Reclaiming the Moral Life of Philanthropy?

July 21, 2011, 12:00 – 2:00pm

Program and Panel

12:00 p.m. Welcome by Hudson Institute's William Schambra
12:10 Panel discussion
   Phil Buchanan, President of the Center for Effective Philanthropy
   Gara LaMarche, President and CEO of Atlantic Philanthropies
   Leslie Lenkowsky, Professor of Public Affairs and Philanthropic Studies at Indiana University
   Maya Wiley, Founder and Executive Director of the Center for Social Inclusion
1:10 Question-and-answer session
2:00 Adjournment

Further Information

This transcript was edited by Kristen McIntyre. To request further information on this event or the Bradley Center, please visit our web site at http://pcr.hudson.org or send an e-mail to Kristen McIntyre at Kmcintyre@hudson.org.
WILLIAM SCHAMBRA: This is great. I’m accustomed to 30-40 percent falloff between the signups and the attendance, but today we’ve done very well. I’m Bill Schambra, director of the Bradley Center for Philanthropy and Civic Renewal here at the Hudson Institute. Kristen McIntyre and I welcome you to today’s discussion of a terrific speech delivered almost a year ago at MIT by Atlantic Philanthropies’ president Gara LaMarche, entitled “Reclaiming the Moral Life of Philanthropy.” In that speech, Gara expressed, as he put it:

a disquiet about the way we in the foundation world, along with the organizations we support and the infrastructure many of us have helped to build, have mirrored trends in the political world to talk about what we do and why we are doing it in ways that strayed too far from first principles. We have become more about the fix, the intervention—to use a horribly dominant word in the field that calls to mind invading armies—than about the reasons for doing or caring about it. In marching under the flag of what works, and in particular what can be proven or demonstrated through the rigors of evidence, we risk straying too far from what it right. I think it is time to strike a better balance.

The Bradley Center thought that this was a terrific stimulant for one of our monthly panels here at the Hudson Institute. Since I suspect that some of you are here for the first time, I should add, we do try to do these panels once a month. We try to have this kind of reasonably mixed and balanced group of commentators on the issues. So if you are interested in these kinds of conversations, please be sure we have your email address.

Anyway, we thought that this would be a terrific topic for one of our panels, which we like to think are stimulating and provocative conversations. So it is with great pleasure that we introduce to you today a distinguished group of individuals to pursue that conversation. We’ll hear first from Gara LaMarche himself. I should note, in the interest of full disclosure, that the Bradley Center here at Hudson is a proud grantee, not only of the Bradley Foundation in Milwaukee, but also of Atlantic Philanthropies. Gara will be followed Maya Wiley, director of the Center for Social Inclusion. Then Phil Buchanan, president of the Center for Effective Philanthropy. And finally, returning for one of his frequent visits to the Bradley Center, Les Lenkowsky, professor at Indiana University and a former president of Hudson Institute. So Gara, why don’t you kick us off?

GARA LAMARCHE: Thank you very much, Bill. I am glad to be given the opportunity to come and talk here at the Bradley Center. This is my third or fourth panel over the years and one of the reasons that, when Bill asked if we would support the series a year or two ago, I was delighted to be able to do it is because I think that the Bradley Center is one of the very few places in philanthropy, on the right or the left, where there is a genuine debate and discussion that is ideologically diverse, and where people actually kick around in serious ways important societal questions and questions about philanthropy. So that is rare enough. And it seems to me that it deserves support when it happens, so I’m grateful both for the existence of the Bradley Center and the work of Bill and Kristen, and also for the opportunity to come and talk here today. It’s a great compliment to me, that isn’t quite the way I want to say it, but I consider it a wonderful thing that somebody pays enough attention to something that you write that they offer an opportunity for you to hear critiques and reactions to it. That is also something that is a little too rare in the philanthropic and the nonprofit world.

So I have, over my 15 years or so in philanthropy, and particularly in the last four or five years at Atlantic Philanthropies, of which I am now the former president and CEO, as of July 1st, I have
thought a lot about philanthropic questions and talk about them from time to time. MIT gave me an interesting opportunity to do that. And it’s been a kind of a little afterlife for this speech and I’m really grateful for the kind of panel that has been put together today. Indeed, looking out at the audience, I know enough about so many of the people here to know that it will be great to have engagement, whether it’s critical or supportive. By the way, in the audience, I should say, as an active person in the Facebook community, that I know that today is the birthday of Aaron Dorfman, the executive director of NCRP. Well, we were having a discussion about how old you were, and you can confirm later, because you’re probably concerned about identity theft, so you didn’t put your age on Facebook. But we’ll see who came closer in our little bet. But anyway, I am a proud board member of NCRP, and it’s great to have Aaron here today.

So you know, Bill puckishly thought it would be fun to use the picture of Charlton Heston from the Ten Commandments to promote this panel; it was probably one of the reasons so many of you turned out today. [LAUGHTER] And reminds me of Mort Halperin, my friend who is now at the Open Society Institute, but who had been at ACLU and other places that I’ve worked over the years. And he tells this anecdote about legislative negotiation. Moses comes back from negotiating with God and says to the Israelites, ‘Well, I have good news and bad news. The good news is, I got him down to ten. The bad news is, adultery is still in.’ [LAUGHTER] So a little Ten Commandment joke to get us started here today. [LAUGHTER]

What’s funny about the Ten Commandments metaphor is, I guess it has some relationship to the question of morality, I guess, but I think if the Ten Commandments had been written by a lot of foundations today, it might not actually have been as succinctly put as ‘thou shalt not kill,’ ‘thou shalt not covet thy neighbor’s wife,’ and ‘thou shalt not bear false witness.’ It would be have been a logic model, probably, to explain what the theory of change was for when you shouldn’t bear false witness or covet thy neighbor’s wife.

So let me say, I gave this talk, and some of you have read it, but I’m assuming not everyone has. I’ll give you just a very short kind of riff on it, and then I’m really eager to hear what people have say, who I know have read it, and then I’m very eager to hear what the conversation is that is more participatory. I have had a feeling for a while that the movement in philanthropy and the nonprofit world is generally toward a greater degree of pragmatism and a focus on effectiveness. Along with that, very often, is metrics, which is not a trend that I entirely decry by any means. I have worked at the Open Society Institute with George Soros, who didn’t really put much truck in evaluation or metrics and was somewhat of an intuitive philanthropist. I’ve known over the years James Piereson, who was the president of Olin Foundation, and having interviewed him, both for my class and in various public settings, I know that when you ask the question about Olin of how did they think about evaluation, they don’t really have as much to say about it as the Hewlett Foundation, for instance, would. Yet the Olin Foundation in my view, in its relatively brief life, was a tremendously effective foundation. I don’t agree with many of the things that the Olin Foundation supported. I have a different point on the ideological spectrum, but I think it’s undeniable that they had a significant impact on public policy and on the way people think about things, even while not having all the language of metrics and all the apparatus of that.

So Atlantic Philanthropies, when I came there, I think was squarely in the community of foundations that arose in the last 10 or 15 years in what I would call kind of an “effectiveness movement.” I mean, Phil, who is here today from the Center for Effective Philanthropy, was a key figure in that; also the Edna McConnell Clark Foundation, William and Flora Hewlett Foundation, and a number of
other foundations and institutions. I think that is a very important movement in philanthropy. My own roots are more in what you might call the social justice movement in philanthropy, and I believe that the right place to be is in some marriage of those two.

So I’m not making a point that we need to abandon all concern with measurability, impact and effectiveness, and I think that there is much good with those movements. But the disquiet I’ve had, that I talk about at some length in this speech, with the way much of philanthropy has developed is because it has become largely unhinged from the basic values which ought to animate philanthropy and that effectiveness for its own sake has no point. There has to be an underlying core. I am not arguing that there is a right or wrong morality. That is a critique that we can get into, because obviously my sense of what a moral position is might be different than your sense of a moral position. I believe, though, that people are most effective when they argue from first principals, and they must never stray too far from that, which is what I was talking about a little bit in the quote that Bill read.

So in the talk I walked through from my own life, and from the work of other philanthropies, a number of examples of issues that I’ve dealt with where I felt the failure to be sufficiently grounded in large values and moral principles was costly over time. The initial example that I used, which is very timely today, I think, was from my time in Texas at the Texas Civil Liberties Union, which was a fun time. [LAUGHTER] No, it was. It was one of the best jobs I ever had, running the ACLU in Texas. There was a lot of work to be done, and Texas is a very diverse state in a lot of ways, and I had a great time doing it. One of the challenges that we felt there was that the state was locking up too many people for non-violent offenses and that there were alternatives to incarceration. This is a movement that has really grown over the years, and that OSI, when I was there, and still to this day, is a key funder of.

We began to use cost/benefit language in talking about prisons and incarceration. That language became, at some point, very appealing to the then Republican governor of the state, Bill Clements, some of the leaders on the Republican side and the Texas Senate and the Texas House of Representatives, who were looking for ways in the fiscal crisis of 1986/1987 to save money. They found it appealing to try to reduce the prison population in order to save money. So the Texas Department of Corrections population went down a bit when I was there. However, in the years since, I think it has quadrupled. And indeed, we are beginning to see a very contrary trend, and I think actually in Indiana, this has been going on, too, or in almost all of the states.

The fiscal crisis has caused even very conservative people with good law and order credentials to rethink the question of overreliance on incarceration. But the point that I was trying to make was that, is we believed that incarceration should be a penalty of last resort. We lock up more people for more periods of time than any other country, certainly in the democratic world. And we had a set of values that we believed in about when it is right and when it is wrong to use incarceration, why there is an important liberty value at stake, and so on and so forth. Yet I think we strayed pretty far from it when we decided to argue it principally in cost/benefit terms.

Recently in the New York Times, Michelle Alexander, who is the author of The New Jim Crow, who used to be a Soros Justice Fellow, argued very, very eloquently, and if you look at my blog I quote this at some length, and I won’t do so here today, because it would require me to put on my glasses, which I try to avoid doing. Because my regular glasses broke, and I have these glasses that kind of look like I’m a German architect. [LAUGHTER] So in any event, the failure to build a movement pertaining to overreliance on incarceration that is grounded in first principles and it only takes
advantage of short-term opportunities that are posed by the desire to save money, over time means that you don’t really build any kind of a movement of public understanding of why it is that we need to be sparing about incarceration in the first place. It’s short sighted to try to view those issues only in economic terms.

By the same token, if you look at the field of civil liberties, and Atlantic and OSI have both been extremely active in the last ten years in funding organizations that are fighting what we believe to be some of these civil liberties abuses of the post-9/11 era—Guantanamo, torture, military commissions—it happened that a lot of advocates have out of necessity, and I think very smartly in some ways, made arguments about why torture is wrong, that rely very heavily on what I might call “effectiveness arguments.” In other words, I happen to believe, and I’m sure there is a diversity of opinions about this in this room, that torture is flat out wrong. It should not be available. I believe in the international conventions that hold that, but I also believe fundamentally that it is the right thing to do to oppose torture. I don’t think it should be available in any humane and democratic society. In fighting the re-emergence of torture in the last ten years or so, particularly under the Bush Administration, I think advocates were very smart in many ways in bringing military personnel into the discussion, people who could argue that torture was ineffective and had never produced good results. And I think that is an important arrow to have in the quiver if you’re concerned about stopping torture.

But if it is the only arrow, or the principal arrow in your quiver, you leave yourself very open. You can live or die by the effectiveness argument. I happen to believe that it’s both true that torture is wrong and that it is ineffective. But if for some reason it was proven to be effective, I’d still be against it. And I think the more you get away from that fundamental moral argument, the worse off you are. There is some evidence in public opinion, as I say in the speech, that what appeals most to people in having a discussion about the values that underlie this, is it is a return to a basic discussion of values. If you ask people in public opinion polling what the strongest argument against torture is, it doesn’t turn out to be that it doesn’t work. It turns out to be that that is not who we are as a country. That turns out to be the most resonant thing with people.

I also talk in the speech about immigration, school reform, the kind of budget struggles that are going on right now, and the failure of healthcare, which Atlantic was deeply involved in. I think that there are probably people in this room who think that the healthcare law is an abomination. There are people like me who thought it was a significant, though not quite adequate, social reform and expansion of the social safety net. We have a diversity of views on those things, and I give the president a great deal of credit for identifying the issue and running with it at some cost to his own political capital. I do think, however, and this is strange in an administration which is headed by a man who obviously has enormous rhetorical gifts and is capable of arguing things in terms of first principles, that the healthcare debate was waged largely on technocratic grounds. It seemed to me that the progressive side of the argument suffered greatly from this. I think the conservative side of the budget debate, the healthcare debate and a lot of the current debates, has the advantage, though I disagree with virtually all of the actual positions taken, the advantage very often of being grounded in more fundamental moral rhetoric. I have a lot of issues with the Tea Party, but I have little doubt that many of the people in it are motivated by a strong moral sense that overspending is wrong and that we ought to live within our means, and very often they articulate it that way. You don’t find that quite as often on the progressive side.
Finally, I was on a panel here a year or two ago that was about the Obama Administration and foundations, “Too Close for Comfort,” I think Bill titled it. We talked about the relationship between the Obama Administration and foundations. The Social Innovation Fund, Race to the Top and all the things that are going on in the current administration are meant to be grounded in evidence-based policies and programs that work. They actually flow quite strongly from the trends that I’ve been talking about and the work that is been done by foundations like Hewlett, Robin Hood and Edna McConnell Clark. And as I say, there is a lot to be said for that movement. So the Obama Administration in a smallish way, in the Social Innovation Fund, and in a larger way, through Race to the Top and other things, has really taken that and tried to put it to work in the way government programs are funded. We will see how that all comes out. It has not been that long ago that the first round of grants from the Social Innovation Fund were made.

People in and around the Social Innovation Fund and the effectiveness movement in philanthropy have been talking to me recently about the concern that we lack any real constituency for effective programs; that in order to protect and advance this movement in government and philanthropy, we need to build a stronger base for it. And I agree with that. I don’t think that you will build that constituency until you reach out more, and not simply to the elites that are concerned with social policy.

We were talking about education a little bit over lunch. But until there is investment in that by the people most affected in the communities that philanthropy, or government for that matter, is trying to help, until people are more actors than acted upon. I think the challenge for things like the Social Innovation Fund is that there is no natural constituency for effectiveness as such, that nobody wants to march under the banner of effectiveness or proven programs, important though that may be. People care about education reform, or they care about the elimination of poverty, because they don’t like to see people go hungry, and they don’t like children to go to schools which aren’t serving them very well. That is why people get up in the morning and go to work at various kinds of nonprofits, some of which are represented here. They are not fundamentally driven by a sense of pragmatism or effectiveness or even impact.

I am arguing, much less eloquently, I can assure you, than I try to do with the speech. I don’t like to repeat myself. So you get what you don’t pay for. [LAUGHTER] But what I’m arguing, essentially, is that you don’t need to abandon the approach that a number of people in this room represent about metrics and effectiveness, but we need to ground all the work that we do, whether on the right or the left. My critique is mainly aimed at my colleagues on the progressive side, unless we know what we’re about in the sense of our fundamental values and articulate our programs and our policies in terms of those values. But then the question is, is it a return? Is it reclaiming the moral life of philanthropy? Or is it inventing it in the first place? I wonder. That’s all I have to say to get it started. So thank you for your time. [APPLAUSE]

MAYA WILEY: So I feel a little challenged to follow Gara on a question about philanthropy and morals when he reminded me in the green room that he first met me when he was on the executive committee of the American Civil Liberties Union board. I was a very junior staff attorney that had stormed into the meeting with a whole bunch of other junior staff attorneys to demand higher wages. And the metric I then realized, if we’re going to talk about metrics, that applied to that with my value of living wage, which I was not earning, was that I had had that job for a year and I had never got a pay raise. So not so transformational, my little experience to begin with. [LAUGHTER] But I will say that Gara then hired me later at the Open Society Institute.
So the position that I hold here is a little bit different, because I spend my days actually as a grant seeker. While I have spent some time on the other side, it was not very long and not a big part of my career. At the Open Society Institute, which as Gara has said, is not a place where George Soros spends a lot of time talking about evaluation metrics, there certainly were principles and values at work in terms of what the foundation was supposed to do, what it was supposed to produce, even if we didn’t always know all of it, because open society and a democratic open society in which everyone can participate was a core value of the foundation.

In reflecting on what Gara said at MIT, the short answer, and particularly as a grant seeker, I agree. I don’t have a lot to challenge in terms of the speech itself. I think that there are some fundamental parts of the larger conversation it actually calls us to that I wanted to highlight, which is, if we think about some of the tension underlying this issue of, whether the role of philanthropy is to be accountable in a narrow sense to a particular set of metrics and outcomes, then what are those? What are we trying to produce more wholly, more holistically and largely beyond what the foundation itself does? If we assume that that’s much of what is talked about, that that is the tension point, are we producing a longer term larger impact? Or are we trying to make sure that the actual specific dollars that are put out there do what the program officer said to his or her higher ups it would do?

In a sense one it’s a false dichotomy, because certainly the foundation at a certain level has to be accountable for the spending of its money. But two, that it actually ignores, really the larger question, that not just philanthropy, but also those of us on the grant seeking side are confronting, which is, are we talking about transformation or are we talking about transaction? And when can transaction be transformational?

So I’m going to give a couple of examples that build a little bit off of some of the points that Gara raised. I’m going to use healthcare, both because it was one of the examples in Gara’s speech, but also because it’s a body of work that we’ve been working on. I completely agree that the kind of conversation, and at least the tactics around healthcare reform, not necessarily the desires, but the tactics became very, very transactional, so that the goal was cost containment. And the interesting thing is actually, when you think about fundamentally why people care about it in the first place, whether or not you agree with the actual piece of legislation, is that everybody needs to be able to see a doctor when they’re sick. Right? That’s actually the fundamental value proposition—that we all get to see a doctor when we’re sick. That we know we won’t lose our home when we do that. That there is a way for us to actually be fully participative in society because our basic human needs are being taken care of. So that is actually the debate that across the ideological spectrum calls us to a more democratic practice.

If you think about that, and that in and of itself is a form of important transformation that I think, no matter our ultimate calculation of what our particular dollars do, we know we need to contribute, because at the end of the day, much of philanthropy is trying to insure that people are taken care of, that people are able to participate, that the nation is prospering, our needs are getting met, and we are all able to participate in being part of the solutions to the problems we all collectively face.

I’m going to give you one other healthcare example. We were doing some work in Mississippi with community-based groups on health equity, particularly focused on communities of color and rural white communities in the South. We were actually showing them how we’re communicating on health, and on the one hand, you had the advocates on the side of health reform pointing out that
563,000 Mississippians stood to benefit from healthcare exchanges. On the other side, they argued that they had to protect their Second Amendment rights to carry guns. So it had nothing to do with healthcare, which is my point, because the value proposition was a liberty frame. It was a debate for that group of folks that thought it was a fundamental encroachment on an important value for us, which is our liberty. Now, personally, I disagree with that, but part of it was, we weren’t saying that the national debate is whether we are all going to see a doctor, because that’s actually a much more collective problem solving frame, and it wasn’t by and large the frame that was a funded frame.

That is not to blame philanthropy. I think part of the thing we have to understand is that there are all sides of this. So grant seekers often will tell Gara what we think Gara wants to hear in order to get the grant, and then part of the danger of this narrow metrics approach, because I actually believe in having some metrics, because we need to be able to report back and show that we did what we said we were going to do. So what happens is, even on our side, sometimes we lose sight of the fact that we are actually trying to produce a much larger transformational set of metrics. And that once we call that transformational, then we have to actually evaluate what we’re doing differently.

What I mean by that is it can’t be linear. So the example I’ll give, we were doing work in the context of broadband and making sure communities that are excluded from broadband are actually able to get engaged in the policy debate and get access to high speed Internet. For us, fundamentally, part of the transformational metric was that this is a racial justice issue, that it’s not just about the economy. It’s about whether we are all able to participate. There is a whole level of participation that does not exist for you if you don’t have high speed Internet access, and that for us, part of the transformational metric is, if we as a society could be engaging in the discussion of fundamental infrastructure differently. The funder that funded us asked us what we were going to produce. And we said that we obviously have a lot of specific things that we are going to try to produce that is part of a much, much longer term strategy. It was not short term or linear because we are going to have components that we can’t yet fully identify. We could identify for two years out, but that we were going to require in terms of real success a whole set of strategies and metrics that were going to extend beyond that two years. And in the end, the grant maker insisted that we say exactly how much money we were going to get moved to communities of color for broadband.

And at the end of that grant cycle, we actually did have some strategies. We had to try to get some pilot programs funded and supported in rural communities of color, but that at the end of the day, we lost on that. That pilot did not get funded out of BTOP funds. So then the metric for the foundation is, we failed, because we didn’t get $15 million of BTOP funds. What that ignores is that we actually have a significant number of people actually engaging in the development of new kinds of pilots to contest about how we spend public resources and whether we meet the needs of rural communities, and actually what it means to build additional opportunities out of infrastructure investments. But we didn’t have a ready set of metrics that foundations could understand connected to that, that connected it to a value of social inclusion.

I just want to make one other point about that, because one of the things about Gara, as many of you know, is that he is deeply, deeply committed to inclusion, and part of that includes racial justice, as well as LGBT inclusion, as well as gender, and as well as a range of other issues. And that if we actually look at one of the things that philanthropy is not doing in turning this kind of sense of what are our goals, what’s our evaluation, what are we actually trying to do back on itself, is actually thinking about some what it means from a philanthropic perspective to be more inclusive. I don’t mean in the foundation. I’m not talking about diversity. I’m talking about in terms of what we are
supporting in terms of inclusion of people outside of the foundation. And the reason I raise that is because a lot of the metrics and the way foundations are now structuring their strategies means that communities of color cannot compete for the dollars. So while we’re at a point in time now where literally half of all children being born are either Latino or black or Asian or Native American, community of color investment from philanthropy has shrunk dramatically in the past decade. And that therefore the investments in the social infrastructure for participation is not amongst our evaluation of our value proposition. And we have to change that. [APPLAUSE]

PHIL BUCHANAN: I add my thanks to Bill for having me here. And I would say that I agreed with more of what Gara said just now than I did when I read his talk. However, I did disagree with some of what was in his talk. Let me first, though, start with what I liked about it because I think that there is a lot in that talk to be admired. For example, I agree with him that today our political discourse is too often focused on what is pragmatically possible, poll driven pragmatism, at the expense of moral clarity and moral courage. And I think whether the example is climate change or healthcare or immigration, all the examples that Gara cites, we don’t hear enough about what simply is right. I think you could also make the point that at this very moment in Washington, a little more focus on what is pragmatically possible might be helpful. But where I part company with Gara is when he asserts that this problem had infected philanthropy. When he suggests that there is some disconnect in philanthropy between the moral case for what we do and the quest to understand what works. Or when he seems to imply that the fact that too many foundations are entrenched in fixed and safe positions, and I would agree, is attributable to a focus on effectiveness, when I would argue the opposite is the case.

So Gara says in his talk, “in marching under the flag of what works and in particular what can be proven or demonstrated through the rigors of evidence, we risk straying too far from what is right.” And I guess I would say, we stray from what is right when we do not assess. This is, after all, about the people we seek to help. If we don’t do the necessary work to confirm that we are in fact helping, then we are falling short of our moral obligation. Mario Morino of Venture Philanthropy Partners, who many of you know, argues in his really good new book, *Leap of Reason*, that every ounce of our effort on assessing social outcomes should be with one end in mind—helping nonprofits deliver greater benefit to those they serve. In my view, it’s nothing less than a moral outrage when programs like DARE or Scared Straight receive massive funding, only to realize that they’re having the opposite of the intended effect or no effect.

Mario’s book has another powerful example from right here in Washington of such an instance. The Latin American Youth Center, which was seeking to educate young men about domestic violence, realized that its programming was having the opposite of the intended effect on attitudes. They realized it because they had the assessment mechanisms in place to know it, and then they retooled their program in order to achieve the results they wanted to achieve. Or consider another example, the durable programmatic infestation of abstinence only education in the face of clear evidence that it fails to protect young people from unintended pregnancy or sexually transmitted diseases. We’re painfully aware, all of us, that our resources are finite and limited. That means that ineffective or counterproductive strategies deflect attention and waste time and money urgently needed to support and expand strategies that are effective.

Gara says in his MIT talk, that there is no real constituency for effectiveness as such, because it is values that move people. So I say, well, what ever happened to doing what is right because it is right, rather than worrying about whether there’s a constituency for it, which I think is sort of how you
opened your MIT talk in terms of the political discourse. I would say it’s morally right to learn as much as possible about whether what you are doing is having the desired effect, whether it’s politically popular or not.

And let’s take on the challenge of building the constituency for effectiveness. My experience at the Center for Effective Philanthropy suggests that there is one and I think that it is growing. A survey we conducted of CEOs earlier this year shows that the overwhelming majority of large foundation CEOs say that assessment is one of their highest priorities. The constituency for effectiveness has deep roots, too. I mean, we didn’t create it. We’re working on it, but it’s not new. Bill Schambra often reminds us, although to him it is a lament, that the mania to measure goes back to the early days of Rockefeller and Carnegie. The constituency for effectiveness is made up of all those who are not content to assume that they’re doing as well as they could be doing. Those who are not content to take for granted that they might not be unintentionally doing harm when they think they’re doing good, those who want to learn and improve, those who reject ignorance and seek knowledge, those among the foundations who want to break out of the bubble of isolation and positive feedback that affiliation with a large endowment tends to create, so that they can learn how they are really doing, how they’re really perceived. There is a growing constituency of those who believe that effectiveness is a moral imperative.

So my big point here is, there is no tension between assessment, effectiveness and morality. There never has been. We’re morally obliged to know how we’re doing so we can improve. And I would argue that the impulse to understand effectiveness stems exactly from our reasons for doing the work in the first place. So if we really care about improving the lives of former foster kids, we must track, then, as the Stuart Foundation does in California, the number of those kids aging out of the foster care system with a lifelong connection to a caring adult, and the number that go on to graduate from college. If we really care about civil rights for gays and lesbians, as the Gill Foundation and its grantees do, then we must track carefully in which states gays and lesbians enjoy the same legal protections, whether in marriage or in the workplace, as heterosexuals. If we really care, as the Robert Wood Johnson Foundation and its grantees do, about tackling the obesity epidemic, then we must track the relevant data, including the data on the aspects of our strategy that they’ve chosen to attack that issue, just as the foundation did so well in its successful work to bring down the rate of tobacco use in the United States. Some of these foundations, just full disclosure, provide grant funding to CEP. Robert Wood Johnson Foundation does. But so does Atlantic, and you can see that that isn’t stopping me. [LAUGHTER]

GARA LAMACHE: Of course, I’m not the CEO anymore. [LAUGHTER]

PHIL BUCHANAN: Did I know that at the time I accepted the invitation? I don’t know. If we really care, as the Wilburforce Foundation and its grantees do, about the preservation of habitats for wildlife, then we must be data driven in the tracking of endangered species and seek to strengthen the organizations on the ground in local communities doing that work. And then Wilburforce goes out, and with help from us, seeks to find out, do the grantees they seek to strengthen actually think the foundation’s been helpful to them in the ways that Wilburforce hopes? These organizations assess, because they bring passion to important issues. Caring and knowledge of efficacy are not in contention. They are not qualities to be held in balance, as Gara suggests. They form, instead, a virtuous cycle. Just as we should reject the caricatures and polarization that we see too much of in our political world, and that cheapen our political discourse, so, too, should we reject them in philanthropy.
I’d argue that invocation of morality without any regard to effectiveness is often just ideology. We work in the nonprofit sector because of our desire to make communities stronger, lives better, air cleaner, whatever the goal is that you and your organization fight for. That’s why we do the work. For that reason, we want to know, and most of us deeply, desperately want to know, if what we’re doing is working. If it is really making a difference.

Of course, it’s hard to know. Some of the attempts to answer those questions are misguided or ill designed. And I’m not here to defend stupid measurement. I’d be the first to acknowledge that some assessment is done badly. I’d also concede that some make the foolish choice to let ease of measurement drive their selection of goals in the first place. But let’s not let those errors in thinking and approach taint our view of the importance of assessment. The fact is that the alternative to measurement and assessment is flying blind. Doing nothing or worse than nothing when we need to be doing good, failing to know what really helps people, failing to direct resources in ways that really result in improvement in people’s lives, failing to be our very best. So assessment and morality aren’t in contention and never have been. On the contrary, we’re morally obliged to know how we’re doing so we can learn and improve. Thank you. [APPLAUSE]

LES LENKOWSKY: Thank you all, and as always, it’s great to be back here at Hudson. I hope all of you are aware that this year Hudson is celebrating its 50th anniversary. That’s a long time in the life of a think tank. [APPLAUSE] And it continues to produce work, including this program, a lot of work that remains at a very high quality.

MAYA WILEY: Have they assessed it? [LAUGHTER]

LES LENKOWSKY: I don’t know. I know there is a pragmatic test, but I think those of us who have been CEOs of organizations know that one of the measures of success is what we call the bottom line, notwithstanding the difference between nonprofits and businesses. I think as anyone who has known Gara LaMarche’s very distinguished career, read his speech, or heard his remarks today, would acknowledge, he is a man renowned for his benevolence. He truly wants philanthropy to reclaim its moral authority, which to him means embracing what he refers to as “progressive world views.” And a lesson, the fixation of philanthropy on what he calls “policies, programs and bills.”

As I read this, for some reason, I kept thinking about a famous dialog that many school children would have known if they had gone to school in the middle 19th century, and as a result, it’s largely unknown to we more enlightened people today. It is a dialog from McGuffey’s Reader, which normally goes under the title of “True and False Philanthropy.” The protagonists are named Mr. Phantom and Mr. Goodman. You can guess who is the more sympathetic one. [LAUGHTER] I just want to read a brief excerpt from it:

Mr. Phantom: I despise a narrow field. Oh, for the reign of universal benevolence. I want to make all mankind good and happy.

Mr. Goodman: Dear me. Sure, that must be a wholesale sort of job. Had you not better try your hand at a town or neighborhood first?

Mr. Phantom: Sir, I have a plan in my head for relieving the miseries of the whole world. Everything is bad as it now stands. I would alter all the laws and put an end to all the wars in
the world. I would put an end to all punishments. I would not leave a single prisoner on the face of the globe. This is what I call doing things on a grand scale.

Mr. Goodman: Well, now, I have a notion that it is as well to do one’s own duty as the duty of another man. And that to do good at home is as well to do good abroad. For my part, I would as well help Tom Saunders to freedom as a Pole or a South American, though I should be very glad to help them, too. But one must begin to love somewhere. And I think it is as natural to love one’s own family and to do good in one’s neighborhood as to anybody else. And if every man in every family, village and country did the same, why, then, all the schemes would be met, and the end of one village or town, where I was doing good, would be the beginning of another village where somebody else was doing good. So my schemes would jut into my neighbors. His projects would unite with those of some other local reformer, and all would fit with a sort of dovetail exactness.

Mr. Phantom: Sir, a man of larger views will be on the watch for great occasions to prove his benevolence.

Mr. Goodman: Yes, sir. But if they are so distant that he cannot reach them, or so vast that he cannot grasp them, he may let 1,000 little, snug, kind good actions slip through his fingers in the meanwhile. And so, between the great things that he cannot do and the little ones that he will not do, life passes, and nothing will be done.

Well, Mr. Goodman’s view of philanthropy is very different from Mr. Phantom’s, as you could tell. And I think from Mr. LaMarche’s as well. Mr. Goodman favors a pragmatic approach. Think locally. Try to do what is feasible and avoid grand schemes and moral posturing. Now, I have no doubt that Mr. LaMarche is sincere in his belief that philanthropy needs to become more moralistic. But I am not so sure that he fully appreciates the consequences of what he is proposing.

One obvious issue, which he did note a bit today, is whose morality? Progressive goals are not the only set of goals. Indeed, in the text of his talk, Mr. LaMarche notes with some chagrin that in advocating a more moralistic philanthropy, he is winding up on the same side as some religious figures with whom he has disagreed in the past. But of course, there are more moral points of view than religious ones as well, visions of the good society embodied by philanthropy, in fact, are probably too numerous to count—temperance, eliminating want, war and ignorance. The list can go on and on, and there’s a good reason for this.

As my recently deceased and very much missed colleague, Robert Payton, repeatedly emphasized, philanthropy is the expression of morality. If Mr. LaMarche is suggesting that a particular vision of morality should be more authoritative in philanthropy than others, he is missing a very key point. The essence of philanthropy, especially in contrast to government, is to champion many moral viewpoints, including those that may not be widely held.

The second issue gets to this question of effectiveness. What can be done? It is one thing to embrace morally laden goals, another thing to be able to achieve them. This is a familiar problem summarized in the old saying that wishing won’t make it so. Even, I might add, with all the money Bill Gates has to spend behind it. There are a lot of reasons for this. We don’t always know how to achieve our goals, or the means themselves may be objectionable on moral or other grounds. Important as it could be, philanthropy always and inevitably has its limits, especially in a free society, which may make its
accomplishments a pale imitation of its aspirations. One might even wonder if associating with the amounts of money found in some philanthropies these days may make it more difficult to be realistic about what one can reasonably accomplish.

Some of you have heard the old joke about what it’s like to work for a foundation. Three things will never happen to you again. You will never eat in anything but a first-class restaurant, sleep in anything but a first-class hotel, or have anyone tell you the truth about yourself and what you are doing to your face. And that make it very hard to keep your feet on the ground and very easy to think that what you believe to be right is something that you can obtain. There is no shortage of examples of morally driven philanthropists whose efforts fell short. One of my favorites involves Andrew Carnegie. We all remember his work on libraries, but he actually dedicated the last portion of his life to trying to put an end to war. He spent a great deal of money, even erected what was then called the Peace Palace in the Hague on his behalf, but all that came to naught as the result of two bullets fired by the tubercular son of a Serbian postman one summer day in Sarajevo. There are many others. Walter Annenberg’s efforts at school reform. Mr. Gates has talked about eliminating all the deadly childhood diseases. Good luck. Nice aspiration. But again, as Mr. Goodman suggested, you may be pursuing that fruitlessly while other things that might be more doable don’t get done.

Mr. LaMarche does allow that he supports the effectiveness movement, as we’ve just heard. But perhaps he’ll explain to us a little more what he means when he goes on to say, at times it seems to me as if this movement has strayed too far from why anyone should be concerned about effectiveness at all, from passion about the deep and tenacious social inequities that move philanthropy in the first place. If anything, as Phil’s just told us, taking effectiveness seriously should mean asking tough questions about which goals we can actually accomplish, and which are essentially pie in the sky.

The third and final issue I want to raise is, who actually benefits from the kind of moralistic philanthropy that Mr. LaMarche is advocating? The answer is by no means obvious. Apart from the question of what can be accomplished, philanthropy faces the not inconsiderable challenge of aligning its goals, its moral values, however worthy they may be, with those of the people it intends to help. This, too, is an old problem. “The rich are different than you and me,” F. Scott Fitzgerald famously said, and so are philanthropists, or at least the kind who create or staff very large foundations. Why should we assume that what they want or think we should want is in fact what we want, let alone need? The history of philanthropy is full of examples suggesting the riskiness of such an assumption. More than a few donors have proposed solutions that, as H.L. Mencken might have said, were simple, direct and wrong. That these may have been motivated by deeply held, moral convictions about what is right is not much of an excuse.

This, of course, is implicit in the McGuffey dialog I read earlier, when Mr. Goodman chides Mr. Phantom for not doing what he could. He is not only referring to its feasibility. He is also saying that Mr. Phantom’s quest to remake the world as he would want it is blinding him to the possibilities of helping others on their terms. So when Mr. LaMarche urges philanthropy to reassert its moral authority, who will benefit? The donor, whose conscience is thus saved? Or those who want help that is not coming, or even worse, feel themselves the objects not of benevolence but something more akin to missionary work?

The issues Mr. LaMarche’s very interesting talk raise have been with American philanthropy a long time. In fact, they reflect two competing strands of thought. One goes back to John Winthrop and his ambition to create a “city on a hill” rooted in Christian charity, which emphasizes the moral visions
that are at the heart of philanthropic activity. The utopian socialist, Robert Owen, was another exponent of this view around the 1820s. He created a well-known experiment in utopianism in New Harmony, Indiana, based on a variety of principles. He brought not only himself, but brought with him some of the most distinguished intellectuals of the age to try to live what they believed was the morally correct life. The embarked from Cincinnati along the Ohio River on a flat boat named the Philanthropist.

The other strain, though, might usefully be associated with Benjamin Franklin and focuses on the importance of developing pragmatic solutions to communal issues. And this, too, is expressed in Alexis de Tocqueville’s tribute to the role Americans made of civil associations, which it’s worth noting he wrote about contemporaneously with the Robert Owen experiment I just described. Mr. LaMarche believes that the pragmatists have been exerting too much influence, maybe even over the moralists. It’s not clear to me that this is so, or I would add, that it would be such a bad thing if they have. Thank you. [APPLAUSE]

WILLIAM SCHAMBRA: Told you it was going to be a good conversation. I’m going to pose a couple of questions to sort of stir things up a bit, and then we’re going to go to the audience, because -

GARA LAMARCHE: They’re already pretty stirred up.

WILLIAM SCHAMBRA: Yes. Well, that’s good. I want to put a question to Gara and the responses have really foreshadowed this question in a very nice way. Your (Gara) question, are we returning to some sort of moral foundation or are we trying to establish a new one, actually has an interesting historical dimension. And that is this. As Phil suggested, the notion of effectiveness, of technologically proficient grant making, actually has embedded in it a kind of moral vision, which is that the things that work well are more or less on their face good, and furthermore, the things that work well avoid the ideological and moralistic clashes that Les (Lenkowsky) was talking about. I mean, when we have moralistic conversations about public policy, we tend to fly off in all directions, and we end up ideologically divided, as Phil suggested.

Beginning with Rockefeller and Carnegie, part of the premise of what they were trying to do was to get away from all of these religious understandings of what charity should be, and turn their attention to what really works. The new social sciences were being developed about the same time and the Carnegie and Rockefeller Foundations were big supporters of their development. And the whole point was, we are developing tools that solve problems effectively for the first time, and it not only means that our problems are going to be solved, but it also means we’re going stop having these crazy ideological, moralistic collisions that paralized public policy in the past. And I think we get, from the reaction today, some sense of what philanthropy might be like if we return to a pure collision of moral values. I think that that is sort of the implicit question that was posed here, and I wonder if you would care to react to that, or to anything else that’s been said?

GARA LAMARCHE: I have a lot to say, obviously, about what Phil and Les have said, and I don’t want to use it as you not inviting me to rebut so much as to answer your question and get this discussion going, so I’ll try to get my points in in various ways. I think that they each in a different way have misread my basic premise. In fact, I was making a somewhat more modest point than I think I am being criticized for. [LAUGHTER] Morality or moral grounding in one’s advocacy or one’s work is a little different than a moralistic approach. I think the two things are a little bit
different. So on the one hand, I really don’t think the plain text of the speech would support rejecting the effectiveness movement.

Their criticisms were polar opposites, in that you have the kind of do-gooder and then you have the people who are only bloodlessly concerned with impact. That fact is, I don’t believe that. That’s not the vision of the world that I have, and I don’t want to be associated with that kind of caricature. A lot of the criticism of the 1960s social interventions is unfair for suggesting that it was utterly unconcerned with impact and just about feel good stuff. I think it’s also wrong to, in fact, reject the effectiveness movement.

I do think that philanthropy in many respects has strayed a bit, as I said earlier and illustrated in a number of ways, from returning to the first principles that motivate people to take action in the first place. I have a few more specific things to say about things that Bill said, but I reject the idea that it’s a fair reading of my views that I want the pendulum to swing back to some feel good philanthropy where nobody is concerned with impact. I don’t think we are really that far apart, honestly, I accept the view that to care about whether the steps you’re taking to try to solve a problem are working is itself a moral act and a moral obligation. I accept that. With respect to Les, I loved the McGuffey excerpt. I went to Catholic school, so all I know is the Baltimore Catechism. [LAUGHTER] Which I can recite that, I suppose, but I’d like to get a copy of that text because I think it captures very nicely a kind of colliding world view of the kind of discussion and debate that you and I have had over the years about whether you proceed from the build it out from the local and eventually mankind is helped, or whether you want to be acting at scale, to take it into a modern American context, which involves policy and advocacy. It is a question of whether or not healthcare is the accumulation of a lot of little experiments, or whether it could be elevated in this society to a more fundamental right if it is more uniform throughout the country. I think the McGuffey Reader captured very, very nicely the two camps in philanthropy. I don’t, however, think, or at least I did not intend for the talk I gave to implicate those different world views so much, because the very reason that you liked it, and we have actually, you may not agree with everything, and that we have different political world views suggest to me I was after something a bit different.

So we can have the debate about impact, scale, advocacy and the government’s role and all that. Most of you who know me know what side of that debate I’m on. But I wasn’t really trying to get at that in the talk that I gave. In fact, I kind of reject the notion that in arguing that philanthropy should pay a little bit more attention to first principles and arguing things in terms of those first principles, I reject the idea that that somehow suggests that I am not for the pluralism of philanthropy, or indeed the pluralism of different moral outlooks on the world. Yes, I am a progressive, and everybody knows the kind of things that I’ve been associated with. I want to make clear that I don’t see this as a left/right issue. Immigration, criminal justice, the environment—none of these issues sort neatly into those kinds of political boxes.

Indeed, some of the most striking passion and energy to be seen today on these matters is on imprisonment and the environment. And the reason we have any hope at all is emerging from the evangelical Christians, who are more comfortable traditionally on the political right, but who have been moved to action by their belief in the power of redemption or the need to be careful stewards of God’s Earth. So my case is largely aimed at my own ideological cohort, but it is not an argument that progressive morality, whatever that is, should prevail, just that progressives ought to be arguing more in the fundamental first principles.
WILLIAM SCHAMBRA: Obviously I posed that question to you, Gara, as you well know, by way of being something of a Devil’s advocate. Now to Phil, just very briefly, granted you don’t intend to make the case for an obsession with metrics at the expense of morality, nonetheless, wouldn’t you say, or would you disagree, that the practical consequences of the emphasis on effectiveness has been a massive outpouring of educational efforts, of conferences, of panels at conferences at the annual conferences of foundations, everything is designed to hone the instruments of measurement. And almost nothing is designed to improve our ability to reason morally about the questions of society.

You were making the case that there is a moral obligation to be effective, of course. That is quite true. But what it means to be effective isn’t always clear, because obviously effectiveness for a conservative foundation is quite dramatically different from effectiveness for a progressive foundation. So don’t we need to be a little more explicit about our education, our learning, our reasoning about the moral foundations of philanthropy, as Gara suggests? And at this point, I have to plug a book that the Bradley Center helped nurse along, Amy Kass’s *Giving Well, Doing Good*, which is a collection of short stories, speeches and religious texts, the purpose of which is to help people try to be more reasonable and rational about moral commitments. In other words, everywhere you go, there’s Phil, and he’s always doing these panels. [LAUGHTER]

PHIL BUCHANAN: A couple of things first of all.

WILLIAM SCHAMBRA: Us moral types are shut out.

PHIL BUCHANAN: Rather foolish to agree to serve on a panel where you are put up as the opponent to the notion that morality is important and needs to be reclaimed.

MAYA WILEY: Which you did well.

PHIL BUCHANAN: Let me just say, I’m all for morality. I also want to point out that, Gara, I certainly didn’t in any way intend to caricature your talk. I think that you do say in the talk that you believe that effectiveness is important, and you’re clear about that. But I think I used your comments about the tension, about the notion that we risk straying too far from what is right by focusing on what works, as sort of the jumping off point to try to argue that that is a false dichotomy. And there are others who make that case even more forcefully than you, that these things are in contention, and I’m trying to say no.

And to your question, Bill, I spend a lot of time with large foundations, CEOs and the boards of large foundations, and yet, I think, far too few, even though there has been progress, far too few are able to say that this is how, as a board, we assess the CEO of this foundation. We have clarity about what we’re trying to do, how we think we’re trying to do it, and we have some indicators, not perfect proof of impact, but some indicators of how it’s going. Sort of, how will we know? What are those? Survey the board. Survey the CEO. There are too few large foundations today that can answer that question in a compelling way. And that to me means that their cause, which is informed by their moral view of what they need to do, isn’t being as effectively addressed as if they had those things clear.

WILLIAM SCHAMBRA: Anyone else want to wade in at this point? Yes, Maya, please.
MAYA WILEY: I think we all agree that there has to be assessment and that it’s important to understand our impact, because that’s a fundamental principle. We don’t want to just do something for the sake of doing it. Right? But how do we interpret what we learned from assessment? So I’m just going to pick up one example that you gave, Phil. The Gill Foundation is funding the fight for gay marriage, and after two years, it looks at its portfolio and says, ‘We failed in five states.’ Now that would not necessarily answer the question of whether or not they were effective, because what it assumes is that the fight could have been won in that two year cycle. It may not look at all at the aspects of building a long-term strategy and having assessment that is actually marking that in a way that understands long term.

Because part of what I’m hearing in Gara’s speech is that it’s the challenge for philanthropy that’s really grounded in what it is trying to do from a moral lens. It’s not just going to look transactionally at what it’s done in two years. And just picking up on this notion of left versus right, or conservative versus progressive foundations, I’ll tell you, I have real respect for the Bradley Foundation. Because actually my assessment is that a lot of conservative foundations have done this much better, that actually part of what Gara is saying, at least, and I’ll say it sharply as I’m reading it, “They’ve been willing to invest in a set of strategies that they’re willing to be long term, grounded in a clear sense of what they’re trying to produce.” They have not done that as much in social justice.

GARA LAMARCHE: A quick thing that I wanted to say was that I admire the work of CEP a lot. We’ve used them twice now, or maybe even more than that, and I know that there are a lot of things that need to be done that go to the issue of effectiveness. However, when I was listening to you talk about the perception survey, while I think it’s a very valuable tool, it does not in my opinion get to the actual real world impact. In other words, the way the grantees think about what their opinion is of how effective you are or how you relate to them is important, if you care about customer service and all that. But it does not necessarily pertain to anything about whether kids are learning better. So a lot of this stuff is done in effect kind of relationally. That is not unimportant, but a little bit different than the question of ultimate impact.

And it goes back to Bill’s original comment as well, which is, I think that you’re terrific, and I said it admittedly, I think, myself in the speech that there are plenty of programs floating around, such as DARE, that persist and get funded in the absence of evidence. Working as I have, for instance, in the criminal justice field for years, policy very often runs in the opposite direction of what we know is best. That is a question that’s on the table that is worth pursuing, because there is ideology behind a lot of these things that is kind of a naïve faith, I guess among some of my colleagues in philanthropy that if only people understood the facts, if only they had the information before them, it would change. And the fact is, that’s a predicate, but it’s not nearly sufficient. And the reason these crappy programs persist, a lot of them, is because there’s ideology behind them.

I think right now we are at a point where in the world of education reform, it is the big 800 pound gorilla of philanthropy right now, but it is really where there is a lot of social engineering going on. And there’s a moment in which, are people going to be really rigorous about results? Or are they going to spin results, protecting their ideological investment in charter schools or whatever. There is a lot of mixed evidence, as you know, on charter schools, and also, frankly, there’s a lot of money behind it. That’s true of all these other programs as well. People make money from various programs. And it’s impossible, really, to engage those questions if you’re not also planning to do your communications and all that. So that’s why I say you need an effectiveness movement, and I think you’re frankly, for somebody who’s so committed to rigor, which I think you are, your
discussion of constituency is a lot of wishful thinking. I mean, you’re saying what a constituency might be and what might put it together. I actually don’t think it exists yet. You know, if you really want to be rigorous about it.

WILLIAM SCHAMBRA: Let me just pick up on Maya’s question to you, which I think is really a terrific question. Isn’t part of the problem with effectiveness is that it really does tend to suck up the oxygen in the air? [LAUGHTER]. I mean, it really pushes you in the direction, as Maya suggested, of short-term, clearly defined results. Now, maybe it’s the crude misapplication of effectiveness, which I’ll let you say in a second. But nonetheless, a lot of human beings are crude misapplicants of otherwise really worthwhile doctrines. That’s how we are as human beings. The board’s concern, because they’re businessmen and they’re familiar with this notion of outcomes and effectiveness, and the staff has now been trained in outcomes measurement and what not. So it’s a language that they’re familiar with, and they end up saying things like, ‘Well, just count the states where you’ve passed the legislation and everything else becomes just a bunch of moral, political mumbo jumbo to me. I don’t get all that. Just give me the count of the states where we’ve won in this period of time.’ Now I’ve really sharpened her question probably beyond the point where she’s comfortable --

MAYA WILEY: I’m very comfortable.

WILLIAM SCHAMBRA: Okay, good.

PHIL BUCHANAN: So I think that there is a great risk of the kind of thoughtless short term overemphasis on a single measure. By the way, if you don’t put any measures in front of a foundation board, they’re going to find one, and it’s going to be the administrative-cost ratio. They are just going to push on that, because it’s something that’s quantifiable and comparative. What I’m suggesting is a thoughtful approach that says, given where we’re trying to go, this is how we think we can get there. These are some things that we think we need to look at along the way, a robust set of indicators of which, in terms of Gara’s point about CEP’s tools, I actually worry about an overemphasis on our grantee perception report, because it has become a kind of a industry standard that everybody does. That’s a good thing, but not in the absence of thought about, why do your relationships with your grantees matter? In which ways? What questions are important? And what other data are we looking at?

To the Gill Foundation question, I think that would be a shame if that was the approach. We’ve done some interviews with the Roger McFarland, who died several years ago, who was the executive director of Gill, and he talked about their focus on hate crimes legislation. They wanted to reduce the rate of hate crimes, and they thought that pushing legislation was the answer. So legislation passed, yes, but they continue to monitor what’s going on. Well, incidents of hate crimes don’t go down in the areas where the legislation was passed. So then they keep trying different approaches. And when they coupled it with education of prosecutors and police about the legislation and about how to enforce it, then they saw the reduction in hate crimes that they were hoping to see, which is why it all matters. So they could have walked away, and done exactly what you worry about, and a lot of funders and nonprofits make those kinds of mistakes all the time. And I’d be the last person to argue that that doesn’t happen. So it’s about doing it in a smart and thoughtful way. But I don’t think the fact that some people don’t is a reason to walk away from it, and I don’t think anyone’s arguing that.

WILLIAM SCHAMBRA: Les, did you have something to add?
LES LENKOWSKY: Yes, I just want to be quick, because I know the audience is interested in asking some questions and I really don’t have much of a dog in this fight about how to measure effectiveness here. But what I do want to emphasize, to pick up on the point Gara made, is that the McGuffey excerpt and the thrust of my remarks were not about the issue of scaling up. To McGuffey, scaling up would have probably meant, let’s do it at a county level instead of a village level. It is really about moral pretentiousness, what you might call moral scaling up that if you have these broad visionary goals, ending hate crimes, ending unplanned pregnancies. Maya said something interesting, making sure that anybody who is sick has access to a doctor. Okay, those are all morally pleasing goals to many people. But they are goals that are extremely difficult, if not impossible, for philanthropy to accomplish. And by striving after those kinds of goals, Mr. Goodman argues, and I would second this, we miss the morally good but more feasible goals that are right at our disposal. Instead of making sure that every sick person has access to healthcare, let’s build a clinic. Instead of trying to create a program that reduces substantially unplanned pregnancy, let’s do something with young people generally at risk in our community. There are a lot of different ways by which our morally driven visions can also be realistic visions, rather than the kind of fairly sweeping ideas that I read.

I don’t read this in Gara’s talk, but it is characteristic of a certain kind of liberal or progressive world view. The world is a place full of problems, and we have to keep working to eliminate them, to which we conservatives would say, good luck. We will go on and do the kinds of things that might steer a little bit better this way, a little bit better that way, but leave aside the large moral questions that so fascinate progressives, those in the social justice movement.

MAYA WILEY: We’ve got a deal. So you’ll stay local, and we’ll handle the big stuff.

[LAUGHTER]

PHIL BUCHANAN: I was going to say that I think we have alignment. Philanthropy actually cannot solve all those big problems. That’s why we need a strong government. [LAUGHTER] There was a time in this country where the latter years of older people were characterized by extreme poverty. Social Security, a large scale government program, has made that increasingly rare. I mean, you can actually affect human welfare, it turns out, by programs that are democratically funded and carried out. It’s possible.

What is the relationship of philanthropy to that? Well, that’s an interesting question. I’ve been involved with philanthropies, like Bradley, that tend to try to affect public policy. We have different perspectives on it, but I think there’s a role. Philanthropy can’t possibly meet that gap. It can, however, at its best, try to model solutions that government can take on. There are a lot of bad government programs also, but I have a lot of faith that the big problems can be addressed by broader action. They can’t be addressed by philanthropy alone, though. So Les and I are entirely in alignment on that.

WILLIAM SCHAMBRA: Okay, questions now. Please give us your name and affiliation. Yes, right here in front.

Q: Arnold Kling and I blog at EconLog. I think that there is an elephant that’s not in the room here, and it’s typically not in the room in philanthropy. We have representatives of donor organizations. We have representatives of service organizations. We have representatives of evaluators. Yet we
have no representatives of recipients and I think that’s always going to be the case. That’s the essence of philanthropy.

The difference between philanthropy and the private sector is that in the private sector the consumer has leverage. In philanthropy, the consumer doesn’t. So I don’t think it matters what you’re motivated by, or whether you operate on the basis of metrics or your moral intuition. You are basically ignoring the input of the recipient. That’s the essence of it. And to me the real challenge with philanthropy is how you get away from the arrogance of it and how you get to, sorry to use this example, but with No Child Left Behind, what we went from was an intuition-based approach to federal education policy to a testing-based approach. Both of those assume implicitly that parents don’t know what they are doing. And how can you get past that assumption that your recipients don’t know what they’re doing in philanthropy?

PHIL BUCHANAN: I wasn’t entirely clear, at first I thought you were talking about the direct recipients of grant funding, the organizations. Then I realized, no, you’re talking about the intended beneficiaries, ultimately the people whose lives you are trying to improve. I would say that I mentioned earlier in my comments that we surveyed CEOs of large foundations about the kinds of data that they look at to assess performance. One of the least frequently checked boxes was surveys or focus groups of intended beneficiaries. And it was interesting, because those who did say that they got that kind of feedback tended to also report, and it doesn’t mean it’s true, but that they had more confidence in their strategies and more of a sense that they knew they were achieving impact.

You mentioned education. I think the Atlanta scandal is a great example, and of course, we see this in business all the time with short term quarterly profits or stock appreciations, with a single minded focus on one metric and a dominant leader who is pushing that, and that’s everything. Right? In Atlanta, they had seating at the annual meeting in the Georgia dome based on the test scores with those who didn’t have high test scores standing in the back. What happens in that kind of culture with one metric? Cheating and scandal.

We’re doing a project, it’s a pilot project called Youth Truth, that is designed to bring student voices in high schools to education funders and to districts, charter management organizations, on the theory that kids in high schools actually have a legitimate perspective on their education, which shouldn’t be a radical proposition, but apparently it is. So I agree that I think, to be most effective, if you’re trying to affect people’s lives, you have to know something about their lives. And that means you have to find out ways to hear from them.

GARA LAMARCHE: That’s absolutely true. And one of the things that made a big impression on me when I was at OSI, we were funding youth media and we watched a film that some kids had made. I don’t know where they were from, young kids of color, about truancy, through which I learned that truancy was for them a kind of a considered reaction to what wasn’t happening in the school. So you can learn a lot from that. And I think there is no prefect answer to this, because of the phenomenon that Les was mentioning—when you’re dealing with people who are dependent upon your largess you have to work really hard to hear what is on some people’s minds.

But at least for the foundations I’ve worked at, where we tend to fund a lot of organizations that have an actual base and organizing networks, where poor people are actually running the thing, such as networks of prisoners and their families. At OSI, an antidote for that is, instead of funding only beltway elite run organizations, you fund organizations that actually have some base in the
community. I’ve put an emphasis on, as Phil was suggesting with the youths, on trying to make sure that the money is going to organizations that are led by the people most affected. So they are actually in the vanguard of the change. That is, to me, what you need to do.

LES LENKOWSKY: I just have a modest proposition, in which the ambitious IRS is welcome to put in its rules. When foundations or other philanthropists are doing something, they should have some skin in the game. So if you’re in the business of school reform, make sure the children of people at the foundation are enrolled in those reformed schools. Or if you’re doing something on healthcare, let’s get rid of whatever healthcare plan a foundation has and make them subject to whatever plan you think is good for the rest of us.

Q: Thank you very much. I’m a graduate student at the Center of Philanthropy at Indiana University and am a student of Dr. Lenkowsky. Right now I am also a summer associate at Council on Foundations. I am from China and I think it is very interesting that our Chinese philanthropy are talking about how do we overcome the super, moral superiority in doing philanthropy and incorporate more effective ways of doing philanthropy. But in the United States today, we’re talking about reclaiming the moral life of philanthropy. So it’s a very good balance. My question is, I agree that assessment itself should be morally obliged. However, I think there’s still a tension between assessment and a morality. For example, who does assessment? What criteria do we use? Who is participating? And then, how can the so called professional standard assessments measure a diversity of issues? Thank you.

PHIL BUCHANAN: I think it’s a crucial question. Who is doing the assessment and what values are they bringing to the table? Who is involved in the design? One of the big problems I think, and Mario writes about this in his book, is that when funders drive their assessment priorities without regard for the fact that those of us who run organizations that are funded by foundations have multiple funding relationships that we are dealing with, and there isn’t enough emphasis on, and this isn’t always true, but if your goals as a foundation align well with this nonprofit’s goals, why not focus your assessment on whatever is going to be most useful to them? Look at how to make them stronger as an organization, which is a big part of what GEO is focused on. And instead what happens is that the design to satisfy the foundation’s board sometimes gets trickled down to the grantees in ways in which they have 37 different requests for different kinds of data, none of which are actually that helpful to them in managing the organization. So I think that these are all really important points.

I also think that we need to be mindful of the fact that some assessment has been done in ways, and this is true if you think about other areas outside of the nonprofit sector, sometimes the desire to find out what is effective and what is not is played out in ways that are immoral, and we’ve got to make sure we don’t do that.

MAYA WILEY: This is more of a resource for philanthropic initiatives for racial equity, Lori Villarosa is in the room, put together a publication on how to measure racial justice impact. And there’s a webinar next week on Thursday at 2:00, and anyone’s welcome to join. I will be on it, amongst other authors. But one of the things that we haven’t talked about, which actually makes the connection that you’re also trying to make between the moral values and evaluation and assessment, is how we assess what we are going to do. So you know, there is a preliminary assessment we haven’t even talked about. But if it’s morally grounded, and this goes to some of what Gara was saying, if it’s grounded in what we’re trying to do morally, it actually changes also the assessment and evaluation to follow.
GARA LAMARCHE: There are a lot of hands up, so just three quick things. One of the dirty little secrets in philanthropy, and even in the foundations that seem to take assessment seriously, is the lack of actual engagement with the data within the foundations.

PHIL BUCHANAN: And also, I would just add, lack of openness with others who might stand to learn.

GARA LAMARCHE: True enough, absolutely that. But the second thing I was going to say is that I want to make sure that people don’t read me as a critic of places like GEO and the Center for Effective Philanthropy, both of which I admire and have relationships with. I think that one of the most useful things they’ve done is actually to answer a lot of these questions about being smarter about how you assess things.

And so when I got to Atlantic, I found that they had a series of what I would consider to be rather crude measures for impact. They wanted to pass an immigration bill by such and such a date. They wanted to abolish the death penalty in so many states. And it led us to be somewhat less focused on a certain kind of metrics, because I lived through the 1986 immigration reform, which needed to reform itself later on. No problem will ever stay solved forever. And it’s led us, actually, in a way that, although we fund very different kinds of organizations and some of the conservative foundations, it has led Atlantic, and I think OSI also, to take a broader view of supporting the capacity of organizations, that they’d be strong enough over time to deal with the issues that came up, and continue to be ten years or five years from now. Now, that’s another whole set of metrics and measurements.

WILLIAM SCHAMBRA: Yes, Curtis.

Q: Curtis Gans, Center for the Study of the American Electorate. I have a question for Phil. When you are dealing with public policy advocacy metrics they tend to want to have results within a short framework. I had a lot to do with the Motor Voter bill and that took ten years. And it took ten years to essentially do three things. One, convince Republicans that expansion of the electorate would not necessarily hurt them. The second was to convince Democrats that having clean registration lists was not going to block people from voting. And the third was that this was incremental change. But it took ten years. Now, I don’t know of metrics that have been used in a way that will allow you to have results ten years from now.

PHIL BUCHANAN: I think it’s obviously hard, and I think what you are looking for are indicators that you are making progress. So you had a logic that you had to do a couple of things, one of which was to convince Republicans of one thing, and to convince Democrats of another. I would imagine that there were various ways in which you gauged whether you were on that path. Then, of course, there was a kind of a hypothesis there that if you did that, then it would happen. That hypothesis ultimately got tested and was correct. I believe that sometimes it is as simple as trying to gauge whether you are influencing people’s perspectives in the ways that you want to, because you have a logic that if you do, then other things will happen further down the road. And the fact is, you won’t know whether that logic is right until some point in time where you’ll either see that it was, or that it wasn’t. So the approach to assessment is so dependent on what the particular goal is, and when it’s a policy goal, I would concede that it is harder. But I think it’s possible, and that you have to do it. Otherwise you really have no information coming back about whether you’re making any progress.
WILLIAM SCHRAMBA: All right, we’re down to one last question. Yes.

Q: My name is Silvana Straw and I’m with the Community Foundation for the National Capital Region. And I am really curious what the accountability system looks like for private philanthropy. Who are the watchdogs of foundations? And not just watchdogs for the sake of watchdogs, but watchdogs on behalf of the grantee and the consumer. So the triple header.

PHIL BUCHANAN: Who is the consumer?

SILVANA STRAW: So this gentleman here was saying the recipient of services, so to speak, the beneficiary. I remember Pablo Eisenberg was my neighbor 20 or 30 years ago, next door to the foundation and other than Pablo I don’t know who is out there.

WILLIAM SCHAMBRA: Well, the birthday boy is out there (Aaron Dorfman). The National Center for Responsive Philanthropy, with which Pablo has something to do with.

LES LENKOWSKY: Well, where do you want to begin? I would make the argument that, if anything, there are far too many watchdogs over philanthropy at the moment. They include the donors and the trustees, not all of whom are in the business of defending whatever it is they do. They will include the grantees. Suppose you gave a grant, and it was rejected, or you wanted to give a grant—you don’t have to take the money, you know. They can include any number of public officials, including not only the IRS, but attorneys general, any number of groups ranging, not only NCRP, but the Center for Effective Philanthropy in its own way, that can publish material that will be directly or implicitly critical.

Then, of course, you get this fetish for transparency in which we are now putting up 990s and other things on the Web for everybody to see, as if that will really provide useful information. But it’s there and some people say that that is great, that we need more of it, and so on. You have newspapers and reporters. Probably the most effective watchdogs for philanthropy over the last ten or 15 years are newspaper reporters who have done any number of exposes, and like all good journalism, they probably exaggerate the general for the specific. But nonetheless, they are out there.

So I don’t know where you want to start. I’d say we have too many, and some would make that argument, because the underlying philosophy of philanthropy, as my Chinese student has heard, was formulated by Chairman Mao most effectively—Let 1,000 flowers bloom. We have philanthropy because we want a lot of different approaches to serve the public interest. And to the extent we are headed down a path, which I fear we are, towards limiting the scope of philanthropic creativity, we are basically undermining the reason we have philanthropy.

WILLIAM SCHAMBRA: Last comments from our three other panelists? Phil, Maya?

PHIL BUCHANAN: I would just say very quickly on this point, I think private foundations enjoy a level of freedom that other actors in our society don’t. That means that they can take on and address issues that other actors in our society can’t or won’t. I’ll give you a lot of examples of where that happened, and I think many of which we could agree, even with the diverse ideological perspectives, were good, but the virtue, just like human qualities, a virtue is often a vice, and that means that foundations are also free to be ineffectual. And that is the choice that we’ve made. I personally am
comfortable with it, because I think there are real benefits that outweigh the costs, but that’s where we are.

MAYA WILEY: Our problems are not intractable. I think the thing that most struck me about our conversation today was Les’s point that suggested that we couldn’t all see a doctor. I actually think our problems are not intractable. I think the issue, and philanthropy is not the full solution, that both those things are true. And that philanthropy, as is true for all of us as individual citizens, as is true for other members of society, as is true for private companies, we all have role to play in calling each other to our better aims and philanthropy should recognize that as well.

GARA LAMARCHE: On the scrutiny and oversight point, while it’s true that we have a proliferation of organizations, and I’ll put another plug in for NCRP, which has grantee organizations and social movements on it who are trying to be accountable to a certain set of values. I think what is missing in the oversight picture is greater attention, actually, to the impact of foundations and their social interventions. So very little newspaper reporting focuses on that. It’s beginning to a little bit in the case of Gates and so on, which is so big that it attracts that kind of journalism and I think that’s good.

Finally, again, thank you for providing this forum. I managed by not answering various questions to get most of my points in by the end of this. I’m glad that it was such a hot day that everybody decided that an air conditioned panel would be a good way to spend lunch. And as I proceed to develop these themes, what Les, Maya and Phil had to say will be very useful for me. Thank you.

WILLIAM SCHAMBRA: Great. Let’s give our panelists a round of applause. [APPLAUSE]