomes while seeking financial sustainability. (From the Harvard Report on Global Philanthropy)

The Rockefeller Philanthropy Advisors Impact Investing Handbook

For a deeper dive on starting your impact investing journey, Rockefeller Philanthropy Advisors published the *Impact Investing Handbook: An Implementation Guide for Practitioners* to help asset owners turn interest into action. This practical publication features case studies and detailed guidance for individuals, families, foundations, and corporations. It features input from over 50 experts and practitioners.

The *Handbook* covers:

- The Why – Developing a theory of change by merging impact goals with investment goals.
- The How – Building or shifting a portfolio using the full range of impact tools and structures.
- The So What – Measuring success through leading principles, frameworks, and standards.
- The Now What – Crafting a realistic implementation plan by following best practices.

The Growth of Impact Investing and Why it Matters to Philanthropists

Over the past 15-plus years, impact investing has moved from the financial fringes to become an essential part of an equitable philanthropic approach. It is robust, worth trillions of dollars, its staying power is evident, and its potential for driving change is undeniable.

Impact investing provides a tool for achieving social good with a broader array of assets than traditional philanthropy. Private foundations in the U.S., for example, can achieve social good with not only their 5% required annual payout but also the 95% endowment corpus that remains invested. To put this in perspective, U.S. foundations make annual grants totaling $60 billion while holding assets totaling $865 billion.

The Bridgespan Group writes, "Impact investing offers an alternative to philanthropists who reject the notion that there is a binary decision between investing for profit and giving money to a social cause. While traditional grantmaking often overcomes market-based failures, impact investing leverages the power of markets to create change. As you think about the social problems you seek to address, consider impact investing as one of the many tools at your disposal."

- **Market size and staying power.** Impact investing is not a passing trend. In the United States alone, sustainable investing accounted for more than $17 trillion in assets in 2020, a figure expected to grow exponentially.[1] This vast market size has made impact investing an integral part of the global financial landscape.
- **Development of specific tools and approaches.** The evolution of impact investing is marked by the development of unique financial tools. Social impact bonds, green bonds, and ESG funds have multiplied, offering investors diverse ways to align their portfolios with their values. These instruments

[1] "U.S. Sustainable Investing Tops $17 Trillion, a Third of Assets under Management." ImpactAlpha. November 16, 2020. https://doi.org/https://impactalpha.com/u-s-sustainable-investing-tops-17-trillion-a-third-of-assets-under-management/.

have expanded the reach of impact investing from institutional investors to individuals.

- **Increasing focus on social challenges.** The popularity of impact investing reflects a broader societal shift toward acknowledging and addressing pressing global issues, such as climate change, income and other types of inequality, and global pandemics which highlight disparities. The impact investment approach offers a way to tackle these challenges head-on, with substantial and sustainable change available to those who leverage their endowments for good.

Aligning Investments with Mission

Many endowed foundations do not use their endowment to fulfill their mission. In the U.S., many private foundations distribute 5% of their assets annually. This means 95% of assets are often not used to further the foundation's mission. With the rise of impact investing, the opportunities for foundations to align their investments with their missions are expanding. There has been a significant push for equity and racial justice equity lens investing, particularly after George Floyd's murder and subsequent world events.

The Benefits of Impact Investing for Philanthropists

- It's a powerful tool for leveraging philanthropic dollars. Investment returns can be reused over and over again to compound the impact.

- It allows donors greater freedom and flexibility to test innovative ways to achieve a financial return as they seek impact.

- Donors use it for breath new life into or complement their philanthropic strategy—many report great satisfaction after incorporating impact investing as a central element in their approach to social change.

- When applied to specific social causes, impact investing also has the potential to bring more capital and fresh approaches to targeted issue areas. For example, efforts are growing to coordinate impact investing with the 17 Sustainable Development Goals (SDGs), 15-year global goals to which all 193 UN member states, along with many businesses and nonprofits, committed themselves, beginning in 2016. The 2017 GIIN Annual Impact Investor Survey found that 60% of investors reported actively (or soon to be) tracking the financial performance of their investments concerning the SDGs.

How does impact investing help advance financial goals in philanthropy?

- Strong environmental, social, and governance (ESG) practices embraced by many social good projects may lead to financial outperformance.
- Merging investment and impact efforts can streamline strategy and help achieve returns (as well as effects) with larger pools of money.
- Investors can bring market-based approaches to bear on the social causes they care about while avoiding making investments that oppose their values.

How can philanthropy help advance impact investing?

- Philanthropy can pave the way for promising investments that don't yet attract pure investment capital due to higher risk, an unproven track record, or an uncertain return timeline. In this case, philanthropy can provide risk, early, or patient capital. One example is a loan guarantee allowing a social enterprise to access credit at a favorable rate.
- Over the past few decades, philanthropy has honed one of the most challenging aspects of impact investing: impact measurement. Philanthropy can coordinate with impact investors to appropriately evaluate impact, which can then be measured along with the desired financial return.
- Philanthropy can help develop, scale, and professionalize the impact investing field through education, training, research, and infrastructure building.
- The combination of impact investing and grants helps catalyze meaningful change, proving that doing good and financial performance are not mutually exclusive but can go hand in hand and benefit and uplift each other. One example is Appalachian radical grantmakers "the Waymakers Collective," who chose a local fiscal sponsor to keep their money in the area and used it to invest in affordable housing alongside annual rounds of trust-based grantmaking.

Guiding Your Impact Investing

There are many opportunities around impact investing and many sources to help guide an organization's thinking. Ranging from environmental, social, and governance (ESG) considerations in investment decisions to mission-related investments (MRIs) and program-related investments (PRIs), each can directly align with and support an organization's mission. Understanding these terms and their implications is the first step in navigating the impact investing landscape. Each type of investment plays a unique role in a diversified portfolio.

- **Environmental, social, and governance (ESG) considerations** have steadily gained traction in the sector. As a means for measuring an investment's sustainability and social impact, ESG has slowly transitioned from the fringes of the responsible business community to being considered by mainstream investors when assessing an organization's financial strength and resiliency. These considerations are increasingly seen as essential for evaluating investment risk and opportunity. A 2017 study by the NYU Stern Center for Business and Human Rights revealed that the measurement of "S" primarily focused on what was "most convenient" rather than what was "most meaningful." Out of convenience, social issues reported in ESG disclosures primarily focus on human rights, labor standards, and gender equality, irrespective of a company's sector or footprint. While the ESG movement has made great strides since that study, and more social considerations, such as data security and employee engagement, are being explored, the challenges remain. Investors implementing ESG considerations into their strategy can potentially improve long-term outcomes by identifying companies that are leaders in their industries, well-managed, and resilient to new regulatory and market challenges.
- **Mission-related investments (MRIs)** can be a valuable tool for impact and take on a variety of shapes and sizes. Still, at their core, they are a financial tool used by foundations to place more—or all—of their assets in service of mission or impact. MRIs are typically risk-adjusted or "prudent" market-rate investments made from the foundation's endowment—or what some affectionately call the other 95%—to advance a foundation's mission across asset class and issue area. Unlike program-

related investments (PRIs), MRIs are not an official IRS designation, and different funders utilize different names to refer to this kind of impact investment.

- **Program-related investments (PRIs)** are mission-driven investments that closely resemble charitable grants and are another tool foundations can use to align their assets in service of their mission. The critical difference between MRIs and PRIs is that PRIs are essentially a program activity for tax and compliance purposes and must primarily be made to advance the foundation's charitable goal, not to achieve an investment return.
- **Fiduciary duty** is a party's obligation to act in another party's best interest. One of the most prevalent myths about impact investing suggests an inherent trade-off between achieving financial returns and impact goals. The argument posits that investors need to pay more attention to their fiduciary duty to seek maximum financial returns rather than focusing on social or environmental returns. A good example of how fiduciary duty can be aligned with equity is Casey Family Programs, which fosters diversity, equity, and inclusion (DEI) at their foundation and in their communities. Their commitment to DEI is underpinned by the "return on investment resulting from greater inclusion, in how we work to improve the well-being of America's children and families, and with our investment partners…. Integrating diversity has added tangible value to Casey in enhancing investment returns and reducing risks; its benefits are irrefutable."
- **Philanthropy can leverage vast resources** to tackle pressing social issues, engaging significant resources for meaningful change. De-risking investment in disadvantaged communities can pave the way for mainstream investors to bring significant capital into underserved areas. By combining impact investing with traditional grantmaking, philanthropy can make a more profound and lasting impact.

Shifting Systems Through Impact Investing

Impact investing and systems change are two concepts that have grown in significance in the philanthropic world, and they are more interconnected than they might first appear. At its core, impact investing seeks to generate both financial return and positive social or environmental impact. It's about leveraging capital to tackle the world's most pressing issues, from climate change to social inequality. Meanwhile, systems change refers to efforts to transform underlying structures and mechanisms perpetuating social problems. It's not about quick fixes but sustainable, long-term change. When we bring these two concepts together, the potential is enormous. Impact investing can serve as a powerful tool for systems change by financing innovative solutions, driving sustainable business practices, and influencing the behavior of other market players. As we move ahead in the 21st century, the convergence of impact investing and systems change will be increasingly critical in our collective pursuit of a more equitable and sustainable world.

Best Practices in Investment Strategy

When venturing into impact investing, taking incremental steps is essential. An organization might start by allocating a small portion of its endowment to impact investments or launching a pilot project in a familiar sector. The incremental steps listed below, when taken in order, allow organizations to gain experience, learn valuable lessons, and make course corrections before scaling up their impact investing activities.

Step 1. Start from Strength

The cornerstone of a successful impact investment strategy lies in leveraging existing knowledge and relationships. Foundations often have deep-rooted connections with a network of nonprofits, government agencies, and other stakeholders. Leveraging these relationships can provide valuable market intelligence, offer insights into potential investment opportunities, and even help mitigate risks associated with impact investments.

- **Identify areas of expertise.** Foundations and philanthropic organizations possess a wealth of knowledge in particular sectors or geographies due to their grantmaking activities. For instance, a foundation with a history of supporting education initiatives may have developed an extensive understanding of the education sector's dynamics, challenges, and opportunities. This knowledge can inform their impact investment strategies, helping them to make more informed and effective investment decisions. Seek input from impact investing experts and practitioners who can provide objective perspectives and insights. Engage external consultants, advisors, or impact investing networks to offer guidance and support.

- **Build consensus.** Building consensus among stakeholders is equally important. This includes board members, senior leaders, staff, donors, and beneficiaries. Everyone should understand and support the organization's impact investing strategy, as this buy-in is critical for long-term success. You might consider moderated focus groups or meetings with stakeholders about the types of organizations they consider essential to invest in. This allows greater transparency about intentions, co-creating the narrative, creating buy-in, and gaining intelligence from impacted populations.

- **Encourage collaboration.** Collaborating can enhance impact and effectiveness, especially with aligned partners such as other foundations, nonprofits, social enterprises, government agencies, or private companies. By pooling resources and expertise, partners can achieve more than any one organization could on its own.

Step 2. Assess and Educate

Offer resources, workshops, webinars, and presentations that explain the concept, known benefits, and potential benefits of impact investing. Share case studies and success stories to illustrate how it aligns with the foundation's mission and can enhance its philanthropic efforts.

- **Engage stakeholders.** Engage foundation stakeholders in open dialogue and discussions about impact investing. Create opportunities to share their perspectives, concerns, and aspirations regarding the foundation's mission and strategies. Encourage active participation and seek input from diverse voices, including board members, staff, donors, and beneficiaries.

- **Audit your portfolio.** Understanding the current portfolio holdings is a critical first step when considering impact investing. These audits involve identifying potentially harmful investments and seeking opportunities to invest in companies and initiatives that actively further the investor's goals. Identifying potential issues and areas of misalignment isn't an end in itself, though. After establishing this baseline, organizations can take action to rectify these issues and better align their portfolio with their mission. This might involve divesting from harmful companies or sectors and investing in those more aligned with the organization's mission.

Step 3. Demonstrate Alignment

Clearly articulate how impact investing aligns with the foundation's mission, values, and long-term goals. Highlight the potential for generating both social impact and financial returns. Illustrate how impact investing can complement existing grantmaking efforts and amplify the foundation's impact.

- **Start small and pilot projects.** Begin with small-scale impact investing initiatives or pilot projects to demonstrate the feasibility and effectiveness of this approach. Implement projects that align closely with the foundation's mission and engage stakeholders. The success of these initial efforts can build confidence and generate momentum for broader engagement in impact investing.

Step 4. Create Clear Policies for Potential Impact Investments

Creating a clear policy for impact investing is another best practice. This policy should articulate the organization's mission and values, define impact investing, set specific goals and metrics for success, and outline the decision-making process for impact investments. It should also be reviewed and updated regularly to reflect changes in the organization's strategy or the broader impact investing landscape.

When establishing criteria for evaluating potential impact investments, foundations may consider various factors aligned with their mission and objectives, such as the following:

- **Start small and pilot projects.** Begin with small-scale impact investing initiatives or pilot projects to demonstrate the feasibility and effectiveness of this approach. Implement projects that align closely with the foundation's mission and engage stakeholders. The success of these initial efforts can build confidence and generate momentum for broader engagement in impact investing.
- **Impact alignment**, to prioritize investments that directly align with their mission and desired social or environmental outcomes. They may evaluate how closely an investment opportunity addresses climate change, poverty alleviation, education, healthcare, gender equality, or sustainable agriculture.
- **Financial viability**, including financial sustainability and potential for reasonable financial returns. They assess revenue generation, profitability, market potential, and risk-adjusted returns. The financial viability of an investment helps ensure the foundation can continue supporting its philanthropic activities.

- **Scalability and replicability**, to assess the potential of whether an investment model can be expanded to reach a larger population or replicated in different regions or sectors, thereby maximizing the impact across multiple geographies or communities.
- **Measurement and evaluation.** Foundations often require investments to have a robust impact measurement and evaluation framework. They assess whether the investment provides clear metrics to track and measure social or environmental outcomes. This includes considering the availability of reliable data, indicators, and reporting mechanisms.
- **Environmental, social, and governance (ESG) factors.** Foundations may consider integrating ESG factors into investment decisions. They assess whether the investment opportunity demonstrates a solid commitment to producing positive returns and/or mitigating negative impacts across the ESG factors.

Engaging More Assets for Good

By engaging more assets for good, foundations can maximize their influence and effectively expedite their missions. While endowment investing often mandates a long-term outlook focused on preserving capital, non-endowment impact investing can afford more flexibility. This allows foundations to experiment with alternative terms, structures, and risk levels to realize their desired impact. Impact investing is not just about deploying capital but also about fostering a shift in mindset. It's about seeing every dollar as an opportunity to create positive change. This broader view of capital can empower foundations to engage more of their assets for good and unlock new possibilities for creating social impact.

"It's about seeing every dollar as an opportunity to create positive change."

Legacy and Innovation in Philanthropy

Today's philanthropy sector increasingly recognizes the role of financial investments as a legacy, in addition to traditional grantmaking. By leveraging financial assets, foundations can catalyze systems change, driving progress on pressing social and environmental issues.

This shift in perspective is ushering in a new era of innovative philanthropy. Foundations use capital to support immediate needs and prove new models for solving societal problems, acting as "innovation capital" for governments and other large-scale actors. This approach, which embraces risk, experimentation, and learning, is crucial to achieving lasting impact in our rapidly changing world.

Conclusion

By aligning investment decisions with mission-driven goals, philanthropic organizations can effect meaningful change while ensuring sustainable growth. Impact investing offers various tools and opportunities, from ESG and MRI to PRI, enabling organizations to tailor their approach to their unique needs and objectives.

Furthermore, impact investing is a powerful movement that's gathering momentum. With an increasing focus on social challenges and a market size that's continually growing, it's clear that impact investing is here to stay, as it is creating a positive impact that resonates far beyond the balance sheet.

Calls to Action for Philanthropy

As we navigate the world of impact investing and philanthropy, there are clear and actionable steps that can guide our journey. These calls to action are not just suggestions but powerful tools to foster a more effective and impactful philanthropic practice. Whether you're a seasoned philanthropist or new to this space, these steps offer a path to enhance your contribution to societal good.

- Champion impact investing. Make impact investing a cornerstone of your philanthropic strategy. Demonstrate that balancing financial returns with impact goals is possible and highly rewarding.
- Collaborate and learn. Seek input from impact investing experts and practitioners who can provide objective perspectives and insights. Engage external consultants, advisors, or impact investing networks to offer guidance and support.
- Embrace innovation. Continually seek improvement and explore new ideas. Learn from successes and failures to adapt your strategy to a changing world. Experiment with alternative terms, structures, and risk levels to realize your desired impact. Remember: Impact investing is not just about deploying capital but also about fostering new ways of thinking.

Additional Resources

Plenty of resources are available to support and guide you on this journey. From platforms that connect like-minded investors to educational materials and professional advisors, there's plenty of help. Here are some of the top resources, with a particular emphasis on those provided by the Rockefeller Philanthropy Advisors, to aid your understanding and implementation of impact investing.

From Rockefeller Philanthropy Advisors:
- *Impact Investing: An Introduction*
- *Solutions for Impact Investors: From Strategy to Implementation*

Case Foundation's *A Short Guide to Impact Investing*

Harvard Kennedy School's *Global Philanthropy Report*

Global Impact Investing Network: A nonprofit organization dedicated to increasing the scale and effectiveness of impact investing worldwide.

Mission Investors Exchange: A community of foundations committed to advancing the field of mission investing.

SOCAP (Social Capital Markets): A network of investors, entrepreneurs, and social impact leaders addressing the world's toughest challenges through market-based solutions.

Toniic: A global community of asset owners seeking a more profound positive net impact across the spectrum of capital.

Case Study: Dropbox Foundation's Approach to Impact Measurement

Dropbox Foundation, established in 2016 as a corporate philanthropic grant-making vehicle, is committed to supporting global human rights organizations. A central focus is placed on unrestricted grants, skills-based volunteering, and product donations to empower its grantees in the field of human rights.

Trust based philanthropy has become a core pillar of Dropbox Foundation's work. Tina Lee, Head of the Social Impact and Sustainability team at Dropbox, explains that this choice stems from their aspiration "to make the most significant impact with limited resources." This approach reflects their commitment to ensuring that those closest to the problem they are seeking to support can drive solutions effectively.

Hannah Chotiner-Gardner, Chief Development Officer at Kids in Need of Defense (KIND), adds depth to this perspective, describing trust-based philanthropy as "a sophisticated and mature decision" that acknowledges the expertise of grantees and empowers them to lead the way in addressing complex challenges.

An important part of fostering trust is transparency and communication. Lee emphasizes the value of active listening during regular check-ins with grantees. She underlines the authenticity and informality of these interactions by asking that grantees, "don't prepare anything" because she "just wants to have an honest conversation." This approach is designed to foster a deeper understanding of what actual challenges and needs are, instead of adding unnecessary bureaucracy and paperwork.

Chotiner-Gardner explains that these frequent check-ins serve as a meaningful alternative to extensive reporting. The open and trusting dialogue allows her to address challenges and seek solutions effectively. Dropbox Foundation's effort to

Addressing reporting requirements within the context of trust-based philanthropy, Tina Lee emphasizes the need for purposeful reporting. She notes, "I do not want grantees to do anything just because they think a funder wants it," highlighting the foundation's commitment to streamlining reporting to make it more meaningful and efficient.

While unrestricted funding is highly valued by nonprofits, it can pose operational challenges. Tina Lee acknowledges these concerns but assures that they actively work to mitigate risks, stating, “We’ve been able to mitigate that risk through due diligence and references.” This emphasizes their commitment to providing unrestricted support while addressing the associated operational complexities.

Hannah Chotiner-Gardner reinforces the significance of unrestricted support, saying, “Unrestricted support is critical to empowering an organization to make its best decisions.” This underscores the flexibility and trust associated with such funding, especially in addressing unpredictable situations. As the world faces escalating and convergent challenges, that empowerment has never been more critical.

7

CHAPTER 7

Redefining Philanthropic Impact

Taking a Fresh Approach to Evaluations, Assessment, Reflection, and Learning

Impact assessment sits at the heart of philanthropy. It is the compass guides us, the mirror in which we reflect, and the measuring stick we use to gauge the depth and breadth of our influence. But it's not a static process. To create meaningful, enduring change, we must embrace an approach to impact assessment that's as dynamic and evolving as the communities and challenges we engage with.

Impact assessment used to be more of a one-dimensional exercise. It relied heavily on a top-down evaluation approach, centered on quantitative metrics, and was boxed in by the confines of the input-output-outcomes framework. This traditional approach, with its lagging indicators, linear causality, limited stakeholder engagement, and compliance over learning, is efficient and practical. Still, it was like trying to understand the full story of a book by just reading the table of contents.

There are several compelling reasons why now is an opportune time for philanthropies to reevaluate their assessment and learning processes:

- **Shifting philanthropic landscape.** The philanthropic landscape is evolving rapidly, driven by changing societal needs, emerging challenges, and technological advancements. Philanthropies must stay ahead of these shifts to remain relevant and practical. By reassessing assessment and learning processes, philanthropies can proactively adapt to the changing landscape and align their strategies with current realities.

- **Increasing demand for accountability.** There is a growing demand for transparency, accountability, and demonstrated impact in the philanthropic sector. Donors, stakeholders, and beneficiaries are seeking evidence of tangible outcomes and meaningful change. By taking a fresh look at assessments and learning, philanthropies can enhance their ability to effectively measure and communicate their impact, fostering trust and confidence in their work.
- **Equity and inclusion imperatives.** Philanthropies must recognize the importance of centering historically marginalized and untapped voices, promoting diversity, and addressing systemic inequalities. By reexamining assessment and learning processes, philanthropies can ensure that their evaluation methods are inclusive, culturally responsive, and empowering.
- **Lessons from the Fourth Industrial Revolution.** This period of rapid change has brought about unprecedented technological advancements and innovative approaches to problem-solving. Philanthropies can leverage these developments to reimagine their assessment and learning processes. By embracing data-driven insights, technical tools, and collaborative platforms, philanthropies can enhance their capacity to understand, measure, and amplify their impact.

This new paradigm necessarily goes beyond mere activity or output measurement. It's about capturing and understanding changes in capacity, agency, and power that our interventions trigger. Continuous improvement on an ongoing basis relies on hearing all voices, honoring all perspectives, and learning from every interaction. So let's dive deeper. Over the following sections, we'll explore the many aspects of this new approach, from inclusive evaluation practices and culturally responsive assessments to ethical data practices and the seamless integration of assessment, reflection, and learning.

Inclusive Evaluation Practices

Understanding why we need a new approach to impact assessment in philanthropy, we now delve into how we can bring about this shift. A vital facet of this new approach involves inclusive evaluation practices. These practices aim not only to capture a more comprehensive view of the impacts of philanthropic initiatives, but also to democratize the process by recognizing diverse perspectives and forms of evidence.

The companion piece to this volume championed going beyond traditional assessments, stressing the importance of including diverse voices in the decision-making process and creating a feedback loop that empowers all stakeholders. This approach to broadening the definition of evidence is fundamental to the trust-based approach, which encourages working via a lens of curiosity and learning. These principles must be integrated into everyday operations, emphasizing the importance of circumstances and more qualitative data in addition to quantitative figures. The objective is to shift the focus of philanthropic organizations from simply delivering numbers to understanding and demonstrating true impact. In other words, move beyond numbers.

But how can a culture that values impact over outputs—and one that considers both quantitative and qualitative measures of success—be encouraged? The answers lie in the intersection of trust-based philanthropy with a comprehensive and detailed assessment and a balanced view of both approaches' benefits and potential limitations. These principles are not fixed rules but guidelines that can be adapted to your organization's unique context and needs. Thankfully, tools and frameworks are available to assist in this process, which will help ensure a culturally responsive, inclusive, and equitable evaluation process.

Broadening Definitions of Evidence of Impact

Broadening your definition of evidence is a powerful way to approach equitable evaluation. By including quantitative and qualitative data in your impact assessment, you create a holistic understanding of the effects of your interventions. These could be changes in attitudes, new collaborations, and shifts in power dynamics, to name a few. This broader perspective can uncover layers of impact that traditional metrics might miss and facilitate a more informed and nuanced understanding of your organization's success. For example, a singular focus on numbers can overshadow the underlying realities of the communities you serve. Not all impacts are immediately observable or can be easily quantified. Many nonprofits work on issues that require time and persistent efforts to yield noticeable outcomes. A narrow, numbers-focused view may discourage organizations from undertaking complex but necessary initiatives, as their progress cannot be showcased in the immediate term through traditional metrics.

Furthermore, the push for quantifiable results may unintentionally create an extractive relationship with grantees, requiring them to provide continued evidence of "success" based on a limited definition. This approach can divert their resources and attention away from the core work, impacting their efficacy and potential for long-term change. In a trust-based context, it's crucial to allow grantees the freedom to define and assess their success, which may yield tangible outcomes outside conventional time frames. Trust-based philanthropy encourages that those measures be determined by grantee partners and fosters conversations about the impact from a perspective of curiosity and learning rather than mere accountability.

This approach requires a paradigm shift from the dominant model, and it is here that the true essence of reflection and learning in philanthropy shines through. Questioning traditional definitions and practices paves the way for a more inclusive and practical approach to assessment and success. A reflective approach to the work can unravel ingrained biases, surface hidden assumptions, and illuminate the actual impact. Through this learning, you can evolve your practices to serve better the communities you aim to support and ensure your efforts lead to meaningful, sustainable change.

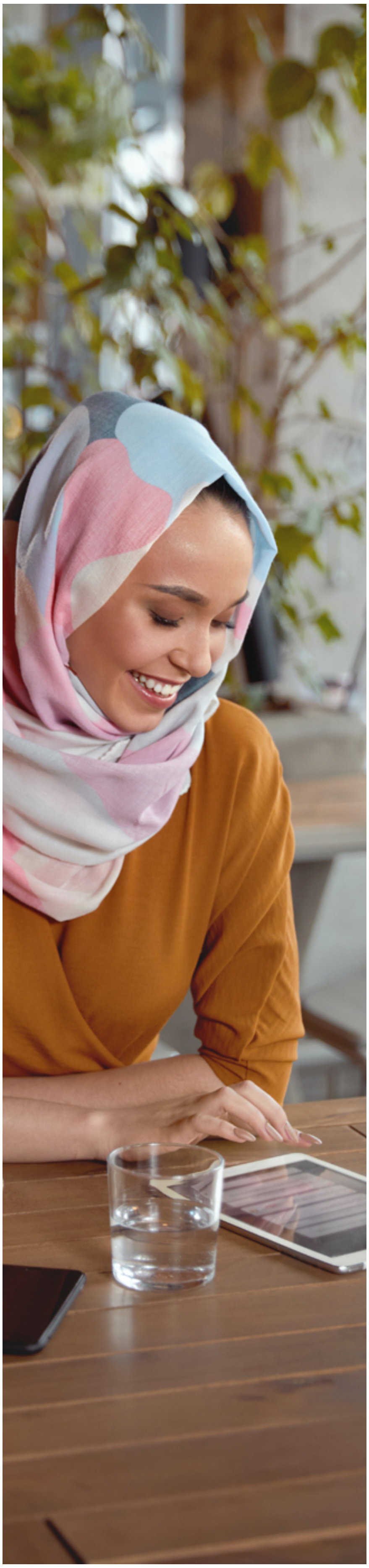
The Grantee Perspective: Defining Success from the Ground

Broadening definitions of evidence includes the critical stakeholders—the grantees and the communities they serve. These people are on the ground, experiencing the realities of the initiatives and interventions. They are not just beneficiaries but active participants whose voice matters in defining and measuring success. Involving them in the evaluation process validates their lived experiences and insights, fosters a sense of ownership and engagement, and enriches the program because it is being educated by the people impacted. On an ongoing basis, measuring the change in capacity, agency, and power that grantees have over processes is vital in an accurate and honest evaluation of success.

Co-designing goals and measures of success with grantees and community leaders empowers those directly involved in the work and leads to a more accurate and holistic picture of success. Grantee-defined measures might include improvement in community relationships, increased capacity to address future challenges, positive shifts in local policy or public opinion, and achievement of community-defined goals. These measures provide valuable insights that may otherwise be overlooked in traditional assessment methods. Furthermore, they value the process of achieving impact, not just the result.

Narratives and Stories: Bringing Data to Life

As we have seen above, numbers can tell you a lot, but not everything. The human stories behind the statistics provide context and nuance that breathe life into data. Storytelling and narrative evaluation play a crucial role in assessing impact, emphasizing the human aspect of social change. By incorporating personal stories and lived experiences into our evaluation practices, we can paint a richer, more profound picture of the real-world impact of philanthropic efforts. Communication is not merely an afterthought but an integral part of the evaluation process; it's the conduit for sharing learning, gathering feedback, and facilitating continuous improvement. Impact, annual, and evaluation reports can and should be considered throughout the year, not just at the end of a fiscal year for reports that must be made for tax purposes. These reports are beneficial for development communications and to bring all stakeholders along on the journey by showing the impact of your programs on the people you serve using storytelling.[1]



Culturally Responsive Evaluation

Culturally responsive evaluation (CRE) is integral to modern evaluation practices. As the social fabric of our world becomes increasingly diverse, we as philanthropic organizations must acknowledge this diversity and incorporate it into our evaluation practices.

Unpacking Culturally Responsive Evaluation

Culturally responsive evaluation is an evaluation approach that considers the cultural context within which an initiative takes place. It's not just about recognizing traditions or customs; it acknowledges the intricate web of values, beliefs, and practices that shape a community. By being sensitive to these elements, CRE enhances the relevance and effectiveness of our evaluations.

A culturally responsive evaluation honors the diverse cultural contexts and histories of the populations being served. It requires using methods and tools to capture and reflect these unique experiences and perspectives accurately. These might include:

- Establishing community advisory boards or committees that guide the evaluation process. Engaging communities in the evaluation process ensures that their voices are heard and their perspectives are valued. It also increases the likelihood that the community will accept and use evaluation findings.
- Participatory data collection methods, such as focus groups or community meetings.
- Participatory evaluation methods, which actively involve stakeholders in the evaluation process.
- Choosing the right evaluation team. This step is crucial to ensure cultural responsiveness. Groups should be diverse and ideally include members who share similar cultural backgrounds with the communities being evaluated. They should be trained in culturally responsive methodologies and have the skills to build trust and rapport with community members.
- Use of culturally adapted data collection tools, like surveys and interviews, that reflect the language, culture, and lived experiences of the communities.
- Qualitative methods, such as storytelling or narrative reports, which can provide rich insights into the experiences of individuals and communities.
- Providing feedback sessions where preliminary findings are shared with the community and their input is sought.

Recognizing Cultural Contexts and Dynamics in Evaluation

An integral aspect of CRE is understanding the cultural contexts and dynamics that influence the community being evaluated. This goes beyond the visible parts of culture and delves into the historical, sociopolitical, and traditional knowledge systems that have shaped the community. By integrating this understanding into the evaluation process, we can tailor our approach to the unique cultural contexts of the community.

Incorporating Diverse Perspectives and Knowledge Systems

A kaleidoscope of views enhances the richness of the evaluation process. Culturally responsive evaluation embodies this idea by consciously welcoming these varied perspectives. It understands the significance of local and Indigenous wisdom, placing it on par with scientific understanding. This multifaceted approach allows for a more comprehensive picture of the community we're engaging with. With this diversity comes relevance, and with relevance come meaningful, impactful evaluations.

Ensuring Cultural Sensitivity and Relevance in Assessment

In the world of CRE, cultural sensitivity is paramount. Evaluators must operate from a place of respect and humility, aware that cultural nuances could influence their perception. They enter the realm of evaluation with an understanding that each community has its unique rhythm and pulse, and this uniqueness guides the design of the evaluation. Measures of success, methodologies, and probing questions are all culturally attuned, speaking a language that resonates with the community's cultural ethos.

Culturally responsive evaluation is more than just a tool. It's a promise—a promise to put the community and its culture at the core of the evaluation process. This approach is essential in capturing a more authentic, holistic view of the impact of our philanthropic work. It helps us see beyond the surface, understanding what changes and how and why these changes happen.

Equitable Evaluation

With an understanding of culturally responsive evaluation in our tool kit, we now focus on equitable evaluation. Equitable evaluation takes our commitment to diversity a step further, actively addressing systemic power imbalances and offering a broader perspective on evaluating philanthropic impact.

Understanding Equitable Evaluation

Equitable evaluation is more than a methodology; it's a philosophy that challenges traditional norms by emphasizing equity and social justice. This approach suggests that evaluation should measure impact and actively promote fairness and justice. Core to this philosophy are the following principles:

- **Co-creation of knowledge and success metrics.** Every stakeholder's perspective matters in the spirit of equity. Equitable evaluation invites those often overlooked to join the conversation, fostering a shared understanding of an initiative's impact. Success should not be a unilateral decision. Equitable evaluation promotes a collaborative approach to defining success, ensuring the evaluation's findings are relevant and meaningful to all, especially those directly impacted by the initiatives.

- **Acknowledgment of power dynamics.** As we embark on the journey of equitable evaluation, it's vital first to recognize the power dynamics and biases that can affect the process. This recognition involves understanding how power is distributed and actively working to democratize this power, involving all participants in decision-making. This principle prompts us to recognize and address power imbalances within the evaluation process, ensuring the voices of those most affected by initiatives are heard.

- **Prioritization of historically marginalized voices.** Traditional evaluation processes can often unintentionally marginalize or silence some voices. Equitable evaluation seeks to remedy this, prioritizing and valuing these voices in defining success and interpreting findings. An equitable evaluation is a chorus, not a solo performance. It's essential to include the voices and perspectives of community members in the process—from planning to data collection and analysis, all the way through to impact reports.

- **Building trust and inclusivity.** Trust is the glue that holds an equitable evaluation together. It involves nurturing genuine relationships with stakeholders and fostering a culture of mutual respect, transparency, and understanding.

Advancing Equity Through Collaboration

Partnerships and collaborations can be powerful vehicles for advancing equitable evaluation. Bringing diverse stakeholders together ensures a more comprehensive, inclusive, and meaningful evaluation process. Far more than just being a tool, equitable evaluation is a commitment to a just approach to impact assessment. By considering the dynamics of power and privilege that are often overlooked, it is a way to measure initiatives' outcomes while contributing to a fairer society.

Consider looking at the work the Equitable Evaluation Initiative does. Their practice "works toward creating a world in which we all thrive and one where the multiple truths of the human experience are valued and valid. Through partnerships, we explore norms, beliefs, practices, and possibilities as the start of putting the Equitable Evaluation Framework™ into practice. We invite shared exploration across the ecosystem, examining all aspects of the evaluative process. We embrace new concepts of objectivity, rigor, validity, and complexity."

Balancing Trust-Based Philanthropy with Assessment

Through the evaluation lens, trust-based philanthropy emphasizes dialogue, collaboration, and shared decision-making. It values the expertise of grantees and their communities and believes in their capacity to define and measure their success. However, reconciling trust-based principles with the need for assessment can be challenging. It requires striking a balance between ensuring accountability and allowing freedom to grantees.

To successfully incorporate trust and inclusivity in measurement processes, consider the following:

- Fostering open dialogue with grantees about assessment needs and methods
- Valuing qualitative evidence and narrative reports as much as quantitative data
- Allowing flexibility in reporting and acknowledging the nonlinear nature of the impact
- Engaging grantees in the design, implementation, and evaluation of programs

Adopting these practices can foster a more collaborative and trust-based relationship with grantees, where assessment becomes a tool for learning and improvement rather than a means of control and compliance.

Ethical Data Practices and Technology Integration in Assessments

When we zoom into the details of impact assessment, two themes stand out: data and technology. These powerful tools can amplify our philanthropic efforts but must be wielded responsibly. In this section, we'll unpack the importance of ethical data practices and explore the potential of technology in our assessments.

The Ethical Imperative in Data Practices

Data is a valuable asset in our evaluations, but using it must always honor a commitment to ethics. Here are the key ethical considerations to bear in mind:

- **Getting the green light.** Informed consent isn't just a tick box; it's about respect. When we gather data, it's critical to explain why we need it, how we'll use it, and how we'll protect the privacy of the individuals involved.

- **Data protection.** Once we have data, we must safeguard it. That means maintaining privacy, respecting confidentiality, and ensuring only those who need to access sensitive data can do so.

- **Spotting biases.** When we analyze data, we must be detectives, hunting for biases that could skew our understanding. Should ethical dilemmas emerge, they must be managed with transparency and aligned with established ethical guidelines.

Harnessing Technology Responsibly

Technology can be a game-changer for our assessments, offering speed, efficiency, and precision. However, the shiny allure of tech must not distract us from its ethical use.

- **The tech effect.** Technology can enhance our evaluations through automated data collection or sophisticated analytics. But it should never overshadow the human element in our decisions.

- **Going digital.** Digital tools can offer a helping hand, streamlining data collection and analysis. Used correctly, they can unlock deeper insights and fuller understandings.

- **Sharing knowledge.** Technology can foster collaboration and knowledge sharing within our organizations and beyond, creating a common space for innovation and growth.

Balancing Technology with Ethics

While technology can be a powerful tool in our assessments, we must use it ethically.

- **Data security.** With the benefits of technology come risks. Protecting data from cyber threats and upholding privacy standards are nonnegotiables in our use of technology.

- **Transparency.** As we handle data, we should remain transparent about our practices. That includes clarifying how we collect, store, use, and share data.

- **Guarding against bias.** As humans can exhibit biases, so can technology. We must be vigilant in spotting and mitigating any biases inadvertently introduced through tech use. The UN Women program shares a helpful glossary of terms that says, "In the digital era, the explosion of technology has been matched by an equally seismic shift in how we think and talk about it. New digital tools give rise to new terms and phrases, as well as new conceptual frameworks for understanding how these tools affect and interact with society. As we contend with novel and heightened forms of harm, words like disinformation and doxing have entered the mainstream. And concepts like digital rights and data governance have come into existence amidst the push to align the technology of today with our vision for a better future."

Ethical data practices and the judicious use of technology can supercharge our impact assessment in philanthropy. Still, they must be managed responsibly, consistently aligning with our commitment to ethics, equity, and respect for the individuals and communities we serve.

Interplay and Integration of Assessment, Reflection, and Learning

Trust-based thinking, inclusivity, and measurement form a powerful triad in philanthropic work, challenging traditional practices and broadening the scope of impact evaluation. To understand their implications, how they shape the approach to conversations, the definitions of success and the measurement processes need to be fully explored. Assessment, reflection, and learning are interconnected elements that can enhance philanthropic initiatives' effectiveness, relevance, and impact. This section will explore the crucial roles of

assessment, reflection, and learning in the philanthropic landscape and their intricate relationship.

An assessment provides the necessary data, insights, and feedback to understand current affairs. It involves systematically gathering and analyzing information to evaluate the outcomes and impact of your philanthropic programs. Assessment helps you identify what is working well, areas that need improvement, and unanticipated consequences. It illuminates the path forward, guiding your strategic decision-making and resource allocation.

However, assessment alone is insufficient; reflection is a critical companion in this journey. Reflection—analyzing and making sense of the gathered information—allows you to transcend surface-level findings and delve into the underlying assumptions, successes, challenges, and lessons learned. It encourages you to ask difficult questions, challenge your implicit biases, and explore alternative perspectives. (You don't know what you don't know.) Through reflection, you gain a deeper understanding of your work, its impact on communities, and how you can evolve and grow.

Reflection includes learning, which is the transformative outcome of the assessment-reflection cycle. It involves assimilating new knowledge, insights, and understanding based on assessment findings and reflective practices. Learning equips organizations with the wisdom and adaptability to adjust strategies, refine approaches, and experiment with innovative solutions. It empowers continuous evolution, responsiveness to emerging needs, and the maximization of positive impact.

Understanding the reciprocal relationship among these elements and how they synergistically contribute to enhancing the effectiveness and impact of philanthropic initiatives is crucial.

Exploring the Interconnectedness of Assessment, Reflection, and Learning

In philanthropy, assessment, reflection, and learning are interconnected components of a holistic process. Their interplay forms the foundation for continuous improvement in the following ways:

- **Leveraging assessment to inform reflection and learning.** Assessment provides the essential data and insights that fuel reflection and learning. It gives us the raw material we need to understand our impact, identify opportunities for improvement, and learn from our experiences.

- **Applying reflective practices to enhance assessment and learning.** Reflection allows us to step back, analyze the information gathered through assessment, and gain deeper insights. It helps us identify patterns, challenge assumptions, and consider alternative perspectives.

- **Learning from failure.** Failure can be an effective teacher. Embracing failure as a learning opportunity allows us to develop resilience, adaptability, and innovation. It encourages a culture of experimentation and learning.

- **Being a learning organization goes beyond the mere process of assessment and reflection.** Being a learning organization means fostering a culture of curiosity and openness to change. It requires organizations to move beyond the transactional model of giving and take a more interactive, dialogue-oriented approach toward their interactions with grantees. It's not about asking, "What did you achieve?" but rather, "What did you learn?" and "How has this changed your approach?"

- **Continuous learning holds the key to refining impact assessment.** By continually learning from our experiences, we can enhance our understanding of our impact, make better-informed decisions, and become more effective in our philanthropic endeavors. Continuous learning plays a pivotal role in refining impact assessment, as it ensures that assessment methods remain dynamic and responsive to changes in context and community needs. It allows organizations to recognize and address challenges in real time, revisit and revise goals and strategies in light of new learning, encourage an open feedback loop between grantees and the organization, and foster a culture that values learning as much as success.

Understanding and leveraging the interplay and integration of assessment, reflection, and learning can significantly boost philanthropic initiatives' effectiveness, relevance, and impact. By cultivating an environment that encourages learning and adaptation, we can ensure that our work continues evolving to meet the changing needs of our communities.

Empowering and Driving Change in Assessment and Measurement Internally

As we approach the end of this analysis, we focus on the internal modifications needed to adopt these novel approaches to impact assessment. It is also crucial for philanthropic organizations to cultivate an environment that embraces continuous improvement, learning, and trust.

Approaches to Implementing Innovative Impact Assessment

- **Organizational culture shifts.** The assessment process transition commences with organizational culture changes. Fostering an atmosphere of open-mindedness, curiosity, and learning from successes and failures establishes a solid base for these adaptations.

- **Enabling participation.** Encourage contributions from individuals at all levels in the assessment processes. Such involvement leads to a more complete and precise result, fostering a sense of commitment and interest in the outcomes.

- **Education and resources.** Provide your team with the necessary knowledge and resources to adopt new assessment methods efficiently. This could involve professional development opportunities, access to relevant research, or investment in innovative technology.

- **Real-life examples of effective evaluation and learning initiatives.** Learning from successful instances can offer valuable guidance and inspiration. Look for examples of organizations that have effectively adopted novel evaluation and learning initiatives.

Cultivating an Evolving Internal Culture of Continuous Improvement, Learning, and Trust

Creating a conducive environment for these changes is vital when contemplating this journey toward enhanced assessment. Here are a few ways organizations can support this transition:

- **Endorse continuous improvement.** Introduce mechanisms for regular evaluation and modification of assessment processes. This promotes an enduring commitment to refining methods and results.

- **Support learning.** Establishing a culture that appreciates and rewards learning can involve recognizing innovative ideas, promoting reflective practices, and providing open dialogue and discussion.

- **Foster trust.** Create a culture of trust where everyone feels comfortable expressing their thoughts, ideas, and feedback. This can augment the quality of your assessments and foster a more cohesive team.

Investing in the evolution of these cultural traits and strategic practices changes how we measure impact and the ethos of our organizations. Through this transformation, we can enhance our effectiveness, responsiveness, and impact in our philanthropic endeavors.

Conclusion

This chapter overviews tools and strategies to ensure cultural responsiveness, inclusivity, and equity in the evaluation process. Armed with a keen awareness of the intersection of trust-based philanthropy, culturally responsive and equitable evaluation, and the pursuit of systemic change, funders will be more prepared to delve into the intricacies of impact assessment—and its limitations—while championing an approach that values diverse definitions of success and evidence.

Community engagement and strategies to include community voices and examples of success is crucial to the process. Changes in collective capacity, agency, and power should be measured and examined in detail, emphasizing the importance of progress in equity, diversity, and inclusion. The importance of co-designing evaluations with grantees and community leaders, highlighting the transformative potential of grantee-defined measures, cannot be overstated. Balancing trust-based philanthropy with assessment emerges as a delicate dance of empowerment, dialogue, and collaboration. Do not underestimate the role of continuous learning in the journey toward a more equitable and trust-based practice.

As we wrap up this discussion, we aim to illuminate fresh approaches to impact assessment in philanthropy. We've traversed the terrain of inclusive evaluation methods; ethical data handling; the interconnectedness of assessment, reflection, and learning; and strategies to manifest these changes internally. The significance of refining traditional metrics has been emphasized, alongside the advantage of integrating diverse forms of evidence, such as narrative accounts and qualitative data, in conjunction with quantitative measures.

Further, we've delved into the concept of culturally responsive evaluation, spotlighting its fundamental principles and how these can enrich our assessments by acknowledging and integrating varied viewpoints. The topic of equitable evaluation has also been addressed, discussing how centering equity in our assessment methodologies can help rectify power imbalances and biases. Incorporating these practices and perspectives is not merely advantageous but indispensable in philanthropy's intricate and constantly shifting landscape.

Calls to Action for Philanthropy

- **Adopt a learning orientation.** Continually refine your impact assessment process through a lens of curiosity and learning.
- **Value diverse definitions of success.** Broaden your evidence base and encourage grantee-defined measures of success.
- **Foster trust and dialogue.** Develop honest, collaborative relationships with grantees, and understand the power dynamics.
- **Prioritize community engagement.** Include the voices and perspectives of the communities you serve in all aspects of your work.
- **Promote equity and inclusivity.** Implement culturally responsive and equitable evaluation processes, and measure progress on equity, diversity, and inclusion.

Additional Resources

To assist you in putting these practices into action, we've assembled a collection of valuable tools, checklists, and strategies.

- Upending Power Dynamics: A workshop recap on identifying and rectifying power imbalances within philanthropic practices.
- Assessing Impact: This guide reviews various ways to determine philanthropic impact. It looks at what assessment can accomplish and what it has difficulty measuring. It sets out a series of questions donors can ask as they consider how to proceed with their philanthropy. And finally, it details some of the limitations inherent in understanding how donors' dollars work.
- Evaluation of the Shifting Systems Narrative: The evaluation report pursued five central strands of inquiry, examining the impact and effectiveness of the Shifting Systems Initiative and the philanthropy sector.

- Power and Equity Report: This workshop series was part of the Shifting Systems Initiative, which encourages funders to place longer-term, more adaptive resources with their grantee partners to scale their solutions and impact.
- The Equitable Evaluation Framework: The Equitable Evaluation Framework™ (EEF) is a set of Principles, Orthodoxies, Mindsets, Tensions, and Sticking Points.
- Project Evident's Planning and Assessment Guide: A comprehensive planning guide for implementing and reviewing impact assessment processes.
- Skeptic's Corner: FAQs About Trust-Based Philanthropy by the Trust-Based Philanthropy Project.

Case Study: The Fleishhacker Foundation's Journey into Impact Investing

Established in 1947, the Fleishhacker Foundation has dedicated itself to improving the quality of life in the San Francisco Bay Area. It is guided by values passed down from its founders such as integrity, honesty, humility, respect, and an unwavering commitment to fairness and equity. This case study explores the transformative journey the Foundation undertook into impact investing to align its financial activities with its longstanding values and its commitment to advancing Diversity, Equity, and Inclusion (DEI) in all of its work.

Deborah Sloss, long-time trustee and Chair of the Fleishhacker Foundation's Investment Committee, noted "There had long been in interest in having the organization's investments better reflect its values." In 2019, the Foundation launched a special task force to strengthen DEI practices across all of its programs and operations. "We knew this important work would be incomplete without including a review of the Foundation's investment portfolio," Deborah added.

"The time had come for us to take action in a thorough, well-structured, and strategic way," added David Blazevich, the Fleishhacker Foundation's Executive Director. "We recognized that our investments could have an impact, either in alignment with or in opposition to our values," he noted. "We decided to put a framework in place to ensure alignment."

Doing so provided the Foundation's trustees with an opportunity to engage in a collaborative exploration of what was truly important to them. Since board members had varying levels of understanding about impact investing, fostering a supportive learning environment was essential. In board meetings and small-group discussions, trustees explored everything from defining terms and developing a shared vocabulary to determining how to integrate their shared values into a cohesive impact strategy. David noted that previously, investments were considered separate from grantmaking.

These conversations, however, initiated a paradigm shift in which investments are no longer siloed but inextricably linked to the Foundation's philanthropic mission.

As part of the Foundation's impact investing journey, the organization conducted a trustee survey which explored themes related to impact goals, DEI considerations, and environmental concerns. Survey responses related to corporate governance practices identified a significant interest in promoting racial, gender, and socio-economic equity. Top priorities included promoting diversity, equity, and inclusion in hiring practices, leadership roles, and compensation. David explained that impact goals therefore now incorporate a DEI lens, with a commitment to elevate and support historically marginalized communities.

In addition, since promoting cleaner air, land, and water and a low-carbon economy is critical to improving the quality of life in the Bay Area and beyond, the survey helped identify a priority of investing in clean energy and screening out companies with harmful environmental practices, including those that derive revenue from fossil fuel or palm oil.

Finally, while there was considerable discussion early on about what additional level of risk the Foundation should take on to align its investments with its values, David explained that they, "have since learned that it may have been a false choice. Investors may need not sacrifice overall financial returns to have a positive impact. Our risk profile has therefore not changed as a result of our impact investing work. Impact investments will receive the same level of analysis, scrutiny, and due diligence with regard to their financial risk as traditional investments."

Throughout the journey, the Fleishhacker Foundation employed several strategies to embrace impact investing. They found that learning from other foundations was instrumental, as was attending philanthropic conferences. Deborah explained, "Learning from other foundations about how they developed and implemented their impact investing strategies was crucial." Their process also involved sharing their progress along the way, being open about their journey, and using tools like Rockefeller Philanthropy Advisors' Impact Investing Handbook.

The Fleishhacker Foundation firmly believes that smaller family foundations have the potential to make a real difference through impact investing. They offer valuable advice, encouraging their peer organizations to embrace impact investing as a powerful tool to complement grantmaking efforts. Smaller foundations can overcome the barriers to entry, which can be intimidating, by learning the language and tools of impact investing. By learning from each other and leveraging their collective resources, foundations can make a significant difference in the communities they serve.

The Fleishhacker Foundation's journey in the realm of impact investing epitomizes a deliberate, purpose-driven shift, underpinned by DEI and a commitment to embedding values in their financial fabric.

8

CHAPTER 8

The Key Role of Communications in Driving Impact

The Power of Communication in Philanthropy

Clear and concise communication is a fundamental necessity for organizations of all kinds, including philanthropic entities. Communication is more than just the act of information transmission; it is a strategic methodology that shapes perception, drives action and, in the broader sense, plays a role in when and how organizations achieve their mission.

Communication shapes an organization's internal culture, its levels of transparency and legitimacy, and its ability to expand influence, build partnerships, and collaborate. Accordingly, good communication must start internally.

Internal Communications	*External Communications*
Includes staff emails, intranet posts, and internal reports. Aims to inform and engage employees and board members, and to reinforce alignment and focus on organizational mission and goals.	Includes external emails, press releases, annual reports, social media posts, and public presentations. Targets outside stakeholders, such as communities, grantees, potential donors, and the public to inform, drive action, build awareness, or change mindsets.

Both internal and external dimensions are essential to an organization's success; and while internal communication establishes the foundation for aligned messaging and a cohesive organizational culture, this chapter will specifically delve into the realm of external communication.

Embracing communication as a strategic tool can help amplify key voices, inspire stakeholders, and create a ripple effect of positive change. Philanthropic organizations have a unique opportunity to advocate for causes they believe in; and effective communication enables you to amplify the voices of the communities you serve, raise awareness about critical issues, and drive social change.

Well-crafted communication strategies give stakeholders a voice and invite them to actively participate in your endeavors. However, inclusive and transparent communication can sometimes be a challenge for the philanthropic sector as philanthropies have to grapple with the challenge of telling their stories in a way that not only ethically grabs attention but holds it. By using some of the following tools and tips for external communication, you can share a vision and impact in a manner that is accurate, engaging, and meaningful, all while using an inclusive, equitable, and non-exploitative lens.

Implicit Communications

Even when you're not producing a blog or report, your actions, decisions, and even inactions contribute to your organization's narrative. Whether with purpose of inadvertently, they are a constant broadcast of your values, priorities, and mission. Here are some points to reflect on:

The silent message: What are you not saying? Remember, inaction or silence can also be a form of communication.

Internal makeup: Who are you hiring, funding, and promoting? These choices are part of your organization's narrative.

Mission alignment: Does your work align with your stated mission? Or are there discrepancies?

Endowment reflection: Where is your money going and what does that say about how you walk the walk? Are your investments contradicting or supporting your mission?

Communication isn't only about the words an organization says or writes. It's an ongoing process that embraces both explicit and implicit forms of expression. Being aware of this implicit form of communication can complement your intentional messaging, reinforce your credibility, and further your mission.

Key Components of a Communications Strategy

To build a sturdy foundation for successful communication, donors should consider it a pivotal component in their overall strategy. This can involve understanding the audience, setting clear objectives, amplifying the voices of grantee communities, assessing organizational needs, connecting with external resources, establishing thought leadership forums, and implementing strategies for consistent and transparent communication. Addressed in more detail below, these steps ensure that philanthropic messages align with mission, resonate with stakeholders, and contribute to meaningful impact.

Understand the Audience
Before anything else, understanding who you are speaking to is vital. Different audiences require different communication approaches. A deep understanding of your audience enables you to tailor your message and methods to ensure that messages will resonate.

Set Clear Goals and Objectives
Determine what message you want to convey, who you want to reach, and what action you desire from them. These decisions drive the rest of your communications strategy.

Amplify Grantee Communities
Telling stories about organizations and programs through the lens of the service users or participants can serve as a vehicle to highlight the work of grantee communities. By leveraging their own reputation, philanthropies can direct more attention and support to the causes their grantees champion.

Developing a robust communications strategy within an organization involves four key steps.

1. **Assessing capacity and organizational needs:** This includes assessing your communications talent that is in house and determining whether the organization has the necessary skills and resources needed. Often philanthropic organizations have a small or nonexistent communications team or lack anyone with the requisite skill set to manage bought in services. Accordingly, conducting this assessment and planning to build capacity is the first step.

2. **Connecting with resources:** Once needs are identified, organizations can connect with resources that can help produce compelling content. This might be in-house, or it might involve hiring a communications consultant, investing in professional development for current staff, or partnering with external agencies.

3. **Establishing thought leadership forums:** Philanthropies can establish or participate in thought leadership forums, such as blogs, webinars, or conferences, to share insights and best practices, highlight the work of grantees, and engage with stakeholders.

4. **Developing strategies and avenues for regular communication:** Building and sustaining trust with all stakeholders requires consistent and transparent communication internal and externally. Some simple strategies might include running regular "stories" meetings where stakeholders, program leads, and other representatives discuss potential stories across platforms. Using an editorial calendar or social media scheduling tool to plan communications ahead of time will allow you to see, at a glance, that your efforts are rolling up to an overarching narrative for the organization. Consider hiring a communication consultant or agency if you do not have the skill in-house to set these systems up.

Additional Tips from Communications Agencies

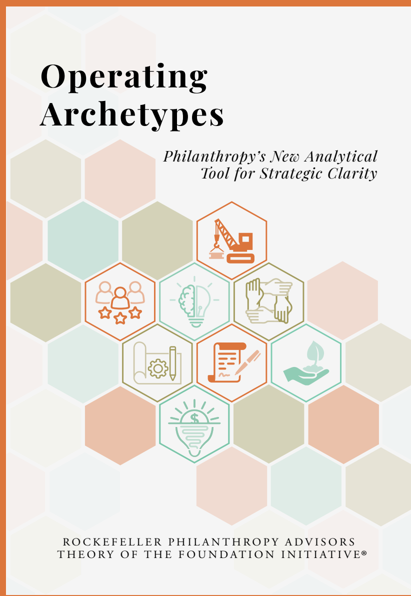
- **Building Capacity for Communications:** With a well-thought-out communications strategy, adequate capacity, and the right platforms, philanthropies can craft and share stories which inspire action, promote change, and forge stronger connections with stakeholders. Every organization's storytelling journey is unique, and the best tools for your foundation will depend on your specific needs, audiences, and objectives.

- **Stay in your Lane:** Doing everything all the time, on every platform, to every audience, with messaging that doesn't roll up to any kind of overarching narrative is what's known as the "shiny object" paradigm. It's more effective to "stay in your lane" and communicate about only what you are uniquely placed to communicate.

- **Speak to your Audience:** When planning outward facing communications, keep front of mind the questions of, "What are the communications goals?"; "For whom?"; and "Why now?" If a piece of content doesn't speak to organizational goals or themes, or speak to one of the identified audiences, consider whether you should share it at all.

- **Champion Program and Community Leaders:** Creating a streamlined and simple process

Communications by Operating Archetype



Communication is one of the four key capabilities in Rockefeller Philanthropy Advisors' Operating Archetypes model. Operating Archetypes are metaphorical representations that illustrate what a philanthropy seeks to achieve and how it puts its resources to work. For certain archetypes, communication is particularly crucial—for example, Think Tanks, which are typically focused on disseminating findings on complex issues to decision makers, affected communities, and the general public. Arnold Ventures, a U.S. based philanthropy that represents a Think Tank archetype, has an imperative to identify, promote and invest in evidence-based policies and programs that maximize opportunity and minimize injustice. In addition to building the evidence base for effective social policy, Arnold Ventures has begun to invest increasingly in communicating and promoting its findings. As the foundation's vice president Sam Mar put it, "Research and evidence are great and necessary to know what policies work and why but none of that is sufficient if nobody is aware of this knowledge."

Similarly, Campaign Managers need to navigate the broad range of viewpoints, approaches, and theories of change held by the stakeholders across different sectors while building consensus around campaigns. Ramping up communications is important to building trust, as well as relaying goals, and thus to sustaining momentum.

Field Builders increasingly rely on a robust communication function. As a globally recognized Field Builder, Wellcome Trust of the U.K. is dedicated to strengthening institutions that are responsible for generating, disseminating, and applying scientific insights to catalyze breakthrough ideas and establish the evidence base for effective health interventions. In addition to building knowledge by working with external researchers, Wellcome has invested in deepening its in-house roster of scientific experts and advisors who help guide the organization and communicate research findings to relevant audiences.

Venture Catalysts focus on convening power to bring diverse voices to sharpen their lens for discovering and investing in promising early-stage solutions. As a Venture Catalyst focused on promoting and enabling biodiversity conservation in Brazil for example, Boticário Group Foundation uses a variety of financial instruments, including an environmental impact acceleration program to strengthen the business community's impact investing capacity.

for amplifying the work of grantee partners is an important step in creating an authentic communications strategy that benefits the communities you're seeking to serve. By meeting organizations where they are, allowing them to tell you the easiest way to share information, and letting partners guide the process, you can ensure that this communications strategy doesn't become extractive and create more work.

- **Find Natural Storytellers:** Have regular check-ins with people who might have interesting stories to tell. Consider regular editorial meetings to look at the editorial calendar together and listen to their ideas. Building those relationships is a great way to get a rich mix of current and relevant content.
- **Choose the Right Platforms:** Different platforms have different audiences and engagement styles. It's important to select the platforms that your target audience uses and that suit the type of content you are sharing. Some platforms are universally popular and provide a wide reach. Philanthropies can leverage these platforms, adhering to best practices for each to maximize engagement. Many platforms offer ways to build communities, such as groups or hashtags on Facebook, LinkedIn, Instagram, TikTok or other social media. Philanthropic organizations can use these tools to cultivate a community of supporters who can amplify their message.

Crafting Empowering Narratives for Change

Narrative and sentiment change are powerful tools that involve reshaping the discourse surrounding a particular topic and influencing prevailing sentiments and perceptions. Stories, in particular, possess an extraordinary power to shape perceptions and sway public opinion. A critical component of communications, storytelling is a potent tool that helps organizations connect with their audience on an emotional level. The magic of storytelling lies in its ability to convey a message in a way that resonates with the audience. In philanthropy, compelling stories encapsulate the heart of the organization's mission and the efforts it makes to effect change. A well-crafted story can inspire, foster empathy, and motivate action. Storytelling that drives empathy and action goes beyond mere facts and figures—it's about forging a meaningful narrative arc that engages both the mind and the heart. It is here where philanthropic organizations can play a pivotal role in altering attitudes and behaviors, especially concerning harmful stereotypes and biases.

The role of philanthropic organizations in driving narrative change extends beyond their own activities; they can also serve as vital advocates for their grantees' work. By amplifying the successes and challenges faced by their grantee partners, these organizations can create awareness, build momentum, and garner support for the issues their grantees are addressing. This process, however, demands a delicate balance. Philanthropies should amplify their grantees' work without overshadowing them or claiming undue credit for their achievements. The stories told must be emotionally resonant without exploiting or further marginalizing the voices of grantees. Inclusion of the communities impacted is imperative at every stage, and highlighting active agents of change is paramount. Each piece of content should ideally culminate in a compelling call to action, inviting the audience to engage more deeply with the cause.

Using an Asset-Framing® Lens

To accomplish this, philanthropic organizations can employ an "asset-framing" lens. Created by renowned social entrepreneur Trabian Shorters, this approach focuses on highlighting the strengths and potential of individuals or communities rather than dwelling on their deficits or problems. It allows organizations to craft empowering narratives that break away from reinforcing harmful stereotypes or stigmas. Asset-framing operates on the assumption that all individuals possess inherent value even before any interventions take place. In contrast, deficit-framing tends to define people by their problems, often leading to negative perceptions. Embracing asset-framing triggers a move towards empowerment and inclusivity.

The Power of Language and Narratives

This transformative perspective infiltrates even the mission and value statements of organizations. Traditionally, these statements have often been laden with deficit-framing language. For instance, "We help at-risk youth in high-crime neighborhoods" contains two deficit-framed statements. In contrast, an asset-framed version would read: "We help young people overcome obstacles and achieve their dreams." This shift is profound, conveying a desire to help individuals realize their ambitions rather than reducing them to their challenges.

Narratives wield immense power in shaping judgments and perceptions. Consider for example, the impact of language in the context of significant social issues. Campaigns advocating for marriage equality shifted the conversation from oppression to aspiration, focusing on the right to honor commitments. Similarly, the term "pro-choice" was crafted to focus on rights; and the terminology shift from "gun control" to "gun safety" speaks volumes. Language matters profoundly; words steer perceptions.

Embracing Change for Empowerment

Historically, many social good organizations used deficit-framing language to emphasize crises and engage supporters. This includes in their mission statements, for example, "We help at-risk youth in high-crime neighborhoods." This common statement has not one, but two deficit-framed statements. Instead an asset-framed version would read: "We help young people overcome obstacles and achieve their dreams." The shift is profound. Asset-framing conveys the desire to help individuals achieve their ambitions, rather than reducing them to their challenges.

Asset-framing doesn't ignore challenges; it acknowledges them but reframes the narrative by introducing individuals through their aspirations and contributions before mentioning their challenges. The brain wants narratives and will build them. Over time, framing things in the deficit creates cynicism and eats away at hope. One of the benefits of asset-framing is that when you state someone's aspirations, your brain instantly associates them with worthiness. It becomes much easier to see that the problem is not the person but situations and systems that block their worthy aspiration. This approach helps break the association between an individual and the problem, fostering a more empathetic and empowering perspective.

Effects of Framing One Group as the Standard

Language is so important that even the order in which you put words can matter. A recent study[1] using four similar statements ("girls do just as well as boys at math," "boys do just as well as girls at math," "girls and boys are equally good at math," and "boys and girls are equally good at math") revealed that minor changes in framing can unintentionally perpetuate stereotypes, even when the content intends to promote equality. When boys were mentioned first, participants tended to attribute more natural ability to boys; when girls were framed as the standard, however, that number reversed. Interestingly, participants did not recognize any bias in the framing despite the outcome.

This research underscores the critical role language plays in shaping perceptions and the potential for unintentional reinforcement of stereotypes, even in well-meaning statements. In the context of philanthropy and communication, it highlights the need for careful wording to ensure that messages genuinely convey equity and avoid inadvertently perpetuating biases, making it vital for philanthropic organizations to consider not only what they say but also how they say it to effect meaningful change.

[1] Eleanor K. Chestnut, Ellen M. Markman, *"Girls Are as Good as Boys at Math" Implies That Boys Are Probably Better: A Study of Expressions of Gender Equality*, Cognitive Science September 2018. https://onlinelibrary.wiley.com/doi/full/10.1111/cogs.12637

Cultivating Empathy and Hope

Remember, defining people by their challenges equates to stigmatizing them. It's essential to review your organization's mission and vision statements to assess where they fall on the framing spectrum. Consider initiating discussions at board or leadership meetings to reevaluate the wording of your statements and messages, with the aim of adopting an asset frame rather than a deficit frame. This shift cultivates a narrative that reflects worthiness, optimism, and the potential for positive change.

Communications Examples

Real-world examples can provide invaluable insights for organizations looking to enhance their communications strategy and storytelling. Below are two good examples highlighting how philanthropies have leveraged the power of communication in radical ways to drive impact, inspire change, and foster stronger relationships with their stakeholders.

At the intersection of various fields, Italy-based Fondazione CRT's Officine Grandi Riparazioni (OGR) project demonstrates the power of communication in creating clarity and transparency. Through proactive and comprehensive communication efforts, OGR has succeeded in making its complex work understandable and accessible to various stakeholders. By meeting partners and populations where they are, OGR has been able to foster engagement, build partnerships, and inspire collective action toward shared goals.

ArtPlace America stood out for its commitment to empowering grantees to tell their own stories. The organization provided technical assistance, hosted social media takeovers, and worked with multiple communications partners and grassroots leaders to amplify community voices. In addition, the funder provided technical assistance and paid contributors to ensure that the narratives shared were authentic, engaging, and impactful. As a time-limited fund, the strategic pivot to communication was a critical part of its strategy, ensuring its impact and learnings continue to resonate and inspire long after their funding cycle ended.

These examples underscore the importance of transparency, inclusivity, and strategic communication in amplifying impact and fostering stronger relationships with stakeholders. They also highlight the value of investing in communication, whether it's by building internal capacity, leveraging partnerships, or developing storytelling techniques.

Ethical Considerations in Storytelling

When sharing stories of those from vulnerable communities, representation, consent, and the potential for exploitation demand special attention and care.

- **Representation:** It's essential to ensure fair and accurate representation when telling stories. This means acknowledging and respecting the diversity and individuality of people, their experiences, and the communities they represent. It also means avoiding stereotypes and assumptions that may perpetuate harmful biases.
- **Consent:** Storytelling must always be based on informed consent from the individuals whose stories are being shared. This involves being transparent about how the story will be used, who will have access to it, and the potential implications of sharing the story.
- **Exploitation Risk:** Stories should be told in a way that does not exploit the experiences or circumstances of the individuals or communities being showcased. This means avoiding 'trauma porn'—the overuse of distressing details just to provoke a reaction—and not commodifying or oversimplifying complex issues for the sake of a compelling narrative.

Keeping these ethical considerations in mind can help protect the integrity of the individuals and communities involved and contribute to more ethical storytelling in philanthropy.

Evaluating Communications Strategies

Regular evaluation of communication strategies helps philanthropies to understand what works, what doesn't, and how to improve their efforts over time. Having impact goals and objectives, identifying appropriate metrics and key performance indicators (KPIs), and leveraging available tools can aid the evaluation process.

Setting Impact Goals and Objectives

Just like any other organizational initiative, storytelling should have clear and measurable objectives. These goals can range from raising awareness about a specific issue, driving contributors, or increasing stakeholder engagement. By setting explicit targets, organizations can stay focused and unified in their communication efforts, ensuring that every story told aligns with the overarching mission and vision. Regularly tracking progress and adjusting strategies based on the results can help to optimize impact and ensure the organization is always improving in its storytelling efforts.

Metrics and KPIs for Evaluation

Choosing simple and meaningful metrics is key in the evaluation process. Metrics might include reach, engagement, conversion rates, and sentiment analysis, among others. For example, if an organization's goal is to raise awareness about a particular issue, metrics could include the number of views, shares, likes, and comments on their stories across various platforms. It's also vital to consider qualitative feedback, such as comments, testimonials, and reviews. These insights can provide valuable context to the quantitative data and highlight areas for improvement. By understanding what resonates with their audience, organizations can adapt approaches accordingly and strengthen storytelling efforts.

Tools for Evaluation

There are numerous tools available that can assist in the evaluation process, each offering unique features and benefits:

- **Google Analytics:** A comprehensive web analytics tool that provides insights into website traffic, user behavior, and engagement. This data can reveal how well your stories are reaching and resonating with your audience.
- **YouTube Analytics:** This built-in tool offers an in-depth look at your channel's performance, including views, likes, shares, and viewer demographics. It can be particularly valuable if video is a key part of your storytelling strategy.
- **Hootsuite:** A social media management platform that allows you to schedule posts, track performance across various platforms, and listen to conversations about your brand or topics of interest.
- **SurveyMonkey:** An online survey tool that can help gather qualitative feedback from your audience. This can provide valuable insights into how your stories are perceived and their impact.
- **Brandwatch:** A digital consumer intelligence and social media listening tool. It can provide sentiment analysis, which can help gauge public opinion and emotional responses to your stories.
- **Tableau:** A data visualization tool that can help represent your evaluation data in an easily digestible format, revealing trends and insights that might be harder to see in raw data.

These are just a few examples; there are numerous others. Training and familiarity with these tools are essential to maximize their utility and ensure accurate interpretation of data. Remember, the right tools for your organization will depend on your specific objectives, the size and capacity of your team, and the platforms you're using for storytelling.

Evaluation is pivotal for any organization seeking to enhance its storytelling. By setting clear objectives, using appropriate metrics and KPIs, and leveraging the right tools, organizations can gain a comprehensive understanding of the impact of their storytelling efforts. This data can guide future strategies, ensuring the organization's stories continue to resonate with their audience and drive the desired change. The final section of this chapter will provide a summary, calls to action, and additional resources for storytelling in philanthropy.

Conclusion

This chapter touched on the growing role of communication in driving impact within philanthropic efforts. Communication, and in particular storytelling, has emerged as a critical strategy in the philanthropic sector, helping to build transparency, legitimacy, and trust, while also mobilizing resources for targeted areas of impact. Communication is not a one-time effort; it is an integral part of your organizational culture. By fostering a culture of communication, you create an environment where ideas are freely shared, feedback is valued, and collaboration is encouraged. When communication is embedded in your organization's DNA, it becomes a powerful tool for innovation, learning, and continuous improvement.

Calls to Action for Philanthropy

Philanthropies can increase their impact by harnessing the power of strategic communication and storytelling in innovative and impactful ways.

- **Engage in authentic storytelling:** Incorporate the key components of communication strategies to promote narrative change, advocate for grantee work, adopt asset framing, and create compelling content.
- **Invest in storytelling capacity:** Understand your organization's unique communication needs and invest in enhancing capacity, whether that involves hiring new talent, providing training for partners, grantees, staff or community members, or leveraging external resources.
- **Evaluate success:** Be proactive in setting clear, measurable goals and objectives for your storytelling efforts. Use appropriate metrics and tools for evaluation and be prepared to adjust strategies based on feedback and results.

Additional Resources for Storytelling

There are numerous resources available to support storytelling in philanthropy:

- Rockefeller Foundation's Digital Storytelling for Social Impact: A rich resource that outlines how digital tools can be used for compelling storytelling, complete with case studies, expert advice, and tactical tips.
- **Interactive Tools and Training:** Resources like the Storytelling for Change course from Acumen Academy offer valuable training on crafting compelling narratives for social impact.
- **Learning from Grantmakers:** Reports like "Communicating for Impact" offer insights into how grantmaking organizations are leveraging storytelling in their work.
- **Digital Storytelling Communication Toolkit:** Resources like the Digital Storytelling Toolkit from Nonprofit Tech for Good offer practical advice on using digital platforms for storytelling.

Conclusion

The scope of philanthropic endeavors has grown in diversity, robustness, and reach, giving rise to a myriad of opportunities to effect change. However, as this book has demonstrated, the journey to effective, equitable, and transformative philanthropy is an intricate one that requires critical thought, strategic planning, and an unwavering commitment to justice and inclusivity.

Throughout this book, we've examined the many facets of philanthropy—from strategic giving and impact investing, to the power of effective communication and the transformative potential of fully embracing DEI principles internally and externally. We've shed light on the ethical considerations intrinsic to this field, recognizing the need for a shift in power dynamics that empowers those directly affected by societal issues to become active agents in crafting solutions.

Looking to the future, philanthropy is poised for even bolder change. A new era of philanthropy is on the horizon, characterized by transparency, collaboration, and trust as fundamental pillars, not just aspirations. The anticipation is for a world where philanthropy is democratized, and decision-making becomes a collective endeavor.

The publication in your hands is not just a guide, but a clarion call to all philanthropists, grantmakers, and changemakers. It invites you to question traditional norms, overcome obstacles, and embark on unconventional routes. The time is now to change your approach, use technological advancements, and embed the principles of justice, equity, and belonging into your philanthropic pursuits.

The transformative potential laid out here is not just theoretical; it can become a reality using the practical approaches outlined throughout the book. While adopting new methods or practices and having the courage to listen, learn, and act are necessary, they are not enough. True success will also depend on your ability to maintain persistent commitment to a more just world.

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