



What Ambitious Donors Can Learn From The Atlantic Philanthropies' Experience Making Big Bets

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Introduction

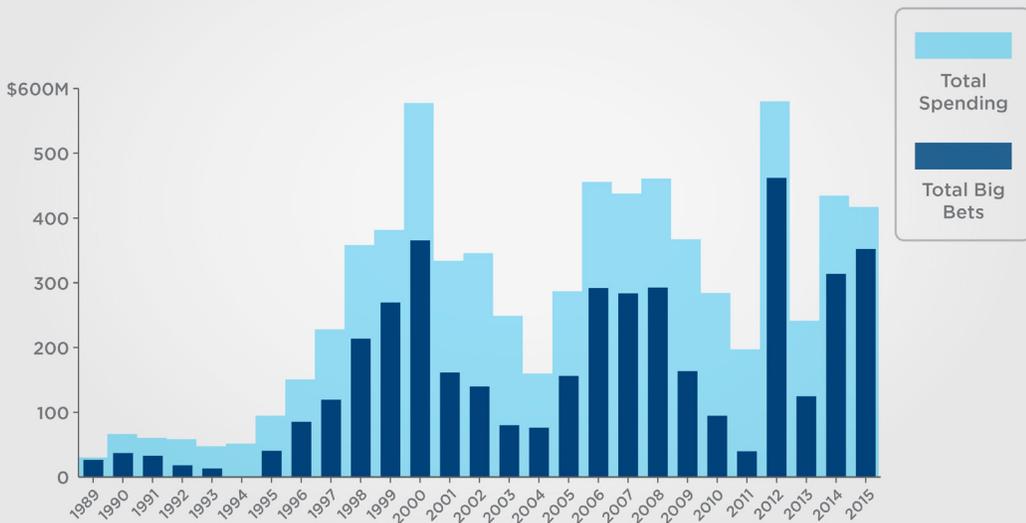
By the time The Atlantic Philanthropies closes its doors in 2020, it will have distributed more than \$8 billion—its entire endowment—to advance opportunity and lasting change for disadvantaged and vulnerable people around the globe.

Atlantic was founded in 1982 by Chuck Feeney, who made his fortune in duty-free shops. A champion of “giving while living,” Feeney has long maintained that people of wealth should use it to better the world during their lifetimes. Indeed, when the foundation closes in 2020, Atlantic will make history by becoming the largest foundation to complete its giving in the donor’s lifetime.

Atlantic characterizes its grant making as “big bets for a better world.” While a “big bets” philosophy isn’t driving Feeney’s commitment to give his money away in his lifetime, this dedication, coupled with Feeney’s desire to limit staff size, does impose pressure to make large grants. Indeed, investments of over \$10 million (the threshold for a big bet as defined by The Bridgespan Group) to a single nonprofit, or set of nonprofits focused on a shared goal, represent nearly 60 percent of Atlantic’s overall giving, with the proportion increasing in recent years.

Atlantic Philanthropies’ Big Bets From 1989-2015 by Grant Amount

The table shows Atlantic’s overall grant making (committed) and the proportion of grant making dedicated to “big bets”—on average, 57 percent of total giving by dollar between 1990 and 2015.



Note: In 2014 and 2015, 43% and 77% of big bet spending consisted of GOAL grants, respectively. Year is shown by date of commitment, not payout of grant; 1982-1988 not shown due to relatively low number of grants.
Source: Analysis of Atlantic grant making data—FluXX data generated October 19, 2015.

Such big bets can have a big impact, perhaps nowhere more so than advancing social change goals. Many donors want to make a powerful impact on a major social problem, such as homelessness, environmental degradation, or human rights. Yet our research, reported in a 2016 article in *Stanford Social Innovation Review*, found that big bets on social change are comparatively rare.¹ Between 2000 and 2012, just 20 percent of philanthropic big bets, by dollar value, went to social change causes.² The other 80 percent fell into what is best described as institutional giving—primarily to universities, hospitals, and cultural institutions when the focus was not explicitly antipoverty initiatives or underfunded diseases that disproportionately affect low-income people. While we recognize that gifts to higher education institutions often do have critical, long-term impacts on society, this definition reflects the specific aspiration gap we have recognized in our research—the areas where donors are having the most difficulty in deploying

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large gifts. (These figures do not include the Bill & Melinda Gates Foundation because its singular size would distort the results.)

Donors face significant barriers in advancing audacious social-change goals: It can be hard to find and structure such big bets, there may be few “shovel-ready” opportunities, personal relationships between donors and nonprofit leaders can take years of hard work to nurture, and the long time horizons required for change and often-murky results make it difficult to measure success. For all these reasons, big bets on social change can feel risky to donors, both because of the sheer size of the financial commitment and also because the donor is putting his or her name and reputation behind highly ambitious—and often unproven—bets.

Atlantic has made a large number of big bets—over 60 percent of its giving. Of these big bets, 30 percent have gone to Bridgespan’s definition of social change, compared to 20 percent across US philanthropy.

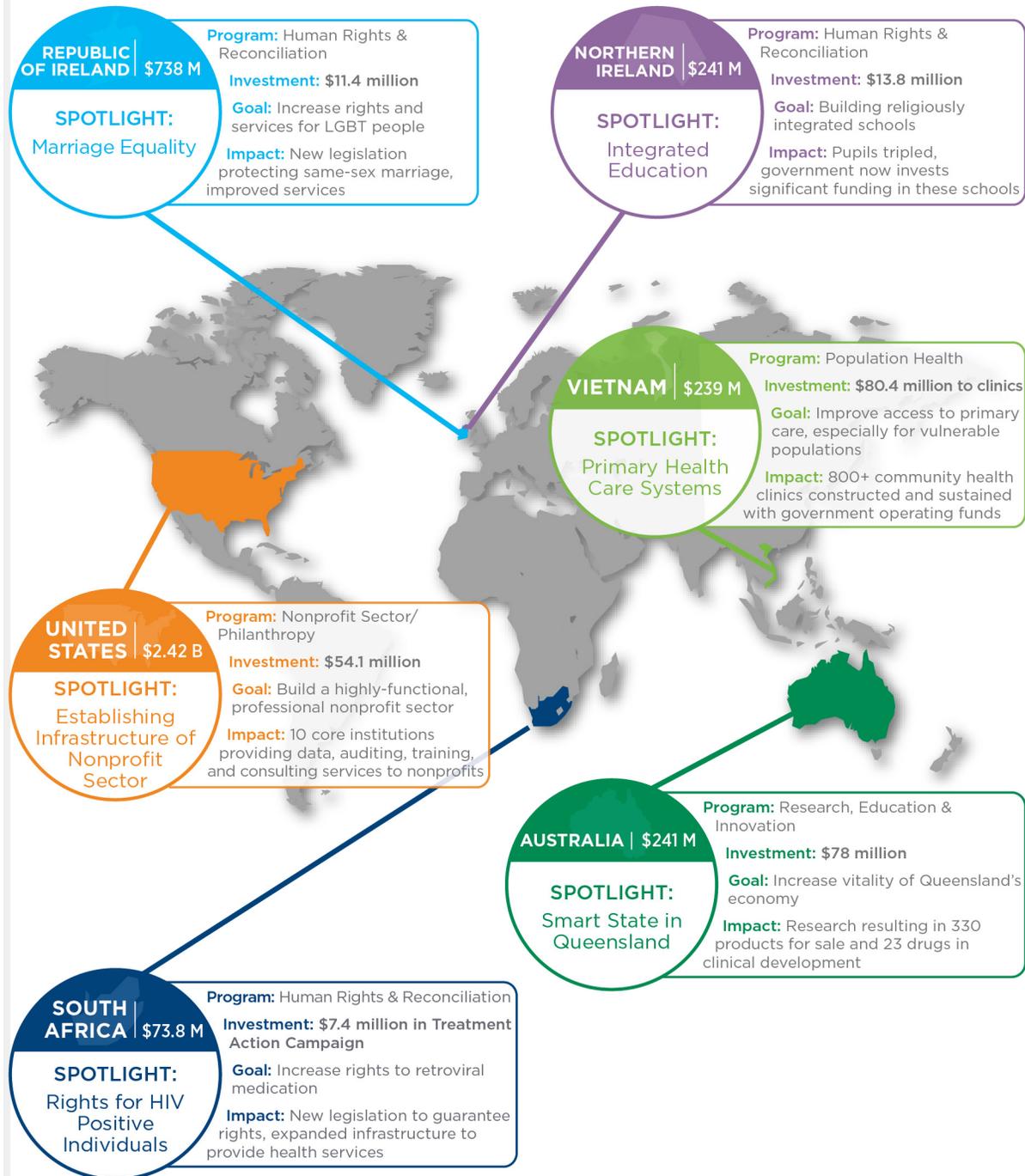
Examples of Atlantic’s social-change bets include:

- \$80 million to improve community health clinics in Vietnam,
- \$59 million to help abolish the death penalty in the United States,
- \$40 million to improve and increase evidence-based youth services in Ireland, and
- \$27 million in support of advocacy for federal affordable health care legislation in the United States.

1 William Foster, Gail Perreault, Alison Powell, and Chris Addy, “Making Big Bets for Social Change,” *Stanford Social Innovation Review*, Winter 2016.

2 We recognize that designating gifts to social change is challenging and that in reality gifts fall more along a spectrum than in a rigid “black or white” definition. Therefore, we aimed for inclusivity and opted for a broad definition of social change, including all gifts to human services, the environment, and international development, save for a small minority that, upon individual review, clearly fell outside the social change realm (e.g., amusement parks). We did not include gifts to arts institutions, higher education institutions, medical institutions, or private K-12 schools unless donors stipulated the gift for antipoverty initiatives or underfunded diseases that disproportionately affect low-income people. We included gifts to religious organizations only when the goal was human services or international development.

Atlantic Philanthropies' Big Bets Around the World



Note: The total grant amounts in this graphic reflect the sum of grants made as part of relevant big bets. These may conflict with other published numbers that include non-big bet grant making.

Atlantic's big bets have had global impact, as illustrated by these selected examples. (Giving amounts for each country represent the total grant making in big bets, not total overall grant making.)

All of these big bets—and others we look at in this report—have achieved significant results. We believe that ambitious donors interested in social change can learn something from how Atlantic developed and implemented its big bets strategy—both what worked, and some of the setbacks and challenges along the way. Chris Oechsli, Atlantic’s president and CEO, shares that view: “We hope Atlantic’s experiences show other donors how they can make ‘big bets’ of their own to make lasting impact and achieve progress toward solving many of today’s pressing social problems.”

What Are the Most Important and Useful Lessons from Atlantic’s Big Bets Strategy?

To tackle this question in a way that might be useful to other ambitious donors—whether individuals or foundation leaders—Atlantic Philanthropies asked The Bridgespan Group to review the big bets it has made over the past three decades. (Bridgespan itself received a pivotal grant from Atlantic in the early 2000s that helped us to develop our capacity in the first years after our founding).

We began by reviewing some 6,500 grants in Atlantic’s grant database and identified 150 gifts that met our definition of a big bet (\$10 million or more to a single organization or initiative—including those for social change and institutional giving).³ We then compared that list to the list of investments staff members identified as big bets. We also reviewed Atlantic’s biggest grant making efforts (top 5 percent) in each country, recognizing that while some investments may fall below the \$10 million threshold they might qualify as a big bet for their risk and relative purchasing power. Ultimately, we selected 25 of these big bets from which to learn, selecting those that yielded significant impact and had sizable scope and significance. (See the complete list in the sidebar on page 31.) We also interviewed over 30 people familiar with the work, including donors, grantees, and expert researchers, and we read the extensive set of reports associated with many grants. From this analysis, we identified four themes that ran through Atlantic’s work and were particularly evident in its most influential big bets. While these themes may also apply to Atlantic’s overall giving, the size of the resources Atlantic deployed created distinct opportunities and challenges:

- 1. Picking distinctive investment spots and funding gaps in the landscape:** Some of the most effective big bets were those that focused on a specific point of leverage for achieving the desired change, often one where large investments had not yet been made.
- 2. Supporting strong leaders and organizations, often with unrestricted or capacity-building funding:** Philanthropy has long had an interest in supporting strong leaders. But Atlantic has sometimes sought to go further—identifying one or often a group of leaders who in turn can help transform an initiative or sector, and giving them enough flexibility to use that funding to achieve such a transformation. In addition, many of Atlantic’s largest investments have been very long term and don’t depend on an organization having a clear strategy in place at the outset. Rather, some of its big bets have been to develop the organizations that will in turn come up with and implement the strategy.
- 3. Pursuing advocacy in a complex policy and legal environment—using both traditional grant funding and contributions to civic groups designated as 501(c)(4) social welfare organizations:** Some of Atlantic’s US companies set up 501(c)(4) organizations to fund direct advocacy activities. Atlantic was

³ Analysis runs from 1989 to 2015.

willing to take risks on complicated, contentious issues and use a full arsenal of grants to attempt to influence government and public will.

4. **Giving with the foundation's end in sight and sustainability in mind:** Atlantic attempted to give with a clear idea of how its own funding could be used to spur more funding down the road, knowing it would not exist forever. Atlantic did not always succeed in this attempt, as several examples will show.

In addition, we identified several lessons that we will delve into further at the end of this report. In brief, Atlantic could have:

- Made even more of its big bets to social change and focused its efforts over longer time periods,
- Approached due diligence more rigorously at times,
- Been more careful in the few instances it made big bets with approaches that diverged from its typical style, and
- Made additional, complementary investments around ambitious capital grants to ensure the physical infrastructure would reach its potential.

We elaborate below on all four themes for success with one or more illustrative case studies. And we share insights from the lessons Atlantic learned as it faced numerous challenges along the way.

Theme 1: Picking distinctive investment spots and funding gaps in the landscape

Ireland's Program for Research in Third-Level Institutions (PRTL⁴)

One of the foundation's biggest bets, the Program for Research in Third-Level Institutions (PRTL), sought not only to support research—a traditional goal for big gifts—but to transform Ireland from a place whose largest export had been its own people into a leader in Europe's modern knowledge economy. Because Atlantic believed that Ireland's future prosperity depended on this ability to generate new knowledge, it sought to fill a gap in infrastructure for university research across the sciences, social sciences, and humanities.

Background: By the late 1990s, Feeney, an Irish American with deep personal and professional interests in Ireland, had been funding the infrastructure of Irish universities for a decade—a total of almost \$350 million to that point. Yet, Ireland's research and development capacity in science, business, law, and other fields still lagged behind that of other nations. It was spending far less on a per-capita basis on research than Europe as a whole. With the limited opportunity to conduct high-quality research at home, many of Ireland's best researchers were leaving to pursue their research abroad. "It would be difficult to exaggerate

4 The PRTL investment does not meet Bridgespan's definition of a social change big bet. However, we elected to profile it in this report for the lessons it provides to donors.

how bleak the Irish research landscape looked in 1996,” said Hugh Brady, former president of the University College Dublin.

The investment: Don Thornhill, then executive chair of the Higher Education Authority, had a plan to increase government funding for university research by \$10 million dollars. However, when Atlantic met with Thornhill, it pushed for a much more ambitious effort. The foundation would make an initial investment of \$125 million to jump-start Ireland’s research efforts—if the government matched it.⁵ The main gap that Atlantic sought to fill was research infrastructure. So rather than funding specific research projects, the money would build the research centers and other physical infrastructure, and invest in the human capital to allow the universities to conduct research. Another gap was students’ linkages to employment. PRTLTI would also focus on connecting research to teaching (to strengthen the skills of the next generation of Irish university students) and to potential commercial opportunities to grow jobs. A third gap was a lack of collaboration among Ireland’s universities. Given the nation’s small size, it would need to pool talent and resources across institutions. PRTLTI funded multi-institutional research that crossed traditional boundaries. Thornhill was able to push through the matching money, and PRTLTI got going.

Atlantic ultimately funded three phases of PRTLTI that have provided for approximately 1.1 million square feet of new research facilities, 46 research institutes or programs, 1,000 research positions, and 1,600 new postgraduate positions. For example, at University College Dublin (which today awards 30 percent of all Ireland’s PhDs), PRTLTI helped create institutes on biomedical research, public policy, urban issues, culture and identity, and chemical biology, as well as inter-institutional collaboration across funded universities and institutions.⁶

But there were bumps in the road, the largest being a change in political leadership that threatened the government’s matching money. When a new Irish education minister came into office, PRTLTI funding did not fit his priorities, and he suspended the government’s funding. Chuck Feeney met with Irish Prime Minister Bertie Ahern, making it clear: “If you’re not going to continue in a serious way, then we’ll pull out.” Government funding resumed within months—securing the completion of the initiative.

Results and challenges: All PRTLTI-participating universities now have modern research facilities and compete for public research grants. An independent 2011 assessment of PRTLTI’s impact found a variety of benefits including “a threefold

5 This number reflects the total of Atlantic’s giving to PRTLTI in the first year. It has been updated from previously published documents to reflect the accurate exchange rate.

6 Atlantic’s PRTLTI grants were made to the following universities and institutions: Conference of Heads of Irish Universities, Cork University Foundation, Dublin City University Educational Trust, Galway University Foundation, Irish American Partnership, Irish Universities Association, Maynooth University Foundation, Policy Research Centre, National College of Ireland, Royal College of Surgeons in Ireland, Trinity Foundation, University College Dublin Foundation Limited, and University of Limerick Foundation.

increase in the human capital research base” and commercial impacts over five years estimated to be well over \$1 billion.⁷ In 2014, the European Commission noted that Ireland has transformed itself “into one of Europe’s top innovation nations.”⁸ While Atlantic’s investment of \$176 million in PRTL I was one of the largest the foundation has made, it eventually helped leverage six times that amount in government funding. And, as mentioned, the greatest challenge Atlantic’s faced was a threatened loss of government matching support—which might have dramatically reduced PRTL I’s impact, had not Chuck Feeney intervened to get the decision reversed.

Lessons for other donors: The goal was to help Ireland create the kind of knowledge economy that could help make it economically competitive on the global stage. To achieve this goal, Atlantic identified a specific gap it could fill—infrastructure for research—as well as related gaps in collaboration across universities and the connection between research and educational and economic progress. It developed and implemented a large and long-term plan to address this gap. A second key lesson from PRTL I is Atlantic’s insistence on government funding as a condition of its own support, its willingness to go to the mat to ensure that this funding wasn’t cut, and ultimately its success in leveraging a much larger amount of government support for PRTL I than Atlantic itself had put in.



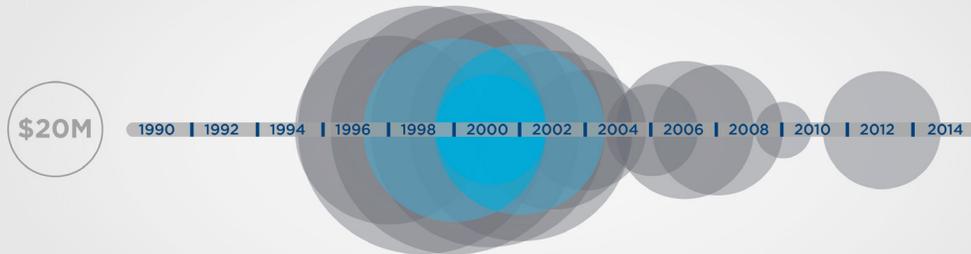
For each of the big bet examples, we have used the largest single grant (which may have been part of a larger big bet) to illustrate Atlantic’s giving to a specific grantee. We have also estimated program staff time required throughout the course of a big bet to help readers understand the relative personnel investment Atlantic found it needed.

7 *Ten Years On: Confirming Impacts from Research Investment*, PA Consulting, August 2011, http://www.heai.ie/sites/default/files/ten_years_on_-_confirming_impacts_from_research_investment_prtl_i_2000-2006.pdf.

8 European Commission (2014), http://ec.europa.eu/ireland/key-eu-policy-areas/research/index_en.htm.

Capital Grants in the Republic of Ireland

Grant Dollars



Grant Categories



Total Capital Grants
(Republic of Ireland)



Total PRTL I Grants
(Republic of Ireland)

For each of the big bets, we illustrate the context within which the bets (colored bubbles) were made. In many years, big bets constituted the majority of Atlantic's grant making, but there were many complementary investments on a smaller scale (shown in grey bubbles).

HOW ATLANTIC STAFFED TO MAKE BIG BETS

Atlantic's experience determining the right size and skills for its professional staff might prove instructive for other donors wondering about ideal staff size and delegation of roles. In our experience, we have not found a perfect ratio of grant dollars to staff size, and much depends on the task at hand and the level of donor engagement in the details of the work.

Throughout its history, Atlantic maintained a smaller staff than many other foundations with similar levels of grant making, with fluctuating levels over time. Atlantic typically employed around 60 staff, about half of whom were dedicated to programs. This is in sharp contrast with the median 157 staff among the top 15 independent foundations in the United States whose payout amounts mirror the range of Atlantic's payouts.⁹

Since Atlantic was based outside the United States, it faced no annual payout requirements aside from those established by its founder. As a result, giving levels also fluctuated more than comparable US foundations, adding further complexity to the staffing strategy. (Atlantic often paid out significantly more than what would be required of a similarly sized private foundation under US law.)

⁹ Top 15 foundations ranked by annual payout. Staffing average excludes the Bill and Melinda Gates Foundation, which is an outlier with nearly 1,000 employees, and only includes foundations for which staffing information is available.

HOW ATLANTIC STAFFED TO MAKE BIG BETS (CONTINUED)

In reviewing the big bets themselves, we often found just one or two full-time equivalent program staff responsible for any given bet, and they typically had other responsibilities as well. Staff time was heavily dedicated to due diligence prior to the grant, and afterward, to building relationships with grantees. Grant execution required a less involved role.

Atlantic took a flexible approach to how it identified the need to add staff. For example, in Vietnam, the foundation realized it needed greater fluency in the Vietnamese political, institutional, and cultural context to succeed in reforming entire primary health care systems. Atlantic eventually hired program executive Dr. Le Nhan Phuong to identify the right external partners, ensure grantees retained ownership over the work, and navigate the complex set of government relationships required to sustain the work over the long term. “The key to many of our successes was to bet as much on talented internal leaders as we did our grantees,” said Oechsli, Atlantic’s CEO.

In addition, Atlantic used three strategies to augment its capacity at various points beyond hiring:

- Investing through intermediaries (as in the death penalty work), which also gave Atlantic access to experts that it could not have otherwise hired
- Relying on consultants when more intensive work or expertise was required
- Seeking external advisors with specific skills. For example, in Ireland, Atlantic combined the real estate and deal structuring experience of Feeney and Harvey Dale with the policy expertise of key Ministry of Education allies to make its landmark investment in the Program on Research in Third-Level Institutions.

To learn more about staffing a limited-life foundation, particularly about how Atlantic thinks about closing its doors, see Oechsli and David LaPiana’s Fall 2014 article in *Stanford Social Innovation Review*, “A Good Ending.”

Theme 2: Supporting organizations and strong leaders, often with unrestricted or capacity-building funding

Example 1: Investing in nonprofit sector infrastructure in the United States

Seeking to build a stronger and more professional nonprofit sector in the United States, Atlantic identified a group of leaders who could launch or build organizations and initiatives to serve and strengthen the sector. It made large, long-term investments in these leaders and their organizations, typically with unrestricted or lightly restricted funds. It trusted that these leaders shared Atlantic’s vision for the sector and would make the right decisions about how to use the funding. [Disclosure: Bridgespan was a recipient of one of these bets]

Background: In the late 1980s and early 1990s, a stream of media stories described wrongdoings of US nonprofits, using words and phrases such as “crooked,” “fiasco,” and “preyed on public trust.”¹⁰ Even though the majority of nonprofits did great work for deserving people, there was little to no information available to back up that claim. The nonprofit sector, comprising over 5 percent of the US economy and 10 percent of its workforce, faced a crisis of public confidence.¹¹ Atlantic identified three nonprofit sector needs: (1) access to solid data and credible research; (2) better guidance and knowledge to improve practice; and (3) educational institutions (particularly business schools) with capacity to train leaders.

The investment: No single organization could address these needs, so Atlantic invested \$54 million in big bets (and \$200 million total) in nonprofit sector infrastructure. It focused on identifying a set of leaders who could influence the sector. Joel Fleishman, president of Atlantic’s US program staff¹² from 1993 to 2003, has said that “Atlantic’s successes were determined largely by the fact that there were leaders who wanted to do [the work we were interested in], shared the vision of doing it, and devoted themselves fully to it.”

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JOEL FLEISHMAN, FORMER PRESIDENT,
ATLANTIC PHILANTHROPY US PROGRAM STAFF

Atlantic invested in three main areas:

1. **Access to solid data and credible research.** How many nonprofits are there? How are they financed? How is their funding changing over time? These and many other fairly basic questions about the nonprofit sector used to be hard, or impossible, to answer. In 2001, Atlantic made a \$10 million grant to the Urban Institute to expand Elizabeth Boris’s vision for a national data system

10 Margaret Gibelman and Sheldon Gelman, “Very Public Scandals: An Analysis of How and Why Nongovernmental Organizations Get in Trouble,” *International Journal of Voluntary and Nonprofit Organizations*, 12(1):49-66, February 2001.

11 Independent Sector, “The Sector’s Economic Impact,” https://www.independentsector.org/economic_role.

12 This entity is called the Atlantic Philanthropic Service Company.

on nonprofit organizations. With this anchor gift, Boris and the Urban Institute were able to help the National Center for Charitable Statistics create an objective picture of the sector's size and scope, based on IRS tax return data. They collected and shared data on the characteristics, activities, and practices of US nonprofits, and provided an evidence-based perspective to government, nonprofit, and philanthropic leaders.

Atlantic also aimed to improve data transparency so it would be easier to understand how specific nonprofits were raising and spending their money. In 2001, Atlantic and other funders gave GuideStar CEO and seasoned nonprofit executive Buzz Schmidt unrestricted grants of \$11.5 million (\$4.5 million from Atlantic) to make nonprofit data and analysis accessible to donors, beneficiaries, policymakers, and others. The idea was to create the type of information investors have access to in the for-profit world.¹³ Today, GuideStar makes robust financial and performance data about every IRS-registered nonprofit in the United States available online. In addition, Atlantic made significant grants to the Foundation Center to upgrade its digitization of foundation data, facilitating greater public access to such data.

2. **Better guidance and knowledge to improve practice.** One of Atlantic's largest bets on a single organization (\$14.5 million between 2000 and 2006) was to cofounders Tom Tierney and Jeff Bradach at The Bridgespan Group to dramatically increase its capacity and accelerate its growth. Tierney had recently stepped down as chief executive at Bain & Company, and Bradach had been teaching at Harvard Business School as a member of the faculty in Organizational Behavior and in the Social Enterprise Initiative. Fleishman believed that "nonprofit organizations lacked strategic consulting of the same quality as was widely available at that point to for-profit corporations." Bridgespan has now worked to help more than 600 social-change-focused organizations, leaders, movements, philanthropists, and foundations strengthen their practice. And it has been one of the leading developers of research for sector leaders. Said Tierney, "Bridgespan wouldn't exist today without the Atlantic Philanthropies."¹⁴
3. **Educational institutions to train leaders focused on social change.** To grow the pipeline of future leaders, Atlantic invested nearly \$30 million to establish or bolster a number of academic programs focusing on the social sector, including NYU School of Law's Global Public Service Law Program, Indiana University's Center on Philanthropy, Johns Hopkins' Center For Civil Society Studies, Harvard Kennedy School's Hauser Center on Nonprofits, Duke's Fuqua School Of Business' Center for the Advancement of Social Entrepreneurship, and Harvard Business School's Initiative on Social Enterprise, which have collectively trained thousands of young leaders.

13 GuideStar press release, "Foundations Collaborate to Fund GuideStar," April 4, 2002, <https://www.guidestar.org/Articles.aspx?path=/rxa/news/news-releases/2002/foundations-collaborate-to-fund-guidestar.aspx>.

14 Tom Tierney quote from this interview: http://www.philanthropynyu.com/pollIssueStory.cfm?Doc_id=243. For more on Bridgespan's early era, see http://www.bain.com/bainweb/pdfs/cms/public/hbs_cs_bridgespan_group.pdf.

Results and challenges: One of the challenges of investing in sector-wide capacity is that impact is inherently difficult to measure. The benefits are spread across many individuals and organizations, they cannot easily be quantified, and successes can rarely be attributed to a single funder. Indeed, Atlantic’s strategy to make unrestricted grants, rather than fund a specific project, makes it doubly hard to trace its impact. However, there have been several widely noted changes in the social sector over the last 15 years that appear closely linked to some of the organizations and leaders Atlantic invested in. As Jacob Harold, GuideStar’s current president and CEO, put it, the nonprofit sector is now characterized by “a strong role for technology, transparency, and flow of information.” Nonprofits have improved their management practices and ability to track their results, supported by professional services in planning and strategic thinking. Finally, the number of graduate programs in nonprofit management has risen dramatically, from 17 universities in 1990 to 97 in 2001.¹⁵

Some questions that arise from this bet include: in Atlantic’s strategy of funding a fairly large number of infrastructure organizations, did it contribute to fragmentation in the field, when fewer organizations might have been able to provide a similar array of programs and services? Also, Atlantic decided to stop funding this area by 2003 and had fully exited by 2006 with a shift in leadership. Might the strategy have had more impact if it had persisted with it?

Lessons for donors: The nonprofit sector support example is instructive to donors who desire change on broad issues without a clear entry or exit point. By identifying gaps, and betting on a set of strong leaders and *their* visions for filling the gaps, Atlantic was able to contribute to significant capacity improvements in the sector. One of the reasons Atlantic’s funding seems to have stood the test of time is the unrestricted element of its giving. “Atlantic’s unrestricted dollars bought GuideStar



“Atlantic’s unrestricted dollars bought GuideStar time to settle into its hybrid earned and contributed funding model.”

JACOB HAROLD, PRESIDENT, GUIDESTAR

15 William A. Schambra, “The Professionalization of Charity?” *Philanthropy* magazine, November/December 2003, http://www.philanthropyroundtable.org/topic/excellence_in_philanthropy/the_professionalization_of_charity.

time to settle into its hybrid earned and contributed funding model,” said Harold. “I think that’s a lesson for philanthropy: so often, organizations do not get the support they need to settle into a strong funding model.”



Example 2: Lesbian, gay, bisexual, and transgender (LGBT) rights in Ireland

One of the most common barriers to big bets for social change is a lack of “shovel-ready” investment opportunities—that is, grants where organizations or leaders are ready to put the funding to work immediately to significant effect. In 2004, when Atlantic embarked on what became a seven-year, \$8.6 million effort to strengthen LGBT rights in Ireland, the ground was far from ready. No well-developed organizations existed to lead the fight for equal rights, nor was there one clear strategy for winning. So Atlantic began its long-term involvement by funding several promising organizations to develop their strategies, and by investing in the infrastructure necessary to help them implement these strategies.

Background:¹⁶ Ireland had long been a bedrock of traditional Catholic and conservative culture. Pope Paul VI called it “the most Catholic country in the world.”¹⁷ But times were changing. Ireland decriminalized homosexuality in 1993, and in 1998 and 2000, the government passed laws barring many forms of discrimination on the basis of sexual orientation.¹⁸ ¹⁹ Additionally, as popular opinion on traditional values shifted, and as support of the Catholic Church became more tempered over time, Atlantic and rights activists saw a chance to

¹⁶ In researching potential stories to profile, we took into consideration that some investments, depending on level of risk and the local value of the dollar, could be considered big bets even if they did not meet the \$10 million threshold. With this in mind, we have chosen to profile this example.

¹⁷ Dermot Keogh, *Ireland and the Vatican: The Politics and Diplomacy of Church-State Relations 1922-1960*. (Cork, Ireland: Cork University Press, 1995), 283.

¹⁸ Amnesty International, “Republic of Ireland: Legislation Decriminalising Homosexuality,” Index number: EUR 29/005/1993 (June 1993), <https://www.amnesty.org/en/documents/eur29/005/1993/en/>.

¹⁹ Employment Equality Act 1998, Equal Status Act of 2000.

strengthen the voice of marginalized groups and intensify the push for equal rights. Atlantic made multiyear grants, funded strategic planning, and convened Irish and global rights activists to share strategies and expertise.

The investment: Atlantic invested in four small, volunteer-led organizations. “We looked for entities that seemed to have leadership and potential,” said Mary Sutton, Atlantic’s country director for Ireland. When two grantees differed on their approach to expanding LGBT equality, Atlantic was “nothing short of masterful in keeping these two organizations from open warfare,” said Tony Proscio, senior fellow at the Sanford School of Public Policy at Duke University. Atlantic understood that building a movement required multiple approaches and the flexibility to adapt along the way.

Atlantic’s investment strategy had several key elements. First, it provided long-term funding. “The possibility of Atlantic providing significant funding for five years meant we could hire very skilled people,” explained Kieran Rose, cofounder and current chair of the Gay and Lesbian Equality Network. “That was a phenomenal game

“The possibility of Atlantic providing significant funding for five years meant we could hire very skilled people...that was a game changer for somebody like myself who had been working in a volunteer capacity for many years.”

KIERNAN ROSE, COFOUNDER AND CURRENT CHAIR,
GAY AND LESBIAN EQUITY NETWORK

changer for somebody like myself who had been working in a volunteer capacity for many years.” Second, Atlantic provided planning grants to each of the four organizations to develop a strategic plan in preparation for long-term funding. From this work emerged the set of locally developed strategies and organizations prepared for implementation. Third, rather than settling on or forcing a unified strategy, Atlantic supported multiple approaches. For example, one organization focused on achieving the right to civil partnership, while another did not see this as a critical milestone. Strikingly, Atlantic viewed these multiple approaches as a strength rather than a weakness, given the highly uncertain chances for success and the lack of clear guideposts about how to achieve LGBT equality across a nation. Finally, it structured its funding to give grantees the freedom to plan and implement, to adjust their tactics along the way, and to take the time to build long-term relationships and initiatives.

Several of Atlantic’s grantees, including some who previously disagreed on their strategic goals, later banded together to form the “Yes” campaign on marriage equality, organizing a nationwide effort for a popular referendum. Atlantic did not dictate this outcome but left it to its grantees to determine. In the words of one Atlantic program executive, Atlantic sought to give organizations “the opportunity to think and act strategically.” Or, as one grantee put it, “we’ve unleashed the potential and passion the supporters of marriage equality have had. But, more than that, we have been able to channel that into political change.”²⁰ In a 2014

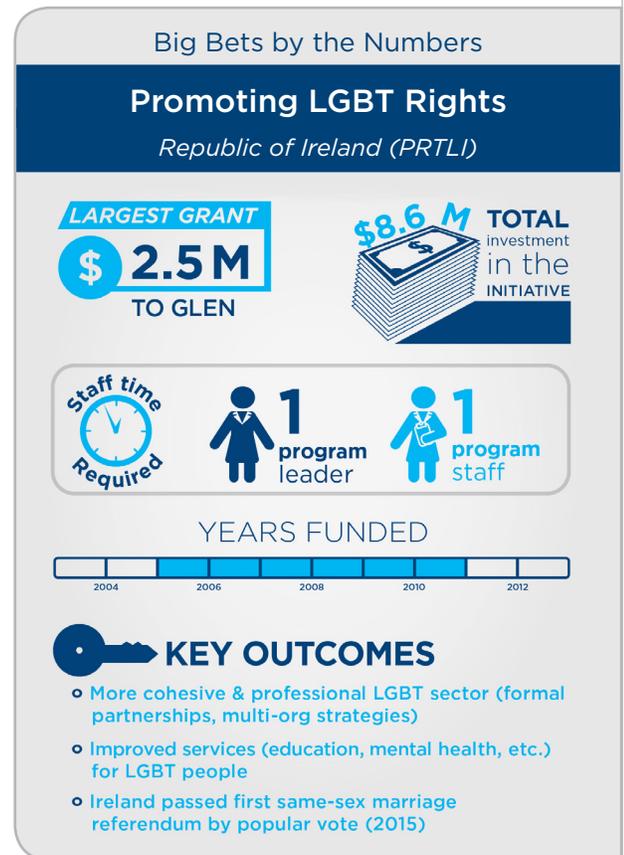
20 Atlantic Philanthropies, “The Atlantic Philanthropies in the Republic of Ireland,” Video, (July 2015), <https://www.youtube.com/watch?v=dMOvC-REYbg>.

assessment drawing from over 60 interviews of key stakeholders, Artemis Strategy Group noted that one of the key ways stakeholders characterize Atlantic’s operating style is that it “both gives unprecedented freedom to grantees and that pushes those grantees to collaborate with other organizations and governments in creative ways to realize common goals.”²¹

Results and challenges: In 2010, the president of Ireland signed the Civil Partnerships and Certain Rights of Cohabitation Act, greatly increasing the rights of gay couples, but stopping short of marriage. The Irish constitution directly “protected” marriage, necessitating a national vote to change marriage laws. In 2015, the Irish people passed the marriage equality measure with 62 percent of the vote—making Ireland the first country to legalize same sex marriage by popular vote. Interestingly, in the last weeks of the referendum campaign, referendum opponents tried to raise Atlantic’s funding

as a campaign issue—citing the influence of “foreign money,” pointing out that the key players in the campaign were all Atlantic grantees. But the critique gathered little traction, perhaps because although Atlantic had been involved for nearly a decade, its direct role in setting policy or strategy was so minimal, and the strategy for growing the equality work was so clearly locally grown and locally led.²² Furthermore, Atlantic’s funding had ended in 2011, making much of the progress since then the direct result of the efforts of the movement’s leaders. The organizations whose infrastructure Atlantic helped build remain healthy and are continuing to work together on LGBT issues, including transgender rights.

Lessons for other donors: The Irish LGBT example may be of greatest interest to donors who have a defined goal but where there is little clarity in how to accomplish it. Using an “infrastructure first” approach, Atlantic strengthened the most promising organizations and supported them in developing *their* strategies towards expanding LGBT rights. Through its long-term adaptive strategy—being very clear about the ultimate goal of LGBT rights and being flexible about the path to that goal—Atlantic was able to play a major role in



21 Artemis Strategy Group, “Atlantic Philanthropies Reputation Assessment,” May 2014.

22 Grainne Healy, Brian Sheehan, and Noel Whelan, *Ireland Says Yes: The Inside Story of How the Vote for Marriage Equality Was Won*, (Sallins, Ireland: Merrion Press, 2015).

a historic social transformation without knowing or dictating at the outset how that transformation might be achieved. This strategy is somewhat risky, as results are far from certain, and relies on a high level of trust and faith in grantees determining their own strategic goals.



Theme 3: Pursuing advocacy in a fragmented policy and legal environment—using both traditional grant funding and 501(c)(4) dollars

Campaign to abolish the death penalty in the United States

As with Atlantic’s work on LGBT rights in Ireland, its support for the campaign to abolish the death penalty in the United States has been an effort to change deeply entrenched values and policy in the face of very long odds. As in Ireland, its investments focused mainly on building an infrastructure for change. But the death penalty effort, while anchoring on a clear goal (abolition), has played out in a fragmented policy and legal environment involving the 38 states that had the death penalty in the early 2000s. This complicated context meant that many organizations and individuals had to align their actions for success, and required flexible types of funding for a broad range of advocacy efforts.

Background: The modern history of the fight to end the death penalty in the United States began in 1976 when the Supreme Court restored capital punishment after having ruled in 1972 that as then structured it was unconstitutional. In the decades following its restoration, with concerns about “law and order” widespread, the death penalty was supported by a large majority of Americans and was frequently imposed and administered. But by 2004, when Atlantic began its support of antideath penalty efforts, the situation was changing. Though 38 states had the death penalty, executions had been on the decline for five years. There were 59 executions in 2004, down from a modern peak of 98 in 1999.²³

²³ Death Penalty Information Center.

The investment: In 2004, Atlantic joined donors already active in the arena to support an effort to end the juvenile death penalty. In 2005, the Supreme Court abolished the death penalty for juveniles. This was a critical moment—because while Atlantic had been only one among a group of funders supporting the effort, and not the “first mover,” the Supreme Court decision reinforced the idea that abolishing the death penalty might ultimately be a winnable battle. “Because there was so much traction from the juvenile work,” explained Annmarie Benedict, an Atlantic program executive, “we felt that we were in a good position to pull the field together with a big bet and build on the lessons we learned as funders and advocates coming out of the juvenile work.”

While the pathway to abolition of the death penalty was not clear, the experience from the abolition of the juvenile death penalty created a blueprint for a strategy that Atlantic thought would apply: build momentum for abolition at the state level, with a Supreme Court ruling as the ultimate goal. Over the next 10 years, Atlantic invested \$59 million in the effort, much of it through an intermediary, the Proteus Fund. Unlike in Ireland, where Atlantic invested in four LGBT rights groups, the US death penalty issue was more complex in terms of jurisdictions, possible points of leverage, and the number of people, organizations, and funders already working in the field. By using a trusted intermediary, Atlantic ceded some of its control about the choices key players made and how they worked together. Atlantic staff could also rely on experts that the intermediary brought to the table. Said Benedict, “The key is finding those experts and relying on their longevity in the field.”

Initially, most of Atlantic’s funding went to develop small advocacy groups from across the country. That built the state-by-state infrastructure to address the challenge of policy fragmentation, and united lawyers, advocates, and lobbyists to coordinate the pieces. The culmination of that work was the creation of the Themis Fund and the 8th Amendment Project, which sets strategy for and manages the implementation of the national campaign.

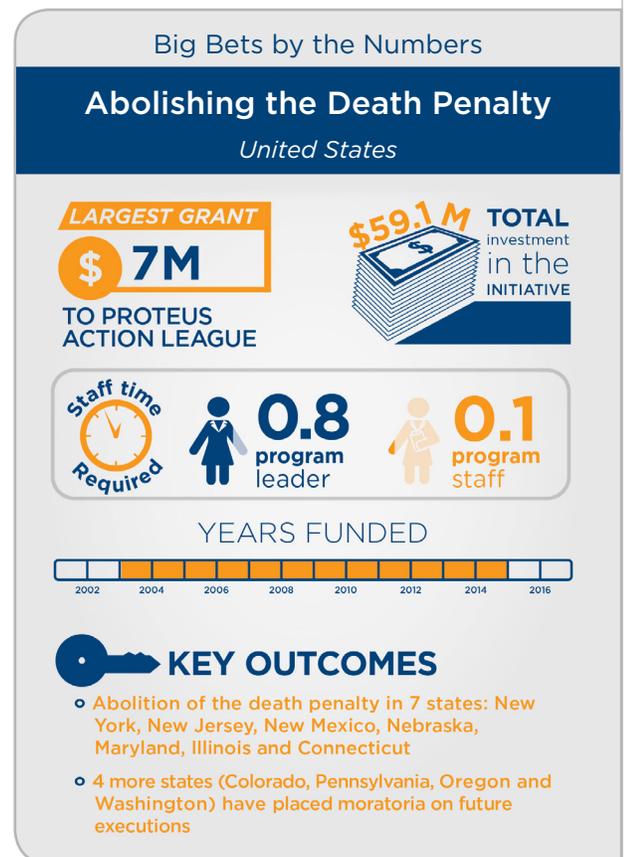
Atlantic also contributed funds for advocacy work from its Atlantic Advocacy Fund, a 501(c)(4) entity that can fund a greater range of advocacy activities than the 501(c)(3) structures most often supported by foundations. Atlantic Advocacy Fund dollars could support direct lobbying, ballot initiatives, and voter mobilization—where more traditional grant funding might be restricted to organizations focused on research, litigation, and public education.

“Since 2007, seven states have abolished the death penalty at least partially due to campaigns funded by Atlantic. Four other states have put formal or informal moratoriums on further executions.”

Results and challenges: Atlantic has made progress, though the ultimate goal has yet to be achieved. Since 2007, seven states have abolished the death penalty at least partially due to campaigns funded by Atlantic. Four other states have put formal or informal moratoriums on further executions. In 2015, states

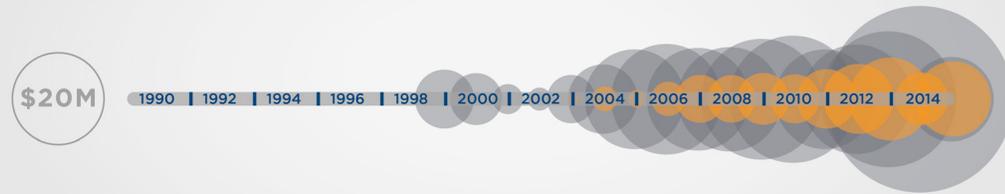
carried out the lowest number of executions (28) and new death sentences (in the mid-50s) in modern history. In some cases, Atlantic provided virtually all the funding for the advocacy work in a given campaign, and sometimes a much lower share (25 to 50 percent), but the foundation and its grantees have undoubtedly advanced the effort. Other factors have also played a role—for example, dramatically lower crime rates in many jurisdictions and highly publicized mistakes, including exonerations based on DNA evidence and botched executions. However, the death penalty campaign has so far been unsuccessful in a number of states, including Texas and Georgia, which between them executed 19 people in 2015. In other states that still have the death penalty it is by no means clear that the trend toward reduced number of sentences and executions will continue. And while advocates ultimately aim for a Supreme Court ruling abolishing the death penalty, there is no way to predict if or when this might happen.

Lessons for other donors: As with the Irish LGBT rights effort, Atlantic invested in organization-building as a pathway to changing values and policy. But because the death penalty issue plays out mainly in the states, the policy environment has been much more complicated and fragmented. The US death penalty work offers at least two lessons to donors. First, Atlantic did not go it alone. Few philanthropic funders support direct lobbying efforts, so Atlantic shouldered more than its share of that burden with its 501(c)(4) funding, which can be critical to advocacy efforts. Second, Atlantic funneled much of its funding through an intermediary. This can be especially important when multiple funders are supporting a cause, allowing for greater flexibility and speed. The intermediary also brought in a depth of legal experience that neither Atlantic (nor many other funders) had on its own staff. Such collaboration may be more complicated than going it alone. But Atlantic judged that the complexity of the death penalty effort—requiring multiple state strategies to gel into a national movement—put a premium on collaboration and flexibility.



Rights and Reconciliation: United States

Grant Dollars



Grant Categories



Total Rights & Reconciliation Grants



Total Abolishing the Death Penalty Grants

Theme 4: Giving with the foundation's end in sight and sustainability in mind

Improving Vietnam's health system

Sustaining the impact of a philanthropic investment beyond the life of that investment usually comes toward the end of the story—if it comes at all. But some donors—especially big bettors who are looking for a social change outcome that might be built to last—design sustainability in from the beginning.

While Atlantic made a broad range of investments to improve health care and public health in Vietnam, the \$80 million investment in Vietnam's provincial primary health care system provides an especially concrete illustration for how a donor might increase the odds of sustaining and even expanding impact beyond its investment horizon. In this case, the most important sustainability metrics were the degree to which clinics were playing a strong positive role in the overall health system, and whether and how the government would step in and expand what Atlantic had started. So Atlantic designed an investment strategy that brought together a range of players: national leaders and policymakers, key provincial leaders, public health specialists, and other institutions such as the school of public health, national pediatric hospital, provincial hospitals, and other parts of the health care system, as well as international partners.

Background: In Vietnam, community clinics (called Commune Health Centers, or CHCs) are the main source of health care and preventive services for poor and mainly rural communities. But in the 1990s and beyond, as Vietnam modernized and decentralized its formerly old-line Communist-style economy, with most new health investments going to private care clinics, the government-run CHCs became run-down, inadequately staffed, and poorly equipped. One international study named Vietnam “one of the most inequitable health care systems in the

world,” ranking 187th out of 191 countries.²⁴ Atlantic saw the opportunity to build upon its earlier investments in capital projects for hospitals and universities, as well as Feeney’s personal desire to contribute to Vietnam, which he felt had suffered during the war with the United States.

The investment: As opposed to a “vertical” philanthropic strategy of fighting a specific disease, Atlantic’s goal was “horizontal”—improving the overall level of health care and public health. However, success depended on cultivating support and ownership among government officials, and it required expert staff with the acumen to navigate both substance and politics. Atlantic CEO Oechsli emphasized that “this was a bet on the vision and capability of both internal and external leaders...on what Dr. Le Nhan Phuong [Atlantic’s country director] and the Vietnamese government could accomplish together.” Indeed, for this bet, Atlantic relied more extensively on its own staff than in many other of its investments.

“This was a bet on the vision and capability of both internal and external leaders...on what Dr. Le Nhan Phuong [Atlantic’s country director] and the Vietnamese government could accomplish together.”

CHRIS OECHSLI, CEO, ATLANTIC PHILANTHROPIES

To accomplish this, Atlantic banked on success breeding success. Atlantic targeted two reform-minded provinces and modeled partnerships with government officials. They then sought to reproduce those partnerships among other communities across Vietnam. In one province (Da Nang), Atlantic already had a good working relationship with local officials; in the other (Khanh Hoa) it found a health department director with a reputation for creativity and commitment to change. In the first phase, from 2004 to 2007, Atlantic put \$6.5 million into planning, reconstruction, and services in scores of CHCs in the two provinces. Another \$1 million helped modernize the information technology linking CHCs to the rest of the provincial health systems. The aim was to improve community health through an integrated program of facility improvements, more modern equipment, better staff training, and more aggressive promotion of healthy living and prevention of illness and injury. By 2007, Atlantic saw sufficiently positive results in the two provinces to expand to six more, scattered from the far south to the far north of Vietnam. True to the focus on sustainability, Atlantic was able to secure greater matching funds from both provincial and national government officials over time, with 50 percent of the funds for the final expansion and ongoing operating support from government sources.²⁵

To date, Atlantic has funded construction and renovation in more than 900 community clinics serving a population of nine million—roughly 10 percent of

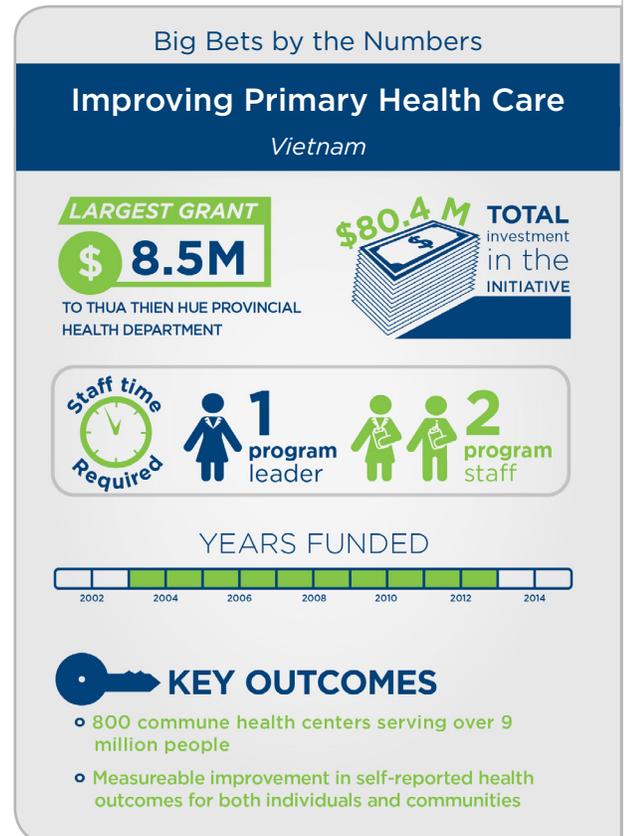
24 Tony Proscio, *First, Treat the System: The Atlantic Philanthropies’ Effort to Promote Health and Equity in Viet Nam by Investing in a Healthier, More Equitable System of Policy, Practice, and Care*, Sanford School of Public Policy, Duke University, October 2011.

25 Mary McDonnell, Van Tran, and Nina McCoy, *Atlantic’s Vietnam Population Health Programme: Leveraging Buy-In and Institutionalizing Changes*, Social Science Research Council (2012).

Vietnam’s residents. These clinics focus on low-income, typically marginalized and rural communities serving ethnic minority populations. Atlantic also made a variety of investments in other core aspects of Vietnam’s health system, including training physicians, health workers, and public health and social work professionals, and raising standards of care in areas such as reproductive health, maternal and child health, and family medicine—seeking to further its goal of developing an integrated model of health care that could produce sustained improvements in health.

“Atlantic has funded construction and renovation in more than 900 community clinics serving a population of nine million—roughly 10 percent of Vietnam’s residents.”

Results and challenges: Independent evaluations have found evidence that health outcomes have measurably improved for both individuals and whole communities after Atlantic’s investment.²⁶ A 2011 evaluation reported “more and better care, in better surroundings, and with better trained personnel, than was even imaginable before the start of the Foundation’s involvement in Viet Nam.” And validating Atlantic’s original plan, government money is flowing into the commune health projects. Initially, the matching funds came mostly from provincial governments. But in the three provinces where Atlantic has entered most recently, which are especially poor and could not contribute sufficient provincial funds, the national government earmarked its own funds to match Atlantic funding, specifically targeting the demonstration sites in which Atlantic is investing. As an independent 2011 evaluation of Atlantic’s Vietnam public health investment noted, “The financial commitment by Viet Nam’s central government reflects a degree of political and monetary endorsement that bodes well for further replication.”²⁷ Including government funds and other donors, such as the World Bank, Atlantic’s investment has secured a 2.6-fold match by other donors. However, given the scope of Atlantic’s ambition to fundamentally change how Vietnam’s health system functions, it may still be too early to know if the promising first decade of work has made the kind of far-reaching and long-lasting changes the foundation was seeking. As the 2011 evaluation report cautioned: “The pace



26 Susan Parker, *The Atlantic Philanthropies in Viet Nam—1998–2013*, The Atlantic Philanthropies, 2013.

27 Proscio, *First, Treat the System*.

of change has been so great that even many government insiders have found it hard to keep up, or even, in some cases, to discern clear logical connections linking the various reforms into a coherent whole.”

Lessons for other donors: For donors seeking to support development in emerging economies, Atlantic’s Vietnam investment demonstrates how to create initial examples of success and “buy-in” that will in turn attract matching money to sustain and expand the work. Atlantic gave a lot of thought to identifying where it would invest first and finding the right people within the government to influence change and make the case to expand the effort. And for donors seeking to dramatically strengthen an entire service system (whether in the United States or abroad), Atlantic’s carefully developed portfolio of investments—community health clinics, provider training, practice standards, technology, and a great deal more—provides a good example of a system-building strategy. As the 2011 evaluation notes, Atlantic had “found allies and directed its own resources at every level of the country’s health care system: at elite national institutions and central-government policy, at key regional hospitals and increasingly powerful provincial health departments, and most expansively, at Viet Nam’s frontline community clinics.”



Lessons for Other Donors to Consider

While we have shared many stories of high impact big bets in this report, Atlantic also experienced challenges and failures along the way. What can these challenges teach donors seeking to give big money to social change?

Atlantic could have made even more of its big bets to social change and focused its efforts over longer time periods.

Atlantic Philanthropies is “dedicated to bringing about lasting changes in the lives of disadvantaged and vulnerable people.” Atlantic’s structure as a large, limited-life foundation essentially required significant big betting. While it invested a much larger portion of its big bet dollars in social change than US philanthropy as a whole—that proportion was still just 30 percent. The rest went to health, research, and educational institutions. Could Atlantic have done more for social change given its stated mission?

Atlantic faced barriers many donors face in giving big to social change. Among the largest is that it can be difficult to find nonprofit organizations that can effectively manage and deploy a large grant. In Atlantic’s case, we observed two areas for focus that might have helped address this barrier: 1) Committing to the long time frame needed to create social change, and 2) Selectively considering endowment funding for organizations with the greatest potential.

“Among the largest [challenges] is that it can be difficult to find nonprofit organizations that can effectively manage and deploy a large grant.”

Committing to the long time frame: Getting real results on vexing challenges usually requires a decades-long commitment. Atlantic’s first CEO led the organization for nearly 20 years. After that, Atlantic changed leaders once every four to five years. With each change in leadership, Atlantic decreased its big betting temporarily. In the two years after these leadership shifts, big bets declined by 15–20 percent on average, which accompanied a change in foundation strategy. Many academics and advocates alike view cycles of social change as taking 10-plus years, meaning that Atlantic’s leadership changes may have resulted in shifting strategies too frequently for ongoing work to bear fruit. Oechsli cites Atlantic’s investment in education in Vietnam as an example. “In making a five-year investment to create a new university and strengthen libraries that served the nation’s higher education system, we may have underestimated the time this project actually required,” he said. “In comparison, our 10-year investment to improve Vietnam’s primary care system produced tangible, measurable, and lasting results.” Other observers have noted that Atlantic’s six-year support of nonprofit infrastructure within the United States could have been maintained to achieve even greater impact through longer bets. Are there ways Atlantic could have maintained a longer commitment to key issues it cared about?

Selectively using endowments: For many years, Atlantic maintained a policy against funding endowments based on its interpretation of Chuck Feeney’s

wishes. However, Atlantic’s limited-life structure and large size meant that it was often the largest funder of a given nonprofit. While all initiatives are not reliant on the success (and existence) of a specific organization to attain the objectives sought, there were a number of anchor grantees that Atlantic relied on in its work. This meant that despite Atlantic’s attempts to fund sustainably, it risked leaving organizations in the lurch when it changed strategies or phased out program areas. Selective use of endowments could prevent this and also could allow donors to fund organizations with big money in a way that won’t require them to dramatically ramp up their operations.

While endowments aren’t always the answer, could Atlantic have occasionally supported organizations for the long haul with endowments or other funds that support cash reserves? Perhaps in a nod to this

“While endowments aren’t always the answer, could Atlantic have occasionally supported organizations for the long haul with endowments or other funds that support cash reserves?”

reality, as it prepares to close its doors, Atlantic has adjusted this approach in Bermuda, where it provided the local Community Foundation with an endowment, and more recently, with its Global Opportunity and Leverage (GOAL) grants (see page 29). Atlantic is hardly unusual in limited use of endowments for social change. Bridgespan has identified that only 2 percent of the social change big bets in our database (2000–2012) are structured as endowments. Furthermore, of the top 200 endowment gifts in the Foundation Center’s online database, only 12 went to social change, suggesting an underused opportunity to deploy an endowment strategy to further Atlantic’s goals.

Atlantic could have approached due diligence more rigorously at times.

Atlantic typically emphasized strong due diligence at the early stages of an investment—what Oechsli has called “kicking the tires at the start”—rather than trying to micromanage grantees along the way. There were some instances, however, where Atlantic’s due diligence failed. For example, Atlantic frequently bet on strong leaders to take their vision to completion. But with this level of trust, betting on the *wrong* leader can be problematic. For example, in its effort to support investigative journalism and bring greater transparency to Irish public policy, Atlantic wanted to enlist investigative journalist Frank Connolly, with whom it already had a relationship, to lead a Centre for Public Inquiry. However, Atlantic was caught by surprise when Connolly was subject to an investigation by the Irish National Police, albeit for allegations that never led to a charge. This led Atlantic to withdraw its support, and since it did not have another candidate for leadership, led to the failure of the Centre. This was not the only time that Atlantic neglected to do thorough due diligence on a promising leader or associate of the foundation.²⁸

28 For example, Conor O’Clery, in his book, *The Billionaire Who Wasn’t: How Chuck Feeney Secretly Made and Gave Away a Fortune*, writes extensively about Feeney’s trust of friend Ron Clarke to advise both business and philanthropic work. Clarke, an accomplished athlete, did not have deep business nor charity experience, and the affiliation ended after a number of missteps and legal action.

Atlantic could have been more careful in the few instances it made big bets with approaches that diverged from its typical style.

While every big bet Atlantic made was a little different, the four themes we have described characterize a majority of its grants. However, we found a few examples that were outside the norm, and within these are several examples where Atlantic could have done a better job structuring grants or vetting ideas, perhaps relying more on external experts when staff had less experience in these areas.

One such example is Atlantic’s funding of an initiative to promote student learning in the United States, called Elev8. From the beginning, Atlantic knew that this was a different type of work. The initiative, a national model of “community schools” operating in a set of cities aiming to “integrate academics and related supports with services that address the health and social needs of their students”²⁹—involved intense hands-on staffing, participation in local community politics, and funding for direct services, all of which were outside Atlantic’s typical approach. Soon after the initial big bets were made, Atlantic experienced a leadership change and began modifying the strategy to be closer to its traditional approach, increasing the focus on advocacy, and decreasing the resources allocated for services. This altered expectations for grantees and forced some to rush to seek funding elsewhere—ultimately, reducing their ability to focus and eventually undermining the Atlantic’s returns on the initial investment. Today, many staff cite Elev8 as a challenging episode in Atlantic’s big betting history.

Atlantic could have made more complementary investments around ambitious capital gifts.

Capital giving is an efficient way to give away a lot of money, especially in Atlantic’s role as a limited-life foundation. It was also a personal passion of Chuck Feeney, who has said that “good buildings for good minds

“There were times when Atlantic may have focused on buildings to the exclusion of using other complementary strategies or insuring others would invest in complementary ways.”

can make a big difference in the lives of a lot of people.”³⁰ There were times when Atlantic may have focused on buildings to the exclusion of using other complementary strategies or insuring others would invest in complementary ways. For example, in Vietnam, Atlantic looked to replicate its success in developing libraries in Ireland through the creation of Learning Resource Centers at various universities. However, in Vietnam, Atlantic may have prematurely concluded that new libraries would meet the needs of residents, or that the foundation would be able to attract additional funding from other sources as it had in Ireland. Some of the buildings remain underutilized today, and as Oechsli notes, “it may take time for usage to grow. One lesson we learned is that buildings alone will not always solve problems.”

29 Atlantic Philanthropies website, accessed 8/16/2006, <http://www.atlanticphilanthropies.org/subtheme/community-schools>.

30 *Laying Foundations for Change: Capital Investments of The Atlantic Philanthropies*, The Atlantic Philanthropies, 2014.

Addressing Challenges in Its Final Chapter

As Atlantic prepares to close its doors, it is making some of its biggest bets yet while working to promote learning from these grants. In 2012, when the foundation began to finalize its plans to exit its core program areas, Atlantic set aside a separate pool of funds designed to represent the culmination of its work, with investment decisions made by a small team led by Oechsli. Calling these the Global Opportunity and Leverage (GOAL) grants, Oechsli is actively seeking to incorporate past learnings into this work. “Our culminating grants drew on lessons from past work, with an eye on using that knowledge to make our final efforts produce results that would last long into the future,” explained Oechsli. Three strategies guide his efforts: synthesizing lessons for future decision makers; building networks, human capital, and leadership pipelines for social change; and supporting institutions and people to champion Atlantic’s values and work on core issues far into the future.

Atlantic chose to create a separate fund to seek the highest possible long-term global impact while giving staff room to close out their program strategies. GOAL investments exhibit many of the four distinctive approaches outlined in this report and address some of the lessons. For example, GOAL grants focus on leaders and leadership institutions and both include long-term support.

It is too early to assess the impact of this work, but the nature of the approach reflects Atlantic’s faith in a big bets strategy as the best way to achieve lasting impact in its final chapter.

Key takeaways

Atlantic’s decades of experience making big bets has yielded payoffs that have profoundly altered the course of people’s lives across the world.

We have heard four themes that underpin Atlantic’s successes:

1. Picking distinctive investment spots, and funding gaps in the landscape, to ensure the greatest leverage for your dollars
2. Supporting strong leaders and organizations, often with unrestricted or capacity-building funding
3. Pursuing advocacy in a fragmented policy and legal environment—using both traditional grant funding and 501(c)(4) dollars
4. Giving with the end in sight, and sustainability in mind

At the same time, Atlantic encountered challenges that suggest several questions that donors can ask themselves:

- How can we dedicate a greater proportion of big bets to social change?
- How can we be consistently rigorous in our due diligence and best monitor grants once awarded?
- How can we be appropriately cautious when making big bets using approaches that diverge from our typical approach?
- When we have an approach that we generally use (such as capital projects), how can we use complementary strategies and/or insure others are complementing our work to sustain success?

ATLANTIC'S APPROACH TO WORKING WITH GOVERNMENT

Throughout its decades of work, Atlantic frequently collaborated with or sought to influence government. Here are three ways it worked with and around government:³¹

Cultivating long-term relationships with government leaders to build interest and garner financial support: In the Vietnam health clinics example, Atlantic simultaneously worked with government to spur interest, even before proving the model. This paved the way for eventual cofunding and was a critical complementary strategy. Had Atlantic not begun building support early on, it likely would not have initiated support later. The health clinic example also demonstrates the benefit of building allies within government early and sustaining interest during leadership changes.

Prototyping new approaches and alternatives to demonstrate what works: This approach worked well in the Vietnam health clinics example, as well as in Atlantic's early childhood intervention work in Ireland. In both cases, Atlantic's data development, research, and experience helped convince the government eventually to cofund Atlantic's efforts and adapt its policies. In this work, funders should be mindful that prototyping new approaches does not always work. Atlantic learned this with its investment in Elev8 (see page 28), which it ultimately stopped funding without reaching its goals.

Using strategic litigation: In a few cases, Atlantic decided to fund legal action to change interpretation of the law. Examples of this approach are the death penalty work, where Atlantic sought to lay groundwork for an eventual Supreme Court decision, Atlantic's work in South Africa to seek judicial rulings to advance health care access and human rights, and litigation in the Republic of Ireland and Northern Ireland to advance and realize the rights of marginalized people and their access to health, education, and social services. Taking this route requires a strong knowledge of legal environments and strategies as well as the boundaries of specific philanthropic structures available in different jurisdictions.

Atlantic used different strategies throughout its work, depending on the context of the challenge. Moreover, notes Leila Fiester of the Atlas Learning Project, Atlantic also "worked the inside/outside [approach, often] working with government while applying pressure from the outside and engaged in [other] forms of advocacy such as efforts to raise awareness and shape the public narrative on an issue." Atlantic also focused deeply on the first and third strategies (government relationships and litigation), which occasionally led to public scrutiny. But depending on your goals as a donor, considering all three approaches may be useful.

³¹ Chris Oechsli shared these three categories in a November 2015 interview with Bridgespan.

TOP 25 INDIVIDUAL BETS

This list of individual big bets is based on Bridgespan's review of analysis and reports, staff nominations, and significant internal interviews. We sought to learn from bets that yielded significant impact and had sizable scope and significance. Notably, there is significant representation of all themes across these examples.

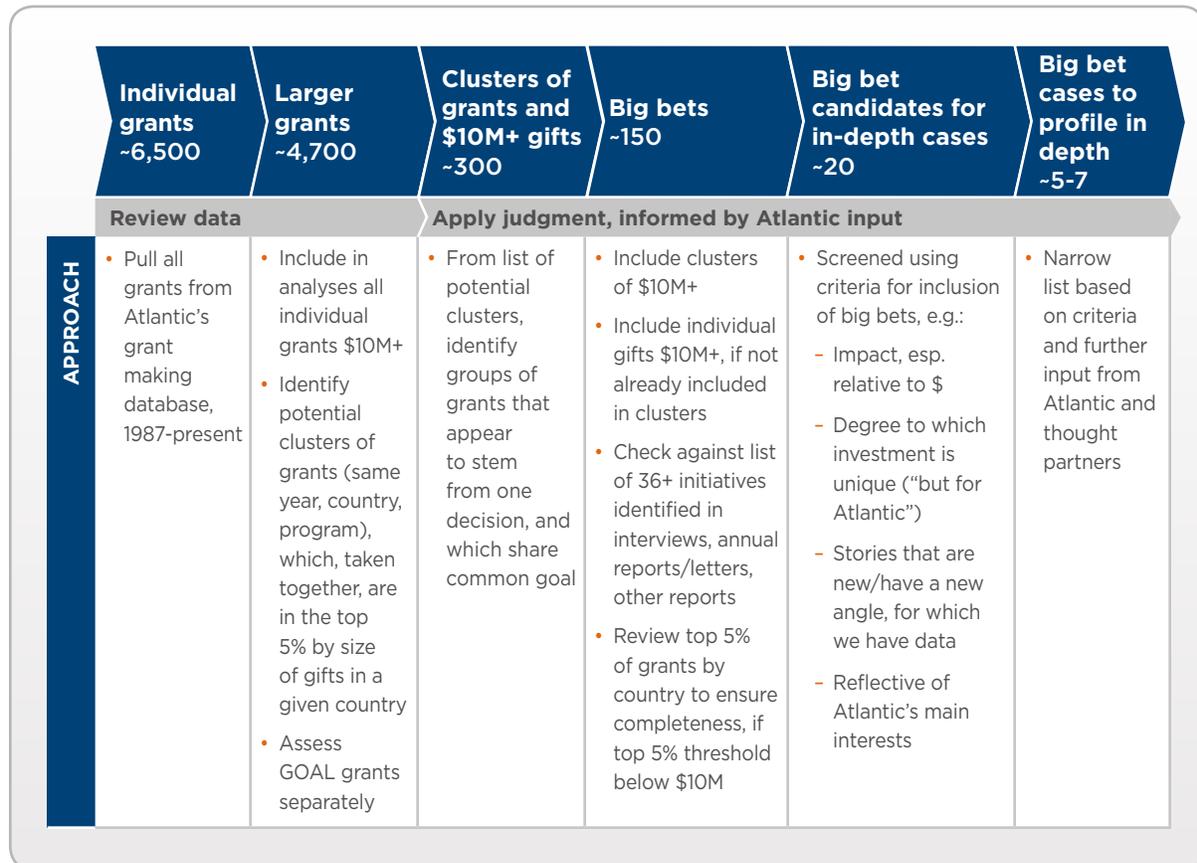
25 of the most notable Big Bets in Atlantic's portfolio, by country and theme								
Big bet grantee(s)	Bet size	Year	Associated initiative	Program area	Themes			
					Gaps	Capacity	Advocacy (C4)	Sustainability
United States (9)	\$125M	2008	UCSF	Health	■			
	\$78M	2007	Elev8/Integrated Services in Schools*	Children and youth				
	\$17M	2009	Health care reform/ACA*	Health	■	■		
	\$17M	2004	Human capital in aging	Aging	■			
	\$12M	1998	Nonprofit sector support	Nonprofit support	■	■		
	\$19M	1999	MDRC, Echoing Green, etc.					
	\$29M	2005	Out-of-school time initiatives	Children and youth			■	
	\$10M	2007	Death penalty abolition	Human rights	■		■	
	\$13M	2014	School discipline*	Human rights			■	
	\$11M	2013	Immigration reform	Human rights			■	
Republic of Ireland (4)	\$82M	1999	PRTLI	Higher education	■			
	\$26M	2013	Preventive youth services	Children and youth	■		■	
	\$44M	2006	Palliative care	Aging	■			
	\$20M	2014	Dementia and aging research	Aging	■			
	\$27M	2005	Marriage equality	Human rights	■	■		

25 of the most notable Big Bets in Atlantic's portfolio, by country and theme									
	Big bet grantee(s)	Bet size	Year	Associated initiative	Program area	Themes			
						Gaps	Capacity	Advocacy (C4)	Sustainability
South Africa (2)	Nursing Education Association, etc.	\$11M	2009	Nurse training programs*	Health		■		
	Integrated refugee rights project, etc.	\$11M	2010	Constitutional work and legal advocacy	Human rights		■		
	Treatment Action Campaign	\$5M	2006	HIV/AIDS Advocacy	Health	■	■		
Vietnam (2)	Thai Nguyen Province, etc.	\$24M	2007	Population health through clinics*	Health		■		■
	Da Nang University, etc.	\$11M	2002	Learning resource centers	Higher education	■			
N. Ireland (2)	Together 4 All, etc.	\$12M	2007	Preventive youth services	Children and youth		■		■
	Shared Education Programme	\$18M	2013	Peace building (e.g., shared education)	Human rights		■		■
Australia	Translational Research Institute, etc.	\$66M	2009	Smart state in Queensland	Higher education	■	■		
Cuba	Council on Foreign Relations, etc.	\$1M	2008	US-Cuba relations	Human rights	■	■		

Note: (*) Sum of all big bets within an initiative, not including smaller grants made before or after
Source: Analysis of Atlantic grant making data—Fluxx data generated October 19, 2015; discussion with key leaders; survey of current staff.
Please note that elsewhere in the report, we have cited numbers for clusters of bets where they share a common goal; this chart shows individual bets made in a single year. Please see page 33 for more on methodology.

Appendix

Detailed Methodology



List of Contributors

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