Is Philanthropy a Profession? Should It Be?

Thursday, October 28, 2010 • 12:00 to 2:00 p.m.
Hudson Institute • Betsy and Walter Stern Conference Center • 1015 15th Street, NW • Suite 600

In a provocative and thoughtful essay in *The Foundation Review*, long-time foundation executive Karl Stauber argues that "Philanthropy is not a profession, and it should not become one. We should be rigorous. We should learn from our work. We should help our partners and be helped by them. But a wisdom-focused approach may produce better results than a science-based one." This may seem like a startling conclusion, in a time when foundations are moving toward ever more "scientific" metrics for their work, a unique disciplinary vocabulary is growing up around grantmaking, and credentials are being awarded by academic institutions for professional standing in philanthropic work.

Is philanthropy a profession? Should it be? These and other questions raised by Mr. Stauber's article "Philanthropy: Are We a Profession? Should We Be?" were addressed by a knowledgeable panel of scholars and practitioners. Panelists included author **Karl Stauber**, as well as **Susan Ditkoff** of The Bridgespan Group, *The Foundation Review's* **Teri Behrens**, and **Joseph Palus**, a Ph.D. student at The Center on Philanthropy at Indiana University. Bradley Center Director **William Schambra** moderated the discussion.

Program and Panel

12:00 p.m. Welcome by Hudson Institute's **William Schambra**

12:10 Panel discussion

**Karl Stauber**, President & CEO of the Danville Regional Foundation

**Susan Wolf Ditkoff**, Partner at The Bridgespan Group

**Teri Behrens**, Editor of *The Foundation Review*

**Joseph Palus**, Ph.D. student at The Center on Philanthropy at Indiana University

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](http://pcr.hudson.org) or send an e-mail to Kristen McIntyre at Kmcintyre@hudson.org.
Biographies

Dr. Teresa (Teri) Behrens is the Editor in Chief for The Foundation Review, published by of the Dorothy A. Johnson Center for Philanthropy at Grand Valley State University in Grand Rapids, MI. The Foundation Review is the first peer-reviewed journal of philanthropy, written by and for foundation staff and boards and those who work with them implementing programs. Teri joined the Johnson Center in January 2009. Before joining the Johnson Center, Teri served as the Director of Evaluation for the W.K. Kellogg Foundation, providing leadership for the Foundation’s overall evaluation program. From 1995-2001, Teri consulted in program planning and evaluation for organizations such as the National Science Foundation-supported Industry/University Cooperative Research Centers. From 1990-1995, Teri was a program officer for the Michigan Strategic Fund for the Michigan Department of Commerce. Teri holds a doctorate in psychology from North Carolina State University.

Susan Wolf Ditkoff has been a partner the Bridgespan Group’s Boston office since 2001. Her work has focused on three primary areas: effective philanthropy, public education, and infrastructure issues such as capacity building, leadership, and governance. Most recently, Susan co-authored "Galvanizing Philanthropy", which explored how philanthropists can increase their impact by getting clear about defining success, getting real about what it takes to create change and getting better over time. Her writings on governance and board development have been reprinted in national and international publications. Susan is a graduate of Yale University, where she wrote her thesis on bilingual education. She received her MBA from Harvard Business School, where she was a president of the Social Enterprise Club, Net Impact chapter leader, and founder of the Social Enterprise track of the Business Plan Contest. Outside of Bridgespan, Susan serves on the Harvard Business School Alumni Board of Directors and is the past president of the HBS Social Enterprise Alumni Association, a global alumni group with over 1,000 members.

Joseph Palus is a Ph.D. candidate in Philanthropic Studies at The Center on Philanthropy at Indiana University, where he has taught at both the undergraduate and graduate level. His research interests include family foundation boards and how they make decisions; most recently, his work appears in Sage’s forthcoming reference handbook, Leadership in Nonprofit Organizations. In addition to shelter and advocacy work in New Orleans and Detroit, his professional experience includes over nine years of grant making and lending as a Program Officer for the Local Initiatives Support Corporation in both Indianapolis and Jacksonville, Florida. In Indianapolis, Mr. Palus’ grant portfolio focused on assisting high-performing community development corporations (CDCs) to responsibly diversify their programming, while in Jacksonville, he focused on technical assistance and organizational development grants for emerging CDCs. He has also worked for the State of Indiana, developing, securing funding for and implementing new grant making programs and other services to support neighborhood revitalization and asset development.

Karl N. Stauber is the president and CEO of the Danville Regional Foundation, which promotes innovation and long-term transformation to enhance economic development, education and wellness in Virginia and North Carolina's Dan River Region. A published author, frequent keynote speaker and philanthropic expert on rural communities, Stauber was the first Senate-confirmed Under Secretary for Research, Education and Economics with the United States Department of Agriculture, and has worked for the Northwest Area Foundation, the Needmor Fund, and the Babcock Foundation. He holds a public policy Ph.D. from Union Institute, a Harvard Business School management development certificate, and a bachelor's in American studies from the University of North Carolina at Chapel Hill. He is a Board of Director member for the U.S. Endowment for Forestry and Communities and the Future of the Piedmont Foundation, as well as an advisory member to the Council on Foundations' Rural Initiative.
Proceedings

WILLIAM SCHAMBRA: Good afternoon. My name is Bill Schambra, director of Hudson Institute’s Bradley Center for Philanthropy and Civic Renewal. Kristen McIntyre and I welcome you to today’s panel discussion entitled, “Is Philanthropy a Profession? Should It Be?” A special welcome to our viewers watching us live via uStream, which will now be a regular feature of the Bradley Center panels. However for those of you uStreaming this right now in the D.C. area, let me assure you that this does not absolve you from the responsibility of showing up in person from time to time and helping us to stir the conversation here with your thoughtful questions and remarks.

Before we proceed with this panel, a preview of coming attractions. Precisely one week after the elections of 2010 the Bradley Center will host a panel to examine the meaning of those elections for the world of foundations and nonprofits. At noon on November 9, please join us for what I have no doubt will be an interesting and stimulating conversation with our four panelists, Dean Zerbe, former senior counsel on the Senate Finance Committee for Senator Charles Grassley, and now with the alliantgroup, Pat Read of Independent Sector, Sandra Swirski of the Alliance for Charitable Reform, and Gary Bass of OMB Watch.

And now for today’s panel, as the featured essay by long-time philanthropoid Karl Stauber suggests, philanthropy was instrumental in the advance of professional expertise in key areas of American life beginning in the early 20th Century. This year for instance, we celebrate the 100th anniversary of the Carnegie Corporation’s Flexner Report, which played a large role in professionalizing medicine. But in many other areas as well, the first large foundations like Carnegie, Rockefeller and Russell Sage introduced the notion of specialized science-based training to what had theretofore been largely uncredentialed or amateur fields of practice: law, social work, public administration, librarianship, and so forth.

It is interesting then that a full century after such philanthropic efforts to professionalize other sectors of American life, we’re still not quite sure whether philanthropy itself is a profession. But since our first, perhaps naïve, embrace of credentialed expertise so long ago, we have begun to realize that it may have a dark side. Consider this description from Burton Blestein’s 1976 classic history, *The Culture of Professionalism*1, also cited in Mr. Stauber’s essay:

The professional person possessed esoteric knowledge about the university. Laymen were neither prepared to comprehend the mystery of the tasks which professionals performed, not more ominously were they equipped to pass judgment upon special skills and technical competence. Hence the culture of professionalism required amateurs to trust in the integrity of trained persons to respect the moral authority of those whose claim to power lay in the sphere of the sacred and the charismatic. Professionals controlled the magic circle of scientific knowledge which only the few specialized by training and indoctrination were privileged to enter, but which all in the name of nature’s universality were obligated to appreciate.

---

Such exacting demands for trust in and deference to the magic circle of the professional class would be difficult for everyday Americans under any circumstances. But given the anti-elitist, populist mood of contemporary America, surely the professionalizing project faces an even stiffer headwind. Is philanthropy a profession? Is it becoming one? Should it be one? These and other questions will be tackled today by our distinguished panel.

We’ll hear first from Karl Stauber, whose thought provoking essay provoked the thought that we should do a panel on it. Karl has held many prominent positions in the world of philanthropy, and is today president and CEO of the Danville Regional Foundation in Virginia. Next Teri Behrens, currently editor-in-chief for Foundation Review, published by the Dorothy A. Johnson Center for Philanthropy at Grand Valley State University in Grand Rapids. This journal is fairly new and is in fact the first peer reviewed journal of philanthropy. The fact that the appearance of this sort of journal is one of the key indicators of professionalization, and yet she was willing to run an essay challenging that trend, speaks highly for her editorial wisdom.

To continue our introduction, speaking of people with high stakes in the professionalizing trend, we’ll hear next from Joseph Palus, another individual with a great deal of practical experience in nonprofits and foundations, but who is currently enrolled in the Ph.D. program in philanthropic studies at Indiana University’s Center on Philanthropy. If we indeed conclude today that philanthropy cannot be a profession, I trust Mr. Palus will immediately dis-enroll himself and seek a refund of tuition. (Laughter.)

And finally we’ll hear from Susan Wolf Ditkoff, a partner at the Bridgespan Group’s Boston office since 2001. Bridgespan, as most of you know, was founded by several partners at Bain & Company, and shortly thereafter, Susan joined Bridgespan. It is one of the leading foundation and nonprofit consulting groups in the world. So Karl, why don’t you give us your view on philanthropy. Are we a profession? Should we be?

KARL STAUBER: The distinguished panel will begin immediately after me. (Laughter.) I’m going to do a quick summary of the paper. I really would like to assume that everyone has read it and absorbed it in great detail, but that would probably be a mistake.

Basically I argue that philanthropy is not a profession, nor should it be. I start by asking three questions. What is philanthropy? What’s a profession? And should we be a profession? Very simply, and obviously it’s done in more detail in the paper, I argue that philanthropy is distinct from charity, that they are both important, that philanthropy is about improving systems that benefit people ultimately, as opposed to charity, which is about reduction of suffering in its Judeo-Christian-Islamic origin.

In terms of what is a profession, we use the same source, Bill (Schamba) and I. Bledstein has seven tests in his very important book from four decades ago, that upon re-reading it, I was astounded at how well it held up. A number of people that have read the paper have sent me comments suggesting that I should use so-and-so’s test, or another so-and-so’s test. And I’ve gone and looked at many of those, but there’s still about an 80-90 percent overlap. So I take the
seven tests, and from my perspective, philanthropy meets very few of those tests, particularly in a way of any depth.

Then finally, should we be? I raise a number of questions in that section, but I basically question the value of something that I have participated in virtually my entire professional career of over 35 years, and that’s what I call the “philanthropy improvement sector.” I ask the question, are we any better off today as a field for all the money that we’ve spent on philanthropy improvement, than we were 35 years ago?

I then ask three, what I call outstanding questions. One of the arguments that Bledstein makes is that a profession has dominant ideas, dominant theories. I make the proposition that as a field we are practice-based; we are not theory-based. So there is virtually no debate that I’ve experienced in my 35 years. There is some, but there is very little debate compared to other fields that I’ve worked in about the various theoretical perspectives on the work that we do and what we are trying to accomplish.

I layout three dimensions of the practice: a philosophic dimension, which has charity on one end and philanthropy on the other end. Next is what I call an approach-based dimension, which has technocratic on one end and aristocratic on the other end. And third, an epistemological dimension which I suggest has science on one end and wisdom on the other end. I suggest those as a three-dimensional shape. Part of what my editor challenged me to do, while reducing the size of the paper, was to give some examples of how to occupy that three-dimensional shape.

The final question I ask is how do we learn as a field? Are we becoming more effective in our work? How do we know? And what I suggest is that in 35 years of work in the field and at four different foundations, having been a consultant to probably another 15 or so, I can see very little evidence. I can see very little of a clear definition of what is practiced within the field. And part of that is the fact that we don’t have this theoretical basis from which we can have those discussions.

Finally I ask the question, how do we diffuse what we learn? That is one of the reasons I think the journal is so important. I would love to see it become something that every program officer reads regularly. Some of it is very scientific and academic. Then there are papers like mine that are not scientific or academic at all, but are more argumentative. Part of what I think is a break on our field is that we don’t have a commitment to systematic learning. And we have, I believe, virtually no diffusion strategy.

So having said all of that let me just close with this. I don't believe we are a profession, nor do I believe we should become a profession. I would argue that we should operate with rigor. We should operate with intelligence. We should operate with both passion and compassion. And I think the hardest of all for philanthropy, or maybe I’m just talking about me, we should operate with humility. I’ll stop there.

TERI BEHRENS: Thanks, Karl. So I’m going to primarily focus on the ‘should it be a profession’ part of this double question title for this session. And my answer to that is, maybe. And it depends, and probably, sort of somewhere in that space. So I want to explore this question
from beginning with the end in sight, as good management consultants like Bridgespan would tell us to do.

I want to begin with the question of, what is the purpose of grantmaking? What is the nature of the grantmaking that we’re doing? And before I get to that, I want to start with an analogy. Since Karl began his article with talking about the development of medical schools, I thought it would appropriate to choose the medical profession as an analogy. So when you think about medical professions, there is a range of education and experience that people need to become medical professionals. There is the Red Cross first aid certification that I got as a high schooler. How many of you had your Red Cross card? Right. Good to see that. Then there is the medical degree on the other end. The medical degree with the internship, the residency, perhaps a couple fellowships thrown in where people continue to develop very high levels of skills, very high degrees of sophistication in their ability to practice the craft of medicine, practice the science of medicine.

And in-between there is a range of skill levels. There are the emergency medical technicians. There are nurses with lots of different levels of certification for nursing. There are physician assistants. Which one of those do you want to see? Well, it depends on why you’re seeking medical help. As a weekend athlete, I often end up with sprains, bruises and other thing that occur trying to exercise when I’m over 50. What I need then is somebody who knows some basic first aid. I need the rest, ice, compression, elevation kind of strategy. I don’t need a highly skilled physician when I’m in that position.

But with more complicated medical issues, and this is not me, but a lot of us over 50 start with heart disease, diabetes and high blood pressure. You then want an expert or maybe a whole set of experts who are going to work with you to help keep all those complicated, interacting medical conditions under control so you can continue to function. You may need somebody like Dr. House. Everybody familiar with House? He really specializes in diagnosis of complex cases. That is his particular area of expertise.

So now to turn back to philanthropy and how this applies, there are different levels of need, different levels of complexity that philanthropists are addressing in their grantmaking. I’d like to suggest two important dimensions along which those issues are different. And this isn’t mine. This comes from some work out of systems theory that I was introduced to by Beverly Parsons and Michael Quinn Patton.

So one dimension is, how clear or certain is the action to be taken? Do we actually know what to do about a given situation? And the second is, how much do the stakeholders, the people who are involved in trying to solve the problem or address the issue, agree on the action to be taken? For some issues, both are high. For some issues, both are low. Then for a lot, one is high and one might be low. So high certainty, high agreement – the food kitchen needs food. Pretty straightforward. We know what to do. We provide funding to purchase food or to equip the kitchen. The hospital needs a new wing. The art museum has outgrown its space. All are pretty high agreement, high certainty kinds of grantmaking.
For others, the action needed may be very clear, but agreement on how to get there is not. So as Bill Gates has recently discovered about getting mosquito nets into remote African villages, which we need to help prevent the spread of malaria. The social complexity about how you go about getting them there, what is the right distribution system, has made that not be quite as simple as it might appear at first blush. Getting emergency assistance into New Orleans after the hurricane a few years back was another example where the need was obvious but the path was not quite so clear.

The most difficult multi-faceted issues about which neither agreement or certainty is high are the ones that a lot of foundations are now starting to tackle. Again, back to Detroit. I’m from the Ann Arbor/Detroit area. The Skillman Foundation, for example, is tackling a very ambitious neighborhood-focused strategy to help the youth in Detroit to become productive members of society.

So the issue I would submit is that there is a greater need for professionals and experts. We have grantmakers in education and grantmakers in health who have particular expertise about how to address issues within those domains. I would argue that we are in fact coming up with a set of standard skills, a set of practices, and maybe even a theory base behind some of the work that we do. We know that there are better or worse ways to organize a community to work together. And I think that is sort of a counter to the Bledstein model of professionalism as being sort of behind the ivory walls, scientific. There are a lot of strategies being developed now to really engage people in communities, and to try to identify and develop strategies to address their own issues. To me, there is a professional set of skills behind that.

There is even a theory around social movement building and a set of theories around systems change that are beginning to permeate into the field. These are starting to be shared in journals like The Foundation Review. We are seeing panels on these kinds of issues at the major conferences. At the Council on Foundations’ last conference there was a whole stream on social justice grantmaking, which included panelists talking about movement building, systems change, and really shoring up the theory base on that.

So I would argue that the wisdom that Karl is calling for is actually a highly advanced professionalism. One of the hallmarks of expert knowledge is having a broad toolkit to draw upon and being able to do what people who study such things call “pattern matching.” This is what Dr. House does. You see a pattern of circumstances, identify the underlying patterns and try to arrive at a set of strategies for dealing with it, pulling from that toolkit that you have. So as professional philanthropists become adept at pattern matching, they need that set of tools that I’ve been referring to in order to know which one to pull out in a given situation. That to me suggests a high degree of professionalization.

So is it a profession? I think it is moving in that way and I think we need to move in that way as we try to tackle some of these bigger, messier problems. I also just want to make a little note here, because I know this is a whole other set of conversations that we could have. I think you could distinguish that from strategic philanthropy. You can engage with a community using a set of tools to address what is there without going in with a grand strategy, but going in with a set of tools to try to work together with the community. As foundations do try to tackle these
increasingly complex issues, I believe that philanthropy probably should become a profession. For those philanthropists who are more focused on working in the less complex areas where there is a higher degree of certainty about what to do, not so much.

JOSEPH PALUS: Thank you for allowing me to serve on the panel. Being at the same table with my fellow panelists is quite humbling and a little terrifying. I’m here as a student of philanthropy, although my professional experience can’t help but come with me. As a student, any statements I make in support of academic approaches to philanthropy can’t help but contain some element of self-interest. I just want to note that I recognize this, but I hope I will still say some interesting things and that I’m not too irresponsible.

The article raised interesting questions for me that are kind of oblique to the direct questions that I hope are somewhat illuminating. The first, speaking of self-interest, do you need a Ph.D. in philanthropic studies to be a good program officer? The answers there are self-evident. Of course not. That is in line with your (Karl Stauber) argument. An interesting question though is whether a liberal arts education, or even a Ph.D. rooted in the liberal arts, can help in terms of the cultivation of wisdom. Can the presence of scholars with Ph.D.s in philanthropic studies enrich the practice of philanthropy? Maybe. I would argue that for the reasons I’ll discuss.

Does the existence of the degree lend weight to the assertion that philanthropy is a profession? I don't think so. I would assert that the Ph.D. program in philanthropic studies suggests that philanthropy is worthy of study. It represents an opportunity for the field to examine itself. Now that is the core of my argument. I could stop there.

So do you need a Ph.D. in philanthropic studies or in any field to be a good program officer? Talk about hubris. To get to some of the more interesting implications of that question, recognizing that the answer is pretty clear, I’d like to consider some questions from the article under review that are, I promise, related. What are the dominant ideas or concepts that define our field? You’ve asserted very recently, we don’t have schools of thought. We are process and approach-based. But that doesn’t mean we don’t maybe have unstated assumptions on certain theories.

Consider Professor Kass’s work to help readers explore the simplest but most important questions: why should I give? How should I give? To whom or for what should I give? These are all questions I would argue givers and giving institutions must answer for themselves. There are also questions about values. I recognize that. I know that that’s outside the scope of your article, but I might suggest that they are interesting questions that could inform the practice. So while no one would suggest that a Ph.D. should be a credential, let alone the credential for foundation work, the academy may have a role in helping practitioners to make productive connections with other fields.

Consider our approach at Indiana University. It’s a liberal arts based program. My training has included work in history, philosophy, organizational theory, economics and research methods. In some respects, that’s problematic, as we’ll discuss. But it has the advantage of allowing us to look at issues from a range of different perspectives and disciplines. I loved your discussion of epistemology. I love epistemology. I would agree completely with you that the scientific
approach carries the risk on focusing on what is easiest to measure, rather than what is truly valuable. To analyze a complex phenomenon can be to diminish it, to reduce it to operationalizable variables, something I’m struggling with right now in the context of my own dissertation. We talk a lot about thick descriptions in academia, meaning that we capture as many dimensions as we possibly can. But we should recognize that we can’t capture them all.

To be the object of inquiry, that can be very uncomfortable, particularly when one is told that their efforts are not significant. Wisdom cannot necessarily be taught, particularly in a program that focuses on techniques and mechanisms. But while you can’t necessarily impart wisdom in the classroom, I’d argue that the liberal arts approach might cultivate fertile ground in which received wisdom, by which I mean mentoring, can develop wisdom, by which I mean screwing up, can take root.

I make no claim that I’ve necessarily become wiser as a result of the program, although when I was a program officer, I certainly accumulated my share of developed wisdom. What does wisdom produce? Folks who are good at measuring the immeasurable, folks who are able to effectively look at a problem from a range of angles, folks who are consistently willing to apply both rigor and tenacity, all of which can lead to significant, by which I don't mean probability less than .05 results, meaningful results.

Are there many paths to wisdom? Absolutely. Is a Ph.D. rooted in the liberal arts maybe one viable path? Maybe. An interesting question about rigor: does rigor in this context mean mastery of esoteric but useful systematic knowledge? To a degree. But it also might mean a systematic understanding of the historical, philosophical, and methodological implications of a practice, a story, or a decision. Just a thought.

The Center on Philanthropy’s program, as far as I can tell, is unique in its liberal arts approach. I’d argue this broad grounding is a strength, but I’ve heard and can understand the opposing point of view in that regard – that an interdisciplinary program might suffer from its failure to commit to a discipline. However, maybe that diversity also helps us to look at a problem from a range of angles.

So can the presence of scholars with a Ph.D. in philanthropic studies rooted in the liberal arts enrich the practice of philanthropy? I think it can. I think it can contribute to the professionalism of the field. First, it offers institutionalization of a body of knowledge. Stories are important. The study of philanthropy helps us to understand and remember those stories. The best stories are about remembering and sense-making, two things that academics can be good at.

In addition, as has already been discussed, part of the value of a system of inquiry like this is to test ideas in the marketplace. And then diffusion, I’d defer to the more experienced practitioners in the room regarding diffusion strategies but I suggest that the academy may actually add value there. This assertion rests on, at least to me, the entirely reasonable assumption that the academy has a responsibility to engage the practitioner, and vice versa.

So does the existence of a Ph.D. program in philanthropic studies lend weight to the assertion that philanthropy is a profession? I’d suggest that the program itself suggests that philanthropy is
worthy of study. I’d argue that the existence of a degree represents an opportunity for the field to examine itself and some of its articulated and unarticulated assumptions. The existence of scholars with that degree might represent an opportunity to examine some of the thorny issues that have been discussed, with rigor, tenacity, and an understanding of the field’s underpinnings and assumptions.

How do we learn as a field? Here I am falling back on my professional experience. When I was a grantmaking program officer, I used certain funding approaches all day long just to make sure that my grantees understood that what I was looking for was for them to change their behavior and to be clear about how they would get there. Based on that grantmaking experience, I’d also assert, completely in line with your points, that the engine of innovation is not the academy; it’s the practitioner.

Although I would note that I see the value of modest aims as has been discussed in this forum before. I would suggest however, that those innovations compliment and are most effective in the context of a systematic inquiry. In my current job, what I do to pay the bills so I can study philanthropy, I’m working with the University of Arkansas to complete an evaluation of a program we’ve developed to help people complete their degrees. It’s a fairly simple intervention. I hate to use that medical language but it has been so far effective. The university doing the evaluation brings a rigor that I and our funders can appreciate, as well as a practical wisdom that our grantees value highly. We as funders and program developers are bringing an innovation that we hope will help individuals change their lives, along with an activity that’s rich in prospects for advancing research, in this case, asset development and education.

I recognize that the academy cannot substitute for on-the-ground relationships with colleagues, nor should it. As a program officer I had access to a network of fellow program officers and community development practitioners nationwide. I knew who knew what I needed to know, if that makes sense.

So I know I’ve asked more questions than I’ve answered. As a student, I ask. I do that. I ask a lot of questions. I answer only a few. If I’m to become a professor, maybe that’ll change. We’ll see. But again, I appreciate the opportunity to serve on the panel and ask these questions, which I hope are at least somewhat useful to our discussion.

SUSAN WOLF DITKOFF: Good afternoon. So we’ve covered, is it a profession? Should it be a profession? And these are weighty topics. But before we dive into an important deep topic, I thought it might be helpful to take a step back and set a slightly broader context. There is a passage in Deuteronomy which I find incredibly valuable at times like this. So I’ll read you part of it, which says:

Surely this teaching is not too baffling for you, nor is it beyond your reach. It is not in the heavens, that you should say, ‘Who among us can go up to the heavens and get it for us and teach it to you, that we may observe it?’ No. It is very close to you. It is in your mouths. It is in your hearts. It is as close to us as breathing. (Deuteronomy 29:11-14)
I mention this because I think we have to have these lofty ambitions about what we do and how we spend our days, especially those of us who spend it in the sector. But there is also this very common sense stream that runs strong through philanthropy that I think we ignore at our peril. So these teachings belong to everyone, not just the elite, not just people who have done a course in it. In the context of the biblical story, it was not just the generation that was freed from slavery, it was sort of everyone.

So my question is, if it’s not in the heavens then where is it? How do we find it, all of us down here? I think regardless of whether or not it’s a profession, there certainly are, at least in our observations at Bridgespan, a tremendous demand for, and a hunger for education on how to do philanthropy better. In the past two to three years I would say in particular, there has been this uptake in new philanthropists coming into the sector and asking some pretty good questions for them at their stage of development. Now they might not be interesting questions to people who have been doing this for ten years. After awhile, you get tired of hearing somebody come in and say, ‘I’m here. I’ve got $10 million dollars. I want to help. Let me start the next Morningstar for nonprofits.’ Right? And the people in the sector just sort of groan and try to sneak out of the room, because they don’t want to hear it anymore.

So there has got to be some way that we collectively take responsibility for bringing people up to speed on the issues and on the debates of the day – what has worked, what hasn’t worked, what do we have as a perspective? From where do we know something? And frankly, there is still a lot we are trying to figure out.

So if you think about it from who is the decisionmaker lens, it is such a wide variety of people. It is a high net worth individual. It is a family member. It is an advisor, a lawyer, a family office member. It is a board member or a friend of a benefactor. It is a foundation CEO. It is a program officer. And if you think about the wide variety of starting points that these people have, and trying to help them, again, at the end of the day, what we are trying to do is help them make better decisions about allocating resources, allocating time and allocating money to have the most social impact that they possibly can have. If that is the problem we are trying to solve, then I guess what is interesting to me, is what do they need to know? What do they need to know to make better decisions and learn over time?

So in our experience, it has been much more about helping prompt them. I appreciate the comments about the right questions, because questions are, in a sense, more important than answers. If you are asking the wrong question, having the right answer doesn’t actually help you very much. So how do you set the framework and ask the right questions?

For us there are a lot of points of entry, people who are doing this for the first time and people who are doing it for the tenth time. They are refreshing a strategy that they’ve been working on for awhile. They are people who have been doing one thing but realize that there are these other related issues and want to do things related to those. One way to think about it is to say, ‘What are the things that we need to do to solve a problem?’ A framework that we’ve found that resonates a lot with folks is getting clear, getting real, and getting better.
So getting clear on what success looks like. What are you trying to accomplish? What do you know? What don’t you know? Getting real about what it really takes to make change happen, and getting better over time. A seven year-old can do this at a seven year-old scale and a billionaire can do it at a billionaire scale. The point is how do we create a conversation among people at various stages who are making decisions about allocating resources in a way that brings everyone the best thinking from whatever it is they’re trying to work on?

An example, if we think about getting clear, is when you have a new philanthropist coming in. They say, ‘Well I’m not sure if philanthropy is a profession, but here is what I’m trying to do. I want to spend $5 to $10 million dollars a year to fix Detroit. I want to fix kids in Detroit.’ And we say, ‘Well, that’s terrific. It’s going to cost a lot more than that.’ Right? (Laughter.) And they’re like, ‘Oh, really? But I’m here to help.’ And you say, ‘Okay, well, that’s nice. So let’s think about that. Let’s think about getting clear about what is it that you value. Do you value nutrition? Do you value health? Do you value education? There is no piece of data or science in the world that will tell you whether you care more about providing a math tutor to a child or a breakfast to that child. I mean, they’re both important, right? There is no data that is going to help you.

That said, once you decide that you really care about math education, there is a whole lot of data that shows that there are better and worse ways to teach kids math. There are better or different learning strategies for different kinds of children at different grade levels. So I think it comes back to, at least in the getting clear phase, what do I care about? What do I value? And that is not a scientific decision and never can be and never will be, I would argue. But blend it with the data and evidence of, ‘Okay, so if that is what I care about, how can I really make a difference here?’ I think we undervalue the values piece and we undervalue the data piece. We tend to sort of conflate the two and mix them up when we’re supposed to be paying attention to each one. So that would be one observation.

The second observation about getting real is, again, it’s very nice to say that you’re here to help with your $5 million dollars to solve child poverty in Detroit. But in fact, people have been working on that issue for awhile, and they have some points of view on it. So how do you bring people along, when there aren’t market forces to tell them, ‘Wow, you really spent that money pretty badly and you didn’t get very much out of it.’ There are no voters to vote them out of office. There are no customers, none of these forces that provide that check. So what do you do?

Part of what we think a lot about is right-sizing your strategy for the problem that you’re trying to work on. The point has been made that all philanthropy is sort of fundamentally sub-scale, in the sense that nobody, not even Bill Gates, has enough money to fix anything on their own. So if it is a collaborative process, and everyone is sub-scale, then what you really need to do is think about what is the theory that you’re hoping is going to play out, then measure it over time, and ask if it’s working.

People get a little wrapped around the axle in terms of measuring whether something is working. But bottom line, there are some pretty clear things we can all agree on in some areas. Like in education, can a kid read or can’t they read? Can they do math or can’t they do math? I think where you get into broader problems is when you’re trying to create large-scale community
change and when you’re working on incredibly complex factors like global warming, where there are multiple actors and multiple issues. At the same time, we haven’t really figured out the middle. We tend to say, ‘Oh, there is so much. We can’t possibly measure it.’ Or we try to measure so many things that it is a little hard to sort of pull up and draw a story from it.

One observation on the getting better idea is that there is both art and science here. However, there is more science than we are using. So how do we look at the right indicators and figure out if our interventions are making a difference? There are many traps and in philanthropy there are very few outside-in perspectives to tell you if you are not doing a good job. So how do you create those feedback loops, given the power dynamic within foundations and with philanthropists and grantees? How do you think about nonfinancial assets? How do you think about the full range of tools that you bring to bear? So again, I think for a lot of the philanthropy that we’re talking about, which is on a larger scale, there really are better and worse ways to do things.

That said, I do think that sometimes we try to misapply. We point this massive missile and we try to kill a mouse with it. You have the idea that you want to be strategic and professional about this, which then bleeds into a lot of other decisions that it’s actually counterproductive to bleed into. If a philanthropist is writing their check to their favorite cause, and it’s a perfectly good organization, and they’re doing venture philanthropy style due diligence on it for a $20,000 dollar check, it’s like, ‘Come on. Leave them alone. Just write the check.’ I mean, they’re a good organization. You’re going to cost them more money than you’re going to even give them in the first place. So just write the check.

I guess alleviate for people the pressure of this professionalist idea that they must be professional at all times without really thinking about, so what is the cost of capital here? If we are giving somebody money, how much is it costing them? There are hours of their employees’ time that must be spent educating us about their organization. It is document requests. It is proposal writing. It is all this stuff that’s a little bit invisible to philanthropists. In their drive to be professional, they are actually causing these incredible unintended consequences, which all the grantees know about. I mean, they all snicker about it, but then they say that it is fine and that they’re happy to write your proposal for the seventh time. ‘It’s a really helpful exercise.’ ‘We love that consultant you made us work with.’

So there are some real consequences to overdoing this and doing it badly. And I guess if I had one comment, one overall takeaway, it would be something along the lines of the need for the philanthropists to discern what is the right level of intervention or professionalism in any given situation. For some of these large-scale, complicated changes, I’m all for a really rigorous approach. You’re making a $20 million dollar bet. You may as well do a $100,000 strategic plan or $300,000 dollar strategic plan to get everybody onboard because it’s a big bet. But for some of the other ones, it is like, ‘My god, leave them alone. Just leave them alone.’

I do have a funny story, and then I’ll wrap up. So right around the time of the Haiti crisis we got called by a philanthropist who said that they really wanted to respond but that they wanted to do it in a professional way. They actually used that word. So I said, “Fantastic. That’s wonderful.” And they said, “But we want to make sure we’re giving to good organizations that aren’t going
to misuse the money.” And we said, “Okay, well, that’s fine also.” Then they responded, “Well, we want to do due diligence. So can you give us sort of a due diligence toolkit to do due diligence on organizations that are working on the Haiti relief effort?” So now I’m starting to squint a little. I’m on the phone, so I’m safe. But I’m starting to squint a little. I ask them how much due diligence are they thinking about, because it is a crisis relief effort. They say that they just want to make sure that the money is going to a good cause and then they rattle off all of these questions that they want to ask. And I thought to myself that they were kind of good questions. So then I asked them about what kind of timeframe they were considering. Were they thinking about meals on the ground or about a two, three year-long investment in the rebuilding of institutions and infrastructure in Haiti? They said no and that they were thinking about crisis relief.

So I asked them to tell me about some of the organizations that they were thinking about funding and they said that they were considering the American Red Cross, the World Food Program and a few others. And I thought to myself, ‘Good God. First of all, it is a wonderful impulse that you have to give. It is a wonderful impulse that you have to make sure that your money is being well spent. At the same time, you do realize that there are people sort of starving right now. And if your goal is to alleviate the crisis, what do you hope to learn in your due diligence of the American Red Cross that is not already known or something that they can perhaps act on in the next 48 or 36 hours, whatever your timeframe is?’ And I said honestly, “Just write the check.” I mean, don’t write a check to an organization you’ve never heard of, that has no capacity, that has never done this before and that are an unknown. But that is a different conversation for a different time.

So I do think that there is professionalism, but there is also just some basic common sense that people need to think about. What is the cost of capital that I am imposing on my grantees? How do I treat them respectfully? How do I learn from what other people have done so I don’t make those mistakes again? How do I get clear on what I’m trying to accomplish? How do I right-size? Is this a plausible theory that somebody, if they looked at it, would say, ‘Yes, with $5 million dollars you can fix child poverty in Detroit?’ How do I institutionalize a few metrics that don’t measure everything but kind of tell me if this thing is working, and allow me to make better decisions over time? So I think that there is more rigor that we can add to this. But, you know, man, we have a long way to go if this is a profession. So thank you very much. (Applause.)

WILLIAM SCHAMBRA: Thank you all for your presentations. I think we have a terrific basis for our conversation. And I’m going to put Amy Kass on notice. She’s going to have to ask a question since this is right up her alley.

I will now introduce the general topic that I’d like to hear from you about. Values versus data, that’s an interesting dichotomy. As I understand it, the point of professionalizing something is precisely to move from mere values, as the implicit description typically goes, to scientific objectives and hardcore facts. That we need to get beyond Joe’s immersion in philosophy and history and all those pleasant liberal arts things that teach wisdom, right? I mean, that’s great. That’s terrific. That’s a liberal education in the classical sense. But boy, that’s not what we mean when we talk about professionalizing something.
Let me give you an example. Going to Susan’s (Ditkoff) point about needing them to just write the check. You would think that when a food bank is seeking money to meet an immediate crisis they would be met with the response of someone just writing them a check. But as it turns out, this is an example that appears in Paul Brest’s book on strategic philanthropy\(^2\). And I’ve had this argument with him before, so I’m not talking behind his back. The example of course is a food bank comes to the foundation and says, ‘We’re facing an unprecedented demand this winter. Can you help us out?’ And instead of writing the check, the foundation says, ‘Well, what is the source of this demand? Why do you face this? Go back and find out what it is that is causing it.’ So the food bank goes back, does a survey of its clients and discovers that food demand is up because a lot of folks are unemployed and because of the flu season. So how can we overcome this? The foundation says, ‘Well, let’s address the root cause of this problem. Let’s figure out what is causing flu and how we can avert it. How much would it cost for us to have bilingual community visitor to go out and knock on doors in this Hispanic neighborhood that we’re talking about and acquaint them with various anti-flu measures. So let’s price this out.’

You can imagine how this works, right? Four winters later they’ve concluded that it is actually cost inefficient to send community workers out to knock on doors about the flu. It would have been cheaper for the foundation to simply write the check to the food bank. But in that story, I think, is embedded the essence of professionalism, the essence of professionalizing, which is to somehow get this whole field on a much more statistical, immediate and empirical basis. Or am I wrong about that?

TERI BEHRENS: You’re wrong. (Laughter.) No, I think that is a false dichotomy, that it is values versus data. I think it is values and data. So in that example there might be some philanthropist whose values are rooted in long-term causes and really wanting to get at the underlying issues. They are really trying to get at whatever it is that is causing the problem because that’s based on their values. Somebody else’s value might be to provide that immediate food. So I don’t think that professionalizing necessarily means picking one or the other.

WILLIAM SCHAMBRA: Karl? You say in your essay that you sort of started off in the scientific vein, and you’ve come around to this other position. So you must have reflected on this in particular --

KARL STAUBER: Yes. In some ways it gets back to what several people on the panel said. What is it that we are trying to accomplish? There are times when data is extremely valuable. There are times when, in my opinion, data is a barrier. I worry a lot about the myth of certainty and the holy grail of data. I think as a field we need to get a lot better, and maybe this is where I disagree a little bit with Teri (Behrens), but I think we need to get a lot better about being able to articulate and defend what we know. And sometimes we know it based on data and sometimes we know it based on wisdom. Ideally, we know it based on both. That’s the perfect world. But I’ve watched so many program officers who have started with the assumption that the way to understand a complex issue is by taking it apart. What I’ve learned over the years is, the way to understand a complex issue is by going and talking to people that are experiencing the complex

issue, and helping them to in fact paint their own portrait that illuminates it then for someone like me.

Like Joe (Palus), my degrees are all in cross-cutting areas. I have an undergraduate degree in American studies and a Ph.D. in public policy. And when I was an undergraduate, I studied political science. Then I came back 25 years later and tried to study political science again. Political science today doesn’t look anything like the political science that I understood as an undergraduate, because it has given into the holy grail of data, of not just observation, but of quantifiable data. So now somebody would probably, instead of asking, why was Salvador Allende’s government taken down, they’d probably do a statistical analysis of how many pots and pans the women in the street were using and what the correlation was between that and when the military took the government. (Laughter.)

TERI BEHRENS: Howard many decibels it was. That’s a key factor there. (Laughter.)

KARL STAUBER: So I think it’s not unique to philanthropy, but I really do think that part of what we need to know is, when does data help us do better work? And when does data actually stop us from doing better work? There are a lot of things we don’t know that I think if we were more rigorous and more thoughtful, we would be better at. I want us to do that and to share that. My story in here about going to five foundations and asking them, so what do you have that is ready to go, and only the Annie E. Casey Foundation both understood the question and had an answer. That’s a pretty shallow toolkit.

SUSAN WOLF DITKOFF: On the question of whether it is values or is it data, I think that it is a blend. However, it is a more thoughtful blend than we have been blending so far. We are okay with individual philanthropists having values and passions. But then we’ve somehow decided that once you become a professional staff member, you have to sublimate all of that and pretend that it is all very professional, when in fact, the data is incredibly strong to show that the number one reason that foundations change strategy is a change in leadership.

Now are all of the strategies that they used beforehand awful and everything that comes after the leadership change is great? Maybe. But my observation is that because we don’t fully appreciate that fundamentally philanthropy is personal and that you are making value judgments, we don’t value and accept and have a space to have those value-based conversations, because it’s all supposed to be very professional.

At the same time, data can tell us things, like what works? What do we know? What don’t we know? But it also can’t answer questions. The data doesn’t set you free from having to make choices. Sometimes you have to just make the call. So it’s not that it is one or the other. It’s that it’s a blend and we’re actually not particularly rigorous and thoughtful about how we use both of those in coming up with good responses.

TERI BEHRENS: I think there is a level of self-awareness there that needs to be present. There is a degree of wisdom and experience, as I said earlier, a kind of experience with pattern

---

matching, so that you know which tool to pull out. And sometimes the right tool is the checkbook. And sometimes the right tool is data. When you go walk into an emergency room, if you’re bleeding all over the place you want the doctor to stop the bleeding. If you’re going in there because you are not feeling quite right, you want the doctor to do tests and get the data to figure out what is wrong. So I think it is knowing what the right tool is for the situation. That to me is a real hallmark of an experienced professional.

WILLIAM SCHAMBRA: Joe, did you want to get in on this? Did you want to defend the liberal arts against scientific certainty here? Your program is kind of unusual at Indiana University, in the sense that it does honor the liberal arts. It does, in fact, incorporate it. Indiana University publishes Dr. Kass’s book, which is hardly a hardcore scientific text, but is in fact a collection of stories and religious tales to help people reflect on the wisdom side of philanthropy.

JOSEPH PALUS: I do think it comes back to what you said about, what is your goal in terms of actually making the grant? It comes back to, for example, your definition of philanthropy. Is it a voluntary action for the public good? Is it the giving of time, talent and treasury? Is it a social relation like Dr. Herbert says? Those things matter. And these are things that can actually be informed by a broad understanding of philanthropy from a range of disciplines. That is what I’m suggesting.

WILLIAM SCHAMBRA: Why don’t we go to the audience? Dr. Kass has had a lot of time to think of a question. You don’t have to if you don’t want to.

AMY KASS: Actually, there are many questions that suggest themselves, but let me first make a brief general comment. Afterwards, I'll raise a few pointed questions about some things that were said in passing. So, first, while I want to applaud the whole panel for your interesting remarks about a most timely and important subject, I want especially to commend and reinforce the importance of what I take to be Susan's overarching approach to matters philanthropic: Susan emphasized the just-right-mean between the wisdom-based approach and the scientific-based approach, namely, the fundamental need for good, sound, common sense. For in philanthropy, as in so many other humanly significant matters, what the circumstances call for--hence, what prudence or good common sense dictates--does seem to be all important. Sometimes outcomes are measurable, sometimes they simply aren't. And this means that the emphasis on metrics--or even extensive "due diligence"--can often be overdone; or to be more provocative, they can get in the way of doing what is most useful, helpful, and necessary, at the moment. This does not mean that one must altogether collapse the distinction between philanthropy and charity, but the dogmatic insistence on that distinction can sometimes be the enemy of the good, and this is true, regardless of whether one thinks that the way of wisdom is to be preferred to the way of science.

Now, a couple of pointed questions: First to Karl. You ended by suggesting that whatever one does or however one proceeds in philanthropy, there are certain qualities--or virtues, if you will--that are most needful, namely, rigor, compassion, intelligence, and humility. Do these qualities distinguish philanthropy from any other profession, or, for that matter, from any other humanly meaningful activity? Second question, also for Karl: Would you please elaborate on the distinction you made (and about which Teri seemed uncertain) between grantmakers and

---

4 Amy Kass, Giving Well, Doing Good (Bloomington, IN: Indiana University Press, 2007).
philanthropists? Third question, for Teri: You emphasized the importance of the "toolkits" we use but didn't specify the relation between said toolkits and the strategies that are used. I wonder, however, whether the toolkit you bring to bear in any circumstance doesn't in some important way determine—or pre-determine—the strategy? Or, in other words, are the toolkits of which you speak simply value neutral, regarding means to be used or ends to be accomplished?

Finally, to Joe: This is not so much a question as a concern. You seem to think that asking questions is a sign of your student-status. I would suggest, instead, that asking questions—good, hard questions—are as crucial in philanthropy as they are in any serious endeavor. A teacher of mine once memorably said, "If you ask fuzzy questions, you get fuzzy answers." To this wisdom, I hasten to add, if you cease asking questions, you won't get any answers worth heeding.

KARL STAUBER: Well, I was going to hire Susan to answer the first question. (Laughter.) The qualities that I identify I think are much more important than being a professional. Part of being a professional is that, yes, there is a code of ethics, but that you are always loyal to the profession. And I think it would be a mistake if, as a field, we placed loyalty to the profession over loyalty to the values and the outcomes of our individual institutions. So it fits with my basic argument that we’re not a profession and we shouldn’t become one.

Now, maybe I’m creating a false dichotomy. That is certainly possible. But going to your second question about grantmaking versus philanthropy, I have felt for a very long time that when we define ourselves by processes that we really are lowering the standard, and that philanthropy is about an outcome. It’s about changing. The way I described it was improving systems so as to benefit people. Somebody else might say, ‘So to benefit communities or environments’. But there’s this notion of systems change and there’s this notion of increasing the common good, and maybe sometimes increasing a targeted good.

Grantmaking, to me, is kind of like the difference between effectiveness and efficiency. It always amazes me when I’m in meetings with a bunch of my peers and somebody will always turn to you and say, ‘How big is your endowment?’ (Laughter.) I’ve never had another head of a foundation or a program officer when I was a program officer turn to me and say, ‘How big are your results?’ ‘What systems change have you created in your lifetime?’

At the end of our career, maybe we should all be asked, ‘So what difference did you make?’ Not about how many grants did you process? Not about how big your endowments were, but about what difference did you make? And how do you know it? Some of that is a wisdom question and some of that is a data question. I think we’re in a time when we need to protect our franchise, but our franchise given to us by the government with tax exemption. That is not about burying our heads in the sand or obscuring the conversation about, should we have a 1 percent tax or a 2 percent tax. It’s about being able to demonstrate that in fact we are making a difference.

TERI BEHRENS: So first, two quick things I want to say in response, and then I’ll answer my question. First was your talking about loyalty to the profession. I would argue that the real mark of professionalism is being loyal to the values and the science of your profession, and not to the profession, per se. The loyalty isn’t to the guild, the AMA, it is to the medical profession. It’s not
to COF (Council on Foundations); it’s to making a difference through philanthropy. In terms of your distinction between grantmaking and philanthropy, I violently agree with you on that. (Laughter.)

So I’m going to go back to the toolkit question that you posed. The distinction that I want to make is between strategy and sort of the whole concept of strategic philanthropy and all the baggage that carries with it. Strategic philanthropy has come to mean very much a very sort of insular process by which foundations descend upon a community, an object, and bring all of their knowledge to bear on solving this poor community’s issues. That has a savior kind of complex that some foundations seem to have.

Tools, on the other hand, to me are techniques that embody knowledge. Technology is something that is a way to deploy knowledge. So using the simplest level, you could use a checklist to check off aspects of school readiness. I’m just pulling this out of the air here, as something that embodies a lot of knowledge we have about what makes kids ready for school. So that’s a tool. So when you’re talking about being able to go in with a set of tools and figure out how to operate, that to me implies that you’re going in open, but having a lot of knowledge and ways to deploy that knowledge as you work with people. So that’s the distinction I would make there.

WILLIAM SCHAMBRA: Yes, Michael I think?

MICHAEL VUTEY: My name is Michael Vutey. I work with Teri (Behrens) at *The Foundation Review*. And it’s a question about criteria, maybe adding a criteria and seeing whether it makes sense to do in regards to professionalism. I’ve always heard and read that one of the definitions of a profession is that it is afforded the trust of the community to do whatever that profession does. That is one of the things that distinguishes a profession, that they are afforded trust. And this idea of trust I think is particularly interesting as a criteria when we talk about philanthropy as a profession, because trust is such an important part of the way we think about philanthropy. We call them boards of trustees, right? So there is a lot of trust already when we think about philanthropy. And I wonder if it makes sense for you to think about defining philanthropy as a profession or not based on this trust.

KARL STAUBER: I worry about two things in that. One is that I’ve heard that same component of a definition of a profession. Here’s my problem. I think we live in a time of fundamental disruption. I think it is part of the hallmark of our time. So I think it’s a nice idea but it may be an idea that made sense in 1950. We could spend so much time trying to build trust. For instance, I worked at the Department of Agriculture when Rachel Carson came out with *Silent Spring*. She and a USDA scientist went around the country and debated the use of pesticides. The USDA scientists basically said, ‘We’re scientists. Trust us’. And then he would fake drinking pesticides in the public debates. Until somebody put real pesticides in the bottle and he threw up all over the place.

So let me go to the second dimension and it’s a little bit like my epistemology dimension. I think a lot of us in this field believe that we have trust based on privilege. I’ve screwed up a lot of communities by going in thinking I knew what was best for them. I didn’t understand it this way at the time, but I was assuming that you could buy trust. And I would argue the bigger the
foundation, the bigger the problem. ‘I’m with the so-and-so Foundation, and therefore, people
ought to trust me more because my endowment is big.’ ‘I was a successful entrepreneur. I made
billions of dollars. Therefore, people ought to trust me more to be able to fix problem X in their
community.’ So I think one of the big challenges, which has nothing to do with being
professional or not being professional, is that as a field we have to understand that we have to
earn trust. We don’t get a stamp on our head that says professional. We have to earn trust in
every interaction. And I don't think we’re doing a great job with this as a field.

SUSAN WOLF DITKOFF: Just one comment on trust. Earning trust is an important idea and
we all earn trust in our lives every day. Right? You are respectful. You are competent. You are
humble. There are things that you can do. My observation of a lot of the large-scale
philanthropies, and even new philanthropy when people get very passionate about a program
area, is that they become overly focused on whatever program intervention they’re particularly
interested in. For instance, they love charter schools or they want all kids to graduate from high
school and this is their favorite way to get there. And they might read up on that and get smart on
that, which is a good first step. But they don’t pay nearly enough attention to what methods of
social change are needed to create whatever outcome it is they are trying to get at on the
programmatic side. What do I do as a philanthropist? What is my role? What relationships do I
build? What resources do I bring within that space? So I guess I would have a slight quibble with
the definition of strategic philanthropy. I think strategic philanthropy that doesn’t listen to
beneficiaries or communities is just bad strategic philanthropy. I mean, I don't think it’s…

TERI BEHRENS: I think there is a lot of bad strategic philanthropy. (Laughter.)

SUSAN WOLF DITKOFF: Yes. I’m totally fine with that. I’m not comfortable with saying that
strategic philanthropy doesn’t listen to beneficiaries. I think bad strategic philanthropy doesn’t
do that. So an analogy would be, in the for-profit world, if you had a venture capital company
who said, ‘We do the early stage biotech, we are in there with the researchers, and we understand
the compound. But I’m sorry, we have no idea how to build a salesforce, get FDA approval, take
a drug to market, or how to help you with your liquidity event, the IPO. Sorry, we don’t do that.’
Right? It doesn’t happen.

It’s sad to say, but some of it is a competence thing also, which is, do you really understand what
it takes to make change happen and what is means to do that? And if you don’t have that lens,
there is wishful thinking. You’re in there meddling with their program design. You’re suggesting
changes, and you walk out of the room and the grantees are, like, ‘What was that? I don't know
what to do with that.’ So an effective funder I think marries the program side and the operational
side in a much more thoughtful way. Because otherwise, you do run into these trust situations
where it’s like, ‘You know, let’s come in and do philanthropy to you.’ (Laughter.) And it’s a
disaster.

WILLIAM SCHAMBRA: Let me just sharpen that question a little bit. Philanthropy that pays
attention to the grantees, which I think we can all agree is a terrific thing, nonetheless doesn’t
necessarily help you get closer to something like a science of philanthropy, which requires an
ability to compare programs across a series of locations, the same kinds of programs in different
locales. Scientifically, that is how you learn. You don’t have a package of programs in early
childhood education with a whole bunch of different approaches, doing a bunch of different things in a bunch of different locations, and, you have no ability to compare the results from these programs. So necessarily, a foundation, if it is to be at all strategic and if it is to be at all able to say to the board, ‘Well we know now that this approach works and this one doesn’t’, you have to sort of push the programs into some kind of uniform system of measurement, which is why you have, do you not, the problem of grantees. If you have twelve grants from twelve different foundations, you also have twelve different ways of reporting your results, right? Because for each one of those foundations, it makes perfect sense to them to demand their own way of measuring the results. As a grantee, you can say to them that you do it this way, and the foundation can logically say, ‘Well, that’s great. But in order for us to learn as a learning organization, we have to have some uniformity in the way these results are reported.’

SUSAN WOLF DITKOFF: But there is a unit of analysis question there, right? So if you’re thinking about Bell, which is an afterschool and summer program in Boston and in other cities around the country, they have random-controlled trials. If you sit in the Bell Program for a summer, essentially you’re there for six weeks and you get X number of months. You not only prevent summer learning loss, but you actually turn it around, and you come in better than you were before. So at that level of analysis you can ask whether the kid made progress or not and then you can compare summer programs.

I think that it is harder at this level of abstraction, where you don’t really understand all of the forces at work. At least in my experience, there are then people who misapply data. They are trying to do apples to apples measurement on things that aren’t apples to apples. So I guess my thought would be, at the right level of analysis, yes, you absolutely have to scale what works, invest in that and innovate where stuff doesn’t work. But there is also that sort of meta-level where if we are, for instance, interested in workforce development, how do we think across a field of the different things? How do funders work together? How do grantees work together? How do you get the voice of the beneficiary in to create a shared understanding of what that would look like? Because it isn’t an apples to apples comparison. So I think it is more about having the right tool for the problem.

TERI BEHRENS: Yes, I would just elaborate on it a little bit if I might. So you have this program, Bell, and you’ve demonstrated through random assignment that it works. But you still have to understand how you are going to get that program implemented at any particular school system. What works in the Detroit school system might not work in the Boston school system, and vice versa. So to me, that is where bringing in systems analysis skills and the rest of the professional skills of philanthropy comes in. Even if you bump it up a level and say, ‘Okay, so we got this program that works and now we need to learn about how to implement it.’ You can’t get at science in the same way that you can with random assignment.

But there are other ways of developing knowledge than random assignment. Economists do this all the time. You don’t develop the same level of certainty that you do in some other sciences like biology, but economists develop principles. Like, if you want to stop a behavior, tax it. You can develop that level of principle, even looking at programs that are being implemented in different ways. So one principle might be, never go in and just try to ram it down their throat.
Q: I’m Terri Langston. I spent 23 years as a program officer and I must say that the way you laid out trust gave me the creeps. I would invoke Ronald Reagan and say “trust, but verify”. If you want to talk about trusting professions, look at The Wall Street Journal over the last two days about the story of the secret file that has information about how much physicians get from Medicare. There are physicians in this country using Medicare as a bank for big bucks. The courts have defended their right, or Medicare’s necessity to keep this information away from the public. So with philanthropy and everything else, there needs to be more transparency and not less in our society.

Also there is a distinction between grantmaking and philanthropy. This is the distinction and it has to do with hubris – the day a program officer starts thinking that they’re the philanthropist. Every day I reminded myself that it was not my money. The donor was dead, which is usually the best kind. (Laughter.) So it is not my money. It is someone else’s money and that is a trust that I have to fulfill. That’s the big difference.

I basically agree with Karl on almost everything else. I do thank the panel, especially Susan because it takes real courage to quote Deuteronomy in this day and time and put it well. The final thing I would say is that I believe, and this is perhaps a value judgment, but what bothered me about philanthropy and still bothers me every day about it, even when they were paying my salary, was that it is a matter of money that was made generally by people to whom the system was good, and it remains good. It tends to have, by its best efforts, and there are wonderful exceptions, but it has less understanding than it needs to have by people who are truly disadvantaged. We have a problem in the society. If you look at Harold Meyerson’s article in The Washington Post this morning, in the years 1950 to 1980, 60 to 65 percent of the wealth in this country was owned by the lower 90 percent of the income scale. We know now that that is vastly different.

We have a dearth of civic education in this country. And no matter what your political stance is, we need to understand systems of democracy. What works? We need to be in favor of transparency. Philanthropy doesn’t do that well on transparency. It needs to be more of an example in those areas. But we are in a crisis mode. The difference between the haves and the have-nots is huge. And in so far as philanthropy continues to contribute to that, and comes up with all of these evaluations, reports and data and all the stuff that it has to justify essentially the status quo, then at the end of our careers, what is the answer going to be? What answer are we going to have?

WILLIAM SCHAMBRA: Comments? Reflections? It does raise an interesting question. The highest aspiration of many foundations today is precisely to challenge the status quo, whether successfully, whether in a reasonable fashion or a fashion that really reflects the imbalance you discussed. How does that figure into this professionalism question? I mean, that seems to me to be a very large political project. I think Teri referred to the social justice track at the Council on Foundations. I attended many of those sessions and found them to be, you know…

TERI BEHRENS: Wonderful.
WILLIAM SCHAMBRA: -- wonderful and appalling, for many reasons. But this suggests a function for philanthropy that really is not a profession, but is really profoundly political, whether you agree with that or not. I suspect, Karl, you probably are more comfortable with that kind of project. I don't know about Teri or the rest of you.

KARL STAUBER: Let me just comment from this perspective. I am now a local funder. I love it when the academics call it an “embedded funder”. I’m a local funder. I work in a geography with about 120,000 people in it, which is about one and a half times the size of Rhode Island. We have lots and lots of challenges. We are a mill town without a mill. We have the second highest childhood poverty rate in the Commonwealth of Virginia. Obesity is twice the national average. I could go on with a litany that would, if it were 50 years ago, would have gotten me the free Amana on it’s A Queen For A Day, for those of us in the room that are old enough to remember that. But you know, we don’t practice, we don’t have a policy agenda. We have a practice agenda.

I work with local government every single day, whether it is the school systems, 31 percent of our kids enter kindergarten at least a year behind in readiness. We’re about to announce a major initiative that we hope in five years will take that number down to 5 percent. It’s not political in a D&R kind of sense. We co-fund local economic development projects. Does that mean we come to them value-free? Hell no. We’ve put $5 million dollars in the last year into helping to recruit businesses to our community because we have such a high unemployment rate. It’s about 22 percent. But we said to the government officials, if it doesn’t pay at least $18 dollars an hour, we’re not investing, because we want to invest in living wage jobs. And they came back with some $12 dollar an hour jobs and we told them again that we were not going to invest in those.

So I think part of this difficulty has to do with where you stand. If you stand in that great big new building in Seattle, it’s very hard to understand how this plays out. I think there are large national foundations that are better at this and worse at it. But as I talk about it in the paper, so it’s obviously the world according to Karl, but if it doesn’t get to the ground, it doesn’t matter. It doesn’t matter whether it is a federal policy or state policy or local policy or foundation practice. If it doesn’t change something on the ground, from my perspective, it doesn’t matter.

So part of the tools that you have to have in your toolkit is how you get things from concept to community level result. Now there are plenty of things where the result isn’t at the community level, but the secondary benefit. I mean, if we could change commodity payment policies in the United States for corn, soybeans and a couple of other crops, it would change how it plays out in a lot of rural communities. The action would be here. The impact would be elsewhere. But I really do think it’s a lot easier to do this work from closer to the ground than it is from the way I used to do it, which was if you had problems in a town, you went to the next town.

I have people come up to me in the Piggly Wiggly, which is our local supermarket. One Saturday I am there getting steaks to cook for dinner and this guy comes up to me and asks if I’m Karl Stauber. I’m kind of standing there going, ‘No, he just went down that way’. (Laughter.) When I said I was, he asked if he talk to me about a grant request. This is Saturday afternoon. This is “embedded philanthropy”. And I bet that doesn’t happen a lot. I know it never happened to me when I was the president of the Northwest Area Foundation in St. Paul. So how we as a field
improve our results and how we set standards for ourselves is important. But at the end of the day, how does it change things on the ground?

TERI BEHRENS: I am completely comfortable with foundations having an advocacy agenda and systems change, and even, yes, economic redistribution of wealth. Nobody has invoked Tocqueville yet, so I thought it was time to do that since this is a philanthropy conversation. Given the right of people to organize and the compelling need that people have to organize around issues that they care about, I think it’s perfectly appropriate for foundations to fund, encourage, and bring their whole toolkit to bear in helping grassroots groups do that, and try to focus on issues of wealth distribution in their community.

I wasn’t going to say this, but I will. I think it is far better to have that go through a philanthropic structure, where there is transparency since every foundation has to disclose its grants, instead of going through political action committees where we don’t have to disclose who our donors were.

WILLIAM SCHAMBRA: On this, yes...

TERI BEHRENS: Oh, he’s trying to decide whether to take that bait. (Laughter.)

WILLIAM SCHAMBRA: No, no. It’s the transparency notion that is curious to me in light of the comment Susan made about research that shows that the change in strategy in foundations is typically with the change in leadership. It’s something that we know. But it is, I think, symptomatic of the field that we keep talking about things like grand strategy as if there is some kind of developing understanding about what strategies work and what don’t, when in fact the truth of the field is that it’s a human institution, and that strategy changes as the new president comes in and wants to make a mark of their own on this institution. And it goes to this larger question about honest conversation within the sector.

It strikes me that, and Karl and I were talking a bit about this earlier, one of the things you find in professions is that you have serious and sustained disagreement among the schools of thought. One of the advantages of having schools of thought is that they criticize each other. They go at each other. It seems to me that we lack that capacity. We try to measure results and impact in a narrow, technical sense, i.e., measurable outcomes. But the larger discussion about this entire approach is crazy. We don’t have that kind of conversation. We don’t often hear negative comments about the gleaming building in Seattle, unless I misunderstood the reference. But I think we all know who that is [OVERLAPPING VOICES].

KARL STAUBER: That’s the Knights Epimetheus?

WILLIAM SCHAMBRA: Knights Epimetheus, exactly. Of course. (Laughter.)

SUSAN WOLF DITKOFF: I’m happy to take the bait if you want. So a couple things. On the absence of truth tellers there has already been so much ink spilled on it that I won’t spill any more air. But it’s there because there aren’t those checks and balances. We preserve philanthropic freedom. We love philanthropic freedom but it has consequences. We don’t live particularly well within those consequences. Right? So there is an absence of truth tellers.
I think the change in strategy with the change in leader, it will happen and we have to acknowledge it. If you believe in philanthropic freedom, you can’t stop it. At the same time, I just come back to the idea of that if you care about X, there are better and worse ways to accomplish it, which is different from saying that it is better to care about X than Y.

So I think an example would be, and I’ll disguise it to protect the innocent. I’m not sure if it’s innocent, but I’ll protect the protagonist.

WILLIAM SCHAMBRA: -- the client --

SUSAN WOLF DITKOFF: I’ll protect the protagonist. Where a new leader comes in, does a thorough review and finds a particular program area that he doesn’t care for. He just doesn’t like it. He doesn’t like the program officer. You can use all the data in the world to back up why it is or isn’t having impact. It doesn’t matter. He doesn’t like the program officer. He doesn’t like the set of investments. He doesn’t like the grantees. There is nothing wrong with them, they’re just boring. And unfortunately for this new leader, this was a place where the foundation had had a tremendous amount of impact over a sustained period of time, and this person was stuck, because they basically wanted out. They just wanted out. And they said, “Fine, just let someone else do it.”

So the question was, how do you not throw the baby out with the bathwater and say, there’s actually impact here? There are results here. Is there someone you could transition it to? Could you give it a tie-off endowment? Could you set it up as a separate organization? Is there something you can do that would sustain the results? Because actually, it is working. And just because you don’t happen to care for it doesn’t mean that all these beneficiaries should suffer. In the leader’s defense, they found an honorable way to transition the program that didn’t wreck all the progress they had made, which is a whole other topic.

TERI BEHRENS: -- exit strategy.

SUSAN WOLF DITKOFF: Yes, it’s easy to exit; it’s hard to sustain impact. But I think it goes back to the data/values blend. It goes back to, who is telling the truth to those people? And what is it that they’re using to make decisions based on, because, yes, it’s a human institution, but there are better and worse ways to do it. How can we be more rigorous in pushing ourselves? There is no one else that is going to come in and say, ‘this isn’t working.’ Excellent is self-imposed.

Q: Hi, my name is Sarah Gillespie and I work in the Office for International and Philanthropic Innovation at the Department of Housing and Urban Development. We talk about this a lot in our office. We are always saying how great it is that the philanthropic community has this ability to use rigor, evaluation methods and metrics to evaluate and choose their grantees. Because with the government, everything has to be very formula-based and this creates a lot of frustration. We do look towards the philanthropic sector to inform our practices and our decisions. So I think that as a field or a profession, whatever you want to call it, it does have an impact on other sectors
and should. So whatever rigor and professionalization you can bring to the field of philanthropy does have a positive impact.

TERI BEHRENS: Thank you. I think that is a really important point.

Q: Thank you. My name is Jacqueline Merryll and I’d like to ask about the increasingly frequent use of the language of commerce in philanthropy. I heard both Karl and Susan describe investments. Foundations say that they’re looking for return on their investment. Are they looking for an increasingly quantifiable metric that will allow them to compare the change to the amount of profit? I’m wondering what you make of this kind of language in the world of philanthropy. Does it betray a misunderstanding of the activity? Or is it a useful way of helping to increase the effectiveness of philanthropy?

KARL STAUBER: Before the experts speak, I’ll wade in. As a field, we’re always appropriating other people’s languages but it’s not unique to us. Don’t put all your eggs in one basket. You know? My background is agriculture and national resources public policy. I can give you 30 metaphors that get used every week and people don’t even realize that they come from other fields.

I remember years ago at the Northwest Area Foundation, when we were beginning a strategic philanthropy initiative. This was before strategic philanthropy was seen as a bad word, by some at least. And one of my program officers said, “I don’t like the word strategic.” And I replied, “Okay, why not?” He responded that it is a military term that comes from the strategic air command.

I would argue that on the charity philanthropy continuum that I suggested, we are struggling for language that talks about changing the system and results, as distinct from reducing suffering. I am constantly struggling for language, since I’m working in a community where the staff of the organization, including myself, are the first professionals, I just used the word, in our community in philanthropy. Everybody there before has been engaged in charity.

During my first week on the job, a guy calls me up and says, “I hear you pay hospital bills for poor people.” And I said, “Oh, that’s interesting. No, we don’t pay hospital bills for poor people.” He said, “Well, I was told you paid hospital bills for poor people, and there is a farmer out here who had a farm accident and he has huge hospital bills. You ought to pay his hospital bills.” I said, “No, that’s not the kind of work we do, but could we use that event in the community as an opportunity to have a community conversation about how we deal with the uninsured?” And his response was, “Why in the world would I be interested in that?” So we were kind of talking crossways at each other. Part of that is a language effort and part of that is an experience effort.

So I think we don’t have a grant committee, we have a community investment. We really do. We have six outcomes that we are trying to produce, all of which are measurable. We are trying to reduce the gap between blacks and whites in our community, and certain types of key health and education indicators. We are trying to increase the number of people in our community that earn a living wage income. When we make an investment, we are asking ourselves how it will help us.
move in that direction. We are trying to do that with the best toolkit possible, with the most wisdom, by listening to the community, all of those types of things. But I personally often find, by using different language, it gives us an opportunity to have a different conversation. And that’s what we’re after, is having a different conversation, rather than having the same old charity conversation. So that is why we do it and it’s pretty intentional.

Sometimes we use fairly provocative language. I’ve gotten into it with the ministers in our community who have really been challenged by some of the things that we’re doing because we’re not using biblical language. So instead of talking about a grant contract with those groups, we now talk about a grant covenant and it works for them. That’s the right conversation, rather than the wrong conversation.

SUSAN WOLF DITKOFF: Yeah, it’s almost like catnip, right? I guess what I would say is that there are places where I think that cross pollination helps, and there are places where it hurts. So places where it helps. If you’re trying to grow a nonprofit organization and you’re the head of a nonprofit organization, you’re trying to grow it from two, three, four sites to 15 sites, there is a fair amount in the literature on management, leadership and operations that is actually quite important for you to understand. There are places where importing concepts and language can help do what you need to do better. You are trying to manage teams of people and grow the scale operations. If you think about a food bank, a food bank is essentially a grocery store. There are perishables. There are non-perishables. It’s coming in and out, and stuff is on palettes moving around. So there are places where it’s really, really helpful and nobody seems to quibble about those.

I think where there are issues, and this happens on both sides, is that there are places in the nonprofit sector where there is so much jargon that it’s completely impenetrable. For instance, it’s really hard to understand what people are saying. There are plenty of people with plenty of degrees, and people without degrees and it doesn’t matter. Sometimes it’s just really hard to understand. My bias is for plain English, as you probably gathered.

I think there are places where it doesn’t necessarily help. For example, there was the whole fad around earned income for awhile. The emphasis was on making all nonprofits earn income to sustain their operations. Well first of all, there’s a really big difference between income and revenue. Revenue is dollars that come in the door. Income is what you get after you’ve factored in your costs. We’ve done some research on this and most of nonprofits don’t actually break even. They are at a loss.

So foundations came in and they were so excited about sustainability, thinking that this is nirvana and the Holy Grail. Then what happened is you have all these essentially loss-making entities that got created. It’s funny except that it’s not. I think the blanket adoption of it without being quite thoughtful about what does it actually take to run an organization, how much is it going to cost, when do I break even, and what do I do when the funder leaves – the whole concept didn’t translate. It took a lot of failed experiments before we got to the other side. I think now the good news is that people have learned from that as a field. So again, I think it’s more an issue of, where is this useful? What does it really mean? Can it improve the work? In the end, can it sustain results?
I mentioned this earlier, but we get a lot of new philanthropists who come in and have all sorts of questions. ‘Where is my Morningstar for nonprofits?’ ‘Why can’t I just sort of click on it and find the stock price?’ ‘Well then I’m going to create that.’ Well people have tried to do that already. Let’s sit down. It’s an opening for our conversation to say, ‘All right, what would that look like?’ ‘What would it mean?’ ‘What are the challenges?’ ‘What would you want to know?’ ‘How would it drive decisions?’ Then you can frame it better. We ended up essentially creating about 12 modules now that cover everything from foundation strategy to program strategy to working with grantees. Some of it is the debates of the day. Some of it is just frameworks that are helpful, illustrations of how to use them and where it can go drastically wrong despite your best intentions. So it’s six days worth of material and we present it to different folks in different scenarios. It is really built around this concept of, what translates for whom and how? It’s not business to philanthropy; it’s thinking about this as a topic. What do I need to know to make the best decisions within that?

WILLIAM SCHAMBRA: We are just about out of time. So why don’t I ask Teri and Joe, do you have any final thoughts on that question or anything else?

TERI BEHRENS: I would just agree with you. I think that analogies are useful when they serve to highlight the features that you have in common. But the whole business investment kind of metaphor or analogy with philanthropy I think has been overused. I agree with her on that. So I’m going to go back to our original question, about is philanthropy a profession and should it be? And I think we have pretty convincingly argued that it should be. (Laughter.)

WILLIAM SCHAMBRA: Which is good news for Joe, because he can continue in the program. (Laughter.)

JOSEPH PALUS: I agree with you that the names of things matter. I think as the practitioner working with organizations, that being able to get them to think a certain way and all talking about things a certain way, talking about outcomes.

WILLIAM SCHAMBRA: Very good. Let’s give our panel a round of applause. Thank you very much. (Applause.)