



GiveSmart

Starting Your Philanthropic Journey

Collaborating to accelerate social impact

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Getting serious about philanthropy is like embarking on a voyage: It is exciting to explore your beliefs and aspirations, learn from experts and practitioners, and experiment with different types of grants and organizations.

But the journey can also quickly become overwhelming. The social and environmental needs are so great that it can be hard to know where to start! What's more, the pressure to "do philanthropy really well" is higher if you're giving very large sums of money and planning to give for a long time.

Understanding *why* you want to give will help define *how* you want to give, including how personally engaged you want to be in your philanthropy.

It's important to realize that every philanthropic journey is different. You may be an experienced donor in one area while still exploring your interests in another. So it may be helpful to think of three broad stages for your philanthropy, with each stage containing a unique set of activities that will help you get the best results. We refer to these stages as exploring, experimenting and "swinging for the fences."

Stage 1: Exploring

In the early stages of your philanthropy, you likely have a wide variety of causes that you care about. That's okay; many donors start by writing checks to different types of organizations. If you want to be more strategic with your philanthropy, a good first task is to create boundaries marking what you will—and won't—try to learn more about. At this stage, you will not be developing a strategy to guide your grant making overall; rather, you'll be exploring your interests through discussions, research, and individual grants. At this point it's important to be receptive to new ideas and data, even as you get increasingly clear on your values and beliefs and the vision for your philanthropy.

You are in this stage if...

- You have committed to getting more results from your philanthropy than you have in the past and are exploring how best to do that.
- You are new to philanthropy, or you are an experienced donor exploring a new field or content area.

Questions to ask

- What people, problems, places, philosophies, or pathways do I care most about? (A pathway is defined by a belief in a particular solution or approach, for example, the power of a mentor to guide and teach youth, or the power of technology to solve health challenges.)
- What philanthropic experiences have I found to be most rewarding so far?
- What do I want to learn?
- How much of my time and resources am I willing to spend on any one particular issue?

Things to do

- Identify and discuss (with family members or associates you wish to involve) what values and beliefs will guide your philanthropy.
- Articulate a learning agenda and research the landscape, discussing your ideas with practitioners, experts and beneficiaries.
- Experiment with or pilot some initial grants supporting the ideas and causes you have identified.
- Reflect on what you are learning to prune from your experiments and fine-tune your priorities.

Your goals for this stage

- Identify your philanthropic anchors: the people, problems, places, approaches, or philosophies that you really care about—as well as a “will not pursue” list that clearly identifies what is out of scope.
- Gather facts about the anchor(s) you have chosen to inform your grant making decisions.
- Decide how much of your philanthropic portfolio you are willing to dedicate to this issue or issues.

Related Content

For more on the Exploring stage see this article.

For the Gates-Buffett Challenge to Work, It Takes More Than Money
The Chronicle of Philanthropy,
June 18, 2010

Donating money is a necessary first step in philanthropy, but it is only the first step. The real issue is having clarity on what success looks like and how money can help create change, before springing into check-writing mode.

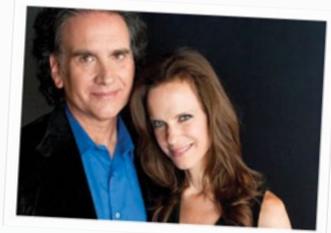
Traps

At this stage, one common trap is to get too wrapped up in trying to define the perfect approach or strategy before making any grants. At the other extreme, you risk remaining perpetually in check-writing mode, never choosing any one area to learn more about. Falling into these traps is not so much a question of making a wrong choice for your philanthropy as it is of failing to make a choice. To navigate these extremes, it can be helpful to create experiments—clusters of grants that introduce you to the beneficiaries you’re hoping to serve, great leaders, and great co-funders. Such structured pilots can help you hone your focus. In 12 to 18 months, you should have a good sense of where you’ve been able to make a difference and where you haven’t. You should also know how you can continue to learn and make better—and bigger—decisions each grant period. In the meantime, you’ll have achieved some results with your early investments.

Another pitfall is setting unrealistically high expectations—both for yourself and for grantees. As a new funder in the room, you will find yourself the subject of great interest among potential grantees (and potential co-funders for that matter). The key is to be transparent about the stage you’re in—for example, that you’re in a learning mode—so that grantees don’t count on you for long-term support before you are ready to commit to a field and before you know what it really takes to make change happen.

Example Journey: Peter and Jennifer Buffett

Peter and Jennifer Buffett’s lives were turned upside-down in 2006 when Peter’s father, Warren, decided to give each of his three children \$1 billion for their foundations. “You’d better get home,” Peter said. “We got a fax, and I think our lives just changed forever.” That fax made their philanthropy, the NoVo Foundation, one of the nation’s biggest.



Jennifer and Peter, who had started nine years earlier with a \$100,000 fund, serving poor populations in Milwaukee, began thinking on a global-scale. They dedicated two years of homework and travel to gaining clarity about their aspirations and how they would define success. What resonated for them personally? In much of the developing world, men have power and dominance, yet women and girls are saddled with holding families and communities together. As a result, the Buffetts decided to focus on helping girls gain economic power.

After getting clear on their direction, they got real about what NoVo could support and how. They understood that \$1 billion—and how much they personally knew at the outset—was tiny compared with the magnitude of problems they cared deeply about. So instead of reinventing the wheel, they chose to make grants with an experienced partner—the Nike Foundation—that already had a strong program in place.

“The need seems endless.” Jennifer said, in an interview. “I consistently say: We’d really love to be doing these five other things, but we don’t have the resources for it. So we’re constantly talking about priorities. Are we over-promising, under-delivering? What is really reasonable? What are the greatest levers? How can we get the best results?” *This Journey was excerpted from “The Buffetts Find ‘The Sound.’”*

Stage 2: Experimenting

Some individuals spend most of their philanthropic life exploring. Others, however, want to deepen their commitment to a few key areas. With some grant making experience under your belt, you may have decided on one, or a few, target areas in which to focus your philanthropy or at least delve further. Alternatively, you may simply have honed your thinking by learning what you don’t want to do again. Either way, you have sharpened your priorities. It’s likely that you also know something about the kinds of results you can realistically expect to achieve through your efforts. You may also have identified the role you are best suited to play to make change happen. For example, a goal to increase economic empowerment for poor populations may have spurred early investments in micro-lending, but through these pilots, you may have realized that basic healthcare is a bigger impediment to the people you’re trying to support.

Now is the time to put a stake in the ground about where to focus your efforts. Being explicit about your funding choices—and then having the discipline to say no to other things—is a prerequisite if you want to move from exploring to making a long-term, measureable difference.

You are in this stage if...

- You have learned about your areas of interest and explored with some grants or pilots.
- You are ready to make some choices about the role of your philanthropy, and how that role drives your funding priorities.

Questions to ask

- What areas are in and what is out going forward?
- What difference will, specifically, my personal contribution make (or what results can I imagine holding myself accountable for)?
- What resources am I willing to invest?
- How do I imagine I will work with grantees?
- What interventions seem likely to yield better results, given my resources?

Related Content

Visit one of these main sections of [GiveSmart.org](https://www.givesmart.org) for more materials on the *Experimenting stage*.

[What Is “Success” and How Can It Be Achieved?](#)

[What Am I Accountable For?](#)

Things to do

- Continue to solicit input from experts and practitioners in the field.
- Conduct due diligence on potential grantees so that you will fund organizations that are aligned with the results that you want to help achieve. (See the [Donor Decision Tool](#).)
- Transition away from any activities that you’ve placed on your “do not pursue” list. (See [“Exiting Grantee Relationships with Care.”](#))

Your goals for this stage

- Develop a strategy, or “theory of change,” for how you and other people in your field (grantees, other funders, among others) will, together, achieve the results you seek.
- Identify the specific role your philanthropy will play within that strategy, including a few targets against which you’ll hold yourself accountable.

Traps

At this stage, you are starting to define your strategy, and one critical piece of strategy is defining your goal. One trap is to become overly wedded to too many metrics. Having to report on a wide range of measures may be challenging to manage for the organizations you are supporting. Instead, work closely with your grantees to identify the few indicators that really matter, and use the data gathered to inform your decisions about how to get better.

Another trap is getting so wrapped up in a highly engineered grant selection process—complete with criteria, checklists, and all the rest—that you miss the big

picture. To avoid this, make sure you consistently ask “how does this fit into my greater objectives?” You want to ensure that your grants really do add up to your greater vision of success.

A third trap is to be overconfident and fly solo. In the quest to aim high, some philanthropists become overly optimistic about what their resources can realistically accomplish. As a result, they set unrealistic expectations for grantees, and sow the seeds for poor grantor-grantee relationships, where the grantee can feel continually overwhelmed, and the grantor continually unsatisfied. In addition, you risk missing out on great work being done by others in the field—other funders, fantastic organizations, and government programs—that you can learn from and also build off of to drive the change you collectively seek.

Example Journey: John Simon and the GreenLight Fund

John Simon, a venture capitalist, has always been interested in social action and direct service to communities in need.

Simon had experimented with different ways of driving social change—first by founding a nonprofit while doing a Rhodes Scholarship in the UK, and next by partnering to build the Steppingstone Foundation geared to bring Prep



for Prep, a strong youth development organization, to new cities. While Simon attained success with these ventures, he hit some snags along the way that he used to come up with something totally new.

Simon realized that bringing a successful nonprofit program to a new city required a significant amount of support. Simon’s experience helped him identify “the idea of a systematic idea importer.” The importer would help shoulder the huge burdens of execution by fundraising, finding leadership, and providing local insights, thereby enabling more and better replication of programs that had been shown to work. “If a city had one of those,” he hypothesized, “it could change in a quantum leap, over a period of years. And what if that organization then replicated itself across many cities? That could revolutionize the whole way that nonprofit ideas spread.”

With this germ of an idea, Simon conceived of and co-founded the GreenLight Fund to do just that in Boston. *This Journey was excerpted from “The Greenlight Fund: Proudly Not Invented Here.”*

Stage 3: Swinging for the Fences

Some philanthropists stay in the experimenting phase with the bulk of their resources. Others get frustrated with the results they're seeing, or get excited by the small-scale results they have funded, and decide to attempt larger-scale change. Such a move requires a well-defined strategy that is deeply informed by grantees and others in the field, a clear sense of what works and what is being tested, the right set of partners, and realistic assessments of your progress against the results you want to see achieved. The more you listen to grantees and the field, and use what you've learned to adjust your course, the more likely you are to achieve the change you hope to see in the world.

You are in this stage if...

- You have a well-informed and clear strategy for how you will achieve success.
- You are making grant decisions according to your strategy.
- You are assessing your progress against the results you hope to achieve.

Questions to ask

- What have I learned about what works?
- How can I use my resources to the best possible effect?
- What do my grantees and beneficiaries really think about my approach?
- How can I improve as a funder?

Things to do

- Assess what is and is not working with your grants by listening to beneficiaries, grantees and other experts in the field.
- Continue to refine your strategy, based on experience—lessons learned from your past successes and mistakes.
- Continue to fund grantees that are aligned with the results you seek; for longstanding grantees, deepen your relationships and identify additional

Related Content

Visit one of these main sections of GiveSmart.org for more materials on the *Swinging for the Fences* stage.

[What will it take to get the job done?](#)

[How do I work with grantees?](#)

[Am I getting better?](#)

supports (beyond money) they may need.

- “Evangelize”—share what you have learned with the field.

Your goals for this stage

- Demonstrate progress against the results for which you are holding yourself accountable. Perhaps you even achieve your full vision of success!

Traps

At this stage, a common trap is failing to solicit outside perspectives and help. It’s important to seek feedback about your efforts, because you are unlikely to hear bad news and receive constructive input unless you explicitly ask for it. Excellence in philanthropy must be self-imposed because philanthropy is exempt from the kinds of accountability imposed on businesses and government. There are no markets responding to your actions; there are no voters pressuring you to change your approach. How to do this well? First of all, ask! You are far more likely to gain constructive feedback from the field if you engage in direct conversations, and, in particular, if you are willing to be candid about where you have made mistakes. Second, engage deeply with your grantees to understand what they really need to succeed. It could be that there are relatively simple things you could provide that would make a big difference.

Another trap, even with a solid strategy, is knowing when to stay the course and when to adjust. It is difficult to stay on track, and resist distraction. Of course, you want to be responsive to new information and ensure you—and your strategy—are getting better over time. One way to help do this is to review your decision-making process. This process should help align with what you are trying to achieve, while also allowing you to be flexible to incorporate new information as it arises.

Example Journey: David and Lucile Packard Foundation

The experience of the David and Lucile Packard Foundation shows why it is vital to learn and adapt as you go. Packard has long supported conservation; the goal of its marine fisheries program is to improve the health of ocean ecosystems and wild fish stocks. In 1999 the foundation launched Seafood Choices, an initiative to increase the demand for and supply of sustainable seafood. Because there was little evidence to indicate which elements of this program would be most effective,

Packard experimented: It seeded the field and supported a host of organizations engaged in activities ranging from raising consumer awareness to encouraging fishermen worldwide to adopt sustainable practices.

Packard stepped back in 2004 to evaluate these early efforts. The foundation's leaders and staff listened to academics, researchers, and critical industry players, and pored over media, market, and funding reports. Among the most important findings was that sustainability was increasingly prominent globally—particularly among large seafood retailers and wholesalers—even if consumer behavior didn't yet reflect that. The finding validated Packard's efforts to influence the buying practices of large U.S. retailers. It also prompted the foundation to shift some of its resources away from costly consumer-education efforts to promoting fishery certification, where they had potential for greater results.

Three years later the foundation embarked on another round of evaluation and reflection. Once again, the findings both validated the wisdom of existing efforts and pointed to the need for course corrections. The number of fisheries that were either certified or in full assessment had increased from 13 in 2003 to 117 in 2007, and interest in sustainability was rising sharply among North American retailers. Wal-Mart, for example, gave the issue a huge push in 2006 when it announced a commitment to sourcing sustainable seafood. But as important as the role of large retailers was in creating a market for sustainable fish, it wasn't enough. The suppliers and processors that link fishermen to buyers had to be part of any change effort—which meant that Packard would have to bring in new partners and experiment with new ways of investing. *This Journey was excerpted from the Harvard Business Review article "Galvanizing Philanthropy."*

Every philanthropic journey is different, but all are wedded by the opportunity to create positive change in the world. Good luck as you embark and continue on your unique adventure.

SOURCES USED FOR THIS ARTICLE INCLUDE:

- Case studies found on [GiveSmart.org](https://www.givesmart.org)
- Susan Wolf Ditkoff and Susan Colby, "Galvanizing Philanthropy," *Harvard Business Review*, November 2009
- Thomas J. Tierney and Joel L. Fleishman, *Give Smart: Philanthropy that Gets Results*, (Public Affairs, 2011)